**DP1: Explanation on profit after tax**

On March 15, 2024, Central Pharmaceutical CPC1.JSC announced Official Dispatch No. 530/CPC1-TCKT on the explanation of the profit after tax in the Income Statement 2023 changing by 10% or more compared to 2022, as follows:

According to the Financial Statements audited by Ernst & Young Vietnam Limited for the periods ending on December 31, 2023, and December 31, 2022, the business performance of the company is as follows:

* Profit after tax in 2023: VND 115.9 billion
* Profit after tax in 2022: VND 50.5 billion

The difference in profit after tax in 2023 compared to that of 2022 is: VND 65 billion, equivalent to a rise of 129.6%

* The reason for the increase is mainly due to:
* Gross profit from sales and services provision in 2023 was VND 353.2 billion, an increase of VND 59.4 billion or 20.2% compared to 2022, which was VND 293.7 billion. Return on sales from sales and services provision in 2023 was 16.4%, increasing by 2.8% compared to 2022. This increase is primarily due to high gross profit margins of the company's main products, which accounted for a significant proportion of the total revenue in 2023.
* Financial revenue in 2023 was VND 16.6 billion, compared to VND 13.1 billion in 2022, an increase of VND 3.5 billion or 26.6% (mainly due to exchange rate differences when paying suppliers in the first six months of 2023).
* Financial expenses: Due to a decrease in short-term loan interest rates in 2023, the interest expense in 2023 was VND 17.8 billion, a decrease of VND 2.9 billion or 14.1% compared to 2022, which was VND 20.7 billion. At the end of 2023, due to the high exchange rate, there was a loss from exchange rate differences when paying suppliers. The total financial expenses in 2023 were VND 57.5 billion, a decrease of VND 1.8 billion or 3.1% compared to 2022.
* Selling expenses: In 2023, the expenses amounted to VND 130.8 billion, a decrease of VND 15.4 billion or 10.6% compared to the same period in 2022, which was VND 146.2 billion. Due to the company's strengthened governance efforts, cost-cutting measures, and reduction of outsourced services, etc.
* General and administrative expenses: In 2023, the expenses amounted to VND 36.4 billion, an increase of VND 0.4 billion compared to the same period in 2022, which was VND 36 billion.

Taking all the reasons mentioned above into account, the company's profit before tax in 2023 increased by VND 79.6 billion, equivalent to a 121.5% increase compared to 2022. Therefore, the profit after tax in 2023 of the Company increased by VND 65.4 billion, equivalent to 129.6% compared to that of 2022.