

**DHG PHARMACEUTICAL JOINT STOCK
COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

REVIEWED INTERIM FINANCIAL STATEMENTS

For the 6-month period ended 30 June 2025

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE MANAGEMENT	1 - 2
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS	3 - 4
INTERIM BALANCE SHEET	5 - 7
INTERIM INCOME STATEMENT	8
INTERIM CASH FLOW STATEMENT	9 - 10
NOTES TO THE INTERIM FINANCIAL STATEMENTS	11 - 38



STATEMENT OF THE MANAGEMENT

The Management of DHG Pharmaceutical Joint Stock Company (the "Company") presents this report together with the Company's interim financial statements for the 6-month period ended 30 June 2025.

THE BOARD OF DIRECTORS, AUDIT COMMITTEE AND MANAGEMENT

The members of the Board of Directors, Audit Committee and Management of the Company who held office during the period and to the date of this report are as follows:

Board of Directors

Ms. Dang Thi Thu Ha	Chairwoman
Mr. Jun Kuroda	Member
Mr. Toshiyuki Ishii	Member
Mr. Maki Kamijo	Member
Mr. Doan Dinh Duy Khuong	Member (resigned on 24 April 2025)
Ms. Le Thi Thanh Hien	Member (appointed on 24 April 2025)
Mr. Do Le Hung	Independent member
Mr. Truong Anh Hung	Independent member

Audit Committee

Mr. Do Le Hung	Chairman
Ms. Dang Thi Thu Ha	Member (resigned on 24 April 2025)
Mr. Maki Kamijo	Member
Ms. Le Thi Thanh Hien	Member (appointed on 24 April 2025)

Management

Mr. Toshiyuki Ishii	General Director
Mr. Osamu Fujimori	Chief Operating Officer (appointed on 1 January 2025)
Ms. Nguyen Ngoc Diep	Deputy General Director
Mr. Tomoyuki Kawata	Deputy General Director

Legal representative

Legal representative of the Company during the period and at the date of these interim financial statements is Mr. Toshiyuki Ishii.

THE MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Management of the Company is responsible for preparing the interim financial statements which give a true and fair view of the financial position of the Company as at 30 June 2025 and its financial performance and cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. In preparing these interim financial statements, the Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the interim financial statements;
- prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the interim financial statements so as to minimize errors and frauds.

STATEMENT OF THE MANAGEMENT (Continued)

The Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the interim financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. The Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

For and on behalf of the Management,



Toshiyuki Ishii
General Director
8 August 2025

No.: 0107 /VN1A-HC-BC

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: The Shareholders
The Board of Directors, Audit Committee and Management
DHG Pharmaceutical Joint Stock Company

We have reviewed the accompanying interim financial statements of DHG Pharmaceutical Joint Stock Company (the "Company"), prepared on 8 August 2025 as set out from page 5 to page 38, which comprise the interim balance sheet as at 30 June 2025, the interim income statement and interim cash flow statement for the 6-month period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Interim Financial Statements

The Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting, and for such internal control as the Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2025, and of its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS (Continued)

Other matter

The Company's interim financial statements for the 6-month period ended 30 June 2024 were reviewed by another audit firm, which expressed an unmodified conclusion on those interim financial statements on 6 August 2024. In addition, the Company's financial statements for the year ended 31 December 2024 were audited by the same audit firm, which expressed an unmodified audit opinion on those financial statements on 24 February 2025.



Nguyễn Thị Thu Sang

Audit Partner

Audit Practising Registration Certificate

No. 1144-2023-001-1

BRANCH OF DELOITTE VIETNAM AUDIT COMPANY LIMITED

8 August 2025

Ho Chi Minh City, Vietnam

INTERIM BALANCE SHEET
As at 30 June 2025

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		4,165,085,715,080	4,604,003,766,930
I. Cash and cash equivalents	110	4	80,270,385,826	62,857,547,612
1. Cash	111		80,270,385,826	62,857,547,612
II. Short-term financial investments	120	5	2,475,000,000,000	2,745,000,000,000
1. Held-to-maturity investments	123		2,475,000,000,000	2,745,000,000,000
III. Short-term receivables	130		496,789,500,792	656,735,934,274
1. Short-term trade receivables	131	6	453,550,727,422	556,907,648,937
2. Short-term advances to suppliers	132	7	15,307,680,754	45,858,016,499
3. Short-term loan receivables	135	8	181,622,204	257,622,204
4. Other short-term receivables	136	9	61,422,191,408	86,760,219,279
5. Provision for short-term doubtful debts	137	10	(33,672,720,996)	(33,047,572,645)
IV. Inventories	140	11	1,087,637,023,030	1,115,429,265,990
1. Inventories	141		1,090,079,171,061	1,117,843,358,841
2. Provision for devaluation of inventories	149		(2,442,148,031)	(2,414,092,851)
V. Other short-term assets	150		25,388,805,432	23,981,019,054
1. Short-term prepayments	151	12	8,070,134,816	10,859,509,686
2. Value added tax deductibles	152		11,900,530,952	11,321,251,904
3. Taxes and other receivables from the State budget	153	19	5,418,139,664	1,800,257,464

The accompanying notes are an integral part of these interim financial statements



INTERIM BALANCE SHEET (Continued)
As at 30 June 2025

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
B. NON-CURRENT ASSETS	200		1,329,958,742,944	1,355,239,509,335
I. Long-term receivables	210		205,000,000	205,000,000
1. Other long-term receivables	216		205,000,000	205,000,000
II. Fixed assets	220		1,182,408,951,168	1,195,866,733,467
1. Tangible fixed assets	221	13	1,006,171,383,407	1,017,760,834,448
- Cost	222		2,196,527,180,657	2,151,327,804,065
- Accumulated depreciation	223		(1,190,355,797,250)	(1,133,566,969,617)
2. Intangible assets	227	14	176,237,567,761	178,105,899,019
- Cost	228		234,288,626,721	234,288,626,721
- Accumulated amortization	229		(58,051,058,960)	(56,182,727,702)
III. Investment property	230	15	30,268,430,901	30,672,622,059
- Cost	231		44,826,611,143	44,826,611,143
- Accumulated depreciation	232		(14,558,180,242)	(14,153,989,084)
IV. Long-term assets in progress	240	16	46,568,696,176	48,613,976,834
1. Construction in progress	242		46,568,696,176	48,613,976,834
V. Long-term financial investments	250		4,630,000,000	4,437,500,000
1. Equity investments in other entities	253	5	24,108,379,057	24,108,379,057
2. Provision for impairment of long-term financial investments	254	5	(19,478,379,057)	(19,670,879,057)
VI. Other long-term assets	260		65,877,664,699	75,443,676,975
1. Long-term prepayments	261	12	47,205,193,557	57,104,157,059
2. Deferred tax assets	262	17	18,672,471,142	18,339,519,916
TOTAL ASSETS (270=100+200)	270		5,495,044,458,024	5,959,243,276,265

The accompanying notes are an integral part of these interim financial statements

INTERIM BALANCE SHEET (Continued)
As at 30 June 2025

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		1,706,998,675,675	1,864,488,178,296
I. Current liabilities	310		1,631,776,602,099	1,790,292,694,239
1. Short-term trade payables	311	18	293,315,399,450	167,297,346,734
2. Short-term advances from customers	312		45,300,971,996	35,831,657,220
3. Taxes and amounts payable to the State budget	313	19	87,628,774,801	76,460,947,075
4. Payables to employees	314	20	142,335,955,735	202,121,684,052
5. Short-term accrued expenses	315	21	51,538,668,931	59,525,577,023
6. Short-term unearned revenue	318	22	49,210,492,963	48,506,708,876
7. Other current payables	319		2,841,711,527	525,017,692,946
8. Short-term loans	320	23	927,569,329,050	649,913,916,414
9. Bonus and welfare funds	322	24	32,035,297,646	25,617,163,899
II. Long-term liabilities	330		75,222,073,576	74,195,484,057
1. Long-term provisions	342	25	73,830,526,288	71,954,405,323
2. Scientific and technological development fund	343	26	1,391,547,288	2,241,078,734
D. EQUITY	400		3,788,045,782,349	4,094,755,097,969
I. Owner's equity	410	27	3,788,045,782,349	4,094,755,097,969
1. Owner's contributed capital	411		1,307,460,710,000	1,307,460,710,000
- Ordinary shares carrying voting rights	411a		1,307,460,710,000	1,307,460,710,000
2. Share premium	412		6,778,948,000	6,778,948,000
3. Investment and development fund	418		1,358,122,657,972	2,458,122,657,972
4. Retained earnings	421		1,115,683,466,377	322,392,781,997
- Retained earnings accumulated to the prior year end	421a		612,548,752,398	66,456,946,037
- Retained earnings of the current period/year	421b		503,134,713,979	255,935,835,960
TOTAL RESOURCES (440=300+400)	440		5,495,044,458,024	5,959,243,276,265

Tran Ngoc Hien
Preparer

Ho Bui Huan
Chief Accountant

Foshiyuki Ishii
General Director
8 August 2025



INTERIM INCOME STATEMENT
For the 6-month period ended 30 June 2025

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold and services rendered	01	30	2,766,028,789,278	2,742,200,331,873
2. Deductions	02	30	387,246,998,277	377,849,630,377
3. Net revenue from goods sold and services rendered (10=01-02)	10		2,378,781,791,001	2,364,350,701,496
4. Cost of sales	11	31	1,226,169,303,615	1,354,232,486,998
5. Gross profit from goods sold and services rendered (20=10-11)	20		1,152,612,487,386	1,010,118,214,498
6. Financial income	21	33	68,161,733,319	73,341,588,150
7. Financial expenses	22	34	42,700,967,232	39,974,586,440
- In which: Interest expense	23		12,697,085,263	8,944,085,778
8. Selling expenses	25	35	456,650,534,767	417,033,909,360
9. General and administration expenses	26	35	156,714,385,965	158,225,378,295
10. Operating profit (30=20+(21-22)-(25+26))	30		564,708,332,741	468,225,928,553
11. Other income	31	36	9,426,060,049	2,724,076,417
12. Other expenses	32	37	8,594,625,307	8,010,354,099
13. Profit/(loss) from other activities (40=31-32)	40		831,434,742	(5,286,277,682)
14. Accounting profit before tax (50=30+40)	50		565,539,767,483	462,939,650,871
15. Current corporate income tax expense	51	38	62,738,004,730	48,567,877,120
16. Deferred corporate tax income	52	38	(332,951,226)	(341,415,851)
17. Net profit after corporate income tax (60=50-51-52)	60		503,134,713,979	414,713,189,602
18. Basic earnings per share	70	39	3,725	3,069


Tran Ngoc Hien
Preparer


Ho Bui Huan
Chief Accountant



Toshiyuki Ishii
General Director
08 August 2025

INTERIM CASH FLOW STATEMENT
For the 6-month period ended 30 June 2025

Unit: VND

ITEMS	Codes	Current period	Prior period
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	565,539,767,483	462,939,650,871
2. <i>Adjustments for:</i>			
Depreciation and amortization of fixed assets and investment properties	02	59,406,377,673	51,603,193,832
Provisions	03	3,150,286,085	2,350,207,398
Foreign exchange gain arising from translating foreign currency items	04	(96,237,333)	(178,463,040)
Gain from investing activities	05	(63,713,883,110)	(71,675,764,584)
Interest expense	06	12,697,085,263	8,944,085,778
3. <i>Operating profit before movements in working capital</i>	08	576,983,396,061	453,982,910,255
Changes in receivables	09	111,463,869,081	140,031,105,068
Changes in inventories	10	27,764,187,780	147,172,416,394
Changes in payables	11	53,134,863,943	(85,048,337,819)
Changes in prepaid expenses	12	18,286,865,528	6,441,143,668
Interest paid	14	(12,577,047,203)	(8,969,440,031)
Corporate income tax paid	15	(36,341,225,553)	(32,675,760,454)
Other cash outflows	17	(18,854,499,986)	(17,929,970,924)
<i>Net cash generated by operating activities</i>	20	719,860,409,651	603,004,066,157
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(20,577,566,076)	(34,318,981,634)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	156,174,545	830,667,000
3. Cash outflow for lending and time deposits	23	(1,944,000,000,000)	(1,995,000,000,000)
4. Cash recovered from lending and time deposits	24	2,214,000,000,000	1,575,000,000,000
5. Interest earned, dividends and profits received	27	77,708,453,776	102,137,335,930
<i>Net cash generated by/(used in) investing activities</i>	30	327,287,062,245	(351,350,978,704)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,352,569,329,050	1,005,835,884,809
2. Repayment of borrowings	34	(1,074,913,916,414)	(767,094,266,875)
3. Dividends and profits paid	36	(1,307,460,710,000)	(522,984,284,000)
<i>Net cash used in financing activities</i>	40	(1,029,805,297,364)	(284,242,666,066)
<i>Net increase/(decrease) in cash (50=20+30+40)</i>	50	17,342,174,532	(32,589,578,613)
<i>Cash and cash equivalents at the beginning of the period</i>	60	62,857,547,612	94,134,026,358
<i>Effects of changes in foreign exchange rates</i>	61	70,663,682	84,561,734
<i>Cash and cash equivalents at the end of the period (70=50+60+61)</i>	70	80,270,385,826	61,629,009,479

The accompanying notes are an integral part of these interim financial statements

INTERIM CASH FLOW STATEMENT (Continued)
For the 6-month period ended 30 June 2025


Significant non-cash transactions for the 6-month period ended 30 June 2025 are presented in Note 43.



Tran Ngoc Hien
Preparer



Ho Bui Huan
Chief Accountant



Toshiyuki Ishii
General Director
8 August 2025

NOTES TO THE INTERIM FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the interim financial statements

1. GENERAL INFORMATION

Structure of ownership

On 2 September 2004, DHG Pharmaceutical Joint Stock Company (the "Company") was equitized from Hau Giang Pharmaceutical United Factory in accordance with Decision No. 2405/QĐ-CT.UB dated 5 August 2004 issued by the People's Committee of Can Tho City. The Company was officially incorporated as a joint stock company under the Business Registration Certificate No. 5703000111 dated 15 September 2004 issued by the Department of Planning and Investment of Can Tho City with the initial charter capital of VND 80,000,000,000.

The Company's shares were listed in Ho Chi Minh Stock Exchange with DHG code in accordance with Decision No. 93/UBCK-GPNY dated 1 December 2006 issued by the State Securities Commission of Vietnam.

As at 30 June 2025, the largest shareholders of the Company are Taisho Pharmaceutical Co., Ltd. which owns 51.01% and the State Capital Investment Corporation ("SCIC") which owns 43.31% of share capital of the Company.

The Company's head office is located at 288 Bis Nguyen Van Cu Street, Cai Khe Ward, Can Tho City, Vietnam. In addition, the Company operates thirty-four (34) distribution branches, two (2) representative offices, and two (2) central warehouses, and one (1) medical herb branch located across various provinces and cities in Vietnam.

As at 30 June 2025, the Company has following active manufacturing plants:

1. DHG Pharmaceutical Manufacturing Plant, located at the Company's head office address.
2. DHG Pharmaceutical Manufacturing Plant (including the expansion project), located at Lot B2 - B3, Tan Phu Thanh Industrial Park – Phase 1, Thanh Xuan Commune, Can Tho City (formerly part of Hau Giang Province).
3. DHG Packaging-Printing Plant, located at Lot B2 - B3, Tan Phu Thanh Industrial Park – Phase 1, Thanh Xuan Commune, Can Tho City (formerly part of Hau Giang Province).

The number of employees of the Company as at 30 June 2025 was 2,794 (as at 31 December 2024: 2,806).

Operating industry and principal activities

The Company's operating industry are to manufacture and trade pharmaceutical products.

The principal activities are to manufacture and trade pharmaceuticals, health-protecting supplements and cosmeceuticals.

Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

Disclosure of information comparability in the interim financial statements

Comparative figures on the interim balance sheet are the figures of the audited financial statements for the year ended 31 December 2024 and comparative figures on the interim income statement and interim cash flow statement are the figures of the reviewed interim financial statements for the 6-month period ended 30 June 2024.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The interim financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.

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

Financial year/accounting period

The Company's financial year begins on 1 January and ends on 31 December. The interim financial statements are prepared for the 6-month period ended 30 June each year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these interim financial statements, are as follows:

Estimates

The preparation of interim financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting requires the Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the interim balance sheet date and the reported amounts of revenues and expenses during the period. Although these accounting estimates are based on the Management's best knowledge, actual results may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in transit, demand deposits and short-term investments with maturity term not exceeding 3 months from the date of investment, which are highly liquid, readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company's Management has the positive intent or ability to hold to maturity.

Held-to-maturity investments include term deposits to earn periodic interest (except for term deposits presented in Note "Cash and cash equivalents"). These investments are measured at cost less provision for impairment of financial investments. Interest income from term deposits is recognized in the interim income statement on accrual basis.

Loan receivables

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.



Equity investments in other entities

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment. The provision for impairment of investments is made when there is a reliable evidence for declining in value of these investments at the balance sheet date.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to settle the debt.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises cost of purchases and other directly attributable expenses. In the case of manufactured products, cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as at the interim balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives, as follows:

	Years
Buildings and structures	3 - 50
Machinery and equipment	5 - 20
Office equipment	3 - 15
Motor vehicles	3 - 15

Gain or loss resulting from sales and disposals of tangible fixed assets is the difference between proceeds from sales or disposals of assets and their residual values and is recognized in the interim income statement.

Operating leases

The Company as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Company as lessee

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Intangible assets and amortization

Intangible assets represent the value of land use rights and computer software that are stated at cost less accumulated amortization.

Definite land use rights are amortized using the straight-line method over the terms indicated in the land use right certificate. Indefinite land use rights are carried at cost and not amortized under prevailing regulations.

Computer software is amortized using the straight-line method from 2 to 8 years.

Investment properties

Investment properties are buildings, or part of buildings or infrastructure held by the Company to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation while investment properties held for capital appreciation are stated at cost less impairment loss. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives, as follows:

	<u>Years</u>
Land use rights	50
Building and structures	10 -15

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise leasehold improvement expenses, land rentals, costs of small tools, supplies and spare parts issued for consumption and other prepaid expenses.

Land rentals represent the prepaid land rentals. The prepaid land rentals are allocated to the interim income statement using the straight-line method over the lease term.

Others have been capitalized as prepayments, and are allocated to the interim income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Management's best estimate of the expenditure required to settle the obligation as at the interim balance sheet date.

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Company for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each period of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the interim financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the interim income statement.

Provision for dismantling and restoration costs

In accordance with Circular No. 200/2014/TT-BTC issued by Ministry of Finance, since 1 January 2015, the Company is required to provide for dismantling and restoration costs of the Company's leased premises or land. The provision for dismantling and restoration costs is determined based on the estimated dismantling and restoration costs to be incurred at the time of returning the premises or land at the end of the lease term and recognized on a straight-line basis over the period from 1 January 2015 to the time of returning the premises or land.

Unearned revenue

Unearned revenue represents the fair value of goods and services provided to customers for free or at discount in the customer loyalty programs. Unearned revenue is recognized for the portion of obligation that the Company has not yet fulfilled to customers.

Revenue recognition

Revenue from the sale of goods is recognized when all five (5) following conditions are satisfied:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company;
- and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the interim balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognized when the Company's right to receive payment has been established.

Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of sales of products, goods and services are recorded as deduction of revenue of the period.

Sales deductions for the products, goods or services which are sold in the period, incurred after the interim balance sheet date but before the issuance of the interim financial statements are recorded as deduction of revenue of the period.

Customer loyalty program

Revenue is recognized at total consideration received less fair value of goods and services which are provided to customers for free or at discount. Fair value amounts of goods and services provided for free or at discount are recognized as unearned revenue. If customers do not meet the required conditions stated in the customer loyalty programs at the end of the programs and hence, are not entitled to the free or discounted goods and services, the unearned revenue is realized into the revenue.

When customers meet all the required conditions and the Company is the one providing the free or discounted goods and services to customers, the unearned revenue is realized into the Company's revenue at the time that obligations to customers are fulfilled, which means goods are delivered and services are rendered to customers.

When customers meet all the required conditions and obligations of providing the free or discounted goods and services to customers are carried out by a third party. If the Company does not act as an agent of the third party, the unearned revenue is realized into the Company's revenue at the time that third party provides the free or discounted goods and services to customers. If the Company acts as an agent of the third party, the Company recognizes revenue for the difference between the unearned revenue amount and the amount payable to the third party for providing such free or discounted goods and services to customers.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates of the commercial bank where the Company regularly has transactions on the same date. Exchange differences arising from the translation of these accounts are recognized in the interim income statement.

Borrowing costs

Borrowing costs are recognized in the interim income statement in the period when incurred unless they are capitalized in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalized even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable income for the period. Taxable income differs from profit before tax as reported in the interim income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.



Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the interim financial statements and the corresponding tax bases used in the computation of taxable income and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to the interim income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

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

Profit distribution

The Company's net profit after tax is available for appropriation to shareholders as dividends and funds upon approval by shareholders at the Company's Annual General Meeting.

Dividends are declared and paid from retained earnings based on the approval of shareholders at the Company's Annual General Meeting.

Bonus and welfare fund

Bonus and welfare fund Bonus and welfare fund is deducted from the profit after corporate income tax of the company to be used for rewarding and encouraging physical benefits, serving the needs of the public, improving and enhancing mental and physical life of employees. The appropriation and use of the bonus and welfare fund must comply with current prevailing accounting and financial regulations.

Investment and development fund

Investment and development fund is deducted from profits after corporate income tax of the Company to be used to invest in expanding the scale of production, business or in-depth investment of the enterprise. The appropriation and use of the investment and development fund shall be carried out in accordance with the Resolution of the Annual General Meeting of Shareholders and the prevailing regulations.

Segmental reporting

A segment is a distinct business segment of the Company that provides a single product or service or a group of related products and services (product segment), or provides products and services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of others. The basic reportable segment of the Company is product segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Company's interim financial statements in order to help users of interim financial statements to understand and evaluate the operations of the Company in a comprehensive way.

Related parties

Parties are considered to be related parties of the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Company and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including their close family members.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	11,422,677,500	6,538,753,500
Bank demand deposits	68,847,708,326	56,318,794,112
	<u>80,270,385,826</u>	<u>62,857,547,612</u>

5. FINANCIAL INVESTMENTS

Held-to-maturity investments

Short-term held-to maturity investments represent term deposits with the original maturity terms from more than 3 months and remaining maturity terms of less than 12 months from the balance sheet date. The held-to-maturity investments bear interest rates ranging from 4.6% to 5.7% per annum (prior year: from 4.2% to 5.5% per annum).

As at 30 June 2025, term deposits with maturity term of over 3 months of VND 415,000,000,000 (as at 31 December 2024: VND 260,000,000,000) were pledged as collaterals for the short-term loans from the banks (Note 23).

Investments in other entities

	<u>Closing balance</u>		<u>Opening balance</u>	
	Cost VND	Provision VND	Cost VND	Provision VND
Investments in other entities	<u>24,108,379,057</u>	<u>(19,478,379,057)</u>	<u>24,108,379,057</u>	<u>(19,670,879,057)</u>

Equity investments in other entities

	<u>Closing balance</u>		<u>Opening balance</u>	
	Cost VND	Ownership and voting percentage %	Cost VND	Ownership and voting percentage %
ATP Packaging JSC	20,000,000,000	6.67	20,000,000,000	6.67
Enlie Pharmaceutical Joint Stock Company	4,108,379,057	2.9	4,108,379,057	2.9
	<u>24,108,379,057</u>		<u>24,108,379,057</u>	

As at 30 June 2025 and 31 December 2024, fair values of long-term investments in other entities were as follows:

	Fair value	
	Closing balance VND	Opening balance VND
ATP Packaging JSC [1]	2,600,000,000	2,600,000,000
Enlie Pharmaceutical Joint Stock Company [2]	2,030,000,000	1,837,500,000
	4,630,000,000	4,437,500,000

[1] The fair value of investment in ATP Packaging Joint Stock Company was determined by P/B method.

[2] The fair value of investment in Enlie Pharmaceutical JSC was determined based on the reference price in the stock market exchange.

The balance of provision as at 30 June 2025 and 31 December 2024 represented the provision for impairment of the investment in following companies:

	Closing balance VND	Opening balance VND
ATP Packaging JSC	17,400,000,000	17,400,000,000
Enlie Pharmaceutical Joint Stock Company	2,078,379,057	2,270,879,057
	19,478,379,057	19,670,879,057

Movements in the provision for impairment of the investments during current period and prior year were as follows:

	Current period VND	Prior year VND
Opening balance	19,670,879,057	19,933,379,057
Reversal of provision	(192,500,000)	(262,500,000)
Closing balance	19,478,379,057	19,670,879,057

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Receivables from related parties (Note 42)	1,548,064,025	3,009,909,100
Receivables from third parties	452,002,663,397	553,897,739,837
	453,550,727,422	556,907,648,937

As at 30 June 2025 and 31 December 2024, there was no trade receivables from third parties accounting for 10% or more of total trade receivables.

7. SHORT-TERM ADVANCE TO SUPPLIERS

	Closing balance VND	Opening balance VND
Hau Giang Industrial Zone's Basic Development Company	3,251,045,444	3,251,045,444
Branch of Ben Thanh Tourist Service Corporation in Can Tho	2,212,574,040	-
Hoang Long Technology Co., Ltd.	1,992,870,000	-
Tien Tuan Pharmaceutical Machinery Co., Ltd.	-	29,464,585,950
Tan Huong Trading and Packing Producing Co., Ltd.	928,310,925	7,070,447,506
Other	6,922,880,345	6,071,937,599
	15,307,680,754	45,858,016,499

8. SHORT-TERM LOAN RECEIVABLES

Loan receivables represent interest-free loans granted to customers in accordance with the refundable capital support policy of the Company. Provisions for loan receivables have been presented in Note 10.

9. OTHER SHORT-TERM RECEIVABLES

	Closing balance VND	Opening balance VND
Accruals of interest income	44,511,241,097	58,661,986,308
Receivables from employees	12,710,729,512	12,368,841,716
Other receivables	4,200,220,799	15,729,391,255
	61,422,191,408	86,760,219,279

10. BAD DEBTS

	Closing balance		
	Cost VND	Provision VND	Recoverable amount VND
Total amount of receivables and loans past due or not past due but impaired	89,188,959,929	(33,672,720,996)	55,516,238,933
<i>In which</i>			
Trade receivables	78,197,350,839	(22,681,111,906)	55,516,238,933
Others	10,991,609,090	(10,991,609,090)	-

	Opening balance		
	Cost VND	Provision VND	Recoverable amount VND
Total amount of receivables and loans past due or not past due but impaired	104,960,349,435	(33,047,572,645)	71,912,776,790
<i>In which</i>			
Trade receivables	93,842,859,381	(21,930,082,591)	71,912,776,790
Others	11,117,490,054	(11,117,490,054)	-

As at 30 June 2025 and 31 December 2024, there was no single receivable accounting for 10% or more of total amount of receivables past due or not past due but impaired.

Movements in the provision for doubtful debts during the current period and prior year were as follows:

	Current period VND	Prior year VND
Opening balance	33,047,572,645	35,457,299,593
Additional provision during the period/year	625,148,351	582,512,306
Write-off during the period/year	-	(2,992,239,254)
Closing balance	33,672,720,996	33,047,572,645

11. INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	86,202,675,456	-	82,500,439,637	-
Raw materials	486,217,580,713	(1,663,334,522)	558,533,781,102	(1,441,799,264)
Work in progress	80,418,329,734	-	79,803,293,749	-
Finished goods	402,341,423,266	(778,813,509)	353,996,808,325	(972,293,587)
Merchandise	34,899,161,892	-	43,009,036,028	-
	1,090,079,171,061	(2,442,148,031)	1,117,843,358,841	(2,414,092,851)

Movements in the provision for inventories during current period and prior year were as follows:

	Current period VND	Prior year VND
Opening balance	2,414,092,851	4,166,989,823
Increase	30,819,790	443,574,006
Utilization	(2,764,610)	(2,196,470,978)
Closing balance	2,442,148,031	2,414,092,851

The provision for devaluation of inventories was made for inventories of which costs were higher than net realizable value.

12. PREPAYMENTS

	Closing balance VND	Opening balance VND
a. Current		
Prepaid for operating lease	4,908,125,047	2,206,793,549
Others	3,162,009,769	8,652,716,137
	8,070,134,816	10,859,509,686
b. Non-current		
Tools and supplies	8,494,590,904	13,558,743,984
Maintenance, replacement	36,828,186,224	41,960,364,388
Others	1,882,416,429	1,585,048,687
	47,205,193,557	57,104,157,059

13. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	776,502,087,372	1,093,623,971,483	107,395,479,629	173,806,265,581	2,151,327,804,065
Additions	-	1,759,053,178	1,491,399,000	-	3,250,452,178
Transfer from construction in progress	-	42,910,568,050	-	-	42,910,568,050
Disposals	-	-	-	(961,643,636)	(961,643,636)
Closing balance	776,502,087,372	1,138,293,592,711	108,886,878,629	172,844,621,945	2,196,527,180,657
<i>In which:</i>					
<i>Fully depreciated</i>	197,702,565,131	296,549,643,735	68,602,034,690	78,040,303,110	640,894,546,666
ACCUMULATED DEPRECIATION					
Opening balance	366,422,721,720	570,815,692,837	77,810,736,914	118,517,818,146	1,133,566,969,617
Charge for the period	13,111,999,204	37,170,661,371	2,749,498,135	4,718,312,559	57,750,471,269
Disposals	-	-	-	(961,643,636)	(961,643,636)
Closing balance	379,534,720,924	607,986,354,208	80,560,235,049	122,274,487,069	1,190,355,797,250
NET BOOK VALUE					
Opening balance	410,079,365,652	522,808,278,646	29,584,742,715	55,288,447,435	1,017,760,834,448
Closing balance	396,967,366,448	530,307,238,503	28,326,643,580	50,570,134,876	1,006,171,383,407

14. INTANGIBLE ASSETS

	Land use rights with indefinite term VND	Land use rights with definite term VND	Computer software VND	Total VND
COST				
Opening and closing balance	83,120,604,201	129,637,853,493	21,530,169,027	234,288,626,721
<i>In which:</i>				
Fully amortized	-	75,848,452	16,623,196,805	16,699,045,257
ACCUMULATED AMORTIZATION				
Opening balance	-	35,950,851,372	20,231,876,330	56,182,727,702
Charge for the period	-	1,353,590,904	514,740,354	1,868,331,258
Closing balance	-	37,304,442,276	20,746,616,684	58,051,058,960
NET BOOK VALUE				
Opening balance	83,120,604,201	93,687,002,121	1,298,292,697	178,105,899,019
Closing balance	83,120,604,201	92,333,411,217	783,552,343	176,237,567,761

15. INVESTMENT PROPERTIES

	Land use rights VND	Buildings and structures VND	Total VND
COST			
Opening balance	36,063,405,215	8,763,205,928	44,826,611,143
ACCUMULATED DEPRECIATION			
Opening balance	6,247,659,476	7,906,329,608	14,153,989,084
Charge for the year	312,382,974	91,808,184	404,191,158
Closing balance	6,560,042,450	7,998,137,792	14,558,180,242
NET BOOK VALUE			
Opening balance	29,815,745,739	856,876,320	30,672,622,059
Closing balance	29,503,362,765	765,068,136	30,268,430,901

The cost of investment properties included assets which were fully depreciated as at 30 June 2025: VND 6,008,960,472 (as at 31 December 2024: VND 6,008,960,472).

Fair value of the Company's investment properties is VND 109,233,000,000, which was determined under latest valuation certificate issued on 5 August 2020 by South East Appraisal and Consulting Corporation and valuation certificate issued on 17 January 2023 by VAS Valuation Corporation Limited, an independent valuation company, not a related party of the Company. South East Appraisal and consulting Corporation company and VAS Valuation Corporation Limited hold a valid practicing certificate and has experience in real estate valuation. The valuations were conducted in accordance with Vietnamese Valuation Standards, with reference to market transaction prices of comparable properties.

16. CONSTRUCTION IN PROGRESS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Expansion of DHG Pharmaceutical Plant and DHG Printing and Packaging Plant	32,090,851,320	32,418,736,620
LUS product project	5,594,799,598	5,594,799,598
Construction of Gia Lai Branch office	3,473,948,774	3,473,948,774
REB product project	3,141,815,687	3,141,815,687
Renovating departments	-	1,044,195,319
Other machinery and equipment	2,267,280,797	2,940,480,836
	<u>46,568,696,176</u>	<u>48,613,976,834</u>

Movements in the construction in progress during the current period and prior year were as follows:

	<u>Current period</u>	<u>Prior year</u>
	VND	VND
Opening balance	48,613,976,834	553,593,578,887
Purchases	46,796,320,218	52,928,216,172
Transfer to tangible fixed assets (Note 13)	(42,910,568,050)	(511,658,589,036)
Transfer to prepayments and tools	(5,598,527,156)	(24,892,388,348)
Transfer to expenses during the period/year	(332,505,670)	(21,356,840,841)
	<u>46,568,696,176</u>	<u>48,613,976,834</u>

17. DEFERRED TAX ASSETS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Corporate income tax rates used for determination of value of deferred tax assets	20%	20%
Deductible temporary differences		
<i>In which:</i>		
<i>Provision for dismantling and restoration costs</i>	9,112,610,875	8,670,724,839
<i>Provision for severance allowance</i>	5,653,494,383	5,720,156,225
<i>Provision for impairment of long-term financial investments</i>	3,895,675,811	3,934,175,812
<i>Unrealized gains arising from internal asset transactions</i>	10,690,073	14,463,040
Deferred tax assets	<u>18,672,471,142</u>	<u>18,339,519,916</u>

The deferred tax assets mainly arise from deductible temporary differences relating to provisions and unrealized profits arising from intra-group transactions of assets acquisition between the Company and its old subsidiaries in the Company which are dissolved.

Movement of deferred tax assets in the period/year was as follow:

	<u>Current period</u>	<u>Prior year</u>
	VND	VND
Opening balance	18,339,519,916	16,872,210,044
Increase in deferred tax assets	336,724,193	1,474,855,807
Change of eliminated entry of fixed assets	(3,772,967)	(7,545,935)
Closing balance	<u>18,672,471,142</u>	<u>18,339,519,916</u>

18. SHORT-TERM TRADE PAYABLES

		Closing balance		Opening balance
	Amount	Amount able to	Amount	Amount able to
	VND	be paid off	VND	be paid off
		VND		VND
a. Trade payables to third parties				
APC Pharmaceuticals and Chemical Limited	49,020,809,330	49,020,809,330	-	-
Nomura Trading Co., Ltd.	20,240,151,250	20,240,151,250	57,052,189,125	57,052,189,125
Others	214,597,133,031	214,597,133,031	108,419,166,569	108,419,166,569
b) Trade payables to related parties				
(Note 42)	9,457,305,839	9,457,305,839	1,825,991,040	1,825,991,040
	293,315,399,450	293,315,399,450	167,297,346,734	167,297,346,734

As at 30 June 2025 and 31 December 2024, the Company did not have any short-term trade payables past due.

19. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance	Payable during the period	Paid during the period	Waiting for net-off/ refund/other during the period	Closing balance
	VND	VND	VND	VND	VND
a. Tax receivables					
Personal income tax	1,722,948,630	(6,700,807,351)	-	10,395,997,688	5,418,138,967
Others	77,308,834	(77,308,137)	-	-	697
	1,800,257,464	(6,778,115,488)	-	10,395,997,688	5,418,139,664
b. Tax payables					
Value added tax for domestic goods	27,659,928,028	66,176,361,501	(82,064,398,270)	-	11,771,891,259
Value added tax for import goods	-	29,015,148,366	(28,807,732,067)	-	207,416,299
Import and export duties	-	7,399,805,208	(7,357,798,608)	-	42,006,600
Corporate income tax	22,416,942,929	52,738,004,730	(36,341,225,553)	-	38,813,722,106
Global minimum tax (*)	22,082,000,000	10,000,000,000	-	-	32,082,000,000
Personal income tax	1,863,664,500	37,094,922,336	(35,686,407,723)	-	3,272,179,113
Land rental fee	-	5,244,762,127	(3,829,474,700)	-	1,415,287,427
Others	2,438,411,618	7,565,804,589	(9,979,944,210)	-	24,271,997
	76,460,947,075	215,234,808,857	(204,066,981,131)	-	87,628,774,801

(*) On 29 November 2023, the National Assembly issued Resolution No. 107/2023/QH15 relating to the application of top-up tax under the global anti-base erosion rules. As at the date of these interim financial statements, the Company's Management, based on the best estimate available at this time, has made an additional provision for corporate income tax obligations as follows:

- Additional corporate income tax for the year 2024 of the Company was VND 20,774,000,000; and corporate income tax paid on behalf of Taisho Vietnam Co., Ltd. was VND 1,308,000,000.
- Additional corporate income tax for the first six months of 2025 of the Company was VND 10,000,000,000.

20. PAYABLE TO EMPLOYEES

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Salary expense	45,214,972,951	49,445,885,654
Bonus	95,290,857,564	151,362,792,144
Others	1,830,125,220	1,313,006,254
	<u>142,335,955,735</u>	<u>202,121,684,052</u>

21. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Land lease (*)	32,560,698,985	32,560,698,985
Payment discount	2,930,951,496	5,026,530,115
Interest payable	504,429,950	384,391,890
Other accruals	15,542,588,500	21,553,956,033
	<u>51,538,668,931</u>	<u>59,525,577,023</u>

(*) The accrued land lease payable represents the Company's financial obligation related to the investment project for the expansion of the pharmaceutical manufacturing plant and the DHG packaging printing plant, which was handed over by the People's Committee of Hau Giang Province. This land lease obligation was estimated based on the applicable land lease rates and incentives, as stated in Land Lease Payment Notice No. 3571/TB-CTHAG dated 26 December 2022, issued by the Tax Department of Hau Giang Province. On 11 December 2024, the Company received Notice No. 631/TB-CTHAG from the Tax Department of Hau Giang Province regarding the cancellation of the aforementioned land lease payment notices. However, as a prudent measure, the Company continues to recognize this land lease expense until an official exemption notice is received from the relevant authority.

22. SHORT-TERM UNEARNED REVENUE

Short-term unearned revenue represents the unearned revenue for customer loyalty programs as presented in Note 3.

23. SHORT-TERM LOANS

	<u>Opening balance</u>	<u>Increase during the period</u>	<u>Decrease during the period</u>	<u>Closing balance</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Loans from banks	<u>649,913,916,414</u>	<u>1,485,710,362,675</u>	<u>(1,208,054,950,039)</u>	<u>927,569,329,050</u>

As at 30 June 2025, short-term loans from banks represent the loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Can Tho Branch with a maximum credit limit of VND 1,300,000,000,000. This facility can be withdrawn in Vietnam Dong and will expire on 15 August 2025. Each loan drawdown has a maximum term of six months. These loans are secured by term deposits, as presented in Note 5. These loans bear interests at the rates ranging from 0.27% per month to 0.33% per month (prior year: from 0.23% per month to 0.38% per month).

24. BONUS AND WELFARE FUNDS

The funds are established through appropriation from retained earnings upon approval of shareholders at the Company's Annual General Meetings ("AGM"). The funds are used to pay bonus and welfare to the Company's employees and cover operating expenses for the Board of Directors in accordance with the Company's bonus and welfare policies and the Company's AGM Resolution, respectively.

Movements of bonus and welfare funds during the period were as follows:

	Bonus and welfare fund	Operating fund of Board of Directors	Welfare fund in form of assets	Total
	VND	VND	VND	VND
Opening balance	8,570,023,533	9,625,316,189	7,421,824,177	25,617,163,899
Appropriation to the funds (Note 27)	23,367,603,599	2,000,000,000	-	25,367,603,599
Depreciation of assets formed from the funds	-	-	(94,969,866)	(94,969,866)
Utilization	(18,457,774,790)	(396,725,196)	-	(18,854,499,986)
Closing balance	13,479,852,342	11,228,590,993	7,326,854,311	32,035,297,646

25. LONG-TERM PROVISION

	Provision for dismantling and restoration cost	Severance allowance	Total
	VND	VND	VND
Opening balance	43,353,624,197	28,600,781,126	71,954,405,323
Additional provision for the period	2,209,430,178	480,152,376	2,689,582,554
Utilization	-	(813,461,589)	(813,461,589)
Closing balance	45,563,054,375	28,267,471,913	73,830,526,288

26. SCIENCE AND TECHNOLOGY DEVELOPMENT FUNDS

In accordance with Circular No. 05/2022/TTLT-BKHCN-BTC dated 31 May 2022 issued by Ministry of Science and Technology and Circular No. 67/2022/TT-BTC dated 7 November 2022 issued by the Ministry of finance of Vietnam, enterprises are allowed to establish the science and technology development funds for research and development activities. Funds are utilized when disbursement are paid for research and development activities.

Movements of science and technology funds during the period were as follows:

	Scientific and technological development fund in form of assets
	VND
Opening balance	2,241,078,734
Depreciation of assets formed from the fund	(849,531,446)
Closing balance	1,391,547,288

Movement in owners' equity

Charter capital

	Closing balance		Opening balance	
	Number of shares	VND	Number of shares	VND
Authorized and issued share capital	130,746,071	1,307,460,710,000	130,746,071	1,307,460,710,000
Ordinary shares currently in circulation	130,746,071	1,307,460,710,000	130,746,071	1,307,460,710,000

All ordinary shares have a par value of VND 10,000. Each share is entitled to one vote at shareholders' meetings. Shareholders are eligible to receive dividends declared by the Company. Ordinary shares are ranked equally with regard to the Company's residual assets.



Fund distribution

According to Resolution of the Company's Annual General Meeting No. 001/2025/NQ.ĐHĐCĐ dated 24 April 2025, the shareholders of the Company have approved the appropriation to the bonus and welfare fund of employees from profit after tax of 2024 at the rate of 3%, equivalent to the amount of VND 23,367,603,599 and to operation fund of the Board of Directors with the amount of VND 2,000,000,000.

In addition, according to the same Resolution, the shareholders of the Company have approved the reversal of the Investment and development fund to undistributed retained earnings, with a total reversed amount of VND 1,100,000,000,000.

Dividends

The Company declared an interim cash dividend for the year 2024 at a rate of 40% of the par value of ordinary shares, equivalent to VND 522,984,284,000, as approved under Resolution No. 001/2024/NQ.ĐHĐCĐ of the Annual General Meeting of Shareholders dated 23 April 2024, and Resolution No. 018/2024/NQ.HĐQT of the Board of Directors dated 9 December 2024. The Company completed the payment of this interim dividend on 14 February 2025.

According to Resolution of the Company's Annual General Meeting No. 001/2025/NQ.ĐHĐCĐ dated 24 April 2025, the shareholders of the Company approved a cash dividend distribution at a rate of 100% of the par value, sourced from the 2024 undistributed retained earnings and the reversed amount from the Investment and Development Fund, equivalent to VND 1,307,460,710,000. The Company paid 60% of the par value of ordinary shares, equivalent to VND 784,476,426,000, on 18 June 2025.

28. OFF BALANCE SHEET ITEMS

Foreign currencies

Cash and cash equivalents included the following currencies:

	Closing balance	Opening balance
United States Dollar ("USD")	1,138,453	658,361
Euro ("EUR")	23,007	57,316
Yen ("JPY")	277,396	278,122

Bad debt written off

	Closing balance VND	Opening balance VND
Bad debts written off	14,645,171,603	14,772,171,603

29. SEGMENTAL REPORTING

The primary format, product segments, is based on the Company's management and internal reporting structure.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, selling expenses, general and administration expenses, other income or other expenses, and corporate income tax.

Product segments

In presenting information on the basis of product segments, segment revenue is disclosed for pharmaceutical products, nutritional supplements and others.

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Net sales		
Pharmaceutical products	1,998,195,056,755	2,045,961,161,774
Health-protecting supplements	186,552,794,065	199,271,925,068
Others	194,033,940,181	119,117,614,654
	<u>2,378,781,791,001</u>	<u>2,364,350,701,496</u>
Cost of sales		
Pharmaceutical products	(947,296,324,325)	(1,113,743,569,149)
Health-protecting supplements	(108,954,725,731)	(139,363,173,588)
Others	(169,918,253,559)	(101,125,744,261)
	<u>(1,226,169,303,615)</u>	<u>(1,354,232,486,998)</u>
Gross profit		
Pharmaceutical products	1,050,898,732,430	932,217,592,625
Health-protecting supplements	77,598,068,334	59,908,751,480
Others	24,115,686,622	17,991,870,393
	<u>1,152,612,487,386</u>	<u>1,010,118,214,498</u>

Geographical segments

Geographically, the Company primarily operates within the territory of Vietnam, with production activities and customer base mainly located in Vietnam, therefore there are no significant differences in risks and economic benefits by geographic segment that require disclosure in the interim financial statements.

30. NET REVENUE OF GOODS SOLD AND SERVICES RENDERED

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Sales of merchandise and services		
Sales of finished goods	2,571,351,559,326	2,382,465,261,554
Sales of merchandise	192,545,293,697	358,396,420,342
Others	2,131,936,255	1,338,649,977
	<u>2,766,028,789,278</u>	<u>2,742,200,331,873</u>
Deductions		
Sales discount	386,407,125,705	377,114,852,475
Sales return	839,872,572	734,777,902
	<u>387,246,998,277</u>	<u>377,849,630,377</u>
Net revenue		
<i>In which:</i>		
Sales of finished goods	2,186,207,898,020	2,007,599,203,379
Sales of merchandise	190,441,956,726	355,412,848,140
Others	2,131,936,255	1,338,649,977
	<u>2,378,781,791,001</u>	<u>2,364,350,701,496</u>



31. COST OF GOODS SOLD AND SERVICES RENDERED

	Current period	Prior period
	VND	VND
Cost of finished goods sold	1,057,257,779,557	1,014,995,162,421
Cost of merchandises sold	168,880,704,268	338,965,336,533
Additional provision for devaluation of inventories	30,819,790	271,988,044
	1,226,169,303,615	1,354,232,486,998

32. PRODUCTION AND OPERATING COSTS BY NATURE

	Current period	Prior period
	VND	VND
Raw materials and consumables	1,115,055,687,932	1,175,758,441,964
Staff cost	519,979,917,865	481,191,390,611
Depreciation and amortization	59,006,711,415	50,347,037,318
Out-sourced services	161,467,539,033	151,468,352,268
Other expenses	135,094,363,328	123,406,010,915
	1,990,604,219,573	1,982,171,233,076

33. FINANCIAL INCOME

	Current period	Prior period
	VND	VND
Interest income	63,557,708,565	70,845,097,584
Foreign exchange gain	4,604,024,754	2,496,490,566
	68,161,733,319	73,341,588,150

34. FINANCIAL EXPENSES

	Current period	Prior period
	VND	VND
Settlement discount	21,779,136,012	24,244,194,674
Interest expense	12,697,085,263	8,944,085,778
Foreign exchange loss	8,362,886,275	7,081,944,731
Reversal of provision for impairment of investments	(192,500,000)	(350,000,000)
Others	54,359,682	54,361,257
	42,700,967,232	39,974,586,440

35. SELLING, GENERAL AND ADMINISTRATION EXPENSES

	Current period	Prior period
	VND	VND
Selling expenses		
- Staff cost	253,315,677,460	229,612,840,680
- Advertising expenses	48,775,282,719	34,554,851,907
- Others	154,559,574,588	152,866,216,773
	456,650,534,767	417,033,909,360
General and administration expenses		
- Staff cost	94,559,351,379	94,108,505,587
- Others	62,155,034,586	64,116,872,708
	156,714,385,965	158,225,378,295

36. OTHER INCOME

	Current period	Prior period
	VND	VND
Compensation received	7,915,963,240	-
Income from the disposal of fixed assets	156,174,545	830,667,000
Gain from research services	-	940,954,990
Income from support received from Taisho	54,778,750	-
Others	1,299,143,514	952,454,427
	9,426,060,049	2,724,076,417

37. OTHER EXPENSES

	Current period	Prior period
	VND	VND
Depreciation expense	399,666,258	1,256,156,514
Support expenses for individual business households	7,060,752,360	5,512,107,034
Others	1,134,206,689	1,242,090,551
	8,594,625,307	8,010,354,099

38. CURRENT CORPORATE INCOME TAX EXPENSE

	Current period	Prior period
	VND	VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current period	62,738,004,730	48,567,877,120
Total current corporate income tax expense	62,738,004,730	48,567,877,120
	Current period	Prior period
	VND	VND
Profit before tax	565,539,767,483	462,939,650,871
Tax rate	20%	20%
Tax calculated at a normal rate of 20%	113,107,953,497	92,587,930,174
Adjustments for		
Add back: non-deductible expenses	6,106,621,895	4,927,786,878
Additional Global Minimum Tax	10,000,000,000	-
Temporary difference	403,893,293	815,383,420
Tax incentive	(66,880,463,955)	(49,763,223,352)
Corporate income tax expense based on taxable profit in the current period	62,738,004,730	48,567,877,120

Applicable tax rate

From 1 April 2018, DHG Pharmaceutical One Member Limited Company ("DHG Pharmaceutical") and DHG Packaging and Printing 1 One Member Limited Company ("DHG Packaging and Printing 1") were merged into the Company and still entitled to tax incentives as follows:

- Pursuant to the Investment Certificate, DHG Packaging and Printing 1 is obliged to pay corporate income tax at the rate of 10% of taxable income from 2014 to 2028. Under terms in Investment Certificate granted to DHG Packaging and Printing 1, DHG Packaging and Printing 1 is entitled to corporate income tax exemption from 2014 to 2017 and 50% reduction of corporate income tax from 2018 to 2026.

- Pursuant to Investment Certificate No. 642041000005 issued by the Management Board of Hau Giang Industrial Zone, DHG Pharmaceutical is entitled to corporate income tax at the rate of 10% of taxable income for 15 years from 2015. DHG Pharmaceutical is entitled to the corporate income tax exemption for 4 years from 2015 and 50% reduction for the following 9 years commencing from 2019.

Pursuant to Official Letter No. 5610/TCT-CS dated 6 December 2017 issued by General Tax Authority, the aforementioned tax incentives are still applicable to the Company after its merger.

All above tax incentives are not applicable to remaining income which is entitled to the normal rate of 20%.

Changes in deferred tax income in the current and prior period are as follows:

	Current period VND	Prior period VND
Deferred corporate tax income	336,724,193	345,188,819
Change of eliminated entries of fixed assets	(3,772,967)	(3,772,968)
	<u>332,951,226</u>	<u>341,415,851</u>

39. BASIC EARNINGS PER SHARE

a. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Company and held as treasury shares.

	Current period VND	Prior period VND
Accounting profit after corporate income tax	503,134,713,979	414,713,189,602
Appropriation to fund (*)	(16,094,041,419)	(13,441,395,688)
Profit attributable to ordinary shareholders (VND)	487,040,672,560	401,271,793,914
Weighted average ordinary shares in circulation for the period (share)	130,746,071	130,746,071
Basic earnings per share	<u>3,725</u>	<u>3,069</u>

(*) Estimated amount appropriated to bonus and welfare funds for the 6-month period ended 30 June 2025 is determined based on the planned appropriation percentage of profit distribution to bonus and welfare funds at the rate of 3% in accordance with Resolution of the Company's Annual General Meeting No. 001/2025/NQ.DHDCĐ dated 24 April 2025 and operation fund of the Board of Directors with the amount of VND 2,000,000,000.

b. Diluted earnings per share

The Company does not have potentially diluted ordinary shares.

40. CONTINGENT LIABILITIES

In accordance with the provisions of the Law on Environmental Protection 2020, Decree No. 05/2025/NĐ-CP dated 6 January 2025 and Decree No. 08/2022/NĐ-CP dated 10 January 2022 of the Government detailing the implementation of certain articles of the Law on Environmental Protection, manufacturers and importers of specific types of products and packaging are required to recycle those products and packaging in accordance with mandatory recycling rates set out in the prescribed roadmap, effective from 1 January 2024.

The Company is currently engaged in the following activities:

- Manufacturing pharmaceuticals, health supplements, and cosmetics for domestic distribution, export, and outsourcing for partners.
- Importing health supplements and medical devices and outsourcing the production of dietary supplements for domestic distribution.

Additionally, the Company has a packaging factory that produce packaging materials used for product packaging (including printed labels, intermediate boxes, and carton boxes,...).

Accordingly, the Company is subject to the obligation to fulfill responsibilities for the recycling and handling of product packaging, and to make financial contributions to the Vietnam Environmental Protection Fund, based on the mandatory recycling rates in accordance with prevailing regulations.

As at the date of these interim financial statements, the Management is in the process of working with relevant authorities to clarify the scope of application and determine the appropriate method for calculating the Company's packaging recycling obligations.

41. COMMITMENTS

a. Operating lease commitment

	Current period VND	Prior period VND
Minimum lease payment under operating leases recognized in the income statement	3,556,309,027	5,653,840,170

At the interim balance sheet date, the Company had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Closing balance VND	Opening balance VND
Within one year	10,374,782,207	11,258,480,342
In the second to fifth year inclusive	34,118,351,308	35,308,488,294
After five years	95,419,337,716	98,928,475,038
	139,912,471,231	145,495,443,674

b. Commitment related to major capital expenditure

As at 30 June 2025, the Company had capital expenditure commitments amounting to VND 41,736,077,608 (as at 31 December 2024: VND 41,736,077,608) relating to the acquisition of fixed assets.

According to Investment Registration Certificate No. 3753423003, as 10th amendment dated 23 April 2024, Finished Goods Warehouse No. 2, which is part of Phase 3 of the Pharmaceutical Plant Project, was scheduled to start operations in July 2024. However, as at the date of these interim financial statements, the Company is in the process of revising the implementation timeline in accordance with approved contents in the Board of Directors' Resolution No. 010/2025/NQ-HĐQT dated 7 July 2025.

In addition to the commitments disclosed above, the Board of Directors has approved the investment plan for Phase 2 of the project "Expansion of the DHG Pharmaceutical Factory and Packaging Printing Factory" with a total value of VND 440 billion, pursuant to Decision No. 020/2020/QĐ.HĐQT dated 14 July 2020. The implementation of Phase 2 is expected to commence after the Company completes Phase 1 and the People's Committee of Hau Giang Province has handed over the entire land area for Phase 2.

42. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

<u>Related party</u>	<u>Relationship</u>
Taisho Pharmaceutical Co., Ltd. ("Taisho")	Parent company
The State Capital Investment Corporation ("SCIC")	Significant influence shareholder
Hoe Pharmaceuticals Sdn Bhd	Taisho's related party
Taisho Pharmaceutical (Thailand) Co., Ltd.	Taisho's related party
Taisho Pharmaceutical (Philippines), Inc	Taisho's related party
Taisho Viet Nam Company Limited	Taisho's related party
Traphaco Joint Stock Company	SCIC's related party

During the period, the Company entered into the following significant transactions with related parties:

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Sales of goods and provision of services		
Taisho Pharmaceutical (Philippines), Inc.	2,297,174,958	1,003,422,232
Taisho Pharmaceutical (Thailand) Co., Ltd.	1,034,412,005	-
Taisho	-	11,732,160
Traphaco Joint Stock Company	-	82,500,000
	<u>3,331,586,963</u>	<u>1,097,654,392</u>
Purchases		
Taisho	20,012,887,708	3,767,276,644
Taisho Viet Nam Company Limited	1,631,790,000	611,295,200
Taisho Pharmaceutical (Thailand) Co., Ltd.	19,976,299	-
	<u>21,664,654,007</u>	<u>4,378,571,844</u>
Support received		
Taisho	<u>54,778,750</u>	<u>-</u>
Free gift		
Taisho Pharmaceutical (Philippines), Inc	19,921,672	-
Taisho Pharmaceutical (Thailand) Co., Ltd.	430,803	-
	<u>20,352,475</u>	<u>-</u>
Dividends paid		
SCIC	566,262,370,000	226,504,948,000
Taisho	666,970,520,000	266,788,208,000
	<u>1,233,232,890,000</u>	<u>493,293,156,000</u>

Remuneration paid to the Company's the Board of Directors and the Management during the period was as follows:

Name	Title	Current period VND	Prior period VND
Mr. Toshiyuki Ishii	Member of Board of Directors cum General Director	2,783,091,431	2,921,371,497
Ms. Nguyen Ngoc Diep	Deputy General Director	2,985,074,429	1,845,189,210
Mr. Tomoyuki Kawata	Deputy General Director	1,447,771,286	1,756,062,850
Mr. Osamu Fujimori	Chief Operating Officer (from 1 January 2025)	895,473,087	-
Ms. Dang Thi Thu Ha	Chairwoman	450,000,000	450,000,000
Mr. Do Le Hung	Member of Board of Directors	405,000,000	405,000,000
Mr. Jun Kuroda	Member of Board of Directors	360,000,000	326,346,154
Mr. Truong Anh Hung	Member of Board of Directors	360,000,000	90,769,231
Mr. Maki Kamijo	Member of Board of Directors	315,000,000	315,000,000
Ms. Le Thi Thanh Hien	Member of Board of Directors (from 24 April 2025)	78,076,923	-
Mr. Doan Dinh Duy Khuong	Member of Board of Directors (to 24 April 2025)	-	2,694,015,138
Ms. Nguyen Thi Viet Thanh	Member of Board of Directors (to 23 April 2024)	-	235,576,923
		10,079,487,156	11,039,331,003

Related party balances at the interim balance sheet date were as follows:

	Closing balance VND	Opening balance VND
Short-term trade receivables from customers		
Taisho Pharmaceutical (Thailand) Co., Ltd.	517,384,817	-
Taisho Pharmaceutical (Philippines), Inc.	1,030,679,208	3,009,909,100
	1,548,064,025	3,009,909,100
Other short-term receivables		
Taisho Viet Nam Company Limited	1,308,000,000	1,308,000,000
Short-term trade payables to suppliers		
Taisho	9,457,305,839	1,825,991,040
Other short-term payables		
SCIC	-	266,788,208,000
Taisho	-	226,504,948,000
	-	493,293,156,000
Advance from customers		
Hoe Pharmaceuticals Sdn Bhd	16,986,595	16,986,595
Taisho	1,378,876,850	1,283,017,885
	1,395,863,445	1,300,004,480



43. SUPPLEMENTAL DISCLOSURES OF INTERIM CASH FLOW INFORMATION

a. Non-cash transactions affecting the interim cash flow statement

	Current period VND	Prior period VND
Appropriation to reserves	25,367,603,599	33,519,879,761
Transfer from construction in progress to tangible fixed assets	42,910,568,050	426,028,492,534
Transfer from Investment and Development fund to retained earnings	1,100,000,000,000	-
Transfer from construction in progress to prepayment and tools and equipment	5,598,527,156	18,861,867,712
Accrued interest payables	504,429,950	314,822,568
Accrued interest income	44,511,241,097	45,995,808,237
	<u>1,218,892,369,852</u>	<u>524,720,870,812</u>

b. Other supplemental disclosures

Proceeds from borrowings represent the net amount between loan disbursements and principal repayments of short-term borrowings with original maturities of within three months. Accordingly, the line items "Proceeds from borrowings" and "Repayment of borrowings" have been adjusted by a decrease of VND 133,141,033,625 (prior period: VND 39,634,020,071), respectively.

Cash outflow for acquisition of fixed assets and construction in progress during the year included the amount of VND 29,496,984,965 (prior period: VND 173,438,079), representing the advances to suppliers for acquisition of fixed assets and construction in progress during the year which were not performed. Consequently, changes in receivables have been adjusted by the same amount.

44. SUBSEQUENT EVENTS

There is no other matter or circumstance that has arisen since the interim reporting period ended 30 June 2025 that requires adjustment or disclosure in the interim financial statements of the Company.

Tran Ngoc Hien
Preparer

Ho Bui Huan
Chief Accountant

Toshiyuki Ishii
General Director
8 August 2025

