

**DANAPHA PHARMACEUTICAL
JOINT STOCK COMPANY**

AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2025



DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

CONTENTS

	Page(s)
THE GENERAL DIRECTOR'S REPORT	1 - 2
INDEPENDENT AUDITOR'S REPORT	3 - 4
AUDITED FINANCIAL STATEMENTS	
Balance sheet	5 - 6
Income statement	7
Cash-flow statement	8 - 9
Notes to the financial statements	10 - 45

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANYAddress: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

THE GENERAL DIRECTOR'S REPORT

The General Director of Danapha Pharmaceutical Joint Stock Company (hereinafter referred to as "the Company") hereby presents its report and the accompanying audited financial statements of the Company for the financial year ended 31 December 2025.

Members of the Board of Directors, the Supervisory Committee and the General Director during the year and on the date of this report include:

Board of Directors

<u>Full name</u>	<u>Position</u>	
Mr. Bojinov Stefan Georgiev	Chairman	
Mr. Dobrev Sasho Hristov	Member	
Mr. Le Thang Binh	Member	
Mr. Do Minh Hieu	Member	
Ms. Nguyen Thuy Dung	Member	Dismissed on 31 July 2025
Mr. Pham Thai Lang	Independent Member	Dismissed on 31 July 2025
Ms. Nguyen Thanh Thao	Independent Member	
Ms. Nguyen Thi Thuy	Member	
Ms. Ha Lan Anh	Member	Appointed on 31 July 2025
Ms. Do Thi Thuy	Independent Member	Appointed on 31 July 2025

Supervisory Committee

<u>Full name</u>	<u>Position</u>
Mr. Ngo Xuan Tung	Head
Ms. Nguyen Thi Yen Nhi	Member
Ms. Luu Quynh Mai	Member

The General Director

<u>Full name</u>	<u>Position</u>
Mr. Le Thang Binh	The General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and on the date of this report is Mr. Le Thang Binh, General Director.

RESPONSIBILITY OF GENERAL DIRECTOR

The Company's General Director is responsible for preparing the financial statements of each period which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows. In preparing these 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 principles have been followed, subject to any departures that need to be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement the internal control system effectively for a fair preparation and presentation of the financial statements so as to mitigate error or fraud.

THE GENERAL DIRECTOR'S REPORT (CONTINUED)

The General Director is responsible for ensuring proper that accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements. The General Director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The General Director confirms that the Company has complied with the above requirements in preparing these financial statements.

AUDITOR

The accompanying financial statements were audited by ECOVIS AFA VIETNAM Auditing – Appraisal and Consulting Company Limited (Head office: No. 142 Xo Viet Nghe Tinh Street, Hoa Cuong Ward, Danang City, Vietnam; Telephone: (84) 0236.363.3333; Fax: (84) 0236.363.3338; Website: www.ecovis.com/vietnam/audit).

STATEMENT BY THE GENERAL DIRECTOR

In the General Director's opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025 and the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.



Le Thanh Binh
General Director
Danang City, 24 February 2026

No.: 28/2026/BCKT-E.AFA

INDEPENDENT AUDITOR'S REPORT

To: Shareholders
Board of Directors and The General Director
DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Report on the financial statements

We have audited the accompanying financial statements of Danapha Pharmaceutical Joint Stock Company (hereinafter referred to as "the Company") prepared on 24 February 2026 as set out from page 5 to page 45, which comprise the balance sheet as at 31 December 2025, and the income statement, and cash-flow statement for the financial year then ended, and the notes to the financial statements.

The General Director's Responsibility

The general director is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, and Vietnamese Corporate Accounting System and relevant legislation as to the preparation and presentation of financial statements and for such internal control as the general director determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the general director, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of the results of its financial performance and its cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting and relevant legislation as to the preparation and presentation of financial statements.



Kim Van Viet
Deputy General Director
Audit Practice Registration Certificate
1486-2023-240-1

Authorized person

ECOVIS AFA VIETNAM Auditing – Appraisal and Consulting Company Limited
Danang City, 24 February 2026

Le Van Hoang
Auditor
Audit Practice Registration Certificate
5399-2025-240-1

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

Form B 01 - DN(Issued under the Circular No. 200/2014/TT-BTC
dated 22 December 2014 by Ministry of Finance)**BALANCE SHEET**

As at 31 December 2025

Unit: VND

ASSETS	Code	Notes	As at 31 Dec. 2025	As at 01 Jan. 2025
A. CURRENT ASSETS	100		657,862,535,833	567,183,521,744
I. Cash and cash equivalents	110	4.1	68,991,415,929	74,551,503,101
1. Cash	111		68,991,415,929	6,421,503,101
2. Cash equivalents	112		-	68,130,000,000
II. Current financial investments	120		-	-
III. Current account receivables	130		432,752,858,144	370,586,037,274
1. Trade receivables	131	4.2	383,006,079,436	285,800,283,743
2. Advances to suppliers	132	4.3	59,307,731,730	85,313,525,015
3. Other current receivables	136	4.4	6,379,279,372	8,710,229,512
4. Provision for doubtful debts	137	4.5	(15,940,232,394)	(9,238,000,996)
IV. Inventories	140	4.6	129,759,756,781	82,431,552,930
1. Inventories	141		134,948,701,888	85,178,338,807
2. Provision for decline in value of inventories	149		(5,188,945,107)	(2,746,785,877)
V. Other current assets	150		26,358,504,979	39,614,428,439
1. Current prepayments	151	4.7	2,321,643,660	4,096,158,216
2. Value added tax deductible	152		24,036,861,319	35,518,270,223
B. NON-CURRENT ASSETS	200		1,523,136,621,640	1,028,947,132,194
I. Non-current account receivables	210		-	-
II. Fixed assets	220		95,705,685,342	109,735,148,960
1. Tangible fixed assets	221	4.9	60,459,260,810	73,558,173,316
Cost	222		375,127,961,896	372,656,925,020
Accumulated depreciation	223		(314,668,701,086)	(299,098,751,704)
2. Intangible fixed assets	227	4.10	35,246,424,532	36,176,975,644
Cost	228		48,689,386,013	48,689,386,013
Accumulated amortisation	229		(13,442,961,481)	(12,512,410,369)
III. Investment property	230		-	-
IV. Non-current assets in progress	240		1,405,425,618,051	895,865,756,597
1. Non-current work in progress	241		-	-
2. Construction in progress	242	4.11	1,405,425,618,051	895,865,756,597
V. Non-current financial investments	250	4.8	6,800,000,000	6,800,000,000
1. Investments in associates, joint-ventures	252		8,820,000,000	8,820,000,000
2. Investment in other entities	253		6,800,000,000	6,800,000,000
3. Provision for non-current investments	254		(8,820,000,000)	(8,820,000,000)
VI. Other non-current assets	260		15,205,318,247	16,546,226,637
1. Non-current prepayments	261	4.7	15,205,318,247	16,546,226,637
2. Other non-current assets	268		-	-
TOTAL ASSETS	270		2,180,999,157,473	1,596,130,653,938

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

Form B 01 - DN(Issued under the Circular No. 200/2014/TT-BTC
dated 22 December 2014 by Ministry of Finance)**BALANCE SHEET (CONTINUED)**

As at 31 December 2025

Unit: VND

RESOURCES	Code	Notes	As at 31 Dec. 2025	As at 01 Jan. 2025
C. LIABILITIES	300		1,330,179,658,069	831,060,707,262
I. Current liabilities	310		516,175,200,539	400,253,160,464
1. Trade payables	311	4.12	199,879,488,319	134,809,304,654
2. Advances from customers	312	4.13	1,906,820,492	2,139,512,912
3. Taxes and amounts payable to the state budget	313	4.14	16,607,966,690	21,566,854,993
4. Payables to employees	314	4.15	32,408,028,038	35,159,921,599
5. Accrued expenses	315	4.16	34,535,784,509	23,215,125,298
6. Other current payables	319	4.17	32,619,208,257	18,585,851,377
7. Current loans and obligations under finance leases	320	4.19	196,846,881,622	163,379,303,653
8. Bonus and welfare fund	322		1,371,022,612	1,397,285,978
II. Non-current liabilities	330		814,004,457,530	430,807,546,798
1. Non-current trade payables	331	4.12	328,383,111,022	104,477,372,808
2. Non-current loans and obligations under finance leases	338	4.19	480,985,536,083	326,330,173,990
3. Deferred income tax liabilities	341	4.18	4,635,810,425	-
D. OWNER'S EQUITY	400		850,819,499,404	765,069,946,676
I. Equity	410	4.20	850,676,945,884	764,927,393,156
1. Owner's contributed capital	411		209,380,000,000	209,380,000,000
Ordinary shares carrying voting rights	411a		209,380,000,000	209,380,000,000
Preference shares	411b		-	-
2. Share premiums	412		181,169,607,584	181,169,607,584
3. Investment and development fund	418		374,134,185,572	304,136,126,279
4. Retained earnings	421		85,993,152,728	70,241,659,293
Beginning accumulated retained earnings	421a		243,600,000	243,600,000
Retained earnings of the current year	421b		85,749,552,728	69,998,059,293
II. Other capital and funds	430		142,553,520	142,553,520
1. Subsidised funds	431		142,553,520	142,553,520
2. Subsidised funds for fixed asset acquisition	432		-	-
TOTAL RESOURCES	440		2,180,999,157,473	1,596,130,653,938



Le Thang Binh
General Director
Danang City, 24 February 2026

Tran Tien Dung
Chief Financial Officer
Cum Chief Accountant

Nguyen Thi Thu Hang
Preparer

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

Form B 02 - DN

(Issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance)

INCOME STATEMENT

For the financial year ended 31 December 2025

Unit: VND

ITEMS	Code	Notes	Year 2025	Year 2024
1. Revenue from selling goods and rendering services	01	5.1	650,620,486,940	572,176,320,601
2. Revenue deductions	02	5.2	3,334,706,520	7,444,299,378
3. Net revenue from selling goods and rendering services	10		647,285,780,420	564,732,021,223
4. Cost of sales	11	5.3	291,371,873,302	271,515,486,512
5. Gross profit from selling goods and rendering services	20		355,913,907,118	293,216,534,711
6. Financial income	21	5.4	4,102,369,656	5,986,642,061
7. Financial expense	22	5.5	36,730,239,316	13,892,755,212
<i>Of which, interest expense</i>	23		7,709,783,828	7,679,163,253
8. Selling expense	25	5.6	108,075,621,914	87,113,394,546
9. General and administration expense	26	5.7	107,126,159,911	100,116,500,507
10. Operating profit/(loss)	30		108,084,255,633	98,080,526,507
11. Other income	31	5.8	246,789,847	250,095,556
12. Other expense	32	5.9	280,745,886	5,002,594,597
13. Net other income/(loss)	40		(33,956,039)	(4,752,499,041)
14. Accounting profit/(loss) before tax	50		108,050,299,594	93,328,027,466
15. Current corporate income tax expense	51	5.11	17,664,936,441	23,329,968,173
16. Deferred corporate income tax expense	52	5.12	4,635,810,425	-
17. Net profit/(loss) after tax	60		85,749,552,728	69,998,059,293
18. Basic earnings per share	70	4.20.5	4,095	3,343
19. Diluted earnings per share	71	4.20.6	4,095	3,343



Le Thang Binh
General Director

Danang City, 24 February 2026

Tran Tien Dung
Chief Financial Officer
Cum Chief Accountant

Nguyen Thi Thu Hang
Preparer

CASH FLOW STATEMENT

(Indirect method)

For the financial year ended 31 December 2025

Unit: VND

ITEMS	Code	Notes	Year 2025	Year 2024
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit /(loss) before taxes	01		108,050,299,594	93,328,027,466
2. Adjustment for:				
Depreciation and amortisation	02		16,500,500,494	18,271,254,795
Provisions	03		9,144,390,628	2,671,004,654
Foreign exchange gains/losses from revaluation of foreign currency monetary items	04		28,651,639,999	6,098,947,659
Gains/losses from investment	05		(783,978,461)	(633,944,555)
Interest expense	06		7,709,783,828	7,679,163,253
3. Operating profit /(loss) before adjustments to working capital	08		169,272,636,082	127,414,453,272
Increase or decrease in accounts receivable	09		(59,508,726,669)	10,223,043,443
Increase or decrease in inventories	10		(49,770,363,081)	8,894,262,525
Increase or decrease in accounts payable (excluding interest expense and CIT payable)	11		23,497,816,422	23,705,244,167
Increase or decrease prepaid expenses	12		3,115,422,946	(4,865,279,184)
Interest paid	14		(7,806,615,211)	(7,826,886,611)
Corporate income tax paid	15		(23,653,024,225)	(3,317,896,190)
Other cash inflows from operating activities	16		3,731,538	-
Other cash outflows from operating activities	17		(29,994,904)	(18,461,846)
Net cash from operating activities	20		55,120,882,898	154,208,479,577
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Acquisition and construction of fixed assets and other long-term assets	21		(219,161,497,266)	(260,609,109,626)
2. Proceeds from disposals of fixed assets and other long-term asset	22		-	20,909,091
3. Interest and dividends received	27		1,061,654,023	359,031,135
Net cash from investing activities	30		(218,099,843,243)	(260,229,169,400)

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

Form B 03 - DN(Issued under the Circular No. 200/2014/TT-BTC
dated 22 December 2014 by Ministry of Finance)**CASH FLOW STATEMENT (CONTINUED)****(Indirect method)**

For the financial year ended 31 December 2025

Unit: VND

ITEMS	Code	Notes	Year 2025	Year 2024
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from borrowings	33	6.1	557,268,527,887	492,272,063,564
2. Repayment of borrowings	34	6.2	(402,385,587,825)	(356,702,694,225)
3. Dividends paid	36		-	(14,656,600,000)
Net cash from financing activities	40		154,882,940,062	120,912,769,339
NET INCREASE/(DECREASE) IN CASH	50		(8,096,020,283)	14,892,079,516
Cash and cash equivalents at beginning of year	60		74,551,503,101	59,453,049,234
Impact of exchange rate fluctuation	61		2,535,933,111	206,374,351
CASH AND CASH EQUIVALENTS AT END OF YEAR	70		68,991,415,929	74,551,503,101



Le Thang Binh
General Director

Danang City, 24 February 2026

Tran Tien Dung
Chief Financial Officer
Cum Chief Accountant

Nguyen Thi Thu Hang
Preparer

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. Structure of ownership

Danapha Pharmaceutical Joint Stock Company (hereinafter referred to as “the Company”) has been incorporated in accordance with the Business Registration Certificate No. 0400102091 dated 20 December 2006 granted by Danang City's Department of Planning and Investment and other amended certificates thereafter with the latest one dated 16 December 2025.

The charter capital as stipulated in the Business Registration Certificate is VND 209,380,000,000.

On 14 December 2021, the Company was formally licensed to trade securities on Hanoi Securities Trading Centre under Decision No. 703/QĐ-SGDHN dated 14 December 2021. On 22 December 2021, the Company was formally listed to trade securities on Hanoi City Securities Trading Centre according to the Notification No. 3654/TB-SGDHN dated 15 December 2021.

Pursuant to Appendix IV – Extraordinary Information Disclosure under Official Letter No. 759/DAN dated 10 July 2025, Danapha Pharmaceutical Joint Stock Company announced that it currently does not satisfy the conditions for being a public company as prescribed in Point a, Clause 1, Article 32 of the Law on Securities No. 54/2019/QH14, as amended and supplemented by Clause 1, Article 11 of Law No. 56/2024/QH15.

The Company's registered head office is at 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam.

The number of employees as at 31 December 2025 was 521 (31 December 2024: 453).

1.2. Business field

Manufacturing and trading pharmaceutical, chemical, and medicinal materials.

1.3. Operating industry and principal activities

Under the Business Registration Certificate, the Company's business activities comprise:

- Manufacture of pharmaceuticals, medicinal chemical and botanical product;
- Real estate activities with own or leased property;
- Retail sale of pharmaceutical and medical goods, cosmetic and toilet articles in specialized stores. Details: Retail sale of pharmaceutical and medical goods, cosmetics, and personal hygiene products;
- Manufacture of soap and detergents, cleaning and polishing preparations;
- Manufacture of other food products n.e.c. Details: Production of food and beverages;
- Wholesale of other household products. Details: Wholesale of medicines;
- Wholesale of food. Details: Wholesale of dietary supplements;
- Wholesale of other specialized goods not classified elsewhere. Details: Wholesale of pharmaceuticals, medicinal plants, packaging;
- Retail sales via mail and order houses or via Internet. Details: Retail of dietary supplements;
- Retail of food in specialized stores. Details: Retail of dietary supplements;
- Other professional, scientific, and technological activities not classified elsewhere. Details: Research and transfer of product formulas.

1.4. Normal operating cycle

The Company's normal operating cycle is carried out for a time period of 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**1.5. The Company's structure**

As at 31 December 2025, the Company's associates were as follows:

Name	Address	Voting rights	Percent capital	Percent interest
Associates:				
Davina Pharmaceutical Joint Stock Company	253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City.	49%	49%	49%

The Company's dependent units as at 31 December 2025 were as follows:

Name	Address
Branch of Danapha Pharmaceutical Joint Stock Company in Hanoi	No. 9, Lane 87 Nguyen Van Troi, Ward, Thanh Xuan Ward, Hanoi City.
Danapha Pharmaceutical Joint Stock Company – Vinh Phuc Branch	No. 43, Lot S6, Ha Tien pagoda Urban Area, Vinh Phuc Ward, Phu Tho Province.
Branch of Danapha Pharmaceutical Joint Stock Company in Thanh Hoa	Lot 141, LK3, MBQH121/UB-CN, Hac Thanh Ward, Thanh Hoa Province.
Branch of Danapha Pharmaceutical Joint Stock Company in Khanh Hoa	Lot 27-28, Street No. 8, Le Hong Phong New Urban Area - Venesia, Nam Nha Trang Ward, Khanh Hoa Province.
Branch of Danapha Pharmaceutical Joint Stock Company in Ho Chi Minh	15th Floor, Room 1508, Vincom Center Building, No. 72 Le Thanh Ton Street, Sai Gon Ward, Ho Chi Minh City.
Branch of Danapha Pharmaceutical Joint Stock Company in Can Tho	A3-22 Street No. 10, Nam Long Residential Area, Zone 2, Cai Rang Ward, Can Tho City.

1.6. Statement of Comparability of Information in Financial statements

The comparative figures are those of the audited financial statements for the year ended 31 December 2024.

2. BASIS OF PREPARATION**2.1. Accounting standards, accounting system**

The accompanying consolidated financial statements, expressed in Vietnamese Dong ("VND"), are prepared in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam.

The accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

2.2. Forms of accounting records

The form of accounting records applied in the Company is the General Journal.

2.3. Financial year

The Company's financial year is from 01 January to 31 December.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2.4. Reporting and functional currency

The Company maintains its accounting records in VND.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Foreign currencies

Transactions in foreign currencies are recorded, on initial recognition, in the reporting currency, by applying to the foreign currency amount the spot exchange rate between the reporting currency and the foreign currency at the date of the transaction. The exchange differences arising on the settlement of monetary items are recognised in profit or loss in the year in which they arise. At the end of the reporting year, monetary items excluding advances to suppliers, prepaid expenses, and unearned revenues, which are denominated in foreign currency, are reported using the closing rate and resultant exchange differences resulting from the reporting after offset are recognised in profit or loss in the year in which they arise.

3.2. Use of estimates

The preparation of the separate financial statements requires the General Director to make estimates and assumptions that impact the carrying value of certain assets and liabilities, contingent assets and liabilities reported in the notes as well as revenues and expenses for the financial year ended 31 December 2025. Although these estimates are based on the General Director's best knowledge of all relevant information available at the date when the separate financial statements are prepared, this does not prevent actual figures differing from estimates.

3.3. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, cash in transit and current investments for a period not exceeding 3 months or highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.4. Financial investments

Held to maturity investments

Held to maturity investments comprise term deposits, preference bonds, shares - which include an obligation for the issuer to repurchase them at a point in time in the future - held to maturity loans to earn periodical profits and other held to maturity investments.

If there is any certain evidence that part or all the investments are irrecoverable, impairment losses are recognised as a finance expense in the current year.

Equity investments in other entities

Investments in associates

Investments are classified as investments in associates when the Company directly or indirectly holds from 20% to under 50% of the voting shares of the investee without any other agreement.

Investments in associates are accounted for under the equity method. Under the equity method, on initial recognition the investment in an associate is recognised at cost. In case of investments of non-monetary assets, the cost of investments is recognised at the fair values of the assets as incurred.

Dividends for the period after the acquisition date are recognised as finance income when the shareholder's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Other investments

Investments classified as other investments are investments other than investments in subsidiaries, investments in associates or investments on joint ventures.

Other investments are accounted for under the cost method which comprise purchase prices plus (+) acquisition related costs (if any). In case of investments of non-monetary assets, the cost of investments is recognised at the fair values of the assets as incurred.

Recognition principles of provision for investment impairment loss

Provision for investment impairment loss is made when there is any certain evidence that there will be an impairment in the value of these investments at the reporting date.

The difference between the required balance and the existing balance of provision for investment impairment loss is recognised as financial expenses in the income statement.

3.5. Account receivables

Recognition method

Account receivables are stated at the carrying amounts of trade receivables and other receivables less provisions for doubtful debts.

Provision for doubtful debts

As of the date of preparing the financial statements, provision for doubtful debt is recognised for past-due accounts receivable and for accounts receivable where circumstances indicate that they might not be recoverable when due at the level as guided in prevailing regulations. The determination of the overdue period of a doubtful receivable to be provisioned is based on the principal repayment period according to the original sale contract, excluding the debt extension between the parties.

The difference between the required balance and the existing balance of provision for doubtful debts is recorded as a general and administrative expense in the income statement.

3.6. Inventories

Inventory measurement

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

The costs of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads.

The costs of purchase comprise the purchase price, non-reimbursable taxes and duties, and transport, handling and other costs directly attributable to the purchase. Trade discounts and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

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

Method of accounting for inventories

Inventories are measured using the weighted average method and are recorded under the perpetual inventory method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Provision for decline in value of inventories

As of the date of preparing the financial statements, provision is recognised for obsolete, slow-moving and defective inventory items and an excess of the cost of inventories over their net realisable value.

The difference between the required balance and the existing balance of the provision for a decline in value of inventories is included in cost of sales in the consolidated income statement.

Inventories are written down to net realizable value on an item-by-item basis. For services being rendered, provision is made in respect of each service for which a separate selling price will be charged.

3.7. Tangible fixed asset

Tangible fixed assets are measured at cost less accumulated depreciation.

Tangible fixed asset recognition

Tangible fixed assets are initially recognised at their cost. The cost of purchased tangible fixed assets comprises the purchase price and any directly attributable costs of bringing the assets to their present location and working condition for their intended use. Accessories added to fixed assets when purchased are recognised separately at their fair value and deducted from the historical cost of the respective tangible fixed assets.

Depreciation and amortisation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives.

The estimated useful lives are as follows:

	<u>Year 2025</u>
▪ Buildings, structures	5 – 25 years
▪ Machinery and equipment	3 – 10 years
▪ Motor vehicles	6 – 10 years

3.8. Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation.

Intangible fixed asset recognition

The cost of an intangible fixed asset comprises the total amount of expense incurred by the Company to acquire an asset at the time the asset is put into operation for its intended use.

Accounting principles for intangible fixed assets

Land use rights

Land use rights are stated at their costs less accumulated amortisation..

Indefinite land use rights are not amortised.

3.9. Leases

Operating leases

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.10. Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3.11. Prepayments

Prepayments are classified as current and non-current based on their original term. Prepayments mainly comprise costs of tools and supplies and repair expenses, etc., which are amortised over the period for which they are paid or the period in which economic benefits are generated in relation to these expenses.

The following expenses are recognised as prepayments and amortised to the consolidated income statement:

- Prepaid land, infrastructure and fixed asset rentals are amortised over the period of lease;
- Other prepaid expenses: Based on the nature and volume of each expense, the company selects appropriate methods and criteria for allocation during the period when the expected economic benefits are generated.

3.12. Liabilities

Liabilities are classified into trade payables and other payables based on the following rules: Trade payables represent those arising from purchase and sale related transactions of goods, services or assets and the seller is independent of the buyer; the remaining payables are classified as other payables.

Liabilities are also classified according to the maturity date, the remaining term from the date of the consolidated financial statements, original currency, and each creditor.

Liabilities are recognised at no less than the payment obligation.

3.13. Borrowing costs

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets until the assets are put into use or sale.

Investment income earned on temporary investment of borrowings is deducted from the cost of the respective assets.

All other borrowing costs are recognised as an expense in the consolidated income statement when incurred.

3.14. Accrued expenses

Accrued expenses represent expenses that will be paid in the future for goods or services received but not yet paid due to lack of invoices or accounting documents. These expenses are recognised as operating expenses of the reporting year.

The company's accrued expenses include loan interest and sales commission expenses. Estimated loan interest expenses are calculated based on the outstanding loan balance and the interest rates specified in the credit agreements. Sales commission expenses are determined according to the sales policy applicable during each actual period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.15. Owners' equity

The owners' contributed equity

The owners' contributed equity is recognised when contributed.

Share premiums

Share premiums are recognised as the difference between the issue price and the par value of shares, and the difference between the re-purchase price and the re-issue price of treasury shares.

Treasury shares

Treasury shares are recognised at purchased cost and presented in the balance sheet as a deduction from equity.

Dividends

Dividends are recognised as a liability at the date of declaring dividends.

Retained earnings

Net profit after income tax can be distributed to shareholders after the distribution is approved the General annual meeting of shareholders and reserves are created in accordance with the Charter and legal regulations in Vietnam

3.16. Revenue and other income

Revenue from selling goods

Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.

Revenue involving the rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of this transaction can be estimated reliably. When a transaction involving the rendering of services is attributable to several periods, each period's revenue is recognised by reference to the stage of completion at the end of the reporting period.

Interest income

Interest income is recognised on an accrual basis by reference to the principal outstanding and at the interest rate applicable.

Disposal and sale of investments

Revenue from selling current and non-current investments is recognised in the income statement when the Company has transferred the majority of risks and benefits associated with the ownership to the buyer. The majority of risks and benefits associated with the ownership are transferred to the buyer when the transaction is completed (for listed securities) or when completing the asset sale contract (for unlisted securities).

Disposal and sale of fixed assets

Income from disposal and sale of fixed assets is the excess of the proceeds from the disposal and sale of the fixed assets over the carrying amount of the fixed assets disposal expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.17. Deductions

Deductions include trade discounts, allowances and sale returns.

Deductions arising in the reporting year from consumption of products, goods and services are recognised as decreases in revenue in that year; Deductions arising after the end of the reporting year but prior to issuing the financial statements for the reporting year are recognised as decreases in revenue of the reporting year; Deductions arising after the end of the reporting year and after issuing the financial statements for the reporting year are recognised as decreases in revenue of the next year.

3.18. Cost of sales

Cost of sales and services provided represents total costs of finished products, goods, services, which are sold in the year in accordance with the matching principle. Abnormal amounts of production costs of inventories are recognised immediately in cost of sales.

3.19. Finance expense

Finance expenses represent all expenses incurred in the reporting year which mainly include borrowing costs and losses from exchange rates and provision for impairment of investments in other entities.

3.20. Selling expense and general and administrative expense

Selling expenses represent expenses incurred during the process of selling products, goods and rendering services, which include expenses relating to product exhibition, advertisement, sales commissions, storage, packaging and shipping etc.

General and administrative expenses represent common expenses, which include payroll costs for office employees (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees and unemployment insurance; stationery expenses, material expenses, utility services (electricity expenses, water expenses, phone, fax, warranty expenses, etc.); sundry expenses.

3.21. Taxation

Corporate income tax

Current corporate income tax expense

Current corporate tax expense is determined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year at 20%.

Value added tax

The goods sold and services rendered by the Company are subject to value added tax at the following rates:

- Applying a tax rate of 5% for medicinal drugs;
- Other activities: are applicable in accordance with the prevailing regulations.

Other taxes

Other taxes are applicable in accordance with the prevailing tax laws in Vietnam.

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the consolidated financial statements can be amended in accordance with the Tax Department's final assessment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Deferred corporate income tax expense

Deferred corporate tax expense is determined on the basis of the deductible temporary differences, taxable temporary differences and the estimated CIT rate that will be applied for the years that assets and liabilities will be recovered. The tax rates used will be the tax rates (and tax laws) that are in effect at the financial year end.

Deferred tax liability is recognised for all taxable temporary differences, unless:

- The deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss).
- All taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures when the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless:

- The deferred tax asset arises from the initial recognition of an asset or liability in a transaction which at the time of transaction, affects neither accounting profit nor taxable profit (tax loss).
- The deferred tax assets for all deductible temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures are only recognised when it is probable that the temporary difference will reverse in the foreseeable future; and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of a deferred tax asset shall be 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 the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reverted to the extent it becomes probable that sufficient taxable profit will be available.

Current and deferred tax are recognised as income or an expense and included in profit or loss for the year except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred tax assets and deferred tax liabilities are only offset if, and only if, the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority and the Company intends to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.22. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares bought back by the Company and held as treasury shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**3.23. Diluted earnings per share**

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year and total ordinary shares that would be issued on the conversion, excluding ordinary shares bought back by the Company and held as treasury shares.

3.24. Segement reporting

A segment is a distinguishable component of the Company that is engaged either in producing or providing related products or services (business segment), or in producing or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Refer to section 7 in Notes to the financial Statements.

3.25. Related parties

Related parties are individuals or entities that have the ability, directly or indirectly through one or more intermediaries, to control the Company or are controlled by, or are subject to common control with the Company. Associates, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close family members or associates of such individuals are also considered to be related parties.

4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE BALANCE SHEET**4.1. Cash and cash equivalents**

	Foreign currencies	As at 31 Dec. 2025 VND	Foreign currencies	As at 01 Jan. 2025 VND
Cash in hand		356,169,155		1,781,081,365
+ VND		307,726,694		1,734,173,340
+ USD	1,857.67 #	48,442,461	1,857.67 #	46,908,025
Cash at banks		68,635,246,774		4,640,421,736
+ VND		14,267,193,556		4,540,467,695
+ USD	612.86 #	15,950,240	600.71 #	15,162,125
+ EUR	1,790,921.47 #	54,352,102,978	3,245.89 #	84,791,916
Deposits with term not exceeding 3 months		-		68,130,000,000
+ VND		-		68,130,000,000
Total		68,991,415,929		74,551,503,101

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.2. Current trade receivables

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Danhson - BG Ltd	245,319,144,115	139,271,250,466
Kim Do Pharmacy Co.,LTD	4,094,628,132	11,816,693,420
Danhson Trading VN Company limited	206,272,840	22,944,135,962
Others	133,386,034,349	111,768,203,895
Total	383,006,079,436	285,800,283,743
In which: Trade Receivables from related parties		
- Refer to Notes 8	245,550,416,955	139,271,250,466

4.3. Current advances to suppliers

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Joy - Maitreya Int'l Ltd	16,186,543,200	16,186,543,200
Bao Nguyen Chau Group JSC	9,231,774,529	28,569,780,317
GREENSOL Company Limited	6,268,766,087	-
Others	27,620,647,914	40,557,201,498
Total	59,307,731,730	85,313,525,015

4.4. Other current receivables

	As at 31 Dec. 2025 VND		As at 01 Jan. 2025 VND	
	Value	Provision	Value	Provision
Advance	5,688,003,672	-	7,805,811,731	-
Deposits	310,536,525	-	300,142,181	-
Accrued interest	-	-	277,675,562	-
Other receivables	380,739,175	15,212,183	326,600,038	15,212,183
Total	6,379,279,372	15,212,183	8,710,229,512	15,212,183

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.5. Doubtful debts

	As at 31 Dec. 2025 VND		As at 01 Jan. 2025 VND	
	Cost	Recoverable amount	Cost	Recoverable amount
Overdue trade receivables or overdue amounts loaned and other receivables not yet due but uncollectible	25,574,628,824	9,634,396,430	33,526,637,842	24,288,636,846
Total	25,574,628,824	9,634,396,430	33,526,637,842	24,288,636,846

Overdue trade receivables and overdue amounts loaned are analysed by debtor as follows:

	As at 31 Dec. 2025 VND			As at 01 Jan. 2025 VND		
	Cost	Recoverable amount	Overdue days	Cost	Recoverable amount	Overdue days
State Pharmaceutical Company Limited -Quang Ngai Medical Supplies	109,122,583	-	Over 3 years	109,122,583	-	Over 3 years
Phuong Anh Pharmacy	79,843,635	-	Over 3 years	79,843,635	-	Over 3 years
Dong Thap Mental Hospital	1,407,035,200	984,924,640	From 6 months to 1 year	1,051,614,400	736,130,080	From 6 months to 1 year
Dong Thap Mental Hospital	246,642,000	123,321,000	From 1 to 2 years	2,239,071,100	1,119,535,550	From 1 to 2 years
Others	23,731,985,406	8,526,150,790		30,046,986,124	22,432,971,216	
Total	25,574,628,824	9,634,396,430		33,526,637,842	24,288,636,846	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.6. Inventories

	As at 31 Dec. 2025		As at 01 Jan. 2025	
	VND		VND	
	Cost	Provision	Cost	Provision
Raw materials	75,318,503,012	4,367,965,385	56,064,365,136	1,534,096,863
Tools	318,139,156	-	267,675,817	-
Work in progress	15,725,654,311	-	6,806,789,849	-
Finished goods	43,586,405,409	820,979,722	22,015,482,983	1,212,689,014
Merchandise	-	-	24,025,022	-
Total	134,948,701,888	5,188,945,107	85,178,338,807	2,746,785,877

Slow moving and obsolescent inventories at the year-end amounted to VND 5,188,945,107.

The Company has pledged all inventories as collateral for bank borrowings.

4.7. Prepayments

	As at	As at
	31 Dec. 2025	01 Jan. 2025
	VND	VND
Current:		
Office rental expenses	125,787,991	113,524,000
Tools waiting for allocation	1,402,959,509	975,000,795
Insurance expense	45,811,085	71,521,229
Others	747,085,075	2,936,112,192
Total	2,321,643,660	4,096,158,216
Non-current:		
Land rental in Tan Tao industrial park	11,797,262,400	12,277,151,040
Others	3,408,055,847	4,269,075,597
Total	15,205,318,247	16,546,226,637

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.8. Financial investments**

Other investments are detailed as follows:

	As at 31 Dec. 2025			As at 01 Jan. 2025		
	Cost	VND Provision	Fair value	Cost	VND Provision	Fair value
Investments in associates:						
Davina Pharmaceutical Joint Stock Company	8,820,000,000	8,820,000,000		8,820,000,000	8,820,000,000	
Total	8,820,000,000	8,820,000,000		8,820,000,000	8,820,000,000	
	Year 2025			Year 2024		

Performance of the associates during the year:

Davina Pharmaceutical Joint Stock Company

Business operations suffered losses

Business operations suffered losses

According to the Minutes of the Extraordinary General Meeting of Shareholders 2025 No.02/2025/BB-DHDCD dated 31 July 2025, the Company has approved the policy to transfer all shares of Davina Pharmaceutical Company to interested partners and investors.

As at the reporting date, the Company has not been able to determine the fair value of its investment in Davina Pharmaceutical Joint Stock Company for disclosure in the financial statements, as there is no quoted market price and the Vietnamese Accounting Standards and the Vietnamese Accounting Regime have not yet provided guidance on the determination of fair value using valuation techniques. The fair value of this investment may differ from its carrying amount.

	As at 31 Dec. 2025			As at 01 Jan. 2025		
	Cost	VND Provision	Fair value	Cost	VND Provision	Fair value
Investments in other entities:						
Danang Pharmaceutical Medical Equipment JSC	6,800,000,000	-	7,852,504,000	6,800,000,000	-	8,908,307,100
Total	6,800,000,000	-	7,852,504,000	6,800,000,000	-	8,908,307,100

The company has determined the fair value of the investment in Danang Pharmaceutical Medical Equipment JSC based on the listed price on the stock exchange and the number of shares the company currently holds. The fair value as at 31 December 2025 and 01 January 2025 of Danang Pharmaceutical Medical Equipment JSC is determined based on the number of shares held and the closing price on the UPCOM trading platform on the respective dates. As at 31 December 2025: Number of shares held: 1,154,780 shares; Closing price: VND 6,800/share. As at 31 December 2024: Number of shares held: 1,099,791 shares; Closing price: VND 8,100/share.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.9. Tangible fixed assets

Items	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Total VND
Cost:				
As at 01 Jan. 2025	144,571,793,790	214,287,317,983	13,797,813,247	372,656,925,020
Purchase	-	951,945,545	1,519,091,331	2,471,036,876
As at 31 Dec.2025	144,571,793,790	215,239,263,528	15,316,904,578	375,127,961,896
Accumulated depreciation:				
As at 01 Jan. 2025	101,887,662,101	186,481,517,435	10,729,572,168	299,098,751,704
Depreciation	6,357,181,790	8,516,104,854	696,662,738	15,569,949,382
As at 31 Dec.2025	108,244,843,891	194,997,622,289	11,426,234,906	314,668,701,086
Net book value:				
As at 01 Jan. 2025	42,684,131,689	27,805,800,548	3,068,241,079	73,558,173,316
As at 31 Dec.2025	36,326,949,899	20,241,641,239	3,890,669,672	60,459,260,810

The amount of year-end net book value of tangible fixed assets totalling VND 23,134,934,317 was pledged/mortgaged as loan security.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 167,575,028,038.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.10. Intangible fixed assets

Items	Land use rights VND	Total VND
Cost:		
As at 01 Jan. 2025	48,689,386,013	48,689,386,013
Purchase	-	-
As at 31 Dec.2025	48,689,386,013	48,689,386,013
Accumulated amortization:		
As at 01 Jan. 2025	12,512,410,369	12,512,410,369
Amortization	930,551,112	930,551,112
As at 31 Dec.2025	13,442,961,481	13,442,961,481
Net book value:		
As at 01 Jan. 2025	36,176,975,644	36,176,975,644
As at 31 Dec.2025	35,246,424,532	35,246,424,532

The land use rights in Nam Long Residential Area, part of Nam Can Tho Urban Area, Cai Rang Ward, Can Tho City, on land parcel number 1244, map sheet number 07, with an area of 114 m², are certified by the Certificate of Land Use Right, Ownership of Residential House, and Attached Assets on Land number CG 823962 issued by the Department of Natural Resources and Environment of Can Tho City on 19 May 2017. The land is designated for residential purposes in urban areas, with a long-term duration of use. The land use rights are currently mortgaged to secure a short-term loan at Vietnam Technological and Commercial Joint Stock Bank - Da Nang Branch.

The land use rights at Lot A24, Nguyen Van Linh Extended Road, Hai Chau Ward, Da Nang City, on land parcel number 1, map sheet A24, with an area of 616.8 m², are certified by the Certificate of Land Use Right, Ownership of Residential House, and Attached Assets on Land number BE 572297 issued by the People's Committee of Da Nang City on 21 July 2011. The land is designated for production and business purposes, with a duration of 50 years starting from 21 July 2011. This land use right is mortgaged as collateral for a loan from the Development Investment Fund Da Nang City.

The land use rights in Ham Rong Ward, Thanh Hoa Province, on land parcel number 282, map sheet number 49, with an area of 240 m², are certified by the Certificate of Land Use Right, Ownership of Residential House, and Attached Assets on Land number CG 188553 issued by the Department of Natural Resources and Environment of Thanh Hoa Province on 14 February 2017. The land is designated for residential purposes in urban areas, with a long-term duration of use. The land use rights are currently mortgaged to secure a short-term loan at Commercial Bank for Foreign Trade of Vietnam – Danang Branch.

The amount of period-end net book value of intangible fixed assets totalling VND 35,246,424,532 was pledged/mortgaged as loan security.

There are no intangible fixed assets fully depreciated but still in use at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.11. Construction in progress

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Pharmaceutical Manufacturing Plant and High-Tech Research and Development Center	1,312,500,531,193	863,658,650,305
Office and Tourist Apartment Complex (Danapha Tower)	91,579,319,637	30,861,339,071
Other construction	1,345,767,221	1,345,767,221
Total	1,405,425,618,051	895,865,756,597

4.12. Current trade payables

	As at 31 Dec. 2025 VND		As at 01 Jan. 2025 VND	
	Value	Payable value	Value	Payable value
Current:				
Danhson - BG Ltd	72,145,826,400	72,145,826,400	54,463,717,100	54,463,717,100
METECNO Viet Nam Limited Company	9,182,517,856	9,182,517,856	16,528,524,840	16,528,524,840
Refrigeration Electrical Engineering Bach Khoa Co.ltd	27,729,514,986	27,729,514,986	2,651,140,669	2,651,140,669
Others	90,821,629,077	90,821,629,077	61,165,922,045	61,165,922,045
Total	199,879,488,319	199,879,488,319	134,809,304,654	134,809,304,654
Non-current:				
Danhson - BG Ltd	328,383,111,022	328,383,111,022	104,477,372,808	104,477,372,808
Total	328,383,111,022	328,383,111,022	104,477,372,808	104,477,372,808
In which: Trade payables to related parties – Refer to Note 8	400,528,937,422	400,528,937,422	158,941,089,908	158,941,089,908

4.13. Current advances from customers

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Tu Hung Pharmaceutical Company Limited	1,521,450,000	1,738,800,000
DY Traders Company Limited (formerly Duc Hanh Supermarket one member Co.Ltd)	200,000,000	200,000,000
International Corporate Agents Limited - Haxby Corporation	106,802,773	106,802,773
Others	78,567,719	93,910,139
Total	1,906,820,492	2,139,512,912

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.14. Tax and amounts receivable from/payable to the state budget

	As at 31 Dec. 2025 VND	Movement in year VND		As at 01 Jan. 2025 VND
	Payable	Payable	Paid/ Deducted	Payable
VAT on domestic goods	-	25,382,173,292	25,382,173,292	-
VAT on imported goods	-	21,128,990,989	21,128,990,989	-
Export, import tax	-	339,378,272	339,378,272	-
Corporate Income Tax	14,656,471,831	17,664,936,441	23,653,024,225	20,644,559,615
Personal Income Tax	1,951,494,859	22,724,827,776	21,695,628,295	922,295,378
Property tax and land lease payments	-	2,093,485,373	2,093,485,373	-
License fee	-	10,000,000	10,000,000	-
Other taxes	-	87,849,047	87,849,047	-
Total	16,607,966,690	89,431,641,190	94,390,529,493	21,566,854,993

4.15. Payables to employees

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Salaries and bonuses payables to employees	32,408,028,038	35,159,921,599
Total	32,408,028,038	35,159,921,599

4.16. Current accrued expenses

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Interest payable	126,268,287	223,099,670
Accrued selling expenses	33,350,399,971	16,780,864,603
Consulting and appraisal costs	-	5,608,300,500
Others	1,059,116,251	602,860,525
Total	34,535,784,509	23,215,125,298
In which, accrued expenses payable to related parties - Refer to Notes 8	-	5,608,300,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.17. Other current payables

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Trade Union fees	56,556,486	51,660,504
Dividends payable	10,090,920	10,090,920
Interest payable	32,281,883,973	18,158,612,018
Others	270,676,878	365,487,935
Total	32,619,208,257	18,585,851,377
In which, Other payables to related parties - Refer to Notes 8	32,280,740,850	18,158,612,018

4.18. Deferred income tax liabilities

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Deferred income tax liabilities:		
Income tax rate used to calculate deferred income tax liabilities	20%	20%
Deferred tax liabilities relating to the taxable temporary differences	5,267,768,728	-
Offset against deferred tax assets	(631,958,303)	-
Total	4,635,810,425	-

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.19. Loans and finance lease liabilities**

	As at 31 Dec. 2025 VND		Movement in year VND		As at 01 Jan. 2025 VND	
	Value	Payable value	Increase	Decrease	Value	Payable value
Current:						
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Da Nang Branch (1)	44,736,044,389	44,736,044,389	87,938,110,777	88,132,311,984	44,930,245,596	44,930,245,596
Vietnam Joint Stock Commercial Bank for Industry and Trade - Da Nang Branch (2)	19,308,247,397	19,308,247,397	130,879,107,424	170,681,672,641	59,110,812,614	59,110,812,614
Vietnam Technological and Commercial Joint Stock Bank - Da Nang Branch (3)	20,941,252,141	20,941,252,141	29,102,791,736	12,338,362,795	4,176,823,200	4,176,823,200
Joint Stock Commercial Bank for Investment and Development of Vietnam (4)	-	-	13,235,964,982	34,592,720,521	21,356,755,539	21,356,755,539
Vietnam Bank for Agriculture and Rural Development - Da Nang Branch (5)	99,884,737,695	99,884,737,695	161,010,390,875	91,123,319,884	29,997,666,704	29,997,666,704
Current portion of non- current loans:						
Danang Development and Investment Fund (9)	11,976,600,000	11,976,600,000	13,686,800,000	5,517,200,000	3,807,000,000	3,807,000,000
Total	196,846,881,622	196,846,881,622	435,853,165,794	402,385,587,825	163,379,303,653	163,379,303,653
Non- current:						
Danhson - BG Ltd (EUR) (6)	237,735,000,000	237,735,000,000	33,240,000,000	-	204,495,000,000	204,495,000,000
Ms. Pham Huong Giang (7)	78,649,999,990	78,649,999,990	67,350,000,000	-	11,299,999,990	11,299,999,990
Ms. Nguyen Phuong Vy (8)	63,464,336,093	63,464,336,093	4,323,028,093	-	59,141,308,000	59,141,308,000
Danang Development and Investment Fund (9)	101,136,200,000	101,136,200,000	63,429,134,000	13,686,800,000	51,393,866,000	51,393,866,000
Total	480,985,536,083	480,985,536,083	168,342,162,093	13,686,800,000	326,330,173,990	326,330,173,990
In which, long-term loan from related parties – Refer to Note 8	379,849,336,083	379,849,336,083	104,913,028,093	-	274,936,307,990	274,936,307,990

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- (1) Short-term loan from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Danang Branch (Vietcombank – Danang Branch) under Credit Contract No. 48/2025/CTD/VCB-KHDN dated 13 March 2025. The purpose of the loan is to supplement working capital for business operations, with a credit limit of 50,000,000,000 VND. The loan is secured by the Company's machinery and equipment, inventories, land use rights at the Song Hac new urban area project – Thanh Hoa, and the bank account balance of Mr. Nguyen Quoc Thang.
- (2) Short-term loan at Vietnam Joint Stock Commercial Bank for Industry and Trade - Da Nang Branch under Contract No. 2400000954/2024-HDCVHM/NHCT480-DANAPHA dated 10 October 2024 to supplement working capital for pharmaceutical production and related products with a total loan balance of VND 150,000,000,000. The loan is secured by company-owned raw materials and machinery and equipment, interest rates specified in each promissory note.
- (3) Short-term loan from Vietnam Technological and Commercial Joint Stock Bank – Danang under Credit Agreement No. DNG20171436/HDTD, signed on 30 September 2017, and its amendment dated 18 February 2025 to supplement working capital for the production and business of pharmaceutical products, with a credit limit of 110,000,000,000 VND. The loan is secured by land use rights and assets attached to the land in Can Tho under Mortgage Contract No. DNG202013286338/HĐTC, inventories at the Can Tho branch under Mortgage Contract No. DNG202013286338/HĐTC, and fixed assets under Mortgage Contract No. DNG202113291809/HĐTC.
- (4) Short-term loan from the Joint Stock Commercial Bank for Investment and Development of Vietnam – Hai Van Branch under Credit Contract No. 01/2024/256857/HĐTD signed on 16 January 2024, with a credit extension amendment dated 04 January 2025 to supplement working capital, provide guarantees, and open Letters of Credit (L/C), with a credit limit of 25,000,000,000 VND. The interest rate is specified in each Promissory Note. The loan is secured by the Company's machinery and equipment under Mortgage Agreement No. 01/2024/256857/TC/HĐBĐ.
- (5) Short-term loan from Vietnam Bank for Agriculture and Rural Development – Danang Branch (Agribank – Danang Branch) under Credit Contract No. 2000-LAV-202400779, signed on 30 July 2025, and its amendment No.102025/2000-LAV-202400779 dated 24 October 2025 to supplement working capital for the implementation of the 2025–2026 production and business plan. The credit limit is VND 100,000,000,000, with interest rates determined in accordance with each drawdown notice. The collateral comprises the purified water generation system and the distilled water generation system under Asset Mortgage Agreement No. 2000-LCL-202500084 dated 19 March 2025, and the R&D production line, automatic inhaler filling line and automatic medicated oil packaging machine under Asset Mortgage Agreement No. 2000-LCL-202500319 dated 30 July 2025.
- (6) Long-term loan for DANHSON-BG LTD under Loan contract No. 01/2022/DNP-DS dated 1 May 2022 with a term of 5 years from 1 May 2022 to 1 May 2027 for the purpose of purchasing machinery and equipment for the Project Pharmaceutical Manufacturing Plant and High-Tech Research and Development Center with a credit limit of EUR 7,500,000 and an interest rate of 3.5%. The company will repay the principal in full on 1 May 2027.
- (7) Long-term loan from Ms. Pham Huong Giang under Contract dated 19 September 2024, with a maximum loan term of 10 years from the date of receipt of the loan, loan amount: VND 135,000,000,000 and Contract dated 17 March 2025, with a maximum loan term of 10 years from the date of receipt of the loan, loan amount: VND 90,000,000,000. The purpose of the loan is to serve the Pharmaceutical Manufacturing Plant and High-Tech Research and Development Center project, and to serve the Company's production and business operations. The loan interest rate is 6.3%/year for the first year. The principal will be repaid after 5 years from the loan date or repaid in multiple installments within the loan term as agreed. The loan contract dated 19

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

September 2024, has been terminated according to the loan reconciliation and loan agreement termination record dated 30 November 2024. However, the company is still obligated to pay interest and principal as outlined in the signed loan contract.

- (8) Long-term loan from Ms. Nguyen Phuong Vy under Contract dated 19 September 2024, with a maximum loan term of 10 years from the date of receipt of the loan, loan amount: VND 120,000,000,000 and and Contract dated 17 March 2025, with a maximum loan term of 10 years from the date of receipt of the loan, loan amount: VND 15,000,000,000The purpose of the loan is to serve for the Pharmaceutical Manufacturing Plant and High-Tech Research and Development Center project, and to serve the Company's production and business operations. The loan interest rate is 6.3%/year for the first year. The principal will be repaid after 5 years from the loan date or repaid in multiple installments within the loan term as agreed. The loan contract dated 19 September 2024, has been terminated according to the loan reconciliation and loan agreement termination record dated 30 November 2024. However, the company is still obligated to pay interest and principal as outlined in the signed loan contract.
- (9) Loan from the Development Investment Fund under Credit contract No.14/2024/HDTD, dated 29 May 2024, and Amendment No. 14/2025/HDTD, with a loan amount of 80,000,000,000 VND and a loan term of 96 months. The purpose of the loan is to finance the investment costs for the project of a Pharmaceutical Manufacturing Plant and High-Tech Research and Development Center. The interest rate is 6.5% per annum, as per Decision No. 552/QĐTPT-TD dated 24 December 2024, the interest rate has been adjusted to 5.6% per annum. The loan is secured by future-formed assets, including the entire construction works of the Pharmaceutical Manufacturing Plant and High-Tech Research and Development Center project, Land Use Rights Certificate No. 06 at Danang High-Tech Park and Land use rights to Land Plot No. 1, Map Sheet No. A24, located on Nguyen Van Linh Extension Road, Hai Chau Ward, Da Nang City.

Loan from the Development Investment Fund under Credit contract No.16/2025/HDTD, dated 17 September 2025 with a loan amount of 90,000,000,000 VND and a loan term of 132 months. The purpose of the loan is to finance the investment costs for the project "Office and Tourist Apartment Complex Apartment". The borrower undertakes to use the loan proceeds strictly for the agreed purpose and not for any other or unlawful purposes. The loan bears interest at a rate of 6.1% per annum. The loan is secured by land use rights and assets attached to the land, being construction works to be formed in the future under the financed project.

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.20. Owners' equity****4.20.1. Changes in owners' equity**

	Items of owners' equity				Total VND
	Owners' contributed capital VND	Capital surplus VND	Investment and development fund VND	Retained earnings VND	
As at 01 Jan. 2024	209,380,000,000	181,169,607,584	242,728,087,074	76,808,239,205	710,085,933,863
Previous year's profits	-	-	-	69,998,059,293	69,998,059,293
Distributed Investment and development fund	-	-	61,408,039,205	(61,408,039,205)	-
Distributed bonus and welfare fund	-	-	-	(500,000,000)	(500,000,000)
Dividend distribution	-	-	-	(14,656,600,000)	(14,656,600,000)
As at 01 Jan. 2025	209,380,000,000	181,169,607,584	304,136,126,279	70,241,659,293	764,927,393,156
This year's profits	-	-	-	85,749,552,728	85,749,552,728
Distributed Investment and development fund (*)	-	-	69,998,059,293	(69,998,059,293)	-
As at 31 Dec. 2025	209,380,000,000	181,169,607,584	374,134,185,572	85,993,152,728	850,676,945,884

(*) The Company distributed 2024 profits according to the 2025 Annual General Meeting of Shareholders Resolution No. 01/2025/NQ-ĐHĐCĐ dated 28 March 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.20.2. Details of owners' equity

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
DANHSON VN Company Limited	148,604,730,000	148,604,730,000
Vietnam Pharmaceutical Corporation - JSC	55,381,670,000	55,381,670,000
Other shareholders	5,393,600,000	5,393,600,000
Total	209,380,000,000	209,380,000,000

4.20.3. Capital transactions with owners

	Year 2025 VND	Year 2024 VND
Beginning balance	209,380,000,000	209,380,000,000
Capital contribution in the year	-	-
Capital redemption in the year	-	-
Ending balance	209,380,000,000	209,380,000,000

4.20.4. Shares

	As at 31 Dec. 2025	As at 01 Jan. 2025
Number of shares registered for issue	20,938,000	20,938,000
Number of shares sold to public	20,938,000	20,938,000
- Ordinary shares	20,938,000	20,938,000
- Preference shares (Classified as owners' equity)	-	-
Number of shares repurchased (Treasury shares)	-	-
- Ordinary shares	-	-
- Preference shares (Classified as owners' equity)	-	-
Number of shares outstanding	20,938,000	20,938,000
- Ordinary shares	20,938,000	20,938,000
- Preference shares (Classified as owners' equity)	-	-

Par value per outstanding share: VND 10,000 per share

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.20.5. Basic earnings per share

	Year 2025 VND	Year 2024 VND
Net profit after tax	85,749,552,728	69,998,059,293
Adjusted for distribution to bonus and welfare fund	-	-
Profit after tax attributable to ordinary shareholders	85,749,552,728	69,998,059,293
Average Number of shares outstanding in year	20,938,000	20,938,000
Basic earnings per share	4,095	3,343

The Company's charter and the 2025 Annual General Meeting of Shareholders' resolutions do not specify the allocation ratio for the bonus and welfare fund. Accordingly, the profit after corporate income tax for calculating the basic earnings per share in 2025 is the entire after-tax profit of the Company's shareholders. These figures for 2025 may change when the Company decides on the fund allocation in the future.

4.20.6. Diluted earnings per share

	Year 2025 VND	Year 2024 VND
Net profit after tax	85,749,552,728	69,998,059,293
Adjusted for distribution to bonus and welfare fund	-	-
Adjustments to increase/decrease profit after tax	-	-
Earnings for the purpose of calculating diluted earnings per share	85,749,552,728	69,998,059,293
Average Number of shares outstanding in year	20,938,000	20,938,000
Number of common shares expected to be issued	-	-
Number of shares to calculate diluted earnings per share	20,938,000	20,938,000
Diluted earnings per share	4,095	3,343

The Company's charter and the 2025 Annual General Meeting of Shareholders' resolutions do not specify the allocation ratio for the bonus and welfare fund. Accordingly, the profit after corporate income tax for calculating the diluted earnings per share in 2025 is the entire after-tax profit of the Company's shareholders. These figures for 2025 may change when the Company decides on the fund allocation in the future.

4.20.7. Corporate funds

	Development investment fund VND
As at 01 Jan. 2025	304,136,126,279
Additions	69,998,059,293
Utilisations	-
As at 31 Dec. 2025	374,134,185,572

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.21. Off balance sheet items

	As at 31 Dec. 2025	As at 01 Jan. 2025
Foreign currencies:		
+ USD	2,470.53	2,458.38
+ EUR	1,790,921.47	3,245.89

5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

5.1. Revenue from selling goods and rendering services

	Year 2025 VND	Year 2024 VND
Sale of merchandise, finished goods	650,405,638,446	572,012,684,233
Revenue from rendering of services	214,848,494	163,636,368
Total	650,620,486,940	572,176,320,601
Of which revenue from selling goods and rendering services to related parties – Refer to Note 8	245,037,908,686	128,092,112,767

5.2. Deductions

	Year 2025 VND	Year 2024 VND
Trade discount	-	6,797,347,262
Sales returns	2,326,173,614	642,210,687
Allowances	1,008,532,906	4,741,429
Total	3,334,706,520	7,444,299,378
Revenue deductions arising from transactions with related parties – Refer to Note 8	1,181,617,003	-

5.3. Cost of sales

	Year 2025 VND	Year 2024 VND
Cost of merchandise sold and finished goods sold	285,760,775,143	267,280,764,820
Provision for decline in value of inventories/ Reversals of provision for decline in value of inventories	5,611,098,159	4,234,721,692
Total	291,371,873,302	271,515,486,512

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.4. Finance income

	Year 2025 VND	Year 2024 VND
Deposit interest	783,978,461	613,035,464
Gains from exchange differences	3,318,391,195	5,373,606,597
Total	4,102,369,656	5,986,642,061

5.5. Finance expense

	Year 2025 VND	Year 2024 VND
Interest expense	7,709,783,828	7,679,163,253
Losses from exchange differences in payment	368,815,489	114,644,300
Foreign exchange losses on revaluation at year end	28,651,639,999	6,098,947,659
Total	36,730,239,316	13,892,755,212

5.6. Selling expense

	Year 2025 VND	Year 2024 VND
Staff expenses	31,156,463,872	28,410,131,900
Material, package, tools expense	143,300,726	217,872,627
Depreciation expense	919,322,108	811,076,676
Expenses for outsourced services	74,903,258,766	56,613,245,087
Other expenses	953,276,442	1,061,068,256
Total	108,075,621,914	87,113,394,546

5.7. General and administrative expense

	Year 2025 VND	Year 2024 VND
Staff expenses	57,781,761,425	54,682,835,307
Raw materials, tools and instruments	6,125,993,111	7,213,701,215
Depreciation expense	6,188,694,004	6,950,184,856
Expenses for outsourced services	12,808,001,932	13,091,830,349
Provision expenses for bad debts	6,702,231,398	2,762,121,679
Other expenses	17,519,478,041	15,415,827,101
Total	107,126,159,911	100,116,500,507

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.8. Other income

	Year 2025 VND	Year 2024 VND
Income from disposal of fixed assets	-	20,909,091
Income from compensation	1,000,000	191,129,704
Others	245,789,847	38,056,761
Total	246,789,847	250,095,556

5.9. Other expense

	Year 2025 VND	Year 2024 VND
Recovery of deposits for High-Tech projects	-	4,450,902,000
Penalties	19,000,000	319,023,396
Others	261,745,886	232,669,201
Total	280,745,886	5,002,594,597

5.10. Production and business costs by element

	Year 2025 VND	Year 2024 VND
Raw materials, tools and instruments	270,788,556,063	220,228,012,905
Staff expenses	115,784,036,222	102,885,651,445
Depreciation expense	16,500,500,494	18,271,254,795
Expenses for outsourced services	98,720,578,301	79,124,230,307
Other expenses	18,683,678,832	17,116,642,477
Total	520,477,349,912	437,625,791,929

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.11. Current corporate income tax expense

	Year 2025 VND	Year 2024 VND
Accounting profit before tax	108,050,299,594	93,328,027,466
Add: Adjustments according to CIT law	10,297,929,643	23,155,805,075
- Gains on exchange rate differences due to revaluation at the end of the previous year's period	-	5,642,403,970
- Losses on exchange rate differences due to revaluation at the end of this year's period	-	4,641,081,586
- Remuneration The Board of Directors does not directly participate in management	1,038,422,240	1,018,418,283
- Expenses not deductible for tax purposes	9,259,507,403	11,853,901,236
Less: Adjustments according to CIT law	30,385,487,715	-
- Gains on exchange rate differences due to revaluation at the end of the current year	26,338,843,642	-
- Losses on exchange rate differences due to revaluation at the end of the previous year, that are deductible when calculating corporate income tax in the current year	1,481,290,073	-
- Expenses not deductible for tax purposes in previous year that are deductible when calculating corporate income tax in the current year	2,565,354,000	-
Total taxable income	87,962,741,522	116,483,832,541
Corporate income tax rate	20%	20%
Current corporate income tax expense	17,664,936,441	23,329,968,173
In which:		
CIT expenses are calculated on annual taxable income current year	17,592,548,304	23,296,766,508
Adjust previous years' corporate income tax expenses to this year's current income tax expenses	72,388,137	33,201,665

5.12. Deferred corporate income tax expense

	Year 2025 VND	Year 2024 VND
Deferred corporate income tax expense arising from temporary taxable difference	5,267,768,728	-
Deferred corporate income tax income arising from temporary deductible differences	(631,958,303)	-
Deferred corporate income tax expense	4,635,810,425	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CASH FLOW STATEMENT

6.1. Cash receipts from loans in the year

	Year 2025 VND	Year 2024 VND
Cash receipts from loans under normal contracts	557,268,527,887	492,272,063,564
Total	557,268,527,887	492,272,063,564

6.2. Cash repayments of principal amounts borrowed

	Year 2025 VND	Year 2024 VND
Cash repayment of principal amounts under normal contracts	402,385,587,825	356,702,694,225
Total	402,385,587,825	356,702,694,225

7. SEGMENT REPORTING

For management purposes, the Company divides its operations nationwide into key departments according to geographical regions as follows:

- Headquarters
- Sales Department
- Ho Chi Minh City Branch
- Ha Noi Branch
- Thanh Hoa Branch
- Khanh Hoa Branch
- Vinh Phuc Branch
- Can Tho Branch

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 December 2025:

	Headquarters VND	Sales Department VND	Ho Chi Minh VND	Ha Noi VND	Thanh Hoa VND	Vinh Phuc VND	Khanh Hoa VND	Can Tho VND	Total VND
Revenue	273,206,829,340	47,211,806,941	91,545,761,612	73,352,214,181	49,479,598,404	25,914,665,305	25,211,360,069	64,698,251,088	650,620,486,940
+ External	273,206,829,340	47,211,806,941	91,545,761,612	73,352,214,181	49,479,598,404	25,914,665,305	25,211,360,069	64,698,251,088	650,620,486,940
+ Inter-segment	-	-	-	-	-	-	-	-	-
Deductions	1,181,617,003	349,568,729	185,627,747	793,202,174	162,135,757	22,131,819	95,275,950	545,147,341	3,334,706,520
Net revenue	272,025,212,337	46,862,238,212	91,360,133,865	72,559,012,007	49,317,462,647	25,892,533,486	25,116,084,119	64,153,103,747	647,285,780,420
Cost of sales	159,364,850,459	20,471,802,548	30,823,039,943	23,987,754,905	17,717,192,571	7,880,945,531	8,713,803,393	22,412,483,952	291,371,873,302
Gross profit	112,660,361,878	26,390,435,664	60,537,093,922	48,571,257,102	31,600,270,076	18,011,587,955	16,402,280,726	41,740,619,795	355,913,907,118
	Headquarters VND	Sales Department VND	Ho Chi Minh VND	Ha Noi VND	Thanh Hoa VND	Vinh Phuc VND	Khanh Hoa VND	Can Tho VND	Total VND
As at 31 Dec. 2025									
Segment assets	293,610,765,884	13,982,232,271	28,251,069,580	26,905,985,784	13,573,910,172	10,993,559,115	10,568,472,669	35,061,198,722	432,947,194,197
Unallocated assets									1,748,051,963,276
Total assets									2,180,999,157,473
Segment liabilities	3,021,677,211	4,639,416,190	7,094,161,915	6,338,034,427	5,114,717,235	2,584,876,616	1,929,372,879	5,720,348,528	36,442,605,001
Unallocated liabilities									1,293,737,053,068
Total liabilities									1,330,179,658,069
Year 2025	Headquarters VND	Sales Department VND	Ho Chi Minh VND	Ha Noi VND	Thanh Hoa VND	Vinh Phuc VND	Khanh Hoa VND	Can Tho VND	Total VND
Cost of purchasing assets	219,161,497,266	-	-	-	-	-	-	-	219,161,497,266
Depreciation expense	13,483,529,853	-	2,623,419,397	152,754,792	-	-	132,676,452	108,120,000	16,500,500,494

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial year ended 31 December 2024:

	Headquarters VND	Sales Department VND	Ho Chi Minh VND	Ha Noi VND	Thanh Hoa VND	Vinh Phuc VND	Khanh Hoa VND	Can Tho VND	Total VND
Revenue	268,762,589,577	33,015,720,924	85,041,403,803	56,075,756,814	35,029,698,174	19,047,480,989	23,220,240,237	51,983,430,083	572,176,320,601
+ External	268,762,589,577	33,015,720,924	85,041,403,803	56,075,756,814	35,029,698,174	19,047,480,989	23,220,240,237	51,983,430,083	572,176,320,601
+ Inter-segment	-	-	-	-	-	-	-	-	-
Deductions	6,950,494,052	24,581,524	187,666,190	204,308,516	65,326,516	9,065,848	2,856,732	-	7,444,299,378
Net revenue	261,812,095,525	32,991,139,400	84,853,737,613	55,871,448,298	34,964,371,658	19,038,415,141	23,217,383,505	51,983,430,083	564,732,021,223
Cost of sales	150,856,011,957	14,563,155,166	36,967,853,385	20,672,347,823	11,829,968,958	6,428,004,093	8,458,302,900	21,739,842,230	271,515,486,512
Gross profit	110,956,083,568	18,427,984,234	47,885,884,228	35,199,100,475	23,134,402,700	12,610,411,048	14,759,080,605	30,243,587,853	293,216,534,711
	Headquarters VND	Sales Department VND	Ho Chi Minh VND	Ha Noi VND	Thanh Hoa VND	Vinh Phuc VND	Khanh Hoa VND	Can Tho VND	Total VND
As at 31 Dec. 2024									
Segment assets	203,669,242,110	11,517,925,138	29,973,824,329	17,919,115,483	11,790,933,136	9,591,792,662	9,733,737,208	23,506,231,937	317,702,802,003
Unallocated assets									1,278,427,851,935
Total assets									1,596,130,653,938
Segment liabilities	8,493,849,806	2,325,409,118	4,139,220,328	3,371,590,965	1,799,358,000	1,367,272,780	1,437,751,681	2,420,185,532	25,354,638,210
Unallocated liabilities									805,706,069,052
Total liabilities									831,060,707,262
	Headquarters VND	Sales Department VND	Ho Chi Minh VND	Ha Noi VND	Thanh Hoa VND	Vinh Phuc VND	Khanh Hoa VND	Can Tho VND	Total VND
Year 2024									
Cost of purchasing assets	260,609,109,626	-	-	-	-	-	-	-	260,609,109,626
Depreciation expense	15,260,253,147	-	2,624,469,996	152,754,792	-	-	125,656,860	108,120,000	18,271,254,795

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RELATED PARTIES

<u>List of related parties</u>	<u>Relationship</u>
1. Danhson VN Limited Company	Parent Company
2. Vietnam Pharmaceutical Corporation - JSC	Investment company
3. Danhson - BG Ltd	Same key management personnel
4. Danhson Trading VN Ltd	Same key management personnel (Related parties since 13 February 2025)
5. Ms. Nguyen Phuong Vy	Related person of the Parent Company
6. Ms. Pham Huong Giang	Related person of the Parent Company
7. Board of Directors and management	Key management personnel

At the end of the reporting year, the balances with related parties are as follows:

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Trade receivables		
DANHSON VN Company Limited	25,000,000	-
Danhson - BG Ltd	245,319,144,115	139,271,250,466
Danhson Trading VN Company limited	206,272,840	-
Total - Refer to Note 4.2	245,550,416,955	139,271,250,466

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Trade payables		
Danhson - BG Ltd	400,528,937,422	158,941,089,908
Total - Refer to Note 4.12	400,528,937,422	158,941,089,908

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Long-term loan		
Danhson - BG Ltd	237,735,000,000	204,495,000,000
Ms. Pham Huong Giang	78,649,999,990	11,299,999,990
Ms. Nguyen Phuong Vy	63,464,336,093	59,141,308,000
Total - Refer to Note 4.19	379,849,336,083	274,936,307,990

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Interest on loans payable		
Danhson - BG Ltd	28,725,497,227	17,551,786,491
Ms. Pham Huong Giang	2,835,359,387	60,635,343
Ms. Nguyen Phuong Vy	719,884,236	546,190,184
Total - Refer to Note 4.17	32,280,740,850	18,158,612,018

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Accrual expenses		
Danhson - BG Ltd	-	5,608,300,500
Total - Refer to Note 4.16	-	5,608,300,500

During the reporting year, the Company has had related party transactions as follows:

	Year 2025 VND	Year 2024 VND
Selling goods and rendering services		
DANHSON VN Company Limited	51,212,126	-
Danhson - BG Ltd	132,056,808,490	128,092,112,767
Danhson Trading VN Company limited	112,929,888,070	-
Total - Refer to Note 5.1	245,037,908,686	128,092,112,767

	Year 2025 VND	Year 2024 VND
Deductions		
Danhson Trading VN Company limited	1,181,617,003	-
Total - Refer to Note 5.2	1,181,617,003	-

	Year 2025 VND	Year 2024 VND
Purchase of goods, services		
Vietnam Pharmaceutical Corporation - JSC	105,407,191	2,457,743,041
- <i>Trademark usage fees</i>	105,407,191	252,740,945
- <i>Research Services</i>	-	2,182,144,953
- <i>Other Services</i>	-	22,857,143
Danhson - BG Ltd	217,366,900,440	86,272,800,000
Danhson Trading VN Company limited	41,927,960	-
Total	217,514,235,591	88,730,543,041

	Year 2025 VND	Year 2024 VND
Danhson - BG Ltd		
Interest expense	7,944,425,532	7,294,909,740
Pay Interest expense	-	-

DANAPHA PHARMACEUTICAL JOINT STOCK COMPANY

Address: 253 Dung Si Thanh Khe Street, Thanh Khe Ward, Da Nang City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Year 2025 VND	Year 2024 VND
Ms. Pham Huong Giang		
Loan- Refer to note 4.19	67,350,000,000	11,299,999,990
Interest expense (before PIT withholding)	3,486,624,043	60,635,343
Pay Interest expense (before PIT withholding)	711,899,999	-
	Year 2025 VND	Year 2024 VND
Ms. Nguyen Phuong Vy		
Loan- Refer to note 4.19	4,323,028,093	59,141,308,000
Interest expense (before PIT withholding)	3,899,596,456	546,190,184
Pay Interest expense (before PIT withholding)	3,725,902,404	-

Remunerations of the Board of Directors and Committee (before personal income tax withholding):

Name	Position		Year 2025 VND	Year 2024 VND
Mr. Bojinov Stefan Georgiev	Chairman of the BODs		1,500,000,000	1,500,000,000
Mr. Nguyen Quoc Thang	Member of the BODs	(Dismissed on 29 March 2024)	-	53,333,332
Mr. Dobrev Sasho Hristov	Member of the BODs		750,000,000	750,000,000
Mr. Dinh Xuan Han	Member of the BODs	(Dismissed on 29 March 2024)	-	53,333,332
Mr. Le Van Son	Member of the BODs	(Dismissed on 29 March 2024)	-	53,333,332
Mr. Le Thang Binh	Member of the BODs		923,076,924	923,076,924
Ms. Pham Huong Giang	Member of the BODs	(Dismissed on 29 March 2024)	-	53,333,332
Mr. Do Minh Hieu	Member of the BODs	(Appointed on 29 March 2024)	182,730,192	119,957,435
Ms. Nguyen Thuy Dung	Member of the BODs	(Dismissed on 31 July 2025)	79,999,998	106,666,664
Mr. Pham Thai Lang	Independent Member of the BODs	(Dismissed on 31 July 2025)	68,484,847	106,666,664
Ms. Nguyen Thanh Thao	Independent Member of the BODs	(Appointed on 29 March 2024)	159,999,996	106,666,664
Ms. Nguyen Thi Thuy	Member of the BODs	(Appointed on 29 March 2024)	159,999,996	106,666,664
Ms. Ha Lan Anh	Member of the BODs	(Appointed on 31 July 2025)	79,999,998	-
Ms. Do Thi Thuy	Member of the BODs	(Appointed on 31 July 2025)	53,333,332	-
Mr. Ngo Xuan Tung	Head of Supervisory Committee		212,013,048	210,030,067
Mr. Nguyen Van Khai	Member of Supervisory Committee	(Dismissed on 05 July 2024)	-	47,878,790
Ms. Nguyen Thi Yen Nhi	Member of Supervisory Committee		73,270,680	73,705,590
Ms. Luu Quynh Mai	Member of Supervisory Committee	(Appointed on 05 July 2024)	80,000,004	32,121,214

Salaries, bonuses of the Board of Directors and the General Director (before personal income tax withholding):

Name	Position	Items	Year 2025 VND	Year 2024 VND
Mr. Bojinov Stefan Georgiev	Chairman of the BODs	Salaries	240,000,000	271,200,000
Mr. Dobrev Sasho Hristov	Member of the BODs	Salaries	360,000,000	404,200,000
			Year 2025 VND	Year 2024 VND
Mr. Le Thang Binh	General Director	Salaries	2,201,281,666	2,072,084,492
		Performance bonus for exceeding the annual profit target (*)	17,229,789,686	-

(*) Bonus for exceeding the target in accordance with Resolution No. 21/2024/NQ-HĐQT dated 8 July 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**9. COMMITMENT UNDER OPERATING LEASES**

The Company leases land under operating lease contracts, the land lease term is according to lease contracts, with rent recorded during the year:

	Year 2025 VND	Year 2024 VND
Operating rental costs (Land lease expense) recorded during the year	1,974,567,301	3,394,665,647

As at 31 December 2025, the Company has outstanding commitments under non-cancellable operating leases that fall due as follows:

	As at 31 Dec. 2025 VND	As at 01 Jan. 2025 VND
Within one year	3,394,665,647	432,235,618
Later than one year but within five years	4,589,512,443	1,355,455,592
Later than five years	4,433,469,332	4,772,333,230
Total	12,417,647,422	6,560,024,440

The payments for lease activities mentioned above include:

Total rental and infrastructure usage fees at Hoa Khanh Industrial Park, Da Nang City under Lease Agreement No. 51/HĐTLĐ with an amount of VND 28,238,658 per month. The lease agreement is signed for a term of 40 years from 1 November 2003 to 1 November 2043.

Total rental fees for land at 253 Dung Si Thanh Khe, Thanh Khe Ward, Da Nang city according to the Decision to extend the lease period No. 2453/QĐ-UBND with an amount of VND 254,650,146 per month. The extension period to 11 January 2028.

10. EVENTS AFTER THE END OF THE REPORTING YEAR

There were no significant events arising after the end of the reporting year to the date of the financial statements.



Le Thang Binh
General Director
Danang City, 24 February 2026

Tran Tien Dung
Chief Financial Officer
Cum Chief Accountant

Nguyen Thi Thu Hang
Preparer