

**PHONG PHU PHARMACEUTICAL
JOINT STOCK COMPANY**

**Reviewed Interim financial statements
for the six-month period ended 30 June 2025**



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THE BOARD OF DIRECTORS' REPORT

The Board of Directors of Phong Phu Pharmaceutical Joint Stock Company (briefly called "the Company") has the pleasure in presenting this report and the Reviewed Interim financial statements of the Company for the six-month period ended 30 June 2025.

1. General information

Phong Phu Pharmaceutical Joint Stock Company is a joint stock company, established in Vietnam and operating under the Business Registration Certificate No. 0301427564 first registered on 20 August 2000 issued by the Department of Planning and Investment of Ho Chi Minh City.

During its operation, the Company has been granted the following additional Business Registration Certificates by the Department of Planning and Investment of Ho Chi Minh City:

- 1st amendment Business Registration Certificate dated 25 March 2003;
- 2nd amendment Business Registration Certificate dated 02 March 2007 to update the Company's name and address;
- 3rd amendment Business Registration Certificate dated 25 October 2007 to increase the Company's charter capital from VND 6,000,000,000 VND to VND 22,000,000,000;
- 4th amendment Business Registration Certificate dated 13 November 2008 to update the Company's business activities;
- 5th amendment Business Registration Certificate dated 16 August 2010 to update the Company's Business Registration Certificate to No. 0301427564;
- 6th amendment Business Registration Certificate dated 09 September 2010 to update the Company's Legal Representative from Ms. Nguyen Thi Bich Ngoc to Mr. Ho Vinh Hien;
- 7th amendment Business Registration Certificate dated 28 October 2010 to increase the Company's charter capital from VND 22,000,000,000 to VND 23,355,000,000 and update information regarding 83 branches of the Company;
- 8th amendment Business Registration Certificate dated 11 February 2011 to decrease 83 branches of the Company to 82 branches;
- 9th amendment Business Registration Certificate dated 28 February 2012 to update the Company's business activities, also increase 82 branches of the Company to 83 branches;
- 10th amendment Business Registration Certificate dated 18 April 2014 to increase the Company's charter capital from VND 23,355,000,000 to VND 29,799,990,000, also decrease 83 branches of the Company to 69 branches;
- 11th amendment Business Registration Certificate dated 18 September 2014 to increase the Company's charter capital from VND 29,799,990,000 to VND 45,000,000,000;
- 12th amendment Business Registration Certificate dated 24 December 2015 to dissolve all of the Company's branches;
- 13th amendment Business Registration Certificate dated 03 March 2016 to increase the Company's charter capital from VND 45,000,000,000 to VND 60,000,000,000;
- 14th amendment Business Registration Certificate dated 19 October 2018 to increase the Company's charter capital from VND 60,000,000,000 to VND 80,000,000,000;
- 15th amendment Business Registration Certificate dated 21 August 2019 to increase the Company's charter capital from VND 80,000,000,000 to VND 87,999,910,000;
- 16th amendment Business Registration Certificate dated 15 October 2021 to update information of the Company's Legal Representative;

Charter capital of the Company at 30/06/2025 and at 01/01/2025 is VND 87,999,910,000 equivalent with 8,799,991 shares which have par value of VND 10,000/ share.

The Company's shares were accepted for listing on the Hanoi Stock Exchange with the stock code PPP and the first trading day was 18 July 2011.

According to Business registration certificate, the Company's business activities are:

- Wholesale of other household products. Details: Wholesale of pharmaceuticals; medical instruments, medical equipment; cosmetics, perfumeries; antiseptic solutions.
- Other production not elsewhere classified. Details: Tea production;
- Manufacture of dairy products;
- Manufacture of bakery products from flour;

THE BOARD OF DIRECTORS' REPORT

- Manufacture of macaroni, noodles and similar farinaceous products;
- Manufacture of non-alcoholic beverages, and mineral waters. Details: Production of mineral waters and other bottled waters; manufacture of non-alcoholic beverages;
- Wholesale of food. Details: Wholesale of tea; Wholesale of sugar (not operating at headquarters); milk and dairy products, confectionery and products processed from cereal, flour, starch; wholesale of functional foods;
- Other passenger land transport. Details: Freight transport by special-purpose motor vehicles; other urban and suburban passenger land transport (not operating at headquarters);
- Warehousing and storage of goods. Details: Storage of goods;
- Real estate activities, own or rented property and land use rights. Details: Real estate activities (not operating at headquarters);
- Manufacture of functional foods not elsewhere classified. Details: Manufacture of functional foods (except for fresh food processing);
- Manufacture of pharmaceuticals, medicinal chemical and herbal medicines. Details: Manufacture of pharmaceuticals, herbal medicines, herbal extracts;
- Manufacture of cocoa, chocolate and sugar confectionery;
- Wholesale of beverages. Details: Wholesale of non-alcoholic beverages;
- Manufacture of cosmetics, soap and detergents, cleaning and polishing preparations and toilet preparations. Details: Manufacture of cosmetics, chemicals and antiseptic solutions for household and medical use (except for manufacturing chemicals at headquarters);
- Manufacture of medical and dental, and orthopedic and rehabilitation instruments and supplies. Details: Manufacture of medical instruments and supplies;
- Other professional, scientific and technology activities not elsewhere classified. Details: Technology transfer and technology transfer services in the field of pharmaceuticals and health supplement; Product research and development services in the field of pharmaceuticals and health supplement;
- Growing spices, medicinal plants, perennial aromatic plants. Details: Growing and processing spices, medicinal plants, perennial aromatic plants (not operating at headquarters).

In the period, the Company's principal activities are producing and wholesale of medicine.

The Company's head office:

- Address : Lot No. 12, No. 8 Street, Tan Tao Industrial Park, Tan Tao Ward, Ho Chi Minh City, Vietnam
- Phone : 028 3754 7999
- Fax : 028 3754 7996

Branches

The Company has the following affiliated units:

No.	Unit's name	Address
1	Branch of Phong Phu Pharmaceutical Joint Stock Company - Functional Food Production Factory	179 Phong Phu Street, Phu Dinh Ward, Ho Chi Minh City, Vietnam
2	Phong Phu Pharmaceutical Joint Stock Company – Usarichpharm Factory Branch	Lot No. 12, No. 8 Street, Tan Tao Industrial Park, Tan Tao Ward, Ho Chi Minh City, Vietnam

The Company has the following subsidiary:

Name	Address	Main activities	Ownership rate	Voting right rate
USAR Vietnam Company Limited	Lot 12, No. 8 Street, Tan Tao Industrial Park, Tan Tao Ward, Ho Chi Minh City, Vietnam	Pharmaceutical trading business	100%	100%

THE BOARD OF DIRECTORS' REPORT

2. The members of the Board of Directors, the Board of Supervisors and General Director

The members of the Board of Directors, the Board of General Directors and the Board of Supervisors in the six-month period ended 30 June 2025 and as at the date of this report include:

The Board of Directors

Full name	Position	
Mr. Pho Nghia Van	Chairman	Appointed on 25/04/2025
Ms. Le Thanh Truc	Chairwoman	Resigned on 25/04/2025
Mr. Thai Nha Ngon	Vice Chairman	Appointed on 25/04/2025
Ms. Nguyen Thi Mai Nguyet	Member	Appointed on 25/04/2025
Ms. Pham Thi Thach Thao	The Company's Administrative Officer	Appointed on 25/04/2025

The Board of Supervisors

Full name	Position	
Mr. Nguyen Van Chac	Chief Supervisor	Appointed on 25/04/2025
Ms. Nguyen Hoang Ngoc Chau	Chief Supervisor	Resigned on 25/04/2025
Ms. Ho Thuy Quynh Nhu	Member	Appointed on 25/04/2025
Ms. Vo Hong Hanh	Member	Appointed on 25/04/2025
Ms. Pham Thi Minh Tam	Member	Resigned on 25/04/2025

The General Director and Chief Accountant

Full name	Position
Mr. Thai Nha Ngon	General Director
Ms. Nguyen Thi Anh Chi	Chief Accountant

Legal Representative

The Legal Representative of the Company during the six-month period ended at 30 June 2025 and at the date of this report is:

Full name	Nationality	Position
Mr. Thai Nha Ngon	Vietnamese	General Director

3. The Company's financial position and operating results

The Company's financial position and its operating result for the six-month period ended 30 June 2025 are reflected in the accompanying interim financial statements.

4. Events subsequent to the balance sheet date

There have been no significant events occurring after the balance sheet date (30 June 2025) which would require adjustments or disclosures to be made in the Notes to the interim Financial statements.

5. Auditors

AFC Vietnam Auditing Company Limited has been appointed to review the Company's interim financial statements for the six-month period ended 30 June 2025.

THE BOARD OF DIRECTORS' REPORT

6. Statement of the General Director' responsibility in respect of the financial statements

The General Director of the Company is responsible for preparing the interim financial statements which give a true and fair view of the financial position of the Company, as well as of its operation results and its cash flows for the six-month period ended 30 June 2025. In preparing those interim financial statements, the General Director is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basic unless it is inappropriate to presume that the Company will continue in business; and
- Design, implement and maintain the Company's internal control for prevention and detection of fraud and error to preparation and presentation of the financial statements.

The General Director is responsible for ensuring that the proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the Vietnamese Accounting System. The General Director is also responsible for managing the assets of the Company and therefore has taken the appropriate measures to prevent and detect frauds and other irregularities.

The General Director confirmed that the Company has complied with the above requirements in preparing the accompanying interim financial statements.

7. Approval of the financial statements

The Board of Directors hereby approves the accompanying interim financial statements which give a true and fair view of the financial position of the Company as at 30 June 2025, its operation results and cash flows of the Company for the six-month period ended 30 June 2025 in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and comply with relevant statutory requirements relating to the preparation and presentation of interim financial statements.

On behalf of the Board of Directors



PHO NGHIA VAN
Chairman

Ho Chi Minh City, 14 August 2025



Công ty TNHH Kiểm Toán AFC Việt Nam
AFC Vietnam Auditing Co., Ltd.

Thành viên tập đoàn PKF Quốc tế
Member firm of PKF International

No: 175/2025/BCSX-HCM.00623



REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**To: The Shareholders, the General Director and the Board of General Directors
Phong Phu Pharmaceutical Joint Stock Company**

We have reviewed the accompanying interim financial statements of Phong Phu Pharmaceutical Joint Stock Company ("the Company"), prepared on 14 August 2025, as set out from page 6 to 38, which comprise the Interim Balance sheet as at 30 June 2025, the Interim Income statement, the Interim Cash flow statement for the six-month period ended 30 June 2025 and the Notes to the Interim Financial statements.

The General Director's responsibility

The General Director of the Company is responsible for the preparation and fair presentation of these interim financial statements of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and comply with relevant statutory requirements to preparation and presentation of the financial statements and for such internal control as the General Director of the Company determines is necessary to enable the preparation and presentation of these interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standards on Review Engagements No. 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the interim financial position of Phong Phu Pharmaceutical Joint Stock Company as at 30 June 2025, and of the interim income statement and their interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System, and the statutory requirements relevant to the preparation and presentation of interim financial statements.



PHAM THI NGOC LIEN
Deputy General Director
Audit practicing registration certificate
No. 1180-2023-009-1
Authorized Representative

LE HUYNH BAO
Auditor
Audit practicing registration certificate
No. 5449-2021-009-1

AFC VIETNAM AUDITING COMPANY LIMITED
Ho Chi Minh City, 14 August 2025

INTERIM BALANCE SHEET

As at 30 June 2025

ITEMS	Code	Notes	30/06/2025 VND	01/01/2025 VND
ASSETS				
A - CURRENT ASSETS	100		81,725,883,963	87,878,199,272
I. Cash and cash equivalents	110	5.1	4,300,686,717	6,757,221,068
1. Cash	111		4,300,686,717	2,757,221,068
2. Cash equivalents	112		-	4,000,000,000
II. Short-term financial investments	120		24,584,000,000	31,108,072,981
1. Trading securities	121		-	-
2. Provision for diminution in value of held for trading securities	122		-	-
3. Held to maturity investments	123	5.2	24,584,000,000	31,108,072,981
III. Short-term receivables	130		26,055,265,059	20,510,951,034
1. Short-term trade receivables	131	5.3	22,064,589,479	16,609,684,434
2. Short-term advances to suppliers	132	5.4	1,625,914,299	1,916,342,907
3. Short-term inter-company receivables	133		-	-
4. Receivable from construction contracts under percentage of completion method	134		-	-
5. Short-term loan receivables	135		-	-
6. Other short-term receivables	136	5.5	2,369,274,435	1,984,923,693
7. Provision for doubtful debts	137	5.6	(4,513,154)	-
8. Deficient assets pending resolution	139		-	-
IV. Inventories	140	5.7	26,327,224,835	29,117,055,574
1. Inventories	141		26,957,986,321	29,696,350,224
2. Provision for devaluation in inventories	149		(630,761,486)	(579,294,650)
V. Other short-term assets	150		458,707,352	384,898,615
1. Short-term prepayments	151	5.8	431,167,566	364,459,152
2. Deductible VAT	152		-	7,611,281
3. Other receivables from State budget	153	5.14	27,539,786	12,828,182
4. Transactions to buy, resell government bonds	154		-	-
5. Other short-term assets	155		-	-

INTERIM BALANCE SHEET

As at 30 June 2025

ITEMS	Code	Notes	30/06/2025 VND	01/01/2025 VND
B - NON-CURRENT ASSETS	200		79,306,055,341	77,539,637,681
I. Long-term receivables	210		54,216,000	54,968,812
1. Long-term trade receivables	211		-	-
2. Long-term advances to supplies	212		-	-
3. Paid-in capital in wholly-owned subsidiaries	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Long-term loan receivables	215		-	-
6. Other long-term receivables	216	5.5	54,216,000	54,968,812
7. Provision for doubtful long-term debts	219		-	-
II. Fixed assets	220		72,627,633,801	74,287,414,969
1. Tangible fixed assets	221	5.9	56,125,004,946	57,436,446,124
- Cost	222		112,203,626,294	111,763,968,297
- Accumulated depreciation	223		(56,078,621,348)	(54,327,522,173)
2. Finance leases	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	5.10	16,502,628,855	16,850,968,845
- Cost	228		24,609,806,901	24,609,806,901
- Accumulated amortization	229		(8,107,178,046)	(7,758,838,056)
III. Investment property	230		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in progress	240		1,867,482,318	61,775,000
1. Long-term work in progress	241		-	-
2. Construction in progress	242	5.11	1,867,482,318	61,775,000
V. Long-term financial investments	250	5.2	4,000,000,000	2,000,000,000
1. Investments in subsidiaries	251		2,000,000,000	2,000,000,000
2. Investment in Joint-venture and associates	252		-	-
3. Investments in other entities	253		-	-
4. Provision for diminution in value of long-term investments	254		-	-
5. Held to maturity investment	255		2,000,000,000	-
VI. Other non-current assets	260		756,723,222	1,135,478,900
1. Long-term prepayments	261	5.8	629,668,293	1,019,619,969
2. Deferred income tax assets	262	5.12	127,054,929	115,858,931
3. Long-term equipment, supplies and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		161,031,939,304	165,417,836,953

INTERIM BALANCE SHEET

As at 30 June 2025

ITEMS	Code	Notes	30/06/2025 VND	01/01/2025 VND
RESOURCES				
C - LIABILITIES	300		29,063,549,596	28,743,565,560
I. Current liabilities	310		28,846,549,596	28,526,565,560
1. Trade accounts payable	311	5.13	8,727,405,778	12,844,130,879
2. Advance from customers	312	5.14	6,884,237,121	4,456,763,014
3. Taxes and amounts payable to State budget	313	5.15	1,200,986,371	1,324,118,597
4. Payables to employees	314		2,218,335,553	2,635,597,223
5. Accrued expenses	315	5.16	159,489,840	173,785,656
6. Inter-company payables	316		-	-
7. Construction contract payables based on agreed progress billings	317		-	-
8. Unrealized revenues	318		-	-
9. Other current payables	319	5.17	861,862,613	743,377,897
10. Short-term borrowings and finance lease liabilities	320	5.18	2,278,669,368	-
11. Provision for short-term payables	321		-	-
12. Bonus and welfare funds	322	5.19	6,515,562,952	6,348,792,294
13. Price Stabilization Fund	323		-	-
14. Transactions to buy, resell government bonds	324		-	-
II. Long-term liabilities	330		217,000,000	217,000,000
1. Long-term trade payables	331		-	-
2. Long-term advance from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Long-term inter-company payables of capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenues	336		-	-
7. Other long-term liabilities	337	5.17	217,000,000	217,000,000
8. Long-term borrowings and finance lease obligations	338		-	-
9. Convertible bond	339		-	-
10. Preferred stock	340		-	-
11. Deferred income tax liabilities	341		-	-
12. Other long-term provisions	342		-	-
13. Scientific and technological development fund	343		-	-

INTERIM BALANCE SHEET

As at 30 June 2025

ITEMS	Code	Notes	30/06/2025 VND	01/01/2025 VND
D - EQUITY	400		131,968,389,708	136,674,271,393
I. Owner's equity	410	5.20	131,968,389,708	136,674,271,393
1. Owners' invested equity	411		87,999,910,000	87,999,910,000
- Ordinary shares with voting rights	411a		87,999,910,000	87,999,910,000
- Preference shares	411b		-	-
2. Surplus of stock capital	412		2,205,500,000	2,205,500,000
3. Convertible bonds option	413		-	-
4. Other owner's capital	414		-	-
5. Treasury shares	415		-	-
6. Assets revaluation difference	416		-	-
7. Foreign exchange difference	417		-	-
8. Investment and development funds	418		10,732,649,455	10,260,754,744
9. Enterprise reorganization support fund	419		-	-
10. Other owner's funds	420		-	-
11. Undistributed profit after tax	421		31,030,330,253	36,208,106,649
Undistributed profit after tax brought forward	421a		23,008,120,149	20,809,497,799
Undistributed profit after tax for the current year	421b		8,022,210,104	15,398,608,850
12. Construction capital sources	422		-	-
II. Non-business expenditure fund and other funds	430		-	-
1. Non-business expenditure fund	431		-	-
2. Non-business expenditure fund invested in fixed assets	432		-	-
TOTAL RESOURCES	440		161,031,939,304	165,417,836,953

DANG TRUC KHANH
Preparer

NGUYEN THI ANH CHI
Chief Accountant



THAI NHA NGON
General Director
Ho Chi Minh City, 14 August 2025

INTERIM INCOME STATEMENT

For the six-month period ended 30 June 2025

ITEMS	Code	Notes	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
1. Revenues from sale of goods and rendering of services	01		58,094,002,668	57,735,303,056
2. Deductions	02		37,673,994	72,190,310
3. Net revenue from sale of goods and rendering of services (10 = 01- 02)	10	6.1	58,056,328,674	57,663,112,746
4. Cost of goods sold	11	6.2	41,746,607,113	42,359,922,406
5. Gross profit from sale of goods and rendering of services (20 = 10 - 11)	20		16,309,721,561	15,303,190,340
6. Financial income	21	6.3	2,229,766,008	1,033,700,057
7. Financial expenses	22	6.4	55,252,522	874,800
- In which: loan interest	23		23,968,522	-
8. Selling expenses	25	6.5	1,417,474,608	1,407,220,907
9. General and administration expenses	26	6.6	5,720,842,321	5,821,347,148
10. Operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		11,345,918,118	9,107,447,542
11. Other income	31	6.7	77,895,557	82,760,448
12. Other expenses	32		7	20,836
13. Profit from other activities (40 = 31 - 32)	40		77,895,550	82,739,612
14. Accounting profit before tax (50 = 30 + 40)	50		11,423,813,668	9,190,187,154
15. Current corporate income tax expense	51	5.15	1,997,115,427	1,765,327,587
16. Deferred corporate income tax expense	52	5.12	(11,195,998)	(31,735,247)
17. Net profit after tax (60 = 50 - 51 - 52)	60		9,437,894,239	7,456,594,814

DANG TRUC KHANH
Preparer

NGUYEN THI ANH CHI
Chief Accountant

THAI NHA NGON
General Director
Ho Chi Minh City, 14 August 2025



INTERIM CASH FLOW STATEMENT

(Indirect method)

For the six-month period ended 30 June 2025

ITEMS	Code	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Net profit before tax	01	11,423,813,668	9,190,187,154
2. Adjustments for:			
- Depreciation and amortisation	02	2,099,439,165	2,113,989,769
- Provisions	03	55,979,990	158,676,238
- Foreign exchange (gains)/losses arising from revaluation of monetary accounts	04	-	-
- Profits from investing activities	05	(2,229,766,008)	(1,033,700,057)
- Interest expense	06	23,968,522	-
- Other adjustments	07	-	-
3. Operating income before changes in working capital	08	11,373,435,337	10,429,153,104
- (Increase)/decrease in receivables	09	(5,159,378,503)	115,044,341
- (Increase)/decrease in inventories	10	2,738,363,903	369,986,462
- Increase/(decrease) in payables (exclude loan interest payables, CIT payables)	11	(1,907,041,914)	(2,386,100,384)
- (Increase)/decrease in prepaid expenses	12	323,243,262	373,904,715
- (Increase)/decrease in business securities	13	-	-
- Interest paid	14	(20,321,769)	-
- Corporate income tax paid	15	(2,271,533,441)	(1,901,793,750)
- Other cash inflow from operating activities	16	-	-
- Other cash outflow from operating activities	17	(777,018,766)	(797,064,993)
Net cash flow from operating activities	20	4,299,748,109	6,203,129,495
II. CASH FLOW FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(2,245,365,315)	-
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	-
3. Cash outflow for lending, buying debt instruments of other entities	23	(13,084,000,000)	(13,589,600,521)
4. Cash recovered from lending, selling debt instruments of other entities	24	17,608,072,981	13,562,811,839
5. Investments in other entities	25	-	-
6. Cash recovered from investments in other entities	26	-	-
7. Interest earned, dividends and profits received	27	1,847,430,006	1,253,923,013
Net cash flow from investing activities	30	4,126,137,672	1,227,134,331
III. CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Proceeds from issuing stocks, receiving capital from owners	31	-	-
2. Capital withdrawals, buying treasury shares	32	-	-
3. Proceeds from borrowings	33	3,584,378,958	-
4. Payments to settle loan principals	34	(1,305,709,590)	-
5. Payments to settle finance lease liabilities	35	-	-
6. Dividends and profits paid	36	(13,161,089,500)	(10,321,527,750)
Net cash flow from financing activities	40	(10,882,420,132)	(10,321,527,750)

INTERIM CASH FLOW STATEMENT

(Indirect method)

For the six-month period ended 30 June 2025

ITEMS	Code	From 01/01/2025 to 30/06/2025	From 01/01/2024 to 30/06/2024
		VND	VND
NET CASH FLOWS DURING THE YEAR (50 = 20 + 30 + 40)	50	(2,456,534,351)	(2,891,263,924)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	60	6,757,221,068	5,972,883,702
Effect of exchange rate fluctuations on cash and cash equivalents	61	-	-
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (70 = 50 + 60 + 61)	70	4,300,686,717	3,081,619,778


DANG TRUC KHANH
Preparer


NGUYEN THI ANH CHI
Chief Accountant


THAI NHA NGON
General Director
Ho Chi Minh City, 14 August 2025

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

1. BUSINESS HIGHLIGHTS

1.1 Structure of ownership

Phong Phu Pharmaceutical Joint Stock Company ("the Company") is a joint stock company, established in Vietnam and operating under the Business Registration Certificate No. 0301427564 first registered on 20 August 2000 and the 16th amendment Business Registration Certificate dated 15 October 2021 issued by the Department of Planning and Investment of Ho Chi Minh City.

Charter capital of the Company at 30/06/2025 and at 01/01/2025 is VND 87,999,910,000 equivalent with 8,799,991 shares which have par value of VND 10,000/ share.

The Company's shares were accepted for listing on the Hanoi Stock Exchange with the stock code PPP and the first trading day was 18 July 2011.

The Company's head office is located at Lot No. 12, No. 8 Street, Tan Tao Industrial Park, Tan Tao Ward, Ho Chi Minh City, Vietnam.

1.2 Scope of operating activities

The Company operates in the field of production.

1.3 Line of business

According to Business registration certificate, the Company's business activities are:

- Wholesale of other household products. Details: Wholesale of pharmaceuticals; medical instruments, medical equipment; cosmetics, perfumeries; antiseptic solutions.
- Other production not elsewhere classified. Details: Tea production;
- Manufacture of dairy products;
- Manufacture of bakery products from flour;
- Manufacture of macaroni, noodles and similar farinaceous products;
- Manufacture of non-alcoholic beverages, and mineral waters. Details: Production of mineral waters and other bottled waters; manufacture of non-alcoholic beverages;
- Wholesale of food. Details: Wholesale of tea; Wholesale of sugar (not operating at headquarters); milk and dairy products, confectionery and products processed from cereal, flour, starch; wholesale of functional foods;
- Other passenger land transport. Details: Freight transport by special-purpose motor vehicles; other urban and suburban passenger land transport (not operating at headquarters);
- Warehousing and storage of goods. Details: Storage of goods;
- Real estate activities, own or rented property and land use rights. Details: Real estate activities (not operating at headquarters);
- Manufacture of functional foods not elsewhere classified. Details: Manufacture of functional foods (except for fresh food processing);
- Manufacture of pharmaceuticals, medicinal chemical and herbal medicines. Details: Manufacture of pharmaceuticals, herbal medicines, herbal extracts;
- Manufacture of cocoa, chocolate and sugar confectionery;
- Wholesale of beverages. Details: Wholesale of non-alcoholic beverages;
- Manufacture of cosmetics, soap and detergents, cleaning and polishing preparations and toilet preparations. Details: Manufacture of cosmetics, chemicals and antiseptic solutions for household and medical use (except for manufacturing chemicals at headquarters);
- Manufacture of medical and dental, and orthopedic and rehabilitation instruments and supplies. Details: Manufacture of medical instruments and supplies;
- Other professional, scientific and technology activities not elsewhere classified. Details: Technology transfer and technology transfer services in the field of pharmaceuticals and health supplement; Product research and development services in the field of pharmaceuticals and health supplement;
- Growing spices, medicinal plants, perennial aromatic plants. Details: Growing and processing spices, medicinal plants, perennial aromatic plants (not operating at headquarters).

In the period, the Company's principal activities are producing and wholesale of medicine.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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1.4 Normal business cycle

Business cycle of the Company is not exceeding 12 months.

1.5 Company structure

The Company has the following affiliated units:

No.	Unit's name	Address
1	Branch of Phong Phu Pharmaceutical Joint Stock Company - Functional Food Production Factory	179 Phong Phu Street, Phu Dinh Ward, Ho Chi Minh City, Vietnam
2	Phong Phu Pharmaceutical Joint Stock Company – Usarichpharm Factory Branch	Lot No. 12, No. 8 Street, Tan Tao Industrial Park, Tan Tao Ward, Ho Chi Minh City, Vietnam

Subsidiary

The company has the following subsidiary:

Name	Address	Main activities	Ownership rate	Voting right rate
USAR Vietnam Company Limited	Lot 12, No. 8 Street, Tan Tao Industrial Park, Tan Tao Ward, Ho Chi Minh City, Vietnam	Pharmaceutical trading business	100%	100%

1.6 Declaration on the comparability of information on the financial statements

The figures presented in the financial statements for the six-month period ended 30 June 2025 are comparable to the corresponding figures of the previous year.

1.7 Employees

As at 30 June 2025, the total number of employees of the Company was 135 (31 December 2024: 133 persons).

2. ACCOUNTING YEAR AND ACCOUNTING CURRENCY

2.1 Fiscal year

The fiscal year of the Company is from January 01 to December 31 annually.

2.2 Accounting currency

The Company maintains its accounting records in Vietnamese dong (VND) due to the collect and spending are made primarily by currency VND.

3. ACCOUNTING STANDARDS AND REGULATIONS APPLICATION

3.1 Accounting Standards and regulations application

The Company's financial statements are prepared and presented in accordance with Vietnamese Accounting System issued Circular No. 200/2014/TT-BTC on 22 December 2014, the Circular No. 53/2016/TT-BTC on 21 March 2016 issued by the Ministry of Finance guiding the preparation and presentation methods of the financial statements and Vietnam Accounting Standards.

The Company has applied the Vietnamese Accounting Standards, Accounting System according to Circular No. 200/2014/TT-BTC, Circular No. 53/2016/TT-BTC and other circulars guiding the implementation of accounting standards issued by the Ministry of Finance in Vietnam in relating to the preparation and presentation of financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

3.2 Comply with the Vietnamese Accounting Standards and Vietnamese Accounting System

The General Director is ensure that complied with the Vietnamese Accounting Standards, Vietnamese Accounting System according to Circular No. 200/2014/TT-BTC, Circular No. 53/2016/TT-BTC and as well as the guiding implementation of Vietnamese Accounting Standards issued by the Ministry of Finance in relating to the preparation and presentation of financial.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation of the financial statements

The financial statements are prepared on the accrual basis (except for information relating to cash flows).

4.2 Foreign currency transactions

In the period, transactions in currencies other than VND during the fiscal year have been translated into VND at exchange rates ruling at the date of the transaction. At the end of the fiscal year, cash in banks, monetary items denominated in foreign currencies are classified as other assets that are converted into VND according to the transfer buying foreign exchange rate of bank prevailing on this date; monetary items denominated in foreign currencies are classified as liabilities that are converted into VND at the selling foreign exchange rate of bank prevailing on this date.

Foreign exchange differences arising during the year from transactions in foreign currencies are recognized in the financial income or expenses. Exchange differences arising from revaluation of monetary items denominated in foreign currencies as at the end of fiscal year after offsetting between increase and decrease difference is recognized in the financial income or expenses.

4.3 Cash and cash equivalents

Cash comprises cash on hand, cash in banks (demand deposits) and cash in transit. Cash equivalents are short-term highly liquid investments with an original maturity of three months or less which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value at the report date.

4.4 Financial investments

Investments in subsidiaries

A subsidiary is an enterprise controlled by the Company. Control is achieved when the Company has the power to govern the financial and operating policies of an investee enterprise to obtain benefits from its activities.

Investments in subsidiaries are initially recorded at cost, include the purchase price and costs directly related to the investment. In case of investments in non-monetary assets, the cost of the investment is recorded at the fair value of non-monetary assets at the time they occur.

Dividends and profits from periods prior to the purchase of investment are recorded as a reduction in the value of the investment. Dividends and profits from periods subsequent to the investment being purchased are recorded as revenue. Dividends received in shares are only recorded as the number of shares increased, not the value of the shares received.

Provision for loss of investment in subsidiaries are made when the enterprise receiving the contributed capital suffers a loss leading to the possibility of the Company losing capital or when the value of investments in the subsidiary are depreciated in value. The basis for making provision for investment loss is the financial statement of the investee company.

Increase or decrease in provision for diminution in value of investments in other entities have recorded at the end of the fiscal year, and is recognized in the financial expense.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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4.5 Receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

The classifications of receivables are trade receivables and other receivables, which complied with the following principles:

- Trade receivables reflect the nature of the receivables arising from commercial transactions with purchase - sale between the Company and an independent purchaser.
- Other receivables reflect the nature of the receivables arising from non-commercial transactions, and not to be related to the purchase – sale transactions.

The provision for doubtful debts represents the estimated loss due to non-payment arising on receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recognised as general and administrative expense in the Income statement

4.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined as follows:

- Materials, goods: comprising all costs of purchase and related expenses directly incurred in bringing the inventories to their present location and condition.
- Finished goods: comprising costs of raw materials, direct labor and general production costs directly related to the production process.
- Work-in-process: including raw materials expenses, direct labor and production expenses.

Net realisable value means the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The Company applies the perpetual inventory method of accounting for inventories and the cost is determined on the weighted average method.

Provision for decline of inventories is made for each inventory with the cost greater than the net realisable value.

Provision for inventories is created for the estimated loss due to the decline in the value of materials, finished goods, and goods owned by the Company that may occur (discounts, deterioration, obsolescence, etc.) based on reasonable evidence of impairment at the end of the fiscal year. Increase or decrease in the balance of provision for decline of inventories should be set aside at the fiscal year end and is recognized in cost of goods sold.

4.7 Prepaid expenses

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

Prepaid expenses of the Company include:

Tools and equipment

Tools and equipment's has been put into use are amortised to expense under the straight-line method to amortise time not exceeding 3 years.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

4.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The historical cost of tangible fixed assets include all the expenses that the Company incurs to get fixed assets by the time the asset is put into a state ready for use. Costs incurred after initial recognition is only recorded as increase in cost of fixed assets if these costs are sure to increase economic benefits in the future by using this assets. The costs incurred are not satisfied conditions are recognized as an expense in the period.

When selling or liquidating assets, their cost and accumulated depreciation of the assets are written off in the financial statements and any gain or loss which are arising from disposal are recorded in the income statement.

Depreciation of tangible fixed assets which is calculated under the straight-line depreciation method with useful time of the asset is estimated as follows:

	Years
Building and structure	06 – 50
Machinery and equipment	03 – 10
Transportation	06 – 10
Office equipment	05
Other fixed assets	04

4.9 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated depreciation.

The historical cost of intangible fixed assets include all the expenses that the Company incurs to get fixed assets by the time the asset is put into a state ready for use. Costs related to intangible assets incurred after initial recognition are recognized as expenses in the period, unless these costs are associated with an intangible asset and increase economic benefits from these assets.

When assets are sold or retired, their cost and accumulated depreciation are removed from the balance sheet and any gain or losses resulting from their disposal are recognized in other income or other expense.

The Company's intangible fixed assets include:

Land use rights

Land use rights are all the actual costs that the Company spent related directly to the land use, includes: money spent to have the right to use land, compensation and site clearance expense, leveling, registration fee,... The land use right of the Company which is calculated under the straight-line depreciation method with land rental time of 40 years.

Computer software

The expenses of purchasing computer software, which is not a part associated with the relevant hardware, will be capitalised. The initial cost of computer software includes all the expenses paid until the date the software is put into use. Computer software is amortised according to straight-line method in 3 years.

4.10 Accounts payables and accrued expenses

Accounts payable and accrued payable are recognized for amounts to be paid in the future, which are related to the goods and services received. Accrued payables are recorded based on reasonable estimates of the amounts payable.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

The classification of liabilities is trade payable, accrued expenses and other payables are in accordance with the following principles:

- Trade payables reflects the payables occurring from the commercial transactions with purchase of goods, services, property and the seller, which is an independent unit with the Company.
- Accrued payables reflect the amounts payable for goods and services received from the seller or has provided to the buyer but not paid due to no or insufficient billing records, accounting records and payable to employees on sabbatical salary, production costs that must be accrued.
- Other payables reflect the payables from non-commercial payables and not relate to the purchase – sale transactions.

4.11 Salary

Salary expenses are determined based on salary, wage and allowances as stated in agreed-upon labor contracts.

4.12 Salary deduction

Social insurance is deducted base on salary under labor contract at a cost of 17.5% and deducted from employees' salaries 8%.

Health insurance is deducted base on salary under labor contract at a cost of 3% and deducted from employees' salaries 1.5%.

Unemployment insurance is deducted base on salary under labor contract at a cost of 1% and deducted from employees' salaries 1%

Trade unions fees deducted on salaries to the cost of 2%.

4.13 Owners' equity

Contributed capital of the owner

Capital is recorded according to the amount actually invested by shareholders.

Surplus of stock capital

Surplus of stock capital are recognized at the difference between the issued price and face value of shares when first released, the release added, the difference between the price reissued and the book value of treasury shares and structures the capital of the convertible bond at maturity. Direct expenses related to the issuance of additional shares and treasury shares reissued are reduced Surplus of stock capital.

4.14 Profit distribution

Profit after corporate income tax is distributed to shareholders after the deduction of funds under the Charter of the Company and the provisions of the law which were approved by the General Meeting of Shareholders.

The distribution of profits to shareholders is considered non-monetary assets and liabilities in net undistributed profit may affect cash flow and ability to pay dividends as profit from revaluation of assets contributed as capital and interest due to the revaluation of monetary items, the financial instruments and non-monetary items other.

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

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4.15 Basic earnings per share

Basic earnings per share is calculated by dividing the profit after tax after setting the bonus and welfare fund according to the Company's Charter and law's principals, and approved by the General Meeting of Shareholders to allocate to shareholders owning common shares of the Company by the weighted average number of common shares outstanding during the year.

4.16 Revenues

Revenues from sales of goods

Revenues from sales shall be recognized if it meets the following five (5) conditions:

- (a) The Company has transferred the majority of risks and benefits associated with the right to own the products or goods to the buyer;
- (b) The Company no longer holds the right to manage the goods as the goods owner, or the right to control the goods;
- (c) Revenues from sales has been determined with relative certainty;
- (d) The Company has gained or will gain economic benefits from the good sale transaction;
- (e) It is possible to determine the costs related to the goods sale transaction.

Revenues from rendering services

The revenue of transaction related to the provision of services is recorded when the result of the transaction can be measured reliably. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date. The result of this transaction can be measured reliably when satisfy all four conditions:

- (a) Revenue can be measured reliably;
- (b) It is possible to obtain economic benefits from the service provision transaction;
- (c) The work volume finished on the date of making the accounting balance sheet can be determined;
- (d) The costs incurred from the service provision transaction and the costs of its completion can be determined.

Interest

Interest is recognized on an accrual basis, are determined on the balance of cash in bank and the actual interest rate for each period.

4.17 Loan expenses

Loan expenses are loan interest and other costs incurred in direct relation to loans of an enterprise. Loan expenses are recognised as financial expense for the period except where loan expenses directly related to the construction investment or production of uncompleted assets shall be accounted into the value of such assets (capitalized). The capitalization of loan expenses shall terminate when the major activities necessary to prepare the uncompleted asset for its intended use or sale are completed.

4.18 Corporate income tax

Corporate income tax expenses comprises current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount is calculated on taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between accounting and tax, non-deductible expenses as well as adjusted income are not taxed and losses be transferred.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

Deferred income tax

Deferred income tax is the corporate income tax will pay or will be refunded by the temporary differences between the carrying amounts of assets and liabilities for the purpose of preparing the financial statements and the basis to calculate income tax. Deferred income tax is recognized for all temporary differences tax. Deferred income tax assets are only recognized when the certainty of future get the taxable profits to use those temporary deductible differences.

The carrying amount of deferred tax assets are reconsidered at closing of the financial year and will be reversed to make sure that there is enough taxable profit to allow the benefit of part or all assets to be used. The deferred tax assets did not previously recognize to be reconsidered at closing of the financial year and is recognized when it is sure to enough taxable profit to be able to use this deferred tax assets.

Deferred tax assets and deferred income tax payable is calculated at the estimated tax rates that is applied in the asset is realized or the liability is settled in accordance with the tax rates in effect at closing fiscal year. Deferred income tax is recognized in the income statement and record directly to equity when the tax relates to items directly to equity.

Deferred tax assets and deferred income tax payables are off set as below:

- The Company has a legal right to offset between current income tax assets and current income taxes payable; and
- Deferred tax assets and deferred income tax payables are related to corporate income tax is administered by the same tax authority:
 - For the same taxable Company; or
 - The Company intends to pay current income taxes and deferred tax assets on the basis of net assets or recovered asset at the same with the payment of liabilities for each of periods in future when the materiality of deferred income tax or deferred tax assets to be paid or recovered.

Tax settlement of the Company will be assessed by the Tax Department. Due to the application of laws and regulations on taxes for different incurred transactions which can be explained in many different ways, tax payable presented in the financial statements can be immediately changed according to the decision of the tax authorities.

4.19 Segment reporting

A business segment is a distinguishable component that is engaged in providing a product or service and that has its own risks and returns which are different from those of other business segments.

A geographical segment a distinguishable component that is engaged in providing a product or services in a particular economic environment and that has its own risks and returns which are different from of segment operating in other economic environment.

4.20 Financial instrument

Financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets of the Company include cash and cash equivalents, customer receivables and other receivables.

At the time of initial recognition, financial assets are determined at cost plus any costs directly transaction of such financial assets.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

Financial liabilities

The classification of financial liabilities depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition. Financial liabilities of the Company include payable to suppliers, accrued expenses and other payables.

At the time of initial recognition, except for financial liabilities related to financial leasing and convertible bonds are recorded at cost allocation, other financial liabilities are determined at cost plus costs directly transaction of such financial liabilities.

Amortized cost is determined by the value of the initial recognition of financial liabilities minus principal repayments, plus or minus the cumulative amortization of interest calculated at the actual interest rate method of the difference between the value initially recognized and the maturity value, minus deductions (directly or through the use of a provision) by reducing the value or by irrevocable.

The real interest method is a method of calculating the amortized cost of one or a Company of financial liabilities and amortizing the interest income or interest expense in the relevant period. Real interest rate is the interest rate discounting the cash flows estimated to be paid or received in future during the expected lifetime of the financial instrument or a shorter, if necessary, return to the current book value net financial liabilities.

Owner's equity instruments

Owner's equity instruments are contracts that prove benefits remaining about asset of Company after deducting all of its obligation.

Offsetting of financial instruments

The financial assets and financial liabilities are offset and the net amount is presented on the balance sheet, and if only:

- The Company has the legal right to offset the values were recognized, and
- It intends to pay on a net basis or recognized assets and paid liabilities at the same time.

4.21 Related parties

The parties are related if having the ability to control or significant influence across the decision making of financial policies and operations. Parties are also considered to be related if they are subjected to common control or common significant influences.

The following individuals/ companies are considered as related parties:

Individuals / Company	Relationship
USAR Vietnam Company Limited	Subsidiary
An Medicol Pharma Company Limited	Company with same key members
Unite Pharmaceutical Joint Stock Company	Other related party
Minh Luan Precision Mechanical Company Limited	Other related party (no longer related party since 25/04/2025)
Tuyen Hiep Company Limited	Other related party
The Board of Directors, the Board of Supervisors, the General Director	Key members

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5. ADDITIONAL INFORMATION TO ITEMS IN THE INTERIM BALANCE SHEET

5.1 Cash and cash equivalents

	30/06/2025 VND	01/01/2025 VND
Cash on hand – VND	38,089,039	99,999,279
Cash in bank – VND	4,262,597,678	2,657,221,789
Cash equivalents	-	4,000,000,000
	4,300,686,717	6,757,221,068

5.2 Financial investments

5.2.1 Short-term financial investments

The Company's short-term financial investments only include held to maturity investments, details are as follows:

	30/06/2025		01/01/2025	
	Cost VND	Carrying amount VND	Cost VND	Carrying amount VND
Short-term				
Term deposit	24,584,000,000	24,584,000,000	31,108,072,981	31,108,072,981
	24,584,000,000	24,584,000,000	31,108,072,981	31,108,072,981

Balance at 30 June 2025 are no more than 12-month term deposits at commercial banks with interest rates with 4.2% to 5.8%/year.

The Company has pledged its term deposits for bank loans (see Note 5.18).

5.2.2 Long-term financial investments

The Company's long-term financial investments include held to maturity investments and investments in subsidiaries, details are as follows:

Held to maturity investments

	30/06/2025		01/01/2025	
	Cost VND	Carrying amount VND	Cost VND	Carrying amount VND
Long-term				
Term deposit	2,000,000,000	2,000,000,000	-	-
	2,000,000,000	2,000,000,000	-	-

Balance at 30 June 2025 are over-12-month term deposits at commercial banks with interest rates with 5.8%/year.

Investments in subsidiaries

	30/06/2025			01/01/2025		
	Cost VND	Provision VND	Fair value VND	Cost VND	Provision VND	Fair value VND
Investments in subsidiaries						
USAR Vietnam Company Limited (a)	2,000,000,000	-	(*)	2,000,000,000	-	(*)
	2,000,000,000	-		2,000,000,000	-	

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- (a) As of 30 June 2025, the Company's interest/voting rights ratio at USAR Vietnam Company Limited is 100%.
- (*) At the reporting date, the Company has not determined the fair value of these investments to disclose in the Notes to the financial statements, because there is no listed price on the market and Vietnamese accounting standards, the Vietnamese enterprise accounting regime. There is currently no guidance on how to calculate fair value and use valuation techniques. The fair value of these investments may differ from the carrying amount.

Subsidiary performance

USAR Vietnam Company was established under Investment Certificate No. 0312559234 dated 22 November 2013 issued the Department of Planning and Investment of Ho Chi Minh City, with the 17th amendment on 15 July 2022. The main activity of the subsidiary is pharmaceutical trading

Transactions with subsidiaries

Significant transactions between the Company and its subsidiaries are as follows:

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
USAR Vietnam Company Limited		
Sale of goods	27,062,792,770	24,963,706,270
Return of sold goods	30,187,600	72,190,310
Profit transferring	1,438,236,528	363,549,219
5.3 Short-term accounts receivables		
	30/06/2025 VND	01/01/2025 VND
Trade receivables – related parties		
USAR Vietnam Company Limited	15,398,027,237	13,537,870,827
An Medicol Pharma Company Limited	2,090,492,847	882,899,817
Trade receivables – other parties		
Dai Quang Pharmaceutical Company Limited	3,462,124,650	793,027,380
Other customers	1,113,944,745	1,395,886,410
	22,064,589,479	16,609,684,434
5.4 Short-term advances to suppliers		
	30/06/2025 VND	01/01/2025 VND
Advances to other suppliers		
Gold Seal Trading Service Company Limited	896,028,480	896,028,480
Trung Son T.S.S.E Scientific Equipment & Tourist Joint Stock Company	213,720,000	-
Vietnam VCS Chemical Service Company Limited	210,138,390	-
Other suppliers	306,027,429	1,020,314,427
	1,625,914,299	1,916,342,907

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5.5 Other short-term, long-term receivables

5.5.1 Other short-term receivables

	30/06/2025		01/01/2025	
	Amount VND	Provision VND	Amount VND	Provision VND
Receivables – related parties				
USAR Vietnam Company Limited – Profit receivable	1,438,236,528	-	1,279,838,526	-
Receivables – other parties				
Deposit interest	810,536,000	-	586,598,000	-
Advances	86,807,000	-	96,590,000	-
Pledge, mortgage, deposit	15,427,177	-	11,639,680	-
Other receivables	18,267,730	-	10,257,487	-
	2,369,274,435	-	1,984,923,693	-

5.5.2 Other long-term receivables

	30/06/2025		01/01/2025	
	Amount VND	Provision VND	Amount VND	Provision VND
Receivables – other parties				
Pledge, mortgage, deposit	16,040,000	-	16,232,812	-
Other receivables	38,176,000	-	38,736,000	-
	54,216,000	-	54,968,812	-

5.6 Bad debts

	30/06/2025			01/01/2025		
	Cost VND	Recoverable amount VND	Provision VND	Cost VND	Recoverable amount VND	Provision VND
Receivables - Other customers						
One Health One Member Company Limited	3,880,758	-	(3,880,758)	3,880,758	3,880,758	-
Cai Rang District Medical Center	278,399	-	(278,399)	278,399	278,399	-
Tan Chau Regional General Hospital	353,997	-	(353,997)	353,997	353,997	-
	4,513,154	-	(4,513,154)	4,513,154	4,513,154	-

5.7 Inventories

	30/06/2025		01/01/2025	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	16,919,443,889	(630,194,950)	17,483,558,635	(579,294,650)
Tools	1,681,392	-	1,027,454	-
Work-in-process	2,123,989,097	-	2,593,261,976	-
Finished goods	7,912,871,943	(566,536)	9,618,502,159	-
	26,957,986,321	(630,761,486)	29,696,350,224	(579,294,650)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

Increase and decrease in the provision of inventories in period as follow:

	From 01/01/2025 to 30/06/2025 VND	2024 VND
Opening balance	(579,294,650)	(851,995,723)
Provision in period	(66,891,477)	(206,578,783)
Reversal in period	15,424,641	50,344,312
Inventory disposal	-	428,935,544
Ending balance	(630,761,486)	(579,294,650)

5.8 Short-term, long-term prepaid expenses

5.8.1 Short-term prepaid expenses

	30/06/2025 VND	01/01/2025 VND
Fire insurance expense	25,077,780	83,232,450
Repair, inspection, other services	87,132,262	117,673,652
Production equipment and tools	64,785,577	100,084,299
Uniform expense	254,171,947	63,468,751
	431,167,566	364,459,152

5.8.2 Long-term prepaid expenses

	30/06/2025 VND	01/01/2025 VND
Repair, maintenance expenses	29,831,860	33,764,635
Filter equipment	29,162,969	16,666,668
Production and administration equipment, tools	526,758,470	905,138,015
Landscaping, processing and panel installation	-	57,808,681
Office repair expense	43,914,994	6,241,970
	629,668,293	1,019,619,969

5.9 Increase, decrease of tangible fixed assets

	Building and structure VND	Machinery and equipment VND	Transportation VND	Office equipment VND	Other fixed assets VND	Total VND
HISTORICAL COST						
As at 01/01/2025	67,996,454,436	40,108,509,686	1,730,930,101	1,561,065,909	367,008,165	111,763,968,297
Purchase in period	147,314,815	292,343,182	-	-	-	439,657,997
As at 30/06/2025	68,143,769,251	40,400,852,868	1,730,930,101	1,561,065,909	367,008,165	112,203,626,294
ACCUMULATED DEPRECIATION						
As at 01/01/2025	18,868,013,995	32,894,330,961	1,730,930,101	467,238,951	367,008,165	54,327,522,173
Depreciation in period	815,900,486	858,545,389	-	76,653,300	-	1,751,099,175
As at 30/06/2025	19,683,914,481	33,752,876,350	1,730,930,101	543,892,251	367,008,165	56,078,621,348
NET BOOK VALUE						
As at 01/01/2025	49,128,440,441	7,214,178,725	-	1,093,826,958	-	57,436,446,124
As at 30/06/2025	48,459,854,770	6,647,976,518	-	1,017,173,658	-	56,125,004,946

The historical cost of fully depreciated tangible fixed assets but still in use:

As at 01/01/2025	4,268,916,667	24,697,129,239	1,730,930,101	229,818,182	367,008,165	31,293,802,354
As at 30/06/2025	4,268,916,667	24,802,329,239	1,730,930,101	229,818,182	367,008,165	31,399,002,354

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

The Company has pledged several tangible fixed assets for bank loans (see Note 5.18).

5.10 Increase, decrease of intangible fixed assets

	Land use right VND	Accounting software VND	Total VND
HISTORICAL COST			
As at 01/01/2025	23,880,406,901	729,400,000	24,609,806,901
As at 30/06/2025	23,880,406,901	729,400,000	24,609,806,901
ACCUMULATED DEPRECIATION			
As at 01/01/2025	7,113,078,765	645,759,291	7,758,838,056
Depreciation in period	298,155,576	50,184,414	348,339,990
As at 30/06/2025	7,411,234,341	695,943,705	8,107,178,046
NET BOOK VALUE			
As at 01/01/2025	16,767,328,136	83,640,709	16,850,968,845
As at 30/06/2025	16,469,172,560	33,456,295	16,502,628,855

5.11 Construction in progress

	01/01/2025 VND	Increase in period VND	30/06/2025 VND
Environmental Permit Survey Cost	61,775,000	35,300,000	97,075,000
Tablet press machine	-	17,332,382	17,332,382
Pharmaceutical factory construction	-	1,753,074,936	1,753,074,936
	61,775,000	1,805,707,318	1,867,482,318

5.12 Deferred income tax assets

	01/01/2025 VND	Recorded in the income statement VND	30/06/2025 VND
Deferred tax assets relating to deductible temporary differences			
- Provision for inventories	115,858,931	10,293,367	126,152,298
- Provision for bad debts	-	902,631	902,631
	115,858,931	11,195,998	127,054,929

5.13 Trade accounts payable

	30/06/2025		01/01/2025	
	Amount VND	Payment capability VND	Amount VND	Payment capability VND
Trade payables - related parties				
Minh Luan Precision Mechanical Company Limited	-	-	68,640,000	68,640,000
Tuyen Hiep Company Limited	13,197,600	13,197,600	-	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

	30/06/2025		01/01/2025	
	Amount	Payment capability	Amount	Payment capability
	VND	VND	VND	VND
Trade payables - other parties				
Tan Thanh Packaging Company Limited	1,936,693,138	1,936,693,138	1,695,616,077	1,695,616,077
Benovas Pharmaceutical Joint Stock Company	614,281,320	614,281,320	607,273,200	607,273,200
Phuong Phuc Pharmaceutical Chemical Company Limited	501,900,000	501,900,000	374,403,750	374,403,750
Chemico - Pharmaceutical No1 Joint Stock Company	458,376,750	458,376,750	759,345,810	759,345,810
Other suppliers	5,202,956,970	5,202,956,970	9,338,852,042	9,338,852,042
	8,727,405,778	8,727,405,778	12,844,130,879	12,844,130,879

5.14 Short-term advance from customers

	30/06/2025	01/01/2025
	VND	VND
Advances from other customers		
Medbolide Pharmaceutical Joint Stock Company	2.204.809.130	1.320.990.044
Colland Joint Stock Company	619.738.390	-
Kidnova Joint Stock Company	447.722.372	332.141.425
Thang Long Pharmaceutical Company Limited	400.000.000	1.000.000.000
Liviat Pharmaceutical Corporation	540.797.219	325.917.576
Nam Phuong Pharma Ceutical Joint Stock Company	1.131.578.829	198.646.354
Other customers	1.539.591.181	1.279.067.615
	6.884.237.121	4.456.763.014

5.15 Taxes and receivables, payables to State budget

	01/01/2025		Transaction in period		30/06/2025	
	Payables	Receivables	Payables	Paid/ Deducted	Payables	Receivables
	VND	VND	VND	VND	VND	VND
VAT on domestic goods	-	-	3,589,913,342	(3,507,042,176)	82,871,166	-
VAT on import goods	-	8,837,500	214,866,405	(206,028,905)	-	-
Corporate income tax	1,229,920,376	-	1,997,115,427	(2,271,533,441)	955,502,362	-
Personal income tax	94,198,221	-	742,813,024	(864,551,031)	-	27,539,786
Housing tax, land rental	-	3,990,682	333,215,525	(166,612,000)	162,612,843	-
License tax	-	-	5,000,000	(5,000,000)	-	-
	1,324,118,597	12,828,182	6,882,923,723	(7,020,767,553)	1,200,986,371	27,539,786

Value-added tax

The Company declares value-added tax by deduction method. VAT rates for domestic goods are 5%, 8% and 10%.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

Corporate income tax

The Company is obliged to pay tax at the normal rate of 20% of taxable income. Corporate income tax ("CIT") payable in period is estimated as follows:

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Accounting profit before tax	11,423,813,668	9,190,187,154
Adjusted in accounting profit to determine taxable profit:		
Increase adjustments	-	-
Assessable income	11,423,813,668	9,190,187,154
Non-taxable income	(1,438,236,528)	(363,549,219)
Taxable income	9,985,577,140	8,826,637,935
CIT rate	20%	20%
Current CIT expenses	1,997,115,427	1,765,327,587

Other taxes

The Company declares and pays other taxes in accordance to current regulations.

5.16 Short-term accrued expenses

	30/06/2025 VND	01/01/2025 VND
Payables to other parties		
Loan interest expense	17,186,138	-
Electricity expense	96,092,576	110,029,442
Toxic allowance	33,750,000	40,020,000
Other accrued expenses	12,461,126	23,736,214
	159,489,840	173,785,656

5.17 Other short-term, long-term payables

5.17.1 Other short-term, long-term payables

	30/06/2025 VND	01/01/2025 VND
Other payables - related parties		
Dividend payables	731,200,911	692,383,111
Other payables - other parties		
Trade union	20,836,556	21,848,786
Consulting contract payables	29,500,000	26,000,000
Other payables	80,325,146	3,146,000
	861,862,613	743,377,897

5.17.2 Other long-term payables

	30/06/2025 VND	01/01/2025 VND
Other payables - other parties		
Deposit received	217,000,000	217,000,000
	217,000,000	217,000,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

5.18 Short-term loans and financial leases

	30/06/2025		01/01/2025	
	Amount VND	Payment capability VND	Amount VND	Payment capability VND
Short-term loans and financial leases - other individuals and organizations				
Vietnam Joint Stock Commercial Bank For Industry And Trade – Western Saigon Branch (a)	1,273,828,544	1,273,828,544	-	-
Joint Stock Commercial Bank For Investment And Development Of Viet Nam - Ky Hoa Branch (b)	1,004,840,824	1,004,840,824	-	-
	2,278,669,368	2,278,669,368	-	-

- (a) Short-term loan from Vietnam Joint Stock Commercial Bank for Industry and Trade – Western Saigon Branch under the loan contract No. 256936049/2025HDCVHM/NHCT923-PHONGPHU dated 25 June 2025. The loan limit is VND 10,000,000,000. The loan term is from 15 June 2025 to 31 May 2026. The purpose of the loan is to supplement working capital for production and business activities. Interest is based on each debt acknowledgment contract.

The loan is secured by mortgaging the pharmaceutical factory (phase 2) - Lot No. 12, Road No. 8, Tan Tao Industrial Park, Tan Tao Ward, Ho Chi Minh City with a value of VND 9,898,865,520 under real estate mortgage contract No. 180580132/2018/HDBD/NHCT923 dated 07 June 2018.

- (b) Short-term loan from Vietnam Joint Stock Commercial Bank for Investment and Development - Ky Hoa Branch under Credit Contract No. 01/2025/2778396/HDTD dated 15 April 2025. Loan limit is VND 5,000,000,000. Loan limit maintenance period is 12 months from the date of signing the contract. Loan purpose is to supplement working capital, guarantee, open LC. Loan interest rate according to each debt acknowledgment contract.

The loan is secured by:

- Deposit contract No. 04/2024/HDTG.180.2778396 with a value of VND 1,000,000,000, interest rate of 4.2%/year, term of 12 months from 03 October 2024 to 03 October 2025 according to deposit pledge contract No. 01/2025/2778396/HDBD dated 21 January 2025.
- Deposit contract No. 01/2024/HDTG.180.2778396 with a value of VND 2,084,000,000, interest rate of 4.2%/year, term of 12 months from 10 May 2025 to 10 May 2026 according to deposit mortgage contract No. 02/2025/2778396/HDBD dated 16 April 2025.

Details of short-term loans and finance leases incurred during the period are as follows:

	01/01/2025 VND	Increase in period VND	Paid in period VND	30/06/2025 VND
Short-term loans from banks	-	3,584,378,958	(1,305,709,590)	2,278,669,368
	-	3,584,378,958	(1,305,709,590)	2,278,669,368

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

5.19 Bonus and welfare funds

	01/01/2025 VND	Increase in period VND	Paid in period VND	30/06/2025 VND
Bonus and welfare fund	6,348,792,294	943,789,424	(777,018,766)	6,515,562,952
	6,348,792,294	943,789,424	(777,018,766)	6,515,562,952

5.20 Owner's equity

5.20.1 Owner's equity movements

	Owners' invested capital VND	Capital surplus VND	Investment and development fund VND	Retained earnings VND	Total VND
As at 01/01/2024	87,999,910,000	2,205,500,000	9,354,954,223	31,369,486,999	130,929,851,222
Profit in period	-	-	-	7,456,594,814	7,456,594,814
Deduction for Investment and development fund	-	-	372,829,741	(372,829,741)	-
Deduction for Bonus and welfare funds	-	-	-	(745,659,481)	(745,659,481)
Dividends distribution	-	-	-	(10,559,989,200)	(10,559,989,200)
As at 30/06/2024	87,999,910,000	2,205,500,000	9,727,783,964	27,147,603,391	127,080,797,355
As at 01/07/2024	87,999,910,000	2,205,500,000	9,727,783,964	27,147,603,391	127,080,797,355
Profit in period	-	-	-	10,659,415,598	10,659,415,598
Deduction for Investment and development fund	-	-	532,970,780	(532,970,780)	-
Deduction for Bonus and welfare funds	-	-	-	(1,065,941,560)	(1,065,941,560)
As at 31/12/2024	87,999,910,000	2,205,500,000	10,260,754,744	36,208,106,649	136,674,271,393
As at 01/01/2025	87,999,910,000	2,205,500,000	10,260,754,744	36,208,106,649	136,674,271,393
Profit in period	-	-	-	9,437,894,239	9,437,894,239
Deduction for Investment and development fund	-	-	471,894,711	(471,894,711)	-
Deduction for Bonus and welfare funds	-	-	-	(943,789,424)	(943,789,424)
Dividends distribution	-	-	-	(13,199,986,500)	(13,199,986,500)
As at 30/06/2025	87,999,910,000	2,205,500,000	10,732,649,455	31,030,330,253	131,968,389,708

5.20.2 Detail of owner's invested equity

According to the Company's the Business Registration Certificate (amended), Charter capital of the Company is VND 87,999,910,000. As at 30 June 2025, the Company's Charter capital was fully contributed as follows:

	30/06/2025			01/01/2025		
	Shares	Value VND	Rate %	Shares	Value VND	Rate %
Mr. Thai Nha Ngon	4,044,580	40,445,800,000	45.96	4,044,580	40,445,800,000	45.96
Ms. Le Thanh Truc	1,194,276	11,942,760,000	13.57	1,194,276	11,942,760,000	13.57
Mr. Ho Vinh Hien	270,290	2,702,900,000	3.07	270,290	2,702,900,000	3.07
Other shareholders	3,290,845	32,908,450,000	37.40	3,290,845	32,908,450,000	37.40
	8,799,991	87,999,910,000	100.00	8,799,991	87,999,910,000	100.00

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

5.20.3 Shares

	30/06/2025 Share	01/01/2025 Share
Number of issued registered shares	8,799,991	8,799,991
Number of shares sold to the public	8,799,991	8,799,991
Common shares	8,799,991	8,799,991
Preferred shares	-	-
Number of repurchased shares	-	-
Common shares	-	-
Preferred shares	-	-
Number of shares in circulation	8,799,991	8,799,991
Common shares	8,799,991	8,799,991
Preferred shares	-	-

Par value of shares in circulation: VND 10,000/ share.

5.20.4 Profit distribution

In the period, the Company distributed dividends according to the Resolution of the Annual General Meeting of Shareholders No. 01/2025/NQ-DHDCD.PP dated 25 April 2025 with the value of 15% par value.

In addition, the Company temporarily distributed profit of 2025 according to the Resolution of the Annual General Meeting of Shareholders No. 01/2025/NQ-DHDCD.PP dated 25 April 2025 as follows:

	VND
- Deduct 5% from retained earnings of 2025 for Investment and development fund	: 471,894,711
- Deduct 10% from retained earnings of 2025 for Bonus and welfare funds	: 943,789,424

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INTERIM INCOME STATEMENT

6.1 Revenues from sale of goods and rendering of services

6.1.1 Net revenues

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Revenue from sale of goods	58,084,539,705	57,715,303,056
Revenue from providing services	9,462,963	20,000,000
Sale deductions:		
- Sales returns	(37,673,994)	(72,190,310)
Net revenue	58,056,328,674	57,663,112,746

6.1.2 Sales of goods and rendering of services to related parties

Transactions on sales and providing services to subsidiaries are presented in note 5.2.2. Transactions on sales and providing services to related parties that are not subsidiaries, joint ventures or associates are as follows:

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Revenue from goods		
An Medicol Pharma Company Limited	5,388,816,650	6,175,002,100
Net revenue	5,388,816,650	6,175,002,100

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

6.2 Cost of sales

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Cost of goods sold	41,695,140,277	42,201,246,168
Provision/ (Reverse) for devaluation of inventories	51,466,836	158,676,238
	41,746,607,113	42,359,922,406

6.3 Financial income

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Interest from deposit	791,529,480	670,150,838
Dividends, distributed profit	1,438,236,528	363,549,219
	2,229,766,008	1,033,700,057

6.4 Financial expenses

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Loan interest expense	23,968,522	-
Foreign exchange loss	31,284,000	874,800
	55,252,522	874,800

6.5 Selling expenses

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Labor expenses	648,496,415	991,095,005
Material and packaging expenses	6,703,972	11,859,479
Tools and equipment expenses	-	850,000
Depreciation expenses	24,531,093	31,605,244
Warehouse rental expense	518,536,968	-
Other selling expenses	219,206,160	371,811,179
	1,417,474,608	1,407,220,907

6.6 General and administration expenses

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Labor expenses	3,494,642,866	3,293,119,563
Tools and equipment expenses	196,377,854	236,556,023
Depreciation expenses	60,005,402	70,864,110
Tax and fees	161,189,152	155,896,062
Security expenses	210,000,000	204,000,000
Drug registration expenses	146,500,000	168,500,000
Bad debts provision expense	4,513,154	-
Other general and administration expenses	1,447,613,893	1,692,411,390
	5,720,842,321	5,821,347,148

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

6.7 Other income

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Inventory difference	77,895,536	82,659,043
Other income	21	101,405
	<u>77,895,557</u>	<u>82,760,448</u>

6.8 Basic earnings per share

The Company did not calculate this item on the separate financial statements as according to Vietnam Accounting Standard No. 30 "Earnings per share", in case the Company must make the separate financial statements and consolidated financial statements, only to present the information about earnings per share under the provisions of this standard on the Consolidated financial statements.

6.9 Production and business costs by element

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Material expenses	28,208,660,723	30,872,298,070
Labor expenses	11,691,808,966	11,641,601,250
Depreciation expenses	2,099,439,165	2,113,989,769
External service expenses	2,739,394,176	2,521,302,806
Other expenses	1,990,996,549	2,292,343,051
	<u>46,730,299,579</u>	<u>49,441,534,946</u>

7. FINANCIAL INSTRUMENTS

The Company has financial assets such as customer receivables and other receivables, cash and short-term deposits that occur directly from the operations of the Company. Financial liabilities of the Company mainly include loans, payables to suppliers and other payables. The main purpose of these financial liabilities is to mobilize financial resources to serve the activities of the Company.

The Company has market risk, credit risk and liquidity risk.

Operational risk management is indispensable operations for the entire operations of the Company. The Company has developed control system to ensure balance between the extent reasonable costs incurred when risk and risk management costs. The Company has not implemented measures to prevent this risk due to lack of a market to purchase financial instruments.

The General Director considered and uniformly applies policies to manage each of these risks are summarized below:

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk has four types of risk: interest rate risk, currency risk, goods price risk and other price risk, such as equity price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Market risk for changes in interest rates of the Company primarily relating to cash, short term deposits, and loans of the Company.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

The Company managing interest rate risk by analyzing the competitive situation in the market to acquire beneficial interest for the purposes of the Company and remain within the limits of their risk management.

Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Company bears the risk of changes in exchange rates, which are directly related to the business operations of the Company.

Stock price risk

The shares held by the Company are affected by market risks arising from uncertainty about the future value of the investment shares. The company manages stock price risk by setting investment limits. The General Director also reviews and approves investment decisions in shares. The Company considers the share price risk to be negligible.

ii. Credit risk

Credit risk is the risk that one party of a financial instrument or contract not performing its obligations, resulting in financial losses. The Company has credit risk from its operating activities (primarily for trade receivables account), and from its financial activities, including bank deposits and other financial instruments.

Trade receivables

The Company regularly monitors the receivables, which is not yet collected. For big customers, the Company considered the decline in the credit quality of each customer at the reporting date. The Company seeks the way to remained the tight control of the receivables and arranging credit control staff to minimize credit risk. On this basis and the trade receivables of the Company related to many different customers, credit risk is not significantly concentrated in a certain customer.

Cash in bank

The Company mainly maintains deposit balances at banks, which is well known in Vietnam. Credit risk of the deposit balances at banks is managed by the treasury department of the Company under the policies of the Company. The maximum credit risk of the Company for the items on the balance sheet at the end of the financial year is the value book as presented in Note 5.1. The Company found that the level of concentration of credit risk on bank deposits is low.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in implementing their financial obligations due to lack of funds. Liquidity risk of the Company mainly arising from financial assets and financial liabilities with maturity mismatches.

The Company minimizes the liquidity risk by maintaining an amount of cash and cash equivalents and bank loans at a level that the General Director supposes it is sufficient to meet the Company's operations and minimize the risks due to the volatility of cash flows.

The table below summarizes the maturity of the financial liabilities of the Company based on expected payments on undiscounted basic contracts:

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

	Less than 1 year VND	From 1 to 5 years VND	Total VND
As at 30/06/2025			
Trade payables	8,727,405,778	-	8,727,405,778
Accrued expenses	159,489,840	-	159,489,840
Other payables	841,026,057	-	841,026,057
Deposit received	-	217,000,000	217,000,000
Loans and financial leases	2,278,669,368	-	2,278,669,368
	12,006,591,043	217,000,000	12,223,591,043
As at 01/01/2025			
Trade payables	12,844,130,879	-	12,844,130,879
Accrued expenses	173,785,656	-	173,785,656
Other payables	721,529,111	-	721,529,111
Deposit received	-	217,000,000	217,000,000
	13,739,445,646	217,000,000	13,956,445,646

The Company considered that the level of concentration risk to the repayment is low. The Company has sufficient access to the necessary capital.

Security assets

The Company hold the security assets of third parties as at 30 June 2025 and 01 January 2025 (see Notes 5.17.2).

iv. Fair value

(1) Compare fair value and book value

	Book value		Fair value (*)	
	30/06/2025 VND	01/01/2025 VND	30/06/2025 VND	01/01/2025 VND
Financial assets				
Held-to-maturity investments	26,584,000,000	31,108,072,981	26,584,000,000	31,108,072,981
Trade receivables	4,576,069,395	2,188,913,790	4,571,556,241	2,188,913,790
Receivables from related parties	18,926,756,612	15,700,609,170	18,926,756,612	15,700,609,170
Other receivables	828,803,730	596,855,487	828,803,730	596,855,487
Mortgages, deposits, pledges	31,467,177	27,872,492	31,467,177	27,872,492
Financial assets available for sale				
Cash and cash equivalents	4,300,686,717	6,757,221,068	4,300,686,717	6,757,221,068
	55,247,783,631	56,379,544,988	55,243,270,477	56,379,544,988

Financial liabilities

Financial liabilities are determined according to the distribution value

Trade payables	8,714,208,178	12,775,490,879	8,714,208,178	12,775,490,879
Payables to related parties	744,398,511	761,023,111	744,398,511	761,023,111
Accrued expenses	159,489,840	173,785,656	159,489,840	173,785,656
Other payables	109,825,146	29,146,000	109,825,146	29,146,000
Loans and financial leases	2,278,669,368	-	2,278,669,368	-
Deposits received	217,000,000	217,000,000	217,000,000	217,000,000
	12,223,591,043	13,956,445,646	12,223,591,043	13,956,445,646

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

- (*) The Company has not revaluated its financial assets and financial liabilities at their fair values as at 30 June 2025 and 01 January 2025. However, the General Director believe that the fair value of these financial assets and liabilities is not significantly different from their carrying amounts as at the balance sheet date.

(2) *Basis of determining fair value*

Accounts receivable and other receivables

The fair value of accounts receivables and other receivables, excluding accounts receivable and payable under the scheduled progress of construction contracts, is estimated based on the present value of cash flows future, discounted at market interest rates at the report date. The fair value of these instruments is determined only intended disclosures.

Non-derivative financial liabilities

The fair value determined only intended disclosures, is calculated by discounting the value of loans and its interest by market interest at the balance sheet date.

8. OTHER INFORMATION

8.1 Transactions and balances with related parties

The related parties with the Company include key members of management, the individuals involved with key members and other related parties.

8.1.1 Transactions and balances with key members, the individuals involved with key members

Transactions and balances with key members

The Company does not have any transactions relating to sales and providing services to key management members and individuals related to key management members.

Other transactions with key management members during the year were as follows:

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
<i>The Board of Directors</i>		
Ms. Le Thanh Truc – Chairwoman (resigned from 25/04/2025)		
Dividends distributed	1,791,414,000	1,433,131,200
Mr. Thai Nha Ngon – Vice Chairman		
Dividends distributed	6,066,870,000	4,853,496,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

Remuneration paid to key managers during the year was as follow:

	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
Remuneration, salary, bonus and other income		
The Board of Directors (excluding members concurrently holding the position of General Director)		
Mr. Pho Nghia Van	36,000,000	30,000,000
Ms. Le Thanh Truc (resigned from 25/04/2025)	165,270,500	269,141,000
Ms. Nguyen Thi Mai Nguyet	32,000,000	30,000,000
Ms. Pham Thi Thach Thao	133,073,278	127,985,140
The General Director		
Mr. Thai Nha Ngon	343,545,000	360,820,000
Chief Accountant		
Ms. Nguyen Thi Anh Chi	270,704,316	252,352,876
The Board of Supervisors		
Mr. Nguyen Van Chac	181,743,295	184,008,320
Ms. Ho Thuy Quynh Nhu	8,000,000	-
Ms. Vo Hong Hanh	26,375,123	-
Ms. Nguyen Hoang Ngoc Chau (resigned from 25/04/2025)	20,000,000	30,000,000
Ms. Pham Thi Minh Tam (resigned from 25/04/2025)	16,000,000	24,000,000
	1,232,711,512	1,308,307,336

8.1.2 Transactions and balances with other related parties

Transactions with other related parties

Transactions with subsidiaries have been presented in note 5.2. Transactions with other related parties that are not subsidiaries are as follows:

Related parties	Transaction	From 01/01/2025 to 30/06/2025 VND	From 01/01/2024 to 30/06/2024 VND
An Medicol Pharma Company Limited			
	Sales and services rendered	5,388,816,650	6,175,002,100
Minh Luan Precision Mechanical Company Limited (no longer related party since 25/04/2025)			
	Sales and services rendered	38,220,000	24,250,000
Tuyen Hiep Company Limited			
	Sales and services rendered	35,936,500	73,931,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six-month period ended 30 June 2025

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

Balance with related parties

Balance with related parties are as follows:

	30/06/2025 VND	01/01/2025 VND
USAR Vietnam Company Limited		
Trade receivables	15,398,027,237	13,537,870,827
Other receivables	1,438,236,528	1,279,838,526
An Medicol Pharma Company Limited		
Trade receivables	2,090,492,847	882,899,817
Minh Luan Precision Mechanical Company Limited (no longer related party since 25/04/2025)		
Trade payables	-	68,640,000
Tuyen Hiep Company Limited		
Trade payables	13,197,600	-

8.2 Segment information


Segment information is presented by business segment and geographical area. The primary segment reporting is by geographical area based on the Company's internal organizational and management structure and internal financial reporting system.

We do not present Segment Reporting in the financial statements because the General Director has assessed and concluded that the Company does not have more than one segment (both business segment and geographical area) to report in accordance with the regulations of the Accounting Standards. The Company is currently operating mainly in a single field, which is the production and trading of pharmaceuticals in a single geographical area, which is Vietnam.

8.3 Events subsequent to the balance sheet date

There have been no significant events occurring after the balance sheet date (30 June 2025) to the date of this report, which would require adjustments or disclosures to be made in the interim financial statements.


DANG TRUC KHANH
Preparer


NGUYEN THI ANH CHI
Chief Accountant


THAI NHA NGON
General Director

Ho Chi Minh City, 14 August 2025