

No. 25 Central Pharmaceutical Joint Stock Company

Financial statements

For the year ended 31 December 2024



No. 25 Central Pharmaceutical Joint Stock Company

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No. 25 Central Pharmaceutical Joint Stock Company

GENERAL INFORMATION

THE COMPANY

No. 25 Central Pharmaceutical Joint Stock Company ("the Company") is a joint stock company established based on the equitization of a state-owned enterprise - No. 25 Central Pharmaceutical Enterprise according to Decision No. 5112/QĐ9-BYT dated 11 December 2006 by the Minister of Health. Accordingly, the Company was granted the Enterprise Registration Certificate ("ERC") No. 0300468511 by the Ho Chi Minh City Department of Planning and Investment for the first time on 19 June 2007 and the latest 19th amended ERC on 6 June 2024.

The Company's shares are traded on the unlisted public companies stock market ("UPCOM") with the stock code UPH issued by the Hanoi Stock Exchange on 29 December 2016.

The current principal activities of the Company are manufacturing pharmaceutical medicine, pharmaceutical chemistry, trading, services and real estates.

The head office of the Company is located at 448B, Nguyen Tat Thanh Street, Ward 18, District 4, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

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

Ms Pham Thi Xuan Huong	Chairwoman	
Ms Phuong Thanh Nhung	Member	
Mr Tran Tri Duc	Member	
Mr Ha Duc Cuong	Member	
Ms Ha Lan Anh	Member	appointed on 20 April 2024
Mr Nguyen Van Khai	Member	resigned on 20 April 2024

BOARD OF SUPERVISION

The members of the Board of Supervision during the year and at the date of this report are:

Ms Huynh Thi Anh Thu	Head	appointed on 20 April 2024
Ms Nguyen Thi Thuy	Head	resigned on 20 April 2024
Ms Le Thi Anh Nguyet	Member	
Ms Nguyen Thu Thuy	Member	

MANAGEMENT

The members of the management during the year and at the date of this report are:

Mr Nguyen Manh Hai	General Director	appointed on 1 June 2024
Mr Dong Van Manh	General Director	resigned on 1 June 2024
Mr Ngo Tan Long	Deputy General Director	

LEGAL REPRESENTATIVE

The legal representatives of the Company during the year and at the date of this report are:

Ms Pham Thi Xuan Huong		
Mr Nguyen Manh Hai		appointed on 6 June 2024
Mr Dong Van Manh		resigned on 6 June 2024

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

No. 25 Central Pharmaceutical Joint Stock Company

REPORT OF THE MANAGEMENT

The Management of No. 25 Central Pharmaceutical Joint Stock Company ("the Company") is pleased to present this report and the financial statements of the Company for the year ended 31 December 2024.

THE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Management is responsible for the financial statements which give a true and fair view of the financial position of the Company and of the results of its operations and its cash flows for the year. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and for ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

STATEMENT BY MANAGEMENT

The Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of the management:



Nguyen Manh Hai
General Director

Ho Chi Minh City, Vietnam

21 March 2025

Reference: 61519112/66925146/FN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of No. 25 Central Pharmaceutical Joint Stock Company

We have audited the accompanying financial statements of No. 25 Central Pharmaceutical Joint Stock Company ("the Company") as prepared on 21 March 2025 and set out on pages 5 to 32, which comprise the balance sheet as at 31 December 2024, the income statement, the cash flow statement for the year then ended and the notes thereto.

The Management's responsibility

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

Ernst & Young Vietnam Limited



Phạm Thị Cam Tu
Deputy General Director
Audit Practicing Registration Certificate
No. 2266-2023-004-1



Duong Phuc Kien
Auditor
Audit Practicing Registration Certificate
No. 4613-2023-004-1

Ho Chi Minh City, Vietnam

21 March 2025

BALANCE SHEET
as at 31 December 2024

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		292,739,521,837	276,258,362,601
110	I. Cash and cash equivalents	4	28,283,162,460	29,373,283,684
111	1. Cash		15,881,615,411	9,110,316,259
112	2. Cash equivalents		12,401,547,049	20,262,967,425
120	II. Short-term investment		38,000,000,000	21,769,777,151
123	1. Held- to-maturity investments	5	38,000,000,000	21,769,777,151
130	III. Current accounts receivable		26,703,495,054	25,776,266,141
131	1. Short-term trade receivables	6.1	41,267,169,521	37,745,259,525
132	2. Short-term advances to suppliers	6.2	1,112,434,887	5,067,493,887
136	3. Other short-term receivables	7	6,437,509,409	4,213,782,909
137	4. Provision for short-term doubtful receivables	8	(22,113,618,763)	(21,250,270,180)
140	IV. Inventories	9	199,231,781,635	198,175,934,868
141	1. Inventories		201,768,051,752	200,227,756,189
149	2. Provision for obsolete inventories		(2,536,270,117)	(2,051,821,321)
150	V. Other current assets		521,082,688	1,163,100,757
151	1. Short-term prepaid expenses		97,400,000	43,500,000
152	2. Deductible value-added tax	14	146,265,258	1,119,600,757
153	3. Tax and other receivables from the State	14	277,417,430	-
200	B. NON-CURRENT ASSETS		94,104,163,912	95,955,969,060
210	I. Long-term receivable		3,761,660,200	3,761,660,200
216	1. Other long-term receivables	7	3,761,660,200	3,761,660,200
220	II. Fixed assets		19,885,928,823	22,643,575,381
221	1. Tangible fixed assets	10	19,885,928,823	22,643,575,381
222	Cost		109,629,094,697	111,989,308,056
223	Accumulated depreciation		(89,743,165,874)	(89,345,732,675)
227	2. Intangible fixed assets		-	-
228	Cost		334,130,000	334,130,000
229	Accumulated amortisation		(334,130,000)	(334,130,000)
240	III. Long-term asset in progress		21,237,108,032	19,155,621,629
242	1. Long-term work-in-process	11	21,237,108,032	19,155,621,629
260	IV. Other long-term assets		49,219,466,857	50,395,111,850
261	1. Long-term prepaid expenses	12	48,562,134,538	50,186,494,000
262	2. Deferred tax assets	23.3	657,332,319	208,617,850
270	TOTAL ASSETS		386,843,685,749	372,214,331,661

BALANCE SHEET (continued)
as at 31 December 2024

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		231,691,580,577	220,132,539,936
310	I. Current liabilities		230,681,484,623	218,980,933,987
311	1. Short-term trade payables	13.1	14,081,726,952	2,737,597,363
312	2. Short-term advances from customers	13.2	183,085,955,477	209,512,299,972
313	3. Statutory obligations	14	-	390,224,339
314	4. Payables to employees		5,088,183,710	3,559,706,767
315	5. Short-term accrued expenses	15	739,841,076	1,183,797,434
319	6. Other short-term payables	16	27,636,071,461	1,485,702,165
322	7. Bonus and welfare fund	17	49,705,947	111,605,947
330	II. Non-current liabilities		1,010,095,954	1,151,605,949
342	1. Long-term provisions	3.10	959,997,500	1,043,089,250
343	2. Scientific and technological development fund		50,098,454	108,516,699
400	D. OWNERS' EQUITY		155,152,105,172	152,081,791,725
410	I. Owners' equity	18.1	155,152,105,172	152,081,791,725
411	1. Share capital		132,946,410,000	132,946,410,000
411a	- Ordinary shares with voting rights		132,946,410,000	132,946,410,000
412	2. Share premium		17,589,282,000	17,589,282,000
418	3. Investment and development fund		12,490,339,501	12,490,339,501
421	4. Accumulated losses		(7,873,926,329)	(10,944,239,776)
421a	- Accumulated losses by the end of prior year		(10,944,239,776)	(13,155,164,174)
421b	- Undistributed earnings of the year		3,070,313,447	2,210,924,398
440	TOTAL LIABILITIES AND OWNERS' EQUITY		386,843,685,749	372,214,331,661

Ngô Tân Long
Preparer cum Deputy General Director



Nguyễn Mạnh Hải
General Director

Ho Chi Minh City, Vietnam
21 March 2025

INCOME STATEMENT
for the year ended 31 December 2024

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods and rendering of services	19.1	130,580,736,698	140,425,031,762
02	2. Deductions	19.1	157,457	285,445,730
10	3. Net revenue from sale of goods and rendering of services	19.1	130,580,579,241	140,139,586,032
11	4. Cost of goods sold and services rendered	20	113,540,448,882	121,886,661,971
20	5. Gross profit from sale of goods and rendering of services		17,040,130,359	18,252,924,061
21	6. Finance income	19.2	2,178,507,752	2,623,221,346
22	7. Finance expenses		30,289,235	21,640,948
25	8. Selling expenses	21	2,327,329,782	4,099,249,307
26	9. General and administrative expenses	21	14,302,022,766	14,422,485,205
30	10. Operating profit		2,558,996,328	2,332,769,947
31	11. Other income		64,020,000	81,078
32	12. Other expenses		1,417,350	118,741,885
40	13. Other profit (loss)		62,602,650	(118,660,807)
50	14. Accounting profit before tax		2,621,598,978	2,214,109,140
51	15. Current corporate income tax expense	23.1	-	-
52	16. Deferred tax (income) expense	23.3	(448,714,469)	3,184,742
60	17. Net profit after corporate income tax	18.5	3,070,313,447	2,210,924,398
70	18. Basic earnings per share	18.5	231	166
71	19. Diluted earnings per share	18.5	231	166



Ngo Tan Long
Preparer cum Deputy General Director



Nguyen Manh Hai
General Director

Ho Chi Minh City, Vietnam
21 March 2025

CASH FLOW STATEMENT
for the year ended 31 December 2024


VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		2,621,598,978	2,214,109,140
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets	22	2,699,228,313	3,292,369,171
03	Provisions		1,264,705,629	107,533,013
04	Foreign exchange gains arising from revaluation of monetary accounts denominated in foreign currency		(10,610,533)	(8,439,102)
05	Profits from investing activities		(2,124,108,066)	(2,339,148,195)
08	Operating profit before changes in working capital		4,450,814,321	3,266,424,027
09	(Increase) decrease in receivables		(1,075,983,612)	1,467,155,141
10	(Increase) decrease in inventories		(1,540,295,563)	15,056,311,718
11	Increase (decrease) in payables		11,762,450,636	(4,425,723,549)
12	Increase in prepaid expenses		(511,026,941)	(13,966,354)
17	Other cash outflows for operating activities	17	(61,900,000)	(95,800,000)
20	Net cash flows from operating activities		13,024,058,841	15,254,400,983
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
22	Proceeds from disposals of fixed assets		55,700,000	-
23	Repayment of term deposits		(65,000,000,000)	(38,170,755,656)
24	Collections from term deposits		48,769,777,151	35,000,000,000
27	Interest received		2,049,732,251	2,339,148,195
30	Net cash flows used in investing activities		(14,124,790,598)	(831,607,461)
	III. CASH FLOWS FROM A FINANCING ACTIVITY			
36	Dividends paid	18.4	-	(2,566,000)
40	Net cash flows used in a financing activity		-	(2,566,000)

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

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net (decrease) increase in cash and cash equivalents for the year		(1,100,731,757)	14,420,227,522
60	Cash and cash equivalents at beginning of year		29,373,283,684	14,944,617,060
61	Impact of foreign exchange rate fluctuation		10,610,533	8,439,102
70	Cash and cash equivalents at end of year	4	28,283,162,460	29,373,283,684

Ho Chi Minh City, Vietnam
21 March 2025


 Ngo Tan Long
 Preparer cum Deputy General Director


 Nguyen Manh Hai
 General Director

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2024 and for the year then ended

1. CORPORATE INFORMATION

No. 25 Central Pharmaceutical Joint Stock Company ("the Company") is a joint stock company established based on the equitization of a state-owned enterprise - No. 25 Central Pharmaceutical Enterprise according to Decision No. 5112/QĐ9-BYT dated 11 December 2006 by the Minister of Health. Accordingly, the Company was granted the Enterprise Registration Certificate ("ERC") No. 0300468511 by the Ho Chi Minh City Department of Planning and Investment for the first time on 19 June 2007 and the latest 19th amended ERC on 6 June 2024.

The Company's shares are traded on the unlisted public companies stock market ("UPCOM") with the stock code UPH issued by the Hanoi Stock Exchange on 29 December 2016.

The current principal activities of the Company are manufacturing pharmaceutical medicine, pharmaceutical chemistry, trading, services and real estates.

The head office of the Company is located at 448B Nguyen Tat Thanh Street, Ward 18, District 4, Ho Chi Minh City, Vietnam.

The number of the Company's employees as at 31 December 2024 was 113 (31 December 2023: 115 employees).

2. Basis of preparation

2.1 Accounting standards and system

The financial statements of 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 utilisation 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 the results of operations and the cash flows of the Company in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Company's applied accounting documentation system is General Journal system.

2.3 Fiscal year

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

2.4 Accounting currency

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly-liquid investments with an original maturity of less than three months that are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

3.2 *Receivables*

Receivables are presented in the balance sheet 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.

3.3 *Inventories*

Inventories are measured at their historical costs. The cost of inventories comprises 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.

Perpetual method is used to record inventories, which are valued as follows:

Raw materials, tools and spare parts - cost of purchase on a first-in, first-out basis.

Finished goods and work-in process - cost of finished goods on a specific identification basis.

Provision for obsolete inventories

An inventory provision is made 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.

Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and NRV.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 *Inventories* (continued)

Inventory property (continued)

Cost of inventory property comprise:

- ▶ Freehold and leasehold rights for land;
- ▶ Amounts paid to contractors for construction; and
- ▶ Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market price discounted for the time value of money if significant at the balance sheet date, and less cost to complete and the estimated selling price.

The cost of the inventory property sold recognized in the income statement based on specific identification method.

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 and the costs of dismantling and removing the asset and restoring the site on which it is located, if any.

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 tangible 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.

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed 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.

3.6 *Depreciation and amortisation*

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

Buildings and structures	5 - 45 years
Machinery and equipment	5 - 10 years
Waterway transport vehicles	6 - 10 years
Office equipment	3 - 6 years
Computer software	2 - 3 years
Others	3 years

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on 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.

The prepaid land rental represents the unamortised balance of advance payment made in accordance with the lease contract signed with Northwest Saigon City Development Corporation on 18 December 2018 for a period of 36 years. Such prepaid rental is recognised as a long-term prepaid expense for allocation to the income statement over the remaining lease period according to Circular 45.

3.8 *Investments*

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the income statement and deducted against the value of such investments.

3.9 *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.

3.10 *Accrual for severance pay*

The severance pay to employee is accrued at the end of each reporting year for employees who have been worked for more than 12 months at the Company. The accrued amount is calculated at the rate of one-half of the average monthly salary for each year of service qualified for severance pay in accordance with the Labor Code and related implementing guidance. The average monthly salary used in this calculation is adjusted at the end of each reporting period following the average monthly salary of the last 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labor contract following Article 46 of the Labor Code.

3.11 *Foreign currency transactions*

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

- ▶ Transactions resulting in receivables are recorded at the buying exchange rate of the commercial bank designated for collection; and
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rate of the commercial bank designated for payment.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 *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 Company (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 Company (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.

3.13 *Appropriation of net profits*

Net profit after tax (excluding negative goodwill arising from a bargain purchase) is available for appropriation to shareholders after approval by the General Meeting of Shareholders, 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 balance sheet.

3.14 *Revenue recognition*

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

Where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion.

Interest income

Interest is recognized on an accrual basis based on the time and actual interest rate for each period.

3.15 *Taxation*

Current income tax

Current income tax assets and liabilities for the current and prior years 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 balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Taxation (continued)

Current income tax (continued)

Current income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which 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 Company to set off current tax assets against current tax liabilities and when the Company 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 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 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 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 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.

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 off-set 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's principal activities are manufacturing pharmaceutical medicine, pharmaceutical chemistry, trading, services and real estates. In addition, these activities are mainly taking place within Vietnam. Therefore, the Company's risks and returns are not impacted by the Company's products that the Company is manufacturing or the locations where the Company is trading. As a result, the Company's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

3.17 Related parties

Parties are considered to be related parties of the Company if one party has the ability to, directly or indirectly, 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 AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	72,000,507	317,936,444
Cash at banks	15,809,614,904	8,792,379,815
Cash equivalents (*)	<u>12,401,547,049</u>	<u>20,262,967,425</u>
TOTAL	<u>28,283,162,460</u>	<u>29,373,283,684</u>

(*) Cash equivalents represent deposits in VND with a term of one (1) month at commercial banks and earned interest at the rate of 3.0% to 3.4% per annum.

5. HELD-TO-MATURITY INVESTMENTS

These are term deposits at commercial banks with original terms of over (3) three months and a remaining term of no more than one year and earn interest at the rate of 4.1% to 5.4% per annum.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

6. TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Trade receivables

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from customers	24,310,509,936	21,325,804,909
<i>Kim Long House Construction and Trading Company Limited</i>	12,825,176,072	12,825,176,072
<i>Da Hoang Chuong Pharmacy Company Limited</i>	3,829,790,142	2,528,899,089
<i>Other customers</i>	7,655,543,722	5,971,729,748
Trade receivable from a related party (Note 24)	16,956,659,585	16,419,454,616
TOTAL	41,267,169,521	37,745,259,525
Provision for doubtful receivables	(17,648,469,382)	(17,648,469,382)
NET	23,618,700,139	20,096,790,143

6.2 Advances to suppliers

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Dung Phat Trading Development Investment Company Limited	431,200,000	431,200,000
Sagen Constructive Design Consultancy Joint Stock Company	254,260,000	254,260,000
Others	426,974,887	4,382,033,887
TOTAL	1,112,434,887	5,067,493,887
Provision for advance to suppliers	(820,914,887)	-
NET	291,520,000	5,067,493,887

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

7. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	6,437,509,409	4,213,782,909
Receivables of land rentals from Kim Long Construction and Housing Business Company Limited	3,601,800,798	3,601,800,798
Tan Hiep Loi Packaging Production Trading Joint Stock Company	1,995,664,090	-
Advance to employees	120,124,000	-
Others	719,920,521	611,982,111
Long-term	3,761,660,200	3,761,660,200
Receivables from Business Cooperation Contract to Kim Long Construction and Housing Business Company Limited (*)	3,636,096,600	3,636,096,600
Deposits	125,563,600	125,563,600
TOTAL	10,199,169,609	7,975,443,109
Provision for doubtful other receivables	(3,644,234,494)	(3,601,800,798)
NET	6,554,935,115	4,373,642,311

(*) This receivable represents the value of the house which the Company contributed under the Business Cooperation Contract No. 24/HD/XN25 dated 24 February 2005 ("Contract No. 24") with Kim Long Construction and Housing Business Company Limited to develop Master Building located at No. 41-43 Tran Cao Van, Ward 6, District 3, Ho Chi Minh City. As at 31 December 2024, the Company was in the process of transferring its entire rights and obligations arising from Contract No. 24 to An Phat Investment and Trading Joint Stock Company (Note 13.2).

8. BAD DEBTS

	VND					
	<i>Ending balance</i>			<i>Beginning balance</i>		
	<i>Cost</i>	<i>Provision</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Provision</i>	<i>Recoverable amount</i>
Kim Long Construction and Housing Business Company Limited	16,426,976,870	(16,426,976,870)	-	16,426,976,870	(16,426,976,870)	-
Khác	5,686,641,893	(5,686,641,893)	-	4,823,293,310	(4,823,293,310)	-
TOTAL	22,113,618,763	(22,113,618,763)	-	21,250,270,180	(21,250,270,180)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

9. INVENTORIES

	VND			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Real estate property (*)	160,622,501,912	-	160,622,501,912	-
Raw materials	29,512,724,979	(2,536,270,117)	26,903,004,876	(2,051,821,321)
Finished goods	9,958,599,769	-	10,785,275,543	-
Work in process	1,640,958,292	-	1,903,501,858	-
Tools and supplies	22,024,800	-	-	-
Merchandise goods	11,242,000	-	13,472,000	-
TOTAL	<u>201,768,051,752</u>	<u>(2,536,270,117)</u>	<u>200,227,756,189</u>	<u>(2,051,821,321)</u>

(*) This represents the leasehold right for land located at No. 120 Hai Ba Trung, Da Kao Ward, District 1, Ho Chi Minh City, which has been paid to the Tax Department of District 1, in relation to the agreement between the Company and Tay Ninh Industrial Park Infrastructure Development Joint Stock Company (Note 13.2).

Detail of movements of provision for obsolete inventories are as follows:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	2,051,821,321	1,928,364,600
Provision made during the year	1,128,776,831	123,456,721
Reversal of provision during the year	(644,328,035)	-
Ending balance	<u>2,536,270,117</u>	<u>2,051,821,321</u>

No. 25 Central Pharmaceutical Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

10. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Cost:					VND
Beginning balance	38,973,526,498	69,540,110,815	2,713,306,813	762,363,930	111,989,308,056
Disposal	-	(2,360,213,359)	-	-	(2,360,213,359)
Ending balance	38,973,526,498	67,179,897,456	2,713,306,813	762,363,930	109,629,094,697
<i>In which:</i>					
Fully depreciated	4,513,091,128	54,871,901,441	2,081,615,904	762,363,930	62,228,972,403
Accumulated depreciation:					
Beginning balance	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)
Ending balance	23,787,615,154	62,586,047,716	2,607,139,074	762,363,930	89,743,165,874
Net carrying amount:					
Beginning balance	16,057,232,896	6,388,886,665	196,409,299	1,046,521	22,643,575,381
Ending balance	15,185,911,344	4,593,849,740	106,167,739	-	19,885,928,823

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

11. CONSTRUCTION IN PROGRESS

The balance represents the cost incurred relating to topographic surveys, geological surveys, appraisal, and design for the purpose of building a factory at Tan Phu Trung Industrial Park, Tram Bom Hamlet, Tan Phu Trung Commune, Cu Chi District, Ho Chi Minh City.

12. PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Infrastructure rental fee	<u>48,562,134,538</u>	<u>50,186,494,000</u>

This amount represents the prepaid infrastructure rental fees arising from the land lease contract No.109/HDTD/SCD-2018 dated 12 October 2018 between the Company and Northwest Saigon Urban Development Joint Stock Company (SCD) to lease infrastructure at Lot B5-4, Zone B5, Road D2, Tan Phu Trung Industrial Park, Tram Bom Hamlet, Tan Phu Trung Commune, Cu Chi District, Ho Chi Minh City with an area of 30,866 m² for the construction of the factory. The lease term is from 10 January 2020 to 16 December 2054.

13. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

13.1 Trade payables

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade payables to suppliers	14,035,264,452	2,688,247,363
<i>Sinobright Pharmaceutical Co, Ltd.</i>	4,225,113,360	-
<i>Viet Uy Trading Joint Stock Company</i>	1,921,500,000	-
<i>Benovas Pharmaceutical Joint Stock Company</i>	1,813,699,620	991,525,428
<i>Phuong Phuc Pharmaceutical Chemical Company Limited</i>	1,600,630,668	-
<i>Others</i>	4,474,320,804	1,696,721,935
Trade payable to a related party (Note 24)	<u>46,462,500</u>	<u>49,350,000</u>
TOTAL	<u>14,081,726,952</u>	<u>2,737,597,363</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

13. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS (continued)

13.2 Advances from customers

	VND	
	Ending balance	Beginning balance
Tay Ninh Industrial Park Infrastructure Development Joint Stock Company (i)	178,082,838,961	178,082,838,961
An Phat Business Trading Investment Joint Stock Company (ii)	5,000,000,000	5,000,000,000
Southern Public Interest Environmental Corporation (Note 16)	-	26,250,000,000
Others	3,116,516	179,461,011
TOTAL	183,085,955,477	209,512,299,972

(i) This represents the advance received from Tay Ninh Industrial Park Infrastructure Development Joint Stock Company ("INDECO") in pursuant to the Cooperation, Investment, and Properties Transfer Contract No. 58/TW25-INDECO dated 27 August 2018 between the Company and INDECO to invest in the construction of an Office Building located at No. 120 Hai Ba Trung, Da Kao Ward, District 1, Ho Chi Minh City. In addition, on 11 September 2018, the Company and INDECO also signed a contract in relation to the designing, supplying technological equipment and construction works (EPC) No. 59/TW25-INDECO for the Office Building project on this land lot. Accordingly, all works, procedures and costs related to the construction and completion of the building will be carried out and born by INDECO. As at 31 December 2024, this project is in the stage of applying for the construction permit.

(ii) This represents the advance received from An Phat Investment Trading Business Joint Stock Company ("An Phat") under the Contract No. 20/2018/HĐCN/TW25-AP regarding the transfer of the Company's rights and obligations from the Business Cooperation Contract No. 24/HĐ/XN25 dated 24 February 2005, with Kim Long Construction and Housing Business Company Limited and the right to lease the land at No. 41-43 Tran Cao Van, Ward 6, District 3, Ho Chi Minh City. As at 31 December 2024, the transfer procedure has not been completed yet.

14. STATUTORY OBLIGATIONS

	VND			
	Beginning balance	Increase in year	Decrease in year	Ending balance
Receivables				
Value-added tax on imported goods	-	2,639,879,318	(2,431,319,018)	208,560,300
Value-added tax	1,119,600,757	6,661,396,073	(7,634,731,572)	146,265,258
Personal income tax	-	68,857,130	-	68,857,130
TOTAL	1,119,600,757	9,370,132,521	(10,066,050,590)	423,682,688
Payables				
Personal income tax	390,224,339	1,045,738,947	(1,435,963,286)	-
Land rental	-	13,843,782,797	(13,843,782,797)	-
Others	-	68,071,391	(68,071,391)	-
TOTAL	390,224,339	14,957,593,135	(15,347,817,474)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

15. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Professional service expenses	89,613,840	92,000,000
Others	<u>650,227,236</u>	<u>1,091,797,434</u>
TOTAL	<u>739,841,076</u>	<u>1,183,797,434</u>

16. OTHER SHORT-TERM PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Southern Public Interest Environmental Corporation (i)	26,250,000,000	-
Deposits	420,000,000	420,000,000
Trade Union	225,233,841	220,118,044
Dividend	221,634,744	221,444,934
Others	<u>519,202,876</u>	<u>624,139,187</u>
TOTAL	<u>27,636,071,461</u>	<u>1,485,702,165</u>

(i) This is the amount received from Southern Public Interest Environmental Corporation ("SPEC") in pursuant to the Transfer Contract No. 68/2017/HDCN/SPEC/TW-25 dated 2 November 2017 between the Company and SPEC to transfer the assets attached to the leasehold land and the right to exploit and develop the project on this land located at No. 448B Nguyen Tat Thanh, Ward 18, District 4, Ho Chi Minh City with a total contract value of VND 75,000,000,000. In accordance with Resolution No. 58/NQ-HDQT-TW25 dated 12 August 2022, the Board of Directors approved the liquidation of the Transfer Contract. As at 31 December 2024, the Company is in the process to negotiate with SPEC to proceed with necessary procedures to liquidate the contract.

17. BONUS AND WELFARE FUND

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	111,605,947	207,405,947
Utilization of fund	<u>(61,900,000)</u>	<u>(95,800,000)</u>
Ending balance	<u>49,705,947</u>	<u>111,605,947</u>

No. 25 Central Pharmaceutical Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

18. OWNERS' EQUITY

18.1 Increase and decrease in owners' equity

	Share capital	Share premium	Investment and development fund	Undistributed earnings	VND Total
Previous year:					
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
Ending balance	<u>132,946,410,000</u>	<u>17,589,282,000</u>	<u>12,490,339,501</u>	<u>(10,944,239,776)</u>	<u>152,081,791,725</u>
Current year:					
Beginning balance	132,946,410,000	17,589,282,000	12,490,339,501	(10,944,239,776)	152,081,791,725
Net profit for the year	-	-	-	3,070,313,447	3,070,313,447
Ending balance	<u>132,946,410,000</u>	<u>17,589,282,000</u>	<u>12,490,339,501</u>	<u>(7,873,926,329)</u>	<u>155,152,105,172</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

18. OWNERS' EQUITY (continued)

18.2 Contributed charter capital

	<i>Ending balance and Beginning balance</i>		
	<i>Number of ordinary shares</i>	<i>Amount (VND)</i>	<i>Ownership %</i>
OPC Pharmaceutical Joint Stock Company	7,730,000	77,300,000,000	58.14
Vietnam Pharmaceutical Corporation	3,780,000	37,800,000,000	28.43
Others	1,784,641	17,846,410,000	13.43
TOTAL	13,294,641	132,946,410,000	100.00

18.3 Share capital

	<i>Quantity</i>	
	<i>Ending balance</i>	<i>Ending balance</i>
Authorized shares	13,294,641	13,294,641
Shares issued and fully paid	13,294,641	13,294,641
Shares in circulation	13,294,641	13,294,641

The Company's shares are issued with par value of VND 10,000 per share.

18.4 Dividends

	<i>VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Dividend paid by cash in year	-	2,566,000

18.5 Earnings per share

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

	<i>Current year</i>	<i>Previous year</i>
Net profit after tax allocated to shareholders owning common shares (VND)	3,070,313,447	2,210,924,398
Distribution to bonus and welfare fund	-	-
Net profit after tax is allocated to shareholders owning common shares to calculate the above basic interest (VND)	3,070,313,447	2,210,924,398
The average number of ordinary shares circulated (shares)	13,294,641	13,294,641
Earnings per share		
<i>Basic earnings per share (VND per share)</i>	231	166
<i>Diluted earnings per share (VND per share)</i>	231	166

There have been no dilutive potential ordinary shares during the year and up to the date of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

19. REVENUES

19.1 Revenue from sale of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	130,580,736,698	140,425,031,762
<i>In which:</i>		
<i>Sales of finished goods, merchandise</i>	128,465,430,275	138,395,597,830
<i>Sales of rendering the services</i>	2,115,306,423	2,029,433,932
Less	(157,457)	(285,445,730)
Sales returns	(157,457)	(285,445,730)
TOTAL	<u>130,580,579,241</u>	<u>140,139,586,032</u>
<i>In which:</i>		
<i>Sales to related parties (Note 24)</i>	105,625,525,463	119,477,828,760
<i>Sales to others</i>	24,955,053,778	20,661,757,272

19.2 Finance income

	VND	
	Current year	Previous year
Interest income	2,068,408,066	2,339,148,195
Foreign exchange gains	110,099,686	284,073,151
TOTAL	<u>2,178,507,752</u>	<u>2,623,221,346</u>

20. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of finished goods and merchandise sold	112,394,296,914	120,737,073,635
Cost of services rendered	1,146,151,968	1,149,588,336
TOTAL	<u>113,540,448,882</u>	<u>121,886,661,971</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

21. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses	2,327,329,782	4,099,249,307
Labour cost	1,178,764,934	1,440,744,224
Depreciation expenses	50,436,360	50,436,360
Commission expenses	-	2,187,160,577
Others	1,098,128,488	420,908,146
General and administrative expenses	14,302,022,766	14,422,485,205
Labour cost	6,858,767,449	7,396,763,330
External services	320,842,000	3,893,634,307
Depreciation expenses	89,370,521	100,880,484
Others	7,033,042,796	3,031,207,084
TOTAL	<u>16,629,352,548</u>	<u>18,521,734,512</u>

22. PRODUCTION AND OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	83,789,175,552	88,339,918,296
Labour cost	23,403,188,419	26,038,643,915
Expenses for external services	7,760,561,142	5,601,733,179
Depreciation expenses	2,699,228,313	3,292,369,171
Others	11,428,428,664	13,089,952,648
TOTAL	<u>129,080,582,090</u>	<u>136,362,617,209</u>

23. CORPORATE INCOME TAX

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

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the separate financial statements could change at a later date upon final determination by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

23. CORPORATE INCOME TAX (continued)

23.1 CIT expense

	VND	
	Current year	Previous year
Current tax expense	-	-
Deferred tax (income) expense	(448,714,469)	3,184,742
TOTAL	(448,714,469)	3,184,742

Reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

	VND	
	Current year	Previous year
Accounting profit before tax	2,621,598,978	2,214,109,140
At CIT rate of 20% applicable to the Company	524,319,796	442,821,828
<i>Adjustment of tax expense due to</i>		
Non-deductible expenses	223,540,777	437,056,683
Tax loss recognized deferred tax assets (Note 23.3)	(465,332,819)	-
Adjustment for under accrual of tax from prior years	-	58,774,800
Tax loss carried forward	(731,242,223)	(935,468,569)
CIT (income) expense	(448,714,469)	3,184,742

23.2 Current tax

The current CIT payable is based on taxable profit for the current year. The taxable income of the Company for the year differs from the accounting profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

23.3 Deferred tax

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

	VND			
	Balance sheet		Income statement	
	Ending balance	Beginning balance	Current year	Previous year
Tax losses available for offset against future taxable income (Note 23.4)	465,332,819	-	465,332,819	-
Severance allowance	191,999,500	208,617,850	(16,618,350)	(3,184,742)
Net deferred tax assets	657,332,319	208,617,850		
Net deferred tax income (expenses)			448,714,469	(3,184,742)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

23. CORPORATE INCOME TAX (continued)

23.4. Tax losses carried forward

The Company is entitled to carry tax loss forward to offset against taxable income arising within five years subsequent to the year in which the loss was incurred. At the balance sheet date, the Company has aggregated accumulated tax losses of VND 2,326,664,097 (31 December 2023: VND 5,982,875,213) available for offset against future taxable income. Details are as follows:

VND					
<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount</i>	<i>Utilized up to 31 December 2024</i>	<i>Deduction according to tax inspection records (*)</i>	<i>Unutilized at 31 December 2024</i>
2019	2024	2,732,196,644	(2,732,196,644)	-	-
2020	2025	4,985,629,762	(4,139,979,647)	(845,650,115)	-
2021	2026	5,022,160,956	(1,461,377,670)	(1,234,119,189)	2,326,664,097
TOTAL		<u>12,739,987,362</u>	<u>(8,333,553,961)</u>	<u>(2,079,769,304)</u>	<u>2,326,664,097</u>

(*) Tax loss is adjusted according to Decision No. 549/QD-CT dated 29 March 2023 issued by Ho Chi Minh City Tax Department.

24. TRANSACTIONS WITH RELATED PARTIES

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

<i>Related parties</i>	<i>Relationship</i>
OPC Pharmaceutical Joint Stock Company	Parent company
OPC Binh Duong Pharmaceutical One Member Co., Ltd.	Common ownership by ultimate parent company
Ms Pham Thi Xuan Huong	Chairwoman
Ms Phuong Thanh Nhung	Member of the Board of the Directors
Mr Tran Tri Duc	Member of the Board of the Directors
Mr Ha Duc Cuong	Member of the Board of the Directors
Ms Ha Lan Anh	Member of the Board of the Directors (from 20 April 2024)
Mr Nguyen Van Khai	Member (up to 20 April 2024)
Mr Nguyen Manh Hai	General Director (from 1 June 2024)
Mr Dong Van Manh	General Director (up to 1 June 2024)
Mr Ngo Tan Long	Deputy General Director

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

24. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with related parties during the year were as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>VND</i>	
		<i>Current year</i>	<i>Previous year</i>
OPC Pharmaceutical Joint Stock Company	Sale of goods	105,541,525,463	119,477,828,760
	Sale of others	84,000,000	-
	Purchase of goods	51,211,340	-
	Return of goods	157,457	121,346,690
	Customer service expense	-	880,209,438
	Franchise fee for booth rental	-	399,000,000
OPC Binh Duong Pharmaceutical One Member Co., Ltd.	Purchase of raw materials	403,500,000	497,000,000

Remuneration to members of the Board of Directors, the management and the Board of Supervision including salary, bonus and other benefits was as follows:

	<i>Position</i>	<i>VND</i>	
		<i>Current year</i>	<i>Previous year</i>
Board of Directors		270,000,000	263,250,000
Ms Pham Thi Xuan Huong	Chairwoman	78,000,000	81,250,000
Ms Phuong Thanh Nhung	Member	48,000,000	50,000,000
Mr Tran Tri Duc	Member	48,000,000	50,000,000
Mr Ha Duc Cuong	Member	48,000,000	32,000,000
Ms Ha Lan Anh	Member	-	-
	(from 20 April 2024)	32,000,000	-
Mr Nguyen Van Khai	Member	-	50,000,000
	(up to 20 April 2024)	16,000,000	50,000,000
Board of Supervision		120,000,000	125,000,000
Ms Huynh Thi Anh Thu	Head	32,000,000	-
Ms Nguyen Thi Thuy	Former head	-	50,000,000
	(up to 20 April 2024)	16,000,000	50,000,000
Ms Le Thi Anh Nguyet	Member	36,000,000	37,500,000
Ms Nguyen Thu Thuy	Member	36,000,000	37,500,000
Management		1,625,881,910	1,975,129,327
Mr Nguyen Manh Hai	General Director	-	-
	(from 1 June 2024)	572,428,571	-
Mr Dong Van Manh	Former General Director	-	1,267,059,033
	(up to 1 June 2024)	492,573,339	1,267,059,033
Mr Ngo Tan Long	Deputy General Director	560,880,000	708,070,294
TOTAL		<u>2,015,881,910</u>	<u>2,363,379,327</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

24. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet dates were as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>VND</i>	
		<i>Ending balance</i>	<i>Beginning balance</i>
<i>Short-term trade receivable (Note 6.1)</i>			
OPC Pharmaceutical Joint Stock Company	Sale of goods	<u>16,956,659,585</u>	<u>16,419,454,616</u>
<i>Short-term trade payable (Note 13.1)</i>			
OPC Binh Duong Pharmaceutical One Member Co., Ltd.	Purchase of goods	<u>46,462,500</u>	<u>49,350,000</u>

25. COMMITMENTS

Operating lease commitment

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

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	<u>1,201,734,194</u>	<u>370,909,091</u>

Commitment relating to significant investment costs

As at 31 December 2024, the Company has a commitment amounting to VND 12,525,700,000 (as at 31 December 2023: VND 12,525,700,000), primarily related to the construction of a factory.

26. OFF BALANCE SHEET ITEMS

	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency:		
United States dollar (USD)	<u>387.45</u>	<u>618.35</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

27. EVENTS AFTER THE BALANCE SHEET DATE

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



Ngo Tan Long
Preparer cum Deputy General Director



Ho Chi Minh City, Vietnam
21 March 2025



Nguyen Manh Hai
General Director