**YTC: Auditor's Report on using capital 2024**

On August 22, 2024, Ho Chi Minh City Medial Import Export Joint Stock Company announced the Report on using capital from June 18, 2024 to July 3, 2024 as follows:

1. Information about the share offering for existing shareholders to increase charter capital
2. Basis for share issuance to increase charter capital

The share issuance increased charter capital by VND64,680,000,000 (from VND30,800,000,000 to VND95,480,000,000) and the share premium bonus by VND64,157,200,000 (from VND0 to VND64,157,200,000) is implemented in accordance with:

* Annual General Mandate 2023 No. 02/2023/NQ-DHDCD dated June 17, 2023, on approving the plan on the share offering for existing shareholders to increase charter capital;
* Board Resolution No. 18/2023/NQ-HDQT dated November 10, 2023, on approving the detailed implementation of the plan on share issuance for existing shareholders;
* Certificate of Registration for Public Offering No. 27/GCN-UBCK dated March 29, 2024, of the State Securities Commission of Vietnam.

1. Information about the share offering for existing shareholders to increase charter capital

* Expected number of offered shares: 6,468,000 shares.
* Offering price: VND20,000/share
* Offering method: Offer shares for existing shareholders:
* Eligible buyers: Existing shareholders on the list of shareholders prepared by the Vietnam Securities Depository and Clearing Corporation at the record date to exercise the right to purchase shares offered for existing shareholders.
* Distribution method: Shares are distributed to existing shareholders according to the method of exercising the rights to purchase shares.
* Right exercise rate: 100:210 (shareholders owning 01 share will receive 01 purchase right and for every 100 purchase rights, they will be entitled to purchase 210 new shares).
* Issuance time: Expected in Q1/2024, after the State Securities Commission of Vietnam issues a Certificate of Registration for the offering of additional shares.
* Offering purposes: Supplement business capital and restructure capital sources.
* Detailed plan on using capital:
* Supplement working capital to pay for purchases of suppliers: VND29,360,000,000, expected to be disbursed after the end of the offering, expected in Q1/2024 - Q2/2024;
* Payment of bank loans: VND100,000,000,000, expected to be disbursed after the end of the offering, expected in 2024.
* Plan for handling remaining undistributed shares:

Remaining undistributed shares include: (1) number of shares that shareholders do not exercise their rights to buy; (2) number of fractional shares resulting from rounding down when calculating the shares to be purchased by existing shareholders; (3) the difference in shares arising between the total number of shares requested for offering (6,468,000 shares) and the total number of shares actually incurred with the right exercise rate (if any). The Board of Directors has the right to distribute all shares to the Company's shareholders or others in a reasonable manner with conditions no more favorable than those offered to existing shareholders and these shares will be restricted from transfer within 01 year from the completion date of the offering, except in the case where these shares are underwritten by an organization according to the Commitment in the underwriting contract. The distribution of unsold shares must comply with the provisions of Article 42 of Decree 155/2020/ND-CP dated December 31, 2020 of the Government and Article 195 of the Law on Enterprises

The Board of Directors decides to select the list of investors and decides the number of undistributed shares to be distributed to each investor based on the following specific criteria:

* Officers and employees of the Company;
* Or other organizations or individuals with financial capacity (not limited to shareholders of the Company).

In case after the Board of Directors has handled as above, there are still undistributed shares, the underwriting organization will purchase all remaining shares at a price of VND20,000/share.

* Transfer restriction conditions:
* Shares issued to existing shareholders are common shares and are freely transferable;
* The remaining undistributed shares are redistributed by the Board of Directors to other subjects and are subject to transfer restrictions within 01 year from the completion date of the offering;
* In case the Board of Directors has not offered all the remaining undistributed shares, the underwriting organization commits to purchase all the remaining undistributed shares in this offering of additional shares of the Company, the shares purchased by the underwriting organization according to the Commitment in the underwriting contract will not be subject to transfer restrictions.
* Transfer of share purchase rights: The owner of the purchase rights can transfer their share purchase rights to another person according to the agreement of the two parties. The purchase rights can only be transferred once within the prescribed period and cannot be transferred to a third party.
* Plan on using additional capital:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Plan on the capital use | Expect amount (VND) | Expected disbursement time |
| 1 | Supplement working capital to pay for purchases of suppliers | 29,360,000,000 | After the end of the offering, expected in Q1/2024 - Q2/2024 |
| 2 | Payment of bank loans | 100,000,000,000 | After the end of the offering, expected in 2024 |
|  | Total | 129,360,000,000 |  |

1. Actual implementation

Based on the plan approved by the General Meeting of Shareholders, the Company has issued shares to increase charter capital in the period from October 11, 2023 to June 17, 2024. On June 17, 2024, the Company sent the Report on the results of the offering for existing shareholders to the State Securities Commission of Vietnam with the following details:

* Number of distributed shares: 6,468,000 shares
* Type of shares: Common shares
* Offering price: VND20,000/share
* Total number of investors participating in the purchase of shares: 95 investors
* Total proceeds: VND129,360,000,000

On June 17, 2024, the State Securities Commission of Vietnam announced that it had received the Report on the results of the share issuance of the Company.

The Company is carrying out necessary procedures to change the Business Registration Certificate according to the new capital.

1. Status on using capital as of July 3, 2024

The proceeds from the share offering for existing shareholders to increase charter capital by VND64,680,000,000 (from VND30,800,000,000 to VND95,480,000,000) and the share premium bonus by VND64,157,200,000 (from VND0 to VND64,157,200,000) have been used by the Company as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| According to the issuance plan | | Actual use | | |
| Purpose of use | Expected usage amount (VND) | Usage content | Used amount (VND) | Use time |
| Payment of bank loans | 100,000,000,000 | Loan payment according to Acknowledgment of Debt No. 1046639145 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 1,025,519,466 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 1046612295 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 1,014,540,000 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 1046148547 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 776,642,785 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 1046087392 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 1,646,063,000 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 1046086615 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 3,899,748,524 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 1045379473 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 1,637,126,000 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 1044600073 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 8,265,807,873 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 1044186851 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 2,146,626,250 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 1043911726 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 1,695,903,363 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 1043544097 of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch | 1,892,022,739 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 400001188587 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 1,760,447,000 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 406001237575 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 944,304,750 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 400001245397 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 1,853,790,780 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 403001290918 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 2,127,545,784 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 407001336302 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 2,573,565,995 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 409001370141 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 837,843,200 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 408001377976 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 2,223,004,819 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 409001393377 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 769,519,961 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 406001424988 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 741,236,105 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 403001448936 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 1,889,634,693 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 406001457907 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 1,235,101,000 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 402001457898 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 814,912,000 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 409001458227 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 14,057,206,534 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 406001465058 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 930,811,338 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 405001486440 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 4,417,819,200 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 407001493459 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 1,074,495,675 | June 18, 2024 |
| Partial payment of loan according to Acknowledgment of Debt No. 404001501585 of Joint Stock Commercial Bank for Investment and Development of Vietnam - Saigon Branch | 2,748,761,166 | June 18, 2024 |
| Partial payment of loan according to Acknowledgment of Debt No. 29/441/2023/0131/KUNN-DN/PGBankSG of Prosperity and Growth Commercial Joint Stock Bank - Saigon Branch | 3,712,000,000 | June 18, 2024 |
| Loan payment according to Acknowledgment of Debt No. 30/441/2023/0131/KUNN- DN/PGBankSG of Prosperity and Growth Commercial Joint Stock Bank - Saigon Branch | 28,133,059,500 | June 18, 2024 |
|  |  | Partial payment of loan according to Acknowledgment of Debt No. 31/441/2023/0131/KUNN-DN/PGBankSG of Prosperity and Growth Commercial Joint Stock Bank - Saigon Branch | 3,154,940,500 | June 18, 2024 |
| Total (1) |  |  | 100,000,000,000 |  |
| Supplement working capital to pay for purchases of suppliers | 29,360,000,000 | Payment of LC No. LI23B14129 supplier HCP Healthcare Asia Pte., Ltd with an amount of USD66,200, an exchange rate of 25,460 | 1,685,452,000 | June 20, 2024 |
| Payment LC No. ILC2400404, ILC2400406 of supplier Kable International Pte. Ltd with an amount of USD53,744.28, an exchange rate of 25,465 | 1,368,598,090 | June 24, 2024 |
| Payment TTR with an amount of EUR32,700, an exchange rate of 27,370, Contract No. 03/2024-YTECO/BELASIA, supplier Belasia Limited. | 894,999,000 | June 24, 2024 |
| Payment of LC No. LI24B06536, supplier Medochemie Ltd. with an amount of USD212,560, an exchange rate of 25,465 | 5,412,840,400 | June 25, 2024 |
| Payment to supplier Aurophar Pharmaceutical Company Limited under Invoice No. 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 38 and 39 | 678,738,030 | June 26, 2024 |
| Payment to supplier IMCD Vietnam Company Limited under Invoice No. 3156 | 2,362,234,382 | June 26, 2024 |
| Payment to supplier HCP Healthcare Asia Pte., Ltd with an amount of USD60,487.2, an exchange rate of 25,470, Invoice No. 410006113, 410006114, 410006115 | 1,540,609,239 | June 26, 2024 |
| Payment LC No. ILC2400406 supplier Kable International Pte. Ltd with an amount of USD28,887.32, an exchange rate of 25,477  Payment TTR to supplier Ercros S.A., Contract No. PH-ERC.04.2024 with an amount of VND11,160.00, an exchange rate of 25,477  Payment to supplier PT Capsugel Indonesia, TTR postpaid according to Invoice No. 6935914, 6941101 with an amount of USD81,176.40, an exchange rate of 25,477 | 3,088,416,714 | June 27, 2024 |
| Payment to supplier NEO Unicap Co., Ltd with an amount of USD459,770.99, an exchange rate of 25,458 | 11,704,849,863 | July 3, 2024 |
| Payment to supplier Thien Kim Import Export Trade Company Limited, Contract No. 01/HDPP/THIENKIM-YTECO dated April 1, 2022 according to Invoice No. 00000334 | 623,262,282 | July 3, 2024 |
| Total (2) |  |  | 29,360,000,000 |  |
| Total = (1) + (2) | | | 129,360,000,000 |  |

The Company has used up all the proceeds from the share issuance for existing shareholders. In addition, the Company also has to pay issuance costs through the Company's payment account in the amount of VND522,800,000, resulting in the Company's share premium of VND64,157,200,000.