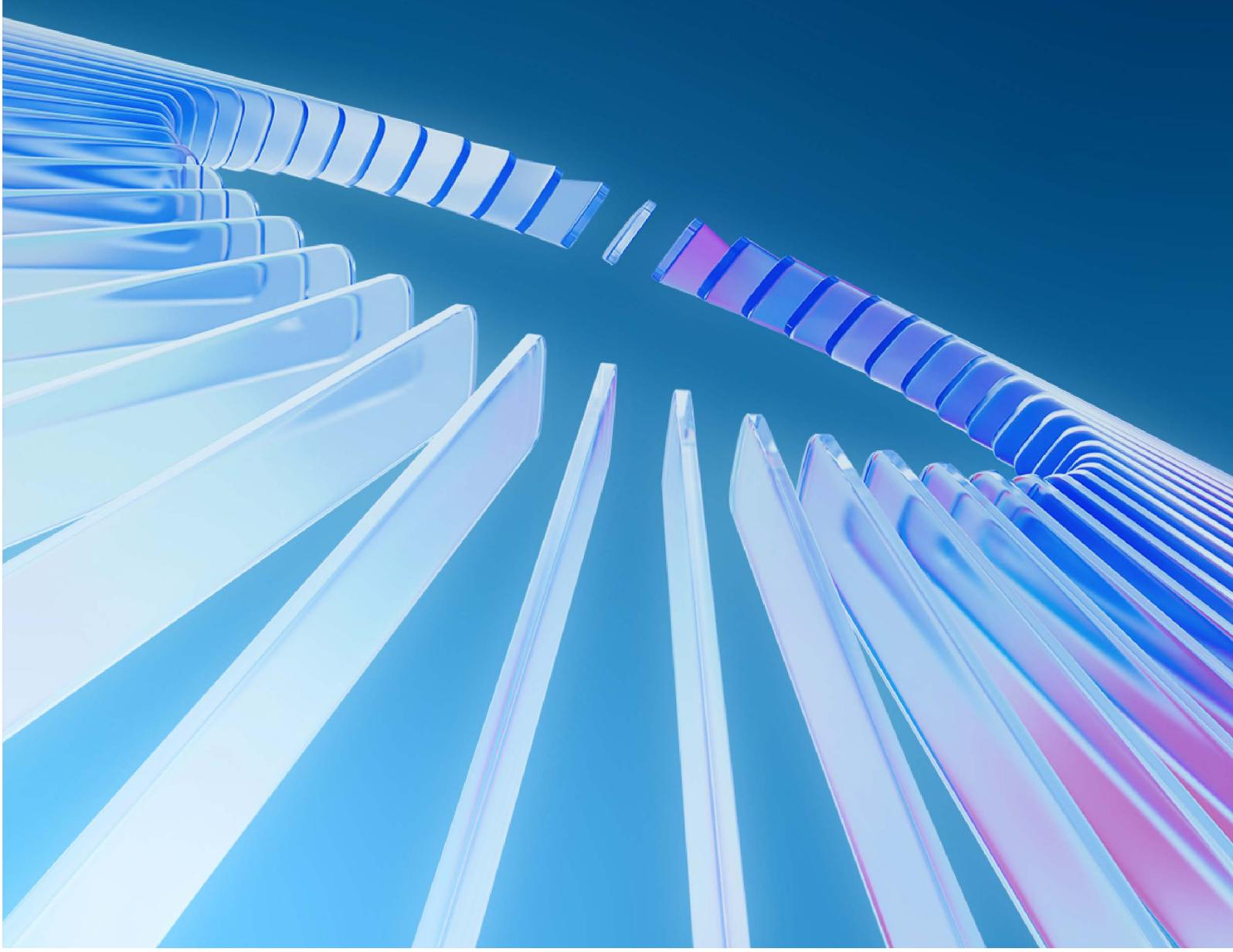


TIPHARCO PHARMACEUTICAL JOINT STOCK COMPANY



# ANNUAL REPORT 2025

**Determined to Progress**



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<b>Company Name</b>	:	<b>Tipharco Pharmaceutical Joint Stock Company</b>
Enterprise Registration Certificate No.	:	1200100557, first issued by the Department of Planning and Investment of Tien Giang Province on February 28, 2006; latest amendment registered on January 10, 2026.
Charter Capital	:	VND 96,053,180,000
Total Equity	:	VND 198,874,305,808
Head Office Address	:	Lot 08, Cluster 09, Tan My Chanh Industrial and Handicraft Cluster, My Phong Ward, Dong Thap Province, Vietnam
Telephone	:	0273.3871.817 / 0273.3872.973
Fax	:	0273.3885.040
Website	:	www.tipharco.vn
Stock Code	:	<b>DTG</b>
Stock Exchange	:	HNX



# PART 1 GENERAL INFORMATION

- Overview
- Business Lines and Operating Areas
- Governance and Management Structure
- Development Orientation  
Risk Factors

# MARKET AND PRODUCTS

## FOCUS MARKET

Maintain Presence & Access Customer Groups

### Northern & Central Market

Method: Strategic Distribution Partners & Pharmaceutical Wholesale System



### Southern Market

#### CORE MARKET

**Advantage:** Geographic Location of Manufacturing Facility in Dong Thap (formerly Tien Giang)

**Goal:** Provide good logistics service in Southwest & Southeast



## PRODUCT

### PORTFOLIO AND CORE PRODUCTS

TOTAL REGISTRATION CERTIFICATES:

**242**

**+14**

Total number of Circulation Permits:

#### PRODUCT GROUPS

- Core Betalactam Antibiotics
- Non-betalactam Antibiotics
- Herbal Medicines
- Health Supplements



Quantity: **8**

Strategic Premise for Deep Penetration & Market Share Expansion in International Markets

## PRO DUCTS

### Product Portfolio

Capability to Meet Comprehensive Treatment Needs for Common and Specialized Conditions

- Antibiotics
- Central Nervous System
- Musculoskeletal System
- Respiratory System
- Cough and Cold
- Allergy and Immunology
- Digestive System
- Cardiovascular System

#### SPECIALIZED DRUG LINES

- Diabetes Treatment
- Steroid Hormones
- Vitamins
- Minerals
- High-quality Health Supplements

## VISION AND COMMITMENT



### VISION

To Become a Prestigious National Pharmaceutical Manufacturer



### COMMITMENT

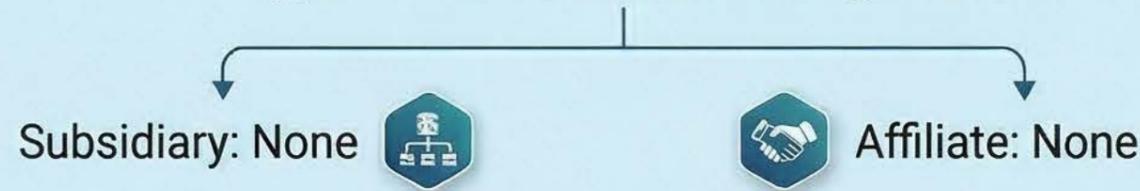
To Provide Safe and Effective Healthcare Solutions for the Community



# INTRODUCTION TO TIPHARCO MANUFACTURING FACILITIES

## ORGANIZATIONAL MODEL

Type: Direct Centralized Management



## MANUFACTURING PLANT SYSTEM



### MODERN MEDICINE PLANT

#### Operating Structure



Beta-lactam Plant

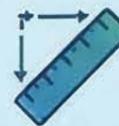


Non-beta-lactam Plant



#### Address

No. 15 Doc Binh Kieu, My Tho Ward, Dong Thap Province



Construction Area **2,500 m<sup>2</sup>**

#### Production Capacity

Designed Capacity: **722 million product units/year**

#### Main Product Groups



Betalactam Antibiotics



Non-Betalactam Antibiotics and Treatments

#### Dosage Forms



Tablet



Capsule



Coated Tablet



Effervescent tablet



Granule



Oral Powder

#### Quality Standard

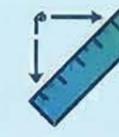


### HERBAL MEDICINE PLANT



#### Address

Lots 08, 09 Tan My Chanh Industrial and Handicraft Cluster, My Phong Ward, Dong Thap Province



Construction Area **2,230 m<sup>2</sup>**

#### Production Capacity

Designed Capacity: **172 million product units/year**

#### Main Product Groups



Herbal Medicines



Health Supplements



Tablet



Capsule



Coated Tablet



Granule



Oral Powder



Oral

#### Quality Standard



# GENERAL INFORMATION

## COMPANY HISTORY AND DEVELOPMENT

**TIPHARCO PHARMACEUTICAL JOINT STOCK COMPANY**

STOCK CODE: **DTG**

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### HISTORY OF FORMATION & DEVELOPMENT

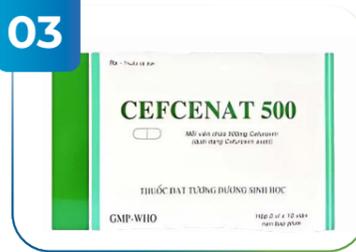
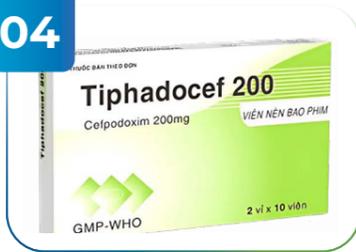
<p><b>1976</b> Established Tien Giang Pharmaceutical Company (Production, Trading, Distribution)</p> <p><b>1992</b> Established State-Owned Enterprise -&gt; Tien Giang Pharmaceutical &amp; Medical Equipment Company</p> <p><b>2006</b> Converted to Joint Stock Company -&gt; Tipharco Pharmaceutical Joint Stock Company</p> <p><b>2018</b> Completed Herbal Medicine Factory</p> <p><b>2022</b> Joined BCG -&gt; Established Tesla Pharma</p> <p><b>2024</b> Increased capital (via dividends) to 83.5 billion VND</p>	<p><b>1977</b> Separated Production &amp; Trading: Enterprise (Production), Level-II Company (Distribution)</p> <p><b>1993</b> Merged -&gt; Tien Giang Pharmaceutical United Enterprise</p> <p><b>2017</b> DTG listed on UPCOM</p> <p><b>2019</b> Health Supplement Factory achieved GMP certification</p> <p><b>2023</b> Listed on HNX &amp; Increased charter capital to 72.6 billion VND</p> <p><b>2025</b> Increased capital (via dividends) to 96.1 billion VND</p>
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### PROMINENT AWARDS 2025

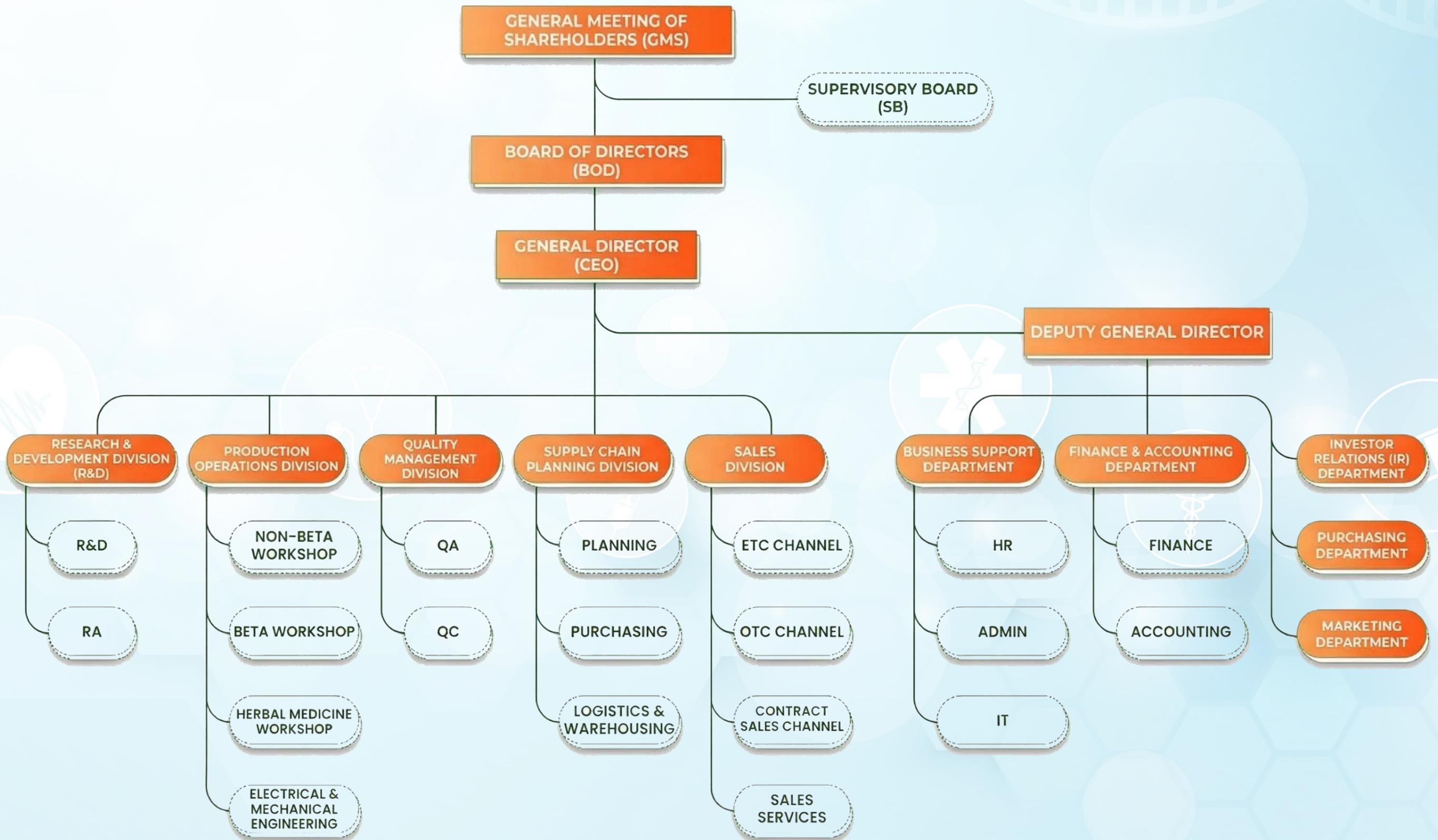
<p><b>BRAND POSITION &amp; REGIONAL REACH</b></p> <ul style="list-style-type: none"> <li>Top 50 Prestigious Brands in ASEAN 2025</li> <li>ASEAN Exemplary Leader 2025</li> <li>High-Quality Vietnamese Goods</li> </ul>	<p><b>INNOVATION &amp; CREATIVITY</b></p> <ul style="list-style-type: none"> <li>Top 50 Exemplary Innovative Enterprises in Vietnam</li> <li>Red Star Award 2025</li> </ul>	<p><b>EXPERTISE &amp; SAFETY</b></p> <ul style="list-style-type: none"> <li>Provincial Third Prize in First Aid Proficiency</li> <li>Comprehensive Encouragement Award in Fire Prevention and Fighting</li> </ul>
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## KEY PRODUCT PORTFOLIO

<p><b>01</b></p>  <p><b>AMOXICILIN/ACID CLAVULANIC</b></p>	<p><b>02</b></p>  <p><b>AUCLANITYL 500MG/125MG</b></p>	<p><b>03</b></p>  <p><b>CEFCENAT 500</b></p>
<p><b>04</b></p>  <p><b>TIPHADOCEF 200</b></p>	<p><b>05</b></p>  <p><b>CLARITHROMYCIN 500MG</b></p>	<p><b>06</b></p>  <p><b>METFORMIN 850MG</b></p>
<p><b>07</b></p>  <p><b>SIRÔ HEDERA</b></p>		

# GENERAL INFORMATION

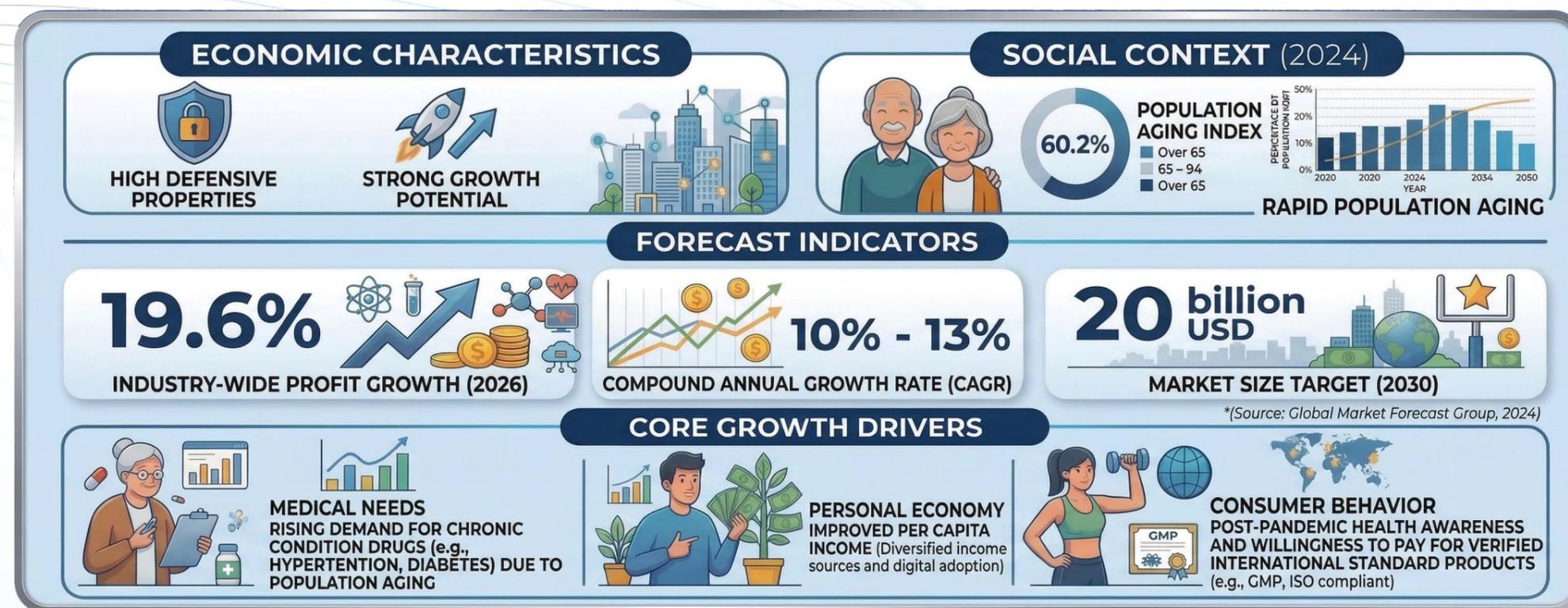
## ORGANIZATIONAL STRUCTURE



# GENERAL INFORMATION

## PHARMACEUTICAL INDUSTRY OVERVIEW AND PROSPECTS

Entering the 2025 - 2026 period, the Vietnamese pharmaceutical industry continues to affirm its position as a highly defensive economic sector but possesses strong growth potential, with industry-wide profit growth forecast to reach approximately 19.6% by 2026. According to market research and strategic analysis organizations, the domestic pharmaceutical market size is expected to maintain a compound annual growth rate (CAGR) of 10% - 13%, aiming for USD 20 billion by 2030. The core driver of this growth stems from the rapid population aging trend in Vietnam, with an aging index reaching 60.2% in 2024, creating a stable and increasing demand for chronic disease treatment drug lines. Additionally, improving per capita income and health consciousness post-pandemic have encouraged people to be willing to pay more for international-standard quality pharmaceutical products. Regarding the legal framework, the pharmaceutical industry faces great opportunities from the Government's strategic policy shifts. The implementation of Strategy 1165 and the amended Pharmacy Law has set an ambitious goal for domestically



produced drugs to account for 80% of total consumption value by 2030. Notably, the amended Law on Health Insurance, effective from July 01, 2025, will significantly expand the scope of coverage, including forms of remote medical examination and treatment and primary healthcare facilities. These regulations, combined with the mandatory roadmap for electronic prescriptions under Circular 26/2025/TT-BYT, not only increase market transparency but also create favorable

conditions for domestic pharmaceutical enterprises with good corporate governance and high-standard production systems to seize market share. The structure of pharmaceutical distribution channels is also witnessing profound transformations. At the hospital tender channel (ETC), although domestic drugs currently dominate in terms of quantity, the value potential remains very large, currently only reaching 45% - 50%, opening opportunities for high-quality drug lines to replace imported goods. Meanwhile, at the retail channel (OTC), the market is witnessing a strong rise of modern pharmacy chains. The shift from traditional pharmacies to chain models not only helps optimize the supply chain but also better meets strict invoice and tax requirements. This context requires enterprises like Tipharco to adapt quickly by upgrading production standards and establishing close links with modern retail systems to maintain a sustainable competitive advantage.

# GENERAL INFORMATION

## DEVELOPMENT ORIENTATION

### Primary Objectives

Using the motto “Tipharco - Comprehensive Quality” as a guiding principle, the Company is committed to providing a rich product portfolio, harmoniously combining Western and Oriental medicine to meet the increasingly diverse needs of the market. Tipharco aims to develop product lines that meet international quality standards at reasonable costs, serving various customer segments in society. Every production process at the Company’s factories complies with strict regulations to provide safe, modern, easy-to-use treatment solutions and minimize side effects compared to traditional chemical drugs. Through this, Tipharco wishes to accompany the people in improving health naturally and sustainably, while affirming the position of a reputable Vietnamese pharmaceutical brand in Southeast Asia and reaching out to the global pharmaceutical map.



## DEVELOPMENT STRATEGY PERIOD 2026 - 2030

### STRATEGIC VISION

Transform strongly from a regional pharmaceutical enterprise to a prestigious national-level manufacturer with high-standard production systems



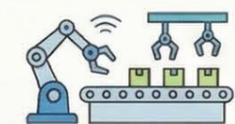
### Products and Research & Development (R&D)



- Optimize product portfolio (traditional medicine, antibiotics, analgesics)
- Focus R&D on high-margin specialty drugs & premium dietary supplements
- Increase natural medicinal materials (traditional medicine + modern technology)
- Complete BE (bioequivalence) reports



### Production and Technology



- Invest in upgrading production lines
- Apply advanced technologies, optimize processes (quality, performance, cost, time)
- Establish foundation to access ETC tender packages (Group 1 & 2 hospital channels)



### Markets and Strategic Cooperation



- Expand coverage (“Go North”), coordinate from Hanoi
- Accelerate international expansion (ASEAN: Laos, Cambodia, Myanmar) via partners & networks
- Diversify suppliers, leverage trade agreements, reduce supply chain risks



### Finance and Human Resources



- Maintain safe capital structure, smart leverage (long-term capital for fixed assets)
- Increase charter capital
- Train high-level human resources (master technology, adapt to international & market conditions)

# GENERAL INFORMATION

## SUSTAINABLE DEVELOPMENT GOALS

***At Tipharco, we define environmental protection and contributing to social progress as the core responsibilities of the enterprise during operation. The Company's short and medium-term sustainable development strategy is built on harmony between economic growth objectives and protecting the surrounding ecosystem.***

### **Focus on Environment**

Toward a "Green Production" model, Tipharco constantly applies advanced processes and invests in renewable energy to minimize negative impacts on the environment. Strategic resource optimization initiatives include:

- Waste Management and Recycling: Decisively implementing waste reduction solutions at the source and strengthening material recycling activities.
- Water Conservation: Implementing water-saving and reuse systems in production processes.
- Friendly Materials: Prioritizing the use of green packaging and biodegradable materials that are ecosystem-friendly.
- Energy and Emissions: Focusing on energy conservation and researching emission offset options through carbon credit mechanisms to reduce the greenhouse gas footprint.

### **Focus on Social and Community**

- As a healthcare enterprise, Tipharco is committed to creating humane values and building a sustainably healthy society through specific action programs:
- Improving Occupational Health and Safety: Constantly improving the working environment, ensuring healthy safety conditions, and enhancing internal welfare standards for the workforce.
- Promoting Healthcare and Education: Actively supporting free medical

examination and treatment programs and implementing educational initiatives in disadvantaged areas to improve people's quality of life.

- Partnering with the Local Economy: Prioritizing the use of raw materials and services from domestic suppliers, especially local enterprises, contributing to regional economic development and sustainable job creation.
- Creating the Future: Every implementation effort aims to create long-term value for the community and build a good foundation for future generations.



# GENERAL INFORMATION

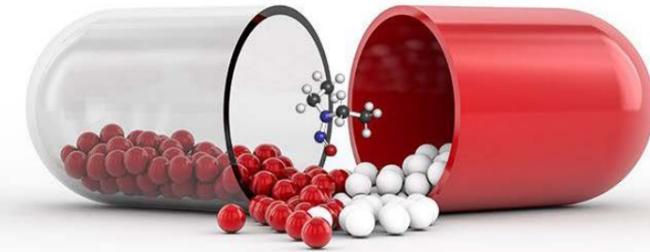
## RISK MANAGEMENT

### Adapting to Product Competition Risks

According to late 2025 Drug Administration of Vietnam data, Vietnam currently has 243 WHO-GMP pharmaceutical plants, of which 27 are upgraded to EU-GMP or equivalent standards. Domestic manufacturing covers all 13 essential medicine groups and masters high-tech dosage forms for cardiovascular, diabetes, and endocrine treatments. However, peak competition and generic segment saturation led to intense price and discount wars within the OTC channel over the past year.

In response, Tipharco has flexibly adjusted its strategy, prioritizing a balanced revenue mix across distribution channels to optimize overall profitability. Maintaining a diversified structure allows the Company to effectively utilize production capacity while adapting resiliently to market fluctuations, aiming for stable net profit margins. To support this, Tipharco is establishing a roadmap to upgrade production lines to EU-GMP standards. This prerequisite allows the Company's products to meet the highest technical standards, creating a direct competitive position against imported medicines while solidifying brand reputation and creating differentiated value.

Concurrently, Tipharco is concentrating resources on Bioequivalent (BE) generics, anticipating medical consumption trends during economic downturns. Proving therapeutic equivalence to innovator drugs secures placement in National Health Insurance lists while reducing costs for chronic patients. The Company is also strengthening strategic partnerships to optimize COGS and operational efficiency, establishing a solid financial foundation for a revenue breakthrough in the new development cycle.



### Adapting to Input Material Risks

A portion of Tipharco's production materials is currently imported from foreign markets. In 2025, although delivery progress remained stable and the price of some material groups tended to decrease, the global active pharmaceutical ingredient (API) market still appeared with many unpredictable variables. These uncertain and conflicting developments create uncontrollable risks in accurately forecasting costs as well as optimizing strategic inventory storage plans. Additionally, the nature of the pharmaceutical industry requires enterprises only to produce medicines from API materials approved by the Drug Administration of Vietnam. This regulation somewhat limits the flexibility in changing suppliers when unexpected fluctuations occur in international supply. Faced with the above challenges, Tipharco has actively strengthened its effective and long-term input material risk control plan. The Supply Planning Department plays a central role in closely monitoring market developments to make purchasing decisions at optimal times to ensure reasonable costs and stable supply for production. Furthermore, the Company continues to promote searching for and working with new material suppliers of equivalent quality, ensuring full compliance with technical and legal requirements. Close coordination between the Supply Planning Department and the Research and Development (R&D) Division in implementing the supplementary material registration process at the Drug Administration of Vietnam not only helps diversify supply sources but also improves negotiating power with existing partners. This strategy helps the Company actively respond to market variables, gradually strengthening competitive advantage and sustainable development.

# GENERAL INFORMATION

## RISK MANAGEMENT

### Adapting to Policy Change Risks

As a company listed on the Hanoi Stock Exchange (HNX), Tipharco always places strict compliance with legal regulations as the foundation for all activities. In the context of Vietnam's legal system transforming strongly toward international standards, the Company pays special attention to adapting to changes from the Law on Enterprises, Law on Securities, and regulations on upgrading the Vietnam Stock Market under Circular No. 68/2024/TT-BTC. Maintaining transparency and standard corporate governance is a mandatory requirement to protect shareholder interests in an increasingly stringent financial environment.

Notably, 2025 marks an important legal turning point when the amended Pharmacy Law officially took effect on July 01, 2025. This policy brings positive changes in streamlining administrative procedures and shortening the time for drug registration renewals, while creating a clear incentive mechanism for domestically produced drugs according

to Strategy 1165. However, new regulations on drug price management, centralized bidding, and mandatory electronic prescription requirements under Circular 26/2025/TT-BYT also pose operational challenges, requiring enterprises to react quickly to avoid supply chain disruptions.

Fully cognizant of the impacts from the regulatory landscape, dedicated personnel within key departments—such as Finance and Accounting, Regulatory Affairs (RA), and Quality Assurance (QA)—proactively monitor and conduct periodic analyses of policy shifts to provide timely advisory to the Board of Management. The Company has also established a cross-departmental legal risk management framework, ensuring that all processes, from manufacturing to distribution, operate strictly within the prevailing legal framework. By prioritizing compliance and fostering a culture of transparency, Tipharco aims to mitigate risks arising from specialized inspections, thereby reinforcing its reputation as a professional and sustainable enterprise among partners and financial institutions in the new economic cycle.



# GENERAL INFORMATION

## RISK MANAGEMENT

### Adapting to Exchange Rate Risks

Due to the nature of importing a portion of production materials (API) and medical equipment from abroad, Tipharco is directly affected by exchange rate fluctuations, especially the USD. In 2025, the USD/VND exchange rate continued to face great pressure from trade protection policies and global currency fluctuations, causing certain difficulties in controlling cost of goods and financial planning. A key difference in the 2025 adaptation strategy is the Company's proactive measure to healthy its financial structure to minimize sensitivity to foreign exchange risk. By decisively settling bank loans, bringing the debt balance from VND 111.3 billion down to VND 38 billion, Tipharco has minimized reliance on borrowed capital and significantly eliminated interest expense pressure. This solution not only resulted in a sharp 27.8% decrease in financial expenses compared to 2024 but also helped the Company be more autonomous in using equity to pay for imports, instead of bearing double risk from both exchange rates and foreign currency loan interest rates. To manage exchange rate risks sustainably, Tipharco maintains specialized measures:

- Closely monitor exchange rate developments and monetary policies of major Central Banks to proactively develop payment scenarios;
- Optimize cash flow from business activities to balance short and medium-term foreign currency needs, minimizing the use of debt for international transactions;
- Flexibly use exchange rate hedging tools when necessary to fix import costs before periods of strong fluctuation. The reduction in debt scale combined with a strict cash flow forecasting mechanism has helped Tipharco protect profit margins against unpredictable variables in the foreign exchange market, establishing an autonomous and solid financial foundation for the next stage of development.

### Adapting to Other Risks:

Besides economic, legal, and market risks, Tipharco's operational activities also face force majeure risks such as natural disasters, fire, epidemics, and increasingly unpredictable impacts from climate change. Recognizing these as variables that cannot be completely eliminated, the Company focuses on establishing prevention systems and contingency plans to minimize damage. Regarding asset management, Tipharco maintains a policy of purchasing comprehensive insurance for the entire factory system, warehouses, and executive offices. The transfer of risk through reputable insurance contracts is a key solution helping the Company preserve financial resources, ensuring recovery capability and business continuity in adverse situations. Simultaneously, the Company completes emergency response scenarios suitable for each production area's characteristics. Early warning systems, situation handling processes, and evacuation maps are periodically reviewed and updated to ensure practicality. Standardizing contingency processes helps the Executive Board actively coordinate resources, ensuring the supply chain remains uninterrupted when incidents occur. Disaster response skills training, focusing on fire prevention

and fighting and search and rescue, is regularly organized for all employees. Periodic drills not only raise prevention awareness but also train quick reaction capabilities, ensuring absolute safety for people and corporate assets in all emergency situations. Maintaining these synchronous risk management measures demonstrates Tipharco's efforts in building a safe and stable operational foundation. This is a prerequisite for the Company to ensure sustainable supply capacity, meeting the expectations of shareholders and partners even in the face of unexpected natural environment changes.

# PART II

## BUSINESS PERFORMANCE

- Production and Business Performance
- Organizational Structure and Human Resources
- Investment Activities
- Financial Performance
- Shareholding Structure



# GENERAL COMPANY PERFORMANCE OVERVIEW 2025

## 1. GENERAL BUSINESS OPERATIONS



**NET REVENUE**  
**316.99 Billion VND**  
 Plan Achievement Rate: 79.25%



**PROFIT BEFORE TAX**  
**15,22 tỷ đồng**  
 Plan Completion Rate: 52.48%



### STRATEGIC HIGHLIGHTS



AGGRESSIVE DEBT REDUCTION  
 from 111.3 billion  
 to **VND 38 billion**



### LARGEST HIGH-LIGHT



FINANCIAL COSTS DROPPED  
 SHARPLY BY **27.8%**

## 2. REASONS FOR PLAN NON-COMPLETION

### 1. COMPETITIVE PRESSURE & VOLATILITY IN PHARMACEUTICAL DISTRIBUTION MARKET

Revenue down 13%, high competition (OTC), revenue deductions up 134% (to 7.8 billion VND) due to supporting discounts

### 2. CAPITAL CONSTRAINTS & MAJOR SHAREHOLDER EVENT PRESSURE

Major shareholder legal incident created credit barriers. Working capital tightened, forcing downsizing, debt recovery

### 3. IMPACT OF POLICY, LEGAL & INSPECTION CHANGES

Drug pricing/HI regulations, inspections disrupted distribution. Limited pricing flexibility

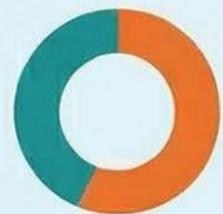
### 4. INCREASED INPUT COSTS DUE TO MACRO FACTORS

Inflation increased raw material, operational costs. G&A costs up 11%, selling costs up 3%. (Note: Interest expense savings of 39.4%)

## 4. STAFF & INVESTMENTS

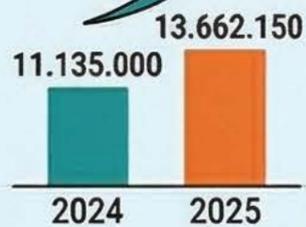
### STAFF

Total Staff: 259



Male (115)

Female (144)



Thu nhập bình quân (VNĐ)

### PROJECT IMPLEMENTATION STATUS

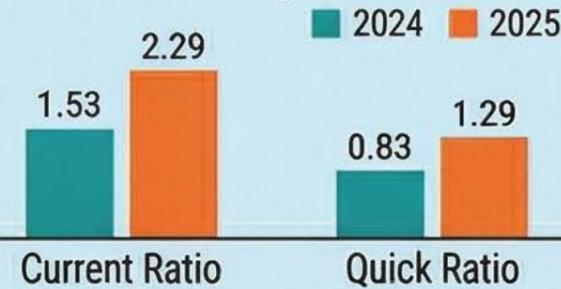
Major Investment: None

Subsidiaries, Affiliates: None

## 3. KEY FINANCIAL INDICATORS

2024 2025

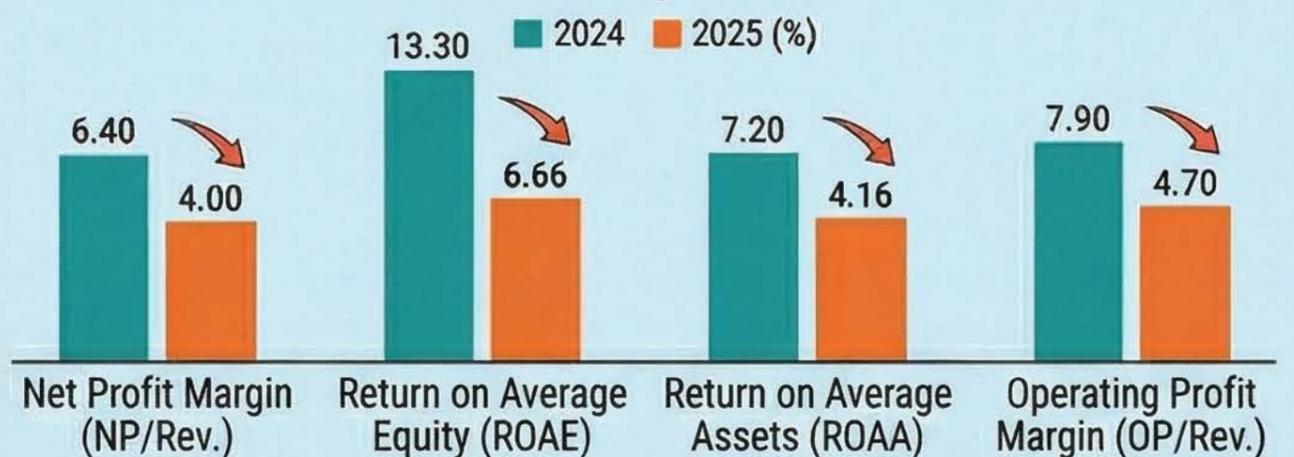
### Solvency Ratios



### Capital Structure



### Profitability Ratios



## 5. SHAREHOLDERS

### SHAREHOLDERS

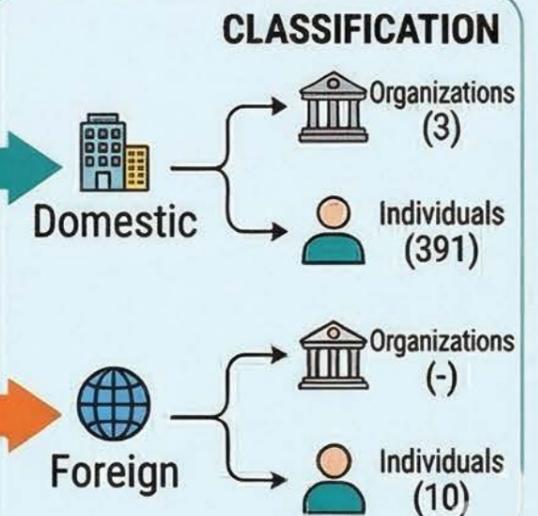


### DOMESTIC STRUCTURE

394  
99.39%

### FOREIGN

10  
0.11%



# OPERATIONAL SITUATION IN 2025

## Production and Business Performance

The results of Tipharco's production and business activities in 2025 are summarized in the following sections:

Unit: VND Billion

No.	Indicator	2024 Actual	2025 Plan	2025 Actual	% Actual/Plan	%2025/2024
1	Net Revenue	364.13	400.00	316.99	79.25%	87.05%
2	Profit Before Tax	29.03	29.00	15.22	52.48%	52.43%
3	Profit After Tax	23.14	23.10	12.82	55.50%	55.40%
4	Dividends	15%	15%	15%	100.00%	100.00%

In 2025, the Company's business results were recorded as not reaching expectations, with net revenue reaching VND 316.99 billion (completing 79.25% of the plan) and profit before tax reaching VND 15.22 billion (corresponding to 52.48% of the plan). This decline was mainly due to intense competitive pressure in the pharmaceutical market, which forced the Company to significantly increase discount policies to support partners, combined with barriers in accessing bank loans following unforeseen incidents involving a major shareholder. Additionally, specialized inspections and the increase in input material costs directly affected distribution progress and profit efficiency during the period.

However, a strategic highlight was the breakthrough in healthy-cleansing the financial structure as the Company decisively settled debts, reducing the loan balance from VND 111.29 billion to VND 38 billion. Notably, net operating cash flow reached an impressive VND 100 billion, providing abundant internal resources that enabled the Company to be self-sufficient in debt settlement and liquidity. Eliminating interest expense pressure and minimizing dependence on external loans created an extremely solid financial foundation. Simultaneously, maintaining a 15% dividend payout in shares confirmed the commitment to accompany shareholders and accumulate resources for a more explosive new development cycle.

## Tipharco's business operation results in 2025

Unit: VND Billion

No.	Indicator	Year 2024	%/Net Revenue	Year 2025	%/Net Revenue	%2025/2024
1	Net Revenue	364.13	100.00%	316.99	100.00%	87.05%
2	Cost of Goods Sold	286.24	78.61%	250.54	79.04%	87.53%
3	Gross Profit	77.89	21.39%	66.44	20.96%	85.30%
4	Selling Expenses	12.34	3.39%	12.75	4.02%	103.32%
5	General & Administrative Expenses	31.25	8.58%	34.68	10.94%	110.98%
6	Financial Income	0.31	0.09%	0.28	0.09%	90.32%
7	Financial Expenses	06.03	1.66%	4.35	1.37%	72.14%
8	Operating Profit	28.59	7.85%	14.95	4.72%	52.29%
9	Other Profit	0.44	0.12%	0.26	0.08%	59.09%
10	Profit Before Tax (PBT)	29.03	7.97%	15.22	4.80%	52.43%
11	Profit After Tax (PAT)	23.14	6.35%	12.82	4.04%	55.40%

Besides challenges in revenue and profit, corporate management expenses increased by 11% (from VND 31.2 billion to VND 34.6 billion), mainly due to a sharp 24% increase in outsourced service costs, while selling expenses increased by about 3%. The greatest highlight was the sharp 27.8% decrease in financial expenses (down to VND 4.35 billion) compared to 2024. The main reason was the Company's settlement of most short-term loans at BIDV bank, bringing the loan balance from VND 111.3 billion at the beginning of the year down to only VND 38 billion as of December 31, 2025.

## REASONS FOR NOT COMPLETING THE 2025 PLAN

### Analysis of Impact Factors



#### 1 COMPETITIVE PRESSURE & PHARMACEUTICAL DISTRIBUTION MARKET VOLATILITY

- Net Revenue Decrease: -13%
- Intense Price Competition in the OTC Channel from Large Manufacturers
- Proactively resolving distribution system challenges via trade discounts
- Revenue Deduction Amount: 7.8 billion VND (increased 134%)



#### 2 CAPITAL LIMITATIONS & PRESSURE FROM MAJOR SHAREHOLDER EVENTS

- Major shareholder incident creates barriers to accessing & maintaining credit lines
- Downsizing financial scale, aggressive debt collection & loan settlement
- Tightened working capital, limiting sales growth potential



#### 3 IMPACT OF REGULATORY POLICY CHANGES & INSPECTION ACTIVITIES

- Drug price management and Health Insurance (BHYT) regulations increasingly stringent
- Sudden specialized inspections cause temporary distribution disruptions
- Limited flexible price adjustment capacity, pressure on profit optimization



#### 4 INCREASE IN INPUT COSTS DUE TO MACROECONOMIC FACTORS

- Global inflation and raw material market volatility
- Increased Costs: Corporate Management +11%, Selling +3%, Significant Operations (Logistics, Manufacturing)
- Efforts to reduce interest costs achieved 39.4%
- Profit affected by cost increases amidst shrinking revenue

## OPERATIONAL SITUATION IN 2025 ORGANIZATION AND PERSONNEL

### List of Management

No.	Member	Position	Ownership Rate
<b>I. Board of Directors (BOD)</b>			
1	Dang Viet Anh	Chairman	0%
2	Le Thanh Tung	Vice Chairman CEO	0,17%
3	Ly Thi Xuan Mai	BOD Member Deputy CEO	0,17%
4	Dang Thị Thu Hang	BOD Member	24,41%
5	Thai Van Hung	Independent Director	0%
6	Nguyen Quoc Khanh	Independent Director	0%
7	Nguyen Thi Hong Nhung	BOD Member	0%
8	Nguyen Quang Huy	BOD Member	0%
9	Tran Ngoc Tuan	Independent Director	0%
<b>II. Supervisory Board</b>			
1	Dong Hai Ha	Head of the Supervisory Board	0%
2	Tran Thị Bích Nhi	Deputy Head of the Supervisory Board	0%
3	Hoang Quoc Trung	Member of the Supervisory Board	0%
<b>III. Executive Board</b>			
1	Ms. Le Thị My Tien	Chief Accountant	0.01%

Changes in management during 2025: None

# SUMMARY OF INTERNAL PERSON BIOGRAPHIES

## BOARD OF DIRECTORS AS OF DECEMBER 31, 2025

### 01

**Mr. Dang Viet Anh**  
Chairman of the Board of Directors

- **Year of Birth:** 1978
- **Professional Qualifications:** Master of Business Administration (MBA)
- **Positions held at other organizations:**

Son La Sugar Joint Stock Company	Chairman	October 2015 – Present
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### 02

**Mr. Le Thanh Tung**  
Vice Chairman of the Board of Directors cum General Director

- **Year of Birth:** 1990
- **Professional Qualifications:** Bachelor of Business Administration (Honors), PhD in Investment and Finance
- **Positions held at other organizations:**

Bamboo Capital Group JSC	Deputy General Director	Dec 2025 – Present
AAA Insurance Joint Stock Corporation	Member of the BOD	April 2024 – Present

### 03

**Ms. Ly Thi Xuan Mai**  
Member of the Board of Directors cum Deputy General Director

- **Year of Birth:** 1992
- **Professional Qualifications:** Bachelor of Finance
- **Positions held at other organizations:** None

### 04

**Ms. Dang Thi Thu Hang**  
Member of the Board of Directors

- **Year of Birth:** 1977
- **Professional Qualifications:** Bachelor of Commerce
- **Positions held at other organizations:**

Kontum Sugar JSC	General Director	October 2017 – Present
Tra Vinh Sugar JSC	Chairman	2019 – Present
Tuy Hoa Sugar JSC	General Director	October 2019 – Present
Soc Trang Sugar JSC	Chairman	January 2026 – Present

### 05

**Mr. Nguyen Quoc Khanh**  
Independent Member of the Board of Directors

- **Year of Birth:** 1964
- **Professional Qualifications:** Chemical and Food Engineering Engineer, Bachelor of Business Administration, Bachelor of English Literature
- **Positions held at other organizations:**

Vietnam Dairy Products JSC	Executive Director – Research and Development	Sep 2009 – Present
Driftwood Dairy Holding Corporation	Independent Member of the BOD	March 2014 – Present
Gilimex JSC	Independent Member of the BOD	April 2019 – Present
Tapiotek JSC	Vice Chairman	October 2022 – Present

### 06

**Mr. Thai Van Hung**  
Independent Member of the Board of Directors

- **Year of Birth:** 1972
- **Professional Qualifications:** Bachelor of Science
- **Positions held at other organizations:**

Son La Sugar JSC	Member of the Board of Directors cum Deputy General Director	2015 – Present
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## 07 Ms. Nguyen Thi Hong Nhung Member of the Board of Directors

- **Year of Birth:** 1987
- **Professional Qualifications:** Master of Business Administration, General Pharmacist
- **Positions held at other organizations:**

Manh Viet Health Care Co., Ltd	Director	July 2020 – Present
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## 08 Mr. Nguyen Quang Huy Member of the Board of Directors

- **Year of Birth:** 1979
- **Professional Qualifications:** Civil Engineer
- **Positions held at other organizations:**

Alpha Fastener JSC	Chairman	July 2020 – Present
Viet Xuan Moi Mien Nam JSC	Member of the Board of Directors cum Deputy General Director	February 2021 – Present

## 09 Mr. Tran Ngoc Tuan Independent Member of the Board of Directors

- **Year of Birth:** 1977
- **Professional Qualifications:** Master of Finance, Bachelor of International Trade
- **Positions held at other organizations:**

Chitta Eco Holdings JSC	Chairman	July 2024 – Present
Unik Xanh JSC	Chairman of the Board of Directors cum General Director	March 2025 – Present
UnikFuture Education JSC	Chairman of the Board of Directors cum General Director	Sep 2025 – Present
SBS Securities JSC	Vice Chairman	Nov 2022 – Present

## SUMMARY OF INTERNAL PERSON BIOGRAPHIES SUPERVISORY BOARD AND CHIEF ACCOUNTANT

### 01 Mr. Dong Hai Ha Head of the Supervisory Board

- **Year of Birth:** 1977
- **Professional Qualifications:** Civil Engineer, Master of Construction Management, Bachelor of Law
- **Positions held at other organizations:**

Bamboo Capital Group JSC	Head of the Supervisory Board	July 2022 – Present
BCG Land JSC	Head of the Supervisory Board	June 2022 – Present
AAA Insurance JSC	Head of the Supervisory Board	August 2022 – Present
BCG Energy JSC	Head of the Supervisory Board	July 2022 – Present
Nguyen Hoang Development JSC	Head of the Supervisory Board	May 2023 – Present
Tracodi E&C Co., Ltd	Head of the Supervisory Board	June 2023 – Present

### 02 Ms. Tran Thi Bich Nhi Deputy Head of the Supervisory Board

- **Year of Birth:** 1964
- **Professional Qualifications:** Bachelor of Economics
- **Positions held at other organizations:**

Kon Tum Sugar JSC	Head of the Supervisory Board	July 2015 – Present
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# 03

## Mr. Hoang Quoc Trung Member of the Supervisory Board

- ▶ **Year of Birth:** 1991
- ▶ **Professional Qualifications:** Master of Accounting
- ▶ **Positions held at other organizations:**

Thanh Phuc JSC	Member of the Supervisory Board	February 2023 – Present
AAA Insurance JSC	Member of the Supervisory Board	April 2023 – Present
Nguyen Hoang Development JSC	Member of the Supervisory Board	May 2023 – Present
Tracodi E&C Co., Ltd	Member of the Supervisory Board	June 2023 – Present
BCG Land JSC	Member of the Supervisory Board	July 2023 – Present
Casa Marina Tourism JSC	Head of the Supervisory Board	August 2024 – Present
BCG Cat Trinh Industrial Park JSC	Head of the Supervisory Board	August 2024 – Present
Indochina Hoi An Beach Co., Ltd	Head of the Supervisory Board	August 2024 – Present
BCG Eco JSC	Head of the Supervisory Board	August 2024 – Present
Tracodi Construction and Development JSC	Member of the Supervisory Board	July 2025 – Present
BCG Energy JSC	Member of the Supervisory Board	August 2025 – Present

# 04

## Ms. Le Thi My Tien Chief Accountant

- ▶ **Year of Birth:** 1978
- ▶ **Professional Qualifications:** Bachelor of Economics (Major in Finance and Credit)
- ▶ **Positions held at other organizations:** None
- ▶ **Work Experience:**

Oct 1999 – July 2003	Tien Giang Pharmaceutical and Medical Supplies Company	Accountant
July 2003 – Aug 2012	Tien Giang Pharmaceutical and Medical Supplies Company	Deputy Head of Accounting
Feb 2006 – Aug 2012	Tipharco Pharmaceutical JSC	Deputy Head of Accounting
Aug 2012 – Present	Tipharco Pharmaceutical JSC	Chief Accountant



## Number of officers and employees: 259

Category	Male	Female	Total
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### Statistics by Type of Labor Contract

Indefinite term	71	111	182
Fixed-term (1 - 3 years)	43	33	76
Seasonal/Short-term contracts	0	0	0
Probationary contracts	1	0	1

### Statistics by Age Group

< 30 years old	26	31	57
From 30 - 50 years old	80	100	180
> 50 years old	9	13	22

### Statistics by Region

Northern Region	1	3	4
Central Region	0	0	0
Southern Region	114	141	255
<b>Total Number of Employees</b>	<b>115</b>	<b>144</b>	<b>259</b>

### Average income

Indicator	2021	2022	2023	2024	2025
Average income (VND/person/month)	6.457.000	8.075.000	11.616.000	11.135.000	13.662.150

### Policy for employees

Tipharco identifies people as the most precious asset and the foundation for sustainable development. The Company always strives to build a professional and humane working environment where every individual has opportunities for development and is adequately compensated for their contributions.

### Working regime

- The Company applies a working regime of 8 hours/day, 5.5 days/week (off on Saturday afternoon and Sunday). Depending on the nature of the work, indirect blocks work according to office hours and the direct production block is arranged in shifts to ensure optimized operation.
- Resting regime: Strictly complies with the Labor Code with 11 days off for holidays and Tet, and 12 days of annual leave for personnel with seniority from 12 months. Foreign labor is entitled to additional holidays according to their nationality as per current regulations.
- Working environment: The office system is designed to be spacious and modern. The production area meets GMP-WHO standards and GSP warehouse standards, fully equipped with tools, protective equipment, and standard industrial hygiene systems to ensure absolute safety for employees.

### Recruitment policy

Recruitment work at Tipharco is carried out systematically, closely following the Company's long-term development strategy and annual personnel plans. With the orientation of prioritizing high-quality resources, the Company focuses on attracting a workforce with university and postgraduate degrees, while paying attention to candidates possessing good expertise and practical experience suitable for operational requirements. Additionally, Tipharco always opens its doors to receive graduates with good and excellent grades from domestic and foreign educational institutions to foster and create a potential source of successor personnel, ensuring sustainable internal development in the future

### Training policy

Training and human resource development activities are always emphasized by Tipharco to improve professional quality and expertise in a scientific and systematic manner. The Company regularly sends officers with excellent achievements to participate in advanced training courses at prestigious universities and vocational training centers, while creating conditions for the workforce to participate in field trips to update new technologies and technical models. Besides professional work, training sessions on occupational health and safety, fire prevention and fighting, and on-site training for workers directly operating machinery are organized periodically, helping the management team and employees constantly improve their skills and knowledge and ensure safety in production.

### Salary, bonus, and welfare policies

Tipharco builds its salary and bonus mechanism based on the actual contribution of each individual to the general development, ensuring fairness through the salary scale system and transparent labor agreements. Besides salaries and bonuses for holidays and Tet as prescribed, the Company also applies ad-hoc bonus policies for individuals and groups with creative initiatives or outstanding achievements bringing high efficiency in production and business. The Company's welfare system is implemented comprehensively through annual vacation activities, birthday gifts, educational encouragement awards for employees' children, and policies for hazardous allowances and business travel expenses. These efforts, combined with cultural and sports movements and charitable activities, have created strong trust and motivation for employees to feel secure and dedicated to the development of the enterprise.

### Regulation on share issuance to employees

Regarding the share ownership roadmap, every year the Executive Board proactively builds evaluation criteria and regulations on share issuance to employees based on production and business results to submit to the Board of Directors and the General Meeting of Shareholders for approval. This is seen as a mechanism to recognize efforts and link the interests of employees with the success of the Company. However, based on the actual situation and management orientation in the recent period, the Company recorded that in the last 5 consecutive years, no share issuance activities under the employee stock option program (ESOP) occurred.

## OPERATIONAL SITUATION IN 2025

### INVESTMENT AND PROJECT STATUS

In 2025, the Company continued to persist with the strategy of focusing maximum capital on core business activities. Tipharco did not carry out short-term or long-term external financial investments; accordingly, the indicators for trading securities, investment in subsidiaries, associates, or capital contribution to other units all recorded a zero balance at the end of the period. Regarding infrastructure investment, the Company's resources were mainly allocated to maintain and improve existing assets to ensure continuity and improve the operational efficiency of production lines. Notably, the indicator for construction in progress at the reporting time recorded a zero value, reflecting the fact that the Company did not implement large-scale new construction projects in 2025 but focused on optimizing existing production capacity to ensure financial safety and capital efficiency.

**Large investments: None.**

**Subsidiaries, associates: None.**

## FINANCIAL CONDITION

### Financial condition

Unit: VND Billion

No.	Indicator	Year 2024	Year 2025	% 2025 /2024
1	Total Assets	336.83	279.6	83.01%
2	Net Revenue	364.13	316.99	87.05%
3	Operating Profit	28.59	14.95	52.29%
4	Other Profit	0.44	0.26	59.09%
5	Profit Before Tax (PBT)	29.03	15.22	52.43%
6	Profit After Tax (PAT)	23.14	12.82	55.40%
7	Dividend Payout Ratio	15%	15%	100.00%

## Key financial indicators

Indicator	Unit	2024 Actual	2025 Actual
<b>1. Liquidity Ratios</b>			
Current Ratio (Current Assets / Current Liabilities)	Times	1.53	2.29
Quick Ratio (Current Assets - Inventory) / Current Liabilities	Times	0.83	1.29
<b>2. Capital Structure Ratios</b>			
Debt-to-Total Assets Ratio	%	44.80%	28.87%
Debt-to-Equity Ratio	%	81.00%	40.59%
<b>3. Operational Capacity Ratios</b>			
Inventory Turnover	Rounds	2.44	2.71
Total Asset Turnover	Rounds	1.13	1.03
<b>4. Profitability Ratios</b>			
Net Profit Margin (PAT / Net Revenue)	%	6.40%	4.00%
Return on Average Equity (ROAE)	%	13.30%	6.66%
Return on Average Assets (ROAA)	%	7.20%	4.16%
Operating Profit Margin	%	7.90%	4.70%

The year 2025 marked an important turning point in Tipharco's financial management strategy. Below is a detailed analysis of the Company's financial health through key indicator groups:

## Indicators of liquidity

Tipharco's liquidity recorded outstanding improvement, placing the Company in the group of enterprises with a high-safety financial structure. The current ratio increased strongly from 1.53 to 2.29 times ; especially, the quick ratio broke through from 0.83 to 1.29 times (surpassing the standard safety threshold of 1.0). This increase was the direct result of the strategy of settling short-term loans and optimizing receivables management. Maintaining a quick ratio > 1 confirms that Tipharco is completely proactive in cash flow to meet immediate debt obligations without depending on releasing inventory. This is a solid "shield" helping the Company respond to credit tightening fluctuations from the market.

## Indicators of capital structure

In 2025, the Company successfully implemented the "Deleverage" goal (reducing financial leverage) decisively. The Debt/Total Assets ratio decreased from 44.8% to 28.9% ; the Debt/Equity (VCSH) ratio decreased deeply from 81.0% to 40.6%. Cutting the loan balance from VND 111.3 billion to VND 38 billion helped Tipharco significantly reduce interest expense pressure (down 27.8% compared to the previous year). The current capital structure, with the proportion of Equity being absolutely dominant, shows very high financial autonomy, creating great room for the Company to mobilize long-term loans for key investment projects in the 2026-2030 period.

## Indicators of operational capacity

Even though revenue was under general pressure from the market, internal management work still recorded highlights in performance. Inventory turnover improved from 2.44 to 2.71 rounds. However, total asset turnover decreased slightly from 1.13 to 1.03 rounds. Increased inventory turnover efficiency shows that the supply chain management and production regulation policies are on the right track, helping to reduce storage costs and limit the risk of capital stagnation. The slight decrease in total asset turnover was mainly due to net revenue growth being slower than the rate of asset accumulation and the process of healthy-cleansing the balance sheet being in the transition phase.

## Indicators of profitability

Profitability indicators recorded a decrease in the short term, reflecting the model transition phase and competitive pressure. ROS decreased from 6.4% to 4.0%; ROE decreased from 13.3% to 6.7%. The narrowed profit margin was mainly due to objective reasons as the Company proactively increased commercial discounts to protect market share in the OTC channel. However, sacrificing short-term profit to clean up the balance sheet and prepare the human resource foundation is a necessary buffer for the growth roadmap in the following years.

***The system of financial indicators in 2025 reflects the image of a Tipharco that is Safer - Leaner - Readier. The Company traded off short-term profit growth in exchange for absolute sustainability in capital structure and liquidity, creating a firm premise for ambitious goals in the 2026-2031 term.***

## SHAREHOLDER STRUCTURE and Changes in owner's investment capital

### Shares

- Stock Name: Stock of Tipharco Pharmaceutical Joint Stock Company.
- Type of stock: Common stock. Par value: VND 10,000/share.
- Offering price: VND 10,000/share.
- Total quantity of shares outstanding: 9,605,318 shares.
- Total value of shares outstanding at par value: VND 96,053,180,000.
- Total quantity of shares restricted from transfer under the company charter or owner commitments: 0 shares.
- The Company's securities traded abroad or the Company sponsors the issuance and listing of securities abroad: None.

### Shareholder structure of the Company as of February 24, 2026:

No.	Shareholder Category	Number of Shareholders	Number of Shares	Ownership (%)
<b>I</b>	<b>Domestic Shareholders</b>	<b>394</b>	<b>9,594,847</b>	<b>99.89%</b>
1	Organizations	3	2,514,310	26.18%
2	Individuals	391	7,080,537	73.71%
3	Preferred Shareholders	-	-	0.00%
<b>II</b>	<b>Foreign Shareholders</b>	<b>10</b>	<b>10,471</b>	<b>0.11%</b>
1	Organizations	-	-	0.00%
2	Individuals	10	10,471	0.11%

3	Preferred Shareholders	-	-	0.00%
<b>III</b>	<b>Treasury Shares</b>	-	-	<b>0.00%</b>
<b>IV</b>	<b>State-owned Shareholders</b>	-	-	<b>0.00%</b>
<b>Total</b>		<b>404</b>	<b>9,605,318</b>	<b>100.00%</b>

**List of major shareholders according to the shareholder list as of February 24, 2026**

No.	Name	Shareholder Classification	Number of Shares	Ownership Rate
1	Nguyen Ho Nam	Domestic Individual	2,387,773	24.86%
2	Dang Thi Thu Hang	Domestic Individual	2,344,353	24.41%
3	Nguyen Phương Hoa	Domestic Individual	1,082,490	11.27%
4	Bamboo Capital Group JSC	Domestic Organization	2,018,200	21.01%
5	Magnolia Investment JSC	Domestic Organization	495,765	5.16%

- Maximum foreign ownership ratio at the Company according to law: The maximum foreign ownership ratio of DTG is 50% (According to Official Dispatch No. 5390/UBCK-PTTT dated August 15, 2022 of the State Securities Commission)

**Status of changes in owner's investment capital**

From the time of the Company's establishment to the present, the Company has not performed a reduction in charter capital and the Company has performed 7 capital increases, specifically

Unit: VND million

No.	Time	Capital Increase (VND Mil-lion)	Capital After Increase (VND Mil-lion)	Form of Issuance	Licensing Authority
1	06/2015	750	15,75	ESOP share issuance	<ul style="list-style-type: none"> <li>• SSC</li> <li>• Tien Giang DPI</li> </ul>
		7,5	23,25	Private placement	
2	12/2016	1,162.5	24,412.5	ESOP share issuance	
		9,57	33,982.5	Private placement	
3	04/2018	20	53,982.5	ESOP, Private placement, and Public offering	
4	09/2019	9,176.78	63,159.28	Stock dividend payout	
5	09/2023	9,472.82	72,632.10	2022 Stock dividend payout	
6	07/2024	10,893.63	83,525.73	2023 Stock dividend payout	
7	08/2025	12,527.45	96,053.18	2024 Stock dividend payout	

**Treasury share transactions: The Company has no treasury shares and no transactions during the year.**  
**Other securities: None.**

# PHẦN 3

## MANAGEMENT REPORT

- Business Performance Review
- Operational Review
- Financial Condition Assessment
- Growth Strategy



# 2025 MANAGEMENT BOARD REPORT

## 1. SALES & DISTRIBUTION CHANNEL ASSESSMENT

**Overview:** Distinct shift in revenue structure, adapted to capital resource fluctuations.



### OTC (Retail)

Revenue: **197.38 Billion VND**  
Proportion: **62.3%**  
Role: **Key/Dominant**



### ETC (Hospital Tenders)

Revenue: **89.82 Billion VND**  
Growth: **15.5%**  
Proportion: **28.3%**  
**Strategy:** Prioritize stable cash flow segments due to restricted bank loan access.



### Outsourcing & Toll Manufacturing

Revenue (Previous Year): **46.26 Billion VND**  
Revenue (Current Year): **27.7 Billion VND**  
Proportion: **8.74%**  
**Reasons for Decline:** Changes in partner strategy and cautious selection of fast-payment orders.

## 3. REGISTRATION & R&D STATUS



Total Licenses: **242**  
Growth Quantity: **+14**



**New Issuance Details:**  
**4** Popular therapeutic groups  
**8** Export-focused

### Progress Achieved:

- ✓ Submitted **03** dossiers for cardiovascular drugs (film-coated tablets)
- ✓ Submitted **12** dossiers for outsourcing - complex structures
- ✓ Completed **25** formulations for medicines and health supplements
- ✓ Improved **16** aspects across 15 products to optimize costs

## 5. 2026 BUSINESS PLAN

### FINANCIAL TARGETS

**Net Revenue:**  
**360.5**  
Billion VND

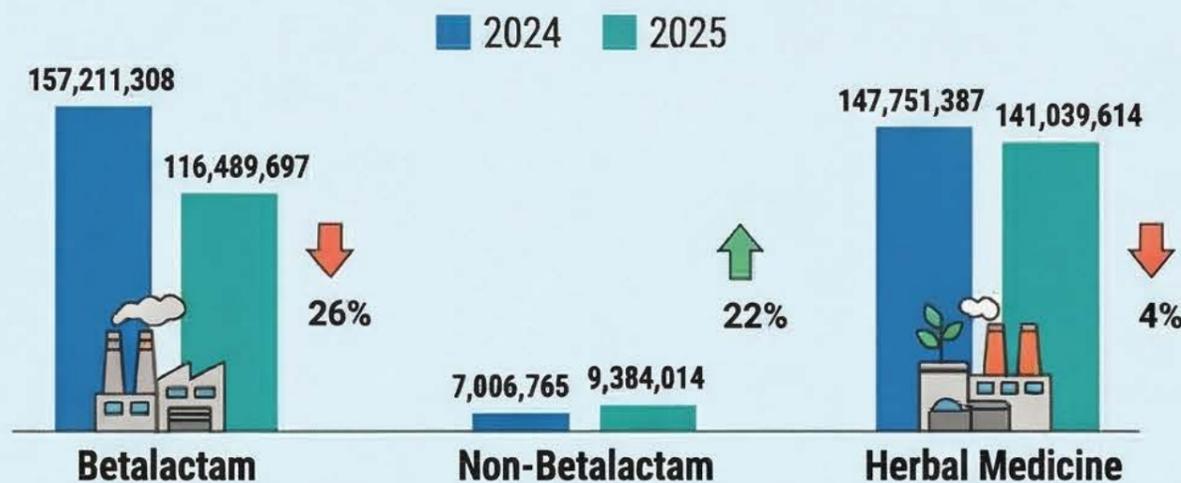
**Profit Before Tax:**  
**28.8**  
Billion VND

**Profit After Tax:**  
**23.0**  
Billion VND

**Profit Growth vs. 2025:**  
**89.5%**

**Dividend:**  
**15%**  
(5% cash, 10% stock)

## 2. PRODUCTION VOLUME BY FACTORY



## 4. FINANCIAL STATUS



### ASSETS (Billion VND)

Indicator	2024	2025	2025 Proportion
Current Assets	229.5	183.3	65.55%
Non-Current Assets	107.3	96.3	34.45%
<b>Total Assets</b>	<b>336.6</b>	<b>279.6</b>	



### LIABILITIES (Billion VND)

Indicator	2024	2025	2025 Proportion
Current Liabilities	150.0	79.9	99.00%
Long-Term Liabilities	0.7	0.8	01.00%
<b>Total Liabilities</b>	<b>150.8</b>	<b>80.7</b>	

## KEY SOLUTIONS



### Market & Business

- Northern expansion strategy: Establish Representative Office in Nanoi
- Optimize ETC channel towards high-profit margin drug groups
- Flexible sales policies and debt control



### Research & Development

- Complete bioequivalence (BE) reports per Circular 07/2023/TT-BYT
- Submit 12-18 new dossiers focusing on cardiovascular and diabetes



### Management & Finance

- Reduce interest expenses through 2025 debt settlement
- Upgrade KPI system and train high-level personnel
- Optimize supply chain and demand forecasting

# REPORT AND ASSESSMENT OF THE BOARD OF MANAGEMENT

## Assessment of Sales and Distribution Channels

Unit: VND Billion

No.	Channel	2024 Actual	2025 Actual	%/Net Revenue
1	OTC Channel (Retail/Pharmacies)	234.09	197.38	62.27%
2	ETC Channel (Hospitals/Tenders)	77.75	89.82	28.33%
3	Toll Manufacturing	46.26	27.70	8.74%
4	Other Revenue	6.02	2.09	0.66%
<b>Total Net Revenue</b>		<b>364.13</b>	<b>316.99</b>	<b>100.00%</b>

In 2025, the Company's revenue structure underwent a clear shift, reflecting the Board of Management's adaptation efforts in response to capital fluctuations:

- OTC Channel (Retail): Continues to play the leading role with revenue reaching VND 197.38 billion, accounting for 62.3% of net revenue. Although its proportion slightly decreased from 64.3% in the previous year, it remains a vital contributor to the Company's revenue and gross profit.
- ETC Channel (Hospital Tenders): Recorded a positive transition with a growth rate of 15.5%, reaching VND 89.82 billion and increasing its contribution to 28.3%. Strengthening the ETC channel was a proactive decision by the Board of Management to prioritize business segments with stable cash flows, especially as access to bank loans faced significant restrictions due to sudden, uncontrollable fluctuations in 2025. Despite narrowed profit margins, the steady cash flow and stable output of the ETC channel helped the Company reduce excessive reliance on the OTC channel, allowing for better self-balancing of operating capital and ensuring production continuity.

- Toll Manufacturing and Processing Channel: Revenue dropped sharply from VND 46.26 billion to VND 27.7 billion (accounting for 8.74%). This decline reflects changes in the business strategies of toll manufacturing partners and the Company's caution in selecting orders that ensure rapid payment capabilities.

## Assessment of Production Output by Factory

Unit: Product units

No.	Factory	2024 Output	2025 Output	2025/2024
1	Betalactam Factory	157,211,308	116,469,897	74%
2	Non-Betalactam Factory	7,686,765	9,384,014	122%
3	Herbal Medicine Factory	147,513,873	141,039,614	96%
<b>Total</b>		<b>312,411,946</b>	<b>266,893,525</b>	<b>85%</b>

In 2025, the Company's total production output decreased by 15% (to 266.9 million units), consistent with the 13% decline in net revenue. This reduction was primarily concentrated in the Betalactam segment (down 26%, reaching 116.5 million units), reflecting a downscaling of core antibiotic lines due to intense competition in the OTC channel and fewer orders from toll manufacturing partners.

Conversely, the Non-Betalactam block recorded impressive growth of 22%, aligned with the growth of therapeutic drug groups and the ETC business channel. These developments demonstrate the Company's efforts to restructure its product portfolio to optimize adaptability to market changes.

## Progress Achieved

### Registration Status

The total number of Marketing Authorizations (MAs) owned by the Company reached 242, an increase of 14 compared to 2024. The new portfolio includes 4 numbers in common treatment groups (antibiotics, analgesics) and 8 registration numbers for export purposes - a strategic step to penetrate and expand market share in regional ASEAN markets.

No.	Product Name	Dosage Form	Therapeutic Group
1	Ampicilin 500mg	Hard capsule	Antibiotics
2	Cefaclor 250mg	Film-coated tablet	Antibiotics
3	Ibuprofen 400mg	Film-coated tablet	Analgesic, Antipyretic, Anti-inflammatory
4	No-panes forte	Film-coated tablet	Analgesic



### New Drug Registration Filings

In 2025, the Company completed and submitted 03 registration dossiers for new drugs within the cardiovascular therapeutic group in film-coated tablet form. These products feature significant novelty and high market potential, having successfully navigated testing phases with substantial technical complexity. They are expected to be officially granted Marketing Authorizations (MA) by 2027.

For the contract manufacturing and off-take channel, the Company submitted 12 new registration dossiers, featuring unique formulations and high technical difficulty, notably:

- Combination Kits: Integrating hard capsules and film-coated tablets within a single blister unit.
- Specialized film-coated tablets for which no equivalent generic products currently exist on the market.

### Research and Development (R&D) Activities

The R&D Department has finalized the formulation research for 25 drug and health supplement products. These products are currently in the analytical method development phase. The Company will continue to execute quality assessments and stability testing in strict accordance with regulatory procedures before proceeding with drug registration filings or circulation declarations for health supplements.

### Process Improvement and Production Optimization

Over the past year, the Company implemented 16 improvement items across 15 products, focusing on quality enhancement, consumption norm optimization, and production cost efficiency. These solutions have shortened production cycles and improved the utilization efficiency of input materials.

Notably, for products involving long-duration extraction processes, the Company is focusing on researching alternative technological solutions to optimize production lead times while ensuring adherence to the products' stringent quality standards.

## Financial Condition Analysis

### Asset Status

Unit: VND million

Indicator	2024 Actual	2025 Actual	2025 /2024	2024 Weight	2025 Weight
Current Assets	229,501	183,275	79.86%	68.14%	65.55%
Non-current Assets	107,329	96,328	89.75%	31.86%	34.45%
<b>Total Assets</b>	<b>336,83</b>	<b>279,603</b>	<b>83.01%</b>	<b>100.00%</b>	<b>100.00%</b>

In 2025, Tipharco's asset structure underwent a significant adjustment towards streamlining and enhancing financial autonomy. Total assets at the end of the period stood at VND 279.6 billion, representing a 17.0% decrease compared to 2024. This fluctuation was primarily driven by a 20.1% decline in current assets, which fell from VND 229.5 billion to VND 183.3 billion. From a management perspective, the reduction in current assets reflects the results of an aggressive debt settlement process and a concentrated effort on the collection of receivables. This enabled the Company to optimize its balance sheet, lower financial costs, and significantly improve quick liquidity ratios.

Current assets accounted for a dominant 65.5% of the total structure, while non-current assets decreased by 10.3%, reaching VND 96.3 billion by the end of 2025. This decline was largely technical, resulting from the accumulated depreciation of existing factories and machinery in a context where no major capital expenditure (CAPEX) projects were initiated (construction in progress stood at zero). The reduction in asset scale during the period does not signify an erosion of core operational capacity; rather, it is a testament to the Company's deleveraging strategy. In 2025, Tipharco successfully transitioned from a debt-driven growth model to one powered by robust internal operating cash flows (reaching approximately VND 100 billion during the year). Consequently, the Debt-to-Equity (D/E) ratio decreased sharply, creating a secure financial buffer for the Company.

### Liabilities Status

Unit: VND million

Indicator	2024 Actual	2025 Actual	2025 /2024	2024 Weight	2025 Weight
Current Liabilities	150,044	79,941	53.28%	99.50%	99.00%
Non-current Liabilities	728	788	108.24%	0.50%	1.00%
<b>Total Liabilities</b>	<b>150,772</b>	<b>80,728</b>	<b>53.54%</b>	<b>100.00%</b>	<b>100.00%</b>

Tipharco's liability structure in 2025 recorded a significant contraction in total debt. Total liabilities by the end of the period stood at VND 80.7 billion, representing a 46.5% decrease compared to 2024 (equivalent to an absolute reduction of over VND 70 billion). This fluctuation reflects the Board of Management's aggressive efforts in strengthening the capital structure and minimizing financial risks.

The key highlight lies in the current liabilities category, which plummeted by 46.7%, from VND 150 billion to VND 79.9 billion. A deeper analysis reveals that this decline was primarily driven by the settlement of the majority of short-term loans and finance lease liabilities (decreasing from VND 111.3 billion to VND 38 billion). Proactively reducing debt has enabled the Company to significantly cut interest expenses and enhance financial independence. Despite the sharp decrease in absolute value, current liabilities still represent the vast majority of the debt structure (99.0%). Specifically, the Company's liabilities are primarily concentrated in trade payables and working capital obligations supporting regular business operations.

Conversely, non-current liabilities recorded a slight increase of 8.3%, reaching VND 788 million. However, as the scale of non-current debt is negligible compared to total capital (accounting for only 1.0% of the debt structure and less than 0.3% of total resources), this variation does not significantly impact the Company's financial

solvency. The slight increase in the proportion of non-current debt is mainly due to the more rapid decline in current liabilities.

The near-halving of total liabilities in 2025 has transitioned Tipharco toward a safer capital structure characterized by low financial leverage and increased financial autonomy. This not only safeguards the Company against credit tightening risks but also creates significant headroom for mobilizing longer-term capital in the future.

## Management and Organizational Improvements

In 2025, Tipharco's corporate governance framework maintained stable operations, with a workforce of 259 employees and no significant changes to the organizational structure. The management's primary focus was directed toward organizational consolidation and the standardization of internal governance systems through the systematic implementation of periodic Key Performance Indicators (KPIs). The application of KPIs has enabled the Company to perform detailed competency assessments across all functions while aligning individual accountability directly with actual business performance during the period.

Furthermore, financial risk management was rigorously executed through detailed budgetary control and centralized cash flow management. These enhancements were strategically aimed at optimizing operating costs and bolstering the Company's adaptability. The stringent oversight of operational processes, combined with granular budget management, has established a robust financial foundation, enhanced liquidity, and minimized operational risks amidst market volatility.

## FUTURE DEVELOPMENT PLAN

### 2026 Business and Production Plan

Unit: VND billion

No.	Indicator	2025 Actual	2026 Plan	2026(P)/2025
1	Net Revenue	317.0	360.5	13.70%
2	Profit Before Tax (PBT)	15.2	28.8	89.50%
3	Profit After Tax (PAT)	12.8	23.0	79.70%
4	Dividend Payout	15.00%	5% cash & 10% stock	100.00%

To achieve a breakthrough growth target in profit (an 89.5% increase compared to 2025 results) on the foundation of a streamlined financial structure, the Company focuses on implementing the following key strategic solutions:

#### Market and Business Strategy

**Geographical Expansion:** Executing the "Northern Expansion" strategy by establishing a Representative Office in Hanoi. This will serve as a coordination hub to directly access major hospital systems and expand the distribution network across Northern Vietnam.

**ETC Channel Optimization:** Concentrating on tender participation for core drug groups with high profit margins. The Company leverages its product quality and supply capacity to increase its market share in the hospital channel following the standardization of bidding processes.

**Flexible Sales Policy:** Coordinating trade credit and discount policies flexibly according to market stages to drive sales volume while maintaining strict control over accounts receivable.

#### Research and Development (R&D):

**Bioequivalence (BE) Roadmap:** Concentrating resources to finalize bioequivalence reports for target active ingredients in accordance with Circular 07/2022/TT-BYT, aiming to maintain and enhance product positioning in Group 1 and Group 2 tender packages.

Portfolio Innovation: Planning to submit 12-18 new registrations for pharmaceutical products and health supplements. Focus will be placed on complex dosage forms and specialized therapeutic groups (Cardiovascular, Diabetes) to enhance competitive value.

#### **Operational and Financial Management**

Cost Control: Maintaining granular budget management for each distribution channel and department. The full settlement of debt in 2025 will allow the Company to minimize interest expense pressure in 2026.

Human Resource Management: Upgrading the periodic Key Performance Indicator (KPI) system linked directly to business outcomes. Focus will be on training high-level personnel for key positions in production lines and quality management.

Supply Chain Optimization: Improving demand forecasting processes to optimize inventory levels, minimize raw material waste, and shorten lead times.

#### **Management's Explanation regarding the Audit Opinion:**

The independent auditor issued an unmodified opinion



## **PART 4**

# **BOARD OF DIRECTORS' ASSESSMENT**

- **Assessment of Company Operations**
- **Assessment of the Board of Management's Performance**
- **Strategic Plans and Orientations**

# BUSINESS ASSESSMENT AND DEVELOPMENT STRATEGY PROGRAM

## 1. GENERAL ASSESSMENT 2025



Pharmaceutical Market Headwinds



Major Shareholder Incidents Impacting Company Operations

### BUSINESS RESULTS

Net Revenue:  
**317** Billion VND



- Objective reasons from the market
- Proactive sales policy adjustments & increased discounts (Protect OTC market share)
- Focused on product categories with fast account receivable collection

### OPERATIONAL HIGHLIGHTS

- Continuous operations maintained
- New registrations: 8
- Optimized material norms, reduced input cost pressure
- Registration list: 242
- Technical improvements: 16

## 4. 2026 BUSINESS PLAN

### FINANCIAL TARGETS

Net Revenue: **360.5** Billion VND

Profit Before Tax (PBT): **28.8** Billion VND

Net Profit After Tax: **23.0** Billion VND

Net Profit After Tax:  
**23.0** Billion VND

### ESTIMATED DIVIDEND:

**15%**  
(5% in cash, 10% in shares)

## 2. FINANCIAL HEALTH & ASSET MANAGEMENT

### DELEVERAGING STRATEGY



### ASSET MANAGEMENT EFFICIENCY



## 3. BOARD OF MANAGEMENT ASSESSMENT

### BOD ROLE



Close supervision, timely support for the General Director Board

### OPERATIONAL RESULTS

- GDB maintained periodic monthly and ad-hoc reports
- Strictly compliant with Organizational and Financial Management Regulations
- Implemented strategic social and charity activities

### 2026-2030 ROADMAP FORECAST

Revenue: **360.49**

Gross Profit: **23.01**

**2026**



## 5. KEY DEVELOPMENT STRATEGY

### MARKET



### MANUFACTURING & R&D

- Upgrade to higher standard
- Antibiotics
- Cardiovascular - Diabetes
- Digestive System
- Traditional Medicine
- 2026 Gross Profit Margin target: **23.44%**

### RESOURCE MANAGEMENT

- HUMAN RESOURCES:** Central KPI Implementation, High-Quality training
- SHAREHOLDERS:** Transparent information, committed stable dividend, professional iR
- CAPITAL & M&A:** Maintain low debt, long-term capital mobilization, search for M&A opportunities

# BOARD OF DIRECTORS' ASSESSMENT

## Assessment of Company Operations

2025 was a challenging period for the pharmaceutical market; furthermore, Tipharco faced internal difficulties stemming from incidents involving major shareholders. The Company's business results clearly reflected this context, with net revenue reaching VND 317 billion, a 13% decrease compared to 2024. This decline was partly due to external factors and partly due to proactive adjustments in sales policies and increased trade discounts to safeguard market share in the OTC (retail) channel, while prioritizing product groups with rapid receivables turnover.

Although revenue did not meet expectations, the operational highlight remained the maintenance of continuous business activity. The Company expanded its portfolio to 242 drug registrations (marketing authorizations), adding 08 registrations for export and successfully implementing 16 technical improvement projects. These efforts not only optimized material consumption rates but also directly mitigated the pressure from input cost volatility.

From a financial perspective, the Board of Directors evaluates 2025 as a successful year, characterized by a decisive deleveraging

strategy that reduced bank loans from VND 111.3 billion to VND 38 billion. The funding for this repayment was sourced from robust net operating cash flow, which reached approximately VND 100 billion (an 11.5-fold increase compared to 2024). Shrinking the debt scale helped reduce interest expenses by 39.4% and brought the Debt-to-Equity ratio from 81% down to a safe threshold of 40.6%. Asset management efficiency also recorded significant improvement, with inventory turnover increasing from 2.44 to 2.71 times, indicating faster working capital realization. The quick ratio reached 1.29x and the current ratio reached 2.29x, confirming that Tipharco is fully self-sufficient in cash flow and no longer dependent on short-term debt to sustain production.

Although 2025 Net Profit After Tax (NPAT) decreased compared to 2024, reaching VND 12.8 billion, the Company's capital structure has transitioned to a more stable and lower-risk state. The current financial foundation allows Tipharco to be proactive with capital sources to execute technology investment strategies in the upcoming period.

## Evaluation of the Board of Management's Performance

- The Board of Directors maintained close oversight of the Board of Management's activities and promptly addressed emerging issues within its jurisdiction, thereby supporting the Board of Management in successfully fulfilling its corporate management duties.
- The Board of Management strengthened its leadership role and provided the Board of Directors with periodic operational updates through monthly and ad-hoc reports as required, ensuring effective governance and operational excellence.
- All activities of the Board of Management strictly complied with the Company's Charter on Organization and Operation as well as its Financial Management Regulations.
- Social and charitable initiatives were strategically implemented by the Board of Management, reflecting the Company's commitment to community responsibility and contributing positively to the creation of sustainable value for society.

## Strategic Orientation for the Board of Directors

### 2026 Business Performance Targets

Unit: VND billion

No.	Indicator	2025 Actual	2026 Plan	Growth (%)
1	Net Revenue	317.0	360.5	13.70%
2	Profit Before Tax (PBT)	15.2	28.8	89.50%
3	Profit After Tax (PAT)	12.8	23.0	79.70%
4	Dividend Payout	15.00%	5% cash & 10% stock	100.00%

# BOARD OF DIRECTORS' ASSESSMENT

## Strategic Orientations for Production and Business

### Business Target Projections for the 2026–2030 Period

Items	2025 Actual	2026 Plan	2027 Plan	2028 Plan	2029 Plan	2030 Plan
Net Revenue	316.99	360.49	406.08	457.45	515.31	580.49
Profit After Tax (PAT)	12.82	23.01	24.48	27.58	31.07	35.00

### BUSINESS & MARKET DEVELOPMENT STRATEGY

**Distribution System Optimization:** Continue to consolidate and enhance the efficiency of the multi-channel distribution network, including ETC (Ethical/Hospital channel), OTC (Over-the-Counter/Pharmacy channel), Contract Manufacturing, and Health Supplements.

**Strategic Market Expansion:** Decisively execute the market expansion strategy in Northern Vietnam while proactively spearheading trade promotion initiatives within the ASEAN region.

**Growth Objectives:** Maximize the value of the existing customer base while concurrently developing new customer segments. The Company targets Net Revenue of VND 360.49 billion in 2026, laying a solid foundation for sustainable growth throughout the period.

### ENHANCING PRODUCTION CAPACITY & TECHNICAL STANDARDS

**Stable and Efficient Operations:** Focus on production management to ensure consistent product quality and optimize operational costs across all manufacturing stages.

**Technology Investment Roadmap:** Progressively implement the production line upgrade project toward higher standards to enhance competitiveness in Group 1 and Group 2 bidding categories.

### ACCELERATING RESEARCH & DEVELOPMENT (R&D)

**Enhancing Existing Products:** Focus on upgrading processes and quality standards for traditional product lines to reinforce and maintain market leadership.

**Product Portfolio Innovation:** Intensify the development of new product groups aligned with modern therapeutic trends, specifically in Antibiotics, Cardiovascular & Diabetes, Digestive Health, Herbal Medicine, and Premium Health Supplements.

**Profit Margin Targets:** Through strategic portfolio restructuring, the Company strives to achieve a Gross Profit Margin of 23.44% in 2026.

### SUPPLY CHAIN MANAGEMENT & FINANCIAL SOUNDNESS

**Proactive Sourcing:** Diversify the network of strategic domestic and international suppliers and establish scientific procurement plans to ensure a stable and continuous supply of Active Pharmaceutical Ingredients (API).

**Capital Cost Optimization:** Leverage robust cash flow to execute bulk purchase agreements during favorable price cycles, minimizing the risk of raw material price volatility and enhancing working capital efficiency.

## Strategic Orientations for the Board of Directors 2026–2030 Period

### Human Resources Strategy: Organizational Optimization and Performance Enhancement

- **Building a Transparent and Aligned Performance Management System:** Implementing a KPI system focused on business outcomes to drive the team toward profit growth targets. Concentrating on fostering a transparent working environment where individual contributions are recognized with equity and merit.
- **Strategic Talent Development:** Prioritizing the training and recruitment of high-caliber personnel for the Northern market and the R&D department. Developing a core management team with leadership capabilities, pioneering innovation, and maintaining strict organizational discipline.
- **Ensuring Sustainable Welfare:** Continuing to maintain and enhance compensation and benefit policies to ensure employee commitment, positioning Tipharco as a “common home” for long-term dedication.

### **Shareholder Strategy: Transparency and Value Enhancement**

- **Elevating Governance Standards:** Maintaining openness and transparency in all executive activities in accordance with public company governance standards. Ensuring shareholders have timely and accurate access to information regarding the Company's financial health and the progress of key projects.
- **Dividend Policy and Share Value:** Committing to a stable dividend payout policy based on 2026 business results. The Board of Directors focuses on ensuring Tipharco's share value accurately reflects the Company's growth potential and market position on the stock exchange.
- **Investor Relations (IR):** Proactively engaging and expanding the base of strategic shareholders and financial institutions, aiming to build a sustainable shareholder community that accompanies the enterprise's development.

### **Capital Strategy: Resource Optimization and Ecosystem Expansion**

- **Cash Flow and Financial Risk Management:** Fully leveraging the current "low leverage" advantage (Debt-to-Equity ratio ~0.15) to maintain financial equilibrium. Focusing on effective working capital turnover management and minimizing risks from interest rate and exchange rate fluctuations to safeguard net profit margins.
- **Capital Raising for Development Investment:** Implementing long-term fundraising plans at optimized costs to support production line upgrade projects toward higher standards. This is a strategic move to elevate the Company's asset value and manufacturing capacity.
- **M&A and Partnership Strategy:** Proactively seeking merger and acquisition (M&A) opportunities and collaborations with pharmaceutical peers or major distribution partners to expand production scale and complete the product-service ecosystem, aiming for leadership in spearhead pharmaceutical segments..



# **PART 5**

# **CORPORATE**

# **GOVERNANCE**

# CORPORATE GOVERNANCE

## BOARD OF DIRECTORS

### Board of Directors Members and Composition.

No.	Member	Position	Ownership	Appointment Date	Resignation Date
1	Mr. Dang Viet Anh	Non-executive Director	0.00%	31/03/2022	-
2	Ms. Dang Thi Thu Hang	Non-executive Director	24.41%	31/03/2022	-
3	Mr. Thai Van Hung	Independent Director	0.00%	31/03/2022	-
4	Ms. Ly Thi Xuan Mai	Executive Director (Deputy CEO)	0.17%	31/03/2022	-
5	Mr. Nguyen Quoc Khanh	Independent Director	0.00%	17/03/2023	-
6	Mr. Le Thanh Tung	Executive Director (CEO)	0.17%	17/03/2023	-
7	Ms. Nguyen Thi Hong Nhung	Non-executive Director	0.00%	18/04/2025	-
8	Mr. Nguyen Quang Huy	Non-executive Director	0.00%	31/12/2025	-
9	Mr. Tran Ngoc Tuan	Independent Director	0.00%	31/12/2025	-
10	Mr. Luu Hoai Nam	Non-executive Director	0.00%	31/03/2022	18/04/2025
11	Ms. Tran Thi Kieu Tien	Non-executive Director	0.00%	31/03/2022	18/04/2025
12	Mr. Do Ngoc An	Non-executive Director	0,00%	18/04/2025	31/12/2025

### Committees under the Board of Directors: None Activities of the Board of Directors

In 2025, the Company's Board of Directors held 29 meetings. These meetings were conducted in strict accordance with the Law on Enterprises and the Company's Charter. All matters approved by the Board of Directors were meticulously reviewed, monitored, and disclosed in compliance with applicable regulations. Specifically, the Board's decisions, resolutions, and the status of information disclosure are as follows:

No.	Resolution/ Decision No.	Date	Content Summary	Approval Rate	Disclosure Obligation / Doc No.
1	01/2025/NQ-HĐQT-DTG	06/01/2025	Loans, guarantees, L/C opening/ settlement, and use of assets as collateral at BIDV - Tien Giang Branch	8/8	16/TIPHARCO
2	02/2025/NQ-HĐQT-DTG	23/01/2025	Approval of fire/ explosion and vehicle insurance contracts and related transactions	8/8	62/TIPHARCO
3	03/2025/NQ-HĐQT-DTG	24/01/2025	Approval of related party transactions	8/8	63/TIPHARCO
4	05/2025/NQ-HĐQT-DTG	10/02/2025	Approval of the 2025 team building program implementation	7/7	Not subject to disclosure
5	06/2025/NQ-HĐQT-DTG	24/02/2025	Plan for organizing the 2025 Annual General Meeting of Shareholders (AGM)	7/7	98/TIPHARCO
6	07/2025/NQ-HĐQT-DTG	28/02/2025	Approval for procurement of raw materials (Amoxicillin Compacted)	7/7	Not subject to disclosure
7	08/2025/NQ-HĐQT-DTG	22/03/2025	Termination of the Authorized Information Disclosure Representative and acceptance of BOD resignation letters	7/7	161/TIPHARCO

No.	Resolution/ Decision No.	Date	Content Summary	Approval Rate	Disclosure Obligation / Doc No.	
8	09/2025/QĐ-HĐQT-DTG		Decision on terminating the Authorized Information Disclosure Representative	22/03/2025	7/7	161/TIPHARCO
9	10/2025/NQ-HĐQT-DTG		Accepting resignations; approving shareholder lists, credentials committee, and 2025 AGM documents	27/03/2025	7/7	167/TIPHARCO
10	11/2025/NQ-HĐQT-DTG		Approval of the list of candidates for supplementary election of BOD and Supervisory Board (2021-2025)	04/04/2025	6/6	183/TIPHARCO
11	12/2025/NQ-HĐQT-DTG		Loans, guarantees, L/C opening/ settlement, and asset collateral at BIDV - Tien Giang Branch	16/05/2025	8/8	234/TIPHARCO
12	13/2025/NQ-HĐQT-DTG		Approval for procurement of raw materials (Cefuroxime)	16/05/2025	8/8	Not subject to disclosure
13	14/2025/NQ-HĐQT-DTG		Approval for procurement of raw materials (Amoxicillin Compacted)	16/05/2025	8/8	Not subject to disclosure
14	15/2025/NQ-HĐQT-DTG		Implementation of the stock dividend issuance plan for 2024	23/05/2025	8/8	237/TIPHARCO
15	16/2025/NQ-HĐQT-DTG		Re-appointment of the Chief Executive Officer (CEO)	27/06/2025	8/8	290/TIPHARCO
16	17/2025/QĐ-HĐQT-DTG		Decision on re-appointment of the CEO	27/06/2025	8/8	290/TIPHARCO
17	18/2025/NQ-HĐQT-DTG		Selection of the auditing firm for 2025 Financial Statements	03/07/2025	8/8	303/TIPHARCO

No.	Resolution/ Decision No.	Date	Content Summary	Approval Rate	Disclosure Obligation / Doc No.	
18	19/2025/NQ-HĐQT-DTG		Closing the list of shareholders for 2024 stock dividend rights	03/07/2025	8/8	302/TIPHARCO
19	20/2025/NQ-HĐQT-DTG		Credit facilities, guarantees, L/C and collateral at BIDV - Tien Giang	11/07/2025	8/8	314/TIPHARCO
20	21/2025/NQ-HĐQT-DTG		Approval for procurement of raw materials (Amoxicillin and Clavulanate)	08/08/2025	8/8	Not subject to disclosure
21	22/2025/NQ-HĐQT-DTG		Capital increase, Charter amendment, and additional listing registration with VSDC and HNX	18/08/2025	8/8	368/TIPHARCO
22	23/2025/NQ-HĐQT-DTG		Approval for procurement of raw materials (Cefuroxime)	25/08/2025	8/8	Not subject to disclosure
23	24/2025/NQ-HĐQT-DTG		Approval for procurement of raw materials (Cefuroxime)	09/09/2025	8/8	Not subject to disclosure
24	25/2025/NQ-HĐQT-DTG		Approval for change of the corporate seal due to administrative boundary changes	15/09/2025	8/8	407/TIPHARCO
25	27/2025/NQ-HĐQT-DTG		Approval for procurement of raw materials (Amoxicillin and Cefuroxime)	17/10/2025	8/8	Not subject to disclosure
26	28/2025/NQ-HĐQT-DTG		Collecting shareholders' opinions in writing in December 2025	17/11/2025	8/8	509/TIPHARCO
27	29/2025/NQ-HĐQT-DTG		Approval for procurement of raw materials (Cefuroxime)	17/11/2025	8/8	Not subject to disclosure
28	31/2025/NQ-HĐQT-DTG		Approval for procurement of raw materials (Clavulanate)	18/11/2025	8/8	Not subject to disclosure

No.	Resolution/ Decision No.	Date	Content Summary	Approval Rate	Disclosure Obligation / Doc No.	
29	32/2025/NQ-HĐQT-DTG		Approval for procurement of raw materials (Amoxicillin Compacted)	18/11/2025	8/8	Not subject to disclosure
30	33/2025/NQ-HĐQT-DTG		Plan for collecting shareholders' opinions in writing in December 2025	19/11/2025	8/8	513/TIPHARCO
31	34/2025/NQ-HĐQT-DTG		Approval of documents for shareholder rights to nominate and elect supplementary BOD members	12/12/2025	8/8	553/TIPHARCO
32	35/2025/NQ-HĐQT-DTG		Approval of candidate list and documents for collecting shareholders' opinions in writing in Dec 2025	18/12/2025	8/8	567/TIPHARCO
33	36/2025/QĐ-HĐQT-DTG		Issuance of Regulations on collecting and counting shareholders' opinions in writing	31/12/2025	8/8	628/TIPHARCO

### Activities of Independent Board Members:

In 2025, the Independent Board Members fully performed their objective supervisory roles, focusing on protecting the legitimate interests of shareholders and ensuring transparency in the Company's strategic decision-making. The role of independent members was particularly emphasized in financial risk control and providing critical oversight of debt restructuring plans, helping the Company maintain stability amidst a volatile market and fluctuating shareholder structure. Professional advisory from independent members supported the Board of Directors and the Board of Management in standardizing operational processes and optimizing capital efficiency.

### Independent Board Members' Evaluation of the Board of Directors' 2025

#### Performance:

Democracy and Execution: All material matters, including plans for bank debt settlement and adjustments to sales policies, were discussed openly and analyzed thoroughly based on factual data. The Board of Management strictly implemented Board Resolutions, ensuring the timely progress of committed business and financial targets.

Enhancing Governance Standards: The Board of Directors continued to consolidate the corporate governance model and promote the application of public company governance standards. The implementation of a periodic KPI system marked a significant step forward in enhancing transparency in performance evaluation and executive accountability.

Control of Related Party Transactions: The approval, monitoring, and information disclosure regarding transactions between the Company and related parties or insiders were strictly executed. The Board of Directors ensured transparency and compliance with legal regulations and the Company's Charter, preventing any conflicts of interest that could harm the enterprise.

Compliance and Operation: The Board's supervision of the Board of Management was maintained regularly, ensuring that production and business activities remained continuous and compliant with pharmaceutical safety regulations. The synergy

between the Board of Directors and the Board of Management over the past year helped the Company overcome external challenges and preserve its core operational capabilities.

#### List of Board of Directors members with corporate governance training certificates

Current Board members are highly experienced individuals with extensive practical governance expertise. During the reporting period, although members did not directly attend new certification-granting training courses, the Board of Directors delegated specialized corporate governance officers to participate in all workshops and training sessions organized by the Stock Exchange and the State Securities Commission (SSC). The key findings from these programs were synthesized and reported during Board meetings to ensure that the Company's governance practices remain strictly aligned with the latest regulatory standards and requirements.

## Supervisory Board

### Members and Composition of the Supervisory Board

No.	Member	Position	Ownership
1	Mr. Dong Hai Ha	Head of the Supervisory Board	0%
2	Ms. Tran Thi Bich Nhi	Deputy Head of the Supervisory Board	0%
3	Mr. Hoang Quoc Trung	Member of the Supervisory Board	0%

### Activities of the Supervisory Board

Scope of Supervision: In 2025, the Supervisory Board performed comprehensive oversight of the activities of the Board of Directors and the Board of Management, based on four critical criteria: reasonableness, legality, integrity, and prudence in business management.

Key Activities:

- Periodic appraisal of the Company's financial position and Financial Statements.
- Strict control over operational areas, including: human resources, production and business activities, raw material procurement, accounting, and information disclosure.
- Monitoring compliance in the procedures for organizing the General Meeting of Shareholders and the implementation of approved Resolutions.
- Tracking the activities of shareholder groups and shareholder representatives; receiving and overseeing the resolution of shareholder petitions addressed to the Company.

General Evaluation: Through its supervisory work, the Supervisory Board observes that the Board of Directors and the Board of Management have strictly complied with the strategies approved by shareholders, while demonstrating flexible adaptation to market fluctuations. Financial information is presented fairly and timely, in accordance with legal regulations and internal policies, ensuring optimal benefits for shareholders and investors.

## Transactions, Remuneration, and Benefits

### Salary, bonuses, remuneration, and benefits

No.	Member	Position	Total Realized Value in 2025 (VND)
<b>A BOARD OF DIRECTORS (BOD)</b>			
1	Mr. Dang Viet Anh	Chairman	60,000,000
2	Mr. Le Thanh Tung	Vice Chairman	1,359,549,997
3	Mr. Luu Hoai Nam	BOD Member (Until April 18, 2025)	39,000,000
4	Ms. Tran Thi Kieu Tien	BOD Member (Until April 18, 2025)	No transactions occurred
5	Ms. Dang Thi Thu Hang	BOD Member	36,000,000
6	Ms. Ly Thi Xuan Mai	BOD Member	1,206,999,292
7	Mr. Do Ngoc An	BOD Member (From April 18, 2025)	No transactions occurred
8	Ms. Nguyen Thi Hong Nhung	BOD Member (From April 18, 2025)	No transactions occurred
9	Mr. Thai Van Hung	Independent Director	36,000,000
10	Mr. Nguyen Quoc Khanh	Independent Director	36,000,000
<b>B SUPERVISORY BOARD</b>			
1	Mr. Dong Hai Ha	Head of the Board	36,000,000
2	Ms. Tran Thi Bich Nhi	Deputy Head of the Board	24,000,000
3	Mr. Le Van Son	Member (Until April 18, 2025)	12,000,000
4	Mr. Hoang Quoc Trung	Member (From April 18, 2025)	No transactions occurred
<b>C CORPORATE GOVERNANCE</b>			
1	Ms. Le Thi My Tien	Person in charge of Corporate Governance, Chief Accountant	393,592,000

Insider Share Transactions: No transactions were reported; fluctuations in insider shareholdings were identified as resulting from the Company's stock dividend issuance.

### Contracts or Transactions with Insiders or Related Parties of Insiders:

No.	Related Organization	Relationship	Business Registration / Date & Place of Issue	Address	Transaction Basis	Transaction Content & Value (VND)
1	Magnolia Investment	Major shareholder holding over 5% of voting shares	0316713198 (Feb 08, 2021) issued by HCMC DPI	25/10 Street No. 3, Ward An Khanh, Thu Duc City, Ho Chi Minh City	Resolution No. 89/2022/NQ-HĐQT-DTG dated Dec 21, 2022	Total office lease expenses: 1,960,148,319 (Excl. VAT)
2	AAA Insurance Joint Stock Company	Related party of Internal Person and Major Shareholder	30GP/KDBH (Feb 28, 2005) issued by the Ministry of Finance	10-12 Street No. 52, Ward Thanh My Loi, Thu Duc City, Ho Chi Minh City	Resolution No. 02/2025/NQ-HĐQT-DTG dated Jan 23, 2025	Contract deposit: 218,505,000. Total insurance costs for factory, points of sale, and transport vehicles: 340,139,580 (Excl. VAT).
3	Tam Sinh Nghia Investment Development JSC	Related party of Internal Person and Major Shareholder	0304374871 (May 22, 2006) issued by HCMC DPI	10-12 Street No. 52, Ward Thanh My Loi, Thu Duc City, Ho Chi Minh City	Resolution No. 03/2025/NQ-HĐQT-DTG dated Jan 24, 2025	Product sales based on purchase orders from Tam Sinh Nghia: 17,911,449 (Excl. VAT)

## Evaluation of Compliance with Corporate Governance Regulations

The Company ensures full compliance with corporate governance regulations, meeting current statutory requirements and maximizing the protection of interests for shareholders and investors.

## FINANCIAL STATEMENTS

### Independent Auditor of Financial Statements

#### AFC Vietnam Auditing Company Limited - Can Tho Branch

**Address:** A1-28, Road 06, Cong An Residential Area, Thanh Loi Area, Phu Thu Ward, Cai Rang District, Can Tho City, Vietnam

**Telephone:** (029) 23827 888

**Audit Opinion:** Unmodified Opinion.



**FINANCIAL STATEMENTS**



**CORPORATE GOVERNANCE REPORT**

## TIPHARCO PHARMACEUTICAL JOINT STOCK COMPANY

### GENERAL DIRECTOR



**LE THANH TUNG**