

Gia Lai, April 01, 2026

REPORT
ON BOARD OF DIRECTORS' ACTIVITIES IN 2025
Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company
(Bidiphar)

To: The 2026 Annual General Meeting of Shareholders
Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (Bidiphar)

I. PERFORMANCE OF THE BOARD OF DIRECTORS IN 2025

1. Operating Context in 2025

As a pharmaceutical company in Vietnam, in 2025 Bidiphar faced numerous challenges alongside emerging opportunities:

1.1. Challenges:

- Complex weather patterns and prolonged natural disasters in many localities caused significant damage to facilities and inventories, while also disrupting production and business operations.
- Policies on taxation, invoicing, and prescription drug control had a substantial impact on sales through the pharmacy channel.
- The reorganization of administrative units after July 1, 2025 changed management boundaries, creating difficulties in organizing logistics activities.
- Inspections and audits by regulatory authorities increased, while many procedures still required prior approval and licensing timelines remained lengthy.
- The Company is currently implementing multiple projects (investment projects as well as management and digital transformation initiatives), leading to resource constraints; moreover, the experience of teams involved in new projects remains limited.
- Market competition has intensified, with many new product registrations from competitors entering the market.
- The Company does not yet have a production line certified under EU-GMP standards.

1.2. Opportunities:

External factors:

- Public demand for healthcare services continues to increase.
- Nationwide healthcare initiatives are receiving greater attention and support from the government.
- Numerous legal and regulatory documents have been issued to support the development of the domestic pharmaceutical industry.

Internal factors at Bidiphar:

- The Company's brand strength continues to grow, ranking among the Top 4 most reputable pharmaceutical companies and earning many new awards.
- A diversified product portfolio, with TUT products, renal dialysis solutions, and injectable antibiotics that have established strong trust among hospitals.
- A nationwide distribution network, increasingly well managed through supporting tools such as SAP, DMS, and Power BI.
- A progressively more stringent quality system, ensuring compliance with regulatory requirements.
- Manufacturing facilities and equipment are regularly supplemented and upgraded.
- A dedicated workforce with long-term commitment to the Company.

2. Report on the duties execution as authorized by the General Meeting of Shareholders

Information on Meetings and Resolutions of the General Meeting of Shareholders in 2025:

No.	Resolutions/Decisions No.	Date	Content
1	55/BB-ĐHĐCĐ2025	26/04/2025	Minutes of the 2025 Annual General Meeting of Shareholders
2	56/NQ-ĐHĐCĐ2025	26/04/2025	Resolution of the 2025 Annual General Meeting of Shareholders

The Board of Directors has actively implemented the resolutions approved by the 2024 Annual General Meeting of Shareholders and 2025 Annual General Meeting of Shareholders as follows:

1) Investment in the OSD Non-Betalactam Factory Project

At present, the Company's resources are being concentrated on the implementation of the EU-GMP Oncology Drugs project and the EU-GMP Small-Volume Parenteral Drugs project, and are therefore insufficient to continue the OSD Non-Betalactam project. The Company has also not yet completed the private placement of shares for the purpose of raising capital for this Project.

The Board of Directors has instructed the Executive Management to reassess the feasibility of the OSD Non-Betalactam project in 2027 and to resubmit an appropriate proposal.

2) Completion of cash dividend payment for 2024 at a rate of 20% of par value (VND 2,000 per share).

3) Employee Stock Ownership Plan Issuance

Completion of the share issuance under the Employee Stock Option Plan (ESOP) in August 2025.

4) *Private Placement of Shares to Investors*

The Board of Directors is working with investors interested in purchasing the Company's privately placed shares. However, as of now, no investor has actually taken any actions to proceed with the purchase of the Company's privately placed shares.

The Board of Directors respectfully submits to the 2026 Annual General Meeting of Shareholders for consideration and approval: the continuation of the private placement plan for investors, with detailed content as specified in Proposal No. 45/TTr-HĐQT-DHĐCĐ2026 dated April 01, 2026.

3. The Board of Directors Performance Report in 2025

- The Company's Board of Directors is maintained at 07 members, including 02 independent members, in full compliance with the provisions of law and the Company's Charter.
 - The Board of Directors operates effectively through its commitment to adhering to high standards of corporate governance and transparent, efficient information disclosure in all business activities:
 - + In 2025, the Board of Directors convened 05 meetings, conducted in full compliance with statutory procedures, the Company's Charter, and the Internal Regulations on Corporate Governance.
 - + The Board of Directors also conducted written voting and opinion polling through online platforms.
 - + Through these meetings and written voting procedures, the Board of Directors issued minutes, resolutions, and decisions to exercise its rights and responsibilities, as well as to implement resolutions of the General Meeting of Shareholders.
- (For details of the meetings and resolutions/decisions of the Board of Directors in 2025, please refer to the 2025 Corporate Governance Report published at: <https://bidiphar.com/bao-cao-tinh-hinh-quan-tri-cong-ty-nam-2025/>).*
- With regard to ensuring shareholders' rights, fair treatment among shareholders, and enhancing effective participation and balanced interests of stakeholders, the Board of Directors has effectively exercised strict control over internal and related-party transactions through the issuance of the Regulations on Control of Related-Party Transactions dated 14 September 2024. These regulations have been carefully established and implemented to ensure full compliance with legal requirements and principles of transparency. Accordingly, the Company consistently ensures transparency in its transactions, prevents conflicts of interest, builds a reliable and stable operating environment, and promotes sustainable and harmonious development for all stakeholders.
 - The Board of Directors continues to promote the development of a corporate culture oriented toward sustainable development. The establishment of a robust and effective risk management and internal control system remains one of the Company's key objectives.
 - Regarding the activities of the committees/sub-committees under the Board of Directors, in general, the Audit Committee and other committees/sub-committees of

Bidiphar were assessed by the Board of Directors as having performed well in 2025 in advising, formulating, providing feedback on, and supervising the implementation of the Company's business and operational plans. Recommendations aimed at enhancing business and operational efficiency were duly acknowledged and implemented.

4. Report of Independent Members of the Board of Directors

Kindly refer to the Report of the independent members of the Board of Directors.

5. Remuneration, salaries, and allowances in 2025 of the Board of Directors, Audit Committee and Executive Board

For detailed information, please consult the 2025 consolidated financial statements audited by Ernst & Young Vietnam Co., Ltd.

No.	Name of Members of the Board of Directors	Position	2024 (unit: dong)	2025 (unit: dong)	Note
1	Tạ Nam Bình	Chairman of the Board of Directors/ Independent Member of the Board of Directors	650.000.000	968.000.000	-
2	Phạm Thị Thanh Hương	Member of the Board of Directors/General Director	3.872.050.000	8.334.958.642	In 2025, the Executive Board received bonus payments for the Executive Board for the years 2022, 2023, and 2024.
3	Nguyễn Ngọc Dũng	Member of the Board of Directors/Vice General Director	3.146.191.596	5.038.977.580	In 2025, the Executive Board received bonus payments for the Executive Board for the years 2022, 2023, and 2024.
4	Nguyễn Tiến Hải	Non-executive Member of the Board of Directors	750.000.000	667.000.000	-
5	Trương Thanh Liêm	Non-executive Member of the Board of Directors	1.383.165.000	1.144.406.667	-
6	Nguyễn Thị Minh Giang	Independent Member of the Board of Directors	0	817.000.000	-
7	Phan Tấn Thư	Non-executive Member of the Board of Directors	30.000.000	767.000.000	-

No.	Name of Members of the Executive Board	Position	2024 (unit: dong)	2025 (unit: dong)	No.
1	Phạm Thị Thanh Hương	General Director	Như trên	Như trên	-
2	Nguyễn Ngọc Dũng	Vice General Director	Như trên	Như trên	-
3	Huỳnh Ngọc Oanh	Vice General Director (until 31/12/2024)	2.842.700.000	1.745.500.000	In 2025, the Executive Board received bonus payments for the Executive Board for the years 2022, 2023, and 2024.
4	Bành Thị Ngọc Quỳnh	Vice General Director	2.270.030.000	3.441.175.397	In 2025, the Executive Board received bonus payments for the Executive Board for the years 2022, 2023, and 2024.

No.	Name of Members of the the Audit Committee	Position	2024 (unit: dong)	2025 (unit: dong)	Ghi chú
1	Nguyễn Thị Minh Giang	Chairperson	As above	As above	-
2	Phan Tấn Thu	Member	As above	As above	-

6. Assessment of Board of Directors On Executive Board Performance

Pursuant to the Company's Charter and the Internal Regulations on Corporate Governance, the Board of Directors conducted supervision and oversight of the General Director and the Executive Management in the management of production and business operations and the implementation of resolutions and decisions of the General Meeting of Shareholders and the Board of Directors in 2025:

- Members of the Board of Directors regularly attended meetings of the Executive Management and maintained frequent communications with the Executive Management. Accordingly, the Board of Directors maintained a clear and comprehensive understanding of the Company's operating conditions, as well as the management and executive decisions and activities of the Executive Management. Close and effective coordination between the Board of Directors and the Executive Management enabled the timely and appropriate formulation of decisions and policies to overcome market and business challenges and achieve optimal business results.
- In addition, the committees/sub-committees under the Board of Directors held meetings, provided consultation and critical feedback, and engaged in professional working sessions with the General Director and members of the Executive Management on relevant matters, with the aim of enhancing the effectiveness of the Executive Management. Through these activities, the Board of Directors also assessed the Company's performance across various areas. (For details of the activities of the committees/sub-committees under the Board of Directors, please refer to the Company's 2025 Annual Report).
- The Board of Directors closely supervised the General Director and the Executive Management in corporate governance practices and in business and financial risk management, ensuring compliance with applicable laws and State regulations.

Overall, the Board of Directors acknowledged and highly appreciated the continuous efforts of the General Director, the Executive Management, and all employees of the Company, who successfully overcame market challenges in 2025 and achieved notable results.

II. REPORT ON THE RESULTS OF BUSINESS PLAN IMPLEMENTATION IN 2024

1. Results of Business Performance Indicators in 2025

No.	Items	Unit	Plan in 2025	Actual in 2025	Actual/Plan (%)	Actual in 2024	% Actual 2025/2024
1	Charter Capital	Billion VND	936	945	101%	936	101%
2	Total Revenue	Billion VND	2.000	1.947	97%	1.817	107%

No.	Items	Unit	Plan in 2025	Actual in 2025	Actual/Plan (%)	Actual in 2024	% Actual 2025/2024
3	Profit Before Tax	Billion VND	335	344	103%	325	106%
4	Dividend Rate (cash or shares)	%	20% in cash or shares	20% in cash	-	20% in cash	-

Bidiphar made strong efforts to achieve a 7% year-on-year increase in revenue and to fulfill 97% of the 2025 annual plan. At the same time, profit grew to 103% year-on-year and reached 106% of the plan.

2025 Dividend Payment:

The Board of Directors respectfully submits to the General Meeting of Shareholders for approval the cash dividend payment plan for 2025 as follows:

- Dividend rate: 20% of par value, equivalent to VND 2.000 per share.
- Authorization to the Board of Directors: to decide the record date/final registration date and the payment date, but no later than 6 months from April 25, 2026.
- Source of payment: from undistributed after-tax profits according to the audited consolidated financial statements for the fiscal year ended December 31, 2025.

2. Evaluation of Activities in 2025

2.1. Business Operations

- Business operations achieved many notable results, as reflected in the growth of revenue and profit in 2025.
- In 2025, business activities saw positive changes in the development of pharmacy chain customers, improvements in reporting practices, the rollout of more appropriate promotional and sales programs, and the digitalization of certain business operations.

2.2. Production Operations

- The quality management system has been maintained and continuously improved.
- Cost management activities have been implemented more effectively, resulting in improved product costs.
- Achieved excellent results in the proficiency testing program organized by the National Institute of Drug Quality Control for both the Nguyen Thai Hoc and Nhon Hoi quality control laboratories.

2.3. Brand communication activities

The Company's brand continued to be strengthened through various awards, including maintaining its position among the Top 4 Most Reputable Pharmaceutical Companies; Top 50 Listed Companies; Top Vietnam Industry 4.0 Enterprises; Top 10 Innovative Enterprises; and Top 10 "Best Places to Work" in the pharmaceutical industry.

2.4. Support Operations

- Finance: Financial management activities have shown significant improvements, including effective management of receivables, inventory, and cash flows (with the cash conversion cycle reduced by 57 days; bad debts decreased by 55%; overdue receivables reduced by 25%; and financial income increasing by VND 14 billion compared to 2024).
- Human resources: Human resource management activities have made significant progress, including the completion of the 3P salary system across the Company, implementation of total rewards, development of a competency dictionary, establishment of a KPI bank, creation of detailed process data, staff rotation, and training of successor personnel.
- Information technology: Digital transformation efforts continued to be emphasized, including the implementation of payroll and HR software; Zalo OA; Power BI for receivables; enhancements to the DMS and SAP systems to meet departmental requirements; deployment of information security tools (anti-virus); implementation of e-contracts; a daily knowledge-check application for medical representatives; and the digitalization of the equipment history tracking system.
- Procurement: Procurement activities have become more efficient through competitive bidding, as well as the search, evaluation, and selection of suppliers.

2.5. Investment Activities in Pharmaceutical Manufacturing Plants

a. Project for the Small-Volume Sterile Drug Manufacturing Plant

The Annual General Meeting of Shareholders in 2023 approved the investment policy for the Small-Volume Parenteral (SVP) Manufacturing Plant project with a total investment of VND 840 billion. To date, the Project has completed construction as well as the procurement and installation of equipment and is currently in the appraisal phase. GMP-EU certification is expected to be completed in 2028–2029.

b. Oncology Drug Manufacturing Plant

The cancer drug manufacturing plant comprises two production lines: an injectable drug line and a solid dosage (tablet) line. The Company has completed construction as well as the procurement and installation of machinery and equipment.

- **Injectable drug line:** Certified to GMP-WHO standards. The Company is currently upgrading this line to meet GMP-EU standards, with certification expected to be completed in 2026–2027.
- **Tablet line:** Certified to GMP-WHO standards. The Company is in the process of submitting registration dossiers for products manufactured on this line and commercializing these products.

2.6. Social Activities

The total budget allocated to social activities amounted to VND 5 billion, including:

- Organization of various community and social welfare programs with a total value of VND 1.6 billion, notably:
 - + The “Run for Cancer Patients” program;
 - + The “Companionship with 1,251 Renal Patients” program, among others.
- Donations in support of Typhoon No. 13 and flood relief: VND 1.6 billion.
- Provision of 10,000 medicine bags worth VND 1.8 billion to people affected by Typhoon No. 13 and flooding in Thai Nguyen, Hue, Da Nang, Dak Lak, and Gia Lai.

2.7. Other Operations

- Grassroots Party Organization: Successfully fulfilled its assigned tasks.
- Grassroots Trade Union Organization: Outstandingly fulfilled its assigned tasks.
- Youth Union Organization: Successfully fulfilled its assigned tasks.

The Board of Directors respectfully submits this report to the Annual General Meeting of Shareholders for approval.

Sincerely,

Recipients:

- *Shareholders of Bidiphar;*
- *BOD, Audit Committee;*
- *Executive Board;*
- *Stored at Company Secretary Office.*

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**



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Tạ Nam Bình