

2024 ANNUAL REPORT
To: Esteemed Shareholders, Customers, and Partners



I. General Information

I. Overview

- Trading name: **CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY**
- Enterprise Registration Certificate No.: 1500202535, first issued on November 09, 2004, amended for the 26th time on December 20, 2024.
- Charter capital: VND 730,410,300,000
- Owner's investment capital: VND 950,769,163,743
- Address: No. 150, 14 Thang 9 Street, Ward 5, Vinh Long City, Vinh Long Province
- Phone number: 02703 822533
- Fax: 02703 822129
- Website: <http://dcl.com.vn>
- Ticker symbol: DCL
- Formation and Development History (date of establishment, listing milestone, and key events since establishment):
 - Formation history:
 - **1976:** The provinces of Vinh Long and Tra Vinh were merged into Cuu Long Province, and Cuu Long Pharmaceutical Enterprise and Cuu Long Pharmaceutical Company were established to meet the demand for pharmaceutical production and distribution and public healthcare.
 - **April 1984:** Cuu Long Pharmaceutical Enterprise and Cuu Long Pharmaceutical Company merged into CUU LONG UNITED PHARMACEUTICAL ENTERPRISE. Its main tasks were to produce, circulate, distribute, process, and import-export pharmaceutical products.
 - **1992:** Cuu Long Province was split into two provinces: Vinh Long and Tra Vinh. The united enterprise was also separated into Tra Vinh Pharmaceutical Company and Cuu Long Pharmaceutical Company. In November 1992, Cuu Long Pharmaceutical Company was renamed CUU LONG PHARMACEUTICAL AND MEDICAL SUPPLY COMPANY.
 - **September 2004:** The company was transformed from a state-owned enterprise into a joint stock company under the government's equitization policy.
 - **November 09, 2004:** The company officially operated under the new name CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY (DCL), with an initial charter capital of VND 56 billion.
 - Development milestones:
 - **1997:** The company entered into a joint venture with South Korea to establish the Vietnam–Korea Medical Equipment Manufacturing Plant (Vikimco), applying modern South Korean technology. This facility is now the medical equipment manufacturing plant under DCL.
 - **2000:** Formed a joint venture with a Canadian partner to build the Vicancap factory, using advanced technology for capsule (empty capsule) production. This is now the capsule manufacturing plant under DCL.
 - **September 17, 2008:** CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY was

officially listed on the Ho Chi Minh City Stock Exchange with the ticker symbol DCL.

- **.Since 2015:** F.I.T GROUP JOINT STOCK COMPANY has become the parent company of Cuu Long Pharmaceutical.
- In 2016–2017, DCL contributed capital to establish Benovas Medical Devices Joint Stock Company, Benovas Pharmaceutical Joint Stock Company, and Benovas Oncology Joint Stock Company.
- The construction project of Capsule Plant 3 was put into operation in August 2018, increasing the production capacity of empty capsules by more than 30%. Continuing its growth trajectory, in 2020 the company invested in Phase 4 expansion to meet market demand and increase its capsule market share nationwide. In 2024, the company expanded to Phase 5 with a total investment of VND 232.5 billion, including 4 capsule production lines and synchronized automatic capsule inspection equipment -> Raising the plant's total production capacity to 11.6 billion capsules/year. The project was officially approved by the Drug Administration of Vietnam for operation in November 2024.
- In 2024, the company also put into operation the new project "Pharmaceutical Warehouse and R&D Building" with a total investment of VND 85 billion, creating a new and modern working area for the Quality Management Division and supporting the company's new product research and development strategy.
- Also in 2024, DCL obtained FDA certification for the **hard empty gelatin capsule shells** produced at the Capsule Plant and has been gradually upgrading the Nonbetalactam Plant to meet EU-GMP standards (expected completion in 2025) to expand export markets and increase company profits.
- In March 2025, the "Benovas Medical Equipment Manufacturing Plant", under Benovas Medical Devices Joint Stock Company, was completed and put into operation to diversify the range of new medical equipment products for both domestic treatment needs and export.
- In 2024, the company began implementing the project of an EU-GMP standard Pharmaceutical Manufacturing Plant in Long An Province. The project covers a total land area of 50,000 m², with a total investment of VND 1,396 billion.
- The company is also oriented toward cooperation with foreign partners for the project "*Production and business of functional foods.*"

- Other events: None.

2. ***Business Lines and Operating Locations***

Business lines: (Business sectors or products/services that account for more than 10% of total revenue in the past two years)

Business lines: Manufacturing and trading of pharmaceuticals, various types of capsules, and various medical devices.

Currently, the two segments of pharmaceuticals and capsules account for more than 10% of total revenue.

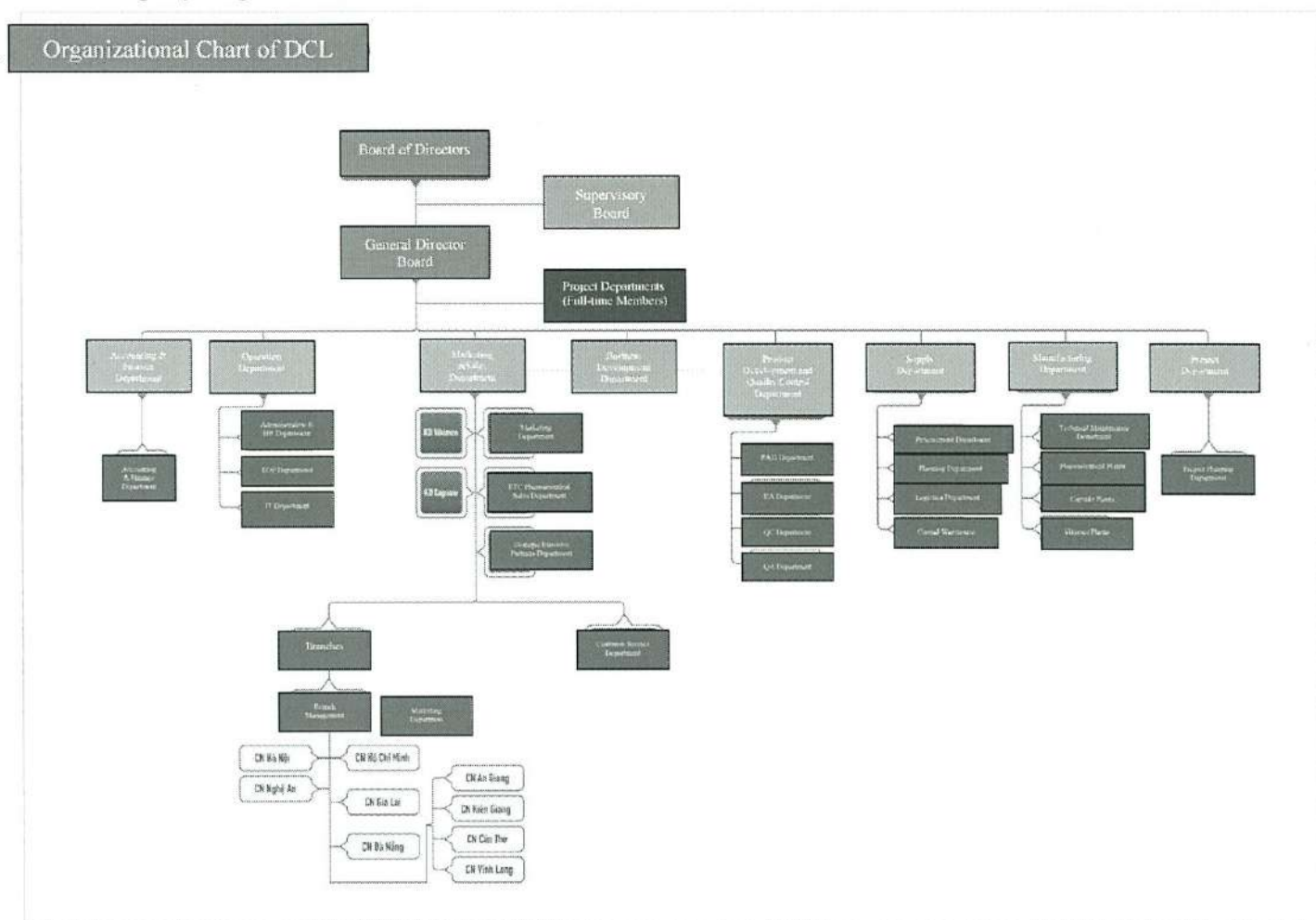
- Operating locations: (Main business areas accounting for over 10% of total revenue in the past two years)

The company currently has two major operating areas: Hanoi and Ho Chi Minh City, which contribute a significant proportion of total revenue.

3. ***Information on Corporate Governance, Business Structure, and Management System***

- Governance model: General Meeting of Shareholders, Board of Directors, Supervisory Board, and General Director.
- Organizational structure:

Company Organizational Chart:



- Subsidiaries and Associated Companies

Unit: VND

	Subsidiary Company Name	Head Office Location		Ownership (%)	Main Business Activities	Contributed Capital (VND)
1	Pharmaceutical and Medical Equipment Import-Export Joint Venture Company	Laos	No. 11, Lanexang Road, Hatsady Village, Chanthabory District, Laos	51.00%	Pharmaceutical promotion	1,007,810,725
3	VPC - Sai Gon Pharmaceutical One Member Company Limited	Vinh Long Province	No. 150, 14/9 Street, Ward 5, Vinh Long City, Vinh Long Province	100.00%	Trading pharmaceuticals and medical equipment	163,000,000,000
4	Benovas Pharmaceutical Joint Stock Company	Ho Chi Minh City	No. 276 Nguyen Dinh Chieu, Vo Thi Sau Ward, District 3, Ho Chi Minh City	99.98%	Trading pharmaceuticals and various types of capsules	79,980,000,000
5	Benovas Medical Devices Joint Stock Company	Vinh Long Province	No. 68D, Group 05, Thanh My 1 Hamlet, Thanh Duc Commune, Long Ho District, Vinh Long Province	84.20%	Manufacturing and trading medical instruments and devices	102,750,000,000
6	Benovas Oncology Joint Stock Company	Hanoi	5th Floor, HACC1 Complex Building, Lot 2.6, Le Van Luong Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi	55.00%	Manufacturing and trading in the pharmaceutical industry	55,000,000,000

4. *Development Orientation*

With the VISION and MISSION from the parent company – F.I.T GROUP JOINT STOCK COMPANY,

Vision: "A PROSPEROUS, MULTI-SECTOR GROUP WITH DISTINCTIVE, WORLD-CLASS, LEADING PRODUCTS AND SERVICES, ENHANCING QUALITY OF LIFE. A PLACE THAT ATTRACTS TALENT AND IS HONORED BY SOCIETY."

Mission: "ENHANCING QUALITY OF LIFE THROUGH EXCEPTIONAL PRODUCTS AND SERVICES"

And the VISION – MISSION of Cuu Long Pharmaceutical,

Vision: "TO BECOME THE MOST HIGHLY RECOGNIZED PHARMACEUTICAL COMPANY IN VIETNAM BY PATIENTS, PARTNERS, AND EMPLOYEES THROUGH INNOVATIVE, ACCESSIBLE, AND BEST-IN-CLASS PRODUCTS AND SERVICES"

Mission: "TO CONNECT AND IMPROVE COMMUNITY LIFE THROUGH OPTIMAL HEALTHCARE SOLUTIONS"

Cuu Long Pharmaceutical has established the following key objectives:

- By 2027, Cuu Long Pharmaceutical aims to become a leading company with manufacturing plants certified to EU-GMP/CE/FDA standards. The company targets to complete its product portfolio so that 50% of its manufactured products lead the market. Projected revenue is VND 3,200 billion with a pre-tax profit of VND 512 billion.
- Optimize plant operations to reduce production costs; ensure that factory and production line capacity utilization exceeds 90%.
- Build a professional and streamlined working environment.
- Medium- and Long-Term Development Strategy:
 - Invest in manufacturing plants that meet EU-GMP/CE/FDA standards.
 - Accelerate export activities for pharmaceuticals, medical devices, and empty capsules to Asian and European markets.
 - Develop new products, including bioequivalent test products.
 - Focus on building strategic product lines with high revenue and profit potential.
 - Strengthen risk management practices in supply chain, finance, and business operations.
 - Train and develop a high-quality workforce, including succession planning for future leadership.
- Sustainable development goals (environmental, social, and community-focused) and key short- and medium-term programs of the Company:
 - The Company's quality management system complies with **ISO 9001:2015** and **ISO 13485:2016** (applicable to medical devices). Its pharmaceutical and capsule manufacturing plants are certified for compliance with **GMP (Good Manufacturing Practices)**, **GLP (Good Laboratory Practices)**, and **GSP (Good Storage Practices)** for drug and active pharmaceutical ingredient production.
The pharmaceutical warehouse is certified for **GDP (Good Distribution Practices)** and **GSP** in drug and API import/export, while the capsule warehouse meets **GDP** requirements for distributing pharmaceutical ingredients.
The Company is currently upgrading the **Nonbetalactam pharmaceutical plant** to achieve **EU-GMP** certification in compliance with advanced pharmaceutical production practices.
 - Automation of production processes at manufacturing facilities is being accelerated, incorporating Kaizen and PDCA (Plan-Do-Check-Act) methodologies to improve efficiency and quality.
 - Environmental protection measures are implemented effectively through environmental impact assessments and strict control of wastewater treatment systems, ensuring effluents meet environmental standards.
 - The Company actively supports and participates in social policies initiated by local government

agencies, particularly engaging in community-focused programs in Vinh Long Province and surrounding areas.

5. *Risks:*

Risk	Impact	Management Measures
Business Risk	<ul style="list-style-type: none"> - The issue of counterfeit drug production and distribution affects the Company's commercial operations, brand image, and reputation, while requiring time and effort to prove that the products were not manufactured by the Company. - Current drug pricing regulations make it difficult for the Company to adjust selling prices when input material costs fluctuate. - Amendments to pharmaceutical industry regulations and other relevant government circulars impact the Company's participation in drug tenders. - The delay in issuing marketing authorizations for new products negatively affects the Company's product development plans. 	<ul style="list-style-type: none"> - The Company applies anti-counterfeit QR code labels on product packaging to strictly monitor goods manufactured and distributed by the Company. A comprehensive brand protection strategy is also in place for the DCL trademark. - For the ETC (Ethical drugs) channel, the Company focuses on differentiated products with low competition that meet the demand for specialized prescription drugs. It actively collaborates with partners and coordinates with branches in each region to participate effectively in tenders. The Company also promotes the development of imported products and niche specialty lines such as oncology, diabetes, neurology, and co-branded products. These efforts enhance the competitive strength of the ETC segment in tender processes. The Company continuously updates and quickly adapts to regulatory changes required by authorities. - It prioritizes the development and commercialization of strategic product groups with high revenue and gross margin, including products already registered but not yet marketed.
Supply Chain Risk	Production relies on imported raw materials and is therefore subject to external factors such as exchange rate fluctuations, loan interest rates, supply sources, and registration origins.	Control input raw materials by seeking and diversifying foreign suppliers that offer the most competitive prices, meet quality standards, ensure stable supply, and align with sources registered with the Drug Administration.
Financial Risk	<ul style="list-style-type: none"> - Accounts receivable: Customers may be unable to make payments or fail to pay on time, requiring the company to make provisions for doubtful debts. - Risks related to exchange rates and interest rates on loans from commercial banks. 	<ul style="list-style-type: none"> - Establish specific credit limits for each customer group and conduct customer assessments in accordance with standard procedures. Reconcile and request payment to recover debts on time, minimizing overdue and doubtful debts. - Negotiate and work with commercial banks to secure favorable exchange rates and interest rates that support long-term business and production activities.
Rủi ro về môi trường	Industrial and hazardous waste, if not strictly managed, may leak into the environment, causing pollution to the surrounding areas.	There are optimal storage system management measures in place to ensure that, in the event of an incident, waste can be thoroughly collected and treated.

	In the event of a malfunction or damage to equipment used in waste treatment systems, there is a risk that these systems may cease operation.	There are contingency plans in place for essential equipment in case of unexpected incidents, by investing in two parallel systems: one operating unit and one backup unit for each waste treatment stage.
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II. Operational Performance During the Year

I. Business and Production Performance

- Business performance results in 2024:

1.1. Production Results:

Unit: Million products

Product Group	2024 Actual	Compared to the 2024 Plan:		Compared to 2023:	
		Plan	% Completion of Plan	Actual Performance in 2023:	% Increase/Decrease:
Pharmaceuticals	594.27	785.34	75.67%	731.51	-18.76%
Capsule	6,078.25	7,000.00	86.83%	5,678.96	7.03%
Medical Devices	69.79	66.10	102.83%	71.26	-4.61%

⚡ Pharmaceutical Manufacturing Plant:

- In 2024, the pharmaceutical manufacturing plant set a challenging target plan that included:
 - +Initiating the “EU-GMP Upgrade Project for the Non-betalactam Plant in Vinh Long.”
 - +Continuously improving operations and conducting upskilling and multitasking training to enhance labor productivity.
 - +Reducing production costs: in 2024, the average raw material loss rate was kept under 1%, and packaging material loss rate was reduced to an average of 0.5%.
- Production results at the pharmaceutical manufacturing plant in 2024 reached 75.67% of the target plan:
 - + Focused on high-revenue and high-margin products such as specialty drugs and next-generation antibiotics like Cefpodoxime, Cefadroxil, Cefixime, and Cefuroxime.
 - + Applied an auto-sales strategy for regular products with lower value but higher production volume.

⚡ Capsule Manufacturing Plan:

- The capsules produced by the Capsule Plant serve as input materials for pharmaceutical manufacturers. Therefore, in 2024, the plant was impacted by the overall decline in the pharmaceutical industry, resulting in an OGSM achievement rate of only 86.83%.
- However, under the direction of the General Director and with strong support from the Sales department in securing new orders and capturing market share from competitors, production volumes recovered in the last months of the year. Thanks to the efforts of all plant employees, many new capsule color designs were successfully developed, meeting the strict quality requirements of new clients.
- Since the end of November 2024, the Capsule Plant officially launched Phase 5, with modern capsule production lines manufactured in Romania by its traditional and renowned global supplier, Technophar. With a monthly capacity of over 240 million capsules, the expansion of Phase 5, together with Phases 1, 2, 3, and 4, has contributed to a total annual output of 11.6 billion capsules. This created opportunities to expand market share, increase revenue, enhance competitiveness, and attract clients from competitors. After more than six months of implementing the Sales

business strategy, the Capsule product line has gained greater market share, successfully replacing competitor products

✚ **Medical Devices Manufacturing Plant:**

- In 2024, the market share of this product segment continued to be affected by imported goods from China.
- In October 2024, the plant completed trial operations of equipment and production lines at the new facility – the Benovas Medical Equipment Manufacturing Plant.
- The production output in 2024 decreased by 13.4% compared to 2023.
- The Company's Board of Management, together with the factory's technical team, has proactively sought solutions to reduce costs and lower production expenses, and has implemented investment in the following projects:
 - + The improved 5CC syringe pump was modified based on customer feedback under the guidance of the Board of General Directors, and the product has already been launched to the market.
 - + The IV set production line was accepted through FTA inspection in October 2024 and was put into operation in the first quarter of 2025.
 - + The Company will continue its investment orientation in a 10CC assembly line and a syringe production line to enhance product quality and output.
- Effectively manage, maintain, and service machinery and equipment to ensure optimal production performance and minimize energy consumption.
- Maintain strict control over the implementation of the 2024 production budget.
- Allocate workforce efficiently and provide cross-training so that each worker can perform multiple job functions.

1.2. Business Performance:

- Performance Compared to the Plan:

Unit: million VND

Indicator	Actual 2024	Planned 2024	Growth/Decline Rate – Actual 2024 vs. Planned 2024	Actual 2023	Growth/Decline Rate of 2024 Actual vs. 2023 Actual
Net Revenue	1.306.797	1.377.500	-5,13%	1.143.946	14,24%
Cost of Goods Sold	1.102.093	964.250	14,30%	934.032	17,99%
Gross Profit	204.704	413.250	-50,46%	209.914	-2,48%
Financial Income	34.554	29.000	19,15%	40.016	-13,65%
Financial Expenses	25.617	39.000	-34,32%	33.584	-23,72%
Selling Expenses	90.927	206.625	-55,99%	87.868	3,48%
Administrative Expenses	53.947	68.875	-21,67%	51.320	5,12%
Net Operating Profit	68.767	127.750	-46,17%	77.158	-10,88%
Profit Before Tax	68.777	127.750	-46,16%	78.111	-11,95%
Profit After Tax	54.145	102.200	-47,02%	62.134	-12,86%

(Source: Audited Consolidated Financial Statements 2024)

2. Organization and Human Resources

- Executive Board Members List:

No.	Executive Board Member	Position	Date of Birth	Professional Qualification	Number of Shares Held
2	Mr. Nguyen Van Ban	General Director, Legal Representative	12/07/1978	Finance – Accounting	0
3	Mr. Nguyen Trong Duc	Deputy General Director of Production & Maintenance	31/10/1975	Bachelor of International Relations	0
4	Ms. Nguyen Lam Minh Thuong	Chief Financial Officer	27/11/1977	Bachelor of Economics – Major in Banking and Finance	11

– Changes in the Executive Board:

No.	Executive Board Member	Position	Date of Birth	Educational Background	Date of Appointment/Dismissal from Executive Board
1	Mr. Luong Trong Hai	General Director, Legal Representative	16/10/1970	Marine Engineering, Master of Business Administration	Date of appointment: 01/09/2022 Date of dismissal: 01/08/2024
2	Mr. Nguyen Van Ban	General Director, Legal Representative	12/07/1978	Finance – Accounting	Date of appointment: 01/08/2024
3	Mr. Nghiem Xuan Truong	Deputy General Director of Financial Development	15/12/1976	Bachelor of Corporate Finance	Date of appointment: 01/03/2023 Date of dismissal: 29/11/2024
4	Ms. Tran Khiem	Deputy General Director of Production	05/05/1966	Bachelor of Pharmacy, Bachelor of Business Administration	Date of appointment: 01/04/2023 Date of dismissal: 01/07/2024
5	Mr. Nguyen Trong Duc	Deputy General Director of Business and Marketing Development	31/10/1975	Bachelor of International Relations	Date of appointment: 20/10/2023
		Deputy General Director of Production Development	31/10/1975	Bachelor of International Relations	Date of concurrent position: 01/07/2024
		Deputy General Director of Business and Marketing Development cum Deputy General Director of Production Development	31/10/1975	Bachelor of International Relations	Date of dismissal: 06/09/2024
		Deputy General Director of Production & Supply Chain	31/10/1975	Bachelor of International Relations	Date of appointment: 06/09/2024
6	Mr. Nguyen Ba The	Chief Operating Officer (COO), Pharmaceutical Business Development	01/05/1971		Date of appointment: 06/09/2024 Date of dismissal: 03/12/2024
7	Ms. Nguyen Lam Minh Thuong	Chief Financial Officer (CFO)	27/11/1977	Bachelor of Economics –	Date of appointment as Chief Accountant: 01/01/2022

				Major in Banking and Finance	Date of dismissal as Chief Accountant: 29/11/2024
					Date of appointment as Chief Financial Officer: 29/11/2024

- Number of employees and summary of labor policies and changes in policies for employees:
Total number of employees of the Company at the end of 2024: 812 people. In which: Postgraduate degree: 15 people (2%); University and college degree: 328 people (40%); Intermediate level: 195 people (24%); Elementary level and skilled workers: 274 people (34%).
The Company always places importance on and fully complies with all statutory policies and regulations concerning employee benefits, including Social Insurance (SI), Health Insurance (HI), and Unemployment Insurance (UI). Periodic health check-ups and occupational disease screenings are conducted for all staff members. Additionally, the Company provides supplementary health insurance and combined insurance policies for employees. Preferential insurance schemes are available for management-level staff from the position of Deputy Department Head and above. The Company also provides in-kind allowances for employees working in hazardous environments in accordance with regulations.
The basic salary has been adjusted in line with the regional minimum wage and salary scale updated from July 1, 2024.

3. *Investment Situation and Project Implementation*

a) Major Investments:

❖ **Benovas Medical Equipment Manufacturing Plant:**

- In 2024, the project completed all construction components and was officially approved for final acceptance by the Department of Construction of Vinh Long Province in November 2024. The plant was certified for compliance with TCVN ISO 13485:2017 and ISO 9001:2015 standards in December 2024.
- In January 2025, Benovas Medical Equipment Joint Stock Company was officially announced by the Vinh Long Department of Health as meeting all conditions for medical equipment manufacturing. The Medical Equipment Manufacturing Plant is scheduled to officially begin operations in March 2025.
- Project Scale::
The project has a total investment capital of VND 373.9 billion.
Land area: 10,846.6 m².
Designed capacity: 21.5 million products per year.
- Products: Medical equipment and supplies to meet domestic healthcare demands and target international export markets.
- Production Line Overview: In addition to the existing production lines—including the 1cc, 3cc, and 5cc syringe barrel printing and assembly lines, syringe assembly lines, and plastic injection molding machines—the project has successfully completed the installation of a new IV infusion set production line, with a capacity of 4,500 units per hour (investment value: VND 18.5 billion). At the same time, the company continues to invest in additional new production lines, such as test tube assembly lines, dialysis filter assembly lines, and other machinery and equipment. These additions aim to diversify the product portfolio, meet business demands, and increase the company's profitability.
- ❖ **Capsule Manufacturing Plant Expansion Project – Phase 5:**
 - The project primarily involved the procurement of additional machinery and equipment, with a total investment of VND 232.5 billion (mainly including four hard gelatin capsule production lines and an HVAC system). In 2024, four hard capsule production lines manufactured by Technophar were successfully installed, with a total capacity of 2.8 billion capsules per year.
→ This increased the total production capacity of the Capsule Manufacturing Plant to 11.6 billion capsules per year. The project was officially approved by the Drug Administration of Vietnam for operation in November 2024.

❖ **Pharmaceutical Warehouse and R&D Building Project:**

- The project comprises two components: the Pharmaceutical Warehouse and the R&D Building, with a total investment capital of VND 85 billion. The Pharmaceutical Warehouse (1 floor), with a construction area of 1,690 m², was developed to meet the company's storage needs while ensuring product quality and safety. The R&D Building (4 floors), with a construction area of 430 m², was built to provide a new, modern workspace for the company's Quality Management Division and to support its strategy for research and development of new products. The project was officially put into operation in 2024.

❖ **In 2024, DCL also gradually progressed with the project for a pharmaceutical manufacturing plant meeting EU-GMP standards in Long An Province.**

- The project covers a total land area of 50,000 m² with a total investment capital of VND 1,396 billion. It is divided into two investment phases as follows:
 - ✓ Phase 1: Construction of a cancer drug manufacturing plant meeting EU-GMP standards, along with accompanying auxiliary facilities.
 - ✓ Phase 2: Construction of a high-tech biopharmaceutical manufacturing plant, a high-tech plant-based capsule manufacturing plant, a central warehouse, and a cosmetics manufacturing plant.
- The project has been granted the Land Use Rights Certificate and the Investment Registration Certificate, and is currently in the process of completing legal procedures related to construction investment. Groundbreaking is expected to take place in June or July 2025.
- ❖ In addition, in 2024, DCL obtained FDA certification for its hard gelatin capsule shells manufactured at the Capsule Plant, and is gradually upgrading the Nonbetalactam Plant to meet EU-GMP standards (expected to be completed in 2025) in order to enhance international export market expansion and increase the Company's profitability.

b) **Subsidiaries and Associated Companies:**

Identical to Section I.3 of this report..

4. Financial Status

a) **Financial Status**

(Unit: VND)

Indicator	Year 2024 (VND)	Year 2023 (VND)	Growth Rate (%)
Total Assets	2,424,145,751,708	2,277,459,686,188	6.44%
Net Revenue	1,306,797,442,020	1,143,946,300,244	14.24%
Operating Profit	68,767,242,251	77,157,673,223	-10.87%
Other Profit	9,560,006	953,017,067	-99.00%
Profit Before Tax	68,776,802,257	78,110,690,290	-11.95%
Profit After Tax	54,145,499,702	62,134,364,376	-12.86%
Dividend Payout Ratio			

- Other indicators: None.

b) **Key financial indicators:**

(Unit: VND)

Indicator	2023	2024	Growth rate (%)
1. Liquidity Ratios			
+ Current Ratio:			
Current Assets / Current Liabilities	2.27	2.19	-3.69%
+ Quick Ratio:			
(Current Assets – Inventories) / Current Liabilities	1.68	1.66	-1.26%
Current Liabilities	618,074,636,805	654,983,520,031	5.97%

Current Assets	1,403,123,810,398	1,432,009,216,451	2.06%
Inventories	365,303,884,166	345,751,353,985	-5.28%
2. Capital Structure Ratios			
+ Debt to Total Assets Ratio	0.36	0.38	4.66%
+ Debt to Equity Ratio	0.57	0.61	7.52%
Total Liabilities	826,667,957,660	920,952,752,826	11.41%
Total Assets	2,277,459,686,188	2,424,145,751,708	6.44%
Owner's Equity	1,450,791,728,528	1,503,192,998,882	3.61%
3. Activity Ratios			
+ Inventory Turnover:			
Cost of Goods Sold / Average Inventory	2.75	3.10	12.90%
+ Total Asset Turnover:			
Net Revenue / Average Total Assets	0.50	0.56	10.67%
Cost of Goods Sold	934,032,409,930	1,102,093,457,343	17,99%
4. Profitability Ratios			
+ Net Profit Margin: Net Profit After Tax / Net Revenue	0.05	0.04	-23.72%
+ Return on Equity (ROE): Net Profit After Tax / Owner's Equity	0.04	0.04	-15.90%
+ Return on Assets (ROA): Net Profit After Tax / Total Assets	0.03	0.02	-18.13%
+ Operating Profit Margin: Operating Profit / Net Revenue	0.07	0.05	-21.98%
Net Revenue	1,143,946,300,244	1,306,797,442,020	14.24%
Net Profit After Tax	62,134,364,376	54,145,499,702	-12.86%
Operating Profit	77,157,673,223	68,767,242,251	-10.87%

5. *Shareholder Structure and Changes in Owner's Investment Capital*

a) Shares:

Total number of outstanding shares: 73,041,030 shares

Type of shares: Common shares.

Number of restricted transferable shares: 34,244 shares

b) Shareholder Structure:

No.	Shareholder Category	Number of Shares	Ownership Ratio (%)	Number of Shareholders	Shareholder Structure	
					Organizations	Individuals
1	State Shareholders	0	0	0	0	0
2	Founding Shareholders / FDI Shareholders					
	- Domestic					
	- Foreign					
3	Major Shareholders	42,402,616	58.05	01	01	0
	- Domestic	42,402,616	58.05	01	01	0
	- Foreign	0	0	0	0	0
4	Company Trade Union					
	- Domestic					
	- Foreign					
5	Treasury Shares					
6	Preferred Shareholders (if any)					
7	Other Shareholders					
	- Domestic	29,825,266	40.83	2,173	15	2,158
	- Foreign	813,148	1.12	48	10	3,838
TOTAL		73,041,030	100	2,222	26	2,196
Of which: - Domestic		72,227,882	98.88	2,174	10	2,158
- Foreign		813,148	1.12	48	10	38

(According to the list of shareholders as of March 20, 2025)

c) Changes in the Owner's Investment Capital:

	Year	Offering Target	Reason for Increase	Shares Issued	Capital Increase (VND)	Accumulated Shares	Accumulated Capital (VND)
Initial charter capital	2005					5,600,000	56,000,000,000
Additional charter capital	2007	Internal & external shareholders	Internal issuance + external offering	2,500,000	25,000,000,000	8,100,000	81,000,000,000
	2008	Existing shareholders	Stock dividend & bonus shares, ratio 20:1	1,619,308	16,193,080,000	9,719,308	97,193,080,000
	2010	Company employees	ESOP issuance	194,384	1,943,840,000	9,913,692	99,136,920,000
	2015	Company employees	ESOP issuance	145,788	1,457,880,000	10,059,480	100,594,800,000
	2015	Existing shareholders	Issuance at 1:1 ratio	10,059,480	100,594,800,000	20,118,960	201,189,600,000
	2016	Existing shareholders	100% bonus share from equity	20,118,960	201,189,600,000	40,237,920	402,379,200,000
	2016	Existing shareholders	40% bonus share from equity	16,094,904	160,949,040,000	56,332,824	563,328,240,000
	2017	Company employees	ESOP issuance	500,000	5,000,000,000	56,832,824	568,328,240,000
	2021	Company employees	ESOP issuance	2,000,000	20,000,000,000	58,832,824	588,328,240,000
Current charter capital	2022	Institutional investors	Private placement	14,208,206	142,082,060,000	73,041,030	730,410,300,000

d) Treasury stock transactions: None

e) Other securities: None

6. Report on the company's environmental and social impact

6.1. Environmental impact:

Total direct and indirect greenhouse gas (GHG) emissions: 3,455 tCO₂e/year.

Initiatives and measures to reduce GHG emissions: None.

6.2. Raw Material Management:

- a) Total amount of raw materials used in the production and packaging of the company's main products and services during the year: 533,160,382 kg
- b) Report on the percentage of recycled raw materials used to produce the company's main products and services: None.

6.3. Energy Consumption:

- a) Total direct and indirect energy consumption: 13,958,803 kWh
- b) Energy savings through efficient energy use initiatives: None
- c) Reports on energy-saving initiatives (providing energy-efficient products and services or using renewable energy); results of such initiatives: None.

6.4. Water Consumption: (Total water consumption for business activities in the year): 100,383 m³

- a) Water source and volume used: Supplied by Vinh Long Water Supply Company.
- b) Percentage and total volume of recycled and reused water: None.

6.5. Compliance with Environmental Protection Laws:

- a) Number of times penalized for non-compliance with environmental laws and regulations: None
- b) Total penalties for non-compliance with environmental laws and regulations: None.

6.6. Labor-Related Policies

- a) Number of employees and average salary:
 - Average number of employees in 2024: 818 people
 - Average salary in 2024: 7,993,764 VND/person.
- b) Labor policies to ensure employee health, safety, and welfare:
 - Ensure full and timely implementation of labor policies on social insurance (SI), health insurance (HI), unemployment insurance (UI), and occupational accident and disease insurance.
 - Provide combined personal insurance for all employees and additional health insurance for key personnel (department heads and deputies).
 - Maintain mid-shift meals and provide cash support for employees, valued at 22,000 VND/meal, for quality meal improvements or cases where employees work night shifts or do not eat in the company canteen. In 2024, the total cost paid to the meal supplier and support for employees who did not dine at the canteen exceeded 3.98 billion VND.
 - Maintain and expand the criteria for periodic health checks, create and manage employee health records as required.
 - Equip employees with necessary tools, protective gear (e.g., heat-resistant goggles), fire safety equipment, occupational safety and hygiene equipment; provide safety training by group, fire prevention training; conduct fire and rescue drills to ensure a safe and healthy work environment. All machinery is regularly calibrated, and fire safety equipment is frequently checked. Green landscaping and wastewater treatment systems meet environmental standards. Hazard pay is provided to employees working in hazardous environments according to regulations.
- c) Employee Training Activities

Orientation training for 100% of new hires; management skill development programs; technical training on equipment operation for production workers.

 - In 2024, there were 497 employee training participants across 69 training programs via E-Learning, internal training, and external training. Total training expenditure: 157,569,734 VND. Key programs included: Orientation training, fire safety training, product knowledge and problem-solving skills, eliminating procrastination habits, procurement process training, technical/professional skills, equipment installation and operation standards, ISO and GMP training,... Notably, the "Data Analyst Training Program" was implemented under the direction of the General Director in collaboration with a reputable external training organization, aimed



at enhancing employees' analytical skills to obtain fast and accurate insights contributing to the company's business data.

6.7. Report on Responsibilities toward the Local Community.

- The company-wide movement to contribute and support community initiatives has been thoroughly communicated and enthusiastically embraced by all employees. The Company's Leadership Board consistently encourages and facilitates cultural, social, and sports activities, especially during major national holidays throughout the year.
- In 2024, the Company contributed to the natural disaster prevention fund and supported various local social activities such as: sponsoring savings books for young people enlisting in the army, donating 1 ton of rice to poor households, and covering kitchen expenses for local militia units. The total expenditure for these activities was 197 million VND.
- The Company coordinated with local authorities to commit to building an enterprise that meets the standards of the "All People Protect National Security" movement and was recognized by the Provincial Police. The Company also encouraged everyone to pledge compliance with traffic safety regulations. Fire prevention, fire fighting, and rescue drills were conducted in accordance with regulations, with full training provided to the Company's fire safety team.

6.8. Report on Green Capital Market Activities according to SSC Guidelines.

In the past year, the Company has not participated in the green capital market.

III. Report and Evaluation by the Board of Management (The Board of Management reports and evaluates the Company's overall performance)

1. Evaluation of Business Performance

- a) General analysis of the Company's performance compared to the plan/forecast and previous business results:

This content has been presented in Section II, Item 1 of this report.

- b) Achievements attained by the Company.

According to the 2024 financial statements of Cuu Long Pharmaceutical Joint Stock Company, net revenue reached 95% of the target and increased by 14.24% compared to 2023. This result was achieved through Cuu Long Pharmaceutical's continuous efforts to expand its business operations, including a variety of activities throughout the year, such as:

- The distribution network of DCL spans across provinces and cities nationwide, comprising 9 first-tier and second-tier branches, distributors, and the ETC channel, supplying medicines to 1,078 hospitals, general clinics, and health centers throughout the country.

❖ **Pharmaceutical Business Segment:**

- For the OTC channel, in addition to expanding its retail market, DCL has successfully introduced its products into major pharmacy chains such as Pharmacy, Long Chau, and An Khang. Moreover, to reach end-users directly and support pharmacies and drugstores in accessing product information easily, DCL has partnered with online medicine retail platforms.

+ Stable revenue growth: The B2B sales channel maintained a positive growth rate, particularly in essential pharmaceutical product lines, with a 2% increase compared to 2023

+ Distribution network expansion: The Company partnered with numerous wholesalers, hospitals, and major pharmacies to broaden its nationwide distribution system.

+ Boosting strategic product lines through chain systems: Sales revenue from the Pharmacy chain increased by 703%.

- For the ETC channel, DCL directly participated in tenders and won various bidding packages from provincial health departments, supplying products to nearly all hospitals and medical centers nationwide:

+ Revenue: Reached VND 289 billion, marking a 148% increase year-on-year

+ Products: The Company's Board of Management directed a strategic focus on identifying tender opportunities and developing specialized new products for hospitals. The goal is to develop new products that align with treatment needs and offer affordable prices so that all patients can access them.

+ Distribution system: Leveraged the strengths of DCL's existing branch network to ensure supply services even to remote and rural healthcare facilities.

+ Strategic partnerships: Continued seeking collaborative opportunities to develop specialized hospital distribution services.

- The sales team continuously seeks new sources of goods to diversify the product portfolio by engaging in trading cooperation for non-self-manufactured products (Commercial Goods Group). This enables DCL to gain better insights into market demands, expand its distribution network, and significantly contribute to business performance. Notably, the ETC channel has also engaged in tenders for the Commercial Goods Group with a large bid value.

❖ **Capsule Business Segment:**

- Revenue grew by 10% (VND 319 billion in 2024 compared to VND 291 billion in 2023).
- Continued to maintain its position as the leading domestic capsule manufacturer in Vietnam in terms of market share.
- Successfully penetrated and started supplying to major and demanding clients such as Stella, Imexpharm, and Bidiphar, with initial sales generated from some of these customers.
- Collaborated closely with the manufacturing plant to standardize monitoring procedures and effectively eliminate technical defects, gaining high customer trust.
- Improved printing quality by investing in equipment and expanding the supplier base for printing molds.
- The Phase 5 expansion of the capsule factory has been put into operation, fully meeting 100% of customer demand during peak periods.
- Through the new investment project, two new capsule product types under the DL-cap brand are in development and are expected to be launched in Q2/2025.

❖ **Medical Equipment Business Segment:**

Amid growing market demand, Benovas has focused on R&D and diversified its product range with five main groups: 1ml/cc syringes, 5ml/cc syringes, 10ml/cc syringes, insulin syringes, various types of needles including butterfly needles, and other medical injection products. CUU LONG Pharmaceutical's medical device lines meet international standards such as ISO 9001:2015, ISO 13485:2016, and eGMP FDA 2015, and are widely trusted and used in hospitals and clinics nationwide.

The newly built Benovas Medical Equipment Manufacturing Plant covers an area of 10,846.6 m², with 4,835 m² dedicated to manufacturing facilities, total investment reaching VND 379.9 billion, and a designed capacity of 21.5 million products per month—equivalent to 258 million products per year.

These products are manufactured on modern, automated production lines meeting CE standards (Europe) and FDA standards (USA). Once operational, the Benovas Medical Equipment Plant not only better meets customer needs but also significantly contributes to the supply of medical equipment for Vietnam's increasingly growing vaccination programs.

- ❖ In addition, DCL's pharmaceutical raw material trading business has helped diversify its supply sources. This business segment also makes a significant contribution to DCL's total revenue and is considered a strategic direction for developing related product lines and shaping new business plans for upcoming years.

2. **Financial Situation**

a) **Asset Status**

The Company's total assets increased from VND 2,277 billion to VND 2,424 billion, equivalent to a growth rate of 6.4%. Short-term receivables from customers rose from VND 293.2 billion to VND 326.7 billion, up 11.4%, primarily due to an increase in outstanding payments for externally sourced goods as a result of higher sales.

b) Liabilities Status

- Current liabilities and significant fluctuations:

The quick ratio in 2024 was 1.66, compared to 1.68 in 2023, reflecting a slight decrease of 1.26%. The Company has consistently maintained a healthy level of financial management, ensuring the ability to meet its debt obligations

Analysis of overdue payables, the impact of exchange rate differences on business results, and the impact of interest rate differences: The Company has no overdue payables

3. ***Improvements in Organizational Structure, Policies, and Management.***

- The Company has restructured and organized its branch network into Tier-1 and Tier-2 branches. The management system has been streamlined and centralized, with employees receiving multi-functional training to enhance professional capabilities and identify potential personnel for managerial and operational roles, promoting internal human resource development.
- Continued review and adjustment of Company and departmental SOPs (Standard Operating Procedures) to ensure compliance with legal regulations and alignment with the Company's production and business activities.
- Successfully implemented digital transformation in management by integrating the HR software developed in collaboration with the Group and VNR, alongside the Base platform—an online ERP enterprise management system. This system enables DCL to efficiently manage tasks, information, HR, and finances, while upgrading and integrating operational processes. As a result, all digitization-related activities have been steadily improved in terms of quality and time efficiency;
- The Company-wide quality system continues to apply ISO 9001:2015; ISO 13485:2016 and ISO 7886-1:2017 standards. The pharmaceutical plant and capsule plant comply with WHO-GMP standards; the pharmaceutical warehouse meets GDP and GSP standards; and the capsule warehouse meets GDP standards.

4. ***Future Development Plan***

With a strategy focused on stable and sustainable growth, DCL aims to significantly increase revenue and profit through the completion and commissioning of key investment and construction projects:

- In 2025, DCL plans to officially commence construction of the EU-GMP standard Pharmaceutical Manufacturing Plant in Long An, and complete the upgrade of the Nonbetalactam Plant to meet EU-GMP standards
- The Company also intends to establish partnerships with foreign partners for the “Production and Business of Functional Foods” project.

5. ***Management's Explanation Regarding the Auditor's Opinion (if applicable) - (In case the audit opinion is not an unqualified opinion):*** Not applicable.

6. ***Report on the Company's Environmental and Social Responsibilities***

- a) Evaluation Related to Environmental Indicators (water and energy consumption, emissions, etc.):
- All company factories fully and strictly comply with environmental laws and regulations:
- The company's plants have obtained official decisions approving environmental impact assessment (EIA) reports, including: Decision No. 385/QĐ.UBT dated February 25, 1999; Decision No. 945/QĐ.UBT dated May 10, 2007; Decision No. 185/CV.UBT dated April 3, 1996; Certificate No. 135/GXN-STNMT for the completion of environmental protection works and measures; Environmental Permit No. 74/GPMT-UBND dated January 17, 2023; First adjustment Environmental Permit No. 2788/GPMT-UBND dated December 31, 2024; Decision No. 260/QĐ.UBT dated February 14, 2017; Decision No. 1292/QĐ-UBND dated June 16, 2009;

Various decisions approving amendments to EIA reports; Wastewater discharge permits No. 2390/GP-UBND and 2389/GP-UBND both dated November 1, 2018.

- All factories are equipped with wastewater treatment systems, with output meeting current legal environmental standards.
- Waste treatment facilities have been granted certificates of environmental protection compliance: Certificate No. 135/GXN-STNMT dated January 24, 2014; Certificate No. 136/GXN-STNMT dated January 24, 2014. Certificate No. 5848/GXN-UBND dated November 25, 2020.
- Solid waste is handled in accordance with the Environmental Protection Law. The company has been granted Hazardous Waste Generator Registration Books with management codes: No. 86.000032.T dated December 25, 2014; No. 86.000033.T dated July 11, 2014. The company has contracts with qualified waste collection and treatment service providers, and fully complies with hazardous waste documentation procedures.
- In 2024, the company did not incur any environmental penalties.

b) **Assessment Regarding Labor Issues:**

- **Social, Health, and Unemployment Insurance Policies:** The Company consistently contributes and fulfills all social insurance (SI), health insurance (HI), and unemployment insurance (UI) obligations for employees. In addition, the Company continues to maintain the annual purchase of combined and health insurance policies for employees.
- **Organizational Restructuring and Workforce Optimization:** Internal staff are reassigned and streamlined to align with job requirements, professional competencies, and personal development goals. Workforce optimization is achieved by assigning multiple roles to suitable employees, ensuring welfare benefits and creating advancement opportunities while helping the Company reduce operating costs.
- **Occupational Safety and Training:** The Company ensures full provision of necessary tools, equipment, personal protective gear (e.g. heat-resistant goggles), and fire prevention and firefighting equipment. Internal training sessions are regularly conducted to ensure that all employees work in a safe and healthy environment. Integration training is provided to 100% of newly hired employees, including skill development and guidance on standard operational procedures and equipment handling at the factories.
- **Adjustment of Social Insurance Contributions:** The Company adjusts social insurance contributions based on employee seniority, applying a structured salary scale corresponding to milestone years of service (10, 15, 20, 25, and 30 years), in line with updated regional minimum wage regulations mandated by the Government.
- **Employee Engagement and Welfare:** Two rounds of company retreats and team-building activities (3 days, 2 nights) were organized in Phan Thiet for all staff, which helped enhance internal cohesion through games and shared experiences.

- c) **Assessment of Corporate Responsibility to the Local Community:** The Company has actively responded to and fully participated in social policies and community development programs launched by local authorities and government agencies, demonstrating strong commitment to corporate social responsibility.

IV. Assessment by the Board of Directors on the Company's Operations (for Joint Stock Companies)

1. Assessment by the Board of Directors on the Company's Overall Operations, Including Environmental and Social Responsibilities:

- Throughout its business operations, the Company has consistently complied with regulations issued by management authorities, including the Drug Administration of Vietnam and the Department of Health of Vinh Long Province. All procedures and regulations issued by the Board of Directors and the General Director have been strictly followed
- The Company has effectively implemented environmental protection measures and promoted environmental improvements through Environmental Impact Assessment (EIA) reports. Wastewater treatment systems are strictly managed to ensure that all discharge complies with environmental standards.

- The Company actively participates in and supports social policies initiated by local government agencies and authorities, with enthusiastic involvement in various community programs.
- 2. *Assessment by the Board of Directors on the Performance of the Company's Executive Board:***
- During the year, the Board of Directors provided direction and oversight for the Executive Board and management personnel in conducting business activities in accordance with the Resolutions of the Board of Directors and the General Meeting of Shareholders. The General Director demonstrated flexibility in managing business operations while complying with State regulations, applicable laws, internal corporate governance policies, and the Company's Charter. The Executive Board focused on the following areas:
 - + Initiated research and development of new products for the EU-GMP-standard pharmaceutical plant and the Benovas Medical Equipment Plant, aiming to add high-quality products for both domestic consumption and export;
 - + Developed investment plans for biotechnology products aligned with the national pharmaceutical industry's modern development strategy, supported by State incentives and policies;
 - + Expanded the list of imported products through negotiation, technology transfer, or exclusive distribution agreements with international partners, targeting participation in ETC tenders for high-quality, specialized drugs;
 - + Promoted strategic product lines with high revenue and gross profit margins;
 - + Optimized the operating capacity of factories to reduce production costs;
 - + Managed finances efficiently, ensuring cost control in line with the approved budget plan;
 - + Built a professional, streamlined, and high-performing human resources team.
- 3. *Plans and Strategic Directions of the Board of Director:***
- a) *For the Pharmaceutical Segment:***
- In 2024, the Company initiated the project to upgrade the Nonbetalactam Plant in Vinh Long to meet EU-GMP standards (expected to be completed in 2025), with the objective of expanding export markets, increasing revenue, and achieving profit targets.
 - EU-GMP Pharmaceutical Manufacturing Plant Project in Long An:
The project covers a total land area of 50,000 m² with a total investment capital of VND 1,396 billion. It is divided into two investment phases:
 - + Phase 1: Construction of a cancer drug manufacturing plant in accordance with EU-GMP standards
 - + Phase 2: Construction of a high-tech biopharmaceutical plant, a high-tech plant-based capsule manufacturing plant, a central warehouse, and a cosmetics plant.
 The project is expected to commence construction in June or July 2025.
 - The Company is oriented toward collaboration with international partners for the project "Manufacturing and Trading of Functional Foods."
 - With 49 years of investment and development, pharmaceutical products manufactured by Cuu Long Pharmaceutical have earned the trust of many customers and patients due to their quality and reasonable pricing. In addition to the current in-house product portfolio, DCL is diversifying its offerings with a portfolio of commercial goods (pharmaceuticals) for business operations. This enables DCL to better understand and capture market demand, expand distribution networks across OTC and ETC channels, and significantly contribute to overall business performance.
- b) *For the Medical Device Manufacturing Segment:***
- In 2025, the goal is to achieve VND 150 billion in revenue and expand market reach to the Northern and Central regions. The new Benovas Medical Equipment Plant has a production capacity of 21.5 million products per month, not only meeting domestic demand but also satisfying standards, capabilities, and quality for export to European and U.S. markets. Especially in the context of increasing demand for medical equipment, the Plant is committed to providing a stable supply of products, contributing to healthcare services for the population.

- Product Development: In 2025, the Company will invest further in machinery and equipment to develop new product lines such as test tubes, IV catheters, butterfly needles, and artificial dialysis filters.
- c) **For the Empty Capsule Manufacturing Segment:**
 - The Capsule Plant specializes in the production of empty capsules in various types and sizes to meet the needs of both the pharmaceutical and functional food industries, currently supplying over 80% of the market share in Vietnam.
 - Cuu Long Pharmaceutical continues to maintain its position as the No. 1 empty capsule manufacturer in Vietnam. The plant is equipped with advanced technology imported from Canada and is operating at full capacity to fulfill both domestic and international orders. In light of the growing demand for capsules in the pharmaceutical and health supplement industries, the Company has completed Phase 5 of its expansion project with a total investment of VND 232.5 billion, increasing production capacity by 2.8 billion capsules/year — bringing the total output to 11.6 billion capsules/year. The project was officially approved by the Drug Administration of Vietnam for operation in November 2024.
 - In addition, in 2024, DCL obtained FDA certification for its hard gelatin capsules produced at the Capsule Plant.

V. Corporate Governance

1. Board of Director

a) Members and structure of the Board of Directors:

No.	Full Name	Position at the Company	DCL Shareholding at the End of the Period	Position at Other Organizations
1	Nguyen Van Sang	Chairman of the Board of Directors, Legal Representative	0	
	FIT Group Joint Stock Company		58,05%	Chairman of the Board
	Khanh Hoa Mineral Water Joint Stock Company		0	Chairman of the Board
	JJK Holdings Investment Joint Stock Company		0	Chairman of the Board, General Director
	VPC - Sai Gon Pharmaceutical One Member Limited Liability Company		0	President
	Benovas Pharmaceutical Joint Stock Company		0	Chairman of the Board, Legal Representative
2	Bui Hong Hanh	Non-executive Member of the Board of Directors	0	
	Techno-Agricultural Supplying Joint Stock Company		0	Authorized Disclosure Officer and

				Corporate Governance Officer
	FIT Land Investment Joint Stock Company		0	Member of the Board
	Benovas Medical Devices Joint Stock Company		0	Member of the Board
	FIT Group Joint Stock Company		58,05%	Authorized Disclosure Officer and Corporate Governance Officer
	Benovas Oncology Joint Stock Company		0	Member of the Board
3	Nguyen Ngoc Mai	Non-executive Member of the Board of Directors	0	
	Khanh Hoa Mineral Water Joint Stock Company		0	Member of the Board
	FIT Group Joint Stock Company		58,05%	Member of the Board
4	Nguyen Ninh Dung	Non-executive Member of the Board of Directors	0	
	Khanh Hoa Mineral Water Joint Stock Company		0	Member of the Board
	FIT Group Joint Stock Company		58,05%	Member of the Board
	JJK Holdings Investment Joint Stock Company		0	Member of the Board
5	Pham Van Ngoc	Independent Member of the Board of Directors	0	
	Big One Group Joint Stock Company		0	Deputy General Director

b) Committees under the Board of Directors: None

c) Activities of the Board of Director:

- The BOD meetings primarily focused on implementing matters approved at the 2024 Annual General Meeting of Shareholders, appointing/dismissing key personnel, and other issues within its authority, including business operations, company development strategy, etc. In addition, the Chairman held meetings with the Executive Board regarding new product development strategies, business strategies, investment plans to enhance production capacity, and approved the OGSM and operating budget for the year.
- To achieve optimal operational efficiency, the Chairman of the BOD assigned specific tasks to

each member. The members performed their duties with integrity, diligence, and dedication for the benefit of the company.

- Full and timely compliance with periodic, ad-hoc, and on-request information disclosure obligations for listed companies. Emphasis was placed on protecting shareholder interests and providing information in accordance with regulations..

Resolutions and decisions of the Board of Directors:

No.	Resolution/Decision No.	Date	Content	Approval Rate
1	Resolution No. 01/2024/NQ-BOD	22/02/2024	Regarding the convening of the 2024 Annual General Meeting of Shareholders	100%
2	Decision No. 02/2024/QD-BOD	24/02/2024	On the establishment of the project teams for "Upgrading Non-betalactam Plant in Vinh Long to meet EU-GMP standards" and "Upgrading Capsule Plant to meet FDA standards"	100%
3	Resolution No. 02/2024/NQ-BOD	17/05/2024	On the approval of several matters within the authority of the Board of Directors	100%
4	Resolution No. 03/2024/NQ-BOD	07/01/2024	On the dismissal of Deputy General Director in charge of production Mrs. Tran Khiem; appointment of Mr. Nguyen Trong Duc as Deputy General Director in charge of production, effective from 01/07/2024	100%
4.1	Decision No. 03/2024/QD-BOD	07/01/2024	On the dismissal of Mrs. Tran Khiem from the position of Deputy General Director in charge of production, effective from 01/07/2024	
4.2	Decision No. 04/2024/QD-BOD	07/01/2024	On the concurrent appointment of Mr. Nguyen Trong Duc as Deputy General Director in charge of production, effective from 01/07/2024	
5	Resolution No. 04/2024/NQ-BOD	17/07/2024	On the selection of the auditing firm for 2024 financial statements – A&C Auditing and Consulting Co., Ltd. – Hanoi Branch	100%
6	Resolution No. 05/2024/NQ-BOD	30/07/2024	On the change of General Director and legal representative from Mr. Luong Trong Hai to Mr. Nguyen Van Ban, effective from 01/08/2024	100%
6.1	Decision No. 5A/2024/QD-BOD	30/07/2024	On the dismissal of Mr. Luong Trong Hai from the position of General Director and legal representative, effective from 01/08/2024	
6.2	Decision No. 5B/2024/QD-BOD	30/07/2024	On the appointment of Mr. Nguyen Van Ban as General Director and legal representative, effective from 01/08/2024	
7	Resolution No. 06/2024/NQ-BOD	09/06/2024	On the appointment of Mr. Nguyen Ba The as Chief Operating Officer (COO), Head of Pharmaceutical Business; Mr. Nguyen Trong Duc as Deputy General Director in charge of production & maintenance	100%
7.1	Decision No. 6A/2024/QD-BOD	09/06/2024	On the appointment of Mr. Nguyen Ba The as Chief Operating Officer (COO), Head of Pharmaceutical Business, effective from 06/09/2024	
7.2	Decision No. 6B/2024/QD-BOD	09/06/2024	On the appointment of Mr. Nguyen Trong Duc as Deputy General Director in charge of production and maintenance, effective from 06/09/2024	
8	Decision No. 09/2024/QD-BOD	10/01/2024	On the dissolution of Ca Mau Branch	100%
9	Decision No. 9A/2024/QD-BOD	10/01/2024	On the dissolution of Soc Trang Branch	100%



10	Resolution No. 08/2024/NQ-BOD	29/11/2024	On the dismissal of Mr. Nghiem Xuan Truong from the position of Deputy General Director of Finance, and Mrs. Nguyen Lam Minh Thuong from the position of Chief Accountant; Appointment of Mrs. Nguyen Lam Minh Thuong as Financial Director; Appointment of Mrs. Bui Thi My Dang as Chief Accountant, effective from 29/11/2024	100%
10.1	Decision No. 8A/2024/QD-BOD	29/11/2024	On the dismissal of Mr. Nghiem Xuan Truong from the position of Deputy General Director of Finance, effective from 29/11/2024	
10.2	Decision No. 8B/2024/QD-BOD	29/11/2024	On the dismissal of Mrs. Nguyen Lam Minh Thuong from the position of Chief Accountant and her appointment as Financial Director, effective from 29/11/2024	
10.3	Decision No. 8C/2024/QD-BOD	29/11/2024	On the appointment of Mrs. Bui Thi My Dang as Chief Accountant, effective from 29/11/2024	
11	Decision No. 09/2024/QD-BOD	27/11/2024	On the adjustment of the project content for the EU-GMP Pharmaceutical Plant project	100%
12	Decision No. 10/2024/QD-BOD	12/03/2024	On the dismissal of Mr. Nguyen Ba The from the position of COO, Head of Pharmaceutical Business, effective from 03/12/2024	100%
13	Resolution No. 09/2024/NQ-BOD	31/12/2024	On obtaining loans from commercial banks	100%
14	Resolution No. 10/2024/NQ-BOD	31/12/2024	On the acquisition of additional shares of the subsidiary Benovas Medical Equipment Joint Stock Company (valued at less than 10% of the Company's total assets)	100%

d) Activities of the Independent Members of the Board of Directors. Activities of the Committees under the Board of Directors:

The Independent Member of the Board of Directors has performed the function of supervision and organization of the oversight of the Company's executive management. The evaluation of the Independent Member of the Board regarding the performance of the Board of Directors' members in 2024 is as follows:

- The Board of Directors regularly monitored and supervised the implementation of resolutions and decisions passed by the General Meeting of Shareholders and the Board itself; it also oversaw the activities of the General Director and the executive team.
- The Board held regular monthly/quarterly meetings with the Executive Board and/or representatives of subsidiaries to review production, business performance, financial management, and product research. Based on these reports, the Board made recommendations and proposed solutions for emerging issues to improve production efficiency and business and product strategies, thereby safeguarding the parent company's invested capital and ensuring effective operations at DCL and its subsidiaries.
- The Board maintained all regular meetings as prescribed and convened extraordinary meetings when necessary. These meetings were conducted in compliance with the regulations; all resolutions and decisions received strong consensus among the Board members and widespread support from the company's employees. This collective effort was a key contributor to the Company's steady development.
- The Board members, being knowledgeable in relevant industries and experienced, provided valuable and effective insights into the Company's management. Moreover, the Board has continuously collaborated with the Executive Board to resolve challenges in the Company's operations.
- The Board closely coordinated with the Supervisory Board to ensure the safe operation of the

Company's production and business activities while ensuring strict compliance with legal regulations and the Company's Charter.

- Overall, the Board has effectively fulfilled its responsibilities in accordance with the Company's Charter and applicable laws, always aiming to maximize value and benefits for shareholders.
- e) List of Board Members Holding Corporate Governance Training Certificates. List of Board Members Participating in Corporate Governance Programs during the Year: None.

2. *Supervisory Board*

a) Members and Structure of the Supervisory Board:

No.	Full name	Position at the Company	DCL Shareholding at the End of the Period
1	Ms. Nguyen Thi Thu Huong	Head of Supervisory Board	0
2	Ms. Pham Thi Hue	Member of Supervisory Board	0
3	Ms. Phan Thi Hoa	Member of Supervisory Board	0

b) Activities of the Supervisory Board (hereinafter referred to as "the SB"):

- The SB participated in several meetings of the Board of Directors, as well as the Company's monthly and quarterly executive meetings. The SB monitored the corporate governance of the Board of Directors and Executive Board to ensure compliance with laws, the Company's Charter, and internal governance regulations. The SB also supervised the implementation of resolutions passed by the General Meeting of Shareholders at the 2024 Annual General Meeting. In 2024, the SB successfully convened and conducted two meetings to discuss and approve matters under its authority, as detailed below:

No.	SB Member	Number of Meetings Attended	Attendance Rate	Reason	Voting Rate
1	Ms. Nguyen Thi Thu Huong	01/02	50%	Appointed by the 2024 Annual General Meeting of Shareholders, dated 25/4/2024	100%
2	Ms. Le Thi Thuong	01/02	50%	Dismissed by the 2024 Annual General Meeting of Shareholders, dated 25/4/2024	100%
3	Ms. Pham Thi Hue	02/02	100%		100%
4	Ms. Phan Thi Hoa	02/02	100%		100%

- The Supervisory Board (SB) inspected and supervised the legality and accuracy in the management and operation of business activities, the recording of accounting books, and the preparation of monthly, quarterly, and annual financial statements; monitored the compliance with State policies, internal processes, regulations, and rules of the Company; supervised the issuance, amendment, and supplementation of the Company's procedures and regulations; and monitored the timely and complete disclosure of information in accordance with regulations.
- The SB supervised the management of documents related to shareholders, ensuring their legitimate rights and interests; at the same time, it oversaw the shareholders' right to participate in giving opinions, questioning, and requesting information as prescribed.
- The coordination between the SB, the Board of Directors (BOD), and the General Director was carried out regularly. The SB was fully supported by the BOD and the General Director in fulfilling

its duties. Departments within the Company actively coordinated and fully provided information and documents as requested by the SB.

- In addition to its inspection and supervision activities, the SB also carried out the following tasks:
 - + Provided opinions to the BOD and the General Director regarding business operations and the implementation of the Company's business plan.
 - + Independently analyzed and assessed the Company's business operations; based on those analyses, provided timely feedback and recommendations, and proposed corrective measures to address violations and mitigate risks in business activities.
 - + Coordinated with the internal audit department to conduct periodic and ad-hoc inspections and controls of professional activities within the Company.
 - + Supported and advised on the standardization of internal management reporting systems, and Company procedures and regulations.
 - + Participated in supervising and providing critical feedback on the Company's investment projects.
 - + Contributed ideas to develop and finalize the 2025 business plan and other operational objectives of the Company.

3. *Transactions, Remuneration, and Benefits of the Board of Directors, Executive Board, and Supervisory Board*

- a) Salaries, bonuses, remuneration, and benefits:

Unit: VND

No.	Full Name	Position	Income / Remuneration for 12 months of 2024 (VND)
1	Mr. Nguyen Van Sang	Chairman of the BOD	45,000,000
2	Mr. Nguyen Ngoc Bich	Member of the BOD	16,000,000
3	Ms. Nguyen Ngoc Mai	Member of the BOD	20,000,000
4	Ms. Bui Hong Hanh	Member of the BOD	36,000,000
5	Mr. Nguyen Ninh Dung	Member of the BOD	36,000,000
6	Ms. Tuong Thi Thu Hanh	Member of the BOD	16,000,000
7	Mr. Pham Van Ngoc	Member of the BOD	20,000,000
8	Ms. Nguyen Thi Thu Huong	Head of the Supervisory Board	15,000,000
9	Ms. Phan Thi Hoa	Member of the Supervisory Board	22,000,000
10	Ms. Le Thi Thuong	Member of the Supervisory Board	8,000,000
11	Ms. Pham Thi Hue	Member of the Supervisory Board	18,000,000
12	Mr. Luong Trong Hai	General Director	429,002,000
13	Mr. Nguyen Van Ban	General Director	11,188,889
14	Mr. Nghiem Xuan Truong	Deputy General Director	836,559,629
15	Ms. Tran Khiem	Deputy General Director	280,700,000
16	Mr. Nguyen Trong Duc	Deputy General Director	80,884,870
	Total		1,890,335,388

- b) Share transactions by insiders: None incurred.
- c) Contracts or transactions with insiders: None incurred.

Assessment of compliance with corporate governance regulations:

The Company has fully and properly complied with the regulations under the Internal Corporate Governance Charter, enhancing governance roles through the continuous update of new Decrees, Circulars, and Guidelines, etc.

VI. Financial Statements

1. *Auditor's opinion:*

According to the opinion of A&C Auditing and Consulting Company Limited in Hanoi, the consolidated financial statements fairly and reasonably reflect, in all material respects, the

consolidated financial position of CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY and its subsidiaries as of December 31, 2024, as well as the consolidated business results and consolidated cash flows for the fiscal year ended on the same date, in accordance with the Vietnamese Accounting Standards and the relevant legal regulations on preparation and presentation of consolidated financial statements.

2. Audited financial statement:

The audited consolidated financial statements for 2024 are attached to this report. The audited separate and consolidated financial statements for 2024 have been disclosed on the HOSE information portal and the company's website: <https://dcl.com.vn/report-category/thong-tin-co-dong/>.

Recipients:

- As addressed,
- Filing: Admin.

**CONFIRMATION BY THE COMPANY'S
LEGAL REPRESENTATIVE
GENERAL DIRECTOR**



Nguyen Van Ban



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2024**

**CUU LONG PHARMACEUTICAL
JOINT STOCK COMPANY**

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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Cuu Long Pharmaceutical Joint Stock Company (hereinafter referred to as "the Company" or "the Parent Company") presents this statement together with the Consolidated Financial Statements for the fiscal year ended 31 December 2024 including the Financial Statements of the Parent Company and its subsidiaries (hereinafter collectively referred to as "the Group").

Business highlights

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

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

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

Head office

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

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

Board of Directors, Board of Supervisors and Board of Management

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

Board of Directors

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

Board of Supervisors ("BOS")

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

Board of Management and Chief Accountant

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



CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT (cont.)

Legal representative

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

Auditor

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

Responsibilities of the Board of Management

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

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

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

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

Approval on the Financial Statements

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

For and on behalf of the Board of Management,

General Director



Nguyen Van Ban

19 March 2025

No. 2.0223/25/TC-AC

INDEPENDENT AUDITOR'S REPORT**THE SHAREHOLDERS, THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT
CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY**

We have audited the accompanying Consolidated Financial Statements of Cuu Long Pharmaceutical Joint Stock Company (hereinafter referred to as "the Company") and its subsidiaries (hereinafter collectively referred to as "the Group"), which were prepared on 19 March 2025, from page 6 to page 41, including the Consolidated Balance Sheet as at 31 December 2024, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

Responsibility of the Board of Management

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

Responsibility of Auditors

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

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

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

Opinion of Auditors

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

Other matter

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

For and on behalf of

A&C Auditing and Consulting Co., Ltd.

Hanoi Branch



Vu Minh Khoi – Partner

Audit Practice Registration Certificate:

No. 2897-2025-008-1

Authorized Signatory

Hanoi, 19 March 2025



Vu Tuan Nghia – Auditor

Audit Practice Registration Certificate:

No. 4028-2022-008-1

CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

Address: No. 150, Road 14/9, Ward 5, Vinh Long City, Vinh Long Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

Unit: VND

ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		1,432,009,216,451	1,403,123,810,398
I. Cash and cash equivalents	110	V.1	51,068,879,639	23,517,073,130
1. Cash	111		51,068,879,639	23,517,073,130
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		214,795,000,000	204,149,000,000
1. Trading securities	121	V.2	104,795,000,000	94,795,000,000
2. Provisions for diminution in value of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2	110,000,000,000	109,354,000,000
III. Short-term receivables	130		773,563,090,580	773,475,425,492
1. Short-term trade receivables	131	V.3	326,764,738,221	293,213,041,302
2. Short-term prepayments to suppliers	132	V.4	81,714,362,660	67,231,442,528
3. Short-term inter-company receivables	133		-	-
4. Receivables based on the progress of construction contracts	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136	V.5a	391,837,528,217	439,695,871,017
7. Allowance for short-term doubtful debts	137	V.6	(26,753,538,518)	(26,664,929,355)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140	V.7	345,751,353,985	365,030,884,166
1. Inventories	141		356,270,667,524	372,582,036,510
2. Allowance for devaluation of inventories	149		(10,519,313,539)	(7,551,152,344)
V. Other current assets	150		46,830,892,247	36,951,427,610
1. Short-term prepaid expenses	151	V.8a	3,371,255,821	2,521,573,943
2. Deductible VAT	152		42,282,738,827	34,107,259,165
3. Taxes and other receivables from the State	153	V.15	1,176,897,599	322,594,502
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

Address: No. 150, Road 14/9, Ward 5, Vinh Long City, Vinh Long Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - NON-CURRENT ASSETS	200		992,136,535,257	874,335,875,790
I. Long-term receivables	210		3,787,000,000	3,501,500,000
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216	V.5b	3,787,000,000	3,501,500,000
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		458,431,056,011	440,905,343,245
1. Tangible fixed assets	221	V.9	421,800,566,550	399,507,093,555
<i>Historical costs</i>	222		939,687,359,021	884,156,406,470
<i>Accumulated depreciation</i>	223		(517,886,792,471)	(484,649,312,915)
2. Financial leased assets	224	V.10	13,513,539,364	18,082,442,189
<i>Historical costs</i>	225		22,876,854,258	22,876,854,258
<i>Accumulated depreciation</i>	226		(9,363,314,894)	(4,794,412,069)
3. Intangible fixed assets	227	V.11	23,116,950,097	23,315,807,501
<i>Historical costs</i>	228		25,274,207,769	25,021,945,329
<i>Accumulated amortization</i>	229		(2,157,257,672)	(1,706,137,828)
III. Investment properties	230		-	-
<i>Historical costs</i>	231		-	-
<i>Accumulated depreciation</i>	232		-	-
IV. Long-term assets in progress	240	V.12	514,261,004,688	416,778,812,931
1. Long-term work in progress	241		-	-
2. Construction-in-progress	242		514,261,004,688	416,778,812,931
V. Long-term financial investments	250		-	-
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252		-	-
3. Investments in other entities	253		-	-
4. Provisions for diminution in value of long-term financial investments	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		15,657,474,558	13,150,219,614
1. Long-term prepaid expenses	261	V.8b	12,268,654,895	8,268,723,754
2. Deferred income tax assets	262	V.13	3,388,819,663	4,881,495,860
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269		-	-
TOTAL ASSETS	270		2,424,145,751,708	2,277,459,686,188

CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

Address: No. 150, Road 14/9, Ward 5, Vinh Long City, Vinh Long Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

RESOURCES	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		920,952,752,826	826,667,957,660
I. Current liabilities	310		654,983,520,031	618,074,636,805
1. Short-term trade payables	311	V.14	105,263,803,592	66,128,529,089
2. Short-term advances from customers	312	V.15	4,617,474,502	4,588,716,452
3. Taxes and other obligations to the State Budget	313	V.16	14,259,244,738	15,843,297,284
4. Payables to employees	314		18,630,550,708	17,202,486,702
5. Short-term accrued expenses	315	V.17	16,307,754,077	22,831,616,506
6. Short-term inter-company payables	316		-	-
7. Payables based on the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.18	2,866,219,439	64,463,311,933
10. Short-term borrowings and financial leases	320	V.19a	488,873,723,014	422,136,653,386
11. Short-term provisions	321		-	-
12. Bonus and welfare funds	322	V.20	4,164,749,961	4,880,025,453
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		265,969,232,795	208,593,320,855
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338	V.19b	265,969,232,795	208,593,320,855
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liabilities	341		-	-
12. Long-term provisions	342		-	-
13. Science and technology development fund	343		-	-

CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

Address: No. 150, Road 14/9, Ward 5, Vinh Long City, Vinh Long Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

RESOURCES	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		1,503,192,998,882	1,450,791,728,528
I. Owner's equity	410	V.21	1,503,192,998,882	1,450,791,728,528
1. Owner's contribution capital	411		730,410,300,000	730,410,300,000
- Ordinary shares carrying voting right	411a		730,410,300,000	730,410,300,000
- Preferred shares	411b		-	-
2. Share premiums	412		220,358,863,743	220,358,863,743
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury shares	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418		-	-
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421		533,387,809,097	481,560,938,392
- Retained earnings accumulated to the end of the previous period	421a		479,816,709,044	481,560,938,392
- Retained earnings of the current period	421b		53,571,100,053	-
12. Construction investment fund	422		20,166,850	20,166,850
13. Non-controlling interests	429		19,015,859,192	18,441,459,543
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL RESOURCES	440		2,424,145,751,708	2,277,459,686,188

Prepared by



Bui Thi My Dang

Chief Accountant



Bui Thi My Dang

Prepared on 19 March 2025

General Director



Nguyen Van Ban

CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

Address: No. 150, Road 14/9, Ward 5, Vinh Long City, Vinh Long Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sales of merchandise and rendering of services	01	VI.1	1,332,626,539,204	1,170,473,131,362
2. Revenue deductions	02		25,829,097,184	26,526,831,118
3. Net revenue from sales of merchandise and rendering of services	10		1,306,797,442,020	1,143,946,300,244
4. Costs of sales	11	VI.2	1,102,093,457,343	934,032,409,930
5. Gross profit/ (loss) from sales of merchandise and rendering of services	20		204,703,984,677	209,913,890,314
6. Financial income	21	VI.3	34,553,853,539	40,015,732,912
7. Financial expenses	22	VI.4	25,616,815,027	33,583,940,979
In which: Interest expenses	23		25,386,683,521	29,170,083,104
8. Profit/ (loss) in joint ventures, associates	24		-	-
9. Selling expenses	25	VI.5	90,926,780,238	87,867,999,033
10. General and administration expenses	26	VI.6	53,947,000,700	51,320,009,991
11. Net operating profit/ (loss)	30		68,767,242,251	77,157,673,223
12. Other income	31		490,402,302	1,029,588,506
13. Other expenses	32		480,842,296	76,571,439
14. Other profit/ (loss)	40		9,560,006	953,017,067
15. Total accounting profit/ (loss) before tax	50		68,776,802,257	78,110,690,290
16. Current income tax	51	V.15	13,138,626,358	14,925,818,284
17. Deferred income tax	52		1,492,676,197	1,050,507,630
18. Profit/ (loss) after tax	60		54,145,499,702	62,134,364,376
19. Profit/ (loss) after tax of the Parent Company	61		53,571,100,053	61,717,400,131
20. Profit/ (loss) after tax of non-controlling shareholders	62		574,399,649	416,964,245
21. Basic earnings per share	70	VI.8	733	818
22. Diluted earnings per share	71	VI.8	733	818

Prepared by



Bui Thi My Dang

Chief Accountant



Bui Thi My Dang

Prepared on 19 March 2025

General Director



Nguyen Van Ban

CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

Address: No. 150, Road 14/9, Ward 5, Vinh Long City, Vinh Long Province

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		68,776,802,257	78,110,690,290
2. Adjustments				
- Depreciation and amortization of fixed assets and investment properties	02	V.9,10,11	38,257,502,225	38,278,183,559
- Provisions and allowances	03		3,056,770,358	3,793,953,288
- Exchange (gain)/ loss due to revaluation of monetary items in foreign currencies	04	VI.4	15,900,063	(6,251,088)
- (Gain)/ loss from investing activities	05		(5,612,945,845)	(8,883,975,275)
- Interest expenses	06	VI.4	25,386,683,521	29,170,083,104
- Others	07		-	-
3. Operating profit/ (loss) before changes of working capital	08		129,880,712,579	140,462,683,878
- (Increase)/ decrease of receivables	09		8,661,529,710	(14,708,913,328)
- (Increase)/ decrease of inventories	10		16,311,368,986	(55,032,599,157)
- Increase/ (decrease) of payables	11		(27,074,391,157)	(1,478,576,466)
- (Increase)/ decrease of prepaid expenses	12		(4,849,613,019)	(3,232,966,551)
- (Increase)/ decrease of trading securities	13		(10,000,000,000)	-
- Interests paid	14		(25,437,479,793)	(29,199,385,488)
- Corporate income tax paid	15	V.15	(14,963,899,617)	(12,576,402,749)
- Other cash inflows from operating activities	16		-	-
- Other cash outflows from operating activities	17	V.20	(2,715,275,492)	(1,703,430,100)
Net cash flows from operating activities	20		69,812,952,197	22,530,410,039
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21		(172,849,667,642)	(222,873,559,023)
2. Proceeds from disposals of fixed assets and other non-current assets	22		-	370,636,365
3. Cash outflows for lending, buying debt instruments of other entities	23		(110,000,000,000)	(98,699,945,205)
4. Cash recovered from lending, selling debt instruments of other entities	24		109,354,000,000	143,045,977,625
5. Investments into other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interests earned, dividends and profits received	27		7,113,443,580	9,150,926,395
Net cash flows from investing activities	30		(166,382,224,062)	(169,005,963,843)

CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33	V.19	1,199,477,086,102	973,671,615,366
4. Repayment for loan principal	34	V.19	(1,052,000,707,269)	(844,212,595,166)
5. Payments for financial leased assets	35	V.19	(23,363,397,265)	(12,320,695,760)
6. Dividends and profits paid to the owners	36		-	-
Net cash flows from financing activities	40		124,112,981,568	117,138,324,440
Net cash flows during the year	50		27,543,709,703	(29,337,229,364)
Beginning cash and cash equivalents	60	V.1	23,517,073,130	52,851,714,658
Effects of fluctuations in foreign exchange rates	61		8,096,806	2,587,836
Ending cash and cash equivalents	70	V.1	51,068,879,639	23,517,073,130

Prepared by

Chief Accountant

Prepared on 19 March 2025

General Director

Bui Thi My Dang

Bui Thi My Dang

Nguyen Van Ban



CUU LONG PHARMACEUTICAL JOINT STOCK COMPANY

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

I. GENERAL INFORMATION**1. Ownership form**

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

2. Operating fields

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

3. Principal business activities

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

4. Normal operating cycle

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

5. Structure of the Group

The Group includes the Parent Company and 5 subsidiaries under the control of the Parent Company.

List of consolidated subsidiaries

Name	Address of head office	Principal activity	Benefit rate		Voting rate	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Pharmaceutical and Medical Equipment Production Trading and Import-Export Joint Venture Company	No. 11, Lanexang Road, Hatsady Village, Chanthabory District, Laos	Introducing medicine	51%	51%	51%	51%
VPC - Sai Gon Pharmaceutical Company Limited	No. 150 Road 14/9, Ward 5, Vinh Long City, Vinh Long Province	Trading pharmaceuticals and medical equipment	100%	100%	100%	100%
Benovas Pharmaceutical Joint Stock Company	No. 276 Nguyen Dinh Chieu, Vo Thi Sau Ward, District 3, Ho Chi Minh City	Trading pharmaceuticals, capsules of all kinds	99.98%	99.93%	99.98%	99.93%
Benovas Medical Devices Joint Stock Company	No. 68D Group 05, Thanh My 1 Hamlet, Thanh Duc Commune, Long Ho District, Vinh Long Province	Producing and trading medical devices and equipment	100%	100%	100%	100%
Benovas Oncology Joint Stock Company	5 th Floor, HACC1 Complex Building at Lot 2.6, Le Van Luong Road, Nhan Chinh Ward, Thanh Xuan District, Hanoi City	Producing medicine, pharmaceutical chemicals and medicinal herbs	84%	84%	84%	84%

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Operation of subsidiaries

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

6. Statement on information comparability in the Consolidated Financial Statements

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

7. Employees

As of the balance sheet date, there were 885 employees working for the Group (at the beginning of the year: 930 employees).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

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

2. Accounting currency unit

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

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Group applies the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 on guideline for accounting policies for enterprises, the Circular No. 53/2016/TT-BTC dated 21 March 2016, the Circular No. 202/2014/TT-BTC dated 22 December 2014 giving guidance on the preparation and presentation of Consolidated Financial Statements as well as other Circulars guiding the implementation of the Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Consolidated Financial Statements.

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

The Board of Management ensures the compliance with all the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016, the Circular No. 202/2014/TT-BTC dated 22 December 2014, as well as other Circulars guiding the implementation of the Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Consolidated Financial Statements.

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

IV. ACCOUNTING POLICIES

1. Basis of preparation of the Consolidated Financial Statements

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

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

2. Basis of consolidation

The Consolidated Financial Statements include the Financial Statements of the Parent Company and the Financial Statements of its subsidiaries. A subsidiary is a business that is controlled by the Parent Company. The control exists when the Parent Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the potential voting right arising from share call options, debt or equity instruments that are convertible into ordinary shares as of the end of the fiscal year shall be taken into consideration.

The business performance results of the subsidiaries that are acquired or disposed of during the year are included in the Consolidated Income Statement from the date of acquisition or until the date of disposal of those subsidiaries.

The Financial Statements of the Parent Company and its subsidiaries used for consolidation are prepared for the same accounting period and apply consistent accounting policies for similar transactions and events in similar circumstances. In case the subsidiaries' accounting policies are different from those that are applied consistently within the Group, the appropriate adjustments should be made to the subsidiaries' Financial Statements before they are used to prepare the Consolidated Financial Statements.

Intra-group balances in the balance sheet and intra-group transactions and unrealized intra-group gains or losses resulting from these transactions are eliminated when preparing the Consolidated Financial Statements. Unrealized losses resulting from intra-group transactions are also eliminated unless costs that cause those losses cannot be recovered.

Non-controlling interests ("NCI") include the gains or losses of the subsidiary's business performance results and net assets that are not held by the Group and are presented in a specific item in the Consolidated Income Statement and the Consolidated Balance Sheet (as a part of the owner's equity). NCI include the value of NCI at the date of initial business combination and those in the changes of owner's equity commencing from that date. Losses arising in subsidiaries are allocated to NCI based on the non-controlling shareholders' ownership rate in the subsidiaries, even if those losses exceed the non-controlling shareholders' ownership in the net assets of the subsidiaries.

3. Foreign currency transactions

Transactions in foreign currencies are translated at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are translated at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences arising from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

The exchange rate used to translate foreign currency transactions is the actual exchange rate ruling as of the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Group and the bank.
- For receivables: the buying rate ruling as of the time of transaction of the commercial bank where the Group designates the customers to make payments.
- For payables: the selling rate ruling as of the time of transaction of the commercial bank where the Group supposes to make payments.
- For acquisition of assets or immediate payments in foreign currency (not included into payable accounts): the buying rate of the commercial bank where the Group makes payments.

The exchange rate used to revalue ending balances of monetary items in foreign currencies as of the balance sheet date is determined as follows:

- For foreign currency deposits in banks: the buying rate of the bank where the Group opens its foreign currency account.

4. Cash

Cash includes cash on hand and demand deposits in banks.

5. Financial investments

Trading securities

Investments classified as trading securities are those held by the Group for the trading purpose with the aim of making profit.

Trading securities are recognized at original costs which include fair value of the payments made at the time of the transaction plus other costs attributable transaction costs.

The Group's trading securities are unlisted securities and recognized at the time of acquiring official ownership as stipulated by law.

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

Provisions for diminution in value of trading securities are made for each particular type of securities in the market of which the fair value is lower than its original costs. For unlisted shares, provisions are made based on the losses suffered by investees, with the provision amount determined by the difference between owners' actual contributed capital and total owners' equity as of the balance sheet date multiplied (x) by the Group's rate of charter capital owning in these investees.

Increases/ (decreases) in provisions for diminution in value of trading securities to be recognized as of the balance sheet date are recorded into "Financial expenses".

Gain or loss on transfer of trading securities is recognized into financial income or financial expenses. Cost of trading securities transferred is determined by using the specific identification method.

Held-to-maturity investments

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

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CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

6. Receivables

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

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

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

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

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

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

7. Inventories

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

Costs of inventories are determined as follows:

- For materials and merchandise: Costs comprise costs of purchases and other directly attributable costs incurred in bringing the inventories to their present location and conditions.
- For work in progress: Costs comprise main materials, labor and other directly attributable costs.
- For finished goods: Costs comprise costs of materials, direct labor and directly attributable general manufacturing expenses allocated on the basis of normal operation.

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

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

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

8. Prepaid expenses

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

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Notes to the Consolidated Financial Statements (cont.)

9. Tangible fixed assets

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

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

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

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

10. Financial leased assets

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

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

11. Intangible fixed assets

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

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

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

The Group's intangible fixed assets include:

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Land use right

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

Computer software

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

Brand identity

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

12. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant borrowing interest expenses following the accounting policies of the Group) directly attributable to the construction of plants and the installation of machinery and equipment to serve for production, leasing, and management as well as the repair of fixed assets, which have not been completed yet. Assets in the progress of construction and installation are recorded at historical costs and not depreciated.

13. Payables and accrued expenses

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

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

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

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

14. Owner's equity

Owner's contribution capital

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

Share premiums

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

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Notes to the Consolidated Financial Statements (cont.)

15. Profit distribution

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

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

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

16. Recognition of revenue and income

Revenue from sales of merchandise, finished goods

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

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

Interest

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

Dividend income

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

17. Borrowing costs

Borrowing costs are interest expenses and other costs that the Group directly incurs in connection with the borrowings.

Borrowing costs are recorded as expenses when incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sale of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing costs are eligible for capitalization even if construction period is under 12 months. Investment income earned on the temporary investment of those borrowings is deducted from the costs of relevant assets.

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Notes to the Consolidated Financial Statements (cont.)

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the borrowing costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the period, except for particular borrowings serving the purpose of obtaining a specific asset.

18. Expenses

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

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

19. Corporate income tax

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

Current income tax

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

Deferred income tax

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

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

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

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

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

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Notes to the Consolidated Financial Statements (cont.)

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

20. Related parties

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

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

21. Segment reporting

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

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

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

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET**1. Cash and cash equivalents**

	Ending balance	Beginning balance
Cash on hand	77,894,196	166,972,007
Demand deposits in banks	50,990,985,443	23,350,101,123
Total	51,068,879,639	23,517,073,130

2. Financial investments**2a. Trading securities**

	Ending balance		Beginning balance	
	Original cost	Provision	Original cost	Provision
Viet Nam Lotus Investment Trading JSC.	32,500,000,000	-	32,500,000,000	-
Tri Viet Investment JSC.	27,025,000,000	-	17,025,000,000	-
Trong Dong Trading and Investment JSC.	34,770,000,000	-	34,770,000,000	-
SJ Trading Development JSC.	5,250,000,000	-	5,250,000,000	-
KVN Vietnam Trading Service and Investment JSC.	5,250,000,000	-	5,250,000,000	-
Total	104,795,000,000	-	94,795,000,000	-

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Notes to the Consolidated Financial Statements (cont.)

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

	Ending balance		Beginning balance	
	Number of shares	Ownership rate	Number of shares	Ownership rate
Viet Nam Lotus Investment Trading JSC.	2,500,000	9.62%	2,500,000	9.62%
Tri Viet Investment JSC.	2,135,000	7.12%	1,135,000	7.57%
Trong Dong Trading and Investment JSC.	2,318,000	19%	2,318,000	19%
SJ Trading Development JSC.	500,000	10%	500,000	10%
KVN Vietnam Trading Service and Investment JSC.	500,000	10%	500,000	10%

For securities not yet registered for trading in the market, the Group does not evaluate fair value or make provision due to lack of information.

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

	Ending balance	Beginning balance
Term deposits ⁽ⁱ⁾	110,000,000,000	109,354,000,000

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

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

3. Short-term trade receivables

	Ending balance	Beginning balance
Khanh Hoa Pharmaceutical JSC.	5,706,200,925	11,816,108,745
Blood Transfusion Hematology Hospital	2,395,200,000	15,572,439,000
Sagophar Pharmaceutical Corporation	4,097,487,196	26,259,081,099
Duc Ha Pharmaceutical and Trading Co., Ltd.	4,816,926,280	26,082,592,238
Golden Life Pharmaceutical Product JSC.	-	16,593,394,120
Other customers	309,748,923,820	196,889,426,100
Total	326,764,738,221	293,213,041,302

4. Short-term prepayments to suppliers

	Ending balance	Beginning balance
Confitech Cuu Long JSC. ^(*)	7,250,000,000	7,250,000,000
Viet Nam Lotus Investment Trading JSC.	6,454,448,000	-
Polyco Co., Ltd.	34,714,524,982	27,202,110,644
Trenwell Services LLC	16,339,862,500	5,885,000,000
Akums Drugs and Pharmaceuticals Co., Ltd.	-	2,509,226,940
Nitta Gelatin Inc	2,392,018,000	-
Other suppliers	14,563,509,178	24,385,104,944
Total	81,714,362,660	67,231,442,528

^(*) Note VII.4

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Notes to the Consolidated Financial Statements (cont.)**5. Other receivables****5a. Other short-term receivables**

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
<i>Receivables from related parties</i>	48,998,044,926	-	46,855,845,754	-
F.I.T Land Investment JSC. – Investment cooperation contract	48,998,044,926	-	46,765,845,754	-
<i>Principal</i>	44,600,000,000	-	45,100,000,000	-
<i>Profit</i>	4,398,044,926	-	1,665,845,754	-
Mr. Nguyen Trong Duc - Deputy General Director – Advance	-	-	40,000,000	-
Mr. Luong Trong Hai - General Director – Advance	-	-	50,000,000	-
<i>Receivables from other organizations and individuals</i>	342,839,483,291	(5,095,308,636)	392,840,025,263	(5,067,557,725)
Tri Viet Investment JSC. ⁽ⁱ⁾	97,709,604,106	-	96,190,453,423	-
<i>Principal</i>	92,165,000,000	-	92,165,000,000	-
<i>Profit</i>	5,544,604,106	-	4,025,453,423	-
Trong Dong Trading and Investment JSC. ⁽ⁱ⁾	6,762,860,821	-	5,019,080,000	-
<i>Principal</i>	6,540,000,000	-	4,840,000,000	-
<i>Profit</i>	222,860,821	-	179,080,000	-
Viet Nam Lotus Investment Trading JSC. ⁽ⁱ⁾	68,267,673,524	-	105,876,234,683	-
<i>Principal</i>	61,700,000,000	-	100,380,000,000	-
<i>Profit</i>	6,567,673,524	-	5,496,234,683	-
Pho Hien Viet Nam Trading and Investment JSC. ⁽ⁱ⁾	149,252,956,010	-	164,229,366,420	-
<i>Principal</i>	139,070,000,000	-	159,420,000,000	-
<i>Profit</i>	10,182,956,010	-	4,809,366,420	-
Receivables for equitization	5,600,000	-	5,600,000	-
Accrued interest income of term deposits	2,476,149,443	-	3,976,647,178	-
Deposits	428,302,596	-	257,802,596	-
Advances	2,654,057,284	-	3,791,915,748	(689,833,740)
VAT on financial leased assets	7,531,505,244	-	6,368,458,176	-
Other short-term receivables	7,750,774,263	(5,095,308,636)	7,124,467,039	(4,377,723,985)
Total	391,837,528,217	(5,095,308,636)	439,695,871,017	(5,067,557,725)

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- (i) These are the Investment Cooperation Contracts with the cooperation terms from 6 months to 12 months to invest in real estate projects. Collaterals are land use rights formed from the investment cooperation projects. The Group enjoys a minimum profit ranging from 5.0% to 9.2% per year (minimum profit in the previous year: from 7.1% to 9% per year).

From the balance sheet date to the date of these Statements, the Company additionally recovered principal and profit related to the Investment Cooperation Contracts' outstanding balances as at 31 December 2024 with the amounts of VND 2,100,000,000 and VND 0, respectively.

5b. Other long-term receivables

These are long-term deposits.

6. Allowance for doubtful debts

	Original cost	Allowance	Original cost	Allowance
Trade receivables	30,451,632,795	(21,095,840,955)	24,571,053,622	(21,034,982,703)
Receivables for payments on behalf	3,659,656,462	(3,659,656,462)	3,717,599,787	(3,717,599,787)
Receivables for advances	-	-	631,890,415	(631,890,415)
Prepayments to suppliers	562,388,927	(562,388,927)	562,388,927	(562,388,927)
Receivables from other organizations and individuals	1,435,652,174	(1,435,652,174)	718,067,523	(718,067,523)
Total	36,109,330,358	(26,753,538,518)	30,201,000,274	(26,664,929,355)

Fluctuations in allowance for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	26,664,929,355	57,705,613,541
Additional allowance	3,816,470,642	3,685,975,758
Reversal of allowance	(3,727,861,479)	(4,973,779,927)
Other decrease (Writing-off)	-	(29,752,880,017)
Ending balance	26,753,538,518	26,664,929,355

7. Inventories

	Ending balance		Beginning balance	
	Original cost	Allowance	Original cost	Allowance
Goods in transit	29,242,530,353	-	15,964,044,637	-
Materials and supplies	155,207,740,024	(3,988,871,018)	158,471,475,078	(2,232,934,713)
Tools	11,077,312,119	-	11,024,248,117	-
Finished goods	126,882,871,431	(5,247,680,995)	141,394,542,679	(3,880,309,519)
Merchandise	33,860,213,597	(1,282,761,526)	45,727,725,999	(1,437,908,112)
Total	356,270,667,524	(10,519,313,539)	372,582,036,510	(7,551,152,344)

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

Fluctuations in allowance for devaluation of inventories are as follows:

	Current year	Previous year
Beginning balance	7,551,152,344	5,163,486,958
Additional allowance	2,968,161,195	5,081,757,457
Other decrease (destruction of goods)	-	(2,694,092,071)
Ending balance	10,519,313,539	7,551,152,344

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Notes to the Consolidated Financial Statements (cont.)**8. Prepaid expenses****8a. Short-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses for tools	1,538,333,971	1,433,153,991
Insurance premiums	694,432,422	603,971,200
Expenses for software	895,061,277	313,640,831
Other short-term prepaid expenses	243,428,151	170,807,921
Total	3,371,255,821	2,521,573,943

8b. Long-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses for tools	6,138,508,475	3,802,095,771
Other long-term prepaid expenses	6,130,146,420	4,466,627,983
Total	12,268,654,895	8,268,723,754

9. Tangible fixed assets

	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Historical costs					
Beginning balance	181,452,137,329	660,418,916,375	39,800,699,995	2,484,652,771	884,156,406,470
New acquisition	-	-	1,019,726,000	-	1,019,726,000
Completed construction	49,531,917,551	-	3,321,200,000	1,658,109,000	54,511,226,551
Ending balance	230,984,054,880	660,418,916,375	44,141,625,995	4,142,761,771	939,687,359,021

In which:

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

Depreciation

Beginning balance	64,652,973,780	395,751,251,558	21,922,154,245	2,322,933,332	484,649,312,915
Depreciation during the year	7,159,098,267	22,823,838,193	3,186,181,824	68,361,272	33,237,479,556
Ending balance	71,812,072,047	418,575,089,751	25,108,336,069	2,391,294,604	517,886,792,471

Net book value

Beginning balance	116,799,163,549	264,667,664,817	17,878,545,750	161,719,439	399,507,093,555
Ending balance	159,171,982,833	241,843,826,624	19,033,289,926	1,751,467,167	421,800,566,550

In which:

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

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

10. Financial leased assets

These are machinery and equipment. Details are as follows:

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

11. Intangible fixed assets

	Land use right	Computer software	Brand identity (*)	Total
Historical costs				
Beginning balance	19,636,907,129	4,396,358,200	988,680,000	25,021,945,329
New acquisition	-	252,262,440	-	252,262,440
Ending balance	19,636,907,129	4,648,620,640	988,680,000	25,274,207,769
<i>In which:</i>				
Assets fully amortized but still in use	-	569,916,700	-	569,916,700
Amortization				
Beginning balance	36,489,517	1,293,400,101	376,248,210	1,706,137,828
Amortization during the year	-	401,685,844	49,434,000	451,119,844
Ending balance	36,489,517	1,695,085,945	425,682,210	2,157,257,672
Net book value				
Beginning balance	19,600,417,612	3,102,958,099	612,431,790	23,315,807,501
Ending balance	19,600,417,612	2,953,534,695	562,997,790	23,116,950,097
<i>In which:</i>				
Assets temporarily not in use	-	-	-	-
Assets waiting for liquidation	-	-	-	-

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

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Notes to the Consolidated Financial Statements (cont.)**12. Construction-in-progress**

	<u>Beginning balance</u>	<u>Increase during the year</u>	<u>Transferred to fixed assets during the year</u>	<u>Other decrease</u>	<u>Ending balance</u>
Acquisition of fixed assets	1,088,504,119	252,262,440	(252,262,440)	(1,088,504,119)	-
Construction-in-progress	415,690,308,812	156,189,222,427	(54,511,226,551)	(3,107,300,000)	514,261,004,688
Vikimco Factory Project ⁽ⁱ⁾	83,478,730,364	86,245,571,974	-	-	169,724,302,338
Expenses for registration of cancer medicine dossiers	4,790,945,000	-	-	-	4,790,945,000
Factory Project in Long An ⁽ⁱⁱ⁾	176,931,494,667	9,135,419,386	-	-	186,066,914,053
Capsule Line 5 Project ⁽ⁱⁱⁱ⁾	133,711,474,969	18,680,697,399	-	-	152,392,172,368
Master Warehouse and RD Building Construction Project	16,777,663,812	40,840,862,739	(54,511,226,551)	(3,107,300,000)	-
Other projects	-	1,286,670,929	-	-	1,286,670,929
Total	416,778,812,931	156,441,484,867	(54,763,488,991)	(4,195,804,119)	514,261,004,688

- (i) Vikimco Factory Project implemented in accordance with the Investment Certificate No. 2651067820 dated 12 August 2020 granted by the Department of Planning and Investment of Vinh Long Province, to produce medical equipment and devices, with the total investment capital of VND 373.9 billion. The Project is expected to be completed in the 1st quarter of 2025.
- (ii) Factory Project in Long An implemented in accordance with the Investment Certificate No. 6037037488 dated 30 June 2022 granted by the Management Board of Long An Economic Zone, to produce drugs, pharmaceuticals and medical supplies, with the total investment capital of VND 1,035 billion.
In which, the land use right in Huu Thanh Industrial Park, Long An Province, with the value of VND 161.7 billion, has been used as collateral for the loan from Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) – Thanh An Branch (Note V.19).
- (iii) Capsule Line - Phase 5 Project aimed at expanding empty capsule production and increasing the factory's production capacity with the total investment capital of VND 232.4 billion. The project has been put into operation since January 2025.
Total borrowing costs capitalized into construction-in-progress during the year are VND 23,942,766,633 VND (previous year: VND 15,094,476,009).

13. Deferred income tax assets

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

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	4,881,495,860	5,932,003,490
Transferred to business results	(1,492,676,197)	(1,050,507,630)
Ending balance	3,388,819,663	4,881,495,860

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

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Notes to the Consolidated Financial Statements (cont.)**14. Short-term trade payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	<i>47,797,472,646</i>	<i>6,852,833,498</i>
F.I.T Group., JSC	11,292,093,055	6,846,219,493
F.I.T Vietnam Trading and Import Export Co., Ltd.	36,505,379,591	-
FIT Cosmetics JSC.	-	6,614,005
<i>Payables to other suppliers</i>	<i>57,466,330,946</i>	<i>59,275,695,591</i>
WW Investment JSC.	14,817,760,462	-
Nectar Lifesciences Company - India	9,790,632,180	-
Pho Hien Viet Nam Trading and Investment JSC.	5,470,745,553	-
Pharmascience INC	4,429,061,442	-
Shouguang Fukang Pharmaceutical Co., Ltd.	3,285,858,600	-
Dong Au Packaging Co., Ltd.	1,203,523,812	3,688,573,863
Amigo Vietnam Pharmaceuticals JSC.	-	18,882,804,845
IDICO Corporation - JSC	-	8,893,500,000
Bach Viet Pharmaceutical and Biological Technology JSC.	-	5,222,495,518
Bach Dang Hai Phong Construction and Trading JSC.	3,328,001,511	-
Other suppliers	15,140,747,386	22,588,321,365
Total	<u>105,263,803,592</u>	<u>66,128,529,089</u>

15. Short-term advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Bano Food Co., Ltd.	-	286,174,873
Sagophar Pharmaceutical Corporation	1,500,000,000	1,500,000,000
Goldenlife Pharmaceutical Product JSC.	-	1,100,000,000
Bac Binh Pharmaceutical Co., Ltd.	1,552,379,400	-
Other customers	1,565,095,102	1,702,541,579
Total	<u>4,617,474,502</u>	<u>4,588,716,452</u>

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

	<u>Beginning balance</u>	<u>Amount offset during the year</u>	<u>Amount receivable during the year</u>	<u>Ending balance</u>
VAT on imports	248,641,067	248,641,062	1,027,656,488	1,027,656,493
Import-export duties	48,748,228	918,675,201	994,162,872	124,235,899
Personal income tax	25,205,207	200,000	-	25,005,207
Total	<u>322,594,502</u>	<u>1,167,516,263</u>	<u>2,021,819,360</u>	<u>1,176,897,599</u>

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Notes to the Consolidated Financial Statements (cont.)**16b. Payables**

	Beginning balance	Amount payable during the year	Amount already paid during the year	Ending balance
VAT on local sales	668,306,764	1,393,713,397	1,232,067,416	829,952,745
VAT on imports	-	22,541,631,223	22,541,631,223	-
Corporate income tax	14,907,838,638	13,138,626,358	14,963,899,617	13,082,565,379
Personal income tax	267,151,882	3,788,899,294	3,709,324,562	346,726,614
Property tax	-	1,372,498,155	1,372,498,155	-
Other taxes	-	1,256,876,435	1,256,876,435	-
Total	15,843,297,284	43,492,244,862	45,076,297,408	14,259,244,738

Value added tax ("VAT")

The Company and its subsidiaries have to pay VAT in accordance with the deduction method. The VAT rates are as follows:

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

Corporate income tax ("CIT")

The Company and its subsidiaries have to pay CIT for income from other activities at the rate of 20%.

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

Property tax

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

Other taxes

The Company and its subsidiaries declare and pay these taxes according to prevailing regulations.

17. Short-term accrued expenses

	Ending balance	Beginning balance
Accrued expenses to related parties	-	8,638,356
F.I.T Land Investment JSC. – Profit of investment cooperation contract	-	8,638,356
Accrued expenses to other organizations and individuals	16,307,754,077	22,822,978,150
Accrued loan interest expenses	569,014,285	619,810,557
Expenses for sale support	11,056,833,968	16,468,320,003
Other short-term accrued expenses	4,681,905,824	5,734,847,590
Total	16,307,754,077	22,831,616,506

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Notes to the Consolidated Financial Statements (cont.)**18. Other short-term payables**

	Ending balance	Beginning balance
<i>Payables to related parties</i>	1,088,504,119	4,306,090,012
F.I.T Group., JSC – Payments on behalf	1,088,504,119	1,168,917,407
F.I.T Vietnam Trading and Import - Export Co., Ltd.	-	3,137,172,605
<i>Principal of Investment cooperation contract</i>	-	3,000,000,000
<i>Profit of Investment cooperation contract</i>	-	137,172,605
<i>Payables to other organizations and individuals</i>	1,777,715,320	60,157,221,921
Excessive assets awaiting resolution	172,739,856	172,739,856
Trade Union's expenditure	597,630,916	592,926,883
Payables for the First-instance Judgment ⁽ⁱ⁾	-	58,431,883,500
Dividends payable	83,802,660	83,802,660
Other short-term payables	923,541,888	875,869,022
Total	2,866,219,439	64,463,311,933

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

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

	Ending balance	Beginning balance
<i>Short-term loans from banks (*)</i>	394,064,014,870	349,732,285,742
Joint Stock Commercial Bank for Investment and Development of Vietnam ("BIDV") – Vinh Long Branch	77,041,198,112	44,822,032,431
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank") – Vinh Long Branch	149,913,373,175	123,735,807,862
Military Commercial Joint Stock Bank ("MBBank") – Can Tho Branch	70,835,140,456	99,071,998,935
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank") – Thanh An Branch	96,274,303,127	82,102,446,514
<i>Current portions of long-term loans (Note V.19b)</i>	70,265,624,004	51,646,084,004
Vietcombank – Vinh Long Branch	22,000,000,000	18,000,000,000
Vietinbank – Thanh An Branch	39,425,000,004	30,425,000,004
BIDV – Vinh Long Branch	8,840,624,000	3,221,084,000
<i>Current portions of financial leases - Vietinbank Leasing Co., Ltd. (Note V.19b)</i>	24,544,084,140	20,758,283,640
Total	488,873,723,014	422,136,653,386

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

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

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

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

	Short-term loans from banks	Current portions of long-term loans	Current portions of financial leases	Total
Beginning balance	349,732,285,742	51,646,084,004	20,758,283,640	422,136,653,386
Amount of loans incurred	1,041,031,810,393	-	-	1,041,031,810,393
Transfer from long-term borrowings and financial leases	-	71,920,166,004	24,669,784,140	96,589,950,144
Amount of loans repaid	(996,700,081,265)	(53,300,626,004)	(20,883,983,640)	(1,070,884,690,909)
Ending balance	394,064,014,870	70,265,624,004	24,544,084,140	488,873,723,014

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Notes to the Consolidated Financial Statements (cont.)**19b. Long-term borrowings and financial leases**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Long-term loans from banks</i>	<i>169,096,409,960</i>	<i>109,737,420,255</i>
Vietcombank – Vinh Long Branch ⁽ⁱ⁾	30,264,825,167	52,264,825,167
Vietinbank – Thanh An Branch ⁽ⁱⁱ⁾	112,309,717,642	44,588,259,324
BIDV – Vinh Long Branch ⁽ⁱⁱⁱ⁾	26,521,867,151	12,884,335,764
<i>Financial leases – Vietinbank Leasing Co., Ltd. ^(iv)</i>	<i>96,872,822,835</i>	<i>98,855,900,600</i>
Total	265,969,232,795	208,593,320,855

- (i) This is the loan from Vietcombank – Vinh Long Branch in 2021 to invest in the “Capsule Production Factory - Phase 4” Project at No. 21B Phan Dinh Phung, Ward 8, Vinh Long City, Vinh Long Province; with the credit limit of VND 140,000,000,000, but not exceeding 70% of the total investment of the Project (excluding VAT), the maximum term of 72 months starting from the first disbursement date to the maturity date as specified in the bill of debt. The loan interest rate ranges from 7.3% per year. The loan is secured by the Company’s assets including construction works, future-formed machinery and equipment from the Capsule 3 Project.
- (ii) Including:
- The loan of the Parent Company in 2022 to pay land rental of Indico Corporation at Huu Thanh Industrial Park, Long An Province; with the credit limit of VND 121,700,000,000, the maximum term of 48 months starting from the day after the first disbursement date, the interest rate of 9.2% per year. The loan is secured by the Land Use Right Certificate of the land lot (Note V.10); and
 - The loan of Benovas Medical Devices JSC. (the subsidiary) in 2023 with the credit limit of VND 281 billion to finance legal and valid investment costs for the Benovas Medical Device Production Factory Project, the interest rate as specified in each bill of debt and adjusted every month, the term of 84 months starting from the first disbursement date, the interest rate of 7% per year, the disbursement period until 30 June 2025. The loan is secured by the land use right and Vikimco Factory, which is formed from the loan capital (Note V.12).
- (iii) This is the loan from BIDV – Vinh Long Branch in 2023 to invest in the “Pharmaceutical Warehouse and GSP/GLP standard R&D Building” Project; with the credit limit of VND 59,000,000,000, the maximum term of 60 months starting from the first disbursement date, the interest rate of 7.8% per year. The loan is secured by the Land use right at Group 6, Ward 5, Vinh Long City, Vinh Long Province and the future-formed assets of this project.
- (iv) This is the financial lease from Vietinbank Leasing Co., Ltd. arising from the agreements signed in 2022 and 2023 to lease machinery and equipment, capsule production line, refrigerator trucks and HVAC system for Capsule Factory - Phase 5, with the lease term from 5 to 7 years, the interest rate ranging from 9.5% to 11% per year.

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

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

	<u>Ending balance</u>	<u>Beginning balance</u>
From or under 1 year	94,809,708,144	72,404,367,644
Over 1 year to 5 years	259,533,828,920	208,593,320,855
Over 5 years	6,435,403,875	-
Total	360,778,940,939	280,997,688,499

Total financial leases payable is as follows:

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

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

	<u>Long-term loans from banks</u>	<u>Financial leases</u>	<u>Total</u>
Beginning balance	109,737,420,255	98,855,900,600	208,593,320,855
Amount of loans incurred	133,279,155,709	25,166,120,000	158,445,275,709
Amount of loan repaid	(2,000,000,000)	(2,479,413,625)	(4,479,413,625)
Transfer to short-term borrowings and financial leases	(71,920,166,004)	(24,669,784,140)	(96,589,950,144)
Ending balance	169,096,409,960	96,872,822,835	265,969,232,795

19c. Overdue borrowings

The Group has no overdue borrowings.

20. Bonus and welfare funds

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	4,880,025,453	3,583,455,553
Increase due to appropriation from profit	2,000,000,000	3,000,000,000
Disbursement	(2,715,275,492)	(1,703,130,100)
Ending balance	4,164,749,961	4,880,025,453

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Notes to the Consolidated Financial Statements (cont.)**21. Owner's equity****21a. Statement of changes in owner's equity**

	Owner's contribution capital	Share premiums	Retained earnings	Construction investment fund	Non-controlling interests	Total
Beginning balance of the previous year	730,410,300,000	220,358,863,743	422,843,538,261	20,166,850	18,024,495,298	1,391,657,364,152
Profit of the previous year	-	-	61,717,400,131	-	416,964,245	62,134,364,376
Appropriation for bonus and welfare funds	-	-	(3,000,000,000)	-	-	(3,000,000,000)
Ending balance of the previous year	730,410,300,000	220,358,863,743	481,560,938,392	20,166,850	18,441,459,543	1,450,791,728,528
Beginning balance of the current year	730,410,300,000	220,358,863,743	481,560,938,392	20,166,850	18,441,459,543	1,450,791,728,528
Profit of the current year	-	-	53,571,100,053	-	574,399,649	54,145,499,702
Appropriation for bonus and welfare funds	-	-	(2,000,000,000)	-	-	(2,000,000,000)
Other increase (*)			255,770,652	-	-	255,770,652
Ending balance of the current year	730,410,300,000	220,358,863,743	533,387,809,097	20,166,850	19,015,859,192	1,503,192,998,882

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

21b. Details of owners' contribution capital

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

21c. Shares

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

21d. Profit distribution

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

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

22. Off-Balance Sheet items**22a. Foreign currencies**

	Ending balance	Beginning balance
US Dollar (USD)	8975.76	6,882.54

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Notes to the Consolidated Financial Statements (cont.)**22b. Resolved doubtful debts from 1 January 2023 to 31 December 2024**

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

	Ending balance	Beginning balance
Thien Son Pharmaceutical Co., Ltd.	16,428,897,499	16,428,897,499
Hai Tam Pharmaceutical Co., Ltd.	4,975,554,629	4,975,554,629
Medical Supply Pharm Enterprise (Cambodia)	3,416,271,572	3,416,271,572
Drug Sivilay Import Export Co. (Laos)	1,310,050,560	1,310,050,560
Others	3,622,105,757	3,622,105,757
Total	29,752,880,017	29,752,880,017

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

	Current year	Previous year
Revenue from sales of merchandise	572,035,523,132	384,601,488,261
Revenue from sales of finished goods	760,591,016,072	785,871,643,101
Total	1,332,626,539,204	1,170,473,131,362

2. Revenue deductions

	Current year	Previous year
Trade discounts	21,316,318,365	21,383,730,463
Sales returns	4,508,901,675	4,944,608,847
Sales allowances	3,877,144	198,491,808
Total	25,829,097,184	26,526,831,118

3. Costs of sales

	Current year	Previous year
Costs of merchandise sold	540,724,008,211	354,388,431,956
Costs of finished goods sold	558,401,287,937	574,562,220,517
Allowance for devaluation of inventories	2,968,161,195	5,081,757,457
Total	1,102,093,457,343	934,032,409,930

4. Financial income

	Current year	Previous year
Interests from term deposits in banks	5,612,945,845	8,513,338,910
Profit from investment cooperation contracts	28,666,177,655	31,153,888,974
Exchange gain arising from transactions in foreign currencies	274,730,039	342,253,940
Exchange gain due to revaluation of monetary items in foreign currencies	-	6,251,088
Total	34,553,853,539	40,015,732,912

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Notes to the Consolidated Financial Statements (cont.)**5. Financial expenses**

	Current year	Previous year
Interest expenses	25,386,683,521	29,170,083,104
Expenses for investment cooperation contracts	107,775,340	1,360,376,028
Exchange loss arising from transactions in foreign currencies	106,456,103	3,053,481,847
Exchange loss due to revaluation of monetary items in foreign currencies	15,900,063	-
Total	25,616,815,027	33,583,940,979

6. Selling expenses

	Current year	Previous year
Labor costs	37,990,611,442	39,828,419,333
Materials, packaging	433,753,903	381,916,545
Depreciation/amortization of fixed assets	2,115,491,030	1,783,319,055
Expenses for external services	47,358,707,104	43,277,642,822
Expenses for sale support	22,111,366,792	7,260,301,559
Expenses for transportation	13,357,548,993	11,372,337,016
Other expenses for external services	11,889,791,319	24,645,004,247
Other expenses	3,028,216,759	2,596,701,278
Total	90,926,780,238	87,867,999,033

7. General and administration expenses

	Current year	Previous year
Labor costs	25,896,969,794	25,189,326,312
Materials and supplies	1,648,908,275	364,731,219
Depreciation/amortization of fixed assets	2,491,854,188	2,580,397,104
Allowance/(Reversal of allowance) for doubtful debts	88,609,162	(1,287,804,169)
Expenses for external services	21,885,419,443	21,480,401,465
Other expenses	1,935,239,838	2,992,958,060
Total	53,947,000,700	51,320,009,991

8. Earnings per share ("EPS")**8a. Basic/diluted EPS**

	Current year	Previous year
Accounting profit after corporate income tax of the Parent Company's shareholders	53,571,100,053	61,717,400,131
Appropriation for bonus and welfare funds (*)	-	(2,000,000,000)
Profit used to calculate basic EPS	53,571,100,053	59,717,400,131
Weighted average number of ordinary shares outstanding during the year	73,041,030	73,041,030
Basic EPS	733	818

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Notes to the Consolidated Financial Statements (cont.)**8b. Other information**

The basic EPS of the previous year was recalculated, decreased from VND 845 to VND 818, due to the deduction of the appropriation for bonus and welfare funds when determining the profit used to calculate basic EPS, in accordance with the guidance of the Circular No. 200/2014/TT-BTC dated 22 December 2024 of the Ministry of Finance.

There have not been any transactions of ordinary shares or potential transactions of ordinary shares from the balance sheet date to the disclosure date of these Consolidated Financial Statements.

9. Operating costs by factors

	Current year	Previous year
Materials and supplies	610,457,521,152	627,515,091,970
Labor costs	120,461,680,790	125,358,231,549
Depreciation/amortization of fixed assets	38,257,502,225	38,278,183,559
Expenses for external services	107,650,666,794	113,483,067,196
Other expenses	26,688,243,906	8,988,670,338
Total	903,515,614,867	913,623,244,612

VII. OTHER DISCLOSURES**1. Transactions and balances with related parties**

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

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

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

Transactions with the key managers and their related individuals

The Group has no transactions with the key managers and their related individuals.

Receivables from and payables to the key managers and their related individuals

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

Compensation of the key managers

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

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Notes to the Consolidated Financial Statements (cont.)

		Salary	Allowance	Total compensation
Ms. Nguyen Ngoc Mai	BOD Member (from 25 April 2024)	-	32,000,000	32,000,000
Mr. Pham Van Ngoc	BOD Member (from 25 April 2024)	-	32,000,000	32,000,000
Ms. Nguyen Thi Thu Huong	BOS Head (from 2 May 2024)	-	24,000,000	24,000,000
Ms. Phan Thi Hoa	Head of BOS (to 2 May 2024)/ BOS Member (from 2 May 2024)	-	28,000,000	28,000,000
Ms. Pham Thi Hue	BOS Member	-	24,000,000	24,000,000
Ms. Le Thi Thuong	BOS Member (to 2 May 2024)	-	8,000,000	8,000,000
Mr. Nguyen Van Ban	General Director (from 1 August 2024)	21,744,445	-	21,744,445
Mr. Luong Trong Hai	General Director (to 1 August 2024)	493,288,000	-	493,288,000
Mr. Nghiem Xuan Truong	Deputy General Director (to 29 November 2024)	1,130,270,382	-	1,130,270,382
Mr. Nguyen Trong Duc	Deputy General Director	109,551,341	-	109,551,341
Ms. Tran Khiem	Deputy General Director (to 1 July 2024)	330,450,000	-	330,450,000
Total		2,085,304,168	336,000,000	2,421,304,168
Previous year				
Mr. Nguyen Van Sang	BOD Chairman	-	60,000,000	60,000,000
Mr. Nguyen Ngoc Bich	BOD Member	-	48,000,000	48,000,000
Mr. Nguyen Ninh Dung	BOD Member	-	48,000,000	48,000,000
Ms. Bui Hong Hanh	BOD Member	-	48,000,000	48,000,000
Ms. Tuong Thi Thu Hanh	BOD Member	-	48,000,000	48,000,000
Ms. Phan Thi Hoa	Head of BOS	-	36,000,000	36,000,000
Ms. Pham Thi Hue	BOS Member	-	24,000,000	24,000,000
Ms. Le Thi Thuong	BOS Member	-	24,000,000	24,000,000
Mr. Luong Trong Hai	General Director	796,826,918	-	796,826,918
Mr. Nghiem Xuan Truong	Deputy General Director	962,150,747	-	962,150,747
Mr. Nguyen Trong Duc	Deputy General Director	128,574,582	-	128,574,582
Ms. Tran Khiem	Deputy General Director	310,302,688	-	310,302,688
Total		2,197,854,935	336,000,000	2,533,854,935

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Notes to the Consolidated Financial Statements (cont.)**1b. Transactions and balances with other related parties**

Other related parties of the Group include:

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

Transactions with other related parties

Other transactions between the Group and other related parties are as follows:

	Current year	Previous year
<i>F.I.T Group., JSC</i>		
Use of office lease services and consulting fees	11,087,271,138	11,104,646,874
Purchase of fixed assets from the related party	1,000,000,000	-
<i>FIT Cosmetics JSC.</i>	-	-
Purchase of merchandise from the related party	267,248,118	202,676,310
<i>F.I.T Land Investment JSC.</i>		
Cash disbursed to the related party under investment cooperation contract	-	58,900,000,000
Recovery of investment cooperation principal from the related party	500,000,000	13,800,000,000
Profit of investment cooperation contract receivable from the related party	2,732,199,172	1,665,845,754
Refund of investment cooperation principal to the related party	-	9,925,000,000
Profit of investment cooperation contract payable to the related party	-	119,800,685
<i>Westfood Exporting and Processing JSC.</i>	-	-
Purchase of merchandise from the related party	-	192,042,500
<i>F.I.T Viet Nam Trading and Import Export Co., Ltd.</i>	-	-
Purchase of merchandise from the related party	148,027,476,988	-
Refund of investment cooperation principal to the related party	3,000,000,000	22,000,000,000
Profit of investment cooperation contract payable to the related party	107,775,340	1,240,575,344

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Notes to the Consolidated Financial Statements (cont.)

	<u>Current year</u>	<u>Previous year</u>
Recovery of investment cooperation principal from the related party	-	8,700,000,000
Profit of investment cooperation contract receivable from the related party	-	106,538,903
<i>Domesco Medical Import - Export Joint Stock Corporation</i>		
Purchase of merchandise from the related party	110,221,873,266	238,512,039,365
Revenue from sales of merchandise to the related party	10,724,016,500	16,762,581,000

Merchandise and services sold to and purchased from other related parties are at market prices.

Receivables from and payables to other related parties

Receivables from and payables to other related parties are presented in Notes V.5, V.14, V.17 and V.18.

Receivables from other related parties are unsecured and will be paid in cash. No allowance has been made for the receivables from other related parties.

2. Segment information

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

3. Subsequent events

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

4. Other information

Benovas Medical Devices JSC. (the subsidiary) is the Defendant in a lawsuit with CONFITECH Cuu Long Joint Stock Company (the Plaintiff). According to the Conciliation Minutes of the People's Court of Vinh Long City, Vinh Long Province, the Plaintiff requested the Defendant to pay for the executed work items, amounting to VND 4,666,770,659, and the Defendant made payment to the Plaintiff according to the Conciliation Minutes. As of the date of these Consolidated Financial Statements, the advance of 10% of the contract, amounting to VND 7,250,000,000 was still in dispute (Note V.4).

Prepared on 19 March 2025

Prepared by

Chief Accountant

General Director





Bui Thi My Dang

Bui Thi My Dang

Nguyen Van Ban