

FINANCIAL STATEMENT

**DANANG PHARMACEUTICAL - MEDICAL EQUIPMENT JOINT
STOCK COMPANY**

For the accounting period of Quarter II of the fiscal year 2025

And cumulatively from 1 January 2025 to 30 June 2025



STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

Code	ASSETS	Note	30/06/2025 VND	01/01/2025 VND
100	A. CURRENT ASSETS		934,268,207,612	1,080,165,522,864
110	I. Cash and cash equivalents	03	14,470,391,226	29,127,572,681
111	1. Cash		14,470,391,226	29,127,572,681
120	II. Short-term investments		128,808,039,802	123,544,270,909
123	1. Held-to maturity investments	04	128,808,039,802	123,544,270,909
130	III. Short-term receivables		754,149,869,193	751,533,989,814
131	1. Short-term trade receivables	05	657,387,235,332	678,163,741,281
132	2. Short-term prepayments to suppliers	06	47,323,129,348	32,531,365,975
135	3. Short-term loan receivables	07	61,100,000,000	54,100,000,000
136	4. Other short-term receivables	08	6,502,899,170	5,252,277,215
137	5. Provision for short-term doubtful debts		(18,163,394,657)	(18,513,394,657)
140	IV. Inventories	10	31,997,665,268	167,152,337,595
141	1. Inventories		31,997,665,268	167,874,687,651
149	2. Provision for devaluation of inventories (*)			(722,350,056)
150	V. Other short-term assets		4,842,242,123	8,807,351,865
151	1. Short-term prepaid expenses	14	1,304,540,606	1,063,643,617
152	2. Deductible VAT		2,790,747,023	6,348,207,171
153	3. Taxes and other receivables from the State budget	18	746,954,494	1,395,501,077
200	B. NON-CURRENT ASSETS		91,613,822,460	92,596,742,193
220	I. Fixed assets		79,150,539,638	80,678,083,819
221	1. Tangible fixed assets	12	57,625,155,898	58,999,338,441
222	- Historical cost		84,287,359,597	83,110,038,277
223	- Accumulated depreciation		(26,662,203,699)	(24,110,699,836)
227	2. Intangible fixed assets	13	21,525,383,740	21,678,745,378
228	- Historical cost		23,760,184,541	23,760,184,541
229	- Accumulated depreciation		(2,234,800,801)	(2,081,439,163)
240	II. Long-term asset in progress	11	2,507,749,968	1,939,045,712
242	1. Construction in progress		2,507,749,968	1,939,045,712
260	III. Other Long-term assets		9,955,532,854	9,979,612,662
261	1. Long-term prepaid expenses	14	9,955,532,854	9,979,612,662
270	TOTAL ASSETS		1,025,882,030,072	1,172,762,265,057

STATEMENT OF FINANCIAL POSITION

As at 30 June 2025 (Continued)

Code	RESOURCES	Note	30/06/2025	01/01/2025
			VND	VND
300	C. LIABILITIES		820,852,292,957	969,000,078,856
310	I. Current liabilities		818,160,867,957	966,518,478,856
311	1. Short-term trade payables	16	580,703,634,747	737,367,907,993
312	2. Short-term prepayments from customers	17	41,892,440,972	52,813,791,682
313	3. Taxes and other payables to State budget	18	348,049,069	366,835,492
314	4. Payables to employees		3,071,578,624	13,072,741,850
315	5. Short-term accrued expenses	19		92,978,488
318	6. Short-term unearned revenue	21	869,316,206	1,125,648,396
319	7. Other short-term payables	20	1,331,115,526	1,542,870,769
320	8. Short-term borrowings and finance lease liabilities	15	189,916,157,261	160,107,128,634
322	9. Bonus and welfare fund		28,575,552	28,575,552
330	II. Non-current liabilities		2,691,425,000	2,481,600,000
337	1. Other long-term payables	20	2,691,425,000	2,481,600,000
400	D. OWNERS' EQUITY		205,029,737,115	203,762,186,201
410	I. Owners' equity	22	205,029,737,115	203,762,186,201
411	1. Contributed capital		161,163,830,000	153,493,280,000
411a	Ordinary shares with voting rights		161,163,830,000	153,493,280,000
412	2. Share premium		9,215,548,634	9,215,548,634
414	3. Other capital		2,334,190,178	2,334,190,178
418	4. Development and investment funds		25,644,628,267	25,644,628,267
421	5. Retained earnings		6,671,540,036	13,074,539,122
421a	Retained earnings accumulated to the previous year		5,403,989,122	5,450,386,745
421b	Retained earnings of the current year		1,267,550,914	7,624,152,377
440	TOTAL CAPITAL		1,025,882,030,072	1,172,762,265,057

Prepared



Tran Khanh Linh

Chief Accountant



Tran Thi Anh Minh

Da Nang, 19 July 2025
Deputy General Director for Operations



Nguyen Trung

STATEMENT OF INCOME

Code	Items	Note	Quarter II of Year 2025	Quarter II of Year 2024	First six months of 2025	First six months of 2024
			VND	VND	VND	VND
01	1. Revenue from sale of goods and rendering of services	24	201,700,146,342	353,554,397,926	502,708,707,526	648,722,225,039
02	2. Revenue deductions	25	347,748,514	735,405,243	676,801,114	1,254,517,587
10	3. Net revenue from sale of goods and rendering of services		201,352,397,828	352,818,992,683	502,031,906,412	647,467,707,452
11	4. Cost of goods sold and services rendered	26	179,628,091,796	329,903,837,254	458,258,781,122	607,222,987,846
20	5. Gross profit from sale of goods and rendering of services		21,724,306,032	22,915,155,429	43,773,125,290	40,244,719,606
21	6. Financial income	27	6,756,844,584	22,123,499,599	14,460,031,932	8,180,926,621
22	7. Financial expense	28	7,647,619,709	23,011,779,839	16,426,169,019	8,135,693,908
23	<i>In which: Interest expenses</i>		<i>1,673,728,305</i>	<i>686,519,069</i>	<i>3,404,207,905</i>	<i>1,433,764,833</i>
25	8. Selling expenses	29	19,384,908,847	15,353,839,832	36,720,140,468	27,262,169,294
26	9. General and administrative expenses	30	1,889,003,514	4,242,337,862	4,700,781,530	7,919,250,941
30	10. Net profit from operating activities		(440,381,454)	2,430,697,945	386,066,205	5,108,532,084
31	11. Other income	31	838,474,434	197,581,004	1,520,272,795	661,398,183
32	12. Other expenses	32	90,705,333	86,244,616	260,187,042	125,145,583
40	13. Other profit		747,769,101	111,336,388	1,260,085,753	536,252,600
50	14. Total net profit before tax		307,387,647	2,542,034,333	1,646,151,958	5,644,784,684
51	15. Current corporate income tax expense	33	77,026,675	520,610,267	378,601,044	1,141,160,337
52	16. Deferred corporate income tax expense					
60	17. Profit after corporate income tax		230,360,972	2,021,424,066	1,267,550,914	4,503,624,347
70	18. Basic earnings per share	34	14	132	79	293

Prepared



Tran Khanh Linh

Chief Accountant



Tran Thi Anh Minh

Deputy General Director for Operations
Da Nang, 19 July 2025



Nguyen Trung

STATEMENT OF CASH FLOW

(Indirect method)

Code	Criteria	Note	First six months of 2025 VND	First six months of 2024 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		1,646,151,958	5,644,784,684
	2. Adjustments for		(564,647,947)	299,895,238
02	- Depreciation and amortization of fixed assets and investment properties		2,704,865,501	1,912,843,451
03	- Provisions		(1,072,350,056)	97,880,569
04	Exchange rate gains, losses arising from the revaluation of monetary items		-	(1,566,185)
05	- Gains, losses from investment activities		(5,601,371,297)	(3,143,027,430)
06	- Interest expenses		3,404,207,905	1,433,764,833
08	3. Operating profit before changes in working capital		1,081,504,011	5,944,679,922
09	- Increase/ decrease in receivables		8,800,421,868	(252,951,227,560)
10	- Increase/ decrease in inventories		135,877,022,383	45,786,563,611
11	- Increase/ decrease in payables (excluding interest payable/ corporate income tax payable)		(177,863,836,038)	209,898,088,938
12	- Increase/ decrease in prepaid expenses		(216,817,181)	(714,590,578)
14	- Interest paid		(3,497,186,393)	(1,574,534,693)
16	- Other receipts from operating activities		-	1,080,000
20	- Net cash flows from operating activities		(35,818,891,350)	6,390,059,640
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		(1,746,025,576)	(976,939,600)
23	2. Loans and purchase of debt instruments from other entities		(189,908,039,803)	(154,011,506,850)
24	3. Collection of loans and resale of debt instrument of other entities		177,644,270,910	130,960,000,000
27	4. Interest and dividend received		5,362,475,737	3,601,425,609
30	Net cash flows from investing activities		(8,647,318,732)	(20,427,020,841)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	1. Proceeds from borrowings		497,266,140,382	371,193,405,071
34	2. Repayment of principal		(467,457,111,755)	(352,889,111,088)
40	Net Cash Flows from Financing Activities		29,809,028,627	18,304,293,983
50	Net cash flows in the year		(14,657,181,455)	4,267,332,782
60	Cash and cash equivalents at the beginning of the year		29,127,572,681	17,184,012,943
61	Effect of exchange rate changes on foreign currency translation			465,414
70	Cash and cash equivalents at the end of the year	03	14,470,391,226	21,451,811,139

Prepared



Tran Khanh Linh

Chief Accountant



Tran Thi Anh Minh

Da Nang, 19 July 2025
Deputy General Director for Operations



Nguyen Trung

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Form of capital ownership

Danang Pharmaceutical-Medical Equipment Joint Stock Company was established and operates under the Business Registration Certificate of Joint Stock Company No. 0400101404 issued by the Department of Planning and Investment of Danang City on 22 March 2005, registered for the eighteenth change on 11 July 2025.

Company's headquarters is located at: No. 02, Phan Dinh Phung Street, Hai Chau Ward, Danang City.

Charter capital of Company is: 161,163,830,000 VND, equivalent to 16.116.383 shares, par value of one share 10,000 VND.

The number of employees of Company as at 30 June 2025 is: 209 people (as at 01 January 2025 is: 222 people)

Business field

Trading in pharmaceuticals, medicinal herbs, traditional medicine products, vaccines, medical biological products and medical equipment.

Business activities

Main business activities of Company is:

- Business - import and export: Pharmaceuticals, medicinal materials, chemicals, medical equipment and scientific supplies, nutritional and preventive foods, vaccines and biological products, mosquito repellent incense, mosquito spray, eyeglasses, cosmetics, various types of milk, candies, vitamin-enriched beverages, mineral water, and office supplies;
- Manufacture pharmaceuticals according to the list permitted by the Ministry of Health;
- Technology transfer and medical and scientific technical services: delivery, installation, user guidance, warranty, maintenance, and repair of medical and scientific equipment;
- Rental services: offices, warehouses.

Corporate structure

Company's member entities are as follows:	Address	Main business activities
Representative office	Da Nang City	Pharmaceutical distribution
Hanoi Branch	Ha Noi City	Pharmaceutical distribution
Ho Chi Minh City Branch	Ho Chi Minh City	Pharmaceutical distribution

2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY AT COMPANY

2.1. Accounting period and accounting currency

Annual accounting period of Company commences from January 1 and ends as at December 31

Company maintains its accounting records in Vietnam Dong (VND)

2.2. Standards and Applicable Accounting Policies

Applicable Accounting Policies

Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Declaration of compliance with Accounting Standards and Accounting System

Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3. Basis for the preparation of Financial Statements

Financial Statement is prepared based on historical cost principle.

The financial Statement of Company are prepared based on summarization of the financial statement of the independent accounting entities and the head office of the Company

In the Financial Statement of Company, internal transactions and internal balance related to assets, liabilities, and receivables and payables....have been eliminated.

2.4. Accounting Estimates

The preparation of Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the end of the fiscal year and the reported amounts of revenues and expenses during the fiscal year.

The estimates and assumptions that have a material impact in the Financial Statements include:

- Provision for bad debts;
- Provision for devaluation of inventory;
- Estimated allocation of prepaid expenses;
- Estimated useful life of fixed assets;
- Classification and provision of financial investments;
- Estimated corporate income tax.

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on Financial Statement of Company and that are assessed by the Board of Management of Company to be reasonable under the circumstance.

2.5. Financial Instruments

Initial Recognition

Financial Assets

Financial assets of Company include cash, cash equivalents, trade receivables, other receivables, lending loans. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial Liabilities

Financial liabilities of Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

Financial assets and financial liabilities are not revalued according to fair value at the end of fiscal year because the Circular No 210/2009/TT-BTC and prevailing statutory regulations require to present Financial statements and Notes to financial instruments but not provide any relevant instruction for assessment and recognition of fair value of financial assets and financial liabilities.

2.6. Foreign Currency Transactions

Foreign currency transactions during the fiscal year are transferred into Vietnam Dong using the actual rate at transaction date

Actual exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Financial Statement is determined under the following principles

- For cash deposited in bank: Applying the bid rate of the commercial bank where Company opens its foreign currency accounts;
- For liability accounts: Applying the offer rate of the commercial bank where Company regularly conducts transactions.

All exchange differences arising as a result of transactions or revaluation at the balance sheet date will be recorded into the financial income or expense in the fiscal year.

2.7. Cash

Cash includes cash on hand and demand deposits, and cash in transit.

2.8. Financial Investments

Investments held to maturity include: Term deposits at banks, loans, ... held to maturity for the purpose of collecting periodic interest and other investments held to maturity.

The provision for impairment of held-to-maturity investments is established at year-end based on the recoverability of such investments, in accordance with legal regulations on setting up provisions for doubtful debts.

2.9. Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of Company. The receivables shall be classified into short-term

receivables or long-term receivables on the Financial Statements according to their remaining terms at the reporting date.

Provision for doubtful debts is made for the following receivables: overdue receivables as stated in economic contracts, loan agreements, contractual commitments, or debt acknowledgments, and receivables that are not yet due but are deemed difficult to collect. Specifically, the provision for overdue receivables is based on the original repayment schedule under the initial sales contract, while provision for receivables not yet due is made in cases where the debtor is bankrupt, undergoing dissolution procedures, missing, absconding, or when a potential loss is anticipated.

2.10. Inventories

Inventories are initially recognized at cost, which includes: purchase costs, processing costs, and other directly attributable costs incurred to bring the inventories to their present location and condition at the time of initial recognition. After initial recognition, if, at the time of preparing the Financial Statements, the net realizable value of inventories is lower than their cost, inventories are measured at net realizable value.

For imported goods, the timing of inventory recognition is determined at the point when most of the risks and rewards associated with ownership of the products or goods have been transferred to the buyer in accordance with the delivery terms of Incoterms 2020.

Net realizable value is estimated based on the selling price of the inventory minus the estimated costs for completing the products and the estimated costs needed for their consumption.

The cost of inventory is calculated using weighted average method on a monthly basis for regular items that are not sold in batches and using the specific identification method for items sold in batches.

Inventory is recorded by perpetual method.

Provision for devaluation of inventories made at the end of the year is based on the excess of original cost of inventory over their net realizable value.

2.11. Fixed Assets

Tangible fixed assets and intangible fixed assets are initially recognized at cost. During usage, tangible fixed assets and intangible fixed assets are recognized at their original cost, accumulated depreciation, and remaining value.

Subsequent measurement after initial recognition

If these costs augment future economic benefits obtained from the use of tangible fixed assets are extended to their initial standards conditions, these costs are capitalized as an incremental in their historical cost.

Other costs incurred after tangible fixed assets have been put into operation such as repair, maintenance and overhaul costs are recognized in the Statements of Income in the year in which the costs are incurred

Depreciation of fixed assets is calculated using the straight-line method over the estimated useful lives as follows:

- Buildings and structures	06 - 30 years
- Other Machinery, equipment	03 - 06 years
- Vehicles, Transportation equipment	05 - 10 years
- Office equipment and furniture	03 - 10 years
- Other fixed assets	03 years
- Management software	03 - 10 years
- Definite land use right	50 years
- Indefinite land use right	No amortization

There are some of the Company's buildings and structures are used both for owner-occupied purposes and for leasing. However, the leasing activity is only implemented in the short term, and the Company plans to carry out initial production and business activities on these assets in the near future. Therefore, the value of these buildings and structures is tracked by the Company under the Tangible Fixed Assets item.

2.12. Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs.

2.13. Operating Leases

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to Statement of Income on a straight-line basis over the period of the lease.

2.14. Prepaid Expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting previous.

The calculation and allocation of long-term prepaid expenses to operating expenses in the fiscal year should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Types of prepaid expenses of Company include:

- Prepaid land expenses include prepaid land rental, including those related to leased land for which Company.

Company has received certificate of land use right but not eligible for recording as intangible fixed asset in accordance with the Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance guiding regulation on management, use and depreciation of fixed assets and other expenses related to ensure for the use of leased land. These expenses are recognized in the consolidated statement of income on a straight-line basis according to the lease term of the contract.

- Tools and supplies include assets which are possessed by the Company in an ordinary course of business, with historical cost of each asset less than 30 million dongs and therefore not eligible for recording as fixed asset under current legal regulations. The historical cost of tools and supplies are allocated on the straight-line basis not exceeding 36 months.

Other prepaid expenses are recorded at their historical costs and allocated on the straight-line basis not exceeding 36 months.

2.15. Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of Company. The payables shall be classified into short-term payables or long-term payables on the Financial Statements according to their remaining terms at the reporting date.

2.16. Borrowings and finance lease liabilities

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings . In case of borrowings denominated in foreign currency, they shall be recorded in details in terms of types of currency.

2.17. Borrowing Costs

Borrowing costs are recognized as operating expenses in the year , in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 “Borrowing costs”. Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.18. Accrued Expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as which are recorded as operating expenses of the year.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.19. Unearned Revenue

Unearned revenues include prepayments from customers for one or several accounting periods relating to asset leasing.

Unearned revenue is transferred to Revenue from sales of goods and provision of services based on the amounts recognized in accordance with each financial year.

2.20. Owner's Equity

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

Share premium is recorded at the difference between the par value, the direct costs associated with the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Other capital is the operating capital formed from the operating results or from gifts, presents, financing, assets revaluation (if these items are allowed to be recorded as a decrease or increase in the owner's equity).

Retained earnings are used to present the Company's operating results (gain, loss) after corporate income tax and profits appropriation or loss handling of Company.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Directors of Company and announcement of cut-off date for dividend payment of Vietnam Securities Depository and Clearing Corporation.

2.21. Revenue

Revenue is recognized to extent that it is probable that the economic benefits will flow to Company.

Revenue is recognized at the fair value of the amounts received or receivable, after deducting trade discounts, sales allowances, and sales returns. In addition, the following specific recognition criteria must also be met when revenue is recognized:

Revenue from sale of goods:

- The majority of risks and benefits associated with the right to own the products or goods have been transferred to the buyer;
- Company no longer holds the right to manage the goods as the goods owner, or the right to control the goods.

Revenue from rendering of services:

- Identify portion of work completed as of the balance sheet dates can be reliably determined.

Financial income

Revenue arising from interest income and other financial income is recognized when both of the following conditions are met:

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

2.22. Revenue Reductions

Revenue deductions from sales of goods and rendering of services arising in the year include: Trade discounts, sales discounts and sales returns.

Trade discount, sales discount and sales return incurred in the same period of sale of goods and rendering of services are recorded as a decrease in revenue in the incurring period. In case goods and services are sold in the previous periods, but until the next period they are incurred as deductible items, the Company records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Financial Statements, it is then recorded as a decrease in revenue on the Financial Statements of the reporting period (the previous year); and if it is incurred after the issuance of Financial Statements, it is recorded as a decrease in revenue of incurring period (the next year).

2.23. Cost of Goods Sold and service provided

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis. Cases of loss of materials and goods exceeded the norm, labour cost and fixed manufacturing overheads not allocated to the value of inventory, provision for devaluation of inventory, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year even when products and goods have not been determined as sold.

2.24. Financial Expenses

Items recorded as financial expenses include:

- Borrowing costs;
- Loss incurred from foreign currency sales, and foreign exchange losses.....

The above items are recorded by the total amount arising in the year without offsetting against financial income.

2.25. Corporate Income Tax

a) Current corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate.

b) Current corporate income tax rate

For the accounting period from 1 January 2025 to 30 June 2025, the Company was subject to a corporate income tax rate of 20% on business and production activities that generated taxable income.

2.26. Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss after tax attributable to ordinary shareholders of the Company (after adjustments for appropriations to the Bonus and Welfare Fund and the Executive Bonus Fund) by the weighted average number of ordinary shares outstanding during the year.

2.27. Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of Company, or being under common control with Company, including Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of Company that have a significant influence on Company, key management personnel including directors and employees of Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Financial Statement, Company should consider the nature of the relationship rather than the legal form of the relationship.

2.28. Segment information

Due to operating in the distribution of pharmaceuticals and medical equipment within the territory of Vietnam, the Company does not prepare segment reports by business segment and geographical segment.

3. CASH

	30/06/2025	01/01/2025
	VND	VND
Cash on hand	36,053,684	80,608,843
Demand deposits	14,326,488,558	28,595,862,787
Cash in transit	107,848,984	451,101,051
	14,470,391,226	29,127,572,681

4. HELD-TO MATURITY INVESTMENTS

	30/06/2025		01/01/2025	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
- Term deposits (1)	106,908,039,802	-	62,484,270,909	-
- Certificates of deposit (2)	21,900,000,000	-	61,060,000,000	-
	128,808,039,802	-	123,544,270,909	-

(1) As of 30 June 2025, term deposits with maturities of less than 12 months amounting to VND 106,908,039,802 were placed at Vietnamese commercial banks.

(2) As of 30 June 2025, the certificate of deposit issued by VPBank SMBC Finance Company Limited had a maturity of less than 12 months, with interest rates determined according to individual contracts, and a purchase price at par value of VND 21,900,000,000.

– As of 30 June 2025, certain term deposits were pledged as collateral for the Company's borrowings (Details in Note 15), with a total value of VND 33,159,600,000.

5. TRADE RECEIVABLES

	30/06/2025		01/01/2025	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Related parties	-	-	-	-
Other	657,387,235,332	(18,163,394,657)	678,163,741,281	(18,513,394,657)
Da Nang Hospital	5,734,615,309	-	3,874,516,480	-
Hue Central Hospital	18,125,330,509	-	13,336,632,720	-
Phuong Le Pharmaceutical and Medical Equipment Co., Ltd. (*)	98,947,538,587	-	100,248,659,132	-
EU Pharmaceutical Joint Stock Company (*)	-	-	18,514,541,742	-

Cali - U.S.A Pharmaceutical Co., Ltd. (*)	8,303,096,684	-	17,700,874,767	-
S Pharmaceutical Co., Ltd. (*)	35,711,406,048	-	10,738,461,976	-
Hiep Thuan Thanh Medical Co., Ltd. (*)	39,939,404,673	-	27,757,042,051	-
Thai Nhan Pharmaceutical and Cosmetic Co., Ltd. (*)	22,020,237,082	-	70,359,953,887	-
Gia Viet Pharmaceutical Trading Co., Ltd. (*)	14,405,146,612	-	13,734,566,869	-
Mr. Nguyen Hai Hung (*)	18,341,998,487	(10,911,001,197)	18,341,998,487	(10,911,001,197)
Minh Tien Pharmaceutical Co., Ltd.	5,785,033,068	(5,785,033,068)	6,135,033,068	(6,135,033,068)
Other customers (*)	390,073,428,273	(1,467,360,392)	377,421,460,102	(1,467,360,392)
	657,387,235,332	(18,163,394,657)	678,163,741,281	(18,513,394,657)

As of 30/06/2025, receivables arising from loans of Bank for Investment and Development of Vietnam – Song Han Branch and Vietnam Joint Stock Commercial Bank for Industry and Trade were pledged as collateral for loans at these banks (Details in Note 15).

(*) Some of the customer receivables are guaranteed by suppliers through a tripartite payment guarantee agreement signed between the Company, the suppliers, and the customers, and other collateral. Accordingly, the Company only has to pay the suppliers when it has collected money from the guaranteed customers. As of 30/06/2025, the balance of customer receivables guaranteed by the Company corresponds to the payable to suppliers used for guarantee with a value of VND 462,065,656,472.

(**) Customer receivables are secured by a land plot at Da Nang city.

6. PREPAYMENTS TO SUPPLIERS

	30/06/2025		01/01/2025	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Related parties	-	-	-	-
Other	47,323,129,348	-	32,531,365,975	-
- Asian Dimedical Pte Ltd	1,178,847,833	-	1,178,847,833	-
- Saint Corporation	5,190,093,991	-	1,414,173,492	-
- Inbiotech L.T.D	2,390,306,489	-	8,595,194,613	-
- H&B Pharma International INC	2,622,399,049	-	6,606,048,918	-
- Other prepayment to suppliers	35,941,481,986	-	14,737,101,119	-
	47,323,129,348	-	32,531,365,975	-

7. LOAN RECEIVABLES

	01/01/2025		During the year			30/06/2025	
	Value	Provision	Increase	Decrease	Value	Provision	
	VND	VND	VND	VND	VND	VND	
<i>Related parties</i>	54,100,000,000	-	61,100,000,000	54,100,000,000	61,100,000,000	-	
Elmich Joint Stock Company	54,100,000,000	-	61,100,000,000	54,100,000,000	61,100,000,000	-	
	54,100,000,000	-	61,100,000,000	54,100,000,000	61,100,000,000	-	

The detail of loan receivables are as follows:

Currency	Purpose of borrowing	Interest Rate per annum	Maturity date	Guarantee	30/06/2025	01/01/2025
					VND	VND
<i>Related parties</i>					61,100,000,000	54,100,000,000
Elmich Joint Stock Company	VND	Following each disbursement contract	6 months	Unsecured	61,100,000,000	54,100,000,000
					61,100,000,000	54,100,000,000

8. OTHER RECEIVABLES

	30/06/2025		01/01/2025	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Details by content</i>				
- Loan Interest and deposit interest	3,474,952,446	-	3,236,056,886	-
- Mortgages	1,729,123,754	-	1,545,887,376	-
- Other receivables	1,298,822,970	-	470,332,953	-
	6,502,899,170	-	5,252,277,215	-
<i>Details by Object</i>				
<i>Related parties</i>	966,900,821	-	725,713,699	-
- Elmach Joint Stock Company	966,900,821	-	725,713,699	-
<i>Other</i>	5,535,998,349	-	4,526,563,516	-
- SMBC Vietnam Prosperity Bank Finance Company Limited	629,482,191	-	1,289,836,164	-
- Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	125,624,229	-	242,906,474	-
- Saigon – Hanoi Commercial Joint Stock Bank (SHB) - Ha Noi Branch	397,589,042	-	199,452,055	-
- Vietnam Technological and Commercial Joint stock Bank (Techcombank)	139,808,219	-	-	-
- Vietnam Joint Stock Commercial Bank For Industry And Trade (Vietinbank)	6,650,960	-	42,644,384	-
- Vietnam Prosperity Joint stock Commercial Bank	1,194,772,603	-	641,493,151	-
- Joint Stock Commercial Bank for Investment and Development of Vietnam	14,124,381	-	94,010,959	-
- Other receivables	3,027,946,724	-	2,016,220,329	-
	6,502,899,170	-	5,252,277,215	-

9. DOUBTFUL DEBTS

	30/06/2025		01/01/2025	
	Original Value	Recoverable Value	Original Value	Recoverable Value
	VND	VND	VND	VND
- Total value of receivables and debts that are overdue or not due but are difficult to be recovered				
+ Trade receivables	25,672,216,918	7,508,822,261	26,022,216,918	7,508,822,261
- Quang Ngai Pharmaceutical - Medical Supplies State-owned Company Limited.	917,826,085	-	917,826,085	-
- Mr. Nguyen Hai Hung	18,341,998,487	7,430,997,290	18,341,998,487	7,430,997,290
- Quang Nam Medical College	297,880,569	-	297,880,569	-
- Minh Tien Pharmaceuticals Co., Ltd.	5,785,033,068	-	6,135,033,068	-
- Other overdue	329,478,709	77,824,971	329,478,709	77,824,971
	25,672,216,918	7,508,822,261	26,022,216,918	7,508,822,261

10. INVENTORIES

	30/06/2025		01/01/2025	
	Original Value	Provision	Original Value	Provision
	VND	VND	VND	VND
- Goods in transit	-	-	125,147,795,016	-
- Raw materials	3,173,669,300	-	3,334,548,587	-
- Finished goods	2,128,376,364	-	1,992,099,654	-
- Goods	26,695,619,604	-	37,400,244,394	(722,350,056)
	31,997,665,268	-	167,874,687,651	(722,350,056)

As of 30/06/2025, the cost of inventory formed from loans from the Bank for Investment and Development of Vietnam – Song Han Branch and Vietnam Joint Stock Commercial Bank for Industry and Trade was pledged as collateral for loans at these banks (see Note 15 for details).

11. CONSTRUCTION IN PROGRESS

	30/06/2025	01/01/2025
	VND	VND
- <i>Acquisitions</i>	2,507,749,968	1,354,180,168
+ Storage rack system at Hoa Cam warehouse	1,236,880,168	1,236,880,168
+ Other acquisition	1,270,869,800	117,300,000
- <i>Construction in progress</i>	-	584,865,544
+ Repair and renovation of other projects	-	584,865,544
	2,507,749,968	1,939,045,712

12. TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Fixed assets used in management	Other tangible fixed assets	Total
	VND	VND	VND	VND	VND	VND
Original Cost						
Beginning balance of the year	65,633,267,262	9,010,543,628	4,573,893,014	2,677,225,887	1,215,108,486	83,110,038,277
- Purchase in the year	-	220,538,095	-	-	-	220,538,095
- Completed construction investment	956,783,225	-	-	-	-	956,783,225
Ending balance of the year	66,590,050,487	9,231,081,723	4,573,893,14	2,677,225,887	1,215,108,486	84,287,359,597
Accumulated depreciation						
Beginning balance of the year	14,959,852,821	2,705,681,511	4,295,481,896	1,286,193,127	863,490,481	24,110,699,836
- Depreciation in the year	1,871,665,122	487,772,117	43,533,642	128,325,480	20,207,502	2,551,503,863
Ending balance of the year	16,831,517,943	3,193,453,628	4,339,015,538	1,414,518,607	883,697,983	26,662,203,699
Net carrying amount						
Beginning balance of the year	50,673,414,441	6,304,862,117	278,411,118	1,391,032,760	351,618,005	58,999,338,441
Ending balance of the year	49,758,532,544	6,037,628,095	234,877,476	1,262,707,280	331,410,503	57,625,155,898

- Net book value at year-end of tangible fixed assets pledged or mortgaged as collateral for borrowings: VND 10,634,357,731

13. INTANGIBLE FIXED ASSETS

	Land use rights VND	Computer software VND	Total VND
Historical Cost			
Beginning balance	19,975,925,041	3,784,259,500	23,760,184,541
- Purchased in the period	-	-	-
- Liquidated, disposed	-	-	-
Ending balance	19,975,925,041	3,784,259,500	23,760,184,541
Accumulated Amortization			
Beginning balance	55,993,172	2,025,445,991	2,081,439,163
- Amortization in the period	1,751,910	151,609,728	153,361,638
Ending balance	57,745,082	2,177,055,719	2,234,800,801
Net carrying amount			
As at the beginning of the period	19,919,931,869	1,758,813,509	21,678,745,378
As at the ending of the period	19,918,179,959	1,607,203,781	21,525,383,740

Net book value as of 30/06/2025 of intangible fixed assets pledged or mortgaged as collateral for borrowings: VND 13,521,089,694.

14. PREPAID EXPENSES

	30/06/2025 VND	01/01/2025 VND
a) Short-term		
- Repair and renovation Costs	5,003,332	1,133,331
- Rental Costs	460,727,272	164,363,636
- Insurance Costs	386,636,728	81,525,910
- Other	452,173,275	816,620,740
	1,304,540,606	1,063,643,617
b) Long-term		
- Prepaid land lease - Hoa Cam Industrial Zone (*)	6,554,150,135	6,666,828,935
- Tools and Supplies Issued	1,744,593,343	1,012,859,945
- Repair Costs	934,707,866	619,719,284
- Other	722,081,510	1,680,204,498
	9,955,532,854	9,979,612,662

(*) One-time prepaid land rental at Hoa Cam Industrial Park - Da Nang City for an area of 9,000 m² to serve the construction of the GSP warehouse system. As of 30/06/2025, the remaining lease term is 29 years and 2 months. The land rental cost allocated to expenses during the period is VND 112,678,800.

15. SHORT-TERM BORROWINGS

	01/01/2025		During the year		30/06/2025	
	Value	Amount can be paid	Increases	Decreases	Value	Amount can be paid
	VND	VND	VND	VND	VND	VND
+ Joint Stock Commercial Bank for Investment and Development of Vietnam-Song Han Branch (1)	74,772,478,104	74,772,478,104	193,168,334,446	188,107,177,804	79,833,634,746	79,833,634,746
+ Vietnam Export Import Commercial Joint Stock-Da Nang Branch (2)	-	-	-	-	-	-
+ Vietnam Joint Stock Commercial Bank of Industry and Trade-Da Nang Branch (3)	85,304,650,530	85,304,650,530	266,351,933,689	259,699,103,311	91,957,480,908	91,957,480,908
+ Joint Stock Commercial Bank For Foreign Trade Of Vietnam (4)	-	-	37,699,872,247	19,620,830,640	18,079,041,607	18,079,041,607
+ Vietnam Technological and Commercial Joint Stock Bank-Da Nang Branch (5)	-	-	-	-	-	-
+ Personal Loans (6)	30,000,000	30,000,000	46,000,000	30,000,000	46,000,000	46,000,000
	160,107,128,634	160,107,128,634	497,266,140,382	467,457,111,755	189,916,157,261	189,916,157,261

Detailed information on Short-term borrowings:

Detailed information on Short-term borrowings from banks and credit institutions is as follows:

	Loan Contract No	Currency	Interest Rate	Loan Term	Purpose of Loan	Guarantee	30/06/2025 VND	01/01/2025 VND
Other parties								
(1) Joint Stock Commercial Bank for Investment and Development of Vietnam-Song Han Branch	Contract 01/2023/7609338/HD TD	VND	Per loan	Under 6 months	Supplement working capital	1.1	189,916,157,261	160,107,128,634
							79,833,634,746	74,772,478,104
(2) Vietnam Export Import Commercial Joint Stock-Da Nang Branch	Contract 1002-LAV-230084868	VND	Floating	Under 6 months	Supplement working capital	2.1	-	-
(3) Vietnam Joint Stock Commercial Bank of Industry and Trade-Da Nang Branch	Contract 01/2023/300029490-HDCVHM/NHCT480 -DAPHARCO	VND	Floating	Under 6 months	Supplement working capital	3.1	91,957,480,908	85,304,650,530
(4) Joint Stock Commercial Bank For Foreign Trade Of Vietnam	Contract VHN166782	VND	Floating	Under 6 months	Supplement working capital		18,079,041,607	-
(5) Vietnam Technological and Commercial Joint Stock Bank-Da Nang Branch	Contract DNG20231228727/H DTD	VND	Floating	Under 6 months	Supplement working capital	Credit guarantee	-	-
(6) Personal Loans		VND	Per loan	Per loan	Supplement working capital	Credit guarantee	46,000,000	30,000,000
							189,916,157,261	160,107,128,634

(1.1) Mortgage of land use rights and assets attached to the land under Real Estate Mortgage Contract No. 0007.14/HDTC dated 28 February 2014 and the amended and supplemented agreement No. 01/2016/7609338/SDBS dated 30 December 2016.

(1.b) Real Estate Mortgage Contract No. 04/2024/7609338/HDBD dated 28 November 2024.

– Mortgage of inventories and receivables formed from loan proceeds.

(2.1) Collateral provided by the borrower, including: deposit amount – 10% of the LC value as a security deposit; the remaining amount shall be fully paid by the borrower or disbursed under the approved credit limit upon receipt of the documents.

(3.1) Collateral provided by the borrower includes inventories, receivables formed from loan proceeds, and land use rights under the following mortgage contracts:

+ Asset Mortgage Contract No. QN062010/HDTC dated 21 September 2010;

+ Asset Mortgage Contract No. 07130901/HDTC dated 8 April 2008;

+ Asset Mortgage Contract No. 06130902/HDTC dated 6 November 2006;

+ Asset Mortgage Contract No. 06130901/HDTC dated 6 November 2006.

- Mortgage of inventories and receivables formed from loan proceeds.
Loans from banks and other credit institutions have been secured by mortgage contracts signed with the lenders and have been duly registered with the secured transaction registry.

16. TRADE PAYABLES

	30/06/2025		01/01/2025	
	Value	Amount can be paid	Value	Amount can be paid
	VND	VND	VND	VND
Related Parties	-	-	27,843,750	27,843,750
- Megram Joint Stock Company	-	-	27,843,750	27,843,750
Other	580,703,634,747	580,703,634,747	737,340,064,243	737,340,064,243
- Inbiotech L.T.D (*)	8,217,115,548	8,217,115,548	33,969,559,659	33,969,559,659
- Axon Drugs Private Ltd	14,403,829,026	14,403,829,026	18,109,218,894	18,109,218,894
- Delta Pharma Limited (*)	17,524,041,089	17,524,041,089	42,868,880,451	42,868,880,451
- Prime Pharmaceutical Limited (*)	13,450,698,000	13,450,698,000	13,080,067,920	13,080,067,920
- Growena Impex Company (*)	-	-	31,916,233,301	31,916,233,301
- Incepta Pharmaceuticals Ltd	58,298,202,770	58,298,202,770	78,833,726,748	78,833,726,748
- Pharmix Corporation	6,382,093,009	6,382,093,009	6,382,093,009	6,382,093,009
- Other Entities (*)	462,427,655,305	462,427,655,305	512,180,284,261	512,180,284,261
	580,703,634,747	580,703,634,747	737,367,907,993	737,367,907,993

(*) Certain payables to suppliers are guaranteed by the suppliers for the Company's receivables from customers through tripartite payment guarantee agreements signed between the Company, the suppliers, and the customers. Accordingly, the Company is only obligated to make payments to the suppliers upon receiving payments from the guaranteed customers. Refer to Note 5 for further details.

17. PREPAYMENT FROM CUSTOMERS

	30/06/2025	01/01/2025
	VND	VND
Related Parties	-	-
Other	41,892,440,972	52,813,791,682
- Thien An Pharmaceutical Co., Ltd.	2,463,811,021	7,764,215,946
- Da Phuc Pharmaceutical Co.,Ltd	-	9,676,122,972
- Lien Mai Pharmaceutical Co.,Ltd	5,450,924,050	5,450,924,050
- Other Customers	33,977,705,901	29,922,528,714
	41,892,440,972	52,813,791,682

18. TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Beginning balance of receivables	Beginning balance of payables	Amounts payable during the period	Amounts actually paid during the period	Ending balance of receivables	Ending balance of payables
	VND	VND	VND	VND	VND	VND
- Value-Added Tax	270,410,963	14,810,304	94,722,662,603	94,458,060,141	-	9,001,803
- Export, import duties	-	-	3,478,702,763	3,479,168,187	465,424	-
- Corporate Income Tax	1,125,090,114	-	378,601,044	-	746,489,070	-
- Personal Income Tax	-	352,025,188	3,113,234,992	3,126,212,914	-	339,047,266
- Land Tax and Land Rental	-	-	537,114,756	537,114,756	-	-
- Fees, Charges, and other Payables	-	-	20,000,000	20,000,000	-	-
	1,395,501,077	366,835,492	102,250,316,158	101,620,555,998	746,954,494	348,049,069

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

19. ACCURED EXPENSES

	30/06/2025	01/01/2025
	VND	VND
- Interest expense	-	92,978,488
		92,978,488

20. OTHER PAYABLES

	30/06/2025	01/01/2025
	VND	VND
a) Short-term payables		
a.1) Details by content		
- Surplus of assets awaiting resolution	428,469,853	70,478,826
- Trade union fee	77,985,874	76,721,942
- Social insurance	28,632,446	28,369,284
- Short-term deposits, collateral received	424,000,000	415,000,000
- Other payables	372,027,353	952,300,717
	1,331,115,526	1,542,870,769
a.2) Details by object		
- Social insurance at Da Nang City	28,632,446	28,369,284
- Other objects	1,302,483,080	1,514,501,485
	1,331,115,526	1,542,870,769
b) Long-term payables		
b.1) Details by content		
- Long-term deposits, collateral received	2,691,425,000	2,481,600,000
	2,691,425,000	2,481,600,000
b.2) Details by object		
- GIMGAMED Pharmaceutical Co.,Ltd	1,500,000,000	1,500,000,000
- Buymed Logistics Co.,Ltd	787,725,000	787,725,000
- Other objects	403,700,000	193,875,000
	2,691,425,000	2,481,600,000

21. UNEARNED REVENUES

	30/06/2025	01/01/2025
	VND	VND
- Deferred revenue from land lease (*)	869,316,206	1,125,648,396
	869,316,206	1,125,648,396

(*) Revenue received in advance from leasing premises in Cam Le ward, Da Nang city and in Hai Chau ward, Da Nang city.

22. OWNER EQUITY

a) Changes in owner's equity

	Contributed capital	Share premium	Other capital	Development and investment funds	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Beginning balance of the prior period	153,493,280,000	9,215,548,634	2,334,190,178	25,644,628,267	5,450,386,745	196,138,033,824
Gain for the prior period	-	-	-	-	4,503,624,347	4,503,624,347
Cash dividend payment	-	-	-	-	-	-
Ending balance of the prior period	153,493,280,000	9,215,548,634	2,334,190,178	25,644,628,267	9,954,011,092	200,641,658,171
Beginning balance of the current period	153,493,280,000	9,215,548,634	2,334,190,178	25,644,628,267	13,074,539,122	203,762,186,201
Capital increase during the year	7,670,550,000	-	-	-	-	7,670,550,000
Gain for the period	-	-	-	-	1,267,550,914	1,267,550,914
Dividend distribution	-	-	-	-	(7,670,550,000)	(7,670,550,000)
Ending balance of the current period	161,163,830,000	9,215,548,634	2,334,190,178	25,644,628,267	6,671,540,036	205,029,737,115

b) Details of Contributed capital

	Ending the year	Rate	Beginning the year	Rate
	VND	%	VND	%
Megram Joint Stock Company	82,204,690,000	51.01	78,290,190,000	51.01
Danapha Pharmaceutical Joint Stock Company	11,547,800,000	7.17	10,997,910,000	7.17
Mr. Pham Van Truong	10,710,000,000	6.65	10,050,000,000	6.55
Other	56,701,340,000	35.17	54,155,180,000	35.27
	161,163,830,000	100	153,493,280,000	100

c) Capital transactions with owners and distribution of dividends and profits

	First six months of 2025	First six months of 2024
	VND	VND
Owner's contributed capital		
- Contributed capital at the beginning of the year	153,493,280,000	153,493,280,000
- Additional capital contributed during the year	7,670,550,000	-
- Contributed capital at year-end	161,163,830,000	153,493,280,000
Dividends, Profit:		
- Dividends, profit payable at the beginning of the year		-
- Dividends, profit payable in the year	-	-
+ Dividends, profit payable from last year's profit	-	-
- Dividends, profits paid in cash	-	-
+ Dividends, profit payable from last year's profit	-	-
- Dividends, profit payable at the end of the year	-	-

d) Share

	30/06/2025	01/01/2025
Quantity of Authorized issuing shares	16,116,383	15,349,328
Quantity of issued shares	16,116,383	15,349,328
- Common shares	16,116,383	15,349,328
Quantity of outstanding shares in circulation	16,116,383	15,349,328
- Common shares	16,116,383	15,349,328
Par value per share: (VND):	10.000	10.000

e) Company's reserves

	30/06/2025	01/01/2025
	VND	VND
- Development and investment funds	25,644,628,267	25,644,628,267
	25,644,628,267	25,644,628,267

23. OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT

a) Operating asset for leasing

The Company is currently leasing a property located at 06 Tran Quoc Toan Street, Hai Chau Ward, Da Nang City, with an area of 400.6 m² under an operating lease agreement until 9 September 2027.

The Company has signed a warehouse lease agreement at Hoa Cam Industrial Park - Da Nang City with a total area of 2,127.6 m² under an operating lease agreement until 1 June 2026.

b) Operating leased assets

The Company has signed land lease contracts in Da Nang City for the purposes of building offices, product stores and warehouses. Under these contracts, the company is required to pay annual land rental fees until the contract expiration date, in accordance with the prevailing regulations of the State.

The Company signed a land lease contract at Hoa Cam Industrial Park - Da Nang City with an area of 9,000 m² to serve the construction of a drug storage warehouse and a medical supplies factory. The company paid the land rent once for the lease period from January 2019 to August 2054.

c) Assets held under trust

The company is accepting the mortgage of certain customers' assets to secure accounts receivable, including: Inventory stored at the Hanoi and Ho Chi Minh City branches of some customers; A land lot at Da Nang City.

d) Foreign currencies

	Unit	30/06/2025	01/01/2025
- US Dollars (\$)	USD	18,627.67	18,640.87
- Euro (€)	EUR	309.49	309.32

24. TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	First six months of 2025 VND	First six months of 2024 VND
- Revenue from pharmaceutical sales	352,654,622,471	523,941,099,792
- Revenue from medical equipment sales	125,540,649,875	90,197,590,923
- Revenue from services provided	25,513,435,180	34,583,534,324
	502,708,707,526	648,722,225,039

In which: Revenue from related parties
(Detailed in Note 39)

- -

25. REVENUE DEDUCTIONS

	First six months of 2025 VND	First six months of 2024 VND
- Trade discounts	538,687,032	943,752,553
- Sale discounts	12,602,654	-
- Sale returns	125,511,428	310,765,034
	676,801,114	1,254,517,587

26. COST OF GOODS SOLD

	First six months of 2025	First six months of 2024
	VND	VND
Cost of pharmaceutical sales	337,264,262,647	512,210,331,674
Cost medical equipment sales	120,266,567,475	84,818,878,413
Cost of services rendered	727,951,000	10,193,777,759
Provision for decline in inventory value		-
	458,258,781,122	607,222,987,846

27. FINANCIAL INCOME

	First six months of 2025	First six months of 2024
	VND	VND
Interest income, loans	5,601,371,297	3,143,027,430
Gain on exchange difference in the period	8,475,056,476	4,576,023,339
Foreign exchange gain from revaluation of ending balances	49,020,967	1,566,185
Interest from deferred payment sale, payment discount	334,583,192	460,309,667
	14,460,031,932	8,180,926,621
In which: Financial income received from related parties (Detailed in Note 39)	1,708,602,191	29,589,041

28. FINANCIAL EXPENSES

	First six months of 2025	First six months of 2024
	VND	VND
Interest expenses	3,404,207,905	1,433,764,833
Loss on exchange difference in the period	12,986,892,286	6,642,717,171
Foreign exchange loss from revaluation of ending balances	-	-
Other financial expenses	35,068,828	59,211,904
	16,426,169,019	8,135,693,908

29. SELLING EXPENSES

	First six months of 2025	First six months of 2024
	VND	VND
Labour expenses	17,082,953,542	16,301,007,018
Depreciation expenses	2,486,349,101	1,206,354,470
Expenses of outsourcing services	6,635,991,650	9,754,807,806
Other expenses in cash	10,514,846,175	-
	36,720,140,468	27,262,169,294

30. GENERAL AND ADMINISTRATIVE EXPENSES

	First six months of 2025	First six months of 2024
	VND	VND
Labour expenses	2,755,587,640	4,267,233,012
Depreciation expenses	27,989,964	425,300,442
Provision expenses	647,619,192	97,880,569
Expenses of outsourcing services	459,712,545	715,468,171
Other expenses in cash	809,872,189	2,413,368,747
	4,700,781,530	7,919,250,941
In which: General and administrative expenses purchased from related parties (Detailed in Note 39)	3,937,066	6,015,424

31. OTHER INCOME

	First six months of 2025	First six months of 2024
	VND	VND
Collected penalties	7,500,000	1,002,240
Supplier sales rebates, discounts, and promotional programs	1,352,991,917	471,819,969
Other	159,780,878	188,575,974
	1,520,272,795	661,398,183

32. OTHER EXPENSES

	First six months of 2025	First six months of 2024
	VND	VND
Others	260,187,042	125,145,583
	260,187,042	125,145,583

33. CURRENT CORPORATE INCOME TAX EXPENSES

	First six months of 2025	First six months of 2024
	VND	VND
<i>Corporate income tax from main business activities</i>		
Total profit before tax	1,646,151,958	5,644,784,684
Increase	246,853,262	61,017,000
- Ineligible expenses	246,853,262	61,017,000
Taxable corporate income	1,893,005,220	5,705,801,684
Current corporate income tax expense (tax rate 20%)	378,601,044	1,141,160,337
Tax payable at the beginning of the period	(1,125,090,114)	(1,307,870,073)
Tax paid in the period	-	-
Year-end corporate income tax payable from business activities	(746,489,070)	(166,709,736)

34. BASIC EARNING PER SHARE

Basic earnings per share distributed to common shareholders of Company are calculated as follows:

	First six months of 2025	First six months of 2024
	VND	VND
Net profit after tax	1,267,550,914	4,503,624,347
Profit distributed to common shares	1,267,550,914	4,503,624,347
Average number of outstanding common shares in circulation in the year	16,116,383	15,349,328
Basic earnings per share	79	293

Company has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of Management from the net profit after tax at the date of preparing Financial Statements

As at 30 June 2025, Company does not have shares with dilutive potential for earnings per share.

35. BUSINESS AND PRODUCTIONS COST BY ITEMS

	First six months of 2025	First six months of 2024
	VND	VND
Raw materials	4,157,903,110	4,210,582,933
Labour expenses	21,041,463,489	21,512,006,889
Depreciation expenses	2,720,359,943	1,800,164,651
Provision expenses	647,619,192	97,880,569
Expenses of outsourcing services	7,353,590,061	11,543,722,827
Other expenses in cash	11,372,365,129	997,558,068
	47,293,300,924	40,161,915,937

36. FINANCIAL INSTRUMENTS

Financial risk management

Financial risks that Company may face risks including: market risk, credit risk and liquidity risk.

Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Management of Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

Company may face with the market risk such as: changes in prices, exchange rates and interest rates.

Exchange rate risk:

Company bears the risk of interest rates due to the transaction made in a foreign currency other than VND such as: borrowings and debts, revenue, cost, importing materials, good, machinery and equipment....

Interest rate risk:

Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if Company has time or demand deposits, borrowings and debts subject to floating interest rates. Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to Company if a counterparty fails to perform its contractual obligations.

Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

	Under 1 year	From 1 to 5 years	Over 5 years	Total
	VND	VND	VND	VND
As at 30 June 2025				
Cash and cash equivalents	14,434,337,542	-	-	14,434,337,542
Trade and other receivables	645,726,739,845	-	-	645,726,739,845
Loans	189,908,039,802	-	-	189,908,039,802
	850,069,117,189	-	-	850,069,117,189
As at 01/01/2025				
Cash and cash equivalents	29,046,963,838			29,046,963,838
Trade and other receivables	664,902,623,839			664,902,623,839
Loans	177,644,270,909			177,644,270,909
	871,593,858,586			871,593,858,586

Liquidity Risk:

Liquidity risk is the risk that Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly arises from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year	From 1 to 5 years	Over 5 years	Total
	VND	VND	VND	VND
As at 30 June 2025				
Borrowings and debts	189,916,157,261	-	-	189,916,157,261
Trade and other payables	582,034,750,273	2,691,425,000	-	584,726,175,273
Accrued expenses	-	-	-	-
	771,950,907,534	2,691,425,000	-	774,642,332,534
As at 01/01/2025				
Borrowings and debts	160,107,128,634	-	-	160,107,128,634
Trade and other payables	738,910,778,762	2,481,600,000	-	741,392,378,762
Accrued expenses	92,978,488	-	-	92,978,488
	899,110,885,884	2,481,600,000	-	901,592,485,884

Company believes that risk level of loan repayment is controllable. Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

37. ADDITIONAL INFORMATION FOR THE ITEM OF THE STATEMENT OF CASH FLOWS

	First six months of 2025	First six months of 2024
	VND	VND
a) Proceeds from borrowings during the year		
Proceeds from ordinary contracts;	497,266,140,382	371,193,405,071
Actual repayments on principal during the year		
Repayment on principal from ordinary contracts;	467,457,111,755	352,889,111,088

38. OTHER INFORMATION

Accounts receivable are guaranteed for payment by suppliers

As of 30 June 2025, the Company's receivables from customers related to entrusted import transactions are guaranteed by suppliers through tripartite guarantee agreements signed between the Company, suppliers, and customers. The main terms of these agreements include:

Parties to the agreement: the Supplier, Da Nang Pharmaceutical and Medical Equipment Joint Stock Company, and the Customer;

Guarantee period: individually agreed for each contract and valid until the Customer fully settles the outstanding receivables to the Company;

Key terms: the Company is not liable to pay the Supplier unless the Customer has paid the corresponding amount to the Company. Additionally, if the Customer delays payment beyond the specified deadline (as stipulated in each guarantee agreement), the Company is entitled to offset the Customer's outstanding obligations against the payables to the Supplier.

Details on the outstanding balances of receivables guaranteed under these agreements as of 30 June 2025, are presented in Note 5.

39. TRANSACTION AND BALANCES WITH RELATED PARTIES

List and relation between related parties and Company are as follows:

Related parties	Relationship
Megram Joint Stock Company	Parent company
Danapha Pharmaceutical Joint Stock Company	Major shareholder
Elimich Joint Stock Company	Same group
And other members of the Board of Directors, Board of Management and Board of Supervisors of the Company	

In addition to the information with related parties presented in the above Notes, during the year Company has transactions with related parties as follows:

	First six months of 2025 VND	First six months of 2024 VND
Revenue from sales of goods and rendering of services	-	-
Danapha Pharmaceutical Joint Stock Company	-	-
Purchase	-	-
Elmich Joint Stock Company	-	-
Finacial revenue	1,708,602,191	29,589,041
Elmich Joint Stock Company	1,708,602,191	29,589,041
Administration expenses	3,937,066	6,015,424
Megram Joint Stock Company	3,937,066	6,015,424
Elmich Joint Stock Company	-	-
Loan	61,100,000,000	18,000,000,000
Elmich Joint Stock Company	61,100,000,000	18,000,000,000
Loan recovery	54,100,000,000	9,000,000,000
Elmich Joint Stock Company	54,100,000,000	9,000,000,000

Key management personnel compensation

Position	First six months of 2025	First six months of 2024
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Remuneration of the Board of Directors

- Nguyen Luong Tam	Member, General Director (Appointed on 18 April 2025)	1,597,465,952	107,200,000
- Do Thanh Trung	Chairman of the Board of Directors (Appointed on 18 April 2025)	106,000,000	
- Nguyen Trung	Member, Deputy of General Director	594,160,063	335,321,218
- Hoang Trung Dung	Member of Independent Board of Member	106,000,000	50,000,000
- Dinh Thi Mong Van	Member	76,000,000	-
		2,479,626,015	492,521,218

Remuneration of Supervisory Board members

- Nguyen Thi Yen	Head of Supervisory Board	26,000,000	-
- Pham Thi Minh Ngoc	Member	21,000,000	-
- Nguyen Thi Thanh Thuy	Member	157,961,308	107,964,449
		204,961,308	107,964,449

Remuneration and benefits of the Executive Board and other key management

- Nguyen Ba Hai	Deputy of General Director (Appointed on 15 October 2024)	843,457,200	
		843,457,200	

Except for the related party transactions mentioned above, no other related parties had transactions during the year or any outstanding balances with the Company as at the end of the financial year.

40. COMPARATIVE FIGURES

The comparative figures are those of the financial statements for the fiscal year ended 30 June 2024.

Da Nang, 19 July 2025

Prepared



Tran Khanh Linh

Chief Accountant



Tran Thi Anh Minh

Deputy General Director for Operations



Nguyen Trung

