

ANNUAL REPORT
Reporting year 2025

I. General information:

1. Overview:

- Trading name: PHONG PHU PHARMACEUTICAL JOINT STOCK COMPANY
- Business registration certificate No.: 0 3 0 1 4 2 7 5 6 4
- Charter capital: 87,999,910,000 (*In words: Eighty-seven billion nine hundred and ninety-nine million nine hundred and ten thousand dong*)
- Address: Lot No. 12, Road No. 8, Tan Tao Industrial Park, Tan Tao Ward, Ho Chi Minh City
- Phone: (028) 3754 7999; Fax: (028) 3754 7996
- Legal representative: Mr. THAI NHA NGON – General Director
- Website: www.duocphongphu.com.vn
- Stock code: PPP

Process of Formation and development:

- Phong Phu Pharmaceutical Joint Stock Company (hereinafter referred to as the Company) was incorporated on August 20, 2000, under Decision No. 8030/QD-UB-KT signed on December 28, 1999 of the People's Committee of Ho Chi Minh City.
- Time of listing: 18/07/2011.

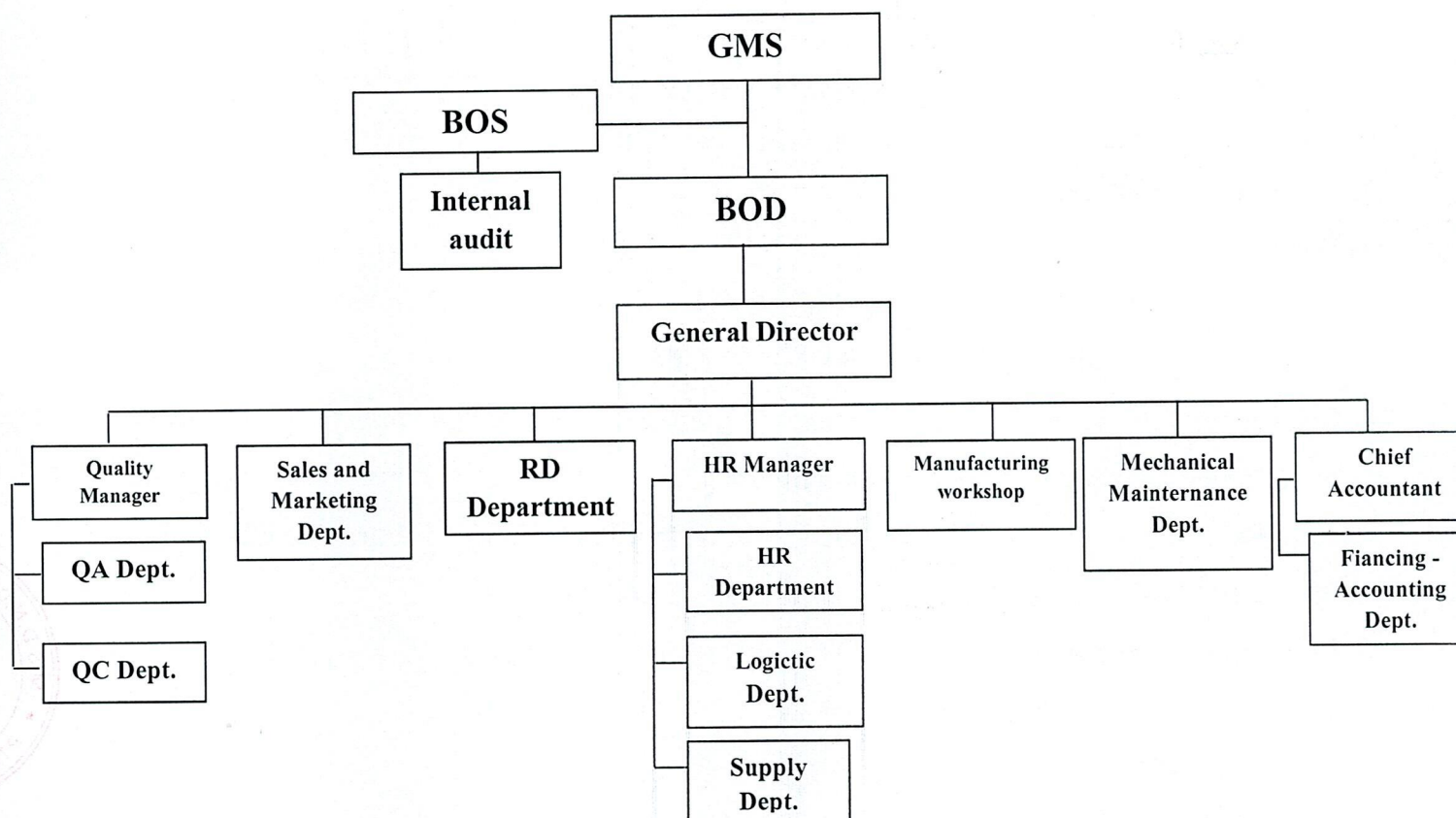
2. Business lines and location:

- Main business lines: Production and trading of medicines and health protection foods.
- Business location: Nationwide.

3. Information on governance model, business organization and managerial apparatus:

- Governance model: General Meeting of Shareholders (GMS), Board of Directors (BOD), Board of Supervisors (BOS), General Director.

- Managerial apparatus structure: according to the organizational chart below:



- Subsidiary: Usar Vietnam Co., Ltd.
 - + Address: Lot 12, Road No. 8, Tan Tao Industrial Park, Tan Tao Ward, Ho Chi Minh City.
 - + Principal business field: Wholesale and retail of medicines and health protection foods.
 - + Phong Phu Company contributes 100% of the total charter capital of VND 2,000,000,000 (Two billion VND).

4. Development orientation:

- The main objectives of the Company:
 - + Continue to develop and improve the quality of human resources, increase income for employees, help stabilize production, increase efficiency and product quality, and create trust with consumers.
 - + Continue to restructure to complete the product categories and promote the development of strategic products and oriental medicine products, derived from medicinal herbs, which are the Company's strengths.
 - + Continue to invest in new modern machinery lines, improve and upgrade equipment for the factory to shorten production time, reduce costs, improve product quality, ensure progress and productivity. Renovate and upgrade facilities to ensure labor safety and improve productivity and work efficiency.
 - + Build a strong and professional sales team as a bridge to develop products, contributing to bringing the PP.Pharco brand to each customer.

- Medium and long term development strategy:

- + Continue to promote research on pharmaceutical products derived from high-value medicinal herbs, while improving the quality of existing products, enhancing product competitiveness towards the goal of maximizing profits.
- + Select potential bioequivalent products that are in line with current trends and regulations.
- + Build strong relationships with reliable and reputable suppliers.
- + Invest in a medicinal extraction line to take proactivity in production.
- + Complete the distribution network management system nationwide.
- + Build an average annual revenue growth rate of 05% to 08%.
- + Ensure annual growth of the employees' lives and incomes.

- Objectives of Sustainable development:

- + Objectives of sustainable development based on the foundation of gradual growth over the years.
- + Develop products derived from medicinal herbs to optimize treatment and contribute to minimizing side effects when using drugs during treatment.
- + Wastewater, air, and waste are disposed and collected in accordance with regulations to ensure a green, clean, and beautiful production environment.
- + Identify risks related to sustainable development during production and business activities.
- + All factors of the Company's interests are in harmony with bringing benefits to the employees, customers, partners, and shareholders.

5. Risks:

a. Market risk:

Risks of exchange rates and interest rates:

- The Company has exposed to very little foreign currency risk as the purchase and sale of goods and services are made in the accounting currency, mainly Vietnamese Dong.
- The Company has no interest rate risk as the loans issued carry fixed interest rates.

Risk of fluctuation in raw material prices:

- The ongoing global political and economic instability continues to adversely affect trade activities, the surge in global prices for raw materials and commodities is driving up production costs.

- In order to minimize the impact of fluctuations in raw material price risks, the Company regularly monitors the market situation to make accurate forecasts and have appropriate action plans. At the same time, the Company continues to sign supply contracts with reliable and reputable suppliers from the beginning of the year to stabilize prices and ensure inventories to minimize price fluctuations.

Other risks:

- Other risks such as natural disasters, epidemics, fires, floods, etc. are force majeure events that, when occurring, will cause damage to property, people and the Company's operations. In addition to signing a property insurance policies with BIDV Ho Chi Minh Insurance Corporation,

the Company also implemented many other policies, strategies and plans suitable to the actual situation from time to time.

b. Credit risk:

- The Company minimized credit risk by implementing appropriate credit policies for each customer and regularly monitoring the debt situation to urge collection. Therefore, the Company's receivables were related to many different customers, so credit risk was not concentrated on a certain customer.

- Most of the Company's bank deposits were deposited in large, reputable banks in Vietnam; the level of credit risk concentration for bank deposits was very low.

c. Liquidity risk:

- Liquidity risk is the risk that the Company will have difficulty in fulfilling its financial obligations due to lack of funds, mainly arising from the fact that financial assets and financial liabilities with different points of maturity.

- The Company managed the risk by maintaining a sufficient amount of cash and cash equivalents, consistent with its borrowings, to meet the Company's operational needs in order to minimize the impact of fluctuations in cash flows.

- The Company was able to pay its debts due from its operating cash flows and proceeds from maturing financial assets.

II. Operational situation during the year

1. Production and business situation:

Unit: VND

Item	2024	2025
1. Sales and services revenue	138.083.181.031	141.121.712.105
2. Revenue deductions	535.318.494	1.382.046.865
3. Net revenue from sale of goods and rendering of services	137.547.862.537	139.739.665.240
4. Cost of goods sold	91.143.638.501	90.410.765.807
5. Gross profit from sale of goods and rendering of services	46.404.224.036	49.328.899.433
6. Financial operating revenue	1.390.563.903	1.718.879.000
7. Financial costs	33.596.069	125.471.943
In which: Interest expense	0	85.173.859
8. Selling expense	13.366.814.606	14.402.295.682
9. General and administrative costs	12.781.925.815	13.726.671.496
10. Net profit from business activities	21.612.451.449	22.793.339.312
11. Other income	202.639.166	408.681.839
12. Other expenses	4.599.730	5.494.454

13. Other profits		198.039.436	403.187.385
14. Total accounting profit before tax		21.810.490.885	23.196.526.697
15. Current corporate income tax expense		4.589.569.518	4.960.753.698
16. Deferred corporate income tax expense		(138.225.266)	(318.917.428)
17. Profit after corporate income tax		17.359.146.633	18.554.690.427
18. Basic earnings per share		1.767	1.883
19. Diluted earning per share		0	0

- Implementation status compared to plan:

Unit: VND

Item	Plan 2025	Implementing 2025	Completion rate
Net revenue	150.000.000.000	139.739.665.240	93%
Profit after tax	15.000.000.000	18.554.690.427	123%
Dividend payout ratio/par value (%)	15%	15%	100 %

2. Organization and human resources

- List of Executive Board:

No.	Full name	Position	Qualification	No. of shares	Ratio	Remarks
1	Thai Nha Ngon	General Director	Bachelor of Business Administration	4.044.580	45,96%	
2	Nguyen Thi Anh Chi	Chief Accountant	Bachelor of Economics	00	00%	

- Number of staff: 204 people (December 31, 2025). Of which:

- Board of Management: 02 people
- Administration - Human Resources Department: 07 people
- Finance - Accounting Department: 09 people
- Sales - Marketing Department: 61 people
- Supply Department: 03 people
- Logistic Department: 15 people
- Research and Development Department: 15 people
- Mechanical - Maintenance Department: 06 people
- Quality Assurance Department: 13 people
- Quality Control Department: 14 people
- Manufacturing workshop: 59 people.

- Summary of policies and changes in policies for employees:

- ***Working regime:***

- The working hours of the Company's employees are 48 hours/week. Depending on the production and business plan, the employer and the employee agree to work overtime. Overtime is implemented according to the Company's regulations on the basis of the provisions of the Labor Code.

- Every year, direct production workers are provided with labor protection equipment. The company always creates a clean, beautiful, and safe industrial hygiene environment for the direct production area. The office department is fully equipped with management equipment for employees to perform their work.

- ***Salary, bonus and welfare policy:***

- Salary policy: The company builds a clear and transparent salary scale system according to legal regulations and the reality at the unit. The prescribed salary level is always higher than the State's regulations. Salary increase consideration is also specified for employees' information and implementation. In addition to regular salary increases, employees are entitled to early salary increases when they have good performance at work.

- Bonus policy: The company has a reward and competition policy, aiming to promptly reward individuals and groups who have contributed to the company. The company has a policy to encourage employees to propose improvements, initiatives, and useful solutions for the production and business process, along with rewards in kind and cash. Individuals with good performance and efficiency are also considered for early salary increases or appointment to higher positions.

- Welfare policy: The company builds a clear, fair and transparent welfare policy for all employees such as periodic health check-ups, vacations, visits when employees are sick, pregnant, bereavement, celebrations, year-end rating bonus, seniority bonus, training cost payment according to job requirements...

3. Investment situation, project implementation situation:

a. Major investments: In 2025, the Company has invested in:

- Factory upgrade with total investment value of VND 2.563.907.60.

- Investment in new production and testing machinery and equipment: total investment value of VND 1.182.935.775.

b. Subsidiaries and affiliates: In 2025, Usar Vietnam Co., Ltd. (a subsidiary, 100% owned by the Company) brought in a profit after tax of VND 3.877.166.398.

4. Financial situation:

a. Consolidated financial situation:

Unit: VND

Item	2024	2025	% Increase/Decrease
- Total asset value	167.142.294.804	176.721.428.196	5,73%
- Net revenue	137.547.862.537	139.739.665.240	1,59%
- Net operating profit	21.612.451.449	22.793.339.312	5,46%
- Other profits	198.039.436	403.187.385	103,59%
- Total accounting profit before corporate income tax:	21.810.490.885	23.196.526.697	6,35%
- Profit after corporate income tax:	17.359.146.633	18.554.690.427	6,89%
- Basic earnings per share	1.767	1.883	6,56%

b. Key financial indicators

Items	2024	2025	Remarks
1. Solvency ratio			
- Current ratio: Current assets/Current liabilities	2,89	2,66	
- Quick ratio: (Current assets - Inventory)/Current liabilities	1,72	1,60	
2. Capital structure indicators			
- Debt/Total Assets Ratio	0,19	0,21	
- Debt/Equity Ratio	0,23	0,27	
3. Performance indicators			
- Inventory Turnover	2,65	2,35	
- Total asset turnover	0,84	0,81	
4. Profitability ratio			
- Profit after tax/Net revenue ratio	12,62%	13,28%	
- Profit after tax/Equity ratio	12,82%	13,37%	
- Profit after tax/Total assets ratio	10,39%	10,50%	
- Operating Profit/Net Sales Ratio	15,71%	16,31%	

5. Shareholder structure, changes in owner's capital

a. Shares:

Number and Type of outstanding shares			Transfer status			
Ordinary	Other	Total	Free	Restricted	Total	Remarks
8.799.991	-	8.799.991	8.799.991	0	8.799.991	Free-float

b. Shareholder structure: (Major shareholders – Minor shareholders; shareholders being organization –shareholders being individual; Domestic shareholders – Foreign shareholders; State shareholders – other shareholders) – 31/12/2025:

No.	TYPE OF SHARE	NUMBER OF SHARES OWNED	OWNERSH IP RATIO (%)
1	- Major shareholders:	5.744.556	65,28%
	- Minor shareholders:	3.055.435	34,72%
	- Total:	8.799.991	100%
2	- Shareholders being organization:	728.160	8,27%
	- Shareholders being individual:	8.071.831	91,73%
	- Total:	8.799.991	100%
3	- Domestic shareholders:	8.059.261	91,58%
	- Foreign shareholders:	740.730	8,42%
	- Total:	8.799.991	100%
4	- State Shareholders:	0	00%
	- Other shareholders:	8.799.991	100%
	- Total:	8.799.991	100%

c. **Changes in owner's capital:** Owner's equity in 2025 remains unchanged.

d. **Treasury stock transactions:** No.

e. **Other securities:** No.

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

a. Electrical energy consumption

- Average electricity consumption is about: 99.126 kwh/month.
- Electricity is mainly supplied for the needs of: lighting, operating machinery and equipment to serve the production and business needs of the Company.
- Saving solutions:

The Company always attaches special importance to economic use of equipment, ensuring the limits set by the Company; regulations on the mode and time of using electrical equipment.

b. Water consumption

- Water supply source: ITA Water Investment - Exploitation - Production and Supply Joint Stock Company.
- Average water usage: about 461 m3/month, equivalent to 18 m3/day.

c. Compliance with environmental protection laws

- The Company always complies with the law on environmental protection. Every year, the Company prepares a report on "Environmental protection work" which reports on issues such as: environmental protection works for wastewater, environmental protection works for emissions, solid waste management, the situation of collection, transportation, treatment of domestic solid waste, ordinary industrial solid waste, hazardous waste, imported scrap management, etc.

- In recent years, the Company has never been penalized for non-compliance with environmental laws and regulations.

d. Employee related policies:

- Number of employees: 204 people, average income: 12.620.123 VND/person/month

- Labor policy to ensure health, safety and welfare of employees:
 - Insurance and benefits: 100% of the Company's employees who sign labor contracts are entitled to full social insurance, health insurance, and unemployment insurance in accordance with current regulations. Leave regime is implemented in accordance with the provisions of the Labor Code. Expenses for employee visits, bereavement, celebrations, and hardship support are allocated from the Welfare Fund.
 - The Company periodically invites experts to train and coach on labor safety and first aid skills, and fire prevention and fighting.
 - The Company organizes health check-ups for employees once a year.
- Employee training activities:
 - Professional training: The Company has an annual internal training policy and sends employees to attend external training courses to train skills, professional expertise... depending on the nature and requirements of the job that needs training, the Company creates conditions for study time.
 - Training on management: To improve professionalism in management, the Company regularly sends employees to attend short-term management courses to serve management and operation.
 - With the goal of sustainable and long-term development, the Company has built a policy for employees in the following direction:
 - + Support and facilitate employees to promote their abilities in studying to improve professional knowledge and promotion in work, the Departments/Divisions in the Company always focus on training for the successor team.
 - + Training and arranging human resources suitable to the Company's situation.
 - Reports related to responsibility to local communities:
 - Sponsored the Red Cross Society of Chau Thanh District, An Giang Province.
 - Sponsored the Ho Chi Minh Communist Youth Union of Krong Pa District, Gia Lai Province.
 - Partnered with Vietnam Military and Civilian Medical City to sponsor the program “Sowing Love in Tay Ninh Province”.
 - Collaborated with the University of Medicine and Pharmacy at Ho Chi Minh City to sponsor the White Blouse Volunteers program – Green Summer Campaign 2025 in Binh Thuan Province.
 - Sponsored health consultation, medical examination, and gift-giving programs for policy-beneficiary families and people with meritorious service in Dong Khoi Commune, Vinh Long Province.
 - Cooperated with the Ho Chi Minh Communist Youth Union of Ia Dreh Commune, Gia Lai Province (headquartered at the Party Committee - Vietnam Fatherland Front Committee) to sponsor the festival “Journey for Health - Volunteering for Community Health 2025”.
 - Additionally, the Company directly participated in distributing medicines and health supplements, as well as providing donations to support flood-affected residents in Central Vietnam (Binh Dinh Province and Phu Yen Province).

III. Report and assessment of the Board of Directors

1. Assessment on production and business performance:

- Production and business activities in 2025 did not meet the revenue target but exceeded the profit target due to the following factors:

- + The company attached special importance to building a management team, ensuring income for employees, ensuring stability and constantly improving the capacity of each individual, conducting regular internal training to update professional knowledge for our personnel.
- + Closely monitoring market trends to restructure the product portfolio and segment products for various sales channels, thereby optimizing the operational efficiency of each channel.
- + Focusing investment on testing and quality control to ensure rigorous oversight from the input stage, thereby enhancing product value upon market entry.
- + Step-by-step finalizing the registration filing procedures for the Research and Development Department..
- + Improving production processes, renovating and continuing to invest in new machinery and equipment for Manufacturing workshop... to help costs saving, improve the efficiency of machinery and equipment use, optimize labor resources.

- The Company's 2025 business results have not achieved the set revenue plan due to many difficulties and challenges from external factors:

- + The unstable world political and economic situation has negatively affected trade and transportation activities, logistics, the high prices of raw materials and global goods have affected product prices
- + 2025 could be described as a year of significant volatility across the cosmetics, health supplements, and pharmaceutical sectors. These uncertainties weighed heavily on consumer sentiment, leading to a substantial decline in sales during certain periods.

2. Financial situation:

a. Assets: Last year, asset management was performed well and effectively. Bad debts and bad assets were insignificant and did not affect production and business results.

b. Liabilities: The company still controls well, pays on time and does not let the debt situation affect the company's production and business plans.

3. Improvements in organizational structure, policies, and management:

- In 2025, the Company's organizational structure will remain unchanged compared to 2024.
- Regularly evaluate the quality of human resources by Key Performance Indicator (KPIs), arrange reasonable work, train and develop the team and prepare the successor team.

4. Future development plan:

The Board of Management and the BOD agree on the future development plans and orientations as follows:

- Continue to monitor the activities of the Board of Management and executives in implementing the resolutions of the General Meeting of Shareholders and the BOD to ensure compliance with the provisions of law and completion of business targets.

- Continue to develop and improve the quality of human resources, increase income for employees.
- Build a strong and professional sales team.
- Continue to invest in new modern machinery lines, renovate and upgrade facilities.
- Build strong relationships with reliable and reputable suppliers.
- Continue to complete the structure of the product categories, promote the development of products in strategic groups and oriental medicine products derived from medicinal herbs, which are the Company's strengths.
- Focus on promoting the portfolio of export products, contributing to the development of sales and bringing the Phong Phu Pharmacy brand to many other countries in the world.
- Select potential bioequivalent products that are in line with current trends and regulations.
- Continue to build a humane corporate image in contribution to the community and society.
- Develop policies, mechanisms, and products to enhance competitiveness and brand recognition in the market.
- Control operating expenses well, effectively manage cash and goods. Minimize overdue debt of customers.

5. Assessment report related to environmental and social responsibility:

➤ Assessment related to environmental indicators:

- Monthly electricity and water consumption is strictly controlled and reduced compared to the previous year. On yearly basis, the Company prepares an Environmental Impact Assessment Report, accordingly, the environmental assessment indicators are all within the allowable limits. Production activities at the factory do not cause environmental pollution because air and water before being released into the environment have been treated through the HVAC system, F8 filter and the Company's standard water treatment system.

➤ Assessment related to employees' issues:

- The Company complies with all legal regulations related to labor and employment. With the goal of improving both the material and spiritual well-being of employees, the Company continuously build a friendly, supportive, and collaborative working environment that encourages mutual learning, creating strong motivation for employees to work diligently, develop their personal skills, and maintain long-term commitment to the Company.

➤ Assessment related to corporate responsibility towards local communities:

- The company is committed to fulfilling its corporate social responsibility towards the environment and community with the main goal of ensuring that treated emissions, wastewater, and waste meet standards before being released into the environment or signing contracts with appropriate functional units; continuing to support and share with local people through support programs, providing free medicine.

IV. Board of Directors' assessment on the Company's operations

1. Board of Directors' assessment on the all aspects of the Company's operations:

- The BOD has proactively monitored, oriented and directed monthly and quarterly production and business activities, together with the Board of Management and the collective of

employees, implemented many measures to overcome difficulties in order to achieve and exceed the set plan.

2. Board of Directors' assessment on the performance of the company's management:

- The BOD always monitors and directs the activities of the Board of Management in accordance with the production and business situation under the conditions affected by macro-economic, socio-political factors, promptly resolving issues under the authority of the BOD.
- The Board of Management has implemented all tasks in accordance with the spirit of the Resolutions and decisions of the General Meeting of Shareholders and the BOD.
- The Board of Management continues to standardize regulations, rules and procedures, especially production procedures, to comply with advanced standards.

3. Plans and directions of the Board of Directors:

In 2026, the Board of Directors will implement the following plans and orientations:

- Direct and control the implementation of the 2026 business plan of the Board of Management to successfully implement the production and business targets approved by the General Meeting of Shareholders.
- Directing the development of strong relationships with reliable and reputable suppliers.
- Direct the development and preparation of a plan to build a medicinal herb extraction line.
- Continue to train and develop human resources and prepare a successor team.
- Control the implementation of contracts/transactions between the Company and internal and related parties.

V. Corporate governance

1. Board of Directors:

a. Members and structure of the Board of Directors:

No.	Member of Board of Directors	Position	Date of commencing/cease being a member of the Board of Directors/Independent Board of Directors	
			Date of appointment	Date of dismissal
1	Pho Nghia Van	Board Member, Chairman of the Board from April 25, 2025	18/04/2020	
2	Le Thanh Truc	The Chairman of the Board's term expires on April 25, 2025	25/04/2015	25/04/2025
3	Thai Nha Ngon	Vice Chairman of the Board	2008	

4	Nguyen Thi Mai Nguyet	Board Member	18/04/2020	
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Number of shares owned:

No.	Member of Board of Directors	Position	Number of shares owned	Percentage
1	Pho Nghia Van	Board Member, Chairman of the Board from April 25, 2025	28.500	0,32%
2	Le Thanh Truc	The Chairman of the Board's term expires on April 25, 2025	1.194.276	13,57%
3	Thai Nha Ngon	Vice Chairman of the Board	4.044.580	45,96%
4	Nguyen Thi Mai Nguyet	Board Member	55.000	0,62%

Members of Board of Directors holding managerial position at another Company:

No.	Full name	Company name	Position
01	Nguyen Thi Mai Nguyet	An Medicol Pharma Company Limited	General Director

b. Subcommittees of the Board of Directors: The BOD is not divided into subcommittees.

c. Activities of the Board of Directors: In 2025, the BOD had 09 meetings with full attendance of members.

- All issues related to production, business and investment within the authority and responsibility of the BOD are considered, analyzed and evaluated before making a decision.

- Transactions and contracts related to insiders and related persons are carefully considered to ensure the legitimate rights and interests of insiders, related persons and other shareholders as well as the interests of the Company.

- The BOD regularly and closely supervises the management activities of the Board of Management.

- The activities of the BOD fully comply with the provisions of the Company Charter, the Regulations on organization and operation of the BOD and applicable laws.

- The BOD holds quarterly meetings to ensure the handling of the Company's affairs. The attendance rate of the Board of Directors' members is 100%.

- The BOD directs and supervises information disclosure activities to ensure proper and sufficient implementation in accordance with current legal regulations.

d. Activities of independent Board members: There are 02/03 independent members of the BOD who are not executives at the Company. However, these members always fully participate in the meetings of the BOD to contribute opinions on issues under the authority of the BOD.

Every year, 02 the independent members of the BOD prepare an Operational Assessment Reports of the BOD.

e. Activities of subcommittees in the Board of Directors: No.

f. List of Board of Directors members with corporate governance training certificates:

– Mr. Thai Nha Ngon

2. Board of Supervisors:

a. Members and structure of the Board of Supervisors:

No.	Full name	Position	No. of shares	Ratio
1	Nguyen Van Chac	Member, Head of Board of Supervisors from April 25, 2025	440	0,005%
2	Nguyen Hoang Ngoc Chau	The Head of the Supervisory Board's term ends on April 25, 2025.	00	00%
3	Vo Hong Hanh	Member of Board of Supervisors from April 25, 2025	00	00%
4	Ho Thuy Quynh Nhu	Member of Board of Supervisors from April 25, 2025	00	00%
5	Pham Thi Minh Tam	Member of the Supervisory Board's term ends on April 25, 2025.	66.100	0,75%
TOTAL			66.540	0,75%

b. Activities of the Board of Supervisors:

- Inspect and supervise compliance with the implementation of the Resolutions of the 2025 General Meeting of Shareholders, the decisions of the BOD in accordance with the provisions of the Enterprise Law and the Company Charter.

- Inspect and supervise the implementation of the 2025 plan.

- Inspect the reasonableness, legality, and honesty in the management and operation of business activities, in the organization of accounting, statistics and financial reporting:

+ The BOS has conducted the audit of all 6-month financial statements and 2025 financial statements of Phong Phu Pharmaceutical Joint Stock Company, Usar Vietnam Company Limited and the Consolidated Reports audited by AFC Vietnam Auditing Company Limited and ensured that these reports have reflected a fair and reasonable view, in all material aspects, the financial situation of the Company, in accordance with Vietnamese

Accounting Standards, Vietnamese Accounting Regime as well as other principles as prescribed by law.

- + The BOS also holds regular meetings every 6 months with full participation of members, to summarize the work done during the period and make an action plan for the next period, as well as prepare necessary reports and recommendations to send to the Board of Directors.

c. Activities of the Internal Audit Department:

- In 2025, the Internal Audit Department under the BOS has performed well the functions and tasks prescribed in the Regulations, including conducting inspections and controlling business activities at the Company, contributing to minimizing risks and ensuring the legality of documents in production and business activities; participating in contributing opinions on regulations and management procedures.

3. Transactions, remuneration and benefits of the Board of Directors, the Board of Management and the Board of Supervisors, and the person in charge of corporate governance:

a. Salary, bonus, remuneration, benefits as of December 31, 2025:

Unit: VND

No.	Full name	Position	Renumeration	Salary	Total income
01	Pho Nghia Van	Board Member, Chairman of the Board from April 25, 2025	84.000.000	00	84.000.000
02	Le Thanh Truc	The Chairman of the Board's term expires on April 25, 2025	28.000.000	137.270.500	165.270.500
03	Thai Nha Ngon	Vice Chairman of the Board, General Director	80.000.000	727.883.333	807.883.333
04	Nguyen Thi Mai Nguyet	Board Member	68.000.000	00	68.000.000
05	Pham Thi Thach Thao	In charge of corporate governance	62.000.000	268.789.308	330.789.308
06	Nguyen Hoang Ngoc Chau	The Head of the Supervisory Board's term ends on April 25, 2025.	20.000.000	00	20.000.000

07	Nguyen Van Chac	Member of Board of Supervisors, Head of Board of Supervisors from April 25, 2025	64.000.000	401.053.146	465.053.146
08	Pham Thi Minh Tam	Member of the Supervisory Board's term ends on April 25, 2025.	16.000.000	00	16.000.000
09	Vo Hong Hanh	Member of Board of Supervisors from April 25, 2025	32.000.000	103.593.528	135.593.528
10	Ho Thuy Quynh Nhu	Member of Board of Supervisors from April 25, 2025	32.000.000	00	32.000.000
11	Nguyen Thi Anh Chi	Chief Accountant	00	653.346.883	653.346.883
Total			486.000.000	2.291.936.698	2.777.936.698

Other non-monetary benefits or benefits that cannot be quantified in monetary terms: No.

b. Insider stock transactions: none

c. Contracts or transactions with inside: In 2025, the Company signed sales contracts with An Medicol Pharma Co., Ltd., Unit Pharmaceutical Joint Stock Company, Usar Vietnam Co., Ltd., Minh Luan Precision Mechanical Co., Ltd., Tuyen Hiep Co., Ltd. under the terms as same as the Company's model contract and there are no terms more favorable to the above Companies than other customers/suppliers.

d. Implementation of corporate governance regulations: The Company's governance during the year by the BOD, BOS and Board of Management is carried out in accordance with the law, the Charter and internal regulations of the Company.

VI. Financial statements

- Auditor's opinion: *The consolidated financial statements have reflected a fair and honest view, in all material respects, the financial situation of the Company as at December 31, 2025, as well as the results of business performance and cash flows for the fiscal year then ended, in accordance with Vietnamese accounting standards, accounting regimes for enterprises and legal regulations related to the preparation and presentation of financial statements.*

2. Financial statements:

AFC VIETNAM AUDITING COMPANY LIMITED

- Địa chỉ: 2nd Floor, Indochina Park Tower, 04 Nguyen Dinh Chieu, Tan Dinh Ward, Ho Chi Minh City
- Tel: (028) 222 00 237; Fax: (028) 222 00 265

Audit Report No: 175/2026/BCKTHN-HCM.00623 dated March 24, 2026 (attached).

Ho Chi Minh City, April 13 2026

GENERAL DIRECTOR



Thai Nha Ngon



**PHONG PHU PHARMACEUTICAL
JOINT STOCK COMPANY**

**Audited consolidated financial statements
for the fiscal year ended 31 December 2025**



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THE BOARD OF DIRECTORS' REPORT

The Board of Directors have the pleasure in presenting this report and the Audited consolidated financial statements of Phong Phu Pharmaceutical Joint Stock Company and its subsidiary (referred to as "the Corporation") for the fiscal year ended 31 December 2025.

1. General information

The Corporation includes: Phong Phu Pharmaceutical Joint Stock Company ("the Parent Company") and a subsidiary is USAR Vietnam Company Limited.

The Parent Company

Phong Phu Pharmaceutical Joint Stock Company ("the Parent 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 Parent 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 Parent Company's name and address;
- 3rd amendment Business Registration Certificate dated 25 October 2007 to increase the Parent 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 Parent Company's business activities;
- 5th amendment Business Registration Certificate dated 16 August 2010 to update the Parent Company's Business Registration Certificate to No. 0301427564;
- 6th amendment Business Registration Certificate dated 09 September 2010 to update the Parent 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 Parent Company's charter capital from VND 22,000,000,000 to VND 23,355,000,000 and update information regarding 83 branches of the Parent Company;
- 8th amendment Business Registration Certificate dated 11 February 2011 to decrease 83 branches of the Parent Company to 82 branches;
- 9th amendment Business Registration Certificate dated 28 February 2012 to update the Parent Company's business activities, also increase 82 branches of the Parent 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 Parent Company to 69 branches;
- 11th amendment Business Registration Certificate dated 18 September 2014 to increase the Parent 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 Parent Company's branches;
- 13th amendment Business Registration Certificate dated 03 March 2016 to increase the Parent 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 Parent 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 Parent 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 Parent Company's Legal Representative;
- 17th amendment Business Registration Certificate dated 01 October 2025 to update information of the Company's head office address;

Charter capital of the Parent Company at 31/12/2025 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 Parent 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 BOARD OF DIRECTORS' REPORT

According to Business registration certificate, the Parent 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 year, the Corporation's principal activities are producing, wholesale and retail of medicine.

The Parent 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 Parent 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 BOARD OF DIRECTORS' REPORT

Subsidiaries

The Parent 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%

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

The members of the Board of Directors, the Board of Supervisors and the General Director in the fiscal year ended 31 December 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 Parent Company during the fiscal year ended at 31 December 2025 and at the date of this report is:

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

3. The Corporation's financial position and operating results

The Corporation's financial position and its operating result for the fiscal year ended 31 December 2025 are reflected in the accompanying consolidated financial statements.

THE BOARD OF DIRECTORS' REPORT

4. Events subsequent to the balance sheet date

There have been no significant events occurring after the balance sheet date for the fiscal year ended 31 December 2025 which would require adjustments or disclosures to be made in the Notes to the consolidated financial statements.

5. Auditors

AFC Vietnam Auditing Company Limited has been appointed to audit the Corporation's consolidated financial statements for the fiscal year ended 31 December 2025.

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

The General Director is responsible for preparing the consolidated financial statements for the fiscal year ended 31 December 2025 which give a true and fair view of the consolidated financial position of the Corporation, as well as of its consolidated operation results and its consolidated cash flows for the year then ended. In preparing those consolidated 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 consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basic unless it is inappropriate to presume that the Corporation will continue in business; and
- Design, implement and maintain the Corporation's internal control for prevention and detection of fraud and error to preparation and presentation of the consolidated 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 Corporation 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 Corporation and therefore has taken the appropriate measures to prevent and detect frauds and other irregularities.

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

7. Approval of the consolidated financial statements

The Board of Directors hereby approves the accompanying consolidated financial statements which give a true and fair view of the financial position of the Corporation as at 31 December 2025, its operation results and cash flows of the Corporation for the fiscal year ended 31 December 2025 in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and comply with relevant statutory requirements relating to the preparation and presentation of consolidated financial statements.

On behalf of the Board of Directors



PHO NGHIA VAN
Chairman

Ho Chi Minh City, 24 March 2026



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.: 175/2026/BCKTHN-HCM.00623



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying consolidated financial statements of Phong Phu Pharmaceutical Joint Stock Company and its subsidiary (referred to as "the Corporation"), prepared on 24 March 2026, as set out from page 6 to 38, which comprise the Consolidated Balance sheet as at 31 December 2025, the Consolidated Income statement, the Consolidated Cash flow statement for the fiscal year then ended and the Notes to the Consolidated Financial statements.

The General Director' responsibility

The General Director is responsible for the preparation and fair presentation of these consolidated financial statements of the Corporation in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and comply with relevant statutory requirements to preparation and presentation of the consolidated financial statements and for such internal control as the General Director determines is necessary to enable the preparation and presentation of these consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An auditor involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation'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 Corporation'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 consolidated financial statements.

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

Auditor's opinion

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



PHAM THI NGOC LIEN
Deputy General Director
Audit Practicing Registration Certificate
No. 1180-2023-009-1
Authorized Representative

AFC VIETNAM AUDITING COMPANY LIMITED
Ho Chi Minh City, 24 March 2026


LE HUYNH BAO
Auditor
Audit Practicing Registration Certificate
No. 5449-2026-009-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

ITEMS	Code	Notes	31/12/2025 VND	01/01/2025 VND
ASSETS				
A - CURRENT ASSETS	100		100,379,034,463	91,227,655,896
I. Cash and cash equivalents	110	5.1	9,539,621,576	8,876,231,902
1. Cash	111		4,539,621,576	4,876,231,902
2. Cash equivalents	112		5,000,000,000	4,000,000,000
II. Short term financial investments	120		40,084,000,000	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	40,084,000,000	31,108,072,981
III. Short-term receivables	130		10,298,572,294	13,936,937,385
1. Short-term accounts receivable	131	5.3	7,576,223,482	11,210,699,585
2. Short-term advances to suppliers	132	5.4	972,018,517	1,959,182,981
3. Short-term inter-company receivables	133		-	-
4. Construction contract receivables based on progress billings	134		-	-
5. Short-term loan receivables	135		-	-
6. Other short-term receivables	136	5.5	1,818,803,153	883,915,393
7. Provision for doubtful short-term debts	137	5.6	(68,472,858)	(116,860,574)
8. Deficient assets pending resolution	139		-	-
IV. Inventories	140	5.7	40,064,213,262	36,898,700,847
1. Inventories	141		40,687,730,653	37,477,995,497
2. Provision for decline inventories	149		(623,517,391)	(579,294,650)
V. Other short-term assets	150		392,627,331	407,712,781
1. Short-term prepayments	151	5.8	289,454,217	387,273,318
2. Deductible VAT	152		-	7,611,281
3. Other receivables from State budget	153	5.14	103,173,114	12,828,182
4. Transactions to buy, resell government bonds	154		-	-
5. Other short-term assets	155		-	-

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

ITEMS	Code	Notes	31/12/2025 VND	01/01/2025 VND
B - NON-CURRENT ASSETS	200		76,342,393,733	75,914,638,908
I. Long-term receivables	210		50,394,500	54,968,812
1. Long-term receivables from customers	211		-	-
2. Long-term advances to suppliers	212		-	-
3. Business capital in dependent units	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Long-term loan receivables	215		-	-
6. Other long-term receivables	216	5.5	50,394,500	54,968,812
7. Provision for doubtful long-term debt	219		-	-
II. Fixed assets	220		72,355,344,283	74,287,414,969
1. Tangible fixed assets	221	5.9	56,184,327,299	57,436,446,124
- Cost	222		114,051,278,936	111,763,968,297
- Accumulated depreciation	223		(57,866,951,637)	(54,327,522,173)
2. Finance leases fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	5.10	16,171,016,984	16,850,968,845
- Cost	228		24,609,806,901	24,609,806,901
- Accumulated depreciation	229		(8,438,789,917)	(7,758,838,056)
III. Investment property	230		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in progress	240		-	61,775,000
1. Long-term works in progress	241		-	-
2. Construction in progress	242	5.11	-	61,775,000
V. Long-term financial investments	250		-	-
1. Investment in subsidiaries	251		-	-
2. Investment in joint ventures, and associates	252		-	-
3. Investments in other entities	253		-	-
4. Provision for diminution in value of long-term financial investments	254		-	-
5. Long-term investments held-to-maturity	255		-	-
VI. Other non-current assets	260		3,936,654,950	1,510,480,127
1. Long-term prepaid expenses	261	5.8	3,149,468,064	1,042,210,669
2. Deferred income tax assets	262	5.12	787,186,886	468,269,458
3. Long-term equipment, spare parts for replacement	263		-	-
4. Other non-current assets	268		-	-
5. Goodwill	269		-	-
TOTAL ASSETS	270		176,721,428,196	167,142,294,804

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

ITEMS	Code	Notes	31/12/2025 VND	01/01/2025 VND
RESOURCES				
C – LIABILITIES	300		37,991,975,738	31,784,177,061
I. Current liabilities	310		37,786,475,738	31,567,177,061
1. Trade accounts payable	311	5.13	10,229,781,026	13,502,165,363
2. Short-term advance from customers	312	5.14	4,630,642,589	4,745,086,252
3. Taxes and payables to State budget	313	5.15	1,992,427,081	1,680,479,309
4. Payables to employees	314		6,275,502,014	4,008,448,351
5. Short-term accrued expenses	315	5.16	438,642,537	478,717,171
6. Short-term inter-company payables	316		-	-
7. Construction contract payables based on progress billings	317		-	-
8. Short-term unrealized revenues	318		-	-
9. Other current payables	319	5.17	785,681,835	803,488,321
10. Short-term loans and finance lease liabilities	320	5.18	6,286,793,916	-
11. Provision for short-term payables	321		-	-
12. Bonus and welfare funds	322	5.19	7,147,004,740	6,348,792,294
13. Price Stabilization Fund	323		-	-
14. Transactions to buy, resell government bonds	324		-	-
II. Long-term liabilities	330		205,500,000	217,000,000
1. Long-term trade payables	331		-	-
2. Long-term advance from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables on capital	334		-	-
5. Long-term payables to inter-company	335		-	-
6. Long-term unrealized revenues	336		-	-
7. Other long-term payables	337	5.17	205,500,000	217,000,000
8. Long-term loans and finance lease liabilities	338		-	-
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liabilities	341		-	-
12. Provision for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

CONSOLIDATED BALANCE SHEET

As at 31 December 2025

ITEMS	Code	Notes	31/12/2025 VND	01/01/2025 VND
D - OWNER'S EQUITY	400		138,729,452,458	135,358,117,743
I. Capital	410	5.20	138,729,452,458	135,358,117,743
1. Owners' invested capital	411		87,999,910,000	87,999,910,000
- Ordinary shares with voting rights	411a		87,999,910,000	87,999,910,000
- Preferred shares	411b		-	-
2. Capital surplus	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		11,252,439,350	10,260,754,744
9. Business arrangements support fund	419		-	-
10. Other owner's funds	420		-	-
11. Retained earnings	421		37,271,603,108	34,891,952,999
- Retained earnings brought forward	421a		21,691,966,499	20,250,207,928
- Retained earnings for the current year	421b		15,579,636,609	14,641,745,071
12. Construction capital sources	422		-	-
13. Non-controlling shareholder profit	429		-	-
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		176,721,428,196	167,142,294,804


DANG TRUC KHANH
Preparer


NGUYEN THI ANH CHI
Chief Accountant




THAI NHA NGON
General Director
Ho Chi Minh City, 24 March 2026

CONSOLIDATED INCOME STATEMENT

For the fiscal year ended 31 December 2025

ITEMS	Code	Notes	2025 VND	2024 VND
1. Revenues from sale of goods and rendering of services	01		141,121,712,105	138,083,181,031
2. Deductions	02		1,382,046,865	535,318,494
3. Net revenue from sale of goods and rendering of services (10 = 01 - 02)	10	6.1	139,739,665,240	137,547,862,537
4. Cost of goods sold	11	6.2	90,410,765,807	91,143,638,501
5. Gross profit from sale of goods and rendering of services (20 = 10 - 11)	20		49,328,899,433	46,404,224,036
6. Financial income	21	6.3	1,718,879,000	1,390,563,903
7. Financial expenses	22	6.4	125,471,943	33,596,069
- In which: Interest expenses	23		85,173,859	-
8. Profit or loss of joint venture and associate	24		-	-
9. Selling expenses	25	6.5	14,402,295,682	13,366,814,606
10. General and administration expenses	26	6.6	13,726,671,496	12,781,925,815
11. Operating profit/(loss) {30 = 20 + (21 - 22 + 24) - (25 + 26)}	30		22,793,339,312	21,612,451,449
12. Other income	31	6.7	408,681,839	202,639,166
13. Other expenses	32	6.8	5,494,454	4,599,730
14. Other profit/(loss) (40 = 31 - 32)	40		403,187,385	198,039,436
15. Accounting profit before tax (50 = 30 + 40)	50		23,196,526,697	21,810,490,885
16. Current corporate income tax expense	51	5.15	4,960,753,698	4,589,569,518
17. Deferred corporate income tax expense	52	5.12	(318,917,428)	(138,225,266)
18. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		18,554,690,427	17,359,146,633
19. Profit after tax of shareholders of the parent company	61		18,554,690,427	17,359,146,633
20. Profit after tax of non-controlling shareholders	62		-	-
21. Earnings per share	70	6.9	1,883	1,767


DANG TRUC KHANH
Preparer


NGUYEN THI ANH CHI
Chief Accountant




THAI NHA NGON
General Director

Ho Chi Minh City, 24 March 2026

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2025

ITEMS	Code	2025 VND	2024 VND
I. CASH FLOW FROM OPERATING ACTIVITIES			
1. Net profit before tax	01	23,196,526,697	21,810,490,885
2. Adjustments for:			
- Depreciation and amortisation of fixed assets, investment property	02	4,219,381,325	4,212,501,914
- Provisions, (reversal)	03	(4,164,975)	(254,953,386)
- (Gain), loss foreign exchange rate differences upon revaluation of monetary	04	-	-
- Gain, loss from investing activities	05	(1,717,982,000)	(1,412,148,403)
- Interest expense	06	85,173,859	-
- Other adjustments	07	-	-
3. Operating profit before movements in working capital	08	25,778,934,906	24,355,891,010
- (Increase), decrease in receivables	09	4,020,456,468	1,161,216,758
- (Increase), decrease in inventories	10	(3,209,735,156)	(4,626,138,956)
- Increase, (decrease) in account payable (other than interest payables, CIT payables)	11	(1,680,856,172)	1,296,366,403
- (Increase), decrease in accrued expenses	12	(2,009,438,294)	831,636,275
- Increase, decrease in trading securities	13	-	-
- Interest paid	14	(77,610,922)	-
- Corporate income tax paid	15	(4,841,073,197)	(4,456,331,785)
- Other cash inflows	16	-	-
- Other cash outflows	17	(1,185,156,766)	(1,226,240,121)
Net cash flow from operating activities	20	16,795,520,867	17,336,399,584
II. CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash outflow for purchasing and construction of fixed assets and other long-term assets	21	(1,523,655,590)	(549,860,140)
2. Proceeds from disposal of fixed assets and other long-term assets	22	-	22,354,000
3. Cash outflow for buying debt instruments of other entities	23	(41,084,000,000)	(38,197,673,502)
4. Cash recovered from lending, selling debt instruments of other companies	24	32,108,072,981	30,652,412,360
5. Investment in other entities	25	-	-
6. Cash recovered from investments in other entities	26	-	-
7. Interest income received, dividends received	27	1,306,119,000	1,573,290,211
Net cash flow from investing activities	30	(9,193,463,609)	(6,499,477,071)
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 short-term borrowings	33	10,695,719,070	-
4. Repayment of borrowings	34	(4,408,925,154)	-
5. Repayment of obligations under finance lease	35	-	-
6. Dividends paid	36	(13,225,461,500)	(10,442,329,750)
Net cash flow from financing activities	40	(6,938,667,584)	(10,442,329,750)

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)


For the fiscal year ended 31 December 2025

ITEMS	Code	2025 VND	2024 VND
NET INCREASE/ DECREASE IN CASH IN YEAR (50 = 20 + 30 + 40)	50	663,389,674	394,592,763
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	60	8,876,231,902	8,481,639,139
Effects of changes in foreign exchange rate	61	-	-
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (70 = 50 + 60 + 61)	70	9,539,621,576	8,876,231,902


DANG TRUC KHANH
Preparer


NGUYEN THI ANH CHI
Chief Accountant




THAI NHA NGON
General Director
Ho Chi Minh City, 24 March 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 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 Parent 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 17th amendment dated 01 October 2025 issued by the Department of Planning and Investment of Ho Chi Minh City.

Charter capital of the Parent Company at 31/12/2025 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 Parent 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 Parent 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 Corporation (include the Parent Company and its subsidiary) operates in the field of production and trading.

1.3 Line of business

According to Business registration certificate, the Parent 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 year, the Corporation's principal activities are producing, wholesale and retail of medicine.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

1.4 Normal business cycle

Business cycle of the Corporation is not exceeding 12 months.

1.5 The structure of the Corporation

The Corporation includes Phong Phu Pharmaceutical Joint Stock Company (the Parent Company) and 1 subsidiary is USAR Vietnam Company Limited.

The Parent Company

The Parent 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

Subsidiaries

List of subsidiaries reflected in consolidated financial statements under the equity method:

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 consolidated financial statements

The figures are presented in the consolidated financial statements for the fiscal year ended 31 December 2025 compared with the corresponding figures prior year.

1.7 Employees

As at 31 December 2025, the total number of employees of the Corporation was 204 (31 December 2024: 206 persons).

2. ACCOUNTING YEAR AND ACCOUNTING CURRENCY

2.1 Fiscal year

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

2.2 Accounting currency

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

3. ACCOUNTING STANDARDS AND REGULATIONS APPLICATION

3.1 Accounting Standards and regulations application

The Corporation's consolidated 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, the Circular No. 202/2014/TT-BTC on 22 December 2014 issued by the Ministry of Finance guiding the preparation and presentation methods of the consolidated financial statements and Vietnam Accounting Standards.

The Corporation applied Vietnamese accounting standards; Accounting System issued Circular No. 200/2014/TT-BTC, No. 53/2016/TT-BTC, No. 202/2014/TT-BTC and other circulars guiding the implementation of accounting standards by the Ministry of Finance in the preparation and presentation of consolidated 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, Circular No. 202/2014/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 consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation the consolidated financial statements

The consolidated financial statements include the financial statements of the Parent Company and the financial statements of subsidiaries controlled by the Parent Company until the date of the annual report. The control is achieved when the parent company has the ability to control the financial and operating policies of investee companies to obtain benefits from the activities of these companies.

Operating results of subsidiaries which acquired or disposed during the year are presented in the consolidated statement of operations from the date of purchase or to the date of sale of investments in those subsidiaries.

The financial statements of the subsidiary are prepared for the same reporting year as the Parent Company, using accounting policies consistent with those of the Corporation. In case of necessity, the financial statements of subsidiaries are adjusted to the accounting policies applied in the parent company and its subsidiaries are the same.

All transactions and balances between companies in the Corporation are eliminated on consolidation of financial statements.

Non-controlling interest in net assets of consolidated subsidiaries are identified as a target separately from the equity component of the shareholders of the parent company. Interests of non-controlling shareholders include the value of the benefit of non-controlling shareholders as at the initial business combination and share the interests of non-controlling shareholders in the volatility of the total equity since the date of incorporation most business. The losses corresponding to the capital of non-controlling shareholders exceed their share of equity in the total equity of the subsidiary are charged against the interests of the Corporation unless the non-controlling shareholders have a binding obligation and have the ability to offset such losses.

Business consolidation

Assets, liabilities and contingent liabilities of the subsidiaries are determined under the fair value at the acquisition date. Any additional terms of the cost of acquisition below the fair value of identifiable net assets acquired is recorded as goodwill. Any deficiency of the cost of acquisition and the fair value of total assets acquired is recognized in the results of operations of the accounting period incurred acquisition activity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

Non-controlling interest at the date of the original business combination is determined on the basis of the percentage of non-controlling shareholders in the total fair value of assets, liabilities and contingent liabilities recognized.

4.2 Foreign currency transactions

In the year, transactions in currencies other than VND during the year have been translated into VND at exchange rates ruling at the date of the transaction. The balances of monetary items denominated in foreign currencies at the period end date are converted by the buying transfer exchange rate and selling exchange rate of the commercial bank which the Parent Company and its subsidiaries have often transactions prevailing on this date.

Exchange differences arising during the year from transactions in foreign currencies are recognized in the financial income or financial expense. Exchange differences arising from revaluation of monetary items denominated in foreign currencies at the balance sheet date after off-setting the differences is recognized in the financial income or financial expense.

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 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 Corporation 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 recognized as general and administrative expense in the Consolidated Income statement.

4.5 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

The Corporation 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 value realizable.

An inventory provision is created for the estimated loss arising due to the impairment (through diminution, damage, obsolescence, etc.) of raw materials, finished goods and other inventories owned by the Corporation, based on appropriate evidence of impairment available at the balance sheet date. Increases and decreases to the provision balance are recognised as cost of goods sold in the consolidated income statement.

4.6 Prepaid expenses

Prepaid expenses include short-term or long-term prepaid expenses on the balance sheet and are allocated over the period in which economic benefits are generated in relation to these expenses. The Group's prepaid expenses include the following:

Tools and equipment

Tools and equipment already in use are allocated to expenses using the straight-line method over a period not exceeding 3 years.

4.7 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 Corporation 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 Consolidated 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	05 – 10
Transportation	08 – 10
Office equipment	05
Other fixed assets	04

4.8 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 Corporation 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

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 Corporation's intangible fixed assets include:

Land use rights

Land use rights are all the actual costs that the Corporation 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 Corporation is depreciated using the straight-line method over the 40-year land lease term.

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.

4.9 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.

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 Corporation.
- 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, accrued production costs
- Other payables reflect the payables from non-commercial payables and not relate to the purchase – sale transactions.

4.10 Salary

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

4.11 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%.

4.12 Owners' equity

Contributed capital of the owner

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

Capital Surplus

Capital Surplus 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 Capital Surplus.

4.13 Profit distribution

Profit after corporate income tax is distributed to shareholders after the deduction of funds under the Charter of the Parent 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.

4.14 Earnings per share

Basic earnings per share amount is calculated by dividing net profit for the year after any appropriation of bonus and welfare fund according to the Parent Company's Charter as well as current legal regulations and approved by the General Meeting of Shareholders distributed to shareholders owning common stock of the Parent Company, to the weighted average number of ordinary shares outstanding during the year.

4.15 Revenues

Revenues from sales of goods

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

- (a) The Corporation has transferred the majority of risks and benefits associated with the right to own the products or goods to the buyer;
- (b) The Corporation 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 Corporation 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 following 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 the balance sheet can be determined;
- (d) The costs incurred from the service provision transaction and the costs of its completion can be determined.

Interest income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

4.16 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.

4.17 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.

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 Corporation 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 Corporation 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 Parent Company and its subsidiaries 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

4.18 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.

4.19 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 Corporation 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.

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 Corporation 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 Corporation 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

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

5. ADDITIONAL INFORMATION TO ITEMS IN THE CONSOLIDATED BALANCE SHEET

5.1 Cash and cash equivalents

	31/12/2025 VND	01/01/2025 VND
Cash on hand	73,565,756	138,669,816
Cash in banks	4,466,055,820	4,737,562,086
Cash equivalents	5,000,000,000	4,000,000,000
	9,539,621,576	8,876,231,902

Cash equivalents are no more than 3-month term deposits at commercial banks with interest rates in accordance with each respective contract.

5.2 Financial investments

Financial investments of the Corporation include held-to-maturity investments, details as follows:

	31/12/2025		01/01/2025	
	Cost VND	Carrying amount VND	Cost VND	Carrying amount VND
Short-term				
Term deposit	40,084,000,000	40,084,000,000	31,108,072,981	31,108,072,981
	40,084,000,000	40,084,000,000	31,108,072,981	31,108,072,981

Held-to-maturity investments are term deposits at commercial banks with interest rates from 4.2% to 6.4% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

5.3 Short-term accounts receivables

	31/12/2025 VND	01/01/2025 VND
Trade receivables – related parties		
Unite Pharmaceutical Joint Stock Company	1.108.086.447	108,229,507
An Medicol Pharma Company Limited	645.139.608	882,899,817
Trade receivables – other parties		
Dai Quang Pharmaceutical Company Limited	3,110,324,370	793,027,380
Long Phat Pharmaceutical Company Limited	-	1,933,285,676
Thang Long Pharmaceutical Company Limited	-	3,528,822,360
Other customers	2,712,673,057	3,964,434,845
	7,576,223,482	11,210,699,585

5.4 Short-term advances to suppliers

	31/12/2025 VND	01/01/2025 VND
Advances to other suppliers		
Gold Seal Trading Service Company Limited	114,480,000	896,028,480
BV Pharma Joint Stock Company	129,277,500	-
Vietnam VCS Chemical Service Company Limited	210,138,390	-
Dongnai Pharmaceutical Joint-Stock Company	323,867,691	-
Other suppliers	194,254,936	1,063,154,501
	972,018,517	1,959,182,981

5.5 Other short-term, long-term receivables

5.5.1 Other short-term receivables

	31/12/2025		01/01/2025	
	Amount VND	Provision VND	Amount VND	Provision VND
Receivables – other parties				
Deposit interest	998,461,000	-	586,598,000	-
Advances	111,800,000	-	123,090,000	-
Pledge, mortgage, deposit	26,284,663	-	11,639,680	-
Logistics Pharma Service Company Limited – Collection on behalf	443,219,739	-	-	-
Viettel Post Joint Stock Corporation – Collection on behalf	166,466,645	-	150,751,926	-
Other receivables	72,571,106	-	11,835,787	-
	1,818,803,153	-	883,915,393	-

5.5.2 Other long-term receivables

	31/12/2025		01/01/2025	
	Amount VND	Provision VND	Amount VND	Provision VND
Receivables – other parties				
Pledge, mortgage, deposit	16,486,500	-	16,232,812	-
Other receivables	33,908,000	-	38,736,000	-
	50,394,500	-	54,968,812	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

5.6 Bad debts

	31/12/2025			01/01/2025		
	Cost VND	Recoverable amount VND	Provision VND	Cost VND	Recoverable amount VND	Provision VND
Trade receivables						
Yen Thanh Pharmacy	40,141,583	20,070,791	(20,070,792)	40,141,583	20,070,791	(20,070,792)
Long Khuong Traditional Medicine Clinic	26,468,850	13,234,425	(13,234,425)	26,468,850	26,468,850	-
Other customers	47,060,111	11,892,470	(35,167,641)	106,290,004	9,500,222	(96,789,782)
	113,670,544	45,197,686	(68,472,858)	172,900,437	56,039,863	(116,860,574)

5.7 Inventories

	31/12/2025		01/01/2025	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	14,669,685,841	(617,646,191)	17,483,558,635	(579,294,650)
Tools	2,760,830	-	1,027,454	-
Work-in-process	2,653,578,743	-	2,593,261,976	-
Finished goods	7,395,848,337	(5,871,200)	9,618,502,159	-
Goods	15,965,856,902	-	7,781,645,273	-
	40,687,730,653	(623,517,391)	37,477,995,497	(579,294,650)

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

	2025 VND	2024 VND
Opening balance	(579,294,650)	(851,995,723)
Provision in year	(376,894,685)	(206,578,783)
Reversal in year	33,551,781	50,344,312
Inventory disposal	299,120,163	428,935,544
Ending balance	(623,517,391)	(579,294,650)

5.8 Short-term, long-term prepaid expenses

5.8.1 Short-term prepaid expenses

	31/12/2025 VND	01/01/2025 VND
Fire insurance expense	70,964,631	83,232,450
Repair, inspection, other services	145,527,475	117,673,652
Production equipment and tools	41,769,581	100,084,299
Uniform expense	31,192,530	86,282,917
	289,454,217	387,273,318

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

5.8.2 Long-term prepaid expenses

	31/12/2025 VND	01/01/2025 VND
Store leasing expenses	-	12,647,842
Repair, maintenance expenses	2,195,066,026	33,764,635
Filter equipment	3,170,620	16,666,668
Production and administration equipment and tools	854,497,257	905,138,015
Landscaping, processing and panel installation expenses	-	57,808,681
Office repair expense	88,702,801	6,241,970
Other long-term prepaid expenses	8,031,360	9,942,858
	3,149,468,064	1,042,210,669

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 year	340,719,815	1,055,998,231	-	890,592,593	-	2,287,310,639
As at 31/12/2025	68,337,174,251	41,164,507,917	1,730,930,101	2,451,658,502	367,008,165	114,051,278,936
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 year	1,648,100,873	1,716,676,063	-	174,652,528	-	3,539,429,464
As at 31/12/2025	20,516,114,868	34,611,007,024	1,730,930,101	641,891,479	367,008,165	57,866,951,637
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 31/12/2025	47,821,059,383	6,553,500,893	-	1,809,767,023	-	56,184,327,299

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 31/12/2025	4,268,916,667	25,637,595,239	1,730,930,101	229,818,182	367,008,165	32,234,268,354

The Corporation has mortgaged several tangible fixed assets to secure a bank loan (see Notes to section 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 31/12/2025	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 year	596,311,152	83,640,709	679,951,861
As at 31/12/2025	7,709,389,917	729,400,000	8,438,789,917
NET BOOK VALUE			
As at 01/01/2025	16,767,328,136	83,640,709	16,850,968,845
As at 31/12/2025	16,171,016,984	-	16,171,016,984

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

5.11 Construction in progress

	01/01/2025	Increase in year	Transferred to fixed assets	Other decrease	31/12/2025
	VND	VND	VND	VND	VND
Environmental Permit	61,775,000	114,725,000	-	(176,500,000)	-
Survey Cost					
Tablet press machine	-	763,655,049	(763,655,049)	-	-
Pharmaceutical factory construction	-	2,223,187,789	-	(2,223,187,789)	-
	<u>61,775,000</u>	<u>3,101,567,838</u>	<u>(763,655,049)</u>	<u>(2,399,687,789)</u>	<u>-</u>

5.12 Deferred income tax assets

	01/01/2025	Recorded in the income statement	31/12/2025
	VND	VND	VND
Deferred tax assets relating to deductible temporary differences			
- Provision for inventories	115,858,931	8,844,548	124,703,479
- Provision for bad debts	23,372,115	(9,677,543)	13,694,572
- Unrealized profits in inventories	329,038,412	319,750,423	648,788,835
	<u>468,269,458</u>	<u>318,917,428</u>	<u>787,186,886</u>

5.13 Trade accounts payable

	31/12/2025		01/01/2025	
	Amount	Payment capability	Amount	Payment capability
	VND	VND	VND	VND
Trade payables - related parties				
Minh Luan Precision Mechanical Company Limited	-	-	68,640,000	68,640,000
Trade payables - other parties				
Chemico - Pharmaceutical No1 Joint Stock Company	1,069,751,750	1,069,751,750	759,345,810	759,345,810
Tan Thanh Packaging Company Limited	2,717,199,267	2,717,199,267	1,695,616,077	1,695,616,077
Southern International Pharma- Chemical Joint Stock Company	710,519,400	710,519,400	553,992,300	553,992,300
Suheung Vietnam Company Limited	907,341,750	907,341,750	-	-
Other suppliers	4,824,968,859	4,824,968,859	10,424,571,176	10,424,571,176
	<u>10,229,781,026</u>	<u>10,229,781,026</u>	<u>13,502,165,363</u>	<u>13,502,165,363</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

5.14 Short-term advance from customers

	31/12/2025 VND	01/01/2025 VND
Advances from other customers		
Medbolide Pharmaceutical Joint Stock Company	865,528,072	1,320,990,044
Phuc Anh Pharmaceutical Trading Company Limited	375,540,400	53,362,000
Phuc Quang Pharmaceutical Company Limited	666,154,590	-
Shine Pharma Company Limited	904,791,239	140,503,914
Hoang Lan Pharmaceutical Trading Co., Ltd.	399,696,890	399,696,890
Other customers	1,418,931,398	2,830,533,404
	4,630,642,589	4,745,086,252

5.15 Taxes and receivables, payables to State budget

	01/01/2025		Transaction in year		31/12/2025	
	Payables VND	Receivables VND	Payables VND	Paid/ Deductibles VND	Payables VND	Receivables VND
VAT on domestic goods	166,746,632	-	13,028,662,193	(12,758,743,455)	436,665,370	-
VAT on import goods	-	8,837,500	309,805,680	(300,968,180)	-	-
Corporate income tax	1,403,773,902	-	4,960,753,698	(4,841,073,197)	1,523,454,403	-
Personal income tax	109,958,775	-	1,034,632,926	(1,115,466,826)	29,124,875	-
Housing tax, land rental	-	3,990,682	152,478,533	(251,660,965)	-	103,173,114
Other taxes	-	-	23,682,433	(20,500,000)	3,182,433	-
	1,680,479,309	12,828,182	19,510,015,463	(19,288,412,623)	1,992,427,081	103,173,114

Value-added tax

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

Corporate income tax

Corporate income tax ("CIT") payable in year is estimated as follows:

	2025 VND	2024 VND
Accounting profit before tax	23,196,526,697	21,810,490,885
Adjusted in accounting profit to determine taxable profit:		
Increase adjustments	8,489,684	2,971,051
Unrealized profits in inventories	1,598,752,112	946,079,723
Assessable income	24,803,768,493	22,759,541,659
CIT rate	20%	20%
CIT payable	4,960,753,698	4,551,908,332
Adjustment of CIT from previous years	-	37,661,186
Current CIT expenses	4,960,753,698	4,589,569,518

The Parent Company and subsidiary are obliged to pay tax at the normal rate of 20% of taxable income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

Other taxes

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

5.16 Short-term accrued expenses

	31/12/2025 VND	01/01/2025 VND
Interest expense	7,562,937	-
Electricity expense	72,246,010	110,029,442
Toxic allowance	42,840,000	40,020,000
Promotion expenses	234,378,238	254,064,000
Other accrued expenses	81,615,352	74,603,729
	438,642,537	478,717,171

5.17 Other short-term, long-term payables

5.17.1 Other short-term, long-term payables

	31/12/2025 VND	01/01/2025 VND
Other payables - related parties		
Dividend payables	671,552,786	692,383,111
Other payables - other parties		
Trade union funds	56,276,970	75,573,210
Consulting contract payables	34,500,000	31,000,000
Other payables	23,352,079	4,532,000
	785,681,835	803,488,321

5.17.2 Other long-term payables

	31/12/2025 VND	01/01/2025 VND
Other payables - other parties		
Deposit received	205,500,000	217,000,000
	205,500,000	217,000,000

5.18 Short-term loans and financial leases

	31/12/2025		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	6,286,793,916	6,286,793,916	-	-
Commercial Bank For				
Industry And Trade –				
Western Saigon Branch (a)				
	6,286,793,916	6,286,793,916	-	-

- (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

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.

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

	01/01/2025 VND	Increase in year VND	Paid in year VND	31/12/2025 VND
Short-term loans from banks	-	10,695,719,070	(4,408,925,154)	6,286,793,916
	<u>-</u>	<u>10,695,719,070</u>	<u>(4,408,925,154)</u>	<u>6,286,793,916</u>

5.19 Bonus and welfare funds

	01/01/2025 VND	Increase in year VND	Paid in year VND	31/12/2025 VND
Bonus and welfare fund	6,348,792,294	1,983,369,212	(1,185,156,766)	7,147,004,740
	<u>6,348,792,294</u>	<u>1,983,369,212</u>	<u>(1,185,156,766)</u>	<u>7,147,004,740</u>

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	30,810,197,128	130,370,561,351
Profit in year	-	-	-	17,359,146,633	17,359,146,633
Deduction for Investment and development fund	-	-	905,800,521	(905,800,521)	-
Deduction for Bonus and welfare funds	-	-	-	(1,811,601,041)	(1,811,601,041)
Dividends distribution	-	-	-	(10,559,989,200)	(10,559,989,200)
As at 31/12/2024	<u>87,999,910,000</u>	<u>2,205,500,000</u>	<u>10,260,754,744</u>	<u>34,891,952,999</u>	<u>135,358,117,743</u>
As at 01/01/2025	87,999,910,000	2,205,500,000	10,260,754,744	34,891,952,999	135,358,117,743
Profit in year	-	-	-	18,554,690,427	18,554,690,427
Deduction for Investment and development fund	-	-	991,684,606	(991,684,606)	-
Deduction for Bonus and welfare funds	-	-	-	(1,983,369,212)	(1,983,369,212)
Dividends distribution	-	-	-	(13,199,986,500)	(13,199,986,500)
As at 31/12/2025	<u>87,999,910,000</u>	<u>2,205,500,000</u>	<u>11,252,439,350</u>	<u>37,271,603,108</u>	<u>138,729,452,458</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

*These notes form an integral part of and should be read in conjunction with the accompanying financial statements.***5.20.2 Detail of owner's invested equity**

According to the Parent Company's the Business Registration Certificate (amended), Charter capital of the Parent Company is VND 87,999,910,000. As at 31 December 2025, the Parent Company's Charter capital was fully contributed as follows:

	31/12/2025			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
America LLC	505,700	5,057,000,000	5.75	316,800	3,168,000,000	3.60
Other shareholders	3,055,435	30,554,350,000	34.72	3,244,335	32,443,350,000	36.87
	8,799,991	87,999,910,000	100.00	8,799,991	87,999,910,000	100.00

5.20.3 Shares

	31/12/2025 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
<i>Common shares</i>	8,799,991	8,799,991
<i>Preferred shares</i>	-	-
Number of repurchased shares	-	-
<i>Common shares</i>	-	-
<i>Preferred shares</i>	-	-
Number of shares in circulation	8,799,991	8,799,991
<i>Common shares</i>	8,799,991	8,799,991
<i>Preferred shares</i>	-	-

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

5.20.4 Profit distribution

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

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

	VND
- Deduct 5% from retained earnings of 2025 for Investment and development fund	991,684,606
- Deduct 10% from retained earnings of 2025 for Bonus and welfare funds	1,983,369,212

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

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

6.1 Revenues from sale of goods and rendering of services

6.1.1 Net revenues from sale of goods and rendering of services

	2025 VND	2024 VND
Revenue from sale of goods	83,233,415,754	72,001,043,625
Revenue from sale of finished goods	57,873,277,832	66,062,137,406
Revenue from rendering service	15,018,519	20,000,000
	141,121,712,105	138,083,181,031
Sale deductions:		
- Trade deduction	(808,300,154)	(158,167,928)
- Sale returns	(573,746,711)	(377,150,566)
Net revenues	139,739,665,240	137,547,862,537

6.1.2 Revenue from sale of goods and rendering of services to related parties

	2025 VND	2024 VND
Sale of goods		
- Unite Pharmaceutical Joint Stock Company	7,583,689,870	3,892,804,483
- An Medicol Pharma Company Limited	10,568,358,550	11,067,900,970
Sale deductions		
- Unite Pharmaceutical Joint Stock Company	(6,351,666)	(354,222)
- An Medicol Pharma Company Limited	(87,685,650)	(305,030,000)
Net revenues	18,058,011,104	14,655,321,231

6.2 Cost of sales

	2025 VND	2024 VND
Cost of goods sold	51,478,076,479	47,234,058,541
Cost of finished goods sold	38,589,346,424	43,753,345,489
Provision for devaluation of inventories	343,342,904	156,234,471
	90,410,765,807	91,143,638,501

6.3 Financial income

	2025 VND	2024 VND
Interest from bank deposit	1,717,982,000	1,389,794,403
Foreign exchange gain	897,000	769,500
	1,718,879,000	1,390,563,903

6.4 Financial expenses

	2025 VND	2024 VND
Loan interest expense	85,173,859	-
Foreign exchange loss	31,284,000	1,732,800
Other financial expenses	9,014,084	31,863,269
	125,471,943	33,596,069

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

6.5 Selling expenses

	2025 VND	2024 VND
Labor expenses	10,760,677,625	10,357,082,251
Material and packaging expenses	17,221,932	17,716,717
Tools and equipment expenses	8,261,360	25,033,276
Depreciation expenses	51,884,631	55,571,848
Travel expenses	466,804,077	500,144,695
Transportation expenses	468,056,827	595,788,803
Leasing expenses	937,324,476	411,360,986
Event organization expense	362,522,222	-
Promotion expenses	268,697,343	490,394,473
Other selling expenses	1,060,845,189	913,721,557
	14,402,295,682	13,366,814,606

6.6 General and administration expenses

	2025 VND	2024 VND
Labor expenses	8,468,572,086	7,817,352,255
Tools and equipment expenses	411,447,251	465,183,694
Depreciation expenses	121,109,468	138,526,533
Tax and fees	295,925,058	316,666,581
Security expenses	424,500,000	411,000,000
Drug registration expenses	258,000,000	250,500,000
Provision expenses	20,139,827	29,571,015
House rental expenses	266,666,664	-
Other general and administration expenses	3,460,311,142	3,353,125,737
	13,726,671,496	12,781,925,815

6.7 Other income

	2025 VND	2024 VND
Gain from disposal of fixed assets	-	22,354,000
Other incomes	408,681,839	180,285,166
	408,681,839	202,639,166

6.8 Other expenses

	2025 VND	2024 VND
Late tax payment penalties, administrative fines, tax arrears	5,329,415	427,779
Other expenses	165,039	4,171,951
	5,494,454	4,599,730

6.9 Basic earnings per share

The calculation of basic earnings per share attributable to shareholders holding common shares of the Parent Company are made on the basis of the following data:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

		2025	2024
Profit for the year attributable to shareholders holding common shares of the Parent Company	VND	18,554,690,427	17,359,146,633
Deduction: bonus and welfare funds	VND	(1,983,369,212)	(1,811,601,041)
Profit to calculate EPS	VND	16,571,321,215	15,547,545,592
Outstanding common shares on average during the year	share	8,799,991	8,799,991
Earnings per share	VND/share	1,883	1,767

Outstanding common shares on average during the year is calculated as follows:

	2025 Shares
Outstanding common shares at the beginning of the year	8,799,991
Impact from issuance of common shares	-
Outstanding common shares on average during the year	8,799,991

6.10 Production and business costs by element

	2025 VND	2024 VND
Raw materials expenses	60,595,548,274	60,424,260,409
Labor expenses	35,093,243,097	32,923,052,258
Depreciation expenses	4,219,381,325	4,212,501,914
External service expenses	5,997,446,350	5,334,233,905
Other expenses	7,027,363,097	6,757,271,001
	112,932,982,143	109,651,319,487

7. FINANCIAL INSTRUMENTS

The Corporation has financial assets such as customer receivables and other receivables, cash and short-term deposits that occur directly from the operations of the Corporation. Financial liabilities of the Corporation 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 Corporation.

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

Operational risk management is indispensable operations for the entire operations of the Corporation. The Corporation has developed control system to ensure balance between the extent reasonable costs incurred when risk and risk management costs. The Corporation 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

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 Corporation primarily relating to cash, short term deposits, and loans of the Corporation.

The Corporation is managing interest rate risk by analyzing the competitive situation in the market to acquire beneficial interest for the purposes of the Corporation 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 Corporation bears the risk of changes in exchange rates, which are directly related to the business operations of the Corporation.

Stock price risk

The shares held by the Corporation are affected by market risks arising from uncertainty about the future value of the investment shares. The Corporation manages stock price risk by setting investment limits. The General Director of the Parent Company also reviews and approves investment decisions in shares. The Parent 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 Corporation 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 Corporation regularly monitors the receivables, which is not yet collected. For big customers, the Corporation considered the decline in the credit quality of each customer at the reporting date. The Corporation 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 Corporation related to many different customers, credit risk is not significantly concentrated in a certain customer.

Cash in bank

The Corporation 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 Corporation under the policies of the Corporation. The maximum credit risk of the Corporation 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 Corporation found that the level of concentration of credit risk on bank deposits is low.

iii. Liquidity risk

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

The Corporation 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 Corporation's operations and minimize the risks due to the volatility of cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

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

	Less than 1 year VND	From 1 to 5 years VND	Total VND
As at 31 December 2025			
Loans and financial leasing liabilities	6,286,793,916	-	6,286,793,916
Trade payables	10,229,781,026	-	10,229,781,026
Payables to related parties	671,552,786	-	671,552,786
Accrued expenses	438,642,537	-	438,642,537
Other payables	57,852,079	-	57,852,079
Deposits received	-	205,500,000	205,500,000
	17,684,622,344	205,500,000	17,890,122,344
As at 01 January 2025			
Trade payables	13,433,525,363	-	13,433,525,363
Payables to related parties	761,023,111	-	761,023,111
Accrued expenses	478,717,171	-	478,717,171
Other payables	35,532,000	-	35,532,000
Deposits received	-	217,000,000	217,000,000
	14,708,797,645	217,000,000	14,925,797,645

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

Collaterals

The Corporation holds collateral of another party as at 31 December 2025 and 01 January 2025 (see Note 5.17).

iv. Fair value

(1) Compare fair value and book value

	Book value		Fair value (*)	
	31/12/2025	01/01/2025	31/12/2025	01/01/2025
	VND	VND	VND	VND
Financial assets				
Held-to-maturity investments	40.084.000.000	31,108,072,981	40.084.000.000	31,108,072,981
Receivables				
Trade receivables	5.822.997.427	10,219,570,261	5.754.524.569	10,102,709,687
Receivables from related parties	1.753.226.055	991,129,324	1.753.226.055	991,129,324
Other receivables	1.757.397.653	815,794,205	1.757.397.653	815,794,205
Financial assets available for sale				
Cash and cash equivalents	9.539.621.576	8,876,231,902	9.539.621.576	8,876,231,902
	58.957.242.711	52,010,798,673	58.888.769.853	51,893,938,099
Financial liabilities				
Financial liabilities are determined according to the distribution value				
Loans and financial leasing liabilities	6,286,793,916	-	6,286,793,916	-
Trade payables	10,229,781,026	13,433,525,363	10,229,781,026	13,433,525,363
Payables to related parties	671,552,786	761,023,111	671,552,786	761,023,111
Accrued expenses	438,642,537	478,717,171	438,642,537	478,717,171
Other payables	57,852,079	35,532,000	57,852,079	35,532,000
Deposits received	205,500,000	217,000,000	205,500,000	217,000,000
	17,890,122,344	14,925,797,645	17,890,122,344	14,925,797,645

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

- (*) The Corporation has not revaluated its financial assets and financial liabilities at their fair values as at 31 December 2025 and 01 January 2025. However, the General Director believes 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

Fair value, measured for disclosure purposes only, is calculated based on the present value of future cash flows to pay principal and interest, discounted at market rates at the balance sheet date.

v. Hedging

The Corporation does not apply a hedging accounting policy.

8. OTHER INFORMATION

8.1 Transactions and balances with related parties

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

8.1.1 Transactions and balances with key management members and individuals involved with key management members

Key management members include: members of the Board of Directors and the General Director. Individuals related to key members are close family members of key management members.

Transactions and balances with key management members and individuals involved with key management members

The Corporation 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:

	2025 VND	2024 VND
The Board of Directors		
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 CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2025

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

Remuneration paid to key managers was as follow:

	2025 VND	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	84,000,000	60,000,000
Ms. Le Thanh Truc (resigned from 25/04/2025)	165,270,500	566,162,250
Ms. Nguyen Thi Mai Nguyet	68,000,000	60,000,000
Ms. Pham Thi Thach Thao	330,789,308	306,763,868
The General Director		
Mr. Thai Nha Ngon	807,883,333	758,137,500
Chief Accountant		
Ms. Nguyen Thi Anh Chi	653,346,883	616,592,394
The Board of Supervisors		
Mr. Nguyen Van Chac	465,053,146	410,173,245
Ms. Ho Thuy Quynh Nhu	32,000,000	-
Ms. Vo Hong Hanh	135,593,528	-
Ms. Nguyen Hoang Ngoc Chau (resigned from 25/04/2025)	20,000,000	60,000,000
Ms. Pham Thi Minh Tam (resigned from 25/04/2025)	16,000,000	48,000,000
	2,777,936,698	2,885,829,257

8.1.2 Transactions and balances with other related parties

Transactions with other related parties

Transactions with other related parties in year are as follows:

Related parties	Transaction	2025 VND	2024 VND
Unite Pharmaceutical Joint Stock Company			
	Sales and services rendered	7,583,689,870	3,892,804,483
	Return of goods sold	6,351,666	354,222
An Medicol Pharma Company Limited			
	Sales and services rendered	10,568,358,550	11,067,900,970
	Return of goods sold	87,685,650	305,030,000
Minh Luan Precision Mechanical Company Limited (no longer related party since 25/04/2025)			
	Sales and services rendered	38,220,000	92,900,000
Tuyen Hiep Company Limited			
	Sales and services rendered	-	3,676,135
	Purchasing goods and services	35,936,500	143,821,000
	Return of purchased goods	1,173,731	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 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:

Related parties	Transaction	31/12/2025 VND	01/01/2025 VND
An Medicol Pharma Company Limited			
	Trade receivables	645,139,608	882,899,817
Unite Pharmaceutical Joint Stock Company			
	Trade receivables	1,108,086,447	108,229,507
Minh Luan Precision Mechanical Company Limited (no longer related party since 25/04/2025)			
	Trade payables	-	68,640,000

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 Corporation'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 Corporation 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 Corporation 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 (31 December 2025) to the date of this report, which would require adjustments or disclosures to be made in the financial statements.


DANG TRUC KHANH
Preparer


NGUYEN THI ANH CHI
Chief Accountant


THAI NHA NGON
General Director
Ho Chi Minh City, 24 March 2026