

***VIET NAM MEDICINAL MATERIALS JOINT  
STOCK COMPANY***

*FINANCIAL STATEMENTS FOR QUARTER IV OF 2024*



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**BALANCE SHEET**  
As at December 31, 2024

ASSETS	Code	Note	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>943,569,774,433</b>	<b>823,096,744,588</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4.1</b>	<b>85,716,381,492</b>	<b>104,847,984,669</b>
1. Cash	111		50,049,634,000	48,481,761,070
2. Cash equivalents	112		35,666,747,492	56,366,223,599
<b>II. Short-term financial investments</b>	<b>120</b>		<b>118,906,968,745</b>	<b>94,772,592,688</b>
1. Held to maturity investment	123	4.2	118,906,968,745	94,772,592,688
<b>III. Short-term receivables</b>	<b>130</b>		<b>498,263,386,888</b>	<b>390,417,788,408</b>
1. Short-term trade receivables	131	4.3	434,640,897,670	318,909,257,763
2. Short-term prepayments to suppliers	132	4.4	57,012,618,899	71,447,037,558
3. Other short-term receivables	136	4.5	8,645,353,942	2,873,965,729
4. Provision for doubtful short-term receivables	137	4.6	(2,035,483,623)	(2,812,472,642)
<b>IV. Inventories</b>	<b>140</b>	<b>4.7</b>	<b>238,920,104,921</b>	<b>230,958,857,434</b>
1. Inventories	141		238,920,104,921	230,958,857,434
<b>V. Other current assets</b>	<b>150</b>		<b>1,762,932,387</b>	<b>2,099,521,389</b>
1. Short-term prepaid expenses	151	4.8	1,762,932,387	427,403,281
Deductible VAT	152			-
2. Taxes and other receivables from the State	153	4.9	-	1,672,118,108
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>693,297,621,159</b>	<b>709,823,774,029</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>93,579,777,273</b>	<b>85,559,448,274</b>
1. Other long-term receivables	216	4.5	93,579,777,273	85,559,448,274
<b>II. Fixed assets</b>	<b>220</b>		<b>369,933,496,413</b>	<b>337,035,999,196</b>
1. Tangible fixed assets	221	4.10	137,790,296,765	153,064,091,477
- Original cost	222		210,955,566,678	209,256,510,267
- Accumulated depreciation	223		(73,165,269,913)	(56,192,418,790)
2. Finance-leased fixed assets	224	4.11	25,151,899,997	26,115,600,252
- Original cost	225		42,326,474,802	35,238,581,023
- Accumulated depreciation	226		(17,174,574,805)	(9,122,980,771)
3. Intangible fixed assets	227	4.12	206,991,299,651	157,856,307,467
- Original cost	228		210,320,174,528	159,846,362,528
- Accumulated depreciation	229		(3,328,874,877)	(1,990,055,061)
<b>III. Investment in real estate</b>	<b>230</b>		-	-
<b>IV. Long-term work-in-progress assets</b>	<b>240</b>		<b>208,715,421,682</b>	<b>264,582,844,889</b>
1. Construction in progress	242	4.13	208,715,421,682	264,582,844,889
<b>V. Long-term financial investments</b>	<b>250</b>	<b>4.14</b>	<b>20,000,000,000</b>	<b>20,000,000,000</b>
1. Investments in joint ventures and associates	252		20,000,000,000	20,000,000,000
<b>VI. Other long-term assets</b>	<b>260</b>		<b>1,068,925,791</b>	<b>2,645,481,670</b>
1. Long-term prepaid expenses	261	4.8	1,068,925,791	2,645,481,670
<b>TOTAL ASSETS</b>	<b>270</b>		<b>1,636,867,395,592</b>	<b>1,532,920,518,617</b>
(270 = 100 + 200)				

**BALANCE SHEET (CONTINUED)**

As at December 31, 2024

EQUITY	Code	Note	Ending balance	Beginning balance
			(31/12/2024)	(01/01/2024)
			VND	VND
<b>C. LIABILITIES</b>	<b>300</b>		<b>898,561,834,960</b>	<b>844,248,396,146</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>870,326,176,276</b>	<b>799,144,132,464</b>
1. Short-term trade payables	311	4.15	92,564,402,663	94,164,743,608
2. Short-term advances from customers	312	4.16	395,289,020	452,739,347
3. Taxes and other payable to the State	313	4.9	5,934,752,087	10,875,617,933
4. Payables to employees	314		2,998,423,315	2,083,967,591
5. Short-term accrued expenses	315	4.17	955,708,307	1,371,080,529
6. Short-term unearned revenue	318	4.18	2,791,437,590	4,775,314,745
7. Other short-term payables	319	4.19	20,231,000,050	505,312,702
8. Short-term borrowings and finance lease liabilities	320	4.20	740,666,281,550	679,477,174,315
9. Bonus and welfare funds	322		3,788,881,694	5,438,181,694
<b>II. Long-term liabilities</b>	<b>330</b>		<b>28,235,658,684</b>	<b>45,104,263,682</b>
1. Other long-term payables	337	4.19	2,349,412,900	2,623,311,900
2. Long-term borrowings and finance lease liabilities	338	4.20	25,886,245,784	42,480,951,782
<b>D. EQUITY</b>	<b>400</b>		<b>738,305,560,632</b>	<b>688,672,122,471</b>
<b>I. Capital and reserves</b>	<b>410</b>	4.21	<b>738,305,560,632</b>	<b>688,672,122,471</b>
1. Owners' contributed capital	411		427,799,160,000	356,500,000,000
- Ordinary shares with voting rights	411a		427,799,160,000	356,500,000,000
2. Share premium	412		159,200,000,000	159,200,000,000
3. Development and investment fund	418		44,680,804,805	12,607,975,389
4. Undistributed earnings	421		106,625,595,827	160,364,147,082
- Accumulated undistributed profit as of the end of the previous period	421a		56,992,157,666	117,201,798,247
- Undistributed post-tax profit for the current period	421b		49,633,438,161	43,162,348,835
<b>II. Other funds and resources</b>	<b>430</b>		-	-
<b>TOTAL EQUITY</b>	<b>440</b>		<b>1,636,867,395,592</b>	<b>1,532,920,518,617</b>
(440 = 300 + 400)				

Prepared by  
NGUYEN THI HUONG

Chief accountant  
NGUYEN MANH THANG



General Director  
VU THANH TRUNG  
Phutho, Vietnam  
January 20<sup>th</sup>, 2025

**INCOME STATEMENT**  
QUARTER 4, 2024

ITEMS	Code	Note	Quarter 4/2024		Quarter 4/2023		From 01/01 to	
			VND	VND	VND	VND	31/12/2024	31/12/2023
1. Revenue from sales and services	01	5.1	406,574,080,821	528,847,020,328	1,580,015,291,142	1,482,341,922,333		
2. Revenue deductions	02	5.2		117,044,740	46,032,000	622,238,801		
3. Net revenue from sales and services (10 = 01 - 02)	10		406,574,080,821	528,729,975,588	1,579,969,259,142	1,481,719,683,532		
4. Cost of goods sold	11	5.3	367,744,319,500	499,546,048,325	1,438,914,325,833	1,323,480,020,325		
5. Gross profit from sales and services (20 = 10 - 11)	20		38,829,761,321	29,183,927,263	141,054,933,309	158,239,663,207		
6. Revenue from financial activities	21	5.4	914,124,874	1,419,079,563	4,592,777,323	6,130,105,302		
7. Financial expenses	22	5.5	12,768,903,500	13,592,944,228	46,721,377,839	58,874,378,815		
8. Selling expenses <i>Including: Interest expenses</i>	23		12,768,903,500	13,592,944,228	46,721,377,839	58,874,378,815		
9. General and administrative expenses	25	5.6	2,634,248,501	3,984,024,448	11,254,728,685	25,672,546,257		
10. Net profit from operating activities (30 = 20 + (21 - 22) - (25 + 26))	30	5.7	15,940,224,589	6,708,951,863	59,897,214,209	48,993,247,800		
11. Other income	31	5.8	36,515,113	10,317,346	759,381,315	655,912,019		
12. Other expenses	32	5.9	2,581,117,735	214,768	3,179,149,538	152,891,592		
13. Other Profit (Loss) (40 = 31 - 32)	40		(2,544,602,622)	10,102,578	(2,419,768,223)	503,020,427		
14. Total accounting profit before tax (50 = 30 + 40)	50		13,395,621,967	6,719,054,441	57,477,445,986	49,496,268,227		
15. Current corporate income tax expense	51	5.10	1,430,808,952	850,101,550	7,753,867,736	6,333,919,392		
16. Deferred corporate income tax expense	52		-	-	-	-		
17. Profit after corporate income tax (60 = 50 - 51 - 52)	60		11,964,813,015	5,868,952,891	49,723,578,250	43,162,348,835		
18. Basic earnings per share	70	5.11	280	165.00	1,162	1,211		
19. Diluted earnings per share	71	5.11	279.30	164.63	1,162.31	1,211		

January 20<sup>th</sup>, 2025

Prepared by  
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Chief accountant  
NGUYEN MANH THANG

General Director  
VU THANH TRUNG



The accompanying notes are an integral part of these financial statements

**CASH FLOW STATEMENT**

QUARTER 4, 2024

(By direct method)

ITEMS	Code	From 01/01/2024 to 31/12/2024 VND	From 01/01/2023 to 31/12/2023 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Cash received from sales, services, and other revenue	01	1,543,989,423,007	1,528,527,030,398
2. Cash paid to suppliers of goods and services	02	(1,500,202,557,696)	(1,262,823,691,484)
3. Cash paid to employees	03	(3,760,860,061)	(38,697,029,950)
4. Interest paid	04	(46,948,306,056)	(60,291,932,678)
5. Corporate income tax paid	05	(821,533,514)	(16,913,867,803)
6. Other cash receipts from operating activities	06	21,480,597,718	4,578,289,194
7. Other cash payments for business operations	07	(49,262,237,913)	(90,208,746,705)
<i>Net cash flows from operating activities</i>	<b>20</b>	<b>(35,525,474,515)</b>	<b>64,170,050,972</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Cash paid for purchasing and constructing fixed assets and other long-term assets	21	(1,355,181,666)	(103,054,718,743)
2. Proceeds from the disposal and sale of fixed assets and other long-term assets	22	111,200,000	250,000,000
3. Cash paid for loans and purchases of debt instruments of other entities	23	(41,100,000,000)	(115,072,592,688)
4. Proceeds from loan repayments and sales of debt instruments of other entities	24	39,770,420,337	50,000,000,000
5. Cash paid for equity investments in other entities	25		(20,000,000,000)
Proceeds from equity investment withdrawals in other entities	26		-
6. Cash received from loan interest, dividends, and distributed profits	27	2,620,403,844	4,965,820,304
<i>Net cash flows from investing activities</i>	<b>30</b>	<b>46,842,515</b>	<b>(182,911,491,127)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	1,218,943,624,035	1,238,830,472,170
2. Repayment of loan principals	34	(1,189,061,243,687)	(1,120,932,922,308)
3. Repayment of finance lease principals	35	(13,534,998,964)	(21,912,971,600)
Dividends and profits paid to owners	36		-
<i>Net cash flows from financing activities</i>	<b>40</b>	<b>16,347,381,384</b>	<b>95,984,578,262</b>
<b>Net cash flows during the year (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>(19,131,250,616)</b>	<b>(22,756,861,893)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>104,847,984,669</b>	<b>127,602,817,725</b>
Influence of exchange rate changes on foreign currency translation	61	(352,561)	2,028,837
<b>Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>85,716,381,492</b>	<b>104,847,984,669</b>

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General Director  
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Phutho, Vietnam  
January 20<sup>th</sup>, 2025

**NOTES TO THE FINANCIAL STATEMENTS**

*QUARTER 4, 2024*

*These notes are an integral part of the financial statements and should be read in conjunction with the accompanying financial statements.*

**1. CHARACTERISTICS OF THE BUSINESS OPERATIONS**

**1.1. Form of equity ownership**

The Company's charter capital: VND 427,799,160,000 (In words: Four hundred and twenty-seven billion, seven hundred and ninety-nine million, one hundred and sixty thousand dong). The total number of shares is 42,779,916 shares

The list of shareholders (owners) as at December 31, 2024, is as follows:

	<b>Ending balance (31/12/2024)</b>		<b>Beginning balance (01/01/2024)</b>	
	<b>Paid-in capital VND</b>	<b>Percentage %</b>	<b>Paid-in capital VND</b>	<b>Percentage %</b>
Mr. Vu Thanh Trung	85,800,000,000	20.06%	71,500,000,000	20.06%
Capital of other shareholders	341,999,160,000	79.94%	285,000,000,000	79.94%
	<b>427,799,160,000</b>	<b>100.00%</b>	<b>356,500,000,000</b>	<b>100.00%</b>

*The company operates primarily in the business of manufacturing and wholesale of herbal medicines.*

**1.2. Lines of business**

Primary Business Activities of the Company During the Year: Agency, Brokerage, and Auctioning of Goods: Sales agency; Brokerage for the purchase and sale of goods; Wholesale of agricultural and forestry raw materials (excluding wood, bamboo, and rattan) and live animals (excluding those prohibited by the State); Wholesale of food (Details: Trading in functional foods; Wholesale of sugar, milk, and dairy products, confectionery, and products processed from cereals, flour, and starch; wholesale of beverages; Wholesale of other household goods (Details: Wholesale of medical instruments; Wholesale of perfumes, cosmetics, and hygiene products; Wholesale of medicines (not operated at the head office); Wholesale of herbal medicines, traditional medicines, and medicines derived from natural herbs; Wholesale of machinery, equipment, and spare parts (Details: Wholesale of medical machinery and equipment; Wholesale of other specialized items not elsewhere classified (Details: Wholesale of industrial chemicals such as essential oils, dyes, fragrances, soda, and industrial salt; Wholesale of pharmaceuticals (modern medicines, vaccines, and medical biological products); Cultivation of spice plants, medicinal herbs, and long-term aromatic plants; Cultivation of other perennial crops; Propagation and care of annual crop varieties; Crop cultivation services; livestock services; post-harvest services; Seed treatment for propagation; Organization of trade promotion and introduction activities (excluding press conferences); Other business support services not elsewhere classified (Details: Import and export of goods traded by the company); Other education activities not elsewhere classified; Educational support services; real estate business, including ownership, use rights, or leasing of land (Details: Real estate business); Consulting, brokerage, and auctioning of real estate and land use rights (Details: Real estate consulting and brokerage); Scientific research and technological development in the field of natural sciences; Scientific research and technological development in the fields of engineering and technology; Scientific research and technological development in agricultural sciences; Advertising (excluding tobacco advertising); Other professional, scientific, and technological activities not elsewhere classified (Details: Technology transfer consulting); Retail of food, beverages, tobacco, and cigars as a significant proportion in general merchandise stores; Retail of beverages in specialized stores; Processing of milk and dairy products;

Production of other chemical products not elsewhere classified (Details: Production of natural essential oils; Production of medicines, pharmaceuticals, and medicinal products (Details: Manufacturing of medicines; Production of raw materials for modern pharmaceuticals; Production of vaccines and medical biological products (biological products for human use); Road freight transportation; Warehousing and storage services (excluding real estate business); retail of medicines, medical instruments, cosmetics, and hygiene products in specialized stores (Details: Retail outlets for traditional herbal medicines and herbal-based medicines; Retail of medical instruments, cosmetics, and hygiene products in specialized stores.

### 1.3. Normal Business Cycle

The company's normal production and business cycle does not exceed 12 months.

### 1.4. Characteristics of the Company's Activities During the Year Affecting the Financial Statements

There were no unusual events or activities that significantly impacted the Company's financial statements during the period.

### 1.5. Corporate Structure

Company name	Place of establishment and operation	Ownership percentage %	Percentage of voting rights held %	Main activities
<b>Joint ventures and associates</b>				
VIBFA Joint Stock Company	Hanoi City	40.00%	40.00%	Product distribution

**Subordinate units do not have legal status as dependent accounting entities.**

Unit name	Address
Headquarters of Viet Nam Medicinal Materials Joint Stock Company	Area 8, Phu Ninh commune, Phu Ninh district, Phu Tho province
Branch of Viet Nam Medicinal Materials Joint Stock Company in Hanoi	No. 139, Hong Tien Street, Bo De Ward, Long Bien District, Hanoi City
Branch of Viet Nam Medicinal Materials Joint Stock Company in Hai Phong	No. SB.02 Cau Rao 2 Urban Area, Vinh Niem Ward, Le Chan District, Hai Phong City
Branch of Viet Nam Medicinal Materials Joint Stock Company in Ho Chi Minh	D9-04, D9 street, Manhattan Vinhomes Grand Park townhouse area, Long Binh ward, Thu Duc City, Ho Chi Minh City

### 1.6. Statement on the Comparability of Information in the Financial

The figures presented in the financial statements for the fiscal quarter ending on December 31, 2024, are comparable to the corresponding figures of the same period in the previous year.

## 2. BASIS FOR FINANCIAL STATEMENT PREPARATION AND ACCOUNTING

### 2.1. Basis for Financial Statement Preparation

The accompanying financial statements are presented in Vietnamese Dong (VND), based on the historical cost principle and in accordance with Vietnamese accounting standards, the Vietnamese enterprise accounting system, and relevant legal regulations concerning the preparation and presentation of financial statements



The accompanying financial statements are not intended to reflect the financial position, business performance, and cash flows in accordance with generally accepted accounting principles and practices in countries outside Vietnam

## 2.2. Going Concern Assumption

There are no events that raise significant doubt about the Company's ability to continue as a going concern. The Company has neither the intention nor the necessity to cease operations or significantly reduce the scale of its activities.

## 2.3. Fiscal year

*The Company's fiscal year begins on January 1 and ends on December 31 each year.*

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1. Accounting Estimates

The preparation of financial statements in compliance with Vietnamese accounting standards, the Vietnamese enterprise accounting system, and relevant legal regulations requires the Board of General Directors to make estimates and assumptions. These estimates and assumptions affect the reported amounts of liabilities, assets, and the presentation of contingent liabilities and assets as of the financial statement date, as well as the reported amounts of revenue and expenses throughout the fiscal year. Although the accounting estimates are made with the utmost understanding and judgement of the Board of General Directors, actual results may differ from the estimates and assumptions made.

### 3.2. Foreign Currency Transactions

Transactions conducted in currencies other than the Company's accounting currency (USD) are accounted for at the actual exchange rate on the transaction date, based on the following principles:

- Transactions resulting in receivables are accounted for using the buying exchange rate of the commercial bank designated by the Company for customer payments.
- Transactions resulting in payables are accounted for using the selling exchange rate of the commercial bank where the Company plans to conduct the transaction; and
- Transactions for the purchase of assets or expenses paid immediately in foreign currency (not through accounts payable) are accounted for using the buying exchange rate of the commercial bank where the Company executes the payment.

The exchange rate used to revalue the balances of monetary items denominated in foreign currencies at the end of the fiscal year is determined based on the following principles:

- Monetary items classified as assets are accounted for using the buying exchange rate of the commercial bank with which the Company frequently transacts; and
- Monetary items classified as liabilities are accounted for using the selling exchange rate of the commercial bank with which the Company frequently transacts.

All actual exchange rate differences arising during the year, as well as differences resulting from the revaluation of foreign currency monetary balances at the end of the period, are accounted for in the operating results.

### 3.3. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, short-term investments, are highly liquid, easily convertible into cash and have little risk associated with value fluctuations.

### 3.4. Financial investments

#### **Held-to-Maturity Investments**

Held-to-maturity investments include investments that the Company has both the intention and the ability to hold until maturity. Other held-to-maturity investments include: Term deposits with banks (including bills and promissory notes), bonds, preferred shares that the issuer is required to redeem at a certain time in the future, and loans held-to-maturity for the purpose of earning periodic interest and other held-to-maturity investments.

Held-to-maturity investments are recognized starting from the date of purchase and are determined at their initial value based on the purchase price and costs related to the purchase transaction of the investments. Interest income from held-to-maturity investments after the purchase date is recorded on the income statement on an accrual basis. Interest earned before the Company holds it is recorded as a deduction from the original price at the time of purchase.

Held-to-maturity investments are determined at cost less provision for doubtful debts.

Provision for bad debts of held-to-maturity investments is made according to current accounting regulations.

#### **Investment in associates**

An associate is a company over which the Company has significant influence but is neither a subsidiary nor a joint venture of the Company. Significant influence is demonstrated by the ability to participate in decisions regarding the financial and operational policies of the investee, but without control or joint control over these policies.

The Company initially recognizes investments in subsidiaries, joint ventures, and associates at cost. The Company records as income in the income statement the share of the post-investment accumulated net profit from the investee. Other amounts received by the Company, apart from the dividends, are considered as a return of investment and are recognized as a reduction in the cost of the investment.

Investments in subsidiaries, joint ventures, and associates are presented in the Balance Sheet at cost, less any provisions for impairment (if applicable). Provisions for impairment of investments are made when there is clear evidence that the value of these investments has declined as of the end of the accounting period.

#### **Investments in equity instruments of other entities**

Investments in equity instruments of other entities reflect investments in equity instruments where the Company does not have control, joint control, or significant influence over the investee.

Investments in equity instruments of other entities are presented at cost, less any provisions for impairment of the investment.

**3.5. Receivables**

Receivables are amounts that can be recovered from customers or other entities. Receivables are presented at book value less provisions for doubtful debts.

An allowance for doubtful accounts is established for each receivable based on the aging of overdue debts or the estimated level of potential loss, or for receivables where the debtor is unlikely to pay due to liquidation, bankruptcy, or similar difficulties.

**3.6. Inventory**

Inventories are determined on the basis of the lower of cost and net realizable value. The cost of inventory includes the direct material costs, direct labor costs, and manufacturing overheads, if any, incurred to bring the inventory to its current location and condition.

The cost of inventory is determined using the First-In, First-Out (FIFO) method.

Net realizable value is determined by the estimated selling price minus the estimated costs to complete the product and incurred marketing, sales and distribution costs.

The allowance for inventory impairment of the Company is recognized in accordance with current accounting regulations. Accordingly, the Company is allowed to establish an allowance for obsolete, damaged, or poor-quality inventory, as well as in cases where the cost of inventory exceeds its net realizable value at the end of the accounting period

**3.7. Tangible fixed assets**

Tangible fixed assets are presented at cost, less accumulated depreciation.

The original cost of a tangible fixed asset includes the purchase price and all other costs directly related to bringing the asset into a ready-to-use state.

The cost of self-constructed tangible fixed assets includes construction costs, actual production costs incurred, as well as installation and testing costs. (if applicable)

	This year [year]	Previous year [year]
Buildings and structures	05 – 25	05 – 25
Machinery and equipment	03 – 10	03 – 10
Means of transportation and transmission	04 – 07	04 – 07
Management equipment and tools	04 – 06	04 – 06
Other tangible fixed assets	03 – 15	03 - 15

**3.8. Leases**

The Company recognizes finance leases as assets of the Company at their fair value at the inception of the leases or, if lower, at the present value of the minimum lease payments. The corresponding lease liability to the lessor is recognized on the balance sheet as a finance lease liability. Lease payments are divided into finance costs and principal repayment amounts in order to ensure a fixed periodic interest

rate on the remaining lease liability balance. Finance lease costs are recognized in the income statement, unless these costs directly contribute to the acquisition of the leased asset. In such cases, the costs will be capitalized according to the Company's accounting policy on borrowing costs (as described below).

A lease is considered an operating lease when the lessor retains most of the benefits and bears the risks of ownership of the asset. Operating lease costs are recognized in the income statement using the straight-line method over the lease term. Consideration received or receivable as an incentive to enter into an operating lease are also recognised on a straight-line basis over the lease term.

Finance leased assets are depreciated over their estimated useful life, similar to the depreciation applied to assets owned by the Company. However, if it is uncertain whether the lessee will have ownership of the asset at the end of the lease term, the leased asset will be depreciated over the shorter of the lease term or the asset's useful life.

	<u>Year(s)</u>
Machinery and equipment	05 - 10

### 3.9. Intangible fixed assets

Intangible fixed assets are presented at cost, less accumulated amortization.

The cost of intangible fixed assets includes all expenses incurred by the Company to acquire the asset until it is ready for use. Costs related to intangible fixed assets incurred after initial recognition are recognized as production and business expenses in the period, unless these costs are directly attributable to a specific intangible asset and increase its economic benefits.

When an intangible asset is sold or disposed of, the cost and accumulated amortization are written off, and any resulting gain or loss from disposal is recognized in income or expense for the year.

The Company's intangible fixed assets include:

#### **Land use rights**

Land use rights represent all actual costs incurred by the Company related directly to the land use, including: payment for acquiring land use rights, compensation costs, site clearance, land leveling, registration fees, etc.

The Company's land use rights are amortized as follows: Land use rights granted by the State with land use levy payment: amortized using the straight-line method based on the land allocation period (581 months); Land use rights with indefinite duration are not subject to amortization.

#### **Software Programs**

Costs related to computer software programs that are not part of the hardware are capitalized separately. The original cost of computer software includes all expenses incurred by the Company until the software is ready for use. Computer software is amortized using the straight-line method over a period of 3 years.

### 3.10. Cost of construction in progress

Assets under construction for production, leasing, management, or any other purpose are recognized at cost. These costs include all necessary expenses to create the asset in accordance with the Company's accounting policies.

### 3.11. Business Cooperation Contract

#### Jointly Controlled Assets

The Company recognizes the following in its financial statements for business cooperation contracts in the form of jointly controlled assets:

- The Company's share of jointly controlled assets is classified based on the nature of the assets.
- Liabilities incurred solely by the Company.
- The portion of jointly incurred liabilities that the Company is obligated to bear along with other joint venture partners arising from the activities of the joint venture.
- Income from the sale or use of the products/services allocated from the joint venture, along with the portion of expenses distributed from the joint venture's activities.
- Expenses incurred by the Company related to its capital contribution to the joint venture.

Fixed assets and investment properties contributed to a business cooperation contract, without transferring ownership to joint ownership of the parties in the joint venture, are not deducted from the Company's assets. In cases where the Company receives assets contributed to the joint venture, such assets are recorded as custodial assets and are not accounted for as an increase in assets or business capital.

Fixed assets and investment properties contributed to a business cooperation contract, with ownership transferred and under construction as jointly controlled assets, are deducted from the accounting books and recorded as the value of assets under construction in progress. After the jointly controlled assets are completed, handed over, and put into use, the Company records an increase in its assets based on the value of the allocated assets, aligned with their intended use.

#### Jointly Controlled Operations

The Company recognizes the following in its financial statements for business cooperation contracts in the form of jointly controlled operations:

- The value of assets currently owned by the Company.
- Liabilities the Company is obligated to bear.
- Revenue allocated from the sale of goods or the provision of services by the joint venture.
- Expenses the Company is required to bear.

### 3.12. Prepaid expenses

Prepaid expenses include actual costs incurred that are related to the business operations' results over multiple accounting periods. The Company's prepaid expenses include the following:

#### Pre-operating Expenses

Pre-operating expenses include training, advertising, and promotional costs incurred before the Company officially begins its business operations. These expenses are allocated to costs on a straight-line basis over 36 months from the commencement of the Company's operations.

#### **Tools and Equipment**

Tools and equipment put into use are allocated to expenses using the straight-line method over an allocation period not exceeding 36 months.

#### **Fixed Asset Repair Costs**

Significant one-time repair costs for fixed assets are allocated to expenses using the straight-line method over 36 months.

#### **Prepaid Land Rent**

Prepaid land rent represents the amount of land rent paid for the land currently used by the Company. Prepaid land rent is allocated to expenses using the straight-line method over the lease period.

### **3.13. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses are recognized for amounts to be paid in the future related to goods and services that have been received. Accrued expenses are recognized based on reasonable estimates of the amounts payable.

The classification of payables, including payables to suppliers, accrued expenses, and other payables, is carried out based on the following principles:

- Payables to suppliers reflect trade-related liabilities arising from transactions involving the purchase of goods, services, or assets, with the supplier being an independent entity from the Company.
- Accrued expenses reflect amounts payable for goods or services received from the supplier, or provided to the buyer, but not yet paid due to the absence of invoices or insufficient accounting documentation. It also includes amounts payable to employees for wages, paid leave, and expenses that need to be accrued for production or business operations. When these expenses are actually incurred, if there is a discrepancy with the amounts accrued, the accounting department shall make adjustments by adding or reducing the expenses accordingly to reflect the difference.
- Other payables reflect liabilities that are not of a commercial nature and are not related to transactions involving the purchase, sale, or provision of services.

### **3.14. Loans and Financial Lease Payables**

Loans are tracked by each borrower, loan agreement, and the repayment term for each loan. In the case of loans in foreign currencies, detailed tracking is done based on the original currency.

### **3.15. Borrowing Costs**

Borrowing costs are recognized as production and business expenses in the year they arise, unless capitalized according to the provisions of Vietnam Accounting Standard No. 16 "Borrowing Costs." Accordingly, borrowing costs directly related to the purchase, investment, construction, or production of assets that require a relatively long period to complete and be put into use or operation are added to the asset's cost until the asset is ready for use or business operations. Income generated from temporarily investing loan amounts is deducted from the related asset's original cost. For loans specifically used for the construction of fixed assets or investment properties, interest costs are capitalized, even if the construction period is under 12 months.

### 3.16. Unearned revenue

Unearned revenue refers to revenue received in advance for one or more accounting periods, primarily including amounts paid by customers in advance for the lease of assets over multiple periods. The Company recognizes unearned revenue in proportion to the obligation that the Company will fulfill in the future. When the revenue recognition conditions are met, unearned revenue will be recognized in the income statement for the year corresponding to the portion of the conditions that have been satisfied.

### 3.17. Bonds Issued

The Company issues bonds primarily for long-term borrowing purposes.

The book value of the bonds is reflected on a net basis, which is the bond's face value minus (-) bond discount, plus (+) bond premium.

The Company tracks the bond discount and premium for each type of bond issued, along with the allocation of each discount and premium when determining borrowing costs, either to be expensed in business operations or capitalized by period, as follows:

- The bond discount is gradually allocated to the borrowing cost for each period over the life of the bond.
- The bond premium is gradually allocated to reduce the borrowing cost for each period over the life of the bond.

The allocation of discount or premium can be done using either the effective interest method or the straight-line method:

- Effective Interest Method: The discount or premium allocated in each period is calculated by the difference between the interest expense payable for the period (calculated by multiplying the bond's beginning book value by the market interest rate) and the amount payable for that period.
- Straight-Line Method: The discount or premium is allocated evenly throughout the bond's term.

### 3.18. Equity

The owner's investment is recorded based on the actual amount of capital contributed by the shareholders.

### 3.19. Distribution of Net Profit

Net profit after corporate income tax is distributed to shareholders after allocating funds as per the Company's charter and legal requirements and has been approved by the General Meeting of Shareholders

The distribution of profit to shareholders takes into account non-cash items within undistributed net profit that may affect cash flow and dividend payment ability, such as revaluation gains from assets contributed as capital, revaluation gains from monetary items, financial instruments, and other non-cash items.

Dividends are recognized as liabilities when approved by the General Meeting of Shareholders.

**3.20. Revenue and Income Recognition Ghi nhận doanh thu và thu nhập**

**Revenue from Sales of Goods and Finished Products**

Revenue from the sale of goods and finished products is recognized when the following conditions are simultaneously met:

- The Company has transferred most of the risks and rewards associated with the ownership of the products or goods to the buyer.
- The Company no longer retains control over the goods, as the owner or holder of the goods.
- The revenue is reasonably certain.
- The Company has received or will receive economic benefits from the sales transaction.
- It is likely to determine the costs associated with the sales transaction.

**Revenue from Providing Services**

Revenue from service transactions is recognized when the outcome of the transaction can be reliably determined. In cases where services are provided over multiple periods, revenue is recognized in the period based on the portion of work completed as of the end of the accounting period. The outcome of a service transaction is considered reliably determined when all the following conditions are met:

- The revenue is reasonably certain.
- It is probable that economic benefits will be received from the service transaction
- The portion of work completed as of the end of the fiscal year can be determined.
- The costs incurred for the transaction and the costs required to complete the service transaction can be identified.

**Revenue from Processing**

Revenue from processing activities, such as receiving materials or goods for processing, is the actual processing fee received and does not include the value of the materials or goods processed.

**Interest Income**

Interest income is recognized on an accrual basis, determined by the balance of deposit accounts and the actual interest rate for each period.

**3.21. Cost of Goods Sold and Services Provided**

The cost of goods sold includes the cost of products, goods, and services provided during the year and is recognized in accordance with the revenue generated during the same period. Direct material costs consumed beyond normal levels, labor costs, and unallocated fixed production overhead costs not included in the value of products in inventory must be immediately accounted for in the cost of goods sold (after deducting any compensation, if applicable), even if the products or goods have not been recognized as sold.

**3.22. Selling expenses**

Selling expenses reflect the actual costs incurred during the process of selling goods and providing services. These primarily include costs such as salaries for sales department employees, expenses for promotions, product introductions, advertising, and sales commissions.

**3.23. Administration expenses**



Administrative expenses reflect the actual costs incurred in the general management of the company. These primarily include expenses such as salaries for management staff; social insurance, health insurance, union funding, and unemployment insurance for management employees; office supply expenses; depreciation costs; provisions; outsourced services; and other expenses.

### 3.24. Taxation

Corporate income tax reflects the total value of current tax liabilities and deferred tax liabilities.

The current tax liability is calculated based on the taxable income for the year. Taxable income differs from pre-tax profit presented in the Income Statement because taxable income excludes items of income or expenses that are taxable or deductible in different years (including any carry-forward losses, if applicable) and also excludes items that are non-taxable or non-deductible.

Deferred income tax is calculated based on the differences between the carrying amounts and the tax bases of assets or liabilities in the financial statements and is recognized using the Balance Sheet method. Deferred income tax liabilities must be recognized for all taxable temporary differences, while deferred income tax assets are only recognized when it is certain that sufficient future taxable profits will be available to offset the temporary differences..

Deferred income tax is determined based on the tax rates expected to apply in the year when the asset is recovered or the liability is settled. Deferred income tax is recognized in the Income Statement and is only recorded in equity when the tax relates to items directly recognized in equity.

Deferred tax assets and deferred tax liabilities are offset when the company has a legal right to offset current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to corporate income tax managed by the same tax authority, with the company intending to settle current income taxes on a net basis.

The determination of the company's income tax is based on the prevailing tax regulations. However, these regulations are subject to periodic changes, and the final determination of corporate income tax depends on the results of examinations conducted by the relevant tax authorities.

Other taxes are applied in accordance with applicable tax laws in Vietnam.

### 3.25. Financial instruments

#### Initial recognition

**Financial Assets:** At initial recognition, financial assets are recorded at cost, including transaction costs directly attributable to the acquisition of the financial asset. [It is necessary to carefully review the financial asset items based on the company's actual circumstances to add or remove items, ensuring consistency with Note 52.] The company's financial assets include cash, cash equivalents, trade receivables, other receivables, deposits, financial investments, and derivative financial instruments.

**Financial Liabilities:** At initial recognition, financial liabilities are recorded at cost, including transaction costs directly attributable to the issuance of the financial liability. [It is necessary to carefully review the financial liability items based on the company's actual circumstances to add or remove items, ensuring consistency with Note 52.] The company's financial liabilities include trade payables, other payables, accrued expenses, finance lease liabilities, loans, and derivative financial instruments.

### Reassessment After Initial Recognition

Currently, there are no regulations regarding the reassessment of financial instruments after initial recognition.

### 3.26. Related Parties

Parties are considered related if one party has the ability to control or significantly influence the other in financial and operating decision-making. Parties are also considered related if they are jointly controlled or subject to shared significant influence.

When evaluating related party relationships, the nature of the relationship takes precedence over its legal form.

## 4. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE BALANCE SHEET

### 4.1. Cash and cash equivalents

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Cash	4,806,201,036	5,870,552,873
Non-term bank deposits	45,243,432,964	42,611,208,197
Cash equivalents	35,666,747,492	56,366,223,599
	<b>85,716,381,492</b>	<b>104,847,984,669</b>

### 4.2. Long-term hold-to-maturity investment

	Ending balance (31/12/2024)		Beginning balance (01/01/2024)	
	Original cost VND	Book value VND	Original cost VND	Book value VND
Short-term	118,906,968,745	118,906,968,745	94,772,592,688	94,772,592,688
Term bank deposits (i)	118,906,968,745	118,906,968,745	94,772,592,688	94,772,592,688
	<b>118,906,968,745</b>	<b>118,906,968,745</b>	<b>94,772,592,688</b>	<b>94,772,592,688</b>

(i) Deposits at commercial banks and branches of foreign banks in Vietnam with interest rates ranging from 1.75% per annum to 6.7% per annum.

### 4.3. Short-term receivables from customers

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Traditional Medicine Hospital (Ho Chi Minh City)	949,443,600	12,498,298,360
VITAMEC Joint Stock Company	26,122,076,635	22,131,184,427
NO 5 CENTRAL JOINT STOCK COMPANY	39,073,907,418	9,299,566,000
DP EUPHAR JOINT STOCK COMPANY	8,060,656,290	11,060,656,290
Hoang Lan Trading and Pharmaceutical Joint Stock Company	4,315,115,202	840,771,519
BAC LIEU 333 JOINT STOCK COMPANY	45,876,419,693	20,358,841,235
EXPOS JOINT STOCK COMPANY	39,501,416,797	19,074,640,651
ROMAS JOINT STOCK COMPANY	53,779,839,068	6,125,353,966
Phu Tho Provincial General Hospital	15,825,677,084	32,012,799,910
Hanoi Pharmaceuticals Joint Stock Company	6,184,307,597	34,661,136,342

Other customer receivables	194,952,038,286	150,846,009,063
	<u>434,640,897,670</u>	<u>318,909,257,763</u>

#### 4.4. Prepayment to short-term sellers

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Saigonfa Joint Stock Company		10,584,381,546
B. PHARMA Company Limited	48,565,345,525	48,565,345,525
Ecopha Joint Stock Company		6,623,702,364
Ngoc Duy Phu Tho One Member Co., Ltd	2,405,906,860	2,405,906,860
Prepayments to suppliers are other entities	6,041,366,514	3,267,701,263
	<u>57,012,618,899</u>	<u>71,447,037,558</u>

#### 4.5. Other receivables

##### 4.5.1. Other short-term receivables

	Ending balance (31/12/2024)		Beginning balance (01/01/2024)	
	Value VND	Provision VND	Value VND	Provision VND
Advance payments	-	-	214,097,016	-
Deposits and collaterals	-	-	-	-
Interest receivables from deposits	7,788,731,065	-	1,126,013,552	-
VAT on finance-leased assets	856,622,877	-	1,523,755,151	-
Sale value of finance-leased assets	-	-	-	-
Other receivables	-	-	10,100,010	-
	<u>8,645,353,942</u>	<u>-</u>	<u>2,873,965,729</u>	<u>-</u>

##### 4.5.2. Other long-term receivables

	Ending balance (31/12/2024)		Beginning balance (01/01/2024)	
	Value VND	Provision VND	Value VND	Provision VND
Deposits and collaterals	2,259,527,273	-	4,239,198,274	-
Central Pharmaceutical Joint Stock Company Govamec (i)	40,665,250,000	-	40,665,250,000	-
Tuyen Quang Biotechnology Joint Stock Company (ii)	40,655,000,000	-	40,655,000,000	-
Minh Khang Pharmaceutical and Herbal Joint Stock Company (iii)	10,000,000,000	-	-	-
<b>Total</b>	<u>93,579,777,273</u>	<u>-</u>	<u>85,559,448,274</u>	<u>-</u>

(i) Receivable under Investment Cooperation Contract No. 26/2023/HĐHT/VIETMEC-GOVAMEC dated November 26, 2023, between Vietnam Medicinal Materials Joint Stock Company and Central Pharmaceutical Joint Stock Company (Govamec) for cooperative investment in the project to support and develop a rare medicinal herb cultivation area in Sapa Town, Lao Cai Province. The investment contribution amounts to VND 81,330,500,000, accounting for 35% of the total project investment. Profit-sharing will be based on post-tax profits

(ii) Receivable under Investment Cooperation Contract No. 25/2023/HĐHT/VM-SHTQ dated October 25, 2023, between Vietnam Medicinal Materials Joint Stock Company and Tuyen Quang Biotechnology Joint Stock Company for cooperative investment in the project to support and develop a rare medicinal herb cultivation area in Na Hang District, Tuyen Quang Province. The investment contribution amounts to VND 81,310,000,000, accounting for 35% of the total project investment. Profit-sharing will be based on post-tax profits.

(iii) Receivable under Investment Cooperation Contract No. 01/2024/HĐHT/DLVN.mk dated November 29, 2024, between Vietnam Medicinal Materials Joint Stock Company and Minh Khang Pharmaceutical and Herbal Joint Stock Company for cooperative investment in the project to support and develop a rare medicinal herb cultivation area in Tra Co 1 Village, Phuoc Tien Commune, Bac Ai District, Ninh Thuan Province. The investment contribution amounts to VND 50,000,000,000, accounting for 27% of the total project investment. Profit-sharing will be based on post-tax profits.

4.6 Provision for doubtful short-term receivables:

	Ending balance (31/12/2024)			Beginning balance (01/01/2024)		
	Overdue period	Original cost VND	Provision VND	Time VND	Original cost VND	Provision VND
<b>Total value of receivables overdue for payment and unlikely to be collected</b>						
Quang Nam Medical College General Hospital	Under 3 years	916,989,150	(641,892,405)	Under 3 years	916,989,150	(641,892,405)
Huong Khe District General Hospital	Under 3 years	306,218,650	(213,458,455)	Under 3 years	306,218,650	(213,458,455)
Bim Son Town General Hospital	Under 3 years	375,879,000	(263,115,300)	Under 3 years	375,879,000	(263,115,300)
Thu Duc City Hospital	Under 3 years	203,733,600	(142,613,520)	Under 3 years	203,733,600	(142,613,520)
Que Son District Medical Center	Under 3 years	161,221,620	(2,268,000)	Under 3 years	161,221,620	(112,855,134)
Quang Nam Provincial General Hospital	Under 3 years	618,465,280	(344,764,930)	Under 3 years	618,465,280	(407,807,176)
Yen Dinh District General Hospital	Under 3 years	140,530,950	-	Under 3 years	140,530,950	(98,371,665)
Phuoc Hanh General Hospital Company Limited (Tien Phuoc Thai Binh Duong)	Under 3 years	454,707,750	-	Under 3 years	454,707,750	(278,339,355)
Thang Hoa General Hospital Joint Stock Company	Under 3 years	303,918,930	-	Under 3 years	303,918,930	(91,175,679)
Other partners	Over 6 months	904,468,443	(427,371,013)	Over 6 months	904,468,443	(562,843,953)

4.7 Inventories

	Ending balance (31/12/2024)		Beginning balance (01/01/2024)	
	Value VND	Provision VND	Value VND	Provision VND
Raw materials	114,612,902,897	-	157,093,354,783	-
Tools and instruments	-	-	-	-
Work in progress	9,227,046,875	-	5,236,069,256	-
Finished products	85,394,754,084	-	8,703,837,781	-
Goods	29,685,401,065	-	59,862,078,937	-
Goods sent for sale	-	-	63,516,677	-

238,920,104,921	-	230,958,857,434	-
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**4.8 Short-term and Long-term Prepaid Expenses**

**4.8.1 Short-term prepaid expenses**

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Cost of tools and equipment used	1.614.826.076	116.479.287
Others	246.238.760	310.923.994
	<u>1.861.064.836</u>	<u>427.403.281</u>

**4.8.2 Long-term prepaid expenses**

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Expenses for tools and equipment used	615,824,943	1,315,779,575
Insurance purchase expenses		89,691,844
Land rental expenses		420,209,702
Other expenses	453,100,848	819,800,549
	<u>1,068,925,791</u>	<u>2,645,481,670</u>

**4.9 Taxes and Receivables/Payables to the State**

	Beginning balance (01/01/2024)		Arising during the year		Closing balance (31/12/2024)	
	Payables VND	Receivables VND	Payables VND	Receivables VND	Payables VND	Receivables VND
Value-Added Tax (VAT) on domestic sales	10,400,432,000	-	80,872,489,409	91,084,395,928	188,525,487	-
Value-Added Tax (VAT) on imported goods	-	-	-	-	-	-
Export and import taxes	-	-	-	-	-	-
Corporate income tax	-	1,672,118,108	7,736,807,825	821,533,514	5,243,156,203	-
Personal income tax	475,185,927	-	945,292,611	917,408,141	503,070,397	-
Real estate tax	-	-	4,958,200	4,958,200	-	-
Fees, charges and other payables	-	-	-	-	-	-
	<b>10,875,617,933</b>	<b>1,672,118,108</b>	<b>89,559,548,045</b>	<b>92,828,295,783</b>	<b>5,934,752,087</b>	<b>-</b>

Notes: The company is entitled to corporate income tax incentives for implementing a new project in an area with difficult socio-economic conditions, enjoying a tax rate of 17% for 10 years starting from the first year the company generates taxable income from the new investment project. The company is exempt from corporate income tax for 2 years and receives a 50% reduction in corporate income tax for the subsequent 4 years for taxable income generated from the new investment project in the area with difficult socio-economic conditions. The financial year 2024 marks the 5th year of taxable income generated from the new investment project.

4.10 Changes in Tangible Fixed Assets

	Houses and architectural structures VND	Machinery and equipment VND	Means of transport VND	Management equipment and instruments VND	Other fixed assets VND	Total VND
<b>ORIGINAL COST</b>						
Beginning balance	107,066,114,168	76,533,666,487	10,495,018,300	7,342,305,393	7,819,405,919	209,256,510,267
Increase during the year	-	393,812,000	-	1,305,244,411	-	1,699,056,411
- <i>Completed construction investment</i>	-	-	-	-	-	-
- <i>Purchased during the year</i>	-	-	-	-	-	-
Decrease during the year	-	-	-	-	-	-
- <i>Liquidation and transfer of ownership</i>	-	-	-	-	-	-
- <i>Other decreases</i>	-	-	-	-	-	-
Ending balance	107,066,114,168	76,927,478,487	10,495,018,300	8,647,549,804	7,819,405,919	210,955,566,678
<b>ACCUMULATED DEPRECIATION</b>						
Beginning balance	21,840,125,343	24,687,852,189	3,434,010,103	4,043,942,580	2,186,488,575	56,192,418,790
Increase during the year	5,209,451,138	8,348,864,805	1,606,347,792	1,009,124,050	799,063,338	16,972,851,123
- <i>Depreciation during the year</i>	5,209,451,138	8,348,864,805	1,606,347,792	1,009,124,050	799,063,338	16,972,851,123
Decrease during the year	-	-	-	-	-	-
- <i>Liquidation and transfer of ownership</i>	-	-	-	-	-	-
- <i>Other decreases</i>	-	-	-	-	-	-
Ending balance	27,049,576,481	33,036,716,994	5,040,357,895	5,053,066,630	2,985,551,913	73,165,269,913
<b>REMAINING VALUE</b>						
- <i>At the beginning of the year</i>	85,225,988,825	51,845,814,298	7,061,008,197	3,298,362,813	5,632,917,344	153,064,091,477
- <i>At the end of the year</i>	80,016,537,687	43,890,761,493	5,454,660,405	3,594,483,174	4,833,854,006	137,790,296,765
Original cost of fully depreciated tangible fixed assets still in use						
- <i>At the beginning of the year</i>	3,605,548,427	2,250,790,500	468,923,845	39,090,909	737,516,136	7,101,878,817
- <i>At the end of the year</i>	8,618,585,635	2,629,350,500	468,932,845	679,001,909	737,516,136	13,133,387,025
Remaining value at the end of the period of tangible fixed assets used as collateral or pledged for loans						
- <i>At the beginning of the year</i>	85,225,968,825	51,845,814,298	5,862,745,455	-	-	142,934,548,578
- <i>At the end of the year</i>	80,016,537,687	43,890,761,493	5,454,660,405	-	-	129,361,959,585

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-	4,386,133,373	(2,035,483,623)	-	4,386,133,373	(2,812,472,642)
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**4.11 Fixed finance lease**

	Machinery and equipment VND	Total VND
<b>ORIGINAL COST</b>		
Beginning balance	35,238,581,023	35,238,581,023
Increase during the year	7,087,893,779	7,087,893,779
- <i>Financial lease during the year</i>	-	-
Decrease during the year	-	-
- <i>Purchase of financial leased assets</i>	-	-
Ending balance	42,326,474,802	42,326,474,802
<b>ACCUMULATED DEPRECIATION</b>		
Beginning balance	9,122,980,771	9,122,980,771
Increase during the year	8,051,594,034	8,051,594,034
- <i>Depreciation during the year</i>	8,051,594,034	8,051,594,034
Decrease during the year	-	-
- <i>Purchase of financial leased assets</i>	-	-
Ending balance	17,174,574,805	17,174,574,805
<b>REMAINING VALUE</b>		
- <b>At the beginning of the year</b>	<b>26,115,600,252</b>	<b>26,115,600,252</b>
- <b>At the end of the year</b>	<b>25,151,899,997</b>	<b>25,151,899,997</b>

**4.12 Intangible fixed assets**

	Land use rights VND	Other assets VND	Total VND
<b>ORIGINAL COST</b>			
Beginning balance	159,667,682,528	178,680,000	159,846,362,528
Increase during the year	50,473,812,000	-	50,473,812,000
- <i>Purchased during the year</i>	-	-	-
Decrease during the year	-	-	-
Ending balance	210,141,494,528	178,680,000	210,320,174,528
<b>ACCUMULATED DEPRECIATION</b>			
Beginning balance	1,882,409,652	107,645,409	1,990,055,061
Increase during the year	1,273,179,807	65,640,009	1,338,819,816
- <i>Depreciation during the year</i>	1,273,179,807	65,640,009	1,338,819,816
Decrease during the year	-	-	-
Ending balance	3,155,589,459	173,285,418	3,328,874,877
<b>REMAINING VALUE</b>			
- <b>At the beginning of the year</b>	<b>157,785,272,876</b>	<b>71,034,591</b>	<b>157,856,307,467</b>
- <b>At the end of the year</b>	<b>206,985,905,069</b>	<b>5,394,582</b>	<b>206,991,299,651</b>

**4.13 Cost of construction in progress**

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Machinery and equipment for the production system of cancer treatment drugs	82,163,277,027	79,275,269,136
Machinery and equipment for the research and testing system		9,022,226,690

Exhaust system for the 5-story building at Phu Tho Factory	602,742,536	602,742,536
Land purchase costs for the Project: Center for the Conservation of Rare Medicinal Resources and Development of Medicinal Plants under Forest Canopy (i)	88,000,000,000	88,000,000,000
IPO project investment costs	15,098,510,220	13,601,005,583
Land leveling costs at Phu Tho Factory	7,063,940,909	6,954,850,000
Land purchase costs for the project to expand the scale and landscape of Phu Tho Factory	-	-
Land purchase costs for opening a branch in Hai Phong	15,394,000,000	15,394,000,000
Land purchase costs for opening a branch in Da Nang		50,473,812,000
Other investment costs	392,950,990	1,258,938,944
	<b>208,715,421,682</b>	<b>264,582,844,889</b>

(i) Pursuant to Resolution No. 05A/2022/NQ-HDQT/DLVN dated May 13, 2022, by the Board of Directors of Vietnam Medicinal Materials Joint Stock Company regarding the approval of the project to establish a Center for the Conservation of Rare Medicinal Resources and the Development of Medicinal Herbs under the Forest in Yen Son Commune, Thanh Son District, Phu Tho Province, the company purchased two plots of land with a total area of 571,000 m<sup>2</sup> in Yen Son Commune, Thanh Son District, Phu Tho Province, for a transfer price of VND 88,000,000,000. Intended use: RTs; Current usage period: By 2054, the company is in the process of converting the land use term to 50 years.

**4.14 Long-term financial investment**

	Ending balance		Beginning balance	
	Original cost VND	Provision VND	Fair value VND	Original cost VND
Investment in subsidiaries	-	-	-	-
Investments in joint ventures and associates	20,000,000,000	-	-	20,000,000,000
VIBFA Joint Stock Company	20,000,000,000	-	(i)	20,000,000,000
Investment in other entities	-	-	-	-
	<b>20,000,000,000</b>	-	-	<b>20,000,000,000</b>

(i) The company has not determined the fair value of unlisted investments due to the lack of specific guidance on fair value determination.

**4.15 Short-term payable to the seller**

	Ending balance (31/12/2024)		Beginning balance (01/01/2024)	
	Value VND	Amounts capable of debt repayment VND	Value VND	Amounts capable of debt repayment VND
Hai Minh Pharmacy Company Limited	2,687,697,268	2,687,697,268	2,848,467,270	2,848,467,270
BENOVAS Pharmaceutical Joint Stock Company - Hanoi Branch	4,054,183,839	4,054,183,839	4,093,285,581	4,093,285,581
Da Phuc Pharmaceutical Company Limited	1,814,956,892	1,814,956,892	2,352,472,571	2,352,472,571
VENZOR Joint Stock Company	15,235,699,387	15,235,699,387	16,740,190,228	16,740,190,228
Son Lam Pharmaceutical Joint Stock Company	1,787,348,430	1,787,348,430	2,072,236,028	2,072,236,028
Vu Kim Nhung Do Thi Nga Business Household			8,360,253,191 2,290,231,546	8,360,253,191 2,290,231,546
FISAMEC CENTRAL JOINT STOCK COMPANY	4,350,691,776	4,350,691,776	9,737,184,624	9,737,184,624
THANG LONG PHARMACEUTICAL ORIENTAL MEDICINE JONT SOCK COMPANY	1,766,401,728	1,766,401,728	3,039,869,280	3,039,869,280
Thanh Phat Pharmacy Joint Stock Company	1,261,399,080	1,261,399,080	3,411,129,324	3,411,129,324
Van Phuc Development Construction Technology Joint Stock Company	400,000,000	400,000,000	2,011,238,000	2,011,238,000
TACOS TW JOINT STOCK COMPANY	-	-		
65 TW JOINT STOCK COMPANY	388,297,331	388,297,331		
DPDH COMPANY LIMITED	2,148,300,000	2,148,300,000		-
Other entities	56,669,426,932	56,669,426,932	37,208,185,965	37,208,185,965
	<b>92,564,402,663</b>	<b>92,564,402,663</b>	<b>94,164,743,608</b>	<b>94,164,743,608</b>

**4.16 Short-term prepayment by buyers**

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Pharbaco Central Pharmaceutical Joint Stock Company No. 1		244,545,000
NO 5 CENTRAL JOINT STOCK COMPANY		
Other entities	395,289,020	208,194,347
	<b>395,289,020</b>	<b>452,739,347</b>

#### 4.17 Short-term expenses

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Bank Loan Interest Expenses	955.708.307	1.371.080.529
Bond Loan Interest Expenses	-	-
	<u>955.708.307</u>	<u>1.371.080.529</u>

#### 4.18 Short-term unrealized revenue

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Prepaid revenue from the sale of financial lease assets	2,791,437,590	4,706,314,745
Other unearned revenue	-	69,000,000
	<u>2,791,437,590</u>	<u>4,775,314,745</u>

#### 4.19 Other payables

##### 4.19.1 Other short-term payables

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Union fund	119,800,050	119,017,250
Social insurance		-
Health insurance		
Unemployment insurance		
State Treasury of Phu Tho province	-	86,575,452
Board of Directors Remuneration	111,200,000	250,000,000
Other payables and liabilities	20,000,000,000	49,720,000
	<u>20,231,000,050</u>	<u>505,312,702</u>

##### 4.19.2 Other long-term payables

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Payables related to funds collected for employee share purchases	1,133,042,000	1,133,042,000
Payables related to employee responsibility retention payments	1,216,370,900	1,490,269,900
	<u>2,349,412,900</u>	<u>2,623,311,900</u>

**4.20 Borrowings and finance lease liabilities**

**4.20.1 Borrows and short-term financial leases**

	Beginning balance (01/01/2024)		During the year		Ending balance (31/12/2024)	
	Value VND	Amounts capable of debt repayment VND	Increase VND	Decrease VND	Value VND	Amounts capable of debt repayment VND
<b>Short term loans</b>	<b>658,203,577,065</b>	<b>658,203,577,065</b>	<b>1,127,854,811,223</b>	<b>1,175,656,646,771</b>	<b>723,090,443,226</b>	<b>723,090,443,226</b>
Vietnam Prosperity Joint Stock Commercial Bank (VPBank) (1)	50,370,597,071	50,370,597,071	165,281,787,837	147,950,764,590	67,701,620,318	67,701,620,318
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) (3)	409,535,963,114	409,535,963,114	544,063,727,726	597,938,740,544	355,660,950,296	355,660,950,296
Sinopac Bank (4)	69,748,839,194	69,748,839,194	107,653,880,122	132,529,523,110	44,873,196,206	44,873,196,206
Woori Vietnam One-Member Limited Liability Bank (5)	39,951,078,318	39,951,078,318	79,576,863,772	79,644,837,665	39,883,104,425	39,883,104,425
Hong Leong Vietnam One-Member Limited Liability Bank (6)	69,956,399,977	69,956,399,977	79,261,907,116	119,917,036,595	29,301,270,498	29,301,270,498
Huanan Vietnam One-Member Limited Liability Bank (7)	4,732,923,684	4,732,923,684	152,016,644,650	83,767,968,560	72,981,599,774	72,981,599,774
Vietnam Technological and Commercial Joint Stock Bank (Techcombank) (8)	13,907,775,707	13,907,775,707	-	13,907,775,707	-	-
HDBank - Ba Dinh Branch			7,901,354,561		7,901,354,561	7,901,354,561
Vietnam Prosperity and Development Joint Stock Commercial Bank			8,000,000,000		8,000,000,000	8,000,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade			42,041,700,891	2,050,000,000	39,991,700,891	39,991,700,891

(VietinBank) - Luu Xa Branch							
INDOVINA Bank		56,795,646,257	56,795,646,257	56,795,646,257			
Current portion of long-term debt	11,364,596,916	10,923,076,920	11,364,596,916	10,923,076,920			
Current portion of long-term financial lease liabilities	9,909,000,334	12,759,522,857	16,015,761,787	6,652,761,404			
Bonds maturing during the period	-	-	-	-			
Short-term borrowings and financial lease liabilities	679,477,174,315	1,266,276,112,709	1,205,087,005,474	740,666,281,550			740,666,281,550

**Additional Information on Short-Term Loans:**

- (1) Short-term loan obtained from Vietnam Prosperity Joint Stock Commercial Bank (VPBank) – Thang Long Branch under Credit Line Agreement No. 020823-2751778-01-SME, signed on August 7, 2023; credit line: VND 100,000,000,000, credit term 12 months. The loan is intended to supplement working capital, issue guarantees, and open letters of credit (LC) to support business activities in pharmaceuticals, medical equipment, and functional foods. The loan term and interest rate are specified in each accommodation bill. The loan is secured by:
  - Land use rights and assets attached to the land under Certificate No. CX 432394, Registration No. CT16020, issued by the Department of Natural Resources and Environment of Hai Phong City on January 13, 2021 at SB-02, Vinhomes Marina urban area, Hai Phong city, under the name of Mr. Vu Thanh Trung (General Director of the Company);
  - 01 Honda City car, license plate: 19A-383-66, chassis number: RLHGN2685MY003704, Engine number: L15ZC1005499, under the Company's title.
  - The company's term deposit contracts are held at Vietnam Prosperity Joint Stock Bank (VP Bank) - Thang Long Branch.
  - The land use rights of Mr. DO VAN SANG and Ms. VU THI BICH LIEN, secured under Mortgage Contract No. CLC-23147-2751778-HDTC-01, dated July 11, 2024, and any amendments, supplements, or replacements thereof (if applicable) between VPBank and the mentioned parties (hereinafter referred to as the "Mortgage Contract"). The collateral consists of one property located in Area 9, Gia Cam Ward, Viet Tri City, Phu Tho Province, as per the Certificate of Land Use Rights, Ownership of Houses, and Other Assets Attached to the Land No. CO 250935, Registration No.: CH 2872, issued by Viet Tri City People's Committee on May 9, 2019
  - The land use rights of Ms. DO THI NHUNG, secured under Mortgage Contract No. CLC-25226-2751778-HDTC-01, dated August 27, 2024. The collateral consists of one property located at TB-25, Business Villa Area, An Khanh Commune, Hoai Duc District, Hanoi City, as per the Certificate of Land Use Rights, Ownership of Houses, and Other Assets Attached to the Land No. DP 999201, Registration No.: VP 02700, issued by Hanoi Land Registration Office on August 13, 2024
- (2) Short-term loan obtained from Bank for Investment and Development of Vietnam (BIDV) – Hanoi Branch under Credit Line Agreement No. 01/2023/3990765/HDTT, signed on August 8, 2023, for the purpose of supplementing working capital, issuing guarantees, and opening letters of credit (L/C) to

support production and business activities. Credit line is VND 450,000,000,000. The loan term and interest rate are specified in each accommodation bill. This loan is secured by:

- A property located at Plot No. 89, Map Sheet No. 32, Group 10, Bo De Ward, Long Bien District, Hanoi City, with an area of 453.8 m<sup>2</sup>, as recorded in the Certificate of Land Use Rights, Ownership of Houses, and Other Assets Attached to the Land No. DN 82440, Registration No.: VP 02090, issued by the Department of Natural Resources and Environment of Hanoi City on June 26, 2024 to Viet Nam Medicinal Materials Joint Stock Company;
  - 01 Poseche Muncan car, license plate: 30H-801.84 Chassis number: WP1ZZZ95ZLLB03487; Engine number: DLH068634, under the Company's title.
  - 01 Range Rover car, license plate: 30A -909.99, Chassis number: SALGV3TF3EA166038; Engine number: 508PSLGHJJ14031821331508PS, under the Company's title.
  - A property located at Plot No. 124, Map Sheet No. 111, Bieu Khe Village, Thuy Lam Commune, Dong Anh District, Hanoi City, with an area of 300.0 m<sup>2</sup>, as recorded in the Certificate of Land Use Rights, Ownership of Houses, and Other Assets Attached to the Land No. DD 710372, Registration No.: CS 66506, issued by the Department of Natural Resources and Environment of Hanoi City on November 18, 2021 to Mr. Vu Trung Thanh (General Director of the company);
  - A property located at Plot No. 30, Map Sheet No. 03-84/PA-CL, Sap Mai Village, Vong La Commune, Dong Anh District, Hanoi City, with an area of 80.0 m<sup>2</sup>, as recorded in the Certificate of Land Use Rights, Ownership of Houses, and Other Assets Attached to the Land No. DD 888523, Registration No.: CS 66297, issued by the Department of Natural Resources and Environment of Hanoi City on November 17, 2021 to Mr. Vu Trung Thanh (General Director of the company);
  - The land use rights and assets attached to the land located at AD09-76, Vinhomes Riverside Ecological Urban Area, with an area of 304.0 m<sup>2</sup>, as recorded in the Certificate of Land Use Rights, Ownership of Houses, and Other Assets Attached to the Land No. CN 742082, Registration No.: CS 24966, issued by the Department of Natural Resources and Environment of Hanoi City on June 1, 2018 of a third party;
  - The land use rights and assets attached to the land located in Hung Thinh Commune, Trang Bom District, Dong Nai Province, with an area of 591.3 m<sup>2</sup>, as recorded in the Certificate of Land Use Rights, Ownership of Houses, and Other Assets Attached to the Land No. CN 981561, Registration No.: CS 08615, issued by Dong Nai Department of Natural Resources and Environment on September 21, 2019 of a third party;
  - The land use rights and assets attached to the land located at Group 116, Minh Hoa Ward, Lien Chieu District, Da Nang City, with an area of 977.2 m<sup>2</sup>, as recorded in the Certificate of Land Use Rights, Ownership of Houses, and Other Assets Attached to the Land No. CO 150979, Registration No.: CTs 169603, issued by the Department of Natural Resources and Environment of Da Nang City on September 14, 2019 and transferred to Viet Nam Medicinal Materials Joint Stock Company on April 10, 2024.
  - Term deposit contracts of the Company, Mr. Vu Thanh Trung (General Director of the Company), and a third party.
- (3) Short-term loan at Sinopac Bank - Ho Chi Minh City Branch under short-term credit contract No. 221035 dated October 17, 2022 and amendment to short-term credit contract No. 221035-SDBS1 dated November 6, 2023 on extending the credit period to October 31, 2024, with the credit line of USD 4,000,000 or equivalent amounts in Vietnamese Dong for the purpose of supplementing working capital for purchasing raw materials/medicines and medical equipment and financing international payment activities. The loan term and interest rate are specified in each accommodation bill. This loan is secured by the company's term deposit contracts at Sinopac Bank – Ho Chi Minh City Branch.



- (4) Short-term loan from Woori Vietnam One Member Limited Liability Bank – Hoan Kiem Branch under Credit Line Loan Agreement No. VN123002314-001/2023-HDCVHM/WBVN101, dated March 31, 2023, for the purpose of supplementing working capital to purchase raw materials, pharmaceuticals, and medical equipment, and to finance international payment activities. The credit line is VND 40 billion. The loan term and interest rate are specified in each accommodation bill. This loan is secured by the company's term deposit contracts at Woori Vietnam One Member Limited Liability Bank – Hoan Kiem Branch.
- (5) Short-term loan from Hong Leong Vietnam One Member Limited Liability Bank – Hanoi Branch under Credit Agreement No. HN/2023/04/BCB/HDTD dated May 5, 2023, for the purpose of supplementing working capital to purchase raw materials, pharmaceuticals, and medical equipment, and to finance international payment activities. The credit line is VND 70 billion. The loan term and interest rate are specified in each accommodation bill. This loan is secured by the Company's term deposit contracts at Hong Leong Vietnam One Member Limited Liability Bank – Hanoi Branch.
- (6) Short-term loan from Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) – Luu Xa Branch under Credit Agreement No. 01/2024HDCVHM/NHCT224, dated August 23, 2024, for the purpose of supplementing working capital to support production and business activities. The loan term and interest rate are specified in each accommodation bill. The loan is secured by The land use rights for Plot No. 451, Map Sheet No. 33, located at Trung Chanh Commune, Hoc Mon District, Ho Chi Minh City, as recorded in the Land Use Rights Certificate No. BE 711913, issued on November 11, 2011.
- (7) Short-term loan from Indovina Bank Limited – Hanoi Branch under Credit Agreement No. 2068/IVB-HDHM/2024, dated August 20, 2024, for the purpose of supplementing working capital to support production and business activities. The loan term and interest rate are specified in each accommodation bill. The loan is secured by The land use rights for Plot No. 10, Map Sheet No. 39, located at No. 324, Group 30A, Minh Khai Street, Hai Ba Trung District, Hanoi City, as recorded in Land Use Rights Certificate No. DB513541, issued on February 17, 2022, and the Collateral Property Rights under the Commercial Housing Purchase Agreement as per the Asset Valuation Report dated September 23, 2024, established through a Mortgage Agreement for Property Rights arising from the contract, notarization number: 018004, book no. 09/2024 TP/CC - SCC/HHDGD dated September 24, 2024, appendices, contracts amending and supplementing the Mortgage Contract and other relevant documents.
- (8) Short-term loan from Hua Nan Commercial Bank, Ltd – Ho Chi Minh City Branch under Credit Agreement No. HNHCMCFL-S/76/2023, dated October 23, 2023, for the purpose of supplementing working capital to purchase raw materials, pharmaceuticals, and medical equipment, and to finance international payment activities. The credit line is USD 3,000,000. The loan term and interest rate are specified in each accommodation bill. This loan is secured by the Company's term deposit contracts at Hua Nan Commercial Bank, Ltd – Ho Chi Minh City Branch.

**4.20.2 Long-term borrowings and finance lease liabilities**

	Beginning balance (01/01/2024)		During the year		Ending balance (31/12/2024)	
	Value VND	Amounts capable of debt repayment VND	Increase VND	Decrease VND	Value VND	Amounts capable of debt repayment VND
Long term loans	34,113,632,573	34,113,632,573	441,519,996	11,364,596,916	23,190,555,653	23,190,555,653

Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) (1)	32,680,345,902	32,680,345,902	-	10,923,076,920	21,757,268,982	21,757,268,982
Vietnam Prosperity Joint Stock Commercial Bank (VPBank) (2)	1,433,286,671	1,433,286,671	441,519,996	441,519,996	1,433,286,671	1,433,286,671
<b>Long-term financial lease liabilities</b>	<b>8,367,319,209</b>	<b>8,367,319,209</b>	-	<b>5,671,629,078</b>	<b>2,695,690,131</b>	<b>2,695,690,131</b>
Chaillease International Financial Leasing Co., Ltd. (3)	8,367,319,209	8,367,319,209	-	5,671,629,078	2,695,690,131	2,695,690,131
	<b>42,480,951,782</b>	<b>42,480,951,782</b>	<b>441,519,996</b>	<b>17,036,225,994</b>	<b>25,886,245,784</b>	<b>25,886,245,784</b>

**Where:**

<b>Payable within the next 12 months</b>	21,273,597,250	21,273,597,250			17,575,838,324	17,575,838,324
Current portion of long-term debt	11,364,596,916	11,364,596,916	10,923,076,920	11,364,596,916	10,923,076,920	10,923,076,920
Long-term financial lease liabilities	9,909,000,334	9,909,000,334	10,923,076,920	16,015,761,787	6,652,761,404	6,652,761,404
Issued bonds	-	-	-	-	-	-
<b>Long-term borrowings and finance lease liabilities</b>	<b>21,207,354,532</b>	<b>21,207,354,532</b>	-	-	<b>8,310,407,460</b>	<b>8,310,407,460</b>

**Additional information for long-term loans:**

- (1) Long-term loan from Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank) – Hanoi Branch under Credit Line Agreement No. 02/2020/3990765/HDTD, signed on December 15, 2020, for the purpose of financing reasonable costs related to the investment in the Phase 2 of the GMP-WHO Pharmaceutical Manufacturing Plant and Products in the Medical Field project, located in Area 8, Phu Ninh Commune, Phu Ninh District, Phu Tho Province. The loan term is 84 months, with an interest rate equivalent to the personal savings interest rate for deposits with a 24-month term plus 3% per annum, and it is adjusted every 6 months. The loan is secured by:
- The entire number of shares and all rights arising from the shares owned, including: The right to receive dividends in cash or in shares, the right to purchase additional shares at a preferential price, and other related rights. The total number of shares used as collateral is 950,000 shares owned by Mr. Vu Thanh Trung (the General Director of the Company).
  - All machinery and equipment to be formed in the future for the project "Investment in the GMP-WHO Pharmaceutical Manufacturing Plant and Products in the Medical Field, Phase 2, in Area 8, Phu Ninh Commune, Phu Ninh District, Phu Tho Province" of Viet Nam Medicinal Materials Joint Stock Company;
- (2) Long-term loan from Vietnam Prosperity Joint Stock Commercial Bank (VPBank) – Thang Long Branch.

- Under Loan Agreement No. 140720-2751778-01-SME, signed on July 15, 2020, for the purpose of partially financing the purchase of one car. The loan term is 78 months, with an interest rate of 8.8% per annum at the time of disbursement, and it is adjusted periodically at the beginning of each quarter. The loan is secured by a Vinfast automobile, Lux SA model, with license plate number 30G-444.36 owned by the Company.
  - According to the Loan Agreement No. CLC-7758-01, signed on November 29, 2023, for the purpose of partially financing the purchase of one car. The loan term is 60 months, with an interest rate of 9.8% per annum at the time of disbursement, and it is adjusted periodically at the beginning of each quarter. The loan is secured by a Kia automobile, CARNIVAL KA4 23.5 AFH7 model, with license plate number 30K-718.25 owned by the Company.
- (3) Finance lease liabilities with Chailease International Leasing Co., Ltd – Hanoi Branch under the following agreements:
- Financial lease contract No. C210323912 dated March 18, 2021. Lease term 44 months, lease interest rate 9.83%/year;
  - Financial lease contract No. C210723012 dated July 26, 2021. Lease term 42 months, lease interest rate 9.8%/year;
  - Finance lease contract No. C211235212 dated December 28, 2021. Lease term 42 months, lease interest rate 12.17%/year;
  - Finance lease contract No. C241001312 dated October 9, 2024. Lease term 36 months, lease interest rate 9.5%/year;

**4.20.3 Finance Lease Liabilities to be Repaid According to the Following Schedule:**

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Finance Lease Payables:				
- Within 1 year	6.652.761.404	9.909.000.334	6.652.761.404	9.909.000.334
- From the second year to the fifth year	2.695.690.131	8.367.319.209	2.695.690.131	8.367.319.209
	<b>9.348.451.535</b>	<b>18.276.319.543</b>	<b>9.348.451.535</b>	<b>18.276.319.543</b>
Deductions: Future Finance Charges				-
Present Value of Finance Lease Payables			<b>9.348.451.535</b>	18.276.319.543
Deductions: Amount Payable within 12 Months			6.652.761.404	9.909.000.334
<b>Amount payable after 12 months</b>			<b>2.695.690.131</b>	<b>8.367.319.209</b>

4.21Equity

4.21.1 Consolidation table of changes in equity

	Owners' contributed capital VND	Surplus equity VND	Development and investment fund VND	Undistributed post-tax profit VND	Total VND
<b>Beginning balance of the prior year</b>	356,500,000,000	159,200,000,000	7,166,452,294	125,364,082,889	648,230,535,183
Increase during the prior year	-	-	5,441,523,095	43,162,348,835	48,603,871,930
- Capital increase during the prior year	-	-	5,441,523,095	-	5,441,523,095
- Profit in the prior year	-	-	-	43,162,348,835	43,162,348,835
- Profit distribution during the prior year	-	-	-	-	-
Decrease during the prior year	-	-	-	(8,162,284,642)	(8,162,284,642)
- Appropriation to the development investment fund	-	-	-	(5,441,523,095)	(5,441,523,095)
- Appropriation to the bonus and welfare fund	-	-	-	(2,720,761,547)	(2,720,761,547)
<b>Ending balance of the prior year</b>	356,500,000,000	159,200,000,000	12,607,975,389	160,364,147,082	688,672,122,471
<b>Beginning balance of the current year</b>	356,500,000,000	159,200,000,000	12,607,975,389	160,364,147,082	688,672,122,471
Increase during the year	71,299,160,000	-	-	-	71,299,160,000
- Profit in the current year	-	-	-	49,633,438,161	49,633,438,161
- Profit distribution during the current year	-	-	-	-	-
Decrease during the year	-	-	32,072,829,416	103,371,989,416	135,444,818,832
- Appropriation to the development investment fund (i)	-	-	32,072,829,416	103,371,989,416	135,444,818,832
- Appropriation to the bonus and welfare fund (i)	-	-	-	-	-

**Viet Nam Medicinal Materials Joint Stock Company**  
Area 8, Phu Ninh Commune, Phu Ninh District, Phu Tho Province

Form No. B02-DN

<b>Ending balance of the current year</b>	<b>427,799,160,000</b>	<b>159,200,000,000</b>	<b>44,680,804,805</b>	<b>106,625,595,827</b>	<b>738,305,560,632</b>
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#### 4.21.2 Details of Owner's Contributions

No.	Name of shareholder	Capital contribution	Number of shares	Percentage
		VND	Shares	%
1.	Mr. Vu Thanh Trung	85.800.000.000	8.580.000	20,06%
2.	Capital of other shareholders	341.999.160.000	34.199.916	79,94%
		<b>427.799.160.000</b>	<b>42.779.916</b>	<b>100,00%</b>

#### 4.21.3 Capital transactions with owners and distribution of dividends and profits

	Ending balance VND	Beginning balance VND
<b>Equity</b>		
Contributions at the beginning of the period	356.500.000.000	356.500.000.000
Contributions increased during the period	71.299.160.000	-
Contributions decreased during the period	-	-
Ending contributions	427.799.160.000	356.500.000.000
<b>Dividends, Profits Distributed</b>	-	-

#### 4.21.4 Shares

	Ending balance (31/12/2024) Shares	Beginning balance (01/01/2024) Shares
- Number of shares registered for issuance	42,779,916	35,650,000
- Number of shares sold to the public	42,779,916	35,650,000
+ <i>Common shares</i>	42,779,916	35,650,000
+ <i>Preferred shares</i>	-	-
- Number of shares repurchased and resold	-	-
+ <i>Common shares</i>	-	-
+ <i>Preferred shares</i>	-	-
Number of shares outstanding	42,779,916	35,650,000
+ <i>Common shares</i>	42,779,916	35,650,000
+ <i>Preferred shares</i>	-	-
Par value of outstanding shares	10,000	VND/share

#### 4.21.5 Profit Distribution

	Ending balance (31/12/2024) Shares	Beginning balance (01/01/2024) Shares
Undistributed profit at the beginning of the year	160,364,147,082	125,364,082,889
Profit from production and business activities during the year	49,633,438,161	43,162,348,835
Other adjustments reducing profit	-	-
Other adjustments increasing profit	-	-

Profit distributed as dividends and allocated to funds during the year	209,997,585,243	168,526,431,724
Allocation to funds and dividend distribution, including:	(103,371,989,416)	(8,162,284,642)
- Dividends distributed during the year	(71,299,160,000)	(5,441,523,095)
- Appropriation to the development investment fund	(32,072,829,416)	(2,720,761,547)
- Appropriation to the bonus and welfare fund		
<b>Undistributed profit remaining at the end of the year</b>	<b>106,625,595,827</b>	<b>160,364,147,082</b>

**5 SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE INCOME STATEMEN**

**5.1 Revenues from sales and services rendered**

	<b>Quarter 4/2024</b>	<b>Quarter 4/2023</b>
	<b>VND</b>	<b>VND</b>
Revenue from sales of goods	254,002,985,081	369,653,426,749
Revenue from the sale of finished goods and outsourced services	152,496,879,013	159,108,003,179
Revenue from service provision	74,216,727	85,590,400
	<b>406,574,080,821</b>	<b>528,847,020,328</b>

**5.2 Revenue deductions**

	<b>Quarter 4/2024</b>	<b>Quarter 4/2023</b>
	<b>VND</b>	<b>VND</b>
Sales discounts	-	-
Sales returns	-	117,044,740
	-	<b>117,044,740</b>

**5.3 Cost of goods sold**

	<b>Quarter 4/2024</b>	<b>Quarter 4/2023</b>
	<b>VND</b>	<b>VND</b>
Cost of goods sold for merchandise	238,876,280,761	359,486,906,416
Cost of goods sold for finished goods and outsourcing	128,868,038,739	139,916,283,301
Cost of goods sold for services	-	142,858,608
	<b>367,744,319,500</b>	<b>499,546,048,325</b>

**5.4 Revenue from financial activities**

	<b>Quarter 4/2024</b>	<b>Quarter 4/2023</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits and loans	914,124,874	1,419,079,563
Gains from foreign exchange differences during the year	-	-
	<b>914,124,874</b>	<b>1,419,079,563</b>

**5.5 Financial cost**

	Quarter 4/2024 VND	Quarter 4/2023 VND
Loan interest income	12,026,361,337	13,592,220,868
Losses from foreign exchange differences during the year	742,542,163	723,360
	<b>12,768,903,500</b>	<b>13,592,944,228</b>

#### 5.6 Selling expenses

	Quarter 4/2024 VND	Quarter 4/2023 VND
Employee costs	1,827,329,327	2,275,306,521
Costs of raw materials and packaging	63,871,473	502,489,266
Costs of tools, instruments, and supplies	30,919,185	44,914,971
Depreciation of fixed assets	402,370,349	249,479,089
Costs of outsourced services	302,948,167	808,095,738
Other monetary expenses	6,810,000	103,738,863
	<b>2,634,248,501</b>	<b>3,984,024,448</b>

#### 5.7 Administration expenses

	Quarter 4/2024 VND	Quarter 4/2023 VND
Management employee costs	4,434,561,465	2,811,515,195
Management material costs	20,273,858	11,234,701
Costs of tools, instruments, and supplies	261,715,758	231,718,134
Depreciation of fixed assets	528,596,217	917,379,256
Taxes, fees, and charges	5,179,034	9,287,658
Costs of outsourced services	1,113,164,698	1,293,907,146
Other monetary expenses	2,144,218,575	1,042,044,197
	<b>8,507,709,605</b>	<b>6,317,086,287</b>

#### 5.8 Other incomes

	Q4/2024 VND	Q4/2023 VND
Income from the disposal of fixed assets	-	-
Income from penalties	-	26.984.066
Other incomes	36.515.113	(16.666.720)
	<b>36.515.113</b>	<b>10.317.346</b>

#### 5.9 Other expenses

	Q4/2024 VND	Q4/2023 VND
Expenses for the disposal of fixed assets	-	-
Expenses for administrative violations and late payment penalties	-	-
Other expenses	2.581.117.735	214.768
	<b>2.581.117.735</b>	<b>214.768</b>

#### 5.10 Current corporate income tax expenses

	Quarter 4/2024 VND	Quarter 4/2023 VND
Corporate income tax expenses based on current taxable income (i)	1,425,560,672	850,101,550



Total current corporate income tax expenses	1,425,560,672	850,101,550
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(i) Details of Corporate Income Tax for the entity are calculated as follows:

	Quarter 4/2024 VND	Quarter 4/2023 VND
<b>Accounting profit before tax</b>	<b>13,288,421,967</b>	<b>6,719,054,441</b>
- Increase adjustments	-	144,776,279
+ Non-deductible expenses	-	144,776,279
- Decrease adjustments	-	-
+ Other items	-	-
<b>Taxable profit for corporate income tax</b>	<b>13,288,421,967</b>	<b>6,863,830,720</b>
Profit from business activities eligible for a preferential tax rate of 17%	1,447,159,024	10,403,134,443
Profit from business activities subject to a tax rate of 20%	701,981,160	2,137,722,650
<b>Corporate income tax payable</b>		
Corporate income tax expenses from business activities eligible for a preferential tax rate of 17% and a 50% reduction	723,579,512	749,274,373
Corporate income tax expenses from business activities subject to a tax rate of 20%	701,981,160	427,544,530
<b>Estimated corporate income tax payable for the year</b>	<b>1,425,560,672</b>	<b>850,101,550</b>

#### 5.11 Basic earnings and dilution on shares

	Quarter 4/2024 VND	Quarter 4/2023 VND
<b>a) Basic earnings per share</b>		
<b>Profit after corporate income tax (VND)</b>	<b>11,964,813,015</b>	<b>5,868,952,891</b>
Adjustments to increase/decrease accounting profit to determine profit attributable to ordinary shareholders	-	-
<b>Profit attributable to ordinary shareholders (VND)</b>	<b>11,964,813,015</b>	<b>5,868,952,891</b>
Weighted average number of ordinary shares in circulation during the year (shares)	42,779,916	35,650,000
<b>Basic earnings per share (VND/share)</b>	<b>280,00</b>	<b>165,00</b>
<b>b) Diluted earnings per share</b>		
Number of shares expected to be issued additionally (shares)	-	-
<b>Diluted earnings per share (VND/share)</b>	<b>279,68</b>	<b>164,63</b>

#### 5.12 Production and business expenses by factor

	Quarter 4/2024 VND	Quarter 4/2023 VND
<i>Costs of raw materials and supplies</i>	55,944,435,064	138,440,307,287
<i>Labor costs</i>	8,799,877,316	7,490,641,912
<i>Costs of tools, instruments, and supplies</i>	1,331,429,329	-
<i>Depreciation of fixed assets</i>	4,471,439,526	6,375,128,066
<i>Taxes, fees, and charges</i>	1,908,823,959	-
<i>Costs of outsourced services</i>	3,847,861,813	2,671,287,362
<i>Other monetary expenses</i>	2,263,435,924	1,155,070,718
	<b>78,567,302,931</b>	<b>156,132,435,345</b>

6 SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE CASH FLOW STATEMENT

6.10 Amount of borrowings received during the year:

	Quarter 4/2024 VND	Quarter 4/2023 VND
Proceeds from loans under conventional agreements	1,218,943,624,035	1,238,830,472,170
	<u>1,218,943,624,035</u>	<u>1,238,830,472,170</u>

6.11 Amount of loan principal repaid during the year

	Quarter 4/2024 VND	Quarter 4/2023 VND
Principal repayments of loans under conventional agreements	1,202,596,242,651	1,142,845,893,908
Principal repayments of regular bonds	-	-
	<u>1,202,596,242,651</u>	<u>1,142,845,893,908</u>

7 FINANCIAL INSTRUMENT

7.10 Capital Risk Management

The Company manages its capital to ensure it can continue as a going concern while maximizing shareholder value through optimizing the balance between capital and liabilities.

Financial Leverage Ratio

The financial leverage ratio of the Company as of the end of the financial year is as follows:

	Ending balance (31/12/2024) VND	Beginning balance (01/01/2024) VND
Loans	766,552,527,334	721,958,126,097
Less: Cash and cash equivalents	85,716,381,492	104,847,984,669
Net debt	680,836,145,842	617,110,141,428
Equity	738,305,560,632	688,672,122,471
Net debt-to-equity ratio	<u>0.92</u>	<u>0.90</u>

7.11 Key Accounting Policies

The details of the main accounting policies and methods applied by the Company (including the criteria for recognition, valuation bases, and the basis for recognizing income and expenses) for each type of financial asset, financial liability, and equity instrument are presented in Note 3.

7.12 Types of Financial Instruments

Ending balance (31/12/2024)	Book value (i)	Beginning balance (01/01/2024)
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	VND	VND
<b>Financial assets</b>		
Cash and cash equivalents	85,716,381,492	104,847,984,669
Trade receivables, other receivables	538,901,512,508	410,155,144,408
Loans	-	-
Short term investment	118,906,968,745	94,772,592,688
<b>Long term investment</b>	<b>20,000,000,000</b>	<b>20,000,000,000</b>
	<b>763,524,862,745</b>	<b>629,775,721,765</b>

	Ending balance (31/12/2024) VND	Book value (i)	Beginning balance (01/01/2024) VND
<b>Financial liabilities</b>			
Payables to suppliers and other payables	115,144,815,613		97,293,368,210
Accrued expenses	955,708,307		1,371,080,529
Loans and Debts	766,552,527,334		721,958,126,097
	<b>882,653,051,254</b>		<b>820,622,574,836</b>

(i): In cases where the Company is unable to determine the fair value, the Fair Value column will be omitted, and the following note will be provided:

The Company has not assessed the fair value of financial assets and financial liabilities as of the end of the financial year due to the lack of specific guidance on determining fair value in Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on November 6, 2009 ("Circular 210"), as well as the absence of current regulations providing clear instructions for determining the fair value of financial assets and financial liabilities. Circular 210 requires the application of International Financial Reporting Standards (IFRS) for the presentation of financial statements and disclosure of information regarding financial instruments but does not provide equivalent guidance for the evaluation and recognition of financial instruments, including the application of fair value, in order to align with International Financial Reporting Standards (IFRS).

### 7.13 Financial Risk Management Objectives

The Company has developed a risk management system to identify and assess the risks it faces, establish policies, and implement processes to control risks at an acceptable level. The risk management system is periodically reviewed to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (comprising exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

#### Market risk

The Company's business operations are primarily exposed to risks from changes in exchange rates, interest rates, and prices. The Company does not implement hedging measures for these risks due to the lack of an active market for trading such financial instruments.

#### Exchange Rate Risk Management

The Company engages in certain transactions denominated in foreign currencies, exposing it to risks arising from exchange rate fluctuations..

#### Interest Rate Risk Management

The Company faces interest rate risk arising from loans with agreed-upon interest rates. This risk is managed by maintaining a reasonable level of borrowing and analyzing market competition to secure favorable interest rates from appropriate lending sources.

#### Commodity Price Risk Management

The Company purchases raw materials and goods from both domestic and international suppliers to support its business operations. As a result, the Company is exposed to risks arising from changes in the purchase prices of raw materials and goods.

#### Credit risk

Credit risk arises when a customer or partner fails to fulfill their contractual obligations, leading to financial losses for the Company. The Company has an appropriate credit policy and regularly monitors the situation to assess whether it is exposed to credit risk. The Company does not have any significant credit risk with customers or partners because its receivables come from a large number of customers operating in various industries and distributed across different geographic areas.

#### Liquidity Risk Management

The purpose of liquidity risk management is to ensure the availability of sufficient funding to meet current and future financial obligations. Liquidity is also managed by the Company to ensure a surplus between maturing liabilities and maturing assets during the period, maintaining a level that can be controlled based on the capital the Company believes it can generate within that period. The Company's policy is to regularly monitor current and projected liquidity requirements to ensure that it maintains adequate cash reserves, loan facilities, and sufficient capital contributions committed by shareholders to meet both short-term and long-term liquidity requirements

The tables below provide detailed information on the remaining contractual maturities of non-derivative financial assets and liabilities, as well as the payment terms as agreed. These tables are presented based on the undiscounted cash flows of financial assets and the undiscounted cash flows of financial liabilities, calculated based on the earliest dates the Company is required to pay. The presentation of non-derivative financial asset information is necessary to understand the Company's liquidity risk management, as liquidity is managed on a net liability and asset basis.

#### LIQUIDITY RISK - END OF PERIOD

	No more than 01 year VND	From 01 year to 05 years VND	Over 05 years VND	Total VND
<b>At the end of the year</b>				
Cash and cash equivalents	85,716,381,492	-	-	85,716,381,492
Trade receivables, other receivables	441,250,767,989	93,579,777,273	-	534,830,545,262
Short term investment	118,906,968,745	-	-	118,906,968,745
Long term investment	-	-	20,000,000,000	20,000,000,000
	<b>645,874,118,226</b>	<b>93,579,777,273</b>	<b>20,000,000,000</b>	<b>759,453,895,499</b>
	No more than 01 year VND	From 01 year to 05 years VND	Over 05 years VND	Total VND
<b>At the end of the year</b>				
Payables to suppliers and other payables	112,795,402,713	2,349,412,900	-	115,144,815,613
Accrued expenses	955,708,307	-	-	955,708,307
Loans and Debts	740,666,281,550	25,886,245,784	-	766,552,527,334
	<b>854,417,392,570</b>	<b>28,235,658,684</b>	<b>-</b>	<b>882,653,051,254</b>

#### LIQUIDITY RISK - BEGINNING OF PERIOD

	No more than 01 year VND	From 01 year to 05 years VND	Over 05 years VND	Total VND
<b>At the beginning of the year</b>				
Cash and cash equivalents	104,847,984,669	-	-	104,847,984,669
Trade receivables, other receivables	318,970,750,850	85,559,448,274	-	404,530,199,124
Short term investment	94,772,592,688	-	-	94,772,592,688
	<b>518,591,328,207</b>	<b>85,559,448,274</b>	<b>20,000,000,000</b>	<b>624,150,776,481</b>
	No more than 01 year VND	From 01 year to 05 years VND	Over 05 years VND	Total VND
<b>At the beginning of the year</b>				
Payables to suppliers and other payables	94,670,056,310	-	-	94,670,056,310
Accrued expenses	1,371,080,529	-	-	1,371,080,529
Loans and Debts	679,477,174,315	42,480,951,782	2,623,311,900	724,581,437,997
	<b>775,518,311,154</b>	<b>42,480,951,782</b>	<b>2,623,311,900</b>	<b>820,622,574,836</b>

## 8 OTHER INFORMATION

### 1.1. Events After the Financial Year-End

The Company's management affirms that, in their assessment, no material unusual events occurred after December 31, 2024, that would impact the Company's financial position or operations, requiring adjustment or disclosure in these financial statements.

### 1.2. Transactions and Balances with Related Parties

Related parties to the Company include: Key management personnel, individuals related to key management personnel, and other related parties.

#### 1.2.1. Transactions and Balances with Key Management Personnel and Individuals Related to Key Management Personnel.

Key Management Personnel Include: Members of the Board of Directors/Board of Members and the Executive Management Team (including the General Director, Chief Financial Officer, and Chief Accountant). Individuals related to key management personnel are the close family members of key management personnel.

#### Transactions with Key Management Personnel and Individuals Related to Key Management Personnel

The Company did not engage in any transactions involving the sale of goods or the provision of services to key management personnel or individuals related to key management personnel.

#### Balances with Key Management Personnel and Individuals Related to Key Management Personnel

At the end of the financial year, the Company had no outstanding balances with key management personnel or individuals related to key management personnel.

#### 1.2.2. Transactions and Balances with Other Related Parties

Other related parties to the Company include subsidiaries, associates, jointly controlled entities, individuals with direct or indirect voting rights in the Company and their close family members, businesses controlled by key

management personnel, and individuals with direct or indirect voting rights in the Company and their close family members.

**List of Other Related Parties**

<b>Other related parties</b>	<b>Location</b>	<b>Relationship</b>
VIBFA Joint Stock Company	Hanoi	Affiliates

**Transactions with Other Related Parties**

**1.3. Information on Going Concern**

In the fourth quarter of 2024, there were no activities or events that significantly impacted the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the assumption that the Company will continue to operate as a going concern.



**Prepared by**  
**NGUYEN THI HUONG**



**Chief accountant**  
**NGUYEN MANH THANG**



**General Director**  
**VU THANH TRUNG**  
Phutho, Vietnam  
January 20<sup>th</sup>, 2025