

AUDITED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

**MEKOPHAR CHEMICAL PHARMACEUTICAL
JOINT-STOCK COMPANY**

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REPORT OF THE BOARD OF MANAGEMENT

For the fiscal year ended December 31, 2022

The Board of Management has the honor of submitting this report and the audited financial statements for the fiscal year ended December 31, 2022.

1. Business highlights:

Establishment:

Mekophar Chemical Pharmaceutical Joint-Stock Company, whose business code is 0302533156, operates under Business registration certificate No. 4103000833 dated February 08, 2002 issued by the Department of Planning and Investment of Ho Chi Minh City; the Twentieth amended certificate dated July 15, 2021, the chartered capital is VND 255,458,670,000.

Structure of ownership: Joint Stock Company.

Principal activities:

The Company's principal activities: Producing, trading medicine; Trading perfume; Trading cosmetics and other cleaning products; Trading medical tools; Maintaining and testing medicine; Retailing medicine; Producing packing used in pharmaceutical industry (plastic bottle, paper box, carton box); Producing technological food (except for producing and processing fresh food); Trading functional food; processing food; Producing cosmetics (not manufacturing chemicals, soap, and detergent at the head office); Trading real estates, leasing apartment, office; Trading garments; Producing bottled pure water; Trading beverages; Trading medical machinery and equipment; Trading other chemicals (except for chemicals used in agriculture); Trading plastics in primary form; Investment consultancy (except for accounting, finance, law); Consultancy on technology transfer; Commercial introduction and promotion; Acting as brokerage agent (except for real estates).

English name: Mekophar Chemical Pharmaceutical Joint Stock Company.

Short name: Mekophar.

Security code: MKP - Listed on UPCOM.

Head office: No. 297/5 Ly Thuong Kiet Str., Dist. 11, HCMC.

The Company's branches are located at:

- Hanoi Branch: B26-B28-TT17 Van Quan new residential - Yen Phuc, Phuc La Ward, Ha Dong Dist., Ha Noi City.

- Nghe An Branch: No. 1 Yen Xuan, Alley 69, Quan Bau Ward, Vinh City, Nghe An Province.

- Da Nang Branch: No. 410 Nguyen Tri Phuong, Hai Chau District, Da Nang City.

- Can Tho Branch: No.17A Cach Mang Thang Tam Str., Binh Thuy Dist., Can Tho City.

2. Financial position and results of operation:

The Company's financial position and results of operation in the year are presented in the attached financial statements.

3. Board of Management, Board of General Directors, Board of Supervisors and Chief Accountant:

The Board of Management, Board of General Directors, Board of Supervisors and Chief Accountant holding office in the year and at the reporting date include:

REPORT OF THE BOARD OF MANAGEMENT

For the fiscal year ended December 31, 2022

Board of Management:

Mr.	Le Anh Phuong	Chairman
Mrs.	Huynh Thi Lan	Vice Chairwoman
Mrs.	Dang Thi Kim Lan	Member
Mr.	Satoshi Kawamura	Member
Mr.	Dinh Xuan Han	Member
Mrs.	Nguyen Thi Quynh Anh	Member
Mrs.	Phan Thi Lan Huong	Member

Board of Supervisors:

Mr.	Nguyen Viet Luan	Chairman
Mr.	Nguyen Ba Khoa	Member
Mr.	Tran Trung Ngon	Member

Board of General Directors and Chief Accountant:

Mrs.	Huynh Thi Lan	General Director
Mrs.	Dang Thi Kim Lan	Deputy General Director
Mr.	Le Anh Phuong	Deputy General Director
Mrs.	Phan Thi Lan Huong	Deputy General Director
Mr.	Phan Anh Tai	Chief Accountant

Legal representatives of the Company in the year and to the reporting date are:

Ms. Huynh Thi Lan - General Director is the legal representative of the Company.

4. Auditor

Moore AISC Auditing and Informatics Services Company Limited (Moore AISC) has been appointed as an independent auditor for the fiscal year ended December 31, 2022.

5. Statement of the Responsibility of the Board of Management and Board of General Directors in respect of the Financial Statements

The Board of Management and Board of General Directors of the Company are responsible for the preparation of the financial statements which give a true and fair view of the financial position of the Company as of December 31, 2022 as well as its results of operation and cash flows for the year then ended. In order to prepare these financial statements, the Board of Management and Board of General Directors have considered and complied with the following matters:

- Selected the appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- The financial statements of the Company are prepared on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management and Board of General Directors are responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements are prepared in compliance with the registered accounting policies stated in the Notes to the Financial Statements. The Board of Management and Board of General Directors are also responsible for safeguarding the assets of the Company and thus taking reasonable steps for the prevention and detection of fraud and other irregularities.

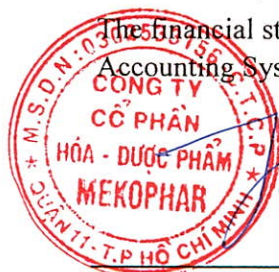
REPORT OF THE BOARD OF MANAGEMENT

For the fiscal year ended December 31, 2022

6. Approval of the Financial Statements

In the Board of Management's opinion, the financial statements consisting of Balance Sheet as at December 31, 2022, Income Statement, Cash Flow Statement and Notes to the Financial Statements enclosed with this report give a true and fair view of the financial position of the Company as well as its operating results and cash flows for the fiscal year ended December 31, 2022.

The financial statements are prepared in compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System.



Le Anh Phuong

Chairman

HCMC, Viet Nam

March 28, 2023

No: A0522301-R/MOORE AISC-DN4

INDEPENDENT AUDITOR'S REPORT**TO SHAREHOLDERS, BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS****MEKOPHAR CHEMICAL PHARMACEUTICAL JOINT-STOCK COMPANY**

We have audited the financial statements of **Mekophar Chemical Pharmaceutical Joint-Stock Company** consisting of Balance Sheet as at December 31, 2022, Income Statement, Cash Flow Statement for the year then ended and Notes to the Financial Statements as set out on page 06 to page 45, which were prepared on March 28, 2023.

Responsibility of the Board of General Directors

The Board of General Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Vietnamese Accounting Standards, Accounting System Corporate and prevailing regulations applicable to the preparation and presentation of the financial statements and also for the internal control that the Board of General Directors considers necessary for the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of Auditor

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Auditing Company. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT (Cont.)**Audit opinion**

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of **Mekophar Chemical Pharmaceutical Joint-Stock Company** as at December 31, 2022 as well as the results of its operation and its cash flows for the year then ended. The financial statements are prepared in compliance with the prevailing Vietnamese Accounting Standards, Vietnamese Accounting System and other statutory requirements relevant to the preparation and presentation of the financial statements.





Huynh Tieu Phung

Deputy General Director

Certificate of Audit Practice Registration


No.: 1269-2023-005-1

For and on behalf of

Moore AISC Auditing and Informatics Services Company Limited

HCMC, Viet Nam

March 28, 2023



Do Thi Mai Hoa**Auditor****Auditor**

Certificate of Audit Practice Registration

No.: 3559-2021-005-1

BALANCE SHEET

As at December 31, 2022

Unit: VND

ASSETS	Code	Notes	Dec. 31, 2022	Jan. 01, 2022
A. CURRENT ASSETS	100		823,088,333,964	779,070,384,041
I. Cash and Cash Equivalents	110	V.1	55,550,625,200	37,888,019,980
1. Cash	111		50,550,625,200	37,888,019,980
2. Cash equivalents	112		5,000,000,000	-
II. Short-term Financial Investment	120	V.2	40,946,711,100	210,946,711,100
1. Trading securities	121		10,946,711,100	10,946,711,100
2. Provision for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		30,000,000,000	200,000,000,000
III. Short-term Accounts Receivable	130		84,070,449,434	181,091,774,043
1. Trade accounts receivable	131	V.3a	106,369,072,155	117,722,551,128
2. Prepayments to suppliers	132	V.4a	11,028,377,720	90,935,404,487
3. Intercompany receivables	133		-	-
4. Construction contract-in-progress receivables	134		-	-
5. Receivables from short-term loans	135		-	-
6. Others receivables	136	V.5	1,233,755,283	1,081,945,793
7. Provision for doubtful debts	137	V.3	(34,560,755,724)	(28,648,127,365)
8. Shortage of assets awaiting resolution	139		-	-
IV. Inventories	140	V.6	634,649,315,637	342,889,810,779
1. Inventories	141		642,524,835,073	342,889,810,779
2. Provision for decline in value of inventories	149		(7,875,519,436)	-
V. Other Current Assets	150		7,871,232,593	6,254,068,139
1. Short-term prepayments	151	V.10a	1,971,013,557	978,399,740
2. Deductible VAT	152		5,236,869,701	3,012,893,032
3. Taxes and other receivables from the State Budget	153	V.13b	663,349,335	2,262,775,367
4. Repurchase and sale of Government's bonds	154		-	-
5. Other current assets	155		-	-

BALANCE SHEET

As at December 31, 2022

Unit: VND

ASSETS	Code	Notes	Dec. 31, 2022	Jan. 01, 2022
B. LONG-TERM ASSETS	200		792,015,304,341	832,772,876,403
I. Long-term Assets	210		-	-
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital from sub-untis	213		-	-
4. Long-term intercompany receivables	214		-	-
5. Receivables from long-term loans	215		-	-
6. Other long-term receivables	216		-	-
7. Provision for doubtful long-term receivables	219		-	-
II. Fixed Assets	220		50,249,477,231	48,361,610,846
1. Tangible fixed assets	221	V.8	41,786,766,269	39,147,349,484
- Cost	222		271,112,721,337	261,920,329,279
- Accumulated depreciation	223		(229,325,955,068)	(222,772,979,795)
2. Finance lease assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.9	8,462,710,962	9,214,261,362
- Cost	228		13,507,253,139	13,507,253,139
- Accumulated amortization	229		(5,044,542,177)	(4,292,991,777)
III. Investment Properties	230		-	-
- Cost	231		-	-
- Accumulated depreciation	232		-	-
IV. Non-current assets	240	V.7	27,258,314	6,429,581
1. Works in progress	241		-	-
2. Capital construction in progress	242		27,258,314	6,429,581
V. Long-term investments	250	V.2	738,826,325,250	784,157,142,076
1. Investment in subsidiaries	251		900,000,000,000	900,000,000,000
2. Investment in associates, joint-ventures	252		-	-
3. Investment in equity of other entities	253		24,068,960,000	24,068,960,000
Provision for decline in the value of long-term	254		(185,242,634,750)	(139,911,817,924)
4. investment	254		-	-
5. Held-to-maturity investments	255		-	-
VI. Other Long-term Assets	260		2,912,243,546	247,693,900
1. Long-term prepaid expenses	261	V.10b	2,912,243,546	247,693,900
2. Deferred income tax assets	262		-	-
3. Equipment. Materials, spare parts	263		-	-
4. Other Long-term Assets	268		-	-
TOTAL ASSETS	270		1,615,103,638,305	1,611,843,260,444

BALANCE SHEET*As at December 31, 2022**Unit: VND*

RESOURCES	Code	Notes	Dec. 31, 2022	Jan. 01, 2022
C. LIABILITIES	300		347,455,258,314	362,790,781,406
I. Current Liabilities	310		194,494,792,404	226,882,156,257
1. Short-term trade payables	311	V.11	77,382,569,234	74,549,802,773
2. Advances from customers	312	V.12	34,278,046,782	21,664,650,147
3. Taxes and other payables to the State Budget	313	V.13a	18,014,726,709	4,536,255,841
4. Payables to employees	314		19,501,264,441	14,320,541,248
5. Short-term accrued expenses	315	V.14	338,318,182	332,454,545
6. Short-term intercompany payables	316		-	-
7. Construction contract-in-progress payables	317		-	-
8. Short-term unrealized revenue	318		-	-
9. Other short-term payables	319	V.16	28,923,161,173	28,811,079,808
10. Short-term borrowings and financial lease liabilities	320	V.17	8,010,240,000	73,573,200,000
11. Provision for short-term payables	321		-	-
12. Bouns and welfare fund	322		8,046,465,883	9,094,171,895
13. Price stabilization fund	323		-	-
14. Repurchase and sale of Government's bonds	324		-	-
II. Long-term Liabilities	330		152,960,465,910	135,908,625,149
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
Intercompany payables for operating capital				
4. receivables	334		-	-
5. Long-term intercompany payables	335		-	-
6. Long-term unrealized revenue	336	V.15	152,960,465,910	135,908,625,149
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial lease liabilities	338		-	-
9. Convertible bond	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liabilities	341		-	-
12. Provision for long-term liabilities	342		-	-
13. Fund for science and technology development	343		-	-

BALANCE SHEET

As at December 31, 2022

Unit: VND

RESOURCES	Code	Notes	Dec. 31, 2022	Jan. 01, 2022
D. OWNER'S EQUITY	400		1,267,648,379,991	1,249,052,479,038
I. Owner's Equity	410	V.18	1,267,648,379,991	1,249,052,479,038
1. Owner's equity	411		255,458,670,000	255,458,670,000
- Ordinary shares with voting rights	411a		255,458,670,000	255,458,670,000
- Preferred shares	411b		-	-
2. Share premium	412		409,789,114,458	409,789,114,458
3. Bond conversion option	413		-	-
4. Owner's other capital	414		-	-
5. Treasury shares	415		(14,487,151,158)	(14,487,151,158)
6. Difference upon assets revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418		574,559,027,845	573,322,804,351
9. Fund for support of arrangement of enterprises	419		-	-
10. Other funds	420		-	-
11. Undistributed earnings	421		42,328,718,846	24,969,041,387
- Undistributed earnings accumulated to the end of year	421a		637,794,105	9,108,247,716
- Undistributed earnings in this year	421b		41,690,924,741	15,860,793,671
12. Investment reserve for basic construction	422		-	-
II. Budget Sources and Other Funds	430		-	-
1. Budget sources	431		-	-
2. Fund to from fixed assets	432		-	-
TOTAL RESOURCES	440		1,615,103,638,305	1,611,843,260,444




Le Thi Thu Huong
Prepared By

HCMC, Viet Nam
March 28, 2023



Phan Anh Tai
Chief Accountant

Huynh Thi Lan
General Director

INCOME STATEMENT

For the fiscal year ended December 31, 2022

Unit: VND

ITEMS	Code	Notes	Year 2022	Year 2021
1. Sales	01	VI.1	1,171,119,976,948	1,120,883,238,545
2. Less sales deductions	02	VI.2	1,096,629,754	465,796,999
3. Net sales	10	VI.3	1,170,023,347,194	1,120,417,441,546
4. Cost of sales	11	VI.4	799,237,863,221	888,574,039,849
5. Gross profit (20 = 10 - 11)	20		370,785,483,973	231,843,401,697
6. Financial income	21	VI.5	14,200,510,181	8,861,948,768
7. Financial expenses	22	VI.6	62,405,722,716	48,192,971,017
<i>In which: loans interest expenses</i>	23		3,632,252,432	389,574,736
8. Selling expenses	25	VI.7a	151,249,010,926	77,515,666,866
9. General & administration expenses	26	VI.7b	104,499,776,710	97,952,806,725
10. Operating profit (30 = 20 + (21 - 22) - (25 + 26))	30		66,831,483,802	17,043,905,857
11. Other income	31	VI.8	361,632,452	7,391,793,891
12. Other expenses	32	VI.9	2,405,772,299	166,738,535
13. Other profit (40 = 31 - 32)	40		(2,044,139,847)	7,225,055,356
14. Net accounting profit before tax (50 = 30 + 40)	50		64,787,343,955	24,268,961,213
15. Corporate income tax- current	51		23,096,419,214	8,408,167,542
16. Corporate income tax- deferred	52		-	-
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		41,690,924,741	15,860,793,671



Le Thi Thu Huong
Prepared By



Phan Anh Tai
Chief Accountant




Huynh Thi Lan
General Director

HCMC, Viet Nam
March 28, 2023

CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended December 31, 2022

Unit: VND

ITEMS	Code	Notes	Year 2022	Year 2021
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net income before tax	01		64,787,343,955	24,268,961,213
2. Adjustments for :				
- Depreciation of fixed assets and investment properties	02	V.8&9	10,272,264,289	10,032,521,412
- Provision	03	VI.4.6.7	59,118,964,621	55,212,474,211
- Gain/losses from foreign exchange differences up revaluation of monetary assets denominated in foreign currencies	04		(1,063,423,973)	101,302,616
- Gain/losses from investing activities	05		(12,441,697,745)	(8,668,770,173)
- Interest expenses	06	VI.6	3,632,252,432	389,574,736
- Other adjustments	07		-	-
3. Profit from operating activities before changes in working capital	08		124,305,703,579	81,336,064,015
- Increase (-)/decrease (+) in receivables	09		90,317,121,138	(81,628,898,011)
- Increase (-)/decrease (+) in inventories	10		(299,635,024,294)	(105,668,539,930)
- Increase (-)/decrease (+) in payables (Other than payables, income tax)	11		38,209,364,215	73,293,814,008
- Increase (-)/decrease (+) in prepaid	12		(3,657,163,463)	374,080,040
- Increase (-)/decrease (+) in trading securities	13		-	-
- Interest paid	14		(3,632,252,432)	(389,574,736)
- Corporate income tax paid	15	V.13a	(8,863,627,409)	(8,142,284,681)
- Other receipts from operating activities	16		-	-
- Other payments on operating activities	17		(3,928,153,000)	(4,865,108,332)
Net cash inflows/(outflows) from operating activities	20		(66,884,031,666)	(45,690,447,627)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchases of fixed assets and other long-term assets	21		(12,180,959,407)	(11,189,587,559)
2. Proceeds from disposals of fixed assets and other long-term	22	VI.9	356,842,592	69,090,909
3. Loans granted, purchases of debt instruments of other entities	23		(140,782,978,631)	(396,710,010,859)
4. Collection of loans, purchase of debt instruments of other entities	24		310,782,978,631	316,710,010,859
5. Investments in other entities	25		-	-
6. Proceeds from divestment in other entities	26		-	-
7. Dividends and interest received	27		12,084,855,153	8,599,679,264
Net cash inflows/(outflows) from investing activities	30		170,260,738,338	(82,520,817,386)

CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended December 31, 2022

Unit: VND

ITEMS	Code	Notes	Year 2022	Year 2021
III. CASH FLOWS FROM FINANCIAL ACTIVITIES				
1. Proceeds from issue of shares and capital contribution	31		-	-
2. Payment for shares returns and repurchases	32		-	-
3. Proceeds from borrowings	33	VII.1	161.936.667.600	115.962.661.000
4. Repayments of borrowings	34	VII.2	(227.499.627.600)	(42.389.461.000)
5. Payment for finance lease liabilities	35		-	-
6. Dividends paid	36	V.18a	(20.214.576.800)	(22.971.354.000)
Net cash inflows/(outflows) from financing activities	40		(85.777.536.800)	50.601.846.000
Net cash inflows/(outflows) (50 = 20 + 30 + 40)	50		17.599.169.872	(77.609.419.013)
Cash and cash equivalents at the beginning of the year	60		37.888.019.980	115.495.794.568
Effect of foreign exchange differences	61		63.435.348	1.644.425
Cash and cash equivalents at the end of the year (70 = 50 +60 +61)	70		V.1253 55.550.625.200	37.888.019.980



Le Thi Thu Huong
Prepared By



Phan Anh Tai
Chief Accountant



Huynh Thi Lan
General Director

HCMC, Viet Nam
March 28, 2023

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND***I. BUSINESS HIGHLIGHTS****1. Establishment**

Mekophar Chemical Pharmaceutical Joint-Stock Company, whose business code is 0302533156, operates under Business registration certificate No. 4103000833 dated February 08, 2002 issued by the Department of Planning and Investment of Ho Chi Minh City; the Twentieth amended certificate dated July 15, 2021, the chartered capital is VND 255,458,670,000.

English name: Mekophar Chemical Pharmaceutical Joint Stock Company.

Short name: Mekophar.

Security code: MKP - Listed on UPCOM.

Head office: No. 297/5 Ly Thuong Kiet Str., Dist. 11, HCMC.

The Company's branches are located at:

- Hanoi Branch: B26-B28-TT17 Van Quan new residential - Yen Phuc, Phuc La Ward, Ha Dong Dist., Ha Noi City.
- Nghe An Branch: No. 1 Yen Xuan, Alley 69, Quan Bau Ward, Vinh City, Nghe An Province.
- Da Nang Branch: No. 410 Nguyen Tri Phuong, Hai Chau District, Da Nang City.
- Can Tho Branch: No.17A Cach Mang Thang Tam Str., Binh Thuy Dist., Can Tho City.

Structure of ownership: Joint Stock Company.

2. Business sector: Production and trading.**3. Principal activities**

The Company's principal activities: Producing, trading medicine; Trading perfume; Trading cosmetics and other cleaning products; Trading medical tools; Maintaining and testing medicine; Retailing medicine; Producing packing used in pharmaceutical industry (plastic bottle, paper box, carton box); Producing technological food (except for producing and processing fresh food); Trading functional food; processing food; Producing cosmetics (not manufacturing chemicals, soap, and detergent at the head office); Trading real estates, leasing apartment, office; Trading garments; Producing bottled pure water; Trading beverages; Trading medical machinery and equipment; Trading other chemicals (except for chemicals used in agriculture); Trading plastics in primary form; Investment consultancy (except for accounting, finance, law); Consultancy on technology transfer; Commercial introduction and promotion; Acting as brokerage agent (except for real estates).

4. Normal operating cycle.

Normal operating cycle of the Company lasts 12 months of the normal fiscal year beginning from January 01 and ending on December 31.

5. Operations in the fiscal year affecting the financial statements: Not applicable.**6. Total employees to Dec. 31, 2022: 667 persons (Dec. 31, 2021: 674 persons).**

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

7. Enterprise Structure**7.1. List of subsidiaries**

As at December 31, 2022 the Company has one (01) directly owned company as follows:

Company's name & address	Principal activities	Percentage of shareholding	Percentage of owning	Percentage of voting right
Mekophar Co., Ltd. Head office: Lot I-9-5, D2 Street, High-Tech Park, Long Thanh My Ward, Thu Duc City, HCMC.	Producing biological products, medicine, cosmetics, functioning food and original cell.	100%	100%	100%

7.2. List of affiliated unit having no legal status and dependent cost-accounting

Name of branches and address:

- Hanoi Branch: B26-B28-TT17 Van Quan new residential - Yen Phuc, Phuc La Ward, Ha Dong Dist., Ha Noi City.
- Nghe An Branch: No. 1 Yen Xuan, Alley 69, Quan Bau Ward, Vinh City, Nghe An Province.
- Da Nang Branch: No. 410 Nguyen Tri Phuong, Hai Chau District, Da Nang City.
- Can Tho Branch: No.17A Cach Mang Thang Tam Str., Binh Thuy Dist., Can Tho City.

8. Disclosure on comparability of information in the Consolidated Financial Statements

The selection of figures and information need to be presented in the consolidated financial statements has been implemented on the principles of comparability among corresponding accounting periods.

II. ACCOUNTING PERIOD AND REPORTING CURRENCY**1. Fiscal year**

The fiscal year is begun on January 01 and ended December 31 annually.

2. Reporting currency

Vietnam Dong (VND) is used as a currency unit for accounting records.

III. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES**1. Applicable Accounting System**

The Company applies Vietnamese Corporate Accounting System issued by the Vietnam Ministry of Finance in accordance with the guidance of Circular No. 200/2014/TT-BTC dated December 22, 2014 and the amended and supplemented Circulars.

2. Disclosure of compliance with Vietnamese Accounting Standards and the Vietnamese Accounting System

We conducted our accounting, preparation and presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards and other relevant statutory regulations. The consolidated financial statements give a true and fair view of the state of affairs of the Company and the results of its operations as well as its cash flows.

The selection of figures and information presented in the notes to the consolidated financial statements is complied with the material principles in Vietnamese Accounting Standard No.21 - Presentation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND***IV. APPLICABLE ACCOUNTING POLICIES****1. Foreign exchange rate applicable in accounting**

The Company has translated foreign currencies into Vietnam Dong at the actual rate and book rate.

Principles for determining the actual rate

All transactions denominated in foreign currencies which arise during the period (trading foreign currencies, capital contribution or receipt of contributed capital, recording receivables and payables, purchasing assets or costs immediately paid by foreign currencies) are converted at the actual exchange rates ruling as of the transaction dates.

Closing balance of monetary items (cash, cash equivalents, payables and receivables, except for prepayments to suppliers, prepayments from customers, pre-paid expenses, deposits and unearned revenue) denominated in foreign currencies should be revaluated at the actual rate ruling as of the balance sheet date.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as assets will be the buying rate of Vietcombank - Saigon Branch. The buying rate as at December 31, 2022: VND/USD 23,410; VND/EUR 24,718.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as payables will be the selling rate stated by Vietcombank - Saigon Branch. The exchange rate as at December 31, 2022: VND/USD 23,730 ; VND/EUR 25,841 .

Foreign exchange differences, which arise from foreign currency transactions during the period/year, shall be included in the income statement. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included in the income statement.

Principle for determining book rate

When recovering receivables, deposits or payments for payables in foreign currencies, the Company uses specific identification book rate.

When making payment by foreign currencies, the Company uses moving weighted average rate.

2. Principles for recording cash and cash equivalents

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

Cash equivalents comprise term deposits and other short-term investments with an original maturity of three months or less, highly liquid, readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

3. Principles for accounting financial investments**Principles of accounting for trading securities**

Trading securities include shares and bonds listed on the stock exchange; Other securities and financial instruments held for trading purposes (including securities with maturity over 12 months of purchase and sale for profit).

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND*

Trading securities are recorded at cost, including: Purchase price plus (+) acquisition costs (if any), such as brokerage fees, transaction fees, information, taxes, fees and bank fees. . The original cost of trading securities is determined at the fair value of the consideration at the time of the transaction. The timing of recognition of trading securities is the time when the investor has ownership rights, specifically as follows:

- Listed securities are recognized at the time of order matching (T + 0);
- Unlisted securities are recognized at the time of ownership in accordance with law.

Provision for diminution in value of trading securities is made for the amount of loss that may occur when there is firm evidence that the market value of the securities held by the Company for business purposes is impaired. Down from book value. Provision is made based on the market value of the securities at the time of the financial statements.

Principles for accounting held-to-maturity investments

Held-to-maturity investments include term deposits and other held-to-maturity investments.

The held-to-maturity investments are initially recorded at the original cost including buying price and costs attributable to the acquisition of the investments. After initial recognition, if the provision for doubtful debts has not been made as statutorily required, these investments are revaluated at the recoverable value. When firm evidence shows that a portion or the whole investments may be unrecoverable, the loss will be recorded in financial expenses in the year and recorded in decrease of the investment's value.

Principles for recording financial investments in Subsidiary, Associates

Companies are considered as the Company's associates when the Company has 20% - 50% of long-term owners' equity in those companies and has considerable influence over their decision on the financial policies. Investments in associates is included in the consolidated financial statements by equity method.

The equity method: is the method which the investment is recorded initially at cost and will be adjusted whenever there is a change of the investor's ownership in the assets of the associate. The consolidated Income Statements reflects the Company's portion in associate's operating results as a separate item after the investment date.

The financial statements of Associate are prepared at the same accounting period as the Company's and consistent accounting policies are applied. The appropriate adjustments have been conducted in order to ensure the accounting policies are applied in consistency with the Company's when necessary.

Principles for recording equity investments in other entities

Equity investment in other entities represents the Company's investment in other entities' equity instruments. However, the Company does not hold any control or joint control right and exercise significant influences over the investor either.

The investments are stated at original cost including purchase price and costs directly attributable to the investment. In case of non-monetary assets investment, the investment fee should be recorded at the fair value of the non-monetary assets at the date of occurrence.

Regarding the investments the Company holds in a long time (not trading securities) and no significant influences are exercised on the investees, provision for loss will be made as follows:

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND*

+ If an investment in listed shares or the fair value of the investment is determined reliably, the allowance shall be made according to the market values of the shares.

+ If it is impossible to determine the investments' fair value at the reporting date, the provision will be made on the basis the loss that investee suffers. Basis for making provision for loss of investments is the investee's financial statements.

4. Principles for recording trade receivables and other receivables:

Principle for recording receivables: At original cost less provision for doubtful debts.

The classifying of the receivables as trade receivables, inter-company receivables and other receivables depends on the nature of the transaction or relationship between the company and debtor.

Method of making provision for doubtful debts: Provision for doubtful debts is estimated for the loss value of the receivables, other held-to-maturity investments similar to doubtful debts that are overdue and undue, but are likely to become possibly irrecoverable due to insolvency of debtors who go bankruptcy, making procedures for dissolution, go missing or run away....

5. Principles for recording inventories:

Principles adopted in recording inventory: Inventories are stated at original cost less (-) the provision for the decline in value of obsolete and deteriorated inventories.

Original costs are determined as follows:

- The original cost of materials, merchandises consists of costs of purchase, costs of transportation and other costs incurred in bringing the inventories to their present location and condition.

- Finished goods: costs of materials, direct labor and manufacturing overheads which are allocated on the basis of unit price of labor cost for each finished good.

- Work in progress: costs of raw materials, labor and other directly costs for producing inventories incurred in the duration of building works in progress.

Method of calculating inventories' value: Weighted average method.

Method of accounting for the inventories: Perpetual method.

Method of making provision for decline in value of inventories: Provision for decline in value of inventories is made when the net realizable value of inventories is lower than their original cost. Net realizable value is the estimated selling price less the estimated costs of completion and selling expenses. Provision for decline in value of inventories is the difference between the cost of inventories greater than their net realizable value. Provision for decline in value of inventories is made for each inventory with the cost greater than the net realisable value.

6. Principles for recording fixed assets:**6.1 Principles for recording tangible fixed assets:**

Tangible fixed assets are stated at original cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred after the initial cost are capitalized as an additional cost of tangible fixed assets when they have resulted in an increase in the future economic benefits expected to be obtained from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the year.

When the assets are sold or disposed, their original costs and the accumulated depreciation which have been written off and any gain or loss from disposal of assets are recorded in the income statement.

Determination of original costs of tangible fixed assets.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND**Tangible fixed assets purchased*

The original cost of purchased tangible fixed assets shall consist of the actual purchase price (less (-) trade discounts or reduction), taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when the assets are put into operation such as fees for installation and trial operation of fixed assets; specialists and other direct costs.

The original cost of a tangible fixed asset formed from capital construction under the mode of tendering shall be the finalization price of the construction project, other relevant fees plus (+) registration fee (if any).

Fixed assets which are buildings, structures attached to land use right, the value of land use right is computed separately and recorded as intangible fixed assets.

6.2 Principles for recording intangible fixed assets:

Intangible fixed assets are stated at cost less accumulated amortization. The original cost of a intangible fixed asset comprises all costs of owning the asset to the date it is put into operation as expected.

Principles for recording intangible fixed assets:

Purchase of separate intangible fixed assets

The original cost of purchased intangible fixed assets shall consist of the actual purchase price (less (-) trade discounts or reduction), taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when the assets are put into operation. The land use rights which are purchased together with buildings, structures will be determined separately and recorded as intangible fixed assets.

If an intangible fixed asset is formed from the exchange involving payment accompanied with vouchers related to the capital ownership of the establishment, its original cost is the reasonable value of vouchers issued in relation to capital ownership.

Land use right

The original cost of an intangible fixed asset which is the land use right shall be the payment made to obtain the lawful land use right plus (+) compensatory payments for clearance of site, expenses for levelling the ground, registration fee..... (or right to use land as capital contribution in joint-venture).

Computer software

The original cost of a in tangible fixed asset which is the computer software shall be the total of actual expenses incurred by the Company to obtain the computer software.

6.3 Method of depreciating and amortizing fixed assets

Depreciation is charged to write off the cost of fixed assets on a straight line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

The estimated useful life for assets is as follows:

<i>Buildings and structures</i>	<i>5 - 25 years</i>
<i>Machinery and equipment</i>	<i>3 - 12 years</i>
<i>Transportation and facilities</i>	<i>5 - 8 years</i>
<i>Office equipment</i>	<i>4 - 10 years</i>
<i>Right to use original cells</i>	<i>3 years</i>

Indefinite land use rights are stated at the initial cost and does not amortized.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND***7. Principles for recording construction in progress:**

Construction in progress is stated at original cost. These are all necessary costs for purchasing fixed assets.

These costs are capitalised as an additional cost of asset when the works have been completed. After the works have been finalized, the asset will be handed over and put into use.

8. Principles for recording liabilities

Liabilities are recorded at original cost and not lower than the payment obligation.

Liabilities shall be classified into trade payables, inter-company payables and other payables depending on the nature of transactions and relationship between the Company and debtors.

Liabilities must be kept records in detail according to payment schedule, creditor, type of original currency (including revaluation of liabilities payable which satisfying the definition of monetary assets denominated in foreign currencies) and other factors according to requirements of the enterprise.

At the reporting date, if it is evident that there is an unavoidable loss, an amount payable shall be recorded according to cautious rules.

9. Principles for recording provision liabilities:

Provisions are recognized when the following conditions are satisfied: the Company has a present (legal or constructive) obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Value of provision liability being recorded: The value which is estimated to be the most reasonable for settling the present obligation at the balance sheet date.

Provision for payables includes the expenditures for doing scientific research. The provision value depends on the Company's operating results of each year.

10. Principles for recording unearned revenue

Unrealized revenue is the amount the customers prepaid for one or several accounting periods.

Unearned revenue include amounts of customers paid in advance for one or many accounting periods for the revenue in correspondence with the value of goods, services.

Method of allocating unearned revenue is on the principle of conformity with obligations that the Company will perform in next one or several accounting periods.

11. Principles for recording owner's Equity**Principles for recording owner's Paid-in Capital**

The owners' paid-in capital is the amount that is initially contributed or supplemented by shareholders. The owners' paid-in capital will be recorded at the actual contributed capital by cash or assets calculated according to the par value of issued shares in the early establishment period or additional mobilization to expand operation.

Principles for recording share premium

Share premium is the difference between the cost over and above the nominal value of the first issued or additionally issued share and the differences (increase or decrease) of the actual receiving amount against the repurchase price when treasury share is reissued. In case where shares are repurchased to cancel immediately at the purchase date, shares' value recorded decrease the business capital source at purchase date is the actual repurchase price and the business resource should be written down according to the par value and share premium of the repurchased shares.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND***Principles for recognizing undistributed profit:**

The undistributed profit is recorded at the profit (loss) from the Company's result of operation after deducting the current year corporate income tax and the adjusted items due to the retroactive application of changes in accounting policy and adjustments for material misstatement of the previous year.

The distributing of profit is based on the charter of the Company approved by the annual shareholder meeting.

12. Principles for recording treasury shares

The owners' equity instruments acquired by the Company (treasury share) are recorded at original cost and deducted into the owners' equity. The Company does not record gain (loss) when purchasing, selling, issuing or cancelling its equity instruments.

13. Principles for recording revenues**Revenue from goods sold**

Revenue from the sale of good should be recognized when all the five (5) following conditions have been satisfied: 1) The enterprise has transferred to buyer the significant risks and rewards of ownership of the goods; 2) The enterprise retains neither continuing managerial involvement as an owner nor effective control over the goods sold; 3) The amount of revenue can be measured reliably; When the contract specifies that buyers are entitled to return products, goods they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return products, goods (except for changing to other goods, services) 4) The economic benefits associated with the transaction has flown or will flow to the enterprise; 5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from service rendered

Revenue from services rendered is recorded when the result of the supply of services is determined reliably. In case where the services are rendered in several periods, the revenue will recorded by the part of completed works at the balance sheet. Revenue from services rendered is determined when the following four conditions have been satisfied: 1. The revenue is determined firmly; When the contract specifies that buyers are entitled to return the service they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return service; 2. The economic benefits associated with the transaction has flown or will flow from the supply of the provided service; 3. Part of completed works can be determined at the balance sheet date; 4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If the contract's results can not be determined firmly, the revenue will be recorded at the recoverable level of expenses recorded.

Principles and method of recording revenue from asset lease

Revenue from asset lease is recorded on the principle of allocating advanced lease amount in conformity with lease term.

Principles for recording financial income

Financial incomes include interests, royalties, distributed dividends and profits and income from other financing activities (sale and purchase of securities, liquidation of capital in joint-ventures, investment in associates, subsidiaries, other investments; Foreign exchange gains).

Income arising from interests, royalties, distributed dividends and profits of the enterprises shall be recognized if they simultaneously satisfy the two (2) conditions below 1. It is possible to obtain economic benefits from the concerned transactions; 2. Income is determined with relative certainty.

- Interests recognized on the basis of the actual time and interest rates in each period;

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND*

- Distributed dividends and profits shall be recognized when shareholders are entitled to receive dividends or the capital-contributing parties are entitled to receive profits from the capital contribution.

When an amount which has been recorded as an income becomes irrecoverable, such irrecoverable or uncertainly recoverable amount must be accounted as expense incurred in the period, but not recorded as income decrease.

14. Principles and method of recording cost of goods sold

Cost of goods sold are the cost of products, goods, services; expenses related to trading the investment properties and other expenses recorded in the cost of goods sold or recorded a decrease in the cost of goods sold in reporting period. The cost of goods sold is recorded at the date the transaction incurs or likely to incur in the future regardless payment has been made or not. The cost of goods sold and revenue shall be recorded simultaneously on conformity principles. Expenses exceeding normal consumption level are recorded immediately to the cost of goods sold on prudent principle.

15. Principles and method of recording financial expenses

Financial expenses include expenses or loss related to the financial investment, borrowing cost and capital borrowing, contribution in associate, provision for devaluation of financial investment, loss from sale of foreign currencies, loss from foreign exchange loss and other financial expenses.

Financial expenses are recorded in details by their content and determined reliably when there are sufficient evidences on these expenses.

16. Principles and methods of recording current taxes and deferred taxes

Corporate income tax includes current corporate income tax and deferred corporate income tax incurred in the year and set basis for determining operating result after tax in current fiscal year.

Current tax: is the tax payable on the taxable income and tax rate enacted in current year in accordance with the law on corporate income tax.

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

Tax policies the Company should comply with are as follows:

The Company pays tax at 20%.

The company has been inspected by the Tax Authority until the fiscal year 2020. Taxes payable to the state budget will be settled specifically with the tax agency. The difference between the payable tax amount according to the books and the data for checking the finalization will be adjusted when there is an official finalization with the tax authority.

17. Principles for recording earnings per share

Basic earnings per share is calculated by dividing net income available to common shareholders before appropriating to Bonus and Welfare Fund by the weighted-average number of common shares outstanding during the period.

Diluted EPS is calculated by dividing net income available to common shareholders (after adjusting dividends of preferred conversable shares) by the weighted-average number of common share outstanding and the weighted-average number to be issued in case where all dilutive potential common are converted into common shares.

According to Circular 200/2014/TT-BTC, the separate financial statements do not present earnings per share but are presented in the consolidated financial statements of the company.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND***18. Financial instruments:****Initial recognition:****Financial assets**

According to Circular No. 210/2009/TT-BTC dated November 06, 2009 (Circular No. 210), financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial assets which are stated at fair value through the Income Statement, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company decides to classify these assets at the date of initial recognition.

At the date of initial recognition, the financial assets are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash, short-term deposits, trade accounts receivables and other receivables, held to maturity investment and available for sale financial assets.

Financial liabilities

According to Circular 210, financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial liabilities which are stated at fair value through the Income Statement, financial liabilities determined on amortized cost basis. The Company decides to classify these liabilities at the date of initial recognition.

At the date of initial recognition, the financial liabilities are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial liabilities.

Financial liabilities of the Company comprise trade payables, other payables, borrowings and liabilities.

Re-measurements after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the report on financial position if, and only if, there is a currently enforceable legal right to offset the financial assets against financial liabilities or vice-versa and there is an intention to settle on a net basis or to realize the assets and settle the liability simultaneously.

19. Related parties

Related parties include: Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

20. Principles for presenting assets, revenue and operating results by segment

A reportable segment includes business segment or a geographical segment.

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED BALANCE SHEET

1. Cash and cash equivalents

		Dec. 31, 2022	Jan. 01, 2022
Cash	Original amount	50,550,625,200	37,888,019,980
Cash on hand		4,472,136,654	4,000,775,348
Demand deposits		46,078,488,546	33,887,244,632
<i>VND</i>		45,864,235,062	32,868,607,689
<i>USD</i>	\$ 8,222.76	192,494,812	996,008,991
<i>EUR</i>	€ 880.26	21,758,672	22,627,951
Cash Equivalents		5,000,000,000	-
Deposits with the term of 3 months (or less)		5,000,000,000	-
Total		55,550,625,200	37,888,019,980

2. Financial investment (for more details see page 39 to 41)

3. Trade receivables

	Dec. 31, 2022		Jan. 01, 2022	
	Amount	Provision	Amount	Provision
a. Short-term	106,369,072,155	(34,560,755,724)	117,722,551,128	(28,648,127,365)
Local customers	72,426,591,040	(2,840,480,564)	86,002,275,968	-
<i>Ha Noi branch of Mekophar J.S.C</i>	12,473,840,317	-	19,618,816,663	-
<i>An Sinh Hospital Company Limited</i>	2,514,420,519	-	171,770,850	-
<i>Orchids Trading Service Travel Company Limited</i>	871,200,000	-	871,200,000	-
<i>Others customers</i>	56,567,130,204	(2,840,480,564)	65,340,488,455	-
Foreign customers	33,942,481,115	(31,720,275,160)	31,720,275,160	(28,648,127,365)
<i>Neros Pharmaceuticals Ltd. (\$1,365.781)</i>	31,720,275,160	(31,720,275,160)	31,720,275,160	(28,648,127,365)
<i>Danson-Bg Eood (\$94,925.5)</i>	2,222,205,955	-	-	-
Total	106,369,072,155	(34,560,755,724)	117,722,551,128	(28,648,127,365)
b. Related party				
<i>An Sinh Hospital Company Limited</i>	2,514,420,519	-	171,770,850	-
<i>Orchids Trading Service Travel Company Limited</i>	871,200,000	-	871,200,000	-
Total	3,385,620,519	-	1,042,970,850	-

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

c. Bad debt (for more details see page 42)

4. Prepayments to suppliers	Dec. 31, 2022		Jan. 01, 2022	
	Amount	Provision	Amount	Provision
a. Short-term	11,028,377,720	-	90,935,404,487	-
Local suppliers	4,292,559,747	-	29,508,922,962	-
<i>Dai Viet Construction Investment And Supervision Designing Consultancy Corporation</i>	957,000,000	-	957,000,000	-
<i>Vietnam Pharmaceutical Corporation</i>	399,000,000	-	399,000,000	-
<i>Kim Linh Phat Group Joint Stock Company</i>	1,064,250,000	-	-	-
<i>Others suppliers</i>	1,872,309,747	-	28,152,922,962	-
Foreign suppliers	6,735,817,973	-	61,426,481,525	-
<i>Optimus Drugs Private Ltd</i>	-	-	55,802,400,000	-
#USD	-	-	\$ 2,430,000.00	-
<i>Sky Softgel Co., Ltd</i>	3,212,219,880	-	1,244,485,080	-
#USD	\$ 140,720.00	-	\$ 54,680.00	-
<i>Jenn Chiang Machinery Co.</i>	1,468,331,600	-	12,064,500	-
#USD	\$ 60,200.00	-	\$ 525.00	-
<i>Nectar Lifesciences Ltd.</i>	1,422,900,000	-	-	-
#USD	\$ 60,000.00	-	-	-
<i>Others suppliers</i>	632,366,493	-	4,367,531,945	-
#USD	\$ 26,631.40	-	\$ 3,182,377.00	-
#JPY	-	-	¥3,030,000.00	-
Total	11,028,377,720	-	90,935,404,487	-
b. Related party				
<i>Vietnam Pharmaceutical Corporation</i>	399,000,000	-	399,000,000	-
<i>Nipro Pharma Corporation</i>	-	-	616,172,700	-
Total	399,000,000	-	1,015,172,700	-

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

5. Other receivables	Dec. 31, 2022		Jan. 01, 2022	
	Amount	Provision	Amount	Provision
Short-term	1,233,755,283	-	1,081,945,793	-
Other receivables	1,233,755,283	-	1,081,945,793	-
Health, social insurance, trade union fee	417,581,283	-	418,654,133	-
Remuneration for members of the Management board who do not directly manage	408,000,000	-	408,000,000	-
Arbitration fee	398,174,000	-	-	-
Other receivables	10,000,000	-	255,291,660	-
Total	1,233,755,283	-	1,081,945,793	-

6. Inventories	Dec. 31, 2022		Jan. 01, 2022	
	Original cost	Provision	Original cost	Provision
Raw materials	485,621,274,594	-	240,741,735,700	-
Tools & supplies	1,870,295,658	-	1,599,576,599	-
Works in progress	55,200,011,755	-	33,680,007,460	-
Finished goods	99,832,445,114	(7,875,519,436)	66,868,297,302	-
Merchandise inventory	807,952	-	193,718	-
Total	642,524,835,073	(7,875,519,436)	342,889,810,779	-

- Value of inactive, deteriorated inventories which are not possibly consumed at the year end: None.

- Causes and resolutions for inactive, deteriorated inventories:

+ For the process of checking the inventory of drug-related items the company manages according to the expiry date. The company makes a provision for inventories that are in the process of re-inspection, for inventory items that have expired, the company will destroy them according to the standards of the Ministry of Health.

- The carrying amount of inventories pledged as security for liabilities: None.

7. Long-term assets in progress	Dec. 31, 2022		Jan. 01, 2022	
	Amount	Provision	Amount	Provision
Works in progress	27,258,314	-	6,429,581	-
Purchasing assets	27,258,314	-	6,429,581	-
Total	27,258,314	-	6,429,581	-

8. Tangible fixed assets (for more details see page 43)

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

9. Intangible fixed assets

	Land use right	Patents, copyrights	Total
Original cost			
Opening balance	7,438,152,000	6,069,101,139	13,507,253,139
Closing balance	7,438,152,000	6,069,101,139	13,507,253,139
Accumulated amortization			
Opening balance	-	4,292,991,777	4,292,991,777
Charge for the year	-	751,550,400	751,550,400
Closing balance	-	5,044,542,177	5,044,542,177
Net book value			
Opening balance	7,438,152,000	1,776,109,362	9,214,261,362
Closing balance	7,438,152,000	1,024,558,962	8,462,710,962

*Land use rights at 17A CMT8, Can Tho city; No.410 Nguyen Tri Phuong, Da Nang city; B26-B28-TT17 Van Quan new residential - Yen Phuc, Ha Noi city.

* Ending carrying value of intangible fixed assets pledged/mortgaged as loan security: None.

* Ending original costs of intangible fixed assets—fully depreciated but still in use: VND 2,708,299,139.

* Commitments on tangible fixed assets acquisitions, sales of large value in the future: None.

* Other changes to Intangible Fixed Assets: None.

* Explanation of data and other explanations: None.

10. Prepaid expenses	Dec. 31, 2022	Jan. 01, 2022
a. Short-term prepaid expenses	1,971,013,557	978,399,740
Office leasing fee	72,000,000	66,000,000
Fire & Explosion insurance	711,758,498	270,500,000
Repair of fixed assets	1,187,255,059	641,899,740
b. Long-term prepaid expenses	2,912,243,546	247,693,900
Repair of fixed assets	2,912,243,546	247,693,900
Total	4,883,257,103	1,226,093,640

11. Trade payables	Dec. 31, 2022		Jan. 01, 2022	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
Short-term	77,382,569,234	77,382,569,234	74,549,802,773	74,549,802,773
Local suppliers	33,724,708,484	33,724,708,484	55,577,801,194	55,577,801,194
<i>Suheung Vietnam Co., Ltd.</i>	6,271,128,000	6,271,128,000	2,393,226,000	2,393,226,000
<i>Other suppliers</i>	27,453,580,484	27,453,580,484	53,184,575,194	53,184,575,194
Foreign suppliers	43,657,860,750	43,657,860,750	18,972,001,579	18,972,001,579
<i>Lupin Limited</i>	6,359,640,000	6,359,640,000	-	-
#USD \$	268,000.00	\$ 268,000.00	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

11. Trade payables (Cont.)	Dec. 31, 2022		Jan. 01, 2022	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
<i>Sinobright Pharmaceutical</i>	14,309,190,000	14,309,190,000	-	-
#USD \$	603,000.00	\$ 603,000.00	-	-
<i>KHS Synchemical Corp.</i>	18,580,590,000	18,580,590,000	17,419,200,000	17,419,200,000
#USD \$	783,000.00	\$ 783,000.00	\$ 760,000.00	\$ 760,000.00
<i>Other suppliers</i>	4,408,440,750	4,408,440,750	1,552,801,579	1,552,801,579
#USD \$	185,775.00	\$ 185,775.00	\$ 67,748.76	\$ 67,748.76
Total	77,382,569,234	77,382,569,234	74,549,802,773	74,549,802,773

12. Prepayments from customers	Dec. 31, 2022	Jan. 01, 2022
Short-term	34,278,046,782	21,664,650,147
Local customers	34,225,806,607	16,817,539,521
<i>Original cell bank</i>	10,018,116,401	13,674,735,001
<i>T.N.T Pharmaceutical And Medical Equipment Joint Stock Company</i>	21,728,048,605	-
<i>Other customers</i>	2,479,641,601	3,142,804,520
Foreign customers	52,240,175	4,847,110,626
<i>Saba Trade Ltd</i>	7,865,000	2,962,686,776
#USD	\$ 338.00	\$ 130,546.00
<i>Health Care Solution Llc</i>	-	1,521,452,293
#USD	-	\$ 67,154.50
<i>Other customers</i>	44,375,175	362,971,557
#USD	\$ 1,911.46	\$ 15,849.72
Total	34,278,046,782	21,664,650,147

13. Taxes and payables to the State Budget

	Jan. 01, 2022	Paid amount	Payable amount	Dec. 31, 2022
a. Payables				
V.A.T payables	-	60,369,357,060	60,369,357,060	-
VAT on Import	1,372,628,432	35,988,700,444	35,234,379,507	618,307,495
Corporate, income tax	3,163,627,409	8,863,627,409	23,096,419,214	17,396,419,214
Foreign Contractor Tax	-	225,879,858	225,879,858	-
Land & housing tax, land rental charges	-	18,180,194,583	18,180,194,583	-
Other taxes	-	4,167,364,712	4,167,364,712	-
Total	4,536,255,841	127,795,124,066	141,273,594,934	18,014,726,709
b. Receivables				
VAT on import	1,372,628,432	35,234,379,507	35,988,700,444	618,307,495
Import – Export duties	890,146,935	14,279,094,219	15,124,199,314	45,041,840
Total	2,262,775,367	49,513,473,726	51,112,899,758	663,349,335

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

	Dec. 31, 2022	Jan. 01, 2022
14. Accrued expenses		
Short-term	338,318,182	332,454,545
Expenses of security and cleaning services	338,318,182	332,454,545
Total	338,318,182	332,454,545
15. Unrealized revenue		
Long-term		
Unrealized revenue of MekoStem	152,750,724,956	134,316,325,149
Unrealized revenue from finished goods	209,740,954	1,592,300,000
Total	152,960,465,910	135,908,625,149
16. Other payables		
Short-term		
Social insurance, health insurance, trade union & Communist party fee	149,311,040	177,629,675
Board of Management	344,555,555	344,555,555
Other payables	28,429,294,578	28,288,894,578
Corporate income tax (XN 24)	91,299,513	91,299,513
Soviet's antibiotic	118,181,818	118,181,818
Happy House Investment J.S.C (*)	10,000,000,000	10,000,000,000
An An Med Tech Group Joint Stock Company (**)	17,765,000,000	17,765,000,000
Other payables	454,813,247	314,413,247
Total	28,923,161,173	28,811,079,808

(*) The payment according to the progress of cooperation with Happy House Company to implement the social housing project under the investment cooperation contract No. 01/2018/HDHT made on August 8, 2018.

(**) An amount of VND 17,765,000,000, Mekophar company received payment from An An Med Tech Joint Stock Company (AAMT group) through Mekophar's MB bank account, according to 3 notices dated November 15, 2021, November 24, 2021, November 25, 2021 with the content "AAMT group transfers payment to OPTIMUS..".

17. Borrowing and loans

liabilities	Dec. 31, 2022		Jan. 01, 2022	
	Amount	Debt Service Coverage	Amount	Debt Service Coverage
Short-term loans	8,010,240,000	8,010,240,000	73,573,200,000	73,573,200,000
Joint Stock Commercial Bank for Investment and Development of Vietnam	-	-	73,573,200,000	73,573,200,000
#USD	-	-	\$ 3,210,000.00	\$ 3,210,000.00
Joint Stock Commercial Bank for Foreign Trade of Vietnam	8,010,240,000	8,010,240,000	-	-
Total	8,010,240,000	8,010,240,000	73,573,200,000	73,573,200,000

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

Notes on borrowings from banks

Borrowings from Joint Stock Commercial Bank for Foreign Trade of Vietnam is in accordance with the following contract:

Contract No.	Maturity	Interest rate	Closing balance	Form of security
0259/SGN.KHDN/LD22	From September 22, 2022 to March 16, 2023	6.00%	8,010,240,000	Unsecured loans

18. Owners' equity

a. Comparison schedule for changes in Owner's Equity (for more details see page 44)

b. Details of owners' shareholding	% of shareholding	Dec. 31, 2022	Jan. 01, 2022
Vietnam Pharmaceutical Corporation	18.23%	46,574,350,000	46,574,350,000
Shareholding by other investors	81.77%	208,884,320,000	208,884,320,000
Share premium		409,789,114,458	409,789,114,458
Treasury share		(14,487,151,158)	(14,487,151,158)
Total	100.00%	650,760,633,300	650,760,633,300

* Number of treasury shares: 277,646, equivalent to VND 14,487,151,158.

c. Capital transactions with owners and distribution of dividend	Dec. 31, 2022	Jan. 01, 2022
Owners' equity	255,458,670,000	255,458,670,000
At the beginning of the year	255,458,670,000	232,490,000,000
Capital increase during the year	-	22,968,670,000
At the end of the year	255,458,670,000	255,458,670,000
Dividends paid	20,214,576,800	45,940,024,000

d. Dividends	Dec. 31, 2022	Jan. 01, 2022
Dividends declared after the balance sheet date		
Dividends on ordinary shares	Unpublished	Divide 8%/share
Unrecognised accumulated dividends of preference shares	-	-

d. Shares	Dec. 31, 2022	Jan. 01, 2022
Number of shares registered to be issued	25,545,867	25,545,867
Number of shares sold out to the public	25,545,867	25,545,867
Ordinary share	25,545,867	25,545,867
Number of shares repurchased	277,646	277,646
Ordinary share	277,646	277,646
Number of existing shares in issue	25,268,221	25,268,221
Ordinary share	25,268,221	25,268,221
Par value: VND/share.	10,000	10,000

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

e. Funds	Dec. 31, 2022	Jan. 01, 2022
Investment and development fund	574,559,027,845	573,322,804,351
Total	574,559,027,845	573,322,804,351

* Purpose of appropriating and using funds

Investment and development fund is established from the profit after tax of the enterprise and used for expanding the operating scale or investing further in the enterprise.

19. Off balance sheet items

Foreign currencies	Dec. 31, 2022		Jan. 01, 2022	
	Original amount	Converted to VND	Original amount	Converted to VND
USD	8,222.76	192,494,812	43,993.33	996,008,991
EUR	880.26	21,758,672	891.18	22,627,951
Total	-	214,253,484	-	1,018,636,942

VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT

1. Sales	Year 2022	Year 2021
a. Revenue		
Revenue from finished goods sold	1,011,588,309,235	573,937,016,764
Revenue from merchandises sold	83,936,050,661	472,427,098,414
Revenue from services of original cells bank	59,432,120,987	62,260,102,979
Revenue from sale of materials	3,375,496,066	3,890,660,094
Revenue from office lease	12,787,999,999	8,368,360,294
Total	1,171,119,976,948	1,120,883,238,545
b. Revenue to related parties	Year 2022	Year 2021
An Sinh Hospital Company Limited	11,812,881,128	9,145,931,989
Mekophar Co., Ltd	98,835,297	159,193,554
Total	11,911,716,425	9,305,125,543
2. Sales deductions	Year 2022	Year 2021
Sales returns	1,096,523,433	465,796,999
Discount	106,321	-
Total	1,096,629,754	465,796,999
3. Net sales	Year 2022	Year 2021
Net revenue from finished goods sold	1,010,525,342,529	573,486,516,776
Net revenue from merchandises sold	83,902,476,791	472,411,801,403
Net revenue from services of original cells bank	59,432,120,987	62,260,102,979
Net revenue from sale of materials	3,375,406,888	3,890,660,094
Net revenue from office lease	12,787,999,999	8,368,360,294
Total	1,170,023,347,194	1,120,417,441,546

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

	Year 2022	Year 2021
4. Cost of sales		
Cost of finished goods sold	688,423,487,887	397,946,988,416
Cost of merchandises sold	83,822,750,981	470,261,463,382
Cost of service of original cells bank	19,017,683,520	18,677,571,963
Cost of materials, services rendered	98,421,397	1,688,016,088
Provision for devaluation of inventory	7,875,519,436	-
Total	799,237,863,221	888,574,039,849
5. Financial income		
Interest income from deposits, loans	5,850,997,653	8,142,429,764
Dividends, profit paid	6,233,857,500	457,249,500
<i>An Sinh Hospital Company Limited</i>	5,531,344,000	-
<i>Vidipha Central Pharmaceutical JSC</i>	540,000,000	180,000,000
<i>Pharmaceutical Packaging JSC</i>	143,332,500	238,887,500
<i>OPC Pharmaceutical JSC</i>	19,181,000	38,362,000
Realised foreign exchange gains	1,052,231,055	262,269,504
Unrealised foreign exchange gains	1,063,423,973	-
Total	14,200,510,181	8,861,948,768
6. Financial expenses		
Loan interest expenses	3,632,252,432	389,574,736
Realised foreign exchange loss	13,442,653,458	1,922,955,331
Unrealised foreign exchange loss	-	101,302,616
Provision for investment loss	45,330,816,826	45,779,138,334
Total	62,405,722,716	48,192,971,017
7. Selling expenses and General and administration expenses		
a. Selling expenses		
Salaries	28,819,467,338	24,906,028,051
Depreciation	533,715,290	518,263,644
Services bought from outsiders	32,528,060,236	18,115,445,707
Marketing expenses	77,958,713,188	25,269,318,311
Transportation	11,152,603,034	8,490,880,753
Other sundry expenses by cash	256,451,840	215,730,400
Total	151,249,010,926	77,515,666,866
b. General and administration expenses		
Salaries	55,529,394,625	43,579,833,384
Materials and packaging	6,480,817,729	9,421,446,678
Depreciation	3,653,123,777	3,733,623,194
Taxes, fees and duties	18,789,628,201	10,403,842,866
Provision for doubtful debt	5,912,628,359	9,433,335,877
Services bought from outsiders	1,962,583,079	1,671,975,637
Other sundry expenses by cash	12,171,600,940	19,708,749,089
Total	104,499,776,710	97,952,806,725

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

	Year 2022	Year 2021
8. Other income		
Disposal and sale of fixed assets (*)	356,842,592	69,090,909
Income from treatment to surplus amount upon the counting	-	522,702,982
Income from transferring Vo Thi Sau project	-	6,800,000,000
Other income	4,789,860	-
Total	361,632,452	7,391,793,891
9. Other expenses		
Administrative fines	-	122,372,402
Other expenses (Treatment to deficient amount upon the counting)	2,405,772,299	44,366,133
Total	2,405,772,299	166,738,535
<i>(*) Notes on disposal, sale of fixed assets</i>		
<i>Disposal, sale of fixed assets</i>	<i>356,842,592</i>	<i>69,090,909</i>
<i>Net book value of fixed assets and disposal, sale of fixed assets</i>	<i>-</i>	<i>-</i>
<i>Gain/(loss) from disposal, sale of fixed assets</i>	<i>356,842,592</i>	<i>69,090,909</i>
10. Costs of production and doing business by factors		
Raw materials	693,209,381,131	372,543,923,101
Labour cost	141,027,119,375	116,858,406,223
Depreciation and amortization	10,272,264,289	10,032,521,412
Services bought	63,494,598,591	43,821,829,961
Other sundry cash expense	119,095,997,409	69,832,376,912
Total	1,027,099,360,795	613,089,057,609
11. Current corporate income tax		
1. Total income before tax	64,787,343,955	24,268,961,213
2. Adjustments to increase, decrease accounting profit to determine taxable income	50,694,752,117	16,549,175,834
+ Increase adjustments	56,992,044,965	23,810,156,906
+ <i>Invalid costs</i>	56,825,020,490	23,808,069,759
+ <i>Loss on exchange rate difference due to revaluation of cash and receivables</i>	167,024,475	2,087,147
+Decrease Adjustments	(6,297,292,848)	(7,260,981,072)
+ <i>Dividends are distributed</i>	(6,233,857,500)	(457,249,500)
+ <i>Income from transferring Vo Thi Sau project</i>	-	(6,800,000,000)
+ <i>Interest due to exchange rate difference between cash and receivable</i>	(63,435,348)	(3,731,572)
3. Total taxable income (1 + 2)	115,482,096,072	40,818,137,047
4. Corporate income tax rate	20%	20%
5. Current corporate income tax	23,096,419,214	8,163,627,409
6. Adjustments for corporate income tax expenses of previous years to this year's corporate income tax expenses	-	244,540,133
7. Total Current corporate income tax	23,096,419,214	8,408,167,542

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

12. Objectives and financial risks management policies

Major risks of financial instruments include market risk, credit risk and liquidity risk.

The Board of General Directors considers the application of management policies for the above risks as follows:

12.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in market prices. There are three market risks: interest rate risk, foreign exchange risk and other price risks, for example risk of stock price. Financial instruments affected by the market risks include: borrowings and liabilities, deposits, available-for-sale investments.

The following sensibility analysis relates to the financial position of the Company as at December 31, 2022 and December 31, 2021.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

When calculating the sensibility analysis, the Board of General Directors assumes that the sensibility of available-for-sale liability in the balance sheet and related items in the income statement is affected by changes in the assumption of corresponding market risks. This analysis is based on the financial assets and liabilities that the Company held as at December 31, 2022 and December 31, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market prices. Market risks due to change in interest rate of the Company mainly relate to: borrowings and liabilities, cash and short-term deposits.

The Company manages the interest rate risk by analyzing the competition status in the market in order to apply the interest rate that brings benefits to the Company and still in the limit of its risk management.

Sensibility to interest rate

The sensibility of short-term deposits of the Company to changes that may occur at reasonable level in the interest rate is illustrated as follows.

Assuming that other variables remain constant, the fluctuation in the interest rate of short-term deposits with floating interest rate makes impact on the Company's profit before tax as follows:

	<i>Increase/Decrease of basic points</i>	<i>Influences on profit before tax</i>
Current year		
VND	+100	855,506,252
VND	-100	(855,506,252)
Prior year		
VND	+100	2,378,880,220
VND	-100	(2,378,880,220)

Increase/decrease of basic points being used to analyze the sensibility to the interest rate is assumed on the basis of observable conditions of current market. These conditions show that the fluctuation is insignificantly greater than prior periods.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND****Foreign exchange risk***

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in exchange rate. The Company bears risks due to changes in the exchange rate of the currencies other than VND related directly to the Company's business.

The Company manages foreign exchange risk by considering current and expected market status when it outlines plans for future transactions in foreign currencies. The Company does not use any derivative instruments to prevent foreign exchange risks.

Sensibility to foreign currencies

The sensibility of liabilities, cash in bank of the Company to changes that may occur at reasonable level in the foreign currencies is illustrated as follows.

Assuming that other variables remain constant, the following table shows the sensibility of the Company's profit before tax (due to the changes in the fair value of assets and liabilities) to changes that may occur at reasonable level of the exchange rate of USD. Risks due to changes in the exchange rates of other foreign currencies of the Company are insignificant.

	<i>Changes in exchange rate USD</i>	<i>Influences on profit before tax</i>
Current year	+ 1%	(95,011,262)
	-1%	95,011,262
Prior year	+ 1%	137,669,105
	-1%	(137,669,105)

Stock price risk

Listed and unlisted stocks held by the Company are affected by market risks resulted from the uncertainty of future value of investment stock. The Company manages risks of stock price by setting up investment limit. The Company's Board of Management considers and approves decisions on stock investment.

At the reporting date, the fair value of investments in listed stock of the Company is VND 14,656,465,000 (December 31, 2021: VND 14,716,403,200).

12.2 Credit risk

Credit risk is the risk due to the uncertainty in a counterparty's ability to meet its obligations causing the financial loss. The Company bears credit risks from production and doing business activities (mainly trade receivables) and from its financial activities including deposits, foreign exchange transactions and other financial instruments.

Trade receivables

The Company minimizes the credit risk by only doing business with entities who have good financial capacity and closely keeping track of the liabilities to speed up the recovery of debts. On the basis of this method and receivables related to different customers, the credit risk does not concentrate on a certain customer.

Deposit

The Company mainly maintains deposits in big and prestigious banks in Vietnam. The Company realized that the concentration level of credit exposure to deposits is low.

The Board of General Directors of the Company has assessed that most financial assets are not overdue and impaired since these financial assets relate to prestigious customers who have good liquidity capacity except for overdue and/or impaired debts presented as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

Trade receivables	Not overdue		Overdue	
	Not impaired	Impaired	Not impaired	Impaired
Dec. 31, 2022				
Under 90 days	65,196,343,299	-	-	-
91-180 days	-	-	-	-
>181 days	-	-	-	41,172,728,856
Total net value	65,196,343,299	-	-	41,172,728,856
Provision for devaluation	-	-	-	(34,560,755,724)
Net value	65,196,343,299	-	-	6,611,973,132
Dec. 31, 2021				
Under 90 days	86,002,275,968	-	-	-
91-180 days	-	-	-	-
>181 days	-	-	-	31,720,275,160
Total net value	86,002,275,968	-	-	31,720,275,160
Provision for devaluation	-	-	-	(28,648,127,365)
Net value	86,002,275,968	-	-	3,072,147,795

12.3 Liquidity risk

Liquidity risk is the risk that arises from the difficulty in fulfilling financial obligations due to lack of capital. The liquidity risk of the Company mainly arises from difference of maturity of the financial assets and liabilities.

The Company supervises liquidity risk by maintaining an amount of cash, cash equivalents and borrowings from banks at the level that the Board of General Directors considers as sufficient to satisfy the Company's activities and minimize influences of changes in cash flows.

The following table summarizes liquidity deadline of the Company's financial liabilities on the basis of estimated payments in accordance with contract which are not discounted:

Dec. 31, 2022	Under 1 year	From 1-5 years	Over 5 years	Total
Borrowings and liabilities	8,010,240,000	-	-	8,010,240,000
Trade payables	77,382,569,234	-	-	77,382,569,234
Other short-term payables and accrued expenses	28,103,318,182	-	-	28,103,318,182
Total	113,496,127,416	-	-	113,496,127,416
Dec. 31, 2021				
Borrowings and liabilities	73,573,200,000	-	-	73,573,200,000
Trade payables	74,549,802,773	-	-	74,549,802,773
Other short-term payables and accrued expenses	28,097,454,545	-	-	28,097,454,545
Total	176,220,457,318	-	-	176,220,457,318

The Company believes that liquidity risk is low. The Company is able to access capital sources and controls net cash flow from operating activities so as to settle due debts.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND***Secured assets**

The Company does not hold any secured assets of the third party as at December 31, 2022 and December 31, 2021.

13. Financial assets and liabilities (for more details see page 45)

The fair value of financial assets and financial liabilities is stated at the value that the financial instruments are convertible in present transaction among partners, except for compulsory sale or disposal.

The Company uses the following methods and assumptions to estimate the fair value:

The fair value of cash on hand and short-term deposits, trade receivables, trade payables and other short-term liabilities is equivalent to the book value of these items because these instruments are in short-term.

The fair value of securities and listed financial liabilities is determined at market value.

As to unlisted securities investments but under regular transactions, the fair value is the average price provided by three independent securities company at the fiscal year end.

The fair value of securities and financial investments whose fair value can not be firmly determined since there exists no high-liquid market for securities, financial investments will be stated at book value.

Except for the above-mentioned items, the fair value of financial assets and financial liabilities has not been valued and determined officially as at December 31, 2022 and December 31, 2021. However, the Board of General Directors has assessed that the fair value of financial assets and liabilities is not significantly different from the book value at the fiscal year end.

VII. ADDITIONAL INFORMATION FOR ITEMS IN THE CASH FLOW STATEMENT

1. Borrowing amount in the fiscal year	Year 2022	Year 2021
- Proceeds from the borrowing under normal agreement	161,936,667,600	115,962,661,000
	161,936,667,600	115,962,661,000
2. Payment for principal debts in the fiscal year	Year 2022	Year 2021
- Payment for principal debts under normal agreement	(227,499,627,600)	(42,389,461,000)
	(227,499,627,600)	(42,389,461,000)

VIII. OTHER INFORMATION**1. Subsequent events:**

There are no contingent liabilities, commitments occurred since the fiscal year ended that need to be adjusted or noted in the financial statements.

2. Contingent liabilities, commitments and other information:

There are no significant events since the year end that need to be adjusted or noted in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

3. Related party transactions

Key transactions and balances with related parties:

Related parties	Relationship	Transactions	Movement	Amount
			Opening balance	-
			Sales in the year	108,597,950
		Sale of supplies	Receivable in the year	108,597,950
			Closing balance	-
Mekophar Co., Ltd	Subsidiary company		Opening balance	-
			Payment in the year	12,623,531
		Purchase	Purchase of the year	12,623,531
			Closing balance	-
			Opening balance	871,200,000
Orchids Trading Service Travel Company Limited	Related party	Space for rent	Provide service for the year	3,484,800,000
			Payment in the year	3,484,800,000
			Closing balance	871,200,000
			Opening balance	171,770,850
An Sinh Hospital Company Limited	Related party	Sale of goods and provide services	Sale of goods	12,885,193,062
			Receivable in the year	10,542,543,393
			Closing balance	2,514,420,519
			Opening balance	616,172,700
Nipro Pharma Corporation	Major shareholder	Payment for raw materials	Sales of the year	616,172,700
			Closing balance	-
			Opening balance	399,000,000
Vietnam Pharmaceutical Corporation	Major shareholder	Prepayment	Closing balance	399,000,000

Income of the Board of Management and Board of General Directors

Name	Position	Transactions	Movement	Amount
Le Anh Phuong	Chairman, Deputy General Director	Salary, Bonus	Paid in the year	1,182,545,398
Huynh Thi Lan	Vice Chairman, General Director	Salary, Bonus	Paid in the year	1,671,512,837
Dang Thi Kim Lan	Member	Salary, Bonus	Paid in the year	1,078,394,149
Phan Thi Lan Huong	Member	Salary, Bonus	Paid in the year	1,467,080,035
Satoshi Kawamura	Member	Salary, Bonus	Paid in the year	129,600,000
Nguyen Thi Quynh Anh	Member	Salary, Bonus	Paid in the year	765,616,674
Dinh Xuan Han	Member	Salary, Bonus	Paid in the year	134,100,000

4. Presentation of segment asset, revenue and operating result

The Board of General Directors of the Company defines that the issuing management decisions of the Company mainly bases on types of products, services that the Company provides, not on the geographical region where the Company provides its products, services. Therefore, the major report is by business sector.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

4.1 Major segment reporting: by business sector

a. Segment report by business sector in the fiscal year 2022:

Items	Net revenue	Cost of goods sold	Gross profit
Finished goods	1,010,525,342,529	696,299,007,323	314,226,335,206
Merchandise	83,902,476,791	83,822,750,981	79,725,810
Original cells bank	59,432,120,987	19,017,683,520	40,414,437,467
Materials	3,375,406,888	98,421,397	3,276,985,491
Premise lease	12,787,999,999	-	12,787,999,999
Total	1,170,023,347,194	799,237,863,221	370,785,483,973

b. Segment report by business sector in the fiscal year 2021:

Items	Net revenue	Cost of goods sold	Gross profit
Finished goods	573,486,516,776	397,946,988,416	175,539,528,360
Merchandise	472,411,801,403	470,261,463,382	2,150,338,021
Original cells bank	62,260,102,979	18,677,571,963	43,582,531,016
Materials	3,890,660,094	1,688,016,088	2,202,644,006
Premise lease	8,368,360,294	-	8,368,360,294
Total	1,120,417,441,546	888,574,039,849	231,843,401,697

4.2 Minor segment reporting: by geographical region

The Company's branches operate in the same place, so there are no differences of operations in geographical region and thus there is no segment report either.

5. Information on going-concern operation: The Company will continue its operation in the future.



Le Thi Thu Huong
Prepared By

HCMC, Viet Nam
March 28, 2023



Phan Anh Tai
Chief Accountant



Huynh Thi Lan
General Director

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

V.2. Financial investments

a. Trading securities

	Dec. 31, 2022			Jan. 01, 2022		
	Original value	Provision	Fair value	Original value	Provision	Fair value
Total value of shares	10,946,711,100	-	14,656,465,000	10,946,711,100	-	14,716,403,200
Vidipha Central Pharmaceutical JSC (*)	4,070,000,000	-	6,750,000,000	4,070,000,000	-	6,984,000,000
OPC Pharmaceutical JSC (*)	241,461,100	-	1,271,215,000	241,461,100	-	1,097,153,200
Pharmaceutical Packaging JSC (*)	6,635,250,000	-	6,635,250,000	6,635,250,000	-	6,635,250,000
Total	10,946,711,100	-	14,656,465,000	10,946,711,100	-	14,716,403,200

b. Held-to-maturity investments

	Dec. 31, 2022		Jan. 01, 2022	
	Original value	Book value	Original value	Book value
Short-term	30,000,000,000	30,000,000,000	200,000,000,000	200,000,000,000
- Term deposit for more than 03 months	30,000,000,000	30,000,000,000	200,000,000,000	200,000,000,000
Total	30,000,000,000	30,000,000,000	200,000,000,000	200,000,000,000

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

V.2. Financial investments (Cont.)

c. Equity investments in other entities

	Dec. 31, 2022			Jan. 01, 2022		
	Original value	Provision	Fair value	Original value	Provision	Fair value
Invest in subsidiaries	900,000,000,000	(185,242,634,750)	714,757,365,250	900,000,000,000	(139,911,817,924)	760,088,182,076
Mekophar Co., Ltd	900,000,000,000	(185,242,634,750)	714,757,365,250	900,000,000,000	(139,911,817,924)	760,088,182,076
Other long-term investments	24,068,960,000	-	24,068,960,000	24,068,960,000	-	24,068,960,000
An Sinh Hospital - Percentage of contribution: 18.34%	18,518,960,000	-	18,518,960,000	18,518,960,000	-	18,518,960,000
Orchids Co., Ltd. - Percentage of contribution: 15%	5,550,000,000	-	5,550,000,000	5,550,000,000	-	5,550,000,000
Total	924,068,960,000	(185,242,634,750)	738,826,325,250	924,068,960,000	(139,911,817,924)	784,157,142,076

Operating status and material transactions with related parties:

Notes on investment in subsidiary - Mekophar Co., Ltd.:

According to the Investment Certificate No. 413041000084 dated January 26, 2015 issued by the Management Board of the High-Tech Park of Ho Chi Minh City. issued by HCM City; Business registration certificate No. 0313141915 registered for the first time on January 26, 2015, changed for the 7th time on June 5, 2019 by the Department of Planning and Investment of Ho Chi Minh City, Chemical Joint Stock Company - Mekophar Pharmaceutical registered to invest in Mekophar Co., Ltd. is VND 900,000,000,000, equivalent to 100% of charter capital. As at 31 December 2022, the Company has invested VND 900,000,000,000, equivalent to 100% of charter capital. In 2022, the subsidiary lost VND 45,330,816,826, the accumulated loss as of December 31, 2022 is VND 185,242,634,750. The Company has made provision for this investment.

Operating status and material transactions with related parties:

Notes on other investments - An Sinh Hospital:

According to Investment Certificate No. 0302774433 dated November 25, 2002 issued by the Department of Planning and Investment, the Company registers to invest in An Sinh Hospital with the amount of VND 14,900,000,000, equivalent to 22% of the chartered capital. As at December 31, 2022, the Company invested VND 18,518,960,000, equivalent to 18.34% of the chartered capital. The business operation of the An Sinh Hospital is stabilizing throughout the operating years and the Company has received dividends paid from the hospital in this year.

NOTES TO THE FINANCIAL STATEMENTS*For the fiscal year ended December 31, 2022**Unit: VND***Notes on other investments - Orchids Co., Ltd.:**

The company contributes capital to Orchids Company Limited with the amount of VND 5,550,000,000, accounting for 15% of equity. Orchids Co., Ltd. has just begun to operate its normal business and still in the period of planning loss.

(*) Fair value as at 31 December 2022 of the investments:

The fair value of the investment in VIDIPHA Central Pharmaceutical Joint Stock Company, OPC Pharmaceutical Joint Stock Company is determined on the basis of the listed price on HOSE and the number of Shares that the Company is holding at at the end of fiscal year 2022. The fair value of investments in Pharmaceutical Packaging Joint Stock Company has not been assessed and officially determined on December 31, 2022 and December 31, 2021 by this Company. Not listed on stock markets with reliable reference price, however, this Company has paid dividends over the years, so the Board of Management temporarily recognized the fair value at the original cost of the investment.

The fair value of investments in Subsidiaries and other long-term investments has not been formally assessed and determined as of December 31, 2022 and December 31, 2021 as these companies are not listed on the stock exchange. stock markets with reliable reference prices. However, the Board of Management temporarily recognized the fair value at cost of the investments less provision for diminution in value and presented a note on the performance of the above companies.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

V.3. Bad debt

	Dec. 31, 2022			Jan. 01, 2022		
	Original value	Recoverable value	Debt object	Original value	Recoverable value	Debt object
- Total value of receivables and loans that are past due or not yet overdue but difficult to recover	41,172,728,856	6,611,973,132	-	40,794,389,493	12,146,262,128	-
<i>Neros Pharmaceuticals Ltd</i>	31,720,275,160	-	<i>Uncollectible Receivables</i>	31,720,275,160	3,072,147,795	<i>Receivables overdue for over 2 years</i>
<i>Tan Tao Industrial Park (ZUELLIG)</i>	9,385,514,766	6,611,973,132	<i>Receivables overdue for 180 days</i>	9,007,175,403	9,007,175,403	-
<i>Other customers</i>	66,938,930	-	<i>Uncollectible Receivables</i>	66,938,930	66,938,930	-

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

V.8. Tangible fixed assets

Items	Buildings & Structures	Machinery & Equipment	Transportation & Facilities	Others	Total
Original cost					
Opening balance	53,610,571,336	141,257,078,596	15,407,507,987	51,645,171,360	261,920,329,279
<i>New purchases</i>	-	9,196,328,156	1,112,518,518	1,851,284,000	12,160,130,674
<i>Disposal, sale</i>	-	(1,397,141,312)	(900,209,486)	(670,387,818)	(2,967,738,616)
Closing balance	53,610,571,336	149,056,265,440	15,619,817,019	52,826,067,542	271,112,721,337
Accumulated depreciation					
Opening balance	41,956,884,479	118,993,823,261	13,925,144,388	47,897,127,667	222,772,979,795
<i>Charge for the year</i>	1,850,288,170	5,547,919,365	590,772,506	1,531,733,848	9,520,713,889
<i>Disposal, sale</i>	-	(1,397,141,312)	(900,209,486)	(670,387,818)	(2,967,738,616)
Closing balance	43,807,172,649	123,144,601,314	13,615,707,408	48,758,473,697	229,325,955,068
Net book value					
Opening balance	11,653,686,857	22,263,255,335	1,482,363,599	3,748,043,693	39,147,349,484
Closing balance	9,803,398,687	25,911,664,126	2,004,109,611	4,067,593,845	41,786,766,269

* Ending net book value of tangible fixed assets pledged/mortgaged as loan security: None.

* Ending original costs of tangible fixed assets—fully depreciated but still in use: VND 164,202,994,642.

* Ending original costs of tangible fixed assets—waiting to be disposed: None.

* Commitments on tangible fixed assets acquisitions, sales of large value : None.

* Other changes in tangible fixed assets: None.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

V.18. Owners' Equity

a. Comparison schedule for changes in Owner's Equity :

Items	Paid-in capital	Share premium	Treasury share	Investment and Development Fund	Undistributed earnings	Total
Prior year opening balance	232,490,000,000	409,789,114,458	(14,487,151,158)	570,571,691,667	63,679,609,767	1,262,043,264,734
Profit of Prior year	-	-	-	-	15,860,793,671	15,860,793,671
Capital increase due to dividend payment 2020 in stock	22,968,670,000	-	-	-	(22,968,670,000)	-
Appropriation to the Board of Management expenses fund of 2020	-	-	-	-	(378,000,000)	(378,000,000)
Appropriation to funds from profit of 2020	-	-	-	2,751,112,684	(2,751,112,684)	-
Dividends paid to shareholders in 2020	-	-	-	-	(22,971,354,000)	(22,971,354,000)
Appropriation to bonus and welfare fund of 2020	-	-	-	-	(5,502,225,367)	(5,502,225,367)
Prior year closing balance	255,458,670,000	409,789,114,458	(14,487,151,158)	573,322,804,351	24,969,041,387	1,249,052,479,038
Current year opening balance	255,458,670,000	409,789,114,458	(14,487,151,158)	573,322,804,351	24,969,041,387	1,249,052,479,038
Profit of Current year	-	-	-	-	41,690,924,741	41,690,924,741
Appropriation to the Board of Management expenses fund of 2021	-	-	-	-	(408,000,000)	(408,000,000)
Appropriation to funds from profit of 2021	-	-	-	1,236,223,494	(1,236,223,494)	-
Dividends paid to shareholders in 2021	-	-	-	-	(20,214,576,800)	(20,214,576,800)
Appropriation to bonus and welfare fund of 2021	-	-	-	-	(2,472,446,988)	(2,472,446,988)
Current year closing balance	255,458,670,000	409,789,114,458	(14,487,151,158)	574,559,027,845	42,328,718,846	1,267,648,379,991

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2022

Unit: VND

VI.13. Financial assets and financial liabilities:

The following table specifies book value and fair value of the financial instruments presented in the financial statements.

	Book value				Fair value	
	Dec. 31, 2022		Dec. 31, 2021		Dec. 31, 2022	Dec. 31, 2021
	Amount	Provision	Amount	Provision	Amount	Amount
Financial assets						
- Held-to-maturity investments	30,000,000,000	-	200,000,000,000	-	30,000,000,000	200,000,000,000
- Available-for-sale financial assets	10,946,711,100	-	10,946,711,100	-	14,656,465,000	14,716,403,200
- Trade receivables	106,369,072,155	(34,560,755,724)	117,722,551,128	(28,648,127,365)	71,808,316,431	89,074,423,763
- Cash and cash equivalents	55,550,625,200	-	37,888,019,980	-	55,550,625,200	37,888,019,980
TOTAL	202,866,408,455	(34,560,755,724)	366,557,282,208	(28,648,127,365)	172,015,406,631	341,678,846,943
Financial liabilities						
- Borrowing and debt	8,010,240,000	-	73,573,200,000	-	8,010,240,000	73,573,200,000
- Trade payables	77,382,569,234	-	74,549,802,773	-	77,382,569,234	74,549,802,773
- Other payables	27,765,000,000	-	27,765,000,000	-	27,765,000,000	27,765,000,000
- Other financial liabilities	338,318,182	-	332,454,545	-	338,318,182	332,454,545
TOTAL	113,496,127,416	-	176,220,457,318	-	113,496,127,416	176,220,457,318