



Fly high with time



HAI DUONG PHARMACEUTICAL MEDICAL MATERIALS JSC.

2024 Annual Report

TABLE OF CONTENT

MESSAGE FROM THE CHAIRMAN.....	2
COMPANY OVERVIEW	6
GENERAL INFORMATION.....	7
BUSINESS SECTOR.....	12
ORGANIZATIONAL STRUCTURE	17
DEVELOPMENT STRATEGY.....	18
RISKS	20
BUSINESS PERFORMANCE.....	25
LIST OF LEADERSHIP	28
HUMAN RESOURCES	34
FINANCIAL PERFORMANCE	35
SHAREHOLDER STRUCTURE.....	38
MANAGEMENT'S REPORT AND REVIEW	39
ASSESSMENT OF BUSINESS PERFORMANCE	39
FINANCIAL PERFORMANCE	40
IMPROVEMENTS IN THE MANAGEMENT POLICY STRUCTURE	41
FUTURE DEVELOPMENT PLAN.....	43
REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS.....	46
ASSESSMENT OF COMPANY ACTIVITIES.....	47
PLANS AND STRATEGIC DIRECTIONS	50
BOARD OF DIRECTORS	53
SUPERVISORY BOARD	57
REMUNERATIONS, BONUSES AND BENEFITS.....	59
INSIDER AND AFFILIATE STOCK TRANSACTION	60
SUSTAINABLE DEVELOPMENT REPORT	62
GENERAL INFORMATION ABOUT SUSTAINABLE DEVELOPMENT	63
ENERGY CONSUMPTION	64
WATER CONSUMPTION	65
EMPLOYEE-RELATED POLICY	66
COMMITMENT TO THE LOCAL COMMUNITY	71
AUDITED FINANCIAL STATEMENTS.....From 72 to 104

MESSAGE FROM THE CHAIRMAN



Mr. Nguyen Trung Viet – Chairman of the Board of Directors

Dear Shareholders and Investors!

In 2024, both the global and Vietnamese economies continued to feel the impact of the war in Ukraine, the economic tensions between Russia, the EU, and the United States, and the territorial disputes in the Middle East, including the Red Sea region. Disruptions to global supply chains caused prices to rise and many raw materials needed for production to become scarce. Consequently, many businesses had to reduce or temporarily stop production, and some even went bankrupt. Factors like inflation, high prices, a shrinking domestic consumer market, difficulties in international trade, and high storage and transportation costs all contributed to pushing the global economy into a prolonged recession.

The Pharmaceutical Industry was no exception. Our company, in particular, faced challenges in a highly competitive market due to the participation of foreign pharmaceutical corporations with hundreds of years of experience and domestic enterprises massively investing in expanding production and business. Meanwhile, issues related to the Pharmaceutical Industry's policies such as production standards, management standards, etc. also underwent many changes.

The company currently has 6 production lines meeting GMP - WHO standards and 1 line meeting GMP EU standards with many product formulations, creating many jobs for employees as well as generating profits for the company.

To both meet the demands of the Vietnamese pharmaceutical industry and grow our business, the Company is actively reinvesting and making new investments to expand and improve our operations, incorporating the most advanced production technology. Our current capitalization of approximately 1,000 billion VND is a testament to the significant growth the Company has achieved over the last decade. Completing the project for the remaining production lines will require further capital investment. In 2024, we began implementing phase 2 of the

HDPHARMA EU Factory project, which involves the construction of two new pharmaceutical lines—one for Powder Injection and another for Betalactam Tablets of Cephalosporin antibiotics—both designed to meet EU-GMP standards. This phase has a total budget of 370 billion VND and is expected to be finished in 2025. Also in 2024, our production line for non-Betalactam antibiotics in the form of tablets, granules, and effervescent tablets received EU-GMP certification. This line is now operational, producing EU-standard products that have already secured initial bids in the ETC channel treatment system and are widely available through the OTC channel distribution network. This marks a significant step forward in elevating our Company's production standards and is the result of the dedication of our Board of Directors, management team, and the team of talented young professionals who have worked diligently towards this goal for many years.

With what has been achieved, the company will effectively leverage its capabilities to overcome the impacts and difficulties of the economy. Simultaneously, HDPHARMA reaffirms its commitment to continuing its development strategy as follows:

HDPHARMA phấn đấu trở thành biểu tượng và là một trong những thương hiệu hàng đầu Việt Nam trong lĩnh vực chăm sóc sức khỏe của cộng đồng. HDPHARMA luôn cung cấp tổng chất lượng tốt nhất, thỏa mãn cao nhất nhu cầu về một cuộc sống khỏe mạnh của khách hàng.

HDPHARMA strives to become an icon and one of the leading brands in Vietnam's community healthcare sector. We are committed to always delivering the highest overall quality, exceeding customer expectations for a healthy life.

Company's strategic pillars

The company's strategy is built on three main directions and three pillars:

1. Building a modern production system with quality as the goal and EU-GMP standards as the focus;

- Key production line instead of key product;
- Invest in research and development, viewing it as the primary factor impacting quality;
- Quality plays a key role in pharmaceutical manufacturing.

2. Building a professional, modern, nationwide business system.

3. Defining the Marketing strategy for all activities of the company.

Objectives

- Modernize production and develop the production system into a state-of-the-art manufacturing operation.
- Establish the HDPHARMA brand and the company's other brands as leaders in their respective product categories.
- Maximize the market share of our manufactured product lines.

- Maximize the market reach of the company's internally manufactured products and expand their market share.
- Establish HDPHARMA as a company managed by modern standards, adhering to defined processes and regulations.
- Develop the company's human resources with a focus on fostering aspiration, a modern mindset, enthusiasm, and professionalism.
- Form partnerships with major players in the pharmaceutical industry for collaborative production and business ventures, including the development of shared production lines.

Esteemed Shareholders and Investors,

Despite the challenges, we have no other option but to overcome them. The members of HDPHARMA, with our passion, intellect, and unwavering unity, will strive to achieve the goals we have set, making the dream of HDPHARMA becoming a leading pharmaceutical company a reality.

Tôi hi vọng các cổ đông đồng lòng để hướng tới những tầm cao mới trong tương lai. Đại diện Hội đồng quản trị, Tôi cũng hứa với các cổ đông kiểm soát chặt chẽ từng đồng của Công ty để đầu tư có hiệu quả.

I hope that our shareholders will be united in striving for new heights in the future. On behalf of the Board of Directors, I also promise that we will tightly control the budget of the Company to ensure effective investment.

Finally, I would like to express my sincere gratitude and best wishes to our valued shareholders, partners, and customers. I also sincerely thank all the company's employees for their wholehearted efforts over the past years. Hai Duong Pharmaceutical Medical Materials Joint Stock Company has been, is, and will always aim to grow stronger to live up to the trust and support that you have given us.

Chairman of the Board of Directors



**CHỦ TỊCH HĐQT
NGUYỄN TRUNG VIỆT**

VISION

We aim to build Hai Duong Pharmaceutical Medical Materials Joint Stock Company into one of the leading companies in the Vietnamese pharmaceutical industry and to create a modern, integrated factory system that adheres to GMP-WHO and GMP-EU standards, offering a diverse range of medications. HDPHARMA is committed to delivering the best overall quality, ensuring the utmost satisfaction of our customers' needs for a healthy life.

MISSION

To Shareholders and Investors: To create the highest value for shareholders, enhance transparency, promptly disclose information about the Company's activities to shareholders and investors, and proactively foster communication with investors.

To Customers: To provide high-quality, stable and long-lasting products; to listen to and continuously improve technical capabilities to best meet customer needs.

To Business Partners: To maintain, nurture, and develop long-term relationships on the principle of respecting the interests of all parties, aiming to create the best quality products for society.

To the Community: HDPHARMA consistently fulfills its responsibility of promoting social activities and contributing to society by raising the skills and expertise of the young workforce for the sustainable development of the country.

To Employees: To value the contributions of employees, create a friendly working environment, and encourage and appreciate independent and creative ideas from employees that contribute to the Company's development.

COMPANY OVERVIEW

GENERAL INFORMATION

ACHIEVEMENTS

MILESTONES

AREA OF BUSINESS OPERATIONS

COMPANY BRANCHES AND KEY CUSTOMERS


BUSINESS SECTOR

ORGANIZATIONAL STRUCTURE

DEVELOPMENT STRATEGY

RISKS

GENERAL INFORMATION

Trading name	Hai Duong Pharmaceutical Medical Materials Joint Stock Company
English name	HAIDUONGPHARMACEUTICAL MEDICAL MATERIAL JOINT STOCK COMPANY
Logo	
Head office address	No. 102, Chi Lang Street, Nguyen Trai Ward, Hai Duong City, Hai Duong Province, Vietnam
Business registration	Number 0800011018 issued by the Department of Planning and Investment of Hai Duong city, first issued on April 4, 2003; 21 st revision on June 7, 2024.
Registered capital	279,473,170,000 VND
Contributed charter capital	279,473,170,000 VND
Phone	0220.3853.848
Fax	0220.3853.848
Website	http://hdpharma.vn/
Ticker symbol	DHD

MILESTONES



Hai Duong Pharmaceutical Medical Materials Joint Stock Company (HDPHARMA) is a company that was equitized from a state-owned enterprise. Since its establishment, the company's development has always been closely linked to the growth of the Vietnamese pharmaceutical industry, as well as the economic ups and downs in the country's historical development. The company's development can be summarized through the following milestones:

➤ 1961

Hai Duong Provincial Administrative Committee established a state-owned pharmaceutical company.

➤ 1966

The state-owned pharmaceutical company was split into two independent administrative units: the Hai Hung State Pharmaceutical Company and Hai Hung Pharmaceutical Enterprise.

➤ 1982

The Hai Hung State Pharmaceutical Company and the Hai Hung Pharmaceutical Enterprise were once again merged to create the Hai Hung Joint Pharmaceutical Enterprise.

➤ 1988

Hai Hung Joint Pharmaceutical Enterprise was renamed Hai Duong Pharmaceutical Medical Materials Company.

➤ 2003

Hai Duong Pharmaceutical Medical Materials Company was converted into Hai Duong Pharmaceutical Medical Materials

➤ 2007

Hai Duong Pharmaceutical Medical Materials Joint Stock Company changed its trading name to HDPHARMA.

➤ 2010

The company increased its charter capital from 10.26 billion to 30 billion VND, through issuance to existing shareholders, employees and

➤ 2018

June 14, 2018: Hai Duong City Department of Planning and Investment issued the 14th Business Registration Certificate,

Joint Stock Company with charter capital of 10.26 billion VND.

strategic shareholders.

Enterprise Code: 0800011018 with charter capital of 60,000,000,000 VND.

➤ 2019

In 2019, the Company converted 20 billion VND of bonds into shares for shareholders. On October 28, 2019: The Department of Planning and Investment of Hai Duong City issued the 15th Change of Business Registration Certificate, Enterprise Code: 0800011018 with a charter capital of 80,000,000,000 VND.

➤ 2020

In 2020, the Company paid dividends to shareholders in 2019 according to the resolution of the 2020 annual general meeting with the amount of 19,999,450,000 VND. On May 28, 2020: The Department of Planning and Investment of Hai Duong City issued the 17th Change of Business Registration Certificate, Enterprise Code: 0800011018 with a charter capital of 99,999,450,000 VND.

➤ 2021

In 2021, the Company paid dividends to shareholders in 2020 according to the resolution of the 2021 annual general meeting with the amount of 19,999,430,000 VND. On May 26, 2021: The Department of Planning and Investment of Hai Duong City issued the 18th Change of Business Registration Certificate, Enterprise Code: 0800011018 with a charter capital of 119,998,880,000 VND.

➤ 2022

In 2022, the Company paid dividends to shareholders in 2021 according to the resolution of the 2022 annual general meeting with the amount of VND 29,998,970,000. On July 26, 2022: The Department of Planning and Investment of Hai Duong City issued the 19th Change of Business Registration Certificate, Enterprise Code: 0800011018 with a charter capital of VND 149,997,850,000.

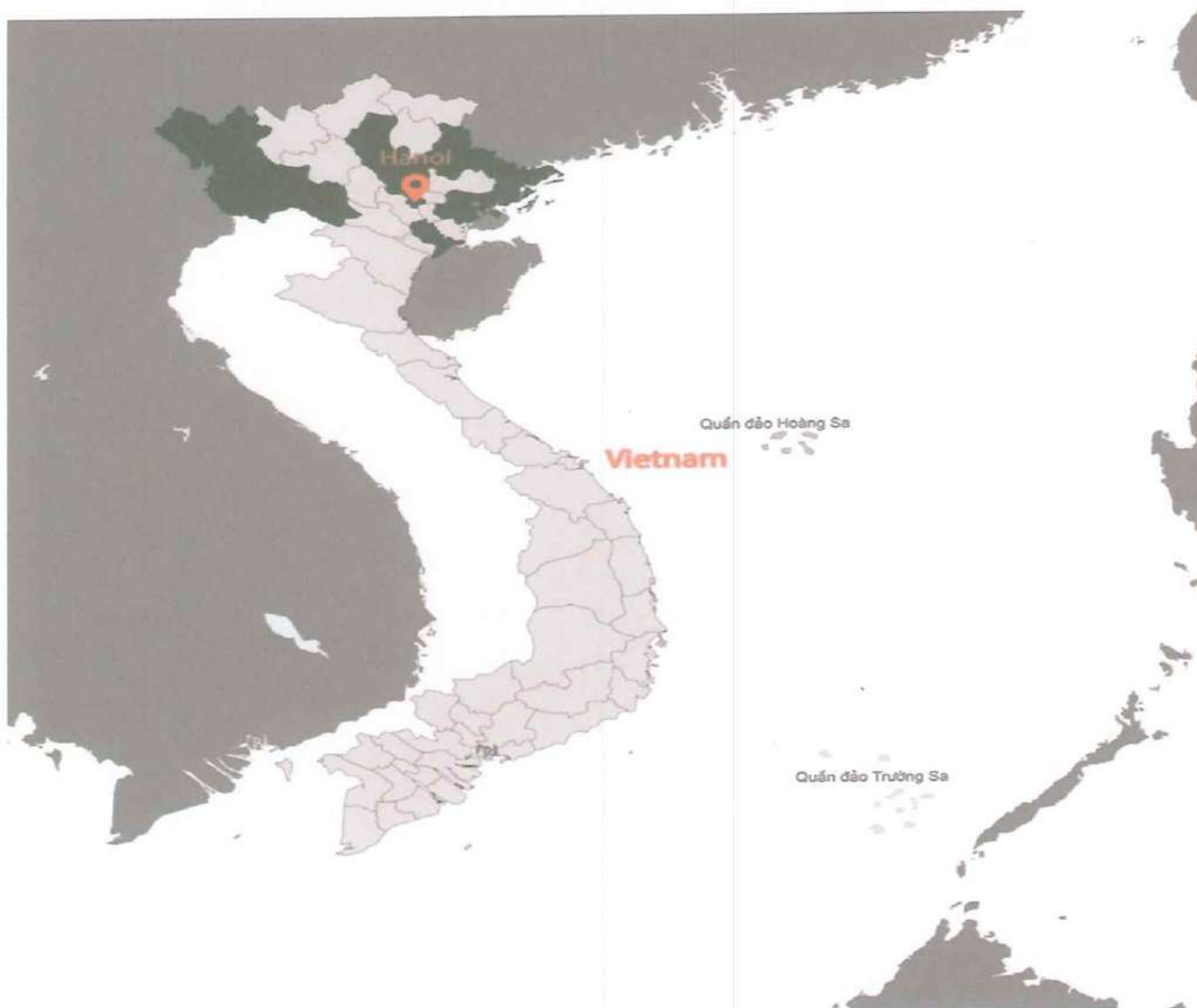
➤ 2023

In 2023, the Company issued shares to existing shareholders to

➤ 2024

In 2024, the Company issued shares to existing shareholders to

<p>increase capital from owners' equity according to the resolution of the 2023 annual general meeting with the amount of VND 53,998,450,000. On June 7, 2023: Hai Duong City Department of Planning and Investment issued the 20th Change of Business Registration Certificate, Enterprise Code: 0800011018 with a charter capital of VND 203,996,300,000.</p>	<p>increase capital from owners' equity according to the resolution of the 2024 annual general meeting with the amount of 75,476,870,000 VND. On June 7, 2024: Hai Duong City Department of Planning and Investment issued the 21st Change of Business Registration Certificate, Enterprise Code: 0800011018 with a charter capital of 279,473,170,000 VND.</p>
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COMPANY BRANCHES AND KEY CUSTOMERS

HAI DUONG

Head office of the Hai Duong Pharmaceutical Medical Materials Joint Stock Company.

Address: No. 102 Chi Lang, Nguyen Trai Ward, Hai Duong City, Hai Duong, Vietnam

HA NOI

Branch of Hai Duong Pharmaceutical Medical Materials Joint Stock Company in Hanoi.

Address: Lot No. 01, Block D6C, Land Use Rights Auction Area, Xuan La Ward, Tay Ho District, Hanoi City, Vietnam

TUYEN QUANG

Tuyen Quang Pharmaceutical Company

HAI PHONG

Hau Vu Pharmaceutical Company Limited; Minh Nhat Pharmaceutical Company Limited

DIEN BIEN

Dien Bien Pharmaceutical Joint Stock Company

HOA BINH

Ha Viet Pharmaceutical Company Limited

SON LA

Duong Hong Thuy Pharmaceutical Joint Stock Company

BAC NINH

Bac Ninh Pharmaceutical Joint Stock Company

BAC GIANG

Bac Giang Pharmaceutical Joint Stock Company; Ngoc Dong Pharmaceutical Company Limited

THAI NGUYEN

Hoang Lan Pharmaceutical Company Limited; Huu Yen Pharmaceutical Company Limited

LANG SON

Thanh Cong Pharmacy

QUANG NINH

Hai Binh Company Limited

NAM DINH

Nam Ha Pharmaceutical Company Limited, Toan Anh Pharmaceutical Company

VĨNH PHÚC

Công ty Cổ phần Dược phẩm Vĩnh Phúc ; Công ty TNHH Dược phẩm Hải Nga

THÀNH PHỐ HỒ CHÍ MINH

Chi nhánh Công ty Cổ phần Dược VTYT Hải Dương tại TP.HCM

Địa chỉ: 99 đường số 101 – TML - Phường Thạnh Mỹ Lợi - Quận 2 - TP.HCM – Việt Nam

DA NANG

Hai Duong Pharmaceutical Medical Materials Joint Stock Company Branch in Central Vietnam.

Address: Lot 9 – C4. Hoa Phat 4 Residential Area, Hoa An Ward, Cam Le District, Da Nang City, Vietnam

DAC LAC

Dak Lak Pharmaceutical Medical Materials Joint Stock Company.

LAM DONG

Lam Dong Pharmaceutical Joint Stock Company.

NINH THUAN

Ninh Thuan Pharmaceutical Medical Materials Joint Stock Company.

CAN THO

Hai Duong Pharmaceutical Medical Materials Joint Stock Company Branch in Can Tho.

Address: Lot 09 – 53 – 54. Road No. 7, Stella Residential Area, Binh Thuy Ward, Binh Thuy District, Can Tho City, Vietnam.

BUSINESS SECTOR

- Production of drugs, pharmaceutical chemicals and pharmaceutical materials;
- Manufacture of medical, dental, orthopedic and rehabilitation equipment and instruments;
- Production of supplements;
- Production of cosmetics;

- Wholesale of pharmaceuticals and medical equipment;
- Wholesale of supplements;
- Wholesale of perfumes, cosmetics and hygiene products;
- Wholesale of other chemicals (except those used in agriculture);
- Wholesale of medical device and equipment;
- Wholesale of essential oils, medicinal herbs, eyeglasses;
- Retail sale of medicines, medical equipment, cosmetics and hygiene products in specialized stores;
- Retail sale of supplements in specialized stores;
- Retail sale of watches and eyeglasses in specialized stores;
- Growing medicinal plants;
- Breeding geckos and snakes (permitted by the State);
- Printing;
- Scientific and technical consulting services and technology transfer in the fields of medicine, pharmacy, cosmetics and food; quality control services for pharmaceuticals and supplements;
- Road freight transport business;
- Supplier of medicines, cosmetics, health supplements, medical equipment and devices, eyeglasses, herbal remedies, essential oils, and chemicals;
- Renting offices, dockyards, shops, warehouses, and residential properties;
- Hotel and beauty services;
- Distilling, purifying, and preparing various hard liquors;
- Production of wine, beer, beer malt, non-alcoholic beverages and mineral water;
- Construction of a variety of homes.

SOME KEY PRODUCTS:



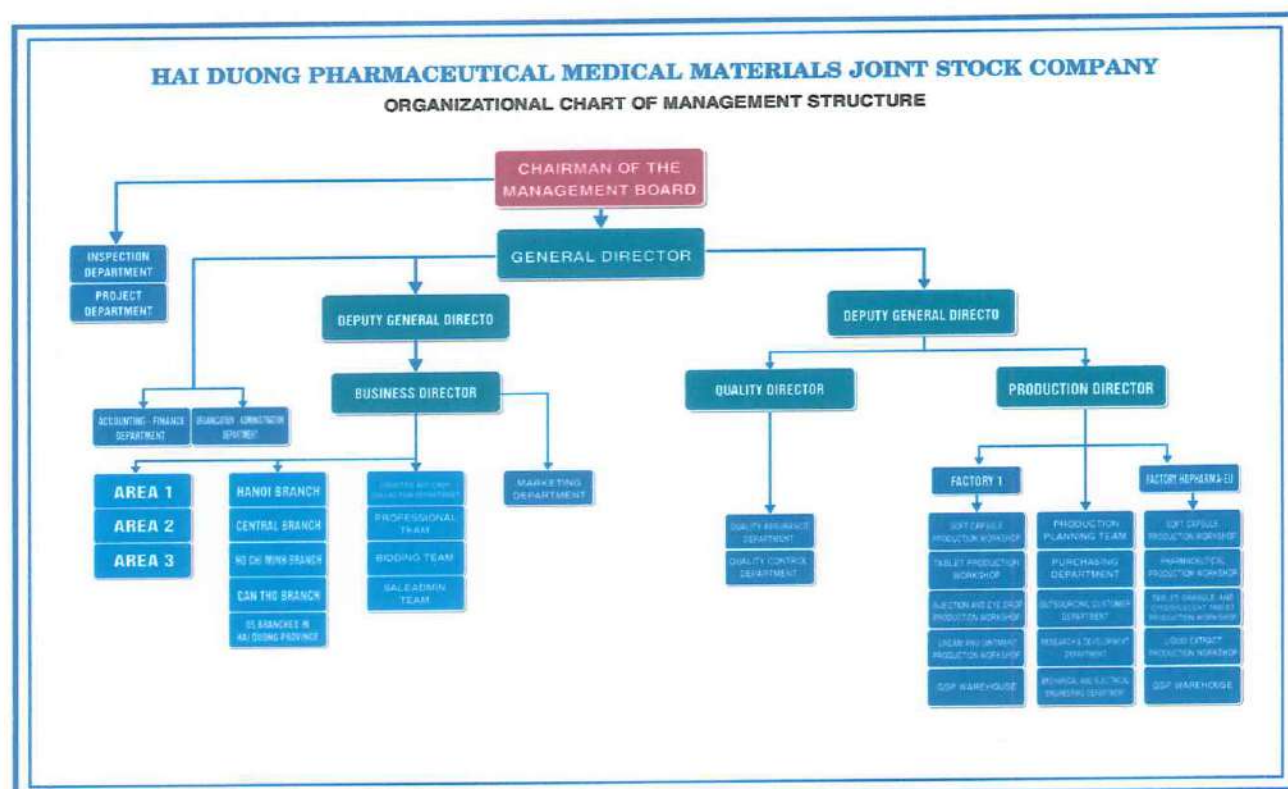
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ORGANIZATIONAL STRUCTURE



GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest authority of the Company, deciding on matters stipulated by law and the Company's charter.

BOARD OF DIRECTORS

The Board of Directors is the management body of the Company, comprising three members elected or dismissed by the General Meeting of Shareholders. It has the authority to act on behalf of the Company to decide and implement the rights and obligations of the Company that do not fall under the authority of the General Meeting of Shareholders. The Company's business operations and affairs are subject to the supervision and direction of the Board of Directors.

SUPERVISORY BOARD

The Supervisory Board is the body that oversees the Board of Directors and the General Manager in the management and administration of the Company. It consists of three (03) members.

GENERAL MANAGER

The General Director is appointed by the Board of Directors and is the highest-ranking person responsible for managing all operations of the Company. They have full authority to decide and implement the rights and obligations of the Company as prescribed, except for matters under the

authority of the General Meeting of Shareholders, the Board of Directors, and the Supervisory Board.

DEVELOPMENT STRATEGY

Objectives

To establish a modern, integrated factory system that meets GMP-WHO and EU GMP standards, and produces a diverse range of pharmaceutical products. The system includes the following production lines:

- Production line for soft capsules without beta-lactam antibiotics.
- Production line for injectable solutions without beta-lactam antibiotics.
- Production line for eye drops and nasal drops without beta-lactam antibiotics, and a production line for tablets, powders, granules, syrups, oral liquids, external preparations, medicinal wines, and herbal extracts derived from medicinal herbs.
- Production line for creams, ointments, and gels without beta-lactam antibiotics.
- EU - GMP certified production line for tablets, granules and effervescent drugs without beta-lactam antibiotics.
- Production line for cosmetics and medical materials.
- EU - GMP certified production line for modern pharmaceuticals, including powder injections and betalactam tablets (Cephalosporin antibiotic group).
- Improving the management system and enhancing product quality to meet EU standards.

Hai Duong Pharmaceutical Medical Materials Joint Stock Company aims to become a leading attractive, safe, effective, and reliable partner for both domestic and international investors.

Development Strategy

Slogan and business strategy

- Our business purpose is to serve, and our motivation for development is business effectiveness.

Product/Service quality policy

- Protecting and enhancing product quality is the mission of the company.

Market and sales policy

- Comprehensively cover the market and expand product distribution network to remote areas domestically and internationally to serve consumers promptly.

Brand, product/service promotion

- Plan for promotion on VTV1, VTV3, and local television channels; in newspapers and magazines; and on the company's website and other websites.

Technological innovation and improvement

- Invest in modernizing machinery and equipment for the company's existing production lines.
- Modernize the herbal medicine production line according to GMP – WHO standards.
- Upgrade the liquid and ointment production lines to meet GMP – WHO standards.
- Expand the injectable drug production line.
- Invest in building a modern pharmaceutical production line for injectables, powders, and tablets of Betalactam Cephalosporin antibiotics that meets EU – GMP standards.
- Invest in advanced manufacturing machinery and testing equipment.

Employee training policy

- Expand on-the-job training and send employees for advanced training.
- Invite experts to provide guidance on machinery operation and technology transfer directly to employees.

Corporate culture

- Educate employees to strictly comply with the country's laws and the company's internal regulations.
- Respect the company's values (respect for the quality of the products we create).
- Maintain a professional work ethic, a positive and friendly work attitude, and civilized and polite conduct.
- Properly implement employee benefits; promptly encourage and reward employees to increase motivation in production. Create the most favorable conditions for the operation of unions within the company.

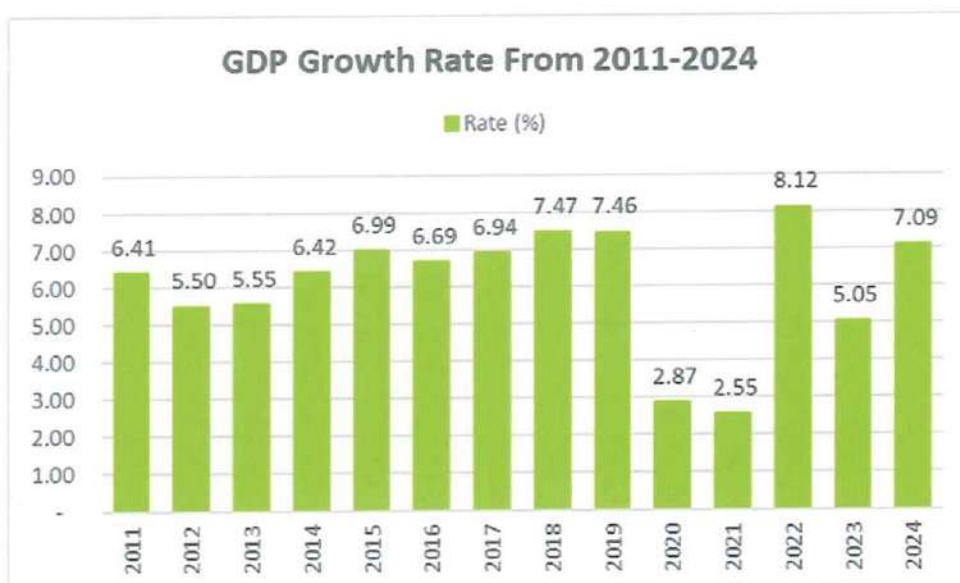
RISKS

ECONOMIC RISKS:

Macroeconomic factors such as GDP growth rate, inflation, and exchange rates will directly impact product consumption. Therefore, maintaining Vietnam's economic growth is a significant factor strongly influencing consumer demand, boosting industrial output, and enabling businesses to expand their market share. The government's effective implementation of macroeconomic policies will be a key element in mitigating risks for domestic businesses, including HDPHARMA.

Economic growth

According to the General Statistics Office, the country's gross domestic product (GDP) growth rate in 2024 was 7.09% compared to 2023. This figure is higher than the target set by the National Assembly, bringing the economy's scale to approximately 476.3 billion US dollars (USD), ranking it 33rd globally. The average per capita income reached 4,700 USD.



Overall, Vietnam's GDP in 2024 grew by 7.09% compared to the previous year. This growth rate was only lower than that of 2018, 2019, and 2022 within the 2011-2024 period.

In 2024, the National Assembly set a GDP growth target of 6% to 6.5%, which is higher than the achieved results of 2023 from 0.95% to 1.45%. The target for GDP per capita was approximately USD 4,700 to USD 4,730. This was a challenging goal given the general global and domestic difficulties. To achieve this target, the National Assembly and the Government implemented numerous reasonable and coordinated solutions and policies. These were aimed at minimizing the impact of the prolonged war between Russia and Ukraine, territorial conflicts in the Middle East and the Red Sea, the economic conflict between Russia and the EU and the US, and the impact of Typhoon Yagi in September 2024. Despite these difficulties, domestic production and business in 2024 recovered positively, and GDP growth surpassed the target set by the National

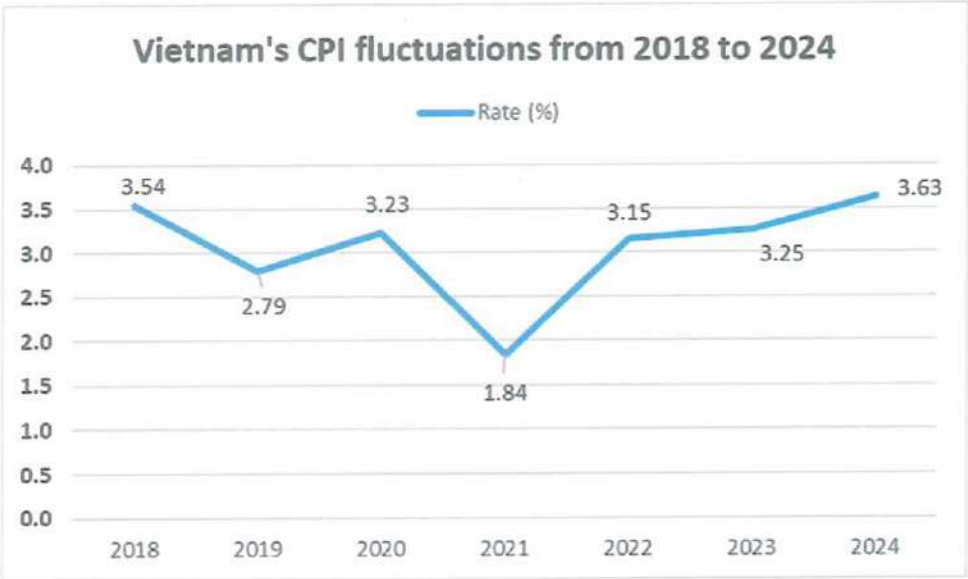
Assembly. This positive environment also positively impacted the development of Vietnam's pharmaceutical industry.

Inflation

In recent years, Vietnam's inflation has experienced complex developments and significant fluctuations, leading to price instability and indirectly impacting the revenue and profits of businesses. However, according to a report by the Vietnam General Statistics Office, the country belongs to the group with low inflation compared to the general global level. The average Consumer Price Index (CPI) for the entire year of 2024 increased by 3.63% compared to 2023, successfully meeting the National Assembly's target of 4-4.5%.

Compared to 2023, core inflation increased by 2.71%, which was less than the average general CPI increase of 3.63%.

To stabilize the macroeconomy and successfully control inflation, the Government has directed various ministries, sectors, and local authorities to strongly implement numerous measures in 2024. These measures include ensuring the smooth operation of the supply, circulation, and distribution of goods, especially essential goods for people's livelihoods. The government also emphasized strengthening price management and regulation, particularly during natural disasters and floods, and promptly releasing national reserves to support and provide relief to people affected by storms and floods. The adjustment of prices for state-regulated goods and public services was carefully managed according to the market. Support policies on taxes, fees, and charges to assist individuals and businesses were also continued by the Government in 2024. The proactive, flexible, timely, and effective management of monetary policy contributed to controlling inflation. Furthermore, the easing of global inflation also influenced Vietnam's inflation, reducing pressure from imported inflation.



Interest rate

The company is exposed to interest rate risk arising from its outstanding interest-bearing loans. This risk is managed by the company by maintaining a reasonable balance between fixed-rate and floating-rate borrowings. The company also actively and appropriately balances its funding sources for payments to maximize working capital efficiency and minimize borrowing costs.

RISK OF COMPETITION

For some time now, the pharmaceutical industry has been considered an attractive sector, drawing significant investment. As a result, many new factories have been and are being built, with increasingly large-scale and sophisticated investments. This will lead to intense competition in the coming years as these factories become operational.

A recent and ongoing trend is the investment of foreign pharmaceutical corporations in Vietnam. These companies possess extensive experience in pharmaceutical production and business, advanced technology, and substantial financial resources. The domestic and foreign wholesale and retail pharmacy chains are rapidly expanding, establishing themselves and competing for market share in Vietnam's pharmaceutical distribution sector. Examples include the [Long Châu Pharmacy](#), and An Khang pharmacy chains. Plans indicate that the total number of pharmacies across these three retail chains could reach 7,300 by 2025, representing 16% of the market share. This situation necessitates that the Company further enhance the quality of its pharmaceutical products, improve technology, and diversify its product range. It also requires continuous updates to new-generation products at reasonable prices that meet actual market demand, the development of a reputable and widespread distribution system, and the establishment of trust among medical professionals and

consumers to ensure survival and competitiveness within the market.

OTHER RISKS

Other risks, such as war, natural disasters, fire, epidemics, etc., are considered force majeure events. Although these are very rare, if they were to occur, they would cause significant damage to property, personnel, and the overall operations of the Company. These risks cannot be entirely eliminated, but their impact can be reduced. Therefore, the company regularly monitors and gathers information to promptly implement preventative and responsive measures. Additionally, the company strictly adheres to regulations and provides regular training on Fire Prevention and Fighting and Occupational Safety to ensure the effective implementation of fire safety measures.

LEGAL RISKS

The company's business operations are subject to various laws and regulations, including the Enterprise Law, Securities Law, and Pharmacy Law. However, changes in legislation, subordinate legal documents, industry regulations, and tax guidelines are frequent, often inconsistent, and still evolving. This can impact the company's business performance and strategic direction. Consequently, there is a risk of potential lawsuits, disputes, and liabilities if the company fails to understand and regularly update itself on new regulations. The company consistently prioritizes staying

informed about legal updates and engages legal counsel to ensure compliance in its production and operations. Furthermore, the

company has been and continues to train its legal specialists to ensure they are up-to-date with the latest legal knowledge.

QUALITY CONTROL RISKS

Currently, the Drug Administration of Vietnam has adopted the PIC/S standard as a requirement. The standard for pharmaceutical manufacturing is GMP-WHO, and strict adherence to this standard is mandatory. The Drug Administration's policy is very clear: to continue production, companies must ensure that their facilities meet the required standards. If they fail to meet these standards, the company will no longer be permitted to manufacture. Therefore, only well-invested and well-managed manufacturing businesses will survive. The trend of adhering to standards and decisively eliminating non-compliant businesses is inevitable in the development of the pharmaceutical industry.

Following the implementation of Circular 15/2019 in 2019, domestic pharmaceutical manufacturers began a race to establish EU-GMP compliant production lines. Competition for EU-GMP certified factories will be very fierce in the medium term. This involves not only the challenge of funding but also the quality of the products.

From 2020 onwards, the Drug Administration of Vietnam also requires the separation of production for health supplements and pharmaceuticals. This means that if a company wishes to produce both, it must double the number of production lines. This requirement arises from a substantial decrease in the demand for health supplements due to declining consumer trust and heightened competition. A significant portion of our production involves the processing of health supplements, so this downturn also has an impact on us.

RISKS SPECIFIC TO THE PHARMACEUTICAL INDUSTRY

The issue of counterfeit and imitation goods is one of the most concerning realities for pharmaceutical manufacturing and trading businesses today. Although the Law on Intellectual Property has been introduced and has contributed to protecting pharmaceutical companies from the infringement of fake and counterfeit products, as well as fostering a healthier competitive environment within the industry, it has not completely eliminated this risk. Pharmaceuticals are a special type of commodity that directly affects human health and safety. Furthermore, the investment costs, time, and effort dedicated to research and development, as well as market entry in the pharmaceutical industry, are higher than in any other industry, while the success rate of new product trials is very low. Additionally, medicines for epidemics and specialized drugs need to be stockpiled, but there's always a potential risk of them not being sold. Goods in the pharmaceutical sector have a specific expiration date. Failure to sell all products before their expiration date leads to the risk of losses for businesses. Given these specific risks, the company must have appropriate measures and the ability to develop reasonable sales and product circulation plans to mitigate these risks.

RISKS RELATED TO FLUCTUATIONS IN RAW MATERIAL PRICES

Due to the inherent nature of its operations in the manufacturing sector, the Company is directly affected by fluctuations in the prices of input raw materials, their sources of production, and their origins. Particularly in specific sectors like pharmaceuticals, the Company is subject to strict government control over output selling prices. Consequently, the Company faces specific and latent risks, including unpredictable fluctuations. Furthermore, the global economy, including Vietnam, has not yet fully recovered from the Covid-19 pandemic, and the ongoing war between Russia and Ukraine, conflicts in the Middle East, the Red Sea, and other regions continue to occur. These events directly impact global production and supply chains, including raw materials for the pharmaceutical industry, leading to shortages of raw and auxiliary materials, increased prices, and higher transportation costs. This situation has forced many businesses to suspend production or even go bankrupt. To mitigate the impact of raw material price fluctuations on business performance, the Company has negotiated prices with suppliers and proactively undertaken the procurement of medicinal materials. We are also actively implementing a project to develop GACP-standard medicinal material production zones in Ninh Giang, Tu Ky, Chi Linh, and Gia Loc districts of Hai Duong province to ensure long-term stability in the input costs of raw materials for production and business operations.

OPERATIONAL STATUS

BUSINESS AND PRODUCTION PERFORMANCE

LIST OF LEADERSHIP

HUMAN RESOURCES

FINANCIAL PERFORMANCE

INVESTMENT ACTIVITIES AND PROJECT IMPLEMENTATION

SHAREHOLDER STRUCTURE

BUSINESS AND PRODUCTION PERFORMANCE

Target	Currency	2024	2023	% increase, decrease 2024/ 2023
Net revenue	VND	665,001,708,794	614,742,735,938	8.2%
Cost of goods sold	VND	454,770,265,987	426,688,430,719	6.6%
Gross profit	VND	210,231,442,807	188,054,305,219	11.8%
Revenue from financial activities	VND	633,188,787	426,708,493	48.4%
Financial expenses	VND	6,255,488,148	8,539,743,135	-26.7%
Sales expenses	VND	74,149,536,551	68,644,819,855	8.0%
Administrative expenses	VND	81,814,791,647	72,660,901,541	12.6%
Net profit from business and production	VND	48,644,815,248	38,635,549,181	25.9%
Other profits	VND	2,143,693,425	856,370,536	150.3%
Profit before tax	VND	50,788,508,673	39,491,919,717	28.6%
Profit after tax	VND	40,608,780,696	31,514,069,929	28.9%

Total net revenue:

Net revenue in 2024 increased by 8.2% compared to 2023, whereas in 2023 it decreased by 0.2% compared to 2022. This reflects the recovery of the overall economy and is the result of the company's well-directed strategy, investment in production, and investment in the distribution system.

Profits:

Profit before corporate income tax in 2024: 50,788,508,673 VND, an increase of 28.6% compared to 2023, equivalent to an amount of 11,296,588,956 VND.

Profit after corporate income tax in 2024: 40,608,780,696 VND, an increase of 28.9% compared to 2023, equivalent to an amount of 9,094,710,767 VND.

Reasons for the profit increase:

- Revenue in 2024 increased by 8.4% compared to 2023.

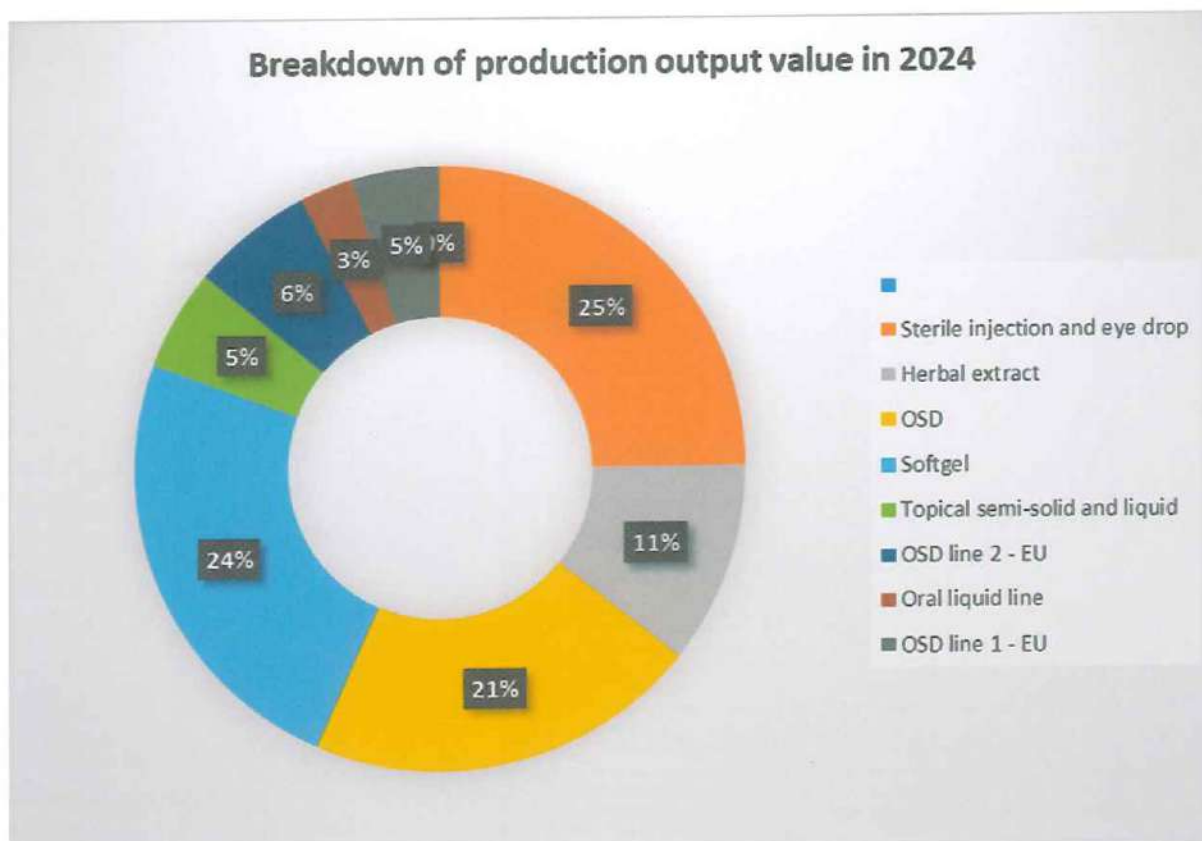
- The proportion of revenue from manufactured goods in 2024 accounted for 78.2%, an increase of 1.66% compared to 2023. This led to an increase in the average gross profit margin in 2024 of 0.94%.
- The combined increase in revenue and the average gross profit margin resulted in a gross profit increase of 22,177,137,588 VND in 2024, a growth rate of 11.79%. This was the primary driver for the increase in both pre-tax and after-tax profits.
- Balanced and reasonable use of capital in payments and loans resulted in savings in financial costs of 2,284,254,987 VND.
- Effective management of sales and administrative expenses meant that these costs only increased by 14,658,606,802 VND, a growth rate of 10.37%.
- An increase in financial revenue and other income also contributed to an increase in other profits in 2024 compared to 2023 by 1,287,322,889 Vietnamese Dong.

In summary, the above reasons led to an increase of 28.6% in Profit before corporate income tax and an increase of 28.9% in Profit after corporate income tax in 2024 compared to 2023.

Production activities in 2024

(Currency unit: thousand VND)

Target	Produced in 2024	Produced in 2023	% Produced 2024/ 2023
Sterile injection and eye drop line	87,089,776	74,333,718	117.2%
Herbal extract line	38,070,609	34,277,891	111.1%
OSD line	73,024,008	74,948,020	87.4%
Softgel line	84,182,129	94,802,421	88.8%
Topical semi-solid and liquid line	18,960,449	21,832,598	86.8%
OSD line 2 - EU	22,693,648	23,991,245	94.6%
Oral liquid line	9,840,948	6,822,420	144.2%
OSD line 1 - EU	16,260,482	2,167,737	650.1%
Total production value	350,122,049	333,176,463	105.1%



Production Planning: This area of work faced significant challenges in 2024 due to a combination of factors. Alongside the shift towards new operational and management thinking and methods to adapt to the ever-present risk of supply chain disruptions caused by global issues like wars, territorial and economic conflicts, raw material scarcity, constantly rising and fluctuating prices, and inconvenient or blocked goods circulation, customer demand was also erratic and consumption trends were unstable. This made the planning process consistently reactive and imbalanced, negatively impacting both production and sales.

♦ **Production Output Value:** In 2024, the value of production output was 350,122,049 thousand VND. This figure was 19.7% lower than planned, but 5.09% higher than in 2023, an increase of 16,945,586 thousand VND.

Assessment: In 2024, we did not meet the target for “*Value of production output*”. The main reasons were:

- ✓ The EU-GMP production line did not operate consistently and failed to produce the expected high-value, EU-GMP standard products as anticipated.
- ✓ The economic recovery following the Covid-19 pandemic remained slow, compounded by the ongoing Russia-Ukraine war, territorial and economic conflicts in various parts of

the world, rising prices, and global inflation. Consequently, consumer purchasing power decreased, leading to a decline in sales and a subsequent reduction in production.

- ✓ The nationwide distribution system under the new business strategy has been implemented. However, due to fierce competition for market share in the pharmaceutical industry and the economic downturn, the sales of the company's manufactured goods and goods outsourced for customers, despite showing growth compared to the previous year, still fell short of the expectations set by the 2024 General Meeting of Shareholders.

LIST OF LEADERSHIP

BOARD OF DIRECTORS



Mr. Nguyen Trung Viet
Chairman

Date of birth: 26/4/1969

Qualification: Bachelor of Social Sciences

Work history:

♦ 1997 – March 2014: Chairman of the Board of Directors, Vinasun Group – Ukraine – Kiev

♦ April 2014 – present: Chairman of the Board of Directors, Hai Duong Pharmaceutical Medical Materials Joint Stock Company

Current Position at the Registered Trading Organization: Chairman of the Board of Directors, Hai Duong Pharmaceutical Medical Materials Joint Stock Company

Current Position at other organizations: None

Percentage of share ownership: 11,414,801 shares, representing 40.84% of the charter capital.



Ms. Nguyen Thi Tu Anh
Member of the Board of
Directors, General
Director

Date of birth: 01/9/1965

Qualification: Bachelor of Pharmacy

Work history:

♦ February 1989 – October 1991: Pharmacist at the Central Pharmacy – Hai Hung Joint Pharmaceutical Enterprise

♦ November 1991 – July 1995: Head of Injectable Drug Preparation Team – Hai Hung Joint Pharmaceutical Enterprise

♦ August 1995 – March 2003: Pharmaceutical sales representative at Hai Duong Pharmaceutical Medical Materials Company

♦ April 2003 – October 2011: Member of the Board of Directors – Director of Hai Duong Pharmaceutical Medical Materials Jsc.

♦ November 2011 – March 2016: Member of the Board of Directors – Deputy General Director of Hai Duong Pharmaceutical Medical Materials Jsc.

♦ April 2016 – present: Member of the Board of Directors – General Director of Hai Duong Pharmaceutical Medical Materials Jsc.

Current Position at the Registered Trading Organization: Member of the Board of Directors – General Director of Hai Duong Pharmaceutical Medical Materials Jsc.

Current Position at other organizations: None

Percentage of share ownership: 1,123,823 shares, representing 3.99% of the charter capital.



Mr. Tran Phuc Duong
Member of the Board of
Directors

Date of birth: 10/10/1968

Qualification: Bachelor of Economics

Work history:

♦ 1989 – July 2015: Self-employed

♦ August 2015 – present: Employed at Hai Duong Pharmaceutical Medical Materials Jsc.

Current position at the Registered Trading Organization: Member of the Board of Directors

Current position at other organizations: None

Percentage of share ownership: 1,135,036 shares, representing 4.06% of the charter capital.

SUPERVISORY BOARD



Ms. Pham Thi Thuy
Head of Supervisory
Board

Date of birth: 02/5/1971

Qualification: Bachelor of Economics

Work history:

♦ October 1992 – March 2015: Accountant at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ April 2015 – November 2015: Financial inspector at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ December 2015 – October 2016: Financial inspector and Assistant to the Chairman of the Board of Directors at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ November 2016 – present: Financial inspector, Assistant to the Chairman of the Board of Directors, and Head of the Supervisory Board at Hai Duong Pharmaceutical Medical Materials Jsc.

Current position at the Registered Trading Organization: Financial inspector and Head of the Supervisory Board at Hai Duong Pharmaceutical Medical Materials Jsc.

Current position at other organizations: None.

Percentage of share ownership: 237,085 shares, representing 0.85% of the charter capital.



Mr. Tran Kim Cuong
Member of the
Supervisory Board

Date of birth: 10/01/1975

Qualification: Bachelor of Pharmacy

Work history:

♦ July 1996 – August 2004: Pharmaceutical sales representative at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ October 2004 – March 2009: Manager of Chi Linh Pharmacy at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ April 2009 – present: Branch director – Member of the Supervisory Board at Hai Duong Pharmaceutical Medical Materials Jsc.

Current position at the Registered Trading Organization: Branch director – Member of the Supervisory Board at Hai Duong Pharmaceutical Medical Materials Jsc.

Current position at other organizations: None.

Percentage of share ownership: 145,780 shares, representing 0.52% of the charter capital.



Ms. Nguyen Thi Huong Lan
Member of the Supervisory Board

Date of birth: 06/08/1987

Qualification: Bachelor of Pharmacy

Work history:

♦ December 2010 – December 2013: Employee in the Business Operations Department at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ January 2014 – February 2015: Deputy Head of the Sales Department at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ March 2015 – June 2018: Deputy Head of the Production Planning Department - Member of the Supervisory Board at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ July 2018 – November 2020: Head of the Production Planning Department at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ December 2020 – February 2022: Deputy Head of the Supply Department at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ March 2022 to present: Leader of the Production Planning Team at Hai Duong Pharmaceutical Medical Materials Jsc.

Current position at the Registered Trading Organization: Member of the Supervisory Board – Hai Duong Pharmaceutical Medical Materials Jsc.

Position at other organizations: None.

Percentage of share ownership: 3,894 shares, representing 0.01% of the charter capital.

MANAGEMENT



Mr Dang Van Viet
Quality Director

Date of birth: 05/10/1965

Qualification: Bachelor of Pharmacy

Work history:

♦ May 1991 – May 1995: Staff at Dong Anh Pharmacy – Hanoi

♦ June 1995 – 2001: Line Supervisor at Traphaco Jsc., Hanoi

♦ 2002 – December 2003: Director of Traphaco Sapa Jsc.

♦ January 2004 – March 2007: Production Director at Nam Duoc Jsc. Hanoi

♦ April 2007 – October 2012: Head of Quality Assurance Department at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ November 2012 – April 2015: Deputy Director at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ May 2015 – present: Quality Director at Hai Duong Pharmaceutical Medical Materials Jsc.

Current position at the Registered Trading Organization:

Quality Director

Position at other organizations: None.

Percentage of share ownership: 111,264 shares, representing 0.398% of the charter capital.



Mr. Pham Van Nam

Sales Director

Date of birth: 20/7/1980

Qualification: Bachelor of Pharmacy

Work history:

♦ September 2002 – December 2011: Employee at Hai Duong Pharmaceutical Medical Materials Jsc.

♦ January 2012 – November 2015: Director of Ninh Giang District Branch, Hai Duong Pharmaceutical Medical Supplies Jsc.

♦ December 2015 – June 2018: Director of Ninh Giang District Branch, Deputy Head of Business Operations Department, Hai Duong Pharmaceutical Medical Materials Jsc.

♦ July 2018 – July 2020: Deputy Sales Director, Director of Ninh Giang District Branch, Hai Duong Pharmaceutical Medical Materials Jsc.

♦ August 2020 – present: Sales Director, Director of Ninh Giang District Branch, Hai Duong Pharmaceutical Medical Materials Jsc.

Current position at the Registered Trading Organization: Sales Director

Position at other organizations: None.

Percentage of share ownership: 15,123 shares, representing 0.054% of the charter capital.



Mr. Chu Van Long

Chief Accountant

Date of birth: 06/02/1966

Qualification: Bachelor of Finance and Accounting – Major in Accounting

Work history:

♦ 1993 – 1997: Accountant – Hai Duong Pharmaceutical Medical Materials Jsc.

♦ 1998 – 2003: Deputy Head of Accounting Department – Hai Duong Pharmaceutical Medical Materials Company

♦ 2004 – present: Chief Accountant of Hai Duong Pharmaceutical Medical Materials Jsc.

Current position at the Registered Trading Organization: Chief Accountant

Position at other organizations: None.

Percentage of share ownership: 100,644 shares, representing 0.36% of the charter capital.

HUMAN RESOURCES

To meet work demands, the company has recruited employees with various levels of qualifications.

Employee Structure in 2024

Qualification	Number in 2024 (people)	Percentage in 2024 (%)
University and Postgraduate	255	30.50%
College and vocational training	498	59.57%
Certificate and technical workers	42	5.02%
Unskilled labor	41	4.91%
Total	836	100%

Labor management:

The company manages working hours. Work performance is primarily evaluated based on piecework and output-based contracts.

Labor policy:

During the year, the company implemented several training programs for management staff and inspectors, including sales skills training, fire safety training, workplace safety training, and professional testing expertise training.

Occupational health and safety measures are implemented on a regular annual basis.

Income level:

The average income of the company's employees is VND 11,744,000 per person per month, representing an increase of VND 960,000, or a growth rate of 3.7%.



FINANCIAL PERFORMANCE

No.	Indicators	Year 2024	Year 2023	% change
1	Total assets	646,386,356,355	578,985,769,945	11.6%
2	Net revenue	665,001,708,794	614,742,735,938	8.2%
3	Profit from sales	48,644,815,248	38,635,549,181	25.9%
4	Other profits	2,143,693,425	856,370,536	150.3%
5	Profit before tax	50,788,508,673	39,491,919,717	28.6%
6	Profit after tax	40,608,780,696	31,514,069,929	28.9%
7	Basic earnings per share	1,453	1,128	28.8%

No.	Indicators	Year 2024	Year 2023	% change
1	Solvency ratios			
	Current ratio (times)	1.83	1.70	7.65%
	Quick ratio (times)	1.15	1.04	10.58%
2	Capital structure ratios			
	Total liabilities / Total assets (%)	29.72	27.4	8.47%
	Total liabilities / Owners' equity (%)	42.29	37.81	11.85%
3	Activity ratios			
	Average inventory turnover (cost of goods sold / average inventory)	3.9	5.7	-31.58%
	Net sales / Total assets (times)	0.972	1.062	-8.47%
4	Profitability			
	Net profit margin (%)	6.11%	5.13%	19.10%
	Return on equity (%)	8.94%	7.50%	19.2%
	Return on assets (%)	6.28%	5.44%	15.44%
	Operating profit margin (%)	7.32%	6.29%	16.37%

Solvency:

- In 2024, the company maintained a short-term solvency (current ratio) of 1.83 times, an increase of 0.13 times compared to 2023. This represents a growth of 7.65%.
- The company's quick ratio in 2024 was 1.15 times, an increase of 0.11 times compared to 2023. This represents a growth of 10.58%.

Conclusion: All solvency indicators have increased, demonstrating that the company has sufficient cash and cash equivalents to cover its liabilities when they become due. While these

ratios are calculated at a specific point in time and require a significant amount of cash and cash equivalents, consistently maintaining large cash balances and deposits can lead to capital inefficiency. Therefore, the company must effectively and safely manage and utilize its available monetary resources at the time of preparing the financial statements.

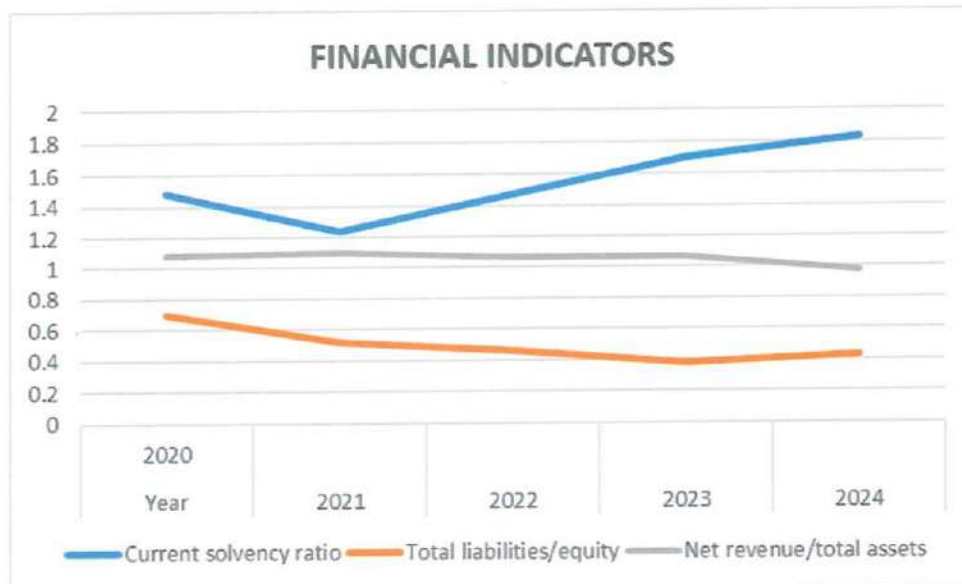
Capital structure:

- **The ratio of Liabilities to Total Capital increased by 8.47%.** This is because the company's total capital in 2024 grew at a slower rate compared to the increase in its liabilities. Specifically, total capital increased by 11.64%, while liabilities saw a significantly larger increase of 22.66% compared to 2023.
- **The ratio of Liabilities to Equity also increased by 11.8%.** This is due to liabilities increasing by 22.66%, whereas equity only increased by 10.76% compared to 2023.

Conclusion: Both capital structure indicators increased compared to 2023. The reasons for this are: Accounts payable increased by 35% due to the company's ongoing HDPHARMA phase 2 new factory construction project and the stockpiling of raw materials at the end of the year. Customer prepayments increased significantly by 129% as many customers made advance payments to secure registration and production on the EU-GMP standard production line. Conversely, short-term loans and finance lease liabilities decreased by 18.2%. Despite the increase in these two ratios, the company demonstrates good and efficient capital management in its payments. The company's financial capacity remains stable, and it is self-sufficient in terms of capital for production, business operations, and investment in the HDPHARMA phase 2 factory construction project.

Operational performance indicators:

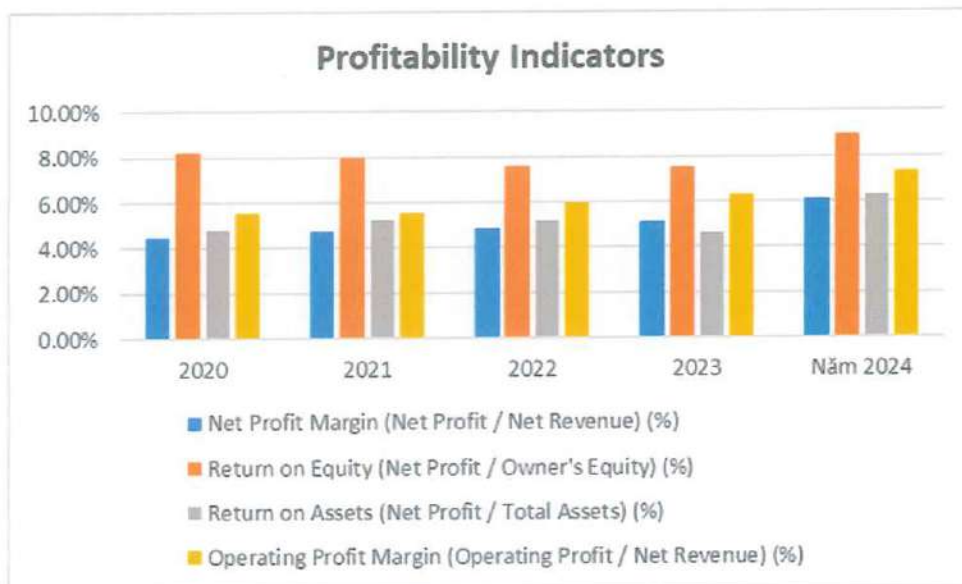
- The inventory turnover ratio in 2024 decreased by 1.8 turns compared to 2023, representing a decrease of 31.58%. The primary reason for this was an increase of 22.57% in the average inventory holding period compared to 2023, while the total cost of goods sold in 2024 only increased by 6.58% compared to 2023. The increase in average inventory is attributed to the company's proactive purchase and stockpiling of raw materials and supplies sourced from overseas to ensure stable production for 2025. This was done to avoid localized shortages or increased volatility in exchange rates and price inflation experienced in 2023 and 2024.
- The Net Revenue to Total Assets ratio decreased by 8.4%. This was due to net revenue in 2024 increasing at a rate of 2.2%, while total assets increased by 11.64% compared to the previous year.



Indicators	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Current solvency ratio	1.48	1.24	1.47	1.70	1.83
Total liabilities / equity	0.70	0.52	0.461	0.378	0.423
Net revenue / total assets	1.08	1.10	1.062	1.067	0.972

Profitability indicators:

Indicators	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Net Profit Margin (Net Profit / Net Revenue) (%)	4.46%	4.77%	4.86%	5.13%	6.12%
Return on Equity (Net Profit / Owner's Equity) (%)	8.2%	7.98%	7.60%	7.5%	8.94%
Return on Assets (Net Profit / Total Assets) (%)	4.82%	5.27%	5.20%	4.62%	6.28%
Operating Profit Margin (Operating Profit / Net Revenue) (%)	5.56%	5.55%	5.93%	6.29%	7.32%



SHAREHOLDER STRUCTURE

Stock information:

Number of shares:	27,947,317 shares
Par value per share:	10,000 VND
Number of preferred shares:	0 share
Number of common shares:	27,947,317 shares
Number of outstanding shares:	27,947,317 shares
Number of freely transferable shares:	27,947,317 shares
Number of restricted shares:	0 share

Shareholder structure in 2024

Shareholder structure by type of ownership

No.	Category	Number of shareholders	Percentage (%)
1	Domestic Shareholders		
	- Organization	0	0%
	- Individual	421	99.93%
2	Foreign Shareholders		
	- Organization	2	0.024%
	- Individual	3	0.046%
	Total	426	100%

Shareholder Structure by Ownership Percentage

No.	Shareholder type	Number of shares	Ownership percentage
1	Government shareholder	0	-
2	Founding shareholder	1,521,679	5.45%
3	Major shareholder	15,994,741	
	Domestic	15,994,741	57.23%
	Foreign	0	0
4	Other shareholders	10,430,897	

	Domestic	10,411,386	37.25%
	Foreign	19,511	0.07%
	TOTAL		100%

List of major shareholders:

Name of organization/individual	ID No./Passport No./Business registration code	Address	Number of shares	Percentage/ Charter capital
Nguyen Trung Viet	001069002861	Ciputra Urban Area, Tay Ho District, Hanoi City	11,414,801	40.84%
Tran Mai Lan	001171004106	P506-L02 Nam Thang Long Urban Area, Xuan Dinh, Bac Tu Liem, Hanoi	4,579,950	16.39%

MANAGEMENT'S REPORT AND REVIEW

ASSESSMENT OF BUSINESS PERFORMANCE FINANCIAL PERFORMANCE IMPROVEMENTS IN MANAGEMENT STRUCTURE AND POLICIES FUTURE DEVELOPMENT PLANS

Overall Assessment:

The year 2024 continued to be an extremely challenging year for Hai Duong Pharmaceutical Medical Materials Company in particular, and for the entire Vietnamese pharmaceutical industry in general. This was due to the impact of the post-Covid-19 global economic situation, the prolonged war between Russia and Ukraine, economic conflicts between Russia and the EU and the US, territorial conflicts in the Middle East and the Red Sea, disruptions to the global supply chain, inflation, rising prices, and a prolonged economic recession.

Market

In 2024, businesses both within and outside the pharmaceutical industry continued to be affected by the aftermath of Covid-19. The slow economic recovery and significant changes in the business environment and models led to substantial shifts in market share. The company's major and core market is the Central Highlands and the South of Vietnam. In the Hai Duong province

market, HDPHARMA is currently only strong in the ETC (Ethical Drugs Channel - prescription drugs) sales channel. Due to the extremely fierce competitive environment, the market share of domestically produced OTC (Over-The-Counter) products in these potential regions for the company has grown very slowly and has not met expectations.

FINANCIAL PERFORMANCE

Item	2024	2023	% change 2024/2023
Current Assets	341,148,607,589	266,604,877,103	128.0%
Cash and Cash Equivalents	31,419,168,182	25,418,100,057	123.6%
Short-term Receivables	180,755,628,545	135,831,193,325	133.1%
Inventory	127,909,053,084	104,353,518,072	122.6%
Other Current Assets	1,064,757,778	1,002,065,649	106.3%
Non-current Assets	305,237,748,766	312,380,892,842	97.7%
Net Book Value of Fixed Assets	277,938,572,145	294,215,719,104	94.5%
Long-term Work-in-Progress	24,432,507,459	10,635,029,498	229.7%
Other Non-current Assets	2,866,669,162	7,530,144,240	38.1%
Total Assets	646,386,356,355	578,985,769,945	111.6%
Liabilities	192,108,895,710	158,850,659,496	120.9%
Current Liabilities	186,108,895,749	156,619,610,736	118.8%
Non-current Liabilities	6,018,294,961	2,231,048,760	269.8%
Owner's Equity	454,259,165,645	420,135,110,449	108.1%
Total capital	646,386,356,355	578,985,769,945	111.6%

Asset structure:

Overall, the company's asset structure changed during 2024.

Current assets:

Total current assets increased by 28% in 2024 compared to 2023. This increase was driven by: a 33.1% rise in short-term receivables, a 23.6% increase in cash and cash equivalents, a 22.6% growth in inventory, and a 6.4% increase in other current assets. The primary reasons for these changes are related to the company's ongoing HDPHARMA Phase 2 factory

construction project. This has led to higher advance payments to suppliers for machinery and equipment, increased reserves of raw materials and imported materials for the GMP EU production line, and improved collection of payments from customers towards the end of the year.

Non-current assets:

Non-current assets decreased by 2.3% in 2024 compared to 2023. The main reason for this decrease is that the total depreciation for the year exceeded the value of invested machinery and equipment and the costs incurred for incomplete capital construction

projects during the year. Specifically, depreciation and amortization of long-term expenses increased by VND 31,536,302,830, while investments in additional manufacturing machinery and equipment and buildings in 2024 only increased by VND 24,344,158,704.

Liabilities

In 2024, the liability structure changed, increasing by 20.6%. This was due to an 18.8% increase in short-term liabilities and a

significant 169.8% increase in long-term liabilities compared to 2023.

Equity

In 2024, the company's equity increased by 8.1%. This increase is attributed to undistributed after-tax profit from the company's production and business operations in 2024, which was higher than in 2023.

IMPROVEMENTS IN MANAGEMENT POLICY STRUCTURE

In 2024, the leadership team and management personnel within the company effectively leveraged their organizational and management skills, adapting to the market situation. This firmly solidified the newly established business culture, shifting the vision, direction, and strategy towards building a robust foundation for the company's future development.

Regarding management practices, the company implemented necessary measures such as stabilizing staffing, reviewing and re-establishing operational management processes across all activities, with the goal of stabilizing and enhancing management efficiency.

In 2024, the company more thoroughly utilized its enterprise resource planning (ERP) software in production planning, sales management, financial accounting, and human resources and payroll management. This contributed to the further improvement of financial operations, the system of

processes and work standards, and the company's overall financial management regulations;

The company continuously supplements and refines its corporate governance documents by updating them based on legal regulations and the company's actual operational situation, making timely adjustments to achieve maximum effectiveness.



The Company's management operations comply with the requirements stipulated in the Law on Enterprises No. 59/2020/QH14; the Law on Securities No. 54/2019/QH14; Decree No. 155/2020/ND-CP of the Government detailing certain articles of the Law on Securities; Circular No. 116/2020/TT-BTC of the Ministry of Finance guiding certain articles of Decree 155/2020/ND-CP; Circular 96/2020/TT-

BTC on Guidance on Information Disclosure on the Securities Market dated November 16, 2020; and Circular 68/2024/TT – BTC dated September 18, 2024, which includes regulations on the roadmap for information disclosure in English. The Company ensures an environment and conditions conducive to internal control and audit. The financial statements of the Corporation are prepared in accordance with legal regulations, accurately and truthfully reflect the Corporation's business operations, and are audited by a leading audit firm from the list of approved auditors by the Ministry of Finance.



The Board of Directors, the Supervisory Board, and the Board of Management possess sufficient competence and integrity, have no conflicts of interest between their personal interests and those of the Corporation, and have operated effectively in their respective roles and functions, contributing to the Corporation's achievement of its annual business plan. The Company consistently strives for and focuses on improving its corporate governance practices, aiming to successfully implement good corporate governance practices such as: enhancing the management effectiveness of the Board of Directors, the oversight activities of the Supervisory Board, and applying supportive

solutions in the management and operation of business activities.

FUTURE DEVELOPMENT PLAN

In 2025, competition in the domestic pharmaceutical market will remain fierce, directly impacting production and distribution. The war between Russia and Ukraine, economic disagreements between Russia and the EU and the US, territorial conflicts in the Middle East, the Red Sea, and other regions have disrupted the global economic supply chain, leading the world economy into a serious crisis with high inflation and rising prices. This presents a significant challenge for the company. The company's Board of Directors will continue to accurately assess the capabilities of the production and business system, and correctly evaluate competitors in order to establish specific orientations and make adjustments that are appropriate for the market situation, including:

Adapt customer policies as appropriate

Continuously improve policies supporting production and business operations.

- Functional departments, the Outsourcing Customer Department, the Business Division, and especially the Customer Service Department, will promptly receive information and respond in a timely manner to satisfy customers.
- Specifically focus on improving policies related to experimental research; labor standards; and salary scales for each product.
- Continue to develop, implement, and apply the Quality Management System according to current GMP, GLP, GSP, ISO9001:2015, and ISO13485:2016 standards.
- Persistently build and implement a total quality policy to build customer trust.
- Focus on researching and developing several strategic, high-value products to create branded products for HDPHARMA.
- Invest in additional machinery and equipment to increase production capacity and product quality.
- Enhance skills and promote initiatives for improvement and innovation.
- Employees will perform their work in accordance with established work procedures, standards, and the company's established cultural norms.
- Commission the EU-GMP certified production line for non-Betalactam antibiotic tablets and effervescent granules.
- Effectively conduct GMP audits for existing drug production lines (meeting GMP-WHO standards) and health supplement production lines when due.

Business policy:

- Continuously improve and effectively implement the goal of being “customer-centric”.

- Our sales system comprises the departments that directly represent the Company to customers, acting as a bridge to deliver products to consumers. In today's competitive market, the Sales Division recognizes that the entire system must undergo constant improvement to meet and satisfy customer needs. Therefore, we need to continuously refine our policies to provide the best possible customer service, offering customers the highest overall quality from our products to our goods delivery services.

In 2025, the Sales Division will finalize the following specific policies:

- ✓ Compensation and Productivity Policy: To create stable income and motivation for sales personnel to achieve sales targets.
- ✓ Appropriate Business Autonomy/Contracting Policy.
- ✓ Sales and Marketing Policy: Tailored to the products and the market.
- ✓ Nationwide Distribution System: The Hanoi Branch, the Central Region Branch in Da Nang, the Ho Chi Minh City Branch, and the Can Tho Branch will serve as the central hubs and core of the new distribution system.

Sales Operations

- Strive to achieve the sales target of 830 billion set for 2025.
- Professionalize the work of the Bidding Team with the aim of expanding the distribution of Hai Duong-produced goods beyond the province through both direct participation in tenders and joint ventures with partner companies in each distribution area.
- Improve the Over-The-Counter (OTC) sales system to build the Hai Duong brand, foster the habit of using Hai Duong products, and distribute HDPHARMA products to all regions of the country.
- Invest in the sales system in provinces and implement the best sales policies to foster commitment to Hai Duong-produced products among distributors, agents, and collaborators.

Improving the Manufacturing Sales System

- OTC Sales Channel:
 - ✓ Build and fully refine the entire personnel system, from Regional Managers to Medical Representatives nationwide, in accordance with the approved business strategy.
 - ✓ Select distributors and supervise both medical representatives and distributors to achieve optimal product coverage, and effectively manage personnel, inventory, and accounts receivable.

- ✓ Develop and expand the sales system further, increasing market coverage to gain market share and boost sales revenue.
- ✓ Increase the average monthly sales revenue per medical representative according to targets.
- ✓ Actively promote the rollout of new products to bring them to market quickly and effectively.
- ✓ Increase the number of products present at points of sale and boost sales of products that have been successfully launched at those locations.
- ✓ Maximize the utilization of all equipped tools and sales policies to improve management and contribute to increased sales revenue.
- ✓ Develop appropriate solutions to distribute products through supermarket systems, nationwide retail pharmacy chains, online sales channels, and e-commerce platforms.
- ETC Channel Sales System:
 - ✓ Recruit high-quality personnel who are serious, motivated to work, and want to be committed to the Company..
 - ✓ Maintain personnel stability, develop territories in depth, and build strong relationships with hospitals and relevant government departments. Strengthen our presence in several provinces including Vinh Phuc, Thai Nguyen, Phu Tho, Son La, Tuyen Quang, Ha Giang, Dien Bien, Hoa Binh, as well as provinces in the South and Central regions where the company has not yet participated in tenders.
 - ✓ Develop a plan to create a product catalog and specify the tender quantities for each product in each area where bidding is planned for 2025. This plan should ensure an increase in output and the value of successful bids compared to the same period last year. Based on this, propose tender prices, monitor the results of bids, develop tender policies (if any), and direct, implement, and closely track sales based on the tender outcomes.
 - ✓ Actively implement bidding for product lines manufactured on EU GMP-certified production lines in 2025 and subsequent years.
 - ✓ Actively implement and enhance the effectiveness of pre-tender sales to clinics nationwide that offer insurance-covered medical examinations and treatments.
- Introduce and sell new products that have been registered and launched by the New Product Implementation Council, as well as products with updated designs and improved quality.
- Branches will collaborate with the Sales and Marketing departments to develop product promotion programs that align with customer preferences.

- The Sales Division and Marketing Department will organize customer seminars and conferences in various provinces.
- The Sales Division will collaborate with other departments (Marketing, Quality Assurance, etc.) to provide professional training for Regional Managers and Medical Representatives, and to establish a team-based and region-based working model in 2025.
- Strive to achieve the production output value target of 476 billion VND in 2025, while maintaining stable product quality and continuously improving the production organization to ensure timely delivery to customers.

REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS'S EVALUATION OF THE VARIOUS ASPECTS OF THE COMPANY'S OPERATIONS STRATEGIC PLANS BOARD OF DIRECTORS'S EVALUATION OF THE MANAGEMENT BOARD

THE BOARD'S EVALUATION OF THE VARIOUS ASPECTS OF THE COMPANY'S OPERATIONS

The year 2024 remained a challenging year, not only for our Company but also for the entire Vietnamese pharmaceutical industry. The market faced fierce competition with the presence of foreign pharmaceutical corporations, saturation in the health supplement sector, increasingly stringent regulatory standards from management agencies, a rapid surge in raw material prices for the pharmaceutical industry, and particularly the lingering effects of the Covid-19 pandemic with its slow economic recovery. Furthermore, the prolonged war between Russia and Ukraine, the economic conflict between Russia and the EU and the US, territorial disputes in the Middle East and the Red Sea, inflation, rising prices, a prolonged economic slowdown, disruptions to interconnected economic supply chains, and stagnation and recession in production and business all contributed to the difficulties. Despite these challenges in 2024, we successfully navigated them and achieved encouraging results:

- Net revenue increased by 8.2% compared to 2023.
- Profit after tax increased by 28.9%, exceeding the 2024 Annual General Meeting of Shareholders' target of 26.9%.
- Net revenue in 2024 increased by 8.2% compared to 2023.

- Profit after corporate income tax increased by 28.9% compared to 2023. This represents a 26.9% increase compared to the planned 32 billion VND approved by the 2024 Annual General Meeting of Shareholders.
- The value of production output increased by 5.09% compared to 2023.
- By utilizing existing resources effectively, the jobs and incomes of over 800 employees were maintained and stabilized.

Project Activities:

- The Board of Directors and the General Management continued to finalize legal procedures and capital arrangements, and proceeded with the phase 2 project of the HDPHARMA EU factory: "Construction of a powder injection and Betalactam tablet production line for the CEPHALOSPORIN antibiotic group, meeting EU-GMP standards," in Cam Thuong. In accordance with the resolution of the Annual General Meeting of Shareholders, the investment in factory construction and the installation of machinery and equipment for the project's two production lines is expected to be completed in 2025.

Images showcasing some prominent machinery with advanced technology





EU standard bag sealing machine





Automated eyedrop container filling and sealing system



Injectable drug production line

PLANS AND STRATEGIC DIRECTION OF THE BOARD OF DIRECTORS

1. Vision and mission

To strive to become an icon and one of the leading brands in Vietnam's community healthcare sector. HDPHARMA consistently provides the highest overall quality, maximizing customer satisfaction for a healthy life.

2. Objectives

- Continue to develop and implement the Quality Management System according to current GMP, GLP, GSP, and ISO standards.
- Invest in additional machinery and equipment to increase production capacity and product quality. Enhance skill levels and foster innovation for continuous improvement.
- In the future, become one of the leading enterprises in the Vietnamese pharmaceutical industry.
- Enhance production processes and establish a modern production system.
- Enhance the Over-The-Counter (OTC) sales network to establish the Hai Duong brand, cultivate a preference for Hai Duong products, and distribute HDPHARMA products nationwide. Position the HDPHARMA brand and the company's other brands as leaders in their respective categories.
- Maximize the market share of the company's manufactured product line.
- Maximize the market reach of the company's self-produced product line and expand its market share.
- Develop HDPHARMA into a company managed according to modern standards, following specific processes and regulations.
- Develop the company's human resources with a focus on: ambition, modernity, passion, and professionalism.
- Form joint ventures and partnerships with major players in the pharmaceutical industry for collaborative production and business ventures, including the potential for jointly developing production lines.

3. The company's strategic pillars

The company's strategy is built upon three main pillars:

3.1. Building a modern production system with quality as the goal and the EU-GMP standard as the central focus;

- Key production lines instead of key products;

- Developing the research and development phase, considering it the leading factor affecting quality;

- Quality plays a crucial role in pharmaceutical production because regulatory authorities will increase requirements, and the market demands it.

3.2. Building a professional, modern, and widespread business system nationwide, with the aim of expanding into international markets.

3.3. Establishing a Marketing orientation for all Company activities.

4. Specific plans

- Strive to achieve a production output value of **476 billion VND** in 2025, while maintaining stable product quality.

- The sales revenue target for 2025 is **830 billion VND**.

- Regarding Factory 1 (located at 102 Chi Lang Street): the aim is to continue operating the production lines as much as possible until relocation becomes mandatory according to the City's policy.

- For the HDPHARMA EU Factory: Implement phase 2 and phase 3 of the project, specifically:

- + Complete phase 2 of the project, which includes two production lines: "Construction of a production line for powder injections and Betalactam tablets (CEPHALOSPORIN antibiotic group) meeting EU-GMP standards" in 2025.

- + Immediately proceed with the construction of phase 3 of the Project, including the office building and the remaining production lines at buildings 4B and 4D according to the approved plan. The basic construction of the factory and office building is expected to be completed within two years.

- Maximize the strengths of the EU GMP-certified production line.

- Enhance export activities.

THE BOARD OF DIRECTORS' EVALUATION OF THE MANAGEMENT BOARD

With a sense of responsibility to the shareholders, employees, and the Company's development, the Board of Directors has supervised and directed the General Director and other management departments in the daily operation of the Company's production

and business activities in accordance with the law, the Company's Charter, and the Resolutions of the General Meeting of Shareholders and the Board of Directors. Simultaneously, the Board has exercised its assigned rights and responsibilities honestly

and diligently to ensure the maximum legitimate benefits for the Company and its Shareholders.

The Board of Directors' oversight of the Company's General Director is conducted through monthly periodic reports from the Board's Subcommittees and detailed, comprehensive, and timely reports from the General Director on the progress of implementation, development orientations, difficulties, and obstacles... at the Board's regular monthly and extraordinary meetings. This allows the Board to understand the Company's situation and make timely and appropriate decisions, ensuring the smoothest and most effective possible regulation of production and business activities.

In their operational activities, the Management Board demonstrates a high sense of responsibility, possesses the necessary qualifications, competence, and integrity; is fully trained in their respective fields of expertise, has a deep understanding of their assigned areas, and has many years of experience in managing and operating the Company. They comply with the monthly periodic reporting regime on the Company's production and business activities. The strategic orientations of the Board of Directors and the Resolutions of the General Meeting of Shareholders are implemented by the General Director according to the approved plan.

The Board of Directors has approved the General Director's report on the company's 2024 business operations. The report comprehensively and accurately reflects the company's actual situation across various indicators, including tax contributions, employment and employee income, shareholder benefits, investment in production development, environmental management, and fulfillment of social responsibilities. However, in 2024, the distribution system was still incomplete, the company faced significant market share competition in the pharmaceutical industry, the post-COVID-19 economic recovery was slow, and global issues such as wars,



territorial and economic conflicts significantly impacted the company. As a result, key targets for 2024, specifically the value of production output and sales

revenue, did not meet the goals set by the general meeting.

Despite the challenging economic conditions in 2024, the company's Management Board made every effort to implement the strategies outlined by the General Meeting of Shareholders term V. They diligently adhered to the resolutions of the Board of Directors and the General Meeting of Shareholders, as well as complied with all state policies and laws. The company successfully adapted to the difficult economic climate by continuing production and business operations safely, while maximizing its production capacity. As a result, the company maintained stable employment and income for its employees, achieved an 8.2% increase in net revenue, and saw after-tax profit exceed its target by 26.9%, representing a 28.9% growth compared to 2023. The value of production output also increased by 5.09% compared to the previous year.

BOARD OF DIRECTORS AND SUPERVISORY BOARD
ANNUAL RESOLUTIONS OF THE BOARD OF DIRECTORS ON
SALARY, BONUSES, REMUNERATION, AND BENEFITS FROM
INSIDER STOCK TRANSACTIONS

BOARD OF DIRECTORS

Members and structure of the Board of Directors

Full name	Position	Number of shares
Nguyen Trung Viet	Chairman	11,414,801 shares
Nguyen Thi Tu Anh	Board member and General Manager	1,123,823 shares
Tran Phuc Duong	Board member	1,135,030 shares

Subcommittees of the Board of Directors:

Subcommittee Name	Responsibilities	Evaluation of the activities of the subcommittees under the Board of Directors
Rewards and Disciplinary Committee	- The Committee participates in reviewing and analyzing matters before the Chairman of the Board of Directors makes decisions on rewards, and the General Director decides on disciplinary actions for employees.	Performed its assigned roles, functions, and responsibilities appropriately.
Science and Technology Committee	- The Committee is responsible for advising the Board of Directors on research and application areas and short-term and long-term development strategies. It reviews and approves research proposals and improvement initiatives.	Performed its assigned roles, functions, and responsibilities appropriately
Inventory Committee	- The Committee determines the actual value of goods and assets by the reporting period or the quantity of assets and goods at a specific point in time to re-evaluate their value.	Performed its assigned roles, functions, and responsibilities appropriately
Liquidation Committee	- The Committee assists the Board of Directors in identifying assets and goods that are no longer usable for re-evaluation or disposal.	Performed its assigned roles, functions, and responsibilities appropriately
Occupational Safety Committee	- Participates in and advises the General Director and coordinates activities related to developing management regulations, action plans, labor protection plans, and measures for occupational safety, labor protection, workplace hygiene, fire and explosion prevention, environmental protection, improvement of working conditions, prevention of occupational accidents and diseases, and the Company's obligations as mandated by law.	Performed its assigned roles, functions, and responsibilities appropriately

Acceptance Committee	- Advises the Board of Directors, inspects, and verifies the actual quality and quantity of fixed assets, machinery, equipment, repair projects, and completed capital construction projects according to approved technical standards.	Performed its assigned roles, functions, and responsibilities appropriately
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Activities of the Board of Directors:

In 2024, the Company's Board of Directors held 11 regular meetings to directly oversee, monitor, and evaluate the Company's business and production activities. The Board made decisions on routine and ad-hoc matters within its authority, including: approving the business and production plan; approving investment projects; the borrowing plan; quarterly and annual financial reports; and streamlining the personnel structure. All meetings were conducted in strict accordance with the Law, the Company's Charter, and the Board of Directors' Operating Regulations, and minutes were recorded at the conclusion of each meeting.

No.	Member of the Board	Position	Meetings attended	Attendance rate	Reason for absence
1	Mr. Nguyen Trung Viet	Chairman	11	100%	
3	Mr. Tran Phuc Duong	Board member	11	100%	
4	Ms. Nguyen Thi Tu Anh	Board member, General Director	11	100%	

Resolutions of the Board of Directors for 2024:

No.	Resolution no.	Date	Detail	Approval rate
1	79 /BB-NQ/HĐQT	28/02/2024	<ul style="list-style-type: none"> - Approve of the financial statements and business performance results of 2023 - A subcommittee was established to organize the General Shareholders' Meeting and prepare the necessary documents and legal procedures in accordance with the Law and Charter for the Annual General Shareholders' Meeting 2024, term V (2019-2024), scheduled for April 2, 2024. - The proposed production and business plan for 2024 was approved to be submitted to the 2024 General Shareholders' Meeting. - The auditing firm for the 2023 financial statements was selected. - The documents for the factory design, technology design, production machinery and equipment were reviewed and approved; the procedures for applying for a construction permit were completed; and the capital for the implementation of the HDPHARMA factory project 	3/3

			in Cam Thuong, phase 2: “GMP EU standard new pharmaceutical production line for Cephalosporin antibiotics in dosage forms: Tablets, Powder” was prepared	
2	80/BB-NQ/HĐQT	10/03/2024	<ul style="list-style-type: none"> - Reviewed the audited financial statement for 2023. - Approve of the documents, reports and organization of the 2024 shareholders’ meeting 	3/3
3	03+04/NQ/HĐQT	02/04/2024	<ul style="list-style-type: none"> - The first meeting of the Board of Directors for the 2024-2029 term was held to elect the Chairman of the Board. 	3/3
4	05+06/BB-NQ/HĐQT	4/4/2024	<ul style="list-style-type: none"> - Implemented the plan to issue shares to increase charter capital from equity, as approved by the resolution of the 2024 Annual General Meeting of Shareholders 	3/3
5	07+08/BB-NQ/HĐQT	22/4/2024	<ul style="list-style-type: none"> - Approved the closing of the shareholder list to determine eligibility for receiving the issued shares related to the 2024 increase in charter capital from equity. - The last registration date for receiving the issued shares was May 10, 2024. 	3/3
6	09/BB-NQ/HĐQT	23/4/2024	<ul style="list-style-type: none"> - Selected the auditing firm for the 2024 financial statements. - Approved the financial statements and business results for the first quarter of 2024. - Strengthened the leadership personnel of the Ho Chi Minh City Branch. - The management board meeting decided to establish a council for the disposal of documents that are no longer in use and have exceeded their retention period as per the Accounting Law. - Selected a bank to provide medium and long-term capital for phase 2 of the project 	3/3
7	10+11/BB-NQ/HĐQT	17/5/2024	<ul style="list-style-type: none"> - Selected BIDV Bank to provide medium and long-term capital for the construction of the HDPHARMA EU factory, phase 2. - Finalized the design documents, applied for a construction permit, and organized the bidding process for the factory construction package of phase 2 of the project 	3/3
8	13+14/BB-NQ/HĐQT	03/6/2024	<ul style="list-style-type: none"> - Increased the charter capital from VND 203,996,300,000 to VND 279,473,170,000 through the issuance of shares to increase equity in 2024. - Amended Section 1, Appendix 1 of the company's charter on organization and operation - Changed the business registration certificate 	3/3

			to reflect the new charter capital of VND 279,473,170,000 - Registered additional securities and applied for the listing of an additional 7,547,687 shares issued for the capital increase.	
9	15+16/BB-NQ/HĐQT	05/6/2024	- Dissolved the branch of Hai Duong Pharmaceutical Medical Materials Joint Stock Company located in Kim Thanh district.	3/3
10	17/BB-NQ/HĐQT	06/6/2024	- Approved the plan to increase the working capital limit and the medium-term borrowing limit for the HDPHARMA factory phase 2 project.	3/3
11	18/BB-NQ/HĐQT	14/12/2024	- Approved the plan to grant a working capital credit limit and related matters regarding receiving the credit limit from Vietnam Prosperity Joint Stock Commercial Bank (VPBank)	3/3

Activities of Independent Board Members:

- Independent board members, while not involved in the company's day-to-day operations, still maintain the crucial function of overseeing the activities of the Management Board and the overall performance of the company.
- In 2024, the independent board members diligently and comprehensively performed their oversight duties. This included requesting and reviewing reports, evaluating emerging issues, and actively participating in all meetings of the Board of Directors. Consequently, the oversight process remained consistent, continuous, and objective.
- Mr. Tran Phuc Duong serves as an independent board member. Throughout 2024, this member, along with other members of the Board of Directors, participated in resolving issues that required the Board's approval.

SUPERVISORY BOARD

Members and structure of the Supervisory Board

Full name	Position	Number of shares
Pham Thi Thuy	Head of Supervisory Board	237,085 shares
Tran Kim Cuong	Board member	145,780 shares
Nguyen Thi Huong Lan	Board member	3,894 shares

Activities of the Supervisory Board:

- The Supervisory Board consists of a chairperson and two members. These members have performed their duties in accordance with the Supervisory Board's operating regulations.

- Throughout the year, the Supervisory Board collaborated and worked directly with the Company's Board of Management to understand the Company's operational situation. This collaboration helped them provide input to address any difficulties that arose in the management of the Company's production and business operations.
- The Supervisory Board closely monitored the Company's operational status and development direction, as well as the implementation of the resolutions from the 2024 Annual General Meeting of Shareholders.
- The Supervisory Board reviewed reports on management and administration, reports on the implementation of the quarterly business plan for 2024, and the Company's audited financial statements for 2024.
- The Supervisory Board received information regarding the Board of Directors' decisions, reports on the status of tasks, plans, and implementation measures. Additionally, they reviewed the guidance and operational deployment of the Board of Directors, as well as the performance of duties by the Executive Board of Management.

Oversight Results of the Board of Directors and General Management Regarding the Implementation of the Resolutions from the 2024 Annual General Meeting of Shareholders

In 2024, the Supervisory Board did not receive any complaints from shareholders regarding the company's production and business activities, or the management by the Board of Directors and the General Management. The reports of the Board of Directors and the General Management fully and truthfully reflected the company's activities, and the documents and resolutions of the Board of Directors complied with the Enterprise Law and the Charter.

- Implementation of production and business plan targets:

+ Total revenue: VND 668,056,188,242, reaching 84.56% of the plan, an increase of 8.4% compared to 2023. Equivalent to an amount of VND 51,805,172,382.

+ Value of production output: VND 350,122,043,230; reaching 80.30% of the plan; an increase of 5.09% compared to 2023. Equivalent to an amount of VND 16,945,579,526.

+ After-tax profit target: VND 40,608,780,696; reaching 130.99% of the target approved by the General Meeting of Shareholders. An increase compared to 2023 of VND 9,094,710,767, a growth rate of 28.85%.

- In 2024, the basic earnings per share was VND 1,453 per share.

- In 2024, the company implemented a share issuance to increase capital from equity, as per the shareholders' meeting resolution, by 37% with an amount of VND 75,476,870,000, equivalent to 7,547,687 shares. Simultaneously, the company registered

these shares for deposit, ensuring shareholders' rights in trading on the UPCOM exchange.

- In 2024, the company paid a cash dividend for 2023, as per the shareholders' meeting resolution, at a rate of 3%, with an amount of VND 6,119,889,000;

- Appropriation of funds according to the profit distribution plan approved by the General Meeting of Shareholders;

- The company selected Vietnam Auditing and Valuation Limited Company to review the financial statements for the first six months and audit the financial statements for 2024 in accordance with the Law on Securities and regulations of the State Securities Commission.

- Remuneration paid to the Board of Directors was 3% and to the Supervisory Board was 1% of the after-tax corporate income profit, in accordance with the charter and the resolution approved by the General Meeting of Shareholders.

- The charter capital at the end of 2024 was VND 279,473,170,000, an increase of VND 75,476,870,000 compared to 2023, equivalent to a 37% increase. This is the result of the 37% share issuance to increase capital from equity, as per the resolution of the 2024 Annual General Meeting of Shareholders.

- In 2024, the Company implemented phase 02 of the HDPHARMA EU Factory project – Hai Duong Pharmaceutical and Medical Equipment Joint Stock Company in Cam Thuong: “Construction of 02 modern pharmaceutical production lines including Powder Injection and Betalactam Tablets (Cephalosporin antibiotic group), meeting EU-GMP standards.” Completion is expected in 2025.

REMUNERATION, BONUSES, AND BENEFITS

Full name	Position	Income in 2024		
		Net earnings	Net salary	Gross income
Board of Directors		1,094,509,500	538,650,220	1,633,159,720
Nguyen Trung Viet	Chairman	364,836,500	106,020,000	470,856,500
Nguyen Thi Tu Anh	Board Member	364,836,500	432,630,220	797,466,720
Tran Phuc Duong	Board Member	364,836,500	0	364,836,500
Supervisory Board		364,018,500	694,978,805	1,058,997,305
Pham Thi Thuy	Chairman	121,339,500	243,932,110	365,271,610
Tran Kim Cuong	Board Member	121,339,500	181,986,264	303,325,764
Nguyen Thi Huong Lan	Board Member	121,339,500	269,060,431	390,399,931
Total		1,458,528,000	1,233,629,025	2,692,157,025

INSIDER AND AFFILIATE STOCK TRANSACTION

(Changes due to stock dividend issuance + additional stock purchases)

Transactor	Relationship to Insider	Number of Shares Held at Beginning of Period		Number of Shares Held at End of Period	
		Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Nguyen Trung Viet		8,331,972	40.84%	11,414,801	40.84%
Tran Mai Lan	BoD Chairman's spouse	3,343,022	16.39%	4,579,940	16.39%
Nguyen Thi Tu Anh		819,944	4.02%	1,123,823	4.02%
Vu Van Xuyen	General Director's spouse	470,730	2.31%	639,900	2.29%
Vu Hien Minh Anh	General Director's daughter	0	0.00%	13,300	0.05%
Nguyen Trung Nam	General Director's brother	307,020	1.51%	420,617	1.51%
Tran Phuc Duong		828,494	4.06%	1,135,036	4.06%
Pham Thi Thuy		56,712	0.28%	237,085	0.85%
Tran Khanh Huyen	Head of Supervisory Board's daughter	0	0.00%	9,900	0.04%
Pham Thi Lan	Head of Supervisory Board's sister	0	0.00%	4,943	0.02%
Tran Kim Cuong		106,409	0.52%	145,780	0.52%
Tran Van Oanh	Mr. Tran Kim Cuong – Member of Supervisory Board's father	200,555	0.98%	274,760	0.98%
Pham Thi Nhan	Mr. Tran Kim Cuong's mother	55,232	0.27%	75,667	0.27%
Tran Van Minh	Mr. Tran Kim Cuong's brother	27,614	0.13%	37,831	0.13%
Chu Van Long		73,463	0.36%	100,644	0.36%

Ho Thi Ngoc Thanh	Mr. Chu Van Long's spouse	49,164	0.24%	67,354	0.24%
Nguyen Thi Huong Lan		6,638	0.03%	3,894	0.01%

SUSTAINABLE DEVELOPMENT REPORT

2024



GENERAL INFORMATION ABOUT THE SUSTAINABLE DEVELOPMENT REPORT

Introduction

The Sustainable Development Report of Hai Duong Pharmaceutical Medical Materials Joint Stock Company is integrated within the Annual Report to avoid information redundancy and provide high-quality, concise, and informative content for shareholders and other stakeholders. The purpose of this Sustainable Development Report is to provide information on the development orientation and policies of Hai Duong Pharmaceutical Medical Materials Joint Stock Company, including policies related to the social and community environment, employees, and other relevant parties.

Objective

The Sustainable Development Report is an important part of the Annual Report, aiming to help investors, shareholders, and other stakeholders access information about the Company's development strategy and business operations from a sustainable development perspective. The report content will summarize and evaluate the Company's sustainable development activities.

How the Report Content is Determined

The report is generally prepared based on the Global Reporting Initiative (GRI) G4 guidelines, following the "Core" option, and the annual report preparation guidelines outlined in Circular 96/2020/TT-BTC of the Ministry of Finance. Based on the Company's vision, development orientation, and business strategy, the report highlights the Company's material issues that have a significant impact on the economy, society, and the environment.

Reporting Period

This report covers the financial year 2024, starting from January 1, 2024, and ending on December 31, 2024. Since 2016, the Company has been preparing and publishing the Sustainable Development Report annually, along with the Annual Report, in accordance with Circular 96/2020/TT-BTC and Circular 68/TT-BTC of the Ministry of Finance.

Scope of the Report

This report covers the operational scope of Hai Duong Pharmaceutical Medical Materials Joint Stock Company and its member units in the pharmaceutical sector within the territory of Vietnam.

Assurance of the Report

The Company refers to and applies domestic and international standards for disclosing information and data in this report. Additionally, some of the Company's operational data presented in the report is also assured by a third party to ensure the accuracy, reliability, and integrity of the data. Some data assured by a third party includes:

- Financial information audited by Vietnam Auditing and Valuation Limited Company.
- Several important certifications in the pharmaceutical sector.

Contact Information for Questions:

Hai Duong Pharmaceutical Medical Materials Joint Stock Company

Address: No. 102 Chi Lang Street, Nguyen Trai Ward, Hai Duong City, Hai Duong Province, Vietnam.

Phone: 0220.3853.848

Fax: 0220.3853.848

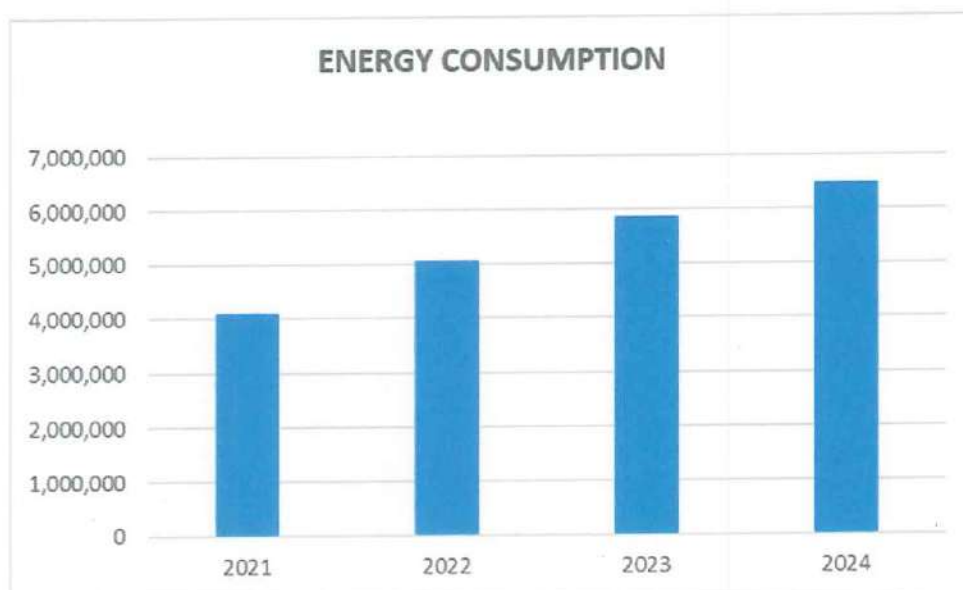
Email: info@hdpharma.vn

ENERGY CONSUMPTION

The company has been developing and expanding its operations in recent years, leading to an increase in energy consumption.

Currently, the company uses electricity supplied by Hai Duong Power Limited Company. The consumption volume over the years is as shown in the following table:

Year	Kw
2021	4,107,854
2022	5,063,287
2023	5,873,822
2024	6,487,113



Along with investing in additional machinery and equipment for production and the operation of its preexisting modern production lines, the Company is currently implementing an electricity-saving policy very effectively. With the goal of ensuring all Company employees are fully aware of and consciously practice electricity saving, both at work and at home, the Company has focused on developing solutions and regulations for electricity use, such as:

- ✓ Turning off the power if equipment is not in use after working hours
- ✓ Maximizing the use of natural light and ventilation
- ✓ Only using air conditioning when absolutely necessary
- ✓ Setting the cooling mode to 25 degrees Celsius or higher
- ✓ When renovating or purchasing new equipment, using high-energy-efficiency appliances and equipment as per regulations, or electrical appliances with energy-saving labels

WATER CONSUMPTION

The company's water is supplied by Hai Duong Clean Water Limited Company. The volume of water consumed is shown in the following table:

Usage in 2023		Usage in 2024	
Volume (m ³)	Cost (VND)	Volume (m ³)	Cost (VND)
91,735	1,330,157,500	93,555	1,356,547,500

The company has consistently emphasized its water conservation policy and has always instructed all its employees to be mindful of using water sparingly, implementing water resource conservation at the workplace, at home, and in the wider community.



EMPLOYEE-RELATED POLICIES

No.	Category	Quantity in 2024 (employees)	Percentage 2024 (%)
I	By Qualification		
11	Bachelor's Degree and Above	255	30.50%
2	College Degree, Vocational Diploma	498	59.57%
3	Certificate and Skilled Workers	42	5.02%
4	Unskilled Labor	41	4.91%
II	By Employee Category		
1	Direct Labor	605	72.37%
2	Indirect Labor	231	27.63%
III	By Gender		
1	Male	359	42.94%
2	Female	477	57.06%
IV	By Position		
1	Management	80	9.57%
2	Office + Sales Division	533	63.76%
3	Workers	223	27.66%



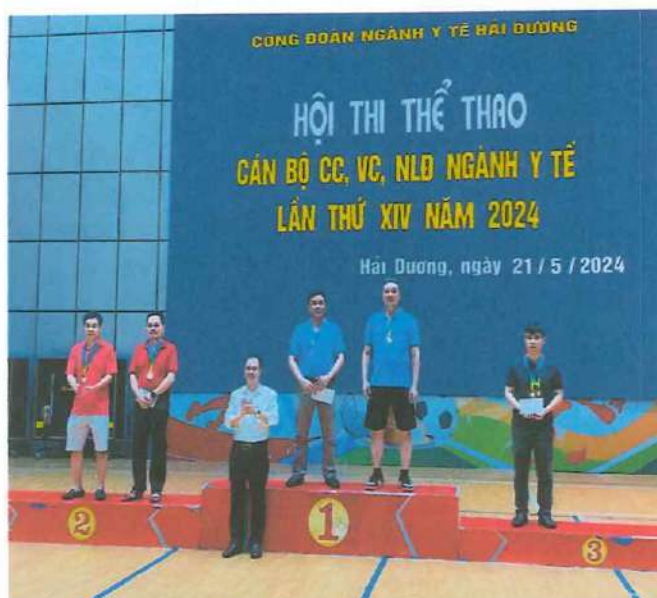
The company's leadership understands that people are the key factor determining the success or failure of the business. Over the past period, the company has made every effort to create a positive working environment, ensure employee rights, and comply with labor laws. Furthermore, because the company's headquarters are located in Hai Duong Province, rather than a major city or centrally-controlled municipality, recruitment can present certain challenges. As a result, the company consistently implements preferential policies and incentives for its employees, especially those with significant experience and long-term service within the company.

Employees of the Company receive full insurance coverage as stipulated by the State. In addition, the Company also provides extra bonuses on top of wages for employees during holidays and Tet (Lunar New Year); offers cash or gifts for birthdays; subsidizes phone bills for managers and staff in certain departments; has additional support policies for female employees who give birth and raise young children (including financial assistance for childbirth, reduced working hours, etc.); and provides regular health check-ups for employees, among other benefits.



During holidays and other special occasions, the company collaborates with various organizations to host sports competitions, cultural events, and sightseeing tours for its employees. They also hold gatherings to recognize and reward the children of employees who have excelled academically, provide gifts for Children's Day and the Mid-Autumn Festival, and offer support and encouragement to employees facing difficult circumstances.







Occupational Safety

The company has established a Labor Safety and Hygiene Council, which develops annual labor protection plans tailored to the specific conditions of each phase. A safety and hygiene network extends to each production team, with members participating in training courses organized by the company and the local Department of Labor, Invalids and Social Affairs. The company strictly adheres to fire safety standards and regulations during the production process. Flammable and explosive materials are stored separately.

Storage areas and containers are designed with built-in safety features, including temperature monitoring and fire alarm systems. A network of fire hydrants is installed throughout all production workshops, with additional hydrants located near production areas and warehouses. A dedicated fire prevention and fighting team is established to handle fire safety for the company premises. This team receives regular training as well as all workers directly involved in departments with a potential for fire or explosion. Furthermore, the company has a fire safety plan that was reviewed and approved by the Fire Prevention and Fighting Police Department of Hai Duong Province right from the initial construction and operational phases. Fire hydrants are located throughout the residential area along roadways and building corridors, combined with strategically placed firefighting equipment such as CO2

and foam extinguishers for easy access within the buildings.



Environmental Management Team

The Environmental Management Team was established with the responsibility of overseeing the overall environmental management within the entire Company area. This team is responsible for investigating, monitoring, and encouraging company staff and employees to maintain environmental hygiene. They also inspect and monitor potential environmental hazards. Furthermore, they develop periodic plans for environmental monitoring and consulting within the production areas and surrounding locations, and are accountable for other related environmental matters.

Training Activities

Annually, based on the plan and the actual needs of different departments, the Company organizes training and professional development for its employees. This includes training in areas such as Good Manufacturing Practices (GMP), Occupational Safety and Health, and fire prevention and control.

- Internal Training Activities: These are conducted directly by the Company's management personnel. The target audience for these activities includes employees working in departments, divisions, and workshops directly involved in production.
- The Company also nominates staff from relevant departments/divisions to participate in specialized professional training courses

organized by higher-level authorities and units in various fields. These fields include quality control, quality assurance, research, accounting, payroll, insurance operations, and occupational safety, among others.

- The Company invites external organizations to provide training for its staff. Examples of this include sales skills training and in-depth training on occupational safety and health.



COMMITMENT TO THE LOCAL COMMUNITY

Alongside its business operations, and with the support of the Party Committee, the Board of Directors, and the Company's leadership, the Company has, over the years, effectively carried out social welfare initiatives to contribute to social development by:

- ✓ Making charitable and humanitarian donations to social organizations and bodies such as the Youth Union and the Hai Duong Provincial Labor Union.
- ✓ Supporting the poor and families facing difficult circumstances.
- ✓ Collaborating with units in the Hai Duong Health sector to organize free medical examinations and provide free medicine to families in difficult circumstances and families with policy benefits. It has also supported hospitals with equipment and tools for medical examination and treatment.
- ✓ Contributing to funds such as the "For the Poor" Fund and the Agent Orange Fund.
- ✓ Participating in sponsoring and providing monthly allowances to two orphaned children in particularly difficult circumstances in Phuong Nguyen Trai Ward, Hai Duong City, until they reach the age of 18.
- ✓ Providing support to relevant authorities to sponsor the construction of "houses of gratitude" for poor households facing particularly difficult circumstances in Hai Duong City



HAI DUONG PHARMACEUTICAL MEDICAL MATERIALS JSC

COMBINED FINANCIAL STATEMENTS

for fiscal year ended 31/12/2024

(Audited)

CONTENTS

	Page
Report of the Board of General Director	02-03
Independent Auditors' Report	04-05
Audited Combined Financial statements	
Combined balance sheet	06-07
Combined income statement	08
Combined cash flow statement	09-10
Notes to the Combined financial statements	11-32

REPORT OF THE BOARD OF GENERAL DIRECTOR

The Board of General Directors of Hai Duong Pharmaceutical Medical Material JSC (the "Company") presents its report and the Company's Combined Financial statements for fiscal year ended 31/12/2024.

Company

Hai Duong Pharmaceutical Medical Material JSC.

Business Registration Certificate No.

0800011018, registered for the first time on 04/04/2023, registered for the 21st on 22/02/2017
Issued by the Department of Planning and Investment of Hai Duong city.

Head office

No.102 Chi Lang Street, Nguyen Trai Ward, Hai Duong City, Hai Duong Province .

Board of management

The Board of Management in the fiscal year and to the reporting date are:

Mr. Nguyen Trung Viet	Chairman
Mrs. Nguyen Thi Tu Anh	Member
Mr. Tran Phuc Duong	Member

Board of General Director

The Board of General Directors in the fiscal year and to the reporting date are:

Mrs. Nguyen Thi Tu Anh	General Director
Mr. Dang Van Viet	Quality Director
Mr. Pham Van Nam	Business Director
Mr. Chu Van Long	Chief Accountant

Board of Supervision

The members of the Board of Supervision in the fiscal year and to the reporting date are:

Mrs. Pham Thi Thuy	Head of Committee
Mrs. Nguyen Thi Huong Lan	Member
Mr. Tran Kim Cuong	Member

Legal representative

Mr. Nguyen Trung Viet	Chairman
Mrs. Nguyen Thi Tu Anh	General Director

Auditors

Vietnam Auditing and Valuation Company Limited (AVA).

Responsibilities of The Board of General Director for Combined Financial statements

The Board of General Directors is responsible for the Combined Financial statements of each financial year which give a true and fair view of the state of affairs of the Company and of its operation results and cash flows for the period. In preparing those Combined Financial statements, the Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

We, the Board of General Directors, confirm that Combined Financial statements at as 31/12/2024 prepared by us, give a true and fair view of the financial position, its operation result for the accounting period ended at the same day accordance with the Vietnamese Accounting System and comply with relevant statutory requirements.

Furthermore, the Board of Directors commits that the Company does not violate the obligation to disclose information in accordance with Circular No. 96/2020/TT-BTC dated November 16, 2020, of the Ministry of Finance guiding the disclosure of information on the Securities Market, and Circular No. 68/2024/TT-BTC dated September 18, 2024

Hai Duong, 05 March 2025
On behalf of the Board of General Directors
General Director



Nguyễn Thị Tu Anh

No.: 187 /BCKT-TC/AVA.NV7

AUDITOR'S REPORT

**To: Shareholders, the Board of Management and Board of General Director
Hai Duong Pharmaceutical Medical Material JSC**

We have reviewed the accompanying interim Combined Financial statements of Hai Duong Pharmaceutical Medical Material JSC, prepared on 05/03/2025, as set out on pages 06 to 32, including Statement of financial position as at 31/12/2024, Statement of comprehensive income, Statement of cash flows and Notes to separate financial statements.

Board of General Director's Responsibility

The Board of General Director of Hai Duong Pharmaceutical Medical Material JSC is responsible for the preparation of accompanying interim Combined Financial statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of financial statements and for such internal control as management determines is necessary to enable the accompanying interim Combined Financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on the results of the audit. We conducted the audit in accordance with Vietnamese auditing standards. These standards require us to comply with ethical standards and regulations, to plan and perform the audit to obtain reasonable assurance about whether the Company's financial statements are free of material misstatement.

The audit work involves performing procedures to collect audit evidence regarding the figures and disclosures in the financial statements. The audit procedures selected are based on the auditor's judgment, including assessing the risk of material misstatement in the financial statements due to fraud or error. In performing this risk assessment, the auditor has considered the Company's internal controls related to the preparation and fair presentation of the financial statements in order to design appropriate audit procedures for the specific circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. The audit work also includes evaluating the appropriateness of the accounting policies applied and the reasonableness of the estimates made by the Board of Directors, as well as assessing the overall presentation of the financial statements.

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

Auditor's Conclusion

Based on the results of our review, we found no problems that we believe that the accompanying interim Combined Financial statements does not give a true and fair view, in all material respects, of the financial position of Hai Duong Pharmaceutical Medical Material JSC as at 31/12/2024, and of the results of its operations and its cash flows for fiscal year ended 31/12/2024, in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of accompanying interim financial statements.

Other issues

The combined financial statements of Hai Duong Pharmaceutical Medical Material JSC for the fiscal year ended December 31, 2023, have been audited by the auditor and another auditing firm. The auditor issued an unqualified opinion on the combined financial statements on March 6, 2024.

VIETNAM AUDITING AND
VALUATION COMPANY LIMITED



Do Thi Duyen
Vice General Director
Registration certificate
3642-2021-126-1
Ha Noi, 05 March 2025

Tran Manh Duc
Auditor
Registration certificate
4884-2024-126-1

Form No. B 01 - DN

COMBINED BALANCE SHEET

As at 31/12/2024

Unit: VND

ITEMS	Code	Note	31/12/2024	01/01/2024
A. CURRENT ASSETS	100		341,148,607,589	266,604,877,103
I. Cash and cash equivalents	110	V.1	31,419,168,182	25,418,100,057
1. Cash	111		31,419,168,182	25,418,100,057
II. Short-term accounts receivable	130		180,755,628,545	135,831,193,325
1. Short-term trade receivables	131	V.2	118,236,171,594	100,303,524,265
2. Short-term advances to suppliers	132	V.3	59,671,572,390	28,971,847,019
3. Other receivables	136	V.4	6,519,269,624	6,555,822,041
4. Provisions for short-term bad debts (*)	137	V.5	(3,671,385,063)	-
III. Inventories	140	V.6	127,909,053,084	104,353,518,072
1. Inventories	141		127,909,053,084	104,353,518,072
IV. Other current assets	150		1,064,757,778	1,002,065,649
1. Short-term prepaid expenses	151	V.7	624,164,224	764,114,654
2. VAT deductible	152		440,593,554	237,950,995
B. NON - CURRENT ASSETS	200		305,237,748,766	312,380,892,842
I. Fixed assets	220		277,938,572,145	294,215,719,104
1. Tangible fixed assets	221	V.8	259,687,221,789	275,964,368,748
- Cost	222		481,416,768,768	470,820,088,025
- Accumulated depreciation (*)	223		(221,729,546,979)	(194,855,719,277)
2. Intangible fixed assets	227	V.9	18,251,350,356	18,251,350,356
- Cost	228		25,557,287,846	25,557,287,846
- Accumulated depreciation (*)	229		(7,305,937,490)	(7,305,937,490)
II. Long-term assets in progress	240	V.10	24,432,507,459	10,635,029,498
1. Construction in progress	242		24,432,507,459	10,635,029,498
III. Other long-term assets	260		2,866,669,162	7,530,144,240
1. Long-term prepaid expenses	261	V.7	2,866,669,162	7,530,144,240
TOTAL ASSETS(270=100+200)			646,386,356,355	578,985,769,945

Form No. B 01 - DN

COMBINED BALANCE SHEET

As at 31/12/2024

(Continuous)

Unit: VND

ITEMS	Code	Note	31/12/2024	01/01/2024
C. LIABILITIES	300		192,127,190,710	158,850,659,496
I. Current liabilities	310		186,108,895,749	156,619,610,736
1. Short-term Trade payables	311	V.11	63,913,046,095	47,347,613,820
2. Short-term Advances from customers	312	V.12	27,011,433,156	11,778,900,004
3. Tax payables and statutory obligations	313	V.13	7,152,037,955	2,550,168,386
4. Payables to employees	314		4,869,401,998	1,111,462,920
5. Short-term Accrued expenses	315	V.14	428,162,066	474,547,567
6. Short-term Unearned revenue	318	V.15	3,201,934,270	836,867,098
7. Short-term other payables	319	V.16	7,182,181,347	5,000,401,347
8. Short-term loans and debts	320	V.17	65,925,328,072	80,569,098,470
9. Bonus and welfare fund	322		6,425,370,790	6,950,551,124
II. Long-term liabilities	330		6,018,294,961	2,231,048,760
1. Long-term loans and debts	338	V.17	6,002,713,990	2,205,871,533
2. Science and Technology Development Fund	343		15,580,971	25,177,227
D. OWNER'S EQUITY	400		454,259,165,645	420,135,110,449
I. Equity	410	V.18	454,259,165,645	420,135,110,449
1. Contributed capital	411		279,473,170,000	203,996,300,000
- Ordinary shares with voting rights	411a		279,473,170,000	203,996,300,000
2. Investment and development fund	418		124,594,214,888	174,594,214,888
3. Undistributed earnings	421		50,191,780,757	41,544,595,561
- Undistributed profit after tax of previous period	421a		9,870,172,861	10,268,002,632
- Undistributed profit after tax of current period	421b		40,321,607,896	31,276,592,929
TOTAL RESOURCES(440=300+400)			646,386,356,355	578,985,769,945

Prepared by



Tran Quoc Tuan

Chief Accountant



Chu Van Long

Hai Duong, 05 March 2025

General Director



Nguyen Thi Tu Anh

Form No. B 02 - DN

COMBINED INCOME STATEMENT
Year 2024

Unit: VND

ITEMS	Code	Note	Year 2024	Year 2023
1. Revenue from sale of goods and rendering of services	01	VI.1	668,056,188,242	616,251,015,860
2. Deductible items	02	VI.2	3,054,479,448	1,508,279,922
3. Net revenue from sale of goods and rendering of services (10=01-02)	10		665,001,708,794	614,742,735,938
4. Cost of sales	11	VI.3	454,770,265,987	426,688,430,719
5. Gross profit from sale of goods and rendering of services (20=10-11)	20		210,231,442,807	188,054,305,219
6. Revenue from financial activities	21	VI.4	633,188,787	426,708,493
7. Finance costs	22	VI.5	6,255,488,148	8,539,743,135
In which: Interest expenses	23		3,218,208,599	5,492,844,385
8. Selling expenses	25	VI.6	74,149,536,551	68,644,819,855
9. General Administrative expenses	26	VI.6	81,814,791,647	72,660,901,541
10. Net profit from operating activities {30=20+(21-22)-(25+26)}	30		48,644,815,248	38,635,549,181
11. Other income	31	VI.7	2,152,468,731	892,870,536
12. Other expense	32	VI.8	8,775,306	36,500,000
13. Other profit (loss) (40=31-32)	40		2,143,693,425	856,370,536
14. Total profit before tax (50=30+40)	50		50,788,508,673	39,491,919,717
15. Current corporate income tax expenses	51	VI.10	10,179,727,977	7,977,849,788
16. Profit after tax (60=50-51-52)	60		40,608,780,696	31,514,069,929
17. Earnings per Share	70	VI.11	1,453	1,128
18. Diluted earnings per Share	71	VI.11	1,453	1,128

Prepared by



Tran Quoc Tuan

Chief Accountant



Chu Van Long

Hai Duong, 05 March 2025

General Director



Nguyen Thi Tu Anh

Form No. B 03 - DN

COMBINED CASH FLOW STATEMENT
(Indirect method)
Year 2024

Unit: VND

ITEMS	Code	Note	Year 2024	Year 2023
I. Cash flows from operating activities				
1. Profit before tax	01		50,788,508,673	39,491,919,717
2. Adjustment for				
- Depreciation and amortisation	02		27,261,433,809	23,108,369,633
- Provisions	03		3,671,385,063	-
- Gain/loss from unrealized foreign exchange difference	04		(50,857,754)	2,058,882
- Gain/loss from investment activities	05		(128,994,168)	(31,000,434)
- Interest expense	06		3,218,208,599	5,492,844,385
3. Profit from operating activities before changes in working capital	08		84,759,684,222	68,064,192,183
- Increase/Decrease in receivables	09		(48,775,880,044)	(23,620,228,389)
- Increase/Decrease in inventories	10		(23,555,535,012)	6,809,281,845
- Increase/Decrease in payables (excluding interest payables/ enterprise income tax payables)	11		40,089,010,412	(31,871,696,087)
- Increase/Decrease in prepaid expenses	12		4,803,425,508	619,874,862
- Interest expenses paid	14		(3,218,208,599)	(5,492,844,385)
- Corporate Income taxes paid	15		(5,592,091,588)	(8,697,509,222)
- Other expenses on operating activities	17		(525,180,334)	(209,362,000)
Net cash flows from operating activities	20		47,985,224,565	5,601,708,807
II. Cash flows from investing activities				
1. Purchase of fixed assets and other long-term assets	21		(25,268,805,054)	(21,181,774,363)
2. Proceeds from disposals of fixed assets and other long-term assets	22		181,809,091	-
3. Interest, dividends and profit received	27		29,742,305	31,000,434
Net cash flows from investing activities	30		(25,057,253,658)	(21,150,773,929)

Form No. B 03 - DN

COMBINED CASH FLOW STATEMENT

(Indirect method)

Year 2024

(Continuous)

Unit: VND

ITEMS	Code	Note	Year 2024	Year 2023
III. Cash flows from financing activities				
1. Proceeds from short - term, long - term borrowings	33		152,833,226,632	187,606,060,837
2. Loan repayment	34		(163,680,154,573)	(180,002,508,010)
3. Dividends, profit paid to equity owners	36		(6,119,889,000)	(5,999,914,000)
Net cash flows from financing activities	40		(16,966,816,941)	1,603,638,827
Net decrease/increase in cash and cash equivalents	50		5,961,153,966	(13,945,426,295)
Cash and cash equivalents at beginning of the year	60		25,418,100,057	39,364,911,883
Impact of foreign exchange fluctuation	61		39,914,159	(1,385,531)
Cash and cash equivalents at end of the year	70		31,419,168,182	25,418,100,057

Prepared by



Tran Quoc Tuan

Chief Accountant



Chu Van Long

Hai Duong, 05 March 2025

General Director



Nguyen Thi Tu Anh

NOTES TO THE Combined FINANCIAL STATEMENTS
Year 2024

I. Background

1. Forms of Ownership

Hai Duong Pharmaceutical Medical Material JSC.

The company operates under Business Registration Certificate No. 0800011018, registered for the first time on 04/04/2023, registered for the 21st on 22/02/2017, Issued by the Department of Planning and Investment of Hai Duong city.

Head office: No.102 Chi Lang Street, Nguyen Trai Ward, Hai Duong City, Hai Duong Province .

The Company's charter capital: VND 279.473.170.000.

Total number of shares: 27.947.317 shares.

2. Business field

The company's business activities include the production, trade, and business of pharmaceuticals, chemicals, and medicinal herbs.

3. Business activities

According to the Business registration certificate, principal activities of the Company are:

- Production of pharmaceuticals, chemicals, and medicinal herbs. Details: Production of medicinal drugs, herbal medicine, chemicals, and essential oils;
- Production of medical, dental, orthopedic, and rehabilitation equipment and instruments. Details: Production of medical supplies;
- Production of other food not classified elsewhere. Details: Production of functional foods;
- Production of cosmetics;
- Wholesale of pharmaceuticals and medical instruments;
- Wholesale of other food. Details: Wholesale of functional foods;
- Wholesale of perfumes, cosmetic products, and hygiene preparations;
- Wholesale of other chemicals (excluding those used in agriculture). Details: Wholesale of chemicals used for the production of pharmaceuticals, cosmetics, functional foods, for testing, and for hospitals;
- Wholesale of medical machinery and equipment. Details: Wholesale of medical machinery, equipment, and medical supplies;
- Other specialized wholesale not classified elsewhere. Details: Wholesale of essential oils, medicinal herbs, eyeglasses;
- Retail of other new goods not classified elsewhere in specialized stores. Details: Retail of essential oils, medicinal herbs, medical machinery and equipment, chemicals used for the production of pharmaceuticals, cosmetics, functional foods, for testing, and chemicals used for hospitals;
- Retail of other food in specialized stores. Details: Retail of functional foods;
- Cultivation of medicinal herbs; Other livestock farming. Farming of geckos and snakes (as permitted by the government);
- Printing;
- Other professional, scientific, and technological activities not classified elsewhere. Details: Scientific and technical consulting services and technology transfer in the fields of medicine, pharmacy, cosmetics, and food; quality testing services for pharmaceuticals and functional foods;
- Road freight transport;
- Agency. Details: Agency for the purchase and sale of medicinal drugs, cosmetics, functional foods, medical instruments, medical equipment, eyeglasses, medicinal herbs, essential oils, chemicals;
- Real estate business, land use rights owned, used, or leased. Details: Renting houses for offices, business locations, stores, warehouses, housing, and parking lots;
- Hotels; Other personal service activities not classified elsewhere. Details: Beauty care services;

- Distillation, rectification, and mixing of spirits; Production of wine; Production of beer and malt for brewing; Production of non-alcoholic beverages and mineral water;
- Construction of all types of houses; Construction of public works; Construction of other civil engineering works;
- Demolition; Site preparation; Electrical system installation;
- Installation of water supply and drainage systems, heating, and air conditioning; Installation of other construction systems; Construction completion; Other specialized construction activities. Details: Construction of pharmaceutical production factories;
- Wholesale of beverages. Details: Wholesale of beer, spirits, and soft drinks;
- Advertising; Market research and opinion polling; Preschool education;
- Organization of trade promotion and introduction activities.

4. The Company's normal business period

The Company's normal business period is 12 months.

5. Operations of the company in the fiscal year affecting the financial statements

During the accounting period, the Company's activities did not have any significant characteristics that affected the Combined financial statements. The Company's operations were normal throughout all periods of the year

6. Business structure

As of December 31, 2024, the majority of the Company's office and production facilities are located at 102 Chi Lang Street, Nguyen Trai Ward, Hai Duong City, Hai Duong Province. In addition, the Company has 9 branches located both inside and outside the province:

- | | |
|----------------------|----------------------------|
| 1. Cam Giang Branch | 6. Central Region Branch |
| 2. Hanoi Branch | 7. Tu Ky Branch |
| 3. Thanh Mien Branch | 8. Ho Chi Minh City Branch |
| 4. Ninh Giang Branch | 9. Hai Duong 1 Branch |
| 5. Can Tho Branch | |

Total number of employees

As at 31/12/2024, the Company has 696 employees (as at 01/01/2024, has 706 employees).

7. Statement of ability to compare information on Financial Statements

The financial statements of the Company are prepared to ensure comparability.

II. Accounting period and accounting monetary unit

1. Accounting period

Annual accounting period commences from 1st January and ends on 31st December.

2. Accounting monetary unit

Monetary unit used in accounting is Viet Nam Dong (National symbol is "đ"; International symbol is "VND").

III. Accounting standards and Accounting system

1. Accounting System

The company applies Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December, 2014 by Minister of Finance on guideline enterprise accounting and Circular No. 53/2016/TT-BTC dated 21 March, 2016 by Ministry of Finance amending and supplementing some articles of Circular No.

2. Announcement on compliance with Vietnamese standards and accounting system

The company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.

IV. Accounting policies

1. Recognition of cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

When arising transactions in foreign currencies, foreign currencies shall be converted into Vietnam dong under the principle: Debit transactions are applied with actual exchange rates; Credit transactions are applied with weighted When preparing financial statements, in accordance with the law, balances in foreign currencies are re-evaluated at actual buying exchange rates of the commercial banks.

The actual exchange rate applied when re-evaluating the cash in hand, cash in bank in foreign currency is actual buying exchange rates of the commercial banks with which the company regularly transacts.

2. Receivables

Receivable are monitored in detail by maturity receivable, objects to be recovered and the type of original currency receivables, and other factors under the management of the Company.

The identification of necessary provision for doubtful debts is based on the items that are classified as short-term, long-term receivables on Balance Sheet. Provision for doubtful debts is made for each one based on the age of overdue debts or the estimated losses that may occur.

3. Inventory

Principles of recognizing inventories

The Company's inventory consists of assets purchased for production or for sale during normal production and business periods

Inventory is measured at cost. If the net realizable value is lower than the cost, inventory is measured at the net realizable value. The cost of inventory includes purchase costs, processing costs, and other directly attributable costs incurred to bring the inventory to its current location and condition.

Method of calculating inventories

- Raw materials received in batches are assigned specific costs for each corresponding batch.
- Raw materials (including containers, boxes, etc.) not received in batches are valued using the monthly weighted average method.
- Finished products processed and exported are valued using the specific identification method (the sale price for each batch is based on the actual cost of that batch).
- Finished products produced for inventory and goods are valued using the weighted average method after each receipt.
- Costs of unfinished production are determined based on each incomplete production order at the end of the period, with values calculated for each batch put into production.

Method of accounting inventories

Inventory is recorded by perpetual.

Method of setting up provision for devaluation of inventories

Provisions for devaluation of inventories made at the end of the year are the excess of original cost of inventory over their net realizable value.

4. Fixed assets and depreciation of fixed assets

Fixed assets

Fixed assets (tangible and intangible) are stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and net book value.

Depreciation is provided on a straight-line basis. Depreciation period applicable under Circular 45/2013/TT-BTC

- | | |
|----------------------------------|--------------------|
| - Buildings | 08-26 years |
| - Machine, equipment | 05 - 10 years |
| - Transportation equipment | 05-08 years |
| - Office equipment and furniture | 03-05 years |
| - Land use rights | Without time limit |
| - Management software | 03 years |

Gain or loss on the liquidation fixed assets is recognized as income or expense in the statement of comprehensive income.

5. Principles for recognizing costs of unfinished construction

Costs of unfinished construction include expenses for construction and machinery that are not yet completed or installed. Depreciation is not applied to unfinished construction during the construction and installation process.

6. Prepaid expenses

Prepaid expenses only related to present fiscal year are recognised as short-term prepaid expenses and are recorded into operating costs.

Prepaid expenses incurred during the year but related to business operations of several years are recorded as long-term prepaid expenses and are amortized to the income statement in several years.

The calculation and allocation of long-term prepaid expenses to profit and loss account in the period should be based on nature of those expenses to select a reasonable method and allocated factors. Prepaid expenses are allocated partly into operating expenses on a straight-line basis.

The company's prepaid expenses include the following costs:

Tools and equipment: The value of tools and equipment that are put into use is allocated to expenses using the straight-line method, with an allocation period not exceeding 36 months.

Repair costs for fixed assets: One-time repair costs of significant value are allocated to expenses using the straight-line method over 36 months.

7. Payables

Payables are monitored in detail by maturity receivable, objects to be recovered and the type of original currency receivables, and other factors under the management of the Company.

When preparing financial statements, accountants base on remaining term of payables to classify them into short-term or long-term.

When there are evidences that a loss likely occurs, accountants need to immediately record a payable according to the precautionary principle.

Payables in foreign currencies need to be re-evaluated at the year end when preparing financial statements. Actual transacted exchange rate when re-evaluating payables in foreign currencies at the time of preparing financial statements is the published exchange rate of the commercial bank with which the Company often have transactions (selected by the Company when transacting with payable subjects).

8. Recognition of borrowings

Borrowings whose maturity time is over 12 months from the date of financial statements are presented as long-term borrowings and financial lease liabilities. Borrowings whose maturity time is within 12 months from the date of financial statements are presented as short-term borrowings and financial lease liabilities to prepare settlement. When preparing financial statements, borrowings' balances in foreign currencies are re-evaluated in actual transacted exchange rate at the time of preparing financial statements.

Differences of exchange rate arising from payments and re-evaluation at the year end are recorded into financial incomes or expenses.

9. Recognition and capitalization of borrowing costs

Borrowing costs are recognized into operating costs during the period, except for which directly attributable to the acquisition, construction or production of a qualifying asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in SAV No. 16 "Borrowing costs".

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that takes more than 12 months to put into use under certified purposes or for sale should be included (capitalized) in the cost of that asset, including interest on borrowings, amortization of discounts or premiums relating to issuing bonds and ancillary costs incurred in connection with the arrangement of borrowings.

For specific loans used for the construction of fixed assets and investment properties, interest on the loans is capitalized even if the construction period is less than 12 months.

10. Accrued expenses

Payables for goods and services that are already received from suppliers or already supplied to buyers in the reported period but not actually paid due to shortage of bills or accounting files and documents are recognized as operating expenses of the reported period.

Recognizing accrued expenses into operating expenses in the period needs to be performed according to the matching principle between revenues and expenses incurred in the period.

Accrued expenses shall be balanced with actual incurred expenses. The difference between accrued and actual expenses shall be reversed.

11. Provision for payables

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of year.

Only expenditures that relate to the original payables provision are set against it.

In case provision set for the previous period but not used up exceeds the one set for the current period, the difference is recorded as decrease in production and operation expenditures. The bigger difference of the payables Payables are recognized when the following conditions are satisfied:

- The Company has a current debt obligation (legal obligation or joint obligation) as a result of an event that
- The decline in economic benefits may occur leading to the requirement to pay debt obligations; and
- Provide a reliable estimate of the value of that debt obligation.

12. Principle of recognizing unearned revenue

Unearned revenue includes revenue received in advance such as: The amount of money that customers have paid in advance for one or more accounting periods of asset leasing; Interest received before lending or buying debt instruments; And other unearned revenues such as: The difference between the deferred or installment sale price as committed with the immediate payment price, the turnover corresponding to the value of goods or services or the amount to be deducted Discounted price for customers in traditional customer program.

Unearned revenue does not include:

- Advance payment from buyers whose enterprises have not provided products, goods and services;
- The revenue has not yet been collected from asset leasing activities, providing multi-period services.

Each accounting period, unrealized revenue is transferred into revenue in the period.

13. Principles for recognizing the science and technology development fund.

The science and technology development fund is accounted for as part of the enterprise's management expenses to determine the business results for the period. The allocation and use of the science and technology development fund must comply with legal regulations.

14. Owner's equity

Principles of recognizing owner's equity, share premium, convertible bonds and other owner's equity

Owner's equity is stated at actually contributed capital of owners.

Premium reserve is recorded by the difference (over/under) between the selling price and the par value of treasury stocks when stocks are firstly or additionally issued or reissued. Direct expenses related to the additional issuance of shares or reissuing treasury stock is recorded to reduce the surplus capital stock.

Recognition Undistributed profit

Profit after tax retained is the profit of business operations after deduction (-) regulated items due to applying a change in accounting retrospectively or to make a retrospective restatement to correct materiality in previous years. The profit is available for appropriation to investors after approval by Board of Management and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnamese regulatory requirements.

15. Revenue

Sale of goods

Revenue from sale of goods should be recognized when all the following conditions have been satisfied:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership
- The amount of revenue can be measured reliably;
- It is probable that The economic benefits associated with the transaction will flow to the entity;
- The cost incurred or to be incurred in respect of the transaction can be measured reliable.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliable, revenue associate with the transaction shall be recognised by reference to the stage of completion of the transaction at the end of reporting period. The outcome of a transaction can be estimated reliable when all the following conditions are satisfied:

- The amount of the revenue can be measured reliably;
 - It is probable that the economic benefits associated with the transaction will flow to the entity;
 - The stage of the completion of the transaction at the end of the reporting period can be measured reliably; and
 - The costs incurred for the transaction and the costs to complete the transaction can be measured reliable.
- The stage of the completion of the transaction may be determined by surveys of work completed methods.

Financial income

Revenue arising from the used by the others of entity assets yielding interest, royalties and dividends shall be recognised when:

- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The amount of the revenue can be measured reliably.

Dividends shall be recognised when the shareholder's right to receive payment is established.

Common Stocks and Dividends paid by Stocks: No record earnings when the right to receive bonus shares or dividend shares is established, the number of bonus shares and dividend shares received disclosure in Financial Statements.

Other revenues

Recognition of other revenues beside the entity's business activities includes:

- Revenue from liquidation of fixed assets;
- Revenue from fines paid by customers for breaching contracts;
- Revenue from the third party's compensation for a loss of property (e.g. insurance compensation, compensation for relocating business office and other similar revenues);
- Collection of bad debts which have been written off;
- Revenue from payables which is not identified;
- Other revenues than those listed above.

16. Deductibles from revenue

Deductibles adjusted to revenues from sale of goods and rendering of services arising in the period include: Sale discounts, sale rebates and sale returns.

Trade discounts, discounted sales, sales generated bounces same period consumption of products, goods and services are adjusted periodically generated revenue;

In case that products, goods and services have already been consumed since the previous period, but until the subsequent period, sale discounts, sale rebates or sale returns incur, then the Company recognizes deductibles

- If products, goods and services have already been consumed since the previous period and need to be discounted, rebated, returned in the subsequent period but before the time of issuing financial statements, accountants recognize it as an event that needs to be adjusted arising after the date of Balance Sheet and deduct revenues of the period's financial statements (the previous period).
- In case that products, goods and services need to be discounted, rebated, returned after the time of issuing financial statements, the entity needs to deduct revenues of the arising period (the subsequent period).

17. Cost of goods sold

Reflecting the cost value of products, goods and services sold in the period.

The provision for devaluation of inventories is included in the cost of goods sold on the basis of the number of inventories and the difference between the net realizable value is less than the cost of inventories.

When selling products and goods with equipment and spare parts, the value of equipment and spare parts is recorded into cost of goods sold.

As for the value of inventory shrinkage and loss, accountants immediately count towards cost of goods sold (after deducting the compensation, if any).

As for the cost of direct materials consumed in excess of normal level, labour cost, fixed general operation unallocated to the value of products stocked, accountants immediately count them towards in cost of goods sold (after deducting the compensation, if any) even if the products and goods have not been determined to be

Import duties, special consumption taxes and environmental protection taxes have been included in the value of purchased goods, and when the goods are sold, those taxes are refunded, the decrease of the cost of goods sold is

As for costs of goods sold unrecognized as corporate income taxable expenses under the regulations of Tax law but with full of invoices and documents and accounted reasonably under Accounting system, the Company does not reduce accounting expenses but adjusts in the corporate income tax settlement to increase corporate income

18. Financial expenses

Reflecting financial expenses including expenses or losses related to financial investment activities, expenses of lending and borrowing equity, expenses of contributing in joint ventures, associates, losses of transferring short-term securities, expenses of selling securities transactions; Provision for devaluation of trading securities, provision for loss of investments in other entities, losses of selling foreign currencies, losses of exchange rate...

As for financial expenses unrecognized as corporate income taxable expenses under the regulations of Tax law but with full of invoices and documents and accounted reasonably under Accounting system, the Company does not reduce accounting expenses but adjusts in the corporate income tax settlement to increase corporate income

19. Selling expenses and administrative expenses

Expenses recognized as selling expenses include: Expenses actually arising in process of selling products, goods and rendering services including expenses for offering, introducing, advertising products, sale commissions, expenses for products' warranty, storage, packing, transporting, ...

Expenses recognized as administrative expenses include: Expenses for administrative labour (salaries, wages, allowances,...); social insurance, health insurance, union fund, unemployment insurance of administrative staffs; expenses of office commodities, working tools, depreciation of fixed assets used for administration; land rent, excise; provision for doubtful receivables; outside purchasing costs (electricity, water, telephone, fax, asset insurance, fire insurance...); other costs in cash (guest receptions, customer conferences...).

As for selling expenses and administrative expenses unrecognized as corporate income taxable expenses under the regulations of Tax law but with full of invoices and documents and accounted reasonably under Accounting system, the Company does not reduce accounting expenses but adjusts in the corporate income tax settlement to increase corporate income tax payable.

20. Principles and methods of recognizing current corporate income tax and differed corporate income tax

Current corporate income tax expense is the amount of corporate income tax payable counted on taxable income in the period and prevailing tax rate.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

21. Profit per share

Basic earnings per share are calculated by dividing the net profit or loss after tax attributable to the holders of common stock by the weighted average number of common shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit or loss after tax attributable to the holders of common stock by the weighted average number of common shares outstanding during the period, plus the weighted average number of common shares that would be issued if all potential dilutive common shares were converted into common stock.

22. Other accounting principles and methods

22.1. Basis for consolidation of financial statements

The financial report is presented according to the historical cost convention.

22.2. Related parties

Enterprises and individuals that directly or indirectly through one or more intermediaries, have control on or are under control of the Company, or are under common control with the Company, including parent companies, subsidiaries and associates are related parties. Associates and individuals that directly or indirectly hold voting right of the Company and have a significant impact on the Company, key management personnel including Board of Directors and employees of the Company, closed family members of these individuals or these associates or companies associated with these individuals are also considered as related parties.

In considering each relationship of related parties, it is necessary to pay attention to the nature of the relationship, not only its legal form.

V. Descriptive information in addition to items presented in the Balance sheet

		Unit: VND	
1.	Cash	31/12/2024	01/01/2024
	Cash on hand	2,584,400,686	10,799,055,780
	Demand deposits	28,834,767,496	14,619,044,277
		31,419,168,182	25,418,100,057

2. Receivables

	31/12/2024	01/01/2024
Short-term		
Nam Sach District Health Center	7,382,561,150	5,418,561,818
KARUNA PHARMA CO,LTD	6,520,562,745	2,369,396,748
Hai Duong Provincial General Hospital	5,911,196,600	2,536,629,595
Tu Ky District Health Center	4,355,255,977	4,125,665,085
Thanh Ha District Health Center	3,272,031,580	742,220,098
Central Pharmaceutical Joint Stock Company		
CPC1 - Nghe An Branch	2,726,205,469	1,631,422,453
Binh Giang District Health Center	2,482,472,650	1,139,115,486
Cam Giang District Health Center	2,414,932,106	128,550,200
Kinh Mon Town Health Center	2,321,903,139	207,654,795
Golden Health USA LLC (KH)	2,259,924,512	5,024,803,616
Other customers	78,589,125,666	76,979,504,371
	118,236,171,594	100,303,524,265

3. Advances for suppliers

	31/12/2024	01/01/2024
Short-term		
IMA Pacific Company Limited	21,242,959,500	21,242,959,500
Alexanderwerk GmbH	4,082,243,787	4,082,243,787
GEA Process Engineering (India) Pvt Ltd (Unit II, 100% EOU)	5,925,729,471	1,008,706,041
Truking Watertown Pharmaceutical Equipment Co., Ltd	4,155,102,900	-
Alphaco Construction Joint Stock Company	5,855,966,623	-
Refrigeration Electrical Engineering Bach Khoa Co.Ltd	10,398,888,889	-
Others	8,010,681,220	2,637,937,691
	59,671,572,390	28,971,847,019

4. Other receivables

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Short-term				
Other parties				
Advances	499,614,849	-	529,296,961	-
Other deposit	68,450,775	-	76,524,580	-
Other	51,204,000	-	50,000,500	-
Related parties				
Mr. Nguyen Trung Viet	5,900,000,000	-	5,900,000,000	-
	6,519,269,624	-	6,555,822,041	-

5. Bad debt

	31/12/2024		01/01/2024	
	Original value	Recoverable amount	Original value	Recoverable amount
Total value of overdue accounts receivable				
Trang Minh Pharmaceutical Joint Stock Company	49,439,590	-	-	-
Linh Son Pharmaceutical Joint Stock Company - Nghe An	160,548,293	-	-	-
Thai Tien Pharmaceutical Joint Stock Company	339,120,218	-	-	-
Trí Đức Medical Equipment and Pharmaceutical One Member Limited Company	191,784,964	-	-	-
Nhat Quang Trading Pharmaceutical LLC (Viet Tri)	418,102,630	-	-	-
OPM Pharmaceutical One Member LLC	1,147,705,903	-	-	-
Hanoi Trade and Pharmaceutical Services Joint Stock Company	184,939,112	-	-	-
Tam Viet Pharmaceutical and Medical Equipment Joint Stock Company	186,592,364	-	-	-
T.H.I Joint Stock Company	74,588,048	-	-	-
Truong Xuan Pharmaceutical Joint Stock Company	78,056,427	-	-	-
Arenphar Investment and Trading Joint Stock Company	16,496,548	-	-	-
Biofocus Biotechnology Joint Stock Company	43,688,992	-	-	-
HAPHARMA Joint Stock Company	280,090,264	-	-	-
Dong Y Pharmaceutical Joint Stock Company (Nam Lang)	121,888,331	-	-	-
Tran Manh Tinh	378,343,379	-	-	-
	3,671,385,063	-	-	-

6. Inventories

	31/12/2024		01/01/2024	
	Original value	Provision	Original value	Provision
Raw material	54,200,285,889	-	43,389,626,677	-
Work in process	15,202,316,672	-	5,077,165,902	-
Finished goods	52,911,355,963	-	47,565,868,057	-
Merchandise (*)	5,595,094,560	-	8,320,857,436	-
	127,909,053,084	-	104,353,518,072	-

7. Prepaid expenses

	31/12/2024	01/01/2024
Short-term		
Instruments and tools	624,164,224	764,114,654
Total	624,164,224	764,114,654
Long-term		
Instruments and tools	2,866,669,162	4,337,834,122
Consulting costs for GMP WHO and GMP EU for Cam Thuong Factory	-	3,192,310,118
	2,866,669,162	7,530,144,240

8. Tangible fixed assets

Appendix No. 01

9. Intangible fixed assets

Items	Land use rights	Land lease rights	Software	Total
Original cost				
As at 01/01/2024	20,651,287,846	-	4,906,000,000	25,557,287,846
As at 31/12/2024	20,651,287,846	-	4,906,000,000	25,557,287,846
Accumulated depreciation				
As at 01/01/2024	2,399,937,490	-	4,906,000,000	7,305,937,490
As at 31/12/2024	2,399,937,490	-	4,906,000,000	7,305,937,490
Net carrying amount				
As at 01/01/2024	18,251,350,356	-	-	18,251,350,356
As at 31/12/2024	18,251,350,356	-	-	18,251,350,356

Cost of fully depreciated intangible fixed assets but still in use: 7,305,937,490

10. Long-term assets in progress

	31/12/2024	01/01/2024
Construction in progress		
Consulting costs for EU GMP standards for Cam Thuong Factory Phase 2	5,921,925,093	4,379,453,300
Consulting + design costs and construction investment for Cephalosporin GMP EU production line - Project Phase 2	12,855,006,168	600,000,000
Value of land use rights L09-54, L09-53 in Can Tho	5,655,576,198	5,655,576,198
	24,432,507,459	10,635,029,498

11. Payables to suppliers

	Value and Realizable value	
	31/12/2024	01/01/2024
Short-term		
Van Xuân Pharmaceutical Trading Limited Liability Company	3,011,560,416	3,011,560,416
Hanoi International Chemical Pharmaceutical Joint Stock Company	3,087,099,550	2,262,203,250
Dac Ha Limited Liability Company	732,231,502	2,022,065,505
Thuan An Phat Pharmaceutical Joint Stock Company	3,882,712,100	1,610,720,922
Hung Phu Glass Joint Stock Company	1,610,031,600	1,445,850,000
Hoang Ngoc Medical Equipment and Pharmaceutical Joint Stock Company	3,552,853,700	1,427,078,125
Dong Au Trading and Manufacturing Limited Liability Company	2,723,748,331	1,371,194,437
Duc Thanh Packaging and Trading Limited Liability Company	2,211,927,198	1,199,184,480
SINO BRIGHT PHARMA CO., LIMITED	-	1,157,034,000
Hong Quang Glass Cooperative	445,448,465	1,125,388,697
CPCI Central Pharmaceutical Joint Stock Company	2,778,300,000	-
Other	39,877,133,233	30,715,333,988
	63,913,046,095	47,347,613,820

12. Advances from customers

	31/12/2024	01/01/2024
Short-term		
Hà Minh Trading and Technology Limited Liability Company	3,682,738,650	389,063,650
Hoang Giang Pharmaceutical Joint Stock Company	4,944,077	-
Summer Jordan for Storage & General Trading	1,510,800,000	-
Al Safwa Scientific Bureau	-	1,626,559,233
IPP Pharmaceutical Trading Limited Liability Company	1,462,230,000	242,865,000
SOLPHARMA Limited Liability Company	942,400,983	-
DG Pharmaceutical and Medical Supplies Limited Liability Company	535,000,000	-
World Roche Joint Stock Company (Bayer World)	1,111,055,600	508,100,000
2B Trading and Service Limited Liability Company	526,757,246	712,988,629
Santa Vietnam Pharmaceutical Joint Stock Company	1,398,337,500	40,625,000
Summer Jordan for Storage & General Trading (duplicate)	1,510,800,000	-
Surecare for Pharmaceuticals & Medical Supplies	1,159,681,861	-
Other Customers	13,166,687,239	8,258,698,492
	27,011,433,156	11,778,900,004

13. Taxes and payables to the state budget

Payables

	31/12/2024	Payables	Already paid	01/01/2024
Value-added tax	-	44,491,875,128	44,492,313,788	438,660
Export, import duties	-	148,687,825	148,687,825	-
Business income tax	6,302,229,077	10,179,727,977	5,714,934,371	1,837,435,471
Personal income tax	849,808,878	2,642,266,500	2,504,751,877	712,294,255
Property tax and land rental	-	1,192,134,904	1,192,134,904	-
Other taxes	-	294,756,596	294,756,596	-
	7,152,037,955	58,949,448,930	54,347,579,361	2,550,168,386

In which: *Actual corporate income tax paid during the period* 5,592,091,588

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

14. Accrued expenses

	31/12/2024	01/01/2024
Short-term		
Remuneration for the Board of Directors, Supervisory Board, and Secretary	356,580,162	237,937,963
Others	71,581,904	236,609,604
	428,162,066	474,547,567

15. Unearned revenue

	31/12/2024	01/01/2024
Short-term		
Revenue received in advance for product registration services	2,876,270,633	575,276,189
Rentals, premises	325,663,637	261,590,909
	3,201,934,270	836,867,098

16. Other payables

16.1. Short-term

Other parties

Other payables (Customers for contract manufacturing who have deposited for product registration both domestically and

IPP Pharmaceutical Trading Company Limited

Green Vietnam Pharmaceutical Trading Company Limited

Alpha France Pharmaceutical Trading Joint Stock Company

Santa Vietnam Pharmaceutical Joint Stock Company

Other

31/12/2024	01/01/2024
7,182,181,347	5,000,401,347
4,621,673,047	1,780,000,000
495,000,000	95,000,000
200,000,000	300,000,000
250,000,000	300,000,000
1,615,508,300	2,525,401,347

7,182,181,347 **5,000,401,347**

17. Loans and debts

17.1. Short-term loans and debts

	Value and able to pay			
	31/12/2024	Increase	Decrease	01/01/2024
Banks	65,644,328,072	148,984,123,275	163,527,893,673	80,188,098,470
Hai Duong Industry and Trade Commercial Bank (i)	33,173,798,296	59,786,174,118	45,766,069,301	19,153,693,479
Vietnam International Commercial Bank - Hai Duong Branch (ii)	16,008,445,612	35,810,895,553	37,575,926,845	17,773,476,904
BIDV Bank Tran Hung Dao Branch (iii)	16,462,084,164	53,387,053,604	80,185,897,527	43,260,928,087
Organizations, individuals	281,000,000	-	100,000,000	381,000,000
Loans to employees	281,000,000	-	100,000,000	381,000,000
	65,925,328,072	148,984,123,275	163,627,893,673	80,569,098,470

17.2. Long-term loans and debts

	Value and able to pay			
	31/12/2024	Increase	Decrease	01/01/2024
Organizations, individuals	2,153,610,633	-	52,260,900	2,205,871,533
Loans to employees (iiii)	2,153,610,633	-	52,260,900	2,205,871,533
Hai Duong Investment and Development Commercial Bank - Trần Hưng Đạo Transaction Office (iii)	3,849,103,357	3,849,103,357	-	-
	6,002,713,990	3,849,103,357	52,260,900	2,205,871,533
In which:				
Current portion of long-	-			-
Long-term loans and debts	6,002,713,990			2,205,871,533

Detail information on Long-term loans as at 31/12/2024

(i) Loan Agreement No. 02.10/2023-HĐCVHM/NHCT340-DUOCVTYT dated October 18, 2023; Credit Limit: 50,000,000,000 VND. Purpose: to supplement working capital for the production and business activities of pharmaceuticals and medical equipment. Duration of the credit limit: 12 months from the date of signing the contract. Interest rate: the lending interest rate is specified in the Debt Acknowledgment for each disbursement. Collateral: Mortgage Contract No. 16.09/CNHD9/2016/HĐTC/DUOC-VTYT dated September 19, 2016, and related amendments and supplements to the Mortgage Contract.

- Amendment No. 02.10/2023-HĐCVHM/NHCT340-DUOCVTYT/SĐBS01 signed on October 16, 2024 extends the duration of Loan Agreement No. 02.10/2023-HĐCVHM/NHCT340-DUOCVTYT/SĐBS01 signed on October 16, 2024: from October 16, 2024, to January 5, 2025, with the same limit and purpose as the old contract.

(ii) Credit Agreement No. 1030372.24 dated November 5, 2024; Credit limit: 60,000,000,000 VND or equivalent in foreign currency. Purpose: to meet the demand for purchasing goods and raw materials for the production and business activities of pharmaceuticals, functional foods, cosmetics, materials, and medical equipment as per the business registration. Duration: 12 months from the date of signing the contract. Interest rate: floating interest rate, determined at the time of disbursement or interest rate adjustment, subject to the interest rate policy of the Bank at each period. Collateral: the right to collect receivables from customers listed in this credit agreement.

(iii)

- Credit contract No. 01/2023/222776/HĐTD dated April 27, 2023; Credit limit: 70,000,000,000 VND, including both Vietnamese dong and equivalent foreign currency. Purpose: to supplement working capital, provide guarantees, and open L/Cs. Duration: 12 months from the date of signing the contract. Interest rate: the lending interest rate is specified in the Debt Acknowledgment for each disbursement. Collateral: Medical equipment and assets attached to the company's land. Amendment document No. 01.01/2023/222776/HĐTD signed on April 26, 2024, extends the duration of Credit Contract No. 01/2023/222776/HĐTD signed on April 26, 2023: from April 26, 2024, to July 27, 2024, with the same limit and purpose as the old contract. The loan has been settled during the period.

- Credit contract No. 02/2024/222776 dated September 4, 2024; Credit limit: 100,000,000,000 VND, including both Vietnamese dong and equivalent foreign currency. Purpose: to supplement working capital, provide guarantees, and open L/Cs. Duration: 12 months from the date of signing the contract. Interest rate: the lending interest rate is specified in the Debt Acknowledgment for each disbursement. Collateral: Medical equipment and assets attached to the company's land. Duration of the credit limit: September 4, 2024, to September 4, 2025.

(iiii) Includes employee loan contracts with a term of over 12 months, with an interest rate of 5.5% per annum for the first 6 months of 2024 and 6% per annum for the last 6 months of 2024, without any collateral.

(iiiii) The loan payments to customers from Credit Agreement No. 01/2024/222776/HĐTD dated September 4, 2024; the withdrawn amount: 3,849,103,357 VND to pay for two contracts, including: 15% of the value according to Contract No. 2752/HĐTC/DHD-PCCC_PC and the second payment according to Contract No. 06/2024/HĐTC/DHD-ALPHACO for House 4C Cẩm Thượng.

18. Owner's equity

18.1. Increase and decrease in owner's equity Appendix No. 02

Earnings distribution	Year 2024	Year 2023
Total profit of the previous period carried forward	41,544,595,561	41,614,637,708
Profit after tax in the period	40,608,780,696	31,514,069,929
Increase, decrease () other	(364,836,500)	(305,748,076)
Earnings distribution of the previous year, in which:	(31,596,759,000)	(31,278,364,000)
Bonus and welfare fund deduction	(25,476,870,000)	(25,278,450,000)
Dividend Payment	(6,119,889,000)	(5,999,914,000)
Remuneration for the Board of Directors, Non-Executive Supervisory B	-	-
Undistributed profit after tax at the end of the period	50,191,780,757	41,544,595,561

18.3. The details of the owner's equity	31/12/2024		01/01/2024	
	Rate (%)	Value	Rate (%)	Value
Shareholders' capital contributions	100.00	279,473,170,000	100.00	203,996,300,000
	100.00	279,473,170,000	100.00	203,996,300,000

18.4. Capital transactions with owners and distribution of dividends and profits	Year 2024	Year 2023
Owner's Equity		
Opening balance	203,996,300,000	149,997,850,000
Increase in the period	75,476,870,000	53,998,450,000
Decrease in the period	-	-
Closing balance	279,473,170,000	203,996,300,000
Dividends, profits shared	Year 2024	Year 2023
Dividends distributed on last year profit	(6,119,889,000)	(5,999,914,000)

18.5. Stock	31/12/2024	01/01/2024
Quantity of registered issuing stocks	27,947,317	20,399,630
Quantity of Authorized issuing stocks		
Common stocks	27,947,317	20,399,630
Quantity of Outstanding Stocks		
Common stocks	27,947,317	20,399,630
Par value of Stocks	10,000	10,000

18.6. Funds in Company	31/12/2024	01/01/2024
Development and Investment Fund	124,594,214,888	174,594,214,888

19. Items outside the Balance Sheet

Foreign currency	31/12/2024	01/01/2024
USD	154,688.59	54,244.08
EUR	4,001.43	8,018.02

VI. Descriptive information in addition to the items presented in the Income statement

Unit: VND

1. Total revenues from sale of goods and rendering of services	Year 2024	Year 2023
Revenue from sale of goods		
Revenue from the sale of goods and finished products	657,352,412,747	603,985,385,248
Revenue from the provision of services	10,703,775,495	12,265,630,612
	668,056,188,242	616,251,015,860

2. Deductible items	Year 2024	Year 2023
Trade discount	1,195,909,160	59,657,231
Sales discount	272,692,714	12,906,242
Discount sales-Construction	1,195,909,160	1,435,716,449
	3,054,479,448	1,508,279,922

3. Cost of good sold	Year 2024	Year 2023
Cost of goods sold	454,770,265,987	426,688,430,719
	454,770,265,987	426,688,430,719

4. Financial incomes	Year 2024	Year 2023
Interests of bank deposits and loans	29,742,305	31,000,434
Exchange rate differences income for the period	552,588,728	395,708,059
Exchange rate differences income at the end of the period	50,857,754	-
	633,188,787	426,708,493

5. Financial expenses

	Year 2024	Year 2023
Interests of borrowing	3,218,208,599	5,492,844,385
Cash discount, interest on slow sales	1,191,588,287	1,111,865,201
Exchange rate differences loss for the period	1,845,691,262	1,887,034,253
Exchange rate differences loss due to revaluation	-	47,999,296
	6,255,488,148	8,539,743,135

6. Selling and general administrative expenses

	Year 2024	Year 2023
Selling expenses		
Labour expenses	52,045,545,103	46,465,664,494
Depreciation expenses	2,691,974,910	2,750,758,629
Expenses from external services	6,574,276,539	6,110,086,762
Other expenses by cash	12,837,739,999	13,318,309,970
	74,149,536,551	68,644,819,855
General administrative expenses		
Management staff	37,682,808,567	33,589,965,013
Raw materials	5,678,635,404	4,332,767,438
Tools, utensils	4,374,140,857	5,292,679,702
Depreciation expenses	3,937,453,862	5,434,458,746
Tax, Charge, Fee	1,194,703,208	1,369,185,305
Provision expenses	7,639,626,005	3,122,983,924
Expenses from external services	5,907,544,016	6,095,560,303
Other expenses by cash	3,671,385,063	-
Other expenses by cash	11,728,494,665	13,423,301,110
	81,814,791,647	72,660,901,541

7. Other income

	Year 2024	Year 2023
Income from liquidating, disposing fixed assets	99,251,863	-
<i>Proceeds</i>	181,809,091	-
<i>Residual value</i>	82,557,228	-
Other income	2,053,216,868	892,870,536
	2,152,468,731	892,870,536

8. Other expense

	Year 2024	Year 2023
Tax penalties, administrative violations penalties	8,775,306	36,500,000
	8,775,306	36,500,000

9. Business and productions cost by items

	Year 2024	Year 2023
Cost of materials	276,627,947,622	257,611,227,414
Labour cost	123,221,929,065	110,933,524,478
Depreciation	27,261,433,809	23,108,369,633
Outside purchase services cost	42,191,441,087	36,424,338,305
Other expenses	47,124,725,201	40,859,227,449
	516,427,476,784	468,936,687,279

10. Income Tax

	Year 2024	Year 2023
Corporate income tax from main business field		
Total profit before tax	50,788,508,673	39,491,919,717
Increase	187,718,967	1,126,484,451
Invalid payment	-	-
Other non-deductible expenses (write-offs of uncollectible accounts receivable)	178,943,661	-
Administrative penalties, Tax penalties	8,775,306	36,500,000
Depreciation expense corresponding to the original cost of fixed assets exceeding 1.6 billion VND	-	432,882,742
Exchange rate loss due to the reassessment of foreign currency-denominated bank deposits	-	1,385,531
Adjustments for decreases ()	(77,587,754)	(73,439,052)
Dividend	-	-
Capital gains from the revaluation of cash and receivables	(77,587,754)	(73,439,052)
Taxable income	50,898,639,886	39,889,248,938
Current corporate income tax expense	10,179,727,977	7,977,849,788
Adjustment of previous year corporate income tax expense to this year corporate income tax expense	-	-
Current corporate income tax expense	10,179,727,977	7,977,849,788

11. Basic earnings/loss per share

	Year 2024	Year 2023
Profit after tax	40,608,780,696	31,514,069,929
Adjustment:	-	-
Distributed profit for shareholders	40,608,780,696	31,514,069,929
Average quantity of authorized issuing stocks	27,947,317	27,947,317
Basic earnings/loss per share (*)	1,453	1,128

In 2024, the company increased its charter capital from the Development Investment Fund and undistributed after-tax profits. As a result, the basic earnings/loss per share for the same period last year was adjusted according to the additional shares issued. This retrospective adjustment caused the basic earnings/loss per share for the previous period to decrease from 1,545 VND to 1,128 VND.

VII. Other information

Unit: VND

1. Events after the reporting period

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the financial statements.

2. Information on related parties

2.1. List of related parties

Related parties	Relationship
Members of the Board of Directors, Executive Board	Key management personnel
Family members of the Board of Directors, Executive Board	Related parties of key management personnel

Appendix No. 01

8. Tangible fixed assets

Items	Buildings	Machinery and equipment	Transportation and transmission means	Management equipment and tools	Total
Original cost					
As at 01/01/2024	170,357,513,659	277,252,709,073	20,264,529,754	2,945,335,539	470,820,088,025
Purchase in the period	-	7,371,479,492	-	-	7,371,479,492
Finished construction investment	2,376,169,830	1,328,791,012	-	-	3,704,960,842
Liquidating, disposed	-	(479,759,591)	-	-	(479,759,591)
Other decrease	-	-	-	-	-
As at 31/12/2024	172,733,683,489	285,473,219,986	20,264,529,754	2,945,335,539	481,416,768,768
Accumulated depreciation					
As at 01/01/2024	52,539,320,935	120,879,360,976	18,550,444,108	2,886,593,258	194,855,719,277
Depreciation in period	4,736,250,978	21,882,909,627	626,102,184	25,767,276	27,271,030,065
Liquidating, disposed	-	(397,202,363)	-	-	(397,202,363)
Other decrease	-	-	-	-	-
As at 31/12/2024	57,275,571,913	142,365,068,240	19,176,546,292	2,912,360,534	221,729,546,979
Net carrying amount					
As at 01/01/2024	117,818,192,724	156,373,348,097	1,714,085,646	58,742,281	275,964,368,748
As at 31/12/2024	115,458,111,576	143,108,151,746	1,087,983,462	32,975,005	259,687,221,789

Ending net book value of tangible fixed assets pledged as loan securities:

Cost of fully depreciated tangible fixed assets but still in use:

120,075,720,245

Original value of tangible fixed assets as of December 31, 2024, formed from the science and technology development fund:

2,473,297,526

Appendix No. 02

18. Owner's equity

18.1. Increase and decrease in owner's equity

	Owner's Equity	Share capital surplus	Development investment fund	Other owner's equity	Retained earnings	Total
As at 01/01/2023	149,997,850,000	28,720,000,000	174,594,214,888		41,614,637,708	569,520,917,484
Increase in capital	53,998,450,000	(28,720,000,000)			(25,278,450,000)	-
Profit/(loss) in period					31,514,069,929	31,514,069,929
Earnings distribution					(5,999,914,000)	(5,999,914,000)
Other decrease					(305,748,076)	(305,748,076)
As at 31/12/2023	203,996,300,000	-	174,594,214,888		41,544,595,561	594,729,325,337
As at 01/01/2024	203,996,300,000		174,594,214,888		41,544,595,561	594,729,325,337
Increase in capital	75,476,870,000		(50,000,000,000)		(25,476,870,000)	(50,000,000,000)
Profit/(loss) in period					40,608,780,696	40,608,780,696
Earnings distribution					(6,119,889,000)	(6,119,889,000)
Other decrease					(364,836,500)	(364,836,500)
As at 31/12/2024	279,473,170,000	-	124,594,214,888		50,191,780,757	578,853,380,533

(i) The company is issuing shares to increase its equity capital from the Development Investment Fund and undistributed after-tax profits at a ratio of 100:37 (each shareholder owning 100 shares will receive 37 additional shares issued) according to Resolution No. 02/NQ-ĐHCB-DHD dated April 2, 2024.

Specifically as follows:

- Development Investment Fund:	50,000,000,000	VND
- Undistributed after-tax profits:	25,476,870,000	VND
Total	75,476,870,000	VND

The company has completed the registration of additional share transactions according to Decision No. 137/2010/GCNCP-VSDC-8 dated June 10, 2024, from the Vietnam Securities Depository and Clearing Corporation. Accordingly, the number of shares registered for additional transactions is 7,547,687 shares, with a par value of 10,000 VND per share, resulting in a total value of the registered additional shares (at par value): 75,476,870,000 VND

(ii) Pay the first dividend for unregistered shares in cash from the 2023 profits (at a rate of 3%) according to Resolution No. 02/NQ-ĐHCB-DHD dated April 2, 2024.