REPORT OF THE SUPERVISORY BOARD FOR THE FISCAL YEAR 2021

THE SUPERVISORY BOARD OF IMEXPHARM CORPORATION

REPORT AT THE GENERAL MEETING OF SHAREHOLDERS

Reporting period: The financial year ended December 31 2021

Cao Lanh City, 25 April 2022

Valued Shareholders,

In accordance with

- Articles on rights and obligations of the Supervisory Board provided in the Enterprise Law No. 59/2020/QH14 dated June 17 2020;
- Articles on rights and obligations of the Supervisory Board provided in the Charter of Imexpharm Corporation ("Company") dated January 28 2022; and
- The Operational Regulations of the Supervisory Board of Imexpharm Corporation dated January 28 2022;

We, the Supervisory Board of Imexpharm Corporation, supervised operations of the Company in the financial year ended December 31 2021. Specific contents of the Report include:

KEY ACTIVITIES OF THE SUPERVISORY BOARD IN 2021

Activities	Time
Supervising the implementation of the Resolutions adopted in AGM 2020	
Supervising financial statements of the year ended 31/12/2021	
Meeting with the Board of Directors - 1st Quarter 2021	19/05/2021
Meeting with the Board of Directors - 2nd Quarter 2021	24/07/2021
Meeting with the Board of Directors - 3rd Quarter 2021	29/10/2021
Meeting with the Board of Directors - 4th Quarter 2021	28/02/2022
Participation in Internal Control Department of the Company	2021

Through strategic supervision activities, operations control and auditing financial statements, the Supervisory Board hereby submits this report to the General Meeting of Shareholders with detailed contents as follows:

PERFORMANCE OF THE RESOLUTIONS BY THE GENERAL MEETING OF SHAREHOLDERS 2021

The Board of Directors and Board of Management of the Company fully implemented the Resolutions by the General Meeting of Shareholders 2021 and complied with legal regulations and the Company Charter in the governance and management activities.

In term of distributing profits of the fiscal year 2020, cash dividends at 15% of share par value were paid to shareholders on the ex-dividend date of 23 June 2021; full distributions to the Investment and Development Fund and Fund for Bonus and Welfare were duly made.

Regarding business performance in 2021, the Company reached 84.34% of the total revenue target and 82.4% of the profit before tax target.

	Plan	Actual	Attain
Total net revenue and other incomes (VND billion)	1,530.0	1,290.6	84.3%
Profit before tax (VND billion)	290.0	238.9	82.4%

Regarding the selection of auditor, the Board of Directors and Supervisory Board selected PwC Vietnam Ltd. Co. to review Interim financial statements and to audit financial statements for 2021.

BALANCE SHEET

We supervised financial situations of the Company and reviewed the auditor's report. We agree with the independent auditor's notes on figures of assets as of Dec 31 2021. We took into consideration the in-term changes of assets, liabilities and resources with the following remarkable points:

	Audited value	Ratio	Change	Comments
Unit: VND million	**Dec 31 2021**	**%**	**%**	
CURRENT ASSET	**1,176,340**	**51.3%**	**19.8%**	
Cash and cash equivalents	271,273	11.8%	218.1%	- If term deposits at banks were recorded in the value of investment held to maturity date, the cash and cash equivalents of the Company at the end of 2021 were VND 382.6 billion, higher than 2020 (VND 145.6 billion). - The increase in cash and cash equivalents can be attributed to the disbursement of middle and long term loans from ADB. Another reason is to boost collection of ETC and OTC's receivables at year-end and divest from financial investments.
Short-term financial investments	112,453	4.9%	76.8%	- The value of trading securities decreased from VND 6.5 billion to VND 1.5 billion after divesting BBT and OPC stocks. - Provision for devaluation of short-term trading securities was only VND 380 million for the investment of MKP stock. In our opinion, such distribution of provision for devaluation was sufficient and in accordance with existing regulations.
Short-term receivables	295,063	12.9%	(25.9)%	
+ Trade receivables	247,015	10.8%	(26.2)%	- The proportion of trade receivables for therapeutic product lines and the market product lines was 69% and 31% respectively (2020: 76,5%-23,5%). - Proportion of overdue receivables (overdue from 1 month to over 3 years) accounted for 42.2% of total trade receivables, higher than the level of 37.6% in 2020; however, the value of

	Audited value	Ratio	Change	Comments
Unit: VND million	**Dec 31 2021**	**%**	**%**	
				overdue receivables decreased to VND 105.3 billion compared to the value of VND 125.8 billion in 2020. - Out of overdue receivables, therapeutic product lines account for 90.7%, equivalent to VND 95.4 billion (2020: VND 110 billion) and the rest was overdue receivables for the market product lines, accounting for 9.3%, equivalent to VND 9.8 billion (2020: VND 15.8 billion). The above fluctuations mainly stem from the Company's boosted collection activities OTC and ETC especially from ETC distributors. - Currently, the ratio of overdue receivables over 3 months of the therapeutic product line is VND 42.1 billion, equivalent to 44.1%, sharply increases compared to the amount of VND 27.2 billion in 2020. On the other hand, the overdue receivables over 3 months of OTC is VND 3.1 billion, dropped by VND 8.2 billion in comparison with the number of 2020. - Normally revenues from the therapeutic product line have the payment term of over 3 months with low risk of bad debt and the situation of focusing on fight against the pandemic could also impact on payment schedule of hospitals. For the goods sold to distributors, such partners have to deposit once placing order;

	Audited value	Ratio	Change	Comments
Unit: VND million	**Dec 31 2021**	**%**	**%**	
				therefore, the Company could mitigate risk of late settlement. - The Company needs to monitor closely and push settlement of these debts to minimize the risk of bad debts.
+ Advance to suppliers	17,787	0.8%	(57.2)%	- Includes VND 9.3 billion for asset acquisition; VND 2.4 billion for promotional goods, and raw materials.
+ Provision for short-term bad debts	(12,451)	-0.5%	(25.2)%	- The Company made provision of VND 12.5 billion for overdue receivables, decreased compared to the amount of VND 16.7 billion in 2021. - Out of doubtful receivables as of Dec 31 2021, the Company transferred to authorities for settlement (in which judgment enforcement agencies handled VND 1 billion, the court handled VND 3.4 billion, and the police is handling VND 6.3 billion); VND 1.7 billion were written off.
Inventories	492,075	21.4%	16.0%	- Inventories increased mainly due to (i) the Company' stored materials for production (accounting for 68.4% of the total inventories) went up by 11.3% compared to 2020 based on predictions that material prices could increase, and (ii) finished products (accounting for 25.1% of the total inventories) increased by 21.2% compared to 2020 as the Company produced goods by order and reserved certain amount before expiry of registration. - Therefore, the average days of

	Audited value	Ratio	Change	Comments
Unit: VND million	**Dec 31 2021**	**%**	**%**	
				inventories increased to 213 days in 2021 compared to 140 days in 2019 and 171 days in 2020. - We would like to recommend that the Company should stringently manage finish goods inventory to mitigate the risk of slow inventory flow, which could adversely affect product quality and force opening provision for devaluation of inventories.
Other current assets	5,477	0.2%	(49.1)%	- This is mainly thanks to the VAT refund of about VND 6.4 billion in the form of output and input VAT deductibles during the year.
NON CURRENT ASSET	**1,118,360**	**48.7%**	**0.3%**	
Fixed asset	1,029,262	44.9%	0.3%	
Tangible asset	436,218	19.0%	2.2%	- During the year, the Company has invested in tangible fixed assets of VND 18.0 billion, including buildings and infrastructures of VND 2.0 billion (rainwater system, IMP1 factory wastewater), machinery and equipment of VND 3.8 billion (including main machinery and equipment such as: VND 4.5 billion packing machine, VND 4 billion fluidized bed dryer, VND 2 billion high-speed mixer, VND 1.5 billion automatic blister tearing machine); equipment and tools for management valued VND 857 million; and means of transport and transmission valued VND 1.4 billion.

	Audited value	Ratio	Change	Comments
Unit: VND million	**Dec 31 2021**	**%**	**%**	
Intangible fixed assets	73,581	3.2%	(3.9)%	- During the year, the Company sold the land use right of VND 1.97 billion (house and land in Tan Phu, HCMC) and purchased other intangible fixed assets with the value of VND 312.8 million (the clip introducing the IMP4 factory).
Long-term work in progress	519,463	22.6%	(0.6)%	- Construction in progress, including procurement of machinery and equipment – VND 416.2 billion, Binh Duong Hi-tech Pharmaceutical Factory - VND 69.1 billion, and other items VND 33.7 billion.
Long term financial investment	50,962	2.2%	(1.4)%	- Decrease due to the Company's divestment in TV.Pharm and STB.
Other long term assets	38,086	1.7%	2.8%	- The increase mainly comes from the cost of quality inspection to achieve EU-GMP certification for high-tech antibiotic production lines with year-end balance of VND 16.3 billion (2020: VND 10.6 billion). .
TOTAL ASSETS	**2,294,700**	**100.0%**	**9.5%**	
LIABILITIES	**500,290**	**21.8%**	**36.7%**	
Current liabilities	**408,638**	**17.8%**	**17.8%**	
Short-term borrowings and liabilities	172,143	7.5%	31.5%	- Including short-term loans from Shinhan Bank - Saigon North Branch VND 80.5 billion, and Asian Development Bank VND 91.7 billion.
Short-term trade payable	92,713	4.0%	55.3%	- Including purchase asset of VND 9.8 billion, purchase of raw materials and promotional goods of VND 83 billion.
Advance payment from customers	25,374	1.1%	(7.3)%	- This is the advance payment to buy drugs from partners to participate in biddings for

	Audited value	Ratio	Change	Comments
Unit: VND million	**Dec 31 2021**	**%**	**%**	
				therapeutic product line.
Short-term payables	41,031	1.8%	(21.5)%	- Short-term payables felt mainly from the decrease in royalty fees (franchising revenue and pms brand products sales declined)
Long term debt	91,652	4.0%	381.4%	
Long-term borrowings and liabilities	91,652	4.0%	-	- Asian Development Bank loan.
Science & Technology Development Fund	-	0.0%	(100.0)%	- In 2021, the Company used VND 19.0 billion from the Science and Technology Development Fund for such items as: Bioequivalence testing, product fees in Europe, EU-GMP IMP4 consulting fees, product registration in Europe, pharmacovigilance, etc. - It is expected that in 2022, the Company will continue to not distribute to the Science and Technology Development Fund and will review and complete the records and documents related to the setting up and use of the Science and Technology Development Fund from 2012 to now.
OWNER'S EQUITY	**1,794,410**	**78.2%**	**3.7%**	
Owner's equity	**1,794,410**	**78.2%**	**3.7%**	
Charter Capital	667,054	29.1%	0.0%	
Share premium	507,368	22.1%	0.0%	
Investment and Development Fund	420,502	18.3%	20.6%	
Undistributed profit	197,424	8.6%	(3.8)%	
TOTAL RESOURCES	**2,294,700**	**100.0%**	**9.5%**	- The ratio between liabilities and equity is 21.8%-78.2% in the capital structure (2020: this proportion is 17.5%-82.5% respectively).

	Audited value	Ratio	Change	Comments
Unit: VND million	**Dec 31 2021**	**%**	**%**	
KEY RATIOS				- Current and quick ratio improved compared to 2020 as the Company enhanced debt collection and restructured short-term loans with medium-term loans with more competitive interest rates.
Quick ratio (x)	1.7			- 2020: 1.6
Current ratio (x)	2.9			- 2020: 2.8
Receivable days	81			- 2020: 77 days
Inventory days	213			- 2020: 171 days
Financial investment/Total investment (%)	0.09%			- 2020: 0.37%
Provision for devaluation/Total value of investments	30.5%			- 2020: 44.7%

INCOME STATEMENT

We agree upon audited figures of business results in 2020 and hereby make several notes as follows:

	Audited value	Change	Comments
Unit: VND million	**2020**	**%**	
Net revenue	**1,266,597**	**(7.5)%**	- Imexpharm's net revenue decreased because sales of key product groups all felt during the year. - Sales of Imexpharm branded drugs declined by 7.9% to VND 1,226 billion, contributing 94.2% of total revenue (2020: 93.7%), and the group of franchised products went down by 11.1%, contributing to 4.8% of total revenue (2020: 5.2%). - In Imexpharm products, Imexpharm's self-distributed products in OTC and ETC channels decreased slightly by 1.0%, while revenues of ETC partners felt sharply by 16.0%.

	Audited value	Change	Comments
Unit: VND million	**2020**	**%**	
			- Sales to hospitals encountered many difficulties in 2021 due to social distancing in the Southern provinces in the third quarter and hospitals focusing on Covid-19 disease treatment. In contrast, people's demand to buy medicines at pharmacies increased; therefore, the sales of OTC in 2021 almost kept unchanged as it was in 2020. - Thereby, the proportion of OTC and ETC is 62.3%-37.7% with a higher contribution from OTC, compared to the portion of 59.3%-40.7% in 2020. - Franchise sales has decreased for 2 consecutive years due to a decline in orders from partners.
Cost of goods sold	778,595	(5.3)%	
Gross profit	**488,001**	**(10.8)%**	- The Company's gross profit margin decreased to 38.5% compared to the level of 39.9% in 2020, due to the impacts of the pandemics, production output was reduced while the expenses incurred from the pandemic’s prevention in production raised, which causes prices of key product groups to increase. Raw material stockpiling has a positive effect and contributed to limit the decrease of gross margin.
Financial revenue	18,444	92.0%	- Significant increase due to the recognition of profit from selling investments of VND 1.8 billion and net profit from foreign exchange revaluation of VND 1.6 billion at the end of the period. - In addition, annual recurring items increased such as dividends from investments of VND 4.7 billion (2020: VND 4.5 billion), interest on term deposits of VND 7.7 billion (2020: VND 2.3 billion), and the realized exchange rate difference profit is VND 2.7 billion (2020: VND 2.6 billion).
Financial expenses	18,041	(8.1)%	- Financial expenses decreased mainly due to the

	Audited value	Change	Comments
Unit: VND million	**2020**	**%**	
			reversal of provision for devaluation of investments of VND 2.8 billion. - Meanwhile, other items increased, such as (i) payment discount of VND 12.6 billion (2020: VND 12.2 billion); (ii) borrowing interest of VND 5.5 billion (2020: VND 5.4 billion); (iii) other financial expenses 1.2 billion (2020: VND 864 million).
Borrowing interest	5,496	1.6%	
Selling expenses	181,293	(14.9)%	- The decrease in selling expenses was mainly due to a decline of 6.9% in staff expenses (due to staff salaries based on percentage of sales revenue), a plummet in marketing, research and market development expenses by 56.8%, etc. - The Company has implemented key sales and brand promotion programs. However, due to the pandemic, some customer care activities could not be conducted, or the size of customer care programs decreased correspondingly with sales.
Administration expense	72,637	1.8%	- Administration expenses rose slightly mainly because other expenses raised to VND 28.8 billion (2020: VND 22.2 billion) due to an increase in withholding tax of VND 3 billion and other expenses of VND 3.6 billion. - Whilst, other items all decreased such as: (i) staff costs VND 24.6 billion (2020: VND 26.2 billion); (ii) the cost of services purchased from outside is VND 8.5 billion (2020: 10.7 billion VND), etc.
Operating income	**234,475**	**(7.2)%**	
Other income/other expense	4.384	51.1%	- Other incomes mostly came from the liquidation of assets.
Pre-tax profit	**238,859**	**(6.5)%**	

	Audited value	Change	Comments
Unit: VND million	2020	%	
Corporation income tax	49,764	8.8%	
Net income	**189,095**	**(9.8)%**	
KEY INDICATORS			
Gross profit/Revenue	38.5%		2020: 39.9%
Operating income/Revenue	18.5%		2020: 18.4%
Profit before tax/Revenue	18.9%		2020: 18.7%
Profit after tax/Revenue	14.9%		2020: 15.3%
Profit after tax/Total assets (ROA)	8.6%		2020: 10.6%
Profit after tax/equity (ROE)	10.7%		2020: 12.8%
Selling expenses/Revenue	14.3%		2020: 15.6%
Administration expenses/Revenue	5.7%		2020: 5.2%

CASHFLOW STATEMENT

We agree upon audited figures of the Cash flow statement in 2021 and hereby make some notes as follows:

	Audited value	Audited value	Comments
Unit: VND million	2021	2020	
Cash flow from operating activities			
(Increase)/Decrease in receivables	117,154	(60,836)	
(Increase)/Decrease in inventories	(66,129)	(75,247)	
Increase/(Decrease	(2,831)	(49,526)	

	Audited value	Audited value	Comments
Unit: VND million	**2021**	**2020**	
) in payables			
Net cash flows generated by operating activities	**236,277**	**73,153**	- The stockpile of raw materials caused the inventory turnover and the demand for working capital to increase accordingly. However, the Company has managed debt more tightly, shorten the time to collect money from customers, thereby limiting the appropriation of working capital. - As a result, net cash flow from operating activities in 2021 surged to a positive level of VND 236.3 billion.
Cash flow from investing activities			
Acquisition and construction of fixed assets and other non-current assets	(52,857)	(89,684)	
Net cash flows from investing activities	**(84,538)**	**(136,476)**	- The Company continues to disburse investments in new factory projects and upgrading of existing plants.
Cash flows from financing activities			
Proceeds from share issue and owners' contributed capital	-	29,632	
Loan proceeds minus principal repayments	134,503	93,348	- Increase from the difference between new loans and repayment of due principals.
Dividends and profit paid to owners	(100,007)	(49,387)	
Net cash flows from financing activities	**34,496**	**73,592**	
Net cash flows in the period	**186,235**	**10,270**	
Cash and cash equivalents at the beginning of the	**85,266**	**75,036**	

	Audited value	Audited value	Comments
Unit: VND million	**2021**	**2020**	
year			
Cash and cash equivalents at the end of the year	**271,273**	**85,269**	- If term deposits are also included, the company's cash balance at the end of 2021 is VND 382.6 billion, up from VND 145.6 billion in 2020. - This cash reserve accounts for 16.7% of the total assets (2020: 6.9%)

ENVIRONMENT PROTECTION AND CAPITAL CONSTRUCTION PROJECTS IN 2021

- Environmental activities:

	Activities performed during the year
Head office in Dong Thap and IMP 1 Plant, Heath Protection Food Plant and Quality Control center	- In 2021, there will be no environmental inspection and testing - Environmental work in 2021: monitoring of environmental parameters according to the approved environmental impact assessment report - Prepare dossiers certifying the completion of waste treatment works of the factory after upgrading and adding the Health Protection Food factory. - Carry out procedures for re-issuance of a license to discharge wastewater into water sources when it has expired and is re-issued by the People's Committee of Dong Thap province on May 27 2021.
Vinh Loc high-tech antibiotic factory (IMP 2)	- Sign a contract with Golden Lotus Environment Co., Ltd. to treat wastewater.
Binh Duong Cephalosporin Plant in the Binh Duong high tech factory (IMP 3)	- Quality Assurance and Testing Center 3 takes samples to analyze some nitrogen gas criteria. - Sign a contract with Golden Lotus Environment Co., Ltd to treat hazardous waste.
Binh Duong Hi-tech Factory (IMP 4)	- Sign a contract with Golden Lotus Environment Co., Ltd to treat hazardous waste.

- Binh Duong Hi-tech Factory (IMP 4)

  The factory was approved the GMP-WHO on July 17 and 18, 2019 and has been preparing for the EU-GMP accreditation. However, the EU-GMP approval process was seriously affected by the Covid-19 pandemic, because experts could not travel to Vietnam to inspect the factory.

The IMP4 factory is expected to be accredited EU-GMP directly at the factory, and put into commercial operation at the end of the third quarter and the beginning of the fourth quarter of 2022.

By the end of December 2021, Imexpharm has disbursed for the project of VND 492.8 billion (93.7% of the total investment value), and the remaining disbursed value is VND 32.9 billion.

- Project: Health Protection Food Factory and Quality Control center:

  By the end of December 2021, the project has disbursed VND 80.9 billion (95.1% of the total investment value), and the remaining value to be disbursed is VND 4.2 billion.

- Re-accreditation of EU-GMP for Vinh Loc High-tech Antibiotic Factory (IMP 2) and Binh Duong Hi-Tech Factory (IMP 3):

  By the end of December 2021, the IMP 2 factory project has been disbursed VND 205.5 billion (96.0% of the total investment value), and the remaining disbursement value is VND 8.6 billion. Factory IMP 2 has been extended EU-GMP until December 31, 2022.

  Similar to IMP 2, Binh Duong Cephalosporin factory (IMP 3) has been extended EU-GMP until December 31 2022. EU-GMP re-accrediation for IMP 2 and IMP 3 factories is being prepared and would be conducted after accomplishing EU-GMP approval for IMP 4 plant.

MEETINGS OF THE SUPERVISORY BOARD IN FISCAL YEAR 2021

In 2021, the Supervisory Board conducted 05 (five) regular in person meetings. The Supervisory Board members seriously attended the meetings, specifically as follows:

Member of the SB	Title	Number of meeting attended	Attendant rate
Mr. Nguyen Duc Tuan	Head of the SB	5	100%
Ms. Le Thi Kim Chung	Member	5	100%
Ms. Do Thi Thanh Thuy	Member	5	100%

The details of the meetings of the Supervisory Board are as follows:

Meeting	Time	Content
Quarter 1-2021	24 Feb 2021 16 Mar 2021	- Meeting to assign work in the Supervisory Board, develop a control plan in 2021 - Meeting to review the financial statements in 2020 as a document for the General Meeting of Shareholders in 2021. - Summary of the work of the Supervisory Board in 2020.
Quarter 2-2021	21 May 2021	- Meeting to review financial statements for the first quarter

		of 2021. - Reviewing the business results of the first quarter of 2021.
Quarter 3-2021	23 July 2021	- Carry out the work of the Supervisory Board in the second quarter of 2021. - Reviewing financial statements for the second quarter of 2021.
Quarter 4-2021	25 Oct 2021	- Carry out the work of the Supervisory Board in the third quarter of 2021. - Reviewing financial statements for the third quarter of 2021.

The contents of the Supervisory Board meeting are included in the meeting minutes as a basis for the Supervisory Board to raise questions to the Board of Directors and the Board of Management in the periodical meetings of the Board of Directors on issues relating to production, business activities, financial situation, risk management and other material issues.

In addition, the meetings of the Supervisory Board also help the Supervisory Board develop a working plan with the Legal Department and the Internal Control Department in internal control sessions and remote debt control at sales branches.

ASSESSMENT OF THE OPERATIONAL COLLABORATION BETWEEN THE SUPERVISORY BOARD, THE BOARD OF DIRECTORS, AND THE BOARD OF MANAGEMENT; AND ACTIVITIES OF INDEPENDENT AUDITORS IN FISCAL YEAR 2021

In 2021, the Supervisory Board supervised the Board of Directors and General Director in the governance and management of the Company through the following specific tasks:

- Participate in quarterly and annual Board of Directors meetings with updated reports on the Company's periodic activities in terms of finance - accounting, production - quality management, supply – export and import, sales-marketing, and legal. The Supervisory Board discussed with the members of the Board of Directors and the Board of Management to find out the existing problems in the operation process, and simultaneously propose specific recommendations.

- Review the Company's quarterly and annual financial statements and the semi-annual and annual Governance Reports to ensure transparency and honesty in the data provided to shareholders and investors.
- Monitor the implementation of the Resolution of the Annual General Meeting of Shareholders on the business plan - investment, profit distribution, dividend distribution, establishment and use of funds in the Company.
- Working with the Internal Control Department on the results of control and periodic audits recorded at the sales branches and monitoring the implementation of corrective solutions.
- Working with the Internal Audit and Risk Management Subcommittees to develop a Risk Management Framework and a coordination plan in internal control and financial management.

The Board of Directors and General Director created good conditions for the Supervisory Board to fulfill its rights and powers as set forth in the Operational Regualtions of the Supervisory Board. The Supervisory Board could access significant information and documents as well as worke with relevant members of the Board of Directors, the General Director and seniors officers in order to complete quarterly and yearly supervisory reports. The recommendations of the control reports are published at BOD meetings and are followed up in practice.

In regard to independent auditor, the Supervisory Board proposed the Board of Directors and Board of Management to select PwC Vietnam Co., Ltd. to audit the Company's 2020 financial statements. The Supervisory Board assessed the independent audit plan and performance is aligned with the signed independent audit contract in terms of the scope of service, material audit points, audit methods, etc. whereby quality assurance, independence, avoidance of conflict of interest, and ethical compliance of independent audit are strictly observed.

REPORT ON REMUNERATION OF THE SUPERVISORY BOARD (BEFORE TAX) IN 2021:

Full Name	Position	Renumeration
Nguyen Duc Tuan	Head of SB	384,000,000
Le Thi Kim Chung	Member	256,000,000
Do Thi Thanh Thuy	Member	232,000,000

RECOMMENDATIONS:

- In the context of the Covid 19 pandemic with unpredictable developments, the Board of Directors continues to offer appropriate solutions and business plans to ensure the safety of employees, and simultaneously puts effort to achieve business goals approved by the General Meeting of Shareholders.
- Strictly control debt collection, enhance administrations at sales branches, ensure compliance with the Regulation on decentralization of financial management.
- Efforts should continue to review and update the management criteria in the Regulations on Decentralization of Finance - Accounting management at the sales branches in line with the actual developments.
- Continue to review and evaluate the effectiveness of material stockpiling to build a reasonable raw material inventory, reduce the risk of expired materials or apporiation of working capital due to ineffective stockpile and obey convenants in the Facility Agreement with ADB.
- Continue to evaluate and supplement qualified raw material suppliers to diversify raw material sources and develop drug portfolio of EU-certified factories.
- Strictly manage the accreditation progress of EU-GMP for Binh Duong Hi-tech Pharmaceutical Factory (IMP 4) and EU-GMP re-certification for IMP 2 and IMP 3 factories to ensure these factories operate as expected.
- Follow up on the elaboration of detailed instructions on the application of international financial reporting standards (IFRS) by the Ministry of Finance in 2021 to develop a roadmap and allocate human resources for applying IFRS in the voluntary adoption period 2022-2025.

- The Board of Directors and Board of Management should continue to restructure the equity portfolio where appropriate time, retaining joint venture investments to promote production linkages and market development, so appropriation for production and business activities could be mitigated.

These are some observations in the process of monitor of the Supervisory Board that we would like to report to valued shareholders and investors. We look forward to receiving sincere feedbacks from you to perform better.

I wish the Meeting all success. Sincerely.

Nguyễn Đức Tuấn	Lê Thị Kim Chung	Đỗ Thị Thanh Thuý