



SUPPORTING THE
HEALTH & WELLNESS
OF VIETNAM'S
FUTURE

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Annual
report
2023

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LIST OF ABBREVIATIONS

ADB	Asian Development Bank	IFC	International Finance Corporation
ASEAN	Association of Southeast Asian Nations	IFRS	International Financial Reporting Standards
BOD	Board of Directors	IMP	Imexpharm Corporation
BSC	Balance Score Cards	IR	Investor Relations
CAGR	Compound Annual Growth Rate	ISO	International Standard Organization
CG	Corporate Governance	KPIs	Key Performance Indicators
CTD	Common Technical Document	M&A	Merger and Acquisition
DMS	Distribution Management System	MA	Market Authorization
ERP	Enterprise Resource Planning	OECD	Organization for Economic Co-operation and Development
ESOP	Employee Stock Ownership Plan	OTC	Over the Counter
ETC	Ethical Drugs	PIC/S	Pharmaceutical Inspection Co-operation Scheme
EU	European Union	QA	Quality Assurance
FDA	The US Food and Drug Administration	QC	Quality Control
FDI	Foreign Direct Investment	R&D	Research & Development
FTA	Free Trade Agreement	SB	Supervisory Board
GDP	Gross Domestic Products	USD	US Dollar
GMP	Good Manufacturing Practices	VCCI	Vietnam Chamber of Commerce and Industry
GPP	Good Pharmacy Practices	VSD	Vietnam Securities Depository
GRI	Global Reporting Initial	WB	World Bank
ICH	International Conference on Harmonization	WHO	World Health Organization



CHAPTER 1

OUR VISION

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CHAIRMAN'S STATEMENT

Dear Shareholders, Partners, Customers, and all Imexpharm employees,

I am delighted to be introducing our annual report for 2023. In a complex year, we have again produced our best performance yet for which I am deeply grateful to our people and all Imexpharm stakeholders.

If I look at the macro environment we have faced domestically, Vietnam's post-COVID recovery has been impressive. GDP increased by 5.05%, during 2023 ¹, compared with global GDP growth of 3% ², reaffirming Vietnam's status as one of the world's fastest growing economies.

As I think about the backdrop our business will face in the future, there is great hope that Vietnam's strong growth will continue, with popular predictions ranging from 5.5% to 6.3% for economic growth in 2024 ³. This performance is expected to be supported by accelerating domestic consumption, increasing levels of trade and growth in the private sector, and further inflows of foreign investment capital. At the same time this performance will be enabled by positive government domestic policies including the Government's Five-Year Socio-Economic Development Plan for 2021-2025.

Whilst we face challenges common to pharmaceutical companies globally including supply chain disruption and rapidly changing consumer demand, at the same time, the rapid growth of a health-conscious middle class and an increasingly aging population, is accelerating the opportunity for Vietnamese pharmaceutical players. And we see a healthy CAGR of 6% for 2023-2028 ⁴, for the Vietnamese pharmaceutical industry, with the market valued at close to US\$8 billion for 2023, an increase of over 9% over the prior year.

Imexpharm is ideally positioned to take advantage of the growth opportunity ahead. Since its foundation in 1977, the company has been a pioneer in Vietnam's pharmaceutical industry, focusing on international partnerships and meeting the highest safety and quality standards. Imexpharm has built an enviable portfolio of antibiotics and has accelerated its diversification into other key treatment areas.

This year has been a landmark year for the company, in strengthening corporate governance. Successful companies must have a rigorous governance culture, and appropriate policies and procedures in place to ensure the efficient running of the business. In 2023 we decided to evolve Imexpharm's governance model, and as a part of this established an independent audit committee and increased our number of independent Board members.

This internal discipline, as the company continues its growth trajectory, will ensure we have a sustainable business model which can be scaled across new products, and new markets, to grow revenue and profitability, as Imexpharm moves toward its next half century.

Chairwoman



CHUN CHAERHAN

¹According to official data from the General Statistics Office

²International Monetary Fund data

³ 5.5% World Bank; 5.8% IMF; 6.3% Fitch

⁴ IQVIA



CEO LETTER

Despite challenging market conditions, and an increasingly competitive market, we continued to flex our business model to continue our domestic and international expansion, and at the same time diversifying our product portfolio to continue to meet the needs of our customers; whilst delivering our strongest performance since our listing in 2006.



Imexpharm's total gross revenue for the year reached 2,113 billion VND, growing 26% compared to the overall market growth rate of 8%. Net revenue reached 1,994 billion VND, increasing 21% over the same period. At the same time, pre-tax profit reached 377.3 billion VND, rising 30% year-on-year. Both revenue and profit growth were at record highs in the year.

This year was also critical in terms of expanding our capacity. With our IMP4 factory coming onstream, we now have four factory clusters operating a total of seven factories and workshops. We were also successful in re-accrediting EU-GMP for the second time at IMP2 and for the third time at IMP3.

WE CONTINUED TO MAINTAIN OUR MARKET LEADING POSITION AS A MANUFACTURER AND DISTRIBUTOR OF HIGH QUALITY ANTIBIOTICS IN VIETNAM AGAINST BOTH FOREIGN AND DOMESTIC COMPANIES.

At the same time, we took steps to further expand our portfolio into new treatment areas and wellness lines, ensuring we adapt to ever changing customer demand. To do this, we added a further eleven registration numbers for six products in Europe, including complex products such as Ampicillin/Sulbactam bringing our total number of EU Marketing Authorisations to 27 for eleven products.

Imexpharm's growth in 2023 outperformed the market in the increasingly competitive OTC channel, with OTC sales contributing 51% of revenue. Imexpharm is also well positioned within the rapidly expanding ETC channel. We are now the leading domestic pharmaceutical company for sales via this channel, becoming the number one pharmaceutical company by market share, with sales 1.8x higher than the number two domestic firm.

This impressive performance results from the fact that Imexpharm has the largest EU-GMP production capacity in Vietnam.

Our IMP1 factory cluster still accounts for the highest contribution to total revenue at 50%, with our IMP3 factory contributing 32% of total revenue driven by the manufacture of our high-value injectable drug products. Meanwhile IMP4 in its first year of operation contributed VND 80 billion to total revenues.

We also worked hard this year on ensuring we have the optimal organisational and governance structure in place for future growth, and were grateful to our shareholders for their support in the restructuring that took place in order to put this in place. We implemented numerous initiatives and solutions to enhance production in our EFESO project, and reviewed efficiency across our supply chain, sales and in our deployment of capital.

Looking into the future we are focused on continuing to build our innovative portfolio of both medical and wellbeing products. We are strongly encouraged by domestic government policies, such as the Pharmaceutical Law currently being amended, which will enable an acceleration

in the timeline for the approval of new drugs and remove some of the current challenges in supplying drugs to the Vietnamese market.

Our goal for 2024 is to grow our gross revenue by a further 24% year-on-year, and net revenue by 19% year-on-year, with our forecast for year-on-year profit before tax growth at around 12%. The hospital channel will continue to remain critical for Imexpharm, and we will maximise our number of registrations in the EU chain and continue to expand our ETC customer coverage from 600 customers to over 1,000 in the next five years. We will also continue to expand our roster of raw material suppliers, and further develop our competitive pricing strategy to increase our ETC market share. Our intention for 2024 is to significantly accelerate our revenue growth from the ETC market, at the same time as continuing to grow our OTC revenues.

We will continue to expand our medicine treatment areas, diversifying our portfolio to include manufacturing and distributing medicines for the cardiovascular, respiratory, and central nervous systems, drugs targeting diabetes and eye disease, and vitamins, minerals, and supplements.

We are also reviewing opportunities to invest in new factories, beyond our four clusters to further enhance our capacity to serve future demand from both domestic and overseas customers, whilst ensuring we maximise our capacity at our existing production facilities.

With our ability to manufacture high quality medicines in Vietnam, that meet European quality standards we have numerous potential large export markets open to us including neighbouring countries such as Cambodia, Laos, Myanmar, and countries throughout ASEAN. As the company which made the first investment in a plant which met GMP-ASEAN standards, and which owns the most EU-GMP factories in Vietnam (with eleven drug production lines meeting EU-GMP standards), Imexpharm also sees a strong opportunity in markets further afield such as Europe for its products, particularly antibiotics.

We are also seeing the potential of the vitamins and health supplements segment and have invested in a dedicated factory for the manufacture of these products.

The Imexpharm brand has been established over nearly five decades and has a high level of trust with Vietnamese consumers. This is critical for our sales and marketing teams as they continue to promote Imexpharm's products in the private healthcare channel, leveraging our brand awareness in the hospital channel. We also will continue to build effective online sales channels for dietary supplements and to deploy dedicated sales teams to products with the highest potential. Our goal is to expand our product distribution network from eighteen sales branches nationwide, to access the central region and to grow our coverage in the North over the next few years.

Research and Development will be an increasing focus. IMP is proud to have a highly qualified and experienced

research team, which is strongly supported by our Boards and by our senior management team. We are also recognised as operating at the highest international standards and have applied world class SHE (Safety - Health - Environment) and MRO (Maintenance - Repair - Operations) standards to our manufacturing practices.

Our impressive financial growth was underpinned by prudent financial management, with zero bank debt, international-standard corporate governance and one of the most experienced boards and management teams in our industry in Vietnam. As a result, we were able to continue to deliver excellent returns to our shareholders and to deliver generous cash and stock dividends.

This performance would not have been possible without our shareholders, particularly our major shareholder SK Investment Vina III. We are privileged to operate without the need for bank debt, and with the support of incredibly experienced and proactive shareholders who continue to ensure that we operate at international best practice standards and at the very highest levels of corporate governance.

People are critical to success in the pharmaceutical industry, and we are fortunate to have some of the leading talent in the pharmaceutical industry in Vietnam.

I am grateful that we were able to continue to offer competitive salary and bonus packages for our 1,400 employees despite the challenging economic environment. I want to thank our teams for their hard work and contribution to this record year, and to stress that we will continue to nurture their careers, to focus on training and development, and to create a culture of excellence, trust, and success for all. At the same time, we will ensure we have policies in place to continue to attract highly qualified individuals who understand the need to flex to meet changing customer demand, and who are keen to apply new techniques and technologies to continuously improve our production and our business efficiency.

For us at Imexpharm, community is critical to our success. We serve not only our Imexpharm community, but also our local communities and communities nationwide. Our mission is to provide high treatment efficiency drugs, with international approval, made in Vietnam to the Vietnamese people. We also want to harness our capabilities to bring these Vietnamese manufactured drugs to communities across Asia and Europe. I am proud of the work we have done so far in achieving our mission and am looking forward to the year ahead and continuing to work closely with all our stakeholders.

General Director,

People's Doctor - Pharm. TRAN THI DAO

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OUR STORY

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VISION

TOP QUALITY - EUROPEAN STANDARD

To be relentlessly patient and focus on customers and professionals in the Medical and Pharmaceutical industry, harnessing our scientific and management talent, our world class production facilities, and our drug and wellness product portfolio to address major disease, medical conditions, and health issues, such that we make a significant contribution to the physical fitness and wellness of the Vietnamese population, whilst at the same time, exporting our best-in-class Vietnamese manufactured drugs and wellness products to key overseas markets.

MISSION

TO PROVIDE SOLUTIONS TO OPTIMISE HEALTH AND WELLNESS IN VIETNAM.

Imexpharm affirms its mission of serving and caring for people's health with high-quality, distinctive products and services that it provides.



VALUES

In Imexpharm's cultural principles, Core Values & Cultural Principles must go together.

- 01 **CUSTOMER FOCUS** - Always leading in services
- 02 **COOPERATION** - When a problem occurs, consider yourself first
- 03 **PERSEVERANCE** - Don't say no, please give solution
- 04 **ENTHUSIASM** - Do not leave until it's done
- 05 **LEARNING AND IMPROVEMENT** - If you think you're the best, you're being left behind
- 06 **EFFICIENCY DRIVE** - Let's work together by numbers

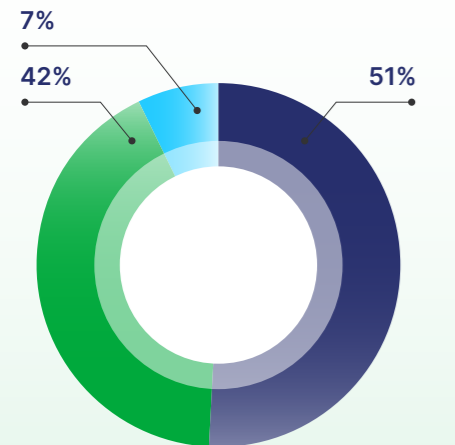
OUR BUSINESS

We are one of the leading manufacturers and traders of pharmaceuticals in Vietnam with the highest quality products made in factories meeting European standards.



4 Factory Clusters	7 Factories and Workshops	3 EU-GMP Factories (IMP2,3,4)
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❖ Customers



- OTC
- ETC
- Others (franchise, export, CMO, order)

❖ Factory cluster contributions

IMP1 50% Of revenue	IMP3 32% Of revenue
IMP4 4% Of revenue	CMO AT AGIMEXPHARM 3% Of revenue
IMP2 11% Of revenue (increase 2x company focus moves to high quality products from this EU-GMP factory)	

WE ARE FIRST...

<p>FIRST VIETNAMESE PHARMACEUTICAL ENTERPRISE TO REACH GMP-ASEAN STANDARDS</p>	<p>FIRST PHARMACEUTICAL COMPANY WITHIN THE VIETNAM PHARMACEUTICAL CORPORATION TO EQUITIZE</p>	
<p>FIRST PHARMACEUTICAL COMPANY TO LIST ON THE HOSE</p>	<p>FIRST VIETNAMESE PHARMACEUTICAL COMPANY TO HAVE 11 PRODUCTION LINES MEETING EU-GMP STANDARDS</p>	<p>FIRST PHARMACEUTICAL COMPANY TO APPLY SAP-ERP</p>



WE ARE NUMBER ONE IN ANTIBIOTICS WHICH ACCOUNT FOR CLOSE TO 9% OF TOTAL ANTIBIOTICS MARKET SIZE



> 333
Products licensed for sale in Vietnam



2
Cosmetics



29
Health Supplement



27
EU Marketing Authorisations (EU MAs)

IMEXPHARM'S HISTORY



1977 1981

Beginnings

- Imexpharm's predecessor, Tier II Pharmaceutical Company is established in Dong Thap province
- The company begins medicine distribution activities, initially just in its home province

1982 1986

Foundations

1983

- The Dong Thap Department of Health authorizes the company to change its name to Dong Thap Pharmaceutical United Enterprise
- Work begins to identify new production strategies to grow the company's revenue
- The company employs around 70 people and has a portfolio of ten products, all manually produced. Annual revenue totals about VND 30 billion

1987 1991

First steps in antibiotics

- The company overcomes a series of setbacks to produce Amoxicillin, its first antibiotic product, as well as a series of drugs derived from Paracetamol

2007 2011

Bringing European standards to Vietnam

2007

- Imexpharm's technicians successfully demonstrate bioequivalence for the antibiotic Imeclor (125mg)
- It increases charter capital to 116 billion from the payment and issuance of dividends

2008

- Imexpharm signs a joint venture production contract with Canada's Pharmascience to co-produce 130 products

2009

- Imexpharm invests VND 113 billion to build a new plant in Binh Duong province producing oral drugs and powders for injection using European technology

2010

- Imexpharm constructs a penicillin factory to produce injectable drugs with a total investment of 50 billion. Imexpharm's investment in new facilities during this period helps its realize its vision of producing top quality products to European standards

2002 2006

Breakthrough years

2005

- Imexpharm receives accreditation from the National Commission for Economic Cooperation
- The company increased its charter capital to VND 64 billion by offering shares to strategic investors
- It upgrades two penicillin and non-beta-lactam factories to meet WHO-GMP standards. It also invests in developing its warehouse and laboratory systems to meet GSP and GLP standards

2006

- Imexpharm becomes the first pharmaceutical company in Vietnam to list its shares on the Ho Chi Minh Stock Exchange

1997 2001

Reaching out to the world

1997

- The company invests to make its non-beta-lactam oral antibiotics factory ASEAN-GMP compliant, in the process becoming the first pharmaceutical firm in Vietnam to produce medicine conforming to ASEAN-GMP standards

1999

- The company looks to Europe for new growth opportunities, and begins to produce drugs for Austrian multinational Biochemie (a part of Sandoz AG). This makes it the first Vietnamese pharmaceutical firm to manufacture for an international corporation

- The company expands its footprint of ASEAN-GMP compliant factories with a plant manufacturing beta-lactam oral antibiotics (Penicillin)

2001

- Today's Imexpharm Corporation is born as the company renames and reorganises itself as a Corporation with charter capital of VND 22 billion, pioneering this structure in its sector

1992 1996

Turning points

1992

- The Dong Thap People's Committee re-establishes the company as Dong Thap Pharmaceutical Company with a focus on independently producing and trading pharmaceutical products

- The company launches a new generation of Paracetamol and Cotrim products

- The company upgrades its machinery and expands its recruitment of qualified professionals. It now employs around 200 people and its annual revenue exceeds VND 150 billion

1994

- The company starts work on building a Standard Testing Laboratory

- Swiss pharmaceuticals giant Sandoz Group AG selects the company as its partner to build a GMP-compliant factory in Vietnam

2012 2016

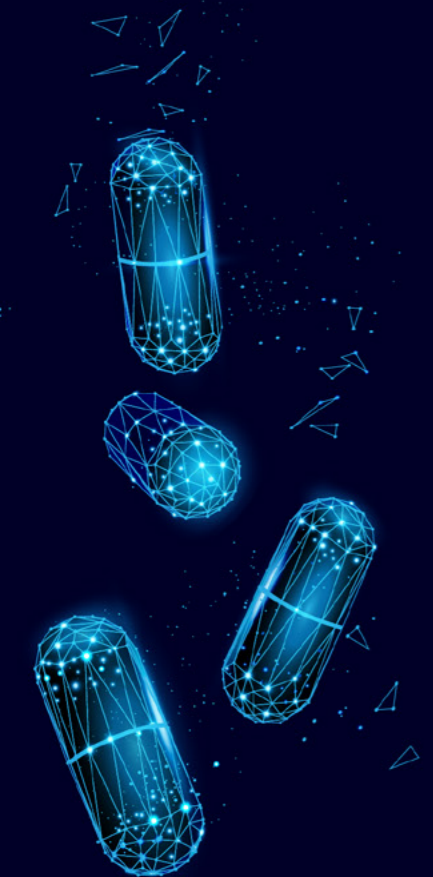
New Opportunities

2013

- Imexpharm becomes the first pharmaceutical company to apply the world-class SAP-ERP solution to its systems management

2016

- Through investments at its IMP3 factory cluster in Binh Duong province, Imexpharm becomes the first pharmaceutical company to have three production lines simultaneously meeting EU-GMP standards



2017 2022

Sustainable growth

2017

- Imexpharm's Imetoxim 1g injection product is granted a European visa, creating opportunities to expand the company's export market overseas

2019

- The company's new High-Tech Factory (IMP4), certified to WHO-GMP standards, goes into operation
- Its high-tech antibiotics plant in Vinh Loc (IMP2) receives its certificate of EU-GMP status
- IMP3 successfully renews its EU-GMP compliance status

2020

- Imexpharm increases its charter capital to over VND 667 billion through dividend payments and issuance
- The Asian Development Bank undertakes an operational appraisal of the company and awards it a loan of USD 8 million in recognition of its transparent, robust, and reliable development.
- SK Group (Korea) becomes a strategic shareholder in the company and joins the company's management team

2021

- The company moves into the supplements market by investing VND 82 billion in a new factory in Dong Thap province
- It is granted a European visa for two of its Amoxicillin products
- The company's technicians successfully demonstrate bioequivalence for two more products, Zanimex 500mg film-coated tablets and Biocemet DT 500mg/62.5mg dispersible tablets

2022

- Binh Duong High-Tech Factory, known as IMP4, is officially recognized as meeting EU-GMP standards, bring the total number of EU-GMP compliant lines to eleven, the most in Vietnam
- Imexpharm now has 12 registration numbers for seven products in Europe

2023

Elevating medicine

- Imexpharm sets a record for revenue and profit growth, confirming its leadership position in the industry
- IMP4 goes into operation and IMP2 successfully renews its EU-GMP compliance status for the second time; IMP3 renews its status for the third time
- Imexpharm has 11 registration numbers for 6 products in Europe, bringing the total number of EU MAs to 27 for 11 products
- Imexpharm becomes the leading domestic pharmaceutical company in the ETC channel
- The company ranks number one in the Vietnamese antibiotics market, including both foreign and domestic suppliers

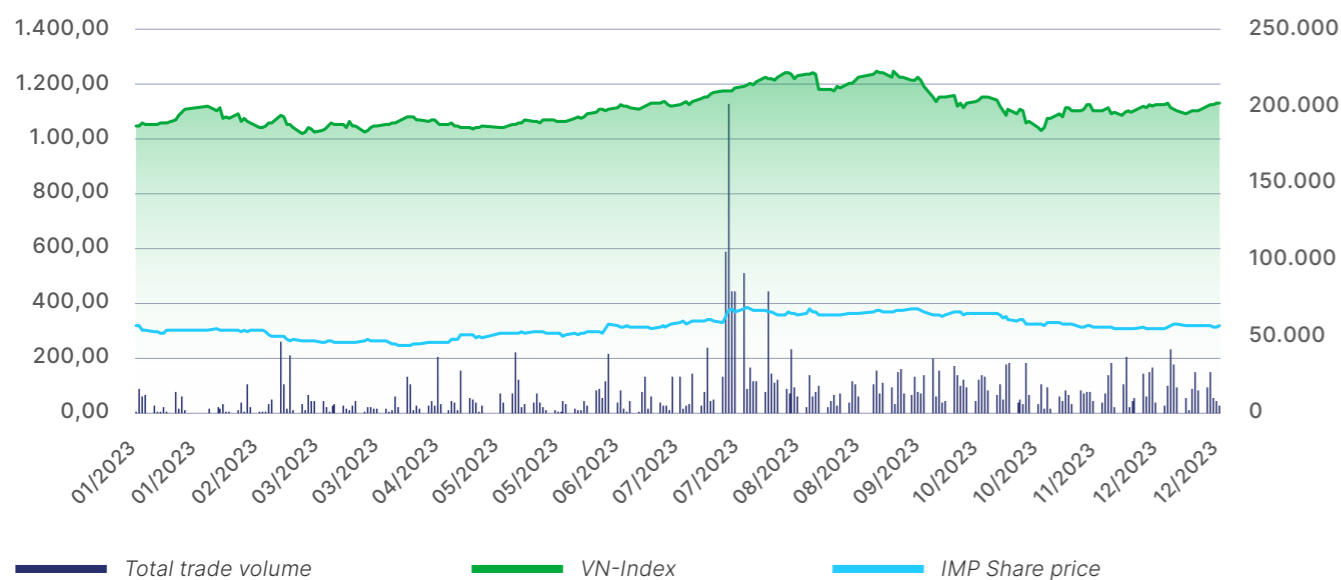


STOCK INFORMATION AND SHAREHOLDERS STRUCTURE

❖ IMP Stock information as at December 31, 2023

Ticker Symbol	IMP
Stock Exchange	HSX
Type of securities	Common shares
Number of listed shares (December 31, 2023)	70,038,449 shares
Number of outstanding shares	70,004,649 shares
Number of treasury shares	33,800 shares
Par Value	10,000 VND (Ten thousand Dong)
Charter capital	700,384,490,000 VND
Market price as at close on December 29, 2023	56,600 VND
Highest closing price in 2023	68,483 VND
Lowest closing price in 2023	44,092 VND
Market capitalization (December 31, 2023)	4,340.29 billion VND
Total trading volume in 2023	3,484,900 shares
Total transaction value in 2023 (calculated based on closing price)	197,245 million VND
Average trading volume 2023	90,000 shares/day

❖ Total trading volume and IMP share price performance 2023



In 2023

the total trading volume of the ordering matching and put-through transactions of IMP stock reached nearly 3.5 million shares, increasing over 150.6% compared to 2022.

In 2023, through transactions of IMP stock reached nearly

3.5 MILLION SHARES

▲ **150.6%** compared to 2022

The average trading volume reached

90,000 SHARES PER DAY

▲ **6,528** compared to the average trading volume in 2022

The closing price at the end of December 2023 for IMP

56,600 VND

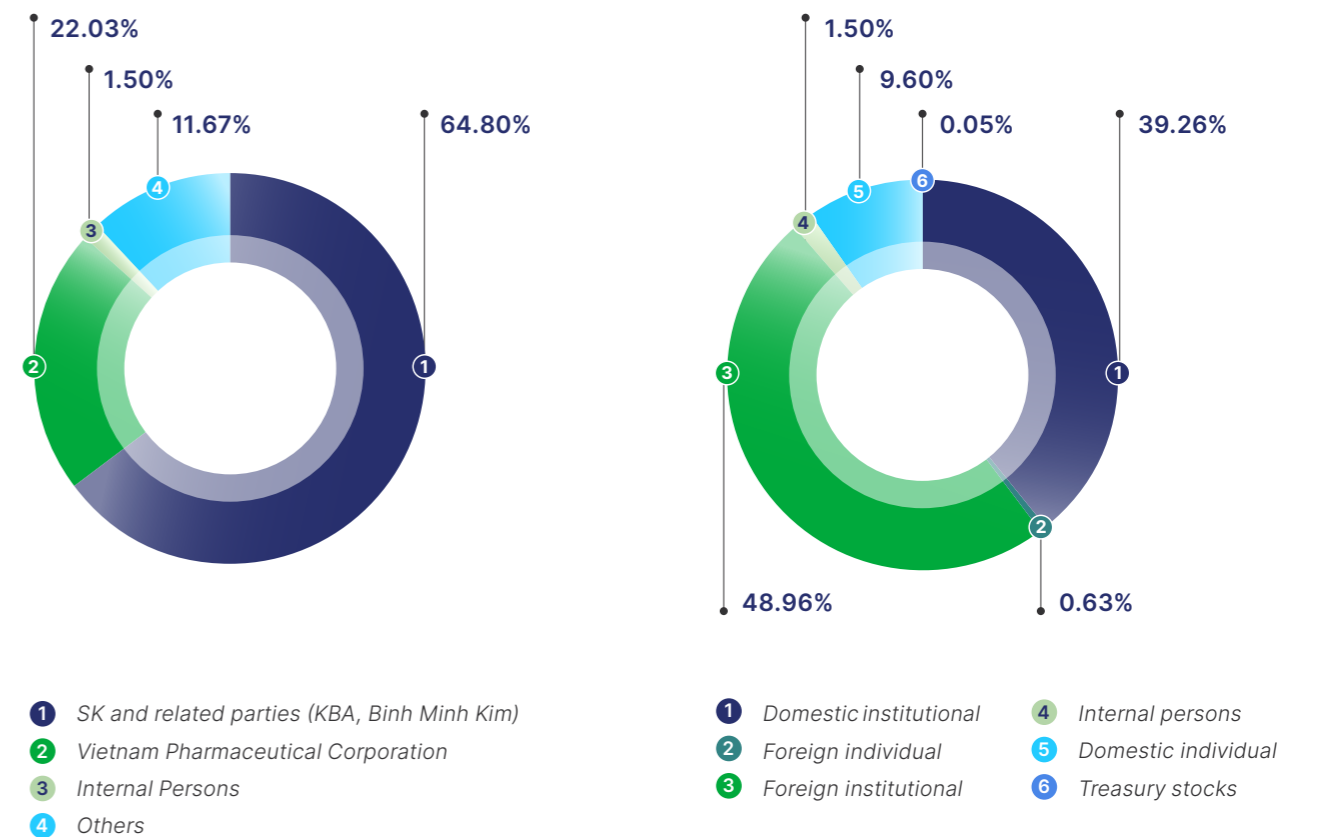
▲ **3.3%** compared to November 30th

▲ **5.7%** compared to the end of 2022

The IMP stock price rebounded in early April, but took a downward trend from August to November broadly in line with the Vietnamese index, ending the year with a recovery in December. The average trading volume in 2023 reached 90,000 shares per day, a significant increase compared to the average trading volume in 2022 of 6,528 shares per day. The closing price at the end of December 2023 for IMP was 56,600 VND, an increase of 3.3% compared to November 30th and of 5.7% compared to the end of 2022.

The share price growth reflects positive growth in the company's business activities.

❖ IMP shareholder structure (according to the list of shareholders closed on November 20, 2023)



❖ Detailed shareholding of internal persons (at November 20, 2023)

Types of shareholders	No.	Name	Position	Number of transfer restriction share		Total	Proportional ownership (%)
Board of Directors	1	Chun Chaerhan	Chairwoman of BOD	0	0	0	0.00%
	2	Tran Thi Dao	BOD member	0	367,500	367,500	0.52%
	3	Chung Suyong	BOD member	0	0	0	0.00%
	4	Truong Minh Hung	BOD member	0	0	0	0.00%
	5	Han Thi Khanh Vinh	BOD member	0	0	0	0.00%
Board of Management	1	Tran Thi Dao	General Director	0	367,500	367,500	0.52%
	2	Nguyen Quoc Dinh	Deputy General Director	0	315,000	315,000	0.45%
	3	Huynh Van Nhung	Deputy General Director	0	98,000	98,000	0.14%
	4	Le Van Nha Phuong	Deputy General Director	0	114,450	114,450	0.16%
	5	Ngo Minh Tuan	Deputy General Director	0	157,500	157,500	0.22%
Chief Accountant	1	Tran Hoai Hanh	Chief accountant	0	0	0	0.00%
Person authorized to disclose information	1	Nguyen Quoc Dinh	Deputy General Director	0	315,000	315,000	0.45%

❖ Transactions of internal persons and related parties

No.	The person who made the transaction	Relationship with the company /Internal persons	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increasing, decreasing
			Shares	Ratio	Shares	Ratio	
1	Binh Minh Kim Investment JSC	<ul style="list-style-type: none"> Major shareholder hold 9.75% of charter capital Controlled by SK Investment Vina III 	6,496,702	9.74%	6,830,357	9.75%	Buy to increase holding rate

❖ Charter Capital Increases Timeline

Imexpharm has conducted several rounds of increasing the company's charter capital and equity by issuing and distributing bonuses in shares, and supplementing capital sources to improve efficiency business results.

Year	Charter capital	Explain
2019	494,211,590,000	No issuance to increase capital
2020	667,053,700,000	<ul style="list-style-type: none"> Issuing shares to pay dividends for the financial year 2019, at the rate of 10% of outstanding shares; Issuing bonus shares, 20% of outstanding shares, sourced from capital surplus; Issuing ESOP shares for key officers, at the rate of 5% of outstanding shares, at a price of 12,000 VND/share
2021	667,053,700,000	No issuance to increase capital
2022	667,053,700,000	No issuance to increase capital
2023	700,384,490,000	Issuing shares to pay dividends for the financial year 2022, at the rate of 5% of outstanding shares

❖ Treasury stock situation

In 2023, the company didn't buy or sell treasury stocks.

❖ Other securities

None



PEOPLE AND MANAGEMENT

❖ Overview

As a pioneer in Vietnam's rapidly evolving pharmaceutical industry, Imexpharm has always had people at the centre of its development. Throughout its near 50-year history, it has created a working environment in which its employees can thrive as highly skilled, enthusiastic and committed contributors to the ongoing sustainable development of the company.

As of December 31, 2023, Imexpharm's total number of employees was

1.405 PEOPLE
▲ **11,5%** over the same period last year

Imexpharm's recruitment practices are highly effective with

100% PLANNED VACANCIES filled by 2023 year end

Imexpharm was named one of company



TOP 5

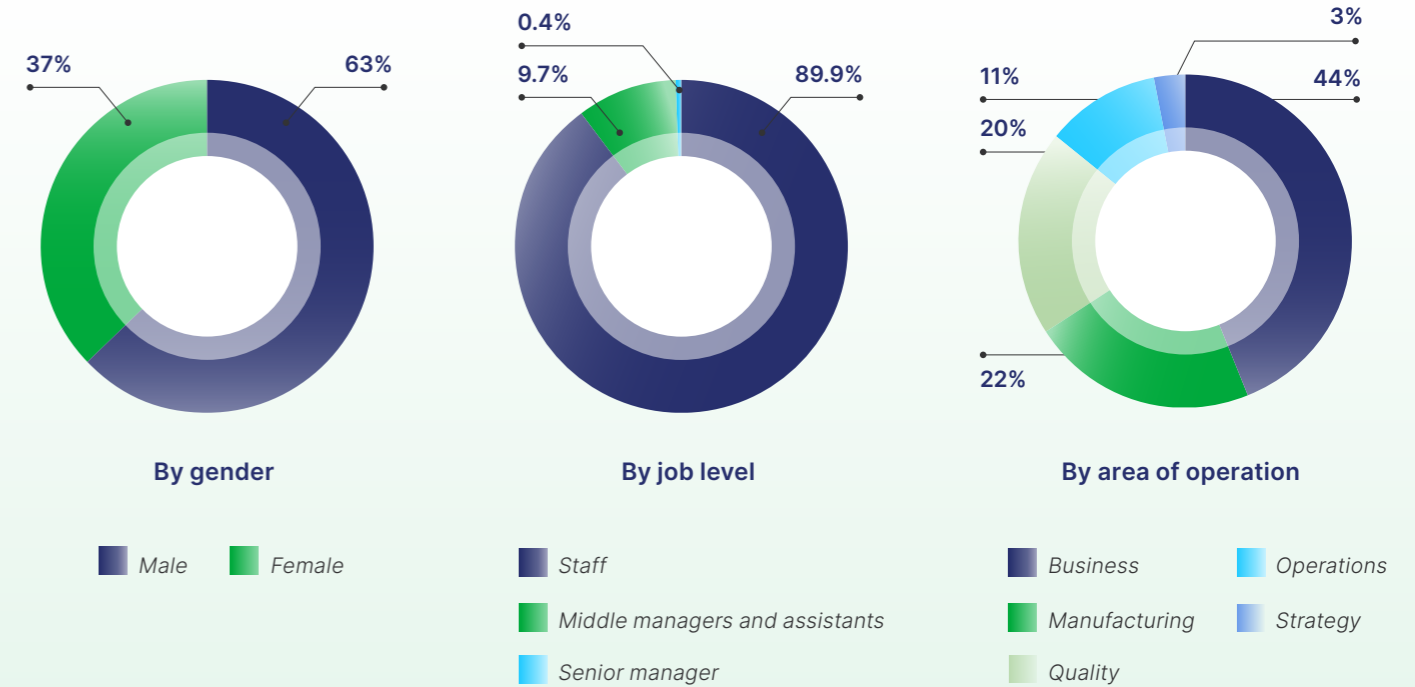
VIETNAM'S BEST PLACES TO WORK
PLACEMENT IN THE PHARMACEUTICAL, MEDICAL EQUIPMENT AND HEALTHCARE INDUSTRIES CATEGORY
in the highly-regarded Anphabe rankings

❖ Diversity in the Workforce

In the past year, Imexpharm has created safe working conditions for nearly 1,500 employees in an equal and attractive working environment. The company pays salaries, bonuses, benefits, and other policies in accordance with the provisions of law and the company's regulations for employees. Imexpharm actively organizes training activities, across all levels and backgrounds, to improve skills and professional qualifications; comprehensive care programs, improving the material and spiritual life of the company's employees.



❖ Personnel structure



❖ Employment policies

Imexpharm complies with all regulations surrounding the payment of salaries, bonuses, overtime, and other allowances. It also provides social insurance, health insurance and unemployment insurance according to State regulations. At the same time, it is actively involved in programs to promote employee welfare.

In 2023, the company awarded salary increase of all employees

▲ **7%** AVERAGE SALARY

In 2023, the company organized training sessions to improve the qualifications and skills of staff

> 100 SESSIONS external training **> 3.000** SESSIONS internal training



The overall budget for salary, bonus and welfare spending was also increased during the period

reflecting the company's impressive revenue growth

In 2023, the company contributed to career development by promoting

80 PEOPLE to officer level **47** OFFICERS mid-level **33** OFFICERS junior-level

Employee engagement improved over the period, and employee retention remained high, better than the industry average

CHAPTER 3

OUR ACHIEVEMENTS

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OVERALL PERFORMANCE

Number Five Player in the Fast-Growing Vietnamese Pharmaceutical Sector



Imexpharm is a leading drug manufacturer and distributor in Vietnam. According to IQVIA, the Vietnamese pharmaceutical market is expected to grow at a CAGR of 6%-8% between 2023 and 2028, giving a solid foundation for Imexpharm to continue its growth trajectory. The company was also the fifth ranked pharmaceutical company in Vietnam, jumping five spots from the prior year, when it was placed tenth – as well as the second fastest player in the market by growth, behind only AstraZeneca.

Imexpharm's products have replaced imported drugs in many Vietnamese hospitals, increasing the company's competitiveness in its home market and creating new barriers to entry for foreign pharmaceutical firms. In 2023, Imexpharm's growth also outperformed the market in the increasingly competitive OTC channel, with OTC sales contributing 51% of revenue. And despite a volatile operating environment in 2023 both at home and abroad, Imexpharm delivered its strongest performance since listing, and exceeded the activities and targets agreed upon at last year's AGM.

Number One in Antibiotics

TOTAL MARKET		
Rank TY	Rank LY	CORPORATION
1	1	SANOFI
2	2	DHG
3	3	ASTRAZENECA
4	4	NOVARTIS
5	▲ 10	IMEXPHARM ★
6	6	STELLAPHARM
7	7	GSK
8	▲ 13	BOEH. INGEL.
9	5	TRAPHACO
10	▲ 12	MERCK

ANTIBIOTIC			
Rank TY	Rank LY		CORPORATION
1	1		IMEXPHARM ★
2	▲ 5		TENAMYD
3	3		SUMITOMO DAINIPPON
4	2		PHARBACO (TW1)
5	▲ 9		GSK
6	▲ 11		PFIZER
7	6		MEDOCHEMIE
8	8		PYMEPHARCO
9	▲ 14		BAYER H/C
10	▲ 26		FRESENIUS KABI GR.

GROWTH					
Rank	CORPORATION	Sales TY (Billion VND)		Growth Value (Billion VND)	Growth (%)
1	ASTRAZENECA	3.093		806	35,2%
2	IMEXPHARM ★	2.108		566	36,7%
3	TENAMYD	1.079		519	92,9%
4	BOEH. INGEL.	1.768		455	34,6%
5	CPC1 HA NOI	1.274		403	46,4%
6	NOVARTIS	2.600		345	15,3%
7	DAVI PHARM	1.158		340	41,7%
8	ROCHE	1.466		339	30,0%
9	MERCK	1.750		322	22,6%
10	PHARBACO (TW1)	1.283		318	32,9%

Source: IQVIA (note sales figures based on IQVIA estimates, not actual 2023 performance)

Imexpharm led the market in the number one spot for both producing and selling antibiotics in Vietnam, with a market share that rose to close to 9%

Imexpharm was also the market leader in the rapidly growing ETC channel with sales at 1.8x higher than the second-place domestic firm.

❖ Revenue and Profit growth at record highs in the year

Total gross revenue reached

2,113 BILLION VND

▲ 26% compared to the overall market growth of 8%

Net revenue reached

1,994 BILLION VND

▲ 21% over the same period, and exceeding budgeted revenue by 14%

Pre-tax profit reached

377.3 BILLION VND

▲ 30% year-on-year, and 8% above budget

FIVE YEAR FINANCIAL PERFORMANCE COMPARISON

❖ Financial overview 2019 - 2023

Imexpharm has a solid track record of growth over the past five years: compound growth rate of pre-tax profit and after-tax profit (2019-2023) were 16.8% and 16.5%, respectively. The CAGR of EBITDA over the past five years was 17.2%, whilst the CAGR of equity was 7.5% in the same period, and the CAGR of Total Assets was at 6.7%.

TARGET (BILLION VND)	2019	2020	2021	2022	2023	CAGR 19-23 (%)
Net revenue	1,402.5	1,369.4	1,266.6	1,643.7	1,994.0	9.2%
Profit before tax	202.4	255.4	238.9	291.4	377.3	16.8%
Profit after tax	162.4	209.7	189.1	223.5	299.6	16.5%
EBITDA	247.3	314.2	304.8	355.6	466	17.2%
BV (VND)	31,544	25,941	26,899	28,398	29,778	-1.4%
EPS (VND)	2,892	2,773	2,603	2,951	3,637	5.9%
Total assets	1,847.2	2,096.5	2,294.7	2,276.9	2,392.6	6.7%
Equity	1,558.9	1,730.5	1,794.4	1,894.4	2,084.6	7.5%
Charter capital	494.2	667.1	667.1	667.1	700.4	9.1%
Total liabilities	288.3	366.0	500.3	382.5	308.0	1.7%
Equity/Total assets	84%	83%	78%	83%	87%	
Total debt/Total assets	16%	17%	22%	17%	13%	
Gross profit/Revenue	37.6%	39.9%	38.5%	42.4%	40.6%	
Profit before tax/Revenue	14.4%	18.7%	18.9%	17.7%	18.9%	

Profitability metrics improved significantly during the period. Return on Sales, Return on Assets, and Return on Equity climbed by 1.4%, 3% and 2.9% to 15%, 12.8% and 15% respectively.

❖ Profitability Indicators

TARGET (BILLION VND)	2019	2020	2021	2022	2023
Profit after tax/Revenue (ROS)	11.6%	15.3%	14.9%	13.6%	15.0%
Profit after tax/Total average assets (ROA)	9.0%	10.6%	8.6%	9.8%	12.8%
Profit after tax/Average equity (ROE)	10.6%	12.8%	10.7%	12.1%	15.0%

❖ Dividends

Imexpharm has maintained a stable dividend policy

with **15% ON CHARTER CAPITAL** over the past two years

and **10%** in the form of a cash dividend

and **5%** in the form of stock dividends

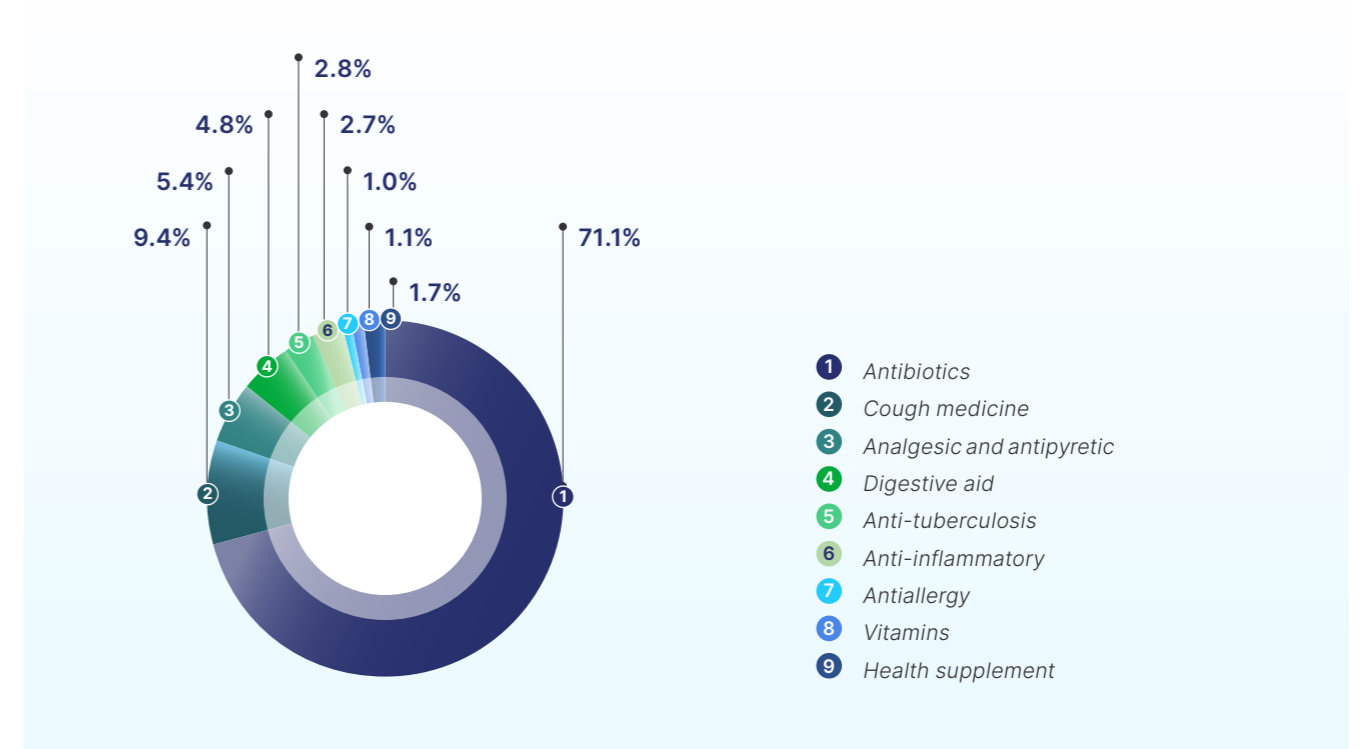
❖ Product Performance

Imexpharm currently has over **333 PRODUCTS** licensed for circulation nationwide by the Ministry of Health

and **11 EU MA** (European Product Registration Numbers) issued in 2023 for six products including difficult products such as **AMPICILLIN/SULBACTAM**

bringing the total number of **MA EU** UP TO NUMBER **27** ACROSS **11 PRODUCTS**

A breakdown of our product portfolio by category is below:



CHANNEL PERFORMANCE

❖ Revenue by Customer Type

Imexpharm's growth in 2023 outperformed the market in the increasingly competitive OTC channel, with OTC revenues accounting for the largest proportion of gross revenue in 2023 at 51%. Meanwhile Imexpharm's products have replaced imported drugs in many Vietnamese hospitals, increasing the Company's competitiveness domestically and creating new barriers to entry for foreign pharmaceutical firms. In 2023 Imexpharm was the market leader in the rapidly growing ETC channel with sales at 1.8x higher than the second-place domestic firm.

In the ETC channel, in addition to self-distributing through IMP's sales team (ETC-IMP), where revenue grew by 12% in the period, Imexpharm also partners with distributors (ETC-Partners). Imexpharm uses their extensive networks in hospital tenders to further optimize sales revenue in this channel, which grew by 74% in the period.

TARGET (BILLION VND)	2022	2023	GROWTH
Gross revenue	1,676.3	2,113.9	26%
OTC	1,023.9	1,083.0	6%
ETC-Partners	399.0	696.0	74%
ETC-IMP	167.8	188.0	12%
Other	85.6	146.9	72%
Deductions	32.6	119.8	267%
Net revenue	1,643.7	1,994.0	21%

❖ Manufacturing

The manufacturing of our products can be complex and involves advanced technology which is heavily regulated. Our manufacturing is organized across four factory clusters and workshops as outlined in the table below. As of December 2023, we employed approximately 368 people to manufacture our products. We ensure our direct labor manufacturing employees are trained on a regular basis throughout the year, across a variety of relevant topics.

Plant	Volume 2022 (mn units)	Volume 2023 (mn units)	Growth rate (%)	Capacity	Meeting plan 2023 (%)
IMP1	884.5	856.8	-3.1%	67%	91.5%
IMP2	27.2	50.6	85.9%	37%	100%
IMP3	70.1	119.1	70.0%	57%	99.8%
IMP4	0.1	1.0	1055.0%	61%	97.4%

Output at our factories was in-line with our expectations, with impressive growth at IMP2, IMP3 and IMP4, and a slight adjustment at IMP1 in line with our strategy for this location. This performance - contributing to record revenue for the company - was achieved at levels well below capacity, indicating the strong potential held by the company in meeting its 2024 targets and beyond.

❖ Production Cost Inputs and Optimization

THE COMPANY'S MANAGEMENT TEAM CONTINUED TO FOCUS ON OPTIMIZING PRODUCTION COSTS IN THE PERIOD.

The cost of goods sold on a gross revenue

▲ 25%

▲ 26%

TARGET (BILLION VND)	2022	2023	GROWTH
Cost of goods sold	946.4	1,183.5	25%
Gross profit	697.4	810.5	16%
(%)	42%	41%	

Gross profit

▲ 16%

in the prior period

Meet standards

CEP

as set by the European Union

Raw materials

64.8%

of total production costs

Pre-tax profit margin improving from

17.7%

in 2022

▲ 18,9%

in 2023

Cost of goods sold increased 25% YoY owing in part to the impact of depreciation at IMP4 and promotion goods in 4Q23. IMP4 began recording stable depreciation from July 2023 onwards.

A major input cost for the company is raw materials. Producing high quality products using high quality materials is a strategic imperative for Imexpharm. The company uses raw materials that meet CEP standards (as set by the European Union) for several key products manufactured at its EU-GMP factories, ensuring that the products created meet the highest quality standards, for optimal treatment efficacy. Imexpharm also promotes the use of antibiotic ingredients produced using enzymatic technology, a natural fermentation technology, to ensure products have long-term stability and are safer for patient health.

During the period the company proactively forecast its raw material demand, efficiently balancing reserves in a volatile market despite its high importation requirements. As a result, raw materials accounted for 64.8% of total production costs in 2023, compared with 65.4% in 2022.

Capacity and production capacity were also improved during the period, thereby contributing to the company's pre-tax profit margin improving from 17.7% in 2022 to 18.9% in 2023.

CHANNEL PERFORMANCE (continued)

❖ People First

100%
of its budgeted hires

The company continued to invest in its people at all levels of the business, to ensure that Imexpharm has the right leadership team, the right scientific team, and the right operational and sales/marketing teams to drive the business forward into continued success.

TOP 5
PLACES TO WORK
IN VIETNAM

*in the pharmaceutical,
medical equipment and
healthcare industries
during the period*

Recruitment in the period was highly effective, and the company fulfilled 100% of its budgeted hires. Imexpharm was honored to be included in the Top Five places to work in Vietnam in the pharmaceutical, medical equipment and healthcare industries during the period.

As of 31st December 2023, Imexpharm's total number of employees was 1,405, an increase of 11.5% over the same period. People costs in the period increased by 31.3% year-on-year, driven by the uplift in staff numbers and the impact of a new policy which adjusted the average salary upwards by 7%. The employee retention rate in the period was 89% compared with 81% in 2022.

❖ Selling Expenses and Business Management Costs

309.9 BILLION VND
▲ 15% compared with in the prior period

Selling expenses were also well controlled in the period, with a 15% rise in selling expenses to VND 309.9 billion, representing 14.67% of gross revenue compared with 16.1% in the prior period. Business management costs also fell by 9% in the period.

TARGET (BILLION VND)	2022	2023	GROWTH
Selling expenses	269.0	309.9	15%
General and administrative expenses	131.8	119.6	-9%

❖ Research & Development Costs

Total Research & Development spend in the period was nearly

5% NET REVENUE

Imexpharm continues to invest in Research & Development to ensure that the company's focus remains on producing optimal, highly effective drugs and wellness products for patients. Imexpharm developed a new product evaluation process in the period, and all drug registrations were completed on schedule with a focus on products at the newly operational IMP4 factory. Reflecting the importance of this area to the company's continued strong performance, total Research & Development spend in the period was nearly 5% of Net Revenue.

❖ Depreciation

▲ 37%

Depreciation rose in the period by 37% during the period because the IMP4 factory began recording depreciation from July 2023 onwards.

❖ Capital changes, cash flow movements and other key performance indicators

DEBT/TOTAL ASSETS
▼ 12,9%
in the prior period

During the period, Imexpharm continued to adjust and reduce financial loans and debt payments. Specifically, the company's short term financial loans and short-term payables fell by 19.5% and 17.9% respectively. This drove a decrease in debt/total assets to 12.9% from 16.8% in the prior period. At the same time debt/equity also improved to 14.8% in the period, down by 5.4% from 20.2% in the prior period, with the company's equity in 2023 increasing by 10% following record high growth rates in the company's total revenue and profit.

DEBT/TOTAL
▼ 14,8%
in the 2023 period

CASH FLOW FROM INVESTMENT ACTIVITIES
▲ 79.1 BILLION VND
in the period

Cash flow from operating activities during the period decreased as planned due to increased inventory and prepaid expenses. Cash flow from investment activities increased to US\$79.1 million in the period driven by lower levels of fixed asset purchases in the year compared to the prior year and cash returned from bank deposits. Cash flow from financing activities improved by nearly 60% due to an increase in short-term loans. This resulted in a drop in overall cash and cash equivalents at the end of the period of just over 40%. At the same time the current payout ratio rose to a healthy 3.9x driven by an increase in short term assets, and the quick payout ratio remained essentially stable at 1.6x.

INVENTORY DAYS
▼ 2% 175 DAYS LEFT
in the prior period

During the period the company reduced inventory days by 2% to 175, from 179 in the prior period. Imexpharm's net receivable days also reduced to 41, from 47 in the prior period, an improvement of 12%, and net payable days decreased by 43% to 15 days, which did not meet the budgeted 30 days.

❖ Cashflow

TARGET (BILLION VND)	2019	2020	2021	2022	2023
Net cash inflows from operating activities	68.6	73.2	234.9	378.6	-39.5
Net cash outflows from investing activities	-122.7	-136.5	-83.1	-199.3	79.1
Net cash (outflows)/inflows from financing activities	61.4	73.6	34.5	-271.7	-112.2
Cash and cash equivalents at end of year	75.0	85.3	271.3	178.8	106.2

❖ Liquidity

TARGET (TIMES)	2019	2020	2021	2022	2023
Current payout ratio	3.0	2.8	2.9	2.9	3.9
Quick payout ratio	1.6	1.6	1.7	1.7	1.6

THE EXTERNAL ENVIRONMENT IN 2024

Imexpharm's Board of Directors and management team believe the company is well positioned for further growth in 2024, despite what will undoubtedly be a challenging year for the global economy.



THE IMF FORECASTS GLOBAL GDP IN 2024 WILL

▲ **2.9%**

lower than the 3% increase it reported for 2023

THE NATIONAL ASSEMBLY HAS SET A 2024 GDP GROWTH TARGET

▲ **6.0% - 6.5%**

more than double the IMF's expectations

THE VIETNAMESE PHARMACEUTICAL MARKET IS EXPECTED TO GROW AT A CAGR

▲ **6% - 8%**

between 2023 and 2028

It is widely forecast that the global macroeconomic, political and corporate operating environment will continue to be complex during 2024. The world economy will face multiple challenges from a wide variety of sources. Commentators cite inflation, geoeconomic fragmentation, geopolitical instability and climate change as just some of the factors that will determine how the world economy performs in 2024. Added to this, the IMF forecasts global GDP in 2024 will increase by only 2.9%, lower than the 3% increase it reported for 2023.

While these global factors will of course affect Vietnam, domestic factors are generally expected to drive continued strong performance in the country's economy during 2024. The IMF is forecasting that Vietnam will be the world's 20th fastest growing economy, driven in part by Government measures, such as those relating to the latter stages of Vietnam's 2021-2025 Five Year Plan. Reflecting its ambitions for the economy, the National Assembly has set a 2024 GDP growth target for Vietnam of 6.0-6.5%, more than double the IMF's expectations for that measure globally.

The outlook for Vietnam's pharmaceutical industry is expected to be similarly positive. According to IQVIA, the Vietnamese pharmaceutical market is expected to grow at a CAGR of 6%-8% between 2023 and 2028.

Commentators are expecting this growth to be driven by the following three factors:

01 The demand for pharmaceutical and other health and wellbeing products is increasing

This growth is being driven by Vietnam's large and rapidly aging population, and an accelerating trend towards pharmaceutical-level healthcare and treatment options.

02 The Vietnamese Government has put in place policies to support the industry

The Government recently approved a National Strategy for developing Vietnam's pharmaceutical industry to 2030 with a vision for 2045, providing clear guidelines for the next stage growth.

03 Closer international integration is facilitating overseas expansion

Vietnam's numerous Free Trade Agreements are helping the country's pharmaceutical industry expand its overseas distribution networks, increasing brand penetration while strengthening international alignment on product and service quality.

Alongside these growth drivers, the pharmaceutical industry will face a number of challenges in 2024. These mainly revolve around the industry's exposure to external factors, in particular the slowdown in global economic growth mentioned above and the continued high costs of research and development. In order for firms to benefit from the growth drivers whilst mitigating the challenges, they will need to adopt proactive and flexible business strategies.



IMEXPHARM IN 2024

BUSINESS GOALS FOR 2024

Imexpharm's Board of Directors and management team have agreed the following business goals for 2024, which will be submitted to Shareholders for approval at the Annual General Meeting:

NO	TARGET (BILLION VND)	2023	2024	GROWTH
1	Gross revenue	2,113.0	2,630.1	24%
2	OTC	1,083.0	1,214.0	12%
3	ETC	884.0	1,316.1	49%
4	Net revenue	1,994.0	2,364.9	19%
5	Profit before tax	377.3	423.0	12%
6	EBITDA	466.0	550.0	18%
	<i>EBITDA margin (%)</i>	23%	23%	

24% GROSS REVENUE

In 2024, the company is targeting a 24% increase in gross revenue and a 19% increase in net revenue

12% REVENUE THE OTC CHANNEL

It also plans to grow revenue derived from the OTC channel by 12% (compared with 6% growth in 2023)

49% REVENUE THE ETC CHANNEL

Significantly grow revenue from ETC channels, targeting an increase of 49%

23% EBITDA MARGIN

The company intends to continue the trend of maintaining in EBITDA margin established over previous years, with a target for 2024 of 23%

FOCUS AREAS FOR 2024

The company has also outlined the following strategic development areas for 2024:

Expansion of EU MA portfolio 01

Imexpharm currently has a total of 27 EU MAs across 11 products. In 2024, the company plans to expand this portfolio and has initially identified 30 products as potential candidates



Expansion into new therapeutic areas 02



In 2024, Imexpharm plans to explore partnerships with overseas pharmaceutical companies to bring new medical technologies to the Vietnamese market

Acceleration of global business development 03

In 2024, Imexpharm plans to continue its global expansion, by taking the first steps in its own overseas activities as well as increasing its production partnerships with multinationals



Continued focus on innovation 04



Imexpharm will expand and develop its innovation activities in 2024, focusing on initiatives such as digital transformation, new factory development and inter-departmental coordination

Imexpharm's Board of Directors has identified the following areas as critical to achieving the company's 2024 business goals:



IMEXPHARM'S ONGOING DEVELOPMENT PLAN

Looking beyond 2024, Imexpharm's Board of Directors and management team have set the company a number of longer term goals as part of its ongoing development plan:

OVERALL GOAL



EXECUTION TACTICS

<div style="text-align: center; font-size: 24px; font-weight: bold; color: #0056b3;">01</div> <ul style="list-style-type: none"> • Over the next 5 years, Imexpharm will become recognised as the most trusted pharmaceutical brand in the Vietnamese market, a manufacturer of high quality products in full compliance with European standards 	<div style="text-align: center; font-size: 24px; font-weight: bold; color: #0056b3;">02</div> <ul style="list-style-type: none"> • Maintain OTC channel growth through existing product portfolio: 10% - 15% 	<div style="text-align: center; font-size: 24px; font-weight: bold; color: #0056b3;">03</div> <ul style="list-style-type: none"> • Maximize capacity of EU-GMP factories (ETC channel): IMP2, IMP3 and IMP4, ETC growth 20% - 30% 	<div style="text-align: center; font-size: 24px; font-weight: bold; color: #0056b3;">04</div> <ul style="list-style-type: none"> • Diversify revenue structure, expand market share 	<div style="text-align: center; font-size: 24px; font-weight: bold; color: #0056b3;">05</div> <ul style="list-style-type: none"> • Implementing investment plans in Dong Thap Pharmaceutical Industrial Park
<div style="text-align: center;">  </div> <ul style="list-style-type: none"> • Build market share by improving the company's distribution channels alongside refining its sales and marketing capabilities • Use the hospital channel as a route into the broader pharmacy market • Build an effective online sales strategy for the company's supplements business • Structure the company's sales function according to product, with a particular focus on products with high sales potential 	<div style="text-align: center;">  </div> <ul style="list-style-type: none"> • Set a goal of having 100 new products in the catalog for the 2023-2027 term, including promoting health supplements • Expand distribution network in northern provinces, adding 2-3 branches within 5 years (2023-2027) • Expand the number of existing customers to 20,000 (by 2027), 50% of customers transact regularly • Promote the supply of goods to pharmacy chains: research separate sales and marketing policies for pharmacy chains, select exclusive products to cooperate closely with chain systems 	<div style="text-align: center;">  </div> <ul style="list-style-type: none"> • Maximize sales on existing product portfolios at EU factories, especially IMP4 • Maximize the number of registrations on the EU chain • Tighter management of contracts with partners, avoid wasting registration numbers, and maximize partners' potential • Build and improve professional ETC team management capacity • Expand ETC customer coverage to 1,000 customers (currently 600) • Expand raw material suppliers with quality and competitive prices • Develop a competitive pricing strategy to increase ETC market share 	<div style="text-align: center;">  </div> <ul style="list-style-type: none"> • Set a goal to export products to Asian and European countries • Research prices and select products for national bidding purposes • Research importing health supplements for business • Reopen the product processing channel following the issue of Circular 16/2023/TT-BYT by the Ministry of Health on the registration for circulation of processed drugs and technology-transferred drugs in Vietnam (effective October 1, 2023) 	<div style="text-align: center;">  </div> <ul style="list-style-type: none"> • Expanding cardiovascular, diabetes, etc. product groups. to diversify the portfolio, increase the coverage of Imexpharm products in the market, and take advantage of available market share

CHAPTER 4

OUR GOVERNANCE

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OVERVIEW

CORPORATE GOVERNANCE PHILOSOPHY

The Board of Directors of Imexpharm is committed to maintaining good corporate governance. The Board believes that by striving to implement higher corporate governance principles and practices it will be able to deliver increasing transparency to stakeholders. Effective corporate governance practices in the pharmaceutical industry are critical to ensure compliance with regulations, to uphold quality and ethical standards, and to safeguard investor interests. The Board of Directors endeavours to apply and follow wherever possible the OECD Principles of Corporate Governance and the best practice Vietnamese Corporate Governance Principles issued by the State Securities and Industry Commission.

❖ The following branch offices and factories operate under Imexpharmt

4 FACTORY CLUSTERS

including 7 factories and workshops in Dong Thap, HCMC and Binh Duong

18 SALES BRANCHES

stretching from North to South

2 BRANCH OFFICES

in Ho Chi Minh City

2 WAREHOUSES

in Ho Chi Minh City and Dong Thap Province

CORPORATE GOVERNANCE STRUCTURE

Imexpharm operates under the model of a joint stock company with a General Meeting of Shareholders (the highest authority), a Board of Directors, a General Director who heads the Executive Board, which can otherwise be viewed as a Management Board, and an Audit Committee under the Board of Directors.

To facilitate the smooth running of operations, in addition to the head office in Cao Lanh City, Dong Thap, Imexpharm has established a representative office in Ho Chi Minh City. This office is the primary office location for the following key Executive Directors: the Deputy General Director in charge of Finance; the Deputy General Director in charge of Strategy; the Sales Director; and the following associated departments: Finance, Strategy, Marketing, Project Management, Public Relations and Investor Relations. The Ho Chi Minh City office has between 80-100 employees.

❖ Details of the Ho Chi Minh Office representative office are as below

NAME

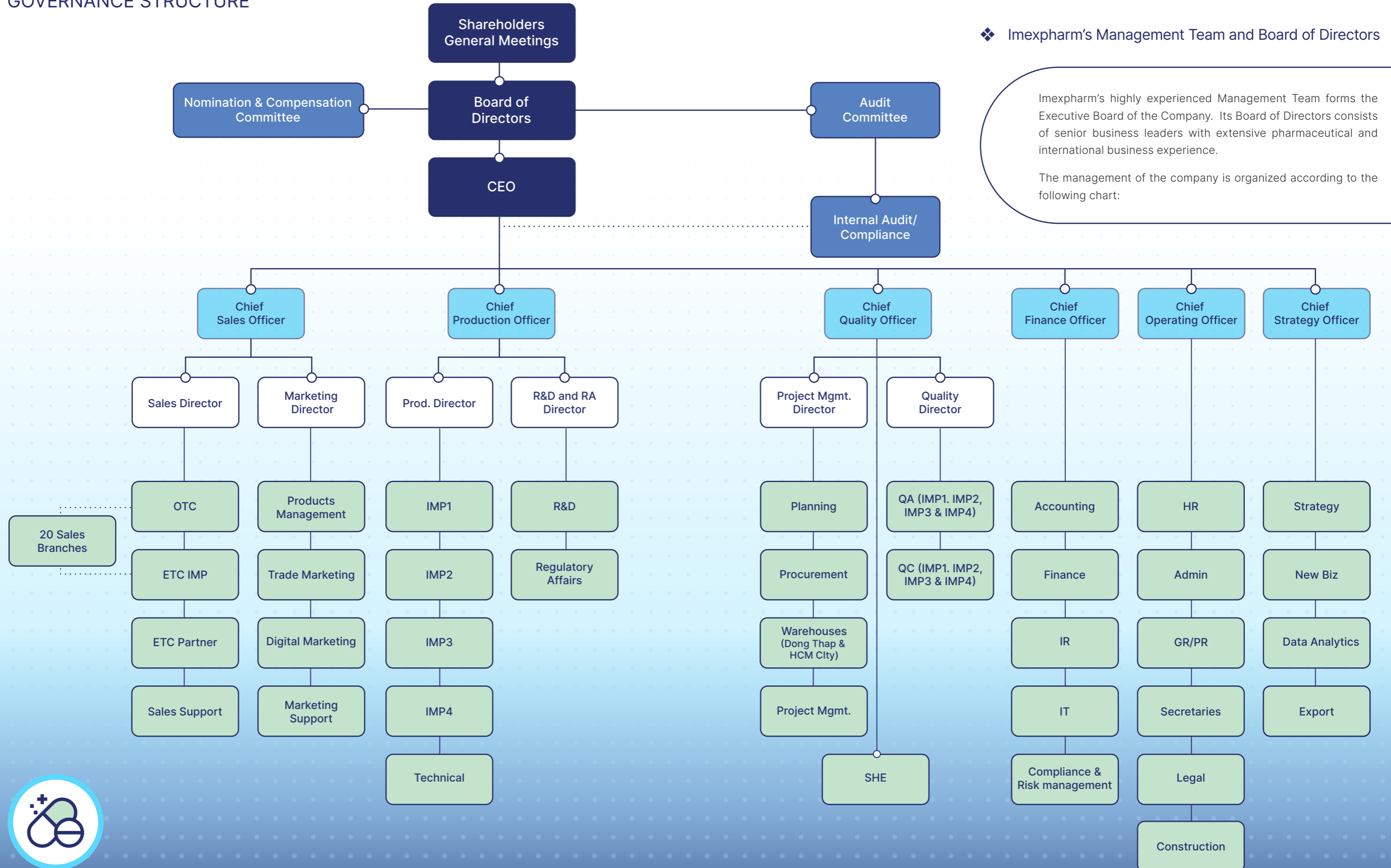
Representative Office of Imexpharm Corporation in Ho Chi Minh City

ADDRESS

Floor 24, Bao Gia Building (Flemington Tower), No. 182, Le Dai Hanh Street, Ward 15, District 11, HCMC



GOVERNANCE STRUCTURE



Imexpharm's Management Team and Board of Directors

Imexpharm's highly experienced Management Team forms the Executive Board of the Company. Its Board of Directors consists of senior business leaders with extensive pharmaceutical and international business experience.

The management of the company is organized according to the following chart:



IMEXPHARM'S EXECUTIVE BOARD

Ms. Tran Thi Dao
Member of the Board of Directors
General Director of the
Executive Board



Madame Dao first joined Imexpharm in 1984, and since then she has grown it into the market leading company of today. A qualified pharmacist, she has led Imexpharm's transformation across all areas of the business, including guiding its product development roadmap and business partnerships, overseeing its strategic focus on European standards, its flotation on the Ho Chi Minh Stock Exchange, and its ongoing expansion both at home and overseas.

Positions held outside Imexpharm:

- Member of the Board of Directors of Agimexpharm Pharmaceutical Joint Stock Company (an affiliate of Imexpharm)
- Vice Chairwoman of the Vietnam Pharmaceutical Companies Association (VNPCA)

Mr. Le Van Nha Phuong
Deputy General Director
of the Executive Board
Chief Production Officer



Mr Phuong has been with Imexpharm since 2017 since when he has been a Deputy General Director and Chief Production Officer, in charge of production of factories, research and development, regulatory affairs. Before joining Imexpharm, he held various R&D, production management positions including Deputy General Manager of Domesco and Factory Director of Ampharco. He holds a Doctor of Pharmacy degree from France

Positions held outside Imexpharm:

- None

Mr. Ngo Minh Tuan
Deputy General Director
of the Executive Board
Chief Operating Officer



Mr Tuan is a Deputy General Director of Imexpharm's Executive Board and the Company's Chief Operating Officer. His responsibilities include monitoring the strategic management of the company under the BSC and corporate culture policies. He also supervises the Company's strategic talent development plans, overseeing implementation of the Imexpharm Corporate Culture program, as well as its salary, benefits and career development programs.

Positions held outside Imexpharm:

- None

Mr. Huynh Van Nhung
Deputy General Director
of the Executive Board
Chief Quality Officer



Mr Nhung joined Imexpharm in 1998. He is a Deputy General Director and the Company's Chief Quality Officer with responsibility for project management, quality assurance, quality control and SHE. He is a member of the Company's Sustainable Development Committee, oversees Imexpharm's environmental, occupational health and safety protocols. Mr Nhung holds a Pharmacy Specialist I degree.

Positions held outside Imexpharm:

- None

Mr. Nguyen Quoc Dinh
Chairman of the Board of Directors
(retired April 28, 2023)
Deputy General Director
of the Executive Board
(retired January 18, 2024)



Mr Dinh joined Imexpharm as a Deputy General Director in 2001, serving also as Chairman of the Board of Directors from 2013, until his retirement from that role in April 2023. He retired from his Executive Board role in January 2024.

Positions held outside Imexpharm:

- Member of the Board of Directors of Agimexpharm Pharmaceutical Joint Stock Company

Mr. Tran Hoai Hanh
Chief Accountant



Mr. Hanh has been with Imexpharm for 25 years in a variety of finance and accounting roles, and has been its Chief Accountant for more than 8 years. In this role, he manages the financial performance and risk management of all Imexpharm's sales branches. He is particularly focused on bringing international standards of transparency to Imexpharm's financial operations, helping maintain the company's strong financial reputation.

Positions held outside Imexpharm:

- None

Mr. Nguyen Tom Thanh
(appointed January 18, 2024)
Deputy General Director
of the Executive Board
Chief Strategy Officer



Tom is a Deputy General Director of Impexpharm's Executive Board and the Company's Chief Strategy Officer. In this role, which he has held since joining the company in January 2024, he is responsible for implementing new projects and participating in the development of the company's marketing strategy. He also runs sales and marketing for Imexpharm's OTC & ETC-I products in the Northern region. An American national, Mr Tom has extensive experience in the pharmacy and healthcare sectors in Vietnam and America, and holds a Bachelor of Science in Engineering/ Biology, a Doctor of Pharmacy, and an Executive MBA in the US.

Positions held outside Imexpharm:

- Member of the Advisory Council of Pharmaceutical/ Healthcare segment at GLG (Gerson Lehrman Group) - Japan/ Vietnam

Mr. Nguyen An Duy
(appointed January 18, 2024)
Deputy General Director
of the Executive Board
Chief Finance Officer



Mr Duy joined Imexpharm in January 2024 as a Deputy General Director of the Executive Board and the Company's Chief Financial Officer. He has held various senior finance and operational roles at beverage and healthfood companies in Vietnam, including Nutifood Vietnam, Vinamilk and Pepsico Vietnam. Mr Duy holds a Master of Business Administration, Banking and Finance (Bolton University).

Positions held outside Imexpharm:

- None

IMEXPHARM'S BOARD OF DIRECTORS



Ms. Chun Chaerhan
Non-Executive Chairman
(appointed April 28, 2023)

Ms Chaerhan has been Imexpharm's Non-Executive Chairperson since April 2023. She is also Chairperson of the Nomination and Compensation Committee of the Board of Directors from February 23, 2024.

A Managing Director of SK Group, one of South Korea's leading companies and Imexpharm's largest shareholder, she serves on the Board of a number of Vietnamese companies including Vingroup Joint Stock Company and Masan Group Joint Stock Company. She is also Chairman of the Board of Directors of Maroon Bells Joint Stock Company. She is Vietnam Regional Director of SK Group's top advisory committee, the SUPEX Council.

Positions held outside Imexpharm:

- Vietnam Regional Director of SK Group's SUPEX Council
- Member of the Board of Directors of Vingroup Joint Stock Company
- Member of the Board of Directors of Masan Group Joint Stock Company
- Chairman of the Board of Directors of Maroon Bells Joint Stock Company, Vietnam



Mr. Hoang Duc Hung
Independent Director
(appointed December 19, 2023)

Mr Hung was appointed to the Imexpharm Board as an Independent Director in December 2023. He has around thirty years' experience working in Vietnam's public and private sectors and currently sits on the Boards of a number of Vietnamese companies and associations as either Chairman or Vice Chairman. Between 2014 and 2016 he was a Senior Consultant to the World Bank, where he supported Vietnam's Ministry of Finance in developing the country's internal audit regulations.

Positions held outside Imexpharm:

- President of Institute of Internal Auditors Vietnam – IIA Vietnam Chapter
- Vice President, Executive Committee Member of Vietnam Independent Directors Association (VNIDA)
- Chairman of CGS Vietnam Governance Consultancy Joint Stock Company
- Members of BOD of Gentis Testing Service Joint Stock Company
- Independent BOD Member of NoVaLand Investment Group Corporation



Ms. Han Thi Khanh Vinh
Non-Executive Director

As a Master of International Accounting from Australia, Ms Vinh serves on the board of numerous pharmaceutical companies, including the Vietnamese entities of several international firms. At Imexpharm, her roles include counselling on the Vietnam's pharmaceutical industry, and external relations. She is also a member of the Nomination and Compensation Committee of the Board of Directors from February 23, 2024.

Positions held outside Imexpharm:

- Member of the Board of Directors, General Director of Vietnam Pharmaceutical Corporation - Joint Stock Company
- Chairman of the Board of Directors of CPC1 Central Pharmaceutical Joint Stock Company
- Member of the Board of Directors of OPC Pharmaceutical Joint Stock Company
- Member of the Board of Directors of Sanofi Vietnam Joint Stock Company
- Member of the Board of Directors of Sanofi Pharmaceutical Joint Stock Company - Synthelabo Vietnam



Ms. Tran Thi Dao
Executive Director
General Director

As one of the founding members of Imexpharm from the beginning, Madame Dao was appointed Chairman of Imexpharm since 2001, Vice Chairman since 2013, and Member of the Board of Directors from 2023.

Positions held outside Imexpharm:

- Member of the Board of Directors of Agimexpharm Pharmaceutical Joint Stock Company (an affiliate of Imexpharm)
- Vice Chairwoman of the Vietnam Pharmaceutical Companies Association (VNPCA)

Changes to the Board of Directors in 2023
Board of Directors members dismissed from April 28, 2023:

- **Mr. Nguyen Quoc Dinh**
Dismissed from the position of Chairman of the Board of Directors
- **Mr. Ngo Minh Tuan**
Dismissed from the position of member of the Board of Directors
- **Mr. Le Van Nha Phuong**
Dismissed from the position of member of the Board of Directors



Mr. Truong Minh Hung
Non-Executive Director

A Senior Investment Director at SK Group, Imexpharm's largest shareholder, Mr Hung has been on the Board of the Company since 2020. He advises on the company's strategy, corporate governance. He is also a member of the Nomination and Compensation Committee of the Board of Directors from February 23, 2024. Before SK Group, he held senior roles at VinaCapital, Deloitte Vietnam, PVI Fund Management and the Oman Investment Joint Stock Company.

Positions held outside Imexpharm:

- Senior Investment Director of SK Vietnam



Mr. Chung Suyong
Independent Director

Mr Suyong was appointed to the Board in April 2023 as an Independent Director. A pharmacist by training, he has held various management, consulting and investment roles, including General Director of IMS Health Thailand and Vice President at SK Group.

Positions held outside Imexpharm:

- None



Ms. Nguyen Thi Kim Le
Person in charge of corporate governance

Ms. Le joined Imexpharm in 2006, assuming the role of Person in charge of corporate governance. She advises the activities of the Board of Directors and its committees, promoting corporate governance practices in line with best standards. Ms. Le holds a Bachelor's degree in Accounting - Auditing from the University of Economics in Ho Chi Minh City and has been awarded the Company Administration Certificate by the State Securities Commission, as well as training certification in the Public Company Governance Index from HOSE.

CORPORATE GOVERNANCE PRINCIPLES

❖ Imexpharm's ten principles for best practice corporate governance are as follows

PRINCIPLE 1

Defining the roles, responsibilities, and commitments of the Board of Directors

At Imexpharm, the roles and responsibilities of the Board of Directors are specified in the Company's Charter and Internal Regulations on Governance. The activities of the Board of Directors always ensure compliance with legal regulations in accordance with assigned powers and responsibilities. The Board of Directors is committed to carrying out all activities transparently, for the best interests of the company and its shareholders, and taking care of all its stakeholders. The Board of Directors leads the company to successfully complete its production and business plans, and is ultimately accountable for the company's activities, strategies, and financial performance. The Board implements activities through the issuance of Resolutions and directs the Board of Management (The Executive Board) to implement the Resolutions. The Board has taken steps in the current financial year to improve corporate governance, to ensure compliance with current regulations and to ensure consistency with good governance practices recommended by international organizations and regulatory agencies. Newly appointed directors are inducted into their roles by the sharing of an overview of the company, organizational structure, and their new roles and responsibilities according to the provisions of the Enterprise Law, Company Charter, Internal Regulations on Corporate governance, and operating regulations of the Board of Directors.

PRINCIPLE 2

Establishing a competent and professional Board of Directors

2023 is the start of Imexpharm's new term 2023-2027. The Annual General Meeting of Shareholders on April 28, 2023, elected a diverse group of members of the Board of Directors for the term 2023-2027. The Board currently has six members. The board comprises one Executive Director and five Non-Executive Directors of which two are independent Non-executive Directors to ensure impartial decision making, and effective oversight of the Board of Management. Board Members are hired who can devote appropriate amounts of time to their roles and responsibilities. The company plans to submit for approval to the upcoming 2024 General Meeting of Shareholders the purchase of Directors & Officers Liability Insurance (D&O Insurance).

PRINCIPLE 3

Ensuring effective leadership and independence of the Board of Directors

The Board of Directors coordinates and supports the Executive Board in all production and business activities, while protecting the interests of shareholders and related parties. Imexpharm's Board of Directors has two independent members, ensuring the requirement for the number of independent members according to current regulations, acting as an important advisory voice in the company's decisions.

PRINCIPLE 4

Establishing Committees under the Board of Directors

Before the 2023 General Meeting of Shareholders, the Board of Directors had three Subcommittees to assist the Board of Directors in addition to a Supervisory Board. After the General Meeting of Shareholders, Imexpharm changed the governance model to eliminate the Supervisory Board and to replace it with an Audit Committee. On February 23, 2024, the Board Of Directors issued a resolution on the establishment and appointment of personnel for the Audit Committee and the Nomination and Remuneration Committee under the Board of Directors, and at the same time approved the operating regulations of the Board Committees.

PRINCIPLE 5

Ensuring the operations of the Board of Directors

Every year, the Board of Directors evaluates the activities of each subcommittee and Board members based on best practices and in particular the level of completion of the business plan approved by the General Meeting of Shareholders. Board members' remuneration is based objectively, scientifically, and transparently on their ability and efficiency in contributing to the work of the Board.

PRINCIPLE 6

Establishing and maintaining the company's ethical culture

Imexpharm has issued guidance documents to its people, including a Cultural Handbook in 2014, and a Code of Ethics and Compliance in 2020 to create and encourage a business culture with high standards throughout the company and at the same time to advocate the building of long-term, collaborative relationships with external partners. The Board of Directors plays an important role in leading these efforts and in shaping the unique identity of the company's culture to drive sustainable development and to drive shareholder value.

PRINCIPLE 7

Establishing a strong risk management policy and control environment

The Board of Directors has established a highly effective internal control system and risk management policy. The Board of Directors is ultimately responsible for the company's risk management policy and monitoring the operation of the company's internal control system. Imexpharm is always interested in choosing a balance between growth goals and control goals to maintain control, minimize key risks, improve business practices and operations, and aim for growth and sustainable development. The Internal Audit has done a good job of reviewing the company's financial situation. In selecting the auditing unit, Imexpharm has considered the criteria of capacity and reputation, and professional qualifications to evaluate and select appropriate candidates. The 2023 Annual General Meeting of Shareholders and the Board of Directors approved PwC (Vietnam) Company Limited as the independent auditor for the fiscal year 2023.

❖ Imexpharm's ten principles for best practice corporate governance are as follows (continued)

PRINCIPLE 8

Strengthening the company's information disclosure activities

Imexpharm promotes the disclosure of information publicly, transparently, promptly and accurately, ensuring the company complies with all disclosure requirements. The company maintains diverse information disclosure channels such as: its company website, the HOSE website, mass media and through the Company's Investor Relations Department. Information related to the company's management and business operations as well as other information are published by Imexpharm on time, bilingually to ensure full transparency.

PRINCIPLE 9

Establishing a framework for effective implementation of shareholder rights

Investor relations continues to be a key area of focus for Imexpharm to ensure shareholders' interests are always taken care of. The Board of Directors regularly directs the implementation of information disclosure to shareholders in accordance with current regulations of the Ministry of Finance and the Securities Commission. For events that affect stock prices, the Board of Directors always ensures accurate and timely transmission of information to shareholders and the investor community. The Board of Directors holds an Annual General Meeting of Shareholders every year. The company makes equal and timely dividend payments to shareholders according to the company's dividend policy. Imexpharm's transactions with insiders and related parties are conducted in a manner that ensures conflicts of interest are properly managed and protects the interests of the company and shareholders.

PRINCIPLE 10

Enhancing the effective participation of stakeholders

Imexpharm engages stakeholders through effective dialogue channels, such that timely actions can be taken to address the concerns and expectations of stakeholders. The company has been strictly applying the Code of Ethics and Compliance throughout all activities of the company when dealing with internal and external partners, ensuring balance and harmony of interests. Imexpharm meets all tax payment obligations and other financial obligations according to the provisions of law and is proactive in meeting its responsibilities to the community and society.

BOARD OF DIRECTORS

BOARD OF DIRECTORS COMPOSITION

The Annual General Meeting of Shareholders on April 28, 2023, elected members of the Board of Directors for the term 2023-2027.

The Directors of the Board during the 2023 financial year, and up to the date of publishing of this report are as follows

❖ Non-Executive Directors

Ms. Chun Chaerhan (Age 44)	Non-Executive Chairperson (appointed April 28, 2023)
Ms. Han Thi Khanh Vinh (Age 48)	Non-Executive Board member
Mr. Truong Minh Hung (Age 44)	Non-Executive Board member

❖ Independent Non-executive Directors

Mr. Chung Suyong (Age 51)	Independent Board member
Mr. Hoang Duc Hung (Age 50)	Independent Board member (appointed December 19, 2023)

❖ Executive Director

Ms. Tran Thi Dao (Age 71)	Executive Board member
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❖ Chairman of the Board

The Chairman of the Board is Ms. Chun Chaerhan. Ms. Chun is responsible for providing leadership to and overseeing the functioning of the Board of Directors. With the support of Executive Directors and the Company Secretary it is also her role to ensure that the Board of Directors are fully briefed on issues arising at Board meetings and that they receive sufficient and dependable information on a timely basis.

BOARD MEETINGS AND ATTENDANCE RECORD

The Board of Directors held a total of ten meetings during the year. This included four regular meetings; five extraordinary meetings via email; and one first (regular) meeting of the Board of Directors for the 2023-2027 term to elect the Chairman, and to appoint the Board of General Directors, the Chief Accountant, and the person in charge of corporate governance. Directors can attend either in person or virtually. Members of the Board of Directors attended all meetings.



	No of meetings attended
Non-executive Directors	
Ms. Chun Chaerhan (Chairman appointed April 28, 2023)	6/6
Ms. Han Thi Khanh Vinh (appointed for the second time April 28, 2023)	10/10
Mr. Truong Minh Hung (appointed for the second time April 28, 2023)	10/10
Independent Non-executive Directors	
Mr. Chung Suyong (appointed April 28, 2023)	6/6
Mr. Hoang Duc Hung (appointed December 19, 2023)	1/1
Executive Directors	
Ms. Tran Thi Dao (appointed April 28, 2023, previous appointments as Chair/Vice Chair)	10/10
Mr. Nguyen Quoc Dinh (Executive Chairman of the Board of Directors retired April 28, 2023)	4/4
Mr. Ngo Minh Tuan (retired April 28, 2023)	4/4
Mr. Le Van Nha Phuong (retired on April 28, 2023)	4/4

Regular board meetings are scheduled in advance with at least 30 days' notice given to directors to ensure as many as possible can attend.

INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS

The Imexpharm Board of Directors has two independent members, ensuring compliance with regulatory obligations concerning the structure of the Board. Over the past year, the independent members have actively engaged in contributing to governance at Imexpharm.

Mr. Chung Suyong

Elected as an independent member of the Board of Directors in April 2023, Mr. Chung Suyong has been highly proactive in his role. In addition to attending and providing valuable advisory opinions at regular and extraordinary Board meetings, Mr. Chung has also committed to dedicating a minimum of 40 hours per year to advise on the Board's activities. Thanks to this proactive support, in early 2024, Imexpharm signed a strategic partnership with Genuone Sciences Inc., facilitating the transfer of advanced drug manufacturing technology from Korea.

Mr. Hoang Duc Hung

Mr. Hoang Duc Hung was approved by the shareholders' meeting to become an independent member of the Board of Directors responsible for the Audit Committee on December 19, 2023. On January 10, 2024, Mr. Hùng had his first working session with the Board of Directors and the Executive Board. The parties discussed the company's new organizational structure, focusing on internal audit resources, risk management, and compliance. He was also given an overview of Imexpharm, visited factories, and worked with the Deputy General Directors in charge of various divisions. After the working session, Mr. Hung submitted to the Chairperson of the Board of Directors recommendations to enhance governance at Imexpharm, focusing on internal control systems and risk management. In addition, Mr. Hung actively participated in and provided valuable input at many Board of Directors meetings. He also dedicated significant time to discussing with the Chief Financial Officer regarding the audited financial statements for the year 2023, management reporting, plans for transitioning to IFRS, and personnel plans for Internal Audit, Risk Management and Compliance.



BOARD COMMITTEES

On February 23, 2024, the Board of Directors (BOD) issued a resolution approving the establishment of the Audit Committee, and Nomination and Compensation Committee under the BOD.

❖ Audit Committee (AC)

The Board of Directors appointed Mr. Hoang Duc Hung (independent Board member), as Chair of the Audit Committee and approved its Charter. Accordingly, the Audit Committee has the following responsibilities:

01	Supervise the integrity of the company's financial statements.
02	Review the internal control and risk management system.
03	Create and submit to the BOD a risk management framework and policies to detect and manage risks at the company-level, and monitor the outcomes.
04	Review with related party transactions
05	Directly supervise the Company's Internal Audit Department
06	Recommend the independent auditor to the BOD
07	Supervise and assess the independence and objectivity of the auditor
08	Monitor to ensure that the company complies with the provisions of the law & regulators.

❖ Nomination & Compensation Committee (NCC)

The Board of Directors appointed the following members:

Ms. Chun Chaerhan	<ul style="list-style-type: none"> • Non-executive Chairperson of BOD • Chair of NCC
Ms. Han Thi Khanh Vinh	<ul style="list-style-type: none"> • Non-executive Board member • Member of NCC
Mr. Truong Minh Hung	<ul style="list-style-type: none"> • Non-executive Board member • Member of NCC

The BOD also approved the NCC's Charter, which clearly stipulates NCC's responsibilities as follows:

01	Review and propose the structure, scale, and composition of the BOD and Committees under the BOD
02	Authorized by the BOD to approve recruitment plans including job description, salaries, bonuses, and other policies for the Executive Board (except the General Director) and other managers, as proposed by the General Director, and reporting to the BOD
03	Design and propose policies for ESOP (Employee Stock Ownership Plan), or other long-term incentive programs to the BOD or General Meeting of Shareholders
04	Recommend to the BOD on the appointment of personnel of Committees under the BOD
05	Negotiate and finalize compensation for the independent BOD members
06	Review and participate in the annual evaluation of Committees and members under the BOD and Executive Board
07	Support the BOD in carrying out responsibilities related to salaries, bonuses, and policies for the Executive Board and managers when presented to the BOD for consideration and decision
08	Supervise the management of salary plans, remuneration, bonuses, and welfare policies of the company



SUPERVISORY BOARD

❖ Supervisory Board (SB) - discontinued in April 2023

Before the 2023 General Meeting of Shareholders held in April 2023, there was a Supervisory Board in place, as well as three Subcommittees in place to assist the Board of Directors, as follows: the Internal Audit and Risk Management Subcommittee; the Strategy Subcommittee; and the Human Resources - Compensation Subcommittee. When the Supervisory Board was in existence, prior to April 2023, the Head of the Supervisory Board would attend and give opinions at regular quarterly meetings of the Board of Directors and extraordinary meetings via email. The Supervisory Board would also coordinate with the Internal Control Department and the Legal Department to control debt management at sales branches.

❖ Information about members of the discontinued Supervisory Board

Member of the Supervisory Board	Position	Start day/ is no longer a member of the Supervisory Board	Specialization qualification
Ms. Le Thi Kim Chung	Head of the Supervisory Board	<ul style="list-style-type: none"> Start date as SB member: January 1, 2008 Starting date as Head of the SB: April 25, 2022 Date no longer as Head of the SB: April 28, 2023 	<ul style="list-style-type: none"> Bachelor of Economics Bachelor of Law
Ms. Do Thi Thanh Thuy	Member of the Supervisory Board	<ul style="list-style-type: none"> Start date as SB member: January 1, 2005 End date as a SB member: April 28, 2023 	<ul style="list-style-type: none"> Financial Accounting Bachelor

❖ Meeting of the Supervisory Board in 2023

In early 2023, the Supervisory Board had a meeting to review the 2022 financial statements with the participation of the two members of the Supervisory Board. This was the last meeting of the Supervisory Board.

The Supervisory Board established the Supervisory Report for the fiscal year 2022 and the 2018-2022 term to submit to the General Meeting of Shareholders, including a report on the remuneration of each member of the Supervisory Board. From April 28th, 2023, Imexpharm changed the structure of the Board of Directors, and its governance model, applying the model specified in Point b, Clause One, Article 137 of the Law on Enterprises 2020, and given in this new model there is no Supervisory Board.



THE BOARD OF MANAGEMENT

The day-to-day management, administration and operation of the Group is delegated by the Board of Directors to the Management Board, known at Imexpharm as the “Executive Board” with clear guidance given to the Executive Board on their duties and scope including when they need to report back to the Board of Directors

The Executive Board is led by **Ms TRAN THI DAO as General Director**. Ms. Dao who has been with Imexpharm since the early years, and who has held a key leadership role for several decades, driving Imexpharm’s growth from a small enterprise in Dong Thap province to becoming one of the leading companies in the Vietnamese pharmaceutical sector.

Ms. Dao is supported by a highly experienced management board and team, who are responsible for operational executive and strategic decision making. There is clear delineation between the Board and the management team, regarding roles and responsibilities, to ensure clear accountability and effective governance.

❖ The Management Board Composition (referred to as the “Executive Board”)

Ms. Tran Thi Dao (Age 71)	<ul style="list-style-type: none"> General Director of the Executive Board
Mr. Nguyen An Duy (Age 49)	<ul style="list-style-type: none"> Deputy General Director of the Executive Board Chief Finance Officer (appointed January 18, 2024)
Mr. Nguyen Tom Thanh (Age 48)	<ul style="list-style-type: none"> Deputy General Director of the Executive Board Chief Strategy Officer (appointed January 18, 2024)
Mr. Ngo Minh Tuan (Age 44)	<ul style="list-style-type: none"> Deputy General Director of the Executive Board Chief Operating Officer
Mr. Le Van Nha Phuong (Age 43)	<ul style="list-style-type: none"> Deputy General Director of the Executive Board Chief Production Officer
Mr. Huynh Van Nhung (Age 50)	<ul style="list-style-type: none"> Deputy General Director of the Executive Board Chief Quality Officer
Mr. Tran Hoai Hanh (Age 60)	<ul style="list-style-type: none"> Member of the Executive Board Chief Accountant
Mr. Nguyen Quoc Dinh (Age 61)	<ul style="list-style-type: none"> Chairman of the Board of Directors (retired April 28, 2023) Deputy General Director of the Executive Board (retired January 18, 2024) General Director Advisor (from January 18, 2024)

REPORT AND EVALUATION OF BOARD OF DIRECTORS

BOARD OF DIRECTORS' ASSESSMENT ON ACTIVITIES IN 2023

2023 continues to be a volatile year for the world economy

The pharmaceutical market also faces many difficulties due to reduced consumer demand; fluctuations in energy and input materials prices; Competition between businesses in the same industry and pressure from rising exchange rates.

Faced with this economic backdrop, the team at Imexpharm has strived to meet all these challenges and to work diligently to achieve a year of record growth with impressive production and business results, completing and exceeding the tasks and targets assigned by the General Meeting of Shareholders.



❖ The Board of Directors evaluation of Imexpharm's results following the implementation of the Resolution of the General Meeting of Shareholders

Content	Result
I. Production and business targets in 2023	
Total Revenue	Imexpharm's total revenue this year reached VND2,113 billion, an increase of 26% over the same period in 2022.
Net revenue	Net revenue reached VND1,994 billion, completing 114% of the plan, up 21% over the same period in 2022
Profit before tax	Profit before tax reached VND377.3 billion, completing 108% of the plan, up 30% over the same period in 2022
II. Choose an auditing company in 2023	
Authorize the Board of Directors to select 01 (one) out of 05 (five) independent Audit units for the fiscal year 2023	Approval for the Board of General Directors to sign audit service contract No. 9692/PwC-HCMC/HD/2023 dated July 11, 2023, with PwC (Vietnam) Company Limited.
III. Distribution of profits of 2022	
Dividends in cash at the rate of 10% of the par value of the number of outstanding shares	The company pays over VND 66VND66 billion in cash dividends for fiscal year 2022
Dividends in shares at the rate of 5% of the par value of the number of outstanding shares	The company pays stock dividends to shareholders at a rate of 5%, corresponding to 3,333,079 shares.
Deduction to the Bonus and Welfare Fund at the rate of 15% of distributed PAT	Bonus and welfare fund in 2022: VND 39.7VND39.7 billion
Bonus to the Board of Directors and Supervisory Board for exceeding profit plans	Bonus for the Board of Directors and Supervisory Board for exceeding profit plan: VND 3.1 billion
IV. Remuneration and bonuses of the Board of Directors in 2023	
Remuneration and operating expenses of the Board of Directors in 2023: 2% of profit before tax and before actual expenses for the Board of Directors	The company has recorded remuneration and operating expenses for the Board of Directors in 2023 according to the approval of the General Meeting of Shareholders, with a total amount of nearly VND 7.7 billion.

❖ Key Achievements



01. REORGANIZATION

In 2023, Imexpharm has restructured the company's organization according to a professional and contemporary management model.

02. SCIENCE AND TECHNOLOGY

Imexpharm has strengthened and promoted the application of science and technology to make company management more effective.

03. CORPORATE CULTURE

Activities have been promoted to build and cultivate corporate culture, strengthen the connection between employees and the company.

04. GROSS PROFIT MARGIN

Factories operate stably and efficiently; Imexpharm has continuously improved production capacity; thereby contributing to increasing the company's gross profit margin.

05. RESEARCH AND DEVELOPMENT

Research and development activities have been strengthened through the development of a product evaluation process.

06. 2023 OBJECTIVES

Research and Development and Drug Registration have met their objectives well in 2023.

07. ON-TIME COMPLETION

Drug registration products were completed on schedule to meet production and business needs, particularly the products of the IMP4 factory.

08. ENVIRONMENTAL SUSTAINABILITY

In 2023, Imexpharm has performed well in terms of environmental protection activities, applied measures and initiatives in production and business to reduce environmental pollution and respond to climate change.



❖ Key Achievements (continued)

09. QUALITY MANAGEMENT

The Quality Management System is always maintained and controlled effectively. Reviews of factories and supply chains are strictly controlled. During the year, Imexpharm completed EU-GMP re-approval for factories IMP2 and IMP3.

10. PRODUCTION RESPONSIBILITY

As a responsible manufacturer, Imexpharm focused on investing in advanced standards, meeting strict health safety standards for workers working in the factory, while minimizing impact on the environment.

11. MARKET LEADERSHIP

By the end of 2023, Imexpharm is considered one of the pharmaceutical companies with the fastest revenue and profit growth rate of the year, leading the ETC channel (according to IQVIA) and leading the antibiotic market in the country.

12. BUSINESS ADMINISTRATION

There has been strong implementation of internal control activities, corporate governance, risk management, the company has activated savings and cost reduction optimization activities and has been proactive and flexible in management and operations activities.



13. RESOURCE CONSERVATION

Fuel, electricity and water sources were all used economically and reasonably. All the factories waste sources are strictly controlled and minimized in quantity and quality controlled to always meet allowed regulations before being discharged into the environment.

14. HUMAN RESOURCE TRAINING

Imexpharm has continued to strengthen the company's organizational structure on the basis of deploying talent in accordance with work requirements and content, developing a qualified internal human resources team to take on management positions, and to improve the effectiveness of human resource training activities in both quantity and quality.

15. SOCIAL RESPONSIBILITY

Social responsibility is also one of Imexpharm's development focuses, and in the period, Imexpharm coordinated with business representatives, medical experts and leaders of departments and reputable pharmacies across the country to carry out activities accompanying the community such as: free medical examinations and medicine distribution. for veterans, sponsoring sports tournaments for the elderly...

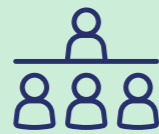
THE BOARD OF DIRECTORS EVALUATION ON THE ACTIVITIES OF THE COMPANY'S MANAGEMENT BOARD ON THE IMPLEMENTATION OF THE RESOLUTIONS OF THE GENERAL MEETING OF SHAREHOLDERS AND THE BOARD OF DIRECTORS IN 2023

Pursuant to the Company's Charter and Internal Regulations on Corporate Governance, the Board of Directors has inspected and supervised the activities of the General Director and the Executive Board in operating production, business, and development.

Supervising method



The Board of Directors receives reports and directly queries the General Director (CEO) and Board of Management at regular quarterly Board meetings.



The Chairperson of the Board of Directors frequently holds meetings with the CEO and members of the Executive Board to provide timely guidance and direction on production and business strategies.



The Board of Directors directs the development of KPIs at the company level, especially building KPIs for each member of the Board of Management in order to evaluate 2024 performance.



Supervising results

01

The General Director, Deputy General Directors and management staff have fully deployed and diligently implemented the Resolutions and Decisions of the General Meeting of Shareholders and the Board of Directors

During the operating process, the General Director and members of the Executive Board have complied with the hierarchy and provisions of the Charter, regulations and internal governance regulations of the company.

02

03

The General Director has fully undertaken her role and responsibilities of the leader to; Direct and orient important and core issues of the company and effectively coordinate the activities of the Executive Board. The Deputy General Directors have proactively deployed and completed on their objectives and activities according to their specialist fields.

Especially in 2023, in the face of a complex operating environment both domestically and internationally, the CEO and the Executive Board (Management Board) have managed the company's production and business activities flexibly, proposed timely solutions, adapted to rapidly changing circumstances, and exceeded production and business targets. They have completed assigned tasks to maximize shareholder value.

04

05

The General Director has directed the implementation of solutions to strengthen the organizational structure and personnel; completed a comprehensive restructuring of the company and worked with consultants to enhance the operational efficiency of all divisions.

At the end of 2023, Imexpharm was honoured to receive Awards for the Top 50 Best Listed Companies and Top 50 Most Effective Business Companies.

06

07

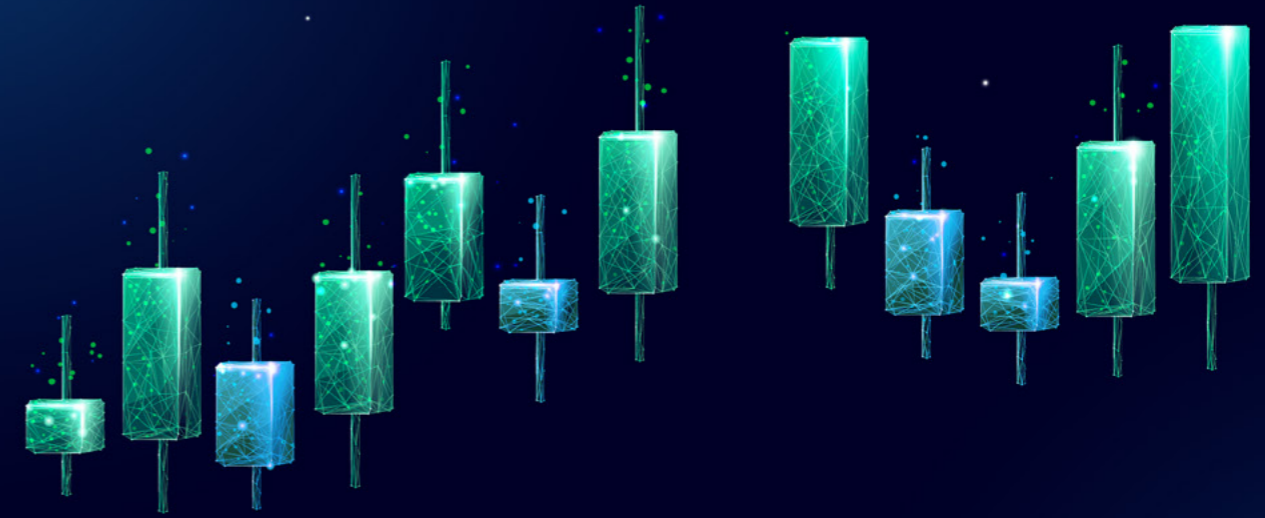
Efforts to create and build an ideal working environment in combination with the company's culture also helped Imexpharm continue to be named as one of the Top 5 best places to work in Vietnam in the field of pharmaceuticals, medical equipment, and healthcare.

The overall assessment of the Board of Directors is that 2023 is a year that recognizes the success of Imexpharm, contributing to ever growing confidence by all Imexpharm stakeholders in the Company Board's and teams across the organisation with Imexpharm, at the same time building customer trust and Imexpharm's reputation in the market.

08

RESOLUTIONS AND DECISIONS ISSUED BY THE BOARD DURING THE FINANCIAL PERIOD

During the year, the Board of Directors issued 11 Resolutions and 03 Decisions to manage, operate, supervise, and direct all aspects of the company's operations. Key issues approved during the year include:



- | | | | |
|--|--|--|--|
| <p>01 Approved the 2023 production and business plan submitted to the General Meeting of Shareholders.</p> | <p>06 Appointed Ms. Tran Thi Dao and Mr. Nguyen Quoc Dinh as authorized representatives for the shares owned at Agimexpharm Pharmaceutical Joint Stock Company; and nominated Ms. Tran Thi Dao and Mr. Nguyen Quoc Dinh as candidate of the Board of Directors of Agimexpharm for the term 2023-2027.</p> | <p>11 Approved the restructuring of the functional management organization chart of Imexpharm Corporation.</p> | <p>15 Resignation Mr. Nguyen Quoc Dinh from his position as Deputy General Director.</p> |
| <p>02 Approved the proportion of salary and bonus fund deducted from revenue in 2023.</p> | <p>07 Approved the nomination of Ms. Tran Thi Dao to join the candidate Board of Directors of Imexpharm Corporation for the term 2023-2027.</p> | <p>12 Approved the implementation of the plan to issue shares to pay dividends in 2022; and the set of documents for issuing shares to submit to the State Securities Commission.</p> | <p>16 Appointed Mr. Nguyen An Duy to the position of Deputy General Director and Chief Financial Officer.</p> |
| <p>03 Approved the assignment to the General Director to receive credit limits in the form of unsecured credit and mortgage at commercial banks.</p> | <p>08 Approved the use of bad debt provisions to handle debts according to regulations, with a value of 442,214,860 VND.</p> | <p>13 Approved the final registration date to exercise the right to receive dividends of 2022 according to the plan approved by the 2023 Annual General Meeting of Shareholders.</p> | <p>17 Appointed Mr. Nguyen Tom Thanh (Thomas Thanh Nguyen) to the position of Deputy General Director and Chief Strategy Officer.</p> |
| <p>04 Authorized the General Director to sign all types of contracts with Agimexpharm Pharmaceutical Joint Stock Company.</p> | <p>09 Approved the election of Ms. Chun Chaerhan to hold the position of Chairperson of the Board of Directors; the appointment of General Director and Executive Board of Imexpharm Corporation; the appointment of the person in charge of Corporate Governance.</p> | <p>14 Collected written opinions of shareholders to approve issues as follow: (1) Elect additional independent members of the Board of Directors to be in charge of the Audit Committee; (2) Waiver of public tender offer for shareholders of SK Investment Vina III Pte. Ltd.; (3) Cancel the Stock Issuance Plan under the employee option program (ESOP for Key Personnel) and convert it into a Cash Bonus Plan for Key Personnel; (4) Use equity (including funds and undistributed profits) to pay for the Cash Bonus program.</p> | |
| <p>05 Finalized the list of shareholders to convene the 2023 Annual General Meeting of Shareholders; and the draft set of documents submitted to the General Meeting of Shareholders.</p> | <p>10 Approved the selection of PwC (Vietnam) Company Limited as the auditor of the 2023 Financial Statements for Imexpharm Corporation; and authorized the General Director to sign the 2023 audit contract with PwC.</p> | | |

BOARD OF DIRECTORS REPORT ON THE OPERATIONS OF AFFILIATED COMPANIES

Agimexpharm is committed to serving public health with safe, effective, and reasonably priced pharmaceutical products.

The Board of Directors also fulfilled their responsibilities to report on the operations of the Imexpharm affiliated company Agimexpharm Pharmaceutical Joint Stock Company (Agimexpharm), formerly known as An Giang Pharmaceutical Enterprise, and which was established in 1976.

With over 47 years of construction and development, Agimexpharm has an excellent reputation for the manufacturing and distributing of pharmaceutical products, and its products are both highly trusted and seen as contributing to the growth of Vietnam's medical and pharmaceutical industry.

AGIMEXPHARM'S FACTORY PRODUCING OVER

400 PRODUCTS

Agimexpharm's factory has invested in modern and advanced equipment and production lines and is responsible for producing over 400 of the company's products, including many well-known pharmaceuticals such as Acegoi, Agimol, Agimoti-S, Agitro, Agiclar, Agirovastin, Agilecox, Ulcegest, and Cinatrol.



2023 was a year of many challenges, from a macroeconomic and a sector perspective. The company carried out numerous initiatives and implemented several measures to deliver on its targets and activities set for the financial year. The company results for the past five years are shown below, which demonstrate a steady growth in the company's recorded revenues over the period, with a 6% growth in 2023 compared with 2022.

GROWTH REVENUES IN 2023
▲ 6% COMPARED WITH 2022

Year	2019	2020	2021	2022	2023	% +/- 23/22	CAGR 2019-2023
Revenue	467.5	495.0	521.8	687.0	725.1	6%	12%
External goods	13.1	13.9	11.0	11.8	6.8	-42%	-15%
Manufactured goods	454.5	481.1	510.8	675.2	718.3	6%	12%
Profit before tax	35.5	36.3	41.4	53.2	54.2	2%	7%
Profit after tax	28.4	28.9	33.3	42.9	43.6	2%	7%

TOTAL REVENUE FOR 2023 AGIMEXPHARM REACHED

725.1 BILLION VND
 ≈ 97% of budget

Total revenue for 2023 reached VND 725.1 billion, at 97% of budget. Cost of sales was recorded at VND 510 billion, an increase of 11% as the back of increasing input costs with rising shipping prices and disruptions to global supply chains. As a result, the company's pre-tax profit was VND 54.2 billion at only 90% of budget but still at an increase of 2% over the same period last year coming off a strong 2022. Profit after tax was VND 43.6 billion.

PRE-TAX PROFIT WAS

54.2 BILLION VND
 ▲ 2% over the same period last year

As of December 30, 2023, Agimexpharm's total assets reached 897.7 billion VND, an increase of 11.9% compared to the beginning of the year.

PROFIT AFTER TAX WAS

43.6 BILLION VND
 over the same period last year

Cash and cash equivalents increased 2.2 times to VND 28.6 billion. Financial investment also increased 5.3x to over VND6 billion. Inventories increased slightly to VND 290.5 billion. Total liabilities increased by 11% to 543 billion VND, of which the majority is short-term debt of 525.2 billion VND. Short-term debt increased by 17.8% to 393 billion VND (accounting for 72.4% of capital). Long-term debt decreased by 4.4% to 17.8 billion VND.

STRATEGIC FOCUS OF THE BOARD OF DIRECTORS FOR 2024

Against what market commentators expect to be a challenging macroeconomic backdrop in 2024, the Board of Directors has outlined its primary objectives for the year as follows:



Streamline the operations and processes of the Board of Directors, ensuring responsible governance and adherence to legal provisions, the Company's Charter, and the Board's operating regulations.



Direct and oversee the Management Board (Executive Board) in executing strategies to effectively implement the 2024 production and business plan.



Convene regular meetings in compliance with regulations and, when necessary, hold extraordinary meetings to address matters falling under the Board's jurisdiction.



Participate in General Director Board meetings to promptly address issues alongside the Management Board (Executive Board), aiming to overcome obstacles, foster an optimal environment, and facilitate all company activities.



Oversee efforts to consolidate and significantly improve the effectiveness of important functions such as internal control, risk management, compliance, finance, investment, R&D and human resource development.



Conduct inspections, evaluations, and periodic reviews to ensure alignment of company activities with its overarching development strategy.

TRANSACTIONS, REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT

REMUNERATION, SALARY, BONUS AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT, CHIEF ACCOUNTANT, COMPANY SECRETARY IN 2023

The remuneration and bonus fund of the Board of Directors and Company Secretary is approved at the Annual General Meeting of shareholders.

Salaries and bonuses of the Board of Management and Chief Accountant are implemented according to the salary and bonus policy of Imexpharm Corporation.

(For the remuneration, salary, bonus and benefits of each member of the Board of Directors, Board of Management, Chief Accountant, Company Secretary in 2023, please refer to point vi), clause a), section 36 of the Notes to Financial Statements - Audited Financial Statements 2023)

❖ Other remuneration and benefits of the Board of Directors

In addition to the remuneration and bonus regime approved annually by the General Meeting of Shareholders, in 2023, Board members are also paid travel and accommodation expenses.



TRANSACTIONS BETWEEN THE COMPANY AND RELATED PERSONS OF THE COMPANY; OR BETWEEN THE COMPANY AND MAJOR SHAREHOLDERS, INSIDERS, OR RELATED PERSONS OF INSIDERS

No.	Organization Name	Relevant relationship with the company	Tax code	Office address	Time transaction
1	Agimexpharm Pharmaceutical Joint Stock Company	<ul style="list-style-type: none"> Imexpharm holds 31.56% of the shares in an affiliated company Ms. Tran Thi Dao - General Director, and Mr. Nguyen Quoc Dinh - Deputy General Director are members of the Board of Directors of Agimexpharm 	1600699279	27 Nguyen Thai Hoc Street, My Binh Ward, City. Long Xuyen City, An Giang Province	2023

Details of specific transactions are as follows:

Receivables	2023 (VND)	2022 (VND)
Agimexpharm Pharmaceutical Joint Stock Company	3,954,751,020	3,976,516,390

Payables	2023 (VND)	2022 (VND)
Agimexpharm Pharmaceutical Joint Stock Company	-	3,600,136,677



Main transactions with related parties	2023 (VND)	2022 (VND)
Sales		
• Agimexpharm Pharmaceutical Joint Stock Company	12,764,860,250	10,088,003,018
Selling fixed assets		
• Agimexpharm Pharmaceutical Joint Stock Company	1,159,090,908	18,181,818
Buy goods		
• Agimexpharm Pharmaceutical Joint Stock Company	17,858,550,750	22,228,372,400
Buy shares		
• Agimexpharm Pharmaceutical Joint Stock Company	-	20,327,136,000
Receive dividends		
• Agimexpharm Pharmaceutical Joint Stock Company	2,964,374,000	5,928,748,000
Dividend Payment		
• Agimexpharm Pharmaceutical Joint Stock Company	14,790,000	22,185,000

(Additionally, the Company has transactions with other related parties, for details please refer to Section 36 of the Audited Financial Statements for the year 2023.)

❖ Board Diversity

The Imexpharm Board has excellent gender diversity with 50/50 female/male representation.

The Imexpharm Board of Directors consists of seasoned professionals with a broad array of experience in pharmaceuticals, finance and legal. The diversity in their backgrounds and skills enhances their ability to give strategic guidance.

❖ Auditor's Remuneration and Auditor Related Matters

For the year ended 31 December 2023, the total remuneration of the company's external auditor, PwC (Vietnam) Company Limited, in respect of statutory audit services amounted to approximately VND 400 million.

RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL

-  The Board is responsible for maintaining sound and effective risk management and internal control systems to safeguard the company's assets and shareholders' interests, whilst at the same time reviewing the effectiveness of these systems.
-  To supplement the systems that the Board of Directors have put in place, an Audit Committee was established during the year to support the Board of Directors.
-  The Executive Board (the Management Board) also established an Internal Control Department and a dedicated Legal Department which is appropriate given the increasing company size and scale, to further enhance the control environment at Imexpharm.
-  The Board of Directors considers all production and business activities at the company when assessing risk. It also establishes KPIs at the company level. The Management Board translates these into KPIs for all departments and divisions to implement. These are designed such that the main and important targets concerning production, business, finance and human resources are all given specific frameworks and guidelines for management departments and divisions to implement.
-  This is also the basis for departments to identify and manage well the risks that may arise during the implementation of KPIs, to ensure that production and business goals for the year are effectively implemented in accordance with the requirements and orientation of the Board of Directors and Executive Board.

RISK MANAGEMENT

In 2023, some typical key risks of the company included:

No	Risk	Affect
1	Risks specific to the pharmaceutical industry	High
2	Brand risk	High
3	Operational risks	Medium
4	Financial risk	Short

The company has analyzed, evaluated, monitored, and managed risks that greatly affect business strategy and operations, specifically as follows:

Risk	Identified	Solution
I. Specific risks of the pharmaceutical industry		
Risk of input materials	<ul style="list-style-type: none"> The global economic slowdown, political tensions and fluctuations in world petroleum prices have caused supply disruptions, extended ordering times, increased transportation costs and sudden increases in prices of some raw materials. Imexpharm's main ingredient. The proportion of raw materials accounts for nearly 65% of the production cost. When raw material prices fluctuate by 1%, production costs tend to fluctuate up or down by 0.65%, respectively. 	<ul style="list-style-type: none"> To address the risk of input materials, the company established a Project Management Department. On a monthly basis the company re-evaluates the raw material market price, and weekly reviews its inventory situation. The company also established a centralized purchasing department, and proactively searches for potential suppliers to increase its bargaining power. As a major enterprise in the industry, Imexpharm can require suppliers to sign contracts with stable prices all year round to avoid sudden price increases. Imexpharm has a policy of storing key ingredients to ensure continuous production safety for at least 3-6 months for the active ingredients of key products.
Risks of market demand and competitive pressure	<ul style="list-style-type: none"> Vietnamese consumers' demand for pharmaceuticals is increasing rapidly for high quality, healthy and fast-acting medicinal products. New production lines can be developed for new products, but the risk of the company not being able to keep up and meet market needs is very high. With high financial potential and research and development capacity, foreign businesses are creating great pressure on domestic businesses, including Imexpharm. The risk of losing market share and reducing revenue is relatively clear. 	<ul style="list-style-type: none"> To minimize risks in market demand as well as competitive pressure, Imexpharm has planned and strongly deployed R&D activities to research and develop new products, creating stronger competitiveness for the company. Imexpharm is also actively improving marketing activities by implementing many new forms of marketing such as digital marketing, further promoting the brand.

RISK MANAGEMENT (continued)

Risk	Identified	Solution
II. Brand and reputational risk		
Brand risk	<ul style="list-style-type: none"> Brand risk is the loss and damage caused by unwanted changes in Imexpharm's image in the hearts of customers, affecting the trust in the company to make decisions in terms of product consumption. Businesses face the risk of communication crisis, having their image tarnished, losing reputation in the market, which would negatively affect the brand. 	<ul style="list-style-type: none"> For Imexpharm, brand is an intangible asset of critical value. Brand risk management is a key task. The company has a mechanism to minimize brand risks through strict product quality management system, while focusing on risk management in promotion and communication. Imexpharm always strictly complies with legal regulations in product quality management activities, promotion, marketing, and communication. In addition, by respecting the investment value of shareholders, the company is clearly aware of its responsibilities to provide accurate and complete information on a timely basis.
III. Operational risks		
Compliance risks	<ul style="list-style-type: none"> This is a risk that could cause financial loss to Imexpharm due to employees violating or not complying with legal regulations, the Company's Charter, internal regulations, and operating procedures. 	<ul style="list-style-type: none"> In 2023, Imexpharm's Board of Directors has coordinated with relevant departments to apply identification and control measures. The Internal Audit/ Audit Committee performs inspection and supervision of compliance risk by ensuring compliance with laws and internal processes and regulations. Control is carried out in both periodic and irregular forms, with more focus on areas where risk is most likely to occur. Results are reported directly to the Board of Directors and the Executive Board, thereby instructing departments to review and amend business processes accordingly.
Human resource management risks	<ul style="list-style-type: none"> Human resource management risk is a risk stemming from ineffectiveness in human resource management leading to a shortage or surplus of employees or recruited employees who do not meet company needs. The company has personnel risk, especially intelligent scientific and technical staff who hold key roles in production, and a number of key personnel who hold important roles in operations and business. Currently, the pharmaceutical market has great competition in attracting and retaining human resources, especially high-tech personnel, and managers of European standard technology factories. 	<ul style="list-style-type: none"> Imexpharm focuses on recruiting and training fully qualified personnel with deep expertise and professional ethics. Human Resources Development activities are conducted regularly to develop the next generation of leadership. At the same time, the company continuously evaluates and enhances remuneration policies, and ensures employees are treated on a fair and equal basis to, create a happy and professional workplace for all staff.

Risk	Identified	Solution
Legal risks	<ul style="list-style-type: none"> Legal risks occur for Imexpharm in the process of complying with the law due to changes in regulations, non-compliance with regulations or when legal disputes arise with partners during production activities. Since Imexpharm listed its shares on the HOSE, the company's business activities are governed by the Enterprise Law, Securities Law and associated laws and regulations. 	<ul style="list-style-type: none"> The company has a Legal Department. They are responsible for updating changes in laws and evaluating the legal impact on business operations to promptly advise the Board of Directors and Executive Board; At the same time, the legal team evaluates all legal contracts and their implications.
IV. Financial risk		
Credit risk	<ul style="list-style-type: none"> Credit risk directly affects business activities (mainly customer receivables) and financial activities of Imexpharm, including bank deposits and other financial instruments. 	<ul style="list-style-type: none"> To effectively control credit risk, Imexpharm periodically reviews and evaluates deterioration in credit quality of customer receivables, deposits, and financial instruments. The company also focuses on maintaining strict control over all accounts and customer receivables plus credit control staff to minimize risks. Credit risk for deposit balances at banks is managed by the finance and accounting department according to Imexpharm's policy, which only selects partners that are large and highly reputable banks to allocate deposits and operate payment accounts. In addition, a continuous risk reporting and warning system is maintained to closely monitor these activities.
Interest rate risk	<ul style="list-style-type: none"> Risks due to changes in interest rates are mainly related to short-term loans with interest as well as short-term deposits of the company, thereby causing losses to Imexpharm. 	<ul style="list-style-type: none"> Imexpharm manages interest rate risk by the close monitoring of the currency market situation as well as key economic indicators domestically and internationally. The Company's Finance Department evaluates continuously the situation and adjusts financial leverage levels as well as financial planning. The company also prioritizes access to preferential loans with low, fixed interest rates from banks, thereby limiting interest rate risks. In addition, the company's deposits while waiting for disbursement are also optimized in terms of deposit term and selection of credit institutions to bring the greatest benefits to Imexpharm and its shareholders. Interest rate risk is closely monitored and managed by the Finance and Accounting department of the Finance Division of Imexpharm.

RISK MANAGEMENT (continued)

Risk	Identified	Solution
Exchange rate risk	<ul style="list-style-type: none"> Exchange rate risk is the risk that the fair value of future cash flows calculated in financial plans will fluctuate due to the impact of exchange rate changes. The company may face the risk of exchange rate changes related to current activities such as import and export activities from partners. Over 90% of Imexpharm's raw materials are imported from abroad, so the company's operations are affected by exchange rates, mainly the USD. In 2023, the exchange rate increased as a result of higher interest rates. 	<ul style="list-style-type: none"> Imexpharm has estimated the risks of import and export plans related to foreign partners and carefully calculated implementation time as well as payment terms to limit exchange rate risks to the lowest level. At the same time, the company re-evaluates the impact of exchange rates every quarter, and plans to import raw material reserves to avoid being negatively impacted by exchange rates.
Bad debt risk	<ul style="list-style-type: none"> Imexpharm sells through pharmacists for the OTC channel and through partners mainly for the ETC channel. Imexpharm assesses the bad debt risk for the company as low because Imexpharm's debtors are not highly concentrated and are dispersed among many customers. 	<ul style="list-style-type: none"> Imexpharm manages bad debt risks by reviewing all transactions, comparing debts, and avoiding the misappropriation of capital by pharmaceutical representatives. At the same time, the Legal Department also coordinates to check supply contracts with partners and pharmacies, ensuring transactions are by the provisions of law, the company, and approved sales programs standards. The Board of Directors understands the company's operations and takes appropriate preventive measures to minimize bad debts.

❖ Risk management activity plan for 2024

In 2024, Imexpharm will continue to maintain and operate risk management activities according to established systems and processes. In addition, the company will upgrade people, management software, processes, and necessary equipment to ensure the best implementation of risk management goals.

The specific Risk Management activity plan for 2024 is as follows:



Continuously update appropriate risk management policies, processes, and regulations for each stage of production and business activities.



Build and develop a specific quantification system of risk measurement criteria and parameters, divide it down to levels and determine specific measurement and calculation methods for each assessed risk.



Review and update the risk list periodically in line with the company's operational goals and strategies, focusing on key risks that affect the process of implementing the company's strategic goals.



Appoint a new risk and compliance manager, continue to co-ordinate with the activities of the Internal Audit on a risk basis to ensure consistent connection and optimize assessment results with the most reasonable costs and resources.



Apply the risk identification system, reporting system and control system to each functional block, each branch, each factory and each specific department and division, thereby developing appropriate plans to prevent and respond when risks occur.



Conduct comprehensive training courses for the team in charge of risk management as well as risk ownership, to equip the necessary knowledge about risk management and prepare resources to meet the implementation of the company's strategy during the 5-year period of the term 2023 - 2027.



CONCLUSION

Imexpharm demonstrates a commitment to robust corporate governance practices, and continues to increase its focus on enhancing transparency, accountability, and risk management.

SUSTAINABLE DEVELOPMENT AND SOCIAL RESPONSIBILITY AT IMEXPHARM

OVERVIEW

Imexpharm is committed to sustainable development and social responsibility. That means ensuring business growth goes hand in hand with people development, social progress, environmental protection and community development. The company has been a pioneer at integrating sustainability into its business practices and has since its foundation been focused on making a meaningful contribution to society.

As part of this, Imexpharm supports numerous projects that provide long term benefits to its communities. For example, the company runs volunteer programs that help support education activities and start-up businesses in Dong Thap province, as well as projects to help disadvantaged groups. In this way, the company aims to help build a better life for the community and society.



The company's sustainable development strategy is built on 5 pillars:
People; Habitat; Prosperity; Cooperation; Cohesion.



❖ Sustainable development goals – short & medium term

Through its sustainable development practices and wider support for society, Imexpharm aims to create sustainable values for the Vietnamese pharmaceutical industry that in turn help support the development of the country's future. Its short- and medium-term sustainable development goals are to:



Implement the company's investment plans in Dong Thap Pharmaceutical Industrial Park, creating additional sustainable jobs for the local area



Carry out a wide-ranging program of corporate social responsibility activities



Ensure that information disclosures to shareholders, investors and partners are transparent, timely and complete



Apply modern environmental and social standards in the company's production methods



Promote a fair and equal working environment that celebrates diversity Sustainable development goals – short & medium term

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SUSTAINABLE RELATIONSHIPS WITH STAKEHOLDERS

Sustainable relationships with all its stakeholders are an important part of Imexpharm's sustainable development strategy. The company ensures alignment of interests with related parties, complies with all relevant regulations and builds and maintains relationships in a spirit of respect, cooperation, understanding and collaboration.

The company's strategies and policies in this area are developed both in accordance with the actual situation and to satisfy the concerns and expectations of stakeholders.

❖ Varying Stakeholder Needs and Imexpharm Solutions

Stakeholder	Requirements	Approach	Details
Shareholders / Investors	<ul style="list-style-type: none"> Business operations and sustainable growth Strong finance, stock value, dividends Business management Prestige and brand image Investor relations activities and transparent information disclosure Fair treatment and shareholder rights 	<ul style="list-style-type: none"> Organize Annual or Extraordinary General Meeting of Shareholders according to law Regular annual meetings Periodic reports: Financial statements, annual reports, sustainable development reports Monthly/quarterly IR newsletter Relevant information disclosure to the stock market Exchange information through the Investor Relations Department Direct meetings 	<ul style="list-style-type: none"> Invest in product quality, commit to sustainable production Maximize business efficiency and create business values Clear strategic direction, improve management capacity, strengthen brand image Ensure high returns for shareholders while still being in harmony with the company's development goals Ensure the provision of complete, timely, public and transparent information Maintain a compliance Code of Ethics, highlighting shareholder rights (including the right to equal treatment)
Clients	<ul style="list-style-type: none"> Product quality Price Sales policy After sales service Customer care 	<ul style="list-style-type: none"> Teams of pharmacists Marketing, customer care, market survey department Media Periodic surveys ImexForum Medical Forum 	<ul style="list-style-type: none"> Commitment to the best quality products and services Invest in technology, upgrade production lines to meet EU - GMP standards Take advantage of price to compete with imported drugs with equivalent quality standards Build a professional sales team Develop customer care services, optimize customer experience Stick to core values - Cultural principle No. 1 in company culture: Customer oriented - Leading service

Stakeholder	Requirements	Approach	Details
Employees	<ul style="list-style-type: none"> Labor regime: salary benefits, insurance, occupational safety Working environment and advancement opportunities Recognized dedication and contributions The company's achievements and reputation in terms of economy, environment and society 	<ul style="list-style-type: none"> Labor conference Periodic evaluation and rewards Trade Union activities Training and coaching programs Internal communications Company website, management software 	<ul style="list-style-type: none"> Guaranteed source of income, average salary increased by 7% by 2023 Top 5 best workplaces in Vietnam aiming to build a "Happy Workplace" Maintain bonus and welfare fund Create a civilized, professional - disciplined - effective working environment Implement occupational health and safety policy Empower the Human Resources department to oversee recruiting and training workers, building and developing company culture
Suppliers	<ul style="list-style-type: none"> Fair and equal policy Public bidding process Pay in full and on time Feedback to improve quality 	<ul style="list-style-type: none"> Communicate via email/ phone Surveys 	<ul style="list-style-type: none"> Ensure transparent purchasing regulations Build mutually beneficial relationships
Banking partners	<ul style="list-style-type: none"> Fully comply with obligations in the credit contract Pay interest and repay principal on time Implement development goals, bringing benefits to the community 	<ul style="list-style-type: none"> Meet and discuss directly Visit and survey the factory Communicate via email/ phone 	<ul style="list-style-type: none"> Fulfill obligations under the contract Effective business operations Maintain safe cash flow management, ensuring on-time payments Promote sustainable development activities, especially gender equality

SUSTAINABLE RELATIONSHIPS WITH STAKEHOLDERS (continued)

Stakeholder	Requirements	Approach	Details
Government	<ul style="list-style-type: none"> Comply with legal regulations 	<ul style="list-style-type: none"> Through meetings and inspections, periodic reports 	<ul style="list-style-type: none"> Ensure compliance with legal policies
Local community	<ul style="list-style-type: none"> Contributing to the State Budget Operating environmentally friendly factories Increase social responsibility 	<ul style="list-style-type: none"> Community activities Media 	<ul style="list-style-type: none"> Ensure compliance with tax and budget payments in accordance with regulations Comply with environmental laws Implement projects related to energy efficiency Comply with legal regulations around production, wastewater treatment, and waste management to help preserve the living environment for the community Invest in quality standards of manufacturing to help minimize negative impacts on the environment Maintain budget for study promotion, talent promotion, and charity activities
Industry associations	<ul style="list-style-type: none"> Acting as a focal point for connecting and building industry development in the region Be proactive in sharing information 	<ul style="list-style-type: none"> Forum, dialogue Contacts Administrative documents Email exchanges 	<ul style="list-style-type: none"> Participate in the Executive Committee of Vietnam Pharmaceutical Association, as Vice President of the Association Support providing information and actively cooperate with industry associations Contribute annual membership fees

SUSTAINABLE DEVELOPMENT PRACTICES

Imexpharm uses the following three methodologies to identify, structure and report its sustainable development practices, ensuring the company applies them in the most impactful way for its stakeholders and wider society.

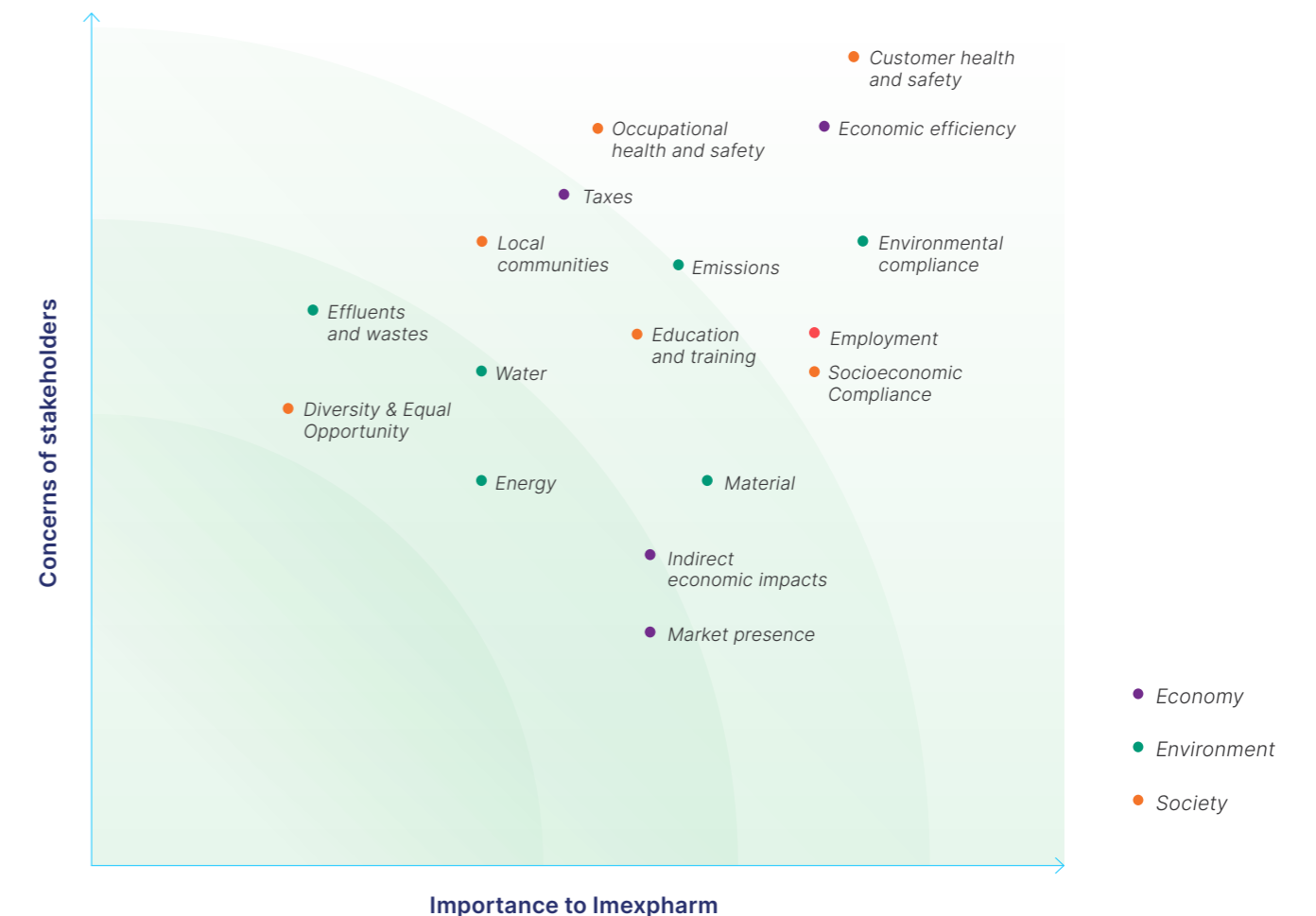
❖ Identify sustainable development areas

Identification Process



❖ Structure sustainable development activities

Imexpharm uses a matrix to assess the importance of each sustainability area to the company itself as well as to third parties. In this way, the company can appropriately structure its response, prioritising development activities and allocating appropriate resources to them, ensuring company and stakeholder expectations are met.



❖ Apply Global Reporting Initiative (GRI) Guidelines to report progress

Imexpharm also follows the approach set out in the GRI's Guidelines for Preparing Sustainable Development Reports to assess its practices according to relevant GRI Standards.

Group One

Economy



GRI 201 Economic performance

GRI 202 Market presence

GRI 203 Indirect economic impacts

GRI 207 Tax

Meet the following criteria of the United Nations' 17 sustainable development goals (SDGs)






Environment



GRI 301 Materials

GRI 302 Energy

GRI 303 Water

GRI 305 Emissions

GRI 306 Effluents and wastes

GRI 307 Environmental compliance

Meet the following criteria of the United Nations' 17 sustainable development goals (SDGs)






Society



GRI 401 Employment

GRI 403 Occupational health and safety

GRI 404 Training and Education

GRI 413 Local communities

GRI 419 Socio-economic compliance

GRI 405 Diversity & Equal Opportunity

GRI 405 Diversity & Equal Opportunity

GRI 416 Customer health and safety

Meet the following criteria of the United Nations' 17 sustainable development goals (SDGs)








GRI 200 - Economy



Economic performance, Market presence, Tax, Indirect economic impact

TOTAL REVENUE REACHED

2,113 BILLION VND

▲ 26% compared to the overall market growth rate of 8%

PRE-TAX PROFIT REACHED

377.3 BILLION VND

▲ 30% over the same period

PAYMENT TO THE STATE BUDGET

176,973,033,536 VND

SERVING SOCIAL SECURITY WORK

1,000,000,000 VND

GRI 300 - Environment



Materials

Raw materials used in 2023:

MAIN MATERIALS	EXCIPIENTS	AUXILIARY MATERIALS
381 TONS	328 TONS	536 MILLION UNITS

Energy consumption

TOTAL ELECTRICAL ENERGY CONSUMED

15,557,780 KWH

Group Two

Group Two

GRI 300 - Environment



Energy consumption (continued)

ENERGY CONSUMPTION INTENSITY

44,197
KWH/MILLION UNITS

TOTAL AMOUNT OF GASOLINE AND DO OIL CONSUMED

415,200
LITERS

Water consumption

WATER SUPPLY

Local water has been disinfected (mainly with chlorine), meeting all safety conditions for use

CLEAN WATER CONSUMPTION

91,733 M³

TOTAL VOLUME OF RECYCLED/ REUSED WATER

INSIGNIFICANT

Emissions

CO₂ EMISSIONS FROM ENERGY USE

11,234 TONS OF CO₂

Wastewater and waste

WASTEWATER

52,004 M³

ENVIRONMENTAL TREATMENT COSTS OF NEARLY

1.6 BILLION VND

TOTAL VOLUME OF HAZARDOUS WASTE

69,329 KG

TOTAL VOLUME OF NON-HAZARDOUS WASTE

110,926 KG

Note that all factory waste products are strictly controlled to ensure they meet relevant regulations before being discharged into the environment.

Environmental protection

Imexpharm is committed to implementing and complying with all relevant environmental regulations. The company recorded no violations in this area in 2023

Group Three

GRI 400 - Society



Workforce, Health and Safety, Socioeconomic compliance

Guaranteed jobs and income

1,405 WORKERS

Average income

▲ 15% COMPARED TO 2022

Welfare guarantee

100% EMPLOYEES participate in social insurance

Ensuring a safe working environment

100% EMPLOYEES receive regular health checks

100% EMPLOYEES

are trained in occupational safety and hygiene

Education and training

Total training hours

77,560 HOURS

Average training hours per employee

55.2 HOURS

Average number of training hours by gender

55.4 HOURS (Male) **54.9** HOURS (Female)

Average training hours for managers

29.5 HOURS

Average number of training hours for staff level

58.1 HOURS

Total training cost

≈ 3 BILLION VND

Diversity & equal opportunities

RATIO OF WOMEN

37%

AVERAGE INCOME OF WOMEN

63%

PERCENTAGE OF WOMEN WHO ARE MANAGERS

38%

Community health and safety

Imexpharm provides highly effective health solutions for the community

Group Three

GRI 400 - Society



Local community engagement

On July 22, Imexpharm joined Dong Thap Military and Civilian Hospital in organizing a free medical examination and medicine distribution program for veterans, people with meritorious service, policy families, and people in difficult circumstances in the area.

On September 16, Imexpharm joined the Dong Thap Province Study Promotion Association in contributing 566 million VND to sponsor the "Commendation and reward ceremony for students and teachers with excellent achievements in the 2022 - 2023 school year".

UN SUSTAINABLE DEVELOPMENT GOALS, IMEXPHARM'S LONG TERM VISION







Alongside the GRI system, Imexpharm implements the UN's 17 Sustainable Development Goals into its business operations.



Over 2023 the company made the following progress

UN Sustainable Development Goal	Description	Imexpharm's commitment and 2023 progress
	Eliminate poverty	<ul style="list-style-type: none"> Ensure jobs and stable income for workers, support local economic development In 2023, Imexpharm had 1,405 staff in full-time employment The average incomer of employees in 2023 increased by 15% compared to the same period in 2022
	Eliminate hunger	<ul style="list-style-type: none"> Enhance the quality of life for workers Implement sustainable production processes, ensuring income for workers and local communities
	Good health and happy life	<ul style="list-style-type: none"> Ensuring a healthy life and enhancing welfare for all employees in the company, building a happy working environment where employees can bond and contribute wholeheartedly. Every year, we organize periodic health checks for employees. In 2023, the cost of insurance and health care for employees is nearly 1.2 billion VND
	Quality education	<ul style="list-style-type: none"> Focus on training human resources with high professional qualifications and good qualities to meet the increasingly demanding needs of the pharmaceutical industry in the new context In 2023, Imexpharm will conduct about 100 external training courses and more than 3,000 internal training courses organized domestically and internationally with foreign experts and leading experts in the pharmaceutical field
	Gender equality	<ul style="list-style-type: none"> Imexpharm implements gender equality in personnel recruitment, young talent development, female staff training and welfare policies In 2023, the company's female workforce ratio is 37% (532 people). The proportion of women who are managers at middle level or higher accounts for 38% of the total workforce (54 people)

UN Sustainable Development Goal	Description	Imexpharm's commitment and 2023 progress
	Clean water and sanitation	<ul style="list-style-type: none"> Use water resources effectively and responsibly 100% of hazardous wastewater is treated
	Clean energy at reasonable prices	<ul style="list-style-type: none"> Prioritize the use of renewable energy and save electricity
	Sustainable employment and economic growth	<ul style="list-style-type: none"> Net revenue: 1,994 billion VND Profit before tax: 377.3 billion VND Contribution to the national budget: 177 billion VND Imexpharm was named one of the Top 50 best listed companies in Vietnam
	Industry, innovation and infrastructure	<ul style="list-style-type: none"> Owns 4 factory clusters, of which 3 factories meet EU-GMP standards, including 11 oral and injectable drug production lines By the end of 2023, Imexpharm has 27 registration numbers for 11 products in Europe
	Reduce inequality	<ul style="list-style-type: none"> There are no complaints about inequality No complaints of discrimination No forced labor, no child labor Ensuring jobs, improving working conditions, improving professional qualifications, providing health care, and enhancing welfare for female workers Strengthen community connections, respect the rights of women and disadvantaged groups; helping everyone, regardless of age, gender, disability, race, ethnicity, origin, religion, economic and other status
	Cities and sustainable community	<ul style="list-style-type: none"> Build green space, preserve landscape No emissions affecting residents and the surrounding environment

UN Sustainable Development Goal	Description	Imexpharm's commitment and 2023 progress
	Consumption and production responsibility	<ul style="list-style-type: none"> Apply sustainable production processes, increase the application of science and technology, and improve techniques in production and business All waste sources generated during operations are managed, collected, stored and treated satisfactorily according to national technical regulations on environment and current legal regulations
	Responding to climate change	<ul style="list-style-type: none"> Imexpharm has been implementing legal regulations on environmental protection in the field of climate change, such as strictly controlling and improving input fuel quality, implementing technical solutions techniques to optimize production processes, minimize the flow of exhaust fumes as well as the concentration of polluting gases and greenhouse gases
	Underwater life	<ul style="list-style-type: none"> Wastewater from production activities is treated 100% to meet standards before being discharged into the environment
	Life on land	<ul style="list-style-type: none"> At power plants, the green landscape is always cared for, renovated, increased green area and created a green, clean and beautiful surrounding environment There will not be any impact that will change the current state of the land, air, terrestrial ecosystem or cause loss of biodiversity
	Peace, justice and effective institutions	<ul style="list-style-type: none"> Participate in supporting policies and activities of the Government and related organizations to promote a peaceful, democratic, fair, equitable, and civilized society for sustainable development Support and accompany the Government towards the 17 sustainable development goals of the United Nations
	Collaborate to achieve goals	<ul style="list-style-type: none"> Strengthen relationships and cooperation with many domestic and international organizations

CHAPTER 5

OUR INNOVATION

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108	Research & Development at Imexpharm
110	Imexpharm's Production Standards
112	Sales & Marketing at Imexpharm
114	Future Innovation at Imexpharm
116	Our Awards

OVERVIEW

Over its close to fifty-year history, Imexpharm has been a pioneer in Vietnam's pharmaceutical industry.



Innovation is central to the firm's ongoing development and is a part of every aspect of its operations.



01. RESEARCH & DEVELOPMENT

Imexpharm has a best-in-class research and development program, operates international standard production lines and nurtures market leading business development talent. By facilitating close co-operation between these areas, the company can realise significant synergies that in turn foster growth. With the dedication and effort of all its professionals, the company offers high quality products and services that meet the healthcare needs of the Vietnamese people.



02. INVEST IN MODERN TECHNOLOGY

The company is also investing in modern technology, which it sees as foundational for its sustainable growth at home and for its participation in the international pharmaceutical supply chain.

03. REORGANIZE STRUCTURE

To facilitate ongoing innovation in the business, Imexpharm reorganised itself over 2023, moving from a departmental structure to a functional organizational structure. This is helping the company be more professional and methodical in its operations, and more convenient and streamlined in its administration.



04. DIGITAL TRANSFORMATION

As part of this, Imexpharm has placed a strategic priority on digital transformation. The company has always been a pioneer in this area, with for example, its early implementation of Enterprise Resource Planning software from SAP. As an extension to this, it recently installed new Warehouse Management Software to improve and standardize drug storage at its factories. It also implemented a Distributor Management System to optimize performance.



05. FORM NEW DEPARTMENTS

New departments were formed around specific functions including regional sales, supply chain, SHE (Safety, Health, Environment), finance, risk management/compliance, Public/Government Relations, and strategy. The company also separated its production and quality control functions, reflecting international best practice in this area.



06. TRAINING ACTIVITIES

In business operations and management, Imexpharm has also implemented advanced software systems to standardize processes, unify data and improve the company's overall operational efficiency. This digitization extends to the company's training and development activities, with online training and design software creating an active learning space for its employees. The resulting time and cost savings, coupled with improved efficiencies, are making a large contribution to career development across the company.

RESEARCH & DEVELOPMENT AT IMEXPHARM



IMEXPHARM HAS SPEARHEADED RESEARCH AND DEVELOPMENT (R&D) IN VIETNAM'S PHARMACEUTICAL INDUSTRY



IMEXPHARM INVESTED
≈ 5% NET REVENUE
 in R&D during 2023



The company considers it a core strength, and an essential part of how it creates value and sustainable development, helping to increase its competitiveness in both domestic and overseas markets. As such, Imexpharm invested nearly 5% of net revenue in R&D during 2023, alongside continued investments in ensuring its production capabilities are EU-GMP compliant.

IMEXPHARM RECENTLY LAUNCHED
MEXCOLD
 an effervescent form of paracetamol, which has been positively received by the market



The company actively deploys and promotes R&D work to bring to the market new drugs with a focus on high-value products and European-standard quality. It also focuses on creating drugs that can be sold at reasonable prices to provide the widest possible access to its products and contribute meaningfully to improving public health.

IMEXPHARM HAD A TOTAL
91 R&D PROJECTS

25 APPLICATIONS
 new registration

15 NEW PRODUCTS
 in production



Registration of all new products was completed on schedule to meet both production and business needs, especially those from the new IMP4 factory. Reflecting its success in this area, the number of new registrations issued in the last six months of 2023 exceeded the company's target.

IMEXPHARM ALSO HAD
11 EU MAS
 EUROPEAN PRODUCT REGISTRATION NUMBERS



ISSUED IN 2023 FOR
6 PRODUCTS

INCLUDING ADVANCED DRUGS SUCH AS
**AMPICILLIN/
 SULBACTAM**

BRINGING THE COMPANY'S TOTAL NUMBER OF EU MAS TO 27 FOR
11 PRODUCTS

IMEXPHARM ORGANIZES
TRAINING COURSES
 TO UPDATE ITS R&D TEAM'S PROFESSIONAL KNOWLEDGE



Research and development activities at Imexpharm are strengthened by the company's product evaluation process. This involves the Strategy, Marketing, Sales, R&D and RA departments which have coordinated to unify the product evaluation and implementation process. Imexpharm also regularly organizes training courses to update its R&D team's professional knowledge and management skills, as well as to help enhance their research efficiency.

IMEXPHARM'S PRODUCTION STANDARDS



Imexpharm is laser focused on ensuring the highest quality control standards are strictly implemented throughout the entire production process, and that customer satisfaction and trust in the Imexpharm brand remains at maximum levels.



IMP2 AND IMP3 FACTORY HAD ITS EU-GMP STATUS SUCCESSFULLY RENEWED

EU-GMP

for the second time and the third time

As part of this, the company's Quality Division completed its restructuring in September 2023 to better align with the goal of maintaining quality control throughout the company and its supply chain. Reflecting the success of this approach, Imexpharm IMP2 factory had its EU-GMP status successfully renewed for the second time during the year, and IMP3 had it renewed for the third time.

Also, during 2023, Imexpharm established a Project Management Department to ensure goods are supplied promptly, inventory controlled effectively, and consumption is forecast accurately.

IN 2023, THE COMPANY WORKED WITH

EFESO

(the global consultancy specializing)

Imexpharm continually applies science and technology to improve its production capacity and implement ever more efficient production methods. It does this alongside ensuring compliance with all relevant regulations on environmental protection and its duties around social responsibility. In 2023, the company worked with EFESO, the global consultancy specializing in operations strategy and performance improvement, to evaluate all its factories and implement roadmaps to improve operational efficiency.

IN THE FOURTH QUARTER OF 2023, INVENTORY WAS

72 BILLION VND

These changes are part of the company's overall efforts to optimize the production process. As a result of these efforts, inventory was reduced by VND 72 billion in the fourth quarter of 2023, contributing to increased operating cashflow. Relevant departments will continue to work closely with the Finance Division over 2024 to maintain appropriate inventory levels and stable operating cashflow.

SALES & MARKETING AT IMEXPHARM

Close coordination between sales, marketing and communication activities has helped Imexpharm to affirm its pioneering position and reputation as one of Vietnam's leading pharmaceutical companies, both at home and - increasingly - overseas.



Imexpharm undertakes sales and marketing activities in both the OTC and ETC channels to build market share in accordance with the company's strategic direction.

AT THE END OF 2023, THE COMPANY'S SALES GROWTH

▲ 8% OTC CHANNEL
compared to 2022

▲ 55% ETC CHANNEL
compared to 2022

Imexpharm follows sales policies that are nimble and can flex quickly, making adjustments relevant to each individual sales context. The salesforce consists of a highly professional and motivated team, operating under the management of the National Sales Director who receives direction directly from the CEO.



Over 2024, Imexpharm plans to increase promotion of its products in the private healthcare channel and grow online sales of its supplements, as well as create dedicated sales teams for products with the highest sales potential. This will help the company achieve its longer-term goal of expanding its network of sales branches as it consolidates the Central Region and grows its presence in the North.



SIX IMEXPHARM BRAND PRODUCT GROUPS
**CLAMINAT, OPHAMEX
BACTAMOX, CIDETUSS
ZANIEX, BIOCEMET**
exceeded their 2023 target

**BIOCEMET VÀ ZANIMEX
RECORDED IMPRESSIVE
154% | 165%**
exceeded their 2023 targets

Sales at Imexpharm are supported by a highly effective marketing program that is nationally recognised for its creativity, innovation, and dynamism. The company regularly deploys targeted and highly efficient marketing campaigns alongside maintaining a loyalty scheme, organising customer events, and attending prestigious medical conferences at home and abroad.

In particular, and as part of the company's longer term overseas expansion strategy, Imexpharm was the only Vietnamese company attending CPHI. Held in Barcelona, Spain, this is the world's largest international event for the pharmaceutical industry. Imexpharm's attendance represents an important step in its plans to access new markets, promote its export activities, and participate in the global drug supply chain.

Reflecting the strength of Imexpharm's sales and marketing function, six brand product groups (Claminat, Ophamex, Bactamox, Cidetuss, Zanimex and Biocemet) exceeded their 2023 target and recorded impressive growth compared to 2022. Of these product groups, Biocemet and Zanimex, exceeded their 2023 targets by 154% and 165% respectively.

FUTURE INNOVATION AT IMEXPHARM

RESEARCH, DEVELOPMENT AND PRODUCTION

- 01

Focus on implementing production plans, ensuring all products are of the highest quality
- 02

Grow the company's outsourcing manufacturing output for multinational pharmaceutical companies
- 03

Maintain discipline in, and strengthen the supervision of, production processes while continuing to monitor and promote key projects
- 04

Assess the feasibility of certain investment projects for new factories and production lines to meet increasing domestic and foreign needs
- 05

Ensure detailed and accurate product portfolio management and commodity forecasting
- 06

Utilize the company's EU-GMP factories to ensure ETC channel growth
- 07

Build a global development team to promote the implementation of Imexpharm's overseas expansion plans
- 08

Establish effective mechanisms and controls to promote R&D and drug registration to effectively meet the company's growth targets for the 2023-2027 period
- 09

Continue investment in and implementation of initiatives to increase the productivity of existing lines and factories
- 10

Maintain the quality management system of the company's factories to ensure quality standards are met
- 11

Unify key performance indicators across the company and measure them effectively according to the requirements of the company's investment partners
- 12

Expand production capacity according to international standards and increase the ability to produce new, technically difficult generics, promoting the competitiveness of domestic drugs against imported products



The management of Imexpharm have identified certain key areas for 2024 and beyond where the company will expand its innovation activities with a particular focus on R&D, production, and sales & marketing programs.

SALES & MARKETING

- Expand and develop the company's presence in the Northern region and consolidate Imexpharm's position in the Central market, with the goal of achieving consistent market share across the country
- Complete the implementation of new sales team structures
- Promote the digitization of Sales and Marketing activities to increase sales and enhance risk management
- Consolidate the company's market share of key products, constantly expanding domestic markets and promoting export activities

OUR AWARDS



TOP 10
BEST CORPORATE GOVERNANCE
 IN MID-CAP
 (HOSE)



RANKED 4TH
IN THE TOP 10 REPUTABLE
PHARMACEUTICAL
MANUFACTURING
COMPANIES IN 2023
 (VIETNAM REPORT)



AWARD
BOARD OF THE YEAR
 (VIOD)



TOP 20
BEST ANNUAL REPORTS
 IN NON-FINANCIAL INDUSTRIES
 (HOSE)



TOP 50
MOST EFFECTIVE COMPANIES
 (NHIP CAU INVESTMENT MAGAZINE)

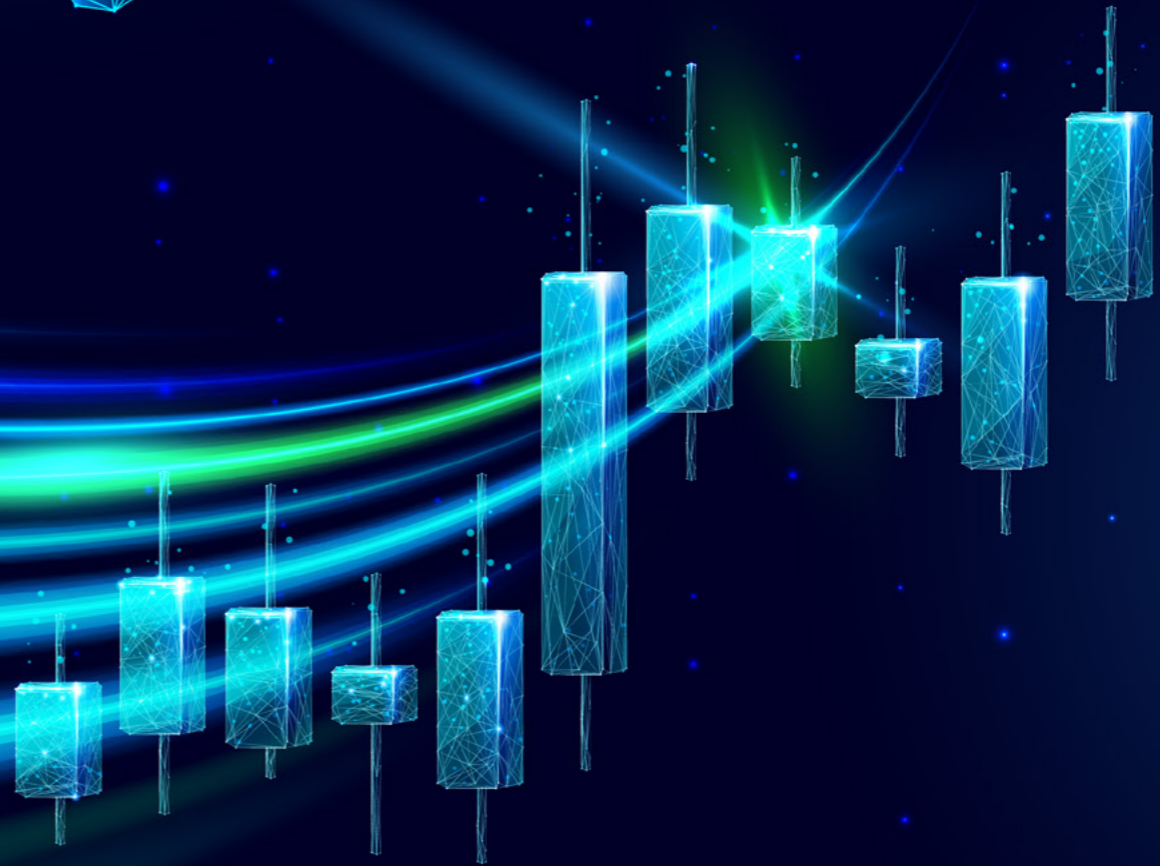


TOP 50
BEST LISTED COMPANIES
 (FORBES VIETNAM)



TOP 5
BEST PLACES TO WORK IN VIETNAM
 IN THE PHARMACEUTICAL, MEDICAL
 EQUIPMENT AND HEALTHCARE INDUSTRIES
 (ANPHABE)

TOP 20 LISTED COMPANIES
IN THE VNSI INDEX BASKET
 INCLUSION IN THE VNSI20 INDEX OF LISTED COMPANIES
 WITH THE BEST SUSTAINABLE DEVELOPMENT
 (HOSE)



CHAPTER 6

OUR FINANCIALS



CORPORATE INFORMATION

Enterprise registration certificate	No. 1400384433	Dated 7 November 2023				
	No. 1400384433 dated 1 August 2001 was initially issued by the Department of Planning and Investment of Dong Thap Province with the latest (31th) amendment dated 7 November 2023.					
Board of Directors	Mrs. Chun Chaerhan	Chairman <i>(from 28 April 2023)</i>		Board of Management	Mrs. Tran Thi Dao	General Director
	Mr. Nguyen Quoc Dinh	Chairman <i>(to 28 April 2023)</i>			Mr. Nguyen Quoc Dinh	Deputy General Director <i>(to 18 January 2024)</i>
	Mrs. Tran Thi Dao	Vice chairman <i>(to 28 April 2023)</i>			Mr. Huynh Van Nhung	Deputy General Director
		Member <i>(from 28 April 2023)</i>			Mr. Ngo Minh Tuan	Deputy General Director
	Mr. Truong Minh Hung	Member			Mr. Le Van Nha Phuong	Deputy General Director
	Mr. Chung Suyong	Member <i>(from 28 April 2023)</i>			Mr. Tran Hoai Hanh	Chief Accountant <i>(to 23 February 2024)</i>
	Mrs. Han Thi Khanh Vinh	Member			Mr. Duong Hoang Vu	Chief Accountant <i>(from 23 February 2024)</i>
	Mr. Le Van Nha Phuong	Member <i>(to 28 April 2023)</i>			Mr. Nguyen An Duy	Deputy General Director <i>(from 18 January 2024)</i>
	Mr. Ngo Minh Tuan	Member <i>(to 28 April 2023)</i>			Mr. Nguyen Tom Thanh	Deputy General Director <i>(from 18 January 2024)</i>
	Mr. Hoang Duc Hung	Member <i>(from 19 December 2023)</i>		Audit Committee	Mr. Hoang Duc Hung	Head of Audit Committee <i>(from 23 February 2024)</i>
Board of Supervision	Mrs. Le Thi Kim Chung	Chief Supervisor <i>(to 28 April 2023)</i>		Legal representative	Mrs. Tran Thi Dao	General Director
	Mrs. Do Thi Thanh Thuy	Member <i>(to 28 April 2023)</i>		Registered office	No 4, 30/4 Street, Ward 1, Cao Lanh City, Dong Thap Province, Vietnam	
				Auditor	PwC (Vietnam) Limited	

STATEMENT OF THE BOARD OF MANAGEMENT

Statement of Responsibility of the Board of Management of the Company in respect of the Financial Statements

The Board of Management of Imexpharm Corporation (“the Company”) is responsible for preparing the financial statements which give a true and fair view of the financial position of the Company as at 31 December 2023, and the results of its operations and its cash flows for the year then ended. In preparing these financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and enable the financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or error.

The Legal Representative has authorised the Deputy General Director of the Company to approve and sign the financial statements for the year ended 31 December 2023 in accordance with the Power of Attorney dated 18 January 2024.

Approval of the Financial Statements

We hereby, approve the accompanying financial statements as set out on pages 6 to 48 which give a true and fair view of the financial position of the Company as at 31 December 2023 and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

On behalf of the Board of Management



Nguyen An Duy
Deputy General Director
Authorised by Legal Representative

Dong Thap Province, SR Vietnam
26 March 2024

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF IMEXPHARM CORPORATION

We have audited the accompanying financial statements of Imexpharm Corporation (“the Company”) which were prepared on 31 December 2023 and approved by the Board of Management on 26 March 2024. The financial statements comprise the balance sheet as at 31 December 2023, the income statement and the cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 6 to 48.

The Board of Management’s Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these financial statements of the Company in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements of the Company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor’s Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

Other Matter

The independent auditor’s report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam
Audit Practising Licence No.
0849-2023-006-1
Authorised signatory

Report reference number: HCMxxxxx
Ho Chi Minh City, 26 March 2024

Doan Tran Phuong Thao
Audit Practising Licence No.
4701-2024-006-1

Form B 01 – DN

Form B 01 – DN

BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2023 (VND)	2022 (VND)
100	CURRENT ASSETS		1,207,134,868,323	1,103,552,901,572
110	Cash and cash equivalents	3	106,200,569,241	178,845,070,328
111	Cash		106,200,569,241	88,845,070,328
112	Cash equivalents		-	90,000,000,000
120	Short-term investments		93,000,000,000	211,300,000,000
123	Investments held to maturity	4(a)	93,000,000,000	211,300,000,000
130	Short-term receivables		296,563,369,409	270,938,803,795
131	Short-term trade accounts receivable	5	256,814,120,627	231,177,991,195
132	Short-term prepayments to suppliers	6	34,821,538,440	26,995,557,085
136	Other short-term receivables	7	7,683,749,363	26,560,007,100
137	Provision for doubtful debts – short-term	8	(2,756,039,021)	(13,794,751,585)
140	Inventories	9	699,445,523,731	435,841,476,949
141	Inventories		702,155,924,857	441,406,686,700
149	Provision for decline in value of inventories		(2,710,401,126)	(5,565,209,751)
150	Other current assets		11,925,405,942	6,627,550,500
151	Short-term prepaid expenses	12(a)	6,539,033,309	1,601,203,446
152	Value Added Tax ("VAT") to be reclaimed	15(a)	5,386,372,633	5,026,347,054

The notes on pages 128 to 164 are an integral part of these financial statements

Code	ASSETS (continued)	Note	As at 31 December	
			2023 (VND)	2022 (VND)
200	LONG-TERM ASSETS		1,185,480,288,796	1,173,390,666,003
210	Long-term receivables		2,257,399,878	50,244,740
216	Other long-term receivables		2,257,399,878	50,244,740
220	Fixed assets		935,553,291,815	488,685,348,304
221	Tangible fixed assets	10(a)	861,403,061,439	415,706,968,202
222	Historical cost		1,450,906,363,731	937,101,735,948
223	Accumulated depreciation		(589,503,302,292)	(521,394,767,746)
227	Intangible fixed assets	10(b)	74,150,230,376	72,978,380,102
228	Historical cost		101,608,535,219	99,071,887,219
229	Accumulated amortisation		(27,458,304,843)	(26,093,507,117)
240	Long-term assets in progress		47,350,656,599	580,743,385,664
242	Construction in progress	11	47,350,656,599	580,743,385,664
250	Long-term investments		71,283,556,350	71,289,573,850
252	Investments in associates	4(b)	70,948,582,700	70,948,582,700
253	Investments in other entities	4(b)	617,550,000	617,550,000
254	Provision for long-term investments	4(b)	(282,576,350)	(276,558,850)
260	Other long-term asset		129,035,384,154	32,622,113,445
261	Long-term prepaid expenses	12(b)	129,035,384,154	32,622,113,445
270	TOTAL ASSETS		2,392,615,157,119	2,276,943,567,575

The notes on pages 128 to 164 are an integral part of these financial statements

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Form B 01 – DN

BALANCE SHEET (CONTINUED)

Code	RESOURCES	Note	As at 31 December	
			2023 (VND)	2022 (VND)
300	LIABILITIES		308,036,213,534	382,496,674,756
310	Short-term liabilities		308,036,213,534	382,496,674,756
311	Short-term trade accounts payable	13	70,504,681,886	85,922,688,253
312	Short-term advances from customers	14	5,869,730,558	33,524,401,549
313	Tax and other payables to the State	15(b)	21,867,864,194	27,751,523,623
314	Payables to employees	16	57,058,335,353	73,138,693,787
315	Short-term accrued expenses	17	47,290,412,702	43,570,691,199
319	Other short-term payables	18	20,920,170,356	5,215,999,675
320	Short-term borrowings	19	49,421,829,063	94,980,000,000
322	Bonus and welfare fund	20	35,103,189,422	18,392,676,670
400	OWNERS' EQUITY		2,084,578,943,585	1,894,446,892,819
410	Capital and reserves		2,084,578,943,585	1,894,446,892,819
411	Owners' capital	21, 22	700,384,490,000	667,053,700,000
411a	- Ordinary shares with voting rights		700,384,490,000	667,053,700,000
412	Share premium	22	507,368,247,904	507,368,247,904
414	Owners' other capital	22	2,420,789,142	2,420,789,142
415	Treasury shares	22	(358,600,000)	(358,600,000)
418	Investment and development fund	22	434,668,679,280	453,317,592,589
421	Undistributed earnings	22	440,095,337,259	264,645,163,184
421a	- Undistributed post-tax profits of previous years		121,890,418,408	1,623,268,980
421b	- Post-tax profits of current year		318,204,918,851	263,021,894,204
440	TOTAL RESOURCES		2,392,615,157,119	2,276,943,567,575



Duong Hoang Vu
Preparer and Chief Accountant



Nguyen An Duy
Deputy General Director
Authorised by Legal Representative
26 March 2024

The notes on pages 128 to 164 are an integral part of these financial statements

Form B 02 – DN

INCOME STATEMENT

Code	Note	Year ended 31 December	
		2023 (VND)	2022 (VND)
01	Revenue from sales of goods	2,113,869,795,523	1,676,311,518,466
02	Less deductions	(119,832,885,146)	(32,605,003,820)
10	Net revenue from sales of goods	1,994,036,910,377	1,643,706,514,646
11	Cost of goods sold	(1,183,501,179,178)	(946,351,264,430)
20	Gross profit from sales of goods	810,535,731,199	697,355,250,216
21	Financial income	24,848,784,739	23,541,285,762
22	Financial expenses	(31,489,183,352)	(29,408,348,789)
23	- Including: Interest expense	(6,036,185,387)	(3,794,587,782)
25	Selling expenses	(309,885,867,749)	(269,015,147,943)
26	General and administration expenses	(119,602,910,146)	(131,840,010,666)
30	Net operating profit	374,406,554,691	290,633,028,580
31	Other income	3,301,632,737	974,993,298
32	Other expenses	(435,253,327)	(203,879,438)
40	Net other income	2,866,379,410	771,113,860
50	Accounting profit before tax	377,272,934,101	291,404,142,440
51	Business income tax ("BIT") - current	(77,716,928,559)	(67,863,824,838)
52	BIT - deferred	-	-
60	Profit after tax	299,556,005,542	223,540,317,602
70	Basic earnings per share	3,637	2,626
71	Diluted earnings per share	3,637	2,626



Duong Hoang Vu
Preparer and Chief Accountant



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Deputy General Director
Authorised by Legal Representative
26 March 2024

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Form B 03 – DN

Form B 03 – DN

CASH FLOW STATEMENT (INDIRECT METHOD)

Code	Note	Year ended 31 December	
		2023 (VND)	2022 (VND)
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax	377,272,934,101	291,404,142,440
Adjustments for:			
02	Depreciation and amortisation	82,642,281,566	60,385,696,030
03	Provisions/(reversal of provision)	(2,446,691,286)	4,798,513,785
04	Unrealised foreign exchange losses	201,272,095	3,411,443,397
05	Profits from investing activities	(22,409,814,008)	(19,861,008,067)
06	Interest expense	6,036,185,387	3,794,587,782
08	Operating profit before changes in working capital	441,296,167,855	343,933,375,367
09	(Increase)/decrease in receivables	(30,533,873,212)	20,135,831,138
10	(Increase)/decrease in inventories	(260,749,238,157)	52,398,387,880
11	Increase in payables	25,481,426,154	39,579,670,960
12	(Increase)/decrease in prepaid expenses	(101,351,100,572)	7,017,731,901
13	Decrease in trading securities	-	1,532,736,844
14	Interest paid	(6,699,943,903)	(4,475,116,208)
15	BIT paid	(83,992,016,063)	(59,623,516,944)
17	Other payments on operating activities	(22,986,261,726)	(21,895,699,490)
20	Net cash (outflows)/inflows from operating activities	(39,534,839,624)	378,603,401,448
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(63,529,641,231)	(99,353,189,519)
22	Proceeds from disposals of fixed assets	2,533,181,817	582,727,273
23	Term deposits placed at banks	(383,000,000,000)	(451,171,580,000)

The notes on pages 128 to 164 are an integral part of these financial statements

Code	Note	Year ended 31 December	
		2023 (VND)	2022 (VND)
24	Collection of loans and term deposits at banks	501,300,000,000	353,171,580,000
25	Investments in other entities	-	(20,327,136,000)
27	Dividends and interest received	21,817,132,865	17,793,732,315
30	Net cash inflows/(outflows) from investing activities	79,120,673,451	(199,303,865,931)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	229,739,387,189	59,802,742,133
34	Repayments of borrowings	(275,297,558,126)	(231,513,531,376)
36	Dividends paid to owners	(66,671,570,000)	(100,007,355,000)
40	Net cash outflows from financing activities	(112,229,740,937)	(271,718,144,243)
50	Net decrease in cash and cash equivalents of the year	(72,643,907,110)	(92,418,608,726)
60	Cash and cash equivalents at beginning of year	3	178,845,070,328
61	Effect of foreign exchange differences	(593,977)	(9,186,322)
70	Cash and cash equivalents at end of year	3	106,200,569,241

Additional information relating to the cash flow statement is presented in Note 34.



Duong Hoang Vu
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Authorised by Legal Representative
26 March 2024

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

Imexpharm Corporation (“the Company”), formerly known as Dong Thap Pharmaceutical Union, was incorporated under Decision No. 284/TCCQ dated 28 September 1983 issued by the Health Department of Dong Thap Province, then transformed from a state-owned company into a joint stock company in accordance with initial Enterprise registration certificate No. 1400384433 dated 1 August 2001 and the latest (31th) amendment dated 7 November 2023 issued by the Department of Planning and Investment of Dong Thap Province.

The Company's shares were listed on Ho Chi Minh Stock Exchange (“HOSE”) on 15 November 2006 with the ticker symbol IMP under Decision No. 76/UBCK-GPNY of HOSE.

The principal activities of the Company are manufacturing pharmaceutical products, processing pharmaceutical materials, trading, importing and exporting pharmaceutical products, medical equipment and supplies, chemicals, materials for medicine manufacturing and packaging, chemicals used for sterilisation or disinfection in humans (except for those listed under Point A, Part II, Appendix No. 04 accompanying Decision No. 10/2007/QĐ-BTM dated 21 May 2007 issued by the Ministry of Trade, currently known as the Ministry of Industry and Trade).

The normal business cycle of the Company is 12 months.

As at 31 December 2023, the Company had 25 branches and 3 associates as presented in Note 4b - Investments. Details of the Company's associates are presented below:

Company name	Principal activities	Address of registered office	Percentage of ownership and voting rights	
			31.12.2023	31.12.2022
Agimexpharm Pharmaceutical Joint Stock Company	Manufacturing and trading pharmaceutical products	An Giang Province	31.56%	32.99%
Dong Thap Muoi Research Conservation and Development Pharmaceutical Joint Stock Company	Researching, conserving, and developing pharmaceutical materials	Long An Province	23.56%	23.56%
Gia Dai Pharmaceutical Company Limited	Manufacturing and trading pharmaceutical products	Ho Chi Minh City	26.00%	26.00%

As at 31 December 2023, the Company had 1,415 employees (as at 31 December 2022: 1,260 employees).

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements. The financial statements have been prepared under the historical cost convention.

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The financial statements in the Vietnamese language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

2.3 Currency

The financial statements are measured and presented in Vietnamese Dong (“VND”), which is the Company's accounting currency.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank with which the Company regularly transacts. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and other short-term investments with an original maturity of three months or less.

2.6 Receivables

Receivables represent trade receivables from customers arising from sales of goods or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Bad debts are written off when identified as uncollectible.

Receivables are classified into short-term and long-term receivables on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

2. Summary of significant accounting policies (continued)

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Company applies the perpetual system for inventories.

Provision is made, where necessary, for expired, closed-to-date, obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year is recognised as an increase or decrease of cost of goods sold in the year.

2.8 Investments

(a) Investments held to maturity

Investments held to maturity are investments which the Company has a positive intention and ability to hold until maturity.

Investments held to maturity include term deposits and other investments held-to-maturity. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

(b) Investments in associates

Associates are investments that the Company has significant influence but not control and the Company would generally have from 20% to less than 50% of the voting rights of the investee. Investments in associates are initially recorded at cost of acquisition including purchase cost plus other expenditure directly attributable to the investments. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(c) Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(d) Provision for investments in associates and other entities

Provision for investments in associates and other entities is made when there is a diminution in value of the investments at the year end.

Provision for investments in associates is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision is calculated similarly to provision for investments in associates.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.9 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the income statement when incurred in the year.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

Plant, buildings, and structures	5 – 40 years	Computer software	3 – 5 years
Machinery and equipment	3 – 15 years	Copyright, patent	3 years
Motor vehicles	5 – 10 years	Office equipment	3 – 8 years
Other intangible fixed assets	3 years		

Land use rights comprise of land use rights granted by the State for which land use fees are collected and prepaid land use rights obtained under land rental contracts which are effective before the effective date of Land Law 2003 (i.e. 1 July 2004) and which land use right certificates are granted.

Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consists of its purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

Indefinite land use rights are stated at costs and not amortised.

2. Summary of significant accounting policies (continued)

2.9 Fixed assets (continued)

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipment; project management expenditure; construction consulting expenditure; and capitalised borrowing costs for qualifying assets in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.10 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

2.11 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Short-term prepaid expenses represent prepayments for services; and tools that do not meet the recognition criteria for fixed assets;... for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent prepayments for services; and tools, which do not meet the recognition criteria for fixed assets;... for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

Prepayments for land rental contracts which are effective after the effective date of the Land Law 2003 (ie. 1 July 2004) or which land use right certificates are not granted are recorded as prepaid expenses and allocated using the straight-line method over the terms of such land use right certificates.

2.12 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchases of goods and services; and
- Other payables are non-trade payables and payables not relating to purchases of goods and services.

Payables are classified into short-term and long-term payables on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

2.13 Borrowings

Borrowings include borrowings from banks.

Borrowings are classified into short-term and long-term borrowings on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

Other borrowing costs are recognised in the income statement when incurred.

2.14 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting year.

2.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as financial expenses. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2.16 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting year on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month period prior to the balance sheet date. As at 31 December 2023, the estimated provision for severance allowances to be accrued is VND17,151,106,532.

However, the Company follows the guidance of Circular No. 180/2012/TT-BTC dated 24 October 2012 issued by the Ministry of Finance, not to recognise provision for severance allowances. The Company records and pays severance allowances when employees leave the Company.

2. Summary of significant accounting policies (continued)

2.17 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Owners' other capital represents other capital held by the owners at the reporting date.

Treasury shares

Treasury shares bought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Treasury shares bought after 1 January 2021 will be cancelled and adjusted to reduce equity.

Undistributed earnings record the Company's results (profit or loss) after BIT at the reporting date.

2.18 Appropriation of profit

The Company's dividends are recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's General Meeting of shareholders.

Net profit after BIT could be distributed to shareholders after approval at a General Meeting of shareholders, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Company's funds are as below:

(a) Investment and development fund

The investment and development fund is appropriated from profit after BIT of the Company and approved by shareholders in the General Meeting of Shareholders. This fund is appropriated for investing deeply in manufacturing and business expansion to develop the Company, to compensate for operational expenditures and damages (if any), which is proposed by the General Director and approved by the Board of Directors. Because of different interpretation of law and regulations on tax, the final taxation may be changed upon the decision of tax authorities; in case of a gap in taxation, the Company may use the investment and development fund to compensate for the taxation expense. This compensation is recorded in the undistributed earnings after it has been reflected in the income statement. The fund can be also used for issue of bonus shares to the shareholders, increase of the charter capital (if any) in compliance with the applicable law and the Company's Charter.

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from the Company's profit after BIT and subject to shareholders' approval at the Company's General Meeting. This fund is presented as a liability on the balance sheet. The fund is set aside for the purpose of rewarding, encouragement, and improvement of the employees' welfare.

2.19 Revenue recognition

(a) Revenue from sales of goods

Revenue from sales of goods is recognised in the income statement when all five (5) of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sale obligation. If the Company gives promotional goods to customers associated with their purchases, the Company allocates the total considerations received between goods sold and promotional goods. Cost of promotional goods is recognised as cost of goods sold in the income statement.

(b) Interest income

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions below are simultaneously satisfied:

- It is probable that economic benefits will be generated;
- Income can be measured reliably.

(c) Dividend income

Income from dividends is recognised when the Company has established receiving rights from investees.

2.20 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same year of the related revenue from sales of products, goods and services are recorded as deduction from the revenue of that year.

Sales deductions for sales of products and goods which are sold in the year but are incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction from the revenue of the year.

2.21 Cost of goods sold

Cost of goods sold are cost of finished goods, merchandise and materials sold during the year and recorded on the basis of matching with revenue and on a prudent basis.

2. Summary of significant accounting policies (continued)

2.22 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including mainly interest expenses; losses from foreign exchange differences; and payment discounts.

2.23 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products and goods.

2.24 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes.

2.25 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current income tax expense and deferred income tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred income tax are recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.26 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including Board of Directors and Board of Management of the Company and closed members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Company considers the substance of the relationships, not merely the legal form.

2.27 Segment reporting

A segment is a component which can be separated by the Company engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment or the Company's geographical segment.

2.28 Critical accounting estimates

The preparation of financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are estimated useful lives of fixed assets (Note 10).

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Company and that are assessed by the Board of Management to be reasonable under the circumstances.

3. Cash and cash equivalents

	2023 (VND)	2023 (VND)
Cash on hand	1,689,713,457	1,662,029,246
Cash at bank	104,510,855,784	87,183,041,082
Cash equivalents	-	90,000,000,000
	106,200,569,241	178,845,070,328

4. Investments

(a) Investments held to maturity

	2023		2022	
	Cost (VND)	Book value (VND)	Cost (VND)	Book value (VND)
Term deposits at banks	93,000,000,000	93,000,000,000	211,300,000,000	211,300,000,000

As at 31 December 2023, the term deposits at banks had maturities from four months to twelve months and interest rates from 5.3% per annum to 8% per annum (as at 31 December 2022: from 4.6% per annum to 8% per annum).

(b) Long-term investments

(i) Investments in associates

	2023			2022		
	Cost (VND)	Fair value (VND)	Provision (VND)	Cost (VND)	Fair value (VND)	Provision (VND)
Agimexpharm Pharmaceutical Joint Stock Company	66,958,582,700	163,149,243,700	-	66,958,582,700	124,165,769,364	-
Dong Thap Muoi Research Conservation and Development Pharmaceutical Joint Stock Company	3,808,000,000	(*)	-	3,808,000,000	(*)	-
Gia Dai Pharmaceutical Company Limited	182,000,000	(*)	(182,000,000)	182,000,000	(*)	(182,000,000)
	70,948,582,700	163,149,243,700	(182,000,000)	70,948,582,700	124,165,769,364	(182,000,000)

Operational status of associates

Gia Dai Pharmaceutical Company Limited stopped its operations in 2015. Other associates are operating in their normal course of business.

(*) Fair value

The Company had not determined the fair value of these investments because they do not have listed price. The fair value of such investments may be different from their carrying value.

(ii) Investment in other entities

	2023			2022		
	Cost (VND)	Fair value (VND)	Provision (VND)	Cost (VND)	Fair value (VND)	Provision (VND)
Vidipha Central Pharmaceutical Joint Stock Company	503,000,000	702,000,000	-	503,000,000	675,000,000	-
No. 25 Central Pharmaceutical Joint Stock Company	114,550,000	13,973,650	(100,576,350)	114,550,000	19,991,150	(94,558,850)
	617,550,000	715,973,650	(100,576,350)	617,550,000	694,991,150	(94,558,850)

Equity investments in other entities represent the investments that the Company holds less than 20% voting rights in those entities.

5. Short-term trade accounts receivable

	2023 (VND)	2022 (VND)
Third parties (*)	242,734,715,797	227,201,474,805
Related parties (Note 36(b))	14,079,404,830	3,976,516,390
	256,814,120,627	231,177,991,195

(*) Details of customers accounting for 10% or more of total short-term trade accounts receivable balance are as follows:

	2023 (VND)	2022 (VND)
Orgalife Nutritional Science Co, Ltd.	21,630,854,427	26,554,947,750
Newzilan Trading JSC	14,964,997,130	22,946,259,500

As at 31 December 2023 and 31 December 2022, the balances of short-term trade accounts receivable which were past due, amounted to VND5,470,610,918 and VND4,685,882,953, respectively, and are presented in Note 8.

6. Short-term prepayments to suppliers

	2023 (VND)	2022 (VND)
Third parties (*)	34,821,538,440	26,995,557,085

(*) Details of suppliers accounting for 10% or more of total balance of short-term prepayments to suppliers are as follows:

6. Short-term prepayments to suppliers (continued)

	2023 (VND)	2022 (VND)
Armephaco Joint Stock Company	6,411,490,313	-
Teampack Packaging Solutions Company Limited	5,830,806,080	5,830,806,080
New Diamond Machinery Co., Ltd.	5,140,412,025	4,387,548,000
Orioled Hub Limited	3,127,800,000	3,127,800,000
Zhuhai United Laboratories Co., Ltd.	-	3,617,600,000

7. Other short-term receivables

	2023		2022	
	Book value (VND)	Provision (VND)	Book value (VND)	Provision (VND)
Advances to employees	3,617,360,124	-	16,173,209,133	(10,570,214,947)
Interest income from banks	1,672,515,068	-	4,511,443,835	-
Others	2,393,874,171	-	5,875,354,132	(817,007,432)
	7,683,749,363	-	26,560,007,100	(11,387,222,379)

As at 31 December 2023, there were no other short-term receivables which were not past due but doubtful (as at 31 December 2022: VND11,387,222,379, as presented in Note 8).

8. Doubtful debts

	2023			2022		
	Cost (VND)	Recoverable amount (VND)	Provision (VND)	Cost (VND)	Recoverable amount (VND)	Provision (VND)
i) Receivables that were past due	5,470,610,918	2,714,571,897	(2,756,039,021)	4,685,882,953	2,278,353,747	(2,407,529,206)
From 6 months to 1 year	3,344,341,709	2,341,039,196	(1,003,302,513)	2,367,441,666	1,657,209,166	(710,232,500)
From 1 year to 2 years	519,237,570	259,618,785	(259,618,785)	800,645,631	400,322,815	(400,322,816)
From 2 years to 3 years	379,713,055	113,913,916	(265,799,139)	736,072,553	220,821,766	(515,250,787)
Over 3 years	1,227,318,584	-	(1,227,318,584)	781,723,103	-	(781,723,103)
ii) Receivables that were not past due but doubtful	-	-	-	11,387,222,379	-	(11,387,222,379)
	5,470,610,918	2,714,571,897	(2,756,039,021)	16,073,105,332	2,278,353,747	(13,794,751,585)

9. Inventories

	2023		2022	
	Cost (VND)	Provision (VND)	Cost (VND)	Provision (VND)
Raw materials	450,655,025,822	(2,612,268,860)	242,634,167,368	(5,157,039,510)
Finished goods	226,513,411,252	(98,132,266)	154,222,251,712	(408,170,241)
Work in progress	13,171,988,053	-	27,003,824,733	-
Goods in transit	6,463,064,776	-	12,248,806,395	-
Tools and supplies	3,732,576,624	-	3,054,443,987	-
Merchandise	1,619,858,330	-	2,243,192,505	-
	702,155,924,857	(2,710,401,126)	441,406,686,700	(5,565,209,751)

Movements in the provision for decline in value of inventories during the year were as follows:

	2023 (VND)	2022 (VND)
Beginning of year	5,565,209,751	1,730,157,165
Increase (Note 27)	-	3,835,052,586
Reversal (Note 27)	(2,854,808,625)	-
End of year	2,710,401,126	5,565,209,751

10. Fixed assets

(a) Tangible fixed assets

	Plant, buildings and structure (VND)	Machinery and equipment (VND)	Motor vehicles (VND)	Office equipment (VND)	Total (VND)
Historical cost					
As at 1 January 2023	299,060,533,148	486,649,475,435	104,480,817,859	46,910,909,506	937,101,735,948
New purchases in the year	270,313,500	17,935,384,080	355,500,000	512,372,825	19,073,570,405
Transfers from construction in progress (Note 11)	85,265,844,038	409,952,266,559	10,019,183,038	2,662,713,037	507,900,006,672
Disposals	-	(5,374,742,520)	(7,794,206,774)	-	(13,168,949,294)
As at 31 December 2023	384,596,690,686	909,162,383,554	107,061,294,123	50,085,995,368	1,450,906,363,731
Accumulated depreciation					
As at 1 January 2023	134,934,899,702	275,368,656,418	75,915,705,583	35,175,506,043	521,394,767,746
Charge for the year	11,955,320,084	56,696,368,509	7,483,363,066	5,142,432,181	81,277,483,840
Disposals	-	(5,374,742,520)	(7,794,206,774)	-	(13,168,949,294)
As at 31 December 2023	146,890,219,786	326,690,282,407	75,604,861,875	40,317,938,224	589,503,302,292
Net book value					
As at 1 January 2023	164,125,633,446	211,280,819,017	28,565,112,276	11,735,403,463	415,706,968,202
As at 31 December 2023	237,706,470,900	582,472,101,147	31,456,432,248	9,768,057,144	861,403,061,439

Historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2023 was VND287,653,178,212 (as at 31 December 2022: VND285,381,129,812).

10. Fixed assets (continued)

(b) Intangible fixed assets

	Land use rights (VND)	Copyright (VND)	Computer software (VND)	Others (VND)	Total (VND)
Historical cost					
As at 1 January 2023	80,217,869,328	744,712,823	16,019,325,068	2,089,980,000	99,071,887,219
New purchases in the year	-	-	330,638,000	-	330,638,000
Transfers from construction in progress (Note 11)	-	-	2,206,010,000	-	2,206,010,000
As at 31 December 2023	80,217,869,328	744,712,823	18,555,973,068	2,089,980,000	101,608,535,219
Accumulated amortisation					
As at 1 January 2023	7,785,539,677	744,712,823	15,613,530,171	1,949,724,446	26,093,507,117
Charge for the year	587,002,382	-	654,917,567	122,877,777	1,364,797,726
As at 31 December 2023	8,372,542,059	744,712,823	16,268,447,738	2,072,602,223	27,458,304,843
Net book value					
As at 1 January 2023	72,432,329,651	-	405,794,897	140,255,554	72,978,380,102
As at 31 December 2023	71,845,327,269	-	2,287,525,330	17,377,777	74,150,230,376

Historical cost of intangible fixed assets that were fully depreciated but still in use as at 31 December 2023 was VND18,028,981,691 (as at 31 December 2022: VND17,626,981,691).

11. Construction in progress

	2023 (VND)	2022 (VND)
Marketing authorizations	17,550,535,105	34,637,291,206
EU-GMP certification renewable projects	11,222,594,737	8,507,890,000
Project consulting cost	8,577,166,667	-
Purchases of machinery and equipment	-	457,207,230,806
High-technology pharmaceutical factory	-	72,596,672,209
Others	10,000,360,090	7,794,301,443
	47,350,656,599	580,743,385,664

Movements in the construction in progress during the year are as follows:

	2023 (VND)	2022 (VND)
Beginning of year	580,743,385,664	519,462,645,260
Purchase	105,010,721,884	92,670,801,504
Transfers to tangible fixed assets (Note 10(a))	(507,900,006,672)	(21,590,177,239)
Transfers to prepaid expenses (Note 12)	(128,297,434,277)	(9,501,758,661)
Transfers to intangible fixed assets (Note 10(b))	(2,206,010,000)	(298,125,200)
End of year	47,350,656,599	580,743,385,664

12. Prepaid expenses

(a) Short-term	2023 (VND)	2022 (VND)
Uniform	3,965,761,656	413,856,738
Tools, supplies	730,433,808	280,017,222
Professional service fee	606,927,747	258,331,267
Repair and maintenance fee	590,787,334	512,167,219
Others	645,122,764	136,831,000
	6,539,033,309	1,601,203,446
(b) Long-term	2023 (VND)	2022 (VND)
Quality evaluation costs (*)	47,406,319,270	-
Expenses to obtain marketing authorisation document	30,297,129,120	6,143,220,688
Office furniture	13,507,437,973	4,486,670,280
Tools and supplies	11,786,709,116	4,030,530,174
Land rental	11,456,081,742	11,853,326,351
Others	14,581,706,933	6,108,365,952
	129,035,384,154	32,622,113,445

(*) Included the costs incurred in order to obtain the EU-GMP certification for the production lines at high-technology antibiotic factories. The EU-GMP certification is valid for a period of 3 years. These expenses shall be allocated over this period accordingly.

Movements in prepaid expenses during the year are as follows:

	2023 (VND)	2022 (VND)
Beginning of year	34,223,316,891	41,241,048,792
Increase	31,873,767,115	7,203,269,750
Transfers from construction in progress (Note 11)	128,297,434,277	9,501,758,661
Allocation in the year	(58,820,100,820)	(23,722,760,312)
End of year	135,574,417,463	34,223,316,891

13. Short-term trade accounts payable

	2023		2022	
	Value (VND)	Able-to-pay amount (VND)	Value (VND)	Able-to-pay amount (VND)
Third parties (*)	70,504,681,886	70,504,681,886	82,322,551,576	82,322,551,576
Related parties (Note 36(b))	-	-	3,600,136,677	3,600,136,677
	<u>70,504,681,886</u>	<u>70,504,681,886</u>	<u>85,922,688,253</u>	<u>85,922,688,253</u>

(*) Details of suppliers accounting for 10% or more of the total short-term trade accounts payable balance are as follows:

	2023 (VND)	2022 (VND)
Centrient Pharmaceuticals India	11,986,274,625	15,190,860,000
KHS Synchemica Corp.	-	9,815,715,000
Alcapharm B.V	-	8,272,758,000

As at 31 December 2023 and 31 December 2022, there was no balance of short-term trade accounts payable that was past due.

14. Short-term advances from customers

	2023 (VND)	2022 (VND)
Third parties (*)	<u>5,869,730,558</u>	<u>33,524,401,549</u>

(*) Details of customers accounting for 10% or more of the total short-term advances from customers balance are as follows:

	2023 (VND)	2022 (VND)
TV Trade Promotion Pharmaceutical and Investment Co., Ltd	1,282,500,000	820,932,000
Buryat Ombol LLC	1,127,190,180	-
Y Dong Pharmaceutical Product Company Limited	810,810,000	-
Moc Tinh Pharmaceutical Joint Stock Company	680,585,791	6,959,146,765
Orgalife Nutritional Science Co., Ltd.	-	7,080,400,000
Newzilan Trading Joint Stock Company	-	4,000,000,000
Nhan Sinh Co., Ltd.	-	3,361,000,000

15. Tax and other receivables from/payables to the state

Movements in tax and other receivables from/payables to the State during the year were as follows:

	As at 1.1.2023 (VND)	Receivables/payables during the year (VND)	Payment/net-off during the year (VND)	As at 31.12.2023 (VND)
a) Tax receivable				
VAT to be reclaimed	5,026,347,054	203,866,850,499	(203,506,824,920)	5,386,372,633
b) Tax payables				
BIT - current	25,381,683,668	77,716,928,559	(83,992,016,063)	19,106,596,164
VAT for import	-	34,750,119,757	(34,750,119,757)	-
Import tax	-	14,151,830,129	(14,151,830,129)	-
Foreign contractor tax	-	6,138,495,017	(6,118,083,625)	20,411,392
Personal income tax for employees	-	20,259,907,514	(19,696,880,673)	563,026,841
Other personal income tax	1,265,073,372	7,304,659,744	(6,391,903,319)	2,177,829,797
Output VAT	1,104,766,583	10,250,798,321	(11,355,564,904)	-
Others	-	516,635,065	(516,635,065)	-
	<u>27,751,523,623</u>	<u>171,089,374,106</u>	<u>(176,973,033,535)</u>	<u>21,867,864,194</u>

16. Payables to employees

As at 31 December 2023 and 31 December 2022, the balance represents the payables to employees of the Company.

17. Short-term accrued expenses

	2023 (VND)	2022 (VND)
Advertising and marketing	44,660,752,518	36,246,110,049
Maintenance and market development	2,629,660,184	5,903,828,422
Royalty fees	-	1,420,752,728
	<u>47,290,412,702</u>	<u>43,570,691,199</u>

18. Other short-term payables

	2023 (VND)	2022 (VND)
Short-term deposits	13,994,200,000	-
Bonuses for the Board of Directors	4,374,919,375	2,838,024,220
Union fees	928,471,519	758,328,246
Others	1,622,579,462	1,619,647,209
	20,920,170,356	5,215,999,675

19. Short-term borrowings

	As at 1.1.2023 (VND)	Increase (VND)	Decrease (VND)	As at 31.12.2023 (VND)
Shinhan Bank Vietnam Limited - North Saigon Branch (*)	-	229,739,387,189	(180,317,558,126)	49,421,829,063
Asian Development Bank	94,980,000,000	-	(94,980,000,000)	-
	94,980,000,000	229,739,387,189	(275,297,558,126)	49,421,829,063

(*) The balance represents short-term loans according to the credit facility with a credit limit of VND150 billion. This loan is unsecured and bears interest rate issued in each credit facility. The credit term for each drawdown does not exceed 6 months from the disbursement date for the purpose of financing the working capital requirements. As at 31 December 2023, these short-term loans bear interest rates from 5.1% per annum to 5.8% per annum (as at 31 December 2022: from 2.02% per annum to 5.4% per annum).

20. Bonus and welfare fund

Movements of bonus and welfare fund during the year are as follows:

	2023 (VND)	2022 (VND)
Beginning of year	18,392,676,670	16,792,243,373
Appropriated (Note 22)	39,696,774,478	23,496,132,787
Utilised	(22,986,261,726)	(21,895,699,490)
End of year	35,103,189,422	18,392,676,670

21. Owners' capital

(a) Number of shares

	2023		2022	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	70,038,449	-	66,705,370	-
Số lượng cổ phiếu đã phát hành	70,038,449	-	66,705,370	-
Số lượng cổ phiếu đã mua lại	(33,800)	-	(33,800)	-
Number of existing shares in circulation	70,004,649	-	66,671,570	-

(b) Details of owners' shareholdings

	2023		2022	
	Ordinary shares (shares)	Shareholding (%)	Ordinary shares (shares)	Shareholding (%)
SK Investment Vina III Pte. Ltd.	33,389,946	47.67	31,799,949	47.67
Vietnam Pharmaceutical Corporation	15,431,360	22,03	14,696,534	22,03
Sunrise Kim Investment	6,830,357	9,75	6,496,902	9,74
Joint Stock Company	5,161,512	7,37	4,915,726	7,37
KBA Investment Joint Stock Company	9,225,274	13,18	8,796,259	13,19
Shareholding owned by other owners	70,038,449	100,00	66,705,370	100,00

(c) Movements of share capital

	Số cổ phiếu	Cổ phiếu phổ thông (VND)	Tổng cộng (VND)
As at 1 January 2022 and as at 31 December 2022	66,705,370	667,053,700,000	667,053,700,000
New shares issued	3,333,079	33,330,790,000	33,330,790,000
As at 31 December 2023	70,038,449	700,384,490,000	700,384,490,000

Par value per share: VND10,000.

22. Movements in owners' equity

	Owners' capital (VND)	Share premium (VND)	Owners' other capital (VND)	Treasury shares (VND)	Investment and development fund (VND)	Post-tax undistributed earnings (VND)	Total (VND)
As at 1 January 2022	667,053,700,000	507,368,247,904	2,420,789,142	(358,600,000)	420,501,550,420	197,424,375,538	1,794,410,063,004
Net profit for the year	-	-	-	-	-	223,540,317,602	223,540,317,602
Cash dividend declared	-	-	-	-	-	(100,007,355,000)	(100,007,355,000)
Appropriation to Investment and development fund	-	-	-	-	72,297,618,771	(72,297,618,771)	-
Appropriation to Bonus and welfare fund	-	-	-	-	-	(23,496,132,787)	(23,496,132,787)
Fund utilisation	-	-	-	-	(39,481,576,602)	39,481,576,602	-
As at 31 December 2022	667,053,700,000	507,368,247,904	2,420,789,142	(358,600,000)	453,317,592,589	264,645,163,184	1,894,446,892,819
Net profit for the year	-	-	-	-	-	299,556,005,542	299,556,005,542
Dividend paid in cash (*) (Note 22)	-	-	-	-	-	(66,671,570,000)	(66,671,570,000)
Dividend paid in shares (*)	33,330,790,000	-	-	-	-	(33,330,790,000)	-
Appropriation to Bonus and welfare fund (*) (Note 19)	-	-	-	-	-	(39,696,774,478)	(39,696,774,478)
Bonus for the Board of Directors (*)	-	-	-	-	-	(3,055,610,298)	(3,055,610,298)
Fund utilisation (**)	-	-	-	-	(18,648,913,309)	18,648,913,309	-
As at 31 December 2023	700,384,490,000	507,368,247,904	2,420,789,142	(358,600,000)	434,668,679,280	440,095,337,259	2,084,578,943,585

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22. Movements in owners' equity (continued)

- (*) In accordance with Resolution No. 01/2023/NQ-ĐHĐCĐ-IMP of the Annual General Meeting of Shareholders of the Company on 28 April 2023, the Annual General Meeting of Shareholders has approved the 2022 profit after tax distribution plan as follows:
- a) Dividend payment at the rate of 10% of the par value of the number of outstanding shares at the date of issuance of the Resolution in form of cash of VND66,671,570,000. In accordance with Article 1, Resolution No. 09/2023/ NQ-HĐQT-IMP of the Company's Board of Directors on 15 September 2023, the Board of Directors of the Company has approved the last registration date of dividend payment in form of cash to be 6 October 2023 and the date of payment to be 20 October 2023. At the date of these financial statements, the Company completed their dividend payment to their shareholders;
- b) Dividend payment at the rate of 100:5 of undistributed post-tax profit in the form of shares valued VND33,335,785,000. In accordance with Article 1, Resolution No. 09/2023/NQ-HĐQT-IMP of the Company's Board of Directors on 15 September 2023, the Board of Directors of the Company has approved the last registration date of dividend payment in form of shares to be 6 October 2023;
- c) Appropriation to bonus and welfare fund at the rate of 15% from post-tax undistributed earnings with an amount of VND39,696,774,478; and
- d) Appropriating bonus for the Board of Directors and Supervisory Board for exceeding the plan at the rate of 1.15% of undistributed profit after tax with an amount of VND3,055,610,298.
- (**) The investment and development fund was used to compensate for uncollectable advances from customers, which is presented in Note 30, amounted VND17,266,310,029 written-off in accordance with Resolution No. 01/2023/NQ-HĐQT-IMP dated 9 February 2023 of the Company's Board of Directors and compensate for tax arrears and tax fines of VND1,382,603,280, in accordance with Letter No. 01/TCKT dated 7 November 2023.

23. Dividends payable

Movements of dividends payable during the year are as follows:

	2023 (VND)	2022 (VND)
Beginning of year	-	-
Dividends payable during the year (Note 22)	66,671,570,000	100,007,355,000
Dividends paid in cash	(66,671,570,000)	(100,007,355,000)
End of year	-	-

24. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the amount appropriated to Bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year excluding treasury shares. The details were as follows:

	2023	2022 (Recalculated (**))
Net profit attributable to shareholders (VND)	299,556,005,542	223,540,317,602
Less amount allocated to Bonus and welfare fund (VND) (*)	(44,933,400,831)	(39,696,774,478)
	254,622,604,711	183,843,543,124
Weighted average number of ordinary shares in issue (shares)	70,004,649	70,004,649
Basic earnings per share (VND)	3,637	2,626

(*) The amount allocated to bonus and welfare fund for the year ended 31 December 2023 was estimated based on the appropriation rate for Bonus and welfare fund from post-tax undistributed earnings in accordance with the 2022 profit distribution scheme which was approved at the General Meeting of Shareholders of the Company.

(**) During the year, the Company distributed profit after tax in accordance with Resolution No. 01/2023/NQ-ĐHĐCĐ-IMP dated 28 April 2023. Therefore, the basic earnings per share of the fiscal year ended 31 December 2022 were recalculated as below:

	For the year ended 31.12.2022		
	As previously reported	Adjustments	As recalculated
Net profit attributable to shareholders (VND)	223,540,317,602	-	223,540,317,602
Add amount allocated to bonus and welfare fund (VND) (*)	(26,824,838,112)	(12,871,936,366)	(39,696,774,478)
	196,715,479,490	(12,871,936,366)	183,843,543,124
Weighted average number of ordinary shares in issue (shares)	66,671,570	3,333,079	70,004,649
Basic earnings per share (VND)	2,951	(325)	2,626

24. Earnings per share (continued)

(b) Diluted earnings per share

The Company did not have any ordinary shares potentially diluted during the year and up to the date of these financial statements. Therefore, diluted earnings per share is equal to the basic earnings per share.

25. Off balance sheet items

(a) Foreign currencies

	2023	2022
United States Dollar ("USD")	24,871.64	24,961.42
Euro ("EUR")	6,222.57	15,391.37

(b) Bad debts written off

	2023 (VND)	2022 (VND)
Bad debts written off	34,618,859,975	33,748,262,519

26. Net revenue from sales of goods

	2023 (VND)	2022 (VND)
Revenue		
Sales of finished goods	2,036,484,274,598	1,634,557,106,758
Sale of franchised goods	64,069,348,380	30,465,481,968
Sales of others	13,316,172,545	11,288,929,740
	2,113,869,795,523	1,676,311,518,466
Sales deductions		
Trade discounts	(119,231,652,760)	(31,936,797,707)
Sales returns	(513,102,386)	(448,449,217)
Sales allowances	(88,130,000)	(219,756,896)
	(119,832,885,146)	(32,605,003,820)
Net revenue from sales of goods	1,994,036,910,377	1,643,706,514,646

27. Cost of goods sold

	2023 (VND)	2022 (VND)
Cost of finished goods sold	955,454,226,734	787,608,839,866
Cost of promotion goods	175,099,060,736	123,664,929,559
Cost of franchised goods	45,063,703,038	21,979,554,966
(Reversal of provision)/provision for decline in value of inventories (Note 9)	(2,854,808,625)	3,835,052,586
Cost of others	10,738,997,295	9,262,887,453
	1,183,501,179,178	946,351,264,430

28. Financial income

	2023 (VND)	2022 (VND)
Dividend income	2,991,374,000	5,992,126,000
Interest income from deposits	16,885,258,191	13,861,337,086
Realised foreign exchange gains	4,972,152,548	3,682,408,926
Income from divestments	-	5,413,750
	24,848,784,739	23,541,285,762

29. Financial expenses

	2023 (VND)	2022 (VND)
Payment discounts	23,087,340,455	20,218,716,208
Interest expense	6,036,185,387	3,794,587,782
Realised foreign exchange losses	2,158,367,915	2,323,465,602
Net loss from foreign currency translation at year-end	201,272,095	3,411,443,397
Provision/(reversal of provision) for diminution in value of investments	6,017,500	(379,913,644)
Loss from divestments	-	40,049,444
	31,489,183,352	29,408,348,789

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30. Selling expenses

	2023 (VND)	2022 (VND)
Staff costs	138,307,274,430	128,593,654,775
Material costs	75,840,181,023	53,824,794,074
Marketing, maintenance and market development	24,673,532,737	34,348,486,077
Conference and business travel	24,671,643,996	17,845,626,273
Outside services	20,260,962,411	9,778,833,376
Depreciation and amortisation	5,633,528,908	5,618,642,178
Repairs and maintenance	1,662,224,940	1,465,166,202
Other expenses	18,836,519,304	17,539,944,988
	<u>309,885,867,749</u>	<u>269,015,147,943</u>

31. General and administration expenses

	2023 (VND)	2022 (VND)
Staff costs	35,511,055,712	30,486,278,505
Outside services	30,004,640,660	12,313,702,503
Remunerations for the Board of Directors	7,699,447,635	5,947,023,315
Advance written-off (*)	6,696,095,082	30,990,882,243
Depreciation and amortisation	4,768,602,342	4,667,054,685
Conference and business travel	4,626,969,549	3,852,688,926
Provision for doubtful debt	402,099,839	11,158,756,836
Other expenses	29,893,999,327	32,423,623,653
	<u>119,602,910,146</u>	<u>131,840,010,666</u>

(*) The advances to employees were written off due to failure to collect in accordance with the approval of the Board of Management on the Letter No. 52/TTr-IMP dated 1 February 2023.

32. Business income tax ("bit")

The BIT on the Company's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2023 (VND)	2022 (VND)
Net accounting profit before tax	377,272,934,101	291,404,142,440
Tax calculated at a rate of 20%	75,454,586,820	58,280,828,488
Effect of:		
Income not subject to tax	(598,274,800)	(1,232,425,200)
Expenses not deductible for tax purposes	4,929,882,927	8,957,408,628
Temporary differences for which no deferred income tax was recognised	(2,211,139,176)	1,858,012,922
Under-provision in previous years	141,872,788	-
BIT charge (*)	<u>77,716,928,559</u>	<u>67,863,824,838</u>
Charged to the income statement:		
BIT – current	77,716,928,559	67,863,824,838
BIT – deferred	-	-
	<u>77,716,928,559</u>	<u>67,863,824,838</u>

(*) The BIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

33. Costs of operation by factors

Costs of operation by factor represent all costs incurred during the year from the Company's operating activities, excluding cost of merchandise for trading activities. The details are as follows:

	2023 (VND)	2022 (VND)
Raw materials	776,180,161,927	618,833,551,424
Staff costs	341,656,060,937	303,036,485,665
Outside services	138,191,453,347	87,698,970,122
Depreciation and amortisation	82,642,281,566	60,385,696,030
Advance written-off	6,696,095,082	30,990,882,243
Provision for doubtful debt	402,099,839	11,158,756,836
Others	180,626,773,317	264,234,865,859
	<u>1,526,394,926,015</u>	<u>1,376,339,208,179</u>

34. Business and geographical segments

Geographical Segment

The Company's revenue is mainly generated by domestic sales whereas export sales only account for a small portion in the total revenue in the Company's income statement (2023: VND132,182,880 and 2022 is nil). Therefore, the Company does not present geographical segment.

Business Segment

The Company's principal activities are to manufacture pharmaceutical products and trade materials used for processing pharmaceutical products. There is no other business activities incurred. Therefore, the Company does not present business segment.

35. Additional information for the items of the statement of cash flows

Non-cash transactions affect the statement of cash flows

	Year ended 31 December	
	2023 (VND)	2022 (VND)
Purchases of fixed assets have not yet been settled	62,518,691,071	1,774,543,775

36. Related party disclosures

The Company is controlled by SK Investment Vina III Pte. Ltd., a company incorporated in Singapore, which owns 47.67% of the Company's charter capital.

Details of associates and other investments are presented in Note 4 and details of major shareholders are presented in Note 20.

Details of key related parties and relationship are given as below:

Related party	Relationship
SK Investment Vina III Pte. Ltd	Major shareholder
Vietnam Pharmaceutical Corporation	Major shareholder
Sunrise Kim Investment Joint Stock Company	Major shareholder
KBA Investment Joint Stock Company	Major shareholder
Agimexpharm Pharmaceutical JSC	Associate
Pharmacy Pharmacy JSC ("Pharmacy")	The Chairman of the Board of Directors of the Company is the Chairman of the Board of Directors of the ultimate parent company of Pharmacy (from 28 April 2023)

36. Related party disclosures (continued)

(a) Related party transactions

The major transactions with related parties incurred in the year are:

	2023 (VND)	2022 (VND)
i) Sales of goods		
Agimexpharm Pharmaceutical Joint Stock Company	12,764,860,250	10,088,003,018
Pharmacy Joint Stock Company	14,900,062,908	-
ii) Purchases of goods		
Agimexpharm Pharmaceutical Joint Stock Company	17,858,550,750	22,228,372,400
Pharmacy Joint Stock Company	169,977,142	-
iii) Sales of fixed assets		
Agimexpharm Pharmaceutical Joint Stock Company	1,159,090,908	18,181,818
iv) Dividend payment in cash		
SK Investment Vina III Pte. Ltd.	31,799,949,000	46,599,285,000
Vietnam Pharmaceutical Corporation	14,696,534,000	22,044,801,000
Sunrise Kim Investment Joint Stock Company	6,505,102,000	9,699,058,500
KBA Investment Joint Stock Company	4,915,726,000	7,373,589,000
Agimexpharm Pharmaceutical Joint Stock Company	14,790,000	22,185,000
	57,932,101,000	85,738,918,500
v) Other transactions		
Dividend received from Agimexpharm Pharmaceutical Joint Stock Company	2,964,374,000	5,928,748,000
Investment in Agimexpharm	-	20,327,136,000

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36. Related party disclosures (continued)

(a) Related party transactions (continued)

		2023 (VND)	2022 (VND)
vi) Compensation of key management			
Net salary after tax			
Mrs. Tran Thi Dao	Member of Board of Directors cum General Director	4,082,239,598	3,503,935,064
Mr. Nguyen Quoc Dinh	Deputy General Director (to 18 January 2024)	2,363,406,745	1,920,984,820
Mr. Le Van Nha Phuong	Deputy General Director	2,480,753,436	1,838,500,361
Mr. Huynh Van Nhung	Deputy General Director	2,027,670,144	1,602,179,620
Mr. Ngo Minh Tuan	Deputy General Director	1,914,168,677	1,238,960,163
Mr. Tran Hoai Hanh	Chief Accountant	1,288,726,926	786,337,114
Bonuses after tax			
Mr. Nguyen Quoc Dinh	Deputy General Director (to 18 January 2024)	1,345,240,000	1,040,000,000
Mrs. Tran Thi Dao	Member of Board of Directors cum General Director	950,000,000	780,000,000
Mrs. Han Thi Khanh Vinh	Member of Board of Directors	644,000,000	391,500,000
Mr. Truong Minh Hung	Member of Board of Directors	644,000,000	391,500,000
Mr. Chung Suyong	Member of Board of Directors	284,308,000	-
Mr. Ngo Minh Tuan	Deputy General Director	514,780,000	312,000,000
Mr. Le Van Nha Phuong	Deputy General Director	511,700,000	312,000,000
Mr. Tran Anh Tuan	Member of Board of Directors (to 24 May 2022)	-	283,500,000
Mr. Nguyen Duc Tuan	Chief Supervisor (to 25 April 2022)	-	283,500,000
Mrs. Le Thi Kim Chung	Chief Supervisor (to 28 April 2023)	-	255,500,000
Mrs. Do Thi Thanh Thuy	Member of Board of Supervision (to 28 April 2023)	-	208,800,000
Mrs. Nguyen Thi Kim Le	Secretary of Board of Directors	442,470,000	203,000,000
Total		19,493,463,526	15,352,197,142

36. Related party disclosures (continued)

(b) Year end balances with related parties

	2023 (VND)	2022 (VND)
i) Short-term trade accounts receivable (Note 5)		
Pharmacy Pharmacy Joint Stock Company	10,124,653,810	-
Agimexpharm Pharmaceutical Joint Stock Company	3,954,751,020	3,976,516,390
	14,079,404,830	3,976,516,390
ii) Short-term trade accounts payable (Note 13)		
Agimexpharm Pharmaceutical Joint Stock Company	-	3,600,136,677

37. Commitments

(a) Commitments under operating leases

The future minimum lease payments under non-cancellable operating leases were as follows:

	2023 (VND)	2022 (VND)
Within one year	3,311,110,000	-
Between one and five years	14,259,595,760	-
Total minimum payments	17,570,705,760	-

(b) Commitments under operating leases

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements was as follows:

	2023 (VND)	2022 (VND)
Property, plant and equipment	-	35,770,141,275

The financial statements were approved by the Board of Management on 26 March 2024.



Duong Hoang Vu
Preparer and Chief Accountant



Nguyen An Duy
Deputy General Director
Authorised by Legal Representative