

Traphaco[◆]
The way of green health



INNOVATION
EMPOWERING GROWTH

ANNUAL REPORT 2024

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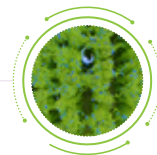
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Highlights

ANNUAL REPORT
TRAPHACO **2024**



Access the website

www.traphaco.com.vn/ir

or scan the QR Code



Download the annual report application at



iOS: Enter the keyword
"Traphaco-IR"

Android: Enter the keyword
"Traphaco-IR"



Vision, Mission

Core values



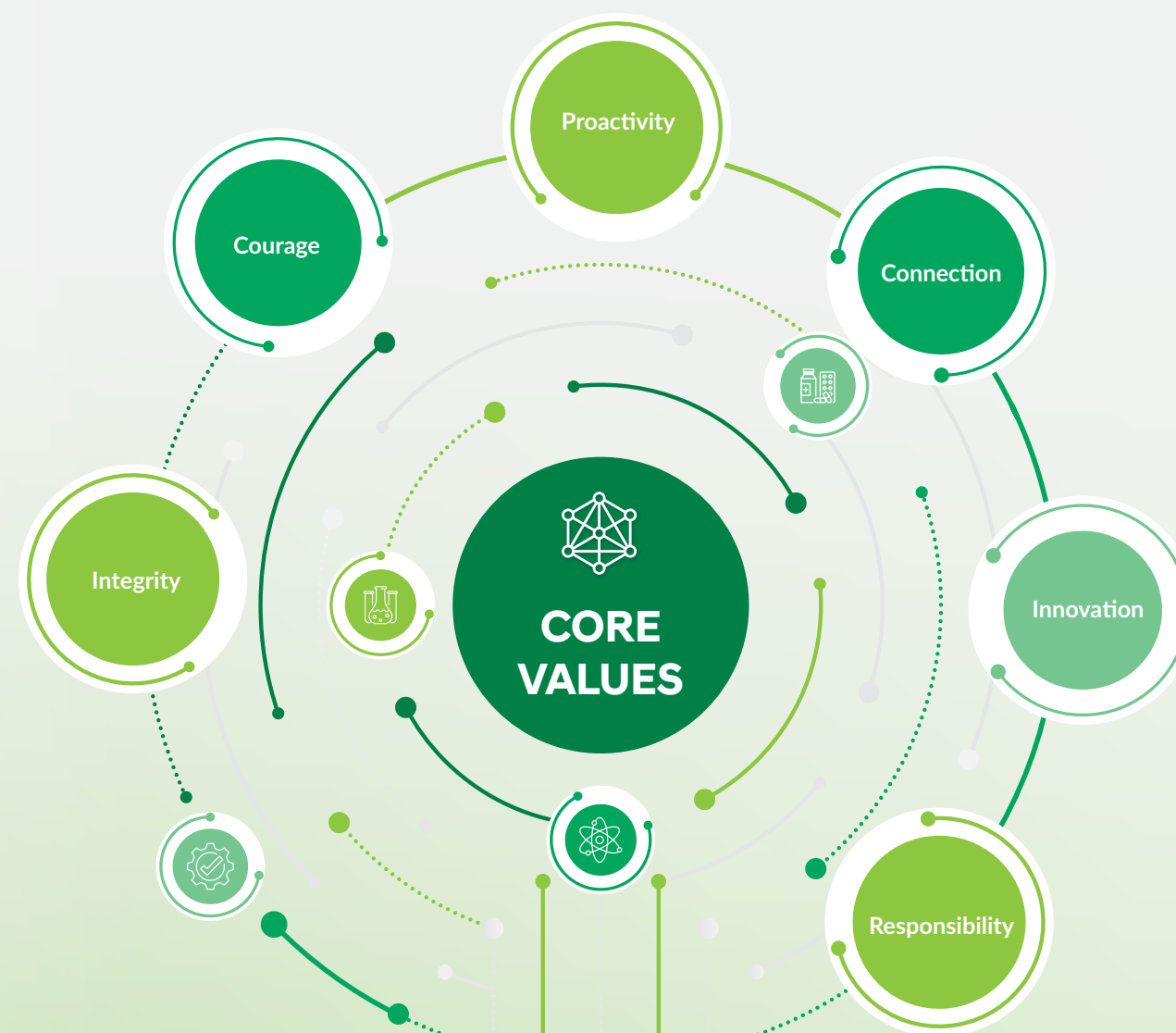
VISION

Being Vietnam's No. 1 Pharmaceutical Enterprise
in terms of growth of revenue-and-profit



MISSION

Pioneering in manufacturing Green product
to protect people's health



PHARMACEUTICALS GREEN

The pharmaceuticals are produced based on a
green supply chain from clean materials to clean
production technology with an environment-friendly
distribution systems and services



Highlights of 2024

Traphaco organized a customer conference series in 2024 with a new format – scientific seminars with leading experts, and introduced two high-end Herbal medicine groups - high-quality Western medicine, attracting a large number of customers and partners to participate. The seminar played a role in connecting and updating professional knowledge in medicine and pharmacy, enhancing the competitiveness of traditional pharmacies in the context of fierce retail channel competition.

New version of Customer Conference Series

2.



1. **TRAPHACO** accelerates Digital Transformation

In 2024, Traphaco focused on accelerating digital transformation activities to modernize operational processes and improve business efficiency. The company implemented cashless payment, piloted an order processing center, traceability, payroll personnel applications, and knowledge management applications. This is a significant step to help Traphaco optimize processes, reduce costs, enhance competitiveness, and provide a better experience for customers.

3.

EU-GMP Factory Project A step towards international integration

Traphaco officially established the Project implementation committee for the EU-GMP standard factory in November 2024, marking a major turning point in its development and international integration strategy. The factory is invested with modern equipment, applying strict production processes according to European standards. This is a foundation to help Traphaco improve product quality and meet the increasing demand for international standard pharmaceutical products in Vietnam.



4. Honored as National Brand 2024 for the 7th time with 8 product brands

Traphaco is proud to be honored for the 7th consecutive time in the Vietnam National Brand program, with 8 product brands recognized in 2024. This is evidence of the company's superior product quality, brand reputation, and sustainable business strategy. Continuing to maintain this title not only consolidates its leading position but also affirms its vision to bring Vietnamese pharmaceuticals to the world, meeting the trust of domestic and foreign consumers.

5.

Top 10 Sustainable Enterprises CSI 2024

In 2024, Traphaco was honored by the Vietnam Business Council for Sustainable Development in the Top 10 sustainable enterprises. The company always associates business development with social responsibility and environmental protection. Projects to conserve precious medicinal resources, apply green technology in production, and sustainable development in GACP-WHO standard medicinal material growing areas have made a strong impression. This title is motivation for Traphaco to continue pursuing sustainable development and community responsibility.

HIGHLIGHTS OF 2024
(Continued)

6.

Top 50 Best Listed Companies

Forbes Ranking

Forbes Vietnam honored Traphaco in the Top 50 best listed companies in Vietnam in 2024, based on criteria such as revenue growth, profit, and operational efficiency. This achievement reflects Traphaco's continuous efforts to improve governance capacity, optimize operational processes, and expand the market. This is not only a recognition of business achievements but also affirms the trust of investors and Traphaco's solid position on the stock exchange.



7.

Top 10 Golden Stars of Vietnam 2024

This is the third time Traphaco has been honored to be named in the Top 10 Golden Stars of Vietnam, following the success of 2013 and 2018. Traphaco is the only representative of the pharmaceutical industry to make it into the Top 10, a testament to the company's leading position and tireless efforts in creating, innovating and discovering sustainability. With 2023 revenue remaining stable and the highest in the industry, Traphaco continues to affirm its intrinsic strength in business efficiency, social responsibility and environmental protection.

8.

Achieving award in the “Gender Equality in the Marketplace” category

UN Women WEPs Awards

Traphaco was honored to receive the UN Women WEPs Awards 2024 in the “Gender Equality in the Marketplace” category, recognizing its efforts in promoting women's rights and equality. The company has implemented many policies that prioritize the development of female human resources, creating conditions for them to take on leadership positions and actively contribute to overall development. The award is international recognition for Traphaco's strong commitment to building an equal and civilized working environment.



10.

Certification of 05 GACP-WHO

Standard growing areas

Traphaco CNC achieved certification for 5 GACP-WHO international standard medicinal material growing areas for precious medicinal plants such as Chrysanthemum, Water Plantain, Periwinkle, Mugwort, and Stevia. This is an important step in improving the quality of raw materials, ensuring that products meet the highest standards of safety and effectiveness. This achievement continues to affirm Traphaco's commitment to a sustainable development strategy, linking natural resource conservation and serving community health.

This year, Party cells organized activities to the roots to educate revolutionary traditions and raise political awareness for employees. In parallel, the ceremony to admit new Party members was solemnly organized, welcoming the young generation to join the ranks of the Party. These activities contribute to connecting generations, fostering a sense of responsibility, and building an increasingly strong Party Committee, meeting new development requirements.

TRAPHACO
organized activities to the roots

9.



State level

- Labor Hero
- 2 First-Class Labor Orde
- First-Class Labor Order for Company Union



On scientific research and application of intellectual property solutions

- WIPO Award
- Asia Pacific International Quality Award
- National Quality Golden Award
- First Prize of VIFOTEC Scientific Innovation Award



On branding

- National Brand (Vietnam Value) 7th consecutive times
- Top 50 Vietnam Leading Brands - Forbes VN
- Top 50 Best Listed Companies - Forbes VN
- Top 10 Vietnam Golden Stars
- Top 5 most prestigious pharmaceutical companies in Vietnam
- Top 40 most valued Vietnamese Brands - Forbes VN
- Top 10 products of outstanding brand of Vietnam
- Vietnam record "First pharmaceutical company to modernize Herbal Medicine and have three best-selling Herbal Medicine product lines in Vietnam (Boganic, Hoat huyet duong nao, and Tottri)"



On social responsibilities

- Certificate of merit from the Prime Minister
- Top 10 Typical Vietnam Golden Star Enterprises for Social Responsibility
- Top 10 sustainable enterprises in Vietnam (CSI)
- Typical Enterprise for Employees
- Asia Corporate Excellence & Sustainability Awards (ACES Awards) in 2022
- Outstanding enterprise for the development of Vietnamese medicinal herbs
- UN Women's Empowerment Principles Award - Category: Gender Equality in the Market GreenPlan - Sustainability Project
- Human Act Prize



TYPICAL AWARDS OVER THE YEARS

Chairman's message



Dear Respected Shareholders and Investors,

As we welcome 2025 and gather for our Annual General Meeting, I would like to take a moment to reflect on the past year - one that was filled with both challenges and opportunities, requiring agility and adaptability. In 2024, amidst ongoing fluctuations in the global economy, Vietnam's pharmaceutical industry demonstrated positive growth, particularly in the hospital channel. Meanwhile, competition in the retail pharmacy market - between traditional pharmacies and expanding pharmacy chains - became increasingly fierce, a segment in which Traphaco is deeply engaged.

Through continuous innovation, unwavering dedication, and the unified strength of our entire workforce, Traphaco has further solidified its market position. Although we did not fully achieve our revenue and profit targets, we delivered meaningful results.

Our high-quality non-herbal pharmaceutical segment grew by 33%, while the premium herbal pharmaceutical segment achieved an impressive 49% growth rate. The ETC channel expanded by 10.7% in sales, and the non-herbal products technologically transferred from Daewoong continued to serve as a key growth driver for our company, marking significant milestones. Additionally, sales through pharmacy chains grew by 35%, and our e-commerce sales exceeded 110% of the annual target, demonstrating our ability to adapt flexibly to the evolving market environment while reaffirming customer trust in our products.

One of our most significant milestones in 2024 was laying the groundwork for an EU-GMP-compliant production facility, marked by the establishment of the EU-GMP Project Committee. This signified the beginning of Traphaco's journey toward EU-GMP certification. In parallel, the second phase of the technology transfer with Daewoong was successfully completed, with products launched on the market. These efforts not only enhanced our competitiveness in the hospital sector but also positioned Traphaco for further expansion in production capabilities and future growth.



Traphaco's achievements in 2024 were recognized through various prestigious awards, including:



Notably, eight of our products received Vietnam's National Brand Certification, underscoring Traphaco's high-quality standards and strong trust among customers, partners, and shareholders

Dear Shareholders,

In 2025, Traphaco has set a revenue target of VND **2.559** billions (8.0% growth) and a profit target of VND **268** billion (4.2% growth). These figures have been set with a somewhat conservative approach, considering the current challenging market environment. However, the most powerful way for the company to demonstrate its value is through revenue growth.

Thus, in 2025, Traphaco will dedicate itself to aggressively increasing sales, aiming not just to meet our targets but to significantly exceed them. To achieve this, we will continue to implement our key growth strategies.

In the high-quality non-herbal pharmaceutical segment, we will expand our portfolio with bioequivalent (BE) certified products, first generic (FG) drugs, and additional technology transfer products, further strengthening our market competitiveness.

In the premium herbal pharmaceutical segment, we will emphasize our core values of tradition, modernization, and sustainability, reinforcing our premium product lineup to build a distinctive and differentiated brand image.

We will also strengthen our partnerships with pharmacy chains, implementing more user-friendly and efficient sales policies that support our partners while optimizing operations.

Our main OTC pharmacy channel, which has long been a cornerstone of our distribution network, will continue internal organizational innovation and efficiency improvements, ensuring it remains a high-value network for our customers.

At the same time, we will channel our full corporate strength into the aggressive expansion of the ETC (hospital) channel.

Beyond traditional bidding channels, we will actively expand into clinic networks, prescription channels, and hospital pharmacies, increasing our core customer base and further enhancing Traphaco's influence in the hospital sector.

With these strategies in place, we aim to elevate our company's revenue to a new level, making 2025 a transformative year for Traphaco.

Looking Ahead

Reflecting on the path we have taken, I extend my deepest gratitude to our esteemed shareholders, valued customers, our many dedicated Korean and global partners, and our committed employees. It is your trust, support, and dedication that have enabled Traphaco to sustain its growth.

I am confident that through the strong collaboration between Mirae Asset and SCIC, coupled with Traphaco's relentless spirit of innovation, we will continue to strengthen our position as a leading force in Vietnam's pharmaceutical industry.

I wish you all good health, success, and prosperity.

May Traphaco continue to grow stronger and more sustainably in the years to come!

Thank you.

CHUNG JI KWANG

Chairman - Traphaco Joint Stock Company

CEO's Message



Dear partners, customers and employees,

The year 2024 witnessed significant economic fluctuations, presenting both challenges to business operations and new opportunities for development. Following a period of considerable difficulty in the first half of the year, the economy experienced a noticeable recovery from the third quarter onwards. According to the General Statistics Office, the national Gross Domestic Product (GDP) reached 7.09% in 2024, surpassing the set target of 6.5%. However, the economy continued to face numerous challenges stemming from the global economic landscape, including high inflation in major economies and escalating geopolitical tensions.

MR. TRAN TUC MA
CEO of Traphaco Joint Stock Company

The Vietnamese pharmaceutical industry recorded growth in 2024, with industry-wide revenue growth reaching approximately 9.1% compared to the same period last year. Despite ongoing competition from imported products, domestic pharmaceutical companies have improved product quality and adjusted pricing strategies, helping to increase their market share domestically.

The ETC channel continued to grow in 2024, with industry-wide growth of approximately 13%, significantly contributing to the development of the pharmaceutical industry.

In 2024, the OTC pharmaceutical market continued to witness difficulties for traditional pharmacies

due to increasingly fierce competition from modern pharmacy chains that are constantly expanding and capturing market share. Major chains such as Long Chau and Pharmacy are not only expanding their scale but also improving their services, intensifying competitive pressure on traditional pharmacies.

This creates a challenging business environment, forcing traditional pharmacies to face the risk of losing customers and declining revenue. As the traditional pharmacy system is Traphaco's main segment and market, Traphaco's sales activities still encountered many difficulties.

In this context, Traphaco has maintained stable business operations, optimizing and enhancing the company's operational efficiency through the following actions:

In 2024, the company undertook a strong digital transformation:

Implementation of the order center system: Deployed nationwide across the entire Business division, reducing order processing time by 85%, optimizing accounting resources, and saving operating costs.

Deployment of the product traceability project: Applying QR codes, transparentizing the production and distribution process, building customer trust in genuine products, and enhancing brand reputation.

Use of new human resource management software: Successfully implemented and stabilized, enabling faster and more accurate human resource data management, optimizing human resource management, and improving operational efficiency.

Sales application: Deployed a new sales app, supporting pharmaceutical sales representatives in managing customers, tracking sales, and processing orders quickly, contributing to improved business efficiency.

Base digital office: Deployed, enhancing remote working efficiency, improving work and project management, helping to improve the operational efficiency of staff.

Cashless payment: Promoted across the entire Business division, increasing convenience for customers, minimizing risks when handling cash, and improving financial management efficiency.

E-learning system: Deployed and organized online training, supporting 24/7 training for employees, enhancing skills and knowledge, and improving the quality of human resources.

CEO'S MESSAGE (Continued)

Traphaco has accelerated investment in new product research, particularly enhancing research into premium Herbal medicine and high-quality Western medicine, Generic drugs, bioequivalent drugs, and technology transfer drugs from Daewoong:



- 1 Production and market launch of phase 1 technology transfer products: Timaro, Rebatot, Ursodeoxycholic Acid.
- 2 12 products achieved bioequivalence, opening up opportunities for the development of high-quality Western Medicine products, equivalent to original drugs.
- 3 Exceeded the registration/announcement target for 2024: achieved 271/252.
- 4 Amount of new drug granted registration numbers: More than 22 registrations.
- 5 Product launch: 14 products launched to the market, including Timaro 5mg, Trallerpic, Apital 25, Apital 5, Tra-Desloratadine, Traphacol 150mg, Traphacol 250mg, Methorphan D 30, Tradotril,...
- 6 Quality management was strictly implemented, ensuring production always met the set quality standards.

In 2024, Traphaco prepared the necessary resources and established a project committee to implement GMP-EU standards, aiming to strongly promote the growth of high-quality Western Medicine products and bioequivalent drugs.

Throughout 2024, Traphaco intensified customer care activities, conducted online training on new Medical and Pharmaceutical knowledge, and organized customer conferences combined with training, updating customers with new knowledge, thereby building credibility and increasing customer support and loyalty, contributing to enhancing Traphaco's brand value.



The company takes good care of employees' lives, along with outstanding customer care activities and social activities. In 2024, Traphaco was awarded numerous valuable prizes by various organizations, such as:

- Traphaco achieved the title of Vietnam National Brand for the 7th consecutive time, **Traphaco is the leading pharmaceutical company in terms of the number of products** achieving the National Brand in 2024.
- **TOP 50** Best Listed Companies Award (Forbes Vietnam).
- **Top 10** Sustainable Enterprises CSI 2024.
- **TOP 10** Famous Brands of Vietnam Award.
- **Top 10** Reputable Pharmaceutical Companies/Top 5 Reputable Herbal Medicine Companies 2023.
- Vietnam General Confederation of Labor awarded the company's trade union the emulation flag.
- And many other awards.

In 2024, despite facing numerous challenges in the pharmaceutical market, the company's leadership and all employees joined forces, overcoming difficulties and maintaining stable business operations. The company focused on optimizing resources, cutting unnecessary costs, accelerating investment in upgrading the information technology system, and increasing the number of new registrations/announcements, especially in the field of Western medicine and therapeutic drugs. These efforts not only helped the company overcome difficulties but also laid a solid foundation for sustainable development in the years to come.

Dear partners, customers and employees,

Entering 2025, the pharmaceutical industry will experience major changes as the amended law officially takes effect. The concretization of regulations regarding foreign-invested companies being prohibited from directly distributing imported goods to hospitals and retail pharmacies, as well as the allowance for online sales of over-the-counter drugs, will have a significant impact on Traphaco's operations.

With the above activities, in 2024 Traphaco achieved

2,370.2 BILLION VND

Revenue

257.3 BILLION VND

Profit

271 NUMBERS

The total number of registrations/announcements exceeded the target

The economy is forecast to continue its growth momentum in 2025. To align with the market context, Traphaco plans to set

2,559 BILLION VND

Consolidated revenue

268 BILLION VND

Consolidated profit after tax

CEO'S MESSAGE (Continued)

With a solid foundation from strategic investments in 2024, Traphaco confidently steps into a new phase of development, one that demands comprehensive innovation, close collaboration among departments, and the ability to flexibly seize opportunities from the market. All officers, party members, and employees within the Traphaco system implement the six supreme cultural principles, promote Traphaco's tradition, demonstrate their mettle, intelligence, spirit, and strength, strive to overcome difficulties and challenges; compete to develop production and business, transforming risks, difficulties, and challenges into development opportunities.



To achieve the goals of maintaining the No. 1 position in Herbal medicine and strengthening the development of Western medicine in 2025, Traphaco will implement the following key activities:

1

Enhancing operational efficiency and reorganizing the distribution and logistics system, aligning with the rapidly changing market context and legal requirements.

- Continue to review the company's sales system, reducing bulkiness, streamlining, and improving operational efficiency.
- Separate personnel for the OTC and ETC sales systems to increase specialization and productivity.
- Strengthen sales activities through reputable pharmacy chain systems and e-commerce channels.

2

Digital transformation: Continue to expand the applications deployed in 2024 and implement 8 new applications according to the 2025 plan.

- In 2025, Traphaco will continue to promote digital transformation with a focus on the initial phase of ERP system implementation. Key activities include: ERP system conversion at the Corporation and Traphaco Hung Yen, automation of accounting invoice and online sales management system.
- In addition, the company focuses on the customer loyalty program with gamification solutions, standardizes IT infrastructure and security, and deploys a centralized data platform (Data Lakehouse). Innovation is also encouraged through innovation activities to maximize support for the digital transformation strategy (Ihub).

3

Strengthening investment in R&D for new product development in premium Herbal medicine and high-quality Western medicine.

- Focus on increasing research on high-quality Western medicine products, reviewing original drugs that are about to expire in patent to develop First Generic and bioequivalent drugs.
- Strengthen the application of new technologies in product formulation and research.

4

Strengthening Technology Transfer activities

- Collaborate with Daewoong partners to select products for transfer activities, optimizing the production line at Traphaco Hung Yen factory.
- Promote sales of technology transfer products sold on the OTC system through scientific seminars, introduce the advantages of technology transfer products, strengthen bidding activities, and sell throughout the ETC system.

With clear strategic orientations, detailed action plans, and determination in implementing project goals as quickly as possible, the Company believes that 2025 will be a breakthrough year, creating strong momentum for sustainable development and enhancing Traphaco's position in the market.



5

Enhancing Traphaco's brand through Marketing activities.

- Premium Herbal medicine and high-quality Western medicine brand; Innovation - Application of new technology.
- Increase Traphaco's Herbal medicine and Western medicine market share through online and traditional marketing activities.
- Strengthen customer care through new technology platforms.

6

Improve the cost management system through budget planning.

- Strictly manage input costs through detailed business production planning, reasonable budget allocation to each department, and periodic monitoring and evaluation of expenditures to ensure the company's consolidated profit target is achieved.

7

Implement the construction of a factory meeting GMP-EU standards

- Ensure the production capacity of high-quality Western medicine products, fully meet the bidding criteria for Group 2 drugs, and contribute to enhancing competitive position in the pharmaceutical market.



Overview of TRAPHACO

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Overview of Traphaco

Headquarter: 75 Yen Ninh Street,
Ba Dinh, Hanoi

Office: Hoang Liet Factory
Lane 15, Ngoc Hoi Street - Hoang Liet Ward - Hoang Mai District - Hanoi




TRAPHACO JOINT STOCK COMPANY WAS
ESTABLISHED ON NOVEMBER 28TH, 1972

Over the course of 50 years of
establishment and development,


TRAPHACO **1**
has become the No.
PHARMACEUTICAL BRAND
IN VIET NAM

04 
Subsidiaries - Affiliates

01 
GMP-Standard Medicinal Herb Extraction Plant

04 
GMP-Standard Pharmaceutical and
Health Supplement Manufacturing Plants

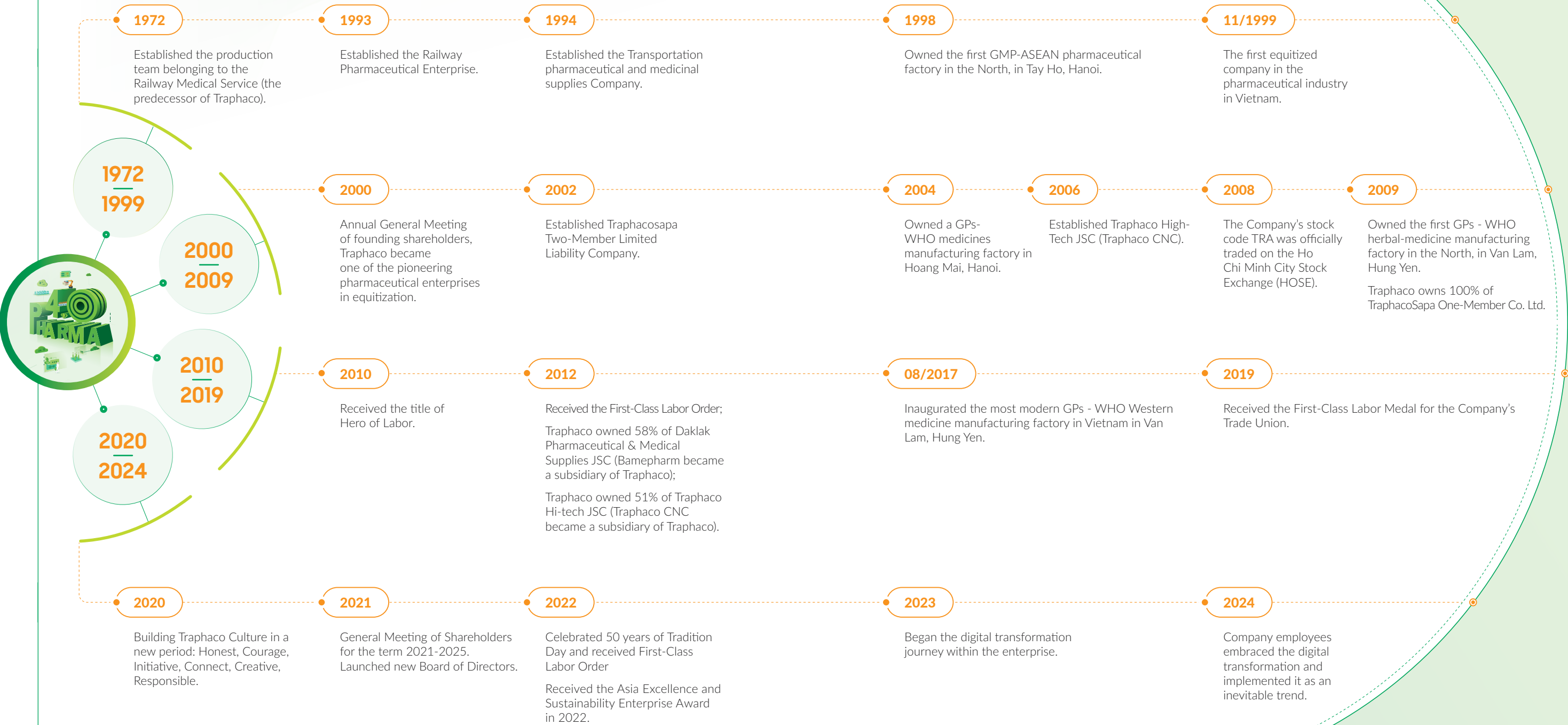
28 
Branches nationwide

10 
GACP-WHO Standard Medicinal Herb
Cultivation/Harvesting Areas

30.000 
Pharmacy customers nationwide

The establishment and development history

Over the course of 52 years of building and development, as a pioneer in the pharmaceutical industry in Vietnam, Traphaco has identified its strategic objective for the upcoming period as **“Premium Herbal medicine – High quality Western medicine”**



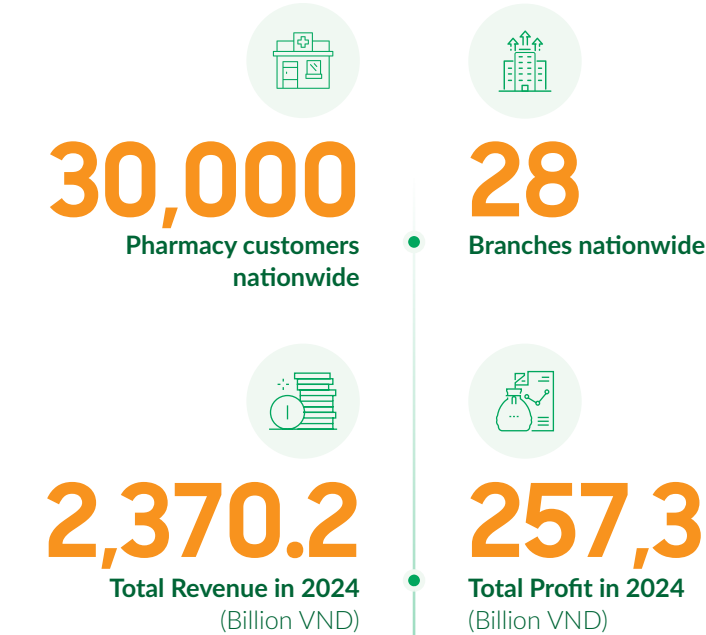
Business lines & business locations

Business Lines

- Manufacture of pharmaceutical, medicinal chemical and botanical products
 - Distilling, rectifying and blending of spirits
 - Manufacture of malt liquors and malt
 - Manufacturing non-alcoholic beverages, mineral waters
 - Wholesale of beverages
 - Other professional, scientific and technical activities not elsewhere classified
 - Manufacture of other food products not elsewhere classified
 - Wholesale of food products
 - Manufacture of cosmetics, soap, detergents, polishing and cleaning preparations
 - Wholesale of other household goods
 - Other specialized wholesale not elsewhere classified
 - Wholesale of other machinery, equipment and machine accessories
- Manufacture of basic chemicals
 - Other remaining business support service activities not elsewhere classified
 - Manufacture of medical, dental, orthopedic and rehabilitation equipment, instruments
 - Cultivation of spice plants, medicinal plants, perennial aromatic plants
 - Retail sale of medicines, medical instruments, cosmetics and hygienic goods in specialized stores
 - Retail sale of food in specialized stores
 - Retail sale upon request via post or internet (Excluding auction activities)
 - Technical inspection and analysis
 - Agents, brokers, and goods auctioneers
 - Organization of trade promotion



Business locations



Branches

1. South Branch;
2. Central Branch;
3. North Central Branch;
4. Thai Nguyen Branch;
5. Yen Bai Branch;
6. Bac Giang Branch;
7. Quang Ninh Branch;
8. Hai Duong Branch;
9. Hai Phong Branch;
10. Hung Yen Branch;
11. Nam Dinh Branch;
12. Thanh Hoa Branch;
13. Phu Tho Branch;
14. Gia Lai Branch;
15. Quang Ngai Branch;
16. Khanh Hoa Branch;
17. Thua Thien Hue Branch;
18. Tien Giang Branch;
19. Vinh Long Branch;
20. Can Tho Branch;
21. Binh Thuan Branch;
22. Dong Nai Branch;
23. Binh Duong Branch;
24. Kien Giang Branch;
25. Long An Branch;
26. Binh Dinh Branch;
27. Vung Tau Branch;
28. Vinh Phuc Branch.

BUSINESS LINES & BUSINESS LOCATIONS
(Continued)

Hoang Liet
Factory



Function

- Producing food and cosmetics; dosage forms of tablets, film-coated tablets, hard capsules, soft capsules, nuggets, powders, microbiological nuggets, microbiological powders, solutions, suspensions, fats, creams.
- Managing production equipment.
- Implementing initiatives to improve and rationalize production, and applying scientific and technological advances to production.

Medication
trading locations
in Hanoi



Traphaco Product Showroom

74 Ngo Quyen, Quang Trung, Ha Dong, Hanoi.

Counter No. 207

2nd Floor, Hapu Pharmaceutical and Medical Equipment Distribution Center, No. 1 Nguyen Huy Tuong, Thanh Xuan, Hanoi.

Traphaco's Long Bien Distribution Center

295 Thanh An Street, Thuong Thanh Ward, Long Bien District, HaNoi.

Subsidiaries of
Traphaco

1 TraphacoSapa One-Member Co. Ltd.



Traphaco's ownership proportion: 100%

Charter capital (VND): : 25,000,000,000

Headquarter:

Group 2, Phan Si Pang Ward, Sapa Town, Lao Cai Province

Main functions:

Toll-manufacturing raw materials, input medicine, GACP research practice of Traphaco. At the same time, it is the center for developing the medicinal plantation zones to supply raw materials for Traphaco.

2 Traphaco Hung Yen Co., Ltd



Traphaco's ownership proportion: 100%

Charter capital (VND): : 25,000,000,000

Headquarter:

Tan Quang Commune, Van Lam District, Hung Yen Province

Main functions:

Manufacturing medicines, pharmaceuticals.

3 Traphaco High-tech JSC (Traphaco CNC)



Traphaco's ownership proportion: 51%

Charter capital (VND): 113,643,250,000

Headquarter:

Tan Quang Commune, Van Lam District, Hung Yen Province

Main functions:

Toll-manufacturing products and finished products of Traphaco.

4 Daklak Pharmaceutical - Medical Supplies JSC (Bamepharm)



Traphaco's ownership proportion: 58%

Charter capital (VND): 19,415,880,000

Headquarter:

9A Hung Vuong Street, Buon Ma Thuot City, Daklak Province

Main functions:

Specializing in distribution of pharmaceutical products - medical supplies in 02 provinces of Daklak and Dak Nong.

Introduction of The Board of Directors



Mr. CHUNG JI KWANG
Chairman of the Board of Directors

Date of birth: June 21st, 1974
Nationality: South Korean
Qualification: Bachelor of Business Administration
Employment history:
March 2021 - present: Chairman of the Board of Directors, Traphaco Joint Stock Company
March 2020 - March 2021: Member of the Board of Directors, Traphaco Joint Stock Company
2017 - present: Managing Director – New Growth Investment Department, Mirae Asset Capital Co. Ltd.
2016 - 2017: Team Leader, Post-Merger Integration Group, Mirae Asset Securities
2005 - 2015: Senior Manager, Investment Banking Division, Mirae Asset Securities
2003 - 2005: Senior Manager, Investment Banking Division, Woori Securities
Positions assigned in other organizations:
Managing Director – New Growth Investment Department, Mirae Asset Capital Co. Ltd.

Date of birth: September 24th, 1981
Nationality: Vietnamese
Qualification: Master of Economics
Employment history:
05/2022 - present: PVICE Chairman of the Board of Directors - Traphaco JSC
08/2006 - present: Specialist, Deputy Head of State Capital Investment Corporation (SCIC)
06/2020 - 05/2022: Chairman of the Board of Directors, Labor and Technical Experts Import-Export Joint Stock Company
04/2014 - 03/2020: Deputy General Director, General Director, BOD members of Trang Tien Trading Investment Co., Ltd.
Positions assigned in other organizations:
12/2022 - present: BOD members, Vice Chairman of the Board of Directors, Dien Bien Trading, Tourism and General Services Joint Stock Company.



Mr. NGUYEN PHU KHANH
Vice Chairman of the Board of Directors



Mr. TRAN TUC MA
Member of Board of Directors

Date of birth: June 17th, 1965
Nationality: Vietnamese
Qualification: Master of Pharmacist
Employment history:
04/2016 - present: Secretary of Party Executive Committee, Member of Board of Directors, Chief Executive Officer at Traphaco Joint Stock Company.
03/2011 - 03/2016: Secretary of the Party Executive Committee, Vice Chairman of the Board of Directors, Chief Executive Officer at Traphaco Joint Stock Company.
06/2010 - 02/2011: Secretary of Party Executive Committee, Member of Board of Directors, Deputy CEO in charge of Sales, Traphaco Joint Stock Company.
04/2006 - 05/2010: Member of Board of Directors, Deputy CEO in charge of Sales, Traphaco Joint Stock Company.
01/2005 - 03/2006: Member of Board of Directors, Deputy Director in charge of Sales, Traphaco Joint Stock Company.
03/2003 - 12/2004: Chairman of the Board of Supervisors, Head of Sales Department of Traphaco Joint Stock Company
11/2000 - 02/2003: Head of Sales Department, Traphaco Joint Stock Company.

05/1997 - 10/2000: Deputy Head of Quality Control Department, Traphaco Joint Stock Company.
01/1994 - 04/1997: Staff at Sales Department, Traphaco Joint Stock Company.
09/1992 - 12/1993: Staff at Sales Department - Hanoi Railway Pharmaceutical Company.
03/1990 - 8/1992: Staff at Experimental Institute - Ministry of Health
Positions assigned in other organizations:
Chairman of the Board of Directors at Traphaco Hung Yen Co. Ltd.



Mr. JUNWOO CHA
Member of the Board of Directors

Date of Birth: June 12th, 1984
Nationality: South Korean
Qualification: Bachelor of Business Administration
Employment history:
04/2024 - present: Member of the Board of Directors, Traphaco Joint Stock Company
01/2023 - present: Member of the Board of Directors, Daewoong Philippines; Director, Daewoong Thailand
07/2021 - present: Representative Chief, Daewoong Vietnam
04/2020 - present: Global Business Team Leader, Daewoong Pharmaceutical Group
10/2013 - 03/2020: Regional Business Manager, Dongwha Pharm
01/2012 - 09/2013: International Business Specialist, Aju Pharm

Date of birth: August 6th, 1986
Nationality: Vietnamese
Qualification: Bachelor of Business Administration, Bachelor of Law
Employment history:
03/2023 - present: Member of Board of Directors - Traphaco Joint Stock Company
05/2018 - present: Chairman of the Board of Members, Trang Tien Trading Investment Company Limited Liability Company
05/2008 - present: Investment Specialist, Executive Secretary, Deputy Office Director, Office Director, State Capital Investment Corporation
Positions assigned in other organizations:
Chairman of the Board of Members, Trang Tien Trading Investment Company Limited Liability Company



Mr. DINH QUANG HOA
Member of the Board of Directors



Mrs. DAO THUY HA
Member of the Board of Directors

Date of birth: June 6th, 1975
Nationality: Vietnamese
Qualification: Master of Pharmacist, Master of Business Administration
Employment history:
07/2022 - present: Member of the Party Executive Committee; Secretary of Hoang Liet Party Cell; Member of the Board of Directors; Deputy General Director of Sales & Marketing, Traphaco Joint Stock Company
11/2021- 06/2022: Member of the Executive Committee of the Party Committee; Member of the Board of Directors; Deputy General Director of Sales & Marketing, Traphaco Joint Stock Company
04/2021 - 10/2021: Member of the Executive Committee of the Party Committee; Member of the Board of Directors; Deputy General Director, Traphaco Joint Stock Company
07/2020 - 03/2021: Member of the Executive Committee of the Party Committee; Marketing Director cum Marketing Department Head, Traphaco Joint Stock Company

11/2018 - 06/2020: Marketing Director cum Marketing Department Head, Traphaco Joint Stock Company
01/2008 - 10/2018: Marketing Department Head, Traphaco Joint Stock Company
01/2005 - 12/2007: Director Assistant; Staff of Research & Development Department, Traphaco Joint Stock Company
07/2001-12/2004: Staff of Research & Development Department, Traphaco Joint Stock Company
09/1996 - 06/2001: Planning Department, TraphacoCapital Co. Ltd.

Date of birth: December 25th, 1981
Nationality: South Korean
Qualification: Bachelor of Biotechnology
Employment history:
11/2021- present: Member of the Board of Directors; Deputy General Director of ETC & SPKT, Traphaco Joint Stock Company
10/2019 - 10/2021: Member of the Board of Directors; Deputy General Director, Traphaco Joint Stock Company
07/2018 - 09/2019: Member of the Board of Directors, Traphaco Joint Stock Company
07/2016 - 07/2018: Representative Chief, Daewoong Pharmaceutical Group - Vietnam Office
04/2015 - 06/2016: Planning - Marketing Team Leader, Daewoong Pharmaceutical Group
04/2013 - 03/2015: Business Development Team Leader, Daewoong Pharmaceutical Group
12/2008 - 03/2013: Finance, Planning Team Leader, Daewoong Pharmaceutical Group



Mr. KIM DONG HYU
Member of the Board of Directors

Introduction of the Board of Management



Mr. TRAN TUC MA
Chief Executive Officer

Date of birth: June 17th, 1965
Nationality: Vietnamese
Qualification: Master of Pharmacist
Employment history:
04/2016 - present: Secretary of Party Executive Committee, Member of Board of Directors, Chief Executive Officer at Traphaco Joint Stock Company.
03/2011 - 03/2016: Secretary of the Party Executive Committee, Vice Chairman of the Board of Directors, Chief Executive Officer at Traphaco Joint Stock Company.
06/2010 - 02/2011: Secretary of Party Executive Committee, Member of Board of Directors, Deputy CEO in charge of Sales, Traphaco Joint Stock Company.
04/2006 - 05/2010: Member of Board of Directors, Deputy CEO in charge of Sales, Traphaco Joint Stock Company.
01/2005 - 03/2006: Member of Board of Directors, Deputy Director in charge of Sales, Traphaco Joint Stock Company.
03/2003 - 12/2004: Chairman of the Board of Supervisors, Head of Sales Department of Traphaco Joint Stock Company

11/2000 - 02/2003: Head of Sales Department, Traphaco Joint Stock Company.
05/1997 - 10/2000: Deputy Head of Quality Control Department, Traphaco Joint Stock Company.
01/1994 - 04/1997: Staff at Sales Department, Traphaco Joint Stock Company.
09/1992 - 12/1993: Staff at Sales Department - Hanoi Railway Pharmaceutical Company.
03/1990 - 8/1992: Staff at Experimental Institute - Ministry of Health
Positions assigned in other organizations:
Chairman of the Board of Directors at Traphaco Hung Yen Co. Ltd.



Mr. NGUYEN HUY VAN
Deputy General Director of Research and Quality

Date of birth: March 10th, 1967
Nationality: Vietnamese
Qualification: Doctor of Pharmacy
Employment history:
01/2022 - present: Deputy Secretary of the Party Committee; Deputy General Director of Research & Quality, Traphaco Joint Stock Company
05/2015 - 12/2021: Deputy Secretary of the Party Committee; Deputy General Director of Research and Development, Traphaco Joint Stock Company
04/2011 - 04/2015: Deputy General Director of Research and Development, Traphaco Joint Stock Company
04/2006 - 03/2011: Member of the Board of Directors; Deputy General Director of Research and Development, Traphaco Joint Stock Company
01/2005 - 03/2006: Member of the Board of Directors; Deputy Director of Research and Development, Traphaco Joint Stock Company
01/2000 - 12/2004: Member of the Board of Directors; Head of Research and Development Department, Traphaco Joint Stock Company
07/1996 - 12/1999: Head of Research and Development Department, Traphaco Pharmaceutical Company
07/1995 - 06/1996: Deputy Head of Marketing Department, Traphaco Pharmaceutical Company
06/1994 - 06/1995: Staff of Business Department, Traphaco Pharmaceutical Company

Date of birth: June 6th, 1975
Nationality: Vietnamese
Qualification: Master of Pharmacist, Master of Business Administration
Employment history:
07/2022 - present: Member of the Party Executive Committee; Secretary of Hoang Liet Party Cell; Member of the Board of Directors; Deputy General Director of Sales & Marketing, Traphaco Joint Stock Company
11/2021 - 06/2022: Member of the Executive Committee of the Party Committee; Member of the

Board of Directors; Deputy General Director of Sales & Marketing, Traphaco Joint Stock Company
04/2021 - 10/2021: Member of the Executive Committee of the Party Committee; Member of the Board of Directors; Deputy General Director, Traphaco Joint Stock Company
07/2020 - 03/2021: Member of the Executive Committee of the Party Committee; Marketing Director cum Marketing Department Head, Traphaco Joint Stock Company
11/2018 - 06/2020: Marketing Director cum Marketing Department Head, Traphaco Joint Stock Company
01/2008 - 10/2018: Marketing Department Head, Traphaco Joint Stock Company
01/2005 - 12/2007: Director Assistant; Staff of Research & Development Department, Traphaco Joint Stock Company
07/2001 - 12/2004: Staff of Research & Development Department, Traphaco Joint Stock Company
09/1996 - 06/2001: Planning Department, TraphacoCapital Co. Ltd.



Bà ĐÀO THÚY HÀ
Phó Tổng giám đốc Kinh doanh & Marketing

Date of birth: October 16th, 1963
Nationality: Vietnamese
Qualification: Bachelor of Pharmacy
Employment history:
11/2021- 11/2024: Deputy General Director of OTC Sales, Traphaco Joint Stock Company
02/2017 - 10/2021: Deputy General Director in charge of Sales, Traphaco Joint Stock Company
08/2013 - 01/2017: Sales Director, Traphaco Joint Stock Company
05/2011 - 07/2013: Sales Department Head, Traphaco Joint Stock Company
07/2008 - 04/2011: Deputy Head of Marketing Department, Traphaco Joint Stock Company
01/2008 - 06/2008: Staff of Marketing Department, Traphaco Joint Stock Company
06/2004 - 12/2007: Staff of Sales Department, Traphaco Joint Stock Company
12/2003 - 05/2004: Staff of Research and Development Department, Traphaco Joint Stock Company
01/2001 - 12/2004: Director, Huu Nghi Pharmaceutical Company Limited
01/1997 - 12/1997: Staff, Hung Yen Social Diseases Prevention Center
03/1988 - 12/1996: Staff, Hai Hung Tuberculosis Hospital



Mr. NGUYEN VAN BUI
Deputy General Director of OTC Sales



Mr. KIM DONG HYU
Deputy General Director of ETC & SPKT

Date of birth: December 25th, 1981
Nationality: South Korean
Qualification: Bachelor of Biotechnology
Employment history:
11/2021- present: Member of the Board of Directors; Deputy General Director of ETC & SPKT, Traphaco Joint Stock Company
10/2019 - 10/2021: Member of the Board of Directors; Deputy General Director, Traphaco Joint Stock Company
07/2018 - 09/2019: Member of the Board of Directors, Traphaco Joint Stock Company
07/2016 - 07/2018: Representative Chief, Daewoong Pharmaceutical Group - Vietnam Office
04/2015 - 06/2016: Planning - Marketing Team Leader, Daewoong Pharmaceutical Group
04/2013 - 03/2015: Business Development Team Leader, Daewoong Pharmaceutical Group
12/2008 - 03/2013: Finance, Planning Team Leader, Daewoong Pharmaceutical Group



Mr. PHAM HOANG ANH
Deputy General Director of Finance and Planning

Date of birth: January 5th, 1989
Nationality: Vietnamese
Qualification: Master of Business Administration in Finance (MBA in Finance), CPA (Australia) - Australian Certified Practising Accountant, CIMA, CGMA (Chartered Global Management Accountant)
Employment history:
03/2022 - present: Deputy General Director of Finance and Planning, Traphaco Joint Stock Company
01/2021 - 03/2022: Director of Finance & Planning, Traphaco Joint Stock Company
5/2016 - 12/2020: General Director Assistant, Traphaco Joint Stock Company
2012 - 2016: Specialist, Finance Department, Mobifone Telecommunications Corporation
2011 - 2012: General Director Assistant, PetroVietnam Oil Materials Joint Stock Company, PetroVietnam Power Corporation - PVN
Other positions held in other organizations:
Vice Chairman of the Board of Directors, Traphaco High-Tech Joint Stock Company

Introduction of the Board of Supervisors



Ms. NGUYEN THI LUONG THANH
Head of the Board of Supervisors

Date of birth: April 18th, 1978

Nationality: Vietnamese

Qualification: Master of Economic Management, Bachelor of Finance

Employment history:

04/2021 - present: Head of the Board of Supervisors, Traphaco Joint Stock Company

03/2014 - 03/2021: Member of the Board of Supervisors, Traphaco Joint Stock Company

11/2009 - present: Specialist, Investment Department 3, State Capital Investment Corporation

01/2001- 10/2009: General Accountant, Chief Accountant, Hoang Dao Investment Joint Stock Company

Other positions held in other organizations:

Member of the Board of Supervisors - Ha Giang Mechanical and Mineral Joint Stock Company.

Date of birth: December 10th, 1983

Nationality: Vietnamese

Qualification: Master of Business Administration, Bachelor of Accounting, Certified Public Accountant (CPA)

Employment history:

2016 - present: Member of the Board of Supervisors, Traphaco Joint Stock Company

2012 - present: Specialist, Risk Management Department - Risk Management Division, State Capital Investment Corporation (SCIC)

2007 - 2012: Accounting Specialist - Finance and Accounting Division, State Capital Investment Corporation (SCIC)

2006 - 2007: Accounting Specialist - Bank for Investment and Development of Vietnam (BIDV)

Other positions held in other organizations: None.



Ms. NGUYEN THANH HOA
Member of the Board of Supervisors



Ms. NGUYEN THI GIANG
Member of the Board of Supervisors

Date of birth: November 9th, 1993

Nationality: Vietnamese

Qualification: Master of Laws, Bachelor of Business Administration

Employment history:

04/2024 - present: Member of the Board of Supervisors, Traphaco Joint Stock Company

09/2019 - present: Business Development and Technology Transfer Manager - Global Business Department, Daewoong Pharmaceutical Group

07/2018 - 08/2019: Strategic Planning Specialist - Strategic Planning Department, Daewoong Pharmaceutical Group

Traphaco[®]



TRAPHACO DẪN ĐẦU XU THẾ PHARMA 4.0

TRONG SẢN XUẤT DƯỢC PHẨM



Kiểm soát dược liệu bằng công nghệ thông minh

Nhà máy tân dược 4.0 Tự động hóa toàn diện

Phòng thử nghiệm R&D được chứng nhận theo tiêu chuẩn GLP-WHO

Production and business RESULTS

in 2024 and plan in 2025

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Report & analysis of the Board of Management



Overview of the Pharmaceutical Industry 2024

The Vietnamese economy achieved macroeconomic stability, controlled inflation, and promoted growth, but still faced many challenges such as the impact of COVID-19, Typhoon No. 3, and difficulties in some production and business sectors.

The pharmaceutical industry continued to grow in 2024, with the main driving force coming from the hospital channel and the expansion of modern pharmacy chains. Meanwhile, the traditional retail channel – which is Traphaco's main customer group – faced fierce competition.

The strong development of retail chains such as Long Chau, Pharmacity, and An Khang created pressure on prices and high discounts, reducing the advantages of manufacturing enterprises. When these chains participate in R&D, pharmaceutical manufacturers face greater challenges in distribution and competition.

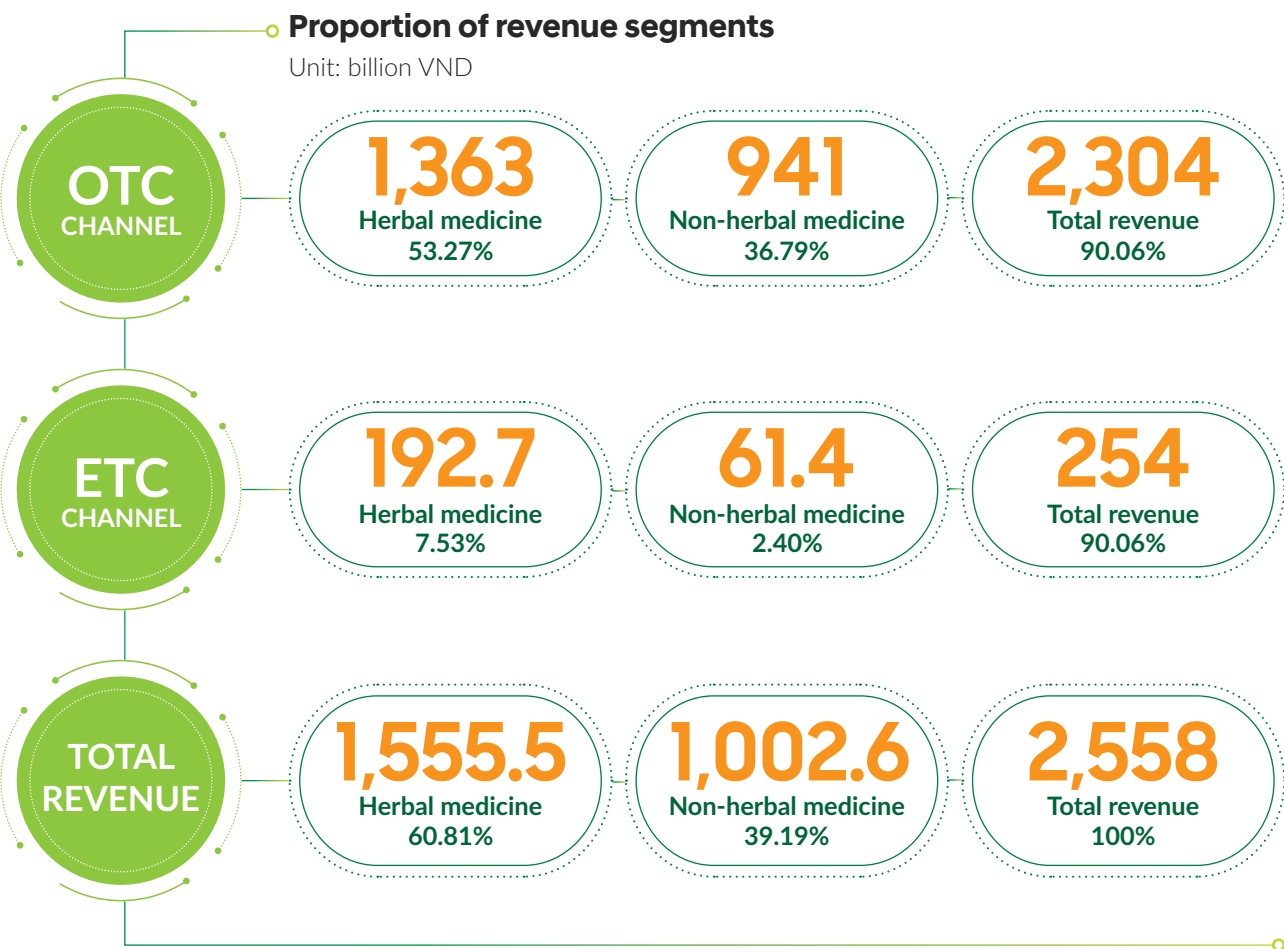
Production and business results in 2024

(According to consolidated report)

No.	Indicator	Unit	Plan of 2024	Results in 2024	The ratio compared to the plan	Growth compared to 2023
1	Net revenue from sales of goods and rendering of services		2,485.0	2,370.2	95.4%	1.7%
1.1	Parent Company's Revenue		2,220.0	2,044.5	92.1%	-1.7%
	- OTC revenue		1,975.0	1,802.5	91.3%	-3.2%
	- ETC revenue		245	242.0	98.8%	10.7%
1.2	Revenue from subsidiaries	Billion VND	215	180.8	84.1%	-8.1%
	- Daklak Pharmaceutical Medical Equipment JSC		195	161.4	82.8%	-9.6%
	- Traphaco CNC		12	12.0	100.0%	8.1%
	- TraphacoSapa		8	7.4	92.5%	4.2%
1.3	Adjustments		50.0	144.8	289.7%	171.3%
2	Consolidated profit (after tax)		303	257.3	84.9%	-9.7%
3	Income of employees of parent company increases compared to 2023	%	+5%	-6.4%		-6.4%
4	Number of new products to be produced and launched to the market	Product	17	14	82.4%	
5	Sales of new products to market from 2021 to 2024	Billion VND	230	220.2	96%	
6	Annual registration number and ownership announcement.	Registration/announcement number	≥ 252	289	114.7%	



REPORT & ANALYSIS OF THE BOARD OF MANAGEMENT (Continued)



Major activities of the Company in 2024



In 2024, the Board of Management implemented the Resolution of the General Meeting of Shareholders on April 12, 2024, and the directions of the Board of Directors:

Digital transformation to enhance operational efficiency

- Application of the order center, reducing processing time by 85% and optimizing resources.
- Implementation of origin traceability, transparentizing production and distribution processes.
- Application of the Base digital office, increasing remote work efficiency and cutting administrative costs.
- Application of the pharmaceutical sales representative support system, enhancing sales productivity and customer management.
- Development of non-cash payment solutions, increasing convenience for customers and optimizing financial management.

Strong development of Premium Herbal medicine & High-quality Western medicine

- Accelerated technology transfer: Organized product introduction conferences in 28 locations, received technology from Daewoong, and launched 4 new products on the market. Completed phase 3 technology transfer contracts with 10 products.

- Achieved bioequivalence standards: 12 products demonstrated bioequivalence to original drugs, creating a competitive advantage in the high-quality drug segment.
- 47% growth in the premium Herbal medicine group and 33% growth in the high-quality Western medicine group, affirming the company's research capabilities and brand position.

Invest heavily in the portfolio of modern medicines & ETC

- Promote the portfolio of modern medicines, especially on the hospital bidding channel, helping revenue grow by 56%.
- Focus on developing bioequivalent drugs (B.E.) and technology transfer drugs, improving competitiveness in the high-quality modern medicine segment.

Develop modern sales channels:

- Strongly develop chain and online sales channels, expand the B2C model, directly approach customers.
- Quickly adapt to new consumer trends, deploy genuine booths on e-commerce platforms (Shopee, Lazada, Tik Tok).

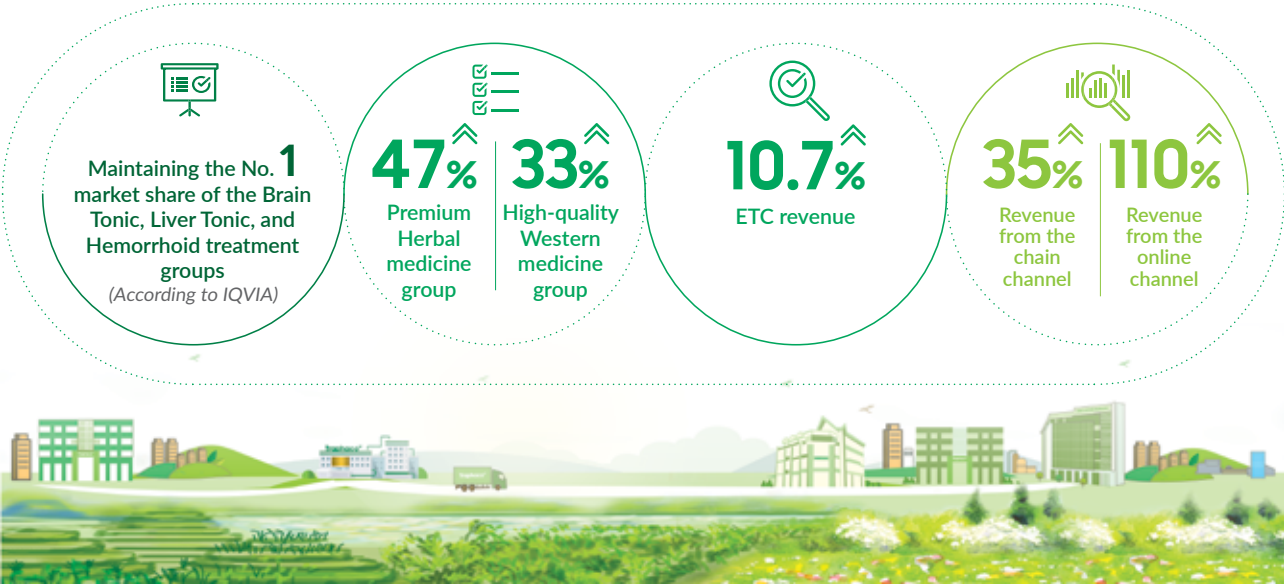
REPORT & ANALYSIS OF
THE BOARD OF MANAGEMENT (Continued)

In 2024, Traphaco faced many challenges in the pharmaceutical market, especially in the OTC channel – which accounts for about 90% of total revenue. OTC revenue only reached 91.3% of the plan due to reduced consumer income, mainly using insured medical examination services, reduced demand for drug purchases in the retail channel, a trend of cutting spending on health protection foods, and traditional pharmacies facing fierce competition from pharmacy chains and online channels.

However, the company still recorded some positive results:

- The company was flexible, creative, and adapted to the market situation, maintaining the No. 1 market share of the Brain Tonic, Liver Tonic, and Hemorrhoid treatment groups (According to IQVIA)
- Revenue from the chain channel increased by 18% compared to 2023, and revenue from the online channel completed 110% of the plan, showing that the company is adapting well to new consumer trends.
- The growth of the premium Herbal medicine group reached 47% and the high-quality Western medicine group reached 33%, which is a combination of many communication, seminar, pharmacy customer training, and attractive sales package activities
- Competitive cost of goods sold ratio: The company proactively coordinated reasonable production and negotiated with suppliers to control the cost of goods sold well, continuing to maintain its position as one of the pharmaceutical enterprises with the most competitive cost of goods sold ratio in the market.
- ETC revenue increased by 10.7% compared to the same period, thanks to the correct implementation of strategic orientation in Western medicine development investment. Technology transfer products and imported drugs from Daewoong have begun to win bids at many medical facilities, opening up growth opportunities in the future.

Although it has not completed all revenue targets, Traphaco has made significant progress in adapting to market fluctuations, ensuring sustainable growth, and maintaining a competitive advantage in the pharmaceutical industry.



The continuous efforts in adapting to the market, enhancing competitiveness, and sustainable development have helped Traphaco continue to be recognized through many prestigious awards in 2024:

TOP 50
Most reputable Listed companies in Vietnam
FORBES VN



8
Traphaco product brands achieved Vietnam National Brand 2024



TOP 10
Vietnam Gold Star Award



TOP 10
Pharmaceutical companies in Vietnam 2024

TOP 05
Most reputable Herbal medicine companies in Vietnam 2024

MANUFACTURING SECTOR

Women's Empowerment Principles Awards for the category "Gender Equality in the Marketplace"



TOP 10
Sustainable Businesses CSI 2024



TOP 50
Best-performing Companies in Vietnam

Financial analysis for the year 2024

Summary of financial information 2020 - 2024

Indicator	Unit	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024	CAGR 2020-2024
Business results							
Net revenue	Billion VND	1,909	2,161	2,399	2,299	2,347	5.30%
Gross Profit	Billion VND	1,031	1,147	1,343	1,245	1,236	4.64%
Profit before tax	Billion VND	267	331	368	361	325	5.04%
Profit after tax	Billion VND	217	264	294	285	257	4.39%
The balance sheet							
Total assets	Billion VND	1,651	1,707	1,816	2,124	2,169	7.06%
Current asset	Billion VND	1,010	1,094	1,226	1,530	1,594	12.08%
Non-current asset	Billion VND	641	613	590	593	575	-2.67%
Liabilities	Billion VND	478	440	436	635	636	7.39%
Equity	Billion VND	1,172	1,268	1,381	1,489	1,533	6.93%
Charter capital	Billion VND	415	415	415	415	415	
The cash flow statement							
Net cash flow from operating activities	Billion VND	346	290	248	288	160	
Net cash flow from investing activities	Billion VND	-132	-198	-73	-168	-163	
Net cash flow from financing activities	Billion VND	-202	-190	-209	71	-156	
Net cash flow in the period	Billion VND	11	-98	-35	191	-159	
Cash and cash equivalents at the beginning of the period	Billion VND	297	309	211	176	367	
Cash and cash equivalents at the end of the period	Billion VND	309	211	176	367	208	
Key financial indicators							
Gross profit margin	%	54,03%	53,10%	55,98%	54,15%	52,68%	
Pre-tax profit margin	%	13,97%	15,30%	15,36%	15,69%	13,83%	
ROS	%	11,35%	12,24%	12,23%	12,41%	10,96%	
ROA	%	13,45%	15,75%	16,66%	14,48%	11,99%	
ROE	%	18,93%	21,68%	22,17%	19,88%	17,03%	
Stock information							
Market value as of December 31 st	VND/share	71.600	91,200	89,000	89,000	78,500	2.33%
Basic earnings per share	VND/share	4,185	5,064	5,691	5,535	4,990	4.50%
Dividend	VND/share	3,000	3,000	3,000	3,000	4.000	7.46%

In 2024, Vietnam's economy achieved its primary objective of maintaining macroeconomic stability, controlling inflation, promoting growth, and ensuring major economic balances. However, it still faced numerous difficulties and challenges.

The pharmaceutical market, especially for domestic manufacturers, faced several challenges, including:

- The relatively small scale of domestic pharmaceutical companies and a limited product portfolio
- Consumer preference still leaning towards imported products
- The rapid growth of e-commerce significantly impacting the market share of traditional sales channels

The 2024 results, with TRA achieving a compound annual growth rate of 5.19% in revenue and 5.04% in profit, demonstrate the company's continuous innovation and development amid challenges in the pharmaceutical market. Its commitment to premium herbal medicine and growth in high-quality western medicine reflects not only a dedication to preserving traditional values but also a strategic vision for the future of Vietnam's pharmaceutical industry, aligning with the national development strategy for 2030 and the vision toward 2045.



Assessment of the company's financial performance in 2024

Sales structure

By sales channel	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
OTC	1,885	2,108	2,468	2,404	2,291
ETC	140	149	186	229	254
Total	2,025	2,257	2,654	2,633	2,545

By product group	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Herbal Medicine	1,418	1,558	1,669	1,577	1,550
Non-herbal Medicine	607	699	985	1,056	995
Total	2,025	2,257	2,654	2,633	2,545

The revenue structure by sales channel has shifted as follows:

- ETC channel revenue has shown continuous growth over the years, with a compound annual growth rate of 16%, demonstrating the company's focus on and investment in the treatment system with high-quality products.
- OTC channel revenue accounts for a significant proportion of the company's total sales revenue and maintains a steady growth rate year over year.

Revenue by product group, including herbal and non-herbal medicine products, has also seen structural changes. The herbal medicine product group accounted for 70% of total revenue in 2020 but was adjusted down to 61% in 2024. Meanwhile, non-herbal medicine products, particularly high-quality Western medicine products, have gained increasing trust and recognition from customers, leading to significant sales growth year over year.

FINANCIAL ANALYSIS
FOR THE YEAR 2024 (Continued)

Gross profit margin of TRA (2020 - 2024)

Indicator	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Net revenue	1,909	2,161	2,399	2,299	2,347
Cost of Goods Sold	877	1,013	1,056	1,054	1,111
Gross profit	1,031	1,147	1,343	1,245	1,236
Gross profit margin (%)	54.03%	53.10%	55.98%	54.15%	52.91%

TRA has consistently maintained a high gross profit margin by implementing cost management solutions such as optimizing production processes to enhance product efficiency, sourcing high-quality raw materials that meet standards at reasonable costs, and maximizing the productivity of manufacturing employees.

With the strategic direction of building a company that ranks among the top pharmaceutical firms in terms of revenue and profit, the company firmly believes that effective and advanced budget management processes in overseeing and operating its activities will drive significant progress in the coming years.

Gross profit margin in 2024 compared to other companies in the industry

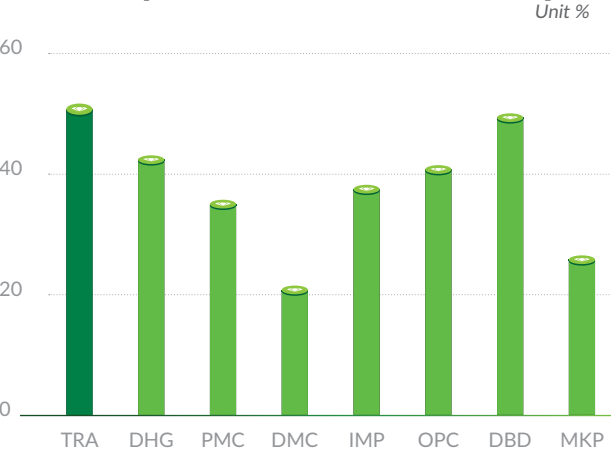
	TRA	DHG	PMC	DMC	IMP	OPC	DBD	MKP
Year 2022	55.98%	48.28%	39.46%	28.43%	42.43%	41.38%	49.37%	29.25%
Year 2023	54.15%	46.73%	35.05%	21.65%	40.65%	42.34%	48.34%	29.55%
Year 2024	52.68%	43.76%	37.58%	21.98%	38.80%	41.59%	48.19%	26.98%

TRA's gross profit margin has consistently held the leading position in recent years, reaching approximately 53% in 2024, which is 22% higher than the industry average, further reaffirming the company's strong operational efficiency and business performance.



With an optimized gross profit margin among pharmaceutical companies, the company is able to formulate effective production and business strategies, seize valuable opportunities to strengthen its industry position, and move toward sustainable development.

Gross profit margin in 2024 in comparison with companies in the same industry



TRA's Profitability ratios for the 2020 - 2024 Period

	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Gross profit margin	54.03%	53.10%	55.98%	54.15%	52.68%
Of which					
Gross profit margin of finished goods	60.50%	61.91%	61.19%	60.32%	59.11%
Gross profit margin of goods	35.32%	23.59%	54.68%	43.78%	40.66%
Gross profit margin of Subsidiaries' Goods	13.47%	18.80%	11.75%	12.82%	10.68%
Pre-tax profit margin	13.97%	15.30%	15.36%	15.69%	13.83%
After-tax profit margin (ROS)	11.35%	12.24%	12.23%	12.41%	10.96%
ROA	13.45%	15.75%	16.66%	14.48%	11.99%
ROE	18.93%	21.68%	22.17%	19.88%	17.03%

In recent years, most of TRA's product lines have maintained a leading gross profit margin among comparable pharmaceutical companies, thanks to the company's effective cost control measures through advanced and efficient budget and cash flow management solutions.



The year 2024 was considered a challenging year for the pharmaceutical industry, leading to a slight decline in most profitability indicators such as ROS, ROA, and ROE compared to the same period in 2023. However, these ratios remained among the highest in the industry compared to peer companies.

Analysis of TRA's ROE using the Dupont Model

	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
ROE according to Dupont	18.49%	20.86%	21.26%	19.15%	16.79%
Profit after tax/Net revenue	11.35%	12.24%	12.23%	12.41%	10.96%
Asset turnover	1.16	1.27	1.32	1.08	1.08
Financial leverage coefficient	1.41	1.35	1.32	1.43	1.42

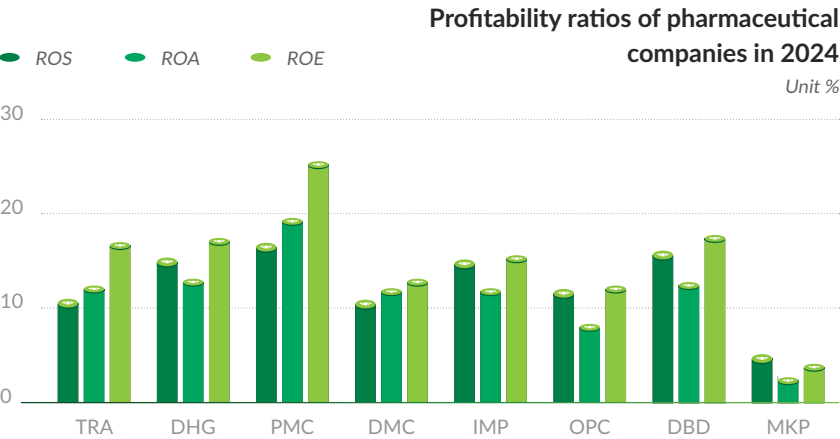
The steady increase in asset utilization efficiency from 2020 to 2022, and its maintenance at a stable level in 2024, demonstrates the company's effective asset exploitation and utilization capabilities.

The 2024 DuPont ROE index experienced a decrease compared to the same period in 2023, requiring the company to implement various solutions through the use of financial leverage to further enhance asset utilization efficiency, capital utilization efficiency, etc., in order to maintain effective business operations, seize investment opportunities, and increase corporate profits.

FINANCIAL ANALYSIS
FOR THE YEAR 2024 (Continued)

Profitability ratios of companies in the same industry

	TRA	DHG	PMC	DMC	IMP	OPC	DBD	MKP
Year 2022								
ROS	12.23%	21.14%	17.66%	12.56%	13.60%	12.15%	15.66%	3.49%
ROA	16.66%	20.20%	17.64%	11.56%	9.78%	11.46%	14.09%	2.56%
ROE	22.17%	24.45%	20.43%	14.16%	12.12%	17.62%	19.52%	3.31%
Year 2023								
ROS	12.41%	20.97%	17.22%	10.65%	15.02%	12.14%	16.30%	2.89%
ROA	14.48%	18.71%	18.16%	9.97%	12.83%	9.75%	13.86%	1.65%
ROE	19.88%	23.00%	21.68%	12.29%	15.06%	13.94%	19.32%	2.07%
Year 2024								
ROS	10.96%	15.95%	16.09%	10.67%	14.55%	11.30%	15.93%	4.60%
ROA	11.99%	12.95%	19.98%	11.07%	12.90%	8.80%	12.94%	2.66%
ROE	17.03%	17.41%	25.33%	12.94%	15.15%	12.43%	17.79%	3.32%



The profitability ratios of TRA are among the highest in the industry and have shown consistent improvement over the years, aligning with the company's strategic direction.

The ROA and ROE ratios in 2024 experienced a downward adjustment as profit after tax did not keep pace with the growth rate of total assets and owner's

EBIT and EBITDA ratios of TRA

	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
EBIT	278	336	370	365	329
EBIT margin	15%	16%	15%	16%	14%
EBITDA = EBIT + Depreciation	357	421	456	459	420
EBITDA margin	19%	19%	19%	20%	18%

equity.

The company also needs to further improve its after-tax profit margin by increasing the average profit margin through focusing on exploiting its core product lines, enhancing product quality, etc., thereby helping the company maintain its leading position in the pharmaceutical industry.

With the investment and effective implementation of the GMP-WHO project, the company will more clearly affirm its efficient asset utilization, as well as improve profitability ratios in the following years.

With the compound annual growth rate of both EBIT and EBITDA exceeding 4% during the period from 2020 to the end of 2024, the company demonstrates its flexible adaptability to unpredictable economic developments, enabling it to achieve a after-tax profit margin/net revenue ratio of 11.01%.

Asset and Capital structure

	Năm 2020	Năm 2021	Năm 2022	Năm 2023	Năm 2024
Asset structure					
Fixed Assets/Total Assets	36.13%	32.35%	28.88%	24.56%	23.50%
Current Assets/Total Assets	61.19%	64.08%	67.54%	72.06%	73.49%
Capital structure					
Liabilities/Total capital	28.98%	25.75%	23.99%	29.89%	25.51%
Equity/Total capital	71.02%	74.25%	76.02%	70.11%	74.49%

The proportion of fixed assets to total assets has been declining as the company increases its current assets to support business operations. This strategic asset restructuring allows the company to optimize the use of both fixed and current assets efficiently.

The proportion of current assets to total assets increased by more than 1.4% compared to 2023, mainly driven by short-term assets. Working capital in the form of cash and deposits consistently meets the company's

operational funding needs. Financial investments have grown significantly and now account for a substantial share of the company's total assets.

The debt-to-total capital ratio experienced a slight adjustment in 2024, decreasing by 4.38 percentage points. Meanwhile, the equity-to-total capital ratio reached 74.49%, reflecting an effective and sustainable financial restructuring.

Operational efficiency

	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Inventory rotation	2.45	2.76	2.45	2.23	2.18
Short-term receivables turnover	10.94	11.97	12.69	10.41	9.14
Short-term payables turnover	2.26	2.32	2.41	1.97	1.75
Average days of inventory	148.93	132.23	148.98	163.91	167.43
Average days of receivables	33.37	30.49	28.76	35.07	39.93
Average days of payables	161.67	157.29	151.45	185.31	208.57
Cash conversion cycle	20.63	5.43	26.28	13.67	-1.21

Operational efficiency indicators slightly declined compared to the same period in 2023, specifically:

- Accounts receivable turnover decreased by 1.3 times, leading to an increase in average days of receivables from 35.07 days in 2023 to 40.1 days in 2024. This was mainly due to receivables in the ETC channel, influenced by sales policies and debt collection strategies for healthcare facilities.
- Inventory turnover experienced a slight decline as the company adjusted inventory levels to align with sales demand, ensuring timely product availability for the commercial sector.
- Accounts payable turnover was adjusted appropriately as the company balanced payments to suppliers in accordance with signed contracts. Immediate payments were prioritized for essential raw material orders, ensuring timely production planning.

The balanced adjustment of these factors led to an impressive improvement in the company's cash conversion cycle in 2024, reaching 11.75 days, a reduction of nearly 2 days compared to the same period in 2023. This further reinforces the company's effective management of short-term assets and liabilities, optimizing cash flow for business operations.

FINANCIAL ANALYSIS
FOR THE YEAR 2024 (Continued)

Production and business results

No.	Indicator	Year 2022	Year 2023	Year 2024	Growth 2024/2023	Growth 2023/2022
1	Net revenue from sales and services	2,398,917,958,769	2,299,235,459,008	2,347,221,139,848	2%	-4%
2	Cost of goods sold	1,055,721,001,826	1,054,301,295,261	1,110,765,054,153	4%	0%
3	Gross profit from sales and services	1,343,196,956,943	1,244,934,163,747	1,236,456,085,695	-1%	-7%
4	Revenue from financing activities	18,356,000,665	30,944,555,428	22,973,179,666	-26%	69%
5	Financial expenses	2,297,136,122	4,861,545,121	5,544,681,226	14%	112%
	Interest expenses	1,087,900,956	3,940,136,811	3,880,853,804	-2%	262%
6	Selling expenses	660,732,503,060	614,373,637,230	625,016,144,416	2%	-7%
7	Administrative expenses	331,885,990,686	297,187,671,306	304,984,668,591	3%	-10%
8	Net profit from business operation	366,637,327,740	359,455,865,518	323,883,771,128	-10%	-2%
9	Other profit	1,818,623,114	1,211,753,237	756,890,250	-38%	-33%
10	Total accounting profit before tax	368,455,950,854	360,667,618,755	324,640,661,378	-10%	-2%
11	Corporate income tax	75,032,050,978	78,397,933,391	64,927,767,758	-17%	4%
12	Deferred corporate income tax expense	-91,577,741	-2,999,233,240	2,354,883,442	-179%	3175%
13	Profit after corporate income tax	293,515,477,617	285,268,918,604	257,358,010,178	-10%	-3%
14	Profit after tax attributed to minority interests	24,370,612,958	22,020,620,815	18,340,649,566	-17%	-10%
15	Profit after tax attributed to parent company's shareholder	269,144,864,659	263,248,297,789	239,017,360,612	-9%	-2%

Over 52 years of establishment and development, Traphaco has remained steadfast in its mission: “Creating green products to care for human health.” In 2024, premium herbal medicine lines such as Boganic Premium, Cebraton Premium, and Formenton Premium made a strong impression by blending the essence of traditional medicine with modern technology, offering outstanding health solutions for consumers.

Traphaco Joint Stock Company once again reaffirms its leading position by maintaining its No.1 ranking in the Top 5 Most Reputable Herbal Medicine Companies and securing a spot in the Top 10 Most Reputable Pharmaceutical Companies of 2024. This remarkable achievement not only demonstrates the company’s strong management and stable business performance but also reflects its sustainable development strategy in the pharmaceutical industry.



Production and
business results in 2025

Traphaco aims to 2025



2,559 268

Total revenue (growth 8.0%)
(Unit: Billion VND)

Profit (growth 4.2%)
(Unit: Billion VND)



Report on operation activities of subsidiaries



1

TraphacoSapa Co., Ltd.
Traphaco's ownership proportion: **100%**

2

Traphaco CNC JSC
Traphaco's ownership proportion: **≈51%**

3

Traphaco Hung Yen Co., Ltd.
Traphaco's ownership proportion: **100%**

4

Daklak Pharmaceutical & Medical Equipment JSC
Traphaco's ownership proportion: **58.21%**

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1

TRAPHACOSAPA CO., LTD



Mr. **DO TIEN SY**
Director

Company's overview

TraphacoSapa One Member Company is a member company, 100% capital of Traphaco Corporation

Established on August 8th, 2001 in Sa Pa district, now Sa Pa town, Lao Cai. Formerly a joint venture company between Traphaco Joint Stock Company and Lao Cai Pharmaceutical and Medical Equipment Joint Stock Company. In 2009, it transformed into Traphacosapa One Member Company with 100% capital of Traphaco Joint Stock Company. Construction of a processing factory began in Dong Pho Moi Industrial Park, Lao Cai City in 2015, achieving GMP certification for the first time in 2018.

Charter capital: 25 billion VND

Main registered business lines

- Growing spices & medicinal plants
- Cultivate & process herbal materials, agro-forestry products and food. Produce and sell medicines, herbal materials, food. Transfer know-how of planting, processing and producing herbal materials.
- Import and export agro-forestry products and chemicals.
- Import and export herbal and medicine materials.
- Produce and sell wine, beer, beverages and cosmetics.
- Produce, sell, import, export and consign import and export of machines and equipments.

Main types of activity include

- Managing and developing areas for growing, purchasing and processing medicinal herbs
- Distributing TRAPHACO products in Lao Cai and Lai Chau areas
- Manufacturing and trading of indigenous health care products

Quality management systems are applied

- **GPs-WHO** Quality Management System
- **ISO 9001: 2015** Quality Management System
- Management of medicinal growing areas meets **GACP-WHO** standards
- Implement the principles of the UEBT Global Alliance for Bioethics (**UEBT**).

REPORT ON OPERATION ACTIVITIES
TRAPHACOSAPA CO., LTD

1 2 3 4



During its operation, the company always complies with the strategic directions of the parent company, with the Mission “**Creating green products to care for human health**”, the company determines the vision “By 2025 to become the company develops green herbal ingredients and indigenous products most effectively in Vietnam.” Traphacosapa has made an important contribution to building the TRAPHACO brand.

Operating results in 2024

Revenue and profit



71.2 Billion VND
Total revenue

3.8 Billion VND
Profit

Results achieved

Indicator	Unit	2019	2020	2021	2022	2023	2024
Net revenue	Billion VND	46.6	51.6	56.6	74.8	76.37	75.8
Profit before CIT	Billion VND	2.1	2.4	3.0	3.9	4.6	4.4
Profit after CIT	Billion VND	2.0	2.2	2.6	3.4	4.0	3.8
Total number of employees (As of 31 st December)	Person	52	49	54	54	54	54
Charter capital	Billion VND	25	25	25	25	25	25
Profit before tax/Charter capital ratio	%	8.40%	9.60%	12.00%	15.60%	18.4%	17.6%
Profit after tax/Charter capital ratio	%	8.00%	8.80%	10.40%	13.60%	16%	15.2%

Highlights in production and
business activities in 2024

- In 2024, Traphacosapa was one of the few enterprises, particularly in the pharmaceutical sector, to exceed revenue and profit targets despite the challenging economic conditions.
- On November 5, two products were evaluated and ranked as 5-star OCOP products by the Central OCOP Product Evaluation and Classification Council. This ranking was approved and reaffirmed by the Ministry of Agriculture and Rural Development under Decision No. 3968/QĐ-BNN-VPĐP on November 14, 2024.
- On December 24, Traphacosapa was honored among the top 200 enterprises receiving the Vietnam Gold Star Award 2024.
- In 2024, the company was one of two units awarded the Emulation Flag by the Lao Cai Provincial People's Committee for being an “Outstanding Unit in the emulation movement for implementing the resolution of the Provincial Party Standing Committee on the strategy for developing commodity agriculture in Lao Cai Province in 2024”.
- Ensured stable employment for employees, maintaining an average income of 16 million VND per person per month, equivalent to 2023.
- Effectively applied management software in operational administration.
- Continuously researched and improved technology, enhanced labor productivity, optimized production costs, and ensured profit margins.
- Launched digital sales activities, preparing for the strong expansion of new product sales channels in line with online and offline market trends.
- Prepared necessary conditions for export activities, including international market research, understanding the cultural landscape of potential markets, and obtaining international certifications aligned with target markets (Halal, Kosher).



75.8
Net revenue
(Unit: Billion VND)



25
Charter capital
(Unit: Billion VND)



54
Total number of employees
(As of 31st December)



REPORT ON OPERATION ACTIVITIES
TRAPHACOSAPA CO., LTD (Continued)

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Plan in 2025 –
Operational orientation

Plan in 2025

No.	Main indicators	Unit	Plan in 2025	Compared to 2024 (%)	
				Compared to plan	Compared to Implementation
1	Total revenue	Billion VND	63.1	88.7	83.3
2	Average income	Million VND	14		
3	Submitting national budget	Billion VND	1.6		
4	Number of employees	Person	59		
5	Profit after corporate income tax	Billion VND	2.4	63.1	62.8

Key points in the operating direction for 2025

Aligning with the Parent Company's 2025 operational theme: Innovation - Expanding for Growth

- Effectively applying the outcomes of the Digital Transformation project across the entire TRAPHACO system
- Strengthening online sales platforms and digital tools to support the business of indigenous products
- Promoting necessary conditions to achieve export orders in 2025
- Enhancing proactivity, innovating technology, and developing new products to drive revenue growth
- Leveraging communication advantages and maximizing the value of OCOP 5-star certification and the Union for Ethical BioTrade (UEBT) certification to improve business efficiency, boost revenue and profit growth, and enhance the company's brand value

Strengthening research, research collaboration and training

- Enhancing collaboration with the Herbal Medicine Research Department, research institutions, and other partners to develop new products, spread new values to consumers, and generate new revenue streams for the company

- Regularly updating and testing new manufacturing technologies to optimize energy consumption, raw materials, and environmental protection while improving production efficiency, contributing positively to the green and circular economy
- Expanding cooperation in training with institutes and universities to promote the company's values and enhance TRAPHACO's brand awareness

Maintaining quality management systems and national & international certifications

- Conducting periodic assessments of the ISO 9001-2015 system
- Sustaining the management of medicinal plant cultivation areas that meet GACP-WHO standards and renewing the GACP certification for Ampelopsis cantoniensis
- Complying with the principles of the Union for Ethical BioTrade (UEBT)
- Actively participating in projects with national and international organizations, maintaining certifications for the company's contributions to social activities, supporting ethnic minority communities in economic development, and promoting gender equality.



These certifications are crucial in strengthening the TRAPHACO brand sustainably

- Organizing certifications for new standards to support sales expansion in new markets and with new partners, such as Halal, Kosher, and ISO 22000

Leveraging tourism potential and strengthening the connection between business activities and local tourism advantages

- Capitalizing on Lao Cai's tourism strengths to promote indigenous products
- Collaborating with local authorities to position Artichoke and other medicinal herbs as symbolic elements in tourism promotion activities
- Implementing projects at the company's new land site in Sa Pa to create experiential models that combine tourism with herbal culture

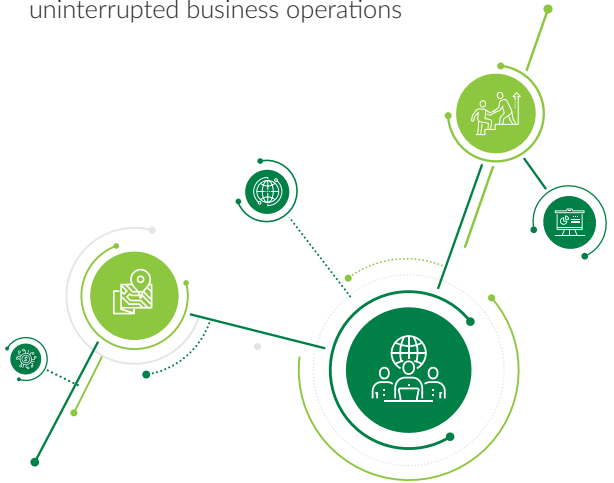
Expanding international cooperation

- Continuing ongoing collaborations with international partners, exploring new production technologies, and seeking support from global organizations...

- Identifying export opportunities for products in international markets
- Enhancing TRAPHACO's brand presence on the global stage

Preparing conditions, resources and readiness for adjustments in the production area planning related to the Lao Cai - Hai Phong Railway project

- Continuously updating information and tracking the project's progress and its direct impact on the company
- Drafting appropriate response plans to ensure uninterrupted business operations



REPORT ON OPERATION ACTIVITIES
TRAPHACO CNC

1 2 3 4

2 TRAPHACO HIGH TECHNOLOGY JSC TRAPHACO CNC



Mrs. **TRINH THANH HUYEN**
Director



Traphaco High Technology Joint Stock Company (Traphaco CNC) was established on June 6, 2006, and officially commenced operations on January 1, 2007, to fulfill the noble mission of bringing green health to the community through natural-sourced medicinal products.



Business lines

- Main business lines: Manufacturing and trading pharmaceuticals, medicinal herbs, pharmaceutical excipients, food, traditional medicine, dietary supplements, cosmetics, and medical equipment
- The company is currently manufacturing and distributing products for its largest customer, Traphaco Joint Stock Company (Traphaco). Since July 9, 2020, Traphaco CNC has developed a business division to expand its customer base beyond Traphaco.

Business development
orientation in 2025

Development orientation for 2025: To continue being a pioneer in developing natural-sourced products, ensuring consumer health, investing in the highest level of modern technology development, focusing on premium Herbal Medicine, and developing more GACP-WHO compliant medicinal herb cultivation areas, worthy of the Traphaco brand.

Overview introduction of the company

Building upon the solid foundation of over 50 years of establishment and development of Traphaco Joint Stock Company, Traphaco High Tech Joint Stock Company (Traphaco CNC) has been invested with high-tech and modern equipment and machinery since its inception to implement product manufacturing and distribution - based on the GMP-standard pharmaceutical manufacturing plant project with a total area of approximately 40,000 m2 in Tan Quang commune, Van Lam district, Hung Yen province.

The company's management systems currently in use: GMP-WHO Pharmaceutical Quality Management System, ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, ISO 13485:2016 Medical Device Safety Management System, ISO 22000:2018 Food Safety Management System, GACP-WHO certification for medicinal herbs and 5S tools. Traphaco CNC is the first Vietnamese pharmaceutical manufacturing and trading enterprise with natural herbal medicinal origins to be granted GMP-WHO, GSP-WHO, and GLP-WHO standard certificates by the Drug Administration of Vietnam - Ministry of Health (September 2009).

Traphaco CNC shares Traphaco's development philosophy of sustainable development, emphasizing product quality, continuous improvement, enhancing service quality, and linking business development with environmental protection. Traphaco CNC focuses on researching and developing a green value chain from: Ingredient - Technology - Product - Distribution

service and bringing to market unique products with high therapeutic efficacy, safe for users. For many consecutive years, the company has maintained its leading role in the Herbal Medicine segment with two prominent consumer product lines: hepatobiliary drugs (Boganic) and neurological drugs (Hoat huyet duong nao - Cebraton). Additionally, the company has many products with a reputable market and hospital presence, trusted by many customers, such as: Tottri (hemorrhoid medicine), Duong Cot Hoan, Antot IQ, Jamda massage alcohol...

In 2024, the global situation was complex and unpredictable, with fierce strategic competition. The Vietnamese economy faced difficulties, consumer demand declined, and the OTC market experienced intense competition from modern pharmacy chains expanding their scale and market share against traditional pharmacies. As 98% of Traphaco CNC's revenue comes from Traphaco, it is affected by Traphaco Corporation's overall business performance. The company's revenue and profit after tax in 2024 did not meet the plan, but the company focused on new product development, exceeding the plan by 46%, a 124% increase compared to the same period, and developed 04 additional GACP-WHO certified medicinal herb cultivation areas, a temporary pause to aim for stronger development in the following years. Simultaneously, the company continuously focused on improving the working environment and investing in upgrading the quality system to meet international standards.



Traphaco High Tech Joint Stock Company is always proud to provide consumers with high-value products in terms of quality and usability. And commits to continue to be a pioneer in the development of natural-sourced products and always invest in upgrading scientific and technological development, while maintaining the No. 1 position among Herbal Medicine manufacturing enterprises in Vietnam.

REPORT ON OPERATION ACTIVITIES
TRAPHACO CNC (Continued)

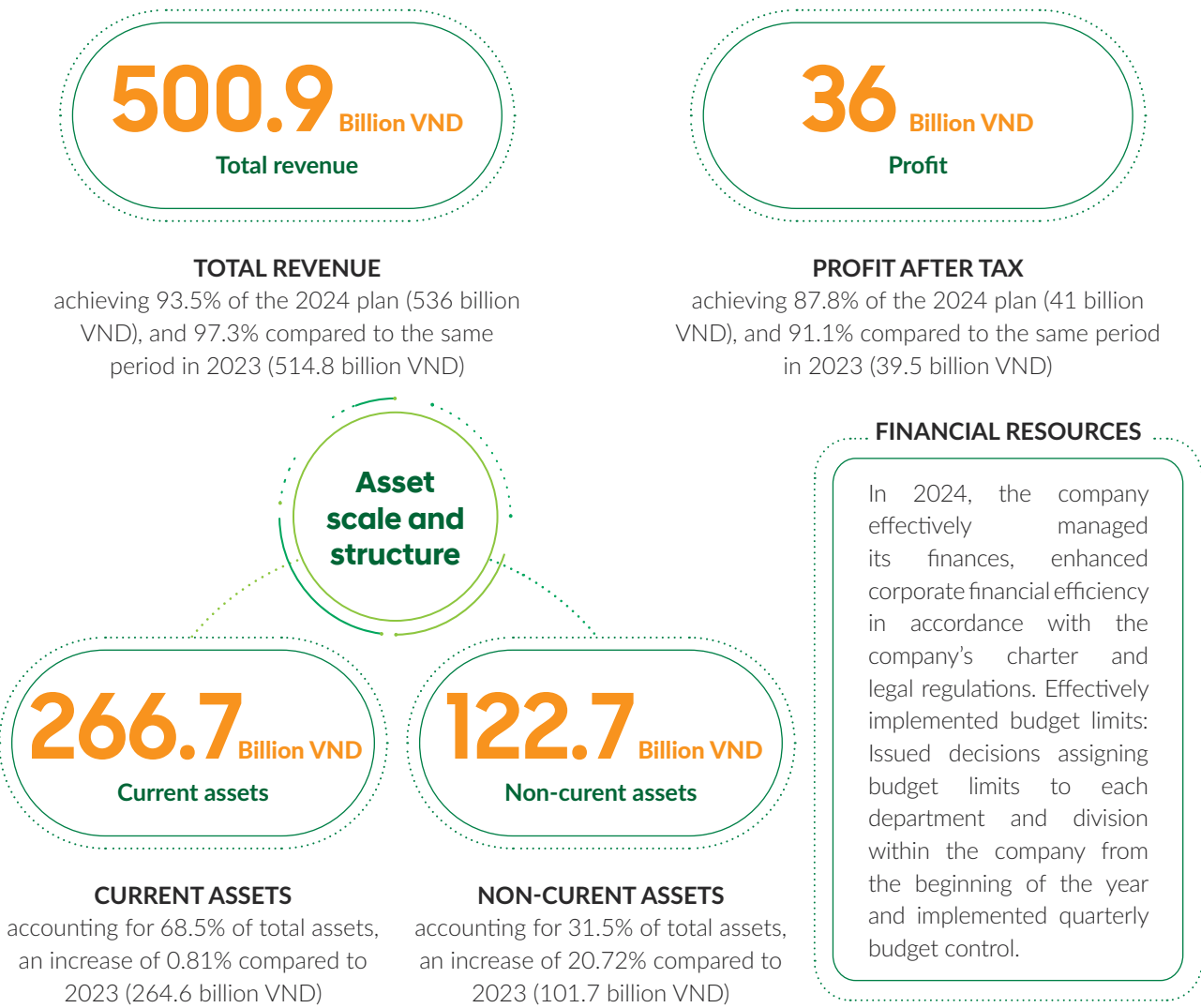
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Production and Business
performance report 2024



Traphaco CNC has consistently adhered to the plans assigned by the General Meeting of Shareholders and the Company's Board of Directors. The production and business performance results for 2024 are as follows:

Business Performance Results 2024

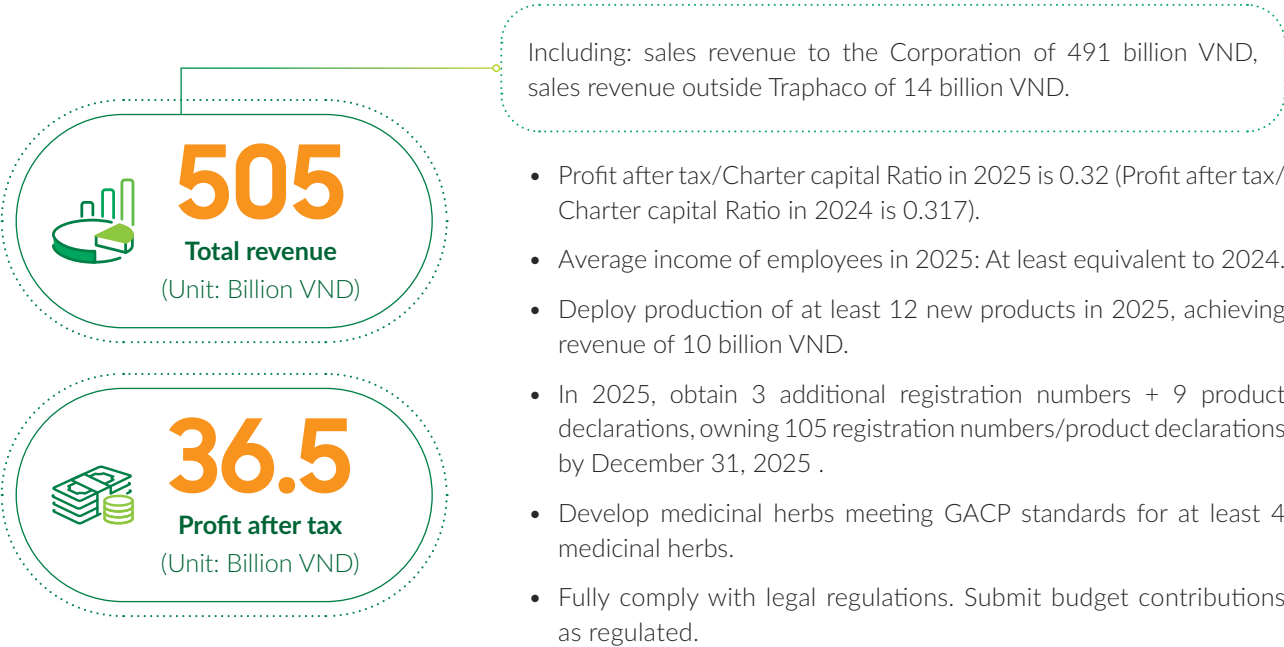


Other activities in 2024

- Company personnel as of December 31, 2024, decreased by 3% compared to December 31, 2023 (300/309 people). The average income of employees in 2024 decreased by 0.4% compared to 2023 (22.3/22.4 million VND/person/month).
- Labor productivity (Revenue/person) in 2024 increased by 1% compared to 2023 (1,668/1,652 million VND/person/year).
- New product production deployment in 2024 reached 23.3 billion VND, exceeding the plan by 45.6%, and increased by 124% compared to the same period.
- Implemented new product registration, obtaining 17 registration numbers/product declarations, achieving 106% of the 2024 plan, including 3 registration numbers for VNC Trasinus, VNC Duong Cot, and Jamda New Massage Alcohol. Currently, Traphaco CNC owns 93 registration numbers/product declarations (29 registration numbers, 64 product declarations).
- Sales activities outside of Traphaco recorded positive results, reaching 12.2 billion VND (approximately 101.7% of the plan, approximately 118.4% compared to the same period).
- Deployed medicinal herb cultivation areas meeting GACP-WHO certification, with 1 medicinal herb, Chrysanthemum, achieving GACP-WHO at the end of 2023. In 2024, 4 additional medicinal herb cultivation areas achieved GACP (Alisma, Mugwort, Stevia, Periwinkle), Traphaco CNC now owns 5 medicinal herb cultivation areas with GACP-WHO certification, with the orientation to have 4 more GACP-WHO certified cultivation areas in 2025.
- Maintained the quality management system. Welcomed the ISO 9001:2015 assessment team and the 5th GPs-WHO assessment team, maintaining the company's certifications. Registered to expand production conditions for wet cosmetics, food supplements, and regular food to diversify products manufactured at Traphaco CNC. The testing area was newly invested and supplemented with new machinery and equipment, helping quality control activities meet GLP principles.
- Strictly complied with legal requirements, ensuring safety and quality of products supplied to the market, with no violations in 2024.
- In early 2024, Traphaco CNC expanded its facilities, building a new floor at the administration building with a modern hall and well-equipped seminar rooms, creating favorable conditions for internal activities and welcoming customers.
- Traphaco CNC continues to affirm its leading position in Herbal Medicine production with awards recognized by the Ministry of Health and the State. On May 17, 2024, Traphaco CNC was awarded **the 2nd Vietnam Medicine Star Award by the Ministry of Health**, with awards for the Company and two products, **Tottri and Duong Cot Hoan**.

Business orientation in 2025

In accordance with the Corporation's development direction, with the vision to become the No. 1 pharmaceutical enterprise in Vietnam in terms of revenue and profit growth by 2025, Traphaco CNC sets the following planning targets:



Strategic orientation: "Traphaco CNC maintains its position as the No.1 enterprise in Vietnam for producing Herbal Medicine, aiming for premium Herbal Medicine; Being an important link in the journey to fulfill Traphaco's mission; Creating green products for human health care".

REPORT ON OPERATION ACTIVITIES
TRAPHACO HUNG YEN CO., LTD.

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3 TRAPHACO HUNG YEN CO., LTD.

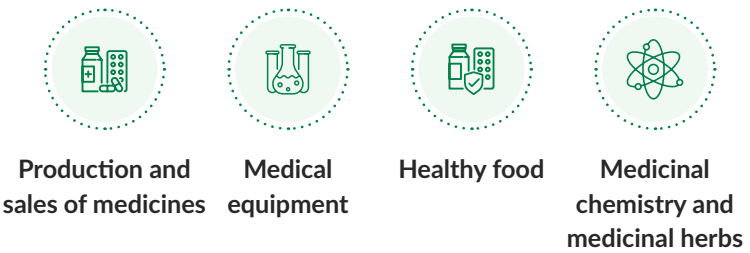


Mrs. PHAM THI THANH DUYEN
Director

Overview Introduction

Traphaco Hung Yen Co., Ltd was established with 100% capital contribution of Traphaco JSC on the basis of an investment project to build a Western medicine factory located in Tan Quang Commune - Van Lam District - Hung Yen Province and officially put into operation since 2017.

The company's major line of business:



Overview of Traphaco Hung Yen



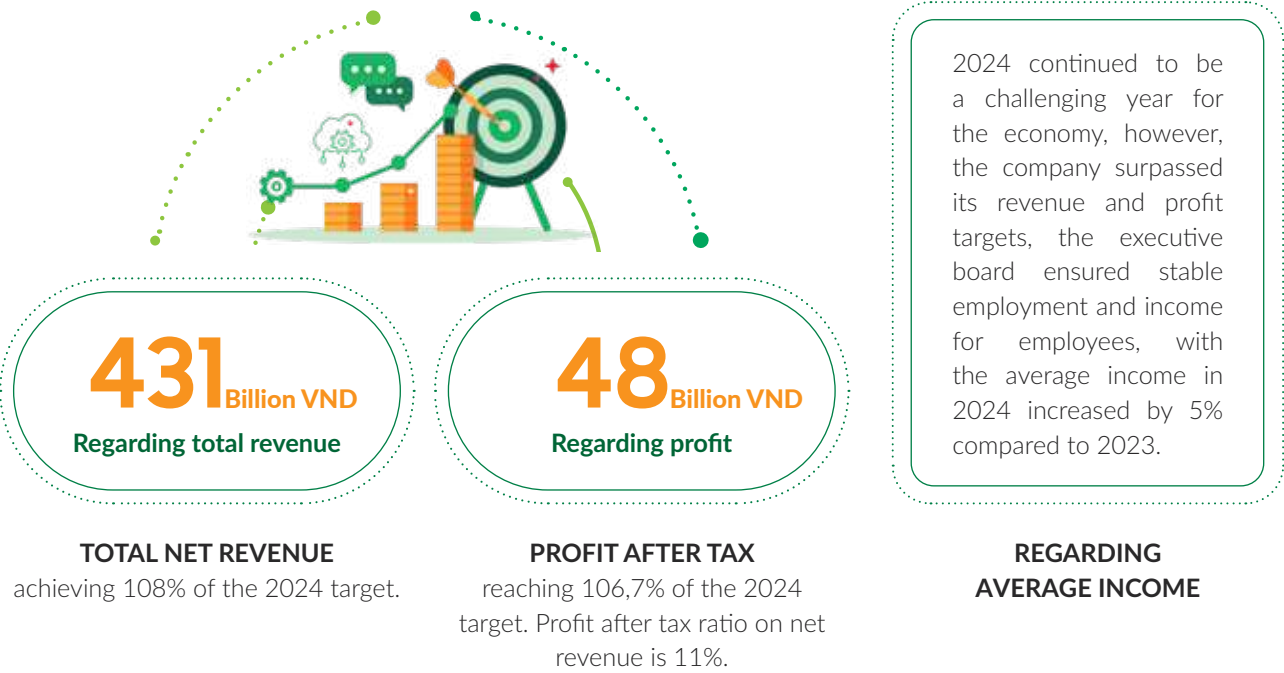
Traphaco Hung Yen is a Western medicine manufacturing company that meets GMP-WHO standards, initially invested with nearly 500 billion VND on a 40,000 m² site. After 7 years of official operation, Traphaco Hung Yen has introduced many reputable products that are trusted by consumers, such as 0.9% Sodium Chloride eye and nasal drops, Methorphan cough medicine, Dibetalic, T-B mouthwash, Azizi film coated tablets,... These products not only contribute to improving public health but also play an important role in Traphaco's sustainable development.

With continuous efforts in technology transfer, production process improvement, and high-quality human resource training, Traphaco Hung Yen not only complies with strict manufacturing standards but also strives to become a reputable pharmaceutical manufacturer, contributing to improving the quality of life for Vietnamese consumers. In 2024, Traphaco Hung Yen is set to build a new pharmaceutical factory meeting EU-GMP standards to expand production scale and further enhance product quality.

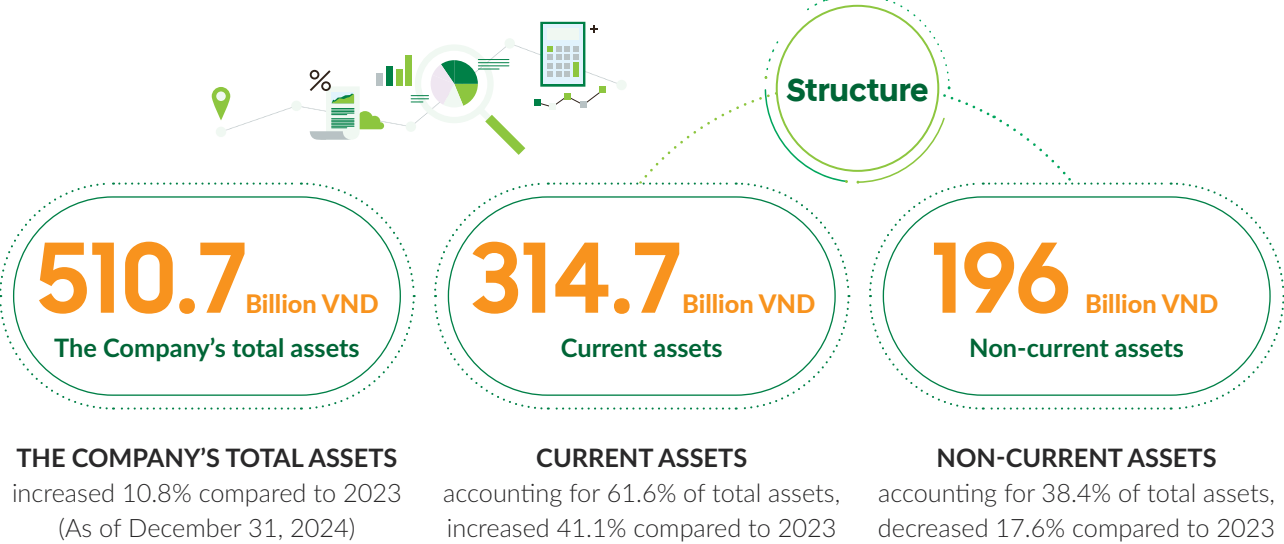


Report on production and business activities results in 2024

Business results in 2024



Scale and asset structure



REPORT ON OPERATION ACTIVITIES
TRAPHACO HUNG YEN CO., LTD. (Continued)

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Financial resource

The budgeting process was well-executed, ensuring sufficient cash flow for business operations. Effective compliance with and control of spending limits throughout the year enabled the company to exceed its profit targets. During the year, the company incurred no financial expenses.

Achievements of
the Company in 2024

After 7 years of operation and development, Traphaco Hung Yen has continuously strived for growth through ongoing technological process improvements and advanced technology transfer collaborations. In 2024, the company gained the following key achievements:



Revenue grew **7%** compared to 2023

Technology transfer products: received 11 products, 10 of which have been commercially produced and launched in the market, including Timaro, Xavarox, Rebatot, Drillmen...

Rollout of new products: 10 products (Trallergic, Traphacol,...)

11 products achieved bioequivalence (BE), such as Azizi, Claritra, Atorvastatin, 7 of which have already been introduced to the market.

Some First Generic products, such as Azenat, Apital.. have also been implemented in the market.

Initiation of the **EU-GMP** project

Besides various performance incentive programs, employees contributed **53 process improvement initiatives** during the year

Consistently maintaining the **GPs, ISO (9001, 14001, 13485), and 5S management systems** at a high standard

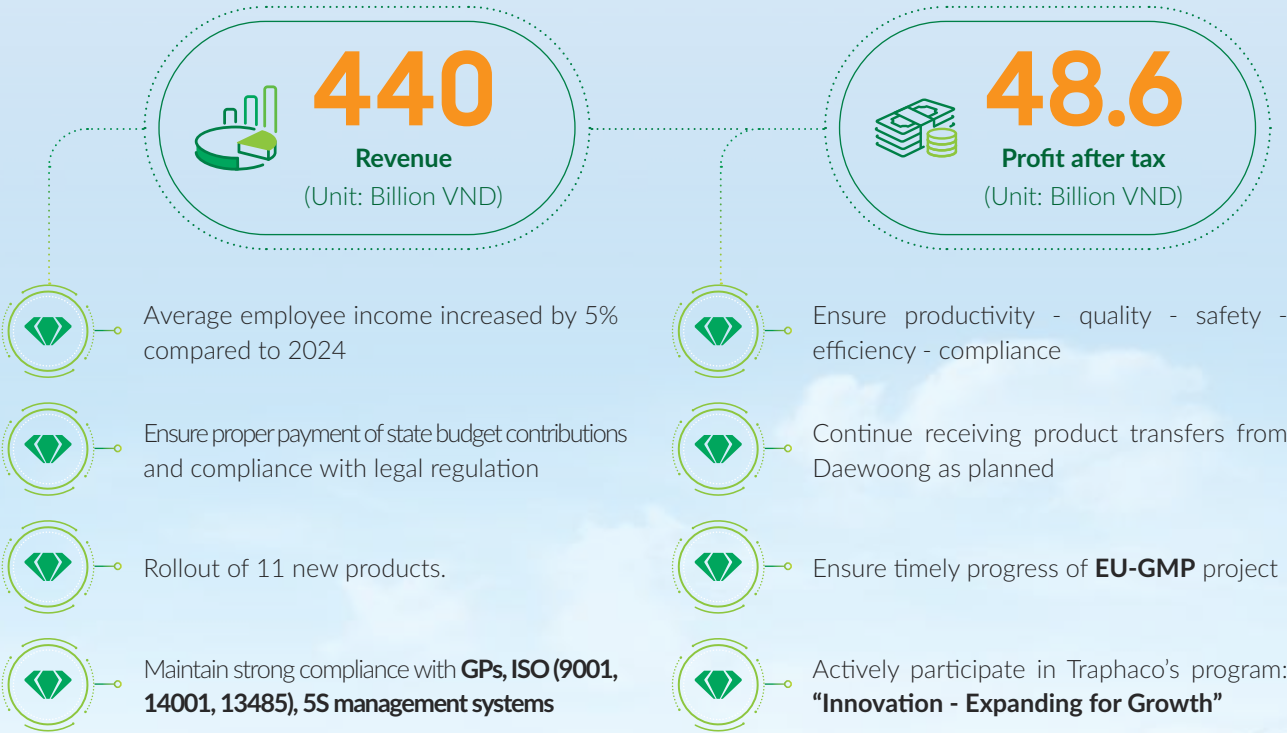
Consistently ensuring **Productivity - Quality - Safety - Efficiency - Legal Compliance**

Revising and reissuing all procedures to align with modern production conditions (a total of 27 procedures and 236 SOPs)

Training and applying AI in work; Utilizing PM Base; Implementing new human resource PM; PM E-learning; Developing ERP...

Organizing seminars to introduce new products, extracurricular activities, and continuous training for employees.

Business orientation
for 2025



REPORT ON OPERATION ACTIVITIES
DAKLAK PHARMACEUTICAL & MEDICAL EQUIPMENT JSC

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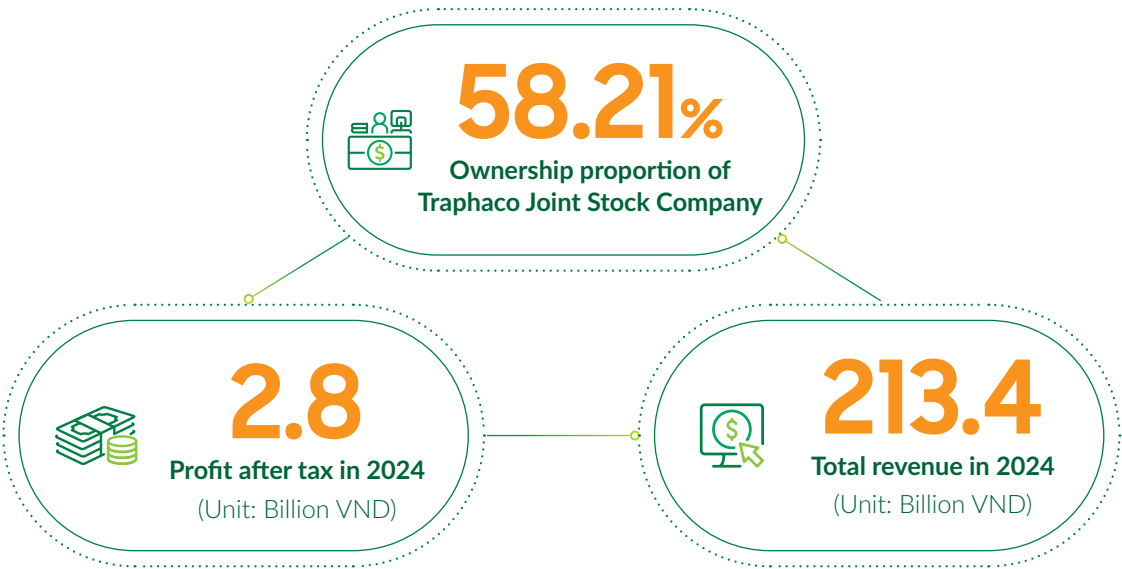
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DAKLAK PHARMACEUTICAL & MEDICAL EQUIPMENT JSC BAMEPHARM



Mr. PHAN THANH TRINH
Chief Executive Officer

The employees of Bamepharm experienced a highly challenging year in 2024, facing intense market competition in terms of scale, location, strategy, products, pricing, promotions, customer experience services, media, and advertising. Despite these challenges, Bamepharm successfully ensured job stability, maintained employee income, and implemented various measures to support public health protection throughout the year.



As the world and people have endured significant upheavals in the form of pandemics, natural disasters, wars, and economic recessions, these events have acted as a rigorous filter, enabling the community to recognize and more accurately assess the role and mission of sustainable development in business. Above all, we have observed that these challenges have paradoxically fostered greater societal resilience, strengthened individuals, and encouraged adaptability across diverse contexts. Furthermore, core societal values, particularly those related to Safety, Health, Environment, and Social Security, have received heightened attention.

Bamepharm’s 49-year journey of establishment and development has been a continuous process of preserving and promoting the cherished traditional cultural values of the enterprise. We have consistently strengthened our internal capabilities and refined our management system based on core values. As the world evolves daily, we must adapt our thinking to reinvent ourselves. Opportunities arise only when we embrace change, readily welcome and confidently seize them. Overcoming challenges is how we maintain stable development in the present and achieve robust growth in the future. Self-reliance in work, proactive problem identification, and personal accountability for assigned tasks are the optimal approaches to enhance professionalism and efficiency. Over time, the unwavering enthusiasm and passion of each member of the Bamepharm family will undoubtedly forge remarkable achievements.

In 2024, research conducted on over 300 customers revealed that the service quality rating of pharmacies under Dak Lak Pharmaceutical and Medical Equipment Joint Stock Company in Buon Ma Thuot City was at a good level of 94.3%. The highest rated factor was “pharmacist attitude and communication skills” with 98.7%; followed by “pharmacy facilities and location” at 96.3%; “drug quality and variety” also at 96.3%; “pharmacy operational procedures” and “drug prices” at 94.7%; and the lowest rated factor was “pharmacist professional competence and counseling skills” at 92.7%. Factors positively influencing pharmaceutical service quality at Dak Lak Pharmaceutical and Medical Equipment Joint Stock Company’s pharmacies include pharmacist attitude and communication skills, pharmacy facilities and location, and drug quality and variety. Factors with a less positive impact include pharmacist professional competence and counseling skills, drug prices, and aspects related to management processes and the company’s investment focus.

In 2025, with the message “Flexible Innovation – Proactive Adaptation,” Bamepharm is confident in creating its own unique path – “The Bamepharm Way” – through a mindset of daring to think, daring to do, and daring to break all limits and conventions to achieve remarkable feats. “The Bamepharm Way” is not a newly created formula, but rather a synthesis of all elements, from strategy and business methods to cultural values, spirit, style, and the unique identity of Bamepharm throughout its 49 years of establishment and development.



Bamepharm is in the process of adapting to the rhythm of the times, ready for transformation. Despite challenging market conditions and increasing competition, Bamepharm continues to flexibly adjust its business model to maintain expansion both within and outside the province, while diversifying its product portfolio to meet customer needs.

This year, Bamepharm has much to accomplish, many obstacles to overcome together, and regardless of the circumstances, Bamepharm will uphold the “Heart” of those who carry the mission to serve the health of the community – that is the righteous path Bamepharm has chosen and followed for long-term sustainable development. Each of us, whoever we are, with whatever capabilities, carries within us the spirit and effort of the Bamepharm people, dedicated to life. The journey ahead may have some fluctuations, but the values we have jointly built and created are truly precious. These values have been evidenced by numbers, but more importantly, we have and will stand side by side to fulfill Bamepharm’s mission for this life, for the health of our people, with the guidance of the older generation and the talent of the knowledgeable and passionate younger generation. We would like to thank all the brothers and sisters who have been and are members of Bamepharm, who have walked together on the 49-year journey. With that belief, those impressive achievements, and the development orientations coupled with strong commitments, Bamepharm will confidently break through in the journey to make Bamepharm a leading company in the Central, Central Highlands region.

REPORT ON OPERATION ACTIVITIES
DAKLAK PHARMACEUTICAL & MEDICAL EQUIPMENT JSC (Continued)



Overview introduction

Daklak Pharmaceutical & Medical Equipment JSC
Acronym: Bamepharm

Dak Lak Pharmaceutical and Medical Equipment Joint Stock Company (Bamepharm) has a distribution system of over 800 GPP-standard retail outlets, widely distributed across Dak Lak and Dak Nong provinces, covering even remote and rural communes.

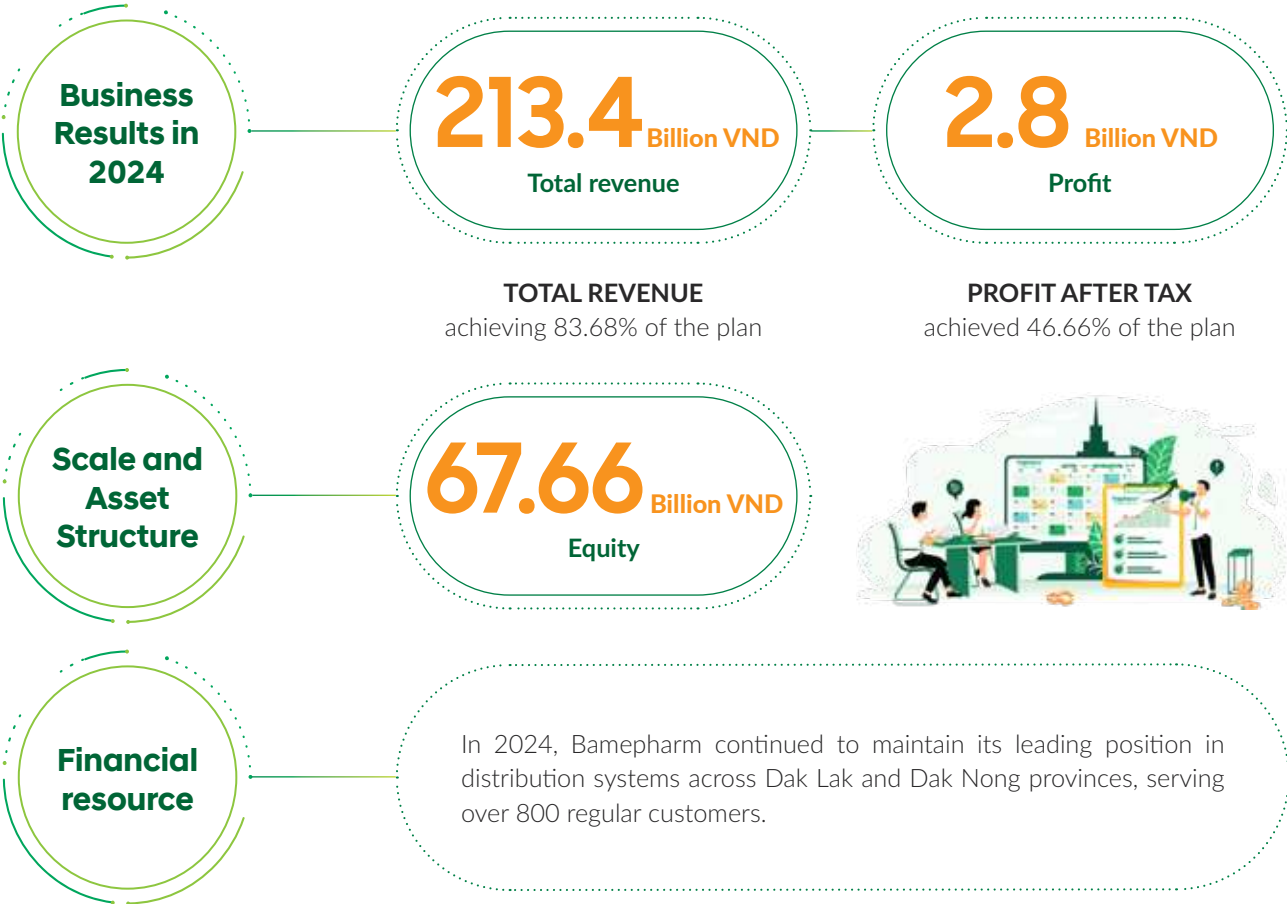
Bamepharm originated as a state-owned enterprise. The company is currently recognized by the province as a key enterprise, playing a crucial role in business operations and actively supporting the provincial health sector in disease prevention and control, as well as social security efforts. The company's current activities primarily involve the business and distribution of specialized products (agent) for domestic and imported manufacturers.

Business lines:



- Producing medicines to treat human diseases, nutritional food products, medicines derived from medicinal herbs.
- Trading in medicines, pharmaceuticals, vaccines-biological products, chemicals of all kinds and nutritional food products.
- Planting medicinal plants, processing medicinal herbs
- Exporting and importing of medicines, pharmaceutical materials and medical equipment.
- Affordable accommodation services, commercial activities and services.
- Buying and selling optical equipment, medical equipment, dental equipment, hospital equipment.
- Repair and maintenance services for specialized medical equipment and machinery.

Business Performance
Report 2024



Progress that the Company
achieved in 2024

Stabilizing and expanding the retail system



REPORT ON OPERATION ACTIVITIES
DAKLAK PHARMACEUTICAL & MEDICAL EQUIPMENT JSC (Continued)

- 1234

Business Orientation for 2025



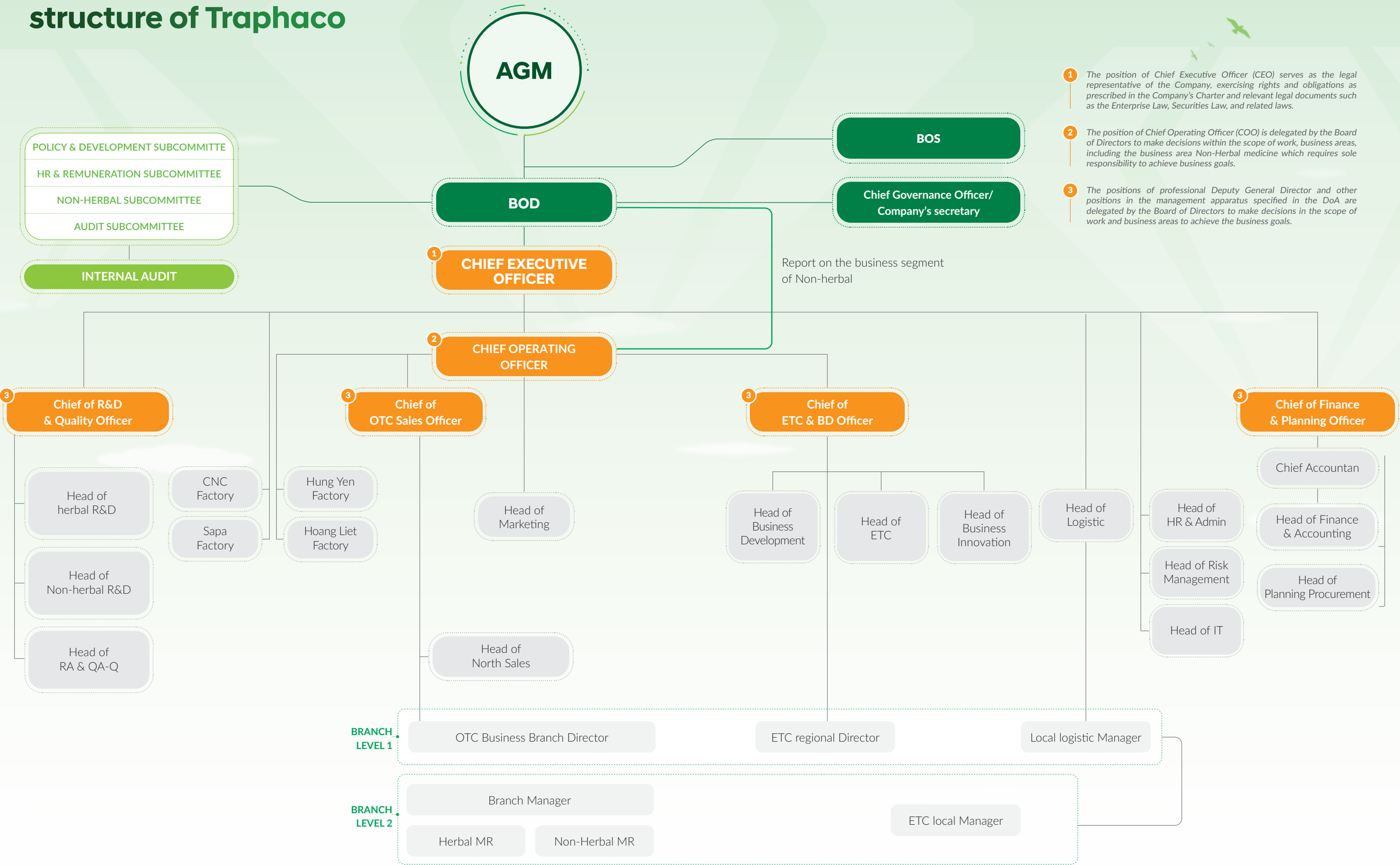


CORPORATE

Governance

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Model and Governance structure of Traphaco



- 1 The position of Chief Executive Officer (CEO) serves as the legal representative of the Company, exercising rights and obligations as prescribed in the Company's Charter and relevant legal documents such as the Enterprise Law, Securities Law, and related laws.
- 2 The position of Chief Operating Officer (COO) is delegated by the Board of Directors to make decisions within the scope of work, business areas, including the business area Non-Herbal medicine which requires sole responsibility to achieve business goals.
- 3 The positions of professional Deputy General Director and other positions in the management apparatus specified in the DoA are delegated by the Board of Directors to make decisions in the scope of work and business areas to achieve the business goals.

Activities of The Board of Directors



In 2024, the Board of Directors focused on working according to the functions, duties, and powers of the collective and individual members, and complied with the Enterprise Law, Securities Law, Company Charter, and current laws. Board of Directors (BOD) meetings were organized and conducted in accordance with the provisions of the Internal Regulations on Corporate Governance. The minutes, resolutions, and decisions of the BOD were based on the consensus of the members and were kept in accordance with regulations.

BOD Activities in 2024

In 2024, the BOD held a total of 14 meetings with a 100% attendance rate, including 6 in person and 8 in writing, issuing 24 Resolutions and Decisions to address issues within the functions and authority of the BOD.

The BOD meetings all invited the Board of Supervisors to attend to exchange, discuss, and create high consensus in business strategies and orientations, and the BOD's instructions to the Board of Management.

Resolutions issued by the Board of Directors in 2024



Activities of BOD's Sub-Committees

- 1

Development & Policy Subcommittee

 - Providing consultation on the 2025 Budget Plan: investment in fixed assets, capital construction, research and development, marketing, etc.
 - Evaluating the 6-month and full-year 2024 business performance results.
 - Supervising, guiding, and consulting the Board of Directors on projects: digital transformation, cashless payment, distribution system transformation, etc.
- 2

Human Resources and Remuneration Subcommittee

 - Reviewing and advising the Board of Directors on the quarterly KPI assignments for the Executive Board.
 - Proposing personnel for the positions of Deputy General Director of OTC Sales, Company Governance Officer, and Internal Audit Officer.
- 3

Non-herbal Medicine Subcommittee

 - Presided over activities related to the EU-GMP project, and proposed and submitted to the Board of Directors the establishment of a project implementation committee for the construction of an EU-GMP standard factory.
 - Participated in and contributed to the content of the Memorandum of Understanding (MOU) on export cooperation between Traphaco and Daewoong; identified potential markets and products to promote export activities.
 - Directed the implementation of the kick-off for the production of Technology Transfer products Phase II with Daewoong.
- 4

Audit Subcommittee

 - Working with the auditing company and the Board of Supervisors on issues related to the audited financial statements in 2023, the semi-annual report in 2024, and the quarterly report in 2024.
 - Coordinating with the Board of Supervisors, advising on the selection of an auditing company for the 2024 financial statements. Directing the Internal Audit Department: implementing the audit plan as approved by the Board of Directors to provide recommendations to improve the efficiency of internal control and effectively support corporate governance activities.

Internal audit activities
 - Check the implementation of audit recommendations
 - Carry out audit events as planned:

No.	Name of the audit	Time
1	Logistics Activities Implementation	February 26 - March 14, 2024
2	Production Costs at Traphaco Hung Yen Co., Ltd.	April 16 - May 06, 2024
3	New Product Implementation	June 17 - June 28, 2024
4	Implementation of ETC Channel Sales Activities through Bidding	August 21 - September 13, 2024
5	OTC Business Activities in Certain Areas	November 04 - November 15, 2024

ACTIVITIES OF THE BOARD OF DIRECTORS (Continued)

Activities of Independent Board Members and Evaluation Results of Independent Members on the Board's Activities

- 1

Independent Board Members fully participated in all Board meetings

 - The independent Board member is the Head of the Human Resources and Remuneration Subcommittee and the Audit Subcommittee.
 - One independent Board member is a member of the Non-herbal Medicine Subcommittee and Development & Policy Subcommittee
 - Working closely with the Board of Directors on issues related to corporate governance.
 - Contributing frankly and objectively to the Board's decisions to improve the quality of governance decisions.
- 2

Independent Board members also closely monitored the activities of the Board of Management and the company's business activities, enhancing transparency and fairness in governance activities.

Supervision Results for the General Director, Managers, and Executives of the Company

- Supervising the implementation of the company's production and business plan.
- Monitoring and directing the stabilization of production and business and other activities of the company.
- Directing the Board of Management to organize the Annual General Meeting of Shareholders in 2024.
- Directing the Board of Management to implement the Digital Transformation Project, the Cashless Payment Project, the Order Center, the Distribution Model Transformation, etc.
- Directing, supervising, and supporting the General Director and other managers in implementing the AGM Resolutions; the Resolutions and Decisions of the Board of Directors.
- Supervising and ensuring that information is fully, transparently, and promptly disclosed in accordance with the regulations of the Stock Exchange and the State Securities Commission.

Board of Directors' Remuneration

The total remuneration of the members of the Board of Directors, approved at the General Meeting of Shareholders in 2024, and actually received, is 4,200,000,000 VND.

Evaluation of Corporate Governance in 2024



- The Company successfully held its Annual General Meeting of Shareholders in April 2024 to approve and decide on matters within the AGM's authority. The Company's AGM was organized legally and validly, ensuring compliance with the provisions of the Enterprise Law regarding procedures.
- The BOD complied with the Enterprise Law, Securities Law, Company Charter, and current laws. BOD meetings were organized and conducted in accordance with the provisions of the Internal Regulations on Corporate Governance.
- The BOD fully acknowledged the contributions of independent BOD members.
- Subcommittees actively operated, advising the BOD on technology transfer activities, distribution model transformation, and investment in the construction of EU-GMP standard factories. Internal audit activities were organized in accordance with functions and duties, helping to improve the efficiency of the internal control system.

Report of The Board of Supervisors



Members and structure of the Board of Supervisors

No.	Member	Title	Number of shares	Note
1	Nguyen Thi Luong Thanh	Head	0	Elected to the new term on March 31 st , 2021
2	Nguyen Thanh Hoa	Member	0	Elected to the new term on March 31 st , 2021
3	Nguyen Thi Giang	Member	0	Elected as a supplementary member for the 2021-2025 term at the 2024 Annual General Meeting of Shareholders on April 12 th , 2024

Meetings of the Board of Supervisors

In 2024, the Board of Supervisors held 04 periodic meetings and fully attended all meetings of the Board of Directors (“BOD”) of Traphaco Joint Stock Company (Traphaco). The key meetings of the Board of Supervisors were as follows:

Meeting	Participants	Main contents
Session 1: February 2024	2/2	<ul style="list-style-type: none">Analyze and evaluate contracts and transactions with related parties in 2024, submit to the Shareholders’ Meeting.Review and evaluate the compliance with the law of resolutions of the General Meeting of Shareholders and the Board of Directors, and the implementation of KPIs of the Board of Management.
Session 2: April 2024	3/3	<ul style="list-style-type: none">Assign tasks to Board of Supervisors members.Review and evaluate legal compliance with resolutions of the General Meeting of Shareholders and the Board of Directors.
Session 3: August 2024	3/3	<ul style="list-style-type: none">Verify the 2024 semi-annual financial report.
Session 4: December 2024	3/3	<ul style="list-style-type: none">Evaluation of the 2025 Plan.



Results of supervision on the implementation of the 2024 AGM Resolution

- The company achieved a consolidated net revenue of 2,370.2 billion VND in 2024, fulfilling 95.4% of the annual plan. Consolidated profit after tax was 257.3 billion VND, reaching 84.9% of the 2024 target. The average income of employees at the parent company in 2024 decreased by 6.4% compared to 2023.
- The number of new products launched and brought to market in 2024 was 14, achieving 82.4% of the target of 17 new products. Sales of newly launched products since 2021 reached 220.2 billion VND (96% of the plan).
- The total amount of registrations/announcement numbers exceeded the target, with 289 registrations/announcement (planned ≥ 252 registrations/announcement numbers).
- The company completed the allocation of funds in accordance with regulations and ensured compliance with tax obligations as required by law.
- The company completed the dividend payment for 2023 (according to the AGM Resolution No. 09/2024/NQ-ĐHĐCĐ) in February 2024 and July 2024.
- The company disbursed remuneration for 2024 to members of the Board of Directors and the Board of Supervisors in accordance with regulations and the approved limits set by the AGM.
- The contracts between Traphaco and Traphaco High-Tech Company, as well as Traphaco Hung Yen Co., Ltd. (related-party contracts of significant value), have been signed and implemented in accordance with the General Meeting of Shareholders’ resolution.
- The company has selected Ernst & Young Vietnam Co., Ltd. as the auditor for the 2024 Financial statements.

Results of supervision over
the Board of Directors and the Board of Management



The Board of Directors (BOD) consists of 7 members. In 2024, the BOD held 14 meetings, including 6 in-person meetings and 8 written meetings, in compliance with the company’s Charter. The Board of Supervisors assesses that the BOD’s activities throughout the year adhered to legal regulations, the company’s Charter, and corporate governance regulations, aligning with advanced governance standards set by the OECD and ASEAN. The BOD has effectively directed and supervised the implementation of the company’s development strategy, closely monitoring all company operations with a high sense of responsibility and efficiency.

BOD members fully attended meetings and actively provided advisory opinions to the Board of Management on major company initiatives, including the implementation of the EU-GMP-standardized factory project, the transformation of the distribution system, and the execution of digital transformation activities (such as the order center and cashless payment systems), etc.

BOD subcommittees conducted meetings in accordance with governance regulations, advising the BOD on key matters such as the EU-GMP-standardized factory construction, distribution system transformation, financial planning and budgeting, technology transfer, export cooperation with Daewoong, and internal auditing,...

In 2024, the Board of Management demonstrated a strong strategic vision, with a well-coordinated approach to planning, production, goods circulation, and sales. This ensured a stable supply of products to the market while implementing flexible sales and marketing policies.

The BOD and the Board of Management fully complied with legal requirements regarding reporting and information disclosure.

The Board of Supervisors concurs with the BOD’s report to be presented at the 2024 Annual General Meeting of Shareholders.

Results of supervision over company
operations and financial performance

Consolidated operating results of the Company

Main indicators

No.	Indicators	Unit	Plan of 2024	Results in 2024	The ratio compared to planned	Growth compared to 2023
1	Consolidated Net Revenue		2,485.0	2,370.2	95.4%	1.7%
1.1	Parent Company’s Revenue		2,220.0	2,044.5	92.1%	-1.7%
	- OTC Revenue		1,975.0	1,802.5	91.3%	-3.2%
	- ETC Revenue	Billion VND	245	242.0	98.8%	10.7%
1.2	Revenue from Subsidiaries		215	180.8	84.1%	-8.1%
1.3	Adjustments		50,0	144.9	289.7%	171.3%
2	Consolidated Profit (after tax)		303	257.3	84.9%	-9.7%
3	Income of employees of parent company increases compared to 2023	%	+5%	-6.4%		-6.4%
4	Number of new products to be produced and launched to the market	product	17	14	82.4%	
5	Sales of new products to market from 2021 to 2024	Billion VND	230	220.2	96%	
6	Annual registration number and ownership announcement	Registration/ announcement number	≥ 252	289	114.7%	

Overall assessment

In the context of Vietnam’s economy in 2024, while macroeconomic stability and inflation control were achieved, the country still faced challenges due to the lingering effects. The pharmaceutical industry continued to grow, primarily driven by the hospital channel and the expansion of modern pharmacy chains such as Long Châu and Pharmacy. However, Traphaco’s strength lies in the traditional OTC retail channel, which accounts for nearly 90% of the company’s total revenue. As a result, the company’s business performance did not meet its planned targets. Despite implementing various flexible market strategies, Traphaco’s total consolidated revenue in 2024 only reached 95.4% of the target, reflecting a 1.7% growth compared to the previous year, while consolidated net profit reached 84.9% of the target, declining 9.7% compared to the previous year.

ETC revenue in 2024, although achieving only 98.8% of the target, recorded a 10.7% growth compared to 2023. This result demonstrates the company’s correct strategic direction in investing in Western medicine development while effectively capitalizing on technology transfer product tenders and imported drugs from Daewoong.

OTC channel performance: Amid economic difficulties, reduced consumer income led to a preference for essential treatment products and healthcare services covered by insurance. Consequently, the company’s OTC revenue reached only 91.3% of the target, reflecting a 3.2% decline compared to the previous year.

To enhance sales capabilities and operational efficiency, in 2024, the company implemented various digital transformation initiatives, including: Sales Center Application (reducing processing time and optimizing resources), Pharmaceutical Sales Representative Support System (improving sales productivity and management), Cashless payment solutions (optimizing financial management and increasing customer convenience),... Additionally, the company strengthened its sales activities through product introduction conferences, professional seminars, online sales expansion, and bioequivalence trials, creating a competitive advantage.

In 2024, the company continued strict cost control according to the approved budget. However, the company’s net profit target was not met due to several factors, such as a sharp increase in gold prices, which raised loyalty program costs, as well as higher promotional expenses for customers, etc.

Appraisal of the 2024 financial statements

The Board of Supervisors have reviewed, examined, and agreed with the 2024 Consolidated Financial Statements and the 2024 Separate Financial Statements of the Company, which have been audited by Ernst & Young Vietnam Limited Liability Company. The financial statements as of December 31, 2024, along with the semi-annual and quarterly reports for the year, present fairly, in all material respects, the financial position, business performance, and cash flows of the Company.

The Company has complied with accounting standards, accounting regulations, and financial, accounting, and tax management requirements in organizing financial and accounting operations and recording transactions. The financial statements for 2024 were prepared accurately and on time.

Assessment of coordination between the Board of Supervisors, the Board of Directors, the Board of Management, and shareholders



The Board of Directors and the Board of Management have closely coordinated with and facilitated the Board of Supervisors in fulfilling its duties by providing comprehensive information on the Company's business operations and financial position, including Board of Directors meeting minutes and other relevant documents upon request.

The Board of Supervisors, the Board of Directors, and the Board of Management have worked closely together to promptly address any issues arising during the supervisory and inspection processes.

The Board of Supervisors attended meetings of the Board of Directors and offered opinions and recommendations to both the Board of Directors and the Board of Management concerning corporate governance within its scope of authority. The recommendations were basically acknowledged and implemented.

In 2024, there were no requests from the General Meeting of Shareholders, groups of shareholders, or individual shareholders as specified in Clause 2, Article 115 of the Law on Enterprises for the Board of Supervisors to conduct specific inspections regarding the Company's management and operations.

Recommendations

The Board of Supervisors proposes the following recommendations for the Company in 2025:

- Improve the quality of report preparation and analysis to support corporate governance.
- The Company focuses on assigning 2025 Business Plan targets to subsidiaries aligned with the parent company's orientation and growth rate. Improve risk management throughout the system and enhance governance at subsidiaries and branches.
- Accelerate the restructuring of the distribution system to comply with the amended Law on Pharmacy.
- Adjust the functions and responsibilities of second-tier branches and reorganize personnel at branches to streamline the sales structure, reduce costs, and improve operational efficiency.
- Urgently and cautiously implement the EU-GMP standard factory project, ensuring periodic progress reports.
- The Company needs to review its revenue structure, reduce the proportion of revenue from non-core products of Traphaco, which do not bring real profits. The Company considers and evaluates promotional methods that affect revenue deductions appropriately and effectively to ensure the harmony of interests between customers and the Company. The Company needs to strengthen control of cost ratios in line with the Company's revenue growth rate.
- Seek solutions to maintain and expand key markets in the high-end Herbal medicine segment, while flexibly adapting to the rapidly changing business environment, ensuring a balanced relationship with the traditional pharmacy network - Traphaco's strategic distribution channel.
- Prioritize investment in the development of high-quality Western medicines, focusing on products eligible for bioequivalence studies to increase bidding opportunities and expand market share in the ETC channel in the long term.
- Continue to promote digital transformation and apply AI in the Company operations.
- Strengthen online sales channels and quickly adapt to the growing trend of e-commerce.
- Continue to collaborate with partners to implement effective technical support for new product manufacturing.



Corporate Governance Scorecard

Analysis Based on the ASEAN Corporate Governance Scorecard

✔ : Good practice implemented ⚠ : Practice partially implemented ✖ : Practice not implemented

LEVEL 1 QUESTIONS

Code	Criteria	Status as of 2024	Evaluation
SECTION A. SHAREHOLDER RIGHTS			
A.1	Basic Shareholder Rights		
A.1.1	Dividend payment within 30 days after announcement	✔	Traphaco is implementing this practice well
A.2	Right to participate in decisions related to significant changes in the company		
	Shareholders have the right to participate in:		
A.2.1	Amendments to the Company's regulations	✔	Traphaco seeks shareholder opinions on amendments to the Company's Charter at general meetings and includes content on amendments to the Company's regulations in the agenda when these regulations fall under the authority (decision) of the General Meeting.
A.2.2	Voting on additional share issuance.	✔	Traphaco seeks shareholder opinions in writing or submits the additional share issuance plan to the General Meeting for approval at general meetings.
A.2.3	Transfer of all or a substantial portion of the Company's assets, leading to the sale of the Company.	✔	This case has not occurred at Traphaco.
A.3	Effective Participation and Voting Rights at the General Meeting of Shareholders, and Information on General Meeting of Shareholders Regulations, Including Voting Procedures		
A.3.1	Do shareholders have the opportunity to express opinions on agenda items, including remuneration or any remuneration increase for non-executive directors/board members?	✔	Traphaco is implementing this practice well.
A.3.2	Does the company allow non-controlling shareholders to nominate directors/board members?	✔	Traphaco is implementing this practice well. The regulations on the nomination/self-nomination of BOD/Supervisory Board members are published on the company's website before the GMS and are approved before the election takes place.
A.3.3	The company allows shareholders to elect each member of the Board of Directors individually.	✔	Traphaco has implemented this practice well.
A.3.4	Does the company disclose the voting procedures used before the meeting takes place?	✔	Traphaco has implemented this practice well: The nomination and voting procedures are published on the website at least 21 days before the GMS.

Code	Criteria	Status as of 2024	Evaluation
A.3.5	The latest General Meeting of Shareholders (GMS) minutes recorded that shareholders had the opportunity to ask questions, and both the questions and answers were documented.	✔	Traphaco has clearly disclosed the voting results for each resolution in the most recent GMS.
A.3.6	The company discloses the voting results, including the number of votes in favor, against, and abstentions for each resolution in the most recent GMS.	✔	Traphaco has clearly disclosed the list of BOD members attending the GMS in the meeting minutes.
A.3.7	The company discloses the list of Board of Directors (BOD) members who attended the most recent GMS.	✔	Traphaco has consistently adhered to these practices for many years, and senior company leaders, such as the Chairman of the BOD and the CEO, always attend the GMS.
A.3.8	The company discloses that all BOD members and the CEO/General Director (if the CEO/General Director is not a BOD member) attended the most recent GMS.	✔	The company allows absentee voting through duly authorized representatives in accordance with the company's regulations.
A.3.9	The company allows absentee voting.	✔	The company applies a voting method based on shareholders' voting rights for all resolutions at the latest GMS, not by a show of hands.
A.3.10	The company applies a voting method based on shareholders' voting rights (not by a show of hands) for all resolutions at the latest GMS.	✔	Traphaco has implemented this practice well since the 2016-2020 GMS term.
A.3.11	The company discloses the appointment of an independent party (inspector/supervisor) to participate in the ballot counting process to count and/or verify votes at the GMS.	✔	Traphaco consistently complies with the disclosure of resolutions, meeting minutes, and ballot counting records within 24 hours as required.
A.3.12	The company publicly discloses the voting results for all resolutions of the most recent GMS on the following business day.	✔	Traphaco has implemented this practice well.
A.3.13	The company announces the GMS and extraordinary GMS at least 21 days in advance.	✔	Traphaco's GMS documents provide complete information and the basis for matters submitted for shareholder approval.
A.3.14	The company provides the basis, information, and explanations for each item in the draft resolution that requires shareholder approval in the GMS announcement/GMS materials/ draft and/or accompanying reports.	✔	Traphaco implements this practice effectively.
A.3.15	Shareholders are given the opportunity to contribute discussion topics to the GMS agenda.	✔	Traphaco thực hiện tốt nội dung này.

CORPORATE GOVERNANCE SCORECARD ANALYSIS
BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (Continued)

Code	Criteria	Status as of 2024	Evaluation
A.4	The market for corporate takeovers must be allowed to operate efficiently and transparently.		
A.4.1	In cases of mergers, acquisitions, and/or takeovers that require shareholder approval, the company's Board members are recommended to appoint an independent party to assess the fairness of the transaction price.	✔	This situation has not occurred at Traphaco.
A.5	It is necessary to facilitate the exercise of ownership rights for all shareholders, including institutional investors.		
A.5.1	The company publicly discloses policies/practices aimed at encouraging shareholder participation outside the framework of the General Meeting of Shareholders (GMS).	✔	Traphaco has disclosed this matter in great detail in the annual report (under the shareholder relations section, including policies encouraging shareholders to exercise their rights and facilitating their participation in voting and decision-making on important matters).
SECTION B. EQUAL TREATMENT OF SHAREHOLDERS			
B.1	Shares and Voting Rights.		
B.1.1	Each common share of the company carries one voting right.	✔	Traphaco has implemented this practice.
B.1.2	In the event that the company has more than one type of share, it discloses the corresponding voting rights for each type of share.	✔	Traphaco clearly states that "the company has only one type of common share" in its Articles of Association, shareholder record date announcements, financial statements, and annual reports.
B.2	Notice of the General Meeting of Shareholders (GMS).		
B.2.1	Each resolution in the most recent General Meeting of Shareholders (GMS) pertains to only one specific matter of the draft resolution, meaning multiple matters are not combined into a single resolution.	✔	Depending on the actual situation and the importance of the meeting's agenda, the Minutes of the General Meeting of Shareholders (GMS) and GMS Resolutions are recorded with flexibility regarding the items and matters requiring voting.
B.2.2	The GMS notice and documents are translated into English and published on the same day as the Vietnamese versions.	✔	All GMS documents of Traphaco are translated and published simultaneously in both Vietnamese and English.
Does the notice of the General Meeting of Shareholders (GMS) include the following details:			
B.2.3	Provide the biography of the Board of Directors (BOD) members to be elected/re-elected (at a minimum: age, educational background, expertise, first appointment date, experience, and current BOD positions in other listed companies).	✔	Traphaco discloses the candidates' biographies.
B.2.4	The auditor/audit firm to be elected/re-elected is clearly identified.	✔	Traphaco effectively implements this requirement through the GMS proposal on approving the list of independent audit firms.
B.2.5	The proxy form for attending the GMS is easily accessible.	✔	Traphaco fulfills this requirement: the proxy form for attending the GMS is sent along with the meeting invitation (21 days before the GMS) and is also published on the company's website (with a link provided in the invitation).

✔ : Good practice implemented ⚠ : Practice partially implemented ✖ : Practice not implemented

Code	Criteria	Status as of 2024	Evaluation
B.3	Insider trading and self-dealing transactions must be prohibited.		
B.3.1	The company has regulations prohibiting Board members and employees from profiting from undisclosed information.	✔	Traphaco has effectively implemented this provision: there are regulations on man-aging contracts and transactions between Traphaco JSC and related parties, as well as other relevant regulations.
B.3.2	Board members are required to report their stock transactions within three working days.	✔	Traphaco has fulfilled this criterion in accordance with Circular 96/2020/TT-BTC.
B.4	Related-party transactions of Board members and senior executives.		
B.4.1	Does the company have a policy requiring Board members to disclose related interests in transactions and any conflicts of interest with the company?	✔	Traphaco has established these regulations in the Company's Charter and Internal Corporate Governance Regulations.
B.4.2	Does the company have a policy requiring a committee comprising independent Board members to review material/significant related-party transactions to determine whether they serve the best interests of the company and shareholders?	✔	This activity is currently carried out by the Audit Committee.
B.4.3	Does the company have a policy requiring Board members to abstain from Board meetings discussing activities or transactions in which they have a conflict of interest?	✔	This policy is outlined in the financial regulations.
B.4.4	Does the company have a policy on loans to Board members that either prohibits such activities or ensures that loans are conducted on fair transaction terms at market interest rates?	✔	Traphaco has effectively implemented this policy.
B.5	Protection of minority shareholders against abusive practices		
B.5.1	The company discloses that related party transactions are conducted in a manner that ensures fairness and adherence to market mechanisms.	✔	Traphaco has effectively implemented this requirement.
B.5.2	In cases where shareholder approval is required for related party transactions, the voting process must be conducted by shareholders who do not have a related interest.	✔	Traphaco has effectively implemented this requirement.
SECTION C. THE ROLE OF STAKEHOLDERS			
C.1	The rights of stakeholders as stipulated by law or bilateral agreements must be respected.		
The company discloses its policies and practices regarding:			
C.1.1	The disclosure of policies and practices to protect customer rights.	✔	Traphaco has disclosed this policy in the Annual Report and the Sustainable Development Report.
C.1.2	The disclosure of policies, practices, procedures, and processes for selecting suppliers/contractors.	✔	Since 2017, Traphaco has disclosed its policies, practices, procedures, and processes for supplier selection in the Sustainable Development Report.

CORPORATE GOVERNANCE SCORECARD ANALYSIS
BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (Continued)

Code	Criteria	Status as of 2024	Evaluation
C.1.3	The disclosure of policies and practices describing the company's efforts to ensure that its value chain is environmentally friendly or aligned with the promotion of sustainable development.	✔	Traphaco has disclosed this policy in the Annual Report and the Sustainable Development Report
C.1.4	The disclosure of policies and practices describing the company's efforts to engage with the community where it operates.	✔	Traphaco has disclosed this policy in the Sustainable Development Report.
C.1.5	The disclosure of policies and practices regarding the company's anti-corruption programs and procedures.	✔	Traphaco has issued financial management regulations, clearly defining decision-making authority over the company's assets, cash, etc.
C.1.6	The disclosure of policies and practices regarding creditor protection.	⚠	Since 2014, Traphaco has implemented a new sales policy: immediate payment collection, resulting in a strong financial foundation with minimal short-term and long-term debt. Payments and debt settlements for creditors are carried out in accordance with legal regulations.
C.1.7	The disclosure of a report or a dedicated section describing the company's efforts on environmental, economic, and social issues.	✔	Traphaco has disclosed this policy in the Annual Report and the Sustainable Development Report.
C.2	When the interests of stakeholders are protected by law, stakeholders must have the opportunity to file effective complaints when their rights are violated.		
C.2.1	The company provides contact information on its website and in the annual report so that stakeholders can reach out with inquiries or complaints.	✔	Traphaco has clearly stated the contact point and the Investor Relations department in the annual report and on the company's website.
C.3	Mechanisms to enhance employee participation effectiveness should be allowed to be established		
C.3.1	The company clearly states its policies on employee health, safety, and welfare.	✔	Traphaco has clearly stated this policy in the Annual Report and the Sustainability Report.
C.3.2	The company explicitly discloses its policies, practices, and efforts regarding training and development programs for employees.	✔	Traphaco has effectively implemented and fully presented it in the Sustainability Report.
C.3.3	The company has a reward policy linked to long-term rather than short-term business performance.	✔	Traphaco has fully disclosed it in the Annual Report and the Sustainability Report.
C.4	Stakeholders, including employees and their representative organizations, must be free to communicate their concerns about illegal or unethical practices to the Board of Directors without any impact on their rights.		
C.4.1	The company has a procedure for employees to report violations within the company.	✔	Traphaco has issued this procedure.
C.4.2	The company has a policy or procedure to protect employees/individuals from retaliation for disclosing illegal or unethical conduct.	✔	Traphaco has issued this procedure.

✔ : Good practice implemented ⚠ : Practice partially implemented ✖ : Practice not implemented

Code	Criteria	Status as of 2024	Evaluation
SECTION D. DISCLOSURE AND TRANSPARENCY			
D.1	Transparent ownership structure		
D.1.1	Disclosure of Ownership Information: Identity of major shareholders holding 5% or more of shares.	✔	Traphaco has implemented this requirement.
D.1.2	Disclosure of direct and indirect share ownership of major shareholders.	✔	
D.1.3	The company discloses the direct and (assumed) indirect share ownership of Board members.	✔	
D.1.4	Disclosure of ownership information: both direct and indirect shares held by Executive Board members.	✔	
D.1.5	Disclosure of detailed information about the parent company, subsidiaries, affiliates, and joint ventures.	✔	
D.2	The quality of the Annual Report		
D.2.1	Objectives of the Company	✔	Traphaco has provided very specific disclosures in the Annual Report.
D.2.2	Financial performance indicators.	✔	
D.2.3	Non-financial performance indicators.	✔	
D.2.4	Dividend policy.	✔	
D.2.5	Detailed biography (including at least age, educational background, expertise, date of initial appointment, relevant experience, and other Board of Directors positions held at listed companies) of Board members.	✔	
D.2.6	Details of each Board member's participation in Board meetings held during the year.	✔	
D.2.7	Total remuneration of each Board member.	✔	
Statement of Affirmation on Corporate Governance			
D.2.8	The annual report discloses a statement affirming the company's full compliance with corporate governance rules, and in cases of non-compliance, it clearly identifies and explains the reasons for each issue.	✔	Traphaco has made very detailed disclosures in the Annual Report.
D.3.	Disclosure of Related Party Transactions (RPTs)		
D.3.1	The company discloses its policy on reviewing and approving material/significant Related Party Transactions.	✔	Traphaco has stipulated this content in the Company's Charter and specified it through regulations on managing contracts and transactions between Traphaco JSC and related parties.

CORPORATE GOVERNANCE SCORECARD ANALYSIS
BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (Continued)

Code	Criteria	Status as of 2024	Evaluation
D.3.2	The company discloses the name of the related party, the relationship, the nature, and the value of each material/significant RPT.	✔	Traphaco has disclosed this information in detail in the Annual Report, under the Corporate Governance section.
D.4	Board members/directors trading the company's shares.		
D.4.1	The company discloses transactions of the company's shares conducted by insiders.	✔	Traphaco has disclosed this information in detail in the Annual Report, under the Corporate Governance section.
D.5	Independent Audit and Audit Report		
	In cases where the same audit firm provides both audit and non-audit services.		
D.5.1	Disclosure of audit fees.	✘	Traphaco has not yet disclosed this information.
D.5.2	Disclosure of non-audit fees.	✘	
D.6	Communication channels		
	Does the company utilize the following communication channels?		
D.6.1	Quarterly reports.	✔	Traphaco has fully disclosed this information.
D.6.2	Company website.	✔	Traphaco has thoroughly updated the company website in both Vietnamese and English.
D.6.3	Analyst evaluations.	✔	Traphaco provides links to analysis articles (news) on the company's semi-annual and annual business performance, as well as stock trend analysis, on the company website.
D.6.4	Information on media/press conferences.	✔	Traphaco has widely and regularly promoted corporate information through mass media channels.
D.7	Submission/disclosure of the Annual Report/Financial Statements on time.		
D.7.1	The financial statements are disclosed within 120 days from the end of the fiscal year.	✔	Traphaco complies well with this regulation.
D.7.2	The annual report is disclosed within 120 days from the end of the fiscal year.	✔	Traphaco fully discloses this information.
D.7.3	The truthfulness and fairness of the annual financial statements are affirmed by the Board of Directors members and/or authorized executive members of the company.	✔	Traphaco has fully disclosed this information.
D.8	The company has a website that provides updated information on:		
D.8.1	Financial reports (most recent quarter).	✔	Providing complete and regularly updated information.
D.8.2	Documents from analysts and media agencies.	✔	
D.8.3	Annual reports available for download.	✔	
D.8.4	Notices and materials for the General Meeting of Shareholders (GMS) and/or Extraordinary General Meeting of Shareholders.	✔	
D.8.5	Minutes of the GMS and/or Extraordinary General Meeting of Shareholders.	✔	
D.8.6	Company charter available for download.	✔	

✔ : Good practice implemented ✔ : Practice partially implemented ✘ : Practice not implemented

Code	Criteria	Status as of 2024	Evaluation
D.9	Investor Relations		
D.9.1	Does the company disclose the contact information (e.g., phone number, fax, and email) of the officer/department responsible for investor relations?	✔	Traphaco has fully disclosed this information in the Annual Report, the Sustainability Report, and on the company's website.
SECTION E. RESPONSIBILITIES OF THE BOARD OF DIRECTORS			
E.1	Roles and Responsibilities of Board Members		
	The responsibilities of the Board of Directors and corporate governance regulations are clearly defined.		
E.1.1	Disclosure of corporate governance policies and the Board of Directors' operating charter.	✔	Traphaco has fully disclosed this information on the company's website.
E.1.2	Public disclosure of the types of decisions requiring approval from Board members.	✔	Decisions are publicly disclosed in accordance with legal regulations.
E.1.3	Clearly defined and disclosed roles and responsibilities of Board members.	✔	Traphaco has fully disclosed this content in the Annual Report, Corporate Governance Regulations, and Company Charter.
E.1.4	The company discloses its vision and mission, which are reviewed and updated regularly.	✔	Traphaco has fully disclosed this content in the Annual Report.
E.1.5	Board members have played a leadership role in the development and monitoring of the company's strategy for at least one year.	✔	The Board of Directors directs the development and closely monitors the implementation of strategies, specifying objectives based on the company's strategic goals.
E.1.6	Board members have a process for reviewing, supervising, and monitoring the implementation of the company's strategy.	✔	The Board of Directors reviews, supervises, and monitors the implementation of the company's strategy through periodic meetings or interim sessions, following a specific process. The Board of Directors has a Strategy Subcommittee, while the Executive Board has a Strategy Implementation Committee (chaired by the CEO, who is also a Board member).
E.2	Structure of the Board of Directors		
	Code of Ethics or Conduct		
E.2.1	The company discloses the details of its Code of Ethics.	✔	Traphaco has developed the new Traphaco Culture, featuring six supreme cultural principles for Traphaco employees. The Code of Professional Ethics, integrated into the Culture Handbook, was issued in Q1/2020.
E.2.2	The company explicitly states that all members of the Board of Directors, the Executive Board, and employees are required to comply with the Code of Conduct.	✔	
E.2.3	The company specifies the implementation and control measures for ensuring compliance with the Code of Conduct.	✔	
	Composition and Structure of the Board of Directors		
E.2.4	The Board of Directors has at least 50% independent members.	✔	Since April 2024, Traphaco's Board of Directors has had 2 independent members out of a total of 7 (~30%).

CORPORATE GOVERNANCE SCORECARD ANALYSIS
BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (Continued)

Code	Criteria	Status as of 2024	Evaluation
E.2.5	The company limits the maximum tenure for independent board members to 9 years or fewer, or a maximum of two 5-year terms.	✔	Traphaco complies with its Charter, which limits the tenure of board members to no more than 5 years.
E.2.6	The company sets a limit on the maximum number of board positions an independent/non-executive board member can hold concurrently at other companies.	✔	Traphaco has not yet formalized this into regulations but is effectively applying this principle.
E.2.7	The company has executive board members serving on more than two boards of listed companies outside the group.	✔	Traphaco adheres well to this principle: The Board of Directors has only one executive member, the CEO, who serves on the boards of two subsidiaries (which are not listed companies outside the group).
	Human Resources Subcommittee		
E.2.8	The company has a Human Resources Subcommittee.	✔	Traphaco has a Human Resources and Remuneration Subcommittee.
E.2.9	The Human Resources Subcommittee includes a majority of independent Board members.	⚠	The Human Resources and Remuneration Subcommittee has one independent Board member.
E.2.10	Is the Chairman of the Human Resources Subcommittee an independent Board member?	✔	Traphaco is effectively following this practice.
E.2.11	The company discloses the operating regulations/governance structure/charter of the Human Resources Subcommittee.	✔	
E.2.12	The participation of members in Human Resources Subcommittee meetings is publicly disclosed, if applicable. The Human Resources Subcommittee meets at least twice a year.	✔	
E.2.13	The company has a Remuneration Subcommittee.	✔	Traphaco has a Human Resources and Remuneration Subcommittee.
E.2.14	The Remuneration Subcommittee includes a majority of independent Board members.	⚠	The Human Resources and Remuneration Subcommittee includes one independent Board member.
E.2.15	The Chair of the Human Resources Subcommittee is an independent Board member.	✔	Traphaco is effectively implementing this practice.
E.2.16	The company has disclosed the operational regulations/governance structure/statute of the Remuneration Subcommittee.	✔	
E.2.17	The participation of members in the meetings of the Remuneration Subcommittee is disclosed publicly, and if applicable, the Remuneration Subcommittee meets at least twice a year.	✔	
	Audit Subcommittee		
E.2.18	The company has an Audit Subcommittee.	✔	Traphaco implements this well.
E.2.19	The Audit Subcommittee consists of all non-executive Board members with a majority of independent Board members/members.	✔	The Audit Subcommittee consists of all non-executive Board members with a majority of independent Board members.
E.2.20	The chairman of the Audit Subcommittee is an independent Board member.	✔	The chairman of the Audit Subcommittee is an independent Board member.

✔ : Good practice implemented ⚠ : Practice partially implemented ✖ : Practice not implemented

Code	Criteria	Status as of 2024	Evaluation
E.2.21	The company has disclosed the operating regulations/governance structure/bylaws of the Audit Subcommittee.	✔	Traphaco implements this well.
E.2.22	At least one independent Board member of the Audit Subcommittee has expertise in accounting (professional qualifications or experience in accounting).	✔	Traphaco implements this well.
E.2.23	The participation of members in the Audit Subcommittee meetings is publicly disclosed. If so, the Audit Subcommittee holds a minimum of four meetings per year.	✔	The Audit Subcommittee holds separate meetings and working sessions with the independent auditors.
E.2.24	The Audit Subcommittee has the primary responsibility for making recommendations on the appointment and dismissal of the independent auditor.	✔	It is clearly specified in the Board of Directors' Operating Charter.
E.3 Board of Directors' Process			
Board of Directors' Meetings and Attendance			
E.3.1	Board meetings are scheduled before the beginning of the financial year.	✔	The board meeting schedule for the upcoming year is arranged and the expected agenda is set during the last board meeting of the current year.
E.3.2	Board members meet at least 6 times per year.	✔	In 2022, Traphaco's board held 13 meetings, and all members attended fully.
E.3.3	Each board member attends at least 75% of the total board meetings in the evaluation year.	✔	Traphaco implements this well.
E.3.4	The company requires at least 2/3 of the board members to attend meetings where decisions need to be made.	✔	This is specified in the Charter and the Board's Operating Regulations.
E.3.5	Non-executive board members hold at least one separate meeting per year without the presence of executive members.	✔	Traphaco implements this well.
Access to information			
E.3.6	Documents for Board of Directors meetings are provided to the Board at least five working days prior to the meeting.	✔	This content is included in Traphaco's Charter and is being well implemented.
E.3.7	The company secretary plays an important role in assisting the Board in fulfilling its responsibilities.	✔	Traphaco has clearly stated this in the Company's Charter.
E.3.8	The company secretary is trained in legal, accounting, or corporate secretarial practices and is kept updated on relevant new developments in these areas.	✔	The company secretary works full-time, is trained in accounting, and is well-versed in legal regulations related to the industry, corporate law, and securities law.
Appointment and re-election of board members.			
E.3.9	The company discloses the criteria used to select new board members.	✔	The criteria for selecting board members are specifically outlined in the Nomination and Election Procedures for Board Members and are disclosed on the company's website before the general meeting.

CORPORATE GOVERNANCE SCORECARD ANALYSIS
BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (Continued)

Code	Criteria	Status as of 2024	Evaluation
E.3.10	The company describes the process applied to appoint new board members.	✔	Traphaco has provided the process for electing new board members in the Nomination and Election Procedures for Board Members and has published it on the company's website before the general meeting.
E.3.11	All board members are required to be re-elected at least every 3 years, or 5 years for listed companies in countries where the law mandates a 5-year term.	✔	The term of board members at Traphaco is 5 years.
	Remuneration issues		
E.3.12	The company discloses its policy/practice regarding remuneration (fees, salaries, benefits in kind, or other perks) for executive board members and the CEO, including the use of incentive policies and short- and long-term performance criteria.	✔	Traphaco has disclosed this in the Annual Report.
E.3.13	The structure of remuneration for non-executive board members is publicly disclosed.	✔	Traphaco has disclosed this in the Annual Report.
E.3.14	The remuneration of executive board members and/or senior management is approved by the shareholders or the Board of Directors.	✔	The remuneration of board members is approved by the Annual General Meeting of Shareholders (AGM).
E.3.15	The company has policies and standards that can measure and link the remuneration paid to executive board members or management to the long-term interests of the company, such as applying clawback provisions or deferred bonuses.	✘	Traphaco has not had this policy yet.
	Internal Audit		
E.3.16	The company has a separate internal audit department.	✔	
E.3.17	The head of the internal audit department is publicly disclosed, or if outsourced, the name of the outsourcing company is disclosed publicly.	✔	Traphaco has an internal audit department and effectively implements these practices.
E.3.18	The appointment and dismissal of the internal auditor must be approved by the Audit Subcommittee.	✔	
	Risk monitoring		
E.3.19	The company discloses its internal control process/risk management system and periodically reviews the effectiveness of the system it is implementing.	✔	Traphaco has a risk management process, which has been disclosed in the Annual Report since 2017.
E.3.20	The annual report/corporate governance report discloses that the Board members have reviewed the company's key control points (including operational, financial, and compliance controls) and risk management systems.	✔	Traphaco effectively implements this practice.

✔ : Good practice implemented ✔ : Practice partially implemented ✘ : Practice not implemented

Code	Criteria	Status as of 2024	Evaluation
E.3.21	The company discloses how it manages significant risks (such as financial, operational, including IT, environmental, social, and economic risks).	✔	Traphaco has classified the risks, outlined the methods for managing major risks, and disclosed them since the 2016 Annual Report.
E.3.22	The annual report/corporate governance report includes a statement from the Board members or the Audit Subcommittee regarding the adequacy of the company's internal control points/risk management system.	✔	The annual report has presented the activities of the Audit Subcommittee, which oversees the Internal Audit Department in executing the audit plan approved by the Board of Directors. This demonstrates the Audit Subcommittee's role in overseeing and improving the internal control system..
E.4	Personnel in the Board of Directors		
	Chairman of the Board of Directors		
E.4.1	Two different individuals hold the positions of Chairman of the Board of Directors and CEO.	✔	Traphaco has met this criterion since 2011.
E.4.2	The Chairman is an independent member of the Board of Directors.	✔	Traphaco meets this criterion.
E.4.4	The roles and responsibilities of the Chairman are publicly disclosed.	✔	Traphaco has regulations regarding the roles and responsibilities of the Chairman of the Board of Directors in its Articles of Association and the Board of Directors' Operating Regulations.
	Lead independent director is the senior independent director.		
E.4.5	If the Chairman is not an independent member of the Board of Directors, the Board elects a Lead Independent Director, and the role of this position is clearly defined.	✔	
	Skills and Competencies		
E.4.6	The company has at least one non-executive board member with prior experience in the main field in which the company operates.	✔	Có.
E.5	Effectiveness of BOD		
	Board member development		
E.5.1	The company has an orientation program for new board members.	✔	New board members are introduced to all departments to understand the company's business operations; they have access to board meeting materials to grasp the company's development direction.
E.5.2	The company has a policy encouraging board members to participate in continuous training or professional development programs.	✔	Traphaco organizes corporate governance training for board members and company leaders. Annually, board members and senior management participate in corporate governance training courses.
	Appointment and Effectiveness of the CEO/Board of Management		
E.5.3	The company discloses how the Board of Directors develops succession planning for the positions of CEO/Chairman/key personnel.	✔	Traphaco has a regulation for the appointment of leaders and management personnel.

CORPORATE GOVERNANCE SCORECARD ANALYSIS
BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (Continued)

Code	Criteria	Status as of 2024	Evaluation
E.5.4	The Board of Directors conducts an annual performance evaluation for the CEO/Executive Director/key management personnel.	✔	This is clearly specified in the organization's rules and operations of the Board of Directors and is carried out twice a year.
Evaluation of BOD			
E.5.5	The company conducts an annual evaluation of the Board of Directors' performance and publicly discloses the evaluation process as well as the criteria used for the assessment.	✔	The company conducts an annual review and evaluation of the Board of Directors' activities, and publishes the results in the Annual Report.
Evaluation of BOD members			
E.5.6	The company conducts an annual performance evaluation for each member of the Board of Directors and publishes the evaluation process and criteria used.	✖	Traphaco has not yet implemented this practice.
E.5.7	The company also conducts an annual performance evaluation for the subcommittees of the Board of Directors and publishes the evaluation process and criteria used.	✖	Traphaco has not yet implemented this practice.

LEVEL 2 QUESTIONS

Code	Criteria	Status as of 2024	Evaluation
BONUS QUESTIONS			
(B)A.	Rights of Shareholders		
(B)A.1	The right to effectively participate in and vote at the General Meeting of Shareholders is communicated in the regulations, including the voting procedures that take place during the General Meeting of Shareholders.		
(B)A.1.1	Does the company allow absentee voting through electronic means at the General Meeting of Shareholders, ensuring its validity?	✖	Traphaco has not yet implemented this practice.
(B)B.	Fair treatment of shareholders		
(B)B.1.1	The company issues a notice about the General Shareholders' Meeting (including a detailed agenda and explanatory notice), such as notifying the Stock Exchange, at least 28 days prior to the meeting date.	✔	Currently, the notice is issued 20 days before the record date (thus, at least 28 days prior to the General Shareholders' Meeting date).
(B)C.	Roles of related stakeholders		
(B)C.1	The rights of stakeholders, as regulated by law or according to bilateral agreements, must be respected.		
(B)C.1.1	The company implements internationally recognized reporting frameworks for sustainability development (i.e., GRI, Integrated Reporting, SASB).	✔	Traphaco's sustainability report is conducted based on GRI criteria.
(B)D.	Disclosure of Information and Transparency		
(B)D.1	Quality of the Annual Report		

✔ : Good practice implemented ⚡ : Practice partially implemented ✖ : Practice not implemented

Code	Criteria	Status as of 2024	Evaluation
(B)D.1.1	The annual audited financial statements are publicly disclosed within 60 days from the end of the fiscal year.	⚡	Traphaco discloses its annual financial statements in accordance with the information disclosure regulations of the State Securities Commission, which is no later than 90 days from the end of the fiscal year.
(B)D.1.2	The company discloses detailed information about the CEO's remuneration.	✔	Traphaco has disclosed detailed information about the CEO's remuneration since the 2016 Annual Report.
(B)E.	Responsibilities of BOD		
(B)E.1	BOD's Capability and Diversity		
(B)E.1.1	Does the company have at least one female independent board member?	✖	There are 02 male independent board members.
(B)E.1.2	Does the company disclose its policy and measurable objectives for implementing board diversity and report on progress made?	⚡	Traphaco has achieved the EDGE certification for gender equality, which applies to all levels of the company's personnel. However, at the board level, it is more challenging due to the limited availability of high-level human resources in the pharmaceutical industry in Vietnam.
(B)E.2	BOD structure		
(B)E.2.1	Does the Human Resources Subcommittee include all independent board members?	✖	The Human Resources Subcommittee has 2 independent board members.
(B)E.2.2	The Human Resources Subcommittee follow a process to establish criteria for the quality of board members that align with the company's strategic direction	✔	The Board of Directors' regulations include criteria for the quality of board members to align with the company's needs.
(B)E.3	Appointment and Re-election of the BOD		
(B)E.3.1	The company uses search firms or external independent candidate sources (such as board member databases established by board member institutes or shareholder associations) when seeking candidates for the Board of Directors.	✔	The company carries out this process when seeking candidates for the Board of Directors.
(B)E.4	Structure and Composition of the BOD		
(B)E.4.1	The company has more than 50% of the board members being independent, non-executive members, with the chairman being an independent member.	⚡	Traphaco's Board of Directors has 2 independent members out of a total of 7 board members.
(B)E.5	Risk management		
(B)E.5.1	The Board of Directors describes the governance process regarding issues related to information technology, such as disruptions, cybersecurity, disaster recovery, to ensure that all major risks are identified, managed, and reported to the Board.	✔	Traphaco has a Risk Management Committee responsible for these issues, continuously monitoring, supervising, ensuring risk control, and reporting to the Board of Directors when requested.
(B)E.6	Board of Directors' effectiveness		
(B)E.6.1	The company has a separate Risk Management Subcommittee.	✖	Currently, the Risk Management Board is part of the management team

CORPORATE GOVERNANCE SCORECARD ANALYSIS
BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (Continued)

Code	Criteria	Status as of 2024	Evaluation
PENALTY QUESTIONS			
(P)A.	Shareholders' Rights		
(P)A.1	Basic rights of Shareholders		
(P)A.1.1	The company does not or negligently fails to treat all shareholders equally in share buyback transactions.	✔	Traphaco treats all shareholders fairly in share buyback transactions.
(P)A.2	Shareholders, including institutional shareholders, must be engaged in discussions with each other on matters related to their basic rights as outlined in this Corporate Governance Code, except in cases where exceptions are necessary to prevent abuse.		
(P)A.2.1	Is there any evidence of barriers preventing shareholders from exchanging information or consulting with other shareholders?.	✔	No evidence
(P)A.3	The right to effectively participate in and vote at the General Shareholders' Meeting, and to be informed about the regulations, including the voting procedures during the General Shareholders' Meeting.		
(P)A.3.1	The company includes additional items that were not previously notified in the agenda in the notice of the General Shareholders' Meeting/ Extraordinary General Shareholders' Meeting.	✔	Traphaco organizes the General Shareholders' Meeting in accordance with the regulations of the Law on Enterprise and related guiding documents, without violating this requirement.
(P)A.3.2	The Chairman of the Board of Directors, the Chairman of the Audit Subcommittee, and the CEO/Director attended the most recent General Shareholders' Meeting.	✔	All members of the Board of Directors attended the General Shareholders' Meeting.
(P)A.4	The capital structure and any agreements that allow certain shareholders to hold control rights disproportionate to the percentage of shares they own must be publicly disclosed.		
	The company does not disclose the existence of:		
(P)A.4.1	Shareholder agreements.	✔	Traphaco does not have any such special privileges or restrictions.
(P)A.4.2	Voting restrictions.	✔	
(P)A.4.3	Multiple voting rights shares.	✔	
(P)A.5	The capital structure and agreements that allow certain shareholders to hold control disproportionate to the percentage of shares they own must be publicly disclosed.		
(P)A.5.1	A pyramid ownership structure and/or cross-ownership structure exists.	✔	Traphaco does not have this ownership structure, and all shareholders have equal rights and are treated fairly.
(P)B.	Fair treatment of shareholders		
(P)B.1	Insider trading and self-dealing transactions must be prohibited.		
(P)B.1.1	Has the company been found guilty of any violations related to insider trading involving board members, executive management, and employees in the past three years?	✔	There has been no finding of violation. Information on transactions of insiders and related persons has been disclosed in accordance with regulations.
(P)B.2	Protection of minority shareholders against abusive practices		
(P)B.2.1	Are there any instances of non-compliance with laws, rules, and regulations related to significant or material related-party transactions in the past three years?	✔	None

✔ : Good practice implemented ⚠ : Practice partially implemented ✖ : Practice not implemented

Code	Criteria	Status as of 2024	Evaluation
(P)B.2.2	Are there any related-party transactions that could be classified as financial support (i.e., not conducted on a reasonable market basis) to entities other than subsidiaries?	✔	The company currently does not engage in these activities.
(P)C.	The role of related stakeholders		
(P)C.1	The rights of stakeholders, as regulated by law or according to bilateral agreements, must be respected.		
(P)C.1.1	There have been no violations of laws regarding labor/employment/consumer/procurement/competition or environmental issues.	✔	None
(P)C.2	When stakeholders are involved in the corporate governance process, they must have timely and regular access to appropriate, complete, and reliable information.		
(P)C.2.1	Does the company face any penalties from regulatory authorities for failing to disclose information within the required time frame for material events?	✔	None
(P)D.	Disclosure of Information and Transparency		
(P)D.1	Penalties from regulatory authorities related to financial reporting		
(P)D.1.1	Company receives a "qualified opinion" in the independent audit report	✔	None
(P)D.1.2	Company receives an "adverse opinion" in the independent audit report	✔	None
(P)D.1.3	Company receives a "disclaimer of opinion" in the independent audit report	✔	None
(P)D.1.4	Company amends its Financial Statements in the past year for reasons other than changes in accounting policies	✔	None
(P)E.	Responsibilities of BOD		
(P)E.1	Compliance with the current regulations, rules, and laws regarding listing		
(P)E.1.1	There is evidence that the company has not complied with any listing rules and regulations in the past year, other than the information disclosure regulations.	✔	No evidence
(P)E.1.2	There has been a case where a non-executive board member resigned and raised any concerns related to governance.	✔	No case
(P)E.2	BOD structure		
(P)E.2.1	The company has an independent board member who has served for more than 9 years or two 5-year terms (whichever is higher) in the same position.	✔	None
(P)E.2.2	The company has not clearly identified who the independent board members are.	✔	The company has clearly identified 02 independent board members.
(P)E.2.3	The company has any independent board members holding governance roles in a total of more than 5 boards of listed companies.	✔	None

CORPORATE GOVERNANCE SCORECARD ANALYSIS
BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (Continued)

✔ : Good practice implemented ⚡ : Practice partially implemented ✖ : Practice not implemented

Code	Criteria	Status as of 2024	Evaluation
(P)E.3	Independent audit		
(P)E.3.1	(In the past two years) There were member of the Board of Directors or senior executive been an employee or partner of the current independent auditing firm	✔	None.
(P)E.4	Composition and Structure of the BOD		
(P)E.4.1	The Chairman of the Board has been the CEO of the company for the past 3 years.	✔	None.
(P)E.4.2	Independent non-executive members do not receive stock options or bonus shares	✔	None.



Report of risk management
in 2024

📌 In 2024, the global commodities market was affected by complex political, economic, and social factors, including the Russia-Ukraine conflict, tensions in the Middle East, and strategic competition among major countries. However, Vietnam’s economy still maintained a positive trajectory, characterized by low inflation and stable growth. The Vietnam pharmaceutical industry achieved significant milestones, ensuring the supply of high-quality medicines at reasonable prices, even in the face of raw material price fluctuations and intense competition.

In that context, Traphaco focused on innovation, research and development, accelerating digital transformation, and strengthening risk management. These efforts have enabled the Company to respond flexibly to challenges, optimize operational efficiency, and seize opportunities, driving towards sustainable growth.



Strategic risk management



Continuing to implement the objectives set forth by the General Meeting of Shareholders for the 2021-2025 term “Maintaining the No.1 Position in Herbal Medicine - Focusing on investment and development of Non-Herbal Medicine”, Traphaco has intensified investment in new product research, particularly in strengthening research on premium Herbal medicine, high-quality Western medicine, Generic medicine, bioequivalent drug, and technology-transferred medicine from Daewoong. Traphaco has successfully produced and launched 3 Phase 1 technology-transferred products and achieved Bioequivalence for 12 products.

In 2024, the Company integrated artificial intelligence (AI) to optimize operations. Additionally, various information technology solutions were implemented to enhance the efficiency of business and production management.

Thanks to the relentless efforts of the entire executive board and employees, Traphaco achieved remarkable results in 2024. Specifically, the number of product registrations/announcements exceeded the set targets; 38 new drug registration numbers were granted; 9 new products were introduced to the market. Quality management was rigorously maintained, ensuring that all production activities met the required standards.

Recognizing the increasing demand for high-quality, safe, and effective medicine, alongside global economic integration and stricter pharmaceutical production regulations, the pharmaceutical company must enhance its manufacturing capabilities, particularly in compliance with international standards such as GMP-EU. Traphaco established a dedicated project team to implement GMP-EU standards, aiming to ensure the highest product quality, build trust among partners and consumers, create new opportunities, and enhance competitiveness in the global market. Furthermore, this project helped Traphaco optimize manufacturing processes and quality control, minimize product safety risks, comply with stringent pharmaceutical regulations in multiple countries, and solidify Traphaco's position in the pharmaceutical industry.

Legal risk management



In 2024, Traphaco strengthened its legal risk management efforts to protect corporate interests and ensure compliance with legal regulations, particularly in light of new pharmaceutical industry regulations, such as Law No. 44/2024/QH15, which amended and supplemented certain provisions of the law enacted on November 21, 2024. The Company actively participated in drafting, reviewing, and updating legal documents, helping to mitigate legal and financial risks.

Key activities included:

Contribution and participation in the development of legal documents: continued to be promoted in 2024, increasing in quantity, frequency, and quality, gradually removing problematic regulations for the Company's operations.

Traphaco participated in numerous seminars and business dialogues, contributing opinions on draft legal documents, especially adjustments in the Law on Pharmacy and related regulations. The Company also participated in contributing to the amendment of the Law on Pharmacy and related documents in 2024, helping to remove difficulties regarding distribution rights, drug registration, bidding, and taxes.

Updating and disseminating legal changes: Traphaco updated and disseminated changes in legal documents and assesses their impact on business operations, especially in the pharmaceutical field. The Company ensured that relevant departments are fully aware of the new regulations and apply them effectively.

Reviewing contracts and transactions: The legal department has carried out the control of legal disputes through reviewing important contracts and transactions before signing. The development of contract templates in 2023 has significantly reduced the number of contracts requiring review in 2024, improving productivity and work efficiency, while minimizing legal risks.

Legal consulting: Legal consulting work is emphasized, especially for important issues in the company system. The Company has applied modern tools, such as process digitization and the use of AI, to improve the quality and efficiency of consulting, while helping to detect and handle potential risks in a timely manner.

Thanks to proactive measures in legal risk management, Traphaco not only maintains legal compliance but also protects business interests, minimizes financial losses, and enhances its position in the pharmaceutical industry.

Financial risk management

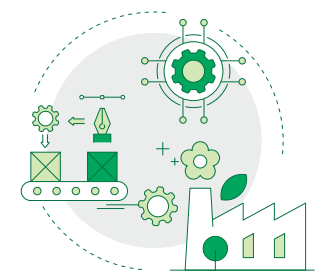


In 2024, Traphaco confronted various financial risks stemming from foreign exchange rate fluctuations, inflation, and rising input material costs, all of which impacted production expenses and profit margins. To address these challenges, the Company implemented comprehensive financial risk management measures. Traphaco executed cost control through the development of annual budgets and reasonable cost limits, aiming to eliminate inefficient expenditures while ensuring flexible production and business operations. The Company also enhanced its cash flow management capabilities, optimizing accounts receivable and payable to maintain stable liquidity in an uncertain economic environment.

Traphaco pursued digital transformation in finance and accounting, establishing an intelligent financial data platform that facilitates more accurate analysis and forecasting, thereby improving risk management capabilities. Notably, in 2024, the Company successfully implemented a digital transformation solution for cashless payments: nationwide adoption of cashless payments for branches, deployment of the Order Center, and implementation of 100% cashless payments via bank transfers or QR code. These initiatives minimized cash-related risks, optimized revenue and expenditure processes, and enhanced transaction transparency. These solutions also helped save time, reduce operating costs, and support accurate and transparent tax compliance.

Furthermore, Traphaco maintained close partnerships with banks and financial institutions to ensure stable capital sources, supporting long-term development strategies. In an economic environment marked by volatility and policy changes, the Company also prioritized continuous updates on new regulations and control of other expenses. These measures enabled Traphaco to maintain financial stability and sustainable growth, while capitalizing on opportunities in unpredictable market conditions.

Operational risk management



In 2024, activities were implemented in line with risk management strategies to maintain Traphaco's leading position in Vietnam pharmaceutical industry, while affirming its sustainable development and innovative strategies.

Firstly, the company focused on **developing a diversified product portfolio**, including Herbal medicine, Western medicine, Generic medicine, and technology-transferred products, meeting the growing demands of the market. To ensure superior quality, Traphaco emphasized enhancing standards from raw material input to final products, maintaining modern GMP-compliant production processes. Simultaneously, the Company actively conducted **research and development (R&D) of new products**, expanding its product portfolio to increase market competitiveness.

Parallel to product development, Traphaco accelerated its **digital transformation strategy and applied technology** to all aspects of operations. A notable initiative was the **"Application of traceability and overstock management"**, providing Traphaco with the ability to monitor product information across the value chain, while offering customers the necessary tools to easily verify the origin and authenticity of products, ensuring quality produced by Traphaco. For key products like Boganic and Hoat huyet duong nao, the QR code



identification feature minimized the risks of counterfeit and unauthorized sales in the market. Enhancing the digitization of activities across Traphaco's value chain, including the addition of an online database for Astiso cultivation areas. In 2024, the Company initiated the **"Order processing center"** and gradually implemented it. This demonstrates the determination of the Company's leaders to streamline the sales process, providing customers with a faster, more convenient, and transparent shopping experience. Reducing order processing time also improved management efficiency, minimized errors, and optimized operational costs. Simultaneously, this contributed to creating a competitive advantage for the Company in an increasingly fierce market. In 2024, Traphaco also applied digital tools such as human resource management software, sales applications supporting pharmaceutical sales representatives (TDV), the Base digital office, and cashless payment methods, enhancing business efficiency, optimizing operating costs, and improving financial management effectiveness.

Traphaco effectively managed its distribution by maintaining both **the ETC and OTC channels**. In the ETC channel (hospital and doctor sales), the company recorded a 9.8% growth in the third quarter of 2024 due to the recovery of the economy and the pharmaceutical industry. Although this channel accounted for only about 10% of total revenue, it still contributed significantly to the Company's stability. Meanwhile, in the OTC

channel (retail pharmacy sales), Traphaco faced intense competition from modern pharmacy chains. However, Traphaco continued to support traditional pharmacies by providing modern sales tools and optimal customer care services, thereby maintaining its market share in this segment.

In 2024, Traphaco strengthened its **customer care** efforts, focusing on building strong relationships and increasing customer satisfaction. The company organized customer conferences combined with professional information updates, creating an open and engaging interaction space. These events not only provided useful information but also facilitated the gathering of feedback, gaining deeper insights into customer needs and expectations.

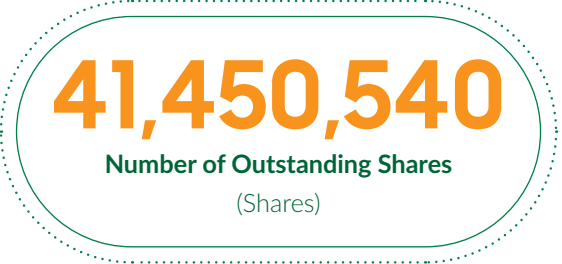
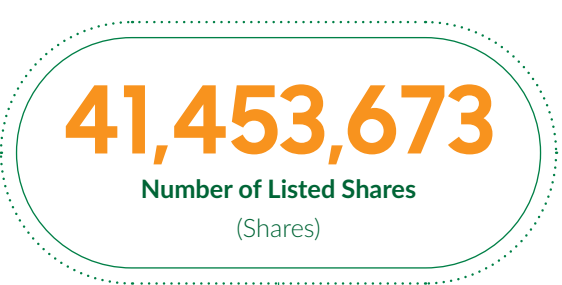
Additionally, Traphaco placed special emphasis on **human resource development**, recognizing it as a key factor in driving innovation and sustainable growth. The company **implemented an E-learning system**, enabling employees to update professional knowledge, enhance skills, and develop their careers flexibly and effectively. Online training programs for pharmaceutical sales representatives and sales staff were organized regularly, helping them grasp the latest knowledge and skills in the pharmaceutical field. Simultaneously, Traphaco built a dynamic working environment with the Base digital office, facilitating remote work and improving labor efficiency.

With a strategic vision and flexible adaptability to the fluctuations of the pharmaceutical industry, Traphaco is affirming its pioneering position in Vietnam. Through digital transformation and operational optimization, Traphaco not only maintained growth momentum but also opened up new opportunities, creating long-term value for customers, partners, and the community. Simultaneously, by applying risk management and effective change management thinking, Traphaco overcame challenges, making a significant contribution to the outstanding successes in 2024. This is a solid foundation for Traphaco to develop sustainably and reach new heights in the future.

Share Information & Investor Relations (IR)

TRA Stock Information

(As of the latest registration date January 6, 2025)



Shareholder Structure

Organizational shareholders	Percentage	Individual shareholders	Percentage
Foreign organizations	46.44%	Foreign Individuals	0.21%
Domestic organizations	36.57%	Domestic Individuals	17.77%
State shareholders	35.67%	Treasury Stock	0.01%

List of major shareholders holding more than 5% of the Company's share capital

No.	Name of Organization	Business Registration Number	Address	Share volume	Ownership percentage
1	State Capital Investment Corporation	0101992921	No. 117 Tran Duy Hung, Cau Giay, Hanoi	14,786,512	35.67%
2	MAGBI Fund Limited	ERC No.: 2565995	UNIT810,8/FSTARHSE 3 SALISBURY RD TST KLN HONG KONG	10,361,385	25.00%
3	Super Delta Pte. Ltd.	201722666G	10 Anson Road, # 23-14P, International Plaza, Singapore (079903)	6,267,289	15.12%
4	ACCESS S.A., SICAV-SIF - ASIA TOP PICKS	CB9798	46A, avenue John F. Kennedy L-1855 Luxembourg	2,133,000	5.15%

Source: Shareholder list as of the final registration date, January 6, 2025, of Traphaco Joint Stock Company.

Stock performance of TRA
in 2024

The price movement of
TRA stock in 2024

In 2024, TRA stock continued to show **high stability**, in line with the characteristics of a leading pharmaceutical company.



89,000
Highest price
(VND/share)

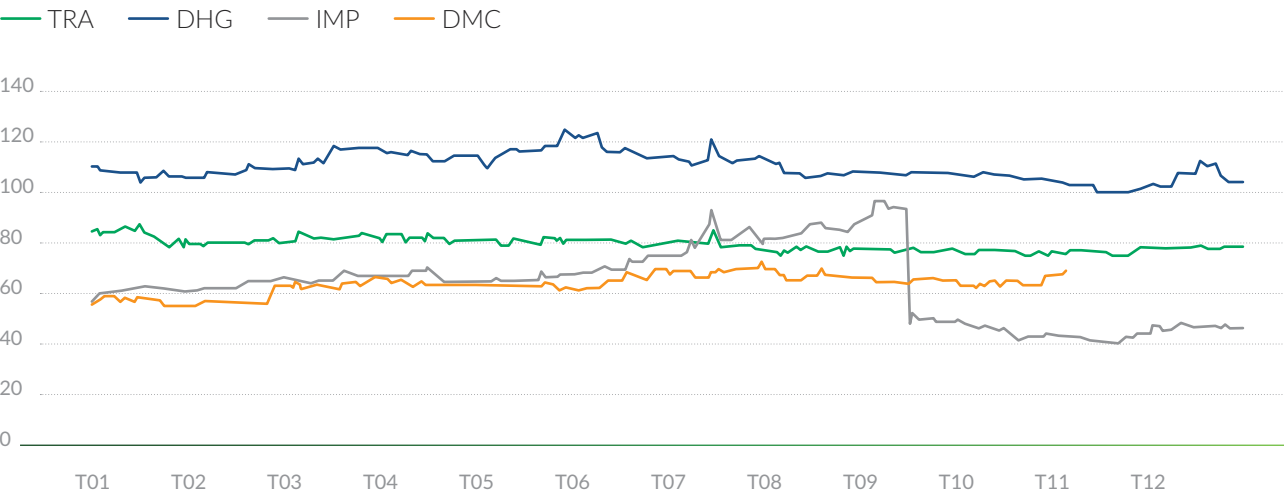
75,000
Lowest price
(VND/share)

78,500
Closing price at the end
of the year (VND/share)

2,318
Average liquidity
(shares/session)

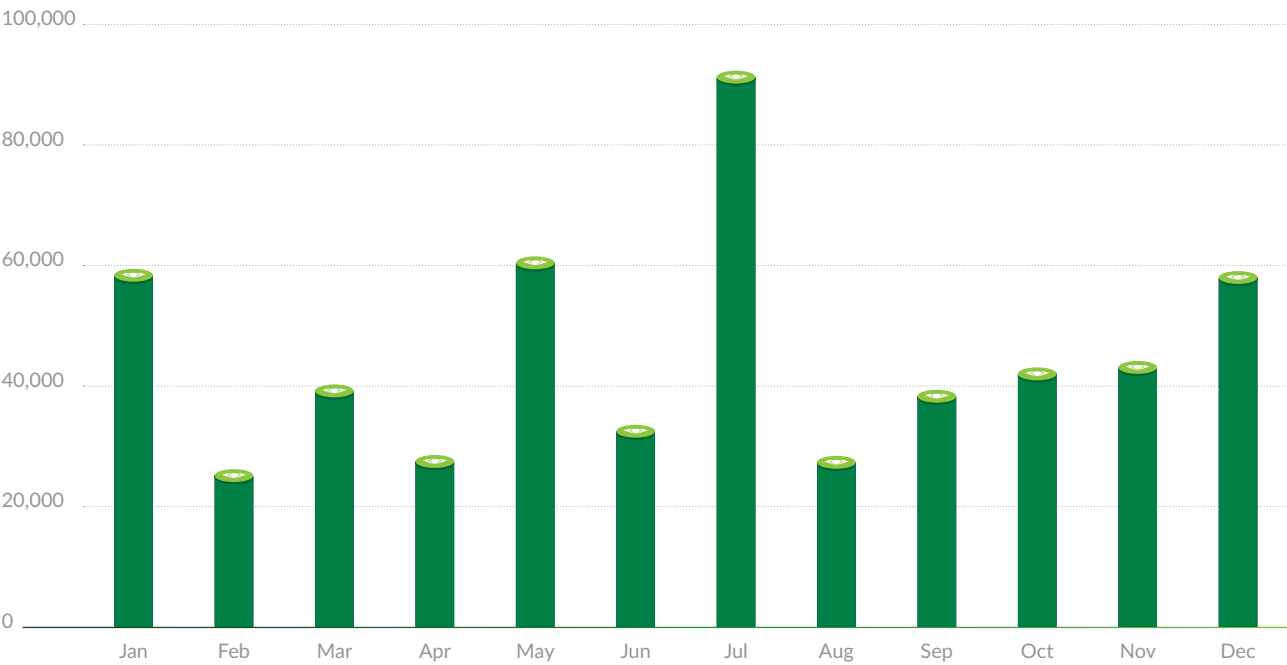
Despite the volatility of the Vietnamese stock market, TRA remains an **attractive choice for long-term investors**, thanks to its solid business model and strong growth potential in the Western medicine sector.

Comparing TRA stock with the general market



In the context of the VN-Index growing by **12.11%** in 2024, TRA stock maintained a reasonable price, reflecting **stability** and **less volatility** compared to many other stocks. Compared to many companies in the industry, TRA has maintained its value thanks to a stable financial foundation and a sustainable business model.

Trading volume of TRA stock in 2024



In 2024, Traphaco's stock was most actively traded in July, with July 16, 2024, recording the highest trading volume of the year: 33,100 shares.

Attractive dividend policy – Ensuring Shareholder benefits

Traphaco has always maintained a stable dividend policy, reinforcing its long-term commitment to shareholders.

The attractive dividend policy, combined with stable growth potential, ensures that TRA remains one of the most investable pharmaceutical stocks in the market.

40%
Dividend payout ratio
for 2024

TRA stock outlook in 2025

In 2025, Traphaco aims for strong growth, reinforcing its leading position in the pharmaceutical industry with key strategic initiatives:

- Expanding product portfolio, focusing on R&D to develop new Western medicine products.
- Strengthening market share in major hospitals and increasing revenue from the ETC channel.
- Boosting exports and expanding into international markets to drive long-term growth.
- Leveraging technology in the supply chain to optimize costs and improve profit margins.

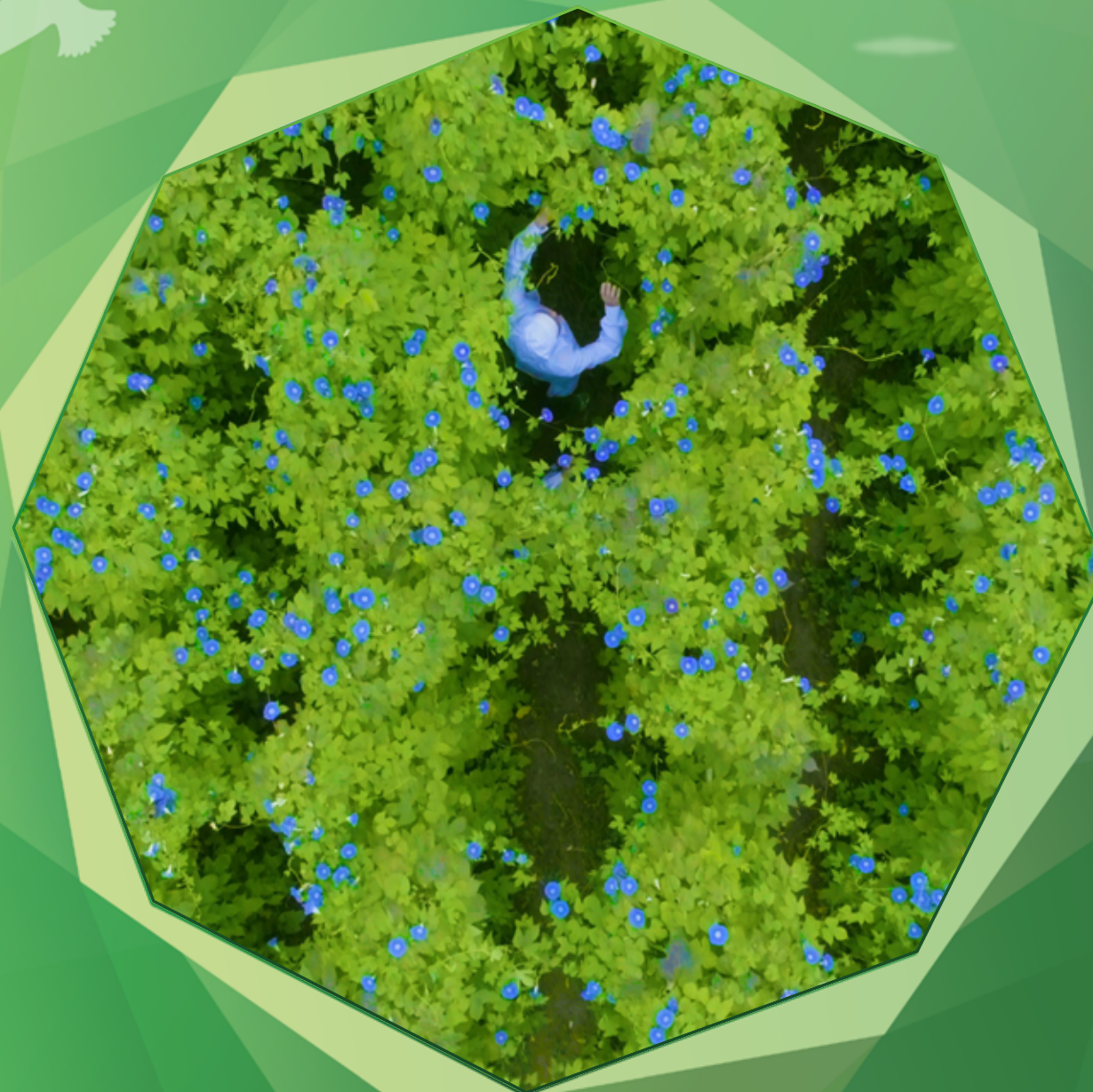
With a solid foundation and clear strategic direction, TRA is expected to remain a noteworthy stock in the Vietnamese stock market in 2025.

4,000
Cash dividend
(VND/share)

4,990
Earnings per share (EPS)
(VND/share)

Sustainable DEVELOPMENT

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Overview of the report

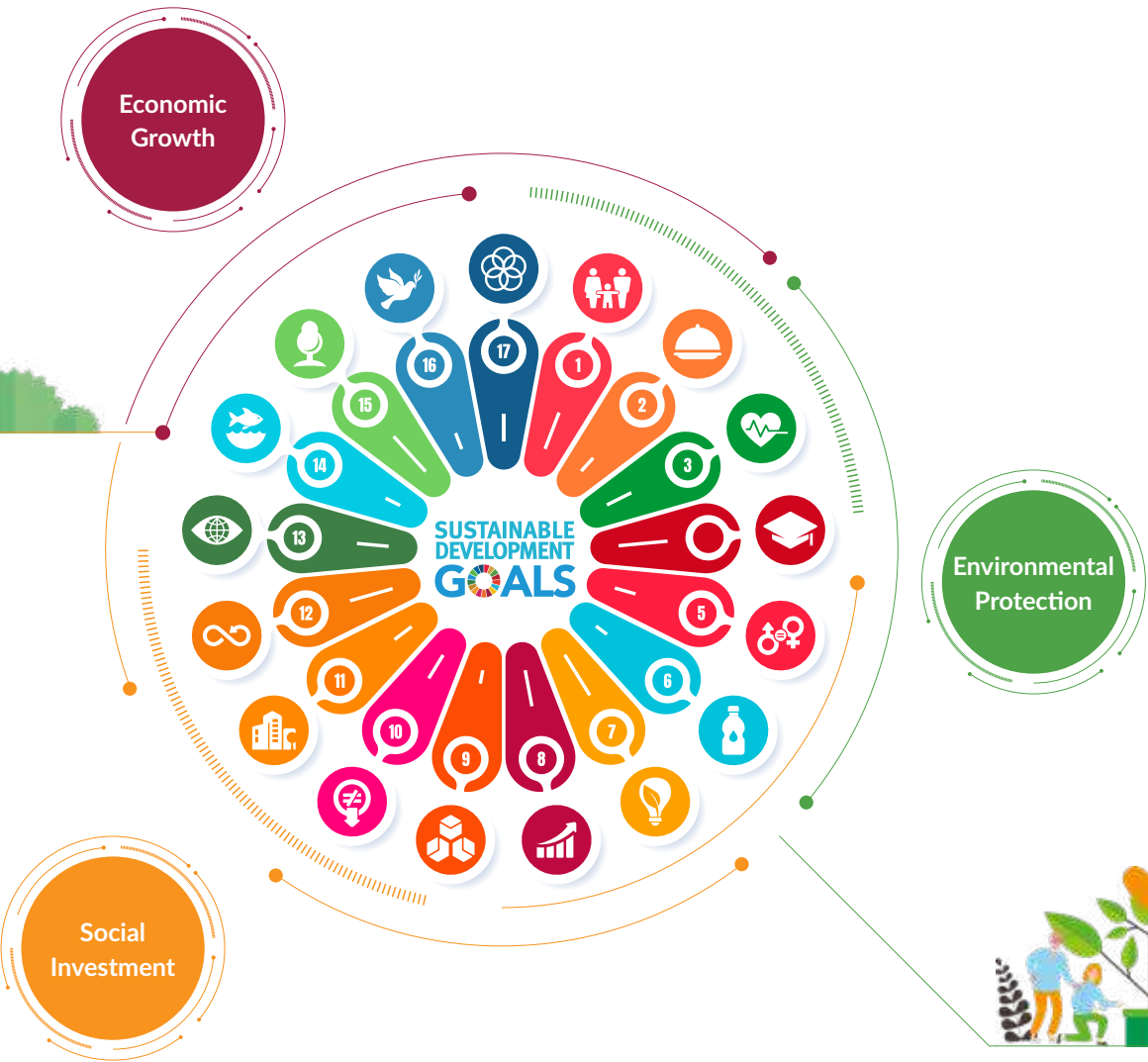
Traphaco’s approach to sustainability issues stems from the company’s long-term economic growth objectives, combined with social development and environmental protection goals, thereby contributing to the overall development of the community. This report records the significant activities of Traphaco and its subsidiaries (hereinafter referred to as “Traphaco”) related to sustainability issues in 2023.

- Report Scope:** Traphaco Company
- Report Period:** January 1, 2024 - December 31, 2024
- Applicable Standards:** Traphaco prepares its own Sustainable Development Report in accordance with the “In Accordance” option - Core of the GRI Standards.



Traphaco’s Sustainable Development Model

Traphaco always integrates economic growth with environmental protection and social responsibility – three key factors that form the foundation for Traphaco’s long-term success.



Through engagement and interaction with stakeholders, we have recognized that, alongside achieving economic growth, ensuring the benefits of society, communities, and preserving the environment play equally important roles in Traphaco’s sustainable development.

Strategic Direction for Sustainable Development

The High-Level Political Forum (HLPF) on Sustainable Development in 2017, held in July 2017, had the theme **“Eradicating poverty and promoting prosperity in a changing world.”** The group of goals discussed and focused on for the following phase includes:

- SDG 1** End poverty in all its forms everywhere
- SDG 2** End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
- SDG 3** Ensure healthy lives and promote well-being for all at all ages
- SDG 5** Achieve gender equality and empower all women and girls
- SDG 9** Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
- SDG 14** Conserve and sustainably use the oceans, seas, and marine resources for sustainable development
- SDG 17** Strengthen the means of implementation and revitalize the global partnership for sustainable development (to be reviewed annually)

According to Vietnam’s Voluntary National Review (VNR) report presented by Deputy Minister of Planning and Investment Nguyen The Phuong at the HLPF in 2018, notable achievements include GDP growth and poverty reduction (SDG 1), health insurance (SDG 3), and improvements in environmental and natural resource management (SDG 15).



Based on the specific content of the 17 United Nations Sustainable Development Goals (SDGs) and referring to Vietnam’s own SDGs (VSDGs), as well as the issues addressed at the High-Level Political Forum in 2017, as a pharmaceutical manufacturing and business enterprise, Traphaco has selected and integrated the following goals into its strategic direction for sustainable development for the period 2021-2025:



Định hướng chiến lược phát triển bền vững



Sustainable and effective growth



GOAL 1 (SD8)
Promote sustainable, efficient, and long-term economic growth; create jobs and improve labor productivity for all.

GOAL 2 (SD12)
Ensure responsible consumption and production.

GOAL 3 (SD9)
Build resilient infrastructure, promote inclusive and sustainable industrialization, and encourage innovation.

Optimize business management capacity and the Green value chain efficiency. Enhance business performance through business scale and improve productivity and quality at Traphaco to increase efficiency and add value, aiming to become Vietnam's leading Green Brand.

Invest in research and development activities, especially research into exploiting the knowledge of traditional Vietnamese medicine, using high-quality medicinal herbs grown in Vietnam to create modern products that serve domestic needs and exports.

Enhance operational efficiency through investment in technology that meets the highest standards in the Vietnamese pharmaceutical industry to increase resource utilization efficiency, and apply more clean and environmentally friendly technologies; Implement a modern management system based on integrated information technology platforms.

Build a work environment that ranks among the best in Vietnam; Ensure fair salary, bonus, and welfare policies for employees, create motivation for work, and encourage innovation.



Contribution to the overall development of society



GOAL 4 (SD1)
End poverty in all its forms everywhere.

GOAL 5 (SD3)
Ensure healthy lives and promote well-being for all at all ages.

Pioneering in responding to the campaign for prioritizing the use of Vietnamese products: using Vietnamese raw materials and knowledge to serve healthcare.

Guiding and transferring techniques for growing and developing medicinal herbs in localities to help increase income and stabilize the lives of ethnic minorities and farmers in medicinal herb-growing regions.

Contributing to community access to medicine through continuous innovation to improve product quality, labor productivity, optimize costs, and create pharmaceutical products that meet the needs of society.



Join hands to protect the environment



GOAL 6 (SD13)
Take urgent action to combat climate change and its impacts.

Ensure the conservation of ecosystems, biodiversity, combat desertification, restore degraded land and soil.

Reforest barren hills and mountains with medicinal herb-growing areas that meet GACP-WHO standards.

Minimize activities that generate waste and environmental pollution, contributing to the restoration of the environment and human health.

Use energy efficiently through the rational and conscious use of energy sources and natural resources.

Action Plan in 2024



Effective and sustainable growth

- 1 — Promote sustainable, efficient, and long-term economic growth; create jobs and enhance labor productivity.
- 2 — Optimize business governance capacity and the Green value chain.
- 3 — Improve business efficiency through business scale and enhance productivity and quality at Traphaco to increase its value and become Vietnam’s leading Green Brand.
- 4 — Invest in research and development activities. Implement a strategy to diversify products around core products. Focus on developing Western medicine and technology transfer activities.
- 5 — Optimize costs in all business activities through: Digital transformation, Budget allocation, Delegating responsibilities, and Controlling according to budget limits.



Contribution to the overall development of society

- 1 — Join hands with the community to prevent epidemics throughout the year. Comply with state regulations. Contribute and support healthcare activities for patients and citizens nationwide.
- 2 — Enhance operational efficiency through investment in the highest standard technology in the pharmaceutical industry in Vietnam to increase resource utilization and apply more clean and environmentally friendly technologies; modern management systems based on integrated information technology platforms.
- 3 — Build a working environment that is among the best in Vietnam; ensure salary, bonus, and welfare policies for employees, create motivation for work, and encourage creativity.
- 4 — Ensure responsible consumption and production. Enhance value for customers and improve product quality.
- 5 — Take the lead in responding to the campaign encouraging Vietnamese people to prioritize using Vietnamese raw materials and knowledge for healthcare.
- 6 — Guide and transfer techniques for growing and developing medicinal herbs in localities to help increase income and stabilize the lives of ethnic minorities and farmers in medicinal herb cultivation areas.
- 7 — Ensure healthy lives and enhance welfare for people of all ages.



Join hands to protect the environment

- 1 — Action to respond to climate change: Implement Carbon Footprint reporting for the parent company and its subsidiaries.
- 2 — Reforest barren land and barren hills with medicinal herb cultivation areas that meet GACP - WHO standards.
- 3 — Minimize activities that generate waste and environmental pollution, contributing to the restoration of the environment and human health.
- 4 — Use energy efficiently through the rational and conscious use of energy sources and natural resources.
- 5 — Protect, regenerate, and promote the sustainable use of terrestrial ecosystems, manage forest resources sustainably, combat desertification, soil erosion, and biodiversity loss.

Economic Growth



As a typical example of sustainable development in Vietnam, Traphaco always strives for the development of a green economy with three goals: high economic efficiency linked to social responsibility and environmental protection.

Business Operations

Continuing its 50-year journey of development, 2024 marks significant transformations for Traphaco towards the goal of becoming the number one pharmaceutical brand in Vietnam. The business restructuring project continues to be implemented and improved, applying a new organizational model and matrix of decentralization, as well as planning the Business and Marketing, Research and Development (R&D), Finance - Planning, and support departments.

In 2024, Vietnamese pharmaceutical companies are facing many challenges such as slow economic growth, high inflation in major economies, and increasing geopolitical tensions. In this challenging context, thanks to flexible adaptation, proactive resource management, and stable business operations, Traphaco Joint Stock Company has continued to maintain high revenue and profit levels.

The results of stable business operations, excellent employee welfare, and outstanding customer care activities have led to Traphaco being awarded numerous prestigious awards by both domestic and international organizations, including: Traphaco for the 7th consecutive time achieving the title of Vietnam National Brand, Traphaco being the industry leader in the number of products awarded the National Brand in 2024; Top 50 Best Listed Companies (Forbes VN); Top 10 Sustainable Enterprises CSI 2024, and many other awards.

Indicators for product registration, new product development, and other targets have all been completed and exceeded the set plans.

In 2024, Traphaco maintains a dividend rate of 40%, corresponding to 82.9 billion VND, which is high compared to the average in the pharmaceutical market.

REVENUE (Unit: Billion VND)	PROFIT AFTER TAX (Unit: Billion VND)
2,370.2	257
Growth of 1.7% compared to 2023	

CAGR 2020-2024:
Traphaco achieved revenue and profit growth rates of 5.19% and 5.04%, respectively.

CONTRIBUTION TO THE STATE BUDGET (Unit: Billion VND)	DIVIDEND PAYMENT TO SHAREHOLDERS (Unit: Billion VND)
100.62	82.9

Social Investment



Human resource development and policies for employees



WORKFORCE

Total workforce

AS OF DECEMBER 31, 2024,
THE TOTAL WORKFORCE OF
TRAPHACO IS

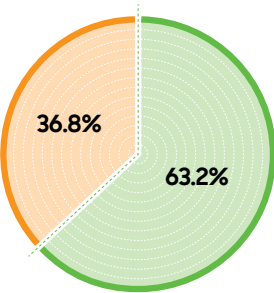
1,011 EMPLOYEES

INCLUDING 807 OFFICIAL
EMPLOYEES AND 204
COLLABORATORS. COMPARED
TO 2023, THE WORKFORCE
DECREASED BY 1%.



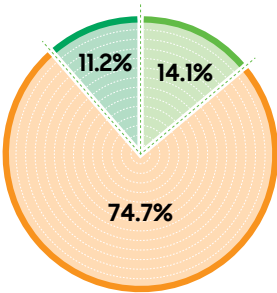
Workforce structure

Gender distribution



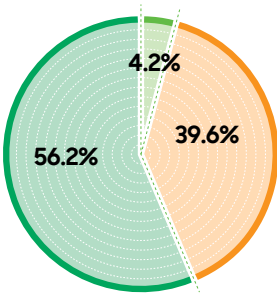
Male
Female

Age distribution



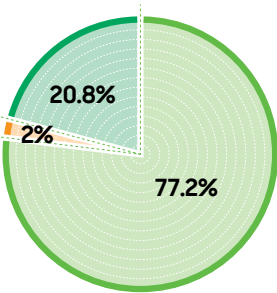
Under 30 years old
30 - 50 years old
Over 50 years old

Professional qualification distribution



Postgraduate
Bachelor's degree
Others

Job function distribution



Sales
Production
Office

Table of Company Labor Structure in 2024

Indicator	Number of employees	Number of Collaborators	Ratio
Nationality			
Vietnamese	806	204	99,9%
South Korean	1		0,1%
Ethnic Structure			
Kinh	792	198	98%
Ethnic minorities	14	6	1,9%
South Korean	01		0,1%
Gender			
Male	481	158	63,2%
Female	326	46	36,8%
Age			
Under 30 years old	77	66	14,1%
30-50 years old	628	127	74,7%
Over 50 years old	102	11	11,2%
Qualifications			
Postgraduate	43		4,2%
Bachelor's degree	334	66	39,6%
Others	430	138	56,2%
Sector			
Sales	577	204	77,2%
Production	20		2%
Office	210		20,8%

Workforce turnover in 2024

Turnover Rate

In 2024, the total number of employees who left the company accounted for 4.3% of the total workforce. Of which:

- **Main reasons for leaving:** Termination of labor contract, retirement.
- **Workforce turnover structure:**
 - › **Male:** Accounts for 79.5% of the total number of employees leaving
 - › **Age:** Mostly in the 30 - 50 age group (92.1%), this is a group of highly qualified and experienced personnel.

Retirement

- In 2024, the total number of employees retiring was 6.
- Gender distribution: Male 50%, female 50%.

Structure of Job-termination in 2024

		Age			Gender	
Indicator		<30	30-50	>50	Male	Female
The number of employees terminated labor contract, other	Amount	3	35	0	27	11
	Rate (%)	7,9%	92,1%	0	71%	29%
Retirement	Amount			6	3	3
	Rate (%)			100	50%	50%

SOCIAL INVESTMENT
(Continued)



EDUCATION AND TRAINING

Training and coaching at the company are implemented transparently and comprehensively, without discrimination based on gender or labor type, to enhance the efficiency of human resource utilization and adaptability to future work.

Entering 2024, along with the company's digital transformation process, the company continues its internal training and communication activities through E-learning. This format gradually replaces traditional training methods, expanding the scope of access to all labor groups, from sales to office and production, creating flexible learning conditions, easier access, and more effective application in practice.

Training programs include mandatory compliance courses (Fire Prevention and Fighting & Rescue, Occupational Safety and Health, Chemical Safety, Food Safety and Hygiene, GDP/GSP, GMP), AI and ChatGPT application to improve work efficiency, management software usage (HRM Pro, Base, Traphacoxanh Traceability, POS, etc.), and communication on "6 Ultimate Cultural Principles".

In addition, the company also organizes in-depth training courses on products, customer consulting, management capacity building, auditing, internal control, presentation skills, Digital Marketing, e-commerce, along with specialized seminars on Super Generics, climate change, waste recycling and treatment, and sends employees to attend training courses on labor law, pharmaceutical law, etc.



2024 is also the year the company expands online training courses, contributing to optimizing costs for this activity.

In addition to focusing on employee training, Traphaco also continues to collaborate with Hanoi University of Pharmacy, receiving and guiding student internships, contributing to the development of high-quality human resources for the pharmaceutical industry.



Training results in 2024

No.	Contents	Unit	Performed
1	Training costs	1000 VND	745,348
	Training costs/person/year	1000 VND	738
2	Number of people trained	Number of people	5,971
	Number of training sessions/person/year	Number of people	5.9
Analysis by Training content:			
1	Mandatory compliance training and Company on-boarding training for newly recruited employees	Number of people	1,346
		1000 VND	68,445
2	Management skills training	Number of people	7
		1000 VND	109,986
3	» Soft and professional skills training	Number of people	4,618
	» Attendance at Seminars, Conferences, Thematic Lectures,... Facilitating Advanced Training.	1000 VND	566,917

SOCIAL INVESTMENT
(Continued)



APPRECIATE THE VALUE CONTRIBUTION OF EMPLOYEES

At Traphaco Joint Stock Company, people are always the most valuable asset. We believe that the sustainable development of the enterprise cannot be separated from the dedicated contributions of each employee. Therefore, Traphaco continuously builds an ideal working environment, honors the contributions of employees, and encourages a spirit of innovation and creativity.



Culture of
Valuing People

Traphaco builds a professional, friendly, and fair working environment, where every individual is recognized and honored. We emphasize internal cohesion, creating conditions for employees to maximize their potential and contribute together to the company's development. The efforts of the staff are reflected in competitive salary and bonus regimes, attractive welfare policies, and professional development training programs.

Talent Compensation
and Development



Traphaco is committed to providing a comprehensive compensation policy to ensure the best benefits for employees. The company not only focuses on salaries commensurate with ability and contribution but also implements other benefits such as vacation programs, team building, financial support, visits and encouragement during illness, and periodic rewards. In addition, we also focus on training and developing talent through professional courses, leadership skills development programs, and clear promotion opportunities.

Traphaco applies a performance-based salary policy, ensuring the principles of fairness and transparency. Each employee is assigned clear targets and evaluated based on work performance. This evaluation system motivates employees to maximize their personal capabilities, while also contributing to improving the productivity and operational efficiency of the entire company.

The average income reached 24.9 million VND/person/month, a 6% decrease compared to 2023. In the context of economic recession, reduced market purchasing power directly affects the production and business situation of many industries in society, reducing employee income and increasing unemployment rates. In 2024, Traphaco maintained employment for employees, and the average income of 24.9 million VND/person/month, although down 6% compared to 2023, is still a good income level in the market and in the pharmaceutical industry.

Encouraging Innovation
and Creativity

Traphaco's development is associated with continuous initiatives and improvements from its staff. The company always encourages and creates conditions for each individual to contribute ideas, propose solutions to improve production efficiency, optimize processes, and enhance product quality. Outstanding initiatives are honored and applied in practice, contributing to strengthening Traphaco's position in the pharmaceutical market.

Commitment to
Sustainable Development

Traphaco not only focuses on business benefits but also deeply cares about the lives of employees. We create a green, clean, and safe working environment, ensuring the physical and mental health of employees. At the same time, the company also actively participates in community activities, joining hands for a sustainable development society.

With the motto "People are the center of development", Traphaco will continue to accompany employees on the journey to build a strong, modern, and humane enterprise. The values that each individual brings are the foundation for Traphaco to reach further in the future.



OCCUPATIONAL SAFETY & HEALTH

- » Traphaco follows the GRI Standards guidelines on issues related to occupational safety and health.
- » Representatives of employees are involved in occupational safety and health committees, officially established between management and workers.
- » The company manages occupational safety and health through a Safety Committee, a network of safety officers, and a fire-fighting and emergency response team.
- » The Safety Committee serves as a bridge between employers and employees in occupational safety and health matters.
- » The company implements the OHSAS 18001 (Occupational Health and Safety Assessment Series) system to manage occupational health and safety.



Functions of the Safety Committee

The Safety Committee advises and assists the employer in organizing, implementing, monitoring, and supervising activities related to occupational safety, sanitation, food safety, fire prevention, and flood prevention within the company.

1. Coordinate with departments to carry out tasks
 - » Develop regulations, rules, procedures, and measures to ensure occupational safety and hygiene (OSH), food safety and hygiene (FSH), and fire prevention and fighting (FPF) in the company.
 - » Manage and monitor the registration and inspection of machines, equipment, materials, and substances that require strict compliance with labor safety regulations.
 - » Develop annual OSH, FSH, and FPF plans, monitor and supervise their implementation; assess risks and develop emergency response plans.
 - » Organize and carry out activities to disseminate OSH, FSH, and FPF regulations, as well as flood prevention measures from the government and the company to all employees.
 - » Organize training on OSH, FSH, and FPF for employees.
 - » Conduct periodic checks on OSH and FPF at least once a month in production departments; check the work environment and FSH in the company's kitchens at least twice a month.
 - » Monitor injuries and diseases arising from the workplace; propose management and health care measures to the employer.
 - » Organize emergency response preparedness: plans, readiness of personnel, equipment, financial resources, and the ability to perform tasks during emergencies within the company or in the local area when required.
 - » Conduct actual inspections of the implementation of internal regulations, rules, and the application of the 5S best practices throughout the company.
2. Propose to the employer
 - » Participate in inspecting compliance with OSH, FSH, and FPF regulations as per current legal requirements.
 - » Propose corrective actions for any deficiencies in OSH, FSH, FPF, and flood prevention measures.
3. Periodic reports monthly or irregularly when violations of OSH, FSH, FPF regulations, and risks of OSH, FSH non-compliance are detected.
4. Propose rewards and disciplinary actions for individuals and teams in implementing OSH, FSH, FPF, and flood prevention tasks.

SOCIAL INVESTMENT
(Continued)

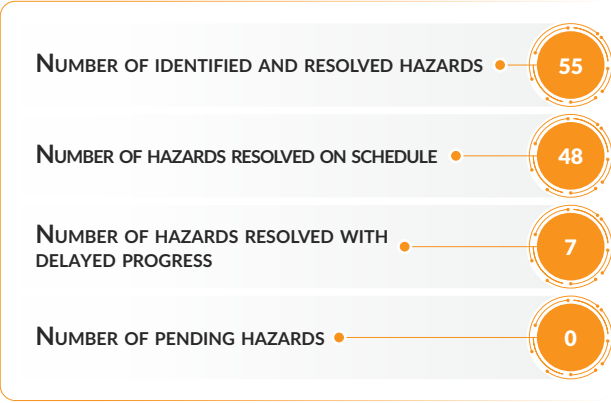
Ensuring occupational safety and hygiene is one of the workers’ rights. In 2024, the company will conduct training and disseminate knowledge on occupational safety and health:

Ensure that workers receive adequate training in both time and content:



- Complete information about the hazards and harmful factors in the workplace is provided to workers by identifying hazardous and harmful factors, and disseminating identification boards to workers at positions such as: Tablet press machine operation, Occupational safety, Chemical safety - Chemical spill handling.
- Ethylene oxide operation, Laser engraving machine operation, at warehouse positions...
- Firefighting training and emergency evacuation skills for employees.

The safety committee conducts a comprehensive inspection of the factory once a month to actively identify hazards and improve working conditions for safety. The company encourages and rewards workers who actively contribute to hazard reduction and point out hazardous and harmful factors. This activity has become a regular monthly practice and has fostered a safety culture unique to Traphaco.

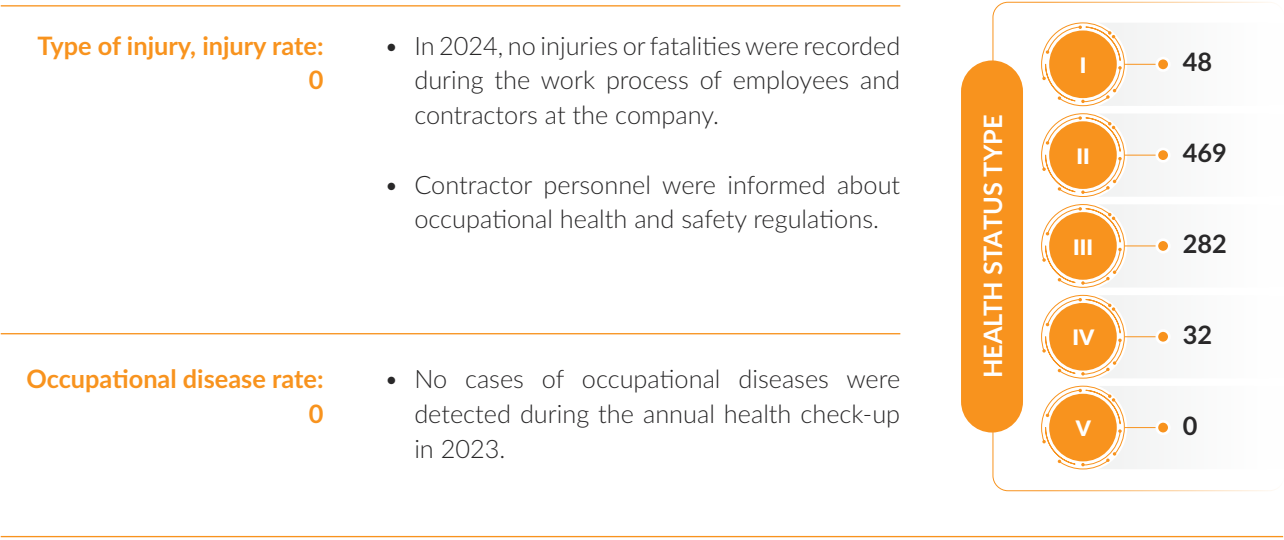


Inspection in 2024

No.	Contents	Amount	Device name and quantity
1	Inspection of equipment with strict safety requirements	27	Elevators (03 units) Forklift trucks (04 units) Autoclaves, Double-shell autoclaves (4 units) Cooling system - Trane 516000 BTU - Chiller (2 units) Compressed air cylinders (03 units) Water pressure accumulator tanks (2 units) Gas pipeline system in the canteen, research (2 units) Gas detectors in the canteen, research (3 units) Ground resistance measurement around the factory (4 units)
2	Differential pressure gauge, pressure gauge, thermometer, hygrometer, electronic scale, wastewater meter	385	Auxiliary systems Factory Quality control Research Logistics warehouse & planning warehouse



Type of injuries, injury rate, occupational diseases, lost workdays, absenteeism status, and work-related fatalities



- In 2024, no injuries or fatalities were recorded during the work process of employees and contractors at the company.
- Contractor personnel were informed about occupational health and safety regulations.
- No cases of occupational diseases were detected during the annual health check-up in 2023.
- This refers to the actual workdays that the injured person is off work starting from the date of the accident (excluding pre-scheduled days off such as vacation, holidays, weekends).
- Lost workdays do not include the day the incident occurred.
- All safety-related indicators are positive, which confirms the positive trend in employee work spirit and productivity. Safety is closely tied to quality, which is the company’s strategy.

Monitoring and measuring of the working environment

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MONITORING INDICATORS
& STANDARDS MET

- The company always ensures that employees work in an environment with good conditions, ensuring their health.
- The results of the workplace environmental monitoring conducted twice in 2024: No indicators exceeded the permissible thresholds, and the monitoring results were communicated to all employees.

SOCIAL INVESTMENT
(Continued)

Results of workplace environmental monitoring and testing in 2024

No.	Measurement and testing factors	Total number of samples	Number of samples meeting OSH standards	Number of samples not meeting OSH standards
1	Temperature	11	11	0
2	Humidity	11	11	0
3	Air movement speed	11	11	0
4	Heat radiation	11	11	0
5	Poisonous gas	11	11	0
6	Frequency band	99	99	0
7	Total Suspended Particles	11	11	0
8	Respiratory dust	11	11	0
9	CO ₂	11	11	0
10	Psychophysiological and ergonomic factors	11	11	0

According to the results of the occupational environment measurement, the noise level fluctuates between 50.3-75.0 dBA, which is lower than the permissible standard of 85 dBA (QCVN24:2016/BYT - National technical regulation on noise - permissible noise exposure levels at the workplace).

The microclimate conditions at the measurement locations are within the permissible limits (QCVN26:2016/BYT - National technical regulation on microclimate - permissible microclimate values at the workplace).

Management measures

To ensure that the noise level remains below the permissible standard and to protect the health of workers at the factory without affecting the surrounding environment, the company has implemented the following noise and vibration reduction measures:

- Maintenance and replacement of soundproofing and anti-vibration components on the HVAC system pipes.
- Monthly checks for wear, lubrication, or replacement of parts.
- Provision of personal protective equipment for positions with noise levels above 80 dB.

Control of microclimate conditions is managed through air conditioning systems for the office and HVAC (Heating, Ventilation, and Air Conditioning) for production lines.

- **The operating technology of the system:** When the system operates, it draws air from the surrounding environment outside the factory. The air travels through pipes into the processing system (AHUs) consisting

of three stages: pre-filtering, intermediate filtering, and fine filtering. It is a recirculating system, meaning that air is drawn in for processing and then supplied to the production room. An equivalent amount of air is extracted from the production room, passes through the filters, and is expelled by the exhaust system.

For areas with chemical vapor, the company ensures that the HOOD cabinet system operates properly, and workers are equipped with full personal protective equipment, including shoes, protective glasses, and masks/respirators.

- **Operating principle:** The fan draws air from the hood cabinet, carrying the toxic fumes generated during experiments at the hood, and pushes them into the air treatment tower. In the tower, the air is sprayed with a treatment solution (diluted NaOH solution) that moves in the opposite direction of the airflow to absorb and neutralize the toxic fumes. The air is then cleaned again by adsorption onto activated carbon before being released into the external environment.

Complaints: In 2024, no complaints were recorded from employees throughout the Traphaco system.



TOPIC **Health and safety**
have been mentioned in the formal agreement with the trade union

The employer and the representative of employees jointly sign a collective labor agreement, which clearly states the following provisions on OSH:

- 1 • Employers are responsible for fully equipping labor protection equipment to ensure labor safety, labor hygiene and improving working conditions for employees: Every year, people who directly involved in production are issued two sets of blu clothes, hats, masks, slippers, soap, gloves... depending on the characteristics of each type of work.
- 2 • Means of dispensing labor protection must ensure quality standards and proper specifications suitable for users.
- 3 • Employers must regularly have plans to prevent labor accidents and occupational diseases for employees, check and measure toxic factors, have a ventilation system equipped with anti-heat fans and workplace safety regulations.
- 4 • Employers must periodically inspect and repair machinery, equipment, factories, and warehouses according to labor safety and hygiene standards.
- 5 • Employees are fully instructed and must comply with regulations on labor safety, labor hygiene and the Company's labor regulations.
- 6 • **Employees must:**
 - Make maximum use of labor protection equipment according to job requirements.
 - Have the obligation to maintain personal protective equipment, use and maintain machinery and equipment safely, and keep the workplace clean.
 - Strictly implement fire prevention and fighting regulations and actively participate in rescue and recovery when unfortunate incidents occur.
- 7 • When recruiting and arranging labor, employers must base on the health standards prescribed for each type of job, organize training, guidance, and notify employees about the regulations, safe working measures, hygiene and possible accidents that need to be avoided in each employee's work.
- 8 • Employees must have a health check upon recruitment and the Company organizes a periodic health check once a year.
- 9 • Equip employees with 1 helmet/person/2 years.
- 10 • Equip employees with 1 raincoat/person/year.

SOCIAL INVESTMENT
(Continued)

Community
and social activities

Always pioneering and steadfast in pursuing sustainable development goals, Traphaco has made a profound impact in fulfilling social responsibility and protecting the environment over the years. Despite facing the challenges of the pharmaceutical industry and the economy in 2024, Traphaco Joint Stock Company has continuously maintained community activities, accompanying society to overcome difficulties, and contributing to improving the quality of life for people.



Building a gender-equal environment with ethnic minorities

Through the implementation of clean medicinal herb cultivation projects, Traphaco has created jobs and sustainable poverty reduction for ethnic minority communities in many localities (Lao Cai, Nam Dinh, Hoa Binh...).

In the Sapa area, Traphaco (through its subsidiary Traphaco Sapa) cooperates with H'Mong and Dao households to build an Artichoke and other medicinal herb production community, in which over 80% of participating entities are women. When signing contracts, the Company invites both husbands and wives to participate to enhance the role of gender equality, they understand together, agree together, and organize work together.



The contract includes party A/party B (each party is signed by 1 person). When receiving payments, the Company also invites both husbands and wives to come and receive the money.

The linkage process not only creates jobs for households but also contributes to changing relationships within their families in a positive and sustainable way, helping them to have an equal life, with sharing, and thereby making the Company's linkage more sustainable.

The Company organized community tourism visits for female households to enhance their awareness, thinking, and generate business ideas from experiential tourism models of herbal culture, which is also a strength of the Sapa region. The women shared, "Going with Traphaco, husbands don't object, it's very fun."

The fact that households stabilize their income, strengthen their material and spiritual lives also contributes to reducing child labor in remote areas, creating conditions for children to go to school and receive better care.



Partnering with the professional community

2024 continues to mark a strong connection between Traphaco and the community of pharmacy, pharmacists nationwide. Meetings, seminars, and conferences are held throughout the year with diverse and flexible formats, acting as a strong bond that connects the Company and its customers.

- » This year, online scientific seminars via Zoom and YouTube were organized with many new features. 9 seminars attracted an average of 1,200 participants and viewers per session. In particular, the programs in May and October not only updated professional knowledge but also provided CME certificates for pharmacies.
- » From May, a series of customer appreciation conferences was implemented with 7 events, welcoming nearly 1,500 loyal pharmacies. The novelty of this year is that the program is designed as a thematic workshop, providing in-depth knowledge of pathology and treatment regimens, helping pharmacies update the latest medical information to effectively advise patients.



As a pioneering enterprise in separating the business system into two segments, Herbal Medicine and Western Medicine, Traphaco expects that through this series of seminars, pharmacy customers will understand, trust, and accompany the Company in its new development strategy.



Extensive collaboration with the Vietnam Association of the Elderly

In the second year of accompanying the 2023-2026 Cooperation Program with the Vietnam Association of the Elderly, Traphaco continues to support the Association in organizing a series of seminars and training sessions to improve professional skills as well as policies, laws, and social security systems for the elderly in many localities across the country. At each event, Traphaco is always present with hundreds of sponsored gifts along with a lot of knowledge and useful information on medication use and home health care to send to the delegates.

A notable activity in the past year was the National Middle-Aged and Elderly Chess Tournament for the Traphaco 2024 Cup, organized by the Vietnam Association of the Elderly in collaboration with the Department of Physical Education and

Sports and the Vietnam Chess Federation, with the main sponsorship of Traphaco Joint Stock Company. The event aimed to celebrate the 79th anniversary of the August Revolution and the National Day of the Socialist Republic of Vietnam, as well as the 70th anniversary of the Liberation of the Capital and the International Day of Older Persons. This was also an opportunity to improve the health, spirit, and community bonding for the elderly through a useful intellectual playground.

The Company is also proud to accompany the Action Month for the Elderly in Vietnam, which takes place from October 1st every year. This is an activity that encourages the community to address the issues of the elderly, while honoring their contributions to families and society. At the Launching Ceremony of the Action Month for the Elderly in Vietnam 2024, Traphaco presented 700 gifts to elderly people in difficult circumstances and delegates who are members of the Vietnam Association of the Elderly.



Traphaco's active participation in activities for the elderly this year not only affirms the company's social responsibility but also contributes to raising community awareness of the important role of protecting, caring for, and promoting the role of the elderly in modern society.

SOCIAL INVESTMENT (Continued)



Supporting medical equipment for local healthcare services

On June 28th, following the direction of Deputy Minister of Health Do Xuan Tuyen, the Health and Life Newspaper coordinated with the Ministry of Health's charitable program to support medical equipment for healthcare services at Tho Xuan District General Hospital, Thanh Hoa. Accompanying the event, Traphaco sponsored 200 gifts for patients in difficult circumstances and 300,000,000 VND in cash, with the hope that these contributions will help the Hospital upgrade its infrastructure, equipment, and resources, while also helping patients have more faith and strength to overcome difficulties and recover their health.



Honoring veterans and supporting families of War Invalids and Martyrs

In commemoration of the 70th anniversary of the Dien Bien Phu victory (May 7, 1954 - May 7, 2024), Traphaco Joint Stock Company was present in Dien Bien province to participate in many activities in the "Gratitude Program commemorating the 70th anniversary of the Dien Bien Phu victory". The program, built by the Hanoi National Hospital of Odonto-Stomatology, is in response to the call of the Prime Minister "The whole country towards heroic Dien Bien". Traphaco Joint Stock Company accompanied the program, presenting 1000 gifts to veterans and youth volunteers, children in difficult circumstances in Dien Bien Phu City (Dien Bien province). The Company also visited and presented gifts to 200 veterans and 532 former youth volunteers who came to receive examination and treatment at the Dien Bien Provincial General Hospital, thereby expressing gratitude to the

generation of people who dedicated their youth to the cause of protecting and developing the national border area in general and Dien Bien province in particular.

Following that, from June 10-14, 2024, Traphaco continued to stand side by side with the Vietnam Young Entrepreneurs Association in the "Gratitude Journey - Lighting Up Faith 2024" program in three provinces of Bac Lieu, Tra Vinh, and Vinh Long. This is an activity towards the 77th anniversary of Vietnam's War Invalids and Martyrs Day. Social work, community development, caring for vulnerable groups are activities that are always emphasized, responded to, and cherished by Traphaco with the desire to build a healthy society and a prosperous Vietnam.



Partnering with the Vietnam Children's Fund

In the 17th year of accompanying the 'Spring for Children' program organized by the Vietnam Children's Fund, Traphaco Joint Stock Company presented a sponsorship package with a total value of over 200 million VND to the Hanoi Nursing Center for Disabled Children (Chuong My district) and the Thuy An Rehabilitation Centre for Handicapped Children (Ba Vi district). Participating in the program, Traphaco wants to partly encourage the children to strive in their studies, have more faith in life, and later become useful members of society. This is also how the Company fulfills its social responsibility, aiming for sustainable development.

On December 19, 2024, the Vietnam Children's Fund officially launched the 18th 'Spring for Children' program with the theme "Coloring your Dreams". This year, Traphaco continued to present a sponsorship package worth 200,000,000 VND, aiming to contribute to bringing beautiful dreams and hopes to children in difficult circumstances across the country. With the active participation of Traphaco and many other units and businesses, 'Spring for Children' continues to be a bridge bringing joy, hope, and dreams to poor children nationwide. Traphaco is proud to contribute to bringing positive values, helping children have conditions for comprehensive development and towards a bright future, contributing to building a fair, compassionate, and developed society.



Environment protection



Management approach

As a pharmaceutical company, Traphaco is aware that the production and trading of pharmaceuticals, cosmetics, and functional foods have an impact on the environment.



Therefore, for internal operations, Traphaco focuses on controlling the consumption of fuel and raw materials in production and waste treatment at factories, ensuring compliance with permissible environmental standards; minimizing the use of non-renewable energy sources and natural resources, thereby contributing to reducing greenhouse gas emission intensity.

In 2024, thanks to the effectiveness of environmental management systems, Traphaco had no cases of violations of environmental laws and regulations.

With the commitment of “The way of Green Health,” Traphaco periodically conducts annual assessments with Quacert for environmental management system certification. The Company considers issues such as leadership and employee participation in environmental management, environmental aspects, significant environmental aspects, compliance and response to legal requirements, control of energy use, control of water and waste output, environmental cost-saving initiatives, potential environmental incidents, etc., to help employees better understand and for employees themselves to contribute to creating an environmentally friendly organization.



Determining environmental aspects in the supply chain



ENVIRONMENT PROTECTION
(Continued)

Determining environmental aspects in the supply chain

All activities in the supply chain of Traphaco Joint Stock Company have environmental aspects identified, especially meaningful environmental aspects. Therefore setting goals, targets and establishing an environmental management program.








Environmental aspects in the supply chain

- Solid waste, household waste, hazardous waste
- natural resources, waste water
- air pollution, dust, noise...

For each aspect, there are management measures to limit the impact on the environment:



- Vehicles have to be eligibly registered for entry into service before being in use
- Orders are arranged for delivery on an appropriate route to save fuel consumption, reduce emissions to the environment
- Prioritize the choice of packaging materials that can be recycled/ environmentally friendly materials
- Classify normal and hazardous waste at the waste source
- Equipment maintenance/Equipment of noise-canceling earplugs...

The impact on the environment associated with each environmental aspect is assessed on two aspects:

1 Potential for adverse effects Frequency of occurrence shall be assessed over the duration of the incident.				
Frequency of occurrence	Score 1	Score 2	Score 3	Score 4
Time period	May occur one time in more than a year	Occurs every quarter to year	Occurs weekly to monthly	Occurs from day to week
2 Consequences of adverse effects may have on the environment				
Level of impact	Pollution Level (S)			
	Score 1	Score 2	Score 3	Score 4
Impact range	Very small and not significant	Local	Local and in the Company	Company and outside
Contamination concentration vs. environmental standards	Below the acceptable threshold	~ to 1 time	1 to 1.5 times	≥ 1.5 times
Utilization of natural resources	Utilize clean energy (wind - sunlight)	Utilize soil, water ... types of renewable resources	Non-renewable resources such as coal, oil and natural gas... Limited resources	Utilize, exploit and pollute the resources
Complaints from related parties	No	Not satisfactory comment	Complain	Complain
Violation of laws and other requirements	No	Risk of violation	Signs of violations	Violation
Control ability	Controlled	Can be controlled internally	Hard to be controlled internally	Uncontrollable

Use of sustainable materials

Traphaco JSC continues to maintain “Competitive selection standard for suppliers” which clearly shows that the Company encourages suppliers to apply environmental and safety management system, ensuring the suppliers go on the same path of sustainable development for the community.

Certification of Management System Based on the management system certification that NCU has	Level	Bonus point
	GMP PIC/S, GMP EU, GACP	+0.5
	GMP WHO, OTHERS GMP	+0.3
	ISO9001, ISO14001, OHSAS, ISO22000, HACCP, GDP, GSP	+0.1

PL 63/02
BH/SD: 09/01/17

ENVIRONMENT PROTECTION
(Continued)

Efficient use of water resources
and energy consumption



Use of nonrenewable
energy sources



The Company used gas and DO oil for two main purposes: cooking, making testing products and running generators in unexpected event of electrical failure or notification of power outage from the regulator.

Total gas consumption in 2024 (kg)

4,152

- Gas for cooking: 2,785kg
- Gas for researching products: 1,367 kg

Total amount of DO oil running to serve the power generator: ~ 120 litre

Consumption of
raw materials from
renewable sources



- Total electricity cost in 2024: 2,474,362,527 VND
- The Company mainly used electricity for production and daily living activities, total power consumption in 2024: 1,082,800 KW in which:
 - Electricity for production: 765,908 KW
 - Electricity for office: 331,221 KW
- Compared to 2023, electricity costs increase by ~ 1%
- Maintain measures to reduce energy consumption:
 - Promote electricity and water conservation for workers through training methods and posters.
 - Limit air conditioning temperature during hot days.
 - Replace compact fluorescent lamps with LED bulbs.
 - Install motion sensors and motion-activated lighting in corridors and stairways of office blocks
 - Minimize peak-hour production activities.
 - Use frequency converters to automatically turn the HVAC system on and off.
 - Set regulations on the timing, activation, minimum outdoor temperature, and keeping doors closed in air-conditioned rooms for each department and employee.



It is evident that resource and energy efficiency is a key focus for Traphaco in its sustainable development direction.

Use water resources
effectively



Amount of water input by source

- Total amount of water used (m³)

4,878

- The data are updated from meter readings directly measuring the water flow of the supplier.
- Water supply unit: Hanoi Water Limited Company.
- Water standards provided by the unit meet QCVN02/2009/BYT National Technical Regulations on domestic water quality.
- Every month the company requires the water supplier to provide water monitoring results. Twice a year, the company evaluates water quality on internal pipes.

Results of monitoring domestic
water quality

No.	Parameter	Test method	Unit	24.2932/127 /NS/4822	QCVN 01-1:2018/BYT Allowable limit
1	Coliform	TCVN 6187-1:2019 (ISO 9308-1:2014) (E))	CFU/100 mL	0	3
2	E.coli or Heat-resistant Coliform	TCVN 6187-1:2019 (ISO 9308-1:2014) (E))	CFU/100 mL	0	1
3	Arsenic (As)	SMEWW 3113B:2023	mg/L	0.0072	0.01(a)
4	Free residual chlorine	TCVN 6225-2:2012	mg/L	<0.03	0.2 ÷ 1(b)
5	Turbidity	SMEWW 2130B:2023	NTU	0.6	2
6	Color	TCVN 6185:2015 (Phương pháp C)	TCU	<1.5	15
7	Smell, taste	Phương pháp cảm quan	-	No strange smell or taste	No strange smell or taste
8	pH	TCVN 6492:2011 (ISO 10523:2008)	-	7.26	6 ÷ 8.5
9	Ammonium (NH ₃ and NH ₄ ⁺ + calculated as N)	TCVN 6179-1:1996 (ISO 7150-1:1984 (E))	mg/L	<0.03	0.3
10	Pecmanganat index	TCVN 6186:1996 (ISO 8467:1993(E))	mg/L	<0.9(c)	2
11	Chloride (Cl ⁻)	TCVN 6194:1996	mg/L	23.0	250
12	Hardness, calculated as CaCO ₃	TCVN 6224:1996	mg/L	100	300
13	Fluoride (F)	SMEWW 4500-F-B&C:2023	mg/L	<0.09(c)	1.5
14	Iron (Ferrum) (Fe)	SMEWW 3111B:2023	mg/L	<0.063	0.3

(Source: Labor Environment Monitoring and Analysis Station, December 25, 2024)

Water consumption decreased by 38.5% (compared to 2023: 7,928 m³).

The company continues to maintain the current water-saving measures:

- Recycling water from the RO system to cool equipment
- Optimizing cleaning processes for: bottle washing, equipment cleaning, and factory cleaning with standard operating procedures.
- Continuous production to reduce the number of machine cleaning cycles, minimize water energy consumption, and reduce wastewater generation.
- Using treated wastewater that meets standards for plant irrigation and cleaning of the premises.
- Implementing administrative measures: posting water-saving posters, providing guidance in areas with high water usage.
- Reminding employees to turn off, switch on, and use water appropriately, and promoting water conservation through internal training programs.

ENVIRONMENT PROTECTION
(Continued)

Effective emission control

Emissions from generators: only use generators in unexpected cases such as power failure. The Company plans to proactively schedule production as soon as there is a notice of power failure.

Exhaust emissions from vehicles entering and leaving the plants (vehicles of employees and vehicles transporting raw materials and finished products) shall be minimized and controlled by the following measures:

- Spray water onto roads in dry days.
- Disseminate and sign the regulations on safety and environment with all contractors/suppliers when entering the company.

Avoid using the means of transport expired the time of circulation and the vehicle which are too old. All trucks must be periodically inspected by the Vietnam Register on Environmental Safety to be allowed to operate and are regularly maintained.



Results of emission monitoring in 2024

Source No. 1: Exhaust gas generated from toxic gas Hood 1

No.	Parameter	Test method	Unit	1 st time	2 nd time	3 rd time	Average	QCTĐHN 01:2014/ BTNMT
1	Flow	US EPA Method 02	Nm³/h	1,040	-	-	1,040	-
2	Total Suspended Particles	US EPA Method 05	mg/Nm³	0.45	-	-	0.45	100
3	Ammonia and ammonium compounds	JIS K 0099:2020	mg/Nm³	<0.26	-	-	<0.26	30
4	Sulfur dioxide, SO ₂	SOP - 3.26	mg/Nm³	<2.62	<2.62	<2.62	<2.62	250
5	Hydrochloric acid, HCl	US EPA Method 26A	mg/Nm³	<0.3	-	-	<0.3	25
6	Hydrogen sulfide, H ₂ S	JIS K 0108:2010	mg/Nm³	<0.14	-	-	<0.14	4.5
7	Carbon oxide, CO	SOP - 3.26	mg/Nm³	<1.14	<1.14	<1.14	<1.14	600
8	Nitrogen oxide, NOx (calculated as NO ₂)	SOP - 3.26	mg/Nm³	<0.19	<0.19	<0.19	<0.19	510

Source No. 2: Exhaust gas generated from toxic gas Hood 2

No.	Parameter	Test method	Unit	1 st time	2 nd time	3 rd time	Average	QCTĐHN 01:2014/ BTNMT
1	Flow	US EPA Method 02	Nm³/h	1,103	-	-	1,103	-
2	Total Suspended Particles	US EPA Method 05	mg/Nm³	0.59	-	-	0.59	100
3	Ammonia and ammonium compounds	JIS K 0099:2020	mg/Nm³	10.6	-	-	10.6	30
4	Sulfur dioxide, SO ₂	SOP - 3.26	mg/Nm³	<2.62	<2.62	<2.62	<2.62	250
5	Hydrochloric acid, HCl	US EPA Method 26A	mg/Nm³	<0.3	-	-	<0.3	25
6	Hydrogen sulfide, H ₂ S	JIS K 0108:2010	mg/Nm³	<0.14	-	-	<0.14	4.5
7	Carbon oxide, CO	SOP - 3.26	mg/Nm³	<1.14	<1.14	<1.14	<1.14	600
8	Nitrogen oxide, NOx (calculated as NO ₂)	SOP - 3.26	mg/Nm³	<0.19	<0.19	<0.19	<0.19	510

Source No. 3: Exhaust gas generated from toxic gas Hood 3

No.	Parameter	Test method	Unit	1 st time	2 nd time	3 rd time	Average	QCTĐHN 01:2014/ BTNMT
1	Flow	US EPA Method 02	Nm³/h	999	-	-	999	-
2	Total Suspended Particles	US EPA Method 05	mg/Nm³	0.57	-	-	0.57	100
3	Ammonia and ammonium compounds	JIS K 0099:2020	mg/Nm³	0.87	-	-	0.87	30
4	Sulfur dioxide, SO ₂	SOP - 3.26	mg/Nm³	<2.62	<2.62	<2.62	<2.62	250
5	Hydrochloric acid, HCl	US EPA Method 26A	mg/Nm³	<0.3	-	-	<0.3	25
6	Hydrogen sulfide, H ₂ S	JIS K 0108:2010	mg/Nm³	<0.14	-	-	<0.14	4.5
7	Carbon oxide, CO	SOP - 3.26	mg/Nm³	<1.14	<1.14	<1.14	<1.14	600
8	Nitrogen oxide, NOx (calculated as NO ₂)	SOP - 3.26	mg/Nm³	<0.19	<0.19	<0.19	<0.19	510

Source No. 4: Exhaust gas generated from toxic gas Hood 4

No.	Parameter	Test method	Unit	1 st time	2 nd time	3 rd time	Average	QCTĐHN 01:2014/ BTNMT
1	Flow	US EPA Method 02	Nm³/h	556	-	-	556	-
2	Total Suspended Particles	US EPA Method 05	mg/Nm³	0.42	-	-	0.42	100
3	Ammonia and ammonium compounds	JIS K 0099:2020	mg/Nm³	<0.26	-	-	<0.26	30
4	Sulfur dioxide, SO ₂	SOP - 3.26	mg/Nm³	<2.62	<2.62	<2.62	<2.62	250
5	Hydrochloric acid, HCl	US EPA Method 26A	mg/Nm³	<0.3	-	-	<0.3	25
6	Hydrogen sulfide, H ₂ S	JIS K 0108:2010	mg/Nm³	<0.14	-	-	<0.14	4.5
7	Carbon oxide, CO	SOP - 3.26	mg/Nm³	1.14	<1.14	<1.14	<1.14	600
8	Nitrogen oxide, NOx (calculated as NO ₂)	SOP - 3.26	mg/Nm³	<0.19	<0.19	<0.19	<0.19	510

ENVIRONMENT PROTECTION
(Continued)

Source No. 5: Exhaust gas
generated from toxic gas Hood 5

No.	Parameter	Test method	Unit	1 st time	2 nd time	3 rd time	Average	QCTĐHN 01:2014/ BTNMT
1	Source No. 4: Exhaust gas generated from toxic gas Hood 4	US EPA Method 02	Nm³/h	1.112	-	-	1.112	-
2	Bụi tổng	US EPA Method 05	mg/Nm³	0,38	-	-	0,38	100
3	Amoniac và các hợp chất amoni	JIS K 0099:2020	mg/Nm³	<0,26	-	-	<0,26	30
4	Lưu huỳnh đioxit, SO ₂	SOP - 3.26	mg/Nm³	<2,62	<2,62	<2,62	<2,62	250
5	Axit clohydric, HCl	US EPA Method 26A	mg/Nm³	<0,3	-	-	<0,3	25
6	Hydro sunphua, H ₂ S	JIS K 0108:2010	mg/Nm³	<0,14	-	-	<0,14	4,5
7	Cacbon oxit, CO	SOP - 3.26	mg/Nm³	<1,14	<1,14	<1,14	<1,14	600
8	Nitơ oxit, NOx (tính theo NO ₂)	SOP - 3.26	mg/Nm³	<0,19	<0,19	<0,19	<0,19	510

Source No. 6: Exhaust gas
generated from toxic gas Hood 6

No.	Parameter	Test method	Unit	1 st time	2 nd time	3 rd time	Average	QCTĐHN 01:2014/ BTNMT
1	Source No. 4: Exhaust gas generated from toxic gas Hood 4	US EPA Method 02	Nm³/h	1.295	-	-	1.295	-
2	Bụi tổng	US EPA Method 05	mg/Nm³	<0,36(a)	-	-	<0,36(a)	100
3	Amoniac và các hợp chất amoni	JIS K 0099:2020	mg/Nm³	<0,26	-	-	<0,26	30
4	Lưu huỳnh đioxit, SO ₂	SOP - 3.26	mg/Nm³	<2,62	<2,62	<2,62	<2,62	250
5	Axit clohydric, HCl	US EPA Method 26A	mg/Nm³	<0,3	-	-	<0,3	25
6	Hydro sunphua, H ₂ S	JIS K 0108:2010	mg/Nm³	<0,14	-	-	<0,14	4,5
7	Cacbon oxit, CO	SOP - 3.26	mg/Nm³	<1,14	<1,14	<1,14	<1,14	600
8	Nitơ oxit, NOx (tính theo NO ₂)	SOP - 3.26	mg/Nm³	<0,19	<0,19	<0,19	<0,19	510

Source No. 7: Emissions generated from
the Chemical Warehouse Processing Unit

No.	Parameter	Test method	Unit	1 st time	2 nd time	3 rd time	Average	QCTĐHN 01:2014/ BTNMT
1	Source No. 4: Exhaust gas generated from toxic gas Hood 4	US EPA Method 02	Nm³/h	757	-	-	757	-
2	Bụi tổng	US EPA Method 05	mg/Nm³	0,44	-	-	0,44	100
3	Amoniac và các hợp chất amoni	JIS K 0099:2020	mg/Nm³	<0,26	-	-	<0,26	30
4	Lưu huỳnh đioxit, SO ₂	SOP - 3.26	mg/Nm³	<2,62	<2,62	<2,62	<2,62	250
5	Axit clohydric, HCl	US EPA Method 26A	mg/Nm³	<0,3	-	-	<0,3	25
6	Hydro sunphua, H ₂ S	JIS K 0108:2010	mg/Nm³	<0,14	-	-	<0,14	4,5
7	Cacbon oxit, CO	SOP - 3.26	mg/Nm³	1,14	<1,14	<1,14	1,14	600
8	Nitơ oxit, NOx (tính theo NO ₂)	SOP - 3.26	mg/Nm³	<0,19	<0,19	<0,19	<0,19	510

(Source: Labor Environment Monitoring and Analysis Station, December 25, 2024)

APPENDIX
Safety, health and environmental
requirements FOR CONTRACTORS WORKING
AT TRAPHACO JSC

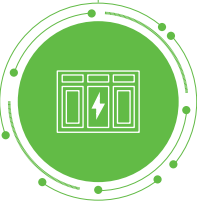
- 1 The contractor must comply with regulations on occupational safety and environment.
- 2 The Contractor must ensure that employees working at the Company are competent, aware of and shall comply with the Company's regulations.
- 3 The contractor must take full responsibility before law for labor safety and environmental issues arising from the construction process.
- 4 The Contractor must assign a person responsible for occupational safety and sanitation and this person must be present during the construction period to supervise the construction area.
- 5 Contractors must organize professional and technical training for workers and employees who perform jobs subject to strict labor safety requirements and must have safety cards (or equivalent papers) and provide Traphaco JSC upon request.
- 6 Before starting the construction, the Contractor must devise a construction plan or perform a work safety analysis and be accepted by the management department.
- 7 All staffs and employees of the contractor working at Traphaco JSC must: Fully understand regulations of Traphaco JSC.
- 8 During the construction process, wear labor protection equipment suitable for each specific job.
- 9 Do not arbitrarily take photos and interfere with the system of equipment, machinery, ... without permission of the management department.
- 10 If any equipment on the list is subject to strict registration, it must be tested and provided with inspection documents before being brought into Traphaco JSC. For supportive or hand-held devices (saws, grinders, welders, safety belts, scaffolds, etc.), the contractor must ensure safety before use.
- 11 Dangerous, flammable and explosive objects: Chemicals, gasoline, oil, ... when brought into the company must be declared to the company at the security.
- 12 If there is an accident, injury, incident (regardless of whether it is heavy or light) about safety - environment, the contractor is responsible for reporting to Traphaco's employees and responsible people for assistance and direction to handle: Failure to report will be handled on a case by case basis.
- 13 Wishing to be a long-term partner, Traphaco JSC encourages contractors to buy accident insurance for all their employees when working at Traphaco JSC.
- 14 During the course of work, if Traphaco JSC detects any violation of the contractor, depending on the seriousness of the violation, there will be sanctions ranging from warning to temporary of full suspension of construction, the contractor must bear all the costs arising from this incident.

This annex is made into copies. Enclosed with contract no.:

Waste water and waste management control



Waste water



The Company has procedures and staffs to monitor and operate daily wastewater treatment system, to check the quality of wastewater after treatment and to take measures to improve in time. Have a daily log for system operation.

- **Waste water treatment system:**
 - » The wastewater collection and treatment system is built using biotechnology, with a design capacity of 30 m3/day and night.
- **Discharge mode:** Continuous
- **Discharge method:** Self-flow
- **Wastewater receiving source:** Treated wastewater is discharged into the general drainage system of the area in Hoang Liet Ward, Hoang Mai District, Hanoi.
- **Standards applied to wastewater:**
 - » **QCTĐHN 02:2014/BTNMT:** Technical regulations on Industrial wastewater in Hanoi capital;
 - » **QCVN 14:2008/BTNMT:** National technical standards for domestic waste water, the company hires an independent unit to regularly test the quality of waste water every 3 months. The samples of treated waste water at the final discharge point of the system before being released into the environment, taken at various times throughout the year, meet the waste water standards specified in the discharge permit.

Results of wastewater sample analysis at the end point of discharge into the environment

No.	Parameter	Test method	Unit	24.2931/127 /NT/4821	QCTĐHN 02:2014 /BTNMT	QCVN 14:2008 /BTNMT
					Column (B)*	Column (B)**
1	Temperature	SMEWW 2550B:2023	°C	22.0	40	-
2	Color	TCVN 6185:2015 (Phương pháp C)	Pt/Co	<15(a)	150	-
3	pH	TCVN 6492:2011	-	7.47	5.5 ÷ 9	5 ÷ 9
4	BOD ₅ (20°C)	TCVN 6001-1:2021	mg/L	<3.0(a)	50	60
5	COD	SMEWW 5220C:2023	mg/L	10.8	150	-
6	Floating solids	TCVN 6625:2000	mg/L	11	100	120
7	Total dissolved solids	SOP - 1.14	mg/L	309	-	1,200
8	Phosphate (PO ₄ ³⁻) (calculated as P)	TCVN 6202:2008	mg/L	0.18	-	12
9	Total cyanide	SMEWW 4500-CN-C&E:2023	mg/L	<0.0024	0.1	-
10	Total phenol	SMEWW 5530B&D:2023	mg/L	<0.009	0.5	-
11	Sulfide	TCVN 6637:2000	mg/L	<0.038	0.5	4.8
12	Ammonium (calculated as N)	TCVN 6179-1:1996	mg/L	<0.05	10	12
13	Nitrate (NO ₃ -) (calculated as N)	US EPA Method 352.1	mg/L	3.05	-	60
14	Animal and vegetable fats and oils	SMEWW 5520B&F:2023	mg/L	<0.6	-	24
15	Total Nitrogen	TCVN 6638:2000	mg/L	<9.0(a)	40	-
16	Total phosphorus (calculated as P)	TCVN 6202:2008	mg/L	0.18	6	-
17	Chloride	TCVN 6194:1996	mg/L	51.0	1,000	-
18	Residual chlorine	TCVN 6225-2:2021	mg/L	<0.03	2	-
19	Coliform	SMEWW 9221B: 2023	MPN /100mL	<2	5,000	-
20	Total surfactants	SMEWW 5540B&C:2023	mg/L	<0.080	-	12

Source: Labor Environment Monitoring and Analysis Station, December 25, 2024)

ENVIRONMENT PROTECTION
(Continued)

Waste and hazardous waste



No.	Waste name	Weight (kg)	Processing Method	Processing Unit
1	Domestic waste	60,000 kg	Burning	Construction and Demolition Waste Treatment and Environment Investment Joint Stock Company
2	Raw materials and finished medicines products destroyed	22,255 kg	Burning	Hoa Binh Industrial Waste Treatment and Recycling Joint Stock Company
3	Hazardous waste	556 kg	Cleaning, burning, burying.	Bac Son Urban and Industrial Environment Joint Stock Company

Measures for waste management and recycling:

- Waste classification at the source, dissemination, and implementation of waste classification regulations at each department and division.
- Place waste collection bins at emission points, making it convenient for identification and storage.
- Carry out regular transportation of general waste and recyclable waste according to the company's regulations.
- Recycling waste contract signed with Hoa Binh Industrial Waste Treatment and Recycling Joint Stock Company.
- Household waste contract signed with Thanh Tri District Urban Environment Company, Hanoi City.

Hazardous waste management measures:

- The company has submitted a report to the Hanoi Department of Natural Resources and Environment and was issued an Environmental Permit No. 102/GPMT-UBND on July 5, 2023.
- Regular collection, classification, and storage of hazardous waste in separate containers, properly labeled with hazardous waste codes in accordance with Circular 36/2015/TT-BTNMT.
- Regulations and guidelines are communicated to all employees in the company.
- The storage area is covered, enclosed by walls, locked, and has appropriate warning signs as per TCVN 6707:2009.
- The responsible department is assigned to monitor and manage hazardous waste according to procedures.
- Contractors working in the company are informed and must comply with the company's waste management procedures.

Minimizing environmental incident

Preventing, responding to and overcoming environmental incidents is an important regulation stipulated in Section 3, Chapter X of the 2014 Law on Environmental Protection and many other provisions such as regulations on environmental protection planning.

The company's safety committee has identified environmental accident risks in the production and business processes, such as wastewater spills, chemical spills, microorganism leaks, floods, etc.

For each specific situation, different preventive measures are outlined in the "Emergency Response Procedure," which clearly defines several emergency situations.

SOP on responding to wastewater spills

SOP for chemical spill and microorganism leak handling

Typhoon and flood prevention

Compliance with environmental regulations

- The company complies with environmental laws and follows the guidance of environmental regulatory authorities.
- It maintains the regular update and evaluation of the impact of legal documents on the company's system.
- The company systematically updates relevant legal documents on its internal network and informs affected departments about the impact of these documents.

In 2024, the company did not experience any environmental incidents.



FINANCIAL Statements

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GENERAL INFORMATION

THE COMPANY

Traphaco Joint Stock Company (“the Company”), formerly a state-owned enterprise, was equitized and operated as a joint stock company under Decision No. 2566/1999/QĐ-BGTVT dated 27 September 1999 of the Ministry of Transport and the 1st Business Registration Certificate No. 058437 issued by Hanoi Department of Planning and Investment dated 24 December 1999. The Company also received the Enterprise Registration Certificate No. 0100108656 issued by Hanoi Department of Planning and Investment on 10 August 2011 and the subsequent amended Enterprise Registration Certificates, with the latest being the 24th amendment dated 21 April 2023.”),

The current principal activities of the Company during the year are to produce and trade pharmaceutical products, chemicals, medical supplies and equipment.

The Company's head office is located at 75 Yen Ninh street, Quan Thanh ward, Ba Dinh district, Hanoi, Vietnam and 28 dependent branches at provinces and cities of Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Chung Ji Kwang	Chairman	
Mr. Nguyen Phu Khanh	Vice Chairman	
Mr. Tran Tuc Ma	Member	
Mr. Kim Dong Hyu	Member	
Ms. Dao Thuy Ha	Member	
Mr. Dinh Quang Hoa	Member	
Mr. Cha Junwoo	Member	Appointed on 12 April 2024
Mr. Lee Tae Yon	Member	Resigned on 12 April 2024

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr. Tran Tuc Ma	General Director	
Mr. Nguyen Huy Van	Deputy General Director	
Mr. Kim Dong Hyu	Deputy General Director	
Ms. Dao Thuy Ha	Deputy General Director	
Mr. Pham Hoang Anh	Deputy General Director	
Ms. Tran Thi Anh Phuong	Deputy General Director	Appointed on 23 January 2025
Mr. Nguyen Van Bui	Deputy General Director	Resigned on 1 November 2024

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Ms. Nguyen Thi Luong Thanh	Head	
Ms. Nguyen Thanh Hoa	Member	
Ms. Nguyen Thi Giang	Member	Appointed on 12 April 2024
Mr. Kwon Ki Bum	Member	Resigned on 12 April 2024

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Tran Tuc Ma, General Director.

AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

INDEPENDENT AUDITORS' REPORT
Reference: 11755210/68430680-HN

Management of Traphaco Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2024.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Company and its subsidiaries and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company and its subsidiaries will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and its subsidiaries and for ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company and its subsidiaries as at 31 December 2024 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements.

For and on behalf of Management:



Tran Tuc Ma
General Director

Hanoi, Vietnam
21 March 2025

To: The Shareholders of Traphaco Joint Stock Company

We have audited the accompanying consolidated financial statements of Traphaco Joint Stock Company ("the Company") and its subsidiaries, as prepared on 21 March 2025 and set out on pages 160 to 191, which comprise the consolidated balance sheet as at 31 December 2024, and the consolidated income statement and consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

The Company's management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Company and its subsidiaries as at 31 December 2024, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



Tran Phu Son
Deputy General Director
Audit Practising Registration
Certificate No. 0637-2023-004-1

Hanoi, Vietnam
21 March 2025



Nguyen Quy Manh
Auditor
Audit Practising Registration
Certificate No. 4482-2023-004-1

CONSOLIDATED BALANCE SHEET
as at 31 December 2024

B 01-DN/HN

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,594,031,971,490	1,530,494,506,578
110	I. Cash and cash equivalents	4	208,296,451,889	367,084,837,901
111	1. Cash		180,156,030,670	203,716,577,181
112	2. Cash equivalents		28,140,421,219	163,368,260,720
120	II. Short-term investments	5	521,786,552,780	415,028,664,105
121	1. Held-for-trading securities		10,000,000,000	10,000,000,000
123	2. Held-to-maturity investments		511,786,552,780	405,028,664,105
130	III. Current accounts receivables		274,511,586,997	238,916,189,457
131	1. Short-term trade receivables	6.1	245,951,691,748	216,114,816,916
132	2. Short-term advances to suppliers	6.2	29,100,723,648	11,345,934,935
136	3. Other short-term receivables	7	11,155,286,221	21,821,058,894
137	4. Provision for short-term doubtful receivables	8	(11,696,114,620)	(10,365,621,288)
140	IV. Inventories	9	549,326,080,748	467,898,029,137
141	1. 1. Inventories		550,389,724,077	469,754,083,717
149	2. Provision for obsolete inventories		(1,063,643,329)	(1,856,054,580)
150	V. Other current assets		40,111,299,076	41,566,785,978
151	1. Short-term prepaid expenses		1,504,302,848	2,693,810,347
152	2. Deductible value-added tax		38,590,089,536	38,757,186,637
153	3. Tax and other receivables from the State		16,906,692	115,788,994
200	B. NON-CURRENT ASSETS		574,878,989,303	593,406,137,631
220	I. Fixed assets		495,641,963,219	507,865,033,506
221	1. Tangible fixed assets	10	435,646,685,762	449,041,431,210
222	Cost		1,191,950,000,223	1,133,750,579,093
223	Accumulated depreciation		(756,303,314,461)	(684,709,147,883)
227	2. Intangible fixed assets	11	59,995,277,457	58,823,602,296
228	Cost		81,640,182,069	76,552,486,979
229	Accumulated amortisation		(21,644,904,612)	(17,728,884,683)
240	II. Long-term assets in progress		13,953,622,098	13,865,037,272
242	1. Construction in progress	12	13,953,622,098	13,865,037,272
250	III. Long-term investments		500,000,000	500,000,000
253	1. Investment in other entities		500,000,000	500,000,000
260	IV. Other long-term assets		64,783,403,986	71,176,066,853
261	1. Long-term prepaid expenses	13	42,872,237,405	46,896,633,830
262	2. Deferred tax assets	27.3	21,791,344,048	24,146,227,490
263	3. Long-term tools, supplies and spare parts		119,822,533	133,205,533
270	TOTAL ASSETS		2,168,910,960,793	2,123,900,644,209

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		636,211,288,959	634,845,857,194
310	I. Nợ ngắn hạn		636,211,288,959	634,845,857,194
311	1. Short-term trade payables	14	180,756,889,251	144,122,184,789
312	2. Short-term advances from customers		882,405,783	327,677,726
313	3. Statutory obligations	15	22,296,464,588	35,511,095,956
314	4. Payables to employees		54,632,844,857	69,511,570,033
315	5. Short-term accrued expenses	16	46,471,824,661	60,338,293,038
318	6. Short-term unearned revenues	17	43,996,481,650	58,835,626,000
319	7. Other short-term payables	18	90,816,600,734	90,996,218,573
320	8. Short-term loans	19	189,908,590,601	167,967,756,063
322	9. Bonus and welfare fund	20	6,449,186,834	7,235,435,016
400	D. OWNERS' EQUITY		1,532,699,671,834	1,489,054,787,015
410	I. Owners' equity	21.1	1,532,348,777,327	1,488,569,986,500
411	1. Issued share capital		414,536,730,000	414,536,730,000
411a	- Ordinary shares with voting rights		414,536,730,000	414,536,730,000
412	2. Share premium		133,021,732,000	133,021,732,000
414	3. Other owners' capital		9,652,783,012	9,652,783,012
415	4. Treasury shares		(3,593,000)	(3,593,000)
418	5. Investment and development fund		598,093,706,447	541,187,024,570
421	6. Undistributed earnings		263,725,237,776	280,444,924,214
421a	- Undistributed earnings by the end of prior year		139,795,251,650	133,906,495,216
421b	- Undistributed earnings of current year		123,929,986,126	146,538,428,998
429	7. Non-controlling interests		113,322,181,092	109,730,385,704
430	II. Other funds		350,894,507	484,800,515
432	1. Fund for fixed assets in use		350,894,507	484,800,515
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,168,910,960,793	2,123,900,644,209

Preparer
Nguyen Thi Ngoc Thuy

Chief Accountant
Dinh Trung Kien



General Director
Tran Tuc Ma

Hanoi, Vietnam
21 March 2025

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2024

B 02-DN/HN

			Currency: VND	
Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	23.1	2,352,291,427,964	2,302,413,360,021
02	2. Deductions	23.1	(5,070,288,116)	(3,177,901,012)
10	3. Net revenue from sale of goods and rendering of services	23.1	2,347,221,139,848	2,299,235,459,009
11	4. Cost of goods sold and services rendered	24	(1,110,765,054,153)	(1,054,301,295,262)
20	5. Gross profit from sale of goods and rendering of services		1,236,456,085,695	1,244,934,163,747
21	6. Finance income	23.2	22,973,179,666	30,944,555,428
22	7. Finance expenses		(5,544,681,226)	(4,861,545,121)
23	- In which: Interest expenses		(3,880,853,804)	(3,940,136,811)
25	8. Selling expenses	25	(625,016,144,416)	(614,373,637,230)
26	9. General and administrative expenses	25	(304,984,668,591)	(297,187,671,306)
30	10. Operating profit		323,883,771,128	359,455,865,518
31	11. Other income		1,240,092,031	1,975,143,313
32	12. Other expenses		(483,201,781)	(763,390,076)
40	13. Other profit		756,890,250	1,211,753,237
50	14. Accounting profit before tax		324,640,661,378	360,667,618,755
51	15. Current corporate income tax expenses	27.1	(64,927,767,758)	(78,397,933,391)
52	16. Deferred tax (expense)/income	27.3	(2,354,883,442)	2,999,233,240
60	17. Net profit after corporate income tax		257,358,010,178	285,268,918,604
61	18. Net profit after tax attributable to shareholders of the parent		239,017,360,612	263,248,297,789
62	19. Net profit after tax attributable to non-controlling interests		18,340,649,566	22,020,620,815
70	20. Basic earnings per share	29	4,990	5,520
71	21. Diluted earnings per share	29	4,990	5,520



Preparer
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Tran Tuc Ma

Hanoi, Vietnam
21 March 2025

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2024

B 03-DN/HN

			Currency: VND	
Code	ITEMS	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting profit before tax		324,640,661,378	360,667,618,755
	Adjustments for:			
02	Depreciation of tangible fixed assets, amortisation of intangible fixed assets and allocation of prepaid land rental fee		91,408,482,495	94,498,870,704
03	Provisions		538,082,081	3,561,298,960
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currencies		957,874,188	477,597,048
05	Profits from investing activities		(22,028,181,526)	(30,271,808,364)
06	Interest expenses		3,880,853,804	3,940,136,811
08	Operating profit before changes in working capital		399,397,772,420	432,873,713,914
09	Increase in receivables		(44,971,100,281)	(26,134,189,118)
10	(Increase)/decrease in inventories		(80,622,257,360)	9,278,161,017
11	Decrease in payables		(2,362,668,477)	(21,635,452,435)
12	Decrease/(increase) in prepaid expenses		5,030,621,924	(5,092,518,453)
14	Interest paid		(3,906,489,381)	(3,849,242,813)
15	Corporate income tax paid	15	(77,010,712,022)	(58,755,485,549)
17	Other cash outflows for operating activities	20	(35,837,837,892)	(38,710,249,867)
20	Net cash flows from operating activities		159,717,328,931	287,974,736,696
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase, construction of fixed assets and other long-term assets		(86,671,273,833)	(100,529,642,315)
22	Proceeds from disposals of fixed assets and other long-term assets		307,752,524	354,471,381
23	Payment for term deposits		(732,916,210,346)	(569,637,403,839)
24	Collections from term deposit		626,158,321,671	478,943,480,787
27	Interest and dividends received		30,049,980,100	22,479,781,442
30	Net cash flows used in investing activities		(163,071,429,884)	(168,389,312,544)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	Drawdown of borrowings		195,508,590,601	217,967,756,063
34	Repayment of borrowings		(173,567,756,063)	(90,000,000,000)
36	Dividends paid to shareholders of the parent and non-controlling interests		(177,483,362,575)	(56,543,606,750)
40	Net cash flows (used in)/from financing activities		(155,542,528,037)	71,424,149,313
50	Net (decrease)/increase in cash and cash equivalent for the year		(158,896,628,990)	191,009,573,465
60	Cash and cash equivalents at the beginning of the year	4	367,084,837,901	176,029,928,335
61	Impact of foreign exchange rate fluctuation		108,242,978	45,336,101
70	Cash and cash equivalents at the end of the year	4	208,286,451,889	367,084,837,901



Preparer
Nguyen Thi Ngoc Thuy



Chief Accountant
Dinh Trung Kien



General Director
Tran Tuc Ma

Hanoi, Vietnam
21 March 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2024 and for the year then ended

B 09-DN/HN

1. CORPORATE INFORMATION

Traphaco Joint Stock Company (“the Company”), formerly a state-owned enterprise, was equitized and operated as a joint stock company under Decision No. 2566/1999/QĐ-BGTVT dated 27 September 1999 of the Ministry of Transport and the 1st Business Registration Certificate No. 058437 issued by Hanoi Department of Planning and Investment dated 24 December 1999. The Company also received the Enterprise Registration Certificate No. 0100108656 issued by Hanoi Department of Planning and Investment on 10 August 2011 and the subsequent amended Enterprise Registration Certificates, with the latest being the 24th amendment dated 21 April 2023.”), formerly, was equitized and operated as QDthe No.the amended Enterprise Registration Certificates,

The current principal activities of the Company during the year are to produce and trade pharmaceutical products, chemicals, medical supplies and equipment.

The Company's normal course of business cycle is 12 months.

The head office of the Company is located at 75 Yen Ninh Street, Quan Thanh ward, Ba Dinh district, Hanoi, Vietnam and 28 dependent branches at other provinces and cities in Vietnam.

The number of the Company and its subsidiaries’ employees as at 31 December 2024 is 1,670 (31 December 2023: 1,497).

Corporate structure

As at 31 December 2024, the Company has 4 subsidiaries (As at 31 December 2023: 4 subsidiaries) with detail information is as follow:

No.	Name	Equity interest	Voting rights	Head office's address	Principal activities
1	Traphaco Hung Yen Co., Ltd. (“Traphaco Hung Yen”)	100%	100%	Tan Quang commune, Van Lam district, Hung Yen province	Produce new medicine.
2	TraphacoSapa One Member Co., Ltd. (“Traphaco Sapa”)	100%	100%	Group 2, Phan Si Pang ward, Sapa town, Lao Cai province	Plant, process pharmaceutical materials, agriculture and forestry products; and Produce and trade pharmaceutical products.
3	Dak Lak Pharmaceutical and Medical Equipment Joint Stock Company (“Dak Lak Pharmaceutical”)	58.23%	58.23%	No. 9A Hung Vuong street, Tu An ward, Buon Ma Thuot city, Dak Lak province	Produce and trade pharmaceutical products, nutritional foods; and Import and export pharmaceutical products and medical equipment.
4	Traphaco Hi-tech Joint Stock Company (“Traphaco Hi-tech”)	50.97%	50.97%	Tan Quang commune, Van Lam district, Hung Yen province	Produce and process pharmaceutical products, food supplement, comestics and chemicals.

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiaries expressed in Vietnam dong (“VND”), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard issued by the Ministry of Finance as per:

- Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);

2. BASIS OF PREPARATION (continued)

2.1 Accounting standards and system (continued)

- Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnamese accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and the consolidated results of operations and the consolidated cash flows of the Group in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Company and its subsidiaries applied accounting documentation system is the computer-based system.

2.3 Fiscal year

The Company and its subsidiaries’ fiscal year applicable for the preparation of the consolidated financial statements starts on 1 January and ends on 31 December.

2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the accounting currency of the Company and its subsidiaries.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2024.

Subsidiaries are fully consolidated from the date of acquisition/incorporation, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from parent shareholders’ equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

B 09-DN/HN

as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories

Inventories are measured at their historical costs. The cost of inventories comprises costs of purchase, costs of conversion (including raw materials, direct labor cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, tools and equipment and merchandise	-	Cost of purchase on a weighted average basis.
Finished goods and work-in process	-	Cost of finished goods on a weighted average basis.

Provision for obsolete inventories

An inventory provision is made for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company and its subsidiaries, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the consolidated income statement.

3.3 Receivables

Receivables are presented in the consolidated balance sheet at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the consolidated income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use and the costs of dismantling and removing the asset and restoring the site on which it is located, if any.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation..

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset to working condition for its intended use. .

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Land use rights

Land use rights comprise the indefinite land use rights and the definite land use rights have effectiveness prior to 2003 and Land use right certificate being issued, are recorded as intangible fixed asset according to Circular No.45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

3.6 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Company and its subsidiaries are the lessees

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where its subsidiaries are the lessors

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.7 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	3 - 35 years
Office equipment	2 - 12 years
Means of transportation	3 - 10 years
Machinery and equipment	5 - 15 years
Others	5 - 20 years
Indefinite land use rights	Non-amortisation
Definite land use rights	32 years
Computer software	3 - 6 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Construction in progress

Construction in progress represents the costs of acquiring new assets that have not yet been fully installed or the costs of construction that have not yet been fully completed. Construction in progress is stated at cost, which includes all necessary costs to construct, repair, renovate, expand, or re-equip the projects with technologies, such as construction costs, tools and equipment costs, project management costs, construction consulting costs, and borrowing costs that are eligible for capitalization.

Construction in progress will be transferred to the appropriate fixed asset account when these assets are fully installed or the construction project is fully completed, and depreciation of these assets will commence when they are ready for their intended use.

Construction costs are recognized as expenses when such costs do not meet the conditions to be recognized as fixed assets.

3.9 Borrowing costs

Borrowing costs include interest and other costs directly related to the Company and its subsidiaries' loans. Borrowing costs are accounted for as expenses incurred during the year.

3.10 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

Prepaid land rentals comprise of the unallocated carrying amount of land rentals that have been properly paid under a 30-year land lease. Pursuant to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 providing guidance on the management, use and depreciation of fixed assets ("Circular 45"), prepaid land rentals have been recorded as long-term prepayments and are allocated to expenses over the remaining term of the lease.

3.11 Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company and its subsidiaries' interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over an estimated useful life of ten (10) years on a straight-line basis. The Company conducts periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

3.12 Investments

Held-for-trading securities and investments in other entities

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

Provision for diminution in value of investments

Provision for diminution in value of the investments is made when there are reliable evidence of the diminution in value of those investments at the interim consolidated balance sheet date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 Investments (continued)

Increases or decreases in the provision balance are recorded as finance expense in the interim consolidated income statement.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as expense in the consolidated financial statements and deducted against the value of such investments.

3.13 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company and its subsidiaries.

3.14 Foreign currency transactions

Transactions in currencies other than the Company and its subsidiaries' reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the consolidated balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company and its subsidiaries conduct transactions regularly.

All foreign exchange differences incurred during the year are taken to the consolidated income statement.

3.15 Share capital

Ordinary shares

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognised as a deduction from share premium.

Share premium

Share premium is the difference between the par value and the issuance price of the shares, minus the actual expenses incurred for the issuance of the shares.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated income statement upon purchase, sale, re-issue or cancellation of the Company and its subsidiaries' own equity instruments.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Appropriation of net profits

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval by the general shareholders, and after making appropriation to reserve funds in accordance with the Charter of the Company and its subsidiaries and Vietnam's regulatory requirements.

The Company and its subsidiaries maintain the following reserve funds which are appropriated from the Company and its subsidiaries' net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- Investment and development fund

This fund is set aside for use in the Company and its subsidiaries' expansion of their operation or of in-depth investment.

- Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and its subsidiaries and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion. Stage of completion is measured by reference to client workload confirmation.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent of the expenses recognised which are recoverable.

Dividends

Dividend income is recognized when Company is entitled to receive dividends.

Interest income

Interest is recognized on an accrual basis based on the time and actual interest rate for each period.

3.18 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Taxation (continued)

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to set off current tax assets against current tax liabilities and when the Company and its subsidiaries intend to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount in consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporarily differences associated with investments in subsidiaries and interests in jointly controlled entity where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporarily differences associated with investments in subsidiaries and interests in jointly controlled entity, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the consolidated balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company and its subsidiaries to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- either the same taxable entity; or
- when the Company and its subsidiaries intend either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Segment information

The Company and its subsidiaries' principal activities are to manufacture and trade pharmaceutical products. In addition, these activities are entirely taking place within Vietnam. Therefore, the Company and its subsidiaries' risks and returns are not impacted by the Company and its subsidiaries' products that the Company and its subsidiaries are manufacturing or the locations where the Company and its subsidiaries are trading. As a result, the management of the Company is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

3.20 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.21 Related parties

Parties are considered to be related parties of the Company and its subsidiaries if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and its subsidiaries and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

4. CASH AND CASH EQUIVALENTS

Currency: VND		
	Ending balance	Beginning balance
Cash on hand	12,500,896,954	24,791,219,613
Cash at banks	167,503,962,926	178,925,357,568
Cash in transit	151,170,790	-
Term deposits (*)	28,140,421,219	163,368,260,720
TOTAL	208,296,451,889	367,084,837,901

(*) These represent VND bank deposits with original terms of less than 3 months and earn interest at rates ranging from 1.6% to 4.7% per annum (31 December 2023: from 3.0% to 6.0% per annum).

5. SHORT-TERM INVESTMENTS

Currency: VND		
	Ending balance	Beginning balance
Term deposits (*)	511,786,552,780	405,028,664,105
Fund certificates (**)	10,000,000,000	10,000,000,000
TOTAL	521,786,552,780	415,028,664,105

5. SHORT-TERM INVESTMENTS (continued)

- (*) These represent VND deposits at commercial banks with terms of from 6 to less than 12 months and earn interest at rates ranging from 2.9% to 7.7% per annum (31 December 2023: from 3.5% to 9% per annum). Certain term deposits amounting to VND 34.4 billion have been used as collaterals for loans as presented in Note 19.
- (**) This represents an investment in fund certificates of Mirae Asset Vietnam Flexible Fixed Income Fund.

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

Currency: VND		
	Ending balance	Beginning balance
Trade receivables from other parties	237,594,876,187	211,220,201,329
Trade receivables from related parties (Note 28)	8,356,815,561	4,894,615,587
TOTAL	245,951,691,748	216,114,816,916
Provision for doubtful receivables	(11,696,114,620)	(10,365,621,288)

6.2 Short-term advances to suppliers

Currency: VND		
	Ending balance	Beginning balance
Shininghwa Vietnam Co., Ltd	7,325,384,000	1,943,700,000
Other suppliers	13,838,059,648	9,402,234,935
Advances to related parties (Note 28)	7,937,280,000	-
TOTAL	29,100,723,648	11,345,934,935

7. OTHER SHORT-TERM RECEIVABLES

Currency: VND				
	Ending balance		Beginning balance	
	Balance	Provision	Balance	Provision
Interest receivables	5,454,476,773	-	13,765,665,584	-
Sales support from suppliers	2,661,402,600	-	3,474,000,000	-
Advances to employees	1,832,247,698	-	1,689,037,946	-
Deposits	278,981,250	-	278,358,000	-
Other receivables	928,177,900	-	2,613,997,364	-
TOTAL	11,155,286,221	-	21,821,058,894	-
In which:				
Other short-term receivables from related parties (Note 28)	2,430,000,000	-	2,160,000,000	-
Other short-term receivables	8,725,286,221	-	19,661,058,894	-

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8. BAD DEBTS

Currency: VND				
	Ending balance		Beginning balance	
	At cost	Recoverable amount	At cost	Recoverable amount
Overdue receivables which are considered to be doubtful	23,635,042,580	11,938,927,960	21,910,987,033	11,545,365,745
TOTAL	23,635,042,580	11,938,927,960	21,910,987,033	11,545,365,745

9. INVENTORIES

Currency: VND				
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Goods in transit	9,092,501,419	-	22,570,585,725	-
Raw materials	204,958,532,522	(593,140,266)	164,841,489,207	(1,241,999,701)
Work in process	64,840,751,690	-	62,252,781,282	-
Finished goods	173,229,917,324	(71,416,096)	152,620,948,503	(229,543,080)
Merchandise	97,954,450,136	(399,086,967)	67,113,322,617	(384,511,799)
Tools and supplies	313,570,986	-	354,956,383	-
TOTAL	550,389,724,077	(1,063,643,329)	469,754,083,717	(1,856,054,580)

Movements of provision for obsolete inventories:

Currency: VND		
	Current year	Previous year
Beginning balance	1,856,054,580	1,785,430,087
Add: Provision made during the year	2,571,501,689	1,856,054,580
Less: Utilisation and reversal of provision during the year	(3,363,912,940)	(1,785,430,087)
Ending balance	1,063,643,329	1,856,054,580

10. TANGIBLE FIXED ASSETS

Currency: VND						
	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Others	Total
Cost:						
Beginning balance	364,589,112,291	642,254,169,940	101,287,854,610	22,776,010,087	2,843,432,165	1,133,750,579,093
- New purchase	10,036,325,928	32,784,436,493	7,206,922,201	9,503,777,483	900,312,121	60,431,774,226
- Transfer from construction in progress	1,164,790,368	12,470,138,819	-	-	-	13,634,929,187
- Disposal	(269,496,301)	(11,270,636,420)	(4,080,618,210)	(246,531,352)	-	(15,867,282,283)
Ending balance	375,520,732,286	676,238,108,832	104,414,158,601	32,033,256,218	3,743,744,286	1,191,950,000,223
In which:						
Fully depreciated	40,248,780,449	96,702,061,768	45,695,697,543	9,265,656,891	2,126,300,560	194,038,497,211
Accumulated depreciation:						
Beginning balance	202,937,661,098	391,463,311,064	72,954,737,535	14,666,361,669	2,687,076,517	684,709,147,883
- Depreciation for the year	14,049,399,963	62,392,975,303	8,216,789,176	2,643,172,800	140,749,332	87,443,086,574
- Disposal	(206,218,500)	(11,270,636,420)	(4,062,255,923)	(246,531,352)	(63,277,801)	(15,848,919,996)
Ending balance	216,780,842,561	442,585,649,947	77,109,270,788	17,063,003,117	2,764,548,048	756,303,314,461
Net carrying amount:						
Beginning balance	161,651,451,193	250,790,858,876	28,333,117,075	8,109,648,418	156,355,648	449,041,431,210
Ending balance	158,739,889,725	233,652,458,885	27,304,887,813	14,970,253,101	979,196,238	435,646,685,762

As at 31 December 2024, the Company used several assets attached to land as collateral for loans as presented in Note 19.

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11. INTANGIBLE FIXED ASSETS

Currency: VND				
	Indefinite land use right	Definite land use right	Computer software	Total
Cost:				
Beginning balance	45,687,172,520	5,488,320,009	25,376,994,450	76,552,486,979
- New purchase	-	-	5,087,695,090	5,087,695,090
Ending balance	45,687,172,520	5,488,320,009	30,464,689,540	81,640,182,069
In which:				
Fully amortised	-	-	10,302,518,900	10,302,518,900
Accumulated amortisation:				
Beginning balance	-	2,648,171,975	15,080,712,708	17,728,884,683
- Amortisation for the year	-	164,282,580	3,751,737,349	3,916,019,929
Ending balance	-	2,812,454,555	18,832,450,057	21,644,904,612
Net carrying amount:				
Beginning balance	45,687,172,520	2,840,148,034	10,296,281,742	58,823,602,296
Ending balance	45,687,172,520	2,675,865,454	11,632,239,483	59,995,277,457

As at 31 December 2024, part of the Company's land use rights have been used as collateral for loans as presented in Note 19.

12. CONSTRUCTION IN PROGRESS

Currency: VND		
	Ending balance	Beginning balance
Land use right at Hung Yen branch and Can Tho Office project	5,737,727,272	5,737,727,272
Others	8,215,894,826	8,127,310,000
TOTAL	13,953,622,098	13,865,037,272

13. LONG-TERM PREPAID EXPENSES

Currency: VND		
	Ending balance	Beginning balance
Land clearance and compensation costs	24,242,853,749	25,326,599,782
Renovation and maintenance expenses	8,936,156,531	11,041,273,896
Tools and supplies	8,269,082,679	9,103,575,296
Others	1,424,144,446	1,425,184,856
TOTAL	42,872,237,405	46,896,633,830

14. SHORT-TERM TRADE PAYABLES

Currency: VND				
	Ending balance		Beginning balance	
	Amount	Payable amount	Amount	Payable amount
Trade payables to other parties	165,350,321,018	165,350,321,018	121,219,138,780	121,219,138,780
Trade payables to related parties (Note 28)	15,406,568,233	15,406,568,233	22,903,046,009	22,903,046,009
TOTAL	180,756,889,251	180,756,889,251	144,122,184,789	144,122,184,789

15. STATUTORY OBLIGATIONS

Currency: VND				
	Beginning balance	Payable in the year	Payment made during the year	Ending balance
Value added tax	345,148,727	85,335,916,722	(85,546,582,952)	134,482,497
Corporate income tax	31,201,267,053	64,927,767,758	(77,010,712,022)	19,118,322,789
Personal income tax	3,962,520,816	28,117,419,392	(29,037,432,906)	3,042,507,302
Other taxes	2,159,360	14,031,256,676	(14,032,264,036)	1,152,000
TOTAL	35,511,095,956	192,412,360,548	(205,626,991,916)	22,296,464,588

16. SHORT-TERM ACCRUED EXPENSES

Currency: VND		
	Ending balance	Beginning balance
Sale discounts payable to customers	18,855,179,409	29,016,073,727
Remuneration for sale collaborators and representatives	13,279,262,914	19,997,031,875
Other accruals	14,337,382,338	11,325,187,436
TOTAL	46,471,824,661	60,338,293,038

17. SHORT-TERM UNEARNED REVENUE

Currency: VND		
	Ending balance	Beginning balance
Unearned revenue from customer loyalty program	43,996,481,650	58,835,626,000
TOTAL	43,996,481,650	58,835,626,000

18. OTHER SHORT-TERM PAYABLES

Currency: VND		
	Ending balance	Beginning balance
Dividend payables	85,181,173,678	84,756,943,478
Other payables	5,635,427,056	6,239,275,095
TOTAL	90,816,600,734	90,996,218,573

19. SHORT-TERM LOANS

	Movement during the year				Ending balance	
	Beginning balance		Increase		Balance	
	Balance	Payable amount	Increase	Decrease	Balance	Payable amount
Loan from banks	167,967,756,063	167,967,756,063	557,190,150,399	(535,249,315,861)	189,908,590,601	189,908,590,601
TOTAL	167,967,756,063	167,967,756,063	557,190,150,399	(535,249,315,861)	189,908,590,601	189,908,590,601

Details of the short-term loans from banks are as follows:

Bank	Ending balance (VND)	Principal and interest repayment term	Interest rate (%/year)	Description of collateral
Shinhan Bank Company Limited	99,908,590,601	The loan term is 3 months with the maturity date on 30 March 2025. Interest is payable on a monthly basis.	3.5%	Term deposit contracts in Vietnam Prosperity Joint Stock Commercial Bank as presented in Note 19.
Vietnam Bank for Agriculture and Rural Development – Hanoi branch	90,000,000,000	The loan term is 3 months with the last maturity date on 30 March 2025. Interest is payable on a monthly basis.	2.8% - 3.5%	The land use rights and other assets attached to land as presented in Note 10 and Note 11.
TOTAL	189,908,590,601			

20. BONUS AND WELFARE FUND

	Current year	Previous year
Beginning balance	7,235,435,016	9,002,082,781
Add: Appropriation in the year (Note 21)	35,051,589,710	36,943,602,102
Less: Utilisation in the year	(35,837,837,892)	(38,710,249,867)
Ending balance	6,449,186,834	7,235,435,016

21. OWNERS' EQUITY

21.1 Increase and decrease in owners' equity

	Issued share capital	Share premium	Other owners' capital	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interests	Total
For the year ended 31 December 2023:								
Beginning balance	414,536,730,000	133,021,732,000	9,652,783,012	(3,593,000)	474,794,697,022	242,481,762,771	105,456,092,914	1,379,940,204,719
- Profit for the year	-	-	-	-	-	263,248,297,789	22,020,620,815	285,268,918,604
- Dividends declared from subsidiaries' profit of 2022	-	-	-	-	-	(41,450,540,000)	-	(41,450,540,000)
- Chia cổ tức bằng tiền từ lợi nhuận năm 2022 của các công ty con	-	-	-	-	-	-	(4,165,401,600)	(4,165,401,600)
- Appropriation of investment and development fund from profit of 2022	-	-	-	-	66,392,327,548	(66,392,327,548)	-	-
- Appropriation of bonus and welfare fund from subsidiaries' profit of 2022	-	-	-	-	-	(698,564,886)	(501,435,114)	(1,200,000,000)
- Provisional dividend from the profit of 2023	-	-	-	-	-	(82,901,080,000)	(11,144,678,000)	(94,045,758,000)
- Provisional appropriation of bonus and welfare fund from the Company and its subsidiaries' profit of 2023	-	-	-	-	-	(33,808,788,791)	(1,934,813,311)	(35,743,602,102)
- Other decrease	-	-	-	-	-	(33,835,121)	-	(33,835,121)
Ending balance	414,536,730,000	133,021,732,000	9,652,783,012	(3,593,000)	541,187,024,570	280,444,924,214	109,730,385,704	1,488,569,986,500

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21. OWNERS' EQUITY (continued)

21.1 Increase and decrease in owners' equity (continued)

	Currency: VND						
	Issued share capital	Share premium	Other owners' capital	Treasury shares	Investment and development fund	Undistributed earnings	Non-controlling interests
For the year ended 31 December 2024:							
Beginning balance	414,536,730,000	133,021,732,000	9,652,783,012	(3,593,000)	541,187,024,570	280,444,924,214	109,730,385,704
- Profit for the year	-	-	-	-	-	239,017,360,612	18,340,649,566
- Dividends declared from the Company's profit of 2023 (*)	-	-	-	-	-	(82,901,080,000)	-
- Dividends declared from subsidiaries' profit of 2023 (*)	-	-	-	-	-	-	(1,379,232,100)
- Appropriation of investment and development fund from profit of 2023 (*)	-	-	-	-	56,906,681,877	(56,906,681,877)	-
- Appropriation of bonus and welfare fund from subsidiaries' profit of 2023 (*)	-	-	-	-	-	(640,351,146)	(459,648,854)
- Provisional dividend from the profit of 2024 (***)	-	-	-	-	-	(82,901,080,000)	(11,144,678,000)
- Provisional appropriation of bonus and welfare fund from the Company and its subsidiaries' profit of 2024 (**)	-	-	-	-	-	(32,186,294,486)	(1,765,295,224)
- Other decrease	-	-	-	-	-	(201,559,541)	-
Ending balance	414,536,730,000	133,021,732,000	9,652,783,012	(3,593,000)	598,093,706,447	263,725,237,776	113,322,181,092
							1,532,348,777,327

- (*) The Company made appropriation for funds and declared cash dividends from the undistributed earnings of 2023 in accordance with resolutions of the 2024's Annual General Shareholders' Meetings of the Company and its subsidiaries.
- (**) The Company and its subsidiaries have also made provisional appropriation of Bonus and welfare fund from profit after tax for 2024 according to the 2024's profit distribution plan as approved by the Annual General Meetings of Shareholders of the Company and its subsidiaries.
- (***) The Company and its subsidiaries have also declared provisional dividend from profit after tax of 2024 in accordance with the Resolution of the Annual General Meetings of Shareholders of the Company and its subsidiaries.

21. OWNERS' EQUITY (continued)

21.2 Details of owners' equity

	Ending balance			Beginning balance		
	Number of shares	Amount (VND)	Percentage (%)	Number of shares	Amount (VND)	Percentage (%)
State Capital and Investment Corporation	14,786,512	147,865,120,000	35.67%	14,786,512	147,865,120,000	35.67%
Magbi Fund Limited	10,361,385	103,613,850,000	25.00%	10,361,385	103,613,850,000	25.00%
Super Delta Pte. Ltd.	6,267,289	62,672,890,000	15.12%	6,267,289	62,672,890,000	15.12%
Access S.A., SICAV-SIF- ASIA TOP PICKS	2,074,000	20,740,000,000	5.00%	2,074,000	20,740,000,000	5.00%
Other shareholders	7,961,354	79,613,540,000	19.20%	7,961,354	79,613,540,000	19.20%
Treasury shares	3,133	31,330,000	0.01%	3,133	31,330,000	0.01%
TOTAL	41,453,673	414,536,730,000	100%	41,453,673	414,536,730,000	100%

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21. OWNERS’ EQUITY (continued)

21.3 Capital transactions with owners and distribution of dividends, profits

	Currency: VND	
	Current year	Previous year
Contributed capital		
Beginning balance and ending balance	414,536,730,000	414,536,730,000
Dividends declared	165,802,160,000	124,351,620,000

21.4 Dividends

	Currency: VND	
	Current year	Previous year
Dividends declared during the year		
Dividends on ordinary shares		
Cash dividend for 2022 (2nd announcement): VND 1,000 per share	-	41,450,540,000
Cash dividend for 2023 (1st announcement): VND 2,000 per share	-	82,901,080,000
Cash dividend for 2023 (2nd announcement): VND 2,000 per share	82,901,080,000	-
Cash dividend for 2024 (1st announcement): VND 2,000 per share	82,901,080,000	-
Dividends paid during the year		
Dividends on ordinary shares		
Cash dividend for prior years	94,094,980	-
Cash dividend for 2022 (2nd announcement): VND 1,000 per share	-	41,414,790,000
Cash dividend for 2023 (1st announcement): VND 2,000 per share	82,820,202,700	-
Cash dividend for 2023 (2nd announcement): VND 2,000 per share	82,774,473,500	-

21.5 Shares

	Ending balance	Beginning balance
Authorized shares	41,453,673	41,453,673
Issued shares	41,453,673	41,453,673
Ordinary shares	41,453,673	41,453,673
Treasury shares	(3,133)	(3,133)
Ordinary shares	(3,133)	(3,133)
Shares in circulation	41,450,540	41,450,540
Ordinary shares	41,450,540	41,450,540

Par value of outstanding shares: VND 10,000/share (31 December 2023: VND 10,000/share). The Company's shares are listed on the Ho Chi Minh City Stock Exchange with the stock code of TRA.

22. OFF BALANCE SHEET ITEMS

	Ending balance		Beginning balance	
ITEMS	Original currency	VND equivalent	Original currency	VND equivalent
1. Foreign Currency:				
- US Dollar (USD)	3,980	97,902,800	9,868	234,822,049
2. Bad debts written-off (VND)	9,500,253,738	9,500,253,738	9,500,253,738	9,500,253,738

23. REVENUES

23.1 Revenue from sale of goods and rendering of services

	Currency: VND	
	Current year	Previous year
Gross revenue	2,352,291,427,964	2,302,413,360,021
In which:		
Sale of finished goods	1,822,114,675,777	1,811,080,310,645
Sale of merchandise	528,610,596,015	490,714,289,376
Rendering of services	1,566,156,172	618,760,000
Less	(5,070,288,116)	(3,177,901,012)
Sales return	(5,070,288,116)	(3,177,901,012)
Net revenue	2,347,221,139,848	2,299,235,459,009
In which:		
Net sales to others	2,260,664,318,832	2,211,769,957,638
Net sales to related parties	86,556,821,016	87,465,501,371

23.2 Finance income

	Currency: VND	
	Current year	Previous year
Interest income	20,988,791,289	29,734,151,651
Dividend income	750,000,000	200,000,000
Foreign exchange gains	883,462,475	673,809,565
Others	350,925,902	336,594,212
TOTAL	22,973,179,666	30,944,555,428

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24. COST OF GOODS SOLD AND SERVICES RENDERED

Currency: VND		
	Current year	Previous year
Cost of finished goods sold	743,648,851,991	717,776,092,129
Cost of merchandise sold	366,288,975,603	334,873,670,756
Cost of other services	462,962,227	309,600,000
Provision/(reversal of provision) for obsolete inventories	364,264,332	1,341,932,377
TOTAL	1,110,765,054,153	1,054,301,295,262

25. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND		
	Current year	Previous year
Selling expenses incurred during the year		
Labour costs	184,436,401,986	185,148,290,812
Advertising expenses	184,850,525,444	168,272,582,788
Allowance for sale collaborators	65,082,228,294	78,932,496,529
Sales discounts	65,838,813,512	79,872,355,411
Depreciation and amortisation	10,128,004,922	10,092,326,343
Others	114,680,170,258	92,055,585,347
	625,016,144,416	614,373,637,230
General and administrative expenses incurred during the year		
Labour costs	158,328,101,376	156,256,068,411
Expenses for external services	64,486,475,638	61,232,219,953
Depreciation and amortisation	22,612,766,392	27,326,491,775
Allowance for doubtful debts	1,330,493,332	1,028,302,498
Others	58,226,831,853	51,344,588,669
	304,984,668,591	297,187,671,306
TOTAL	930,000,813,007	911,561,308,536

26. PRODUCTION AND OPERATING COSTS

Currency: VND		
	Current year	Previous year
Raw materials	583,902,393,426	518,711,060,796
Labour costs	419,680,369,818	412,710,063,914
Depreciation and amortization (including allocation of prepaid land rental)	91,408,482,495	94,498,870,704
Expenses for external services	363,648,406,770	350,994,361,544
Others	238,741,330,041	242,609,544,298
TOTAL	1,697,380,982,550	1,619,523,901,256

27. CORPORATE INCOME TAX

The statutory corporate income tax (“CIT”) applicable to the Company and its subsidiaries is 20% of taxable income, except for Traphaco Sapa One Member Co., Ltd, which entitled to an exemption from CIT for income from Dong Pho Moi pharmaceutical factory project for 4 years (from 2017 to 2020) and 50% CIT reduction for the following 9 years (from 2021 to 2029) in accordance with Official Letter No. 3087/CT-THNVDT dated 23 July 2018 of Taxation Department of Lao Cai province.

The tax returns filed by the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

27.1 CIT expenses

Currency: VND		
	Current year	Previous year
Current tax expenses	64,333,131,443	77,206,921,017
Deferred tax expense/(income)	2,354,883,442	(2,999,233,240)
Adjustment of under-accrued CIT in prior years	594,636,315	1,191,012,374
TOTAL	67,282,651,200	75,398,700,151

The reconciliation between CIT expenses and the accounting profit before tax multiplied by CIT rate is presented below:

Currency: VND		
	Current year	Previous year
Accounting profit before tax	324,640,661,378	360,667,618,755
CIT expenses at applicable CIT rates for the Company and its subsidiaries	64,970,257,857	72,143,525,736
Increase/(decrease) adjustments:		
Non-deductible expenses	1,816,092,941	2,048,598,963
Remuneration to non-executive members of the Board of Directors	357,600,000	372,600,000
Adjustment of under accrued of CIT in prior years	594,636,315	1,191,012,374
Non-taxable income	(150,000,000)	(40,000,000)
CIT exemption and incentives	(305,935,913)	(317,036,922)
CIT expenses	67,282,651,200	75,398,700,151

27.2 Current tax

The current tax payable is based on taxable income for the current year. The taxable income of the Company and its subsidiaries for the year differs from the accounting profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company and its subsidiaries' liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

27. CORPORATE INCOME TAX (continued)

27.3 Deferred tax

The following are the deferred tax assets recognised by the Company and its subsidiaries, and the movements thereon, during the current year and previous year:

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Deferred tax assets				
Unearned revenue from customer loyalty program	4,668,206,454	7,640,707,324	(2,972,500,870)	2,345,485,039
Sale discounts	3,739,266,645	5,750,031,304	(2,010,764,659)	152,059,354
Allowance for sale collaborators and representatives not yet paid	2,655,852,585	3,999,406,375	(1,343,553,790)	43,043,793
Provision for inventories	-	18,225,884	(18,225,884)	-
Unrealised profit	10,728,018,364	6,737,856,603	3,990,161,761	458,645,054
	21,791,344,048	24,146,227,490	(2,354,883,442)	2,999,233,240
Net deferred tax (charge)/credit to consolidated income statement				

28. TRANSACTIONS WITH RELATED PARTIES

Related parties who have a controlling relationship and/or have significant transactions with the Company during the year is as follows:

No.	Related parties	Relationship
1	State Capital and Investment Corporation	Major shareholder
2	Magbi Fund Limited	Major shareholder
3	Super Delta Pte. Ltd.	Major shareholder
4	Daewoong Pharmaceuticals Co., Ltd.	Entity related to a member of Board of Directors (Mr. Cha Junwoo and Mr. Lee Tae Yon)
5	Sao Mai JSC	Entity related to a member of Board of Directors (Ms. Dao Thuy Ha)

List of members of the Board of Directors (“BoD”), management and the Board of Supervision (“BoS”) of the Company is presented in General Information.

Significant transactions of the Company and its subsidiaries with related parties during the current year and previous year were as follows:

Currency: VND				
Related parties	Relationship	Transactions	Current year	Previous year
Daewoong Pharmaceutical Co., Ltd.	Entity related to a member of Board of Directors	Purchase of goods and services	45,498,031,794	29,810,329,863
		Promotion fee	15,811,207,263	7,938,045,650
		Advance payment for technology transfer costs	7,937,280,000	-
Sao Mai JSC	Entity related to a member of Board of Directors	Sale of goods	86,556,821,016	87,465,501,371
State Capital and Investment Corporation	Major shareholder	Dividend declared	59,141,577,840	44,359,536,000
		Dividend paid	59,141,577,840	29,573,024,000
Magbi Fund Limited	Major shareholder	Dividend declared	41,442,407,615	31,084,155,000
		Dividend paid	41,442,407,615	20,722,770,000
Super Delta Pte. Ltd.	Major shareholder	Dividend declared	25,067,261,315	18,801,867,000
		Dividend paid	25,067,261,315	12,534,578,000

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28. TRANSACTIONS WITH RELATED PARTIES (continued)

Terms and conditions of transactions with related parties:

The sales and purchases of goods from related parties are made based on the contractual agreement.

Outstanding balances at 31 December 2024 are unsecured, interest free and will be settled in cash. For the year ended 31 December 2024, the Company and its subsidiaries have not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2023: VND 0). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Amounts due to and due from related parties at the consolidated balance sheet date were as follows:

Currency: VND				
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivables (Note 6.1)				
Sao Mai JSC	Entity related to a member of Board of Directors	Sale of goods	8,356,815,561	4,894,615,587
TOTAL			8,356,815,561	4,894,615,587
Advance to supplier (Note 6.2)				
Daewoong Pharmaceuticals Co., Ltd.	Entity related to a member of Board of Directors	Technology transfer costs	7,937,280,000	-
TOTAL			7,937,280,000	-
Short-term other receivables (Note 7)				
Daewoong Pharmaceuticals Co., Ltd.	Entity related to a member of Board of Directors	Sale support receivable	2,430,000,000	2,160,000,000
TOTAL			2,430,000,000	2,160,000,000
Short-term trade payables (Note 14)				
Daewoong Pharmaceuticals Co., Ltd.	Entity related to a member of Board of Directors	Purchase of goods and services	15,406,568,233	22,903,046,009
TOTAL			15,406,568,233	22,903,046,009

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration to members of the Board of Directors (“BoD”), Board of Supervision (“BoS”) and the Management during the year:

Currency: VND			
Name	Position	Income (*)	
		Current year	Previous year
Board of Directors and management			
Mr. Nguyen Phu Khanh	Vice Chairman	542,400,000	542,400,000
Mr. Dinh Quang Hoa	Member of BoD	412,800,000	309,600,000
Mr. Lee Tae Yon	Member of BoD (Up to 12 April 2024)	103,200,000	487,800,000
Mr. Cha Junwoo	Member of BoD (From 12 April 2024)	309,600,000	-
Mr. Nguyen Anh Tuan	Member of BoD (Up to 14 April 2023)	-	103,200,000
Mr. Tran Tuc Ma	General Director cum Member of BoD	4,651,878,625	5,015,490,805
Mr. Kim Dong Hyu	Deputy General Director cum Member of BoD	3,910,125,184	3,780,696,516
Ms. Dao Thuy Ha	Deputy General Director cum Member of BoD	2,739,804,738	3,064,205,667
Mr. Nguyen Huy Van	Deputy General Director	1,874,684,427	1,983,081,147
Mr. Pham Hoang Anh	Deputy General Director	2,035,988,276	2,115,928,477
Mr. Nguyen Van Bui	Deputy General Director	1,892,010,717	1,877,529,408
Board of Supervision			
Ms. Nguyen Thi Luong Thanh	Head of BoS	168,000,000	168,000,000
Ms. Nguyen Thanh Hoa	Member of BoS	144,000,000	144,000,000
Ms Nguyen Thi Giang	Member of BoS (From 12 April 2024)	108,000,000	-
Mr. Kwon Ki Bum	Member of BoS (From 12 April 2024)	-	82,000,000
TOTAL		18,892,491,967	19,673,932,020

(*) Including salary, allowance and bonus.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year then ended

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29. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Currency: VND	
	Current year	Previous year (Trình bày lại)
Net profit after tax attributable to ordinary shareholders	239,017,360,612	263,248,297,789
Adjustment due to appropriation to bonus and welfare fund	(32,186,294,486)	(34,449,139,937)
Net profit after tax attributable to ordinary shareholders for basic earnings (*)	206,831,066,126	228,799,157,852
Weighted average number of ordinary shares for basic earnings per share	41,450,540	41,450,540
Weighted average number of ordinary shares adjusted for the effect of dilution	41,450,540	41,450,540
Earnings per share		
- Basic earnings per share	4,990	5,520
- Diluted earnings per share	4,990	5,520

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these consolidated financial statements.

(*) Net profit used to compute earnings per share for the year ended 31 December 2023 was restated following the actual allocation to Bonus and welfare funds from 2023's retained earnings in accordance with the Resolution of the Annual General Meetings of the Company and its subsidiaries.

Net profit used to compute earnings per share for the fiscal year ending 31 December 2024, was also adjusted provisional distribution to Bonus and welfare funds from the current year's profits based on the 2024's profit appropriation plan as approved by the Annual General Meeting of Shareholders of the Company and its subsidiaries.

30. COMMITMENTS

Operating lease commitment

The Company and its subsidiaries lease assets under operating lease arrangements. The minimum lease commitment as at the balance sheet dates under the operating lease agreements are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	5,375,615,952	5,216,933,166
From 1 to 5 years	15,251,454,352	14,630,250,455
More than 5 years	27,670,856,821	26,895,363,366
TOTAL	48,297,927,125	46,742,546,987

31. EVENTS AFTER THE BALANCE SHEET DATE

There is no other matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Company and its subsidiaries.

Preparer
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General Director
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Hanoi, Vietnam
21 March 2025



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