

FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2024

**CUU LONG PHARMACEUTICAL
JOINT STOCK COMPANY**

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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Cuu Long Pharmaceutical Joint Stock Company (hereinafter referred to as "the Company") presents this statement together with the Financial Statements for the fiscal year ended 31 December 2024.

Business highlights

Cuu Long Pharmaceutical Joint Stock Company is an enterprise equitized from the State-owned enterprise - Cuu Long Pharmaceutical and Healthcare Equipment Company, in accordance with the Decision No. 2314/QD-UB dated 9 August 2004 of the Chairman of the People's Committee of Vinh Long Province.

The Company operates in accordance with the 1st Business Registration Certificate No. 1500202535 dated 9 November 2004 granted by the Department of Planning and Investment of Vinh Long Province and the 26th amended Certificate dated 20 December 2024 due to the change in legal representative.

The Company's shares are listed on the Ho Chi Minh City Stock Exchange with the stock symbol DCL.

Head office

- Address : No. 150 Road 14/9, Ward 5, Vinh Long City, Vinh Long Province
- Tel. : 0270.382.2533
- Fax : 0270.382.2129

The principal business activities of the Company are producing drugs, chemicals and medicine; retailing drugs, medical devices and cosmetics.

Board of Directors, Board of Supervisors and Board of Management

The members of the Board of Directors, the Board of Supervisors, the Board of Management and the Chief Accountant of the Company during the year and as of the date of this statement include:

Board of Directors

| Full name | Position | Appointing date/Re-appointing date/ Resigning date |
|------------------------|----------|---|
| Mr. Nguyen Van Sang | Chairman | Re-appointed on 14 June 2022 |
| Mr. Nguyen Ninh Dung | Member | Appointed on 14 June 2022 |
| Ms. Bui Hong Hanh | Member | Appointed on 14 June 2022 |
| Ms. Nguyen Ngoc Mai | Member | Appointed on 25 April 2024 |
| Mr. Pham Van Ngoc | Member | Appointed on 25 April 2024 |
| Ms. Tuong Thi Thu Hanh | Member | Resigned on 25 April 2024 |
| Mr. Nguyen Ngoc Bich | Member | Resigned on 25 April 2024 |

Board of Supervisors ("BOS")

| Full name | Position | Appointing date/Re-appointing date/ Resigning date |
|--------------------------|-------------|---|
| Ms. Nguyen Thi Thu Huong | Head of BOS | Appointed on 2 May 2024 |
| Ms. Phan Thi Hoa | Head of BOS | Resigned on 2 May 2024 |
| | Member | Appointed on 2 May 2024 |
| Ms. Phan Thi Hue | Member | Re-appointed on 14 June 2022 |
| Ms. Le Thi Thuong | Member | Resigned on 25 April 2024 |

Board of Management and Chief Accountant

| Full name | Position | Appointing date/Resigning date |
|----------------------------|-------------------------|--------------------------------|
| Mr. Nguyen Van Ban | General Director | Appointed on 1 August 2024 |
| Mr. Luong Trong Hai | General Director | Resigned on 1 August 2024 |
| Mr. Nguyen Trong Duc | Deputy General Director | Appointed on 1 December 2020 |
| Mr. Nghiem Xuan Truong | Deputy General Director | Resigned on 29 November 2024 |
| Ms. Tran Khiem | Deputy General Director | Resigned on 1 July 2024 |
| Ms. Nguyen Lam Minh Thuong | Chief Financial Officer | Appointed on 29 November 2024 |
| | Chief Accountant | Resigned on 29 November 2024 |
| Ms. Bui Thi My Dang | Chief Accountant | Appointed on 29 November 2024 |

Legal representative

The legal representatives of the Company during the year and as of the date of this statement are Mr. Nguyen Van Sang - Chairman (from 14 June 2022), Mr. Nguyen Van Ban - General Director (from 1 August 2024) and Mr. Luong Trong Hai - General Director (to 31 July 2024).

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Financial Statements for the fiscal year ended 31 December 2024 of the Company.

Responsibilities of the Board of Management

The Company's Board of Management is responsible for the preparation of the Financial Statements to give a true and fair view on the financial position, the financial performance and the cash flows of the Company during the year. In order to prepare these Financial Statements, the Board of Management must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- state clearly whether the accounting standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the Financial Statements;
- prepare the Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate; and
- design and implement effectively the internal control system to minimize the risks of material misstatements due to frauds or errors in the preparation and presentation of the Financial Statements.

The Board of Management hereby ensures that all the proper accounting books of the Company have been fully recorded and can fairly reflect the financial position of the Company at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Management is also responsible for managing the Company's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Management hereby commits to the compliance with the aforementioned requirements in preparation of the Financial Statements.

Approval on the Financial Statements

The Company's Board of Management hereby approves the accompanying Financial Statements, which give a true and fair view of the financial position as at 31 December 2024, the financial performance and the cash flows for the fiscal year then ended of the Company in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of Financial Statements.

For and on behalf of the Board of Management,

General Director



Nguyen Van Ban

19 March 2025

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No. 2.0222/25/TC-AC

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

We have audited the accompanying Financial Statements of Cuu Long Pharmaceutical Joint Stock Company (hereinafter referred to as "the Company"), which were prepared on 19 March 2025, from page 6 to page 40, including the Balance Sheet as at 31 December 2024, the Income Statement, the Cash Flow Statement for the fiscal year then ended and the Notes to the Financial Statements.

Responsibility of the Board of Management

The Company's Board of Management is responsible for the preparation, true and fair presentation of the Financial Statements of the Company in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of Financial Statements; and responsible for the internal control as the Board of Management determines is necessary to enable the preparation and presentation of the Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the Company's Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion of Auditors

In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position as at 31 December 2024 of Cuu Long Pharmaceutical Joint Stock Company, its financial performance and its cash flows for the fiscal year then ended in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of Financial Statements

Other matter

The Auditor's Report on the Company's Financial Statements for the fiscal year ended 31 December 2024 is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of

A&C Auditing and Consulting Co., Ltd.

Hanoi Branch



(Handwritten signature)

Vu Minh Khoi – Partner

Audit Practice Registration Certificate:

No. 2897-2025-008-1

Authorized Signatory

Hanoi, 19 March 2025

Vu Tuan Nghia – Auditor

Audit Practice Registration Certificate:

No. 4028-2022-008-1

BALANCE SHEET

As at 31 December 2024

Unit: VND

| ASSETS | Code | Note | Ending balance | Beginning balance |
|--|------------|------------|--------------------------|--------------------------|
| A - CURRENT ASSETS | 100 | | 1,003,694,854,689 | 1,030,949,005,883 |
| I. Cash and cash equivalents | 110 | V.1 | 20,055,639,453 | 12,785,326,350 |
| 1. Cash | 111 | | 20,055,639,453 | 12,785,326,350 |
| 2. Cash equivalents | 112 | | - | - |
| II. Short-term financial investments | 120 | | 109,000,000,000 | 109,354,000,000 |
| 1. Trading securities | 121 | | - | - |
| 2. Provisions for diminution in value of trading securities | 122 | | - | - |
| 3. Held-to-maturity investments | 123 | V.2 | 109,000,000,000 | 109,354,000,000 |
| III. Short-term receivables | 130 | | 506,260,867,868 | 521,648,927,607 |
| 1. Short-term trade receivables | 131 | V.3 | 221,832,900,903 | 199,948,638,873 |
| 2. Short-term prepayments to suppliers | 132 | V.4 | 64,827,890,218 | 55,832,063,278 |
| 3. Short-term inter-company receivables | 133 | | - | - |
| 4. Receivables based on the progress of construction contracts | 134 | | - | - |
| 5. Receivables for short-term loans | 135 | | - | - |
| 6. Other short-term receivables | 136 | V.5a | 241,055,071,478 | 286,586,951,627 |
| 7. Allowance for short-term doubtful debts | 137 | V.6 | (21,454,994,731) | (20,718,726,171) |
| 8. Deficit assets for treatment | 139 | | - | - |
| IV. Inventories | 140 | | 337,925,159,805 | 359,343,994,305 |
| 1. Inventories | 141 | V.7 | 348,317,479,444 | 366,775,399,724 |
| 2. Allowance for devaluation of inventories | 149 | V.7 | (10,392,319,639) | (7,431,405,419) |
| V. Other current assets | 150 | | 30,453,187,563 | 27,816,757,621 |
| 1. Short-term prepaid expenses | 151 | V.8a | 3,211,068,612 | 2,391,425,990 |
| 2. Deductible VAT | 152 | | 26,090,226,559 | 25,127,942,336 |
| 3. Taxes and other receivables from the State | 153 | V.15 | 1,151,892,392 | 297,389,295 |
| 4. Trading Government bonds | 154 | | - | - |
| 5. Other current assets | 155 | | - | - |

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Balance Sheet (cont.)

| ASSETS | Code | Note | Ending balance | Beginning balance |
|--|------------|-------------|--------------------------|--------------------------|
| B - NON-CURRENT ASSETS | 200 | | 1,184,415,507,581 | 1,129,004,440,803 |
| I. Long-term receivables | 210 | | 3,727,000,000 | 3,396,500,000 |
| 1. Long-term trade receivables | 211 | | - | - |
| 2. Long-term prepayments to suppliers | 212 | | - | - |
| 3. Working capital in affiliates | 213 | | - | - |
| 4. Long-term inter-company receivables | 214 | | - | - |
| 5. Receivables for long-term loans | 215 | | - | - |
| 6. Other long-term receivables | 216 | V.5b | 3,727,000,000 | 3,396,500,000 |
| 7. Allowance for long-term doubtful debts | 219 | | - | - |
| II. Fixed assets | 220 | | 425,784,152,778 | 407,327,876,506 |
| 1. Tangible fixed assets | 221 | V.9 | 408,551,013,002 | 385,326,976,501 |
| <i>Historical costs</i> | 222 | | 920,184,368,855 | 865,673,142,304 |
| <i>Accumulated depreciation</i> | 223 | | (511,633,355,853) | (480,346,165,803) |
| 2. Financial leased assets | 224 | V.10 | 13,513,539,364 | 18,082,442,189 |
| <i>Historical costs</i> | 225 | | 22,876,854,258 | 22,876,854,258 |
| <i>Accumulated depreciation</i> | 226 | | (9,363,314,894) | (4,794,412,069) |
| 3. Intangible fixed assets | 227 | V.11 | 3,719,600,412 | 3,918,457,816 |
| <i>Historical costs</i> | 228 | | 5,840,368,567 | 5,588,106,127 |
| <i>Accumulated amortization</i> | 229 | | (2,120,768,155) | (1,669,648,311) |
| III. Investment properties | 230 | | - | - |
| <i>Historical costs</i> | 231 | | - | - |
| <i>Accumulated depreciation</i> | 232 | | - | - |
| IV. Long-term assets in progress | 240 | V.12 | 339,912,913,689 | 328,660,293,906 |
| 1. Long-term work in progress | 241 | | - | - |
| 2. Construction-in-progress | 242 | | 339,912,913,689 | 328,660,293,906 |
| V. Long-term financial investments | 250 | | 400,730,000,000 | 378,730,000,000 |
| 1. Investments in subsidiaries | 251 | V.2 | 401,737,810,725 | 379,737,810,725 |
| 2. Investments in joint ventures and associates | 252 | | - | - |
| 3. Investments in other entities | 253 | | - | - |
| 4. Provisions for diminution in value of long-term financial investments | 254 | V.2 | (1,007,810,725) | (1,007,810,725) |
| 5. Held-to-maturity investments | 255 | | - | - |
| VI. Other non-current assets | 260 | | 14,261,441,114 | 10,889,770,391 |
| 1. Long-term prepaid expenses | 261 | V.8b | 12,212,528,087 | 8,174,872,286 |
| 2. Deferred income tax assets | 262 | V.13 | 2,048,913,027 | 2,714,898,105 |
| 3. Long-term components and spare parts | 263 | | - | - |
| 4. Other non-current assets | 268 | | - | - |
| TOTAL ASSETS | 270 | | 2,188,110,362,270 | 2,159,953,446,686 |

For the fiscal year ended 31 December 2024

Balance Sheet (cont.)

| RESOURCES | Code | Note | Ending balance | Beginning balance |
|---|------------|-------|------------------------|------------------------|
| C - LIABILITIES | 300 | | 793,817,588,708 | 806,295,024,201 |
| I. Current liabilities | 310 | | 619,911,660,235 | 597,701,703,346 |
| 1. Short-term trade payables | 311 | V.14 | 94,658,175,500 | 61,886,577,089 |
| 2. Short-term advances from customers | 312 | V.15 | 4,396,514,103 | 8,810,214,682 |
| 3. Taxes and other obligations to the State Budget | 313 | V.16 | 10,240,975,243 | 12,984,398,936 |
| 4. Payables to employees | 314 | | 15,354,735,361 | 13,994,702,654 |
| 5. Short-term accrued expenses | 315 | V.17 | 9,654,016,224 | 12,983,941,613 |
| 6. Short-term inter-company payables | 316 | | - | - |
| 7. Payables based on the progress of construction contracts | 317 | | - | - |
| 8. Short-term unearned revenue | 318 | | - | - |
| 9. Other short-term payables | 319 | V.18 | 2,304,470,829 | 60,760,889,533 |
| 10. Short-term borrowings and financial leases | 320 | V.19a | 479,873,723,014 | 422,136,653,386 |
| 11. Short-term provisions | 321 | | - | - |
| 12. Bonus and welfare funds | 322 | V.20 | 3,429,049,961 | 4,144,325,453 |
| 13. Price stabilization fund | 323 | | - | - |
| 14. Trading Government bonds | 324 | | - | - |
| II. Non-current liabilities | 330 | | 173,905,928,473 | 208,593,320,855 |
| 1. Long-term trade payables | 331 | | - | - |
| 2. Long-term advances from customers | 332 | | - | - |
| 3. Long-term accrued expenses | 333 | | - | - |
| 4. Inter-company payables for working capital | 334 | | - | - |
| 5. Long-term inter-company payables | 335 | | - | - |
| 6. Long-term unearned revenue | 336 | | - | - |
| 7. Other long-term payables | 337 | | - | - |
| 8. Long-term borrowings and financial leases | 338 | V.19b | 173,905,928,473 | 208,593,320,855 |
| 9. Convertible bonds | 339 | | - | - |
| 10. Preferred shares | 340 | | - | - |
| 11. Deferred income tax liabilities | 341 | | - | - |
| 12. Long-term provisions | 342 | | - | - |
| 13. Science and technology development fund | 343 | | - | - |

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Balance Sheet (cont.)

| RESOURCES | Code | Note | Ending balance | Beginning balance |
|---|------------|-------------|--------------------------|--------------------------|
| D - OWNER'S EQUITY | 400 | V.21 | 1,394,292,773,562 | 1,353,658,422,485 |
| I. Owner's equity | 410 | | 1,394,292,773,562 | 1,353,658,422,485 |
| 1. Owner's contribution capital | 411 | | 730,410,300,000 | 730,410,300,000 |
| - Ordinary shares carrying voting right | 411a | | 730,410,300,000 | 730,410,300,000 |
| - Preferred shares | 411b | | - | - |
| 2. Share premiums | 412 | | 220,358,863,743 | 220,358,863,743 |
| 3. Bond conversion options | 413 | | - | - |
| 4. Other sources of capital | 414 | | - | - |
| 5. Treasury shares | 415 | | - | - |
| 6. Differences on asset revaluation | 416 | | - | - |
| 7. Foreign exchange differences | 417 | | - | - |
| 8. Investment and development fund | 418 | | - | - |
| 9. Business arrangement supporting fund | 419 | | - | - |
| 10. Other funds | 420 | | - | - |
| 11. Retained earnings | 421 | | 443,503,442,969 | 402,869,091,892 |
| - Retained earnings accumulated to the end of the previous period | 421a | | 401,124,862,544 | 402,869,091,892 |
| - Retained earnings of the current period | 421b | | 42,378,580,425 | - |
| 12. Construction investment fund | 422 | | 20,166,850 | 20,166,850 |
| II. Other sources and funds | 430 | | - | - |
| 1. Sources of expenditure | 431 | | - | - |
| 2. Fund to form fixed assets | 432 | | - | - |
| TOTAL RESOURCES | 440 | | 2,188,110,362,270 | 2,159,953,446,686 |

Prepared by



Bui Thi My Dang

Chief Accountant



Bui Thi My Dang

Prepared on 19 March 2025

General Director



Nguyen Van Ban

INCOME STATEMENT
For the fiscal year ended 31 December 2024

Unit: VND

| ITEMS | Code | Note | Current year | Previous year |
|---|------|------|-------------------|-------------------|
| 1. Revenue from sales of merchandise and rendering of services | 01 | VI.1 | 1,275,254,346,115 | 1,127,232,459,567 |
| 2. Revenue deductions | 02 | | 18,211,747,306 | 28,385,551,282 |
| 3. Net revenue from sales of merchandise and rendering of services | 10 | | 1,257,042,598,809 | 1,098,846,908,285 |
| 4. Costs of sales | 11 | VI.2 | 1,104,997,240,482 | 929,400,273,971 |
| 5. Gross profit/ (loss) from sales of merchandise and rendering of services | 20 | | 152,045,358,327 | 169,446,634,314 |
| 6. Financial income | 21 | VI.3 | 21,523,175,873 | 27,514,098,789 |
| 7. Financial expenses | 22 | VI.4 | 25,509,039,687 | 31,460,615,675 |
| In which: Interest expenses | 23 | | 25,386,683,521 | 27,302,636,568 |
| 8. Selling expenses | 25 | VI.5 | 53,607,650,636 | 63,365,357,100 |
| 9. General and administration expenses | 26 | VI.6 | 41,395,270,072 | 38,890,826,683 |
| 10. Net operating profit/ (loss) | 30 | | 53,056,573,805 | 63,243,933,645 |
| 11. Other income | 31 | | 490,273,457 | 1,024,796,624 |
| 12. Other expenses | 32 | | 382,792,036 | 66,873,650 |
| 13. Other profit/ (loss) | 40 | | 107,481,421 | 957,922,974 |
| 14. Total accounting profit/ (loss) before tax | 50 | | 53,164,055,226 | 64,201,856,619 |
| 15. Current income tax | 51 | V.16 | 10,119,489,723 | 12,881,884,908 |
| 16. Deferred income tax | 52 | V.13 | 665,985,078 | 33,129,713 |
| 17. Profit/ (loss) after tax | 60 | | 42,378,580,425 | 51,286,841,998 |
| 18. Basic earnings per share | 70 | VI.8 | - | - |
| 19. Diluted earnings per share | 71 | VI.8 | - | - |

Prepared by

Bui Thi My Dang

Chief Accountant

Bui Thi My Dang

Prepared on 19 March 2025

General Director



Nguyen Van Ban

CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2024

Unit: VND

| ITEMS | Code | Note | Current year | Previous year |
|--|-----------|-----------|-------------------------|--------------------------|
| I. Cash flows from operating activities | | | | |
| 1. Profit/ (loss) before tax | 01 | | 53,164,055,226 | 64,201,856,619 |
| 2. Adjustments | | | | |
| - Depreciation and amortization of fixed assets and investment properties | 02 | V.9,10,11 | 36,307,212,719 | 36,457,157,018 |
| - Provisions and allowances | 03 | | 3,697,182,780 | 3,770,055,266 |
| - Exchange (gain)/ loss due to revaluation of monetary items in foreign currencies | 04 | VI.4 | 15,900,063 | (6,251,088) |
| - (Gain)/ loss from investing activities | 05 | | (5,588,948,821) | (6,531,089,269) |
| - Interest expenses | 06 | VI.4 | 25,386,683,521 | 27,302,636,568 |
| - Others | 07 | | - | - |
| 3. Operating profit/ (loss) before changes of working capital | 08 | | 112,982,085,488 | 125,194,365,114 |
| - (Increase)/ decrease of receivables | 09 | | 25,256,723,334 | (29,286,874,485) |
| - (Increase)/ decrease of inventories | 10 | | 18,457,920,280 | (60,452,686,886) |
| - Increase/ (decrease) of payables | 11 | | (32,746,244,066) | 3,692,156,534 |
| - (Increase)/ decrease of prepaid expenses | 12 | | (4,857,298,423) | (3,312,604,437) |
| - (Increase)/ decrease of trading securities | 13 | | - | - |
| - Interests paid | 14 | | (25,437,479,793) | (27,274,749,911) |
| - Corporate income tax paid | 15 | V.15 | (12,885,786,899) | (7,797,487,997) |
| - Other cash inflows from operating activities | 16 | | - | - |
| - Other cash outflows from operating activities | 17 | V.19 | (2,715,275,492) | (1,703,130,100) |
| Net cash flows from operating activities | 20 | | 78,054,644,429 | (941,012,168) |
| II. Cash flows from investing activities | | | | |
| 1. Purchases and construction of fixed assets and other non-current assets | 21 | | (79,298,628,647) | (181,826,389,113) |
| 2. Proceeds from disposals of fixed assets and other non-current assets | 22 | | - | 370,636,365 |
| 3. Cash outflows for lending, buying debt instruments of other entities | 23 | | (109,000,000,000) | (98,699,945,205) |
| 4. Cash recovered from lending, selling debt instruments of other entities | 24 | | 109,354,000,000 | 92,345,945,205 |
| 5. Investments into other entities | 25 | | (22,000,000,000) | - |
| 6. Withdrawals of investments in other entities | 26 | | - | - |
| 7. Interests earned, dividends and profits received | 27 | | 7,102,523,269 | 5,779,116,515 |
| Net cash flows from investing activities | 30 | | (93,842,105,378) | (182,030,636,233) |

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Cash Flow Statement (cont.)

| ITEMS | Code | Note | Current year | Previous year |
|--|-----------|------------|-----------------------|-------------------------|
| III. Cash flows from financing activities | | | | |
| 1. Proceeds from issuing stocks and capital contributions from owners | 31 | V.20 | - | - |
| 2. Repayment for capital contributions and re-purchases of stocks already issued | 32 | | - | - |
| 3. Proceeds from borrowings | 33 | V.18 | 1,096,413,781,780 | 926,150,255,173 |
| 4. Repayment for loan principal | 34 | V.18 | (1,050,000,707,269) | (754,091,234,973) |
| 5. Payments for financial leased assets | 35 | | (23,363,397,265) | (12,320,695,760) |
| 6. Dividends and profits paid to the owners | 36 | | - | - |
| <i>Net cash flows from financing activities</i> | <i>40</i> | | <i>23,049,677,246</i> | <i>159,738,324,440</i> |
| Net cash flows during the year | 50 | | 7,262,216,297 | (23,233,323,961) |
| Beginning cash and cash equivalents | 60 | V.1 | 12,785,326,350 | 36,016,062,475 |
| Effects of fluctuations in foreign exchange rates | 61 | | 8,096,806 | 2,587,836 |
| Ending cash and cash equivalents | 70 | V.1 | 20,055,639,453 | 12,785,326,350 |

Prepared by



Bui Thi My Dang

Chief Accountant



Bui Thi My Dang

Prepared on 19 March 2025

General Director



Nguyen Van Ban

C.T.I.N.H.H
HỘI

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

I. GENERAL INFORMATION

1. Ownership form

Cuu Long Pharmaceutical Joint Stock Company (hereinafter referred to as "the Company") is a joint stock company.

2. Operating fields

The operating fields of the Company are producing drugs, chemicals and medicine.

3. Principal business activities

The principal business activities of the Company are producing drugs, chemicals and medicine.

4. Normal operating cycle

The normal operating cycle of the Company is within 12 months.

5. Structure of the Company

Subsidiaries

| Name | Address of head office | Principal activity | Contribution rate | Benefit rate | Voting rate |
|---|---|--|-------------------|--------------|-------------|
| Pharmaceutical and Medical Equipment Production Trading and Import-Export Joint Venture Company | No. 11, Lanexang Road, Hatsady Village, Chanthabory District, Laos | Introducing medicine | 51% | 51% | 51% |
| VPC - Sai Gon Pharmaceutical Company Limited | No. 150 Road 14/9, Ward 5, Vinh Long City, Vinh Long Province | Trading pharmaceuticals and medical equipment | 100% | 100% | 100% |
| Benovas Pharmaceutical Joint Stock Company | No. 276 Nguyen Dinh Chieu, Vo Thi Sau Ward, District 3, Ho Chi Minh City | Trading pharmaceuticals, capsules of all kinds | 99.98% | 99.98% | 99.98% |
| Benovas Medical Devices Joint Stock Company ⁽ⁱ⁾ | No. 68D Group 05, Thanh My 1 Hamlet, Thanh Duc Commune, Long Ho District, Vinh Long Province | Producing and trading medical devices and equipment | 84.2% | 100% | 100% |
| Benovas Oncology Joint Stock Company ⁽ⁱⁱ⁾ | 5 th Floor, HACC1 Complex Building at Lot 2.6, Le Van Luong Road, Nhan Chinh Ward, Thanh Xuan District, Hanoi City | Producing medicine, pharmaceutical chemicals and medicinal herbs | 55% | 84% | 84% |

(i) The contribution rates of the Company, VPC - Sai Gon Pharmaceutical Company Limited and Benovas Pharmaceutical Joint Stock Company in Benovas Medical Devices Joint Stock Company are 84.2%, 15.6% and 0.2% respectively; therefore, the Company's benefit rate and voting rate in Benovas Medical Devices Joint Stock Company are 100%.

(ii) The contribution rates of the Company and VPC - Sai Gon Pharmaceutical Company Limited in Benovas Oncology Joint Stock Company are 55% and 29% respectively; therefore, the Company's benefit rate and voting rate in Benovas Oncology Joint Stock Company are 84%.

6. Statement on information comparability in the Financial Statements

The corresponding figures of the previous year are comparable to those of the current year.

7. Employees

As of the balance sheet date, there were 812 employees working for the Company (at the beginning of the year: 830 employees).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

The fiscal year of the Company is from 1 January to 31 December annually.

2. Accounting currency unit

The accounting currency unit is VND because payments and receipts of the Company are primarily made in VND.

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Company applies the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 as well as other Circulars guiding the implementation of the Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Financial Statements.

2. Statement on the compliance with the Accounting Standards and System

The Board of Management ensures the compliance with all the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 as well as other Circulars guiding the implementation of the Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Financial Statements.

IV. ACCOUNTING POLICIES

1. Basis of preparation of the Financial Statements

All the Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

The Financial Statements are prepared in Vietnamese and English, in which the Financial Statements in Vietnamese are the official statutory financial statements of the Company. The Financial Statements in English have been translated from the Vietnamese version. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

2. Cash

Cash includes cash on hand and demand deposits in banks.

3. Financial investments

Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Company intends and is able to hold to maturity. Held-to-maturity investments of the Company only include term deposits in banks. Interest income from these term deposits in banks is recognized in the Income Statement on the accrual basis.

4. Investments in subsidiaries

Subsidiary is an entity that is controlled by the Company. Control is obtained when the Company achieves the ability to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Initial recognition

Investments in subsidiaries are initially recognized at costs, including the cost of purchase or capital contributions plus other directly attributable transaction costs. If the Company contributes capital by non-monetary assets, costs of the investment are recognized at the fair value of the non-monetary assets at the time of occurrence.

Dividend and profit of the periods prior to the acquisition of investments are deducted from the cost of such investments. Dividend and profit of the periods after the acquisition of such investments are recorded in the Company's financial income. Particularly, stock dividends received are not recorded as an increase in value, but the increasing quantity of shares is followed up.

Provisions for impairment of investments in subsidiaries

Provisions for impairment of investments in subsidiaries are made when the subsidiaries suffer from losses, with the provision amount determined by the difference between owners' actual contributed capital and total owners' equity as of the balance sheet date multiplied (x) by the Company's rate of charter capital owning in the subsidiaries. If the subsidiaries are parent companies and have their own Consolidated Financial Statements, provisions for impairment loss will be made based on their Consolidated Financial Statements.

Increases/ (decreases) in the provisions for impairment of investments in subsidiaries to be recognized as of the balance sheet date are recorded into "Financial expenses".

5. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according to the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Company and customers who are independent to the Company.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt after being offset against liabilities (if any). The allowance rate is based on the debts' overdue period or the estimated loss, as follows:

- As for overdue debts:
 - 30% of the value of debts with the overdue period from 6 months to under 1 year.
 - 50% of the value of debts with the overdue period from 1 year to under 2 years.
 - 70% of the value of debts with the overdue period from 2 years to under 3 years.
 - 100% of the value of debts with the overdue period from or over 3 years.
- As for the debts that are not overdue, but considered as doubtful debts: Allowance is made on the basis of the estimated loss.

Increases/ (decreases) in the allowance for doubtful debts to be recognized as of the balance sheet date are recorded into "General and administration expenses".

6. Inventories

Inventories are recognized at the lower of cost and net realizable value.

Costs of inventories are determined as follows:

- For materials and merchandise: Costs comprise costs of purchases and other directly attributable costs incurred in bringing the inventories to their present location and conditions.

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Financial Statements (cont.)

- For work in progress: Costs comprise main materials, labor and other directly attributable costs.
- For finished goods: Costs comprise costs of materials, direct labor and directly attributable general manufacturing expenses allocated on the basis of normal operation.

The cost of inventories is determined using the first-in first-out (FIFO) method and recorded in accordance with the perpetual inventory system.

Net realizable value is the estimated selling prices of inventories in an ordinary course of business less the estimated expenses on product completion and other necessary expenses to make the sale.

Allowance for inventories is recognized for each type of inventories when their costs are higher than their net realizable value. Increases/ (decreases) in the allowance for inventories to be recognized as of the balance sheet date are recorded into "Costs of sales".

7. Prepaid expenses

Prepaid expenses comprise actual expenses arising and relevant to financial performance in several accounting periods. The Company's prepaid expenses mainly include expenses for tools, insurance premiums and other expenses. These prepaid expenses are allocated over the prepayment period or the period in which corresponding economic benefits are generated from these expenses.

8. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operating costs during the year.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

| <u>Class of fixed assets</u> | <u>Years</u> |
|------------------------------|--------------|
| Buildings and structures | 06 - 40 |
| Machinery and equipment | 02 - 25 |
| Vehicles | 06 - 10 |
| Office equipment | 03 - 05 |

9. Financial leased assets

A lease is classified as a finance lease if substantially all the risks and rewards associated with the ownership of the asset are transferred to the lessee. Financial leased assets are determined by their historical costs less accumulated depreciation. Historical cost is the lower cost of the fair value of the leased asset at commencement of the lease term and the present value of the minimum lease payments. Discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease or else mentioned in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate at commencement of the lease term will be applied.

Financial leased assets are depreciated using the straight-line method over their estimated useful lives. If there is no reasonable certainty that the Company will obtain ownership at the end of the lease, the fixed asset shall be depreciated over the shorter of the lease term and the estimated useful life of the asset. The depreciation years of the financial leased machinery and equipment are 5 years.

10. Intangible fixed assets

Intangible fixed assets are determined by their historical costs less accumulated amortization.

Historical costs of intangible fixed assets include all the costs paid by the Company to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operating costs during the period, otherwise, these costs are included into historical costs of fixed assets only if they are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of the asset.

When an intangible fixed asset is sold or disposed, its historical costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Company's intangible fixed assets include:

Land use right

Land use right includes all the actual expenses paid by the Company directly attributable to the land being used such as expenses to obtain the land use right, expenses for site clearance compensation and ground leveling, registration fees, etc. If the land use right is indefinite, it is not amortized.

Computer software

Costs to obtain computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Company until the date the software is put into use. Computer software is amortized in accordance with the straight-line method in the period from 7 to 10 years.

Brand identity

Brand identity is amortized in accordance with the straight-line method in 20 years.

11. Payables and accrued expenses

Payables and accrued expenses are recorded based on the amounts payable for merchandise and services already used. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses, and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of merchandise, services, or assets and the seller is an independent entity with the Company.
- Accrued expenses reflect expenses for merchandise, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operating expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of merchandise or rendering of services.

Payables and accrued expenses are classified into short-term and long-term ones in the Balance Sheet based on the remaining terms as of the balance sheet date.

12. Owner's equity

Owner's contribution capital

Owner's contribution capital is recorded according to the actual amounts contributed by the shareholders.

Share premiums

The differences between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date are recognized into share premiums. Expenses directly attributable to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

13. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and approved by the General Meeting of Shareholders.

The distribution of profits to the shareholders is made in consideration of non-cash items in retained earnings that may affect cash flows and the ability to pay dividends such as gains from revaluation of assets invested in other entities, gains from revaluation of monetary items, financial instruments and other non-cash items.

Dividends are recorded as payables upon approval of the General Meeting of Shareholders.

14. Recognition of revenue and income

Revenue from sales of merchandise, finished goods

Revenue from sales of merchandise, finished goods shall be recognized when all of the following conditions are satisfied:

- The Company has transferred most of risks and benefits incident to the ownership of merchandise or products to the customer.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the merchandise, products sold.
- The amount of revenue can be measured reliably. When the contract stipulates that the buyer has right to return merchandise, products purchased under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer retains no right to return merchandise, products (except for the case that the customer has right to return the merchandise or products in exchange for other merchandise, products or services).
- It is probable that the economic benefits associated with sale transactions will flow to the Company.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

Dividend income

Income from dividends is recognized when the Company has the right to receive dividends from the investees. Particularly, stock dividends received are not recorded as an increase in value, but the increasing quantity of shares is followed up.

15. Borrowing costs

Borrowing costs are interest expenses and other costs that the Company directly incurs in connection with the borrowings. Borrowing costs are recorded as expenses when incurred.

16. Expenses

Expenses are those that result in outflows of the Company's economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected,

17. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book value of assets and liabilities serving the preparation of the Financial Statements and the value for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying value of deferred corporate income tax assets is considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Company shall offset deferred tax assets and deferred tax liabilities when:

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
 - Of the same subject to corporate income tax; or

- The Company has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liabilities simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

18. Related parties

Parties are considered to be related parties in case that one party is able to control the other party or has significant influence on the financial and operating decisions of the other party. Parties are also considered to be related parties in case that they are under the common control or under the common significant influence.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

19. Segment reporting

A business segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policy applied for the preparation and presentation of the Company's Financial Statements.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. Cash and cash equivalents

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|--------------------------|------------------------------|------------------------------|
| Cash on hand | 51,027,103 | 139,593,180 |
| Demand deposits in banks | 20,004,612,350 | 12,645,733,170 |
| Total | <u>20,055,639,453</u> | <u>12,785,326,350</u> |

2. Financial investments

2a. Short-term held-to-maturity investments

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|------------------------------|-----------------------|--------------------------|
| Term deposits ⁽ⁱ⁾ | 109,000,000,000 | 109,354,000,000 |

- (i) These are 12-month deposit contracts in Commercial banks, with the interest rate ranging from 4.2% to 5.2% per year.

All term deposit contracts have been pledged as collateral for the Company's bank loans (Note V.19).

2b. Investments in subsidiaries

| | Ending balance | | Beginning balance | |
|--|------------------------|------------------------|------------------------|------------------------|
| | Original cost | Allowance | Original cost | Allowance |
| Pharmaceutical and Medical Equipment Production Trading and Import-Export Joint Venture Company ⁽ⁱ⁾ | 1,007,810,725 | (1,007,810,725) | 1,007,810,725 | (1,007,810,725) |
| VPC - Sai Gon Pharmaceutical Co., Ltd. ⁽ⁱⁱ⁾ | 163,000,000,000 | - | 163,000,000,000 | - |
| Benovas Pharmaceutical JSC. ⁽ⁱⁱⁱ⁾ | 79,980,000,000 | - | 79,980,000,000 | - |
| Benovas Medical Devices JSC. ^(iv) | 102,750,000,000 | - | 80,750,000,000 | - |
| Benovas Oncology JSC. ^(v) | 55,000,000,000 | - | 55,000,000,000 | - |
| Total | 401,737,810,725 | (1,007,810,725) | 379,737,810,725 | (1,007,810,725) |

- (i) Pharmaceutical and Medical Equipment Production Trading and Import-Export Joint Venture Company was established on 29 December 2003 on the basis of the joint venture between Cuu Long Pharmaceutical JSC. and Lao Medical Services Co., Ltd. Currently, the Company has stopped its operation.
- (ii) According to the Business Registration Certificate No. 0311124093 dated 6 September 2011 granted by the Department of Planning and Investment of Vinh Long Province, the charter capital of VPC - Sai Gon Pharmaceutical Co., Ltd. is VND 163 billion with the Company's ownership rate of 100%.
- (iii) According to the Business Registration Certificate No. 0314033736 dated 27 September 2016 granted by the Department of Planning and Investment of Ho Chi Minh City, the charter capital of Benovas Pharmaceutical JSC. is VND 80 billion.
- (iv) According to the Business Registration Certificate No. 1501057104 dated 27 September 2016 granted by the Department of Planning and Investment of Vinh Long Province, the charter capital of Benovas Medical Devices JSC. is VND 122 billion. During the year, the Company additionally contributed VND 22 billion in this subsidiary, equivalent to 2,200,000 shares.
- (v) According to the Business Registration Certificate No. 0107753133 dated 8 March 2017 granted by Hanoi Authority for Planning and Investment, the charter capital of Benovas Oncology JSC. is VND 100 billion.

The number of shares held and the Company's ownership rate in these subsidiaries are as follows:

| | Ending balance | | Beginning balance | |
|---|------------------|----------------|-------------------|----------------|
| | Number of shares | Ownership rate | Number of shares | Ownership rate |
| Pharmaceutical and Medical Equipment Production Trading and Import-Export Joint Venture Company | | 51.00% | | 51.00% |
| VPC - Sai Gon Pharmaceutical Co., Ltd. | | 100.00% | | 100.00% |
| Benovas Pharmaceutical JSC. | 7,998,000 | 99.98% | 7,998,000 | 99.98% |
| Benovas Medical Devices JSC. | 10,275,000 | 84.20% | 8,075,000 | 80.75% |
| Benovas Oncology JSC. | 5,500,000 | 55.00% | 5,500,000 | 55.00% |

Fair value

The Company has not determined fair value of the unlisted investments because there have not been any specific instructions on determination of fair value.

Operation of subsidiaries

- Pharmaceutical and Medical Equipment Production Trading and Import-Export Joint Venture Company has temporarily stopped its operation since 2013.
- VPC - Sai Gon Pharmaceutical Co., Ltd. had no revenue during the year. The principal activity during the year was financial investment including investment in shares of unlisted companies, capital contributions, investment cooperation contracts.
- Benovas Pharmaceutical JSC. has been in the normal operation, without major changes compared to the previous year.
- Benovas Medical Devices JSC. has been currently in the stage of investment in building workshops and has not yet come into operation.
- Benovas Oncology JSC. had no revenue during the year. The principal activity during the year was financial investment including investment in shares of unlisted companies and investment cooperation contracts.

Provisions for investments in other entities

The Company had no provisions/(reversal of provisions) for investments in other entities during the year.

Transactions with subsidiaries

Note VII.1.

3. Short-term trade receivables

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|-------------------------------|-------------------------------|
| <i>Receivables from related parties</i> | 955,784,763 | - |
| Benovas Pharmaceutical JSC. | 955,784,763 | - |
| <i>Receivables from other customers</i> | 220,877,116,140 | 199,948,638,873 |
| Blood Transfusion Hematology Hospital | 2,395,200,000 | 15,572,439,000 |
| Sagophar Pharmaceutical Corporation | 4,097,487,196 | 26,259,081,099 |
| Duc Ha Pharmaceutical and Trading Co., Ltd. | 4,816,926,280 | 26,082,592,238 |
| Golden Life Pharmaceutical Product JSC. | - | 16,593,394,120 |
| Other customers | 209,567,502,664 | 115,441,132,416 |
| Total | <u>221,832,900,903</u> | <u>199,948,638,873</u> |

4. Short-term prepayments to suppliers

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|------------------------------|------------------------------|
| Polyco Co., Ltd. | 32,994,813,450 | 27,202,110,644 |
| Nitta Gelatin Inc | 2,392,018,000 | - |
| Trenwell services LLC | 16,339,862,500 | 5,885,000,000 |
| Akums Drugs and Pharmaceuticals Co., Ltd. | - | 2,509,226,940 |
| Other suppliers | 13,101,196,268 | 20,235,725,694 |
| Total | <u>64,827,890,218</u> | <u>55,832,063,278</u> |

5. Other receivables

5a. Other short-term receivables

| | Ending balance | | Beginning balance | |
|---|------------------------|------------------------|------------------------|------------------------|
| | Value | Allowance | Value | Allowance |
| <i>Receivables from related parties</i> | 223,375,740,609 | - | 268,607,243,596 | - |
| VPC - Sai Gon Pharmaceutical Co., Ltd. – Investment cooperation contract ⁽ⁱ⁾ | 209,583,451,019 | - | 255,347,346,335 | - |
| Principal | 199,978,604,178 | - | 241,227,967,123 | - |
| Profit | 9,604,846,841 | - | 14,119,379,212 | - |
| Benovas Medical Devices JSC. – Investment cooperation contract ⁽ⁱⁱ⁾ | 13,792,289,590 | - | 13,169,897,261 | - |
| Principal | 13,260,000,000 | - | 13,050,000,000 | - |
| Profit | 532,289,590 | - | 119,897,261 | - |
| Mr. Nguyen Trong Duc - Deputy General Director – Advance | - | - | 40,000,000 | - |
| Mr. Luong Trong Hai - General Director – Advance | - | - | 50,000,000 | - |
| <i>Receivables from other organizations and individuals</i> | 17,679,330,869 | (4,349,490,202) | 17,979,708,031 | (4,349,490,202) |
| Receivables for equitization | 5,600,000 | - | 5,600,000 | - |
| Accrued interest income of term deposits | 2,463,072,730 | - | 3,976,647,178 | - |
| Deposits | 428,302,596 | - | 257,802,596 | - |
| Advances | 2,145,116,204 | - | 3,013,221,118 | (689,833,740) |
| VAT on financial leased assets | 7,531,505,244 | - | 6,368,458,176 | - |
| Other short-term receivables | 5,105,734,095 | (4,349,490,202) | 4,357,978,963 | (3,659,656,462) |
| Total | 241,055,071,478 | (4,349,490,202) | 286,586,951,627 | (4,349,490,202) |

(i) This is the Investment Cooperation Contract with VPC - Sai Gon Pharmaceutical Co., Ltd. (the subsidiary), with the cooperation term of 12 months. The Company enjoys a fixed profit ranging from 6.5% to 6.75%/365 days, regardless of the subsidiary's business results.

(ii) This is the Investment Cooperation Contract with Benovas Medical Devices JSC. (the subsidiary), with the cooperation term of 12 months. The Company enjoys a fixed profit of 9%/365 days, regardless of the subsidiary's business results.

5b. Other long-term receivables

These are long-term deposits.

6. Allowance for short-term doubtful debts

| | <u>Original cost</u> | <u>Allowance</u> | <u>Original cost</u> | <u>Allowance</u> |
|--|-----------------------|-------------------------|-----------------------|-------------------------|
| Trade receivables | 24,513,162,775 | (16,543,115,602) | 18,671,447,952 | (15,806,847,042) |
| Receivables for payments on behalf | 3,659,656,462 | (3,659,656,462) | 3,717,599,787 | (3,717,599,787) |
| Other receivables (advances from resigned employees) | 689,833,740 | (689,833,740) | 631,890,415 | (631,890,415) |
| Prepayments to suppliers | 562,388,927 | (562,388,927) | 562,388,927 | (562,388,927) |
| Total | 29,425,041,904 | (21,454,994,731) | 23,583,327,081 | (20,718,726,171) |

Fluctuations in allowance for doubtful debts are as follows:

| | <u>Current year</u> | <u>Previous year</u> |
|-----------------------------------|-----------------------|-----------------------|
| Beginning balance | 20,718,726,171 | 58,166,219,285 |
| Allowance/(Reversal of allowance) | 736,268,560 | (1,284,700,633) |
| Writing-off | - | (36,162,792,481) |
| Ending balance | 21,454,994,731 | 20,718,726,171 |

7. Inventories

| | <u>Ending balance</u> | | <u>Beginning balance</u> | |
|------------------------|------------------------|-------------------------|--------------------------|------------------------|
| | <u>Original cost</u> | <u>Allowance</u> | <u>Original cost</u> | <u>Allowance</u> |
| Goods in transit | 29,242,530,353 | - | 15,964,044,637 | - |
| Materials and supplies | 155,207,740,024 | (3,988,871,018) | 158,471,475,078 | (2,232,934,713) |
| Tools | 11,077,312,119 | - | 11,024,248,117 | - |
| Finished goods | 118,999,719,626 | (5,190,723,370) | 135,657,942,168 | (3,830,598,869) |
| Merchandise | 33,790,177,322 | (1,212,725,251) | 45,657,689,724 | (1,367,871,837) |
| Total | 348,317,479,444 | (10,392,319,639) | 366,775,399,724 | (7,431,405,419) |

Inventories including materials and supplies, finished goods and merchandise with the value of VND 226,668,112,365 have been pledged as collaterals for the Company's bank loans (Note V.19).

Fluctuations in allowance for devaluation of inventories are as follows:

| | <u>Current year</u> | <u>Previous year</u> |
|---------------------------------------|-----------------------|----------------------|
| Beginning balance | 7,431,405,419 | 5,070,741,591 |
| Additional allowance | 2,960,914,220 | 5,054,755,899 |
| Other decrease (destruction of goods) | - | (2,694,092,071) |
| Ending balance | 10,392,319,639 | 7,431,405,419 |

8. Prepaid expenses

8a. Short-term prepaid expenses

| | Ending balance | Beginning balance |
|-----------------------------------|-----------------------|--------------------------|
| Expenses for tools | 1,473,915,790 | 1,433,153,991 |
| Insurance premiums | 601,263,390 | 474,689,911 |
| Expenses for software | 892,461,281 | 312,774,167 |
| Other short-term prepaid expenses | 243,428,151 | 170,807,921 |
| Total | 3,211,068,612 | 2,391,425,990 |

8b. Long-term prepaid expenses

| | Ending balance | Beginning balance |
|----------------------------------|-----------------------|--------------------------|
| Expenses for tools | 6,138,508,475 | 3,802,095,771 |
| Other long-term prepaid expenses | 6,074,019,612 | 4,372,776,515 |
| Total | 12,212,528,087 | 8,174,872,286 |

9. Tangible fixed assets

| | Buildings and structures | Machinery and equipment | Vehicles | Office equipment | Total |
|-------------------------|---------------------------------|--------------------------------|-----------------------|-------------------------|------------------------|
| Historical costs | | | | | |
| Beginning balance | 181,452,137,329 | 660,418,916,375 | 21,317,435,829 | 2,484,652,771 | 865,673,142,304 |
| Completed construction | 49,531,917,551 | - | 3,321,200,000 | 1,658,109,000 | 54,511,226,551 |
| Ending balance | 230,984,054,880 | 660,418,916,375 | 24,638,635,829 | 4,142,761,771 | 920,184,368,855 |

In which:

| | | | | | |
|---|----------------|-----------------|---------------|---------------|-----------------|
| Assets fully depreciated but still in use | 12,188,369,470 | 223,149,532,146 | 9,235,279,721 | 1,962,414,862 | 246,535,596,199 |
| Assets waiting for liquidation | - | 37,944,875,564 | - | 197,427,000 | 38,142,302,564 |

Depreciation

| | | | | | |
|------------------------------|-----------------------|------------------------|-----------------------|----------------------|------------------------|
| Beginning balance | 64,652,973,780 | 395,751,251,558 | 17,619,007,133 | 2,322,933,332 | 480,346,165,803 |
| Depreciation during the year | 7,159,098,267 | 22,823,838,193 | 1,235,892,318 | 68,361,272 | 31,287,190,050 |
| Ending balance | 71,812,072,047 | 418,575,089,751 | 18,854,899,451 | 2,391,294,604 | 511,633,355,853 |

Net book value

| | | | | | |
|-----------------------|------------------------|------------------------|----------------------|----------------------|------------------------|
| Beginning balance | 116,799,163,549 | 264,667,664,817 | 3,698,428,696 | 161,719,439 | 385,326,976,501 |
| Ending balance | 159,171,982,833 | 241,843,826,624 | 5,783,736,378 | 1,751,467,167 | 408,551,013,002 |

In which:

| | | | | | |
|--------------------------------|---|---|---|---|---|
| Assets temporarily not in use | - | - | - | - | - |
| Assets waiting for liquidation | - | - | - | - | - |

Some tangible fixed assets with the net book value of VND 260,049,030,924 have been pledged as collaterals for the Company's bank loans (Note V.19b).

10. Financial leased assets

These are machinery and equipment. Details are as follows:

| | Historical costs | Accumulated depreciation | Net book value |
|------------------------------|-----------------------|--------------------------|-----------------------|
| Beginning balance | 22,876,854,258 | (4,794,412,069) | 18,082,442,189 |
| Depreciation during the year | - | (4,568,902,825) | (4,568,902,825) |
| Ending balance | 22,876,854,258 | (9,363,314,894) | 13,513,539,364 |

11. Intangible fixed assets

| | Land use right | Computer software | Brand identity (*) | Total |
|---|--------------------|----------------------|--------------------|----------------------|
| Historical costs | | | | |
| Beginning balance | 203,067,927 | 4,396,358,200 | 988,680,000 | 5,588,106,127 |
| New acquisition | - | 252,262,440 | - | 252,262,440 |
| Ending balance | 203,067,927 | 4,648,620,640 | 988,680,000 | 5,840,368,567 |
| <i>In which:</i> | | | | |
| Assets fully amortized but still in use | - | 569,916,700 | - | 569,916,700 |
| Amortization | | | | |
| Beginning balance | - | 1,293,400,101 | 376,248,210 | 1,669,648,311 |
| Amortization during the year | - | 401,685,844 | 49,434,000 | 451,119,844 |
| Ending balance | - | 1,695,085,945 | 425,682,210 | 2,120,768,155 |
| Net book value | | | | |
| Beginning balance | 203,067,927 | 3,102,958,099 | 612,431,790 | 3,918,457,816 |
| Ending balance | 203,067,927 | 2,953,534,695 | 562,997,790 | 3,719,600,412 |
| <i>In which:</i> | | | | |
| Assets temporarily not in use | - | - | - | - |
| Assets waiting for liquidation | - | - | - | - |

(*) This is the brand identity of Cuu Long Pharmaceutical formed from 10 January 2016 with the amortization duration of 20 years.

12. Construction-in-progress

| | Beginning balance | Increase during the year | Transferred to fixed assets during the year | Other decrease | Ending balance |
|--|------------------------------|-------------------------------------|--|------------------------|---------------------------|
| Acquisition of fixed assets | 1,088,504,119 | 252,262,440 | (252,262,440) | (1,088,504,119) | - |
| Construction-in- progress | 327,571,789,787 | 69,959,650,453 | (54,511,226,551) | (3,107,300,000) | 339,912,913,689 |
| <i>Factory Project in Long An ⁽ⁱ⁾</i> | <i>176,931,494,667</i> | <i>9,135,419,386</i> | <i>-</i> | <i>-</i> | <i>186,066,914,053</i> |
| <i>Master Warehouse and RD Building Construction Project</i> | <i>16,777,663,812</i> | <i>40,840,862,739</i> | <i>(54,511,226,551)</i> | <i>(3,107,300,000)</i> | <i>-</i> |
| <i>Capsule Line 5 Project ⁽ⁱⁱ⁾</i> | <i>133,711,474,969</i> | <i>18,680,697,399</i> | <i>-</i> | <i>-</i> | <i>152,392,172,368</i> |
| <i>Other projects</i> | <i>151,156,339</i> | <i>1,302,670,929</i> | <i>-</i> | <i>-</i> | <i>1,453,827,268</i> |
| Total | 328,660,293,906 | 70,211,912,893 | (54,763,488,991) | (4,195,804,119) | 339,912,913,689 |

- (i) Factory Project in Long An implemented in accordance with the Investment Certificate No. 6037037488 dated 30 June 2022 granted by the Management Board of Long An Economic Zone, to produce drugs, pharmaceuticals and medical supplies, with the total investment capital of VND 1,035 billion.

In which, the land use right in Huu Thanh Industrial Park, Long An Province, with the value of VND 161.7 billion, has been used as collateral for the loan from Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) – Thanh An Branch (Note V.19).

- (ii) Capsule Line - Phase 5 Project aimed at expanding empty capsule production and increasing the factory's production capacity, with the total investment capital of VND 232.4 billion. The project has been put into operation since January 2025.

Total borrowing costs capitalized into construction-in-progress during the year are VND 18,550,062,021 (previous year: VND 15,094,476,009).

13. Deferred income tax assets

Deferred income tax assets are related to the temporarily deductible differences (accrued expenses). Details of increases/ (decreases) during the year are as follows:

| | Current year | Previous year |
|---------------------------------|----------------------|----------------------|
| Beginning balance | 2,714,898,105 | 2,748,027,818 |
| Transferred to business results | (665,985,078) | (33,129,713) |
| Ending balance | 2,048,913,027 | 2,714,898,105 |

The corporate income tax rate used for determining deferred income tax assets is 20% (previous year: 20%).

CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

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Notes to the Financial Statements (cont.)

14. Short-term trade payables

| | Ending balance | Beginning balance |
|---|-----------------------|-----------------------|
| <i>Payables to related parties</i> | 45,990,591,618 | 6,852,833,498 |
| F.I.T Group., JSC | 9,485,212,027 | 6,846,219,493 |
| F.I.T Vietnam Trading and Import Export Co., Ltd. | 36,505,379,591 | - |
| FIT Cosmetics JSC. | - | 6,614,005 |
| <i>Payables to other suppliers</i> | 48,667,583,882 | 55,033,743,591 |
| WW Investment JSC. | 14,817,760,462 | - |
| Nectar Lifesciences Company - India | 9,790,632,180 | - |
| Pharmascience INC | 4,429,061,442 | - |
| Amigo Vietnam Pharmaceuticals JSC. | - | 18,882,804,845 |
| IDICO Corporation - JSC | - | 8,893,500,000 |
| Bach Viet Pharmaceutical and Biological Technology JSC. | - | 5,222,495,518 |
| Shouguang Fukang Pharmaceutical Co., Ltd. | 3,285,858,600 | - |
| Dong Au Packaging Co., Ltd. | 1,203,523,812 | 3,688,573,863 |
| Other suppliers | 15,140,747,386 | 18,346,369,365 |
| Total | 94,658,175,500 | 61,886,577,089 |

15. Short-term advances from customers

| | Ending balance | Beginning balance |
|--|----------------------|----------------------|
| <i>Advances from related parties</i> | - | 4,587,192,966 |
| Benovas Pharmaceutical JSC. | - | 4,587,192,966 |
| <i>Advances from other customers</i> | 4,396,514,103 | 4,223,021,716 |
| Sagophar Pharmaceutical Corporation | 1,500,000,000 | 1,500,000,000 |
| Goldenlife Pharmaceutical Product JSC. | - | 1,100,000,000 |
| Bac Binh Pharmaceutical Co., Ltd. | 1,552,379,400 | - |
| Other customers | 1,344,134,703 | 1,623,021,716 |
| Total | 4,396,514,103 | 8,810,214,682 |

16. Taxes and other obligations to the State Budget**16a. Receivables**

| | Beginning balance | Amount offset during the year | Amount receivable during the year | Ending balance |
|----------------------|--------------------|-------------------------------|-----------------------------------|----------------------|
| VAT on imports | 248,641,067 | 248,641,062 | 1,027,656,488 | 1,027,656,493 |
| Import-export duties | 48,748,228 | 918,675,201 | 994,162,872 | 124,235,899 |
| Total | 297,389,295 | 1,167,316,263 | 2,021,819,360 | 1,151,892,392 |

16b. Payables

| | Beginning balance | Amount payable during the year | Amount already paid during the year | Ending balance |
|----------------------|-------------------|--------------------------------|-------------------------------------|----------------|
| VAT on imports | - | 22,533,975,393 | 22,533,975,393 | - |
| Corporate income tax | 12,873,015,444 | 10,119,489,723 | 12,885,786,899 | 10,106,718,268 |
| Personal income tax | 111,383,492 | 2,333,788,030 | 2,310,914,547 | 134,256,975 |

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Financial Statements (cont.)

| | Beginning balance | Amount payable during the year | Amount already paid during the year | Ending balance |
|--------------------------------------|-----------------------|--------------------------------------|---|-----------------------|
| Land rental | - | 1,372,498,155 | 1,372,498,155 | - |
| Other taxes | - | 1,076,106,763 | 1,076,106,763 | - |
| Fees, legal fees and other duties | - | 60,424,411 | 60,424,411 | - |
| Total | 12,984,398,936 | 37,496,282,475 | 40,239,706,168 | 10,240,975,243 |

Value added tax ("VAT")

The Company has to pay VAT in accordance with the deduction method. The VAT rates are as follows:

- VAT on pharmaceutical products, medical devices 5%
- VAT on other goods 8 - 10%

Import-export duties

The Company declares and pays these duties in line with the Customs' notices.

Corporate income tax ("CIT")

The Company has to pay CIT for taxable income at the rate of 20%. Estimated CIT payable during the year is as follows:

| | Current year | Previous year |
|--|-----------------------|-----------------------|
| Total accounting profit before tax | 53,164,055,226 | 64,201,856,619 |
| Increases/ (decreases) of accounting profit to determine income subject to tax: | (2,630,463,886) | 163,220,600 |
| <i>Expenses lacking invoices</i> | (3,329,925,389) | (165,648,562) |
| <i>Non-deductible expenses</i> | 371,851,882 | 48,328,515 |
| <i>Allowance for non-executive BOD, BOS</i> | 336,000,000 | 336,000,000 |
| <i>Unrealized exchange gain/loss of cash and receivables</i> | (8,390,379) | (55,459,353) |
| Taxable income | 50,533,591,340 | 64,365,077,219 |
| CIT rate | 20% | 20% |
| CIT payable | 10,106,718,268 | 12,873,015,444 |
| Adjustments of CIT of the previous years | 12,771,455 | 8,869,464 |
| Total CIT to be paid | 10,119,489,723 | 12,881,884,908 |

The determination of the Company's CIT liability is based on the prevailing regulations on taxes. However, these regulations may change from time to time and regulations applicable to variety of transactions can be interpreted differently. Therefore, the tax amount presented in the Financial Statements could change when being inspected by the Tax Office.

Property tax

Property tax is paid according to the notices of the tax department.

Other taxes

The Company declares and pays these taxes according to prevailing regulations.

CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

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Notes to the Financial Statements (cont.)**17. Short-term accrued expenses**

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|-----------------------------------|-----------------------|--------------------------|
| Accrued loan interest expenses | 569,014,285 | 619,810,557 |
| Expenses for sale support | 4,957,712,548 | 6,669,283,466 |
| Other short-term accrued expenses | 4,127,289,391 | 5,694,847,590 |
| Total | 9,654,016,224 | 12,983,941,613 |

18. Other short-term payables

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|-----------------------|--------------------------|
| <i>Payables to related parties</i> | <i>1,088,504,119</i> | <i>1,168,917,407</i> |
| F.I.T Group., JSC – Payments on behalf | 1,088,504,119 | 1,168,917,407 |
| <i>Payables to other organizations and individuals</i> | <i>1,215,966,710</i> | <i>59,591,972,126</i> |
| Excessive assets awaiting resolution | 172,739,856 | 172,739,856 |
| Trade Union's expenditure | 206,550,269 | 198,345,051 |
| Payables for the First-instance Judgment ⁽ⁱ⁾ | - | 58,431,883,500 |
| Dividends payable | 83,802,660 | 83,802,660 |
| Other short-term payables | 752,873,925 | 705,201,059 |
| Total | 2,304,470,829 | 60,760,889,533 |

⁽ⁱ⁾ According to the First-instance Judgment No. 482/2022/HSST dated 24 November 2022 of the Hanoi People's Court, the criminal acts of the individuals (who were former managers of the Company in the 2006 - 2008 period) caused the damage of USD 3,848,000 equivalent to VND 61,692,238,500 to the Ministry of Health, of which, the individuals compensated VND 3,260,355,000 and Cuu Long Pharmaceutical Joint Stock Company was ordered to pay the Ministry of Health VND 58,431,883,500 as compensation. As at 31 December 2024, the Company fully paid the compensation according to the Judgement.

19. Borrowings and financial leases**19a. Short-term borrowings and financial leases**

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|------------------------|--------------------------|
| <i>Short-term loans from banks (*)</i> | <i>394,064,014,870</i> | <i>349,732,285,742</i> |
| Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV") – Vinh Long Branch | 77,041,198,112 | 44,822,032,431 |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank") – Vinh Long Branch | 149,913,373,175 | 123,735,807,862 |
| Military Commercial Joint Stock Bank ("MBBank") – Can Tho Branch | 70,835,140,456 | 99,071,998,935 |
| Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank") – Thanh An Branch | 96,274,303,127 | 82,102,446,514 |
| <i>Current portions of long-term loans (Note V.19b)</i> | <i>61,265,624,004</i> | <i>51,646,084,004</i> |
| Vietcombank – Vinh Long Branch | 22,000,000,000 | 18,000,000,000 |
| Vietinbank -- Thanh An Branch | 30,425,000,004 | 30,425,000,004 |
| BIDV – Vinh Long Branch | 8,840,624,000 | 3,221,084,000 |
| <i>Current portions of financial leases - Vietinbank Leasing Co., Ltd. (Note V.19b)</i> | <i>24,544,084,140</i> | <i>20,758,283,640</i> |
| Total | 479,873,723,014 | 422,136,653,386 |

- (*) These are the short-term loans from banks to supplement working capital for business activities. Details are as follows:

| <i>Bank</i> | <i>Credit limit</i> | <i>Term</i> | <i>Interest rate (per year)</i> |
|--|---------------------|------------------|-------------------------------------|
| BIDV – Vinh Long Branch ⁽ⁱ⁾ | VND 100 billion | Within 12 months | 4.7% |
| Vietcombank – Vinh Long Branch ⁽ⁱⁱ⁾ | VND 150 billion | Within 12 months | 4.6% |
| MBBank – Can Tho Branch ⁽ⁱⁱⁱ⁾ | VND 100 billion | Within 12 months | 5.1% - 5.56% |
| Vietinbank – Thanh An Branch ^(iv) | VND 200 billion | Within 12 months | 4.8% |

- (i) Collaterals are the Company's term deposit contracts (Note V.2a).
(ii) The loan is secured by the Company's assets including construction works, future-formed machinery and equipment from the Capsule 3 Project, future-formed machinery and equipment from the Capsule Factory - Phase 4 Expansion Project, circulating inventories with the value of VND 30 billion and term deposit contracts.
(iii) Collaterals are the Company's term deposit contracts and inventories.
(iv) The loan is secured by the Company's term deposit contracts, inventories and tangible fixed assets.

Details of increases/ (decreases) in short-term borrowings and financial leases during the year are as follows:

| | Short-term loans from banks | Current portions of long- term loans | Current portions of financial leases | Total |
|--|--|---|---|------------------------|
| Beginning balance | 349,732,285,742 | 51,646,084,004 | 20,758,283,640 | 422,136,653,386 |
| Amount of loans incurred | 1,041,031,810,393 | - | - | 1,041,031,810,393 |
| Transfer from long-term borrowings and financial leases | - | 62,920,166,004 | 24,669,784,140 | 87,589,950,144 |
| Amount of loans repaid | (996,700,081,265) | (53,300,626,004) | (20,883,983,640) | (1,070,884,690,909) |
| Ending balance | 394,064,014,870 | 61,265,624,004 | 24,544,084,140 | 479,873,723,014 |

19b. Long-term borrowings and financial leases

| | Ending balance | Beginning balance |
|--|------------------------|--------------------------|
| Long-term loans from banks | 77,033,105,638 | 109,737,420,255 |
| Vietcombank – Vinh Long Branch ⁽ⁱ⁾ | 30,264,825,167 | 52,264,825,167 |
| Vietinbank – Thanh An Branch ⁽ⁱⁱ⁾ | 20,246,413,320 | 44,588,259,324 |
| BIDV – Vinh Long Branch ⁽ⁱⁱⁱ⁾ | 26,521,867,151 | 12,884,335,764 |
| Financial leases – Vietinbank Leasing Co., Ltd. ^(iv) | 96,872,822,835 | 98,855,900,600 |
| Total | 173,905,928,473 | 208,593,320,855 |

- (i) This is the loan from Vietcombank – Vinh Long Branch in 2021 to invest in the “Capsule Production Factory - Phase 4” Project at No. 21B Phan Dinh Phung, Ward 8, Vinh Long City, Vinh Long Province; with the credit limit of VND 140,000,000,000, but not exceeding 70% of the total investment of the Project (excluding VAT), the maximum term of 72 months starting from the first disbursement date to the maturity date as specified in the bill of debt. The loan interest rate ranges from 7.3% per year. The loan is secured by the Company’s assets including construction works, future-formed machinery and equipment from the Capsule 3 Project.
- (ii) This is the loan from Vietinbank – Thanh An Branch in 2022 to pay land rental of Indico Corporation at Huu Thanh Industrial Park, Long An Province; with the credit limit of VND 121,700,000,000, the maximum term of 48 months starting from the day after the first disbursement date, the interest rate of 9.2% per year. The loan is secured by the Land Use Right Certificate of the land lot (Note V.12).
- (iii) This is the loan from BIDV – Vinh Long Branch in 2023 to invest in the “Pharmaceutical Warehouse and GSP/GLP standard R&D Building” Project; with the credit limit of VND 59,000,000,000, the maximum term of 60 months starting from the first disbursement date, the interest rate of 7.8% per year. The loan is secured by the Land use right at Group 6, Ward 5, Vinh Long City, Vinh Long Province and the future-formed assets of this project.
- (iv) This is the financial lease from Vietinbank Leasing Co., Ltd. arising from the agreements signed in 2022 and 2023 to lease machinery and equipment, capsule production line, refrigerator trucks and HVAC system for Capsule Factory - Phase 5, with the lease term from 5 to 7 years, the interest rate ranging from 9.5% to 11% per year.

Among these, the financial lease contracts for capsule production line and HVAC system for Capsule Factory - Phase 5, valued VND 138,270,000,000 and VND 35,032,904,500 respectively have been disbursed as advances to the Company but have not yet formed assets; therefore, they have not been recorded as financial leased assets as of the balance sheet date.

Repayment schedule of long-term borrowings and financial leases is as follows:

| | Ending balance | Beginning balance |
|------------------------|------------------------|--------------------------|
| From or under 1 year | 85,809,708,144 | 72,404,367,644 |
| Over 1 year to 5 years | 167,470,524,598 | 208,593,320,855 |
| Over 5 years | 6,435,403,875 | - |
| Total | 259,715,636,617 | 280,997,688,499 |

Total financial leases payable is as follows:

| | From or under 1 year | Over 1 year to 5 years | Over 5 years | Total |
|---------------------------------|---------------------------------|-----------------------------------|----------------------|------------------------|
| Ending balance | | | | |
| Principal | 24,544,084,140 | 90,437,418,960 | 6,435,403,875 | 121,416,906,975 |
| Interest | 10,479,546,246 | 19,262,617,901 | 221,730,399 | 29,963,894,546 |
| Financial leases payable | 35,023,630,386 | 109,700,036,861 | 6,657,134,274 | 151,380,801,521 |
| Beginning balance | | | | |
| Principal | 20,758,283,640 | 98,855,900,600 | - | 119,614,184,240 |
| Interest | 10,967,457,576 | 24,356,977,567 | - | 35,324,435,143 |
| Financial leases payable | 31,725,741,216 | 123,212,878,167 | - | 154,938,619,383 |

Details of increases/ (decreases) in long-term borrowings and financial leases are as follows:

| | Long-term loans from banks | Financial leases | Total |
|--|---------------------------------------|-------------------------|------------------------|
| Beginning balance | 109,737,420,255 | 98,855,900,600 | 208,593,320,855 |
| Amount of loans incurred | 30,215,851,387 | 25,166,120,000 | 55,381,971,387 |
| Amount of loan repaid | - | (2,479,413,625) | (2,479,413,625) |
| Transfer to short-term borrowings and financial leases | (62,920,166,004) | (24,669,784,140) | (87,589,950,144) |
| Ending balance | 77,033,105,638 | 96,872,822,835 | 173,905,928,473 |

19c. Overdue borrowings and financial leases

The Company has no overdue borrowings and financial leases.

20. Bonus and welfare funds

| | Current year | Previous year |
|---|----------------------|----------------------|
| Beginning balance | 4,144,325,453 | 2,847,455,553 |
| Increase due to appropriation from profit | 2,000,000,000 | 3,000,000,000 |
| Disbursement | (2,715,275,492) | (1,703,130,100) |
| Ending balance | 3,429,049,961 | 4,144,325,453 |

21. Owner's equity

21a. Statement of changes in owner's equity

| | Owner's contribution capital | Share premiums | Retained earnings | Construction investment fund | Total |
|---|---------------------------------|-------------------|----------------------|---------------------------------|-------------------|
| Beginning balance of the previous year | 730,410,300,000 | 220,358,863,743 | 354,582,249,894 | 20,166,850 | 1,305,371,580,487 |
| Profit of the previous year | - | - | 51,286,841,998 | - | 51,286,841,998 |
| Appropriation for bonus and welfare funds | - | - | (3,000,000,000) | - | (3,000,000,000) |
| Ending balance of the previous year | 730,410,300,000 | 220,358,863,743 | | 20,166,850 | 1,353,658,422,485 |
| Beginning balance of the current year | 730,410,300,000 | 220,358,863,743 | 402,869,091,892 | 20,166,850 | 1,353,658,422,485 |
| Profit of the year | - | - | 42,378,580,425 | - | 42,378,580,425 |
| Appropriation for bonus and welfare funds | - | - | (2,000,000,000) | - | (2,000,000,000) |
| Other increase (*) | - | - | 255,770,652 | - | 255,770,652 |
| Ending balance of the current year | 730,410,300,000 | 220,358,863,743 | 443,503,442,969 | 20,166,850 | 1,394,292,773,562 |

(*) This is the discrepancy in the amount payable to the Ministry of Health between the first-instance and appellate judgments of the Hanoi People's Court.

21b. Details of owners' contribution capital

| | Ending balance | Beginning balance |
|--------------------|-----------------|-------------------|
| F.I.T Group., JSC | 424,026,160,000 | 424,026,160,000 |
| Other shareholders | 306,384,140,000 | 306,384,140,000 |
| Total | 730,410,300,000 | 730,410,300,000 |

21c. Shares

| | Ending balance | Beginning balance |
|---|----------------|-------------------|
| Number of shares registered to be issued | 73,041,030 | 73,041,030 |
| Number of ordinary shares already issued | 73,041,030 | 73,041,030 |
| Number of outstanding ordinary shares | 73,041,030 | 73,041,030 |
| Face value per outstanding share: VND 10,000. | | |

21d. Profit distribution

During the year, the Company distributed the profit in accordance with the Resolution of 2024 Annual General Meeting of Shareholders No. 01/2024/NQ-DHDCD dated 25 April 2024 as follows:

| | VND |
|---|---------------|
| • Appropriation for bonus and welfare funds | 2,000,000,000 |

22. Off-Balance Sheet items

22a. Foreign currencies

| | Ending balance | Beginning balance |
|-----------------|----------------|-------------------|
| US Dollar (USD) | 8,975.76 | 6,882.54 |

22b. Resolved doubtful debts from 1 January 2023 to 31 December 2024

According to the Resolution of 2023 Annual General Meeting of Shareholders of Cuu Long Pharmaceutical Joint Stock Company No. 01/2023/NQ-DHDCD dated 17 April 2023 and the Proposal No. 07/2023/TT-DHDCD dated 13 April 2023, the Company wrote off debts for some longtime and unrecoverable doubtful debts arising from 2015, as follows:

| | Ending balance | Beginning balance |
|--|-----------------------|--------------------------|
| Thien Son Pharmaceutical Co., Ltd. | 16,428,897,499 | 16,428,897,499 |
| MSC Joint Venture Company (Laos) | 6,409,912,464 | 6,409,912,464 |
| Hai Tam Pharmaceutical Co., Ltd. | 4,975,554,629 | 4,975,554,629 |
| Medical Supply Pharm Enterprise (Cambodia) | 3,416,271,572 | 3,416,271,572 |
| Drug Sivilay Import Export Co. (Laos) | 1,310,050,560 | 1,310,050,560 |
| Others | 3,622,105,757 | 3,622,105,757 |
| Total | 36,162,792,481 | 36,162,792,481 |

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT**1. Revenue from sales of merchandise and rendering of services****1a. Gross revenue**

| | Current year | Previous year |
|--------------------------------------|--------------------------|--------------------------|
| Revenue from sales of merchandise | 572,035,523,132 | 384,601,488,261 |
| Revenue from sales of finished goods | 703,218,822,983 | 742,630,971,306 |
| Total | 1,275,254,346,115 | 1,127,232,459,567 |

1b. Revenue from sales of merchandise and rendering of services to the related parties

Note VII.1.

2. Revenue deductions

| | Current year | Previous year |
|------------------|-----------------------|-----------------------|
| Trade discounts | 11,912,417,319 | 11,050,969,755 |
| Sales returns | 6,295,452,843 | 17,136,089,719 |
| Sales allowances | 3,877,144 | 198,491,808 |
| Total | 18,211,747,306 | 28,385,551,282 |

3. Costs of sales

| | Current year | Previous year |
|--|--------------------------|------------------------|
| Costs of merchandise sold | 540,724,008,211 | 354,388,431,956 |
| Costs of finished goods sold | 561,312,318,051 | 569,957,086,116 |
| Allowance for devaluation of inventories | 2,960,914,220 | 5,054,755,899 |
| Total | 1,104,997,240,482 | 929,400,273,971 |

4. Financial income

| | <u>Current year</u> | <u>Previous year</u> |
|--|------------------------------|------------------------------|
| Interests from bank deposits in banks | 5,588,948,821 | 6,160,452,904 |
| Profit from investment cooperation contracts | 15,659,497,013 | 21,005,140,857 |
| Exchange gain arising from transactions in foreign currencies | 274,730,039 | 342,253,940 |
| Exchange gain due to revaluation of monetary items in foreign currencies | - | 6,251,088 |
| Total | <u>21,523,175,873</u> | <u>27,514,098,789</u> |

5. Financial expenses

| | <u>Current year</u> | <u>Previous year</u> |
|--|------------------------------|------------------------------|
| Interest expenses | 25,386,683,521 | 27,302,636,568 |
| Expenses for investment cooperation contracts | - | 1,104,497,260 |
| Exchange loss arising from transactions in foreign currencies | 106,456,103 | 3,053,481,847 |
| Exchange loss due to revaluation of monetary items in foreign currencies | 15,900,063 | - |
| Total | <u>25,509,039,687</u> | <u>31,460,615,675</u> |

6. Selling expenses

| | <u>Current year</u> | <u>Previous year</u> |
|---|------------------------------|------------------------------|
| Labor costs | 23,116,799,350 | 26,035,690,471 |
| Materials, packaging | 433,753,903 | 381,916,545 |
| Depreciation/amortization of fixed assets | 2,005,949,126 | 1,673,777,151 |
| Expenses for external services | 25,349,659,361 | 33,268,778,836 |
| <i>Expenses for sale support</i> | <i>4,063,461,919</i> | <i>6,599,415,399</i> |
| <i>Expenses for transportation</i> | <i>12,505,939,409</i> | <i>10,571,158,635</i> |
| <i>Other expenses for external services</i> | <i>8,780,258,033</i> | <i>16,098,204,802</i> |
| Other expenses | 2,701,488,896 | 2,005,194,097 |
| Total | <u>53,607,650,636</u> | <u>63,365,357,100</u> |

7. General and administration expenses

| | <u>Current year</u> | <u>Previous year</u> |
|--|------------------------------|------------------------------|
| Labor costs | 20,110,666,485 | 19,640,983,029 |
| Materials and supplies | 1,648,908,275 | 341,402,704 |
| Depreciation/amortization of fixed assets | 651,068,557 | 868,912,467 |
| Allowance/(Reversal of allowance) for doubtful debts | 736,268,559 | (1,284,700,633) |
| Expenses for external services | 17,025,394,911 | 17,666,496,475 |
| Other expenses | 1,222,963,285 | 1,657,732,641 |
| Total | <u>41,395,270,072</u> | <u>38,890,826,683</u> |

8. Earnings per share

Information on earnings per share is presented in the Consolidated Financial Statements.

9. Operating costs by factors

| | <u>Current year</u> | <u>Previous year</u> |
|---|------------------------|------------------------|
| Materials and supplies | 610,457,521,152 | 627,515,091,970 |
| Labor costs | 99,801,565,389 | 106,017,159,404 |
| Depreciation/amortization of fixed assets | 36,307,212,719 | 36,457,157,018 |
| Expenses for external services | 80,786,594,519 | 99,725,315,633 |
| Other expenses | 26,291,860,859 | 6,976,695,346 |
| Total | 853,644,754,638 | 876,691,419,371 |

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CASH FLOW STATEMENT

During the year, the Company has the following non-cash transactions:

| | <u>Current year</u> | <u>Previous year</u> |
|--|---------------------|----------------------|
| Acquisition of assets through financial leases | - | 1,908,068,091 |

VII. OTHER DISCLOSURES

1. Transactions and balances with related parties

The related parties of the Company include the key managers, their related individuals and other related parties.

1a. Transactions and balances with the key managers and their related individuals

The key managers include the members of the Board of Directors ("BOD"), the Board of Supervisors ("BOS"), the Board of Management ("BOM") and the Chief Accountant. The key managers' related individuals are their close family members.

The Company has transactions with the key managers and their related individuals as follows:

| | <u>Current year</u> | <u>Previous year</u> |
|-------------------|---------------------|----------------------|
| Advance | - | 222,193,159 |
| Refund of advance | - | 319,193,159 |

Receivables from the key managers and their related individuals are presented in Note V.5.

Compensation of the key managers

| | | <u>Salary</u> | <u>Allowance</u> | <u>Total compensation</u> |
|------------------------|------------------------------------|---------------|------------------|---------------------------|
| Current year | | | | |
| Mr. Nguyen Van Sang | BOD Chairman | - | 60,000,000 | 60,000,000 |
| Mr. Nguyen Ngoc Bich | BOD Member (to 25 April 2024) | - | 16,000,000 | 16,000,000 |
| Mr. Nguyen Ninh Dung | BOD Member | - | 48,000,000 | 48,000,000 |
| Ms. Bui Hong Hanh | BOD Member | - | 48,000,000 | 48,000,000 |
| Ms. Tuong Thi Thu Hanh | BOD Member (to 25 April 2024) | - | 16,000,000 | 16,000,000 |
| Ms. Nguyen Ngoc Mai | BOD Member (from 25 April 2024) | - | 32,000,000 | 32,000,000 |
| Mr. Pham Van Ngoc | BOD Member (from 25 April 2024) | - | 32,000,000 | 32,000,000 |

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Financial Statements (cont.)

| | | Salary | Allowance | Total compensation |
|--------------------------|--|----------------------|--------------------|----------------------|
| Ms. Nguyen Thi Thu Huong | Head of BOS (from 2 May 2024) | - | 24,000,000 | 24,000,000 |
| Ms. Phan Thi Hoa | Head of BOS (to 2 May 2024)/BOS Member (from 2 May 2024) | - | 28,000,000 | 28,000,000 |
| Ms. Pham Thi Hue | BOS Member | - | 24,000,000 | 24,000,000 |
| Ms. Le Thi Thuong | BOS Member (to 2 May 2024) | - | 8,000,000 | 8,000,000 |
| Mr. Nguyen Van Ban | General Director (from 1 August 2024) | 21,744,445 | - | 21,744,445 |
| Mr. Luong Trong Hai | General Director (to 1 August 2024) | 493,288,000 | - | 493,288,000 |
| Mr. Nghiem Xuan Truong | Deputy General Director (to 29 November 2024) | 1,130,270,382 | - | 1,130,270,382 |
| Mr. Nguyen Trong Duc | Deputy General Director | 109,551,341 | - | 109,551,341 |
| Ms. Tran Khiem | Deputy General Director (to 1 July 2024) | 330,450,000 | - | 330,450,000 |
| Total | | 2,085,304,168 | 336,000,000 | 2,421,304,168 |

Previous year

| | | | | |
|------------------------|-------------------------|----------------------|--------------------|----------------------|
| Mr. Nguyen Van Sang | BOD Chairman | - | 60,000,000 | 60,000,000 |
| Mr. Nguyen Ngoc Bich | BOD Member | - | 48,000,000 | 48,000,000 |
| Mr. Nguyen Ninh Dung | BOD Member | - | 48,000,000 | 48,000,000 |
| Ms. Bui Hong Hanh | BOD Member | - | 48,000,000 | 48,000,000 |
| Ms. Tuong Thi Thu Hanh | BOD Member | - | 48,000,000 | 48,000,000 |
| Ms. Phan Thi Hoa | Head of BOS | - | 36,000,000 | 36,000,000 |
| Ms. Pham Thi Hue | BOS Member | - | 24,000,000 | 24,000,000 |
| Ms. Le Thi Thuong | BOS Member | - | 24,000,000 | 24,000,000 |
| Mr. Luong Trong Hai | General Director | 796,826,918 | - | 796,826,918 |
| Mr. Nghiem Xuan Truong | Deputy General Director | 962,150,747 | - | 962,150,747 |
| Mr. Nguyen Trong Duc | Deputy General Director | 128,574,582 | - | 128,574,582 |
| Ms. Tran Khiem | Deputy General Director | 310,302,688 | - | 310,302,688 |
| Total | | 2,197,854,935 | 336,000,000 | 2,533,854,935 |

Ib. Transactions and balances with other related parties

| Name | Relationship |
|---|----------------|
| F.I.T Group., JSC ("FIT") | Parent Company |
| Pharmaceutical and Medical Equipment Production Trading and Import-Export Joint Venture Company | Subsidiary |
| VPC - Saigon Pharmaceutical Co., Ltd. | Subsidiary |
| Benovas Pharmaceutical JSC. | Subsidiary |
| Benovas Medical Devices JSC. | Subsidiary |
| Benovas Oncology JSC. | Subsidiary |

| Name | Relationship |
|---|---------------------------------------|
| F.I.T Viet Nam Trading and Import Export Co., Ltd. | Company in FIT's Group |
| Techno - Agricultural Supplying JSC. | Company in FIT's Group |
| F.I.T Land Investment JSC. | Company in FIT's Group |
| Westfood Exporting and Processing JSC. | Company in FIT's Group |
| TSC Seeds JSC. | Company in FIT's Group |
| FIT Consumer JSC. | Company in FIT's Group |
| Nong Tin Seeds Corporation | Company in FIT's Group |
| Westfood Hau Giang JSC. | Company in FIT's Group |
| Khanh Hoa Mineral Water JSC. | Company in FIT's Group |
| FIT Cosmetics JSC. | Related party of the General Director |
| Mui Dinh Ecopark JSC. | Related party of the BOD Member |
| Today Cosmetics JSC. | Related party of the General Director |
| Dung Tam Investment JSC. | Related party of the BOD Member |
| Domesco Medical Import - Export Joint Stock Corporation | Related party of the General Director |

Transactions between the Company and other related parties are as follows:

| | Current year | Previous year |
|--|-----------------|-----------------|
| <i>F.I.T Group., JSC</i> | | |
| Use of office lease services and consulting fees | 9,100,445,550 | 9,074,561,293 |
| <i>Benovas Pharmaceutical JSC.</i> | | |
| Revenue from sales of merchandise | 397,443,644,333 | 319,454,003,783 |
| Sales return | 3,963,278,930 | 12,774,079,872 |
| Expenses for sale support | 2,695,845,232 | - |
| <i>Benovas Medical Devices JSC.</i> | | |
| Principal of investment cooperation contract repaid by the subsidiary | 12,800,000,000 | - |
| Loan interest payable to the subsidiary | - | 1,104,497,260 |
| Cash disbursed to the subsidiary under investment cooperation contract | 13,010,000,000 | 13,050,000,000 |
| Profit of investment cooperation contract receivable from the subsidiary | 412,392,329 | 119,897,261 |
| <i>VPC - Saigon Pharmaceutical Co., Ltd.</i> | | |
| Cash disbursed to the subsidiary under investment cooperation contract | 6,305,979,452 | 50,000,000,000 |
| Profit of investment cooperation contract receivable from the subsidiary | 15,247,104,684 | 20,885,243,596 |
| <i>FIT Cosmetics JSC.</i> | | |
| Purchase of merchandise from the related party | 267,248,118 | 202,676,310 |
| <i>F.I.T Viet Nam Trading and Import Export Co., Ltd.</i> | | |
| Purchase of merchandise from the related party | 148,027,476,988 | - |
| <i>Domesco Medical Import - Export Joint Stock Corporation</i> | | |
| Purchase of merchandise from the related party | 110,221,873,266 | 238,512,039,365 |

| | <u>Current year</u> | <u>Previous year</u> |
|--|---------------------|----------------------|
| Revenue from sales of merchandise to the related party | 10,724,016,500 | 16,762,581,000 |
| <i>Westfood Exporting and Processing JSC.</i> | | |
| Purchase of merchandise from the related party | - | 192,042,500 |

Receivables from and payables to other related parties

Receivables from and payables to other related parties are presented in Notes V.3, V.5, V.14, V.15 and V.18.

2. Segment information

The Company's principal business activities are producing and trading pharmaceuticals which are conducted within the territory of Vietnam. As such, the risks and returns associated with the Company are not significantly impacted by differences in business segments or geographical locations. The Board of Management has determined that the Company operates in a single business segment and a single geographical segment. Therefore, the Company does not present segment reporting by business segments or geographical segments.

3. Subsequent events

There have been no material events after the balance sheet date, which require to make adjustments on the figures or to be disclosed in the Financial Statements.

Prepared on 19 March 2025

Prepared by



Bui Thi My Dang

Chief Accountant



Bui Thi My Dang

General Director



Nguyen Van Ban

