

PHARBACO CENTRAL PHARMACEUTICAL JSC NO.1
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 4TH QUARTER OF 2024



HANOI, JANUARY 2025

STATEMENT OF THE BOARD OF GENERAL DIRECTOR

We, the members of the Board of General Director of Pharbaco central pharmaceutical JSC No.1 (the “Company”) presents this report together with the Company’s Consolidated financial statements for the accounting period from October 1, 2024 to December 31, 2024.

The boards of management and the general director

The members of the Boards of Management and the General Director of the Company who held office for the accounting period from October 1, 2024 to December 31, 2024 and to the date of this report are as follows:

Board of Management

Mr. Vu Hong Khoa	Chairman
Mr. To Thanh Hung	Member
Ms. Nguyen Thi Thu Ha	Member
Mr. Nguyen Dinh Tuan	Member
Ms. Luu Quynh Mai	Member (appointed on 29 May 2024)

Board of General Director

Mr. To Thanh Hung	General Director
Ms. Ha Thi Thanh Hoa	Deputy General Director
Mr. Nguyen Van Quang	Deputy General Director
Ms. Nguyen Thi Thu Ha	Permanent Deputy General Director

Board of General director’ statement of responsibility

The Board of General Director of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the financial position of the Company, and its financial performance and its cash flows during the period in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the preparation and presentation of consolidated financial statements. In preparing these consolidated financial statements, the Board of General Director is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

STATEMENT OF THE BOARD OF GENERAL DIRECTOR

(Continued)

The Board of General Director 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 that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Board of General Director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Director confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of General Director,

PHARBACO CENTRAL PHARMACEUTICAL JSC NO.1



Nguyen Thi Thu Ha

Permanent Deputy General Director

(Power of attorney No. 01/2021/UQ-PHARBACO dated January 7, 2021)

Hanoi, 24 January 2025

FORM B 01-DN

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

ASSETS	Codes	Notes	31/12/2024	Unit: VND 01/01/2024
A CURRENT ASSETS	100		858,893,906,087	913,662,419,035
I Cash and cash equivalents	110	V.1.	228,457,616,692	206,216,639,888
1 Cash	111		228,457,616,692	8,216,639,888
2 Cash equivalents	112		-	198,000,000,000
II Short-term financial investments	120	V.	-	-
1 Held-to-maturity investments	123		-	-
III Short-term receivables	130		287,839,530,487	264,773,427,661
1 Short-term trade receivables	131	V.3.	211,124,937,554	161,419,550,035
2 Short-term advances to suppliers	132	V.4.	92,568,678,408	107,225,089,554
3 Other short-term receivables	136	V.5.	25,184,498,356	16,323,949,020
4 Provision for short-term doubtful debts	137		(41,038,583,831)	(20,195,160,948)
IV Inventories	140		181,198,323,077	273,206,020,350
1 Inventories	141	V.7.	181,307,079,046	281,060,435,923
2 Provision for devaluation of inventories	149		(108,755,969)	(7,854,415,573)
V Other short-term assets	150		161,398,435,831	169,466,331,136
1 Short-term prepayments	151	V.11.	3,657,691,515	1,994,017,957
2 Value added tax deductibles	152		157,740,744,316	167,377,938,065
3 Taxes and other receivables from the State budget	153	V.14.	-	94,375,114
B NON-CURRENT ASSETS	200		2,350,521,328,973	2,253,530,835,409
I Long-term receivables	210		156,854,697,592	156,854,697,592
1 Other long-term receivables	216	V.5.	156,854,697,592	156,854,697,592
II Fixed assets	220		95,222,296,798	112,496,556,941
1 Tangible fixed assets	221	V.8.	87,482,750,362	102,878,895,085
- Cost	222		559,317,096,007	547,448,403,039
- Accumulated depreciation	223		(471,834,345,645)	(444,569,507,954)
2 Intangible assets	227	V.9.	7,739,546,436	9,617,661,856
- Cost	228		15,427,979,082	15,427,979,082
- Accumulated amortisation	229		(7,688,432,646)	(5,810,317,226)
IV Long-term assets in progress	240	V.10.	2,090,349,183,445	1,971,557,907,671
1 Long-term construction in progress	242		2,090,349,183,445	1,971,557,907,671
V Long-term financial investments	250	V.	283,853,641	283,853,641
1 Investments in joint-ventures, associates	252		283,853,641	283,853,641
VI Other long-term assets	260		7,811,297,497	12,337,819,564
1 Long-term prepayments	261	V.11.	7,811,297,497	12,337,819,564
TOTAL ASSETS (270=100+200)	270		3,209,415,235,060	3,167,193,254,444

FORM B 01-DN

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

(Continued)

Unit: VND

RESOURCES	Codes	Notes	31/12/2024	01/01/2024
C LIABILITIES	300		1,921,721,774,948	1,919,143,714,255
I Current liabilities	310		1,000,154,476,101	924,026,415,192
1 Short-term trade payables	311	V.12.	174,559,732,540	112,095,153,810
2 Short-term advances from customers	312	V.13.	149,576,264,685	118,473,044,875
3 Taxes and amounts payable to the State budget	313	V.14.	8,750,199,309	9,907,863,501
4 Payables to employees	314		14,713,709,889	12,004,366,541
5 Short-term accrued expenses	315	V.15.	5,079,275,741	4,070,701,624
6 Other current payables	319	V.16.	26,026,920,376	24,851,636,728
7 Short-term loans and obligations under finance leases	320	V.17.	620,893,815,332	642,069,089,884
8 Bonus and welfare funds	322		554,558,229	554,558,229
II Long-term liabilities	330		921,567,298,847	995,117,299,063
1 Other long-term payables	337	V.16.	1,720,600,000	2,615,020,000
2 Long-term loans and obligations under finance leases	338	V.17.	919,558,016,888	992,213,597,104
3 Deferred tax liabilities	341	V..	288,681,959	288,681,959
D EQUITY	400		1,287,693,460,112	1,248,049,540,189
I Owner's equity	410	V.18.	1,287,693,460,112	1,248,049,540,189
1 Owner's contributed capital	411		1,132,999,020,000	1,132,999,020,000
- Ordinary shares carrying voting rights	411a		1,132,999,020,000	1,132,999,020,000
2 Share premium	412		25,731,363,636	25,731,363,636
3 Investment and development fund	418		38,505,239,661	38,505,239,661
4 Retained earnings	421		82,997,049,026	43,343,785,822
- Retained earnings accumulated to the prior year end	421a		43,343,785,822	3,977,656,868
- Retained earnings of the current year	421b		39,653,263,204	39,366,128,954
5 Non-controlling shareholder interests	429		7,460,787,789	7,470,131,070
II Other resources and funds	430			-
TOTAL RESOURCES (440=300+400)	440		3,209,415,235,060	3,167,193,254,444

Hanoi, 24 January 2025

PHARBACO CENTRAL PHARMACEUTICAL JSC NO.1

Preparer

Chief Accountant

Permanent Deputy General Director

Tran Thi Bich Loan

Nguyen Duc Canh

Nguyen Thi Thu Ha

(Power of attorney No. 01/2021/UQ-
PHARBACO dated January 7, 2021)

CONSOLIDATED INCOME STATEMENT

4th quarter of 2024

Unit: VND

Items	Cod es	Notes	4TH QUARTER		ACCUMULATED FROM THE BEGINNING OF THE YEAR	
			Current year	Previous year	Current year	Previous year
1. Gross revenue from goods sold and services rendered	01	VI.1.	324,544,884,982	358,871,094,593	1,066,796,488,421	1,341,155,656,626
2. Deductions	02		1,701,142,857	1,093,812,669	1,701,142,857	1,122,900,240
3. Net revenue from goods sold and services rendered (10=01-02)	10		322,843,742,125	357,777,281,924	1,065,095,345,564	1,340,032,756,386
4. Cost of sales	11	VI.2.	258,147,517,106	308,574,364,195	853,701,429,259	1,109,245,779,220
5. Gross profit from goods sold and services rendered (20=10-11)	20		64,696,225,019	49,202,917,729	211,393,916,305	230,786,977,166
6. Financial income	21	VI.3.	3,343,030,495	1,313,517,536	5,754,944,210	6,515,043,180
7. Financial expenses	22	VI.4.	18,281,210,987	14,450,213,429	46,062,858,862	46,183,731,165
<i>In which: Interest expense</i>	23		10,163,975,949	10,536,737,015	36,569,989,552	40,619,602,712
8. Selling expenses	25	VI.7.	1,155,299,399	1,309,149,081	4,890,899,552	6,001,422,926
9. General and administration expenses	26	VI.7.	36,215,673,283	29,517,867,905	114,975,810,073	133,988,532,542
10. Operating profit	30		12,387,071,845	5,239,204,850	51,219,292,028	51,128,333,713
{30=20+(21-22)-(25+26)}						
11. Other income	31	VI.5.	1,731,028	5,441,589	88,007,744	82,018,781
12. Other expenses	32	VI.6.	174,728,767	225,002,817	1,335,052,976	1,518,501,524
13. Profit from other activities (40= 31-32)	40		(172,997,739)	(219,561,228)	(1,247,045,232)	(1,436,482,743)
14. Accounting profit before tax	50		12,214,074,106	5,019,643,622	49,972,246,796	49,691,850,970
(50=30+40)						

15. Current corporate income tax expense	51	5,686,555,839	4,342,904,069	10,328,326,873	10,327,547,880
16. Deferred corporate tax expense	52	-	-	-	2,738,795
17. Net profit after corporate income tax (60=50-51-52)	60	6,527,518,267	676,739,553	39,643,919,923	39,361,564,295
18. Profit after tax of shareholders of parent company	61	6,527,518,211	676,738,460	39,653,263,204	39,366,128,954.00
19. Profit after tax of non-controlling shareholder	62	56	1093	(9,343,281)	(4,564,659)
20. Basic earnings per share	70	57.61	5.97	349.98	347

Hanoi, 24 January 2025

PHARBACO CENTRAL PHARMACEUTICAL JSC NO.1

Permanent Deputy General Director



Chief Accountant

Preparer

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Tran Thi Bich Loan

Nguyen Duc Canh

Nguyen Thi Thu Ha

(Power of attorney No. 01/2021/UQ-PHARBACO dated January 7, 2021)

CONSOLIDATED CASH FLOW STATEMENT

(By indirect method)

4th quarter of 2024

Unit: VND

Items	Code s	Accumulated from the beginning of the year to the end of the 4th quarter of 2024	Accumulated from the beginning of the year to the end of the 4th quarter of 2023
I. Cash flows from operating activities			
1. Profit before tax	01	49,972,246,796	49,691,850,970
2. Adjustments for:			
- Depreciation and amortisation of fixed assets and investment properties	02	29,149,303,179	32,037,525,324
- Provisions	03	13,097,763,279	27,963,210,615
- Foreign exchange (gain)/ loss arising from translating foreign currency items	04	6,439,830,579	2,067,003,356
- (Gain)/loss from investing activities	05	(725,160,548)	(3,030,380,378)
- Interest expense	06	36,569,989,552	40,619,602,712
3. Operating profit before movements in working capital	08	134,503,972,837	149,348,812,599
- Increase, decrease in receivables	09	(34,166,752,407)	(195,572,043,481)
- Increase, decrease in inventories	10	99,753,356,877	(4,290,743,840)
- Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	90,050,770,880	(22,097,010,398)
- Increase, decrease in prepaid expenses	12	2,862,848,509	(2,217,919,413)
- Interest paid	14	(35,467,054,969)	(39,644,977,634)
- Corporate income tax paid	15	(11,500,000,000)	(11,735,741,383)
Net cash generated by/(used in) operating activities	20	246,037,141,727	(126,209,623,550)
II. Cash flows from investing activities			
1. Acquisition and construction of fixed assets and other long-term assets	21	(130,695,423,287)	(188,733,491,559)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	100,000,000	4,909,090,909
3. Cash outflow for lending, buying debt instruments of other entities	23	-	-
4. Cash recovered from lending, selling debt instruments of other entities	24	-	70,000,000,000
5. Interest earned, dividends and profits received	27	643,102,808	4,054,181,187
Net cash generated by/(used in) investing activities	30	(129,952,320,479)	(109,770,219,463)

CONSOLIDATED CASH FLOW STATEMENT

(By indirect method)

4th quarter of 2024

(Continued)

III Cash flows from financing activities

1. Proceeds from share issue and owners' contributed capital	31	-	-
2. Proceeds from borrowings	33	685,600,143,475	1,366,532,799,886
3. Repayment of borrowings	34	(779,430,998,243)	(1,059,064,322,634)
4. Repayment of obligations under finance leases	35	-	-
5. Dividends and profits paid	36	(12,875,000)	(56,191,359,615)
<i>Net cash generated by/(used in) financing activities</i>	<i>40</i>	<i>(93,843,729,768)</i>	<i>251,277,117,637</i>
Net increase/(decrease) in cash (50=20+30+40)	50	22,241,091,480	15,297,274,624
Cash and cash equivalents at the beginning of the period	60	206,216,639,888	190,912,971,641
Effects of changes in foreign exchange rates	61	(114,676)	6,393,623
Cash and cash equivalents at the end of the period (70 = 50+60+61)	70	228,457,616,692	206,216,639,888

Hanoi, 24 January 2025

PHARBACO CENTRAL PHARMACEUTICAL JSC NO.1

Preparer

Chief Accountant

Permanent Deputy General Director



Tran Thi Bich Loan



Nguyen Duc Canh



Nguyen Thi Thu Ha

(Power of attorney No. 01/2021/UQ-PHARBACO
 dated January 7, 2021)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

I. Characteristics of business operations

1. Form of capital ownership

Pharbaco Central Pharmaceutical Joint Stock Company No. 1 (hereinafter referred to as the “Company”) was formerly Central Pharmaceutical Factory No. 1, under the Vietnam Pharmaceutical Enterprises Union (now the Vietnam Pharmaceutical Corporation). It was established pursuant to Decision No. 401/BYT-QĐ dated April 22, 1993, issued by the Minister of Health. Central Pharmaceutical Factory No. 1 was converted into Pharbaco Central Pharmaceutical Joint Stock Company No. 1 pursuant to Decision No. 286/QĐ-BYT dated January 25, 2007, and Decision No. 2311/QĐ-BYT dated June 27, 2007, issued by the Minister of Health. The Company has been operating under Business Registration Certificate No. 0103018671 since July 25, 2007. The Company has undergone 19 amendments to its Business Registration Certificate (now referred to as the Enterprise Registration Certificate). The 19th amendment was made following an increase in charter capital issuance.

According to Enterprise Registration Certificate No. 0100109032, amended for the 19th time on November 1, 2022, the Company’s charter capital is **1,132,999,020,000 VND** (One trillion, one hundred thirty-two billion, nine hundred ninety-nine million, twenty thousand Vietnamese dong) and the legal representative of the Company is Mr. To Thanh Hung, General Director.

The Company has registered for trading common shares on the UPCOM Stock Exchange since November 18, 2019, pursuant to Decision No. 767/QĐ-SGDHN issued by the Hanoi Stock Exchange. The Company’s stock code is PBC, with a total of 113,299,902 outstanding shares.

2. Business areas

The Company operates in the pharmaceutical manufacturing and trading sector.

3. Business activities

- Manufacturing pharmaceuticals, chemical drugs, and medicinal herbs;
- For conditional business sectors, the Company operates only when meeting the legal requirements;

Head Office: No. 160 Ton Duc Thang, Dong Da District, Ha Noi City.

4. Normal production and business cycle

The normal production and business cycle of the Company is carried out within a period of no more than 12 months.

5. Business structure

List of Directly Controlled Subsidiaries

The Company only invests in one subsidiary, Viet My Advanced Pharmaceutical Joint Stock Company (formerly Noi Bai Trading and Warehousing Joint Stock Company), headquartered in Thach Loi Village, Thanh Xuan Commune, Soc Son District, Hanoi. The main business activity of this subsidiary is warehouse and goods storage services. As of the end of the accounting period, the Company’s investment stake in the subsidiary is 75%, with the same proportion of voting rights and benefit rights as the capital contribution.

List of Associated Companies

The Company only invests in one associated company, Pharbaco central hospital No1 Joint Stock Company, headquartered at 160 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi. The main business activity of this associated company is operating general, specialized, and dental clinics. As of the end of the accounting period, the Company’s investment stake in the associated company is 44%, with the same proportion of voting rights and ownership as the capital contribution.

Pharbaco central hospital No1 Joint Stock Company was dissolved according to Resolution No. 01/2021/QĐ-ĐHĐCĐ dated April 22, 2021. However, no notification regarding the termination of operations has been received from the Hanoi Department of Planning and Investment as of the present time.

II. Accounting period, currency used in accounting

1. Accounting period

The financial year of the Corporation begins on January 1 and ends on December 31 of each year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

2. Currency used in accounting

The currency used in accounting is Vietnamese Dong ("VND"), accounting is based on the original cost principle, in accordance with Vietnamese Accounting Standards, corporate accounting regimes and legal regulations related to the preparation and presentation of consolidated financial statements.

III. Accounting Standards And System Applied

1. Accounting Standards And System Applied

The Company applies Vietnamese Accounting Standards and the Accounting regime for enterprises promulgated under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by Ministry of Finance guiding the accounting regime for enterprises and Circular No. 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance amending and supplementing some articles of Circular No. 200/2014/TT-BTC.

2. Statement on Compliance with Accounting Standards and Accounting Regime

The Company's consolidated financial statements are prepared and presented in compliance with the requirements of Vietnamese Accounting Standards and the current Vietnamese Enterprise Accounting Regime and legal regulations related to the preparation and presentation of consolidated financial statements.

IV. Summary Of Significant Accounting Policies

1. Basis for preparing consolidated financial statements

The consolidated financial statements include the financial statements of the Company and the financial statements of the companies controlled by the Company (subsidiaries) prepared up to December 31, 2024. Control is achieved when the Company has the power to govern the financial and operating policies of an investee company so as to obtain benefits from its activities.

All transactions and balances between companies within the same group are eliminated when consolidating the financial statements.

2. Financial instruments

The Circular No. 210/2009/TT-BTC dated November 6, 2009, issued by the Ministry of Finance, provides guidance on the application of International Financial Reporting Standards regarding the presentation of financial statements and disclosures for financial instruments, which has not yet been applied by the Company in the presentation of these separate financial statements.

3. Types of exchange rates applied in accounting

The exchange rate for converting transactions arising during the period in foreign currency is the exchange rate of the commercial bank where the Company regularly conducts transactions at the time of occurrence.

The exchange rate when revaluing foreign currency items at the time of preparing the consolidated financial statements is the exchange rate announced by the commercial bank where the company opens an account at the time of preparing the consolidated financial statements. In which:

- The exchange rate when revaluing foreign currency items classified as assets is the buying rate of the commercial bank where the Company opens a foreign currency account at the time of preparing the consolidated financial statements.

- The exchange rate when re-evaluating foreign currency items classified as liabilities is the selling rate of the commercial bank where the Company regularly conducts transactions at the time of preparing the consolidated financial statements.

4. Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year (reporting period). Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

5. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits, short-term investments with original maturities of no more than 03 months, highly liquid, readily convertible to cash and subject to little risk of changes in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

6. Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits (commercial bills), bonds, preference shares which the issuer shall redeem at a certain date in the future, loans held to maturity to earn periodic interest and other held-to-maturity investments.

Held-to-maturity investments are recognized on the date of acquisition and are initially measured at cost, including the purchase price and any transaction costs. Interest income from investments held to maturity after the acquisition date is recognized in the Income Statement on an accrual basis. Interest earned before the Company holds the investment is deducted from the cost at the acquisition date.

Held-to-maturity investments are measured at cost less allowance for doubtful debts.

When there is strong evidence that part or all of an investment may not be recovered and the amount of loss can be reliably determined, the loss is recorded in financial expenses in the period and directly reduces the investment value.

Investments in subsidiaries, investments in associates

Investments in subsidiaries

A subsidiary is an entity over which the Company has control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities

Investments in associates

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

Investments in subsidiaries and associates are initially recorded at cost, including the purchase price or capital contribution plus costs directly related to the investment. In case of investment in non-monetary assets, the cost of the investment is recorded at the fair value of the non-monetary assets at the time of arising.

Dividends and profits from periods prior to the purchase of the investment are recorded as a reduction in the value of the investment itself. Dividends and profits from periods subsequent to the purchase of the investment are recorded as revenue. Dividends received in the form of shares are only recorded as the number of shares increased, not the value of the shares received.

Method of making provision for investment depreciation

Provision for losses on investments in subsidiaries and associates is made at the time of preparing the consolidated financial statements. When investments in subsidiaries and associates have decreased compared to the original price, the Company makes provisions as follows:

- For investments in subsidiaries and associates whose shares are listed on the market or whose fair value is reliably determined, provisions are made based on the market value of the shares.
- For investments whose fair value cannot be determined at the reporting date, provisions are made at an amount equal to the difference between the actual capital contributions of the parties at the subsidiaries and associated companies and the actual equity multiplied by the Company's capital contribution ratio compared to the total actual capital contributions of the parties at the subsidiaries and associated companies.

Increase or decrease in the provision for investment losses in subsidiaries and associates that must be set up at the closing date of the consolidated financial statements is recorded in financial expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

7. Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

The classification of receivables is carried out according to the following principles:

- Trade receivables reflect commercial receivables arising from purchase and sale transactions between the Company.
- Other receivables reflect non-commercial receivables not related to purchase and sale transactions.

Provision for doubtful debts is made for overdue receivables stated in economic contracts, contractual commitments or debt repayment commitments that the enterprise has repeatedly requested but has not yet recovered, or receivables that the debtor is unlikely to be able to pay due to liquidation, bankruptcy or similar difficulties.

Increases and decreases in the balance of the provision for doubtful debts that must be set up at the closing date of the consolidated financial statements are recorded in business management expenses.

8. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price of inventories in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories are valued using the weighted average method and accounted for using the perpetual inventory method.

Method of setting up inventory price reduction reserve: Inventory price reduction reserve is set up for each inventory item whose original cost is greater than its net realizable value. Increases and decreases in the inventory price reduction reserve balance required to be set up at the closing date of the consolidated financial statements are recorded in the cost of goods sold.

9. Principles of recording and depreciation methods of fixed assets

9.1 Principles of recognition and depreciation methods of tangible fixed assets

Tangible fixed assets are recorded at original cost, reflected on the Consolidated Balance Sheet according to the indicators of original cost, accumulated depreciation and residual value.

The original cost of purchased tangible fixed assets includes the purchase price (minus trade discounts or rebates), taxes and costs directly related to bringing the asset into a ready-to-use state. .

The original cost of self-constructed or self-made tangible fixed assets includes the actual cost of the self-constructed or self-made tangible fixed assets and the cost of installation and trial operation.

Expenses incurred after the initial recognition of tangible fixed assets are recorded as an increase in the original cost of the asset when these expenses certainly increase future economic benefits. Expenses incurred that do not satisfy the above conditions are recorded by the Company as production and business expenses in the period.

The Company applies the straight-line depreciation method for tangible fixed assets. Tangible fixed asset accounting is classified according to groups of assets with the same nature and purpose of use in the Company's production and business activities, including:

<i>Type of fixed asset</i>	<i>Year</i>
Buildings and structures	06 - 25
Machinery and equipment	06 - 10
Motor vehicles	06 - 10
Office equipment	03 - 08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

9.2 Principles of recognition and depreciation methods of intangible fixed assets

Intangible fixed assets are recorded at original cost, reflected on the Consolidated Balance Sheet according to the indicators of original cost, accumulated depreciation and residual value.

The original cost of intangible fixed assets includes all costs incurred by the Company to acquire the fixed assets up to the time the asset is ready for use. Expenses related to intangible fixed assets incurred after initial recognition are recognized as production and business expenses in the period, unless these expenses are associated with a specific intangible fixed asset and increase the economic benefits from these assets.

When fixed assets are sold for liquidation, their original cost and accumulated depreciation are written off and any gain or loss arising from their disposal is recognized as income or expense for the period.

The Company's intangible assets are computer software and virtual servers.

Software program

Costs relating to computer software programs that are not an integral part of the related hardware are capitalized. The cost of computer software is the total cost incurred by the Company up to the date the software is put into use. Computer software is amortized on a straight-line basis over 08 years.

10. Principles for recording construction in progress costs

The Company's construction in progress costs include the construction costs of the EU GMP standard pharmaceutical factory project, and the wind power system costs, the Noi Bai freight forwarding and transit center, which are recorded at historical cost. These costs include construction costs, services and other related costs in accordance with the Company's accounting policy.

11. Accounting principles for business cooperation contracts

The Company's business cooperation includes:

Jointly controlled business activities

The Company records in its consolidated financial statements the following business cooperation contracts in the form of jointly controlled business activities:

- + Value of assets currently owned by the Company;
- + Liabilities incurred by the Company;
- + Revenue shared from the sale of goods or services rendered of the joint venture;
- + Expenses to be incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

Business cooperation contract No. 01/2017/PBC-HDHTKD dated May 12, 2017 with BV Pharma Joint Stock Company to implement the investment cooperation contract to build a pharmaceutical factory and trade in products. The two parties will divide the pre-tax profit from the factory at a ratio of 50/50.

12. Prepayments

Prepaid expenses include actual expenses that have been incurred but are related to the results of production and business activities of many accounting periods. Prepaid expenses are costs of tools and equipment issued for use awaiting allocation, repair costs and other prepaid expenses.

Tools and equipment: Tools and equipment put into use are allocated to expenses using the straight-line method over a period of 03 months to 36 months.

Fixed asset repair costs: One-time asset repair costs of large value are allocated to expenses using the straight-line method over a period of no more than 36 months.

Other prepaid expenses: Other prepaid expenses incurred once with large value are allocated to expenses by the straight-line method over a period of no more than 36 months.

13. Payables

Liabilities are amounts payable to suppliers and others. Liabilities include trade and other payables. Liabilities are not recorded as less than the obligation to pay.

The classification of payables is carried out according to the following principles:

- Trade payables include commercial payables arising from transactions of purchasing goods, services, assets and the seller is an independent entity from the buyer.
- Other payables include non-commercial payables not related to the purchase, sale or provision of goods or services.

Payables are monitored in detail by each subject and payment term. Foreign currency payables are re-evaluated by the Company at the end of the period or year at the selling exchange rate of the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hanoi Branch.

14. Loan recognition principles

Loans are recorded on the basis of bank documents, contracts and loan agreements. Loans are monitored by subject and term.

At the end of the period or year when preparing the separate financial statements, the Company re-evaluated the balance of loans in foreign currencies at the selling exchange rate of the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hanoi Branch.

15. Principles of recognition and capitalization of borrowing costs

Borrowing costs include interest and other costs incurred in connection with borrowing.

Borrowing costs are recognized as production and business expenses in the year when incurred, unless capitalized in accordance with the provisions of the Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly related to the purchase, construction or production of assets that require a relatively long time to complete and put into use or business are added to the original cost of the asset until such time as the asset is put into use or business. Income arising from temporary investment of loans is recorded as a reduction in the original cost of the related assets. For separate loans for the construction of fixed assets, investment real estate, interest is capitalized even when the construction period is less than 12 months.

16. Principle of recording accrued expenses

The Company's accrued expenses include pre-deducted interest expenses, auditing expenses... which are actual expenses that have arisen in the reporting period but have not been paid due to lack of invoices or insufficient accounting records and documents, recorded in the production and business expenses of the reporting period and payables that have not arisen due to lack of recorded goods and services but are calculated in advance into the production and business expenses of this period to ensure that when they actually arise, they do not cause sudden changes in production and business expenses.

The provision for production and business expenses in the period must be calculated strictly and there must be reasonable and reliable evidence of the expenses that must be provisioned in the period, to ensure that the amount of expenses payable recorded in this account matches the actual expenses incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

17. Principle of equity recognition

Owner's equity is recorded according to the actual capital contributed by shareholders.

Share premium is recorded at the larger difference between the actual issue price and the par value of shares when issuing shares.

Undistributed profit after tax is the profit from the business's operations after deducting the current year's corporate income tax expense.

Profit after corporate income tax is distributed to shareholders after setting aside funds in accordance with the Company's Charter and legal regulations and approved by the General Meeting of Shareholders.

The distribution of profits to shareholders takes into account non-monetary items in undistributed profits after tax that may affect cash flow and the ability to pay dividends such as interest from revaluation of contributed assets, interest from revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities when approved by the General Meeting of Shareholders.

18. Principles and methods of revenue and income recognition

The Company's revenue includes revenue from sales of materials, semi-finished products (injections, pills, etc.), revenue from providing services (entrusted import-export services; office rental, warehouse rental) and interest revenue from bank deposits.

Revenue from sales of goods and finished products

Revenue from the sale of goods and finished products is recognized when all five (5) following conditions are simultaneously satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the products or goods;
- The Company no longer holds the right to manage the goods as the owner of the goods or the right to control the goods;
- Revenue is determined with relative certainty. When the contract stipulates that the buyer has the right to return the purchased products or goods under specific conditions, revenue is only recognized when those specific conditions no longer exist and the buyer is not entitled to return the products or goods (except in cases where the customer has the right to return the goods in exchange for other goods or services);
- The Company has obtained or will obtain economic benefits associated with the transaction; and
- Identify the costs associated with a sales transaction.

Service revenue

Revenue from a service transaction is recognized when the outcome of the transaction can be reliably measured. In cases where a service transaction involves multiple periods, revenue is recognized in a period based on the results of the work completed at the closing date of the financial statements of that period. The outcome of a service transaction is determined when all four (4) of the following conditions are satisfied:

- Revenue is measured reliably; When a contract provides that the buyer has the right to return the purchased services under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer has no right to return the services provided;
- It is possible to obtain economic benefits from the transaction of providing that service;
- Determine the portion of work completed at the closing date of financial statements; and
- Identify the costs incurred for the transaction and the costs to complete the transaction to provide that service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

Interest Revenue

Interest is recognized on an accrual basis, determined on the deposit account balance and the actual interest rate for each period.

Advances from customers are not recognized as revenue during the year.

The Company's other income includes income from liquidation of fixed assets and other income.

19. Principles of financial cost accounting

Financial expenses recorded in the separate income statement are total financial expenses incurred during the period, not offset against financial revenue, including interest expenses and exchange rate differences.

20. Other accounting principles and methods

20.1 Tax obligations

Value Added Tax (VAT)

The Company applies VAT declaration and calculation according to the guidance of current tax laws.

Corporate income tax

Corporate income tax represents the sum of current and deferred tax liabilities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including losses carried forward, if any) and it further excludes items that are not taxable or deductible.

The company applies a corporate income tax rate of 20% on taxable income.

The determination of the Company's corporate income tax is based on current tax regulations. However, these regulations are subject to change from time to time and the final determination of corporate income tax depends on the results of the examination by the competent tax authority.

Other taxes

Other taxes and fees must be declared and paid by the enterprise to the local tax authorities according to current tax laws in Vietnam.

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

1. CASH AND CASH EQUIVALENTS

	31/12/2024	01/01/2024
	VND	VND
Cash	228,457,616,692	8,216,639,888
Cash on hand	2,716,021,955	2,714,031,834
Cash on hand VND	2,539,189,202	2,545,399,594
Cash on hand USD	176,832,753	168,632,240
Bank demand deposits	225,741,594,737	5,502,608,054
Bank demand deposits VND	223,030,531,211	4,437,773,640
Bank demand deposits USD	2,686,900,833	1,040,174,369
Bank demand deposits EUR	24,162,693	24,660,045
Cash equivalents		198,000,000,000
Total	228,457,616,692	206,216,639,888

PHARBACO CENTRAL PHARMACEUTICAL JSC NO.1

Address: No. 160 Ton Duc Thang, Hang Bot Ward, Dong Da District, Hanoi City, Vietnam

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FOR THE 4TH QUARTER OF 2024**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

2. Financial investments

Equity investments in other entities pharbaco central hospital no1 joint stock company

31/12/2024 01/01/2024
VND VND

	Cost	Provision	Carrying amount	Cost	Provision	Carrying amount
Investments in joint-ventures, associates	1,176,000,000					
Pharbaco central hospital No1 Joint Stock Company	1,176,000,000	(892,146,359)	283,853,641	1,176,000,000	(892,146,359)	283,853,641
Total	1,176,000,000	(892,146,359)	283,853,641	1,176,000,000	(892,146,359)	283,853,641

Summary of the operations of the associated company

Pharbaco central hospital No1 Joint Stock Company operates under the Business Registration Certificate No. 0108606011 first issued on January 29, 2019. The business activities of Pharbaco central hospital No1 JSC are polyclinic, specialist and dentistry. On April 22, 2021, the General Meeting of Shareholders of Pharbaco central hospital No1 Joint Stock Company issued Resolution No. 01/2021/QD-DHDCD on the dissolution of the company. Therefore, the Company made a provision for 100% of the value of the investment in Pharbaco central hospital No1 Joint Stock Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

3. Short-term trade receivables

	31/12/2024		01/01/2024	
	VND		VND	
	Giá trị	Dự phòng	Giá trị	Dự phòng
<i>Short-term</i>				
Appollo Oil JSC	48,554,676,661	(23,737,542,734)	48,554,676,661	-
Vina Australia Trading JSC	-	-	2,152,961,547	-
Thien Y Pharmaceutical And Trading Company Limited	11,076,519,997	-	1,839,240,000	-
Phuong Phuc Pharmaceutical Chemical Company Limited	2,927,575,506		7,880,993,623	
Others	148,566,165,390	(17,301,041,097)	100,991,678,204	(20,195,160,948)
Total	211,124,937,554	(41,038,583,831)	161,419,550,035	(20,195,160,948)

4. Short-term advances to suppliers

	31/12/2024	01/01/2024
	VND	VND
<i>Short-term</i>		
Appollo Oil JSC	49,866,635,605	49,866,635,605
Yoosung Filling System Co., Ltd.	6,598,252,000	6,598,252,000
Qui Long Refrigeration Electrical Engineering Technology Co., Ltd	15,481,044,300	15,379,324,500
Others	20,622,746,503	35,380,877,449
Total	92,568,678,408	107,225,089,554

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

5. Other receivables

	31/12/2024		01/01/2024	
	VND		VND	
	Giá trị	Dự phòng	Giá trị	Dự phòng
a) Short-term	25,184,498,356	-	16,323,949,020	-
Short-term collateral, deposits	898,286,197	-	15,803,975,818	-
<i>Vietnam Maritime Commercial Joint Stock Bank - Thanh Xuan Branch</i>	218,943,598	-	9,094,412,476	-
<i>Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Ha Noi Branch</i>	-	-	6,000,000,000	-
<i>Saigon Thuong Tin Commercial Joint Stock Bank - Ha Dong Branch</i>	500,000,000	-	500,000,000	-
<i>Tien Phong Commercial Joint Stock Bank - Hoan Kiem Branch</i>	-	-	8,550,000	-
<i>Others</i>	179,342,599	-	201,013,342	-
Other receivables	23,762,551,122	-	37,454,145	-
<i>Accrued interest</i>	30,219,178	-	19,056,961	-
<i>Social insurance arrears</i>	47,739,618	-	16,192,084	-
<i>Others</i>	23,684,592,326	-	2,205,100	-
Receivable from employees	483,395,880	-	442,253,900	-
<i>Mr. Le Phu Duc</i>	70,000,000	-	70,000,000	-
<i>Ms. Do Thi Bich Hue</i>	50,000,000	-	50,000,000	-
<i>Mr. Nguyen Quoc Dat</i>	50,000,000	-	45,000,000	-
<i>Others</i>	313,395,880	-	277,253,900	-
Debit balance of account 3388	40,265,157	-	40,265,157	-
b) Long-term	156,854,697,592	-	156,854,697,592	-
<i>BV Pharma Joint Stock Company</i>	19,371,518,993	-	19,371,518,993	-
<i>Hai Ha Waterway Transport Company Limited</i>	137,443,287,674	-	137,443,287,674	-
Long - term collateral, deposits	39,890,925	-	39,890,925	-
Total	182,039,195,948	-	173,178,646,612	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

6. Bad debts

	31/12/2024		01/01/2024	
	VND		VND	
	Cost	Recoverable amount	Cost	Recoverable amount
Total value of receivables that are overdue or not yet due but are unlikely to be recovered				
<i>Receivables from customers</i>				
Appollo Oil JSC	33,988,273,662	-	15,812,495,501	-
Huong Que Trading Investment Joint Stock Company	2,565,085,530	-	2,565,085,530	-
Tien Thanh Trading and Pharmaceutical Limited Company	1,814,538,915	-	1,814,538,915	-
Tuyen Quang Tuberculosis and Lung Disease Hospital	6,082,005	-	3,041,002	-
Thanh Phuong Pharmaceutical Trading Company Limited	980,000,001	-		-
Hien - Vi Pharmaceuticals Company Limited	866,127,058	-		-
Phuc Sinh Pharmaceutical Company Limited	713,493,422	-		-
Winvet Vietnam Joint Stock Company	48,394,552	-		-
Viet Nhat International Commerce And General Services Limited Company	28,420,686	-		-
Phuc Lam Company Limited	28,168,000	-		-
Total	41,038,583,831		20,195,160,948	

7. Inventories

	31/12/2024		01/01/2024	
	VND		VND	
	Giá gốc	Dự phòng	Giá gốc	Dự phòng
Goods in transit	293,996,260	-	9,660,629,060	-
Raw materials	116,595,122,061	(100,876,303)	173,731,445,374	(81,772,406)
Tools and supplies	2,210,998,157		2,156,775,458	-
Work in progress	21,929,047,964		22,274,039,275	(5,108,802)
Finished goods	37,952,402,131	(7,879,666)	32,617,188,828	(2,201,032)
Merchandise	2,325,512,473		40,620,357,928	(7,765,333,333)
Total	181,307,079,046	(108,755,969)	281,060,435,923	(7,854,415,573)

PHARBACO CENTRAL PHARMACEUTICAL JSC NO.1

Address: No. 160 Ton Duc Thang, Hang Bot Ward, Dong Da District, Hanoi City, Vietnam

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 4TH QUARTER OF 2024

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

Increases, decreases in tangible fixed assets

Items	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
Cost					
Balance as at January 1, 2024	126,732,541,191	401,845,140,279	14,893,321,615	3,977,399,954	547,448,403,039
Additions	-	11,716,389,331		187,758,182	11,904,147,513
Disposals	-	(35,454,545)			(35,454,545)
Balance as at December 31, 2024	126,732,541,191	413,526,075,065	14,893,321,615	4,165,158,136	559,317,096,007
Accumulated depreciation					
Balance as at January 1, 2024	86,894,548,225	344,859,816,716	11,437,716,371	1,377,426,642	444,569,507,954
Charge for the period	4,969,093,410	20,613,560,527	1,031,982,475	656,551,347	27,271,187,759
Disposals		(6,350,068)			(6,350,068)
Balance as at December 31, 2024	91,863,641,635	365,467,027,175	12,469,698,846	2,033,977,989	471,834,345,645
Net book value					
As at January 1, 2024	39,837,992,966	56,985,323,563	3,455,605,244	2,599,973,312	102,878,895,085
As at December 31, 2024	34,868,899,556	48,059,047,890	2,423,622,769	2,131,180,147	87,482,750,362

Unit: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

9. Increases, decreases in intangible

Items	Unit: VND	
	ERPAC Materials Management	Total
Cost		
Balance as at January 1, 2024	15,427,979,082	15,427,979,082
Additions	-	-
Balance as at December 31, 2024	15,427,979,082	15,427,979,082
Accumulated amortisation		
Balance as at January 1, 2024	5,810,317,226	5,810,317,226
Charge for the period	1,878,115,420	1,878,115,420
Balance as at December 31, 2024	7,688,432,646	7,688,432,646
Net book value		
As at January 1, 2024	9,617,661,856	9,617,661,856
As at December 31, 2024	7,739,546,436	7,739,546,436

10. Long-term in progress assets

	31/12/2024	01/01/2024
	VND	VND
Long-term construction in progress		
The GMP-EU standard pharmaceutical manufacturing plant project in two phases (*)	2,059,940,513,440	1,943,859,922,129
+ PMU1	1,430,651,896,785	1,360,026,451,884
+ PMU2	631,999,301,118	583,833,470,245
Wind power project	814,814,815	814,814,815
Noi Bai Freight Forwarding and Transit Center Project	26,883,170,727	26,883,170,727
Total	2,087,638,498,982	1,971,557,907,671

(*) This is the project for a pharmaceutical manufacturing plant meeting EU GMP standards, located in Thanh Xuan commune, Soc Son district, Hanoi city, with a total investment of 1,900 billion VND (of which PMU1: 1,300 billion VND and PMU2: 600 billion VND).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

11. Prepayments

	31/12/2024	01/01/2024
	VND	VND
<i>a) Short-term</i>	<u>3,657,691,515</u>	<u>1,994,017,957</u>
Tools and dies issued for consumption;	1,834,273,325	839,553,714
Other short - term prepayments	1,823,418,190	1,154,464,243
<i>b) Dài hạn</i>	<u>7,811,297,497</u>	<u>12,337,819,564</u>
Tools and dies issued for consumption;	1,247,323,773	953,688,812
Other long - term prepayments	6,563,973,724	11,384,130,752
Total	<u><u>11,468,989,012</u></u>	<u><u>14,331,837,521</u></u>

12. Trade payables

	31/12/2024		01/01/2024	
	VND		VND	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
<i>Short - term</i>				
Truking Technology Limited	15,461,708,700	15,461,708,700	19,720,061,000	19,720,061,000
Tien Tuan Pharmaceutical Machinery Co.Ltd	3,945,394,516	3,945,394,516	4,003,103,236	4,003,103,236
Yunnan Baiyao Group Co, LTD	490,588,590	490,588,590	490,588,590	490,588,590
Apec Import Export Trade Joint Stock Company	36,756,720	36,756,720	36,756,720	36,756,720
APC Pharmaceutical And Chemical Limited	-	-	3,212,201,839	3,212,201,839
Others	154,625,284,014	154,625,284,014	84,632,442,425	84,632,442,425
Total	<u><u>174,559,732,540</u></u>	<u><u>174,559,732,540</u></u>	<u><u>112,095,153,810</u></u>	<u><u>112,095,153,810</u></u>

13. Advances from customers

	31/12/2024	01/01/2024
	VND	VND
<i>Short - term</i>		
Viet Anh Medical Equipment And Pharmaceutical Joint Stock Company	13,853,016,361	14,721,547,471
Vina Australia Trading Joint Stock Company	2,467,400,000	1,914,400,000
Helios Pharmaceutical Company Limited	2,697,114,240	5,248,983,580
An Duc Pharmaceutical Company Limited	7,149,199,151	7,679,704,544
Dp Euphar Joint Stock Company	2,272,000,000	3,333,159,356
Hmh Medical Pharmaceutical Co.,Ltd	16,682,180,840	15,152,180,840
Toan Phuc Pharmaceutical Chemical Company Limited	2,729,259,671	3,338,728,492
Others	101,726,094,422	67,084,340,592
Total	<u><u>149,576,264,685</u></u>	<u><u>118,473,044,875</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

14. Taxes and amounts payable to the State budget

	01/01/2024	Amount payable during the year	Amount actually paid in the year	Đơn vị tính: VND 31/12/2024
a) Payables				
Corporate income tax	9,907,863,501	10,328,326,873	11,500,000,000	8,736,190,374
Personal income tax	-	1,020,855,628	1,006,846,693	14,008,935
Land tax, land lease fees	-	12,194,258,065	12,194,258,065	-
Contractor tax - Value Added Tax	-	14,733,837	14,733,837	-
Contractor tax - Corporate income tax	-	13,997,145	13,997,145	-
Total	9,907,863,501	23,572,171,548	24,729,835,740	8,750,199,309
b) Receivables				
Value Added Tax	-	52,628,221,154	52,628,221,154	-
Value Added Tax on imported goods	64,834,849	18,641,354,707	18,576,519,858	-
Import tax	242,200	4,455,413,100	4,455,170,900	-
Business license tax	-	5,000,000	5,000,000	-
Personal income tax	29,298,065	29,298,065		-
Other fees, charges, and payable amounts		3,066,855	3,066,855	-
Total	94,375,114	75,762,353,881	75,667,978,767	-

15. Accrued expenses

	31/12/2024 VND	01/01/2024 VND
Short-term		
Audit fees	250,000,000	250,000,000
Interest expenses	3,777,296,837	2,674,362,254
Other expenses	1,051,978,904	1,146,339,370
Total	5,079,275,741	4,070,701,624

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) -

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

16. Other payables

	31/12/2024	01/01/2024
	VND	VND
a) Current payables	26,026,920,376	24,851,636,728
Trade union fund	856,081,701	564,321,253
Short-term deposits received	1,174,020,000	313,200,000
Other payables	23,996,818,675	23,974,115,475
<i>Dividend payment to shareholders</i>	<i>904,673,148</i>	<i>917,548,148</i>
<i>Phuc Thinh Financial Investment Joint Stock Company (i)</i>	<i>20,000,000,000</i>	<i>20,000,000,000</i>
<i>Viet-Tiep Friendship Hospital (ii)</i>	<i>21,622,000</i>	<i>21,622,000</i>
<i>Others</i>	<i>3,070,523,527</i>	<i>3,034,945,327</i>
b) Long-term payables	1,720,600,000	2,615,020,000
Long-term deposits received	1,720,600,000	2,615,020,000
<i>Van Lang High School</i>	<i>1,140,000,000</i>	<i>1,140,000,000</i>
<i>Viet Land Corporation</i>	<i>500,000,000</i>	<i>500,000,000</i>
<i>Phuong Linh Export-Import & Trading Limited Liability Company</i>	<i>-</i>	<i>427,500,000</i>
<i>Others</i>	<i>80,600,000</i>	<i>547,520,000</i>
Total	27,747,520,376	27,466,656,728

(i) The amount of money advanced by Phuc Thinh Financial Investment Joint Stock Company for the future conversion of benefits of the Central Pharmaceutical Joint Stock Company I according to PL02 N26/11/16 of the HTDT Contract N 12/5/10, with the amount of 20

(ii) These are profit-sharing amounts for Viet-Tiep Friendship Hospital according to the business cooperation agreement.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

17. Loans and obligations under finance leases

	31/12/2024		In the year		01/01/2024	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
a) Short-term	620,893,815,332	620,893,815,332	758,255,723,691	779,430,998,243	642,069,089,884	642,069,089,884
Short-term loans	458,652,250,269	458,652,250,269	618,699,723,699	636,381,991,891	476,334,518,461	476,334,518,461
Bank loan (VND)	458,652,250,269	458,652,250,269	618,699,723,699	636,381,991,891	476,334,518,461	476,334,518,461
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ha Noi Branch	-	-	1,228,920,000	31,453,352,960	30,224,432,960	30,224,432,960
Joint Stock Commercial Bank for Investment and Development of Vietnam - Long Bien Branch (1)	408,733,390,290	408,733,390,290	511,864,260,158	491,131,608,448	388,000,738,580	388,000,738,580
Tienphong commercial Joint Stock Bank- Hoan Kiem Branch (2)	49,918,859,979	49,918,859,979	72,440,631,041	22,521,771,062	-	-
Vietnam Maritime Commercial Joint Stock Bank - Thanh Xuan Branch (3)	-	-	33,165,912,500	91,275,259,421	58,109,346,921	58,109,346,921
Current portion of long-term loans	162,241,565,063	162,241,565,063	139,555,999,992	143,049,006,352	165,734,571,423	165,734,571,423
Joint Stock Commercial Bank for Investment and Development of Vietnam - Long Bien Branch	120,556,000,000	120,556,000,000	95,556,000,000	136,556,000,000	161,556,000,000	161,556,000,000
Tienphong commercial Joint Stock Bank- Hoan Kiem Branch	41,685,565,063	41,685,565,063	43,999,999,992	6,493,006,352	4,178,571,423	4,178,571,423

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

b) Long-term						
Joint Stock Commercial Bank for Investment and Development of Vietnam	919,558,016,888	919,558,016,888	66,900,419,776	139,555,999,992	992,213,597,104	992,213,597,104
- Long Bien Branch (4)	752,700,874,004	752,700,874,004	66,900,419,776	95,556,000,000	781,356,454,228	781,356,454,228
Tienphong commercial Joint Stock Bank - Hoan Kiem Branch (5)	166,857,142,884	166,857,142,884		43,999,999,992	210,857,142,876	210,857,142,876
Total	1,540,451,832,220	1,540,451,832,220	825,156,143,467	918,986,998,235	1,634,282,686,988	1,634,282,686,988

(1) Credit Agreement No. 02/2024/1809635/HDTD dated November 25, 2024 with Joint Stock Commercial Bank for Investment and Development of Vietnam - Long Bien Branch. Line of credit is 420 billion VND. The credit period is 12 months from the date of signing the contract to October 30, 2025. The loan term is determined according to each specific credit contract. Interest rates are determined for each specific credit contract according to the bank's interest rate regime during each period. The purpose of the loan is to supplement working capital (including lending, issuing guarantees, opening LC) to serve the Company's production and business activities.

(2) Credit Agreement No. 76/2022/HDTD/HGM dated June 14, 2022 with Tienphong commercial Joint Stock Bank - Hoan Kiem Branch. Line of credit is 100 billion VND. The credit period is 12 months from the date of signing the contract. The loan term is determined according to each specific credit contract. Interest rates are determined for each specific credit contract according to the bank's interest rate regime during each period. The purpose of the loan is to supplement working capital to serve the Company's production and business activities. Amended document No. 76/2022/HDTD/HGM/SDBS/03 dated July 10, 2024 amending the credit period until December 31, 2024

(3) Credit Agreement No. 112-00020583.02709/2024/HDTD dated April 26, 2024 with a credit limit of 33.2 billion VND. The credit period is 12 months from the date of signing the contract. The loan term is determined according to each specific credit contract. Interest rates are determined for each specific credit contract according to the bank's interest rate regime during each period. The purpose of the loan is to supplement working capital for the production and trading of drugs, pharmaceutical chemicals and medicinal materials. The collateral is specified in: the mortgage contract for machinery and equipment serving drug manufacturing owned by the Customer and the mortgage contract for circulating inventory owned by the Customer.

(4) Loan contracts with Joint Stock Commercial Bank for Investment and Development of Vietnam - Long Bien Branch, specifically:

- Credit Agreement No. 01/2021/1809635/HDTD dated January 11, 2021. Line of credit is 400 billion VND. The credit period is 96 months from the next day of the first disbursement date. Interest rate is applied according to the Bank's regulations at the time of disbursement. The purpose of the loan is to issue a LC to pay for reasonable and valid expenses to carry out phase 2 - GMP-EU standard pharmaceutical manufacturing factory project (PMU2). The collateral is all assets formed from loan capital and equity capital in the investment project phase 2 (PMU2).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

- Credit Agreement No. 02/2022/1809635/HDTD dated September 29, 2022, with a credit limit of 450 billion VND. The loan term is 72 months, starting from the day following the first disbursement. The interest rate is determined according to the bank's regulations at the time of disbursement. The loan purpose is to repay the self-capital that was invested in Phase I of the GMP-EU standard pharmaceutical manufacturing plant project (PMU1).
- Credit Agreement No. 03/2022/1809635/HDTD dated August 30, 2022, with a maximum credit limit of 247 billion VND, but not exceeding the actual principal balance of the loan at Saigon Thuong Tin Commercial Joint Stock Bank - Ha Dong Branch at the time of disbursement by BIDV. The loan term follows the existing repayment schedule of the loan at Saigon Thuong Tin Commercial Joint Stock Bank - Ha Dong Branch but does not exceed July 8, 2026. The interest rate is determined according to the bank's regulations at the time of disbursement. The loan purpose is to early repay the entire outstanding principal of the loan financing Phase I of the GMP-EU standard pharmaceutical manufacturing plant project (PMU1) at Saigon Thuong Tin Commercial Joint Stock Bank - Ha Dong Branch. Collateral includes the entire property formed from the loan and self-capital at the Phase I investment project (PMU1), as well as other assets currently mortgaged at Saigon Thuong Tin Commercial Joint Stock Bank - Ha Dong Branch.
- (5) These are the loan agreements with Tien Phong Commercial Joint Stock Bank - Hoan Kiem Branch, as follows:
 - Long-term loan agreement No. 18/2021/HDTD/HGM/03 dated April 28, 2021, with a loan amount of 27 billion VND. The loan term is a maximum of 84 months from the first disbursement date. The interest rate is defined in each debt acknowledgment document from the customer. The loan is intended for the payment of investment costs for the rooftop solar power project on the customer's factory roof in Thach Loi Village, Soc Son, Hanoi. Collateral is specified in the Mortgage Agreement No. 18/2021/HDBD/HGM/04 dated April 28, 2021.
 - Loan agreement No. 31/2023/HDTD/HGM/01 dated March 14, 2023, with a loan amount of 198 billion VND. The loan term is 84 months from the first disbursement date. The interest rate is defined in each debt acknowledgment document from the customer. The loan is intended to supplement the Company's medium-term capital. The collateral for this loan is specified in the individual mortgage agreements signed between the Company and the bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

18. Equity

a) Movement in owner's equity

Unit: VND

Items	Owner's contributed capital	Share premium	Retained earnings	Total
Balance as at January 1, 2023	1,132,999,020,000	25,731,363,636	60,627,607,868	1,219,182,278,016
Capital increase during the year	-	-	-	-
Profit from the previous year	-	-	39,366,128,954	39,366,128,954
Distribution of funds	-	-	-	-
Dividend distribution (*)	-	-	(56,649,951,000)	(56,649,951,000)
Balance as at December 31, 2023	1,132,999,020,000	25,731,363,636	43,343,785,822	1,201,898,455,970
Capital increase during the year (*)	-	-	-	-
Profit for the current year	-	-	39,653,263,204	39,653,263,204
Distribution of funds	-	-	-	-
Dividend distribution (*)	-	-	-	-
Balance as at December 31, 2024	1,132,999,020,000	25,731,363,636	82,997,049,026	1,241,551,719,174

b) Details of owner's investment capital

	31/12/2024 VND	01/01/2024 VND
Vietnam Pharmaceutical Corporation	58,707,830,000	58,707,830,000
Reliv Pharma Company Limited	14,217,330,000	14,217,330,000
Hai Ha Waterway Transport Company Limited	412,000,000,000	412,000,000,000
Hai Minh Hung Transportation Construction Investment Company Limited	139,420,660,000	171,388,660,000
Dai Hai Ha Petro Company Limited	154,500,000,000	154,500,000,000
Phap Van Agriculture Material Joint Stock Company	206,000,000,000	206,000,000,000
Others	148,153,200,000	116,185,200,000
Total	1,132,999,020,000	1,132,999,020,000

c) Capital transactions with owners and distribution of dividends, profit sharing

	Current period VND	Prior period VND
Owner's contributed capital		
Capital contribution at the beginning of the year	1,132,999,020,000	1,100,000,000,000
Capital increase during the year	-	-
Capital decrease during the year	-	-
Capital contribution at the end of the year	1,132,999,020,000	1,100,000,000,000
Dividends and profits distributed	-	-

d) Shares

	31/12/2024 Shares	01/01/2024 Shares
Number of shares registered for issuance	113,299,902	113,299,902
Number of shares issued to the public	113,299,902	113,299,902
- Ordinary shares	113,299,902	113,299,902
Number of outstanding shares in circulation	113,299,902	113,299,902
- Ordinary shares	113,299,902	113,299,902

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

Par value of outstanding shares: 10,000 VND per share

f) Company's funds

Item	01/01/2024	Increase during the year	Decrease during the year	Unit: VND
				31/12/2024
Development investment fund	38,505,239,661	-	-	38,505,239,661
Total	38,505,239,661	-	-	38,505,239,661

* The purpose of setting up and using the company's funds.

- The company's development investment fund is established from the portion of profit after corporate income tax and is used to supplement the company's charter capital through investments to expand production and business scale or to deepen the business's investment. It complies with the provisions of the company's charter.

19. Off balance sheet items

	31/12/2024	01/01/2024
<i>Foreign currencies</i>		
USD	113,410.70	50,199.61
Cash on hand	7,003.00	7,003.00
Bank demand deposits	106,407.70	43,196.61
EUR	925.30	935.15
Bank demand deposits	925.30	935.15

VI. Information supplementing the items in the consolidated income statement

1. Gross revenue from goods sold and services rendered

	From 01/10/2024 to 31/12/2024	From 01/10/2023 to 31/12/2023	Cumulative from the beginning of the year to the end of the fourth quarter of 2024	Cumulative from the beginning of the year to the end of the fourth quarter of 2023
	VND	VND	VND	VND
<i>a) Revenue</i>				
Revenue from sales of goods and materials	91,310,121,420	147,609,355,929	299,405,006,779	505,550,627,216
Sales of finished products	231,122,427,963	208,891,257,947	759,026,269,562	825,853,676,037
Service revenue	2,112,335,599	2,370,480,717	8,365,212,080	9,751,353,373
Total	324,544,884,982	358,871,094,593	1,066,796,488,421	1,341,155,656,626

2. Cost of sales

	From 01/10/2024 to 31/12/2024	From 01/10/2023 to 31/12/2023	Cumulative from the beginning of the year to the end of the fourth quarter of 2024	Cumulative from the beginning of the year to the end of the fourth quarter of 2023
	VND	VND	VND	VND
Cost of merchandise sold	87,099,872,363	144,015,897,131	292,555,984,425	497,253,835,773
Cost of finished goods sold	170,374,479,216	154,498,180,919	556,047,205,309	597,787,755,860
Damaged goods handling	646,924,326	2,288,965,106	12,843,899,129	6,433,096,918
Provision for inventory devaluation	26,241,201	7,771,321,039	2,779,649,112	7,771,090,669

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

Reversal of inventory write-down provision			(10,525,308,716)	
Total	258,147,517,106	308,574,364,195	853,701,429,259	1,109,245,779,220
3. Financial income				
	From 01/10/2024 to 31/12/2024	From 01/10/2023 to 31/12/2023	Cumulative from the beginning of the year to the end of the fourth quarter of 2024	Cumulative from the beginning of the year to the end of the fourth quarter of 2023
	VND	VND	VND	VND
Bank and loan interest	249,536,648	622,728,381	654,265,025	4,041,747,228
Exchange rate differences arising during the period	3,093,493,512	690,789,155	5,100,679,185	2,473,295,952
Total	3,343,030,160	1,313,517,536	5,754,944,210	6,515,043,180
4. Financial expenses				
	From 01/10/2024 to 31/12/2024	From 01/10/2023 to 31/12/2023	Cumulative from the beginning of the year to the end of the fourth quarter of 2024	Cumulative from the beginning of the year to the end of the fourth quarter of 2023
	VND	VND	VND	VND
Interest expense	10,163,975,949	10,536,737,015	36,569,989,552	40,619,602,712
Exchange rate difference loss arising during the period	1,677,519,135	1,840,079,435	3,053,153,407	3,490,731,474
Exchange rate difference revaluation at end of period	6,439,715,903	2,073,396,979	6,439,715,903	2,073,396,979
Total	18,281,210,987	14,450,213,429	46,062,858,862	46,183,731,165
5. Other income				
	From 01/10/2024 to 31/12/2024	From 01/10/2023 to 31/12/2023	Cumulative from the beginning of the year to the end of the fourth quarter of 2024	Cumulative from the beginning of the year to the end of the fourth quarter of 2023
	VND	VND	VND	VND
Sale, disposal of fixed assets;	-		75,000,000	
Other income	1,731,028	5,441,589	13,007,744	82,018,781
Total	1,731,028	5,441,589	88,007,744	82,018,781
6. Other expenses				
	From 01/10/2024 to 31/12/2024	From 01/10/2023 to 31/12/2023	Cumulative from the beginning of the year to the end of the fourth quarter of 2024	Cumulative from the beginning of the year to the end of the fourth quarter of 2023
	VND	VND	VND	VND
Pay administrative fines and late tax payment	51,448,508	40,079,746	54,515,363	127,915,066

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

Remuneration paid to the Board of Management	120,000,000	120,000,000	300,000,000	280,000,000
Carrying amount of fixed assets and sale, disposal of fixed assets;			4,104,477	1,011,366,850
Other expenses	3,280,259	64,923,071	976,433,136	99,219,608
Total	174,728,767	225,002,817	1,335,052,976	1,518,501,524

7. Selling expenses and general and administration expenses

	From 01/10/2024 to 31/12/2024	From 01/10/2023 to 31/12/2023	Cumulative from the beginning of the year to the end of the fourth quarter of 2024	Cumulative from the beginning of the year to the end of the fourth quarter of 2023
	VND	VND	VND	VND
a) Selling expenses	1,155,299,399	1,309,149,081	4,890,899,552	6,001,422,926
Employee costs	544,477,538	727,880,380	2,376,110,663	2,862,242,597
Cost of materials and packaging	17,138,458	3,904,900	54,985,520	36,553,064
Cost of tools and supplies	3,250,000	13,299,924	6,968,667	13,579,924
Fixed asset depreciation costs	4,647,187	4,647,186	18,588,745	18,588,744
Outsourcing service costs	313,685,074	263,517,847	1,344,332,062	1,671,714,603
Other cash expenses	272,101,142	295,898,844	1,089,913,895	1,398,743,994
b) General and administration expenses	36,215,673,283	29,517,867,905	114,975,810,073	133,988,532,542
Management staff costs	11,137,098,820	13,808,214,219	47,372,722,828	54,120,134,453
Management material costs	585,191,029	1,220,411,466	2,887,292,487	4,171,687,040
Office supplies costs	631,888,395	1,382,769,075	2,684,118,998	7,579,616,915
Fixed asset depreciation costs	1,808,632,486	2,237,156,280	7,735,552,303	9,352,880,076
Taxes, fees and charges	3,709,391,197	3,808,062,127	14,982,816,005	14,840,978,300
Provision	12,918,375,650	-	20,843,422,883	20,192,119,946
Outsourcing service costs	2,797,025,445	3,521,745,607	11,326,170,250	14,142,629,959
Other cash expenses	2,628,070,261	3,539,509,131	7,143,714,319	9,588,485,853
Total	37,370,972,682	30,827,016,986	119,866,709,625	139,989,955,468

VII. Additional information for items presented in the separate consolidated statement of cash flows

1. Actual amounts of borrowings received during the year

	Cumulative from the beginning of the year to the end of the fourth quarter of 2024	Cumulative from the beginning of the year to the end of the fourth quarter of 2023
	VND	VND
Proceeds from borrowings under normal contracts	685,600,143,475	1,366,532,799,886
Total	685,600,143,475	1,366,532,799,886

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statement)

2. Actual amounts of principal paid during the year

	Cumulative from the beginning of the year to the end of the fourth quarter of 2024	Cumulative from the beginning of the year to the end of the fourth quarter of 2023
	VND	VND
Repayment of borrowings under normal contracts	779,430,998,243	1,059,064,322,634
Total	779,430,998,243	1,059,064,322,634

VIII. Other information

Comparative information

The data is taken from the audited Consolidated Financial Statements by International Auditing Company Limited for the fiscal year ending December 31, 2023, and the Consolidated Financial Statements for the Fourth Quarter of 2023 prepared by Pharbaco central pharmaceutical JSC No.1.

Hanoi, 24 January 2025

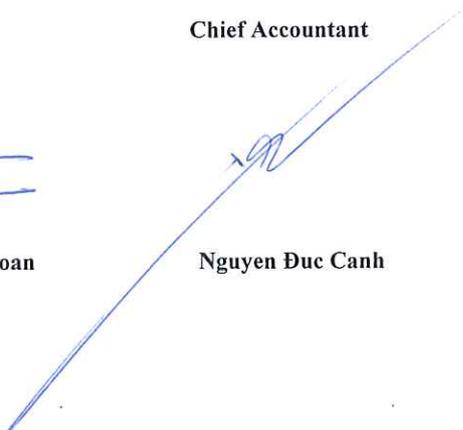
PHARBACO CENTRAL PHARMACEUTICAL JSC NO.1

Preparer



Tran Thi Bich Loan

Chief Accountant



Nguyen Duc Canh

Permanent Deputy General Director



Nguyen Thi Thu Ha

(Power of attorney No. 01/2021/UQ-PHARBACO dated January 7, 2021)