**CDP: Explanation related to the Financial Statements 2023**

On March 28, 2024, Codupha Central Pharmaceutical Joint Stock Company announced Official Dispatch No. 343/CDP-2024 explaining the difference in profit after tax in 2023 compared to the same period after the issuance of the Auditor’s Report as follows:

1. Combined and Consolidated Income Statement 2023:

*Unit: Million VND*

|  |  |  |
| --- | --- | --- |
| No. | Target | Combined Financial Statements |
| Accumulated 2023 (Internal Financial Statements) | Accumulated 2023 (Audited Financial Statements) | Accumulated 2022 (Audited Financial Statements) | Rate of increase/decrease before and after audit (%) | Rate of increase/decrease in the same period of the year after audit |
| 1 | 2 | 3 | 4=(2-1)/1 | 5 = (2-3)/3 |
| 1 | Net revenue | 3,030,101 | 3,030,101 | 3,022,923 | 0.00% | 0.24% |
| 2 | Cost of goods sold | 2,821,451 | 2,821,451 | 2,819,113 | 0.00% | 0.08% |
| 3 | Gross profit from goods sales | 208,649 | 208,649 | 203,810 | 0.00% | 2.37% |
| 4 | Revenue from financial activities | 37,379 | 37,436 | 33,326 | 0.15% | 12.33% |
| 5 | Total expenses (finance (635) + selling expense (641) + management expenses (642)) | 226,675 | 228,352 | 208,869 | 0.74% | 9.33% |
| 6 | Profit before tax | 17,309 | 15,689 | 28,383 | -9.36% | -44.72% |
| 7 | Current corporate income tax(20%) | 3,957 | 4,703 | 5,749 | 18.85% | -18.19% |
| 8 | Profit after tax | 13,352 | 10,986 | 22,634 | -17.72% | -51.46% |

|  |  |  |
| --- | --- | --- |
| No. | Target | Consolidated business results |
| Accumulated 2023 (Internal Financial Statements) | Accumulated 2023 (Audited Financial Statements) | Accumulated 2022 (Audited Financial Statements) | Rate of increase/decrease before and after audit (%) | Rate of increase/decrease in the same period of the year after audit |
|  |  | 1 | 2 | 3 | 4=(2-1)/1 | 5 = (2-3)/3 |
| 1 | Net revenue | 3,066,402 | 3,064,030 | 3,045,915 | -0.08% | 0.59% |
| 2 | Cost of goods sold | 2,856,282 | 2,854,066 | 2,835,083 | -0.08% | 0.67% |
| 3 | Gross profit from goods sales | 210,121 | 209,863 | 210,832 | -0.12% | -0.46% |
| 4 | Revenue from financial activities | 37,379 | 37,436 | 33,326 | 0.15% | 12.33% |
| 5 | Total expenses (finance (635) + selling expense (641) + management expenses (642)) | 224,293 | 231,464 | 215,310 | 3.20% | 7.50% |
| 6 | Profit before tax | 21,211 | 13,892 | 28,913 | -34.51% | -51.95% |
| 7 | Current corporate income tax(20%) | 3,957 | 4,703 | 5,759 | 18.85% | -18.34% |
| 8 | Profit after tax | 17,254 | 9,189 | 23,154 | -46.74% | -60.31% |

1. Reason:
2. Decrease in profit before tax:
* Comparing the Audited Financial Statements with the Internal Financial Statements of the Combined and Consolidated Financial Statements 2023, the profit before tax decreases from 9.36% to 34.51% due to extra deduction of 13th-month salary for employees, provision for overdue debts, and provision for investment in Laos affecting the profit before tax to decrease compared to the Internal Financial Statements.
* Comparing the Audited Financial Statements 2023 with the Audited Financial Statements 2022 of the Combined and Consolidated Financial Statements 2023, the profit before tax decreases from 44.72% to 51.95% due to increased financial expenses, extra deduction of 13th-month salary for employees, provision for overdue debts and provision for investment in Laos affecting the profit before tax to decrease compared to the same period in 2022.
1. Increase/decrease in current corporate income tax payable:
* Comparing the Audited Financial Statements with the Internal Financial Statements of the Combined and Consolidated Financial Statements 2023, the current corporate income tax payable increases by 18.85% due to provision for overseas investments subject to corporate income tax, Thus, it increases compared to the Internal Financial Statements.
* Comparing the Audited Financial Statements 2023 with the Audited Financial Statements 2022 of the Combined and Consolidated Financial Statements 2023, the current corporate income tax payable decreases from 18.19% to 18.34% due to a decrease in profit before tax. Thus, the corporate income tax payable decreases compared to the same period in 2022.
1. Decrease in profit after tax:
* Comparing the Audited Financial Statements with the Internal Financial Statements of the Combined and Consolidated Financial Statements 2023, profit after tax decreases from 17.72% to 46.72% due to a decrease in profit before tax and an increase in current corporate income tax affecting the profit after tax compared to the Internal Financial Statements.
* Comparing the Audited Financial Statements 2023 with the Audited Financial Statements 2022 of the Combined and Consolidated Financial Statements 2023, the current corporate income tax decreases from 51.46% to 60.31% due to a decrease in profit before tax in 2023 affecting the profit after tax compared to the same period in 2022.