

REPORT OF THE BOARD OF DIRECTORS TERM IV (2019 – 2023)**Kind attention to: THE GENERAL MEETING OF SHAREHOLDERS OF
DHG PHARMACEUTICAL JOINT STOCK COMPANY**

- Pursuant to the Law on Enterprises No.59/2020/QH14 dated 17 June 2020;
- Pursuant to the Charter of DHG Pharmaceutical JSC issued on 19 Apr 2021,

The Board of Directors (BOD) Term IV (2019 – 2023) of DHG Pharmaceutical Joint Stock Company (DHG Pharma) was elected at the Annual General Meeting of Shareholders (AGM) held on 11 Jun 2019. At this meeting, the BOD respectfully submits to the AGM the Report on the Company's production and business performance in 2023 and Term IV (2019 - 2023); Report on the BOD's performance in 2023; the development orientation for 2024 – 2030; and the Production and business plan FY2024 with the following main contents:

**PART 1: REPORT ON THE COMPANY'S PRODUCTION AND
BUSINESS PERFORMANCE IN 2023 AND TERM IV (2019 - 2023)****1. Production and business performance in Term IV (2019 – 2023)**

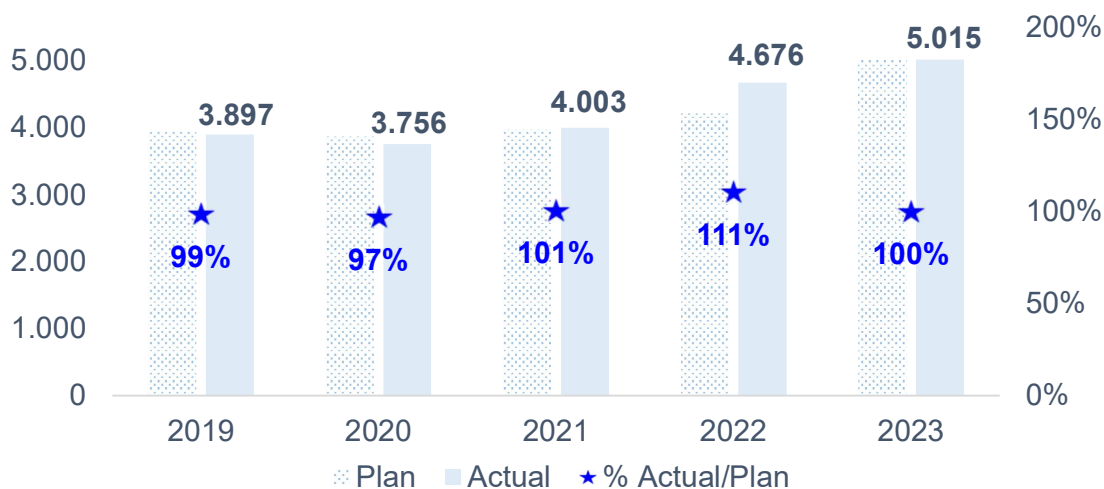
Following the AGM Resolution, the BOD identified and implemented the annual production and business plans, directions. Over the five-year term, the BOD performed its supervisory function to ensure the performance in line with the set objectives, directions, and plans. The specific performance of the fundamental indicators were as follows:

Unit: VND Billion

Target	2019	2020	2021	2022	2023	CAGR
Owner's equity	3,378	3,568	3,790	4,292	4,853	9.5%
Owner's contributed capital	1,307	1,307	1,307	1,307	1,307	
Total assets	4,147	4,448	4,615	5,168	6,110	10.2%
Net sales	3,897	3,756	4,003	4,676	5,015	6.5%
Profit before tax	713	821	865	1,100	1,159	12.9%
Profit after tax	631	739	777	988	1,051	13.6%
Budget payables	226	273	311	366	352	11.7%
Dividend (VND/share)	4,000	4,000	3,500	3,500	7,500	17.0%

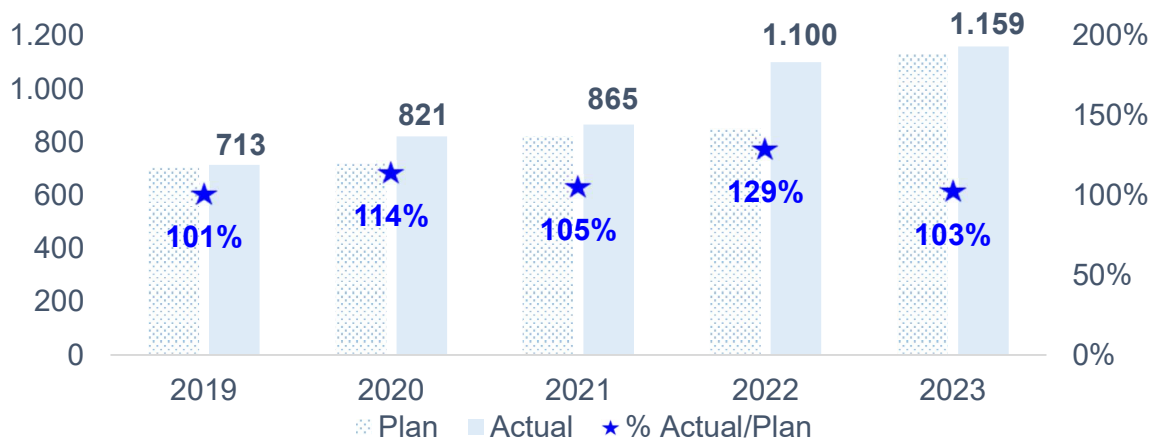
1.1. High growth in business results and successful completion of the tasks assigned by the AGM:

Net sales



The CAGR of net sales for the period 2019 – 2023 was 6.5%. This reflected the Company's flexibility and solidity in maintaining growth despite a fiercely competitive environment and facing numerous challenges, including the Covid-19 pandemic and economic difficulties that led to more cautious spending. In this context, DHG Pharma is striving to implement its business plan for the period 2021 - 2025, aiming to achieve a sales of VND 5,500 billion by 2025. This is an ambitious target, reflecting the determination and business strategy of the Company in achieving sustainable development in the future, strengthening DHG Pharma's position in the industry, and also creating significant value for shareholders and stakeholders.

Profit before tax



The CAGR of profit before tax for the period 2019 – 2023 was 12.9%, higher than the growth rate of net sales. According to the five-year plan for 2021 – 2025 that DHG Pharma submitted at the AGM in 2020, the profit before tax surpassed VND 1,000 billion in 2022, three years ahead of schedule.

1.2 Enhancing corporate value to ensure shareholder interests

- During the 2019 - 2023 term, DHG Pharma consistently ensured the interests of shareholders with a policy of annual dividend payments. The annual dividend payment was always maintained at a rate of 35% - 40% of the par value, higher than the pharmaceutical industry average and exceeding the targets. **Notably, the dividend FY2023 projected to submit to the AGM is VND 7,500 per share.** The Company's market capitalization increases from VND 11,963 billion in 2019 to VND 13,598 billion in 2023.
- DHG Pharma always updated its business results and strategies to shareholders and investors via direct meetings, conference calls, emails, and so on. The investor relations team is willing to address queries as well as to record feedback from shareholders and investors.

1.3 Staying ahead of the trend and applying 4.0 technology

- The Industrial Revolution 4.0 has opened up many opportunities and challenges. Vietnam, as a whole, and the pharmaceutical industry, in particular, are not exempt from these developments. Aware of the opportunity and the importance of the Industrial Revolution 4.0, DHG Pharma has been a pioneer in applying technology to increase productivity.
- The efforts to apply science and technology at DHG Pharma has brought considerable effectiveness in internal communication, sales management, and humanitarian activities. Customers can control information related to purchasing, transactions, payments, promotions, etc., with DHG Pharma anytime and anywhere.

1.4 Enhancing reputation and brand

- Maintained the leading position in the Vietnamese pharmaceutical industry for 27 consecutive years, Top 5 pharmaceutical companies with the largest market share in the Vietnamese Pharmaceutical industry.
- Completed the construction of new Betalactam plant (it is projected to start operations from Quarter 2/2024) and upgraded most of production lines at the current Non-Betalactam plant to global GMP standards. Investments have been made in modern, high-capacity machinery and equipment to enhance efficiency and productivity.
- International quality products at Vietnamese price continued to affirm their position in the hearts of consumers, customers, and the medical community.
 - + The Hapacol brand meeting the JAPAN-GMP standards always leads in the Analgesic – Antipyretic category.
 - + The NattoEnzym brand leads in applying nattokinase for the prevention of blood clots and strokes in Vietnam.
 - + The Naturenz brand, with its liver detox formula - an invention by the Vietnamese, to take care of the Vietnamese citizen's health.
 - + The Bipp brand leads in the nutritional candy category for children.

- 11 consecutive years - Top 50 Best Listed Companies voted by Forbes Vietnam.
- 08 consecutive years – Top 10 Prestigious Pharmaceutical Companies voted by Vietnam Report
- 12 consecutive years - Top 50 Vietnam’s Best Performing Companies organized and voted by Vietnam Investment Review Magazine
- 27 consecutive years - Vietnamese High-quality Goods voted by consumers
- 06 consecutive years - Best Corporate Governance Report (Midcap group in 2020, 2021, 2022 and 2023).
- 03 consecutive years - Top 100 sustainable enterprises in Vietnam voted by Vietnam Chamber of Commerce and Industry (VCCI).
- 02 consecutive years - Top 10 best working environment in Pharmaceutical/ Medical Equipment/ Healthcare industry.
- 02 consecutive years - Top 100 best places to work in Vietnam.
- Certificate of Merit from the State Securities Commission for contributions to the development of the Ho Chi Minh City Stock Exchange (HOSE) and the stock market during the period 2015 - 2020.

2. BOD personnel in Term IV (2019 – 2023)

- The BOD Term IV (2019 – 2023) consists of 07 members, including two (02) independent BOD members. The structure of the BOD Term IV has ensured a balance between executive members, non-executive members, and independent members in accordance with the regulations in the Company's Charter and the Internal regulation on Corporate Governance.
- During the term, there have been personnel changes in the BOD as follows:
 - + On 19 Apr 2021, the AGM approved the dismissal and appointment of Ms. Nguyen Thi Viet Thanh to replace Mr. Phan Minh Tien.
 - + On 19 Apr 2023, the AGM approved the dismissal and appointment of Mr. Toshiyuki Ishii to replace Mr. Masashi Nakaura.
- Up to now, the BOD of DHG Pharma are as follows:

No.	Full name	Title
1.	Ms. Dang Thi Thu Ha	BOD Chairwoman
2.	Mr. Jun Kuroda	BOD member
3.	Mr. Toshiyuki Ishii	BOD member
4.	Mr. Maki Kamijo	BOD member
5.	Mr. Doan Dinh Duy Khuong	BOD member
6.	Mr. Do Le Hung	Independent BOD member
7.	Ms. Nguyen Thi Viet Thanh	Independent BOD member

PART 2: REPORT ON THE BOD'S PERFORMANCE IN 2023

1. Overview of the pharmaceutical industry in 2023

- Vietnam's pharmaceutical industry is considered to be a fast-growing industry. Domestic pharmaceutical production is increasingly expanding in scale. Currently, Vietnam has 51 foreign-invested pharmaceutical enterprises, 228 enterprises meeting WHO - GMP standards, 18 enterprises meeting EU-GMP standards or equivalent. The competition to achieve EU-GMP standards has become fiercer as it determines the long-term competitive potential of many businesses.
- Pursuant to the IQVIA report for 4Q/2023, the pharmaceutical market value in Vietnam reached VND 201,771 billion, an 8% increase over the same period. Within this, the Hospital Channel witnessed a 20% of growth, accounting for 40% of the market share, while the Pharmacy Channel grew by 1%, accounting for 60% of the market share. The Hospital Channel experienced robust growth due to government support through policies such as the Law on Examination and Treatment No.15/2023/QH15, Resolution No.80/2023/QH15 on the extension of drug registration, Circular No. 06/2023/TTBYT on easing difficulties in drug bidding at public healthcare facilities and resolving bottlenecks in patient care and Circular No.02/2018 concerning the control of unverified origin medicines in the OTC channel. Additionally, the prioritization of generic medicines over brand name medicines to reduce product costs and ease the economic burden on the health insurance fund was also driving growth in the Hospital channel. Business performance at the Pharmacy channel only showed slight growth due to weak demand as consumer income decreased.
- By the end of 2023, large pharmacy chains in the market such as Pharmacity, Long Chau, An Khang, Trung Son, etc. have not yet gained a significant advantage over smaller pharmacies. There are currently up to 50,000 pharmacies owned by small businesses in the market. The total number of stores of 4 large pharmacy chains such as Pharmacity, Long Chau, An Khang, Trung Son, etc. has only reached over 3,000 stores. However, in 2023, there was a notable and robust emergence of FPT Long Châu, which is the only pharmacy chain that is profitable.
- 2023 was also the year that had numerous M&A deals in the pharmaceutical industry. Foreign investors expressed considerable expectations for the market of hundreds of millions of people when they spent millions of dollars to acquire major Vietnamese companies. For instance, Adamed Pharma increased its ownership from 70% to 100% in Dat Vi Phu, Dongwha Pharm Group spent nearly USD 30 million to acquire a 51% share in Trung Son Pharma, ASKA raised its ownership from 24.9% to 32.56% in Ha Tay Pharmaceutical JSC, and SK Investment increased its stake in Imexpharm to over 65%.

2. Business performance in 2023

2.1. Overview

Target	2023 Budget	2023 Actual	2022 Actual	% Actual/ Budget 2023	Growth
Net sales	5,000	5,015	4,676	100.3%	7.3%
Profit before tax	1,130	1,159	1,100	102.6%	5.4%
Profit after tax		1,051	988		6.3%

By closely following the targets set by the GMS, net sales reached VND 5,015 billion, up 7.3%, and profit before tax achieved VND 1,159 billion, up 5.4%. Consequently, DHG Pharma has outstandingly fulfilled 100.3% of its net sales target and 102.6% of its profit before tax target. These results significantly contribute to solidifying DHG Pharma's leading position in the Vietnamese pharmaceutical market.

2.2. Sales and Marketing Activities

- Successfully implemented the "Push and Pull" strategy by promptly organizing attractive promotion programs and conducting in-store communications to help consumers find and purchase products at pharmacy chains. Increased market share of strategic brands in pharmacy chains and the Hospital Channel.
- Executed a series of events introducing key products to potential customers, consumers, and internal staff to emphasize the product values and increase sales. Maintained product introduction activities in the pharmaceutical industry at highly professional events, National Conferences.
- Focused on researching and strongly applying new technologies, especially those of the Industrial Revolution 4.0: carried out communication programs on apps like DHG Prosperity, DHG Family, and digital platform communications, etc.

2.3. Production and Supply Chain Activities

- The total production output reached 5.7 billion product units, up 1.2% yoy. Production value reached VND 7,258 billion, up 13.3% yoy.
- Completed the construction of the new Betalactam factory in Hau Giang province: It is projected to start operations from Quarter 2/2024. The project is important to the Company's plan to develop high-quality product lines, offering more choices to consumers. The project also helps to strengthen long-term development capacity, creating practical value for society by creating additional jobs for the local population through recruitment, and maintaining a stable workforce with high capabilities in Hau Giang province.
- Implemented the installation and operation of the Solar Energy Project at the pharmaceutical manufacturing plant in Hau Giang. The execution of this project demonstrates the Company's commitment to using clean energy sources and reducing greenhouse gas emissions.
- Total number of bioequivalent products as of 31 Dec 2023: 53 products, including 48 domestic products and 5 oversea products.

- DHG Pharma's products strictly adhere to quality standards, including ISO/IEC 17025, WHO-GMP, GLP, GSP, GDP, GPP throughout the production, storage, and distribution processes. Furthermore, DHG Pharma also complies with the regulations of the Ministry of Health, Drug Administration of Vietnam, Food Safety and Hygiene Department, and local Health Departments.

2.4. Activities of Human Resources, finance and governance

- Searched, selected and retained personnel with competencies and skills consistent with job requirements, creating a high-quality workforce. Organized training for functional sectors with the theme "Break through all limits", "DHG is determined to our decision, and success is imperative", "Must win for the honor of the leader", "Small changes, big differences", Executed the new compensation and bonus system from 1 Apr 2023.
- Increased financial income for the Company by effectively exploiting cash flow. Enhanced cash flow management and applied financial leverage strategies to optimize capital and increase profitability.
- Executed the project to convert financial statements according to IFRS standards (international accounting standards) and the Workiva tool. This is an important step in integrating and adapting to international accounting standards, contributing to the Company's global integration.
- Total payment to the State budget in 2023 is VND 352 billion. In particular, payables to Cantho City is VND 82 billion and to Hau Giang province is VND 58 billion.
- Community activities: DHG Pharma increasingly asserts its role and mission through meaningful and humane activities. The Company has continuously implemented numerous community healthcare projects, ranging from organizing free medical examinations and medication to sponsoring funds. It also supports initiatives targeting children, lonely elderly, and those facing difficult circumstances, thereby demonstrating a strong commitment to enhancing the quality of life for all social classes.

3. Performance and remuneration of the BOD in 2023

In 2023, the BOD focused on working in accordance with its functions, duties and powers of the collective and individuals and in compliance with the Enterprise Law, the Company's Charter, and applicable laws. The BOD meetings were held and conducted in accordance with the Internal Regulation on Corporate Governance. The Minutes, Resolutions, and Decisions of the BOD were based on the unanimity of the members to assist the BOM carry out business operations effectively and were archived in accordance with regulations.

3.1. Evaluation of the BOD performance in 2023

- In 2023, the BOD held a 2022 AGM on 19 Apr 2023 and 16 BOD meetings to discuss and approve several issues under the functions and authorities of the BOD. 16 Resolutions and 29 Decisions were issued.

- All meeting contents were prepared in detail and informed to each member before the meeting. The BOM was invited to the BOD meetings in order to discuss and generate unanimity in the BOD's strategies, business orientation and directions over the BOM.
- The BOD members fully participated in the BOD meetings and provided timely instruction, contributing to achieving the business results in 2023 assigned by the AGM. The contents under the responsibility and authority of the BOD on governance, risk management, compliance, audit supervision on strategies, and human resources were strictly implemented. The BOD members were assessed to successfully complete their assigned tasks with a high sense of responsibility for the interests of shareholders and the Company's stable development.

3.2. Activities of Committees under the Board of Directors

The BOD Term IV (2019 - 2023) has established 03 Committees, comprising of Strategic Committee, Nomination Committee and Audit Committee. Quarterly, the Committees hold meetings and send reports to the BOD in accordance with their assigned scope of work.

- Strategic Committee: Consulting, advising the BOD in building long-term development strategies; Long-term investment plan; Developing annual business plan; dividend payment plan.
- Nomination Committee: Proposing and advising the BOD on the appointment/dismissal of senior management; human resource development plan: detection, recruitment, training, and nurturing senior management and succession plan program; Proposing and advising the BOD on Company's salary, bonus, and benefits policies; Preparing quarterly and annual HR performance reports.
- Audit Committee: Continuing to monitor financial statements and systems of internal control & risk management and internal audit; Supervising compliance with laws and internal policies; participating in the development of the Company's strategy, particularly in enhancing internal control and risk management system.

(For details on the performance of the Audit Committee, please refer to the Audit Committee Report FY2023).

3.3. Remuneration, bonuses, and benefits of the BOD in 2023

The BOD's remuneration in 2023:

The payment of the BOD remuneration at DHG Pharma was carried out in accordance with the AGM resolution in 2022 dated 19 Apr 2023, and DHG Pharma's internal regulations. Specifically, VND 5 billion are recorded in the Company's expenses and VND 2 billion allocated from profit after tax FY2023 (BOD remuneration and operation expenses included).

No.	Full name	Title	Remuneration (personal income tax included)
		Total	4,632,074,074
1	Dang Thi Thu Ha	BOD Chairwoman	850,000,000
2	Jun Kuroda	BOD Member Chairman of the Strategic Committee	595,000,000
3	Toshiyuki Ishii	BOD Member General Director	378,000,000
4	Masashi Nakaura	Former BOD Member Former General Director	149,074,074
5	Maki Kamijo	BOD Member	675,000,000
6	Doan Dinh Duy Khuong	BOD Member Chief Operating Officer	595,000,000
7	Do Le Hung	Independent Board Member Chairman of the Audit Committee	765,000,000
8	Nguyen Thi Viet Thanh	Independent Board Member Chairwoman of the Nomination Committee	625,000,000

(The remuneration of the BOD members and the BOM members in details have been disclosed in the Annual Report FY2023 and the audited financial statements FY2023, notes to the financial statements, section 41 of related party transactions and balances)

BOD remuneration in 2024:

- Respectfully submit to the AGM for approving the total amount of the BOD Operation Fund (remuneration and other operation expenses included) in 2024: VND 7 billion. Of this, VND 5 billion will be recorded in the Company's expenses and VND 2 billion will be allocated from the profit after tax in 2024. Additionally, DHG will continue to purchase the Directors and Officers (D&O) liability insurance for the BOD and the BOM in accordance with the AGM resolution in 2021 dated 18 Mar 2022. This program will be renewed annually until further decision issued by the AGM.

3.4. Monitoring results with regards to the General Director, Managers and Executives of the Company.

Monitoring method:

- Evaluation and feedback on strategic decisions: The BOD provides timely feedback and establishes a two-way dialogue with the General Director and managers in terms of strategic decisions, helping to better understand the BOD's perspectives and expectations, thereby contributing to the Company's development and achieving business goals.
- Periodic report and analysis of business results: The BOD requires periodic reports from the General Director and managers, including financial statements, operational reports, and reports on specific projects. The BOD reviews these

- reports to assess the Company's operational situation and make appropriate decisions.
- Regular meetings and performance evaluation: The BOD holds regular meetings with the General Director and managers to discuss current situations and future plans. In these meetings, the BOD evaluates work performance and provides necessary recommendations or directions.
 - Information disclosure: The BOD supervises, directs, and ensures that information is disclosed fully, transparently, and timely in accordance with the regulations of the Stock Exchange and the State Securities Commission. The AGM is organized successfully; the annual/quarterly financial statements, annual report and sustainability report are prepared thoroughly.
 - Risk management: The BOD assesses and manages the enterprise's potential risks, including financial, human resources, legal, market, corporate governance, and other risks.
 - Supervision of compliance with internal regulations and professional ethics: The BOD ensures that the General Director and managers comply with legal regulations and the Company's ethical standards and code of conduct.
 - Evaluation of leadership capabilities and personnel development: The BOD regularly assesses the leadership capabilities of the General Director and managers, including management, leadership, and personnel development skills.

Overall assessment: In the context of major fluctuations in the global and domestic economy, maintaining growth and stability for the enterprise is a significant challenge. At DHG Pharma, strategies have been implemented from optimizing operations, applying technology to expanding markets, and diversifying products. This reflected the management's flexibility and the determination of the General Director and managers. As a result, DHG Pharma has not only overcome difficulties but also exceeded the business targets set by the AGM, creating the foundation for sustainable development in the future.

PART 3: DEVELOPMENT ORIENTATION FOR 2024 – 2030

Vision to 2030:

Maintaining the leading position in Vietnam's pharmaceutical industry; Strive to become the leading consumer health enterprise in Vietnam.

DHG Pharma's development orientation for the period 2024 – 2030

1. Maximizing the enterprise values and increasing all stakeholders' benefits.
 - Focusing on business activities capable of creating value; Strengthening risk management and optimizing financial performance to ensure stability and sustainability for the Company and its stakeholders.

- Promoting CSR policies and activities to optimize benefits for employees, partners, and social community.
 - Building close, long-term partnerships with supply and distribution partners to maximize the supply chain value.
 - Developing a corporate culture with DHG Pharma's unique identity, which is a solid foundation and fulcrum to help the Company develop sustainably. Building a positive working environment and ensuring satisfaction and commitment from employees.
2. Being the leading domestic pharmaceutical enterprise in Vietnam.
- Exploiting lines that have met high standards - Japan-GMP/EU-GMP. Upgrading EU-GMP standard for a number of strategic lines and products. Optimizing production processes to increase performance and create competitive advantage.
 - Promoting research and development of new products to serve domestic and international markets through connecting current R&D activities with Taisho – the parent company to optimize the efficiency of R&D activities of the entire group.
 - Importing and distributing products related to consumer health of Taisho - parent company. Besides, executing strategic cooperation with potential partners to take advantage of opportunities to expand the product portfolio.
 - Investing in targeted communications, closely coordinating between Marketing and sales to effectively execute sell-in and sell-out strategy with customers and consumers.
3. Being a pharmaceutical enterprise with the most professional, deepest, broadest, and diversified distribution channel.
- Continuously restructuring the sales system to improve competitiveness in the domestic market. Expanding and diversifying distribution channels so that products are present in all areas across the country.
 - Investing in a modern logistics system to ensure the product transportation and distribution process takes place strongly and effectively.
 - Developing online distribution channels and technology to meet growing customer needs; creating convenience and flexibility in shopping.
 - Continuously exploiting the international market segment based on the strength of Taisho's understanding of the Asian market, thereby improving the proportion of export sales and enhancing the export position of the Vietnam Pharmaceutical industry.
4. Focusing on investing in technology and digital transformation
- Investing in a modern and appropriate information technology platform to optimize internal processes and enhance work performance.

- Developing and implementing professional data and information management systems to improve data-driven management and decision making.
 - Building applications and digital platforms to improve customer experience from online orders to customer interaction and support.
 - Creating a flexible and effective digital working environment: remote working, online seminar, internal communication system. Training and developing employees to master and fully exploit information technology and digital transformation in all business activities.
5. Becoming a symbol of humanity in contributing to the society and enhancing the quality of life.
- Committing to positively contributing to the society through meaningful activities.
 - Supporting local communities, public health care, education and human resource development.
 - Continuously seeking opportunities to improve the community's quality of life
 - Actively participating in social security activities, promoting meaningful human values, sharing difficulties and accompanying the common goal of a more beautiful and healthier life.

Business plan 2025 – 2030:

DHG submits to the AGM to assign the new BOD to develop detailed business plans for 2025 - 2030 and report when the business plan is completed.

PART 4: PRODUCTION AND BUSINESS PLAN IN 2024

1. Business plan of 2024:

- Net sales: VND 5,200 billion
- Profit before tax: VND 1,080 billion

2. Key solutions:

In 2024, DHG Pharma will commemorate its 50th anniversary of establishment, development and steadfast pursuit of the mission "For a healthier and more beautiful life". This is not only an important milestone in the history of DHG Pharma but it also demonstrates the determination to progress on the development path. DHG Pharma does not merely pride itself on looking back its journey but also sets new goals with the spirit of "**Ever Aspiring**". DHG Pharma ship is constantly innovating, always pioneering, and daring to think and take actions. Each step forward represents the realisation of countless dreams and passions, a promise to care for the health of people from all walks of life. DHG Pharma continuously ventures into the sea, integrates globally, and brings home the scientific breakthroughs from the global pharmaceutical industry. To achieve this, DHG Pharma has not hesitated to review and implement strategies for its Functional Sectors to ensure that all Company's operations run smoothly and efficiently.

2.1. Market Sector

- Focusing on strategic products and enhancing brand image and market share to contribute to DHG Pharma's future growth.
- Maintaining the position of the Pharmacy Channel, focusing on strategic products in the Hospital Channel, and increasing coverage and recognition for new products.
- Increasing market share at pharmacy chains (MTC channel), increasing market share in HCM.
- Focusing on customer engagement through sales policies and customer loyalty programs to increase our market share to be number one in the retail channel.
- Driving demand from consumers/patients/sales. At the same time, supporting pharmacies in attracting new consumers and building loyal consumer data to build long-term and sustainable relationships in the market.
- Maintaining and strengthening marketing strategies for key products. Developing marketing strategies for the newest products, which are health care products.

2.2. Production Sector

- Enhancing technology transfer and implementation of major projects to improve competitiveness and innovation.
- Executing the New Betalactam project and global standard lines such as Japan-GMP, EU-GMP,... to not only meet strict requirements on quality but also gain recognition and trust from the global market.
- Improving productivity in production by controlling costs, reducing wastage, and effectively managing each unit's budget towards a high-performance production process suitable for the changing business environment.
- Investing appropriate budget for R&D to supplement resources in equipment, facilities as well as attracting high quality human resources to participate in projects at DHG Pharma. Strengthening cooperation with leading Centers, Institutes, Schools, and Scientists in the pharmaceutical field to develop product portfolios and ensuring pioneering in the development of the Pharmaceutical industry.

2.3. Human resources, finance and back-office Sector

- Converting financial statements according to international standards (IFRS).
- Establishing and editing processes/regulations related to finance/ investment/ accounting.
- Focusing on analyzing projects to improve efficiency and improve the Company's operations.

- Launching projects related to productivity and proposing methods to improve employees' lives. Continuously training successors to ensure continuity in the personnel development process.
- Structuring the workforce, stabilizing the organization, evaluating and screening personnel quality to ensure the workforce follow the organizational strategy and well meet job requirements.
- Implementing information technology projects to improve work efficiency and corporate governance effectiveness.
- Building and perfecting the risk management system, constantly improving the capacity to build, executive and enforce the Company's governance on the basis of compliance with the Charter and provisions of the Law; the Company's Regulations;
- Practicing advanced "Corporate Governance Practices" in the world and Vietnam to help improve management efficiency, contributing to good implementation of the Company's strategies and business plans.

Above is the Report on the Company's production and business performance in 2023 and Term IV (2019 - 2023); Report on the BOD's performance in 2023; the development orientation for 2024 - 2030 and the production and business plan for 2024.

Kindly submit to the AGM for consideration and approval.

Best regards./.

Recipients:

- Ditto;
- Archived: BOD Secretary.

**OBO. THE BOARD OF DIRECTORS
BOD MEMBER, GENERAL DIRECTOR**

Toshiyuki Ishii

Note: For more information, please refer to the Annual Report and Corporate Governance Report 2022 posted on the Company's website via <https://www.dhgpharma.com.vn/en/investor-relations-2/annual-report-2/3354-annual-report-2023>