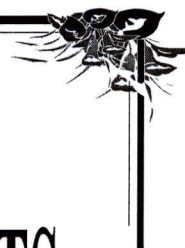


**MEKOPHAR CHEMICAL PHARMACEUTICAL JOINT-STOCK COMPANY**



# **REVIEWED FINANCIAL STATEMENTS**

**FOR YEAR 2023**



**MEKOPHAR Chemical Pharmaceutical Joint Stock Company**

Addr: 297/5 Ly Thuong Kiet st, Dist 11, Ho Chi Minh City, VietNam

Tel: [028] 38650 258 - 38650 363

Fax: [028] 38650 394

Email: info@mekophar.com

website: www.mekophar.com

Form B 01 - DN

**BALANCE SHEET**

As at December 31, 2023

Unit : VND

| ASSETS   | Code       | Notes | Dec. 31,2023             | Jan. 01,2023             |
|--|------------|-------|--------------------------|--------------------------|
| <b>A - CURRENT ASSETS</b>                                      | <b>100</b> |       | <b>786,189,799,993</b>   | <b>823,088,333,964</b>   |
| <b>I. Cash and cash equivalents</b>                            | <b>110</b> | V.1   | <b>117,228,834,235</b>   | <b>55,550,625,200</b>    |
| 1. Cash  | 111        |       | 57,228,834,235           | 50,550,625,200           |
| 2. Cash equivalents  | 112        |       | 60,000,000,000           | 5,000,000,000            |
| <b>II. Short-term investments</b>                              | <b>120</b> | V.2   | <b>40,946,711,100</b>    | <b>40,946,711,100</b>    |
| 1. Short-term investments                                      | 121        |       | 10,946,711,100           | 10,946,711,100           |
| 3. Held-to-maturity investments                                | 123        |       | 30,000,000,000           | 30,000,000,000           |
| <b>III. Accounts receivable</b>                                | <b>130</b> |       | <b>57,067,496,616</b>    | <b>84,070,449,434</b>    |
| 1. Trade accounts receivable                                   | 131        | V.3   | 87,713,087,897           | 106,369,072,155          |
| 2. Prepayments to suppliers                                    | 132        | V.4   | 2,554,224,930            | 11,028,377,720           |
| 6. Other receivables   | 136        | V.5   | 1,360,939,513            | 1,233,755,283            |
| 7. Provision for doubtful debts                                | 137        |       | (34,560,755,724)         | (34,560,755,724)         |
| <b>IV. Inventories</b>   | <b>140</b> |       | <b>569,639,956,773</b>   | <b>634,649,315,637</b>   |
| 1. Inventories   | 141        | V.6   | 588,749,163,422          | 642,524,835,073          |
| 2. Provision for decline in value of inventories               | 149        |       | (19,109,206,649)         | (7,875,519,436)          |
| <b>V. Other current assets</b>                                 | <b>150</b> |       | <b>1,306,801,269</b>     | <b>7,871,232,593</b>     |
| 1. Short-term prepayments                                      | 151        | V.11  | 1,306,801,269            | 1,971,013,557            |
| 2. Deductible VAT  | 152        |       | -                        | 5,236,869,701            |
| 3. Taxes and other receivables from the State Budget           | 153        |       | -                        | 663,349,335              |
| <b>B - LONG-TERM ASSETS</b>                                    | <b>200</b> |       | <b>755,898,690,398</b>   | <b>792,015,304,341</b>   |
| <b>I. Long-term receivables</b>                                | <b>210</b> |       | <b>-</b>                 | <b>-</b>                 |
| <b>II. Fixed assets</b>  | <b>220</b> |       | <b>56,484,652,142</b>    | <b>50,249,477,231</b>    |
| 1. Tangible fixed assets                                       | 221        | V.7   | 48,723,872,843           | 41,786,766,269           |
| - Cost   | 222        |       | 287,107,486,945          | 271,112,721,337          |
| - Accumulated depreciation                                     | 223        |       | (238,383,614,102)        | (229,325,955,068)        |
| 3. Intangible fixed assets                                     | 227        | V.8   | 7,760,779,299            | 8,462,710,962            |
| - Cost   | 228        |       | 13,507,253,139           | 13,507,253,139           |
| - Accumulated amortization                                     | 229        |       | (5,746,473,840)          | (5,044,542,177)          |
| <b>III. Investment Properties</b>                              | <b>230</b> |       | <b>-</b>                 | <b>-</b>                 |
| <b>IV. Long-term work in progress</b>                          | <b>240</b> |       | <b>-</b>                 | <b>27,258,314</b>        |
| 2. Construction in progress                                    | 242        | V.9   | -                        | 27,258,314               |
| <b>V. Long-term investments</b>                                | <b>250</b> | V.10  | <b>691,642,111,275</b>   | <b>738,826,325,250</b>   |
| 1. Investments in subsidiaries                                 | 251        |       | 900,000,000,000          | 900,000,000,000          |
| 2. Investments in associates, joint-ventures                   | 252        |       | -                        | -                        |
| 3. Other long-term investments                                 | 253        |       | 24,068,960,000           | 24,068,960,000           |
| 4. Provision for decline in the value of long-term investments | 254        |       | (232,426,848,725)        | (185,242,634,750)        |
| <b>VI. Other long-term assets</b>                              | <b>260</b> |       | <b>7,771,926,981</b>     | <b>2,912,243,546</b>     |
| 1. Long-term prepaid expenses                                  | 261        | V.11  | 7,771,926,981            | 2,912,243,546            |
| <b>TOTAL ASSETS (270 = 100 + 200)</b>                          | <b>270</b> |       | <b>1,542,088,490,391</b> | <b>1,615,103,638,305</b> |

| RESOURCES                                       | Code       | Notes | Dec. 31,2023             | Jan. 01,2023             |
|---|------------|-------|--------------------------|--------------------------|
| <b>C - LIABILITIES</b>                          | <b>300</b> |       | <b>280,134,081,069</b>   | <b>347,455,258,314</b>   |
| <b>I. Current liabilities</b>                   | <b>310</b> |       | <b>114,651,039,659</b>   | <b>194,494,792,404</b>   |
| 1. Trade accounts payable                       | 311        | V.12  | 25,666,435,983           | 77,382,569,234           |
| 2. Advances from customers                      | 312        | V.13  | 41,086,247,272           | 34,278,046,782           |
| 3. Taxes and other payables to the State Budget | 313        | V.14  | 7,360,646,930            | 18,014,726,709           |
| 4. Payables to employees                        | 314        |       | 18,161,281,160           | 19,501,264,441           |
| 5. Accrued expenses                             | 315        |       | -                        | 338,318,182              |
| 9. Other payables                               | 319        | V.15  | 11,200,626,413           | 28,923,161,173           |
| 10. Short-term borrowings                       | 320        |       | -                        | 8,010,240,000            |
| 11. Provision for short-term payables           | 321        |       | -                        | -                        |
| 12. Bonus and welfare fund                      | 322        |       | 11,175,801,901           | 8,046,465,883            |
| <b>II. Long-term liabilities</b>                | <b>330</b> |       | <b>165,483,041,410</b>   | <b>152,960,465,910</b>   |
| 6. Unrealized revenue                           | 336        |       | 165,483,041,410          | 152,960,465,910          |
| 8. Long-term borrowings and liabilities         | 338        |       | -                        | -                        |
| 13. Fund for science and technology development | 343        |       | -                        | -                        |
| <b>D - OWNERS' EQUITY</b>                       | <b>400</b> |       | <b>1,261,954,409,322</b> | <b>1,267,648,379,991</b> |
| <b>I. Owners' equity</b>                        | <b>410</b> | V.16  | <b>1,261,954,409,322</b> | <b>1,267,648,379,991</b> |
| 1. Share capital                                | 411        |       | 255,458,670,000          | 255,458,670,000          |
| - Share 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          |
| 5. Treasury shares                              | 415        |       | (14,487,151,158)         | (14,487,151,158)         |
| 8. Investment and development fund              | 418        |       | 576,623,174,082          | 574,559,027,845          |
| 11. Undistributed earnings                      | 421        |       | 34,570,601,940           | 42,328,718,846           |
| -Undistributed earnings up to period year -end  | 421a       |       | 8,395,912,898            | 637,794,105              |
| -Undistributed earnings this year               | 421b       |       | 26,174,689,042           | 41,690,924,741           |
| 12. Investment reserve for basic construction   | 422        |       | -                        | -                        |
| <b>II. Budget sources and other funds</b>       | <b>430</b> |       | <b>-</b>                 | <b>-</b>                 |
| <b>TOTAL RESOURCES (440 = 300 + 400)</b>        | <b>440</b> |       | <b>1,542,088,490,391</b> | <b>1,615,103,638,305</b> |

HCMC, January 22, 2024

Prepared By

Le Thi Thu Huong

Chief Accountant

Phan Anh Tai

General Director



Huynh Thi Lan





## INCOME STATEMENT

The Twelve - month period ended 31 December 2023

Unit : VND

| ITEMS  | Code      | Notes | Twelve-month period ended |                          |
|--|-----------|-------|---------------------------|--------------------------|
|  |           |       | 31/12/2023                | 31/12/2022               |
| <b>1. Sales</b>                                  | <b>01</b> | VI.1  | <b>891,944,222,392</b>    | <b>1,171,119,976,948</b> |
| 2. Less sales deductions                         | 02        | VI.2  | 92,171,392                | 1,096,629,754            |
| <b>3. Net sales</b>                              | <b>10</b> | VI.3  | <b>891,852,051,000</b>    | <b>1,170,023,347,194</b> |
| 4. Cost of sales                                 | 11        | VI.4  | 600,641,362,143           | 799,237,863,221          |
| <b>5. Gross profit</b>                           | <b>20</b> |       | <b>291,210,688,857</b>    | <b>370,785,483,973</b>   |
| <b>6. Financial income</b>                       | <b>21</b> | VI.5  | <b>22,372,044,061</b>     | <b>14,200,510,181</b>    |
| 7. Financial expenses                            | 22        | VI.6  | 51,228,016,063            | 62,405,722,716           |
| <i>In which: loan interest expenses</i>          | 23        |       | <i>500,875,192</i>        | <i>3,632,252,432</i>     |
| 8. Selling expenses                              | 25        | VI.7  | 108,463,534,736           | 151,249,010,926          |
| 9. General & administration expenses             | 26        | VI.8  | 125,773,621,312           | 104,499,776,710          |
| <b>10. Operating profit</b>                      | <b>30</b> |       | <b>28,117,560,807</b>     | <b>66,831,483,802</b>    |
| <b>11. Other income</b>                          | <b>31</b> | VI.9  | <b>18,786,223,267</b>     | <b>361,632,452</b>       |
| 12. Other expenses                               | 32        | VI.10 | 2,527,510,205             | 2,405,772,299            |
| <b>13. Other profit</b>                          | <b>40</b> |       | <b>16,258,713,062</b>     | <b>(2,044,139,847)</b>   |
| <b>14. Net accounting profit before tax</b>      | <b>50</b> |       | <b>44,376,273,869</b>     | <b>64,787,343,955</b>    |
| 15. Corporate income tax - current               | 51        | VI.11 | 18,201,584,827            | 23,096,419,214           |
| 16. Corporate income tax - deferred              | 52        |       | -                         | -                        |
| <b>17. Net profit after corporate income tax</b> | <b>60</b> |       | <b>26,174,689,042</b>     | <b>41,690,924,741</b>    |

Prepared By

Le Thi Thu Huong

Chief Accountant

Phan Anh Tai



HCMC, January 22, 2024

General Director

Huynh Thi Lan





**CASH FLOW STATEMENT**  
 (Under indirect method)  
 The Twelve - month period ended 31 December 2023

Unit : VND

| ITEMS   | Code | Notes | Twelve-month period ended |                   |
|---|------|-------|---------------------------|-------------------|
|   |      |       | 31/12/2023                | 31/12/2022        |
| 1   | 2    | 3     | 4                         | 5                 |
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |      |       |                           |                   |
| 1. Net profit before tax  | 01   |       | 44,376,273,869            | 64,787,343,955    |
| 2. Adjustments for :  |      |       | 47,570,217,320            | 59,518,359,624    |
| - Depreciation and amortisation   | 02   |       | 10,709,890,505            | 10,272,264,289    |
| - Provisions  | 03   |       | 58,417,901,188            | 59,118,964,621    |
| - Unrealised foreign exchange gains/ losses                                       | 04   |       | 43,847,489                | (1,063,423,973)   |
| - Gains/losses from investing activities  | 05   |       | (22,102,297,054)          | (12,441,697,745)  |
| - Interest expense  | 06   |       | 500,875,192               | 3,632,252,432     |
| 3. Profit from operating activities before changes in working capital             | 08   |       | 91,946,491,189            | 124,305,703,579   |
| - Increase (-)/ decrease (+) in receivables                                       | 09   |       | 32,903,171,854            | 90,317,121,138    |
| - Increase (-)/ decrease (+) in inventories                                       | 10   |       | 53,775,671,651            | (299,635,024,294) |
| - Increase (+)/ decrease (-) in payables  | 11   |       | (51,191,773,776)          | 38,209,364,215    |
| - Increase (-)/ decrease (+) in prepaid expenses                                  | 12   |       | (4,195,471,147)           | (3,657,163,463)   |
| - Increase/decrease in trading securities   | 13   |       | -                         | -                 |
| - Interest paid   | 14   |       | (500,875,192)             | (3,632,252,432)   |
| - Corporate income tax paid   | 15   |       | (29,906,615,134)          | (8,863,627,409)   |
| - Other payments for operating activities   | 17   |       | (3,063,102,693)           | (3,928,153,000)   |
| Net cash inflows/(outflows) from operating activities                             | 20   |       | 89,767,496,752            | (66,884,031,666)  |
| <b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>                                   |      |       |                           |                   |
| 1. Purchases of fixed assets and other long-term assets                           | 21   |       | (16,917,807,102)          | (12,180,959,407)  |
| 2. Proceeds from disposals of fixed assets and other long-term assets             | 22   |       | 17,500,000                | 356,842,592       |
| 3. Loans granted, purchases of debt instruments of other entities                 | 23   |       | (62,032,712,404)          | (140,782,978,631) |
| 4. Collection of loans, proceeds from sales of debt instruments of other entities | 24   |       | 62,032,712,404            | 310,782,978,631   |
| 7. Dividends and interest received  | 27   |       | 22,084,797,054            | 12,084,855,153    |
| Net cash inflows/(outflows) from investing activities                             | 30   |       | 5,184,489,952             | 170,260,738,338   |
| <b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>                                  |      |       |                           |                   |
| 3. Proceeds from borrowings   | 33   |       | 14,880,600,000            | 161,936,667,600   |
| 4. Repayments of borrowings   | 34   |       | (22,890,840,000)          | (227,499,627,600) |
| 5. Payments for finance lease liabilities   | 35   |       | -                         | -                 |
| 6. Dividends paid   | 36   |       | (25,268,221,000)          | (20,214,576,800)  |
| Net cash inflows/(outflows) from financing activities                             | 40   |       | (33,278,461,000)          | (85,777,536,800)  |
| Net cash inflows/(outflows) (50 = 20+ 30 + 40)                                    | 50   |       | 61,673,525,704            | 17,599,169,872    |
| Cash and cash equivalents at the beginning of the year                            | 60   |       | 55,550,625,200            | 37,888,019,980    |
| Effect of foreign exchange differences  | 61   |       | 4,683,331                 | 63,435,348        |
| Cash and cash equivalents at the end of the year (70 = 50+60+61)                  | 70   |       | 117,228,834,235           | 55,550,625,200    |

HCMC, January 22, 2024

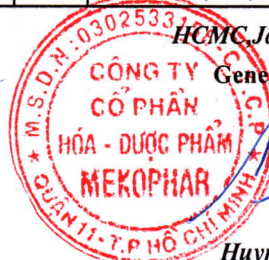
Prepared By

Chief Accountant

General Director

Le Thi Thu Huong

Phan Anh Tai



Huynh Thi Lan



## **NOTES TO THE FINANCIAL STATEMENTS**

**For the accounting period from Jan. 01, 2023 to Dec. 31, 2023**

*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 and The twenty one amended certificate dated November 21, 2023, the chartered capital is VND 255,458,670,000.

English name: Mekophar Chemical Pharmaceutical Joint Stock Company

Short name: Mekophar

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

The Company's branches are located at:

Hanoi branch: No. B26-B28-TT17 Van Quan, Yen Phuc, Phuc La, Ha Dong Dist., Hanoi City

Nghe An branch: No. 1, 69, Yen Xuan, Quan Bau, 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. Structure of ownership:**

Joint Stock Company.

#### **3. Business sector:**

Production and trading.

#### **4. 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).

#### **5. 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.

#### **6. Operations in the fiscal year affecting the financial statements:** Not applicable.

#### **7. Total employees to December 31, 2023:** 661 persons.

#### **8. Enterprise Structure**

##### **8.1. List of subsidiaries**

As at December 31, 2023, the Company has one (01) directly owned company as follows:



| Company's name and address  | Principal activities  | Percentage of shareholding | Percentage of owning | Percentage of voting right |
|---|---|----------------------------|----------------------|----------------------------|
| Mekophar Co.,Ltd<br><br>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%                       |

## 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.

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

We conducted our accounting, preparation and presentation of the financial statements in accordance with Vietnamese Accounting Standards and other relevant statutory regulations. The 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 financial statements is complied with the material principles in Vietnamese Accounting Standard No.21 - Presentation of the financial statements.

## 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. The buying rate as at December 31, 2023: 24,080 VND/USD, 26,370 VND/EUR.



- 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. The exchange rate as at December 31, 2023: 24,420 VND/USD, 27,540 VND/EUR.

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 for accounting held-to-maturity investments**

Held-to-maturity investments include term deposits (including treasury bill, bill of exchange), bonds, loans, preferred share that the issuer is required to re-buy them in a certain time in the future and held-to-maturity loans for the purpose of periodic interest receiving 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, Joint-ventures, Associates**

Principles for recording financial investments in subsidiaries: Subsidiary is a company which the Company has shareholding of more than one half of the voting right in order to govern the financial and operating policies in order to obtain economic benefits from the subsidiary's operation. When the Company ceases to control the subsidiary, the investment in the subsidiary will be written down.

The investment in Joint-ventures is recorded when the Company holds joint control over these entities' financial and operating policies. When the Company ceases to control these entities, the investment will be written down.

The investment in associate is recorded when the Company has 20% - 50% of voting right in those companies and has considerable influence over their decisions on financial policies.

Investments in Subsidiary, Joint-ventures, associates are initially stated at original cost and will not be adjusted thereafter for change in the investor's share of the investee's net assets. The original cost includes purchase price and costs attributable to the investment. In case the investment is by non-monetary assets, the investment fee should be recorded at the fair value of the non-monetary assets at the date of occurrence.

Provision for loss of investments in subsidiaries, joint-ventures, associates is made when the investee suffers from loss and thus the Company possibly loses its capital or the investments' value is devalued. Basis for making provision for loss of investments is consolidated financial statements of the investee (if it is parent company), the investee's financial statements (if it is an independent enterprise without subsidiary).

#### **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 investees 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:

- + 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 consolidated financial statements of the investee (if it is parent company), the investee's financial statements (if it is an independent enterprise without subsidiary).

#### **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 major materials costs/normal operation level/costs of land use right and relevant overall costs incurred in the duration of building properties.
- 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 realisable value of inventories is lower than their original cost. Net realisable 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 realisable 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 beyond their originally assessed standard of performance are capitalised 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:

Tangible fixed assets purchased

The original cost of purchased tangible fixed assets shall consist of the actual purchase price less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed 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 finalisation 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 payable less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed 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 Computer software



The original cost of a 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>3 - 10 years</i> |
| <i>Right to use original cells</i>   | <i>3 years</i>      |
| <i>Land use rights indefinitely recorded at cost and is not amortized.</i> |                     |

### 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 Equity

The owners' equity is the amount that is contributed by members and supplemented from the profit after tax. The owners' equity will be recorded at the actual contributed capital by cash or assets in the early establishment period or additional mobilization to expand operation.

## **Principles for recording share premium, convertible bond option and other capitals**

+ **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.

### **+ Principles for recognising 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 recognised 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;
- Royalties recognized on the basis of accrual in compliance with the contracts;

- 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, investment properties; cost of construction products (as to construction enterprise) sold in the period; 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 joint-venture, 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%.

#### **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 convertible 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.

#### **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.

#### **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 amortised 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.

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.

For the purpose of management, the Company operates in a large scale of the country, so it presents major segment reporting by business sector, the minor segment reporting by geographical segment.

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

| 1. Cash and cash equivalents | Dec. 31, 2023          | Jan. 01, 2023         |
|------------------------------|------------------------|-----------------------|
| <b>Cash</b>                  | <b>57,228,834,235</b>  | <b>50,550,625,200</b> |
| Cash on hand                 | 6,152,806,614          | 4,472,136,654         |
| Demand deposits              | 51,076,027,621         | 46,078,488,546        |
| VND                          | 50,328,847,647         | 45,864,235,062        |
| USD                          | 747,179,974            | 214,253,484           |
| <b>Cash Equivalents</b>      | <b>60,000,000,000</b>  | <b>5,000,000,000</b>  |
| <b>Total</b>                 | <b>117,228,834,235</b> | <b>55,550,625,200</b> |

### 2. Short-term financial investments

|                                     | Dec. 31, 2023  |                       | Jan. 01, 2023  |                       |
|-------------------------------------|----------------|-----------------------|----------------|-----------------------|
|                                     | Amount         | Value                 | Amount         | Value                 |
| <b>Trading securities</b>           | <b>704,001</b> | <b>10,946,711,100</b> | <b>704,001</b> | <b>10,946,711,100</b> |
| VIDIPHA Pharmaceutical JSC          | 180,000        | 4,070,000,000         | 180,000        | 4,070,000,000         |
| Pharmaceutical Packaging JSC        | 477,775        | 6,635,250,000         | 477,775        | 6,635,250,000         |
| OPC Pharmaceutical JSC              | 46,226         | 241,461,100           | 46,226         | 241,461,100           |
| <b>Held-to-maturity investments</b> |                | <b>30,000,000,000</b> |                | <b>30,000,000,000</b> |
| Term deposits                       |                | 30,000,000,000        |                | 30,000,000,000        |
| <b>Total</b>                        |                | <b>40,946,711,100</b> |                | <b>40,946,711,100</b> |

| 3. Trade accounts receivable | Dec. 31, 2023         | Jan. 01, 2023          |
|------------------------------|-----------------------|------------------------|
| Local customers              | 55,992,812,737        | 72,426,591,040         |
| Foreign customers            | 31,720,275,160        | 33,942,481,115         |
| <b>Total</b>                 | <b>87,713,087,897</b> | <b>106,369,072,155</b> |

| 4. Prepayments to suppliers | Dec. 31, 2023        | Jan. 01, 2023         |
|-----------------------------|----------------------|-----------------------|
| Local customers             | 1,737,354,077        | 4,292,559,747         |
| Foreign customers           | 816,870,853          | 6,735,817,973         |
| <b>Total</b>                | <b>2,554,224,930</b> | <b>11,028,377,720</b> |

| 5. Other receivables   | Dec. 31, 2023        | Jan. 01, 2023        |
|--|----------------------|----------------------|
| Short-term   |                      |                      |
| Advances   |                      |                      |
| Health, social insurance, trade union fee  | 421,240,883          | 417,581,283          |
| Consideration for the members of the Board of Management not holding direct management | 408,000,000          | 408,000,000          |
| Other receivables  | 531,698,630          | 408,174,000          |
| <b>Total</b>   | <b>1,360,939,513</b> | <b>1,233,755,283</b> |

| <b>6. Inventories</b> | <b>Dec. 31, 2023</b>   | <b>Jan. 01, 2023</b>   |
|-----------------------|------------------------|------------------------|
| Raw materials         | 435,682,390,538        | 485,621,274,594        |
| Tools & supplies      | 1,465,256,317          | 1,870,295,658          |
| Works in progress     | 51,745,847,212         | 55,200,011,755         |
| Finished goods        | 99,855,669,355         | 99,832,445,114         |
| Merchandise inventory |                        | 807,952                |
| <b>Total</b>          | <b>588,749,163,422</b> | <b>642,524,835,073</b> |

**7. Tangible fixed assets ( See page 20 )**

**8. Intangible fixed assets**

|                                 | <b>Land use rights</b> | <b>Patents, copyrights</b> | <b>Total</b>          |
|---------------------------------|------------------------|----------------------------|-----------------------|
| <b>Original cost</b>            |                        |                            |                       |
| <b>Opening balance</b>          | <b>7,438,152,000</b>   | <b>6,069,101,139</b>       | <b>13,507,253,139</b> |
| <i>New purchases</i>            |                        | -                          | -                     |
| <i>Disposal, sale</i>           |                        |                            |                       |
| <b>Closing balance</b>          | <b>7,438,152,000</b>   | <b>6,069,101,139</b>       | <b>13,507,253,139</b> |
| <b>Accumulated amortization</b> |                        |                            |                       |
| <b>Opening balance</b>          | -                      | <b>5,044,542,177</b>       | <b>5,044,542,177</b>  |
| <i>Charge for the year</i>      |                        | 701,931,663                | 701,931,663           |
| <i>Disposal, sale</i>           |                        |                            |                       |
| <b>Closing balance</b>          | -                      | <b>5,746,473,840</b>       | <b>5,746,473,840</b>  |
| <b>Net book value</b>           |                        |                            |                       |
| As at the beginning of the year | 7,438,152,000          | 1,024,558,962              | 8,462,710,962         |
| As at the end of the year       | 7,438,152,000          | 322,627,299                | 7,760,779,299         |

| <b>9. Capital construction in progress</b>      | <b>Dec. 31, 2023</b> | <b>Jan. 01, 2023</b> |
|---|----------------------|----------------------|
| Expenses of purchase of still equipment machine | -                    | 27,258,314           |
| <b>Total</b>                                    | <b>-</b>             | <b>27,258,314</b>    |

**10. Long-term investments**

|  | <b>Dec. 31, 2023</b> |                        | <b>Jan. 01, 2023</b> |                        |
|--|----------------------|------------------------|----------------------|------------------------|
|  | <b>Amount</b>        | <b>Value</b>           | <b>Amount</b>        | <b>Value</b>           |
| <b>Investments in subsidiaries</b>                               |                      | <b>667,573,151,275</b> |                      | <b>714,757,365,250</b> |
| Mekophar Co.,Ltd   |                      | 900,000,000,000        |                      | 900,000,000,000        |
| + <i>Provision for devaluation of investment in subsidiaries</i> |                      | (232,426,848,725)      |                      | (185,242,634,750)      |
| <b>Investments in equity of other entities</b>                   | <b>2,464,000</b>     | <b>24,068,960,000</b>  | <b>2,464,000</b>     | <b>24,068,960,000</b>  |
| Orchids Co.,Ltd - Percentage of contribution: 15%                |                      | 5,550,000,000          |                      | 5,550,000,000          |
| An Sinh Hospital - Percentage of contribution: 18,34%            | 2,464,000            | 18,518,960,000         | 2,464,000            | 18,518,960,000         |
| <b>Total</b>   | <b>2,464,000</b>     | <b>691,642,111,275</b> | <b>2,464,000</b>     | <b>738,826,325,250</b> |



|  |                        |                        |
|--|------------------------|------------------------|
| <b>11. Prepaid expenses</b>  | <b>Dec. 31, 2023</b>   | <b>Jan. 01, 2023</b>   |
| <b>Short-term prepaid expenses</b>   |                        |                        |
| Office lease, others   | 72,000,000             | 72,000,000             |
| Fire insurance costs   | 670,694,827            | 711,758,498            |
| Repair of fixed assets   | 564,106,442            | 1,187,255,059          |
| <b>Total</b>   | <b>1,306,801,269</b>   | <b>1,971,013,557</b>   |
| <b>Long-term prepaid expenses</b>  |                        |                        |
| Repair of fixed assets   | 7,771,926,981          | 2,912,243,546          |
| <b>Total</b>   | <b>7,771,926,981</b>   | <b>2,912,243,546</b>   |
| <b>12. Trade payables</b>  | <b>Dec. 31, 2023</b>   | <b>Jan. 01, 2023</b>   |
| Local suppliers  | 22,146,195,303         | 33,724,708,484         |
| Foreign suppliers  | 3,520,240,680          | 43,657,860,750         |
| <b>Total</b>   | <b>25,666,435,983</b>  | <b>77,382,569,234</b>  |
| <b>13. Prepayments from customers</b>  | <b>Dec. 31, 2023</b>   | <b>Jan. 01, 2023</b>   |
| Local customers  | 39,477,485,324         | 34,225,806,607         |
| Foreign customers  | 1,608,761,948          | 52,240,175             |
| <b>Total</b>   | <b>41,086,247,272</b>  | <b>34,278,046,782</b>  |
| <b>14. Taxes and payables to the State Budget</b>                                      | <b>Dec. 31, 2023</b>   | <b>Jan. 01, 2023</b>   |
| VAT output   | 1,669,258,023          | -                      |
| VAT on import  | -                      | 618,307,495            |
| Corporate income tax   | 5,691,388,907          | 17,396,419,214         |
| <b>Total</b>   | <b>7,360,646,930</b>   | <b>18,014,726,709</b>  |
| <b>15 Short-term other payables</b>  | <b>Dec. 31, 2023</b>   | <b>Jan. 01, 2023</b>   |
| Social insurance, health insurance, trade union fee,<br>Communist party membership fee | 149,776,280            | 149,311,040            |
| Board of Management  | 344,555,555            | 344,555,555            |
| Other payables   | 10,706,294,578         | 28,429,294,578         |
| <b>Total</b>   | <b>11,200,626,413</b>  | <b>28,923,161,173</b>  |
| <b>16. Owners' equity</b>  |                        |                        |
| <b>a. Comparison schedule for changes in Owner's Equity (See page 21)</b>              |                        |                        |
| <b>b. Details of owners' shareholding</b>  |                        |                        |
|  | <b>Dec. 31, 2023</b>   | <b>Jan. 01, 2023</b>   |
| Shareholding by investors  | 255,458,670,000        | 255,458,670,000        |
| Share premium  | 409,789,114,458        | 409,789,114,458        |
| Treasury share   | (14,487,151,158)       | (14,487,151,158)       |
| <b>Total</b>   | <b>650,760,633,300</b> | <b>650,760,633,300</b> |

\* Number of treasury shares: 277,646 equivalent to VND14,487,151,158.

| <b>c. Shares</b>                         | <b>Dec. 31, 2023</b> | <b>Jan. 01, 2023</b> |
|--|----------------------|----------------------|
| 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           |
| <i>Ordinary share</i>                    | 25,545,867           | 25,545,867           |
| Number of shares repurchased             | 277,646              | 277,646              |
| <i>Ordinary share</i>                    | 277,646              | 277,646              |
| Number of existing shares in issue       | 25,268,221           | 25,268,221           |
| <i>Ordinary share</i>                    | 25,268,221           | 25,268,221           |
| <i>Par value: VND/share.</i>             | <i>10,000</i>        | <i>10,000</i>        |

## VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT

| <b>1. Sales</b>                          | <b>Year 2023</b>       | <b>Year 2022</b>         |
|--|------------------------|--------------------------|
| Revenue from finished goods sold         | 814,421,367,737        | 1,011,588,309,235        |
| Revenue from services of stem cells bank | 64,878,725,696         | 59,432,120,987           |
| Revenue from merchandises sold           | 27,815,236             | 83,936,050,661           |
| Revenue from sale of materials           | 2,752,313,723          | 3,375,496,066            |
| Revenue from office lease                | 9,864,000,000          | 12,787,999,999           |
| <b>Total</b>                             | <b>891,944,222,392</b> | <b>1,171,119,976,948</b> |
| <b>2. Sales deductions</b>               | <b>Year 2023</b>       | <b>Year 2022</b>         |
| Sales returns                            | 92,171,392             | 1,096,523,433            |
| Discount sales                           | -                      | 106,321                  |
| <b>Total</b>                             | <b>92,171,392</b>      | <b>1,096,629,754</b>     |
| <b>3. Net sales</b>                      | <b>Year 2023</b>       | <b>Year 2022</b>         |
| Revenue from finished goods sold         | 814,329,196,345        | 1,010,525,342,529        |
| Revenue from services of stem cells bank | 64,878,725,696         | 59,432,120,987           |
| Revenue from merchandises sold           | 27,815,236             | 83,902,476,791           |
| Revenue from sale of materials           | 2,752,313,723          | 3,375,406,888            |
| Revenue from office lease                | 9,864,000,000          | 12,787,999,999           |
| <b>Total</b>                             | <b>891,852,051,000</b> | <b>1,170,023,347,194</b> |
| <b>4. Cost of sales</b>                  | <b>Year 2023</b>       | <b>Year 2022</b>         |
| Cost of finished goods sold              | 566,235,351,039        | 688,423,487,887          |
| Cost of service of stem cells bank       | 22,591,330,592         | 19,017,683,520           |
| Cost of merchandises sold                | 26,413,616             | 83,822,750,981           |
| Cost of materials, services rendered     | 554,579,683            | 98,421,397               |
| Provision for devaluation of inventory   | 11,233,687,213         | 7,875,519,436            |
| <b>Total</b>                             | <b>600,641,362,143</b> | <b>799,237,863,221</b>   |



| <b>5. Financial income</b>                                   | <b>Year 2023</b>       | <b>Year 2022</b>       |
|--|------------------------|------------------------|
| Interest income from deposits                                | 2,612,652,527          | 5,850,997,653          |
| Dividends, profit paid                                       | 19,472,144,527         | 6,233,857,500          |
| <i>An Sinh Hospital</i>                                      | 18,559,475,527         | 5,531,344,000          |
| <i>VIDIPHA Pharmaceutical JSC</i>                            | 270,000,000            | 540,000,000            |
| <i>Pharmaceutical Packaging Joint Stock Company</i>          | 573,330,000            | 143,332,500            |
| <i>OPC Pharmaceutical Joint Stock Company</i>                | 69,339,000             | 19,181,000             |
| Realised foreign exchange gains                              | 287,240,352            | 1,052,231,055          |
| Unrealised foreign exchange gains                            | -                      | 1,063,423,973          |
| Others   | 6,655                  | -                      |
| <b>Total</b>   | <b>22,372,044,061</b>  | <b>14,200,510,181</b>  |
| <b>6. Financial expenses</b>                                 | <b>Year 2023</b>       | <b>Year 2022</b>       |
| Realised foreign exchange losses                             | 3,499,079,407          | 13,442,653,458         |
| Unrealised foreign exchange losses                           | 43,847,489             | -                      |
| Interest   | 500,875,192            | 3,632,252,432          |
| Provision for devaluation of investment loss, other          | 47,184,213,975         | 45,330,816,826         |
| <b>Total</b>   | <b>51,228,016,063</b>  | <b>62,405,722,716</b>  |
| <b>7. Selling expenses</b>                                   | <b>Year 2023</b>       | <b>Year 2022</b>       |
| Salaries   | 30,894,328,123         | 28,819,467,338         |
| Commission   | 43,021,569,180         | 77,958,713,188         |
| Depreciation   | 594,732,152            | 533,715,290            |
| Services bought from outsiders                               | 25,629,355,387         | 32,528,060,236         |
| Transportation   | 8,032,055,174          | 11,152,603,034         |
| Other sundry expenses by cash                                | 291,494,720            | 256,451,840            |
| <b>Total</b>   | <b>108,463,534,736</b> | <b>151,249,010,926</b> |
| <b>8. General and administration expenses</b>                | <b>Year 2023</b>       | <b>Year 2022</b>       |
| Salaries   | 50,661,016,885         | 55,529,394,625         |
| Materials and packaging                                      | 8,906,630,535          | 6,480,817,729          |
| Depreciation   | 3,761,414,148          | 3,653,123,777          |
| Taxes, fees and duties                                       | 26,625,954,452         | 18,789,628,201         |
| Services bought from outsiders                               | 6,867,750,043          | 1,962,583,079          |
| Other sundry expenses by cash                                | 28,950,855,249         | 12,171,600,940         |
| Provision for doubtful debt, others                          | -                      | 5,912,628,359          |
| <b>Total</b>   | <b>125,773,621,312</b> | <b>104,499,776,710</b> |
| <b>9. Other income</b>                                       | <b>Year 2023</b>       | <b>Year 2022</b>       |
| Liquidation of fixed assets                                  | 17,500,000             | 356,842,592            |
| Other income (Treatment to surplus amount upon the counting) | 18,768,723,267         | 4,789,860              |
| <b>Total</b>   | <b>18,786,223,267</b>  | <b>361,632,452</b>     |

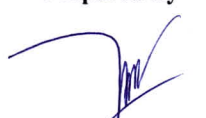
| 10. Other expenses   | Year 2023              | Year 2022                |
|--|------------------------|--------------------------|
| Other expenses (Treatment to deficient amount upon the counting, other)      | 2,527,510,205          | 2,405,772,299            |
| <b>Total</b>   | <b>2,527,510,205</b>   | <b>2,405,772,299</b>     |
| <b>11. Current corporate income tax</b>                                      | <b>Year 2023</b>       | <b>Year 2022</b>         |
| - Total accounting profit before tax   | 44,376,273,869         | 64,787,343,955           |
| + Undeductible expenses  | 58,557,498,523         | 56,825,020,490           |
| + Loss from foreign exchange differences on cash and liabilities receivable  | 216,555                | 167,024,475              |
| - Adjustments to decrease accounting profit to determine taxable income      | (19,477,044,413)       | (6,297,292,848)          |
| + Received dividend interest   | (19,472,144,527)       | (6,233,857,500)          |
| + Gain from foreign exchange differences on cash and liabilities receivable  | (4,899,886)            | (63,435,348)             |
| - Total taxable income   | 83,456,944,534         | 115,482,096,072          |
| - Tax rate   | 20%                    | 20%                      |
| - Current corporate income tax   | 16,691,388,907         | 23,096,419,214           |
| - Adjustments of corporate income tax of prior years to that of current year | 1,510,195,920          | -                        |
| - Total current corporate income tax   | <b>18,201,584,827</b>  | <b>23,096,419,214</b>    |
| <b>12. Costs of production and doing business by factors</b>                 | <b>Year 2023</b>       | <b>Year 2022</b>         |
| Raw materials  | 521,992,485,285        | 693,209,381,131          |
| Labour cost  | 134,618,607,688        | 141,027,119,375          |
| Depreciation and amortization  | 10,709,890,505         | 10,272,264,289           |
| Services bought  | 58,643,006,714         | 63,494,598,591           |
| Other sundry cash expense  | 103,124,392,801        | 119,095,997,409          |
| <b>Total</b>   | <b>829,088,382,993</b> | <b>1,027,099,360,795</b> |

## VII. OTHER INFORMATION

### Related party transactions

| Related party transactions |                    |                                      |                      |                             |                 |
|----------------------------|--------------------|--------------------------------------|----------------------|-----------------------------|-----------------|
| Related parties            | Relationship       | Transactions                         | Movement             | Value                       |                 |
| Mekophar Co.,Ltd           | Subsidiary Company | Sales and services rendered          | Opening balance      | -                           |                 |
|                            |                    |                                      | Sales in the year    | 6,452,776                   |                 |
|                            |                    |                                      | Payment in the year  | 5,905,475                   |                 |
|                            |                    |                                      |                      | Closing balance             | 547,301         |
|                            |                    | Purchasing goods                     | Opening balance      | -                           |                 |
|                            |                    |                                      | Purchase of the year | 2,625,000                   |                 |
|                            |                    |                                      | Payment in the year  | 2,625,000                   |                 |
|                            |                    |                                      |                      | Closing balance             | -               |
|                            |                    | An Sinh Hospital Joint Stock Company | Associates           | Sales and services rendered | Opening balance |
| Sales in the year          | 11,925,469,509     |                                      |                      |                             |                 |
| Payment in the year        | 14,228,904,235     |                                      |                      |                             |                 |
|                            | Closing balance    |                                      |                      | 210,985,793                 |                 |
|                            |                    |                                      |                      |                             |                 |

Prepared By

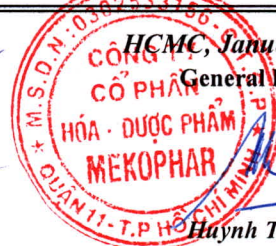


Le Thi Thu Huong

Chief Accountant



Phan Anh Tai



HCMC, January 22, 2024  
General Director

Huỳnh Thị Lan





**MEKOPHAR Chemical Pharmaceutical Joint Stock Company**  
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## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period from Jan. 01, 2023 to Dec. 31, 2023

Unit: VND

### V.7. Tangible fixed assets

| Items                           | Bludings & Structures | Machinery & Equipment | Transportation & Facilities | Others         | Total           |
|---------------------------------|-----------------------|-----------------------|-----------------------------|----------------|-----------------|
| <b>Original cost</b>            |                       |                       |                             |                |                 |
| Opening balance                 | 53,610,571,336        | 149,056,265,440       | 15,619,817,019              | 52,826,067,542 | 271,112,721,337 |
| <i>New purchase</i>             | 160,000,000           | 12,884,385,416        | -                           | 3,900,680,000  | 16,945,065,416  |
| <i>Disposal, sale</i>           |                       | (875,299,808)         | -                           | (75,000,000)   | (950,299,808)   |
| Closing balance                 | 53,770,571,336        | 161,065,351,048       | 15,619,817,019              | 56,651,747,542 | 287,107,486,945 |
| <b>Accumulated depreciation</b> |                       |                       |                             |                |                 |
| Opening balance                 | 43,807,172,649        | 123,144,601,314       | 13,615,707,408              | 48,758,473,697 | 229,325,955,068 |
| <i>Charge for the year</i>      | 1,775,457,190         | 5,865,868,723         | 688,074,796                 | 1,678,558,133  | 10,007,958,842  |
| <i>Disposal, sale</i>           |                       | (875,299,808)         | -                           | (75,000,000)   | (950,299,808)   |
| Closing balance                 | 45,582,629,839        | 128,135,170,229       | 14,303,782,204              | 50,362,031,830 | 238,383,614,102 |
| <b>Net book value</b>           |                       |                       |                             |                |                 |
| As at beginning of the year     | 9,803,398,687         | 25,911,664,126        | 2,004,109,611               | 4,067,593,845  | 41,786,766,269  |
| As at the end of the year       | 8,187,941,497         | 32,930,180,819        | 1,316,034,815               | 6,289,715,712  | 48,723,872,843  |



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## NOTES TO THE FINANCIAL STATEMENTS

For the accounting period from Jan. 01, 2023 to Dec. 31, 2023

Unit: VND

### V.17. Owner's 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                    |
|--|------------------------|------------------------|-------------------------|---------------------------------|------------------------|--------------------------|
| <b>Prior year opening balance</b>  | <b>255,458,670,000</b> | <b>409,789,114,458</b> | <b>(14,487,151,158)</b> | <b>573,322,804,351</b>          | <b>24,969,041,387</b>  | <b>1,249,052,479,038</b> |
| Profit of year 2022  |                        |                        |                         |                                 | 41,690,924,741         | 41,690,924,741           |
| Consideration for the members of the Board of Management not holding direct management in 2021 |                        |                        |                         |                                 | (408,000,000)          | (408,000,000)            |
| Appropriation to funds from profit of 2021   |                        |                        |                         | 1,236,223,494                   | (1,236,223,494)        | -                        |
| Appropriation to bonus and welfare fund from profit of 2021                                    |                        |                        |                         |                                 | (2,472,446,988)        | (2,472,446,988)          |
| Dividends paid to shareholders from profit of 2021   |                        |                        |                         |                                 | (20,214,576,800)       | (20,214,576,800)         |
| <b>Prior year closing balance</b>  | <b>255,458,670,000</b> | <b>409,789,114,458</b> | <b>(14,487,151,158)</b> | <b>574,559,027,845</b>          | <b>42,328,718,846</b>  | <b>1,267,648,379,991</b> |
| <b>Current year opening balance</b>  | <b>255,458,670,000</b> | <b>409,789,114,458</b> | <b>(14,487,151,158)</b> | <b>574,559,027,845</b>          | <b>42,328,718,846</b>  | <b>1,267,648,379,991</b> |
| Profit of current period   |                        |                        |                         |                                 | 26,174,689,042         | 26,174,689,042           |
| Consideration for the members of the Board of Management not holding direct management in 2022 |                        |                        |                         |                                 | (408,000,000)          | (408,000,000)            |
| Appropriation to funds from profit of 2022   |                        |                        |                         | 2,064,146,237                   | (2,064,146,237)        | -                        |
| Appropriation to bonus and welfare fund from profit of 2022                                    |                        |                        |                         |                                 | (6,192,438,711)        | (6,192,438,711)          |
| Dividends paid to shareholders from profit of 2022   |                        |                        |                         |                                 | (25,268,221,000)       | (25,268,221,000)         |
| <b>Current year closing balance</b>  | <b>255,458,670,000</b> | <b>409,789,114,458</b> | <b>(14,487,151,158)</b> | <b>576,623,174,082</b>          | <b>34,570,601,940</b>  | <b>1,261,954,409,322</b> |