

**Binh Dinh Pharmaceutical and Medical Equipment  
Joint Stock Company (BIDIPHAR)**

Consolidated financial statements

For the year ended 31 December 2025

# Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR)

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# Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR)

## GENERAL INFORMATION

### THE COMPANY

Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR) ("the Company") was formerly known as Binh Dinh Pharmaceutical and Medical Equipment Company which was transformed from a state-owned enterprise into a one-member limited liability company owned by People's Committee of Binh Dinh Province in accordance with the Decision No. 264/QD-UBND on 23 June 2010 and the first Enterprise Registration Certificate ("ERC") No. 4100259564 issued by Department of Planning and Investment ("DPI") of Binh Dinh Province on 1 September 2010. Since March 2014, the Company has changed its legal ownership form from one-member limited liability company to joint stock company according to the second amended ERC No. 4100259564 issued by the DPI of Binh Dinh Province on 1 March 2014 and 14<sup>th</sup> amended ERC issued by the Department of Enterprise and Collective Economy under the Department of Finance of Gia Lai Province on 11 September 2025.

The Company's shares are listed on the Ho Chi Minh City Stock Exchange ("HOSE") with trading code as DBD in accordance with License No. 185/QD-SGDHCM issued by the HOSE on 24 May 2018.

The principal activities of the Company are manufacturing and trading in pharmaceutical products and medical equipment.

The Company's registered head office is located at 498 Nguyen Thai Hoc, Quy Nhon Nam Ward, Gia Lai Province, Vietnam. In addition, the Company also has seventeen (17) branches located at other province/cities within Vietnam.

### BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of this report are:

Mr Ta Nam Binh	Chairman/ Independent member
Mr Nguyen Tien Hai	Member
Mrs Pham Thi Thanh Huong	Member
Mr Nguyen Ngoc Dung	Member
Mr Truong Thanh Liem	Member
Mr Phan Tan Thu	Member
Mrs Nguyen Thi Minh Giang	Independent member

### INTERNAL AUDIT COMMITTEE UNDER BOARD OF DIRECTORS

The members of the Audit Committee under the Board of Directors during the year and at the date of this report are:

Mrs Nguyen Thi Minh Giang	Chairwoman
Mr Phan Tan Thu	Member

# Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR)

GENERAL INFORMATION (continued)

## **MANAGEMENT**

The members of the Management during the year and at the date of this report are:

Mrs Pham Thi Thanh Huong	General Director
Mr Nguyen Ngoc Dung	Deputy General Director
Mrs Banh Thi Ngoc Quynh	Deputy General Director

## **LEGAL REPRESENTATIVE**

The legal representative of the Company during the year and at the date of this report is Ms Pham Thi Thanh Huong.

## **AUDITOR**

The auditor of the Company is Ernst & Young Vietnam Limited.

# Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR)

## REPORT OF THE MANAGEMENT

The management of Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR) ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2025.

### THE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the results of its consolidated operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

The management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

### STATEMENT BY THE MANAGEMENT

The management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of the management:



Phạm Thị Thanh Hương  
General Director

Gia Lai Province, Vietnam

20 March 2026



Reference: 12315209/68628197-HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders of Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR)**

We have audited the consolidated financial statements of Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR) ("the Company") and its subsidiaries (collectively referred to as "the Group"), as prepared on 20 March 2026 and set out on pages 6 to 40, which comprise the consolidated balance sheet as at 31 December 2025, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### *The management's responsibility*

The Group's management is responsible for the preparation and true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 auditors consider 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 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.



Shape the future  
with confidence

**Opinion**

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2025, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.



**Ernst & Young Vietnam Limited**

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Phạm Thị Cam Tu  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 2266-2023-004-1

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Tran Thanh Thuy  
Auditor  
Audit Practicing Registration Certificate  
No. 3076-2024-004-1

Ho Chi Minh City, Vietnam

20 March 2026

CONSOLIDATED BALANCE SHEET  
as at 31 December 2025

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>1,480,040,155,611</b>	<b>1,476,280,617,777</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>202,783,644,602</b>	<b>314,198,731,825</b>
111	1. Cash		54,783,644,602	56,698,731,825
112	2. Cash equivalents		148,000,000,000	257,500,000,000
<b>120</b>	<b>II. Short-term investments</b>		<b>409,201,393,300</b>	<b>124,421,158,600</b>
121	1. Held-for-trading securities		1,393,300	1,393,300
123	2. Held-to-maturity investments	5	409,200,000,000	124,419,765,300
<b>130</b>	<b>III. Current accounts receivable</b>		<b>481,814,409,349</b>	<b>520,222,627,983</b>
131	1. Short-term trade receivables	6.1	495,347,003,230	504,877,324,434
132	2. Short-term advances to suppliers	6.2	40,788,245,884	76,498,728,383
136	3. Other short-term receivables	7	8,933,170,440	6,918,534,026
137	4. Provision for doubtful short-term receivables	8	(63,254,010,205)	(68,071,958,860)
<b>140</b>	<b>IV. Inventories</b>	<b>9</b>	<b>366,109,634,763</b>	<b>505,380,962,218</b>
141	1. Inventories		397,619,665,024	532,336,906,627
149	2. Provision for obsolete inventories		(31,510,030,261)	(26,955,944,409)
<b>150</b>	<b>V. Other current assets</b>		<b>20,131,073,597</b>	<b>12,057,137,151</b>
151	1. Short-term prepaid expenses	10	8,972,511,923	8,653,554,344
152	2. Value-added tax deductible		10,800,145,333	1,895,670,328
153	3. Tax and other receivables from the State	16	358,416,341	1,507,912,479
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,116,173,559,655</b>	<b>787,925,914,939</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>354,226,404,219</b>	<b>337,549,679,184</b>
221	1. Tangible fixed assets	11	271,987,287,244	280,725,745,444
222	Cost		849,656,422,084	810,661,849,768
223	Accumulated depreciation		(577,669,134,840)	(529,936,104,324)
227	2. Intangible fixed assets	12	82,239,116,975	56,823,933,740
228	Cost		103,210,817,688	76,110,993,392
229	Accumulated amortization		(20,971,700,713)	(19,287,059,652)
<b>240</b>	<b>II. Long-term asset in progress</b>		<b>540,162,602,121</b>	<b>233,459,463,621</b>
242	1. Construction in progress	13	540,162,602,121	233,459,463,621
<b>250</b>	<b>III. Long-term investments</b>	<b>14</b>	<b>163,965,069,911</b>	<b>164,241,726,585</b>
252	1. Investments in an associate		162,451,534,940	162,728,191,614
253	2. Investments in other entities		3,513,534,971	3,513,534,971
254	3. Provision for diminution in value of long-term investments		(2,000,000,000)	(2,000,000,000)
<b>260</b>	<b>IV. Other long-term assets</b>		<b>57,819,483,404</b>	<b>52,675,045,549</b>
261	1. Long-term prepaid expenses	10	42,059,071,473	39,382,942,604
262	2. Deferred tax assets	29.3	15,760,411,931	13,292,102,945
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,596,213,715,266</b>	<b>2,264,206,532,716</b>

Binh Dinh Pharmaceutical and Medical Equipment  
Joint Stock Company (BIDIPHAR)

B01-DN/HN

CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2025

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>860,234,784,589</b>	<b>603,065,716,999</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>587,673,892,225</b>	<b>460,154,613,654</b>
311	1. Short-term trade payables	15.1	217,824,029,248	160,802,900,081
312	2. Short-term advances from customers	15.2	15,454,643,486	15,976,752,341
313	3. Statutory obligations	16	53,527,734,518	27,372,531,041
314	4. Payables to employees		93,472,143,498	78,337,451,082
315	5. Short-term accrued expenses	17	26,188,049,685	19,823,557,873
319	6. Other short-term payables	18	9,881,257,721	8,681,086,654
320	7. Short-term loans	19	43,214,775,628	35,913,500,637
322	8. Bonus and welfare fund	20	128,111,258,441	113,246,833,945
<b>330</b>	<b>II. Non-current liabilities</b>		<b>272,560,892,364</b>	<b>142,911,103,345</b>
338	1. Long-term loans	19	132,000,000,000	28,000,000,000
342	2. Other long-term provisions	3.11	7,790,562,288	7,267,083,725
343	3. Scientific and technological development fund	21	132,770,330,076	107,644,019,620
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>1,735,978,930,677</b>	<b>1,661,140,815,717</b>
<b>410</b>	<b>I. Capital</b>	<b>22.1</b>	<b>1,733,736,746,936</b>	<b>1,658,732,981,612</b>
411	1. Share capital		945,293,470,000	935,938,470,000
411a	- Ordinary shares with voting rights		945,293,470,000	935,938,470,000
412	2. Share premium		20,921,442,000	20,921,442,000
415	3. Treasury shares		(1,952,796,558)	(1,952,796,558)
417	4. Foreign exchange differences reserve		8,804,077,510	4,790,551,103
418	5. Investment and development fund		230,880,981,458	201,686,964,998
421	6. Undistributed earnings		529,789,572,526	497,348,350,069
421a	- Undistributed earnings by the end of prior year		307,961,246,104	288,210,068,687
421b	- Undistributed earnings of the year		221,828,326,422	209,138,281,382
<b>430</b>	<b>II. Other funds</b>	<b>23</b>	<b>2,242,183,741</b>	<b>2,407,834,105</b>
431	1. Subsidized fund		719,369,206	38,936,237
432	2. Fund for fixed assets in use		1,522,814,535	2,368,897,868
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>2,596,213,715,266</b>	<b>2,264,206,532,716</b>

Le Thi Kieu My  
Preparer

Do Huy Phuong  
Chief Accountant

Pham Thi Thanh Huong  
General Director



Gia Lai Province, Vietnam  
20 March 2026

CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2025

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sale of goods and rendering of services	24.1	1,946,612,659,958	1,817,259,164,083
02	2. Deductions	24.1	(81,233,070,327)	(89,710,776,512)
10	3. Net revenues from sale of goods and rendering of services	24.1	1,865,379,589,631	1,727,548,387,571
11	4. Cost of goods sold and services rendered	25	(981,000,795,265)	(894,975,138,716)
20	5. Gross profits from sale of goods and rendering of services		884,378,794,366	832,573,248,855
21	6. Finance income	24.2	25,189,164,182	13,359,148,358
22	7. Finance expenses	27	(14,617,224,889)	(16,928,510,396)
23	<i>In which: Interest expense</i>		(3,846,557,387)	(4,058,137,920)
24	8. Shares of profit from an associate	14.1	12,280,174,884	27,063,089,931
25	9. Selling expenses	26	(418,308,462,079)	(404,195,096,035)
26	10. General and administrative expenses	26	(139,794,488,425)	(122,785,668,843)
30	11. Operating profit		349,127,958,039	329,086,211,870
31	12. Other income		767,103,104	1,077,222,036
32	13. Other expenses		(3,813,024,763)	(5,027,909,575)
40	14. Other losses		(3,045,921,659)	(3,950,687,539)
50	15. Accounting profit before tax		346,082,036,380	325,135,524,331
51	16. Current corporate income tax expense	29.1	(56,610,180,760)	(55,276,507,052)
52	17. Deferred tax income	29.3	2,468,308,986	5,322,931,908
60	18. Net profit after tax		291,940,164,606	275,181,949,187

CONSOLIDATED INCOME STATEMENT (continued)  
for the year ended 31 December 2025

VND

Code	ITEMS	Notes	Current year	Previous year
61	19. Net profit after tax attributable to shareholders of the parent		291,940,164,606	275,181,949,187
70	20. Basic earnings per share	22.5	2,674	2,530
71	21. Diluted earnings per share	22.5	2,674	2,530

Gia Lai Province, Vietnam  
20 March 2026



Le Thi Kieu My  
Preparer



Do Huy Phuong  
Chief Accountant




Pham Thi Thanh Huong  
General Director

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2025

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Accounting profit before tax</b>		<b>346,082,036,380</b>	<b>325,135,524,331</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortization		51,021,340,822	48,112,079,145
03	Provisions		259,615,760	17,753,867,873
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency		103,878,871	245,498,185
05	Profits from investing activities		(32,316,019,304)	(38,668,096,477)
06	Interest expense	27	3,846,557,387	4,058,137,920
07	Other adjustments		27,920,976,714	23,237,816,553
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>396,918,386,630</b>	<b>379,874,827,530</b>
09	Decrease (increase) in receivables		407,602,289	(16,554,126,145)
10	Decrease (increase) in inventories		134,717,241,603	(33,973,935,685)
11	Increase in payables		133,042,465,086	11,570,263,662
12	Increase in prepaid expenses		(2,995,086,448)	(1,835,431,205)
14	Interest paid		(3,706,362,387)	(4,190,082,920)
15	Corporate income tax paid	16	(24,728,641,081)	(63,607,032,235)
16	Other cash inflows for operating activities		2,870,749,417	2,474,736,062
17	Other cash outflows for operating activities		(21,339,003,042)	(9,028,940,537)
<b>20</b>	<b>Net cash flows from operating activities</b>		<b>615,187,352,067</b>	<b>264,730,278,527</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(408,573,235,412)	(148,745,141,676)
23	Bank term deposits		(333,700,000,000)	(109,956,292,800)
24	Collection of bank term deposits		48,919,765,300	224,593,126,650
27	Interest and dividend received		31,729,947,759	11,124,335,085
<b>30</b>	<b>Net cash flows used in investing activities</b>		<b>(661,623,522,353)</b>	<b>(22,983,972,741)</b>

CONSOLIDATED CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2025

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Capital contribution	22.2	9,355,000,000	-
33	Drawdown of borrowings	19	259,894,808,772	60,379,701,637
34	Repayment of borrowings	19	(148,593,533,781)	(75,733,320,497)
36	Dividend paid	22.2	(185,628,543,075)	(9,933,200)
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(64,972,268,084)</b>	<b>(15,363,552,060)</b>
<b>50</b>	<b>Net (decrease) increase in cash and cash equivalent</b>		<b>(111,408,438,370)</b>	<b>226,382,753,726</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of year</b>		<b>314,198,731,825</b>	<b>87,837,172,191</b>
61	Impact of exchange rate fluctuation		(6,648,853)	(21,194,092)
<b>70</b>	<b>Cash and cash equivalents at end of year</b>	<b>4</b>	<b>202,783,644,602</b>	<b>314,198,731,825</b>

Gia Lai Province, Vietnam  
20 March 2026



Le Thi Kieu My  
Preparer



Do Huy Phuong  
Chief Accountant




Pham Thi Thanh Huong  
General Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
as at 31 December 2025 and for the year then ended

**1. CORPORATE INFORMATION**

Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR) ("the Company") was formerly known as Binh Dinh Pharmaceutical and Medical Equipment Company which was transformed from a state-owned enterprise into a one-member limited liability company owned by People's Committee of Binh Dinh Province in accordance with the Decision No. 264/QĐ-UBND on 23 June 2010 and the first Enterprise Registration Certificate ("ERC") No. 4100259564 issued by Department of Planning and Investment ("DPI") of Binh Dinh Province on 1 September 2010. Since March 2014, the Company has changed its legal ownership form from one-member limited liability company to joint stock company according to the second amended ERC No. 4100259564 issued by the DPI of Binh Dinh Province on 1 March 2014 and 14<sup>th</sup> amended ERC issued by the Department of Enterprise and Collective Economy under the Department of Finance of Gia Lai Province on 11 September 2025.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange ("HOSE") with trading code as DBD in accordance with License No. 185/QĐ-SGDHCM issued by the HOSE on 24 May 2018.

The principal activities of the Group are manufacturing and trading in pharmaceutical products and medical equipment.

The Group's normal course of business cycle is 12 months.

The Company's registered head office is located at 498 Nguyen Thai Hoc, Quy Nhon Nam Ward, Gia Lai Province, Vietnam. In addition, the Company also has seventeen (17) branches located at other province/cities within Vietnam.

The number of the Group's employees as at 31 December 2025 was 1,375 employees (31 December 2024: 1,368 employees).

**Corporate structure**

As at 31 December 2025, the Group's corporate structure included two (2) subsidiaries and an associate. Details are as follows:

Name	Head office	Business activities	Beginning and ending balances	
			Ownership (%)	Voting rights (%)
<b>Subsidiaries</b>				
(1) Bidiphar Trading Company Limited	Gia Lai Province	Wholesale and retail sale of medicines, medicinal herbs, medical equipment	100.00	100.00
(2) Bidiphar Organic Medicine Limited Company	Gia Lai Province	Production of medicines, medicinal chemicals and medicinal herbs	100.00	100.00
<b>Associate</b>				
(1) Bidiphar Rubber Joint Stock Company	Gia Lai Province	Planting, mining, processing and trading rubber latex	33.58	33.58

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

## **2. BASIS OF PREPARATION**

### **2.1 Accounting standards and system**

The consolidated financial statements of the Group expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and other Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position and the consolidated results of operations and the consolidated cash flows of the Group in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### **2.2 Applied accounting documentation system**

The Group's applied accounting documentation system is the Computerised based.

### **2.3 Fiscal year**

The Group's fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

### **2.4 Accounting currency**

The consolidated financial statements are prepared in VND which is also the Group's accounting currency.

### **2.5 Basic of consolidation**

The consolidated financial statements comprise the separate financial statements of the Company and its subsidiaries for the year ended 31 December 2025.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses resulted from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**2. BASIS OF PREPARATION** (continued)

**2.6 Accounting regulation issued but not yet effective**

On 27 October 2025, the Ministry of Finance issued Circular No. 99/2025/TT-BTC providing guidance on the enterprise accounting regime ("Circular 99"), replacing Circular No. 200/2014/TT-BTC providing guidance on the enterprise accounting regime issued by the Ministry of Finance on 22 December 2014 and several other related regulations. Circular 99 takes effect from 1 January 2026 and applies to enterprises with a financial year beginning on or after 1 January 2026.

The Group is in the process of assessing the impact of Circular 99 on the preparation and presentation of its consolidated financial statements and will implement Circular 99 for the financial year ending 31 December 2026.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Cash and cash equivalents**

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

**3.2 Inventories**

Inventories are measured at their historical costs. The cost of inventories comprises costs of purchase, costs of conversion (including raw materials, direct labor cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value. Net realisable ("NRV") value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, tool and supplies and merchandise - actual cost on a weighted average basis.

Work-in-process and finished goods - cost of finished goods and work-in-process on a weighted average basis.

*Provision for obsolete inventories*

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, merchandise and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the consolidated income statement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.3 Receivables**

Receivables are presented in the consolidated balance sheet at the carrying amounts due from customers and other debtors, after the provision for doubtful receivables.

The provision for doubtful receivables represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the consolidated income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the consolidated income statement.

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use and the costs of dismantling and removing the asset and restoring the site on which it is located, if any. Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

**3.5 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

*Land used rights*

Land use rights are recorded as intangible fixed assets representing the value of the rights to use the lands acquired by the Group. The advance payment for land rental, of which the land lease contracts, and Land use rights certificate being issued, are recorded as intangible fixed asset according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

The useful life of land use rights are assessed as either definite or indefinite. Accordingly, the land use rights with definite useful life representing the land lease are amortized over the lease term while the land use rights with indefinite useful lives is not amortized.

**3.6 Depreciation and amortization**

Depreciation of tangible fixed assets and amortization of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	4 - 43 years
Machinery and equipment	4 - 12 years
Means of transportation	4 - 10 years
Office equipment	4 - 10 years
Land use rights	50 years
Computer software	4 - 10 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.7 Construction in progress**

Construction in progress represents the costs of acquiring new assets that have not yet been fully installed or the costs of construction that have not yet been fully completed. Construction in progress is stated at cost, which includes all necessary costs to construct, repair, renovate, expand, or re-equip the projects with technologies, such as construction costs, tools and equipment costs, project management costs, construction consulting costs, and borrowing costs that are eligible for capitalization.

Construction in progress will be transferred to the appropriate fixed asset account when these assets are fully installed or the construction project is fully completed, and depreciation of these assets will commence when they are ready for their intended use.

Construction costs are recognized as expenses when such costs do not meet the conditions to be recognized as fixed assets.

**3.8 Borrowing costs**

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

**3.9 Leased assets**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

*Where the Group is the lessee*

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

**3.10 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortized over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

**3.11 Accrual for severance pay**

The severance pay to employee is accrued at the end of each reporting year for employees who have been worked for more than 12 months at the Group. The accrued amount is calculated at the rate of one-half of the average monthly salary for each year of service qualified for severance pay in accordance with the Labor Code and related implementing guidance. The average monthly salary used in this calculation is adjusted at the end of each reporting year following the average monthly salary of the last 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 46 of the Labor Code

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**3.12 Business combinations**

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

**3.13 Investments**

*Investment in an associate*

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortized and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associate is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognized in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend/profit sharing receivable from associate reduces the carrying amount of the investment.

The financial statements of the associate are prepared for the same reporting year and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

*Held-for-trading securities and investments in other entities*

Held-for-trading securities and investments in other entities are stated at their acquisition costs.

*Provision for diminution in value of the investments*

Provision for diminution in value of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the consolidated income statement.

*Held-to-maturity investments*

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognized as expense in the consolidated financial statements and deducted against the value of such investments.

**3.14 Payables and accruals**

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.15 Foreign currency transactions**

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

**3.16 Share capital**

*Ordinary shares*

Ordinary shares with voting right are recognised at par value.

*Share premium*

Share premium is the difference between the par value and the issuance price of the shares, minus the actual expenses incurred for the issuance of the shares.

*Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the consolidated income statement upon purchase, sale, issue or cancellation of the Company's own equity instruments.

**3.17 Appropriation of net profits**

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

*Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or of in-depth investments.

*Bonus and welfare fund*

This fund is comprised of bonus, welfare fund for employees and bonus fund for the management, which is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits. This fund is presented as a liability on the consolidated balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.17 Appropriation of net profits (continued)**

*Dividends*

Dividends proposed by the Group's Board of Directors are classified as an allocation of undistributed earnings within the equity section of the consolidated balance sheet, until they have been approved by the Group's shareholders at the Annual General Meeting. When these dividends have been approved by the shareholders and declared, they are recognized as a liability in the consolidated balance sheet.

**3.18 Earnings per share**

Basic earnings per share amount is computed by dividing net profit attributable to ordinary equity holders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**3.19 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

*Sale of goods*

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

*Rendering of services*

Revenue is recognized when the services have been performed and completed.

*Interest income*

Interest is recognized on an accrual basis based on the time and actual interest rate for each period.

*Dividend and profit distribution income*

Dividend and profit distribution income are recognized when Group is entitled to receive dividends or when the Group are entitled to receive profits from its capital contributions.

**3.20 Taxation**

*Current income tax*

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

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the current deferred income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current income tax assets against current income tax liabilities and when the Group intend to settle its current income tax assets and liabilities on a net basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.20 Taxation (continued)**

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purpose.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profits will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity or when the Group intends either to settle current tax liabilities and assets on a net basis or to realize the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.21 Related parties**

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of the family of any such individual.

**3.22 Segment reporting**

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments. As the Company's revenue and profit are derived mainly from manufacturing and trading pharmaceutical products in Vietnam while other sources of revenue are not material as a whole, management accordingly believes that the Group operates in a sole business segment of manufacturing and trading pharmaceutical products within a single geographical segment. Therefore, no further segmental information is required to be presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**4. CASH AND CASH EQUIVALENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	1,545,696,148	1,496,871,788
Cash in banks	53,237,948,454	55,201,860,037
Time deposits at banks	<u>148,000,000,000</u>	<u>257,500,000,000</u>
<b>TOTAL</b>	<b><u>202,783,644,602</u></b>	<b><u>314,198,731,825</u></b>

**5. SHORT-TERM HELD-TO-MATURITY INVESTMENTS**

Held-to-maturity investments represent term deposits at the commercial banks with the original maturity of more than three (3) months and the remaining maturity not exceeding twelve (12) months from the financial year-end and earn interest at the applicable bank deposit rates.

**6. SHORT-TERM TRADE RECEIVABLES AND ADVANCE TO SUPPLIES**

**6.1 Short-term trade receivables**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
South-East Investment Development Technology Company Limited	45,131,856,249	45,131,856,249
Others	<u>450,215,146,981</u>	<u>459,745,468,185</u>
<b>TOTAL</b>	<b><u>495,347,003,230</u></b>	<b><u>504,877,324,434</u></b>
Provision for doubtful short-term receivables (Note 8)	<u>(59,624,672,966)</u>	<u>(64,418,817,801)</u>
<b>NET</b>	<b><u>435,722,330,264</u></b>	<b><u>440,458,506,633</u></b>

**6.2 Short-term advances to suppliers**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Viet Son Technology Joint Stock Company	4,434,147,686	-
Dong A Refrigeration and Electrical Engineering Joint Stock Company	3,531,236,442	267,979,046
Dong Nam Company Limited	1,091,279,592	1,091,279,592
Truiking Technology Limited	584,887,448	12,995,306,236
Tofflon Science and Technology Group Company Limited	-	36,272,301,000
Others	<u>31,146,694,716</u>	<u>25,871,862,509</u>
<b>TOTAL</b>	<b><u>40,788,245,884</u></b>	<b><u>76,498,728,383</u></b>
Provision for doubtful short-term receivables (Note 8)	<u>(1,347,475,772)</u>	<u>(1,371,279,592)</u>
<b>NET</b>	<b><u>39,440,770,112</u></b>	<b><u>75,127,448,791</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**7. OTHER SHORT-TERM RECEIVABLES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Accrued interest income	5,065,236,988	2,468,562,327
Advance to employees	349,414,190	932,928,777
Others	<u>3,518,519,262</u>	<u>3,517,042,922</u>
<b>TOTAL</b>	<b>8,933,170,440</b>	<b>6,918,534,026</b>
Provision for doubtful short-term receivables (Note 8)	<u>(2,281,861,467)</u>	<u>(2,281,861,467)</u>
<b>NET</b>	<b><u>6,651,308,973</u></b>	<b><u>4,636,672,559</u></b>

**8. PROVISION**

**8.1 Provision for short-term doubtful receivables**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	(68,071,958,860)	(69,378,783,874)
Add: Provision made during the year	-	(4,571,999,735)
Less: Reversal of provision during the year	<u>4,817,948,655</u>	<u>5,878,824,749</u>
Ending balance	<u>(63,254,010,205)</u>	<u>(68,071,958,860)</u>

**8.2 Overdue debts**

	VND			
	<i>Debtors</i>			
	<i>South-East Investment Development Technology Company Limited</i>	<i>Kien Tao Limited Company</i>	<i>Other customers</i>	<i>Total</i>
<b>Ending balance</b>				
Cost	45,895,444,249	11,560,756,445	8,247,865,628	65,704,066,322
Provision	<u>(45,895,444,249)</u>	<u>(11,560,756,445)</u>	<u>(5,797,809,511)</u>	<u>(63,254,010,205)</u>
Net amount	-	-	<u>2,450,056,117</u>	<u>2,450,056,117</u>
<b>Beginning balance</b>				
Cost	46,986,723,841	12,339,449,445	13,983,805,762	73,309,979,048
Provision	<u>(46,986,723,841)</u>	<u>(12,339,449,445)</u>	<u>(8,745,785,574)</u>	<u>(68,071,958,860)</u>
Net amount	-	-	<u>5,238,020,188</u>	<u>5,238,020,188</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**9. INVENTORIES**

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Raw materials	232,926,577,547	(30,381,868,122)	269,060,649,045	(21,907,801,829)
Finished goods	110,681,721,156	(949,155,812)	184,478,440,062	(3,124,185,961)
Goods in transit	21,005,148,055	-	40,395,223,790	-
Work in progress	27,386,165,637	-	28,947,218,521	-
Merchandise	4,149,981,524	(179,006,327)	7,777,021,040	(1,923,956,619)
Tools and equipment	1,470,071,105	-	1,678,354,169	-
<b>TOTAL</b>	<b><u>397,619,665,024</u></b>	<b><u>(31,510,030,261)</u></b>	<b><u>532,336,906,627</u></b>	<b><u>(26,955,944,409)</u></b>

Detail of movements of provision for obsolete inventories:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	(26,955,944,409)	(10,510,115,148)
Add: Provision made during the year	(10,097,046,128)	(20,564,518,416)
Less: Revert provision during the year	<u>5,542,960,276</u>	<u>4,118,689,155</u>
Ending balance	<u>(31,510,030,261)</u>	<u>(26,955,944,409)</u>

**10. PREPAID EXPENSES**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short term</b>	<b>8,972,511,923</b>	<b>8,653,554,344</b>
Tools and supplies	3,175,150,107	2,538,609,158
Maintenance and repair	3,050,224,733	4,016,797,362
Rental	401,900,000	240,000,000
Others	2,345,237,083	1,858,147,824
<b>Long term</b>	<b>42,059,071,473</b>	<b>39,382,942,604</b>
Land rental (*)	29,374,180,800	30,248,346,672
Maintenance and repair	7,681,864,023	5,034,904,647
Tools and suppliers	2,758,811,094	3,222,178,615
Others	<u>2,244,215,556</u>	<u>877,512,670</u>
<b>TOTAL</b>	<b><u>51,031,583,396</u></b>	<b><u>48,036,496,948</u></b>

(\*) The prepaid land rental presented the unamortized balance of advance payments made in accordance with lease contracts signed with Sai Gon – Nhon Hoi Industrial Park Joint Stock Company and will expire on 17 June 2066 and 31 July 2069.

# Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR)

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
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## 11. TANGIBLE FIXED ASSETS

	Buildings and structure	Machinery and equipment	Means of transportation	Office equipment	Total
<b>Cost:</b>					VND
Beginning balance	232,539,286,649	507,610,407,434	51,052,125,034	19,460,030,651	810,661,849,768
Newly purchased	609,279,361	18,023,925,466	1,046,296,296	3,906,936,552	23,586,437,675
Construction in progress completed	1,533,316,342	19,119,237,135	-	-	20,652,553,477
Disposal	(175,880,909)	(4,846,363,381)	-	(222,174,546)	(5,244,418,836)
Ending balance	234,506,001,443	539,907,206,654	52,098,421,330	23,144,792,657	849,656,422,084
<i>In which:</i>					
Fully depreciated	116,451,677,119	264,282,357,907	34,840,772,444	16,306,411,633	431,881,219,103
<b>Accumulated depreciation:</b>					
Beginning balance	138,824,082,950	334,276,711,399	39,948,689,928	16,886,620,047	529,936,104,324
Depreciation for the year	15,674,812,552	33,773,406,419	2,169,185,673	1,360,044,708	52,977,449,352
Disposal	(175,880,909)	(4,846,363,381)	-	(222,174,546)	(5,244,418,836)
Ending balance	154,323,014,593	363,203,754,437	42,117,875,601	18,024,490,209	577,669,134,840
<b>Net carrying amount:</b>					
Beginning balance	93,715,203,699	173,333,696,035	11,103,435,106	2,573,410,604	280,725,745,444
Ending balance	80,182,986,850	176,703,452,217	9,980,545,729	5,120,302,448	271,987,287,244
<i>In which:</i>					
Pledged as loan security (Note 19)	53,244,561,754	102,934,979,155	460,246,202	3,728,681,157	160,368,468,268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**12. INTANGIBLE FIXED ASSETS**

			VND
	<i>Land use rights (*)</i>	<i>Computer software</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	56,767,881,650	19,343,111,742	76,110,993,392
Newly purchased	-	1,524,113,000	1,524,113,000
Construction in progress completed	<u>25,575,711,296</u>	<u>-</u>	<u>25,575,711,296</u>
Ending balance	<u>82,343,592,946</u>	<u>20,867,224,742</u>	<u>103,210,817,688</u>
<i>In which:</i>			
Fully amortized	-	14,092,811,300	14,092,811,300
<b>Accumulated amortization:</b>			
Beginning balance	2,930,983,237	16,356,076,415	19,287,059,652
Amortization for the year	<u>228,189,055</u>	<u>1,456,452,006</u>	<u>1,684,641,061</u>
Ending balance	<u>3,159,172,292</u>	<u>17,812,528,421</u>	<u>20,971,700,713</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>53,836,898,413</u>	<u>2,987,035,327</u>	<u>56,823,933,740</u>
Ending balance	<u>79,184,420,654</u>	<u>3,054,696,321</u>	<u>82,239,116,975</u>

(\*) Land use rights represent land use rights of branch offices.

**13. CONSTRUCTIONS IN PROGRESS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Hi-tech pharmaceutical factory	503,589,550,775	158,721,743,664
Powder injection line	23,496,972,309	28,689,372,308
Project of medicinal plants	1,034,280,829	675,840,234
Ho Chi Minh Branch Office Project	-	24,924,000,000
Others	<u>12,041,798,208</u>	<u>20,448,507,415</u>
<b>TOTAL</b>	<b><u>540,162,602,121</u></b>	<b><u>233,459,463,621</u></b>

**14. LONG-TERM INVESTMENTS**

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Investment in an associate (Note 14.1)	162,451,534,940	162,728,191,614
Investments in other entities (Note 14.2)	<u>3,513,534,971</u>	<u>3,513,534,971</u>
<b>TOTAL</b>	<b><u>165,965,069,911</u></b>	<b><u>166,241,726,585</u></b>
Provision for long-term investments	<u>(2,000,000,000)</u>	<u>(2,000,000,000)</u>
<b>NET</b>	<b><u>163,965,069,911</u></b>	<b><u>164,241,726,585</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**14. LONG-TERM INVESTMENTS** (continued)

**14.1 Investment in an associate**

Name	Business	Beginning and ending balances	
		% of interest and voting right (%)	Cost of investment VND
Bidiphar Rubber Joint Stock Company	Manufacture of rubber	33.58	<u>92,868,048,000</u>

Fair value of this investment is not determined as at 31 December 2025 due to unavailability of market information. However, based on the financial position of this company, the Management believed that the fair value of this investment was higher than its book value.

The investments amount in an associate is as follows:

	VND Amount
<b>Cost of investment:</b>	
Beginning and ending balances	<u>92,868,048,000</u>
<b>Accumulated share in post-acquisition profit of the associate:</b>	
Beginning balance	69,860,143,614
Share profit during the year	12,280,174,884
Bonus and welfare fund appropriation	(2,279,579,965)
Dividend received	(14,290,778,000)
Impact of foreign exchange	<u>4,013,526,407</u>
Ending balance	<u>69,583,486,940</u>
<b>Carrying amount:</b>	
Beginning balance	<u>162,728,191,614</u>
Ending balance	<u>162,451,534,940</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**14. LONG-TERM INVESTMENTS (continued)**

**14.2 Investments in other entities**

Name	Business	Status	Beginning and ending balances	
			% of interest	Cost of investment (VND)
Thien Phuc Joint Stock Company	Provide equipment, anti-lightning system	Operating	10.00	2,000,000,000
Nghe An Pharmaceutical Medical Material and Equipment JSC	Pharmaceutical manufacturing	Operating	3.40	1,513,534,971
<b>TOTAL</b>				<b>3,513,534,971</b>
Provision for investments in other entities				(2,000,000,000)
<b>NET</b>				<b>1,513,534,971</b>

Fair value of these investments are not determined as at 31 December 2025 due to unavailability of market information. However, based on the current operation position of these companies, the Management believed that the fair value of those investments was higher than their book value.

**15. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS**

**15.1 Short-term trade payables**

	VND	
	Ending balance	Beginning balance
Tofflon Science	33,458,881,599	3,020,202,000
Bach Khoa Mechanical and Refrigeration Engineering Co., Ltd.	19,264,779,810	-
Truking Technology Limited	13,001,682,260	3,113,579,550
Trung Son Technology Co., Ltd	1,195,608,000	459,428,000
Aristopharma Ltd.	-	13,793,220,000
Minh Hung M&C Joint Stock Company	-	8,718,730,960
Others	150,903,077,579	131,697,739,571
<b>TOTAL</b>	<b>217,824,029,248</b>	<b>160,802,900,081</b>

**15.2 Short-term advances from customers**

	VND	
	Ending balance	Beginning balance
VP-Pharma Pharmaceutical JSC	5,940,546,470	1,396,512,100
T&T Equipment Joint Stock Company	2,425,500,000	-
Sundial Pharma Joint Stock Company	1,457,124,271	3,444,824,049
Rexton JSC	1,381,288,200	1,626,195,000
HQ Pharmaceutical Limited Liability Company	-	4,945,269,650
Others	4,250,184,545	4,563,951,542
<b>TOTAL</b>	<b>15,454,643,486</b>	<b>15,976,752,341</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**16. TAX**

	<i>Beginning balance</i>	<i>Increase during the year</i>	<i>Decrease during the year</i>	VND <i>Ending balance</i>
Corporate income tax	19,564,487,839	56,610,180,760	(24,728,641,081)	51,446,027,518
Value-added tax ("VAT")	976,543,064	18,632,635,503	(19,203,532,224)	405,646,343
VAT imported goods	(1,350,975,545)	31,871,603,227	(30,817,762,197)	(297,134,515)
Personal income tax ("PIT")	2,952,306,911	27,018,339,075	(28,797,487,293)	1,173,158,693
PIT receivables	(3,296,478)	(45,074,279)	-	(48,370,757)
Import tax	-	467,677,048	(467,677,048)	-
Others	3,725,552,771	7,067,844,255	(10,303,406,131)	489,990,895
<b>TOTAL</b>	<b>25,864,618,562</b>	<b>141,623,205,589</b>	<b>(114,318,505,974)</b>	<b>53,169,318,177</b>
<i>In which:</i>				
<i>Receivable</i>	1,507,912,479			358,416,341
<i>Payable</i>	27,372,531,041			53,527,734,518

**17. SHORT-TERM ACCRUED EXPENSES**

	<i>Ending balance</i>	VND <i>Beginning balance</i>
Selling expenses	24,773,459,652	19,371,213,021
Others	1,414,590,033	452,344,852
<b>TOTAL</b>	<b>26,188,049,685</b>	<b>19,823,557,873</b>

**18. OTHER SHORT-TERM PAYABLES**

	<i>Ending balance</i>	VND <i>Beginning balance</i>
Remuneration for Board of Directors ("BOD"), and audit committee	6,407,417,951	6,498,614,659
Dividend	1,600,459,750	121,478,825
Thien Phuc Charity Foundation	1,028,022,166	1,750,718,610
Others	845,357,854	310,274,560
<b>TOTAL</b>	<b>9,881,257,721</b>	<b>8,681,086,654</b>

# Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR)

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

## 19. LOANS

	Beginning balance	Drawdown	Repayment	Reclassification	Ending balance
<b>Short-term loan</b>	<b>35,913,500,637</b>	<b>139,894,808,772</b>	<b>(148,593,533,781)</b>	<b>16,000,000,000</b>	<b>43,214,775,628</b>
Loan from a bank (Note 19.1)	19,913,500,637	139,894,808,772	(132,593,533,781)	-	27,214,775,628
Current portion of long-term loan (Note 19.2)	16,000,000,000	-	(16,000,000,000)	16,000,000,000	16,000,000,000
<b>Long-term loans</b>	<b>28,000,000,000</b>	<b>120,000,000,000</b>	<b>-</b>	<b>(16,000,000,000)</b>	<b>132,000,000,000</b>
Loan from a related party (Note 19.2)	28,000,000,000	120,000,000,000	-	(16,000,000,000)	132,000,000,000
<b>TOTAL</b>	<b>63,913,500,637</b>	<b>259,894,808,772</b>	<b>(148,593,533,781)</b>	<b>-</b>	<b>175,214,775,628</b>

VND

### 19.1 Short-term loans from a bank

Banks	Ending balance	Maturity date	Interest rate	Purpose	Description of collateral
	VND		% p.a.		
Joint Stock Commercial Bank for Investment and Development of Vietnam – Binh Dinh Branch	14,268,551,500	13 February 2026	4.7	Finance working capital requirements	Unsecured
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Quy Nhon Branch	12,946,224,128	8 March 2026	6.6	Finance working capital requirements	Unsecured
	<b>27,214,775,628</b>				

### 19.2 Long-term loan

Lender	Ending balance	Maturity date	Interest rate	Purpose	Description of collateral
	VND		% p.a.		
Gia Lai Development Investment Fund (formerly known as Binh Dinh Development Investment Fund) (Note 30)	148,000,000,000	From 31 March 2026 to 20 August 2032	5.5 - 7.0	Finance its pharmaceutical factory at Nhon Hoi Industrial Park	All future assets of the Bidiphar High-Tech Pharmaceutical Factory Project: Cancer Treatment Medicine Factory (Note 11)
<i>In which:</i>					
Current portion	16,000,000,000				
Non-current portion	132,000,000,000				

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**20. BONUS AND WELFARE FUND**

				VND
	<i>Bonus fund</i>	<i>Welfare fund</i>	<i>Bonus fund for management</i>	<i>Total</i>
Beginning balance	35,444,876,372	61,744,636,563	16,057,321,010	113,246,833,945
Profit after tax appropriation (Note 22.1)	14,597,008,230	14,597,008,230	5,838,803,292	35,032,819,752
Other increase	14,040,000	6,600,000	-	20,640,000
Reclassification	158,700,000	(158,700,000)	-	-
Utilisation	<u>(1,196,700,000)</u>	<u>(2,959,135,256)</u>	<u>(16,033,200,000)</u>	<u>(20,189,035,256)</u>
Ending balance	<u>49,017,924,602</u>	<u>73,230,409,537</u>	<u>5,862,924,302</u>	<u>128,111,258,441</u>

**21. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND**

				VND
	<i>Scientific and technological development fund</i>	<i>Scientific and technological development fund formed fixed assets</i>		<i>Total</i>
Beginning balance	88,177,085,243	19,466,934,377		107,644,019,620
Fund appropriation (Note 26)	50,000,000,000	-		50,000,000,000
Depreciation charged to the fund	-	(2,794,666,258)		(2,794,666,258)
Other (decrease) increase	<u>(22,228,023,286)</u>	<u>149,000,000</u>		<u>(22,079,023,286)</u>
Ending balance	<u>115,949,061,957</u>	<u>16,821,268,119</u>		<u>132,770,330,076</u>

# Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (BIDIPHAR)

B09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

## 22. OWNERS' EQUITY

### 22.1 Movements in owners' equity

	Share capital	Share premium	Treasury shares	Foreign exchange differences	Investment and development fund	Undistributed earnings	Total	VND
<b>Previous year</b>								
Beginning balance	748,835,590,000	20,921,442,000	(1,952,796,558)	8,195,890,640	174,168,770,079	478,393,492,175	1,428,562,388,336	
Net profit for the year	-	-	-	-	-	275,181,949,187	275,181,949,187	
Appropriation to investment and development fund	-	-	-	-	27,518,194,919	(27,518,194,919)	-	
Appropriation to bonus and welfare fund	-	-	-	-	-	(33,021,833,902)	(33,021,833,902)	
Stock dividends	187,102,880,000	-	-	-	-	(187,102,880,000)	-	
Board of Directors' remuneration	-	-	-	-	-	(5,503,638,984)	(5,503,638,984)	
Others	-	-	-	(3,405,339,537)	-	(3,080,543,488)	(6,485,883,025)	
Ending balance	935,938,470,000	20,921,442,000	(1,952,796,558)	4,790,551,103	201,686,964,998	497,348,350,069	1,658,732,981,612	
<b>Current year</b>								
Beginning balance	935,938,470,000	20,921,442,000	(1,952,796,558)	4,790,551,103	201,686,964,998	497,348,350,069	1,658,732,981,612	
Net profit for the year	-	-	-	-	-	291,940,164,606	291,940,164,606	
Employee Stock Ownership Plan (Note 22.2)	9,355,000,000	-	-	-	-	-	9,355,000,000	
Appropriation to investment and development fund	-	-	-	-	29,194,016,460	(29,194,016,460)	-	
Appropriation to bonus and welfare fund (Note 22.5)	-	-	-	-	-	(35,079,018,432)	(35,079,018,432)	
Dividends	-	-	-	-	-	(187,107,524,000)	(187,107,524,000)	
Board of Directors' remuneration (Note 22.5)	-	-	-	-	-	(5,838,803,292)	(5,838,803,292)	
Others (Note 14.1)	-	-	-	4,013,526,407	-	(2,279,579,965)	1,733,946,442	
Ending balance	945,293,470,000	20,921,442,000	(1,952,796,558)	8,804,077,510	230,880,981,458	529,789,572,526	1,733,736,746,936	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**22. OWNERS' EQUITY (continued)**

**22.2 Capital transactions with owners and distribution of dividends, profits**

	Current year	VND Previous year
<b>Contributed share capital</b>		
Beginning balance	935,938,470,000	748,835,590,000
Employee Stock Ownership Plan (i)	9,355,000,000	-
Stock dividends	-	187,102,880,000
Ending balance	<u>945,293,470,000</u>	<u>935,938,470,000</u>
<b>Dividends</b>		
Dividends declared (ii)	187,107,524,000	187,102,880,000
Dividends by shares	-	187,102,880,000
Dividends paid in cash (ii)	185,628,543,075	9,933,200

- (i) On 27 August 2025, the Company announced the completion of the issuance of 935,500 shares at an issue price of VND 10,000 per share to its employees under the employee stock option program. This share issuance has been approved by shareholders pursuant to Resolution No. 749/NQ-ĐHĐCĐ dated 27 April 2024 of the 2024 Annual General Meeting of Shareholders, Resolution No. 56/NQ-ĐHĐCĐ 2025 dated 26 April 2025, and Board of Directors Decisions No. 85/QĐ-HĐQT dated 4 June 2025, No. 86/QĐ-HĐQT dated 4 June 2025, No. 87/QĐ-HĐQT dated 4 June 2025, and No. 96/QĐ-HĐQT dated 27 June 2025. Accordingly, the Company's share capital increased from VND 935,938,470,000 to VND 945,293,470,000. According to Official Letter No. 4861/UBCK-QLCB dated 29 August 2025, the State Securities Commission ("SSC") announced that it had received the Company's report on the issuance of 935,500 shares to its employees under the aforementioned employee stock option program. The Company received the 14<sup>th</sup> amended Business Registration Certificate dated 11 September 2025, approved by the Department of Enterprises and Collective Economy under the Gia Lai Provincial Department of Finance, regarding the updated capital.
- (ii) In accordance with the Resolution No. 56/NQ-ĐHĐCĐ 2025 dated 26 April 2025, the General Meeting of Shareholders approved the plan for the dividend of 2024 with each share receiving 20% of par value of share.

**22.3 Share capital**

	<u>Number of shares</u>	
	<u>Ending balance</u>	<u>Beginning balance</u>
Authorized shares	94,529,347	93,593,847
Shares issued and fully paid <i>Ordinary shares</i>	94,529,347	93,593,847
Re-purchase treasury shares <i>Ordinary shares</i>	(40,085)	(40,085)
Shares in circulation <i>Ordinary shares</i>	94,489,262	93,553,762

Each ordinary share with par value of VND 10,000. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**22. OWNERS' EQUITY** (continued)

**22.4 Contributed share capital**

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Amount</i>	<i>Ownership</i>	<i>Amount</i>	<i>Ownership</i>
	<i>VND</i>	<i>%</i>	<i>VND</i>	<i>%</i>
Binh Dinh Development Investment Fund	124,856,060,000	13.21	124,856,060,000	13.34
KWE Beteiligungen AG	100,535,500,000	10.64	93,685,500,000	10.01
Others	719,501,060,000	76.11	716,996,060,000	76.61
Treasury shares	400,850,000	0.04	400,850,000	0.04
<b>TOTAL</b>	<b>945,293,470,000</b>	<b>100.00</b>	<b>935,938,470,000</b>	<b>100.00</b>

**22.5 Earnings per share**

Basic and diluted earnings per share are calculated as follows:

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Net profit after tax	291,940,164,606	275,181,949,187
<i>Less:</i>		
- Bonus and welfare fund (*)	(35,079,018,432)	(33,021,833,902)
- Board of Directors' remuneration (*)	(5,838,803,292)	(5,503,638,984)
Net profit attributable to ordinary equity holders of the parent company	251,022,342,882	236,656,476,301
Weighted average number of ordinary shares	93,876,702	93,553,762
<b>Basic earnings per share (VND/share)</b>	<b>2,674</b>	<b>2,530</b>
<b>Diluted earnings per share (VND/share)</b>	<b>2,674</b>	<b>2,530</b>

(\*) Net profit used to compute earnings per share for the year ended 31 December 2025 was adjusted for the provisional allocation to bonus and welfare fund at 12% and Board of Directors' remuneration at 2% of 2025 profit after tax following the Shareholders Meeting's Resolution No 26/NQ-ĐHĐCĐ dated 26 April 2025.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**23. OTHER FUNDS**

Other funds represent funds allocated by the Department of Science and Technology of Binh Dinh Province ("TECHBID") in relation to the contract of "Research and development and apply technology to produce some drugs used cancer treatment at Binh Dinh Pharmaceutical and Medical Equipment", "Researching and developing of dosage forms and assessment of the effects of remedies for treating injuries in traditional martial arts of Binh Dinh"; and contracts for researching, developing and applying of propagation, planting and processing of a number of medicinal plants.

**24. REVENUES**

**24.1 Revenues from sale of goods and rendering of services**

	VND	
	Current year	Previous year
<b>Gross revenues</b>	<b>1,946,612,659,958</b>	<b>1,817,259,164,083</b>
<i>Of which:</i>		
<i>Sales of pharmaceutical finished goods</i>	1,879,187,145,157	1,752,251,384,321
<i>Sales of pharmaceutical merchandises</i>	39,826,575,402	35,696,823,885
<i>Sales of materials, packaging, tools and supplies</i>	13,348,581,085	18,586,867,418
<i>Sales of medical supplies</i>	4,779,241,533	8,381,818,232
<i>Others</i>	9,471,116,781	2,342,270,227
<b>Less</b>	<b>(81,233,070,327)</b>	<b>(89,710,776,512)</b>
Trade discounts and sales allowances	(74,727,922,982)	(86,135,200,447)
Sales returns	(6,505,147,345)	(3,575,576,065)
<b>NET</b>	<b><u>1,865,379,589,631</u></b>	<b><u>1,727,548,387,571</u></b>

**24.2 Finance income**

	VND	
	Current year	Previous year
Interest income	20,035,844,420	11,399,296,546
Dividend earned	-	205,710,000
Foreign exchange gains	5,153,319,762	1,754,141,812
<b>TOTAL</b>	<b><u>25,189,164,182</u></b>	<b><u>13,359,148,358</u></b>

**25. COSTS OF GOODS SOLD AND SERVICES RENDERED**

	VND	
	Current year	Previous year
Cost of pharmaceutical finished goods sold	913,524,858,580	818,509,961,544
Cost of pharmaceutical merchandises sold	38,026,742,404	34,057,609,049
Cost of materials, packaging, tools and supplies sold	18,819,258,291	33,123,410,276
Cost of medical supplies sold	3,372,062,008	8,149,559,493
Others	7,257,873,982	1,134,598,354
<b>TOTAL</b>	<b><u>981,000,795,265</u></b>	<b><u>894,975,138,716</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**26. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>	<b>418,308,462,079</b>	<b>404,195,096,035</b>
Labor cost	193,488,387,126	199,626,047,458
External services expenses	55,616,037,417	59,112,834,846
Depreciation	3,088,266,715	3,213,450,544
Others	166,115,770,821	142,242,763,187
<b>General and administrative expenses</b>	<b>139,794,488,425</b>	<b>122,785,668,843</b>
Scientific and technological development expense ( <i>Note 21</i> )	50,000,000,000	23,000,000,000
Labor cost	48,957,811,306	47,180,257,016
External services expenses	17,143,169,758	12,088,764,524
Depreciation	8,782,404,230	9,952,145,490
Reversal of provision	(4,817,948,655)	(330,125,014)
Others	19,729,051,786	30,894,626,827
<b>TOTAL</b>	<b><u>558,102,950,504</u></b>	<b><u>526,980,764,878</u></b>

**27. FINANCE EXPENSES**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Payment discount	8,261,754,499	8,168,738,992
Interest expenses	3,846,557,387	4,058,137,920
Foreign exchange loss	2,508,913,003	2,701,633,484
Provision for diminution in value of investment	-	2,000,000,000
<b>TOTAL</b>	<b><u>14,617,224,889</u></b>	<b><u>16,928,510,396</u></b>

**28. PRODUCTION AND OPERATING COSTS**

	VND	
	<i>Current year</i>	<i>Previous year</i>
Raw materials and merchandise	626,361,730,399	669,140,873,557
Labor costs	342,578,095,607	337,380,955,381
External services expenses	146,603,455,366	145,543,018,230
Depreciation and amortization	51,021,340,822	48,112,079,145
(Reversal) provision	(263,862,803)	16,115,704,247
Other expenses	239,193,345,090	198,989,623,120
<b>TOTAL</b>	<b><u>1,405,494,104,481</u></b>	<b><u>1,415,282,253,680</u></b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

## 29. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate of:

- normal CIT rate 20% of taxable profits earned from manufacturing activities of Nguyen Thai Hoc Factory; and
- an exemption from CIT for four (4) years commencing from the first year in which a taxable profit is earned (2023), and a 50% reduction of the applicable CIT tax rate for the following nine (9) years of taxable profits earned from manufacturing activities of Nhon Hoi Factory.

The Group's subsidiaries has the obligations to pay CIT at the rates of 20% of taxable profits.

The Group's tax returns are subject to examination by the tax authorities. As the application of tax laws and regulations are susceptible to varying interpretations, the amounts reported in the consolidated financial statements could be changed at a later date upon final determination by the tax authorities.

### 29.1 CIT expenses

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	56,582,178,164	54,074,436,040
Adjustment for under accrual of tax from prior years	28,002,596	1,202,071,012
	<u>56,610,180,760</u>	<u>55,276,507,052</u>
Deferred tax income	(2,468,308,986)	(5,322,931,908)
<b>TOTAL</b>	<b><u>54,141,871,774</u></b>	<b><u>49,953,575,144</u></b>

The reconciliation between CIT expense and the accounting profit multiplied by CIT rate is presented below:

	VND	
	<i>Current year</i>	<i>Previous year</i>
<b>Accounting profit before tax</b>	<b><u>346,082,036,380</u></b>	<b><u>325,135,524,331</u></b>
At CIT rate applicable	69,216,407,276	65,027,104,866
<i>Adjustments:</i>		
Exempted income	(13,747,723,205)	(12,755,358,591)
Non-deductible expenses	1,117,119,264	2,154,351,022
Share profit from the associate	(2,456,034,977)	(5,412,617,986)
Adjustment for under accrual of tax from prior years	28,002,596	1,202,071,012
Others	(15,899,180)	(261,975,179)
<b>CIT expenses</b>	<b><u>54,141,871,774</u></b>	<b><u>49,953,575,144</u></b>

### 29.2 Current CIT expense

The current CIT payable is based on taxable profit for the year. The taxable profit of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expenses that are taxable or deductible in other year and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**29. CORPORATE INCOME TAX (continued)**

**29.3 Deferred income tax**

The following are the deferred tax assets recognized by the Group, and the movements thereon, during the current and previous years:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Depreciation	7,394,572,128	5,872,120,082	1,522,452,046	1,528,802,863
Provision for obsolete inventories	6,302,006,052	5,391,188,882	910,817,170	3,289,165,853
Provision for severance allowance	1,558,112,458	1,453,416,745	104,695,713	122,972,725
Provision for diminution in value of investment	400,000,000	400,000,000	-	400,000,000
Unrealize profit	105,721,293	175,377,236	(69,655,943)	(18,009,533)
<b>Deferred tax assets</b>	<b>15,760,411,931</b>	<b>13,292,102,945</b>		
<b>Net deferred tax income</b>			<b>2,468,308,986</b>	<b>5,322,931,908</b>

**30. TRANSACTIONS WITH RELATED PARTIES**

List of related parties that have a controlling relationship with the Company and related parties that have transactions with the Company during the year and as at 31 December 2025 is as follows:

<i>Related parties</i>	<i>Relationship</i>
Gia Lai Development Investment Fund (formerly known as Binh Dinh Development Investment Fund)	Major shareholder
KWE Beteiligungen AG	Major shareholder
Bidiphar Rubber Joint Stock Company	Associate

Significant transactions with related parties during the current year and previous year were as follows:

<i>Related party</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Gia Lai Development Investment Fund	Loan	120,000,000,000	-
	Repayment of loan	16,000,000,000	16,000,000,000
	Interest expense	3,831,229,000	3,811,068,000
	Interest expense payable	240,688,000	-
	Dividend paid	18,737,100,000	24,971,210,000
Bidiphar Rubber Joint Stock Company	Dividend received	14,290,778,000	17,863,472,500

Amounts due from related parties at the balance sheet date were as follows:

<i>Related party</i>	<i>Transactions</i>	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Loan</b>			
Gia Lai Development Investment Fund	Loan	148,000,000,000	44,000,000,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**30. TRANSACTIONS WITH RELATED PARTIES** (continued)

Remuneration for the members of the Board of Directors ("BOD"), the management and the internal audit committee under BOD are as follows:

		VND	
<i>Individuals</i>	<i>Title</i>	<i>Current year</i>	<i>Previous year</i>
Mrs Pham Thi Thanh Huong	General Director/ Member of BOD	8,334,958,642	3,872,050,000
Mr Nguyen Ngoc Dung	Deputy General Director/ Member of BOD	5,038,977,580	3,146,191,596
Mrs Banh Thi Ngoc Quynh	Deputy General Director	3,441,175,397	2,270,030,000
Mr Huynh Ngoc Oanh	Deputy General Director (to 1 January 2025)	1,665,500,000	2,842,700,000
Mr Truong Thanh Liem	Member of BOD	1,144,406,667	1,383,165,000
Mr Ta Nam Binh	Chairman/ Independent member of BOD	968,000,000	650,000,000
Mrs Nguyen Thi Minh Giang	Independent member of BOD/ Chairwoman of the Audit Committee	817,000,000	-
Mr Nguyen Tien Hai	Member of BOD	667,000,000	750,000,000
Mr Phan Tan Thu	Member of BOD/ Member of Internal Audit	767,000,000	30,000,000
Mr Hoang Van Thang	Independent member of BOD/ Member of Internal Audit (to 27 April 2024)	-	580,000,000
Mr Dau Minh Lam	Member of BOD (to 27 April 2024)	-	550,000,000
<b>TOTAL</b>		<b><u>22,844,018,286</u></b>	<b><u>16,074,136,596</u></b>

**31. OFF BALANCE SHEET ITEMS**

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currencies:		
United States dollar (USD)	60,745.43	2,596.70
Euro (EUR)	128.61	145.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

### 32. OPERATING LEASE AND CAPITAL COMMITMENTS

#### *Operating lease commitments*

The Group leases its warehouse and office under operating lease arrangements. The minimum lease commitments at the balance sheet date under the operating lease agreements were as follows:

	<i>Ending balance</i>	<i>Beginning balance</i>
		<i>VND</i>
Less than 1 year	659,330,000	1,633,874,832
From 1 year to 5 years	366,000,000	822,000,000
<b>TOTAL</b>	<b><u>1,025,330,000</u></b>	<b><u>2,455,874,832</u></b>

#### *Capital commitments*

As at 31 December 2025, the Group has contractual commitment for the construction of pharmaceutical factory as follows:

	<i>Contracted amount</i>	<i>Recognized amount</i>	<i>Remaining commitment</i>
			<i>VND</i>
Bidiphar High-tech pharmaceutical factory	714,222,612,487	503,589,550,775	210,633,061,712
Penicillin line project	24,091,972,569	23,496,972,309	595,000,260
<b>TOTAL</b>	<b><u>738,314,585,056</u></b>	<b><u>527,086,523,084</u></b>	<b><u>211,228,061,972</u></b>

### 33. CONTINGENT LIABILITIES

According to the Environmental Protection Law 2020 and Decree No. 08/2022/ND-CP dated 10 January 2022 of the Government detailing the implementation of certain articles of the Environmental Protection Law, manufacturers and importers of certain types of products and packaging will be responsible for recycling those products and packaging according to the mandatory recycling rates as specified in the roadmap, starting from 1 January 2024.

The Group currently engages in the production of commercial packaging for pharmaceutical goods in accordance with the Laws on pharmaceuticals. Accordingly, the Group is identified as being subject to the responsibility of recycling and handling the packaging of its products, and is required to make financial contributions to the Vietnam Environmental Protection Fund according to the mandatory recycling rates and specifications stipulated in Chapter VI, Section 1, Articles 77 to 82 of Decree No. 08/2022/ND-CP.

As of the date of this consolidated financial statement, the Management is in the process of estimating the potential recycling obligations for packaging that may arise. According to the Management's assessment, the potential recycling obligation for packaging is not material to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)  
as at 31 December 2025 and for the year then ended

**34. EVENTS AFTER THE BALANCE SHEET DATE**

There is no matter or circumstance that has arisen since the consolidated balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.

Gia Lai Province, Vietnam  
20 March 2026

  
\_\_\_\_\_  
Le Thi Kieu My  
Preparer

  
\_\_\_\_\_  
Do Huy Phuong  
Chief Accountant

  
\_\_\_\_\_  
Pham Thi Thanh Huong  
General Director





