

HANOI CPC1 PHARMACEUTICAL JOINT STOCK COMPANY

FINANCIAL STATEMENTS

For the First Quarter Ended March 31, 2025

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HA NOI CPC1 PHARMACEUTICAL JSC

Ha Binh Phuong Industrial Cluster , Van Binh Commune, Thuong Tin District, Ha Noi City, Viet Nam

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BALANCE SHEET

As at 31 March 2025

Unit: VND

FORM B 01a-DN

ASSETS	Codes	31 Mar 2025	01 Jan 2025
A - CURRENT ASSETS	100	860,836,623,927	831,625,331,586
I. Cash and Cash Equivalents	110	41,858,720,837	39,923,026,642
1. Cash	111	30,858,720,837	5,923,026,642
2. Cash Equivalents	112	11,000,000,000	34,000,000,000
II. Short-term investments	120	5,000,000,000	5,000,000,000
1. Held-to-Maturity Investments	123	5,000,000,000	5,000,000,000
III. Short-Term Receivables	130	362,889,261,368	323,331,711,265
1. Short-term trade receivables	131	298,021,106,107	294,178,973,988
2. Short-term advances to supplier	132	55,777,776,737	26,056,029,675
3. Other Short-term Receivables	136	9,221,430,893	3,227,759,971
4. Short-term allowances for doubtful debts	137	(131,052,369)	(131,052,369)
IV. Inventories	140	446,269,690,370	457,806,030,430
1. Inventories	141	446,269,690,370	458,576,003,182
2. Provision for decline in value of inventories	149	-	(769,972,752)
V. Other Current Assets	150	4,818,951,352	5,564,563,249
1. Short-term Prepaid Expenses	151	3,372,072,838	4,283,103,450
2. Deductible Value Added Tax	152	1,444,436,981	1,279,022,332
3. Taxes and other receivables from the state budget	153	2,441,533	2,437,467
B - LONG-TERM ASSETS	200	443,169,522,790	450,804,079,781
I. Long-Term Receivables	210	3,556,558,172	3,576,969,012
1. Other Long-term Receivables	216	3,556,558,172	3,576,969,012
II. Fixed Assets	220	364,182,267,078	372,804,359,218
1. Tangible Fixed Assets	221	349,120,422,268	358,103,670,008
- Cost	222	678,795,601,474	670,397,525,616
- Accumulated Depreciation	223	(329,675,179,206)	(312,293,855,608)
2. Intangible Fixed Assets	227	15,061,844,810	14,700,689,210
- Cost	228	22,291,634,763	21,759,934,763
- Accumulated Amortization	229	(7,229,789,953)	(7,059,245,553)
IV. Long-Term Assets In Progress	240	17,805,571,821	17,120,938,691
1. Construction in progress	242	17,805,571,821	17,120,938,691
VI. Other Long-Term Assets	260	57,625,125,719	57,301,812,860
1. Long-term Prepaid Expenses	261	57,625,125,719	57,301,812,860
TOTAL ASSETS (270 = 100 + 200)	270	1,304,006,146,717	1,282,429,411,367

BALANCE SHEET (Continued)

As at 31 March 2025

Unit: VND

FORM B 01a-DN

RESOURCES	Codes	31 Mar 2025	01 Jan 2025
C - LIABILITIES	300	283,021,647,420	307,884,788,110
I. Short-Term Liabilities	310	251,965,886,819	276,833,027,509
1. Short-term trade payables	311	85,960,349,260	79,521,046,475
2. Short-term prepayments from customers	312	31,357,452,155	32,612,600,526
3. Taxes and other payables to the state budget	313	14,375,266,159	17,702,181,709
4. Payables to employees	314	34,643,138,660	65,684,780,139
5. Short-term accrued expenses	315	754,761,500	1,013,834,994
6. Other Short-term Payables	319	8,038,253,772	11,717,491,887
7. Short-term borrowings and finance lease liabilities	320	50,067,605,051	41,694,687,517
9. Bonus and welfare fund	322	26,769,060,262	26,886,404,262
II. Long-Term Liabilities	330	31,055,760,601	31,051,760,601
1. Other Long-term Payables	337	135,500,000	131,500,000
2. Long-term borrowings and finance lease liabilities	338	30,450,000,000	30,450,000,000
3. Science and Technology Development Fund	343	470,260,601	470,260,601
D - EQUITY	400	1,020,984,499,297	974,544,623,257
I. Owner's Equity	410	1,020,984,499,297	974,544,623,257
1. Contributed capital	411	162,290,420,000	162,290,420,000
- Ordinary Shares with Voting Right	411a	162,290,420,000	162,290,420,000
2. Share premium	412	9,442,260,000	9,442,260,000
3. Investment and development fund	418	94,353,394,407	94,353,394,407
4. Retained earnings	421	754,898,424,890	708,458,548,850
- Retained earnings accumulated to the prior year end	421a	695,682,820,724	471,226,389,269
- Retained earnings of the current year	421b	59,215,604,166	237,232,159,581
TOTAL SOURCES (440 = 300 + 400)	440	1,304,006,146,717	1,282,429,411,367

Ha Noi, 19 April 2025

Preparer



Nguyen Thi Xuan Hoan

Chief Accountant



Dang Thi Thu Thuy

Chairman of the Board of Directors



Le Nam Thang

INCOME STATEMENT
For the three-month period ended 31 Mar 2025

Unit: VND

FORM B 02a- DN

ITEMS	Codes	Three-month period ended 31 Mar 2025	Three-month period ended 31 Mar 2024	Cumulative from January 1, 2025 to March 31, 2025	Cumulative from January 1, 2024 to March 31, 2024
1. Revenue from sales of goods and rendering of services	01	330,228,572,562	284,468,270,950	330,228,572,562	284,468,270,950
2. Revenue deductions	02	710,708,872	476,309,233	710,708,872	476,309,233
3. Net revenue from sales of goods and rendering of services (10=01-02)	10	329,517,863,690	283,991,961,717	329,517,863,690	283,991,961,717
4. Cost of goods sold and services rendered	11	158,458,475,799	124,806,142,666	158,458,475,799	124,806,142,666
5. Gross profit from sales of goods and rendering of services (20=10-11)	20	171,059,387,891	159,185,819,051	171,059,387,891	159,185,819,051
6. Financial Income	21	343,191,523	682,390,062	343,191,523	682,390,062
7. Financial Expenses	22	1,151,397,705	2,007,026,826	1,151,397,705	2,007,026,826
<i>In Which: Interest expenses</i>	23	1,051,878,390	1,527,268,316	1,051,878,390	1,527,268,316
8. Selling Expenses	25	91,496,044,469	84,170,697,574	91,496,044,469	84,170,697,574
9. General administration expenses	26	8,086,484,814	9,436,108,760	8,086,484,814	9,436,108,760
10. Net profits from operating activities {30=20+(21-22)-(25+26)}	30	70,668,652,426	64,254,375,953	70,668,652,426	64,254,375,953
11. Other Income	31	198,910,604	5,776,902	198,910,604	5,776,902
12. Other Expenses	32	3,847,063,672	484,353,450	3,847,063,672	484,353,450
13. Other profit (40=31-32)	40	(3,648,153,068)	(478,576,548)	(3,648,153,068)	(478,576,548)
14. Accounting profit before tax (50=30+40)	50	67,020,499,358	63,775,799,405	67,020,499,358	63,775,799,405
15. Current corporate income tax expenses	51	7,804,895,192	5,437,086,082	7,804,895,192	5,437,086,082
17. Profit after corporate income tax (60=50-51-52)	60	59,215,604,166	58,338,713,323	59,215,604,166	58,338,713,323

Ha Noi, 19 April 2025

Preparer

Nguyen Thi Xuan Hoan

Chief Accountant

Dang Thi Thu Thuy

Chairman of the Board of Directors

Le Nam Thang

CASH FLOW STATEMENT
(Direct Method)

For the three-month period ended 31 Mar 2025

Unit: VND

FORM B 03a-DN

ITEMS	Codes	Cumulative from the beginning of the year to the end of this quarter (Current Period)	Cumulative from the beginning of the year to the end of this quarter (Previous Period)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Proceeds from sales and services rendered and other revenues	01	338,109,424,114	267,955,416,400
2. Expenditures paid to suppliers	02	(185,783,007,843)	(161,418,205,739)
3. Expenditures paid to employees	03	(95,895,813,468)	(89,487,769,138)
4. Paid interests	04	(1,105,105,172)	(1,527,268,316)
5. Paid enterprise income tax	05	(27,991,903,866)	(3,561,300,307)
6. Other proceeds from operating activities	06	5,390,214,625	22,459,809,990
7. Other expenditures on operating activities	07	(30,530,098,273)	(42,494,615,015)
<i>Net Cash Flows from Operating Activities</i>	20	2,193,710,117	(8,073,932,125)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Expenditures on purchase and construction of fixed assets and long-term assets	21	(8,929,775,858)	(18,604,017,010)
3. Expenditures on loans and purchase of debt instruments from other entities	23	-	(10,000,000,000)
7. Proceeds from interests, dividends and distributed profits	27	272,323,497	356,990,081
<i>Net Cash Flows from Investing Activities</i>	30	(8,657,452,361)	(28,247,026,929)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
3. Proceeds from borrowings	33	27,138,286,939	41,200,657,018
4. Repayment of principal	34	(18,738,850,500)	(29,744,433,424)
<i>Net Cash Flows from Financing Activities</i>	40	8,399,436,439	11,456,223,594
Net cash flows during the year (50=20+30+40)	50	1,935,694,195	(24,864,735,460)
Cash and cash equivalents at the beginning of the year	60	39,923,026,642	79,832,556,707
Effects of changes in foreign exchange rates	61	-	-
Cash and cash equivalents at the end of the year (70=50+60+61)	70	41,858,720,837	54,967,821,247

Ha Noi, 19 April 2025

Preparer



Nguyen Thi Xuan Hoan

Chief Accountant



Dang Thi Thu Thuy

Chairman of the Board of Directors



Le Nam Thang

NOTES TO FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

I. GENERAL INFORMATION

Structure of ownership

CPC1 Hanoi Pharmaceutical Joint Stock Company was established and operates under Business Registration Certificate No. 0104089394 issued by Hanoi Department of Planning and Investment for the first time on 5 August 2009, registered for the 16th change on 23 March 2023.

The Company's head office is located at Ha Binh Phuong Industrial Cluster, Van Binh Commune, Thuong Tin District, Hanoi City, Vietnam.

Charter capital : 162,290,420,000 VND (*In words: One hundred sixty-two billion two hundred ninety million four hundred twenty thousand dong./*)

Business lines

The Company's business activities include:

- Warehousing and storage of goods; Wholesale of medical machinery and equipment;
- Urban and suburban passenger road transport;
- Road freight transport; Trade promotion and introduction services;
- Manufacturing of plastic packaging; wooden packaging; production of corrugated paper, cardboard, and paper-based packaging;
- Advertising services; Manufacturing of medical, dental, orthopedic, and rehabilitation equipment and instruments;
- Production of cosmetics, soap, detergents, polishes, and sanitary preparations;
- Production of non-alcoholic beverages and mineral water; Leasing of machinery, equipment, and other tangible goods;
- Real estate business; Wholesale of pharmaceuticals and medical instruments; Wholesale of perfumes, cosmetics, and sanitary products;
- Pharmaceutical retail business; Passenger transport by provincial and inter-provincial coaches; Leasing of chauffeur-driven vehicles for passenger transport, including tours, sightseeing, and other purposes;
- Business consulting and assistance services related to planning, organizing, operations, and management information; Consulting services for business establishment and corporate management support;
- Market research and public opinion polling;
- Retail sale of medical instruments, cosmetics, and sanitary items in specialized stores;
- Retail sale of eyeglasses and optical products;
- Production of functional foods, micronutrient-fortified foods, nutritional products, healthcare foods, dietary supplements, and other processed foods (excluding those banned by law);
- Wholesale of functional foods, micronutrient-fortified foods, nutritional products, healthcare foods, dietary supplements, and other processed foods (excluding those banned by law);
- Retail sale of functional foods, micronutrient-fortified foods, nutritional products, healthcare foods, dietary supplements, and other processed foods (excluding those banned by law);
- Wholesale of vaccines and medical biological products; Export and import of pharmaceuticals; Import of medical equipment; Wholesale of medicinal herbs, traditional medicine, and herbal medicines; Wholesale of disinfectant products for household and healthcare use; Wholesale of food ingredients and additives, and animal feed;
- Entrusted import services;
- Provision of pharmaceutical storage services; Commercial representation; Import and export of goods within the Company's business scope.

NOTES TO FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

Normal Operating Cycle

The company's normal production and business cycle is completed within a period not exceeding 12 months.

Corporate Structure

The company has dependent accounting branches as follows:

The Company has the following affiliated units:	Address
CPC1 Hanoi Pharmaceutical Joint Stock Company - Hanoi Branch	No. 356A, Giai Phong Street, Phuong Liet Ward, Thanh Xuan District, Hanoi City
CPC1 Hanoi Pharmaceutical Joint Stock Company - Da Nang Branch	No. 170 Nguyen Dinh Tuu, An Khe ward, Thanh Khe district, Da Nang city
CPC1 Hanoi Pharmaceutical Joint Stock Company - Ho Chi Minh City Branch	No. 26-28, Han Mac Tu Street, Tan Thanh Ward, Tan Phu District, Ho Chi Minh City
Representative Office of CPC1 Hanoi Pharmaceutical Joint Stock Company	No. 78/4/24 Phan Dinh Phung Street, Tan Thanh Ward, Tan Phu District, Ho Chi Minh City
Business Location - CPC1 Hanoi Pharmaceutical Joint Stock Company in Thanh Hoa	MB2125, Lots N27+N28, Le Hien Tong Street, Dong Ve Ward, Thanh Hoa City, Thanh Hoa Province
Business Location - CPC1 Hanoi Pharmaceutical Joint Stock Company in Hai Phong	Lot HA.S01, Vinhomes Marina Urban Area, Vinh Niem Ward, Le Chan District, Hai Phong City
Business Location - CPC1 Hanoi Pharmaceutical Joint Stock Company in Nghe An	Apartment No. 109, 12-storey Building in the New Urban Area, West V.I. Lenin Boulevard, Hamlet 19, Nghi Phu Commune, Vinh City, Nghe An Province
Business Location - CPC1 Hanoi Pharmaceutical Joint Stock Company in Khanh Hoa	Lot No. 4, Road No. 93, Thai Hung Urban Area (Package 05, My Gia Urban Area), Vinh Thai Commune, Nha Trang City, Khanh Hoa Province
Business Location - CPC1 Hanoi Pharmaceutical Joint Stock Company in Can Tho	Plot No. 2158, Map Sheet No. 1, Road No. 3, Lot 11B Residential Area, South Can Tho Urban Area, Phu Thu Ward, Cai Rang District, Can Tho City
Business Location - CPC1 Hanoi Pharmaceutical Joint Stock Company in Dak Lak	Plot Nos. 2263, 2264, Map Sheet No. 19, Tan Loi Ward, Buon Ma Thuot City, Dak Lak Province
Business Location - CPC1 Hanoi Pharmaceutical Joint Stock Company in Hanoi	Floors 1, 2, 3, Vinh Quang Group Building, Lot DX, Southwest Linh Dam Lake Urban Area, Thinh Liet Ward, Hoang Mai District, Hanoi City

II. BASIC OF PREPARATION OF FINANCIAL STATEMENTS AND ACCOUNTING PERIOD

The accompanying financial statements for the accounting period are presented in Vietnamese Dong (VND), prepared on a historical cost basis, and in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations on the preparation and presentation of financial statements for the accounting period.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

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

Accounting period

The Company's financial year begins on January 1 and ends on December 31 of the calendar year.

III. APPLICABLE ACCOUNTING STANDARDS AND REGULATIONS

Accounting regime applied

The Company applies the Vietnamese Enterprise Accounting Regime issued under Circular No. 200/2014/TT-BTC dated December 22, 2014 by the Ministry of Finance and Circular No. 53/2016/TT-BTC dated March 21, 2016 of the Ministry of Finance amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC.

Statement of Compliance with Accounting Standards and Accounting Regime

The Company has applied the Vietnamese Accounting Standards and all relevant guidance documents issued by the competent authorities. The financial statements for the reporting period have been prepared and presented in full compliance with the provisions of each applicable standard, the relevant implementing circulars, and the prevailing enterprise accounting regime.

Applied accounting form

The Company applies a computerized accounting system using the Fast Business accounting software.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements for each accounting period complies with the Vietnamese Accounting Standards, the Enterprise Accounting Regime, and other relevant legal regulations.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, non-term bank deposits, short-term investments (not exceeding 3 months) with high liquidity, easily convertible to cash, and minimal risk associated with value fluctuations.

Receivables

Receivables are amounts that can be recovered from customers or other entities. Receivables are presented at book value minus allowances for doubtful debts (if any).

Allowances for doubtful debts are established for receivables that are past due for six months or more, or receivables from parties who may have difficulty in payment due to liquidation, bankruptcy, or similar difficulties. The provision is based on the aging of overdue receivables or the estimated loss that may occur, as follows:

- For overdue receivables:
 - 30% of the value for receivables overdue from 6 months to less than 1 year
 - 50% of the value for receivables overdue from 1 year to less than 2 years
 - 70% of the value for receivables overdue from 2 years to less than 3 years
 - 100% of the value for receivables that are overdue for 3 years or more
- For receivables not yet overdue but deemed difficult to collect: provisions are based on estimated losses.

Changes in the balance of allowances for doubtful debts need to be recognized as an expense in the corporate management expenses on the date of the financial report.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

Inventories

Inventory is determined based on the lower of cost and net realizable value. The cost of inventory includes direct material costs, direct labor costs, and overhead costs incurred to acquire inventory at its current location and condition. The cost of inventory is determined using the weighted average method and is accounted for using the periodic inventory system. The net realizable value is determined by estimated selling prices minus estimated costs to complete the product along with marketing, selling, and distribution costs.

The company establishes provisions for inventory impairment in accordance with current accounting regulations. Accordingly, the company is permitted to set up provisions for obsolete, damaged, or inferior quality inventory, and in cases where the cost of inventory exceeds the net realizable value at the date of the financial report.

Tangible fixed assets and depreciation

Tangible fixed assets are presented at cost less accumulated depreciation.

The cost of tangible fixed assets includes the purchase price and all other directly attributable costs related to placing the asset in a usable condition.

For fixed assets with a revaluation adjustment, depreciation is calculated using the new cost minus the accumulated depreciation, divided by the remaining useful life.

Any subsequent costs incurred after initial recognition of the tangible fixed asset are added to the asset's carrying amount if they are reasonably expected to increase future economic benefits from the use of the asset. Costs that do not meet this condition are recognized as expenses in the period incurred.

Tangible fixed assets are depreciated using the straight-line method based on their estimated useful lives. The depreciation periods are as follows:

	<u>Estimated useful life (year)</u>
Buildings and structures	05 - 45
Machinery and equipment	04 - 15
Transportation and transmission	06 - 10
Perennial plants, working animals and farm livestock	08
Other tangible fixed assets	02 - 12

Intangible fixed assets and amortization

Land use rights

Land use rights are presented at cost less accumulated depreciation, representing the value of the right to use 30,306.3 square meters of leased land in Ha Binh Phuong Industrial Cluster, Van Binh Commune, Thuong Tin District, Hanoi City for 45 years by the Company. Land use rights are allocated using the straight-line method over the term of the land lease.

Accounting Software

Accounting software is initially recognized at cost, including the purchase price and directly related costs incurred to put the asset into use as intended. Accounting software is depreciated using the straight-line method over a period of 3 years.

Construction in Progress

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

Assets under construction for production, leasing, management, or any other purpose are recognized at cost. This cost includes service charges and interest expenses related to appropriate accounting policies of the Company. Depreciation for these assets is calculated similarly to other assets, starting from when the assets are ready for use.

Prepaid Expenses

Prepaid expenses are actual costs incurred but related to the results of business operations over multiple accounting periods. These include significant repair costs for fixed assets, one-time-use tools and equipment with substantial value, and the tools and equipment themselves participating in business activities over a financial year, considered capable of providing future economic benefits to the Company. These costs are capitalized as prepaid expenses and allocated to the Income Statement using the straight-line method according to current accounting regulations.

Payables

The principle of determining amounts payable to vendors is based on contracts, warehouse receipts, and recorded based on invoices from the seller.

Prepayments to vendors are recorded based on payment vouchers, bank documents, and economic contracts.

Detailed tracking of accounts payable to suppliers is carried out, and at the end of the month, a reconciliation statement of accounts payable is sent to suppliers for confirmation.

Accrued expenses

Accrued expenses represent estimated costs for business operations in the accounting period but have not yet been incurred due to the lack of formal settlement with the supplier for goods or services provided.

Owner's equity

Owner's equity is recorded based on the actual contributed capital of the owner.

Capital surplus is recorded based on the difference between the increase resulting from the issuance of shares above par value and the difference between the increase and decrease compared to the purchase price when selling treasury shares.

The principle of recognizing undistributed profits is the profit (or loss) from the Company's business operations minus (-) adjustments due to the retroactive application of changes in accounting policies and adjustments to material errors of previous years.

The principle of establishing reserves, funds from after-tax profits is based on the resolution of the Annual General Meeting of Shareholders

Revenue and Other Income Recognition

Revenue from sales

Revenue from sales is recognized when all five (5) of the following conditions are met simultaneously

- Most of the risks and rewards incidental to ownership of the product or goods have been transferred to the buyer;
- The Company no longer holds the right to manage the goods as the owner of the goods or the right to control the goods;
- The revenue can be measured reliably
- The Company has obtained or will receive economic benefits from the sales transaction;

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

- The costs related to the sales transaction can be reliably identified;

Revenue from services

Revenue from service provision transactions is recognized when the outcome of the transaction is reliably determinable. In cases where service provision transactions span multiple periods, revenue is recognized in the period based on the results of the completed portion of the work as of the date of the Balance Sheet for that period. The outcome of the service provision transaction is determined when all four (4) of the following conditions are met:

- Revenue is reliably determinable;
- Economic benefits have been received or will be received from the service provision transaction
- The completed portion of the work as of the date of the Balance Sheet is determined
- The costs incurred for the transaction and the costs to complete the service provision transaction are identifiable

In the case of service provision spanning multiple accounting periods, revenue recognition for the service in each period is done using the percentage-of-completion method.

Financial income

Revenue arising from interest and other financial income is recognized when the following two (2) conditions are satisfied:

- There is a probability of economic benefits from the transaction;
- Revenue is reliably determinable.

Foreign currencies

Transactions denominated in foreign currency are translated at the exchange rates prevailing at the transaction dates. The balances of items denominated in foreign currencies at the end of the accounting period are translated at the rates prevailing on that date

The exchange rate differences arising during the period from foreign currency transactions are recognized in the Income Statement. Exchange rate differences arising from the revaluation of items denominated in foreign currencies at the reporting date, after offsetting increases and decreases, are recognized in financial income or financial expenses.

Borrowing costs

Borrowing costs are recognized as expenses in the period they are incurred unless capitalized in accordance with the Accounting Standard "Borrowing Costs". Accordingly, borrowing costs directly attributable to the acquisition, construction, or production of assets that require a relatively long period to complete for use or sale are added to the carrying amount of the assets until the assets are ready for use or sale. Income arising from the temporary investment of borrowed funds is deducted from the carrying amount of the related assets. For borrowings specifically obtained to finance the construction of fixed assets, investment properties, interest expenses are capitalized even if the construction period is less than 12 months.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

Taxation

Value added tax

The company pays value added tax using the deduction method, with the following tax rates:

Business activities	Tax rate
- Export of pharmaceuticals	0%
- Sale of pharmaceuticals	5%
- Activities of selling functional foods and storage	10%

Corporate income tax

- Current Corporate Income Tax Expense

Current corporate income tax expense is determined based on the taxable income for the year and the applicable corporate income tax rate in the current financial year.

- Tax Incentive Policy

The Company is recognized as a science and technology enterprise under Certificate No. 44/DNKHCN, initially issued on July 19, 2018, by the Hanoi Department of Science and Technology. Accordingly, the Company is entitled to corporate income tax exemptions and reductions in accordance with Article 12 of Decree No. 13/2019/ND-CP dated February 1, 2019, of the Government on science and technology enterprises, provided that revenue from products derived from scientific and technological results accounts for at least 30% of the Company's total revenue. As a result, the Company is exempt from corporate income tax for 4 years and is entitled to a 50% reduction of the payable tax amount for the subsequent 9 years starting from 2018.

- Current Corporate Income Tax Rate

Corporate income tax is calculated at the applicable rate of 20% on taxable income, effective as of the end of the reporting period.

Other types of taxes are applied according to the current tax laws in Vietnam

Earnings per share

Earnings per share for common stock are calculated by dividing the profit or loss attributable to common shareholders by the weighted average number of outstanding common shares during the period. Diluted earnings per share take into account the potential dilution from other securities that could convert into common stock, such as convertible bonds and stock options.

Related parties

Parties are considered related if one party has the ability to control or significantly influence the other party in making financial and operating policy decisions.

Individuals, directly or indirectly through one or more intermediaries, who have control over the Company or are under common control with the Company

Affiliated parties and individuals who directly or indirectly hold voting rights in the Company and have significant influence over the Company

Key management personnel such as the General Director, members of the Company, close family members of these individuals or affiliated parties, or companies affiliated with these individuals are also considered related parties

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

V. ADDITIONAL INFORMATION FOR ITEMS PRESENTED ON THE BALANCE SHEET

1. CASH AND CASH EQUIVALENTS

	<u>31 Mar 2025</u>	<u>01 Jan 2025</u>
Cash on hand	2,829,691,176	895,537,197
Cash in banks	28,029,029,661	5,027,489,445
Cash equivalents (*)	11,000,000,000	73,000,000,000
Total	<u>41,858,720,837</u>	<u>78,923,026,642</u>

(*) As of 31 March 2025, cash equivalents are term deposits from 1 week to 3 months with a value of VND 11,000,000,000 deposited at Asia Commercial Joint Stock Bank

2. SHORT-TERM FINANCIAL INVESTMENTS

	<u>31 Mar 2025</u>	<u>01 Jan 2025</u>
Term deposits	5,000,000,000	5,000,000,000
Cộng	<u>5,000,000,000.0</u>	<u>5,000,000,000</u>

On 31 March 2025, the investment held until maturity is a 6-month term contract worth VND 5,000,000,000 deposited at Asia Commercial Joint Stock Bank

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

3. RECEIVABLES FROM CUSTOMERS

	31 Mar 2025	01 Jan 2025
a. Short-term trade receivables		
Receivables from related parties	13,487,413,339	9,954,555,937
Central Pharmaceutical Joint Stock Company CPC1 - Quang Ninh Branch	27,930,000	13,965,000
CPC1 Central Pharmaceutical Joint Stock Company – Ho Chi Minh City Branch	12,560,121	-
VNP Pharmaceutical Co., Ltd.	6,922,456,039	7,016,907,337
Tan Thinh Pharmaceutical Company Limited	6,524,467,179	2,923,683,600
Receivables from other customers	284,533,692,768	284,224,418,051
Thuan Phat Production and Investment Development Company Limited	20,720,793,061	24,848,092,599
Thanh Nhan Hospital	1,676,220,000	1,089,960,000
Binh Minh Pharmaceutical Co., Ltd.	2,198,547,639	3,885,418,637
Others	259,938,132,068	254,400,946,815
Total	298,021,106,107	294,178,973,988
b. Short-term prepayments from customers	31 Mar 2025	01 Jan 2025
Related parties	-	-
Unrelated parties	31,357,452,155	32,612,600,526
Hoang Son Pharmaceutical Trading Joint Stock Company	114,916,050	738,000,000
Bao Minh Pharmaceutical Joint Stock Company	-	251,370,000
Euphar Pharmaceutical Joint Stock Company	69,999,825	588,000,000
Sanophar	462,682,500	2,384,146,730
Others	30,709,853,780	28,651,083,796
Total	31,357,452,155	32,612,600,526

4. OTHER RECEIVABLES

	31 Mar 2025	01 Jan 2025
Other short-term receivables		
Advances	5,057,297,559	2,233,936,114
Short term Collateral and deposit	701,976,159	684,566,797
Entrusted goods receivable	32,704,663	1,526,600
Advance payment for entrusted goods	-	283,889,063
Other short-term receivables	3,429,452,512	23,841,397
Total	9,221,430,893	3,227,759,971
Other Long-term Receivables	31 Mar 2025	01 Jan 2025
Receivables from related parties	400,000,000	400,000,000
CPC1 Central Pharmaceutical Joint Stock Company - Deposit for office rental	400,000,000	400,000,000
Receivables from other organizations and individuals	3,156,558,172	2,605,883,684
Long term collaterals and deposits	3,156,558,172	2,605,883,684
Total	3,556,558,172	3,005,883,684

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

5. INVENTORIES

	31 Mar 2025		01 Jan 2025	
	Original cost	Provision	Original cost	Provision
Goods in transit	374,920,920	-	13,037,207,591	
Raw materials	132,843,751,582	-	137,708,935,583	(171,425,088)
Tools and supplies	182,854,075	-	127,690,574	-
Cost for work in progress	7,399,450,789	-	10,331,775,450	-
Finished goods and merchandise	305,842,391,778	-	297,370,393,984	(598,547,664)
	446,643,369,143	-	458,576,003,182	(769,972,752)

6. CONSTRUCTION IN PROGRESS

	31 Mar 2025	01 Jan 2025
Purchasing fixed assets	1,872,114,000	2,553,964,000
Construction in progress	11,457,963,803	11,071,944,358
Major repairs of fixed assets	4,475,494,018	3,495,030,333.0
Total	17,805,571,821	17,120,938,691

HANOI CPC1 PHARMACEUTICAL JSC

Ha Binh Phuong Industrial Cluster , Van Binh Commune, Thuong Tin District, Ha Noi City, Viet Nam

FINANCIAL STATEMENTSFor the accounting period
From January 1, 2025 to March 31, 2025**NOTES TO FINANCIAL STATEMENTS (CONTINUED)***These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements***7. TANGIBLE FIXED ASSETS**

Unit: VND

	Buildings and structures	Machinery and Equipment	Transportation and Transmission	Office equipment	Others	Total
COST						
As at 1 January 2025	142,217,699,785	471,765,169,358	30,546,288,758	921,124,091	24,947,243,624	670,397,525,616
Purchase	-	6,926,745,536	745,815,482	-	49,850,000	7,722,411,018
Basic construction investment completed	675,664,840	-	-	-	-	675,664,840
As at 31 March 2025	142,893,364,625	478,691,914,894	31,292,104,240	921,124,091	24,997,093,624	678,795,601,474
ACCUMULATED DEPRECIATION						
As at 1 January 2025	31,595,517,573	246,898,242,760	18,671,225,980	374,320,637	14,754,548,658	312,293,855,608
Depreciation	1,511,295,573	13,923,982,263	1,024,092,050	75,606,732	846,346,980	17,381,323,598
As at 31 March 2025	33,106,813,146	260,822,225,023	19,695,318,030	449,927,369	15,600,895,638	329,675,179,206
NET BOOK VALUE						
As at 1 January 2025	110,622,182,212	224,866,926,598	11,875,062,778	546,803,454	10,192,694,966	358,103,670,008
As at 31 March 2025	109,786,551,479	217,869,689,871	11,596,786,210	471,196,722	9,396,197,986	349,120,422,268

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

8. INTANGIBLE FIXED ASSETS

Đơn vị tính: VND

	Land use rights	Computer software	Others	Cộng
COST				
As at 1 January 2025	20,260,434,763	1,499,500,000	-	21,759,934,763
Purchase	-	-	531,700,000	531,700,000
As at 31 March 2025	20,260,434,763	1,499,500,000	531,700,000	22,291,634,763
ACCUMULATED DEPRECIATION				
As at 1 January 2025	5,850,375,179	1,208,870,374	-	7,059,245,553
Amortization	112,578,591	31,666,668	26,299,141	170,544,400
As at 31 March 2025	5,962,953,770	1,240,537,042	26,299,141	7,229,789,953
NET BOOK VALUE				
As at 1 January 2025	14,410,059,584	290,629,626	-	14,700,689,210
As at 31 March 2025	14,297,480,993	258,962,958	505,400,859	15,061,844,810

9. PREPAID EXPENSES

	31 Mar 2025	01 Jan 2025
Short-term Prepaid Expenses		
Tools and supplies allocated	1,243,988,376	1,279,731,556
Office rental costs	1,005,211,805	2,072,400,000
Insurance costs	128,363,997	116,912,006
Other short-term Prepaid Expenses	994,508,660	814,059,888
Total	3,372,072,838	4,283,103,450
Long-term Prepaid Expenses		
Prepaid land and infrastructure rent in Tan Phu Trung Industrial Park	11,481,157,134	11,577,908,458
Land use rights in Hoa Khanh Expanded Industrial Park	13,660,616,293	13,778,380,228
Export tools	20,988,066,543	20,413,558,074
Repair and maintenance costs	9,644,220,520	9,486,939,560
Others	1,851,065,229	2,045,026,540
Total	57,625,125,719	57,301,812,860

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

10. BORROWINGS AND FINANCE LEASE LIABILITIES

	31 Mar 2025	01 Jan 2025
Short-term loans		
<i>Short-term loans from related parties</i>	-	-
<i>Short-term loans from banks (VND)</i>	17,648,145,174	8,812,381,275
Military Commercial Joint Stock Bank (MB) - Transaction Office Branch 1	508,240,000	508,240,000
Vietnam Foreign Trade Commercial Joint Stock Bank - Nam Thang Long Branch	17,139,905,174	8,304,141,275
<i>Short-term loans from banks (foreign currency)</i>	22,644,459,877	19,882,306,242
Asia Commercial Joint Stock Bank (ACB) - Timescity Transaction Office	22,644,459,877	19,882,306,242
<i>Long-term loans are due for repayment</i>	9,775,000,000	13,000,000,000
Asia Commercial Joint Stock Bank (ACB) - Timescity Transaction Office	4,125,000,000	5,500,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) - My Dinh Branch	5,650,000,000	7,500,000,000
Total	50,067,605,051	41,694,687,517
Long-term loans		
Asia Commercial Joint Stock Bank (ACB) - Timescity Transaction Office	2,750,000,000	2,750,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) - My Dinh Branch	27,700,000,000	27,700,000,000
Total	30,450,000,000	30,450,000,000

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

11. PAYABLES TO SUPPLIERS

	31 Mar 2025	01 Jan 2025
a. Short-term trade payables		
<i>Payable to related parties</i>	6,941,030,258	960,941,016
Tan Thinh Pharmaceutical Company Limited	6,941,030,258	960,941,016
Upharma Joint Stock Company	62,500,000	
<i>Other suppliers</i>	78,956,819,002	78,560,105,459
Thuan Phat Production and Investment Development Company Limited	3,780,244,430	363,261,366
Duc Thanh Packaging Production and Trading Company Limited	2,415,481,594	2,636,801,834
Others	72,761,092,978	75,560,042,259
Total	85,960,349,260	79,521,046,475
b. Short-term advances to suppliers		
Qui Long Refrigeration and Mechanical Engineering Co., Ltd.	12,823,546,752	5,203,970,160
Huy Anh Construction and Trading Service Joint Stock Company	2,439,220,923	1,748,281,844
Others	40,515,009,062	19,103,777,671
Total	55,777,776,737	26,056,029,675

12. TAXES AND OTHER RECEIVABLES/ PAYABLES TO THE STATE BUDGET

	31 Mar 2025		01 Jan 2025	
	Payables	Receivables	Payables	Receivables
Value added tax	2,776,867,276	2,437,467	787,585,833	2,437,467
Value added tax on imports	-	-	-	-
Import and export tax	-	4,066	-	-
Corporate income tax	7,804,895,193	-	15,448,435,502	-
Personal income tax	3,793,503,690	-	1,466,160,374	-
Other taxes	-	-	-	-
Total	14,375,266,159	2,441,533	17,702,181,709	2,437,467

13. SHORT-TERM ACCRUED EXPENSES

	31 Mar 2025	01 Jan 2025
<i>Payable to related parties - interest expenses</i>	-	-
<i>Payable to other organizations and individuals</i>	754,761,500	1,013,834,994
Personal income tax expenses	753,061,500	946,371,244
Other short-term accrued expenses	1,700,000	67,463,750
Total	754,761,500	1,013,834,994

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

14. OTHER PAYABLES

<i>Other Short-term Payables</i>	31 Mar 2025	01 Jan 2025
Trade union fees, social insurance	818,892,041	2,132,020,086
Receive advance payments for entrusted goods	-	6,151,817,546
Others	7,219,361,731	3,433,654,255
Total	8,038,253,772	11,717,491,887

<i>Other Long-term Payables</i>	31 Dec 2025	01 Jan 2025
Long term Deposits received	135,500,000	131,500,000
Total	135,500,000	131,500,000

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HANOI CPC1 PHARMACEUTICAL JSC

Ha Binh Phuong Industrial Cluster , Van Binh Commune, Thuong Tin District, Ha Noi City, Viet Nam

FINANCIAL STATEMENTS

For the accounting period
From October 1, 2024 to December 31, 2024

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

15. OWNER'S EQUITY

Unit: VND

a. Changes in owner's equity

	Owner's contributed capital	Capital surplus	Investment and development fund	Other equity funds	Undistributed profit after tax	Total
As at 1 January 2025	162,290,420,000	9,442,260,000	94,353,394,407	-	708,458,548,850	974,544,623,257
Capital increase for the period	-	-	-	-	-	-
Profit for the period	-	-	-	-	59,215,604,166	59,215,604,166
Decrease adjustment based on final settlement	-	-	-	-	(12,775,728,126)	(12,775,728,126)
Appropriation to development investment fund	-	-	-	-	-	-
Distributions to Bonus and welfare funds	-	-	-	-	-	-
Pay dividends	-	-	-	-	-	-
Appropriation to the Executive Board bonus fund	-	-	-	-	-	-
Bonus for the Board of Directors and Supervisory Board	-	-	-	-	-	-
As at 31 March 2025	162,290,420,000	9,442,260,000	94,353,394,407	-	754,898,424,890	1,020,984,499,297

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

b. Shares

	31 March 2025	01 Jan 2025
Authorised share capital	16,229,042	16,229,042
Issued share capital	16,229,042	16,229,042
- Ordinary shares	16,229,042	16,229,042
- Preferred shares	-	-
Shares in cirulations	16,229,042	16,229,042
- Ordinary shares	16,229,042	16,229,042
- Preferred shares	-	-

* *Par value : 10.000 VND*

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED ON THE INCOME STATEMENT

1. REVENUES FROM SALES OF GOODS AND RENDERING OF SERVICES

	From January 1, 2025, to March 31, 2025	From January 1, 2024, to March 31, 2024
Revenue from sales of goods and finished products	330,110,464,612	284,443,231,075
Revenue from services rendered	118,107,950	25,039,875
Total	330,228,572,562	284,468,270,950

2. REVENUE DEDUCTIONS

	From January 1, 2025, to March 31, 2025	From January 1, 2024, to March 31, 2024
Sales returns	260,619,649	474,118,846
Sales discounts	450,089,223	2,190,387
Total	710,708,872	476,309,233

3. COST OF GOODS SOLD AND SERVICES RENDERED

	From January 1, 2025, to March 31, 2025	From January 1, 2024, to March 31, 2024
Cost of goods and services provided	158,458,475,799	124,806,142,666
Total	158,458,475,799	124,806,142,666

4. FINANCIAL INCOME

	From January 1, 2025, to March 31, 2025	From January 1, 2024, to March 31, 2024
Interest on deposits and loans	272,323,497	337,399,969
Exchange rate difference interest	70,868,026	344,990,093
Total	343,191,523	682,390,062

5. FINANCIAL EXPENSES

	From January 1, 2025, to March 31, 2025	From January 1, 2024, to March 31, 2024
Interest expenses	1,051,878,390	1,527,268,316
Exchange rate difference losses	99,519,315	479,758,510
Total	1,151,397,705	2,007,026,826

6. OTHER INCOME

	From January 1, 2025, to March 31, 2025	From January 1, 2024, to March 31, 2024
Other Income	198,910,604	5,776,902
Total	198,910,604	5,776,902

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements

7. OTHER EXPENSES

	From January 1, 2025, to March 31, 2025	From January 1, 2024, to March 31, 2024
Non-deductible depreciation expenses	33,852,030	33,852,030
Other Expenses	3,813,211,642	450,501,420
Total	3,847,063,672	484,353,450

8. SELLING EXPENSES AND GENERAL ADMINISTRATION EXPENSES

Selling Expenses	From January 1, 2025, to March 31, 2025	From January 1, 2024, to March 31, 2024
Selling staff expenses	57.188.438.266	52.534.068.831
Tools and supplies expenses	1.628.483.078	1.164.995.683
Depreciation expenses of fixed assets	1.239.846.040	1.055.278.884
Promotional costs	2.024.641.066	2.764.027.331
Outside purchasing services cost	21.056.756.289	23.655.521.606
Other cash expenses	8.357.879.730	2.996.805.239
Total	91.496.044.469	84.170.697.574

General administration expenses	From January 1, 2025, to March 31, 2025	From January 1, 2024, to March 31, 2024
Administration staff expenses	3.109.680.954	2.568.009.758
Office equipment expenses	258.684.049	1.343.446.652
Depreciation expenses of fixed assets	663.274.274	649.344.177
Taxes, fees and charges	475.676.667	141.707.789
Outside purchasing services cost	2.562.282.809	3.901.563.573
Other cash expenses	1.016.886.061	832.036.811
Total	8.086.484.814	9.436.108.760

Ha Noi, 19 April 2025

Preparer



Nguyen Thi Xuan Hoan

Chief Accountant



Dang Thi Thu Thuy

Chairman of the Board of Directors



Le Nam Thang