

# **FINANCIAL STATEMENT**

**DANANG PHARMACEUTICAL - MEDICAL EQUIPMENT JOINT  
STOCK COMPANY**

For the fourth quarter of fiscal year 2024

And accumulated from January 1, 2024, to December 31, 2024



## BALANCE SHEET

As of December 31, 2024

Code	ASSETS	Explanati on	31/12/2024 VND	01/01/2024 VND
<b>100</b>	<b>A. SHORT-TERM ASSETS</b>		<b>968.999.269.376</b>	<b>641.075.714.301</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>03</b>	<b>29.113.872.681</b>	<b>17.184.012.943</b>
111	1. Cash		29.113.872.681	17.184.012.943
<b>120</b>	<b>II. Short-term financial investment</b>	<b>04</b>	<b>123.544.270.909</b>	<b>103.060.000.000</b>
123	1. Held to maturity investments		123.544.270.909	103.060.000.000
<b>130</b>	<b>III. Short-term receivables</b>		<b>765.097.731.482</b>	<b>404.373.123.288</b>
131	1. Short-term trade receivables	05	678.608.064.279	401.796.492.995
132	2. Short-term prepayments to suppliers	06	45.652.425.135	17.826.834.372
135	3. Short-term loans receivable	07	54.100.000.000	-
136	4. Other short-term receivables	08	5.250.636.725	3.085.470.026
137	5. Provision for bad short-term debts		(18.513.394.657)	(18.363.860.350)
139	6. Shortage of assets awaiting resolution			28.186.245
<b>140</b>	<b>IV. Inventories</b>	<b>10</b>	<b>41.925.976.858</b>	<b>112.349.311.852</b>
141	1. Inventories		42.638.123.781	113.991.077.938
149	2. Provision for devaluation of inventories		(712.146.923)	(1.641.766.086)
<b>150</b>	<b>V. Other short-term assets</b>		<b>9.317.417.446</b>	<b>4.109.266.218</b>
151	1. Short-term prepaid expenses	14	1.201.553.231	437.990.891
152	2. VAT deducted		6.335.701.687	1.687.823.189
153	3. Tax and other receivables from the State	18	1.780.162.528	1.983.452.138
<b>200</b>	<b>B. LONG-TERM ASSETS</b>		<b>92.721.612.596</b>	<b>86.104.462.762</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>74.954.351.267</b>	<b>77.346.110.129</b>
221	1. Tangible fixed assets	12	53.146.699.490	54.783.850.473
222	- Original costs		77.218.980.774	76.332.541.556
223	- Accumulated depreciation		(24.072.281.284)	(21.548.691.083)
227	2. Intangible fixed assets	13	21.807.651.777	22.562.259.656
228	- Original costs		23.760.184.541	24.090.954.041
229	- Accumulated depreciation		(1.952.532.764)	(1.528.694.385)
<b>240</b>	<b>II. Long-term asset in progress</b>	<b>11</b>	<b>7.830.103.215</b>	<b>73.955.000</b>
242	1. Capital construction in process		7.830.103.215	73.955.000
<b>260</b>	<b>III. Other Long-term assets</b>		<b>9.937.158.114</b>	<b>8.684.397.633</b>
261	1. Long-term prepaid expenses	14	9.937.158.114	8.684.397.633
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1.061.720.881.972</b>	<b>727.180.177.063</b>



**BALANCE SHEET**  
*As of December 31, 2024 (Continued)*

Code	RESOURCES	Explanation	31/12/2024	01/01/2024
			VND	VND
<b>300</b>	<b>C. LIABILITIES</b>		<b>858.251.534.606</b>	<b>531.042.143.239</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>855.769.934.606</b>	<b>528.124.718.239</b>
311	1. Trade payables	16	626.113.689.090	412.112.067.923
312	2. Advances from customers	17	52.813.791.682	31.755.860.474
313	3. Taxes and payable to State budget	18	352.025.188	404.367.594
314	4. Payable to employees		13.593.226.807	2.751.482.218
315	5. Accrued expenses		92.978.488	141.083.810
318	6. Short-term deferred revenue	20	1.125.648.396	935.189.642
319	7. Other short-term liabilities	19	1.542.870.769	1.238.718.281
320	8. Short-term loan and payable for finance leasing	15	160.107.128.634	78.758.452.745
322	9. Reward and welfare funds		28.575.552	27.495.552
<b>330</b>	<b>II. Long-term liabilities</b>		<b>2.481.600.000</b>	<b>2.917.425.000</b>
337	1. Other long-term liabilities	19	2.481.600.000	2.917.425.000
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>203.469.347.366</b>	<b>196.138.033.824</b>
<b>410</b>	<b>I. Owners' equity</b>	<b>21</b>	<b>203.469.347.366</b>	<b>196.138.033.824</b>
411	1. Contributed chartered capital		153.493.280.000	153.493.280.000
411a	Ordinary shares with voting rights		153.493.280.000	153.493.280.000
411b	Preference shares		-	-
412	2. Share premium		9.215.548.634	9.215.548.634
414	3. Other equity		2.334.190.178	2.334.190.178
418	4. Investment and development fund		25.644.628.267	25.644.628.267
421	5. Undistributed profit after tax		12.781.700.287	5.450.386.745
421a	Previous year undistributed profit after tax		5.450.386.745	4.339.187.431
421b	This year undistributed profit after tax		7.331.313.542	1.111.199.314
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>1.061.720.881.972</b>	<b>727.180.177.063</b>

Prepared by

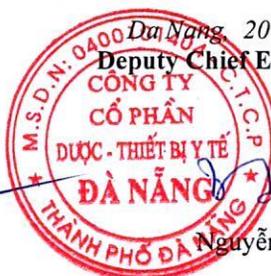


Tran Khanh Linh

Chief Accountant



Tran Thi Anh Minh



Đà Nẵng, 20 January 2025

Deputy Chief Executive Officer

Nguyễn Trung



## INCOME STATEMENT

Code	Criteria	Explanation	Fourth quarter of 2024 VND	Fourth quarter of 2023	Year 2024	Year 2023
					VND	VND
01	1. Revenue from sale of goods and rendering of services	23	348.779.451.090	330.494.700.507	1.394.524.804.184	945.551.091.805
02	2. Revenue deductions	24	251.653.720	544.309.089	1.866.094.590	2.146.849.215
10	3. Net revenue from sale of goods and rendering of services		348.527.797.370	329.950.391.418	1.392.658.709.594	943.404.242.590
11	4. Cost of goods sold	25	323.864.918.347	308.565.730.983	1.302.672.363.424	879.498.226.632
20	5. Gross profit from sale of goods and rendering of services		24.662.879.023	21.384.660.435	89.986.346.170	63.906.015.958
21	6. Income from financial activities	26	7.360.682.516	5.823.895.737	22.130.592.674	17.671.545.606
22	7. Expenses from financial activities	27	6.325.262.718	4.381.330.366	20.160.825.763	11.924.207.958
23	<i>In which: Interest expenses</i>		1.482.213.341	789.527.567	3.849.638.428	3.211.719.803
25	8. Selling expenses	28	24.743.034.647	14.972.874.521	73.595.376.292	49.299.203.526
26	9. General and administrative expenses	29	5.489.935.415	10.748.033.656	16.147.463.212	19.379.549.491
30	10. Operating profit		(4.534.671.241)	(2.893.682.371)	2.213.273.577	974.600.589
31	11. Other income	30	1.196.807.331	969.136.312	10.368.173.871	1.870.836.529
32	12. Other expenses	31	257.708.274	86.126.915	3.337.624.202	634.520.003
40	13. Other profit		939.099.057	883.009.397	7.030.549.669	1.236.316.526
50	14. Net profit before tax		(3.595.572.184)	(2.010.672.974)	9.243.823.246	2.210.917.115
51	15. Current corporate income tax expense	32	(667.572.782)	-	1.912.509.704	497.432.663
52	16. Deferred corporate income tax expense		-	-	-	602.285.138
60	17. Net profit after tax		(2.927.999.402)	(2.010.672.974)	7.331.313.542	1.111.199.314
70	18. Basic earnings per share	33	(191)	(131)	478	72

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Chief Accountant



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Nguyễn Trung

## STATEMENT OF CASH FLOW

(According to indirect method)

Co de	Criteria	Explanati on	Year 2024	Year 2023
			VND	VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	<b>1. Net profit before tax</b>		9.243.823.246	2.210.917.115
	<b>2. Adjustments for</b>		(3.041.732.103)	10.205.073.798
02	- Depreciation of fixed assets and investment properties		7.127.908.153	3.384.146.430
03	- Provisions		(780.084.856)	7.666.799.154
04	- Gains/losses from foreign exchange differences due to revaluation of monetary items in foreign currencies			2.124.642.751
05	- Gain from disposal of equity investments in other entities		(13.239.193.828)	(6.182.234.340)
06	- Interest expenses		3.849.638.428	3.211.719.803
07	- Other adjustment		-	-
08	<b>3. Operating income before changes in working capital</b>		6.202.091.143	12.415.990.913
09	- Decrease, increase in receivables		(330.857.419.552)	(13.118.710.744)
10	- Decrease, increase in inventories		71.352.954.157	61.007.698.148
11	- Decrease, increase in payables (not included interest expenses and income tax payables)		246.076.246.057	(19.760.342.247)
12	- Decrease, Increase in prepaid expenses		(2.016.322.821)	(366.498.473)
13	- Decrease, Increase in securities held for trading		-	-
14	- Interest paid		(3.990.722.238)	(3.152.261.375)
15	- Enterprise income tax paid		(1.856.334.691)	(2.495.931.389)
16	- Other income from business activities		1.080.000	
17	- Other cash inflows/(outflows) from operating activities		-	(4.500.000)
20	<b>- Net cash flows from operating activities</b>		(15.088.427.945)	34.525.444.833
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	1. Cash payments for purchases, construction of fixed assets, and other long-term assets		(13.469.582.034)	(4.013.395.788)
22	2. Cash receipts from liquidation, sale of fixed assets, and other long-term assets		4.840.987.961	519.036.364
23	3. Loans provided to related parties and other		(91.900.000.000)	(199.066.473.553)
24	4. Collection of loans provided to related parties and other		37.800.000.000	96.006.473.553
27	5. Interest and dividend received		8.398.205.867	4.111.278.888
30	<b>Net cash flows from investing activities</b>		(54.330.388.206)	(102.443.080.536)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
33	3. Proceeds from bond issuance and borrowings		884.954.644.376	500.529.591.923
34	4. Payments of loan		(803.605.968.487)	(428.549.687.439)
36	6. Dividend paid to owner		-	(7.674.664.000)
40	<b>Net Cash Flows from Financing Activities</b>		81.348.675.889	64.305.240.484
50	<b>Net cash increase/(decrease)</b>		11.929.859.738	(3.612.395.219)



60	Cash and cash equivalents at the beginning of the period		17.184.012.943	20.799.509.736
61	Impact of exchange rate fluctuation			(3.101.574)
70	Cash and cash equivalents at the end of the period	03	29.113.872.681	17.184.012.943

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Chief Accountant



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Da Nang, 20 January 2025

Deputy Chief Executive Officer



Nguyễn Trung



## NOTES TO THE FINANCIAL STATEMENTS

### 1. CHARACTERISTICS OF THE COMPANY'S OPERATIONS

#### Form of capital ownership

Danang Pharmaceutical-Medical Equipment Joint Stock Company was established and operates under the Enterprise Registration Certificate No. 0400101404, initially issued by the Department of Planning and Investment of Danang City on March 22, 2005, and amended for the 15th time on January 11, 2025.

The Company's headquarters is located at: No. 02, Phan Dinh Phung Street, Hai Chau Ward, Hai Chau District, Danang City.

The Company's charter capital is: 153,493,280,000 VND, equivalent to 15,349,328 shares, with a par value of 10,000 VND per share.

The total number of employees as of December 31, 2024, was 222 (compared to 187 as of December 31, 2023).

#### Business field

The Company engages in the trading of pharmaceuticals, medicinal herbs, traditional medicine products, vaccines, medical biological products, and medical equipment.

#### Business Lines

The Company's main activities include:

- Trading and Import-Export: Pharmaceuticals, medicinal herbs, chemicals, medical equipment and scientific materials, nutritional and preventive food products, vaccines and biological products, mosquito-repellent incense, mosquito sprays, eyewear, cosmetics, various types of milk, candy, vitamin-enriched beverages, mineral water, and office supplies.
- Pharmaceutical Manufacturing: In compliance with the approved list by the Ministry of Health.
- Technology Transfer and Technical Services: Including delivery, installation, usage instructions, warranty, maintenance, and repair of medical and scientific equipment.
- Leasing Services: Office spaces and warehouses.

**Typical Production and Business Cycle:** Less than 12 months.

#### Characteristics of Operations During the Accounting Period Impacting the Financial Statements

In 2024, due to increased market demand for pharmaceuticals and medical equipment, coupled with the expansion of the distribution network and new partnerships, the Company's net revenue for 2024 increased by VND 449 billion compared to the previous year.

#### Corporate Structure

The Company comprises the following affiliated units:	Address	Core Business Activities
Company Headquarters	Hai Chau District, Da Nang City	Distribution of pharmaceuticals
Hanoi Branch	Hoan Kiem District, Ha Noi City	Distribution of pharmaceuticals
Ho Chi Minh City Branch	District 10, Ho Chi Minh City	Distribution of pharmaceuticals
Quang Nam Branch (*)	Tam Ky City, Quang Nam Province	Distribution of pharmaceuticals

(\* ) The Quang Nam Branch completed the procedures for termination of operations on December 5, 2024.

## **2. ACCOUNTING POLICIES AND REGULATIONS APPLIED BY THE COMPANY**

### **2.1. Accounting Period and Currency Used in Accounting**

The Company's fiscal year follows the calendar year, starting on January 1 and ending on December 31 annually.

The currency used in accounting records is the Vietnamese Dong (VND).

### **2.2. Accounting Standards and Policies Applied**

#### *Accounting Policies Applied*

The Company applies the Corporate Accounting Policies issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, of the Ministry of Finance, and Circular No. 53/2016/TT-BTC dated March 21, 2016, of the Ministry of Finance amending and supplementing certain provisions of Circular No. 200/2014/TT-BTC.

#### *Statement of Compliance with Accounting Standards and Policies*

The Company has applied the Vietnamese Accounting Standards and the guidance documents issued by the State. The financial statements have been prepared and presented in full compliance with the provisions of each standard, the guidance circulars for implementation, and the currently applicable Corporate Accounting Policies.

### **2.3. Basis for Preparing Financial Statements**

The interim financial statements are presented based on the historical cost principle.

The Company's interim financial statements are prepared based on the aggregation of transactions and events occurring at the dependent subsidiaries and the Company's office.

In the Company's interim financial statements, intercompany transactions and balances related to assets, liabilities, and internal receivables and payables have been fully eliminated.

### **2.4. Accounting Estimates**

The preparation of interim financial statements complies with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System, and relevant legal regulations regarding the preparation and presentation of financial statements. This requires the General Director to make estimates and assumptions that affect the figures for liabilities, assets, and the presentation of contingent liabilities and assets at the end of the accounting period, as well as figures for revenue and expenses throughout the accounting period.

The estimates and assumptions that have a significant impact on the financial statements include:

- Allowance for doubtful accounts;
- Provision for inventory write-downs;
- Estimated useful life of fixed assets;
- Amortization period for prepaid expenses;
- Classification and provision for financial investments;
- Corporate income tax estimate.

These estimates and assumptions are regularly reviewed based on past experience and other factors, including future assumptions that significantly impact the Company's financial statements and are considered reasonable by the Company's General Director.

## 2.5. Financial Instruments

### *Initial Recognition*

#### Financial Assets

The Company's financial assets include cash, receivables from customers and other receivables, loans, and short-term investments. At the time of initial recognition, financial assets are determined at their purchase price plus any other costs directly attributable to the purchase or issuance of the financial asset.

#### Financial Liabilities

The Company's financial liabilities include loans, payables to suppliers and other payables, and accrued expenses. At the time of initial recognition, financial liabilities are determined at their issuance price plus any costs directly attributable to the issuance of the financial liability.

#### Subsequent Measurement

Financial assets and financial liabilities are not measured at fair value at the end of the accounting period, as required by Circular No. 210/2009/TT-BTC and current regulations on the presentation of financial statements and disclosures related to financial instruments. However, there are no equivalent guidelines provided for the measurement and recognition of the fair value of financial assets and financial liabilities.

## 2.6. Foreign Currency Transactions

Foreign currency transactions during the accounting period are converted into Vietnamese Dong (VND) at the exchange rate on the transaction date.

The exchange rate for revaluing foreign currency-denominated monetary items at the time of preparing the financial statements is determined based on the following principles:

- For asset items: The exchange rate used is the foreign currency buying rate of the commercial bank where the Company regularly transacts.
- For foreign currency deposits: The exchange rate used is the buying rate of the bank where the Company holds its foreign currency account.
- For liability items: The exchange rate used is the foreign currency selling rate of the commercial bank where the Company regularly transacts.

All actual exchange rate differences arising during the period and the differences resulting from the revaluation of foreign currency-denominated monetary items at the end of the period are recorded in the Company's operating results for the accounting period.

## 2.7. Cash

Cash includes cash on hand and demand deposits at banks.

## 2.8. Financial Investments

Held-to-maturity investments include term deposits, certificates of deposit, loans, etc., which are held until maturity with the purpose of earning periodic interest.

A provision for impairment of held-to-maturity investments is made at the end of the period based on the recoverability of these investments, in accordance with the legal provisions for establishing provisions for doubtful receivables.

## **2.9. Receivables**

Receivables are monitored in detail based on the payment terms, the debtor, the currency of the receivable, and other factors as required by the Company's management. Receivables are classified as short-term and long-term in the financial statements based on the remaining term of the receivables at the reporting date.

A provision for doubtful receivables is made for amounts such as: receivables overdue for payment as stated in economic contracts, loan agreements, contract commitments, or debt commitments, and receivables not yet due for payment but deemed unlikely to be collected. The provision for overdue receivables is based on the length of the overdue period or the expected loss that may occur.

## **2.10. Inventory**

Inventory is initially recognized at cost, which includes: purchase costs, processing costs, and other directly related costs incurred to bring the inventory to its location and condition at the time of initial recognition. After initial recognition, at the time of preparing the financial statements, if the net realizable value of the inventory is lower than its cost, the inventory is recognized at its net realizable value.

For imported goods, the point of inventory recognition is determined as the time when most of the risks and rewards related to the ownership of the product or goods have been transferred to the buyer according to the delivery terms of Incoterms 2020.

The net realizable value is estimated based on the selling price of the inventory minus estimated costs to complete the product and estimated costs to sell the product.

Inventory value is determined using the monthly weighted average method for ordinary items not sold in batches and the specific identification method for items sold in batches.

Inventory is accounted for using the perpetual inventory system.

A provision for inventory devaluation is made at the end of the period based on the difference between the cost of inventory and its net realizable value.

## **2.11. Fixed Assets**

Tangible fixed assets and intangible fixed assets are initially recognized at cost. During usage, tangible fixed assets and intangible fixed assets are recognized at their original cost, accumulated depreciation, and remaining value.

### *Value after Initial Recognition*

If these costs result in an increase in future economic benefits expected to be derived from the use of tangible fixed assets beyond the standard operating level as initially assessed, these costs are capitalized as an additional cost of the tangible fixed assets.

Other costs incurred after the fixed assets are put into use, such as repair, maintenance, and overhaul costs, are recognized in the income statement for the period in which the costs are incurred.

Depreciation of Fixed Assets is calculated using the straight-line method with estimated depreciation periods as follows:

- Buildings and structures	06 - 30 years
- Machinery and equipment	03 - 06 years
- Transportation vehicles	05 - 10 years
- Office equipment	03 - 10 years
- Other assets	03 years
- Management software	03 - 10 years
- Land use rights with a limited term	50 years
- Land use rights with an indefinite term	No depreciation is applied

## **2.12. Construction in progress**

Construction in progress includes fixed assets being purchased and constructed but not yet completed at the end of the accounting period and is recorded at cost. This cost includes construction expenses, installation of machinery and equipment, and other direct costs.

## **2.13. Operating Leases**

Operating leases are a type of lease where the majority of the risks and benefits associated with ownership of the asset belong to the lessor. Lease payments under operating leases are recorded in the income statement using the straight-line method based on the lease term.

## **2.14. Prepaid Expenses**

Expenses incurred related to the results of production and business activities over multiple accounting periods are recorded as prepaid expenses and gradually allocated to the income statement in subsequent periods.

The calculation and allocation of long-term prepaid expenses into production and business costs for each accounting period are based on the nature and extent of each type of expense to select the appropriate method and allocation criteria.

The Company's prepaid expenses include:

**Prepaid Land Costs:** These include prepaid land lease payments, including amounts related to leased land for which the Company has received a land use rights certificate but does not meet the conditions to be recognized as intangible fixed assets according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on April 25, 2013, guiding the management, use, and depreciation of fixed assets. Other costs related to ensuring the use of leased land are also included. These costs are recorded in the income statement using the straight-line method based on the term of the land lease agreement.

**Tools and Equipment:** These include assets held by the Company for use in normal business operations, with an acquisition cost of each asset being less than 30 million VND, and therefore do not meet the criteria for recognition as fixed assets under current regulations. The acquisition cost of tools and equipment is allocated using the straight-line method over a period of no more than 36 months.

**Other Prepaid Expenses:** These are recorded at cost and allocated using the straight-line method over a useful life of no more than 36 months.

### **2.15. Liabilities**

Liabilities are monitored based on the payment term, the party to be paid, the type of currency payable, and other factors according to the Company's management needs. Liabilities are classified as short-term and long-term on the financial statements based on the remaining term of the liabilities as of the reporting date.

### **2.16. Loans**

Loans are monitored based on each borrower, loan agreement, and the repayment term of the loans

### **2.17. Borrowing Costs**

Borrowing costs are recognized as production and business expenses in the period when incurred, except for borrowing costs directly related to the investment in construction or the production of unfinished assets, which are capitalized into the value of the asset when all conditions stipulated in Vietnam Accounting Standard No. 16 "Borrowing Costs" are met. In addition, for loans used to construct fixed assets or investment properties, interest expenses are capitalized even when the construction period is less than 12 months.

### **2.18. Accrued Expenses**

Amounts payable for goods and services received from sellers or provided to buyers during the reporting period but not yet paid, interest expenses, and other payables, are recognized as production and business expenses in the reporting period.

The recognition of accrued expenses in the production and business expenses for the period is done based on the principle of matching revenues and expenses incurred during the period. Accrued expenses will be settled with the actual costs incurred. The difference between the estimated and actual expenses will be reversed.

### **2.19. Unearned Revenue**

Unearned revenue includes advance payments received, such as amounts paid by customers in advance for one or more accounting periods for the lease of assets.

Unearned revenue is transferred to Sales Revenue and Service Revenue based on the amount determined in accordance with each accounting period.

### **2.20. Owner's Equity**

The owner's investment capital is recognized based on the actual capital contributed by the owner.

Share capital surplus reflects the difference between the par value, direct costs related to the issuance of shares, and the issue price of shares (including cases of reissuing treasury shares). It may be a positive surplus (if the issue price is higher than the par value and direct costs related to the issuance of shares) or a negative surplus (if the issue price is lower than the par value and direct costs related to the issuance of shares).

Other equity capital reflects the capital formed from the business results, whether through additions from business operations or through gifts, donations, grants, asset revaluation (if allowed to increase or decrease the owner's investment capital).

Undistributed after-tax profit reflects the business results (profit or loss) after corporate income tax and the distribution or treatment of the company's profit or loss.

Dividends payable to shareholders are recognized as a liability on the Company's Balance Sheet after the dividend distribution announcement by the Board of Directors and the notice of the dividend entitlement date from the Vietnam Securities Depository and Clearing Corporation.

## **2.21. Revenue**

Sales revenue and service revenue are recognized when the Company is able to receive economic benefits that can be reliably determined.

Revenue is determined based on the fair value of amounts received or to be received, after deducting trade discounts, sales returns, and sales allowances. The following specific recognition conditions must also be met when recognizing revenue:

### *Sales Revenue*

- The majority of the risks and benefits associated with ownership of the product or goods have been transferred to the buyer;
- The Company no longer retains control over the goods as the owner or the right to control the goods.

### *Service Revenue*

- The portion of the work completed at the balance sheet date can be determined.

### *Financial Revenue*

Revenue arising from interest and other financial activity revenue is recognized when both (2) of the following conditions are met:

- There is a possibility of receiving economic benefits from the transaction;
- The revenue can be reliably determined.

## **2.22. Revenue Reductions**

Revenue reductions arising from sales and service transactions during the period include: trade discounts, sales allowances, and sales returns.

Trade discounts, sales allowances, and sales returns arising in the same period as the sale of products, goods, or services are adjusted to reduce the revenue of the period in which they occur. In cases where products, goods, or services have been sold in previous periods, and revenue reductions arise in a subsequent period, the revenue will be reduced according to the following principle: If the reduction occurs before the financial statements are issued, it is recorded as a reduction in revenue in the financial statements of the reporting period (the previous period). If the reduction occurs after the financial statements have been issued, it is recorded as a reduction in revenue in the period the reduction occurs (the subsequent period).

### **2.23. Cost of Goods Sold and Services Provided**

The cost of goods sold and services provided is the total cost incurred for finished products, goods, materials sold, and services provided to customers during the period. It is recognized in accordance with the revenue generated during the period and ensures compliance with the prudence principle. Cases of material and goods wastage exceeding the standard, costs exceeding normal limits, and inventory losses after deducting the responsibility of the relevant individuals or parties are fully and promptly recognized in the cost of goods sold for the period.

### **2.24. Financial Expenses**

The financial expenses recognized include:

- Borrowing costs;
- Foreign exchange losses, etc.

These items are recognized based on the total amount incurred during the period, without offsetting against financial revenue.

### **2.25. Corporate Income Tax**

#### **a) Current Corporate Income Tax Expense**

The current corporate income tax expense is determined based on taxable income for the period and the applicable corporate income tax rate for the current accounting period.

#### **b) Current Corporate Income Tax Rate**

For the accounting period from October 1, 2024, to December 31, 2024, the Company applies a corporate income tax rate of 20% for business activities that generate taxable income.

### **2.26. Earnings per Share**

Basic earnings per share is calculated by dividing the profit or loss after tax attributable to the holders of the Company's common shares (after adjustments for the allocation of the Reward and Welfare Fund and the Executive Board Reward Fund) by the weighted average number of common shares outstanding during the period.

### **2.27. Related Parties**

Parties are considered related if they have the ability to control or significantly influence the other party in making decisions about financial and operational policies. The related parties of the Company include:

- Enterprises, directly or indirectly through one or more intermediaries, that have control over the Company or are controlled by the Company, or share joint control with the Company, including the parent company, subsidiaries, and affiliates;
- Individuals, directly or indirectly holding voting rights in the Company that have significant influence over the Company, key management personnel of the Company, and close family members of these individuals;
- Enterprises in which the above-mentioned individuals hold significant voting rights directly or indirectly or have significant influence over these enterprises.

In considering the relationships of related parties for the purpose of preparing and presenting the financial statements, the Company focuses on the nature of the relationship rather than the legal form of those relationships.

## 2.28. Department Information

As the Company primarily operates in the field of pharmaceutical distribution, medical equipment, and mainly conducts its activities within Vietnam, the Company does not prepare department reports by business sector or geographical area.

## 3. CASH

	31/12/2024	01/01/2024
	VND	VND
Cash	67.908.843	152.057.962
Demand deposits	28.595.862.787	16.621.457.619
Cash in transit	450.101.051	410.497.362
	<b>29.113.872.681</b>	<b>17.184.012.943</b>

## 4. INVESTMENTS HELD UNTIL MATURITY

	31/12/2024		01/01/2024	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
- Term deposits (1)	62.484.270.909	-	57.000.000.000	-
- Certificates of deposit (2)	61.060.000.000	-	46.060.000.000	-
	<b>123.544.270.909</b>	<b>-</b>	<b>103.060.000.000</b>	<b>-</b>

(1) As of December 31, 2024, the term deposits under 12 months with a value of 62,484,270,909 VND were deposited in Vietnamese commercial banks.

(2) As of December 31, 2024, the certificate of deposit issued by Vietnam VPBank SMBC Finance Company Limited, with a term of under 12 months and interest rates according to each contract, had a purchase value of 61,060,000,000 VND (including: the nominal value of the certificate of deposit is 61,060,000,000 VND).

(3) As of December 31, 2023, some term deposits were used as collateral for the company's loans (details are provided in Note 15).

## 5. SHORT-TERM TRADE RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Related parties	-	-	-	-
<b>Other parties</b>	<b>678.608.064.279</b>	<b>(18.513.394.657)</b>	<b>401.796.492.995</b>	<b>(18.363.860.350)</b>
Da Nang Hospital	3.874.516.480	-	13.677.464.894	-
Hue Central Hospital	13.336.632.720	-	20.492.500.640	-
Phuong Le Pharmaceutical and Medical Equipment Co., Ltd. (*)	100.248.659.132	-	-	-
EU Pharmaceutical Joint Stock Company (*)	18.514.541.742	-	11.321.238.963	-
Cali - U.S.A Pharmaceutical Co., Ltd. (*)	17.700.874.767	-	8.722.119.410	-
S Pharmaceutical Co., Ltd. (*)	10.738.461.976	-	7.337.879.255	-
Hiep Thuan Thanh Medical Co., Ltd. (*)	27.757.042.051	-	16.487.604.281	-
Thai Nhan Pharmaceutical and Cosmetic Co., Ltd. (*)	70.359.953.887	-	49.876.074.022	-
Gia Viet Pharmaceutical Trading Co., Ltd. (*)	13.734.566.869	-	22.150.439.085	-
Mr. Nguyen Hai Hung (*)	20.341.814.731	(10.911.001.197)	20.341.814.731	(10.911.001.197)
Minh Tien Pharmaceutical Co., Ltd.	6.135.033.068	(6.135.033.068)	6.535.033.068	(6.535.033.068)
Other customers (*)	375.865.966.856	(1.467.360.392)	224.854.324.646	(917.826.085)
	<b>678.608.064.279</b>	<b>(18.513.394.657)</b>	<b>401.796.492.995</b>	<b>(18.363.860.350)</b>

As of December 31, 2024, trade receivables arising from loans provided by the Joint Stock Commercial Bank for Investment and Development of Vietnam– Song Han Branch, and the Vietnam Joint Stock Commercial Bank of Industry and Trade were pledged as collateral for loans at these banks (details in Note 15).

(\*) Certain trade receivables are guaranteed by suppliers through a tripartite Payment Guarantee Agreement signed between the Company, the supplier, and the customer, as well as other secured assets. Under this agreement, the Company is only required to pay suppliers once the guaranteed customers have settled their payments. As of December 31, 2024, the balance of guaranteed trade receivables corresponds to the amount payable to suppliers used as collateral, including the value of inventory held as collateral and a plot of land located in Man Thai Ward, Son Tra District, Da Nang City.

**6. SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Related parties</i>	-	-	-	-
<i>Other parties</i>	<b>45.652.425.135</b>	-	<b>17.826.834.372</b>	-
- Asian Dimedical Pte Ltd	1.178.847.833	-	2.766.717.046	-
- Saint Corporation	1.414.173.492	-	3.603.801.438	-
- Farmaceutyczna Spółdzielnia Pracy Galena	-	-	2.380.378.261	-
- Other prepayments to suppliers	43.059.403.810	-	9.075.937.627	-
	<b>45.652.425.135</b>	-	<b>17.826.834.372</b>	-

**7. SHORT-TERM LOANS RECEIVABLE**

	01/01/2024		During the period		31/12/2024	
	Value VND	Provision VND	Increase VND	Decrease VND	Value VND	Provision VND
<b>Related parties</b>	-	-	<b>91,900,000,000</b>	<b>37,800,000,000</b>	<b>54,100,000,000</b>	-
Elmich Joint Stock Company	-	-	91,900,000,000	37,800,000,000	54,100,000,000	-
Other parties	-	-	-	-	-	-
	-	-	-	-	-	-

**Detailed information about the loans is as follows:**

	Currency	Purpose of Loan	Annual Interest Rate	Loan Term	Form of Collateral	31/12/2024	
						VND	VND
<b>Related parties</b>						<b>54,100,000,000</b>	
Elmich Joint Stock Company	VND	Working capital supplement	According to each disbursement agreement	6 months	Unsecured loan	54,100,000,000	-
						<b>54,100,000,000</b>	-

## 8. OTHER SHORT-TERM RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<b>Details by content</b>				
- Interest receivable from loans and deposits	3.234.416.396	-	2.077.427.125	-
- Collateral, deposits	1.545.887.376	-	913.801.932	-
- Other receivables	470.332.953	-	94.240.969	-
	<b>5.250.636.725</b>	<b>-</b>	<b>3.085.470.026</b>	<b>-</b>
<b>Details by Object</b>				
<i>Related parties</i>				
- Elmich Joint Stock Company	725.713.699	-	-	-
<i>Other parties</i>	<b>4.524.923.026</b>	<b>-</b>	<b>3.085.470.026</b>	<b>-</b>
- VPBank SMBC Finance Company Limited			1.476.040.822	-
- Vietnam Export Import Commercial Joint Stock	250.761.092	-	254.657.534	-
- Public Vietnam Bank	6.164.384	-	166.465.753	-
- Saigon-Hanoi Commercial Joint Stock Bank	188.273.973	-	119.605.480	-
- Vietnam Technological and Commercial Joint Stock Bank			60.657.536	-
- Vietnam Joint Stock Commercial Bank of Industry and Trade	17.996.712	-	-	-
- Vietnam Commercial Joint Stock Bank for Private Enterprise	407.013.699	-	-	-
- Joint Stock Commercial Bank for Investment and Development of Vietnam	40.227.945	-	-	-
- Other receivables	3.614.485.222	-	1.008.042.901	-
	<b>5.250.636.725</b>	<b>-</b>	<b>3.085.470.026</b>	<b>-</b>

## 9. OVERDUE RECEIVABLES

	31/12/2024		01/01/2024	
	Original Value	Recoverable Value	Original Value	Recoverable Value
	VND	VND	VND	VND
- Total value of overdue receivables, loans, or those not yet overdue but unlikely to be recovered				
<b>+ Receivables from customers</b>	<b>28.022.033.162</b>	<b>9.508.638.505</b>	<b>28.422.033.162</b>	<b>10.058.172.812</b>
- Quang Ngai Pharmaceutical and Medical Supplies State-Owned One-Member Co., Ltd.	917.826.085	-	917.826.085	-
- Mr. Nguyen Hai Hung	20.341.814.731	9.430.813.534	20.341.814.731	9.430.813.534
- Quang Nam Medical College	297.880.569	-	297.880.569	297.880.569
- Minh Tien Pharmaceuticals Co., Ltd.	6.135.033.068	-	6.535.033.068	-
- Other overdue receivables	329.478.709	77.824.971	329.478.709	329.478.709
	<b>28.022.033.162</b>	<b>9.508.638.505</b>	<b>28.422.033.162</b>	<b>10.058.172.812</b>

## 10. INVENTORIES

	31/12/2024		01/01/2024	
	Original Value	Provision	Original Value	Provision
	VND	VND	VND	VND
- Goods in transit	96.312.258	-	71.805.389.207	-
- Raw materials and supplies	3.334.548.587	-	677.730.858	(4.714.379)
- Finished goods	1.962.180.192	-	3.989.299.975	-
- Merchandise	37.245.082.744	(712.146.923)	37.518.657.898	(1.637.051.707)
- Goods on consignment	-	-	-	-
	<b>42.638.123.781</b>	<b>(712.146.923)</b>	<b>113.991.077.938</b>	<b>(1.641.766.086)</b>

As of December 31, 2024, the value of inventories formed from loans of the Joint Stock Commercial Bank for Investment and Development of Vietnam- Song Han Branch and Vietnam Joint Stock Commercial Bank of Industry and Trade was pledged as collateral for loans at these banks (details in Note 15).

## 11. CONSTRUCTION IN PROGRESS

	31/12/2024	01/01/2024
	VND	VND
- Storage rack system at Hoa Cam warehouse	1.236.880.168	-
- Management software system	117.300.000	-
- Other projects	6.475.923.047	73.955.000
	<b>7.830.103.215</b>	<b>73.955.000</b>

## 12. TANGIBLE FIXED ASSETS

Original Cost	Buildings, structures	Machinery, equipment	Vehicles, transmission systems	Fixed assets used in management	Other tangible fixed assets	Total
Beginning balance	61.159.676.950	7.937.200.000	4.573.893.014	1.446.663.106	1.215.108.486	76.332.541.556
- Completed construction investments	770.857.500	2.765.385.040	-	-	-	3.536.242.540
- Other increases	-	373.642.279	-	-	-	373.642.279
Decreases during the period	(2.188.324.691)	(1.724.588.191)	-	-	-	(3.023.445.601)
- Transferred to investment properties	-	-	-	-	-	-
- Liquidation, disposal	(1.943.445.692)	-	-	-	-	(1.943.445.692)
- Internal transfers	-	-	-	-	-	-
- Assets dismantled	-	(835.120.909)	-	-	-	(835.120.909)
- Reclassification	(244.878.999)	(889.467.282)	-	1.230.562.781	(341.095.500)	(244.879.000)
<b>Ending balance</b>	<b>59.742.209.759</b>	<b>9.351.639.128</b>	<b>4.573.893.014</b>	<b>2.677.225.887</b>	<b>874.012.986</b>	<b>77.218.980.774</b>
<b>Accumulated Depreciation</b>						
Beginning balance	13.455.600.779	2.140.636.733	4.188.600.714	951.706.495	812.146.362	21.548.691.083
- Depreciation during the period	2.604.193.052	667.760.159	106.881.182	334.486.632	51.344.119	3.764.665.144
Decreases during the period	(1.150.603.510)	(90.471.433)	-	-	-	(1.241.074.943)
- Liquidation, disposal	(1.138.359.562)	-	-	-	-	(1.138.359.562)
- Assets dismantled	-	(90.471.433)	-	-	-	(90.471.433)
- Reclassification	(12.243.948)	-	-	-	-	(12.243.948)
<b>Ending balance</b>	<b>14.909.190.321</b>	<b>2.717.925.459</b>	<b>4.295.481.896</b>	<b>1.286.193.127</b>	<b>863.490.481</b>	<b>24.072.281.284</b>
<b>Net Book Value</b>						
At the beginning of the period	47.704.076.171	5.796.563.267	385.292.300	494.956.611	402.962.124	54.783.850.473
<b>At the end of the period</b>	<b>44.833.019.438</b>	<b>6.633.713.669</b>	<b>278.411.118</b>	<b>1.391.032.760</b>	<b>10.522.505</b>	<b>53.146.699.490</b>

- The ending net value of tangible fixed assets pledged or mortgaged as collateral for loans: 11,080,615,208 VND.

### 13. INTANGIBLE FIXED ASSETS

	Land use rights VND	Software programs VND	Total VND
<b>Original Cost</b>			
Beginning balance	22.110.243.541	1.980.710.500	24.090.954.041
- Purchased during the period	-	1.803.549.000	1.803.549.000
- Liquidated, disposed of	(2.134.318.500)	-	(2.134.318.500)
<b>Ending balance</b>	<b>19.975.925.041</b>	<b>3.784.259.500</b>	<b>23.760.184.541</b>
<b>Accumulated Amortization</b>			
Beginning balance	52.343.180	1.476.351.205	1.528.694.385
- Amortization during the period	3.649.992	420.188.387	423.838.379
<b>Ending balance</b>	<b>55.993.172</b>	<b>1.896.539.592</b>	<b>1.952.532.764</b>
<b>Net Book Value</b>			
At the beginning of the period	22.057.900.361	504.359.295	22.562.259.656
<b>At the end of the period</b>	<b>19.919.931.869</b>	<b>1.887.719.908</b>	<b>21.807.651.777</b>

- The ending net value of intangible fixed assets pledged or mortgaged as collateral for loans: 13,522,841,604 VND.

### 14. PREPAID EXPENSES

	31/12/2024 VND	01/01/2024 VND
<b>a) Short-term</b>		
- Repair and renovation expenses	1.133.331	60.738.789
- Lease expenses	164.363.636	128.000.000
- Insurance expenses	81.525.910	101.976.989
- Other expenses	954.530.354	147.275.113
	<b>1.201.553.231</b>	<b>437.990.891</b>
<b>b) Long-term</b>		
- Prepaid land lease - Hoa Cam Industrial Park (*)	6.666.828.935	6.892.186.535
- Tools and equipment issued for use	1.012.859.945	1.276.211.650
- Repair expenses	619.719.284	299.731.060
- Other expenses	1.637.749.950	216.268.388
	<b>9.937.158.114</b>	<b>8.684.397.633</b>

(\*) One-time prepaid land lease at Hoa Cam Industrial Park, Da Nang City, with an area of 9,000 m<sup>2</sup>, for constructing the GSP warehouse system. As of December 31, 2024, the remaining lease term is 29 years and 8 months. The land lease expense allocated to the current period amounts to 225,357,600 VND.

## 15. LOANS

	01/01/2024		During the period		31/12/2024	
	Value	Amount Repayable	Increases	Decreases	Value	Amount Repayable
	VND	VND	VND	VND	VND	VND
+ Joint Stock Commercial Bank for Investment and Development of Vietnam-Song Han Branch (1)	57.079.873.504	57.079.873.504	520.090.418.042	502.397.813.442	74.772.478.104	74.772.478.104
+ Vietnam Export Import Commercial Joint Stock-Da Nang Branch (2)	2.171.583.416	2.171.583.416	38.083.443.070	40.255.026.486	-	-
+ Vietnam Joint Stock Commercial Bank of Industry and Trade-Da Nang Branch (3)	3.318.501.680	3.318.501.680	302.921.227.587	220.935.078.737	85.304.650.530	85.304.650.530
+ HSBC Bank Vietnam Limited-Ha Noi Branch (4)	4.644.558.168	4.644.558.168	-	4.644.558.168	-	-
+ Vietnam Technological and Commercial Joint Stock Bank-Da Nang Branch (5)	10.300.414.128	10.300.414.128	21.872.241.515	32.172.655.643	-	-
+ Personal Loans (6)	1.243.521.849	1.243.521.849	1.987.314.162	3.200.836.011	30.000.000	30.000.000
	<b>78.758.452.745</b>	<b>78.758.452.745</b>	<b>884.954.644.376</b>	<b>803.605.968.487</b>	<b>160.107.128.634</b>	<b>160.107.128.634</b>

**Detailed Information on Short-term Loans:**

Short-term loans from banks and other credit institutions include:

	Loan Contract	Currency Type	Annual Interest Rate	Loan Term	Purpose of Loan	Collateral	31/12/2024 VND	01/01/2024 VND
<b>Other parties</b>								
(1) Joint Stock Commercial Bank for Investment and Development of Vietnam-Song Han Branch	Contract 01/2023/7609338/HDTD	VND	Varies by loan	Under 6 months	To supplement working capital	(a)	160.107.128.634	78.758.452.745
(2) Vietnam Export Import Commercial Joint Stock-Da Nang Branch	Contract 1002-LAV-230084868	VND	Floating	Under 6 months	To supplement working capital	(b)	-	2.171.583.416
(3) Vietnam Joint Stock Commercial Bank of Industry and Trade-Da Nang Branch	Contract 01/2023/300029490-HDCVHM/NHCT480-DAPHARCO	VND	Floating	Under 6 months	To supplement working capital	(c)	85.304.650.530	3.318.501.680
(4) HSBC Bank Vietnam Limited-Ha Noi Branch							-	4.644.558.168
(5) Vietnam Technological and Commercial Joint Stock Bank-Da Nang Branch	Contract DNG20231228727/HDTD	VND	Floating	Under 6 months	To supplement working capital	Unsecured loan	-	10.300.414.128
(6) Personal Loans			Varies by loan	Varies by loan	To supplement working capital	Unsecured loan	30.000.000	1.243.521.849
							<b>160.107.128.634</b>	<b>78.758.452.745</b>

1.a) Mortgage of land use rights and assets attached to the land under Real Estate Mortgage Contract No. 0007.14/HDTTC dated February 28, 2014, and Amendment Agreement of Mortgage Contract No. 01/2016/7609338/SDBS dated December 30, 2016.  
1.b) Real Estate Mortgage Contract No. 04/2024/7609338/HDBD dated November 28, 2024.  
Mortgage of inventory and receivables formed from loan capital.

2.b) Mortgage by the borrower's assets, including: Security deposit: deposit of 10% of LC value, the remaining amount to be paid in full or borrowed under the granted limit upon receiving the document set.

(3.c) Collateral provided by the borrower in the form of Land Use Rights under the following Asset Mortgage Contracts:

Asset Mortgage Contract No. QN062010/HDTTC dated September 21, 2010;  
Asset Mortgage Contract No. 07130901/HDTTC dated April 8, 2008;  
Asset Mortgage Contract No. 06130902/HDTTC dated November 6, 2006;  
Asset Mortgage Contract No. 06130901/HDTTC dated November 6, 2006.  
Mortgage of inventory and receivables formed from loan capital.

Loans from banks and other credit institutions have been secured through pledge and mortgage contracts using the Company's assets as collateral, and all security transactions have been fully registered.

## 16. SHORT-TERM PAYABLES TO SUPPLIERS

	31/12/2024		01/01/2024	
	Value	Amount Repayable	Value	Amount Repayable
	VND	VND	VND	VND
<b>Related Parties</b>	<b>27.843.750</b>	<b>27.843.750</b>	<b>278.640.000</b>	<b>278.640.000</b>
- Megram Joint Stock Company	27.843.750	27.843.750	278.640.000	278.640.000
<b>Other Parties</b>	<b>626.085.845.340</b>	<b>626.085.845.340</b>	<b>411.833.427.923</b>	<b>411.833.427.923</b>
- Inbiotech L.T.D (*)	33.969.559.659	33.969.559.659	23.240.143.538	23.240.143.538
- Axon Drugs Private Ltd	13.732.473.124	13.732.473.124	22.156.116.455	22.156.116.455
- Delta Pharma Limited (*)	42.868.880.451	42.868.880.451	7.325.652.397	7.325.652.397
- Prime Pharmaceutical Limited (*)	13.080.067.920	13.080.067.920	18.881.694.203	18.881.694.203
- Growena Impex Company (*)	31.916.233.301	31.916.233.301	53.638.032.249	53.638.032.249
- Incepta Pharmaceuticals Ltd	77.629.661.424	77.629.661.424	-	-
- Pharmix Corporation	6.382.093.009	6.382.093.009	27.136.292.182	27.136.292.182
- Other Entities (*)	406.506.876.452	406.506.876.452	259.455.496.899	259.455.496.899
	<b>626.113.689.090</b>	<b>626.113.689.090</b>	<b>412.112.067.923</b>	<b>412.112.067.923</b>

(\*) A three-party payment guarantee agreement was signed between the Company, the suppliers, and the customers. Under this agreement, the Company is only required to pay the suppliers once payments are received from the guaranteed customers. For further details, refer to Note 5.

## 17. SHORT-TERM ADVANCES FROM CUSTOMERS

	31/12/2024	01/01/2024
	VND	VND
<b>Related Parties</b>	-	-
<b>Other Parties</b>	<b>52.813.791.682</b>	<b>31.755.860.474</b>
- Thien An Pharmaceutical Co., Ltd.	7.764.215.946	-
- Viet Nga Joint Stock Company	-	2.403.450.001
- Hiep Thuan Thanh Joint Stock Company	-	2.276.294.892
- SkyLine Business Trading Joint Stock Company	-	7.499.470.732
- Thien An Pharmaceutical Trading Joint Stock Company	-	4.275.289.705
- Other Customers	45.049.575.736	15.301.355.144
	<b>52.813.791.682</b>	<b>31.755.860.474</b>

**18. TAXES AND AMOUNTS PAYABLE TO THE STATE**

	Beginning balance of receivables	Beginning balance of payables	Amounts payable during the period	Amounts actually paid during the period	Ending balance of receivables	Ending balance of payables
	VND	VND	VND	VND	VND	VND
- Value-Added Tax	675.582.065	87.766.896	187.360.361.061	187.028.146.551	255.600.659	-
- Import and Export Taxes	-	-	19.344.598.676	19.617.465.485	272.866.809	-
- Corporate Income Tax	1.307.870.073	-	1.912.509.704	1.856.334.691	1.251.695.060	-
- Personal Income Tax	-	279.600.008	1.272.035.060	1.199.609.880	-	352.025.188
- Land Tax and Land Rental Fees	-	37.000.690	661.561.724	698.562.414	-	-
- Other Fees, Charges, and Payables	-	-	21.000.000	21.000.000	-	-
	<b>1.983.452.138</b>	<b>404.367.594</b>	<b>210.572.066.225</b>	<b>210.421.119.021</b>	<b>1.780.162.528</b>	<b>352.025.188</b>

The Company's tax finalization is subject to examination by tax authorities. As the application of tax laws and regulations to various transactions can be interpreted differently, the tax amounts presented in the Financial Statements may be subject to adjustment based on decisions made by the tax authorities.



**19. OTHER PAYABLES**

	31/12/2024	01/01/2024
	VND	VND
<b>a) Short-term</b>		
<b>a.1) Detailed by content</b>		
- Surplus assets pending resolution	70.478.826	389.850.002
- Trade union funding	76.721.942	68.395.933
- Social insurance	28.369.284	28.369.683
Other payables	1.367.300.717	752.102.663
	<b>1.542.870.769</b>	<b>1.238.718.281</b>
<b>a.2) Detailed by entity</b>		
- Social Insurance of Da Nang City	76.721.942	96.765.616
- Other entities	1.466.148.827	1.141.952.665
	<b>1.542.870.769</b>	<b>1.238.718.281</b>
<b>b) Long-term</b>		
<b>b.1) Detailed by content</b>		
- Receive long-term deposits, collateral	2.481.600.000	2.917.425.000
	<b>2.481.600.000</b>	<b>2.917.425.000</b>
<b>b.2) Detailed by entity</b>		
- GIGAMED Pharmaceutical Co., Ltd	1.500.000.000	1.500.000.000
- Buymed Logistics Co., Ltd	787.725.000	787.725.000
- Other entities	193.875.000	629.700.000
	<b>2.481.600.000</b>	<b>2.917.425.000</b>

**20. UNEARNED REVENUE - SHORT TERM**

	31/12/2024	01/01/2024
	VND	VND
- Unearned revenue from rental income of premises (*)	1.125.648.396	935.189.642
	<b>1.125.648.396</b>	<b>935.189.642</b>

(\*) Unearned revenue from rental income of premises located in Hoa Tho Tay Ward, Cam Le District, Da Nang City, and in Hai Chau 1 Ward, Hai Chau District, Da Nang City.

**21. OWNER'S EQUITY**

**a) Statement of Changes in Owner's Equity**

	Owner's investment capital	Share premium	Other owner's equity	Development investment fund	Undistributed profit	Total
<b>Opening balance at the beginning of the previous period</b>	<b>153.493.280.000</b>	<b>9.215.548.634</b>	<b>2.334.190.178</b>	<b>25.644.628.267</b>	<b>12.013.851.431</b>	<b>202.701.498.510</b>
Profit for the previous period	-	-	-	-	1.111.199.314	1.111.199.314
Dividend paid in cash	-	-	-	-	(7.674.664.000)	(7.674.664.000)
<b>Closing balance at the end of the previous period</b>	<b>153.493.280.000</b>	<b>9.215.548.634</b>	<b>2.334.190.178</b>	<b>25.644.628.267</b>	<b>5.450.386.745</b>	<b>196.138.033.824</b>
<b>Opening balance at the beginning of this period</b>	<b>153.493.280.000</b>	<b>9.215.548.634</b>	<b>2.334.190.178</b>	<b>25.644.628.267</b>	<b>5.450.386.745</b>	<b>196.138.033.824</b>
Profit for this period	-	-	-	-	7.331.313.542	7.331.313.542
<b>Closing balance at the end of this period</b>	<b>153.493.280.000</b>	<b>9.215.548.634</b>	<b>2.334.190.178</b>	<b>25.644.628.267</b>	<b>12.781.700.287</b>	<b>203.469.347.366</b>

**b) Details of Owner's Investment Capital**

	End of period	Percentage	Beginning of period	Percentage
	VND	%	VND	%
Megram Joint Stock Company	78.290.190.000	51,01%	78.290.190.000	51,01%
Danapha Pharmaceutical JSC	10.997.910.000	7,17%	10.997.910.000	7,17%
Mr. Pham Van Truong	10.050.000.000	6,55%	10.050.000.000	6,55%
Other shareholders	54.155.180.000	35,27%	54.155.180.000	35,27%
	<b>153.493.280.000</b>	<b>100%</b>	<b>153.493.280.000</b>	<b>100%</b>

**c) Transactions on Capital with Shareholders and Distribution of Dividends, Profit Sharing**

	Year 2024	Year 2023
	VND	VND
Owner's investment capital		
- Capital contribution at the beginning of the period	153.493.280.000	153.493.280.000
- Capital contribution at the end of the period	153.493.280.000	153.493.280.000
Dividends, profits:		
- Dividends, profits payable at the beginning of the period	-	-
- Dividends, profits payable during the period	-	7.674.664.000
+ Dividends, profits distributed from the previous period's profit	-	7.674.664.000
- Dividends, profits paid in cash	-	7.674.664.000
+ Dividends, profits distributed from the previous period's profit		7.674.664.000
- Dividends, profits payable at the end of the period	-	-

**d) Shares**

	31/12/2024	01/01/2024
Number of shares registered for issuance	15.349.328	15.349.328
Number of shares issued and fully paid	15.349.328	15.349.328
- Common shares	15.349.328	15.349.328
Number of shares outstanding	15.349.328	15.349.328
- Common shares	15.349.328	15.349.328
Par value of outstanding shares (VND):	10.000	10.000

**e) Company's Funds**

	31/12/2024	01/01/2024
	VND	VND
- Development Investment Fund	25.644.628.267	25.644.628.267
	<b>25.644.628.267</b>	<b>25.644.628.267</b>

## 22. OFF-BALANCE SHEET ITEMS AND OPERATING LEASE COMMITMENTS

### a) Leased Assets

The company is currently leasing assets, including areas under its management, based on operating lease contracts. Accordingly, the lessees are required to pay periodic rent until the contract expiration date.

### b) Leased Assets

The company has signed land lease contracts in Da Nang City for the purposes of constructing office buildings, product stores, and warehouses. Under these contracts, the company is obligated to pay annual rent until the contract expiration date, in accordance with the current regulations of the State.

The company has signed a land lease contract at Hoa Cam Industrial Zone in Da Nang City for an area of 9,000 m<sup>2</sup> to build a warehouse for storing medicines and a factory for producing medical supplies. The company has paid the land rent in advance for the lease period from January 2019 to August 2054.

### c) Assets Held in Custody

The company is holding collateral for some customers' assets to secure receivables, including: inventory stored at the Hanoi Branch and Ho Chi Minh City Branch warehouses of certain customers; land lot in Man Thai Ward, Son Tra District, Da Nang City.

### d) Foreign Currencies

	Unit price	31/12/2024	01/01/2024
- US Dollar	USD	18.640,87	4.516,32
- Euro	EUR	309,32	1.170,30

## 23. TOTAL REVENUE FROM SALES OF GOODS AND SERVICES

	Year 2024	Year 2023
	VND	VND
Revenue from pharmaceutical sales	1.176.745.469.957	765.481.772.526
Revenue from medical equipment sales	150.455.046.722	137.791.242.298
Revenue from service provision	67.324.287.505	42.278.076.981
	<b>1.394.524.804.184</b>	<b>945.551.091.805</b>
Of which: Revenue from related parties (See detailed information in Note 37)	2.639.343	14.164.800

#### 24. SALES REVENUE DEDUCTIONS

	Year 2024	Year 2023
	VND	VND
- Trade discounts	1.456.301.857	1.399.278.299
- Sales discounts	99.027.699	747.570.916
- Returned goods	310.765.034	-
	<b>1.866.094.590</b>	<b>2.146.849.215</b>

#### 25. COST OF GOODS SOLD

	Year 2024	Year 2023
	VND	VND
Cost of pharmaceuticals sold	1.145.442.055.668	734.404.866.948
Cost of medical equipment sold	141.586.988.018	130.000.696.950
Cost of services provided	14.931.172.815	13.450.896.648
Provision for inventory write-downs	712.146.923	1.641.766.086
	<b>1.302.672.363.424</b>	<b>879.498.226.632</b>

#### 26. FINANCIAL REVENUE

	Year 2024	Year 2023
	VND	VND
Interest on deposits, loans	8.398.205.867	6.141.792.973
Foreign exchange gains incurred during the period	12.444.583.205	9.810.346.025
Foreign exchange gains from revaluation of year-end balances	465.414	
Revenue from deferred sales, payment discounts	1.287.338.188	1.719.406.608
	<b>22.130.592.674</b>	<b>17.671.545.606</b>
Of which: Financial revenue from related parties (See detailed information in Note 37)	372.830.137	334.945.205

#### 27. FINANCIAL EXPENSES

	Year 2024	Year 2023
	VND	VND
Interest on loans	3.849.638.428	3.211.719.803
Foreign exchange losses incurred during the period	16.145.313.590	6.587.845.404
Foreign exchange losses from revaluation of year-end balances		2.124.642.751
Other financial expenses	165.873.745	
	<b>20.160.825.763</b>	<b>11.924.207.958</b>

## 28. SELLING EXPENSES

	Year 2024	Year 2023
	VND	VND
Labor costs	39.294.394.112	25.550.384.542
Depreciation of fixed assets	2.695.299.414	1.853.128.638
Outsourced service costs	26.190.544.103	8.153.068.117
Other cash expenses	5.415.138.663	13.742.622.229
	<b>73.595.376.292</b>	<b>49.299.203.526</b>

## 29. ADMINISTRATIVE EXPENSES

	Year 2024	Year 2023
	VND	VND
Labor costs	8.017.181.385	5.812.575.924
Depreciation of fixed assets	843.435.541	988.185.768
Provision expenses	349.534.307	6.025.033.068
Outsourced service costs	2.666.255.690	3.405.704.793
Other cash expenses	4.271.056.289	3.148.049.938
	<b>16.147.463.212</b>	<b>19.379.549.491</b>
Of which: Administrative expenses purchased from related parties (See detailed information in Note 37)	56.667.140	535.123.539

## 30. OTHER INCOME

	Year 2024	Year 2023
	VND	VND
Income from the sale or liquidation of fixed assets	7.780.392.591	63.636.364
Fines received	1.002.240	32.294.520
Sales bonuses, discounts, and promotional programs from suppliers	2.340.585.316	1.425.089.679
Other income	246.193.724	349.815.966
	<b>10.368.173.871</b>	<b>1.870.836.529</b>

## 31. OTHER EXPENSES

	Year 2024	Year 2023
	VND	VND
Remaining value and costs from the sale or liquidation of fixed assets	2.939.404.630	23.194.997
Write-off of expired goods	-	19.694.524
Fines	5.913.000	57.299.325
Other expenses	392.306.572	534.331.157
	<b>3.337.624.202</b>	<b>634.520.003</b>

### 32. CURRENT CORPORATE INCOME TAX EXPENSE

	Year 2024	Year 2023
	VND	VND
Total accounting profit before corporate income tax	9.243.823.246	2.210.917.115
Adjustments for increases	318.725.274	276.246.200
- <i>Non-deductible expenses</i>	318.725.274	276.246.200
Taxable income for corporate income tax	9.562.548.520	2.487.163.315
<b>Current corporate income tax expense (tax rate 20%)</b>	<b>1.912.509.704</b>	<b>497.432.663</b>
Corporate income tax payable at the beginning of the period	(1.307.870.073)	690.628.653
Corporate income tax paid during the period	(1.856.334.691)	(2.495.931.389)
<b>Corporate income tax payable at the end of the period</b>	<b>(1.251.695.060)</b>	<b>(1.307.870.073)</b>

### 33. BASIC EARNINGS PER SHARE

The calculation of basic earnings per share that may be distributed to shareholders holding common shares of the Company is based on the following figures:

	Year 2024	Year 2023
	VND	VND
Net profit after tax	7.331.313.542	1.111.199.314
Profit allocated to common shares	7.331.313.542	1.111.199.314
Weighted average number of common shares outstanding during the period	15.349.328	15.349.328
<b>Basic earnings per share</b>	<b>478</b>	<b>72</b>

The Company has not yet planned to allocate the Reward and Welfare Fund and the Executive Board Reward Fund from profit after tax at the time of preparing the financial statements.

As of December 31, 2024, the Company does not have any potential dilutive shares.

### 34. BUSINESS PRODUCTION COSTS BY FACTOR

	Year 2024	Year 2023
	VND	VND
Raw material costs	9.407.015.566	5.998.227.946
Labor costs	51.378.388.905	33.167.730.189
Depreciation of fixed assets	3.904.646.625	3.158.788.830
Provision expenses	1.056.966.851	6.025.033.068
Costs of outsourced services	28.856.799.793	11.863.866.526
Other cash expenses	9.686.194.952	18.534.305.274
	<b>104.290.012.692</b>	<b>78.747.951.833</b>

### 35. FINANCIAL INSTRUMENTS

#### Financial Risk Management

The financial risks that the Company may encounter include market risk, credit risk, and liquidity risk.

The Company has established a control system to ensure a reasonable balance between the cost of incurred risks and the cost of managing those risks. The Company's Board of General Directors is responsible for monitoring the risk management process to maintain an appropriate balance between risk and risk control.

#### Market Risk

The Company may face market risks such as exchange rate risk and interest rate risk.

#### Exchange Rate Risk

The Company is exposed to exchange rate risk when conducting transactions in currencies other than the Vietnamese Dong, such as expenses, imported goods, etc.

#### Interest Rate Risk

The Company is exposed to interest rate risk due to the fair value of future cash flows of a financial instrument fluctuating with changes in market interest rates. This occurs when the Company engages in deposits with or without terms, loans, and liabilities with floating interest rates. The Company manages interest rate risk by analyzing the competitive market situation to secure favorable interest rates for its purposes.

#### Credit Risk

Credit risk arises when a party involved in a financial instrument or contract fails to fulfill its obligations, leading to financial losses for the Company. The Company faces credit risks from business operations (primarily related to receivables from customers) and financial activities (including bank deposits, loans, and other financial instruments).

	From 1 year or less	Over 1 year to 5 years	Over 5 years	Total
<b>As of December 31, 2024</b>	VND	VND	VND	VND
Cash	29.045.963.838	-	-	29.045.963.838
Receivables from customers, other receivables	665.345.306.347	-	-	665.345.306.347
Loans	177.644.270.909	-	-	177.644.270.909
	<b>872.035.541.094</b>	-	-	<b>872.035.541.094</b>
<b>As of January 1, 2024</b>				
Cash and cash equivalents	17.031.954.981	-	-	17.031.954.981
Receivables from customers and, receivables	386.518.102.671	-	-	386.518.102.671
Loans	103.060.000.000	-	-	103.060.000.000
	<b>506.610.057.652</b>	-	-	<b>506.610.057.652</b>

#### Liquidity Risk

Liquidity risk is the risk that the Company encounters difficulties in fulfilling its financial obligations when they become due due to a lack of funds. The Company's liquidity risk primarily arises from the mismatch in maturities between financial assets and financial liabilities.

The maturity terms of financial liabilities are based on the expected payments under contractual terms (on a principal cash flow basis) as follows:

	From 1 year or less	Over 1 year to 5 years	Over 5 years	Total
	VND	VND	VND	VND
<b>As of December 31, 2024</b>				
Borrowings, debts	160.107.128.634	-	-	160.107.128.634
Payables to suppliers and other payables	627.656.559.859	2.481.600.000	-	630.138.159.859
Accrued expenses	92.978.488	-	-	92.978.488
	<b>787.856.666.981</b>	<b>2.481.600.000</b>	<b>-</b>	<b>790.245.288.493</b>
<b>As of January 1, 2024</b>				
Borrowings, debts	78.758.452.745	-	-	78.758.452.745
Payables to suppliers and other payables	413.350.786.204	2.917.425.000	-	416.268.211.204
Accrued expenses	141.083.810	-	-	141.083.810
	<b>492.250.322.759</b>	<b>2.917.425.000</b>	<b>-</b>	<b>495.167.747.759</b>

The Company believes that the level of concentration risk related to debt repayment is manageable. The Company is capable of settling its due obligations through cash flows generated from operating activities and proceeds from maturing financial assets.

**36. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE INTERIM CASH FLOW STATEMENT**

	Year 2024	Year 2023
	VND	VND
<b>a) Proceeds from borrowings during the period</b>		
Cash received from borrowings under standard loan agreements.	884.954.644.376	500.529.591.823
<b>b) Repayment of loan principal during the period</b>		
Loan principal repayments under standard loan agreements.	803.605.968.487	428.549.687.439

### 37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The list of relationships between related parties and the Company is as follows:

Related Party	Relationship
Megram Joint Stock Company	Parent company
Danapha Pharmaceutical JSC	Major shareholder
Elmich Joint Stock Company	Same group company
And other members of the Board of Directors, the Executive Board, and the Supervisory Board of the Company.	

Apart from the information about related parties disclosed in the notes above, the Company also engaged in the following transactions with related parties during the period:

	Year 2024	Year 2023
	VND	VND
<b>Revenue from sales and service provision</b>	<b>2.639.343</b>	<b>14.164.800</b>
Danapha Pharmaceutical JSC	2.639.343	14.164.800
<b>Purchasing</b>	<b>49.090.909</b>	<b>-</b>
Elmich Joint Stock Company	49.090.909	
<b>Financial income</b>	<b>1.398.543.836</b>	<b>334.945.205</b>
Elmich Joint Stock Company	1.398.543.836	334.945.205
<b>Administrative expenses</b>	<b>56.667.140</b>	<b>535.123.539</b>
Megram Joint Stock Company	31.796.674	531.643.539
Elmich Joint Stock Company	24.870.466	3.480.000
<b>Loans</b>	<b>91.900.000.000</b>	<b>25.900.000.000</b>
Elmich Joint Stock Company	91.900.000.000	25.900.000.000
<b>Loan recoveries</b>	<b>37.800.000.000</b>	<b>25.900.000.000</b>
Elmich Joint Stock Company	37.800.000.000	25.900.000.000

Transactions with other related parties are as follows:

	Position	Year 2024	Year 2023
		VND	VND
<b>Key management personnel income</b>			
<b>Board of Directors' remuneration</b>			
- Nguyen Luong Tam	Chairman	107.200.000	30.000.000
- Do Thanh Trung	Member	-	178.000.000
- Nguyen Trung	Member, Deputy General Director	615.362.471	491.133.333
- Hoang Trung Dung	Independent Board Member	50.000.000	140.000.000
- Dinh Thi Mong Van	Member	-	90.000.000
		<b>772.562.471</b>	<b>929.133.333</b>

**Supervisory Board members' remuneration**

- Nguyen Thi Yen	Head of Department	-	-
- Pham Thi Minh Ngoc	Member	-	15.000.000
- Nguyen Thi Thanh Thuy	Member	232.487.278	211.451.867
		<b>232.487.278</b>	<b>226.451.867</b>

Apart from the transactions with the aforementioned related parties, other related parties did not incur any transactions during the period and had no balances as of the end of the accounting period with the Company.

**38. COMPARATIVE FIGURES**

The figures presented in the Balance Sheet, Statement of Income, Cash Flow Statement, and corresponding notes are derived from the financial statements as of December 31, 2023.

Prepared by



Tran Khanh Linh

Chief Accountant



Tran Thi Anh Minh



*Da Nang, 20 January 2025*

Deputy Chief Executive Officer



Nguyễn Trung

