



CENTRAL PHARMACEUTICAL CPC1.JSC

FINANCIAL STATEMENTS

Quarter 4/2025



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FINANCIAL STATEMENTS

Quarter 4/2025



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GENERAL INFORMATION

THE COMPANY

Central Pharmaceutical CPC1.JSC ("the Company"), formerly known as Grade I Pharmaceutical Company, a State-owned enterprise under Vietnam Pharmaceutical Enterprises Union, and is now a subsidiary of Vietnam Pharmaceutical Corporation. On 29 June 2010, the Company has been officially transformed into Central Pharmaceutical One Member Limited Liability Company 1 in accordance with Decision No. 045/QĐ-TCTD of the Chairman of the Board of Directors of Vietnam Pharmaceutical Corporation. Pursuant to Decision No. 2290/QĐ-BYT dated 12 June 2015 of the Minister of Health approving the equitization plan, the Company was transformed to a joint stock company under the name Central Pharmaceutical CPC1.JSC and operates under the Business Registration Certificate No. 0100108536 issued on 4 January 2016.

The Company was approved to become a public company under Official Dispatch No. 3339/UBCK-GSDC dated 29 May 2017 of the State Securities Commission. The Company's shares have been officially listed on the UPCoM since 12 June 2018 under the stock code DP1.

The Company operates under the Business Registration Certificate No. 0100108536 issued by Hanoi Department of Planning and Investment on 4 January 2016. The Company also received subsequent amended Business Registration Certificates with the latest being the 16th amendment granted on 6 May 2022.

The Company's principal activities during the period are wholesale of medicines, medical equipment, cosmetics and hygiene products.

The Company's head office is located at No. 87 Nguyen Van Troi Street, Phuong Liet Ward, Hanoi, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are as follows:

Ms. Han Thi Khanh Vinh	Chairwoman
Mr. Nguyen Doan Liem	Member
Ms. Tran Thi Kim Khanh	Independent Member
Mr. Nguyen Huy Thanh	Member
Ms. Bui Thi Thanh Hai	Member

AUDIT COMMITTEE

The members of the Audit Committee during the period and at the date of this report are as follows:

Ms. Tran Thi Kim Khanh	Chairwoman
Mr. Nguyen Doan Liem	Member

BOARD OF MANAGEMENT

The members of the Board of Management during the period and at the date of this report are as follows:

Mr. Ta Van Dung	General Director
Ms. Nguyen Thi Hoa	Deputy General Director
Ms. Bui Thi Thanh Hai	Deputy General Director
Mr. Nguyen Huy Thanh	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Ms. Han Thi Khanh Vinh - Chairwoman of the Board of Directors. Mr. Ta Van Dung - General Director is authorized by Ms. Han Thi Khanh Vinh to sign the accompanying financial statements for the period ended 31 December 2025 according to Authorization Letter No. 1218/GUQ-CPC1 dated 21 July 2025.

RESPONSIBILITY OF THE COMPANY'S BOARD OF MANAGEMENT IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for ensuring that the financial statements give a true and fair view of the financial position, results of operations and cash flows of the Company during the period. In preparing these financial statements, the Board of Management has carried out:

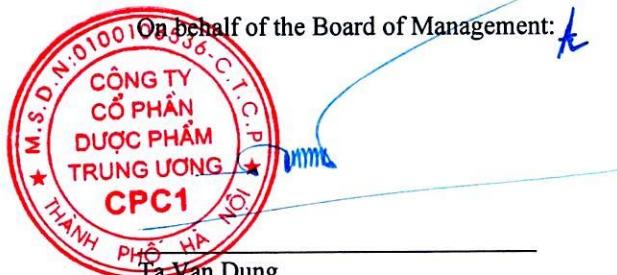
- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and accounting estimates that are reasonable and prudent;
- ▶ state clearly whether the accounting standards applied to the Company have been complied with or not and all material deviations from these standards have been presented and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

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

The Board of Management confirms that it has complied with the above requirements in preparing the accompanying financial statements.

DECLARATION OF THE BOARD OF MANAGEMENT

The Board of Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025 and of the results of its operations and its cash flows for the period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.



Ta Van Dung
General Director
Hanoi, 19 January 2026

BALANCE SHEET

As at 31 December 2025

Unit: VND

ITEM	Code	Notes	31 Dec 2025	01 Jan 2025
A. SHORT-TERM ASSETS	100		1,755,509,241,894	1,243,266,255,585
I. Cash and cash equivalents	110	4	5,299,887,827	9,507,536,737
1. Cash	111		5,299,887,827	9,507,536,737
II. Short-term financial investments	120	5	97,400,000,000	
3. Held-to-maturity investments	123		97,400,000,000	-
III. Short-term receivables	130		604,516,102,491	496,951,385,423
1. Short-term trade receivables	131	6.1	589,597,777,546	486,370,464,967
2. Short-term advances to suppliers	132	6.2	8,532,303,299	11,374,582,149
3. Other short-term receivables	136	7	13,404,970,672	2,376,495,796
4. Provision for doubtful short-term receivables (*)	137	6.1	(7,018,949,026)	(3,170,157,489)
IV. Inventories	140	8	1,010,910,401,502	715,839,688,988
1. Inventories	141		1,021,180,332,992	739,845,564,562
2. Provision for obsolete inventories(*)	149		(10,269,931,490)	(24,005,875,574)
V. Other current assets	150		37,382,850,074	20,967,644,437
1. Short-term prepaid expenses	151	13	2,326,822,676	1,840,213,756
2. Value-added tax deductible	152		32,385,808,227	18,898,395,710
3. Tax and other receivables from the State	153	15	2,670,219,171	229,034,971
B. LONG-TERM ASSETS	200		150,692,401,458	149,931,233,466
I. Long-term receivables	210		739,550,400	
1. Other long-term receivables	216		739,550,400	-
II. Fixed assets	220		89,262,008,050	88,386,399,387
1. Tangible fixed assets	221	9	61,396,775,250	60,521,166,587
- Cost	222		220,352,168,457	214,315,145,753
- Accumulated depreciation (*)	223		(158,955,393,207)	(153,793,979,166)
3. Intangible fixed assets	227	10	27,865,232,800	27,865,232,800
- Cost	228		30,571,666,000	30,571,666,000
- Accumulated amortisation (*)	229		(2,706,433,200)	(2,706,433,200)
IV. Long-term assets in progress	240	11	2,539,680,000	362,866,667
1. Cost of construction in progress	242		2,539,680,000	362,866,667
V. Long-term financial investments	250	12	31,404,088,939	31,632,167,739
1. Investment in other entities	253		32,511,198,461	32,511,198,461
2. Provision for diminution in value of long-term investments (*)	254		(1,107,109,522)	(879,030,722)
VI. Other long-term assets	260		26,747,074,069	29,549,799,673
1. Long-term prepaid expenses	261	13	24,218,349,097	24,933,986,855
2. Deferred tax assets	262		2,528,724,972	4,615,812,818
TOTAL ASSETS (270 = 100 + 200)	270		1,906,201,643,352	1,393,197,489,051

BALANCE SHEET

As at 31 December 2025

C. LIABILITIES	300	1,316,529,926,710	881,667,353,990
I. Short-term liabilities	310	1,316,529,926,710	881,667,353,990
1. Short-term trade payables	311	14.1 634,989,604,775	448,902,657,067
2. Short-term advances from customers	312	14.2 7,863,793,553	5,027,396,968
3. Tax and other payables to the State	313	15 20,440,860,144	47,529,365,909
4. Payables to employees	314	15,384,959,312	11,025,618,927
5. Short-term accrued expenses	315	16 6,879,167,833	5,446,809,923
6. Short-term unearned revenues	318	548,600,000	1,539,221,331
7. Other short-term payables	319	17 5,367,356,102	18,872,364,887
8. Short-term loans and finance lease liabilities	320	18 610,875,667,651	336,243,879,456
9. Bonus and welfare fund	322	19 14,179,917,340	7,080,039,522
B. OWNERS' EQUITY	400	589,671,716,642	511,530,135,061
I. Owners' equity	410	589,671,716,642	511,530,135,061
1. Owner's contributed equity	411	209,790,000,000	209,790,000,000
- Common shares with voting rights	411a	209,790,000,000	209,790,000,000
2. Investment and development fund	418	2,444,991,780	2,444,991,780
3. Undistributed earnings	421	377,436,724,862	299,295,143,281
- Undistributed earnings by the end of previous period	421a	264,354,369,463	204,319,740,049
- Undistributed earnings of current period	421b	113,082,355,399	94,975,403,232
TOTAL RESOURCES (440 = 300 + 400)	440	1,906,201,643,352	1,393,197,489,051

Preparer
Truong Thi Hue

Chief Accountant
Nguyen Hong Duc

Hanoi, 19 January 2026



General Director
Ta Van Dung

INCOME STATEMENT

Quarter IV 2025

ITEMS	Code	Notes	Quarter IV		Accumulated from beginning of year to end of this quarter		Unit: VND
			Current year	Previous year	Current year	Previous year	
1. Revenue from goods sold and services rendered	01	22.1	588,537,897,309	526,981,183,844	2,134,449,600,673	2,025,737,354,729	
2. Deductions	02						
3. Net revenue from goods sold and services rendered (10=01 - 02)	10		588,537,897,309	526,981,183,844	2,134,449,600,673	2,025,737,354,729	
4. Cost of goods sold and services rendered	11	23	521,353,206,235	443,679,468,933	1,845,611,812,039	1,714,611,438,935	
5. Gross profit from goods sold and services rendered (20=10 - 11)	20		67,184,691,074	83,301,714,911	288,837,788,634	311,125,915,794	
6. Finance income	21	22.2	13,684,610,375	6,756,135,020	32,644,526,744	22,834,257,480	
7. Finance expenses	22	24	7,301,213,465	13,781,611,756	42,379,705,023	41,445,372,703	
- In which: Interest expenses	23		6,071,768,644	3,465,309,473	19,463,313,460	12,425,558,101	
8. Selling expenses	25	25	47,773,305,147	34,269,561,851	140,234,771,464	131,078,736,088	
9. General and administrative expenses	26	25	11,261,619,886	10,222,614,350	36,819,882,050	42,377,163,804	
10. Operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		14,533,162,951	31,784,061,974	102,047,956,841	119,058,900,679	
11. Other income	31	26	1,142,320,001	280,000,000	39,273,238,502	29,660,127,959	
12. Other expenses	32	26	280,570,025	2,702,207,323	780,975,400	4,500,036,505	
13. Other profit (40 = 31 - 32)	40		861,749,976	(2,422,207,323)	38,492,263,102	25,160,091,454	
14. Accounting profit before tax (50 = 30 + 40)	50		15,394,912,927	29,361,854,651	140,540,219,943	144,218,992,133	

INCOME STATEMENT

Quarter IV 2025

15. Current corporate income tax expenses	51	28	3,149,802,003	10,233,666,424	25,370,776,698	26,581,222,948
16. Deferred corporate income tax expense	52	28	(1,811,502,397)	(1,293,055,318)	2,087,087,846	3,879,165,953
17. Net profit after tax (60= 50 - 51 - 52)	60		14,056,613,321	20,421,243,545	113,082,355,399	113,758,603,232
18. Basic earnings per share (*)	70		670	973	4,861	4,862
19. Diluted earnings per share (*)	71		670	973	4,861	4,862




Preparer
Truong Thi Hue

Chief Accountant
Nguyen Hong Duc



Hanoi, 19 January 2026

General Director
Ta Van Dung

CASH FLOW STATEMENT

(By indirect method)

Quarter IV 2025

Unit: VND

Accumulated from beginning of year to
end of this quarter

Items	Code	Notes	Current year	Previous year
I. Cash flows from operating activities				
<i>1. Accounting profit before tax</i>	01		140,540,219,943	144,218,992,133
<i>2. Adjustments for:</i>				
- Depreciation of fixed assets and investment properties	02		7,100,113,623	8,429,960,681
- Provisions	03		(9,659,073,747)	(25,432,647,840)
- Foreign exchange losses, profits arisen from revaluation of monetary accounts denominated in foreign currency	04		755,778,890	2,583,048,202
- Profits, losses from investing activities	05		(5,803,082,995)	(4,219,666,260)
- Interest expenses	06		19,463,313,460	12,425,558,101
<i>3. Operating profit before changes in working capital</i>	08		152,397,269,174	138,005,245,017
- Increase, decrease in receivables	09		(128,825,805,722)	96,258,607,948
- Increase, decrease in inventories	10		(281,334,768,430)	(204,054,300,014)
- Increase, decrease in payables (excluding interests, CIT)	11		166,241,595,741	41,959,523,957
- Increase, decrease in prepaid expenses	12		229,028,838	334,567,956
- Interest paid	14		(19,200,690,564)	(12,386,699,845)
- Corporate income tax paid	15		(52,863,689,112)	(35,794,314,211)
- Other cash outflows for operating activities	17		7,099,877,818	(10,244,828,583)
<i>Net cash flows from operating activities</i>	20		(156,257,182,257)	14,077,802,225
II. Cash flows from investing activities				
1. Purchase and construction of fixed assets and other long-term assets	21		(5,798,908,953)	(736,352,741)
2. Proceeds from disposals of fixed assets and other long-term assets	22		372,075,000	
3. Cash spent on lending and purchasing debt instruments of other entities	23		(157,400,000,000)	
4. Proceeds from loans and resale of debt instruments of other entities	24		60,000,000,000	
5. Interest, dividends and profits received	27		6,175,157,995	4,219,666,260
<i>Net cash flows from investing activities</i>	30		(96,651,675,958)	3,483,313,519
III. Cash flows from financing activities				
1. Drawdown of borrowings	33		1,487,659,435,060	764,862,949,330
2. Repayment of borrowings	34		(1,213,027,646,865)	(763,606,013,344)
3. Dividends paid	36		(25,174,800,000)	(37,218,956,200)
<i>Net cash flows from financing activities</i>	40		249,456,988,195	(35,962,020,214)

CASH FLOW STATEMENT

(By indirect method)

Quarter IV 2025

Net cash flow for the period (50 = 20+30+40)	50	(3,451,870,020)	(18,400,904,470)
Cash and cash equivalents at beginning of period	60	9,507,536,737	27,898,593,898
Impact of exchange rate fluctuation	61	(755,778,890)	9,847,309
Cash and cash equivalents at end of period (70 = 50+60+61)	70	5,299,887,827	9,507,536,737

Preparer
Truong Thi Hue

Chief Accountant
Nguyen Hong Duc

General Director
Ta Van Dung



Hanoi, 19 January 2026

NOTES TO THE FINANCIAL STATEMENTS
Quarter IV 2025

1. COMPANY INFORMATION

Central Pharmaceutical CPC1.JSC ("the Company"), formerly known as Grade I Pharmaceutical Company, a State-owned enterprise under Vietnam Pharmaceutical Enterprises Union, and is now a subsidiary of Vietnam Pharmaceutical Corporation. On 29 June 2010, the Company has been officially transformed into Central Pharmaceutical One Member Limited Liability Company 1 in accordance with Decision No. 045/QĐ-TCTD of the Chairman of the Board of Directors of Vietnam Pharmaceutical Corporation. Pursuant to Decision No. 2290/QĐ-BYT dated 12 June 2015 of the Minister of Health approving the equitization plan, the Company was transformed to a joint stock company under the name Central Pharmaceutical CPC1.JSC.

The Company was approved to become a public company under Official Dispatch No. 3339/UBCK-GSDC dated 29 May 2017 of the State Securities Commission. The Company's shares have been officially listed on the UPCoM since 12 June 2018 under the stock code DP1.

The Company operates under the Business Registration Certificate No. 0100108536 issued by Hanoi Department of Planning and Investment on 4 January 2016. The Company also received subsequent amended Business Registration Certificates with the latest is the 16th amendment being granted on 6 May 2022.

The Company's principal activities during the period are wholesale and retail of medicines, medical equipment, cosmetics and hygiene products.

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

The Company's head office is located at No. 87 Nguyen Van Troi Street, Phuong Liet Ward, Hanoi, Vietnam.

The number of employees of the Company as of 31 December 2025 is 286 people (As of 1 January 2025: 294 people).

Company structure

In 2025, the Company has 1 wholesale facility and 4 dependent accounting branches ("subsidiaries"). Details are as follows:

<i>Name</i>	<i>Location</i>
Central Pharmaceutical CPC1.JSC - Wholesale facility No. 1	Counter 438, 4th floor, Hapulico Pharmaceutical and Equipment Center, 24T1 building, No.1 Nguyen Huy Tuong street, Thanh Xuan Ward, Hanoi
Central Pharmaceutical CPC1.JSC - Ho Chi Minh City Branch	No. 297/24A, Ly Thuong Kiet Street, Phu Tho Ward, Ho Chi Minh City
Central Pharmaceutical CPC1.JSC - Quang Ninh Branch	No. 146, Alley 3, Cao Thang Street, Ha Lam Ward, Quang Ninh Province
Central Pharmaceutical CPC1.JSC - Da Nang Branch	Lot 75-76-77, Residential Area No. 2, Phan Lang Street, Thanh Khe Ward, Da Nang City
Central Pharmaceutical CPC1.JSC - Nghe An Branch	No. 11, Lenin Street, Block 19, Vinh Phu Ward, Nghe An Province

2. BASIS OF PREPARATION

2.1 *Applicable Accounting Standards and Regimes*

The financial statements of the Company, which are expressed in Vietnam dong (“VND”), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards 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);
- ▶ 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 financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows of the Company in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the computer based system.

2.3 *Fiscal year*

The Company's fiscal year applicable for the preparation of its financial statements starts on 01 January and ends on 31 December.

2.4 *Accounting currency*

The financial statements are prepared in VND which is also the Company's accounting currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash*

Cash comprises cash on hand and cash at banks.

3.2 *Inventories*

Inventories are measured at the lower of historical costs and net realisable value. The cost of inventories comprise costs of purchase and other directly related cost incurred in bringing the inventories to their present location and condition. If the net realizable value is lower than historical costs, 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 Company applies the perpetual inventory method to account for ending inventory of goods with purchase costs determined by the weighted average method.

Provision for obsolete inventories

An inventory provision is created 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, 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 income statement. When inventories are expired, obsolete, damaged or become useless, the difference between the provision previously made and the historical cost of inventories are included in the income statement.

3.3 *Receivables*

Receivables are presented in the balance sheet at the carrying amount of receivables from customers and other receivables after deducting provisions made 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 expenses in the 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 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 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 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 income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 *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.

Where the Company is the lessee

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

Where the Company is the lessor

Assets under operating leases are recorded as fixed assets on the balance sheet.

Income from operating leases is recognised in the income statement on a straight-line basis over the lease term.

3.6 *Intangible fixed assets*

Intangible assets are stated at cost less accumulated amortisation.

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

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

Land use rights

Land use rights include long-term land use rights.

3.7 *Depreciation and amortisation*

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

Buildings and structure	5 – 25 years
Machinery and equipment	3 – 10 years
Transportation vehicles	5 – 10 years
Office equipment	3 – 7 years
Copyright, computer software	5 years

Long-term land use rights are not amortised.

3.8 *Borrowing costs*

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *Construction in progress*

Construction in progress represents the cost of purchasing new assets that have not been installed or the cost of construction that has not been completed. Construction in progress is recorded at cost, including all costs necessary to build new or repair, renovate, expand or re-equip the technical works such as construction costs, equipment costs, project management costs, construction investment consulting costs and borrowing costs eligible for capitalization.

Construction in progress is transferred to the appropriate fixed asset account when the assets are installed or the construction project is completed and depreciation of the assets begins when the assets are ready for their intended use. Construction in progress is recognised as an expense in the year in which it does not qualify for recognition as a fixed asset.

3.10 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses in the 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. Includes the following costs:

- ▶ Software license costs;
- ▶ Insurance costs;
- ▶ Office rent, land rent paid in advance (*);
- ▶ Tools and equipment; and
- ▶ Fixed asset repair costs.

() Prepaid land rental*

Prepaid land rental includes the unamortised balance of advance payment under the land lease contract signed with Tan Tao Investment and Industry Joint Stock Company on 21 October 2005 and 21 February 2017 with lease terms from 21 October 2005 to 21 October 2050 and from 21 February 2017 to 16 August 2050. According to Circular 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013, the above prepaid land rental is recorded as long-term prepaid expense and is allocated to long-term prepaid expenses over the remaining term of the lease contract.

3.11 *Investments*

Investment in other entities

Investment in other entities are recorded at cost. Investments in other entities include investments in equity instruments but the enterprise does not have control, joint control or significant influence over the investee.

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *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.

3.13 *Foreign currency transactions*

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

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

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

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

All foreign exchange differences incurred are recorded in the income statement.

3.14 *Share capital*

Ordinary shares

Ordinary shares are recorded at issue price less costs directly attributable to the issuance of the shares, net of tax effects.

3.15 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting of Shareholders.

Investment and development fund

This fund is set aside for use in the Company's expansion of its 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 balance sheet.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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

Revenue is recognized when services are completed and accepted by customers.

Rental income

Rental income from assets leased under operating leases is recognised in the income statement on a straight-line basis over the lease term.

Dividend and profit distribution income

Dividend and profit distribution income are recognized when Company is entitled to receive dividends or when the Company are entitled to receive profits from its capital contributions.

Interest income

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

3.17 *Taxation*

Current income tax

Current 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 at the balance sheet date.

Current income tax is charged or credited to the 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.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Taxation* (continued)

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 for financial reporting purposes.

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;
- ▶ In respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures 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;
- ▶ In respect of deductible temporarily differences associated with investments in associates, and interests in joint ventures, 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 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 utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is charged or credited to the 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Taxation (continued)*

Deferred tax (continued)

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

- ▶ Either the same taxable entity; or
- ▶ When the Company intends 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.

3.18 *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.

3.19 *Segment information*

The Company's principal business activities are wholesale and retail of medicines, medical equipment, cosmetics and hygiene products. In addition, these activities are taking place within Vietnam. Therefore, the Company's risks and profitability are not significantly affected by differences in the products that the Company trades or by the Company's operations in different geographical areas. Therefore, the Company's management considers that the Company has only one segment according to business activities and geographical areas and the Company does not present segment report by business sector and segment report by geographical areas.

3.20 *Related parties*

Parties are considered to be related parties of the Company 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 other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

4. CASH

	Unit: VND	
	31 Dec 2025	01 Jan 2025
Cash on hand	617,516,560	216,787,578
Cash at banks	4,682,371,267	9,290,749,159
Cash in transit		
Total	5,299,887,827	9,507,536,737

5. HELD-TO-MATURITY INVESTMENTS

	31 Dec 2025	01 Jan 2025
Term deposits	97,400,000,000	
Total	97,400,000,000	

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1. Short-term trade receivables

	31 Dec 2025	01 Jan 2025
Bach Mai Hospital	8,125,980,000	22,405,230,000
Cho Ray Hospital	17,747,435,470	17,636,010,700
Kien Giang General Hospital	8,585,743,690	5,617,795,700
Hue Central Hospital	10,897,574,000	4,307,264,100
Thai Nguyen Central Hospital	4,469,886,000	5,535,189,900
Military Hospital 175	12,146,953,600	19,841,211,150
Da Nang Hospital	4,229,248,540	3,038,196,100
Center for Medical Review and Tertiary Care payment	12,472,702,896	15,486,710,254
Other customers	510,914,203,918	392,502,857,063
Receivables from related parties	8,049,432	-
Total	589,597,777,546	486,370,464,967

Provision for doubtful short-term receivables (7,018,949,026) (3,170,157,489)
Details of movements of provision for doubtful short-term receivables:

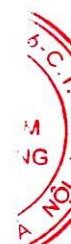
	Current year	Previous year
Beginning balance	3,170,157,489	2,854,962,216
Add: Provision made during the year	7,304,965,781	6,980,000,454
Less: Reversal of provision during the year	(3,456,174,244)	(6,664,805,181)
Ending balance	7,018,949,026	3,170,157,489

6.2. Short-term advances to suppliers

	31 Dec 2025	01 Jan 2025
ASYNMED PTE. LTD	1,997,239,510	32,675,604
Bliss Pharma Distribution and Consultancy Corp.	114,586,920	245,870,989
Nhat Anh Pharmaceutical Company Ltd	-	5,890,000,000
Others	6,420,476,869	5,206,035,556
Total	8,532,303,299	11,374,582,149

BAD DEBTS

Debtor	31 Dec 2025		01 Jan 2025	
	Cost	Recoverable amount	Cost	Recoverable amount
Viet Tiep Friendship Hospital	168,000,000	-	168,000,000	-
Ninh Binh Pharmaceutical Joint Stock Company	38,184,300	-	38,184,300	11,455,290
30-4 Hospital	1,180,366,679	85,515,500	1,180,366,679	354,110,004
Soc Trang Provincial General Hospital	1,124,639,000	759,807,300	39,200,000	11,760,000
Bai Chay Hospital	14,854,687	900,000	222,499,687	146,851,500
Other overdue receivables	11,427,935,891	6,088,808,731	5,801,103,333	3,755,019,716
Total	13,953,980,557	6,935,031,531	7,449,353,999	4,279,196,510



7. OTHER SHORT-TERM RECEIVABLES

Items	31 Dec 2025		01 Jan 2025	
	Amount	Provision	Amount	Provision
Receivables related to entrusted imported goods (*)			1,714,502,720	
Deposits and collateral	16,070,000		27,000,000	
Other receivables	13,388,900,672		634,993,076	
Total	13,404,970,672		2,376,495,796	

(*) These are receivables from entrusting parties related to the value of imported consignments, import duties, and entrusted value-added tax (VAT) that were completed during the year but have not yet been reimbursed by the entrusting parties.

8. INVENTORIES

Items	31 Dec 2025		01 Jan 2025	
	Cost	Provision	Cost	Provision
Goods in transit	45,878,147,627		82,266,113,455	
Merchandise	975,302,185,365	(10,269,931,490)	657,579,451,107	(24,005,875,574)
Total	1,021,180,332,992	(10,269,931,490)	739,845,564,562	(24,005,875,574)

Detail of movements of provision for obsolete inventories:

	Current year	Previous year
Beginning balance	24,005,875,574	49,624,089,287
Add: Provision made during the year	10,269,931,490	926,811,487
Less: Utilisation of provision during the year	(24,005,875,574)	(26,545,025,200)
Ending balance	10,269,931,490	24,005,875,574



9. TANGIBLE FIXED ASSETS

Items	Buildings and structures	Machinery and equipment	Vehicles, Transportation equipment	Management equipment, tools, others	Unit: VND
					Total
Cost					
Beginning balance	151,944,878,712	35,887,526,023	23,059,174,829	3,423,566,189	214,315,145,753
- Purchase in the period	6,940,981,286	1,034,741,000	-	-	7,975,722,286
- Finished construction investment					-
- Other increase					-
- Transition to investment real estate					-
- Liquidation, sale			1,938,699,582		1,938,699,582
- Other decrease					-
Ending balance	158,885,859,998	36,922,267,023	21,120,475,247	3,423,566,189	220,352,168,457
Accumulated depreciation					
Beginning balance	102,042,249,790	34,182,564,550	14,334,239,787	3,234,925,039	153,793,979,166
- Depreciation for the year	3,537,102,171	2,579,304,986	943,189,566	40,516,900	7,100,113,623
- Other increase					-
- Transition to investment real estate					-
- Liquidation, sale			1,938,699,582		1,938,699,582
- Other decrease					-
Ending balance	105,579,351,961	36,761,869,536	13,338,729,771	3,275,441,939	158,955,393,207
Net carrying amount					
- Beginning of year	49,902,628,922	1,704,961,473	8,724,935,042	188,641,150	60,521,166,587
- Ending of year	53,306,508,037	160,397,487	7,781,745,476	148,124,250	61,396,775,250
Fully depreciated	79,649,290,922	24,213,556,776	12,514,886,257	3,188,929,825	119,566,663,780

10. INTANGIBLE FIXED ASSETS

Items	Land use rights	Others	Total
Cost			<i>Unit: VND</i>
Beginning balance	27,870,452,800	2,701,213,200	30,571,666,000
- Purchase in the period	-	-	-
- Other increase	-	-	-
- Liquidation, sale	-	-	-
- Other decrease	-	-	-
Ending balance	27,870,452,800	2,701,213,200	30,571,666,000
Accumulated amortisation			-
Beginning balance	5,220,000	2,701,213,200	2,706,433,200
- Amortisation for the year	-	-	-
- Other increase	-	-	-
- Liquidation, sale	-	-	-
- Other decrease	-	-	-
Ending balance	5,220,000	2,701,213,200	2,706,433,200
Net carrying amount			-
- Beginning of year	27,865,232,800	-	27,865,232,800
- Ending of year	27,865,232,800	-	27,865,232,800

11. CONSTRUCTION IN PROGRESS

	31 Dec 2025	01 Jan 2025
Major repairs and renovations of fixed assets	2,539,680,000	362,866,667
Total	2,539,680,000	362,866,667

12. LONG-TERM INVESTMENTS

Unit: VND

	31 Dec 2025					01 Jan 2025				
	Capital contribution ratio	Number of shares	Cost	Provision	Fair value	Capital contribution ratio	Number of shares	Cost	Provision	Fair value
CPC1 Pharmaceutical Joint Stock Company – Hanoi (i)	16.43%	5,333,332	27,776,985,675	-	618,133,178,800	16.43%	5,333,332	27,776,985,675	-	365,333,242,000
Mekophar Chemical Pharmaceutical Joint Stock Company (i)	0.26%	67,082	2,790,867,722	(1,107,109,522)	1,683,758,200	0.26%	67,082	2,790,867,722	(879,030,722)	1,911,837,000
Ha Tinh Pharmaceutical Joint Stock Company (i)	1.00%	99,825	971,029,662	-	2,545,537,500	1.00%	99,825	971,029,662	-	1,996,500,000
TV. Pharm Pharmaceutical Joint Stock Company (i)	0.16%	46,816	300,659,375	-	(ii)	0.16%	46,816	300,659,375	-	(ii)
Vidipharm Central Pharmaceutical Joint Stock Company	0.10%	21,600	472,871,724	-	1,252,800,000	0.10%	21,600	472,871,724	-	779,200,000
Tuyen Quang Pharmaceutical Joint Stock Company	0.36%	18,000	197,784,303	-	(ii)	0.36%	18,000	197,784,303	-	(ii)
Sanofi-Synthelabo Vietnam Pharmaceutical Joint Stock Company	0.00%	10	1,000,000	-	(ii)	0.00%	10	1,000,000	-	(ii)
Total		32,511,198,461	(1,107,109,522)				32,511,198,461	(879,030,722)		

(i) The fair value of investments in shares of these companies is determined by the closing price of shares on the stock exchanges at the end of the accounting period.

(ii) The Company has not been able to collect the necessary information to assess the fair value of the investment value in these companies because the shares of these companies are not listed on the stock exchange.

13. PREPAID EXPENSES

Items	Unit: VND	
	31 Dec 2025	01 Jan 2025
Short-term		
- Dispatched tools and supplies;	2,326,822,676	1,840,213,756
Total	2,326,822,676	1,840,213,756
Long-term		
- Prepaid land rental (i)	24,218,349,097	24,933,986,855
Total	24,218,349,097	24,933,986,855
(i) These are rental expenses.		

14. TRADE PAYABLES AND SHORT-TERM ADVANCES FROM CUSTOMERS

14.1 Short-term trade payables

Items	31 Dec 2025		Unit: VND 01 Jan 2025	
	Amount	Payable amount	Amount	Payable amount
Angeion Medical International Pte. Ltd.	40,585,361,370	40,585,361,370	16,581,663,447	16,581,663,447
Minh Y Pharmaceutical Company Limited	24,709,866,656	24,709,866,656	16,341,763,645	16,341,763,645
Celltrion, INC.	195,096,097,291	195,096,097,291		
Ever Neuro Pharma GMBH	14,390,668,703	14,390,668,703	46,538,293,475	46,538,293,475
Hyphens Pharma Pte. Ltd	64,531,099,687	64,531,099,687	142,810,055,819	142,810,055,819
Inbiotech L.t.d	33,435,062,195	33,435,062,195	5,600,000,096	5,600,000,096
Panpharma GmbH			8,051,242,968	8,051,242,968
RV Group (S) PTE. LTD	8,933,335,983	8,933,335,983	15,683,203,800	15,683,203,800
Other suppliers	244,242,839,708	244,242,839,708	191,290,410,007	191,290,410,007
Payables to related parties	9,065,273,182	9,065,273,182	6,006,023,810	6,006,023,810
Total	634,989,604,775	634,989,604,775	448,902,657,067	448,902,657,067

14.2 Short-term advances from customers

	Unit: VND	
	31 Dec 2025	01 Jan 2025
Project Management Board Technical Support for Global Fund to Fight HIV, AIDS	428,981,542	
Phi Long MEP JSC	7,040,270,532	3,274,173,857
Others	394,541,479	1,753,223,111
Total	7,863,793,553	5,027,396,968

15. TAXES AND RECEIVABLES, PAYABLES TO THE STATE

Items	Beginning balance VND		Payable for the period VND	Off-set made in the period VND	Payment made in the period VND	Ending balance VND	
	Receivables	Payables				Receivables	Payables
- Domestic value added tax	138,528,103	88,413,284	120,533,035,064	(119,552,844,653)	(872,874,159)	-	57,201,433
- Value added tax of imported goods	-	-	61,191,914,727		(61,191,914,727)	-	-
- Import tax	-	-	2,575,034,288		(2,575,034,288)	-	-
- Corporate income tax	-	30,544,669,828	25,468,821,287		(52,863,689,112)	-	3,149,802,003
- Personal income tax	90,506,868	-	2,852,853,500		(2,410,581,494)	-	351,765,138
- Land tax and land rentals	-	-	10,072,086,133		(12,742,305,304)	2,670,219,171	-
- Other taxes	-	-	216,196,487		(216,196,487)	-	-
- Fees, charges and other payables	-	16,896,282,797	372,708,403		(386,899,630)	-	16,882,091,570
Total	229,034,971	47,529,365,909	223,282,649,889	(119,552,844,653)	(133,259,495,201)	2,670,219,171	20,440,860,144

16. SHORT-TERM ACCRUED EXPENSES

Items	<i>Unit: VND</i>	
	31 Dec 2025	01 Jan 2025
- Interest expense	539,737,482	277,114,586
- Accruals	4,500,000,000	4,479,750,000
- Others	1,839,430,351	689,945,337
Total	<u>6,879,167,833</u>	<u>5,446,809,923</u>

17. OTHER SHORT-TERM PAYABLES

Items	<i>Unit: VND</i>	
	31 Dec 2025	01 Jan 2025
- Trade union fees	36,740,100	38,097,840
- Short-term deposits, collateral (imported goods)	130,325,888	
- Short-term deposits, collateral (domestic)	1,363,415,000	
- Dividends and profits payable	230,251,000	11,203,553,800
- Other payables		2,428,328,570
- Amounts paid and collected on behalf of trustor (*)	<u>3,606,624,114</u>	<u>5,202,384,677</u>
Total	<u>5,367,356,102</u>	<u>18,872,364,887</u>

(*) These are payables related to entrusted import operations.

18. SHORT-TERM LOANS

Unit: VND

	31 Dec 2025		Movement during the period		01 Jan 2025	
	Balance	Payable	Increase	Decrease	Balance	Payable
Loans from banks	601,746,667,651	601,746,667,651	1,484,264,435,060	1,207,820,646,865	325,302,879,456	325,302,879,456
Loans from individuals	9,129,000,000	9,129,000,000	3,395,000,000	5,207,000,000	10,941,000,000	10,941,000,000
Total	610,875,667,651	610,875,667,651	1,487,659,435,060	1,213,027,646,865	336,243,879,456	336,243,879,456

18.1. Short-term loans from individuals

Details of short-term loans from individuals are as follows:

<i>Individual</i>	<i>31 Dec 2025</i>	<i>Principal and interest payment term</i>	<i>Annual interest</i>	<i>Security method</i>
Loans from individuals	9,129,000,000	Principal payable on demand. Interest payable quarterly.	5.7%	Unsecured loan
Total	9,129,000,000			

18. SHORT-TERM LOANS (continued)

18.2. Short-term loans from banks

<i>Lenders</i>	<i>Ending balance (VND)</i>	<i>Principal and interest payment term</i>	<i>Annual interest</i>	<i>Security method</i>
Vietnam Joint Stock or Commercial Bank for Industry and Trade - Tan Binh Branch	96,715,532,781	Loan term: 3–5 months. Final repayment date: 18 May 2026. Interest: payable monthly.	4.5% - 6.4%	Unsecured loan
Joint Stock Commercial Bank for Investment and Development of Vietnam - Hoan Kiem Branch (VND)	109,585,026,864	Loan term: 6 months. Final repayment date: 22 May 2026. Interest: payable monthly.	3.7% - 4.8%	Unsecured loan
Vietnam Technological and Commercial Joint Stock Bank – Quang Trung Branch	96,611,295,602	Loan term: 6 months. Final repayment date: 6 April 2026. Interest: payable monthly.	4.5% - 5.0%	Unsecured loan
Military Commercial Joint Stock Bank (MB) – Transaction Office No. 2 Branch	-	Loan term: 6 months. Final repayment date: 22 October 2025. Interest: payable monthly.	4.73% - 5.0%	Unsecured loan
Vietnam Bank for Agriculture and Rural Development – Tan Binh Branch	39,741,071,833	Loan term: 6 months. Final repayment date: 24 June 2026. Interest: payable monthly.	4.2% - 5.1%	Unsecured loan
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Transaction Office	108,168,935,469	Loan term: 6 months. Final repayment date: 15 May 2026. Interest: payable monthly.	3.6% - 6.8%	Unsecured loan
Vietnam International Commercial Joint Stock Bank – Dong Da Branch	-	Loan term: 5 months. Final repayment date: 26 May 2025. Interest: payable monthly.	4% - 4.5%	Unsecured loan
HSBC Bank (Vietnam) Ltd.	-	Loan term: 3 months. Final repayment date: 3 January 2025. Interest: payable monthly.	0.00%	Unsecured loan
Military Commercial Joint Stock Bank	-	Loan term: 3–6 months. Final repayment date: 25 June 2025. Interest: payable monthly.	3.8% - 5.0%	Unsecured loan
Vietnam Joint Stock Commercial Bank for Industry and Trade – Hanoi Branch (VND)	3,428,274,850	Loan term: 2 months. Final repayment date: 23 February 2026. Interest: payable monthly.	4.4% - 6.3%	Unsecured loan
Vietnam Maritime Commercial Joint Stock Bank – Head Office (VND)	147,496,530,252	Loan term: 5 months. Final repayment date: 1 June 2026. Interest: payable monthly.	4% - 5.7%	Unsecured loan
Total	601,746,667,651			

19. BONUS AND WELFARE FUND

Items	Current year	Unit: VND	Previous year
- Beginning balance	7,080,039,522		672,051,279
- Provided during the period	9,765,973,818		16,652,816,826
- Utilized during the period	<u>(2,666,096,000)</u>		<u>(10,244,828,583)</u>
- Ending balance	<u>14,179,917,340</u>		<u>7,080,039,522</u>

20. OWNERS' EQUITY

20.1 Increase and decrease in owners' equity

<i>Previous year</i>	Issued share capital	Investment development fund	Undistributed earnings	Total	Unit: VND
Beginning balance	209,790,000,000	2,444,991,780	245,563,426,974	457,798,418,754	
Net profit for the period			113,758,603,232	113,758,603,232	
2023 dividends			<u>(31,468,500,000)</u>	<u>(31,468,500,000)</u>	
2023 appropriation to bonus fund for BoD, Supervisory Board (SB), Board of Management			- (392,000,000)	(392,000,000)	
2023 appropriation to bonus and welfare funds			- (14,260,816,826)	(14,260,816,826)	
Interim appropriation to the welfare fund for 2024			- (2,000,000,000)	(2,000,000,000)	
Interim dividend payment for 2024			<u>(16,783,200,000)</u>	<u>(16,783,200,000)</u>	
Others			4,877,629,901	4,877,629,901	
Ending balance	<u>209,790,000,000</u>	<u>2,444,991,780</u>	<u>299,295,143,281</u>	<u>511,530,135,061</u>	
<i>Current year</i>	Issued share capital	Investment development fund	Undistributed earnings	Total	
Beginning balance	209,790,000,000	2,444,991,780	299,295,143,281	511,530,135,061	
Net profit for the period			113,082,355,399	113,082,355,399	
2024 dividends (*)			<u>(25,174,800,000)</u>	<u>(25,174,800,000)</u>	
2024 appropriation to bonus fund for BoD, Board of Management, Chief Accountant, Governance Officer cum Secretary (*)			- (347,583,333)	(347,583,333)	
2024 appropriation to bonus and welfare funds (*)			- (2,000,000,000)	(2,000,000,000)	
Bonus for completing the plan and exceeding the 2024 profit target (**)			- (7,418,390,485)	(7,418,390,485)	
Others					
Ending balance	<u>209,790,000,000</u>	<u>2,444,991,780</u>	<u>377,436,724,862</u>	<u>589,671,716,642</u>	

(*) The Company distributed dividends and set aside bonus and welfare funds from 2023 profits in accordance with Resolution No. 23/NQDHCD dated 17 April 2025 of the Company's General Meeting of Shareholders.

20. OWNERS' EQUITY (continued)

20.2 Details of owners' capital

	31 Dec 2025			01 Jan 2025			Unit: share
	Total	Common shares	Ownership (%)	Total	Common shares	Ownership (%)	
Vietnam Pharmaceutical Corporation - JSC	13,721,550	13,721,550	65.41%	13,721,550	13,721,550	65.41%	
Mr. Le Nam Thang	1,689,000	1,689,000	8.05%	1,689,000	1,689,000	8.05%	
Ms. Le Thi Kim Anh	1,518,800	1,518,800	7.24%	1,518,800	1,518,800	7.24%	
Mr. Nguyen Doan Liem	1,210,940	1,210,940	5.77%	1,210,940	1,210,940	5.77%	
Others	2,838,710	2,838,710	13.53%	2,838,710	2,838,710	13.53%	
Total	20,979,000	20,979,000	100.00%	20,979,000	20,979,000	100.00%	

Par value of outstanding share: VND 10,000/share (2024: VND 10,000/share).

20.3 Capital transactions with owners and distribution of dividends, profits

	Unit: VND	
	Current year	Previous year
Contributed capital		
Beginning balance	<u>209,790,000,000</u>	<u>209,790,000,000</u>
Ending balance	<u>209,790,000,000</u>	<u>209,790,000,000</u>

20.4 Dividend

	Unit: VND	
	Current year	Previous year
Dividends declared during the year		
2024 Dividends	<u>25,174,800,000</u>	
Interim dividend payment for 2024		<u>16,783,200,000</u>
2023 Dividends		<u>31,468,500,000</u>
Total	<u>25,174,800,000</u>	<u>48,251,700,000</u>
Dividends paid during the year	<u>36,148,102,800</u>	<u>37,218,956,200</u>

20. OWNERS' EQUITY (continued)

20.5 Shares

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Quantity (Share)</i>	<i>Amount (VND)</i>	<i>Quantity (Share)</i>	<i>Amount (VND)</i>
Authorised shares	20,979,000	209,790,000,000	20,979,000	209,790,000,000
Issued shares	20,979,000	209,790,000,000	20,979,000	209,790,000,000
Ordinary shares	20,979,000	209,790,000,000	20,979,000	209,790,000,000
Preferred shares	-	-	-	-
Number of shares outstanding	20,979,000	209,790,000,000	20,979,000	209,790,000,000
Ordinary shares	20,979,000	209,790,000,000	20,979,000	209,790,000,000
Preferred shares	-	-	-	-

21. OFF-BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Unit: VND</i>
		<i>Beginning balance</i>
Imported goods entrusted by third party		20,606,125,993
Foreign currencies		
- USD	11,826	11,856
- EUR	258	279

22. REVENUES

22.1 Revenue from goods sold and services rendered

	<i>Current year</i>	<i>Unit: VND</i>
		<i>Previous year</i>
Total revenue	2,134,449,600,673	2,025,737,354,729
In which:		
- Sale of goods	2,117,591,343,540	2,008,597,580,096
- Rendering of services	16,858,257,133	17,139,774,633
Revenue deductions		
- Sales returns		
Net revenue	2,134,449,600,673	2,025,737,354,729
In which:		
<i>Revenue from other parties</i>	2,132,717,014,296	2,023,213,740,359
<i>Revenue from related parties</i>	1,732,586,377	2,523,614,370

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22. REVENUES (continued)

22.2 Finance income

	<i>Unit: VND</i>	
	Current year	Previous year
Interest income	600,366,309	124,818,051
Dividends, profit earned	5,574,791,686	4,198,380,800
Other finance income	133,573,326	103,532,591
Interest from payment rate to suppliers	4,403,261,550	
Realized foreign exchange gains	21,932,533,873	18,407,526,038
Total	32,644,526,744	22,834,257,480

23. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Unit: VND</i>	
	Current year	Previous year
Cost of goods sold and services rendered	1,859,347,756,123	1,740,229,652,648
Reversal of provision/provision for obsolete inventories	(13,735,944,084)	(25,618,213,713)
Total	1,845,611,812,039	1,714,611,438,935

24. FINANCE EXPENSES

	<i>Unit: VND</i>	
	Current year	Previous year
Interest expenses	19,463,313,460	12,425,558,101
Realized foreign exchange losses	22,688,312,763	26,617,887,800
Unrealized foreign exchange losses		2,583,048,202
Reversal of provision/provision for devaluation of investments	228,078,800	(181,121,400)
Total	42,379,705,023	41,445,372,703

25. SELLING EXPENSES AND ADMINISTRATIVE EXPENSES

	<i>Unit: VND</i>	
	Current year	Previous year
Selling expenses incurred during the year		
Labour costs	59,230,581,872	57,832,362,332
Material costs	3,803,144,450	5,959,544,980
Tools and supplies costs	2,243,811,515	1,048,867,625
Depreciation and amortisation	7,100,113,623	7,401,374,447
Expenses for external services	24,469,362,099	27,000,153,911
Others	43,387,757,905	31,836,432,793
Total	140,234,771,464	131,078,736,088

25. SELLING EXPENSES AND ADMINISTRATIVE EXPENSES (continued)

Administrative expenses incurred during the year

Management staff costs	16,623,178,103	12,434,940,525
Material costs		
Office supplies cost	1,338,986,555	464,459,405
Depreciation and amortisation	13,637,782	
Taxes, fees and charges	8,045,836,185	
Provision	3,848,791,537	366,687,273
Expenses for external services	185,693,551	5,553,200,636
Other cash expenses	6,763,758,337	16,701,078,422
Land rental		6,856,797,543
Total	36,819,882,050	42,377,163,804

26. OTHER INCOME AND EXPENSES

	<i>Unit: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Other income		
Compensation	39,273,238,502	29,660,127,959
Others	39,273,238,502	29,284,171,524
		375,956,435
Other expenses		
Penalty	780,975,400	4,500,036,505
Others	780,975,400	4,203,979,802
		296,056,703
NET OTHER PROFIT (LOSS)	38,492,263,102	25,160,091,454

27. PRODUCTION AND OPERATING COSTS

	<i>Unit: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of purchasing goods for sale	1,859,347,756,123	1,740,229,652,648
Material costs	3,803,144,450	5,959,544,980
Labour costs	75,853,759,975	70,267,302,857
Expenses for external services	24,655,055,650	32,553,354,547
Depreciation, amortisation and allocation of land use costs	7,113,751,405	7,401,374,447
Provision/reversal of provision	3,848,791,537	366,687,273
Tools and supplies	3,582,798,070	1,513,327,030
Others	58,197,352,427	55,394,308,758
Total	2,036,402,409,637	1,913,685,552,540

28. CORPORATE INCOME TAX

The statutory corporate income tax (“CIT”) applicable to the Company is 20% of taxable income.

The Company's tax reports are subject to examination by the tax authorities. Since the application of tax laws and regulations to different types of transactions is susceptible to varying interpretations, the tax amounts presented in the financial statements may change upon final determination by the tax authorities.

28.1 CIT expenses

	<i>Unit: VND</i>	
	Current year	Previous year
Current CIT expenses	25,370,776,698	26,581,222,948
Adjustment to previous year's tax expenses	2,087,087,846	3,879,165,953
Deferred tax expense/(income)	<hr/>	<hr/>
Total	27,457,864,544	30,460,388,901

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

	<i>Unit: VND</i>	
	Current year	Previous year
Accounting profit before tax	140,540,219,943	144,218,992,133
CIT expenses at CIT rate of 20%	28,108,043,989	28,843,798,427
<i>Adjustments to increase</i>		
Other non-deductible expenses	1,245,029,291	2,596,699,582
Provision for obsolete inventory	1,612,674,572	1
Board of Directors' remuneration	135,800,000	C
<i>Adjustments to decrease</i>		
Income from dividends	(1,114,958,337)	(839,676,160)
Reversal of provision for obsolete inventory	(4,615,812,817)	(140,432,948)
CIT expenses	25,370,776,698	30,460,388,901

28.2 Current corporate income tax

Current corporate income tax payable is based on taxable profit for the current period. The Company's taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it excludes items that are not taxable or deductible for tax purposes. The Company's current corporate income tax payable is calculated using tax rates that have been enacted by the end of the reporting period.

28. CORPORATE INCOME TAX (continued)

28.3 Deferred tax assets

	<i>Unit: VND</i>	
	Current year	Previous year
Provision for sub-standard goods	4,615,812,818	
Provision for inventory, Fire prevention and firefighting (FPF)		
training expenses, 2025 business performance bonus,	2,528,724,972	
depreciation of fixed assets		
Total	<u>2,528,724,972</u>	<u>4,615,812,818</u>

29. TRANSACTIONS WITH RELATED PARTIES

The list of related parties with controlling relationships and other related parties with material transactions with the Company during the year and as at 31 December 2025 is as follows:

<i>Related parties</i>	<i>Relationship</i>
Vietnam Pharmaceutical Corporation - JSC	Parent company
Vietnam Medical Products Import - Export Joint Stock Company	Affiliate of Parent company
Imexpharm Corporation	Affiliate of Parent company
Hanoi CPC1 Pharmaceutical Joint Stock Company	Entity with a mutual member of Board of Directors ("BoD")
OPC Pharmaceutical Joint Stock Company	Entity with a mutual member of Board of Directors ("BoD")

The list of individuals who are members of the Board of Directors, Board of Management, Board of Supervisors, Audit Committee during the year and at the date of this report is presented in the General Information section.

Significant transactions with related parties during the current and previous years are as follows:

<i>Related parties</i>	<i>Transaction</i>	<i>Unit: VND</i>	
		Current year	Previous year
Vietnam Pharmaceutical Corporation - JSC	Dividends declared	16,465,860,000	31,559,565,000
	Dividends paid	27,443,100,000	20,582,325,000
Hanoi CPC1 Pharmaceutical Joint Stock Company	Sales of goods	1,689,832,957	2,523,614,370
	Dividends received	5,333,332,000	3,999,999,000
Vietnam Medical Products Import - Export Joint Stock Company	Purchase of goods and services	122,378,756	-
	Sales of goods and services	42,753,420	-
OPC Pharmaceutical Joint Stock Company	Sales of goods and services	-	-
	Purchase of goods and services	17,196,983,635	8,588,567,758
Imexpharm Corporation	Purchase of goods and services	16,195,042,500	3,033,988,980

29. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Salaries and remuneration of members of the Board of Directors (“BOD”), the Board of Management and the Supervisory Board:

<i>Name</i>	<i>Current year</i>	<i>Unit: VND</i> <i>Previous year</i>
Ms. Han Thi Khanh Vinh	295,000,000	183,272,727
Ms. Bui Thi Thanh Hai	651,167,294	410,558,558
Mr. Nguyen Huy Thanh	667,102,879	371,573,259
Mr. Ta Van Dung	804,231,818	
Mr. Nguyen Doan Liem	96,000,000	82,909,091
Ms. Tran Thi Kim Khanh	235,000,000	114,545,455
Ms. Nguyen Hong Nhung	-	21,818,182
Ms. Nguyen Thuy Dung	-	21,818,182
Mr. Cong Viet Hai		848,906,360
Ms. Nguyen Thi Hoa	665,846,980	654,192,605
Supervisory Board	-	206,102,275
TOTAL	3,414,348,971	2,915,696,694

30. COMMITMENTS

Operating lease commitment

The Company lease lands under operating lease arrangements. The future minimum lease commitments as at the end date of the reporting period under these operating lease agreements are as follows:

	<i>Current year</i>	<i>Unit: VND</i> <i>Previous year</i>
1 year or less	8,900,730,570	5,489,762,524
From 1 to 5 years	43,790,860,660	26,736,020,430
More than 5 years	105,835,767,888	70,933,549,031
Total	158,527,359,118	103,159,331,985



31. EARNINGS PER SHARE

The following reflects the income and share data used in the earnings per share computations.

	Unit: VND	
	Current year	Previous year
Profit after tax	113,082,355,399	113,758,603,232
Appropriation to bonus and welfare fund during the period	(11,111,553,310)	(11,765,973,818)
Net profit after tax attributable to ordinary shareholders	101,970,802,089	101,992,629,414
Weighted average number of ordinary shares for basic earnings per share	20,979,000	20,979,000
Basic earnings per share		
- Basic earnings per share	4,861	4,862
- Diluted earnings per share	4,861	4,862

There were no common share transactions or potential common share transactions between the end of the reporting period and the date of completion of the financial statements.

Preparer
Truong Thi Hue

Chief Accountant
Nguyen Hong Duc

General Director
Ta Van Dung

