



CENTRAL PHARMACEUTICAL CPC1 JOINT STOCK COMPANY

FINANCIAL REPORTS

4th QUARTER 2024

Central Pharmaceutical CPC1 Joint Stock Company
No. 87 Nguyen Van Troi Street, Phuong Liet Ward, Thanh Xuan District, Hanoi
Tel: (84-4) 3864 0181 Fax: (84-4) 3864 1366

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GENERAL INFORMATION

THE COMPANY

Central Pharmaceutical CPC1 Joint Stock Company ("the Company"). formerly a State-owned Enterprise. Grade I Pharmaceutical Company belongs to the Vietnam Pharmaceutical Enterprises Union. now belongs to Vietnam Pharmaceutical Corporation. On 29 June 2010. the Company officially transformed into Central Pharmaceutical One Member Limited Liability Company 1 according to Decision No. 045/QD-TCTD of the Chairman of the Board of Directors of Vietnam Pharmaceutical Corporation. Pursuant to Decision No. 2290/QD-BYT dated 12 June 2015 of the Minister of Health approving the equitization plan. the Company converted to the equitization model into Central Pharmaceutical CPC1 Joint Stock Company and incorporated under the Business Registration Certificate No. 0100108536 dated 4 January 2016.

The Company was approved to become a public company under Official Dispatch No. 3339/UBCK-GSĐC dated 29 May 2017 of the State Securities Commission. The Company's shares were officially listed on the UPCoM market from 12 June 2018 with the stock code DP1.

The Company incorporated under the Business Registration Certificate No. 0100108536 issued by the Hanoi Department of Planning and Investment on 4 January 2016. The Company also received subsequent amended Business Registration Certificates with the most recent amendment being the 16th issued on 16 May 2022.

The principal activities during the year of the Company are wholesale and retail of medicines. medical equipment. cosmetics and hygiene products.

The Company's head office is located at No. 87 Nguyen Van Troi Street. Phuong Liet Ward. Thanh Xuan District. Hanoi. Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

| | | |
|-------------------------|--------------------|-------------------------|
| Mrs. Han Thi Khanh Vinh | Chairwoman | |
| Mr. Nguyen Doan Liem | Member | |
| Mrs. Tran Thi Kim Khanh | Independent Member | Appointed on 11/04/2024 |
| Mrs. Nguyen Hong Nhung | Member | Resigned on 11/04/2024 |
| Mrs. Nguyen Thuy Dung | Member | Resigned on 11/04/2024 |
| Mr. Nguyen Huy Thanh | Member | |
| Mrs. Bui Thi Thanh Hai | Member | Appointed on 11/04/2024 |

BOARD OF SUPERVISION

Pursuant to the Resolution of the Annual General Meeting of Shareholders dated 11 April 2024. the Company's General Meeting of Shareholders approved the change of the management and operation organization model - not using the Board of Supervision. dismissing the members of the Board of Supervision and establishing an Audit Committee under the Board of Directors. The list of members of the Supervisory Board during the period and up to the date of the model change is as follows:

| | | |
|--------------------------|---------------|------------------------|
| Mrs. Luong Thi Kim Thanh | Head of Board | Resigned on 11/04/2024 |
| Mrs. Bui Thi Thanh Hai | Member | Resigned on 11/04/2024 |
| Mrs. Ha Lan Anh | Member | Resigned on 11/04/2024 |

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AUDIT COMMITTEE

The members of the Audit Committee during the period and at the date of this report are as follows:

| | | |
|-------------------------|------------|-------------------------|
| Mrs. Tran Thi Kim Khanh | Chairwoman | Appointed on 12/06/2024 |
| Mr. Nguyen Doan Liem | Member | Appointed on 12/06/2024 |

BAN TỔNG GIÁM ĐỐC

| | | |
|------------------------|-------------------------|-------------------------|
| Mr. Cong Viet Hai | General Director | Resigned on 13/12/2024 |
| Mr. Ta Van Dung | Acting General Director | Appointed on 13/12/2024 |
| Mrs. Nguyen Thi Hoa | Deputy General Director | |
| Mrs. Bui Thi Thanh Hai | Deputy General Director | Appointed on 01/05/2024 |
| Mrs. Nguyen Huy Thanh | Deputy General Director | Appointed on 01/06/2024 |

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Ms. Han Thi Khanh Vinh - Chairwoman of the Board of Directors. Mr. Ta Van Dung - Acting General Director is authorized by Ms. Han Thi Khanh Vinh to sign the accompanying financial statements for the reporting period ending on 31 December 2024 under Authorization Letter No. 1989/GUQ-CPC1 dated 27 December 2024.

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BALANCE SHEET
 as at 31 December 2024

B01-DN

| ASSETS | | Code | Notes | Ending balance | Beginning balance |
|---------------|---|-------------|--------------|--------------------------|--------------------------|
| | | 100 | | 1.113.195.074.435 | 979.378.640.791 |
| A. | CURRENT ASSETS | | | | |
| | I. Cash and cash equivalents | 110 | 4 | 9.507.536.737 | 27.898.593.898 |
| | 1. Cash | 111 | | 9.507.536.737 | 27.898.593.898 |
| | 2. Cash equivalents | 112 | | - | - |
| | II. Short-term investments | 120 | | - | - |
| | 1. Held-for-trading securities | 121 | | - | - |
| | III. Current accounts receivables | 130 | | 496.951.385.423 | 603.349.512.987 |
| | 1. Short-term trade receivables | 131 | 5.1 | 486.370.464.967 | 547.198.955.438 |
| | 2. Short-term advances to suppliers | 132 | 5.2 | 11.374.582.149 | 56.390.085.979 |
| | 3. Other short-term receivables | 136 | 6 | 2.376.495.796 | 2.615.433.786 |
| | 4. Provision for doubtful short-term receivables (*) | 137 | 5.1 | (3.170.157.489) | (2.854.962.216) |
| | IV. Inventories | 140 | 7 | 585.768.507.838 | 335.797.786.113 |
| | 1. Inventories | 141 | | 608.847.571.925 | 378.956.598.812 |
| | 2. Provision for obsolete inventories (*) | 149 | | (23.079.064.087) | (43.158.812.699) |
| | V. Other current assets | 150 | | 20.967.644.437 | 12.332.747.793 |
| | 1. Short-term prepaid expenses | 151 | 11 | 1.840.213.756 | 2.174.781.711 |
| | 2. Value-added tax deductible | 152 | | 18.898.395.710 | 10.019.437.979 |
| | 3. Tax and other receivables from the State | 153 | 13 | 229.034.971 | 138.528.103 |
| | B – NON-CURRENT ASSETS | 200 | | 149.931.233.466 | 155.362.414.241 |
| | II. Fixed assets | 220 | | 88.386.399.387 | 93.835.244.759 |
| | 1. Tangible fixed assets | 221 | 8 | 60.521.166.587 | 65.970.011.959 |
| | - Cost | 222 | | 214.315.145.753 | 210.706.863.988 |
| | - Accumulated depreciation (*) | 223 | | (153.793.979.166) | (144.736.852.029) |
| | 2. Intangible fixed assets | 227 | 9 | 27.865.232.800 | 27.865.232.800 |
| | - Cost | 228 | | 30.571.666.000 | 30.571.666.000 |
| | - Accumulated depreciation (*) | 229 | | (2.706.433.200) | (2.706.433.200) |
| | IV. Long-term assets in progress | 240 | | 362.866.667 | - |
| | 1. Construction in progress | 242 | | 362.866.667 | - |
| | V Long-term investments | 250 | 10 | 31.632.167.739 | 31.451.046.339 |
| | 1. Investment in other entities | 253 | | 32.511.198.461 | 32.511.198.461 |
| | 2. Provision for diminution in value of long-term investments (*) | 254 | | (879.030.722) | (1.060.152.122) |
| | VI. Other long-term assets | 260 | | 29.549.799.673 | 30.076.123.143 |
| | 1. Long-term prepaid expenses | 261 | 11 | 24.933.986.855 | 26.196.957.190 |
| | 2. Deferred tax assets | 262 | | 4.615.812.818 | 3.879.165.953 |
| | TOTAL ASSETS (270=100+200) | 270 | | 1.263.126.307.901 | 1.134.741.055.032 |



BALANCE SHEET

B01-DN

as at 31 December 2024 (continued)

Currency: VND

| RESOURCES | Code | Notes | Ending balance | Beginning balance |
|---|------------|-----------|--------------------------|--------------------------|
| C – LIABILITIES | 300 | | 838.682.752.218 | 783.246.454.083 |
| I. Current liabilities | 310 | | 838.682.752.218 | 783.246.454.083 |
| 1. Short-term trade payables | 311 | 12 | 448.902.657.067 | 408.477.686.594 |
| 2. Short-term advances from customers | 312 | | 5.027.396.968 | 670.090.316 |
| 3. Statutory obligations | 313 | 13 | 5.234.709.474 | 9.722.338.021 |
| 4. Payables to employees | 314 | | 11.025.618.927 | 10.573.663.880 |
| 5. Short-term accrued expenses | 315 | 14 | 4.756.864.586 | 3.211.318.830 |
| 6. Short-term unearned revenues | 318 | | 1.539.221.331 | |
| 7. Other short-term payables | 319 | 15 | 18.872.364.887 | 14.932.361.693 |
| 8. Short-term loan and finance lease | 320 | 16 | 336.243.879.456 | 334.986.943.470 |
| 9. Bonus and welfare fund | 322 | | 7.080.039.522 | 672.051.279 |
| D – OWNERS' EQUITY | 400 | 18 | 424.443.555.683 | 351.494.600.949 |
| I. Capital | 410 | | 424.443.555.683 | 351.494.600.949 |
| 1. Contributed charter capital | 411 | | 209.790.000.000 | 209.790.000.000 |
| - Shares with voting rights | 411a | | 209.790.000.000 | 209.790.000.000 |
| - Shares with voting rights | 41111 | | 209.790.000.000 | 209.790.000.000 |
| 2. Foreign exchange differences reserve | 417 | | - | - |
| 3. Investment and development fund | 418 | | 2.444.991.780 | 2.444.991.780 |
| 4. Undistributed earnings | 421 | | 212.208.563.903 | 139.259.609.169 |
| - Undistributed earnings by the end of prior year | 421a | | 98.015.922.244 | 25.320.830.327 |
| - Undistributed earnings of current year | 421b | | 114.192.641.659 | 113.938.778.842 |
| TOTAL LIABILITIES AND OWNERS' EQUITY (440=300+400) | 440 | | 1.263.126.307.901 | 1.134.741.055.032 |

Hanoi, 20 January 2025

Preparer

Chief Accountant

Acting General Director



Ninh Thi Thu Hien



Dang Thi Du



Ta Van Dung

Central Pharmaceutical CPC1 Joint Stock Company
 No. 87 Nguyen Van Troi Street, Phuong Liet Ward, Thanh Xuan District, Hanoi
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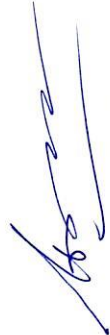
INCOME STATEMENT
 for the year ended 31 December 2024

B02-DN

Currency: VND

| Items | Code | Notes | Quarter 4/2024 | | Accumulated from 01/01/2024 to 31/12/2024 | |
|---|------|-------|-----------------|-----------------|---|-------------------|
| | | | Current period | Previous period | Current period | Previous period |
| 1. Revenue from sale of goods and rendering of services | 01 | 20.1 | 526.981.183.844 | 623.535.704.847 | 2.025.737.354.729 | 2.158.359.154.152 |
| 2. Deductions | 02 | | - | - | - | - |
| 3. Net revenue from sale of goods and rendering of services (10=01-02) | 10 | | 526.981.183.844 | 623.535.704.847 | 2.025.737.354.729 | 2.158.359.154.152 |
| 4. Cost of goods sold and services rendered | 11 | 21 | 438.339.373.513 | 531.437.641.732 | 1.694.313.230.937 | 1.805.186.497.883 |
| 5. Gross profit from sale of goods and rendering of services (20=10-11) | 20 | | 88.641.810.331 | 92.098.063.115 | 331.424.123.792 | 353.172.656.269 |
| 6. Finance income | 21 | 20.2 | 6.756.135.020 | 4.550.889.365 | 22.834.257.480 | 16.601.376.462 |
| 7. Finance expenses | 22 | 22 | 13.781.611.756 | 17.508.476.314 | 41.445.372.703 | 57.544.904.394 |
| - In which: Interest expenses | 23 | | 3.465.309.473 | 4.035.179.100 | 12.425.558.101 | 17.779.579.670 |
| 8. Selling expenses | 25 | 23 | 33.579.616.514 | 32.454.325.677 | 130.388.790.751 | 130.863.956.124 |
| 9. General and administrative expenses | 26 | 23 | 10.222.614.350 | 5.128.812.037 | 42.377.163.804 | 36.385.272.478 |
| 10. Operating profit {30=20+(21-22)-(25+26)} | 30 | | 37.814.102.731 | 41.596.097.711 | 140.047.054.014 | 145.018.658.994 |
| 11. Other income | 31 | 25 | 280.000.000 | - | 29.660.127.959 | 374.395.646 |
| 12. Other expenses | 32 | | 925.346.079 | 327.038.145 | 965.927.725 | 327.038.145 |
| 13. Other (loss)/profit (40=31-32) | 40 | | (645.346.079) | (327.038.145) | 28.694.500.234 | 47.357.501 |
| 14 Accounting profit before tax (50=30+40) | 50 | | 37.168.756.652 | 41.269.059.566 | 168.471.554.248 | 145.066.016.495 |
| 15. Current corporate income tax expenses | 51 | 26 | 9.961.256.962 | 12.521.249.120 | 31.886.546.636 | 33.006.403.606 |
| 16. Deferred tax expense | 52 | | 1.293.055.318 | (3.879.165.953) | 3.879.165.953 | (3.879.165.953) |
| 17. Net profit after tax (60=50-51-52) | 60 | | 25.914.444.372 | 32.626.976.399 | 132.975.841.659 | 115.938.778.842 |
| 18. Basic earnings per share (*) | 70 | | 3.118 | 2.667 | 5.657 | 4.733 |

Preparer


 Ninh Thi Thu Hien

Chief Accountant


 Dang Thi Du



CASH FLOW STATEMENT
 for the year ended 31 December 2024

B03-DN

| Items | Code | Notes | Currency: VND | |
|--|-----------|-------|--|---|
| | | | Accumulated from the beginning of the year to the end of this quarter (Current period) | Accumulated from the beginning of the year to the end of this quarter (Previous period) |
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 1. Profit before tax | 1 | | 168.741.554.248 | 145.066.016.495 |
| 2. Adjustments for | | | - | - |
| - Depreciation of Fixed asset/prepaid expense allocation | 2 | | 8.429.960.681 | 7.721.462.641 |
| - Provisions | 3 | | (19.945.674.739) | 28.751.697.545 |
| - Foreign exchange gain arisen from revaluation of monetary accounts denominated in foreign currency | 4 | | 2.583.048.202 | 9.738.570.900 |
| - Profits from investing activities | 5 | | (4.219.666.260) | (2.787.857.747) |
| - Interest expenses | 6 | | 12.425.558.101 | 17.779.579.670 |
| - Others | 7 | | 4.877.629.901 | |
| 3. Operating profit before changes in working capital | 8 | | 172.892.410.134 | 206.269.469.504 |
| - Increase/decrease in receivables | 9 | | 97.113.467.692 | (7.331.240.348) |
| - Increase/decrease in inventories | 10 | | (229.890.973.113) | 3.079.157.557 |
| - Increase/(decrease) in payables (other than interest. corporate income tax) | 11 | | 31.729.055.536 | (173.202.423.536) |
| - Increase)/decrease in prepaid expenses | 12 | | 576.292.022 | (351.316.330) |
| - (Increase)/decrease in held-for-trading securities | 13 | | - | - |
| - Interest paid | 14 | | (12.386.699.845) | (17.824.581.925) |
| - Corporate income tax paid | 15 | | (35.794.314.211) | (27.000.000.000) |
| - Other cash inflows from operating activities | 16 | | - | - |
| - Other cash outflows for operating activities | 17 | | (10.244.828.583) | (5.350.490.647) |
| Net cash flows from/(used in) operating activities | 20 | | 13.994.409.632 | (21.711.425.725) |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| 1. Purchase and construction of fixed assets and other long-term assets | 21 | | (652.960.148) | (3.690.192.300) |
| 2. Proceeds from disposals of fixed assets and other long-term assets | 22 | | - | 365.637.000 |
| 3. Loans to other entities and payments for purchase of debt instruments of other entities | 23 | | - | - |
| 4. Collections from borrowers and proceeds from sale of debt instruments of other entities | 24 | | - | - |
| 5. Payments for investments in other entities | 25 | | - | - |
| 6. Proceeds from sale of investments in other entities | 26 | | - | - |
| 7. Interest and dividends received | 27 | | 4.219.666.260 | 2.422.220.747 |
| Net cash flows from/(used in) investing activities | 30 | | 3.566.706.112 | (902.334.553) |

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CASH FLOW STATEMENT
 for the year ended 31 December 2024 (continued)

B03-DN

Currency: VND

| Items | Code | Notes | Accumulated from the beginning of the year to the end of this quarter (Current period) | Accumulated from the beginning of the year to the end of this quarter (Previous period) |
|---|-----------|-------|--|---|
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| 1. Capital contribution and issuance of shares | 31 | | - | - |
| 2. Capital redemption | 32 | | - | - |
| 3. Drawdown of borrowings | 33 | | 764.862.949.330 | 763.316.612.738 |
| 4. Repayment of borrowings | 34 | | (763.606.013.344) | (710.174.041.214) |
| 5. Payment of principal of finance lease liabilities | 35 | | - | - |
| 6. Dividends paid/Profit distributed | 36 | | (37.218.956.200) | (31.440.531.000) |
| Net cash flows (used in)/from financing activities | 40 | | (35.962.020.214) | 21.702.040.524 |
| Net decrease in cash for the year (50=20+30+40) | 50 | | (18.400.904.470) | (911.719.754) |
| Cash and cash equivalents at beginning of year | 60 | | 27.898.593.898 | 28.789.581.773 |
| Impact of exchange rate fluctuation | 61 | | 9.847.309 | 20.731.879 |
| Cash and cash equivalents at end of year (70=50+61+61) | 70 | | 9.507.536.737 | 27.898.593.898 |

Preparer



Ninh Thi Thu Hien

Chief Accountant



Dang Thi Du

Hanoi, 20 January 2025

Acting General Director



Ta Van Dung

1. CORPORATE INFORMATION

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The Company was approved to become a public company under Official Dispatch No. 3339/UBCK-GSDC dated 29 May 2017 of the State Securities Commission. The Company's shares were officially listed on the UPCoM market from 12 June 2018 with the stock code DP1.

The Company incorporated under the Business Registration Certificate No. 0100108536 issued by the Hanoi Department of Planning and Investment on 4 January 2016. The Company also received subsequent amended Business Registration Certificates with the most recent amendment being the 16th issued on 16 May 2022.

The principal activities during the year of the Company are wholesale and retail of medicines. medical equipment. cosmetics and hygiene products.

The Company's normal course of business cycle is 12 months.

The Company's head office is located at No. 87 Nguyen Van Troi Street. Phuong Liet Ward. Thanh Xuan District. Hanoi. Vietnam.

The Company's total number of employees as at 31 December 2024 is 294 (ngày 01 tháng 01 năm 2024: 308).

Corporate structure

The Company's financial statements for the accounting period ended 31 December 2024 include the Company's Head Office. 1 wholesale establishment and 4 dependent accounting branches ("dependent branches"). Details are as follows: :

| <u>Name</u> | <u>Location</u> |
|--|--|
| Central Pharmaceutical CPC1 Joint Stock Company - Wholesale facility No. 1 | Counter 438. 4th floor. Hapulico Pharmaceutical and Equipment Center. 24T1 building. Nguyen Huy Tuong street. Thanh Xuan district. Hanoi |
| Central Pharmaceutical CPC1 Joint Stock Company - Ho Chi Minh City Branch | No. 297/24A. Ly Thuong Kiet Street. Ward 15. District 11. Ho Chi Minh City |
| Central Pharmaceutical CPC1 Joint Stock Company - Quang Ninh Branch | No. 146. Alley 3. Cao Thang Street. Ha Long City. Quang Ninh Province |
| Central Pharmaceutical CPC1 Joint Stock Company - Da Nang Branch | Lot 75-76-77. Residential Area. No. 2. Phan Lang Street. An Khe Ward. Thanh Khe District. Da Nang City |
| Central Pharmaceutical CPC1 Joint Stock Company - Nghe An Branch | No. 11. Lenin Street. Vinh City. Nghe An Province |

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The financial statements of the Company (the "Company") expressed in Vietnam dong ("VND"). are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying financial statements, including their utilization are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Basis for preparing the Company's financial statements

The Company's financial statements are prepared on the basis of the consolidated financial statements of the Head Office and its dependent branches. The financial statements of the dependent branches are prepared for the same period as the financial statements of the Company's Head Office and use consistent accounting policies.

The financial statement items are made by aggregating the corresponding items of all financial statements of dependent branches.

Các giao dịch đầu tư vốn, cung cấp hàng hóa, dịch vụ, sản phẩm, thu hộ, chi hộ.... giữa văn phòng Công ty với các đơn vị trực thuộc hoặc giữa các đơn vị trực thuộc với nhau được căn trừ vào chỉ tiêu tương ứng trên báo cáo tài chính.

2.3 Applied accounting documentation system

The Company's applied accounting documentation system is the computer based system.

2.4 Fiscal year

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December .

2.5 Accounting currency

The financial statements are prepared in VND which is also the Company's accounting currency.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash

Cash comprises cash on hand, cash at banks and cash in transit.

3.2 Inventories

Inventories are measured at their historical costs. The cost of inventories comprise costs of purchase, costs of conversion (including raw materials, direct labor cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The Company applies the perpetual inventory method to account for ending inventory of goods with purchase costs determined by the weighted average method.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the income statement.

3.3 Receivables

Receivables are presented in the financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Where the Company is the lessee

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term .

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

The cost of an intangible asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

Land use rights

Land use rights include long-term land use rights.

3.7 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

| | |
|------------------------------|---------------|
| Buildings and structure | 20 - 25 years |
| Machinery and equipment | 3 - 6 years |
| Means of transportation | 5 - 8 years |
| Office equipment | 3 - 7 years |
| Copyright, computer software | 5 years |

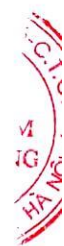
Long-term land use rights without amortisation.

3.8 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred.

3.9 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses in the balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Prepaid expenses (continued)

Prepaid land rental

Prepaid land rental includes the unamortised balance of advance payment under the land lease contract signed with Tan Tao Investment and Industry Joint Stock Company on 21 October 2005 and 21 February 2017 with lease terms from 21 October 2005 to 21 October 2050 and from 21 February 2017 to 16 August 2050. According to Circular 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013, the above prepaid land rental is recorded as long-term prepaid expense and is allocated to expenses over the remaining term of the lease contract.

3.10 Investments

Investment in other entities

Investment in other entities are recorded at cost. Investments in other entities include investments in equity instruments but the enterprise does not have control, joint control or significant influence over the investee..

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the income statement.

3.11 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.12 Foreign currency transactions

Transactions in currencies other than the Company's reporting currency of VND are recorded at the actual exchange rates at transaction dates, determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rate of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rate of commercial banks designated for payment of the transactions;
- ▶ Capital contributions are recorded at the buying exchange rate of the banks designated for capital contribution; and
- ▶ Payments for assets or expenses without liabilities initially being recognised are recorded at the buying exchange rate of the commercial banks that processed these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet date, determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly;
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred are taken to the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting.

Investment and development fund

This fund is set aside for use in the Company's expansion of its operation or of in-depth investment.

Bonus and welfare fund

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the interim consolidated balance sheet.

3.14 Ghi nhận doanh thu

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Revenue is recognized when services are completed and accepted by customers.

Dividends

Income is recognised when the Group's entitlement as an investor to receive the dividend is established.

Interest

Income is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the interim consolidated balance sheet date.

Current income tax is charged or credited to the interim consolidated income statement, except when it relates to items recognised directly to equity. In this case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss.
- ▶ in respect of taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss.
- ▶ in respect of deductible temporary differences associated with investments in associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each consolidated balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each consolidated balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Taxation (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company intends either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.16 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) after tax for the year attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.17 Thông tin theo bộ phận

The Company's main business activities are wholesale and retail of medicines, medical equipment, cosmetics and hygiene products. At the same time, the Company's production and business activities are carried out within the territory of Vietnam. Therefore, the Company's risks and profitability are not significantly affected by differences in the products that the Company trades or by the Company's operations in different geographical areas. Therefore, the Board of Directors considers that the Company has only one segment according to business activities and geographical areas and the Company does not present segment reports by business sector and segment reports by geographical areas.

3.18 Related parties

Parties are considered to be related parties of the Group if one party has the ability 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 enterprises or individuals, including close members of their families.

4. CASH

| | Currency: VND | |
|-----------------|----------------------|-----------------------|
| | 31/12/2024 | 01/01/2024 |
| Cash on hand | 216.787.578 | 1.001.846.774 |
| Cash at banks | 9.290.749.159 | 26.896.747.124 |
| Cash in transit | - | - |
| TOTAL | 9.507.536.737 | 27.898.593.898 |

5. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

5.1 Short-term trade receivables

| | Currency: VND | |
|--|------------------------|------------------------|
| | 31/12/2024 | 01/01/2024 |
| a. Trade receivables from related parties | | |
| CPC1 Pharmaceutical Joint Stock Company – Hanoi | - | 91.615.140 |
| OPC Pharmaceutical Joint Stock Company | - | 84.065.580 |
| b. Trade receivables from other customers | | |
| Bach Mai Hospital | 22.405.230.000 | 21.867.454.773 |
| Hanoi Heart Hospital | 12.467.758.000 | 23.994.227.780 |
| Cho Ray Hospital | 17.636.010.700 | 15.833.350.000 |
| Dong Nai General Hospital | 8.115.698.870 | 7.237.204.501 |
| Military Medical Hospital 175 | 19.841.211.150 | 15.020.331.096 |
| Center for Medical Review and Tertiary Care payment | 15.486.710.254 | 15.578.277.232 |
| c. Others | 390.417.845.993 | 447.492.429.336 |
| TOTAL | 486.370.464.967 | 547.198.955.438 |
| <i>Provision for doubtful short-term receivables</i> | <i>(3.170.157.489)</i> | <i>(2.854.962.216)</i> |

Details of movements of provision for doubtful short-term receivables :

| | Currency: VND | |
|--|----------------------|----------------------|
| | Current period | Previous period |
| Beginning balance | 2.854.962.216 | 5.742.680.367 |
| Add: Provision made during the year | 6.980.000.454 | 10.793.483.326 |
| Less: Provision reversal during the period | (6.613.313.181) | (13.681.201.477) |
| Other decrease during the period | (51.492.000) | - |
| Ending balance | <u>3.170.157.489</u> | <u>2.854.962.216</u> |

Details by bad debt customer :

| | Currency: VND | | | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 31/12/2024 | | 01/01/2024 | |
| | Cost | Recoverable amount | Cost | Recoverable amount |
| 30-04 Hospital | 1.180.366.679 | 354.110.004 | 1.180.366.679 | 590.183.340 |
| Yen Thuy District Medical Center | 531.708.500 | 265.854.250 | - | - |
| Others | 5.737.278.820 | 3.659.232.256 | 4.096.894.061 | 1.832.115.184 |
| TOTAL | 7.449.353.999 | 4.279.196.510 | 5.277.260.740 | 2.422.298.524 |

5.2 Short-term advances to suppliers

| | Currency: VND | |
|------------------|-----------------------|-----------------------|
| | 31/12/2024 | 01/01/2024 |
| Panpharma GmbH | - | 24.544.063.311 |
| Nafarma Co., Ltd | 5.890.000.000 | 16.078.346.257 |
| Others | 5.484.582.149 | 15.767.676.411 |
| TOTAL | 11.374.582.149 | 56.390.085.979 |

6. OTHER SHORT-TERM RECEIVABLES

| | Currency: VND | |
|--|----------------------|----------------------|
| | 31/12/2024 | 01/01/2024 |
| Receivables for entrusted import service | - | 32.098.217 |
| Import tax payment on behalf | 1.714.502.720 | 191.580.439 |
| Advance for employees | - | - |
| Deposit. mortgages | 27.000.000 | 2.044.281.652 |
| Others | 634.993.076 | 347.473.478 |
| TOTAL | 2.376.495.796 | 2.615.433.786 |

(*) These are receivables from entrusted import service related to the value of imported shipments, import tax, and consignment value added tax that have been completed during the period but have not been refunded by the trustor.

7. INVENTORIES

| | Currency: VND | | | |
|------------------|------------------------|-------------------------|------------------------|-------------------------|
| | 31/12/2024 | | 01/01/2024 | |
| | Cost | Provision | Cost | Provision |
| Goods in transit | 82.266.113.455 | - | 30.783.737.714 | - |
| Merchandise | 526.581.458.470 | (23.079.064.087) | 348.172.861.098 | (43.158.812.699) |
| TOTAL | 608.847.571.925 | (23.079.064.087) | 378.956.598.812 | (43.158.812.699) |

Detail of movements of provision for obsolete inventories :

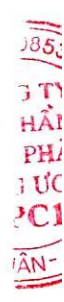
| | Currency: VND | |
|--|-----------------------|-----------------------|
| | Current period | Previous period |
| Beginning balance | 43.158.812.699 | 17.701.453.246 |
| Add: Provision made during the year | 6.465.276.588 | 31.619.280.656 |
| Less: Utilisation of provision during the year | (26.545.025.200) | (6.161.921.203) |
| Ending balance | 23.079.064.087 | 43.158.812.699 |

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8. TANGIBLE FIXED ASSETS

Currency: VND

| | Buildings and structures | Machinery and equipment | Means of transportation | Office equipment | Others | Total |
|----------------------------------|--------------------------|-------------------------|-------------------------|------------------|---------------|-----------------|
| Cost: | | | | | | |
| Beginning balance | 151.944.878.712 | 32.897.522.588 | 22.531.805.590 | 3.332.657.098 | - | 210.706.863.988 |
| - New purchase | - | 34.681.818 | 527.369.239 | 90.909.091 | - | 652.960.148 |
| - Other increase | - | - | - | - | 2.955.321.617 | 2.955.321.617 |
| Ending balance | 151.944.878.712 | 32.932.204.406 | 23.059.174.829 | 3.423.566.189 | 2.955.321.617 | 214.315.145.753 |
| <i>In which:</i> | | | | | | |
| Fully depreciated | 79.649.290.922 | 24.977.919.042 | 11.727.147.167 | 3.032.176.189 | - | 119.386.533.320 |
| Accumulated depreciation: | | | | | | |
| Beginning balance | 98.527.343.978 | 28.044.399.654 | 15.157.805.916 | 3.007.302.481 | - | 144.736.852.029 |
| - Depreciation for the year | 3.514.905.812 | 1.397.572.953 | 1.624.482.983 | 270.837.270 | 600.915.395 | 7.408.714.413 |
| - Other increase | - | - | - | - | 1.648.412.724 | 1.648.412.724 |
| Ending balance | 102.042.249.790 | 29.441.972.607 | 16.782.288.899 | 3.278.139.751 | 2.249.328.119 | 153.793.979.166 |
| Net carrying amount: | | | | | | |
| Beginning balance | 53.417.534.734 | 4.853.122.934 | 7.373.999.674 | 325.354.617 | - | 65.970.011.959 |
| Ending balance | 49.902.628.922 | 3.490.231.799 | 6.276.885.930 | 145.426.438 | 705.993.498 | 60.521.166.587 |



9. INTANGIBLE FIXED ASSETS

| | <i>Currency: VND</i> | | |
|----------------------------------|--------------------------------------|------------------------------|-----------------------|
| | <i>Long-term land use rights</i> | <i>Computer software</i> | <i>Total</i> |
| Cost: | | | |
| Beginning balance | <u>27.870.452.800</u> | <u>2.701.213.200</u> | <u>30.571.666.000</u> |
| Ending balance | <u>27.870.452.800</u> | <u>2.701.213.200</u> | <u>30.571.666.000</u> |
| <i>In which:</i> | | | |
| <i>Fully amortized</i> | 5.220.000 | 2.701.213.200 | 2.706.433.200 |
| Accumulated amortisation: | | | |
| Beginning balance | <u>5.220.000</u> | <u>2.701.213.200</u> | <u>2.706.433.200</u> |
| Ending balance | <u>5.220.000</u> | <u>2.701.213.200</u> | <u>2.706.433.200</u> |
| Net carrying amount: | | | |
| Beginning balance | <u>27.865.232.800</u> | <u>-</u> | <u>27.865.232.800</u> |
| Ending balance | <u>27.865.232.800</u> | <u>-</u> | <u>27.865.232.800</u> |



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10. LONG-TERM INVESTMENTS

| | 31/12/2024 | | | | | | 01/01/2024 | | | | | |
|--|---------------|-----------|-----------------------|----------------------|-----------------|---------------|------------|-----------------------|------------------------|-----------------|--|--|
| | Interest rate | Shares | Cost | Provision | Fair value | Interest rate | Shares | Cost | Provision | Fair value | | |
| Other long-term investments | | | | | | | | | | | | |
| CPC1 | | | | | | | | | | | | |
| Pharmaceutical Joint Stock Company – Hanoi | 16.43% | 2.666.666 | 27.776.985.675 | - | 365.333.242.000 | 16.43% | 2.666.666 | 27.776.985.675 | - | 362.399.909.400 | | |
| Mekophar Chemical | | | | | | | | | | | | |
| Pharmaceutical Joint Stock Company | 0.26% | 67.082 | 2.790.867.722 | (879.030.722) | 1.911.837.000 | 0.26% | 67.082 | 2.790.867.722 | (1.060.152.122) | 1.730.715.600 | | |
| Ha Tinh Pharmaceutical Joint Stock Company (i) | 1.00% | 99.825 | 971.029.662 | - | 1.996.500.000 | 1.00% | 99.825 | 971.029.662 | - | 1.697.025.000 | | |
| TV Pharm | | | | | | | | | | | | |
| Pharmaceutical Joint Stock Company | 0.16% | 46.816 | 300.659.375 | - | - | 0.06% | 17.600 | 300.659.375 | - | - | | |
| Vidipha Central Pharmaceutical Joint Stock Company | 0.10% | 21.600 | 472.871.724 | - | 799.200.000 | 0.10% | 18.000 | 472.871.724 | - | 702.000.000 | | |
| Tuyen Quang Pharmaceutical Joint Stock Company | 0.36% | 18.000 | 197.784.303 | - | - | 0.36% | 18.000 | 197.784.303 | - | - | | |
| Công ty Cổ phần Dược phẩm Sanofi - Synthelabo Việt Nam | 0.00% | 10 | 1.000.000 | - | - | 0.00% | 10 | 1.000.000 | - | - | | |
| TOTAL | | | 32.511.198.461 | (879.030.722) | - | | | 32.511.198.461 | (1.060.152.122) | - | | |

Currency: VND



11. PREPAID EXPENSES

Currency: VND

| | 31/12/2024 | 01/01/2024 |
|---------------------------|------------------------------|------------------------------|
| Short-term | | |
| Software licensing fee | 1.540.164.049 | 1.608.721.989 |
| Repair. renovation costs | 84.216.774 | - |
| Insurances | 169.832.933 | 167.648.444 |
| Office rental fee | 46.000.000 | 50.400.000 |
| Tools and supplies in use | - | 348.011.278 |
| TOTAL | <u>1.840.213.756</u> | <u>2.174.781.711</u> |
| Long-term | | |
| Prepaid land rental | 24.933.986.856 | 25.955.233.124 |
| Tools and supplies in use | - | 241.724.066 |
| TOTAL | <u>24.933.986.856</u> | <u>26.196.957.190</u> |

12. Short-term trade payables

Currency: VND

| | 31/12/2024 | | 01/01/2024 | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Balance | Payable amount | Balance | Payable amount |
| a. Trade payables to related parties | | | | |
| CPC1 Pharmaceutical Joint Stock Company – Hanoi | 13.965.000 | 13.965.000 | - | - |
| Danapha Pharmaceutical Joint Stock Company - Hanoi Branch | 2.512.937 | 2.512.937 | 64.667.151 | 64.667.151 |
| OPC Pharmaceutical Joint Stock Company | 6.678.228.735 | 6.678.228.735 | 103.175.880 | 103.175.880 |
| b. Trade payables to suppliers | | | | |
| - Hyphen Pharma Pte.Ltd | 142.810.055.819 | 142.810.055.819 | 106.912.001.978 | 106.912.001.978 |
| - B.Braun Vietnam Co.Ltd | 31.825.203.192 | 31.825.203.192 | 31.824.196.277 | 31.824.196.277 |
| - Ever Neuro Pharma GMBH | 46.538.293.475 | 46.538.293.475 | 19.605.529.845 | 19.605.529.845 |
| - 4-Life Vietnam Joint Stock Company | 17.346.371.011 | 17.346.371.011 | 13.960.105.154 | 13.960.105.154 |
| - Others | 203.701.991.898 | 203.701.991.898 | 236.008.010.309 | 236.008.010.309 |
| TOTAL | <u>448.902.657.067</u> | <u>448.902.657.067</u> | <u>408.477.686.594</u> | <u>408.477.686.594</u> |

14. SHORT-TERM ACCRUED EXPENSES

| | <i>Currency: VND</i> | |
|-------------------|-----------------------------|-----------------------------|
| | <i>31/12/2024</i> | <i>01/01/2024</i> |
| Interest expenses | 277.114.586 | 238.256.330 |
| Bonus | 4.479.750.000 | 2.973.062.500 |
| Others | - | - |
| TOTAL | <u>4.756.864.586</u> | <u>3.211.318.830</u> |

15. OTHER SHORT-TERM PAYABLES

| | <i>Currency: VND</i> | |
|------------------------|------------------------------|------------------------------|
| | <i>31/12/2024</i> | <i>01/01/2024</i> |
| Trade union fee | 38.097.840 | 36.770.260 |
| Entrusted import goods | 5.202.384.677 | 11.710.713.917 |
| Dividend payable | 11.203.553.800 | 170.810.000 |
| Others | 2.428.328.570 | 3.014.067.516 |
| TOTAL | <u>18.872.364.887</u> | <u>14.932.361.693</u> |



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16. SHORT-TERM LOANS

| | 01/01/2024 | | Movement during the year | | 31/12/2024 | | Currency: VND |
|-------------------|------------------------|------------------------|--------------------------|--------------------------|------------------------|------------------------|---------------|
| | Balance | Payable amount | Increase | Decrease | Balance | Payable amount | |
| Loans from banks | 317.875.943.470 | 317.875.943.470 | 762.282.949.330 | (754.856.013.344) | 325.302.879.456 | 325.302.879.456 | |
| Loans from others | 17.111.000.000 | 17.111.000.000 | 2.580.000.000 | (8.750.000.000) | 10.941.000.000 | 10.941.000.000 | |
| TOTAL | 334.986.943.470 | 334.986.943.470 | 764.862.949.330 | (763.606.013.344) | 336.243.879.456 | 336.243.879.456 | |

Details of the loans from banks are as follows :

| <i>Bên cho vay</i> | 31/12/2024 (VND) | | 01/01/2024 (VND) | | Interest rate per annum | Description of collateral |
|--|------------------------|------------------------|------------------------|----------|-------------------------|---------------------------|
| | Balance | Payable amount | Increase | Decrease | | |
| Military Commercial Joint Stock Bank – Thang Long Branch | 6.430.694.549 | 6.430.694.549 | 71.538.952.701 | | 3.8% - 6.0% | Unsecured |
| Vietnam Joint Stock Commercial Bank for Industry and Trade - Hanoi Branch | 6.790.626.358 | 6.790.626.358 | 14.680.202.975 | | 4.4% - 5.8% | Unsecured |
| Joint Stock Commercial Bank for Investment and Development of Vietnam - Hoan Kiem Branch | - | - | 54.191.834.098 | | 2.8% - 5.5% | Unsecured |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam – Transaction Office | 23.372.900.701 | 23.372.900.701 | 22.053.327.524 | | 3.3% - 4.0% | Unsecured |
| Vietnam Technological and Commercial Joint Stock Bank - Dong Do Branch | - | - | 8.394.723.076 | | 5.0% | Unsecured |
| Vietnam Maritime Commercial Joint Stock Bank – Transaction Office | 79.721.783.503 | 79.721.783.503 | 32.351.113.208 | | 3.3% - 5.1% | Unsecured |
| Vietnam International Commercial Joint Stock Bank – Dong Da Branch | 31.958.562.085 | 31.958.562.085 | - | | 4.0%-4.5% | Unsecured |
| Vietnam Joint Stock Commercial Bank for Industry and Trade - Tan Binh Branch | 69.806.568.705 | 69.806.568.705 | 34.588.093.913 | | 4.6% - 5.0% | Unsecured |
| Military Commercial Joint Stock Bank – Branch SGD2 | - | - | 45.064.163.252 | | 3.5% - 5.2% | Unsecured |
| Vietnam Technological and Commercial Joint Stock Bank - Tan Binh Branch | 85.018.347.292 | 85.018.347.292 | 19.559.455.839 | | 4.5% - 5.0% | Unsecured |
| Vietnam Bank for Agriculture and Rural Development - Tan Binh Branch | 22.203.396.263 | 22.203.396.263 | 15.454.076.884 | | 4.2% - 5.5% | Unsecured |
| Loans from others | 10.941.000.000 | 10.941.000.000 | 17.111.000.000 | | 5.0% | Unsecured |
| TOTAL | 336.243.879.456 | 336.243.879.456 | 334.986.943.470 | | | |



17. BONUS AND WELFARE FUND

| | <i>Currency: VND</i> | |
|---|-----------------------------|---------------------------|
| | <i>Current period</i> | <i>Previous period</i> |
| Beginning balance | 672.051.279 | 1.704.436.279 |
| Appropriation during the period (Note 24.1) | 16.652.816.826 | 4.318.105.647 |
| Utilisation during the period | (10.244.828.583) | (5.350.490.647) |
| Ending balance | <u>7.080.039.522</u> | <u>672.051.279</u> |

18. OWNERS' EQUITY

18.1 Increase and decrease in owners' equity

| | <i>Currency: VND</i> | | | |
|---|-----------------------------|--|-------------------------------|------------------------|
| | <i>Issued share capital</i> | <i>Investment and development fund</i> | <i>Undistributed earnings</i> | <i>Total</i> |
| Previous year | | | | |
| Beginning balance | 209.790.000.000 | 2.444.991.780 | 59.107.435.977 | 271.342.427.757 |
| - Net profit for the year | - | - | 115.938.778.842 | 115.938.778.842 |
| - Dividends declared | - | - | (31.468.500.000) | (31.468.500.000) |
| - Appropriation to bonus fund for Board of Directors. Board of Supervisors and Board of General Directors | - | - | (314.666.667) | (314.666.667) |
| - Appropriation to bonus fund for completing and exceeding the 2022 profit plan target | - | - | (2.003.438.980) | (2.003.438.980) |
| - Appropriation to bonus and welfare funds 2023 | - | - | (2.000.000.000) | (2.000.000.000) |
| Ending balance | <u>209.790.000.000</u> | <u>2.444.991.780</u> | <u>139.259.609.169</u> | <u>351.494.600.949</u> |
| Current year | | | | |
| Beginning balance | 209.790.000.000 | 2.444.991.780 | 139.259.609.169 | 351.494.600.949 |
| - Net profit for the year | - | - | 132.975.841.659 | 132.975.841.659 |
| - Dividends declared 2023 | - | - | (31.468.500.000) | (31.468.500.000) |
| - Appropriation to bonus fund for Board of Directors. Board of Supervisors and Board of General Directors | - | - | (392.000.000) | (392.000.000) |
| - Appropriation to bonus fund for completing and exceeding the 2023 profit plan target | - | - | (14.260.816.826) | (14.260.816.826) |
| - Appropriation to bonus and welfare funds 2024 | - | - | (2.000.000.000) | (2.000.000.000) |
| - Dividends declared for 2024 | - | - | (16.783.200.000) | (16.783.200.000) |
| - Other increase | - | - | 4.877.629.901 | 4.877.629.901 |
| Ending balance | <u>209.790.000.000</u> | <u>2.444.991.780</u> | <u>212.208.563.903</u> | <u>424.443.555.683</u> |

18.2 Detail of share capital

| | 31/12/2024 (Shares) | | | 01/01/2024 (Shares) | | |
|------------------------------------|---------------------|-------------------|--------------------|---------------------|-------------------|--------------------|
| | Total | Ordinary shares | Ownership rate (%) | Total | Ordinary shares | Ownership rate (%) |
| Vietnam Pharmaceutical Corporation | 13.721.550 | 13.721.550 | 65.406% | 13.721.550 | 13.721.550 | 65.406% |
| Mr. Le Nam Thang | 1.689.000 | 1.689.000 | 8.051% | 1.700.000 | 1.700.000 | 8.103% |
| Mrs. Le Thi Kim Anh | 1.518.800 | 1.518.800 | 7.240% | 1.518.800 | 1.518.800 | 7.240% |
| Mr. Nguyen Doan Liem | 1.210.940 | 1.210.940 | 5.772% | 1.210.940 | 1.210.940 | 5.772% |
| Others | 2.838.710 | 2.838.710 | 13.531% | 2.827.710 | 2.827.710 | 13.479% |
| TOTAL | 20.979.000 | 20.979.000 | 100% | 20.979.000 | 20.979.000 | 100% |

Par value of outstanding share: VND 10.000/share (as at 31 December 2023: VND 10.000/share).

18.3 Capital transactions with owners and distribution of dividends, profits

| | Currency: VND | |
|--|------------------------|------------------------|
| | Current year | Previous year |
| Contributed capital | | |
| Beginning balance | 209.790.000.000 | 209.790.000.000 |
| Increase during the year | - | - |
| Decrease during the year | - | - |
| Ending balance | <u>209.790.000.000</u> | <u>209.790.000.000</u> |
| Dividends declared/paid during the year | 48.251.700.000 | 31.468.500.000 |

19. OFF-BALANCE SHEET ITEMS

19.1 Goods held under trust

| | 31/12/2024 | 01/01/2024 |
|---|----------------|---------------|
| Imported goods entrusted to third party (VND) | 20.606.125.993 | 1.533.462.787 |

19.2 Foreign currencies

| | 31/12/2024 | 01/01/2024 |
|-----|------------|------------|
| USD | 11.856 | 14.044 |
| EUR | 279 | 14.938 |

20. REVENUES

20.1 Revenue from sale of goods and rendering of services

| | <i>Currency: VND</i> | |
|---------------------------|---------------------------------|---------------------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Gross revenue | 2.025.737.354.729 | 2.158.359.154.152 |
| In which: | | |
| Sale of merchandises | 2.008.597.580.096 | 2.139.217.757.675 |
| Render of services | 17.139.774.633 | 19.141.396.477 |
| Revenue deductions | - | - |
| Sales returns | - | - |
| Net revenue | <u>2.025.737.354.729</u> | <u>2.158.359.154.152</u> |

20.2 Finance income

| | <i>Currency: VND</i> | |
|--|------------------------------|------------------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Interest income | 21.285.460 | 33.095.447 |
| Dividends earned | 4.198.380.800 | 2.389.125.300 |
| Realized foreign exchange gains | 18.511.058.629 | 14.179.155.715 |
| Interest from credit sales. discount earned from early payment | 103.532.591 | - |
| TOTAL | <u>22.834.257.480</u> | <u>16.601.376.462</u> |

21. COST OF GOODS SOLD AND SERVICES RENDERED

| | <i>Currency: VND</i> | |
|--|---------------------------------|---------------------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Cost of merchandise sold and services rendered | 1.714.392.979.549 | 1.779.729.138.430 |
| Provision/ Reversal provision for obsolete inventories | (20.079.748.612) | 25.457.359.453 |
| TOTAL | <u>1.694.313.230.937</u> | <u>1.805.186.497.883</u> |

22. FINANCE EXPENSES

| | <i>Currency: VND</i> | |
|----------------------------------|------------------------------|------------------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Interest expenses | 12.425.558.101 | 17.779.579.670 |
| Realized foreign exchange loss | 26.617.887.800 | 28.229.554.858 |
| Unrealized foreign exchange loss | 2.583.048.202 | 11.515.634.826 |
| Other | (181.121.400) | 20.135.040 |
| TOTAL | <u>41.445.372.703</u> | <u>57.544.904.394</u> |

23. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

| | <i>Currency: VND</i> | |
|---------------------------|-------------------------------|-------------------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Selling expenses | | |
| Labour costs | 57.832.362.332 | 55.912.089.267 |
| Materials and packaging | 5.959.544.980 | 7.797.325.932 |
| Tools and equipment | 1.048.867.625 | 1.618.275.953 |
| Depreciation | 7.401.374.447 | 6.520.268.625 |
| External service expenses | 27.000.153.911 | 29.646.635.880 |
| Other expenses | 31.146.487.456 | 29.330.601.208 |
| TOTAL | <u>130.388.790.751</u> | <u>130.825.196.865</u> |

General and administrative expenses

| | | |
|--|------------------------------|------------------------------|
| Labor costs | 12.434.940.525 | 11.944.200.075 |
| Land rental costs | 6.856.797.543 | 5.583.120.976 |
| Tools and equipment | 464.459.405 | 322.694.541 |
| Depreciation and amortization | 7.869.166 | 179.947.748 |
| Provision/reversal bad debt provisions | 366.687.273 | (2.887.718.151) |
| External service expenses | 5.553.200.636 | 6.687.145.783 |
| Other expenses | 16.693.209.256 | 14.555.881.506 |
| TOTAL | <u>42.377.163.804</u> | <u>36.385.272.478</u> |

24. PRODUCTION AND OPERATING COSTS

| | <i>Currency: VND</i> | |
|--------------------------------------|---------------------------------|---------------------------------|
| | <i>Current year</i> | <i>Previous year</i> |
| Cost of purchasing goods for trading | 1.714.392.979.549 | 1.779.729.138.430 |
| Provision /reversing provisions | (19.713.061.339) | 22.569.641.302 |
| Labor costs | 70.267.302.857 | 67.856.289.342 |
| Depreciation and amortization | 8.429.960.681 | 7.721.462.641 |
| Tools and equipment | 1.513.327.030 | 1.940.970.494 |
| External service expenses | 32.553.354.547 | 36.333.781.663 |
| Other expenses | 59.635.322.167 | 56.245.683.354 |
| TOTAL | <u>1.867.079.185.492</u> | <u>1.972.396.967.226</u> |

25. OTHER INCOME

| | <i>Current year</i> | <i>Previous year</i> |
|------------------|-----------------------|----------------------|
| Insurance claims | 29.284.171.524 | - |
| Other | 375.956.435 | - |
| TOTAL | 29.660.127.959 | - |

26. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Company is 20% of taxable profit.

26.1 CIT expense

The statutory corporate income tax ("CIT") rate applicable to the Company is 20% of taxable profit .

| | <i>Current year</i> | <i>Previous year</i> |
|---------------------------------|---------------------|----------------------|
| CIT expenses | | |
| Current tax expenses | 29.526.276.810 | 32.572.359.219 |
| Under accrual CIT in prior year | 2.360.269.826 | 434.044.386 |
| Deferred tax expense/(income) | 3.879.165.953 | (3.879.165.953) |

Reconciliation between CIT expense and the accounting (loss)/profit multiplied by CIT rate is presented below :

| | <i>Current year</i> | <i>Previous year</i> |
|--|-----------------------|------------------------|
| Accounting profit before tax | 168.741.554.248 | 145.066.016.495 |
| CIT expenses at CIT rate of 20% | 33.748.310.850 | 29.013.203.299 |
| Adjustments to increase: | 1.930.296.339 | 4.036.980.980 |
| <i>In which: Allowance for non-executive members of the Board of Directors and Supervisory Board</i> | 278.909.092 | 288.000.000 |
| Provisions | 6.465.276.588 | 19.395.829.763 |
| Non-deductible Value added tax | 384.643.799 | 174.036.994 |
| Adjusted by State audit | 1.557.024.489 | - |
| Other | 965.627.725 | 327.038.145 |
| Adjustments to decrease | (6.152.330.379) | (477.825.060) |
| <i>In which: Dividends received</i> | (4.198.380.800) | (2.389.125.300) |
| Reversal of provisions | (25.861.106.351) | - |
| Adjusted by State audit | (702.164.745) | - |
| Under accrual CIT in prior year | 2.360.269.826 | 434.044.386 |
| CIT expenses | 31.886.546.636 | 33.006.403.606 |
| Deferred tax expense/(income) | 3.879.165.953 | (3.879.165.953) |

26.2 Deferred tax

The following are the deferred tax assets recognised by the Company. and the movements thereon. during the current and previous years :

Currency: VND

| | <i>Balance sheet</i> | | <i>Income statement</i> | |
|--|-----------------------|--------------------------|-------------------------|----------------------|
| | <i>Ending balance</i> | <i>Beginning balance</i> | <i>Current year</i> | <i>Previous year</i> |
| Deferred tax assets | | | | |
| Provision for obsolete inventories | 4.615.812.818 | 3.879.165.953 | (3.879.165.953) | - |
| Net deferred tax charge to income statement | | | (3.879.165.953) | - |

27. TRANSACTIONS WITH RELATED PARTIES

The list of related parties of the Company as at 31 December 2024 is presented in the Management Report No. 1083/CPC1-HĐQT which was announced to the public on 30 July 2024.

List of related parties that have a controlling relationship with the Company and other related parties that have transactions with the Company during the year and as at 31 December 2024 is as follows:

| <i>Related parties</i> | <i>Relationship</i> |
|--|---|
| Vietnam Pharmaceutical Corporation | Parent company |
| Codupha Central Pharmaceutical Joint Stock Company | Affiliate |
| Central Pharmaceutical Joint Stock Company No3 | Affiliate |
| Vietnam Medical Products Import - Export Joint Stock Company | Affiliate |
| Danapha Pharmaceutical Joint Stock Company | Affiliate |
| Ha Noi CPC1 Pharmaceutical Joint Stock Company | Entity with a mutual member of Board of Directors |
| OPC Pharmaceutical Joint Stock Company | Entity with a mutual member of Board of Directors |

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions of the Corporation and its subsidiaries with related parties in current year and previous year were as follows:

| | | | | <i>Currency: VND</i> |
|--|---|---|----------------------|----------------------|
| <i>Related party</i> | <i>Transactions</i> | <i>Current year</i> | <i>Previous year</i> | <i>Related party</i> |
| Vietnam Pharmaceutical Corporation | Parent company | Dividends paid | 20.582.325.000 | 20.582.325.000 |
| | | Revenue from goods sold and services rendered | 22.305.700 | 218.534.795 |
| Ha Noi CPC1 Pharmaceutical Joint Stock Company | Entity with a mutual member of Board of Directors | Revenue from goods sold and services rendered | 2.523.614.370 | 2.621.111.152 |
| | | Purchase of goods | 13.300.000 | - |
| | | Dividends received | 3.999.999.000 | 2.133.332.800 |
| OPC Pharmaceutical Joint Stock Company | Entity with a mutual member of Board of Directors | Revenue from goods sold and services rendered | 110.751.500 | 217.935.800 |
| | | Purchase of goods | 8.588.567.758 | 98.262.743 |
| Danapha Pharmaceutical Joint Stock Company | Affiliate | Revenue from goods sold and services rendered | - | - |
| | | Purchase of goods | - | 93.622.842 |
| Imexpharm Pharmaceutical Joint Stock Company | Affiliate | Revenue from goods sold and services rendered | - | - |
| | | Purchase of goods | 3.033.988.980 | 437.932.286 |
| Vietnam Medical Products Import - Export Joint Stock Company | Affiliate | Revenue from goods sold and services rendered | 122.028.137 | - |
| | | Purchase of goods | - | - |

Terms and conditions of transactions with related parties:

The Company sells and purchases goods and services from related parties on the basis of contractual agreements

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Allowance and salary to members of the Board of Directors ("BoD"), Board of Supervision and Management during the year:

| <i>Name</i> | <i>Position</i> | <i>Currency: VND</i> | |
|-------------------------|--|----------------------|----------------------|
| | | <i>Current year</i> | <i>Previous year</i> |
| Mrs. Han Thi Khanh Vinh | Chairwoman of BoD | 183.272.727 | 84.000.000 |
| Mr. Nguyen Doan Liem | Member of BoD | 82.909.091 | 60.000.000 |
| Mrs. Tran Thi Kim Khanh | Independent Member of audit committee from 11/04/2024 | 114.545.455 | - |
| Mr. Ta Van Dung | Acting General Director from 13/12/2024 | - | - |
| Mr. Cong Viet Hai | General Director (Resigned on 13/12/2024) | 848.906.360 | 753.476.245 |
| Mrs. Nguyen Thi Hoa | Deputy General Director | 654.192.605 | 567.429.819 |
| Mrs. Bui Thi Thanh Hai | Member of BoD from 11/04/2024 Deputy General Director from 01/05/2024 | 410.558.558 | - |
| Mrs. Nguyen Hong Nhung | Member of BoD (Resigned on 11/4/2024) | 21.818.182 | 60.000.000 |
| Mr. Nguyen Huy Thanh | Member of BoD Deputy General Director from 01/06/2024 | 371.573.259 | 60.000.000 |
| Mrs. Nguyen Thuy Dung | Member of BoD (Resigned on 11/4/2024) | 21.818.182 | 60.000.000 |
| Board of Supervision | Supervisory Board (dismissed on 11 April 2024) | 206.102.275 | 501.249.996 |
| | | - | - |
| TOTAL | | 2.915.696.694 | 2.146.156.060 |

28. COMMITMENTS AND CONTINGENCIES

Operating lease commitment as a lessee

The Company leases land. offices under operating lease arrangements. The minimum lease commitments as at the balance sheet date under the operating lease agreements are as follows:

| | <i>Currency: VND</i> | |
|-------------------|-------------------------------|------------------------------|
| | <i>31 December 2024</i> | <i>31 December 2023</i> |
| Less than 1 year | 5.489.762.524 | 4.793.838.472 |
| From 1 - 5 years | 26.736.020.430 | 23.467.217.700 |
| More than 5 years | <u>70.933.549.031</u> | <u>67.117.183.710</u> |
| TOTAL | <u>103.159.331.985</u> | <u>95.378.239.882</u> |

29. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations.

| | <i>Currency: VND</i> | |
|---|-------------------------------|-------------------------------------|
| | <i>Current year</i> | <i>Previous year (Restated)</i> |
| Accounting profit after tax | 132.975.841.659 | 115.938.778.842 |
| Appropriation to bonus and welfare fund | <u>(14.306.376.249)</u> | <u>(16.652.816.826)</u> |
| Net profit after tax attributable to ordinary shareholders | <u>118.669.465.410</u> | <u>99.285.962.016</u> |
| Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share | <u>20.979.000</u> | <u>20.979.000</u> |
| Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution | <u>20.979.000</u> | <u>20.979.000</u> |
| Earnings per share | | |
| - <i>Basic</i> | 5.657 | 4.733 |
| - <i>Diluted</i> | 5.657 | 4.733 |



29. EARNINGS PER SHARE (continued)

Net profit used to compute earnings per share for the year 2023 was restated following the actual appropriation to bonus and welfare fund from retained earnings allocated for the year ended 31 December 2023 in accordance with the Resolution of the Annual General Meetings No.21/NQĐHĐCĐ dated 11 April 2024.

Net profit used to compute earnings per share for the year ended 31 December 2024 was also adjusted for the amount of bonus and welfare fund that is expected to be appropriated from the profit for the year 2024 and allocated for the current period following the profit distribution plan for the year 2024 as approved in the Resolution of the General Meeting of Shareholders No.21/NQĐHĐCĐ dated 11 April 2024.

There are no other common stock transactions or other potential common stock transactions occurring from the reporting date to the date of completion of the consolidated financial statements.

30. EVENTS AFTER THE BALANCE SHEET DATE

There is no matter or circumstance that has arisen since the balance date that requires adjustment or disclosure in the financial statements of the Company.

Preparer



Ninh Thi Thu Hien

Chief Accountant



Dang Thi Du

Hanoi, 20 January 2025

Acting General Director



Ta Van Dung



