

**No.25 CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY**

**FINANCIAL STATEMENT**

**4th QUARTER 2024**

**Jan-25**



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**BALANCE SHEET**  
As at 31st December 2024

Currency: VND

| ITEMS  | Code       | Notes | 31st Dec 2024          | 01st Jan 2024          |
|--|------------|-------|------------------------|------------------------|
| <b>A. CURRENT ASSETS</b>                         | <b>100</b> |       | <b>292,989,521,837</b> | <b>276,258,362,601</b> |
| <b>I. Cash and cash equivalents</b>              | <b>110</b> | 5     | <b>28,283,162,460</b>  | <b>29,373,283,684</b>  |
| 1. Cash  | 111        |       | 15,881,615,411         | 9,110,316,259          |
| 2. Cash equivalents                              | 112        |       | 12,401,547,049         | 20,262,967,425         |
| <b>II. Short-term investments</b>                | <b>120</b> |       | <b>38,000,000,000</b>  | <b>21,769,777,151</b>  |
| 1. Held- to-maturity investments                 | 123        | 6     | 38,000,000,000         | 21,769,777,151         |
| <b>III. Current accounts receivable</b>          | <b>130</b> |       | <b>26,953,495,054</b>  | <b>25,776,266,141</b>  |
| 1. Short-term trade receivables                  | 131        | 7.1   | 41,517,169,521         | 37,745,259,525         |
| 2. Short-term advances to suppliers              | 132        | 7.2   | 1,112,434,887          | 5,067,493,887          |
| 4. Other short-term receivables                  | 136        | 8.1   | 6,437,509,409          | 4,213,782,909          |
| 5. Provision for doubtful short-term receivables | 137        | 9     | (22,113,618,763)       | (21,250,270,180)       |
| <b>IV. Inventories</b>                           | <b>140</b> | 10    | <b>199,231,781,635</b> | <b>198,175,934,868</b> |
| 1. Inventories                                   | 141        |       | 201,768,051,752        | 200,227,756,189        |
| 2. Provision for obsolete inventories            | 149        |       | (2,536,270,117)        | (2,051,821,321)        |
| <b>V. Other current assets</b>                   | <b>150</b> |       | <b>521,082,688</b>     | <b>1,163,100,757</b>   |
| 1. Short-term prepaid expenses                   | 151        |       | 97,400,000             | 43,500,000             |
| 2. Value-added tax deductible                    | 152        | 16.1  | 146,265,258            | 1,119,600,757          |
| 3. Tax and other receivables from the State      | 153        | 17a   | 277,417,430            | -                      |
| <b>B. NON-CURRENT ASSETS</b>                     | <b>200</b> |       | <b>94,104,163,912</b>  | <b>95,955,969,060</b>  |
| <b>I. Long-term receivables</b>                  | <b>210</b> |       | <b>3,761,660,200</b>   | <b>3,761,660,200</b>   |
| 6. Other long-term receivables                   | 216        | 8.2   | 3,761,660,200          | 3,761,660,200          |
| <b>II. Fixed assets</b>                          | <b>220</b> |       | <b>19,885,928,823</b>  | <b>22,643,575,381</b>  |
| 1. Tangible fixed assets                         | 221        | 11    | 19,885,928,823         | 22,643,575,381         |
| - Cost   | 222        |       | 109,629,094,697        | 111,989,308,056        |
| - Accumulated depreciation                       | 223        |       | (89,743,165,874)       | (89,345,732,675)       |
| 2. Intangible fixed assets                       | 227        | 12    | -                      | -                      |
| - Cost   | 228        |       | 334,130,000            | 334,130,000            |
| - Accumulated depreciation                       | 229        |       | (334,130,000)          | (334,130,000)          |
| <b>IV. Long-term assets in progress</b>          | <b>240</b> |       | <b>21,237,108,032</b>  | <b>19,155,621,629</b>  |
| 1. Construction in progress                      | 242        | 13    | 21,237,108,032         | 19,155,621,629         |
| <b>VI. Other long-term assets</b>                | <b>260</b> |       | <b>49,219,466,857</b>  | <b>50,395,111,850</b>  |
| 1. Long-term prepaid expenses                    | 261        |       | 48,562,134,538         | 50,186,494,000         |
| 2. Deferred tax assets                           | 262        |       | 657,332,319            | 208,617,850            |
| <b>TOTAL ASSETS</b>                              | <b>270</b> |       | <b>387,093,685,749</b> | <b>372,214,331,661</b> |



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**BALANCE SHEET (continued)**  
**As at 31st December 2024**

Currency: VND

| ITEMS   | Code       | Notes     | 31st Dec 2024          | 01st Jan 2024          |
|---|------------|-----------|------------------------|------------------------|
| <b>C. LIABILITIES</b>                             | <b>300</b> |           | <b>231,941,580,577</b> | <b>220,132,539,936</b> |
| <b>I. Current liabilities</b>                     | <b>310</b> |           | <b>230,931,484,623</b> | <b>218,980,933,987</b> |
| 1. Short-term trade payables                      | 311        | 14        | 14,081,726,952         | 2,737,597,363          |
| 2. Short-term advances from customers             | 312        | 15        | 183,085,955,477        | 209,512,299,972        |
| 3. Statutory obligations                          | 313        | 16.2      | -                      | 390,224,339            |
| 4. Payables to employees                          | 314        |           | 5,088,183,710          | 3,559,706,767          |
| 5. Short-term accrued expenses                    | 315        | 17        | 739,841,076            | 1,183,797,434          |
| 6. Other short-term payables                      | 319        | 18        | 27,886,071,461         | 1,485,702,165          |
| 9. Bonus and welfare fund                         | 322        | 19        | 49,705,947             | 111,605,947            |
| <b>II. Non-current liabilities</b>                | <b>330</b> |           | <b>1,010,095,954</b>   | <b>1,151,605,949</b>   |
| 2. Long-term provisions                           | 342        | 20        | 959,997,500            | 1,043,089,250          |
| 13. Scientific and technological development fund | 343        |           | 50,098,454             | 108,516,699            |
| <b>D. OWNERS' EQUITY</b>                          | <b>400</b> |           | <b>155,152,105,172</b> | <b>152,081,791,725</b> |
| <b>I. Capital</b>                                 | <b>410</b> | <b>21</b> | <b>155,152,105,172</b> | <b>152,081,791,725</b> |
| 1. Share capital                                  | 411        |           | 132,946,410,000        | 132,946,410,000        |
| 2. Share premium                                  | 412        |           | 17,589,282,000         | 17,589,282,000         |
| 3. Investment and development fund                | 418        |           | 12,490,339,501         | 12,490,339,501         |
| 4. Accumulated losses                             | 421        |           | (7,873,926,329)        | (10,944,239,776)       |
| - Accumulated losses by the end of prior year     | 421a       |           | (10,944,239,776)       | (13,155,164,174)       |
| - Undistributed earnings                          | 421b       |           | 3,070,313,447          | 2,210,924,398          |
| <b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>       | <b>440</b> |           | <b>387,093,685,749</b> | <b>372,214,331,661</b> |

Ho Chi Minh City, 17th January 2025

CHIEF ACCOUNTANT



Ngo Tan Long

GENERAL DIRECTOR



Nguyen Manh Hai



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**INCOME STATEMENT**  
 The accounting ends in 31st Dec 2024

Currency: VND

| Items   | Code      | Notes | 4TH QUARTER           |                       | Accumulatives from Jan till end of the 4th quarter |                        |
|---|-----------|-------|-----------------------|-----------------------|--|------------------------|
|   |           |       | 2024                  | 2023                  | 2024   | 2023                   |
| 1. Revenue from sale of goods and rendering of services             | 01        | 23    | 46,682,426,304        | 40,437,912,157        | 130,580,736,698                                    | 140,425,031,762        |
| 2. Deductions   | 02        | 24    | -                     | 249,963,260           | 157,457  | 285,445,730            |
| <b>3. Net revenue from sale of goods and rendering of services</b>  | <b>10</b> |       | <b>46,682,426,304</b> | <b>40,187,948,897</b> | <b>130,580,579,241</b>                             | <b>140,139,586,032</b> |
| 4. Cost of goods sold and services rendered                         | 11        | 25    | 41,914,569,571        | 35,067,694,654        | 113,540,448,882                                    | 121,886,661,971        |
| <b>5. Gross profit from sale of goods and rendering of services</b> | <b>20</b> |       | <b>4,767,856,733</b>  | <b>5,120,254,243</b>  | <b>17,040,130,359</b>                              | <b>18,252,924,061</b>  |
| 6. Finance income   | 21        | 26    | 914,052,501           | 1,017,629,285         | 2,178,507,752                                      | 2,623,221,346          |
| 7. Finance expenses   | 22        | 27    | 966,639               | 3,161,331             | 30,289,235   | 21,640,948             |
| <i>In which: Interest expenses</i>                                  | 23        |       | -                     | -                     | -  | -                      |
| 8. Selling expenses   | 25        | 29.1  | 1,233,429,963         | 1,248,594,137         | 2,327,329,782                                      | 4,099,249,307          |
| 9. General and administrative expenses                              | 26        | 29.2  | 3,755,034,393         | 4,153,742,439         | 14,302,022,766                                     | 14,422,485,205         |
| <b>10. Operating profit</b>   | <b>30</b> |       | <b>692,478,239</b>    | <b>732,385,621</b>    | <b>2,558,996,328</b>                               | <b>2,332,769,947</b>   |
| 11. Other income  | 31        | 30    | 64,020,000            | -                     | 64,020,000   | 81,078                 |
| 12. Other expenses  | 32        | 31    | -                     | 16,500,000            | 1,417,350  | 118,741,885            |
| <b>13. Other profit</b>   | <b>40</b> |       | <b>64,020,000</b>     | <b>(16,500,000)</b>   | <b>62,602,650</b>                                  | <b>(118,660,807)</b>   |
| <b>14. Accounting profit before tax</b>                             | <b>50</b> |       | <b>756,498,239</b>    | <b>715,885,621</b>    | <b>2,621,598,978</b>                               | <b>2,214,109,140</b>   |
| 15. Current corporate income tax expense                            | 51        | 32.1  | -                     | -                     | -  | -                      |
| 16. Deferred tax expense  | 52        | 32.2  | (450,001,469)         | -                     | (448,714,469)                                      | 3,184,742              |
| <b>17. Net profit after tax</b>                                     | <b>60</b> |       | <b>1,206,499,708</b>  | <b>715,885,621</b>    | <b>3,070,313,447</b>                               | <b>2,210,924,398</b>   |

Ho Chi Minh City, 17th January 2025

CHIEF ACCOUNTANT



Ngo Tan Long

GENERAL DIRECTOR



Nguyen Manh Hai



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## CASH FLOW STATEMENT

(Indirect Method)

The accounting ends in 31st Dec 2024

Currenct: VND

| Items  | Code | From 01st Jan till<br>end 31st Dec 2024 | From 01st Jan till<br>end 31st Dec 2023 |
|--|------|---|---|
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>   |      |   |   |
| 1. Profit before tax   | 01   | 2,621,598,978                           | 2,214,109,140                           |
| 2. Adjustments for:  |      |   |   |
| - Depreciation of tangible fixed assets and investment properties  | 02   | 2,699,228,313                           | 3,292,369,171                           |
| - Provisions   | 03   | 1,347,797,379                           | 107,533,013                             |
| - Foreign exchange gains arising from revaluation of monetary accounts<br>denominated in monetary currency | 04   | (10,610,533)                            | (8,439,102)                             |
| - (Profits)/losses from investing activities   | 05   | (2,068,408,066)                         | (2,339,148,195)                         |
| 3. Operating profit before changes in working capital  | 08   | 4,589,606,071                           | 3,266,424,027                           |
| - (Increase)/decrease in receivables   | 09   | (1,067,241,997)                         | 1,467,155,141                           |
| - (Increase)/decrease in inventories   | 10   | (1,540,295,563)                         | 15,056,311,718                          |
| - Increase/(decrease) in payables  | 11   | 11,596,241,456                          | (4,425,723,549)                         |
| - (Increase)/decrease in prepaid expenses  | 12   | 1,570,459,462                           | (13,966,354)                            |
| - Other cash outflows for operating activities   | 17   | (61,900,000)                            | (95,800,000)                            |
| <b>Net cash flows from operating activities</b>  | 20   | <b>15,086,869,429</b>                   | <b>15,254,400,983</b>                   |
| <b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>  |      |   |   |
| 1. Purchase and construction of fixed assets and other long-term assets                                    | 21   | (2,081,486,403)                         | -                                       |
| 2. Proceeds from disposals of fixed assets and other long-term assets                                      | 22   | 55,700,000                              | -                                       |
| 3. Loans to other entities and payments for purchase of debt instruments of<br>other entities              | 23   | (65,000,000,000)                        | (38,170,755,656)                        |
| 4. Collections from borrowers and proceeds from sale of debt instruments of<br>other entities              | 24   | 48,769,777,151                          | 35,000,000,000                          |
| 7. Interest and dividends received   | 27   | 2,068,408,066                           | 2,339,148,195                           |
| <b>Net cash flows from investing activities</b>  | 30   | <b>(16,187,601,186)</b>                 | <b>(831,607,461)</b>                    |
| <b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>   |      |   |   |
| 6. Dividends paid/Profit distributed   | 36   | -                                       | (2,566,000)                             |
| <b>Net cash flows from financing activities</b>  | 40   | -                                       | <b>(2,566,000)</b>                      |
| <b>Net increase/(decrease) in cash for the year (50 = 20+30+40)</b>  | 50   | <b>(1,100,731,757)</b>                  | <b>14,420,227,522</b>                   |
| <b>Cash and cash equivalents at beginning of year</b>  | 60   | <b>29,373,283,684</b>                   | <b>14,944,617,060</b>                   |
| Impact of exchange rate fluctuation  | 61   | 10,610,533                              | 8,439,102                               |
| <b>Cash and cash equivalents at end of year (70 = 50+60+61)</b>  | 70   | <b>28,283,162,460</b>                   | <b>29,373,283,684</b>                   |

Ho Chi Minh City, 17th January 2025

CHIEF ACCOUNTANT



Ngo Tan Long

GENERAL DIRECTOR



Nguyen Manh Hai



## NOTES TO THE FINANCIAL STATEMENTS

The accounting ends in 31st Dec 2024

### 1. CORPORATE INFORMATION

**Type of Business:** Joint Stock Company

No. 25 Central Pharmaceutical Joint Stock Company was converted from a state-owned enterprise according to Decision No. 5112/QĐ-BYT dated 11 December 2006, by the Minister of Health, approving the plan to convert the Company into a joint stock company. The initial business registration certificate No. 0300468511 was issued on 19 June 2007, and the 19th amendment was registered on 6 June 2024, by the Department of Planning and Investment of Ho Chi Minh City.

**Business Areas:** Manufacturing, Services

**Business Activities:** Manufacturing and trading pharmaceuticals, manufacturing and selling cosmetics. Producing non-alcoholic beverages, mineral water (not produced at the headquarters). Trading in soft drinks (no food and beverage services at the headquarters). Manufacturing and selling paper and plastic packaging (no waste recycling at the headquarters). Manufacturing medical equipment and instruments (not produced at the headquarters). Trading in medical machinery and equipment. Manufacturing and selling chemical cosmetics (not produced at the headquarters). Real estate business

**Tourism Accommodation Business:** Hotels (not operated at the headquarters). Guesthouses, inns providing short-term lodging services (not operated in Ho Chi Minh City)

Bán lẻ máy ảnh, phim ảnh, thiết bị quang học và thiết bị chính xác; bán lẻ tranh, tượng,.../  
Retail of cameras, films, optical equipment, and precision instruments; retail of paintings, statues

Manufacturing flour-based confectionery. Milling and production of raw flour. Production of cocoa, chocolate and confectionery. Manufacturing other foods not elsewhere classified (details: production of special foods such as production of functional foods, nutritional foods, milk and other foods)

The Company's shares coding UPH were listed on the Hanoi Stock Exchange in accordance with the Decision No. 856/QĐ-SGDHN issued by the Hanoi Stock Exchange on 19 December 2016.

The Company's head office is located at 448B Nguyen Tat Thanh, Ward 18, District 4, Ho Chi Minh City, Vietnam

#### Normal Business Cycle

The Company's normal business cycle is conducted within a period not exceeding 12 months

### 2. ACCOUNTING PERIOD, CURRENCY UNIT USED IN ACCOUNTING

#### Fiscal year

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

#### Accounting currency

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

### 3. ACCOUNTING STANDARDS AND SYSTEMS

#### Accounting standards



The Company has applied the Corporate Accounting Regime according to Circular No. 200/2014/TT-BTC issued by the Minister of Finance on 22 December 2014 ("Circular 200"). Circular 200 is effective for financial years beginning on or after 1 January 2015 and replaces the Corporate Accounting Regime issued under Decision No. 15/2006/QĐ-BTC dated March 20, 2006, by the Minister of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009, by the Ministry of Finance, the Vietnamese Accounting Standards issued by the Ministry of Finance, and the accompanying amendments, supplements, and implementation guidelines.

#### **Application of New Accounting Guidelines**

On 21 March 2016, the Ministry of Finance issued Circular No. 53/2016/TT-BTC ("Circular 53") amending and supplementing certain provisions of Circular No. 200/2014/TT-BTC dated 22 December 2014, by the Ministry of Finance, which provides guidance on the corporate accounting regime. Circular 53 is effective for financial years beginning on or after 1 January 2016. The Company has applied Circular 53 in the preparation and presentation of its separate financial statements for the financial year ended 31 December 2016

#### **Statement of Compliance with Accounting Standards and Accounting System**

The Company has applied the Vietnamese Accounting Standards and the guiding documents issued by the Ministry of Finance. The financial statements are prepared and presented in accordance with all the provisions of each standard, the implementation guidance circulars, and the current applicable Accounting System.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied by the Company in preparing the Financial Statements are as follows:

##### **Accounting estimates**

The preparation of separate financial statements in compliance with Vietnamese Accounting Standards, the Vietnamese accounting system, and other current accounting regulations in Vietnam requires the Board of Directors to make estimates and assumptions that affect the reported amounts of liabilities, assets, and the disclosure of contingent liabilities and assets at the date of the separate financial statements, as well as the reported amounts of revenue and expenses during the financial year. Although these accounting estimates are made based on the best knowledge of the Board of Directors, actual results may differ from those estimates and assumptions.

##### **Financial instruments**

###### ***Initial Recognition***

*Financial Assets*: At initial recognition, financial assets are recorded at cost plus any directly attributable transaction costs related to the acquisition of the financial asset. The Company's financial assets include cash and cash equivalents, short-term financial investments, trade receivables, other receivables, short-term loans receivable, and deposits..

*Financial Liabilities*: At initial recognition, financial liabilities are recorded at cost plus any directly attributable transaction costs related to the issuance of the financial liability. The Company's financial liabilities include trade payables and other payables, accrued expenses, and loans..

###### ***Re-evaluate after initial recognition***

Currently, there are no regulations regarding the revaluation of financial instruments after initial recognition

##### **Cash and Cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of not more than than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.



## Financial investments

### *Held-for-trading securities*

Held-for-trading securities are securities held by the Company for trading purposes. Held-for-trading securities are recorded from the date the Company acquires ownership and are initially measured at the fair value of the payments at the time the transaction occurs add costs related to the purchase of held-for-trading securities

In subsequent accounting periods, securities investments are determined at original cost minus any reduction in the value of trading securities.

Provision for impairment of held-for-trading securities is made in accordance with current accounting regulations

### *Loan receivables*

Loans are measured at cost less any provision for doubtful debts. Provisions for doubtful debts on the Company's loans are made in accordance with current accounting regulations

### *Investment in subsidiary*

Subsidiaries are companies controlled by the Company. Control is achieved when the Company has the ability to govern the financial and operating policies of the investee companies to obtain benefits from their operations.

### *Joint venture capital contribution*

Joint venture capital contributions are agreements made by contract whereby the Company and the participating parties engage in economic activities based on joint control. Joint control means that strategic decisions regarding the operating and financial policies of the joint venture entity require the unanimous consent of the parties sharing control.

### *Investment in Associates*

An associate is a company over which the Company has significant influence but is neither a subsidiary nor a joint venture of the Company. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not entail control or joint control over those policies.

### *Investment in Other Entities*

Investment in other entities reflects investments where the company does not have control, joint control, or significant influence over the investee. Investments in equity instruments of other entities are recorded at original cost less any provision for impairment.

Provisions for impairment of investments in other entities are made in accordance with current accounting regulations.

## Financial investments (continued)

The company initially recognizes investments in subsidiaries, joint ventures, and associates at cost. The company records in the income statement the share of cumulative net profit of the investee arising after the investment date. Any amounts received by the company other than the share of profit are considered a recovery of the investment and are recorded as a reduction in the original cost of the investment.

Investments in subsidiaries, joint ventures, and associates are presented in the balance sheet at cost less any provision for impairment (if any).

## Receivables

Receivables are amounts recoverable from customers or other parties. Receivables are presented at their carrying value less any provision for doubtful debts.

Provisions for doubtful debts are made for receivables that are overdue for six months or more, or for receivables where the debtor is unlikely to pay due to liquidation, bankruptcy, or similar difficulties.

## Inventory

Inventory is valued at the lower of cost and net realizable value. The cost of inventory includes purchase costs, direct material costs, direct labor costs, and, if applicable, manufacturing overheads to bring the inventory to its current location and condition. The cost of inventory is determined using the specific identification method. Net realizable value is the estimated selling price less the costs of completion and selling expenses.

Provisions for inventory devaluation are made in accordance with current accounting regulations. Accordingly, the Company is allowed to make provisions for obsolete, damaged, or substandard inventory and in cases where the carrying amount of inventory exceeds its net realizable value at the end of the financial year.

## Fixed Assets

### *Tangible Fixed Assets and Depreciation*

Tangible fixed assets are presented at cost less accumulated depreciation.

The cost of tangible fixed assets includes the purchase price and all other direct costs related to bringing the asset to its working condition for its intended use.

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

|                          |               |
|--------------------------|---------------|
| Buildings and structures | 05 - 45 years |
| Machinery and equipment  | 03 - 10 years |
| Means of transportation  | 03 - 10 years |
| Office equipment         | 03 - 08 years |

### *Intangible Fixed Assets and Amortization*

Intangible fixed assets include the value of land use rights with definite and indefinite terms and computer software, which are presented at cost less accumulated amortization.

Indefinite-term land use rights are not amortized according to current regulations. Definite-term land use rights are amortized using the straight-line method over the land use period. Computer software is amortized using the straight-line method over a period of five years

## Deferred Corporate Income Tax

Deferred income tax is calculated on the differences between the carrying amounts of assets or liabilities on the balance sheet and their tax bases. Deferred income tax is accounted for using the balance sheet method. Deferred income tax liabilities are recognized for all taxable temporary differences, while deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized



Deferred income tax is determined using tax rates that are expected to apply in the period when the asset is realized or the liability is settled. Deferred income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

### **Prepaid Expenses**

Prepaid expenses include actual costs incurred that relate to the business operations of multiple accounting periods. Prepaid expenses include prepaid land rent, rental fees for premises, and other prepaid expenses.

Prepaid land rent represents the amount of land rent paid in advance. Prepaid land rent is allocated to the income statement on a straight-line basis over the lease term.

Other prepaid expenses include costs related to the company's production activities. These costs are capitalized as prepaid expenses and allocated to the income statement using the straight-line method in accordance with current accounting regulations

### **Borrowing Costs**

Borrowing costs are recognized as an expense in the year in which they are incurred, except when they are capitalized in accordance with Vietnamese Accounting Standard No. 16 'Borrowing Costs'.

### **Accrued Expenses**

Accrued expenses are recognized when actual costs have not yet been paid but have been anticipated and included in the production and business expenses for the period to ensure that when the actual costs are incurred, they do not cause sudden spikes in production and business expenses, thereby ensuring the matching principle between revenue and expenses. When these costs are incurred, if there is a difference from the amount accrued, the accounting will record an additional expense or reduce the expense corresponding to the difference.

### **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 determined based on the estimates of the Board of Directors regarding the necessary costs to settle the obligation at the end of the financial year.

### **Severance Payable**

Severance payable for employees is accrued for all employees who have worked at the Company for more than 12 months up to December 31, 2008. The accrual for each year of service up to December 31, 2008, is equal to half of the average monthly salary in accordance with the Labor Law, the Social Insurance Law, and related guiding documents. Any increase or decrease in this accrual will be recognized in the income statement.

### **Equity**

Owner's Investment: Recognized based on the actual capital contributed by the owner and the capital supplemented from after-tax profits during the operation.

Share Premium: Recognized based on the excess amount between the actual issuance price and the par value of shares in joint-stock companies when shares are initially issued and when additional shares are issued.

Retained Earnings: The after-tax profits not yet distributed, as reflected on the balance sheet, represent the profits from the company's operations after deducting corporate income tax, dividends, reserves, and funds appropriated from after-tax profits

### Revenue Recognition

Sales revenue is recognized when all of the following five conditions are satisfied:

- The Company has transferred the significant risks and rewards of ownership of the goods to the buyer;
- The Company no longer retains control over the goods sold as an owner or control over the goods;
- The revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from service transactions is recognized when the outcome of the transaction can be measured reliably. If the service transaction spans multiple periods, revenue is recognized in the period based on the stage of completion of the transaction at the end of the accounting period. The outcome of a service transaction is determined when all of the following four conditions are satisfied

- The revenue can be measured reliably;
- It is probable that the economic benefits associated with the service transaction will flow to the Company;
- The stage of completion of the transaction at the end of the accounting period can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the service transaction can be measured reliably.

Interest income is recognized on an accrual basis, determined based on the balance of deposit accounts and the applicable interest rates. Income from investments is recognized when the Company has the right to receive the interest.

### Foreign Currency

Transactions arising in foreign currencies are translated at the exchange rates on the transaction dates. Monetary items denominated in foreign currencies at the end of the financial year are translated at the exchange rates on that date. Exchange differences arising are recognized in the income statement. Exchange gains resulting from the revaluation of balances at the end of the accounting period are not distributed to shareholders

### Corporate Income Tax

Corporate income tax represents the total value of current tax liabilities and deferred tax.

Current tax liabilities are calculated based on taxable income for the year. Taxable income differs from the net profit reported in the income statement because it excludes taxable income or deductible expenses in other years (including carryforward losses, if any) and also excludes non-taxable income and non-deductible expenses



The determination of the Company's payable corporate income tax and deferred tax is based on the current tax regulations. However, these regulations change over time, and the final determination of corporate income tax depends on the results of examinations by the competent tax authorities.

The corporate income tax rate for 2024 is 20%.

#### Related Parties

Related parties are entities, including parent companies and subsidiaries, and individuals, directly or indirectly through one or more intermediaries, that have control over the company, are controlled by the company, or are under common control with the company. Related parties also include associates, individuals who directly or indirectly hold voting rights in the company and have significant influence over the company, key management personnel of the company, close family members of these individuals or associates, and entities associated with these individuals.

In considering the relationship of each related party, the substance of the relationship is taken into account rather than merely the legal form

|  | 31st Dec 2024<br>VND  | 01st Jan 2024<br>VND  |
|--|-----------------------|-----------------------|
| <b>5. CASH AND CASH EQUIVALENTS</b>                                |                       |                       |
| - Cash   | 72,000,507            | 317,936,444           |
| - Cash in banks  | 15,809,614,904        | 8,792,379,815         |
| - Cash equivalents   | 12,401,547,049        | 20,262,967,425        |
|  | <b>28,283,162,460</b> | <b>29,373,283,684</b> |
| <b>6. SHORT-TERM INVESTMENTS</b>                                   |                       |                       |
| -Held- to-maturity investments                                     | 38,000,000,000        | 21,769,777,151        |
| + 6-months term deposits   | 38,000,000,000        | 21,769,777,151        |
|  | <b>38,000,000,000</b> | <b>21,769,777,151</b> |
| <b>7. SHORT - TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS</b> |                       |                       |
| <b>7.1 Short-term trade receivables</b>                            |                       |                       |
| - OPC Pharmaceutical Joint Stock Company (related parties)         | 16,956,659,585        | 16,419,454,616        |
| - Kim Long Business and Construction Company Limited               | 12,825,176,072        | 12,825,176,072        |
| - Other customers  | 11,735,333,864        | 8,500,628,837         |
|  | <b>41,517,169,521</b> | <b>37,745,259,525</b> |
| <b>7.2 Short-term advances to suppliers</b>                        |                       |                       |
| - Misa Joint Stock Company   | -                     | 141,695,000           |
| - Sagen Constructive Design Consultancy Joint Stock Company        | 254,260,000           | 254,260,000           |
| - Dung Phat Trading Development Investment Company Limited         | 431,200,000           | 431,200,000           |
| - Ningxia Qiyuan Pharma  | -                     | 3,567,726,000         |
| - Branch of Ky Bac Exact Mechanic Joint Stock Company              | 107,250,000           | -                     |
| - Other suppliers  | 319,724,887           | 672,612,887           |
|  | <b>1,112,434,887</b>  | <b>5,067,493,887</b>  |

| 8. OTHER RECEIVABLES   | 31st Dec 2024<br>VND   | 01st Jan 2024<br>VND    |                              |
|--|------------------------|-------------------------|------------------------------|
| <b>8.1 Other short-term receivables</b>  |                        |                         |                              |
| - Advance payment to employees   | 120,124,000            | 84,580,314              |                              |
| - Other Receivables  | 6,317,385,409          | 4,129,202,595           |                              |
| + Kim Long Business and Contruction Company Limited  | 3,601,800,798          | 3,601,800,798           |                              |
| + Tan Hiep Loi Plastic Packaging Joint Stock   | 1,995,664,090          | -                       |                              |
| + Other receivables  | 719,920,521            | 527,401,797             |                              |
|  | <b>6,437,509,409</b>   | <b>4,213,782,909</b>    |                              |
| <b>8.2. Other long-term receivables</b>  |                        |                         |                              |
| - Bet; Deposits  | 125,563,600            | 125,563,600             |                              |
| - Business cooperation receivables<br>from Kim Long Business and Contruction Company Limited | 3,636,096,600          | 3,636,096,600           |                              |
|  | <b>3,761,660,200</b>   | <b>3,761,660,200</b>    |                              |
| Provision for doubtful other receivables   | (3,644,234,494)        | (3,601,800,798)         |                              |
| <b>Net realizable value</b>  | <b>6,554,935,115</b>   | <b>4,373,642,311</b>    |                              |
| <b>9. BAD DEBTS</b>  |                        |                         |                              |
|  | Ending Balance         |                         |                              |
|  | Debtor<br>VND          | Cost<br>VND             | Recoverable<br>amount<br>VND |
| - Kim Long Business and Contruction<br>Company Limited                                       | 16,426,976,870         | (16,426,976,870)        | -                            |
| - Other partier  | 5,686,641,893          | (5,686,641,893)         | -                            |
|  | <b>22,113,618,763</b>  | <b>(22,113,618,763)</b> | -                            |
|  | Beginning balance      |                         |                              |
|  | Debtor<br>VND          | Cost<br>VND             | Recoverable<br>amount<br>VND |
| - Kim Long Business and Contruction<br>Company Limited                                       | 16,426,976,870         | (16,426,976,870)        | -                            |
| - Other partier  | 4,823,293,310          | (4,823,293,310)         | -                            |
|  | <b>21,250,270,180</b>  | <b>(21,250,270,180)</b> | -                            |
| This bad debt has been provisioned by the Company in accordance with current regulations.    |                        |                         |                              |
| <b>10. INVENTORIES</b>   |                        |                         |                              |
|  | 31st Dec 2024<br>VND   | 01st Jan 2024<br>VND    |                              |
| - Raw materials  | 29,512,724,979         | 26,903,004,876          |                              |
| - Real estate for sale   | 160,622,501,912        | 160,622,501,912         |                              |
| - Tools and supplies   | 22,024,800             | -                       |                              |
| - Work in process  | 1,640,958,292          | 1,903,501,858           |                              |
| - Finished goods   | 9,958,599,769          | 10,785,275,543          |                              |
| - Merchandise  | 11,242,000             | 13,472,000              |                              |
| - Provision for obsolete inventories   | (2,536,270,117)        | (2,051,821,321)         |                              |
|  | <b>199,231,781,635</b> | <b>198,175,934,868</b>  |                              |



### 11. INCREASE/DECREASE TANGIBLE FIXED ASSETS

| Items   | Buildings and structures | Machinery and equipment | Means of transportation | Office equipment   | Total                  |
|---|--------------------------|-------------------------|-------------------------|--------------------|------------------------|
|   | VND                      | VND                     | VND                     | VND                |                        |
| <b>COST</b>   |                          |                         |                         |                    |                        |
| At 01st Jan 2024  | 38,973,526,498           | 69,540,110,815          | 2,713,306,813           | 762,363,930        | 111,989,308,056        |
| New purchase  | -                        | -                       | -                       | -                  | -                      |
| Disposal  | -                        | (2,360,213,359)         | -                       | -                  | - 2,360,213,359        |
| At 31st Dec 2024  | <b>38,973,526,498</b>    | <b>67,179,897,456</b>   | <b>2,713,306,813</b>    | <b>762,363,930</b> | <b>109,629,094,697</b> |
| <b>ACCUMULATED DEPRECIATION</b>   |                          |                         |                         |                    |                        |
| At 01st Jan 2024  | 22,916,293,602           | 63,151,224,150          | 2,516,897,514           | 761,317,409        | 89,345,732,675         |
| Depreciation for the year   | 871,321,552              | 1,795,036,925           | 90,241,560              | 1,046,521          | 2,757,646,558          |
| Disposal  | -                        | (2,360,213,359)         | -                       | -                  | - 2,360,213,359        |
| At 31st Dec 2024  | <b>23,787,615,154</b>    | <b>62,586,047,716</b>   | <b>2,607,139,074</b>    | <b>762,363,930</b> | <b>89,743,165,874</b>  |
| <b>NET CARRYING AMOUNT</b>  |                          |                         |                         |                    |                        |
| At 01st Jan 2024  | 16,057,232,896           | 6,388,886,665           | 196,409,299             | 1,046,521          | 22,643,575,381         |
| At 31st Dec 2024  | <b>15,185,911,344</b>    | <b>4,593,849,740</b>    | <b>106,167,739</b>      | -                  | <b>19,885,928,823</b>  |
| In which: Original price of assets has been fully depreciated but is still in use |                          |                         |                         |                    |                        |
|   | <b>4,513,091,128</b>     | <b>54,871,901,441</b>   | <b>2,081,615,904</b>    | <b>762,363,930</b> | <b>62,228,972,403</b>  |

### 12. INCREASE/DECREASE INTANGIBLE FIXED ASSETS

| Items   | Computer software  | Other intangible fixed assets | Total              |
|---|--------------------|-------------------------------|--------------------|
|   | VND                |                               |                    |
| <b>COST</b>   |                    |                               |                    |
| At 01st Jan 2024  | 250,230,000        | 83,900,000                    | 334,130,000        |
| At 31st Dec 2024  | <b>250,230,000</b> | <b>83,900,000</b>             | <b>334,130,000</b> |
| <b>ACCUMULATED DEPRECIATION</b>   |                    |                               |                    |
| At 01st Jan 2024  | 250,230,000        | 83,900,000                    | 334,130,000        |
| Depreciation for the year   | -                  | -                             | -                  |
| At 31st Dec 2024  | <b>250,230,000</b> | <b>83,900,000</b>             | <b>334,130,000</b> |
| <b>NET CARRYING AMOUNT</b>  |                    |                               |                    |
| At 01st Jan 2024  | -                  | -                             | -                  |
| At 31st Dec 2024  | -                  | -                             | -                  |
| In which: Original price of assets has been fully depreciated but is still in use |                    |                               |                    |
|   | <b>250,230,000</b> | <b>83,900,000</b>             | <b>334,130,000</b> |

| 13. CONSTRUCTION IN PROGRESS                                | 31st Dec 2024<br>VND  | 01st Jan 2024<br>VND  |
|---|-----------------------|-----------------------|
| - Construction in progress at Tan Phu Trung industrial park | 21,237,108,032        | 19,155,621,629        |
|   | <u>21,237,108,032</u> | <u>19,155,621,629</u> |

| 14. SHORT-TERM TRADE PAYABLES  | 31st Dec 2024<br>VND  | 01st Jan 2024<br>VND |
|--|-----------------------|----------------------|
| <b>Trade payables</b>  | <b>14,035,264,452</b> | <b>2,688,247,363</b> |
| - Tan Thanh packaging Company Limited                                    | 1,000,090,487         | 361,764,818          |
| - Benovas Pharmaceutical Joint Stock Company                             | 1,813,699,620         | 991,525,428          |
| - Viet Uy Trading Joint Stock Company                                    | 1,921,500,000         | -                    |
| - Phuong Phuc Pharmaceutical Chemical Company Limited                    | 1,600,630,668         | 91,323,750           |
| - Sinobright Pharmaceutical Co.,Ltd.                                     | 4,225,113,360         | -                    |
| - Other suppliers  | 3,474,230,317         | 1,243,633,367        |
| <b>Trade payables to related parties</b>                                 | <b>46,462,500</b>     | <b>49,350,000</b>    |
| - OPC - Binh Duong Pharmaceutical only member Co., Ltd (Related parties) | 46,462,500            | 49,350,000           |
|  | <u>14,081,726,952</u> | <u>2,737,597,363</u> |

All short-term trade payables are expected to be settled on 1st January 2024, and 31st December 2024.

| 15. ADVANCES FROM CUSTOMERS   | 31st Dec 2024<br>VND   | 01st Jan 2024<br>VND   |
|---|------------------------|------------------------|
| - Tay Ninh Industrial Park Infrastructure development Joint Stock Company | 178,082,838,961        | 178,082,838,961        |
| - Southern Public Interest Environmental Corporation                      | -                      | 26,250,000,000         |
| - An Phat Business Investment Trading Joint Stock Company                 | 5,000,000,000          | 5,000,000,000          |
| - Other customers   | 3,116,516              | 179,461,011            |
|   | <u>183,085,955,477</u> | <u>209,512,299,972</u> |

#### 16. TAX AND OTHER RECEIVABLES/PAYABLES FROM THE STATE

| 16.1. Tax receivables from the States | 01st Jan 2024<br>VND | Receivable for the year<br>VND | Payment received in the year<br>VND | 31st Dec 2024<br>VND |
|---------------------------------------|----------------------|--------------------------------|-------------------------------------|----------------------|
| - Value added tax                     | 1,119,600,757        | 5,896,620,874                  | 6,661,396,073                       | 354,825,558          |
| - Personal income tax                 | -                    | 68,857,130                     | -                                   | 68,857,130           |
|                                       | <u>1,119,600,757</u> | <u>5,965,478,004</u>           | <u>6,661,396,073</u>                | <u>423,682,688</u>   |



| <b>16.2. Payables</b>                                | 01st Jan 2024<br>VND | Payable for the<br>year<br>VND | Payment made in<br>the year<br>VND | 31st Dec 2024<br>VND |
|--|----------------------|--------------------------------|------------------------------------|----------------------|
| - Value added tax                                    | -                    | 9,092,722,964                  | 9,092,722,964                      | -                    |
| - Personal income tax                                | 390,224,339          | 1,056,761,925                  | 1,446,986,264                      | -                    |
| - Land rent  | -                    | 13,843,782,797                 | 13,843,782,797                     | -                    |
| - Other taxes  | -                    | 68,071,391                     | 68,071,391                         | -                    |
|  | <b>390,224,339</b>   | <b>24,061,339,077</b>          | <b>24,451,563,416</b>              | <b>0</b>             |
| <b>17. SHORT-TERM ACCRUED EXPENSES</b>               |                      |                                | 31st Dec 2024<br>VND               | 01st Jan 2024<br>VND |
| - Commission for selling                             |                      |                                | -                                  | 200,376,434          |
| - Other Short-term accrued expenses                  |                      |                                | 739,841,076                        | 983,421,000          |
|  |                      |                                | <b>739,841,076</b>                 | <b>1,183,797,434</b> |
| <b>18. OTHER SHORT-TERM PAYABLES</b>                 |                      |                                | 31st Dec 2024<br>VND               | 01st Jan 2024<br>VND |
| - Deposits received                                  |                      |                                | 420,000,000                        | 420,000,000          |
| - Trade union fee                                    |                      |                                | 225,233,841                        | 220,118,044          |
| - Dividends  |                      |                                | 221,634,744                        | 221,444,934          |
| - Southern Public Interest Environmental Corporation |                      |                                | 26,500,000,000                     | -                    |
| - Other payables                                     |                      |                                | 519,202,876                        | 624,139,187          |
|  |                      |                                | <b>27,886,071,461</b>              | <b>1,485,702,165</b> |
| <b>19. BONUS AND WELFARE FUND</b>                    |                      |                                | Current year<br>VND                | Previous year<br>VND |
| - Beginning balance                                  |                      |                                | 111,605,947                        | 207,405,947          |
| - Use fund   |                      |                                | (61,900,000)                       | (95,800,000)         |
| - Ending balance                                     |                      |                                | <b>49,705,947</b>                  | <b>111,605,947</b>   |
| <b>20. LONG-TERM PROVISIONS</b>                      |                      |                                | 31st Dec 2024<br>VND               | 01st Jan 2024<br>VND |
| - Severance payable for employees                    |                      |                                | <b>959,997,500</b>                 | <b>1,043,089,250</b> |

## 21. OWNERS' EQUITY

### a) Increase and decrease in owners' equity

| Items                                    | Share capital   | Share premium  | Investment and development fund | Undistributed earnings | Total           |
|--|-----------------|----------------|---------------------------------|------------------------|-----------------|
| <b>PREVIOUS YEAR</b>                     |                 |                |                                 |                        |                 |
| I. Beginning balance                     | 132,946,410,000 | 17,589,282,000 | 12,490,339,501                  | (13,155,164,174)       | 149,870,867,327 |
| Net profit for the year                  | -               | -              | -                               | 2,210,924,398          | 2,210,924,398   |
| II. Ending Balance                       | 132,946,410,000 | 17,589,282,000 | 12,490,339,501                  | (10,944,239,776)       | 152,081,791,725 |
| <b>CURRENT YEAR</b>                      |                 |                |                                 |                        |                 |
| Net profit for the year                  | -               | -              | -                               | 3,070,313,447          | 3,070,313,447   |
| III. Ending Blance at 31st December 2024 | 132,946,410,000 | 17,589,282,000 | 12,490,339,501                  | (7,873,926,329)        | 155,152,105,172 |

### b) Contributed Share Capital

|   | 31st Dec 2024          | % of ownership | 01st Jan 2024          | % of ownership |
|---|------------------------|----------------|------------------------|----------------|
| Contributed by OPC Pharmaceutical Joint Stock Company   | 77,300,000,000         | 58,14%         | 77,300,000,000         | 58,14%         |
| Contributed by Vietnam Pharmaceutical Corporation - JSC | 37,800,000,000         | 28,43%         | 37,800,000,000         | 28,43%         |
| Other Owner's Equity                                    | 17,846,410,000         | 13,42%         | 17,846,410,000         | 13,42%         |
| <b>Total</b>  | <b>132,946,410,000</b> | <b>100%</b>    | <b>132,946,410,000</b> | <b>100%</b>    |



## 21. OWNERS' EQUITY (continued)

| Detail of Shares capital                         | 31st Dec 2024<br>VND | 01st Jan 2024<br>VND |
|--|----------------------|----------------------|
| - Beginning balance                              | 132,946,410,000      | 132,946,410,000      |
| - Increase shares capital                        | -                    | -                    |
| - Ending balance                                 | 132,946,410,000      | 132,946,410,000      |
| <b>Shares</b>                                    | <b>31st Dec 2024</b> | <b>01st Jan 2024</b> |
| Number of shares registered and issued (Shares): | 13,294,641           | 13,294,641           |
| Number of outstanding shares (Shares)            | 13,294,641           | 13,294,641           |
| Par value of shares (VND)                        | 10,000               | 10,000               |

The Company has only one type of common share with a par value of 10,000 VND per share. Shareholders holding common shares are entitled to receive dividends when declared and have the right to vote at the Company's shareholder meetings, with one vote per share owned. All shares have equal rights to the net assets of the Company.

| Dividends   | Current year<br>VND | Previous year<br>VND |
|---|---------------------|----------------------|
| - Beginning Balance   | 221,444,934         | 224,010,934          |
| - Dividends declared and provisionally appropriated during the year | 189,810             | -                    |
| - Dividends paid during the year                                    | -                   | (2,566,000)          |
| - Ending Balance  | <u>221,634,744</u>  | <u>221,444,934</u>   |

## 22. OFF-BALANCE SHEET ITEMS

| Foreign Currency                | 31st Dec 2024 | 01st Jan 2024 |
|---------------------------------|---------------|---------------|
| - United States Dollars ("USD") | <u>387,45</u> | <u>618,35</u> |

## 23. REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

|  | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
|--|--|--|
| - Revenue from sales of finished goods and merchandise | 127,932,370,754                                | 138,340,695,060                                |
| - Revenue from sale of raw materials                   | 533,059,521                                    | 54,902,770                                     |
| - Rendering of services                                | 2,115,306,423                                  | 2,029,433,932                                  |
|  | <u>130,580,736,698</u>                         | <u>140,425,031,762</u>                         |

## 24. DEDUCTIONS

|                 | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
|-----------------|--|--|
| - Sales returns | 157,457  | 285,445,730                                    |
|                 | <u>157,457</u>                                 | <u>285,445,730</u>                             |

|   | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
|---|--|--|
| <b>25. COST OF GOODS SOLD AND SERVICES RENDERED</b>                 |  |  |
| - Cost of finished goods and merchandise sold                       | 111,874,571,994                                | 120,690,742,835                                |
| - Cost of raw materials sold  | 519,724,920                                    | 46,330,800                                     |
| - Cost of services rendered   | 1,146,151,968                                  | 1,149,588,336                                  |
|   | <b>113,540,448,882</b>                         | <b>121,886,661,971</b>                         |
| <b>26. FINANCE INCOME</b>   |  |  |
| - Interest income   | 2,068,408,066                                  | 2,339,148,195                                  |
| - Foreign exchange gains  | 110,099,686                                    | 284,073,151                                    |
|   | <b>2,178,507,752</b>                           | <b>2,623,221,346</b>                           |
| <b>27. FINANCE EXPENSES</b>   |  |  |
| - Foreign exchange losses   | 30,289,235                                     | 21,640,948                                     |
|   | <b>30,289,235</b>                              | <b>21,640,948</b>                              |
| <b>28. PRODUCTION AND BUSINESS EXPENSES PER FACTOR</b>              |  |  |
| - Raw material costs  | 84,492,901,057                                 | 88,339,918,296                                 |
| - Labour costs  | 23,388,317,719                                 | 26,038,643,915                                 |
| - Depreciation costs  | 2,699,228,313                                  | 3,292,369,171                                  |
| - Commission costs  |  | 2,187,160,577                                  |
| - Professional service fees   | 243,684,881                                    | 5,601,733,179                                  |
| - Other expenses  | 15,590,667,977                                 | 10,902,792,071                                 |
|   | <b>126,414,799,947</b>                         | <b>136,362,617,209</b>                         |
| <b>29. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES</b> |  |  |
| <b>29.1. Selling expenses</b>                                       |  |  |
| - Labour costs  | 1,178,764,934                                  | 1,440,744,224                                  |
| - Commission costs  | -  | 2,187,160,577                                  |
| - Raw material, Tools and supplies costs                            | 50,092,125                                     | -  |
| - Depreciation of tangible fixed assets                             | 50,436,360                                     | -  |
| - Chi phí dịch vụ mua ngoài/ Professional service fees              | 17,928,000                                     | -  |
| - Chi phí bán hàng khác/ Other selling expenses                     | 1,030,108,363                                  | 471,344,506                                    |
|   | <b>2,327,329,782</b>                           | <b>4,099,249,307</b>                           |



| 29.2. General and administrative expenses | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
|---|--|--|
| - Labour costs                            | 6,858,767,449                                  | 7,396,763,330                                  |
| - Raw material, Tools and supplies costs  | 254,211,819                                    | -  |
| - Depreciation of tangible fixed assets   | 89,370,521                                     | 100,880,484                                    |
| - Taxes, fees                             | 139,166,907                                    | -  |
| - Professional service fees               | 320,842,000                                    | 3,893,634,307                                  |
| - Other expenses                          | 6,639,664,070                                  | 3,031,207,084                                  |
|   | <b>14,302,022,766</b>                          | <b>14,422,485,205</b>                          |
|   | <hr/>  | <hr/>  |
| 30. OTHER INCOME                          | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
| - Other income                            | 64,020,000                                     | 81,078   |
|   | <b>64,020,000</b>                              | <b>81,078</b>                                  |
|   | <hr/>  | <hr/>  |
| 31. OTHER EXPENSES                        | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
| - Other expenses                          | 1,417,350                                      | 118,741,885                                    |
|   | <b>1,417,350</b>                               | <b>118,741,885</b>                             |
|   | <hr/>  | <hr/>  |

### 32. THE CORPORATE INCOME TAX

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

The tax reports of the Company and its subsidiaries are subject to examination by the tax authorities. As the application of tax laws and regulations to various transactions can be interpreted differently, the tax amounts presented in the consolidated financial statements for the financial year ended December 31, 2024, may be subject to change based on the final decision of the tax authorities. The tax authorities have examined the Company's corporate income tax up to the end of 2021.

#### 32.1 Corporate income tax expense

| Current corporate income tax expense        | <i>The accounting 12<br/>months period ends<br/>in 31st Dec 2024</i><br>VND | <i>The accounting 12<br/>months period<br/>ends in 31st Dec<br/>2023</i><br>VND |
|---|---|---|
| Current corporate income tax (CIT) expense  | -   | -   |
| Deferred corporate income tax (CIT) expense | (448,714,469)   | 3,184,742   |
| <b>Total</b>                                | <b>(448,714,469)</b>  | <b>3,184,742</b>  |

The following is a reconciliation of corporate income tax (CIT) expense and the result of total accounting profit before tax multiplied by the CIT rate:

|   | <i>The accounting 12<br/>months period ends<br/>in 31st Dec 2024</i> | <i>The accounting 12<br/>months period<br/>ends in 31st Dec<br/>2023</i> |
|---|--|--|
|   | VND  | VND  |
| <b>Accounting profit before tax</b>                           | <b>2,621,598,978</b>   | <b>2,214,109,140</b>   |
| The corporate income tax rate for 2024 is 20%.                | 524,319,796  | 442,821,828  |
| Adjustments for:  |  |  |
| Non-deductible expenses                                       | 223,540,778  | 437,056,683  |
| Adjustment for under-provision of CIT in previous years       | -  | 58,774,800   |
| CIT expense calculated on taxable income for the current year | 747,860,573  | 938,653,311  |
| Offset by prior year losses carried forward                   | (731,242,223)  | (935,468,569)  |
| Deferred CIT expense  | 16,618,350   | 3,184,742  |
| Current CIT expense   | -  | -  |

### 32.2 Deferred tax expense

The Company has recognized certain deferred corporate income tax assets with movements during the reporting year and the previous year as follows

|                      | Balance Sheet      |                    | Income statement     |                  |
|----------------------|--------------------|--------------------|----------------------|------------------|
|                      | Ending balance     | Beginning balance  | Current year         | Previour year    |
| Severance Payable    | 191,999,500        | 208,617,850        | 16,618,350           | 3,184,742        |
| Deferred tax expense | 465,332,819        | -                  | (465,332,819)        | -                |
| <b>Total</b>         | <b>657,332,319</b> | <b>208,617,850</b> | <b>(448,714,469)</b> | <b>3,184,742</b> |



### 33. FINANCIAL INSTRUMENTS

#### Capital Risk Management

The Company manages its capital to ensure that it can continue as a going concern while maximizing the benefits to shareholders through the optimization of the balance of capital and debt.

The Company's capital structure includes net debt (comprising loans less cash and cash equivalents) and equity attributable to shareholders (including owner's contributed capital, share premium, development investment fund, and retained earnings).

#### Significant Accounting Policies

Details of the significant accounting policies and methods adopted by the Company (including the criteria for recognition, the basis of measurement, and the basis for recognizing income and expenses) for each class of financial assets and financial liabilities are presented in Note 4.

| Types of Financial instruments            | 31st Dec 2024<br>VND  | 01st Jan 2024<br>VND  |
|---|-----------------------|-----------------------|
| <b>Financial Assets</b>                   |                       |                       |
| - Cash and cash equivalents               | 28,283,162,460        | 29,373,283,684        |
| - Trade receivables and other receivables | 25,720,936,167        | 20,624,191,940        |
| - Deposits                                | 125,563,600           | 125,563,600           |
|   | <u>92,129,662,227</u> | <u>71,892,816,375</u> |
| <b>Financial Liabilities</b>              |                       |                       |
| - Loans                                   | -                     | -                     |
| - Trade payables and other payables       | 14,822,564,572        | 3,583,181,484         |
| - Accrued expenses                        | 739,841,076           | 1,183,797,434         |
|   | <u>15,562,405,648</u> | <u>4,766,978,918</u>  |

#### Financial Risk Management Objectives

The Company has established a risk management system to identify and assess the risks faced by the Company, and to set policies and procedures to control risks at acceptable levels. The risk management system is reviewed periodically to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (comprising currency risk, interest rate risk, and commodity and equity price risk), credit risk, and liquidity risk.

#### Market Risk

The Company does not undertake hedging measures for this risk after the Board of Directors assessed that the cost of hedging currency risk or interest rate risk may be higher than the market risk due to future changes in the exchange rates of these financial instruments.

### Currency Risk Management

The carrying amounts of monetary assets and liabilities denominated in foreign currencies at the end of the period/year are as follows:

|       | Asset                |                      | Liabilities          |                      |
|-------|----------------------|----------------------|----------------------|----------------------|
|       | 31st Dec 2024<br>VND | 01st Jan 2024<br>VND | 31st Dec 2024<br>VND | 01st Jan 2024<br>VND |
| - USD | 8,621,149            | 14,889,868           | 4,225,113,360        | -                    |

### Sensitivity Analysis for Foreign Currency

The Company is primarily affected by changes in the exchange rate of the US Dollar. The foreign currency sensitivity analysis applies only to the balances of monetary items denominated in foreign currencies at the end of the period and adjusts the revaluation of these items for a 5% change in the exchange rate. As of 31st December 2024, the Board of Directors used a 5% change rate to analyze currency risk. If the exchange rate of the US Dollar against the Vietnamese Dong increases/decreases by 5%, the Company's profit before tax for the period would be higher/lower by approximately VND 210,824,611. (As of 1st January 2024: VND 744,493).

### Interest Rate Risk Management

The Company is exposed to significant interest rate risk arising from interest-bearing loans. The Company is exposed to interest rate risk when it borrows at both floating and fixed interest rates. This risk is managed by the Company by maintaining a reasonable balance between fixed-rate and floating-rate borrowings.

### Interest Rate Sensitivity

The sensitivity of borrowings to reasonably possible changes in interest rates is analyzed. Assuming all other variables remain constant, if the interest rates on floating-rate borrowings increase/decrease by 200 basis points, the Company's profit before tax for the financial year ending December 31, 2024, would decrease/increase by 0 VND (as of January 1, 2024: 0 VND). However, the actual borrowings of the Company remain stable according to each debt acknowledgment agreement.

### Commodity Price Risk Management

The Company purchases raw materials and goods from both domestic and international suppliers to support its production and business activities. Therefore, the Company is exposed to the risk of changes in the prices of raw materials and goods. This risk is managed by the Company through the seasonal purchasing and stocking of key raw materials.

### Equity Price Risk Management

The shares held by the Company are subject to market risks arising from the uncertainty about the future value of the invested shares. The Company manages equity price risk by setting investment limits. The Company's Board of Directors also reviews and approves investment decisions in shares, such as the business sector, companies to invest in, etc. The Company assesses the equity price risk as insignificant.



### Credit Risk

Credit risk arises when a customer or counterparty fails to meet their contractual obligations, leading to financial losses for the Company. The Company has an appropriate credit policy and regularly monitors the situation to assess whether it is exposed to credit risk. The Company does not have any significant credit risk with any customers or counterparties as the receivables are from a large number of customers distributed across different geographical areas.

### Liquidity Risk Management

The purpose of liquidity risk management is to ensure sufficient capital to meet current and future financial obligations. Liquidity is also managed by the Company to ensure an excess margin between maturing liabilities and maturing assets within a controllable level based on the capital the Company believes it can generate during the period. The Company's policy is to regularly monitor current and forecasted liquidity requirements to ensure that the Company maintains adequate cash reserves, borrowings, and committed shareholder capital to meet short-term and long-term liquidity requirements.

The tables below detail the remaining contractual maturities of non-derivative financial assets and financial liabilities and their repayment terms as agreed. These tables are presented based on the undiscounted cash flows of financial assets and financial liabilities at the earliest date the Company may be required to pay. The presentation of non-derivative financial asset information is necessary to understand the Company's liquidity risk management, as liquidity is managed on a net liability and asset basis.

#### At 31 December 2024

| Financial Assets                          | Less than 1 year<br>VND | From 1 to 5 years<br>VND | Total<br>VND          |
|---|-------------------------|--------------------------|-----------------------|
| - Cash and cash equivalents               | 28,283,162,460          | -                        | 28,283,162,460        |
| - Short-term investments                  | 38,000,000,000          | -                        | 38,000,000,000        |
| - Trade receivables and other receivables | 25,720,936,167          | -                        | 25,720,936,167        |
| - Deposits                                | -                       | 125,563,600              | 125,563,600           |
|   | <b>92,004,098,627</b>   | <b>125,563,600</b>       | <b>92,129,662,227</b> |
| <b>Financial Liabilities</b>              |                         |                          |                       |
| - Loans                                   | -                       | -                        | -                     |
| - Trade payables and other payables       | 14,822,564,572          | -                        | 14,822,564,572        |
| - Accrued expenses                        | 739,841,076             | -                        | 739,841,076           |
|   | <b>15,562,405,648</b>   | -                        | <b>15,562,405,648</b> |
| <b>Net liquidity spread</b>               | <b>76,441,692,979</b>   | <b>125,563,600</b>       | <b>76,567,256,579</b> |

At 01 January 2024

| Financial Assets                          | Less than 1 year<br>VND | From 1 to 5 years<br>VND | Total<br>VND          |
|---|-------------------------|--------------------------|-----------------------|
| - Cash and cash equivalents               | 29,373,283,684          | -                        | 29,373,283,684        |
| - Trade receivables and other receivables | 20,624,191,940          | -                        | 20,624,191,940        |
| - Deposits                                | -                       | 125,563,600              | 125,563,600           |
|   | <b>71,767,252,775</b>   | <b>125,563,600</b>       | <b>71,892,816,375</b> |
| <b>Financial Liabilities</b>              |                         |                          |                       |
| - Loans                                   | -                       | -                        | -                     |
| - Trade payables and other payables       | 3,583,181,484           | -                        | 3,583,181,484         |
| - Accrued expenses                        | 1,183,797,434           | -                        | 1,183,797,434         |
|   | <b>4,766,978,918</b>    | <b>-</b>                 | <b>4,766,978,918</b>  |
| <b>Net liquidity spread</b>               | <b>67,000,273,857</b>   | <b>125,563,600</b>       | <b>67,125,837,457</b> |

The Board of Directors assesses the concentration of liquidity risk to be low. The Board of Directors is confident that the Company can generate sufficient cash flows to meet its financial obligations as they come due.

34. REALATED PARTIES

During the year, the Company had the following transactions with related parties:

| OPC Pharmaceutical Joint Stock Company (Parent Company)   | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
|---|--|--|
| - Revenue from sales of finished goods and merchandise  | 105,541,525,463                                | 119,477,828,760                                |
| - Returns of finished goods and merchandise   | 157,457  | 121,346,690                                    |
| - Customer care expenses paid on behalf through OPC   | 196,980,587                                    | 880,209,438                                    |
| - Truck rental  | 84,000,000                                     | 84,000,000                                     |
| - Transfer of lease rights  | -  | 399,000,000                                    |
| - Purchase of raw materials and goods   | 51,211,340                                     | -  |
| <b>OPC Binh Duong Pharmaceutical Only member Co.,Ltd<br/>(company of the same parent company)</b> |  |  |
|   | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
| - Purchase of goods and raw materials   | 403,500,000                                    | 497,000,000                                    |



|   |  |  |
|---|--|--|
| Balances with related parties as at the date of the financial statements are as follows   | <b>31st Dec 2024</b>                           | <b>01st Jan 2024</b>                           |
| <b>Short-term trade receivables</b>   |  |  |
| - OPC Pharmaceutical Joint Stock Company  | 16,956,659,585                                 | 16,419,454,616                                 |
| <b>Trade payables</b>   | <b>31st Dec 2024</b>                           | <b>01st Jan 2024</b>                           |
| - OPC Binh Duong Pharmaceutical Only member Co.,Ltd   | 46,462,500                                     | 49,350,000                                     |
| <b>Income of the Board of Directors, the Board of Management and the Supervisory Board paid during the year is as follows</b>       |  |  |
|   | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
| - Salaries, bonuses, and other benefits   | 2,016,381,910                                  | 2,399,379,327                                  |
| <b>35. OPERATING LEASE COMMITMENTS</b>  |  |  |
| Minimum operating lease expenses recognized in the income statement during the year   | From 01st Jan till<br>end 31st Dec 2024<br>VND | From 01st Jan till<br>end 31st Dec 2023<br>VND |
|   | 3,679,981,954                                  | 3,679,981,953                                  |
| As at the end of the financial year, the Company has non-cancellable operating lease commitments with payment schedules as follows: | Current Period<br>VND                          | Previous Period<br>VND                         |
| - Within 1 year   | 551,899,214                                    | 1,201,734,194                                  |
|   | <b>551,899,214</b>                             | <b>1,201,734,194</b>                           |


Operating lease payments represent the minimum annual land rental payments the Company must make for land plots in Ho Chi Minh City, detailed as follows

| Lands  | Rental period |
|--|---------------|
| - Land on 448B Nguyen Tat Thanh Street, Ward 18, District 4, Ho Chi Minh City, Vietnam | 04/03/2025    |
| - Land on 57 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam    | 31/12/2025    |

**36. SEGMENT REPORTING**

Segment information is presented by business sector or geographical area. The Company currently does not have more than one segment either by business sector or geographical area, as it operates in a single business sector, which is pharmaceuticals, and in a single geographical area, which is Vietnam. Therefore, the Company does not present segment reporting

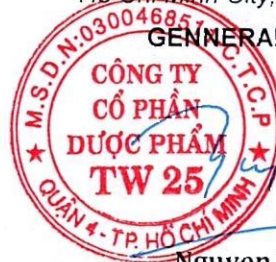
CHIEF ACCOUNTANT



Ngo Tan Long

Ho Chi Minh City, 17th January 2025

GENERAL DIRECTOR



Nguyen Manh Hai