



## Financial Statements

CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO. 3

For the fiscal year ended 31 December 2024

(Audited)



WE ARE AN INDEPENDENT MEMBER OF  
THE GLOBAL ADVISORY  
AND ACCOUNTING NETWORK

**Central Pharmaceutical Joint Stock Company No. 3**

No. 16, Le Dai Hanh Street, Minh Khai Ward, Hong Bang District, Hai Phong City

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**Central Pharmaceutical Joint Stock Company No. 3**

No. 16, Le Dai Hanh Street, Minh Khai Ward, Hong Bang District, Hai Phong City

**REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management of Central Pharmaceutical Joint Stock Company No. 3 ("the Company") presents its report and the Company's Financial Statements for the year ended 31 December 2024.

**THE COMPANY**

Central Pharmaceutical Joint Stock Company No. 3 formerly known as Central Pharmaceutical Enterprise No. 3 under the Vietnam Pharmaceutical Corporation and was transformed into joint-stock company pursuant to Decision No. 4688/2003/QĐ-BYT dated 01 September 2003 issued by the Minister of Health. The Company currently operates under the Business Registration Certificate for Joint Stock Company No. 0203000632 issued on 01 December 2003 by the Department of Planning and Investment of Hai Phong City, with its 13<sup>th</sup> amendment dated 26 July 2023.

The Company's headquarter is located at No. 16, Le Dai Hanh Street, Minh Khai Ward, Hong Bang District, Hai Phong City.

**BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISION**

Members of the Board of Directors during the fiscal year and to the reporting date are:

Mr. Bui Xuan Huong	Chairman	
Mr. Nguyen Dinh Khai	Member	
Mr. Dinh Van Cuong	Member	
Mrs. Lu Thi Khanh Tran	Member	Appointed on 24 April 2024
Mr. Le Van Hung	Member	Appointed on 24 April 2024
Mrs. Nguyen Hong Nhung	Member	Resigned on 24 April 2024
Mr. Nguyen Thanh Tuan	Member	Resigned on 24 April 2024

Members of the Board of Management during the fiscal year and to the reporting date are:

Mr. Nguyen Dinh Khai	General Director	
Mrs. Bui Thi Loan	Deputy General Director	
Mr. Nguyen Thanh Tuan	Deputy General Director	Resigned on 8 May 2024

Members of the Board of Supervision are:

Mrs. Bui Thi Hat	Head of the Board	Appointed on 24 April 2024
Mrs. Dinh Thi Tram Anh	Member	
Mrs. Truong Thi Nguyet Hoa	Member	Resigned from the position of Head of the Board on 24 April 2024
Mr. Le Van Hung	Member	Appointed on 24 April 2024

**LEGAL REPRESENTATIVE**

The legal representative of the Company during the year and until the preparation of this Financial Statements is Mr Nguyen Dinh Khai – General Director

**AUDITORS**

The auditors of the AASC Limited have taken the audit of the Financial Statements for the Company.

**STATEMENT OF THE BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS**

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

**Central Pharmaceutical Joint Stock Company No. 3**

No. 16, Le Dai Hanh Street, Minh Khai Ward, Hong Bang District, Hai Phong City

- ▶ Establish and maintain an internal control system which is determined necessary by the Board of Directors and Board of Management to ensure the preparation and presentation of Financial Statements do not contain any material misstatement caused by errors or frauds;
- ▶ Select suitable accounting policies and then apply them consistently;
- ▶ Make judgments 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;
- ▶ Prepare the Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements;
- ▶ Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Financial Statements comply with the registered accounting system. It is 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 Board of Management confirms that the Financial Statements give a true and fair view of the financial position at 31 December 2024, its operation results and cash flows in the year 2024 of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

**Other commitments**

The Board of Management pledges that the Company complies with Decree No. 155/2020/ND-CP dated 31 December 2020 on detailing and guiding the implementation of a number of articles of the Law on Securities and the Company does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance guiding the disclosure of information on Securities Market and the Circular No. 68/2024/TT-BTC dated 18 September 2024 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 96/2020/TT-BTC.

On behalf of the Board of Management



**Nguyen Dinh Khai**  
General Director

*Hai Phong, 10 March 2025*



No.: 100325.006/BCTC.FIS2

## INDEPENDENT AUDITORS' REPORT

To: Shareholders, the Board of Directors and the Board of Management  
Central Pharmaceutical Joint Stock Company No. 3

We have audited the Financial Statements of Central Pharmaceutical Joint Stock Company No. 3 ("the Company") prepared on 10 March, 2025, from page 05 to page 32, which comprise Statement of financial position as at 31 December 2024, Statement of income, Statement of cash flows and Notes to the financial statements for the fiscal year ended 31 December 2024.

### *Board of Management's Responsibility*

The Board of Management is responsible for the preparation and presentation of Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements and for such internal control as directors determines is necessary to enable the preparation and presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards and ethical requirements; 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 auditor's 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 auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of 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.

### *Auditor's opinion*

In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position of Central Pharmaceutical Joint Stock Company No. 3 as at 31 December 2024, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.



**Do Manh Cuong**  
Deputy General Director  
Registered Auditor No.  
0744-2023-002-1

Hanoi, 10 March 2025

**Tran Quang Thang**  
Auditor  
Registered Auditor No.  
5166-2025-002-1

**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2024

Code	ASSETS	Note	31/12/2024	01/01/2024
			VND	VND
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>433,326,056,406</b>	<b>383,751,633,053</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>		<b>13,706,392,977</b>	<b>5,374,911,891</b>
111	1. Cash	3	13,706,392,977	5,374,911,891
<b>120</b>	<b>II. Short-term investment</b>		<b>327,986,523,288</b>	<b>301,000,000,000</b>
123	1. Short-term held to maturity	4	327,986,523,288	301,000,000,000
<b>130</b>	<b>III. Short-term receivables</b>		<b>47,209,658,306</b>	<b>24,463,423,795</b>
131	1. Short-term trade receivables	5	34,817,116,489	17,061,372,281
132	2. Short-term advances to suppliers	6	8,037,133,651	1,648,805,392
136	3. Other short-term receivables	7	4,327,927,404	5,723,246,426
139	4. Assets shortage awaiting resolution		27,480,762	29,999,696
<b>140</b>	<b>IV. Inventories</b>		<b>43,925,451,811</b>	<b>52,331,525,699</b>
141	1. Inventories	8	43,925,451,811	52,331,525,699
<b>150</b>	<b>V. Other current assets</b>		<b>498,030,024</b>	<b>581,771,668</b>
151	1. Short-term prepaid expenses	9	222,422,551	247,032,632
152	2. VAT deductibles		-	201,018,131
153	3. Tax and other receivables from the State	18	275,607,473	133,720,905
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>174,450,654,183</b>	<b>186,874,839,893</b>
<b>220</b>	<b>I. Fixed assets</b>		<b>139,826,921,768</b>	<b>151,127,633,070</b>
221	1. Tangible fixed assets	10	119,625,437,011	130,846,148,309
222	- Cost		236,284,459,332	235,970,029,534
223	- Accumulated depreciation		(116,659,022,321)	(105,123,881,225)
227	2. Intangible fixed assets	11	20,201,484,757	20,281,484,761
228	- Cost		20,461,484,770	20,461,484,770
229	- Accumulated depreciation		(260,000,013)	(180,000,009)
<b>240</b>	<b>II. Long-term assets in progress</b>		<b>120,000,000</b>	<b>401,111,111</b>
242	1. Construction in-progress	12	120,000,000	401,111,111
<b>260</b>	<b>III. Other non-current assets</b>		<b>34,503,732,415</b>	<b>35,346,095,712</b>
261	1. Long-term prepaid expenses	9	34,503,732,415	35,346,095,712
<b>270</b>	<b>TOTAL ASSETS</b>		<b>607,776,710,589</b>	<b>570,626,472,946</b>



STATEMENT OF INCOME  
Year 2024

Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
01	1. Gross revenue from goods sold and services rendered	21	422,590,077,558	418,230,694,826
02	2. Less deductions	22	5,104,639,320	8,499,870,884
10	3. Net revenue from goods sold and services rendered		417,485,438,238	409,730,823,942
11	4. Cost of goods sold and services	23	141,431,610,499	128,228,010,323
20	5. Gross profit from goods sold and services rendered		276,053,827,739	281,502,813,619
21	6. Financial income	24	15,485,974,574	21,665,604,670
22	7. Financial expenses	25	318,376,522	1,909,352,696
23	<i>In which: Interest expense</i>		161,504,879	1,594,332,407
25	8. Selling expenses	26	94,074,644,645	74,224,304,561
26	9. General administrative expenses	27	45,297,445,519	70,393,949,411
30	10. Operating profit		151,849,335,627	156,640,811,621
31	11. Other income	28	1,053,628,841	1,098,369,393
32	12. Other expenses	29	987,944,039	735,922,745
40	13. Other profit		65,684,802	362,446,648
50	14. Accounting profit before tax		151,915,020,429	157,003,258,269
51	15. Corporate income tax - current	30	30,743,441,846	31,739,887,429
52	16. Corporate income tax - deferred		-	-
60	17. Net profit after tax		121,171,578,583	125,263,370,840
70	18. EPS	31	5,636	5,826



Tran Thi Ha Thu  
Preparer



Tran Thi Ha Thu  
Chief Accountant



Nguyen Dinh Khai  
General Director

Hai Phong, 10 March 2025

**STATEMENT OF CASH FLOWS**  
 Year 2024  
 (Indirect method)

Code	ITEMS	Note	Year 2024	Year 2023
			VND	(Restatement) VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	<b>1. Profit before tax</b>		<b>151,915,020,429</b>	<b>157,003,258,269</b>
	<b>2. Adjustments for:</b>			
02	Depreciation and amortization		12,940,560,389	13,979,664,995
04	(Gains) on exchange differences at the year-end		(274,743)	(720,198)
05	(Gains) from investment activities		(15,492,031,556)	(21,682,856,586)
06	Interest expense		161,504,879	1,594,332,407
08	<b>3. Profit from operating activities before changes in working capital</b>		<b>149,524,779,398</b>	<b>150,893,678,887</b>
09	(Increase)/Decrease in receivables		(24,076,324,916)	13,163,256,058
10	Decrease in inventories		8,406,073,888	17,503,598,468
11	(Decrease) in payables (excluding interest payables/CIT payables)		(10,858,523,317)	(414,906,542)
12	Decrease in prepaid expenses		866,973,378	1,211,013,254
14	Interest paid		(188,495,290)	(1,567,341,996)
15	Corporate income tax paid		(31,739,887,429)	(27,665,470,528)
17	Other payments on operating activities		(17,300,000)	(22,200,000)
20	<b>Net cash inflow from operating activities</b>		<b>91,917,295,712</b>	<b>153,101,627,601</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	1. Purchase of fixed assets and other long-term assets		(1,464,948,085)	(6,403,024,818)
22	2. Proceeds from disposals of fixed assets and long-term assets		269,413,477	1,824,436,644
23	3. Loans granted, purchases of debt instruments of other entities		(619,786,523,288)	(590,703,000,000)
24	4. Collection of loans, proceeds from sales of debt instruments		592,800,000,000	475,081,000,000
27	5. Interest, dividends and profit received		16,851,955,627	17,520,674,169
30	<b>Net cash outflow from investing activities</b>		<b>(11,330,102,269)</b>	<b>(102,679,914,005)</b>

**STATEMENT OF CASH FLOWS**

Year 2024  
(Continued)

Code	ITEMS	Note	Year 2024	Year 2023
			VND	(Restatement) VND
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
33	1. Proceeds from borrowings		10,100,000,000	15,110,000,000
34	2. Repayment of borrowings		(17,875,000,000)	(12,565,000,000)
36	3. Dividends paid		(64,480,987,100)	(68,698,361,400)
40	<b>Net cash outflow from financing activities</b>		<b>(72,255,987,100)</b>	<b>(66,153,361,400)</b>
50	<b>Net cash flows in the year</b>		<b>8,331,206,343</b>	<b>(15,731,647,804)</b>
60	<b>Cash and cash equivalents at beginning of the year</b>	3	<b>5,374,911,891</b>	<b>21,105,839,497</b>
61	Impact of exchange differences		274,743	720,198
70	<b>Cash and equivalents at the year-end</b>	3	<b>13,706,392,977</b>	<b>5,374,911,891</b>

Tran Thi Ha Thu  
Preparer

Hai Phong, 10 March 2025

Tran Thi Ha Thu  
Chief Accountant



Nguyen Dinh Khai  
General Director

NOTES TO THE FINANCIAL STATEMENTS  
Year 2024

1. GENERAL INFORMATION

**Form of ownership**

Central Pharmaceutical Joint Stock Company No. 3 ("the Company") originated as Central Pharmaceutical Enterprise No. 3 under the Vietnam Pharmaceutical Corporation and was transformed a joint-stock company pursuant to Decision No. 4688/2003/QĐ-BYT dated 01 September 2003 issued by the Minister of Health. The Company currently operates under the Business Registration Certificate for Joint Stock Companies No. 0203000632 issued on 01 December 2003 by the Department of Planning and Investment of Hải Phòng City, with its 13<sup>th</sup> amendment dated 26 July 2023.

The Company's headquarter is at No. 16, Le Dai Hanh Street, Minh Khai Ward, Hong Bang District, Hai Phong City.

Charter capital of the company at 31/12/2024 is VND 214,999,330,000, equivalent to 21,499,933 shares, par value of 1 share is VND 10,000.

The total number of employees of the Company as at 31/12/2024 is 221 peoples (as at 01/01/2024 is 287 peoples).

**Business field**

The Company operates in the production, trading of medicines, and commercial services.

**Business activities**

The Company's main business activities include:

- ▶ Manufacturing and trading pharmaceuticals, chemicals, cosmetics, and nutritional supplements.
- ▶ Trading, cultivating, and processing medicinal herbs.
- ▶ Trading medical machinery and equipment.

**The Company's operation in the year that affects the Financial Statements**

The Company continues remaining a reduction in personnel costs and general management costs from the end of 2023, along with the dissolution of the branch in Can Tho, resulting in a 36% decrease in the Company's corporate management costs compared to the previous year. However, during the year the Company promoted advertising more than the previous year to maintain and improve sales volume in the year-end period. This caused selling expenses to increase by 26% during the year. In addition, due to the impact of increased raw material prices, this year's gross profit decreased by 2% compared to last year.

**The Corporate's dependent units**

<u>No</u>	<u>The Company's member entities</u>	<u>Address</u>	<u>Main business activities</u>
1	Branch in Ha Noi	Plot No. 6 - Row B - Lot TT5B - Project Southwest of Linh Dam Lake - Hoang Liet Ward - Hoang Mai District - Hanoi.	Business in pharmaceuticals and commercial services.
2	Branch in Ho Chi Minh City	Room 1, Ground Floor, 1st Floor, 90/14 Tran Van On Street, Tan Son Nhi Ward, Tan Phu District, Ho Chi Minh City.	Business in pharmaceuticals and commercial services.

<u>No</u>	<u>The Company's member entities</u>	<u>Address</u>	<u>Main business activities</u>
3	Branch in Hai Phong (*)	No. 16, Le Dai Hanh Street, Minh Khai Ward, Hong Bang District, Hai Phong City	Business in pharmaceuticals and commercial services.
4	Branch in Da Nang	No. 05-BT7 Hong Thai Street (Trung Nghia Residential Area), Hoa Minh Ward, Lien Chieu District, Da Nang City	Business in pharmaceuticals and commercial services.
5	Nam Son Factory	No. 28, 351 Street, Nam Son Commune, An Duong District, Hai Phong City	Pharmaceutical manufacturing.
6	Trang Due Factory	Lot N1-2 Trang Due Industrial Park, Hong Phong, An Duong, Hai Phong	Pharmaceutical manufacturing.

(\*) On 26 December 2024, the Company's Board of Directors issued Resolution No. 1512/NQ-HDQT on terminating the operations of the Company's Hai Phong Branch from 01/01/2025. The Company is carrying out procedures to terminate the Branch's operations according to current legal regulations.

## **2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY**

### **2.1 Accounting period and accounting currency**

Annual accounting period commences from 01 January and ends as at 31 December. The Company maintains its accounting records in Vietnam Dong (VND).

### **2.2 Standards and Applicable Accounting Policies**

#### *Applicable Accounting Policies*

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

#### *Declaration of compliance with Accounting Standards and Accounting System*

The Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. The Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

### **2.3 Basis for preparation of the Financial Statements**

The Financial Statements are presented based on historical cost principle.

The Financial Statements of the Company are prepared based on summarization of the financial statements of the independent accounting entities and the head office of the Company.

### **2.4 Accounting estimates**

The preparation of Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the date of the

separate financial statements and the reported amounts of revenues and expenses during the fiscal year.

The estimates and assumptions that have a material impact in the Financial Statements include:

- ▶ Provision for bad debts;
- ▶ Provision for devaluation of inventory;
- ▶ Estimated useful life of fixed assets
- ▶ Estimated allocation of prepaid expenses.
- ▶ Classification and provision of financial investments;
- ▶ Estimated income tax.

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are assessed by the Board of Management to be reasonable under the circumstances.

## **2.5 Financial Instruments**

### *Initial recognition*

#### Financial assets

Financial assets of the Company include cash, trade receivables, other receivables, lending loans. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

#### Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

### *Subsequent measurement after initial recognition*

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No.210/2009/TT-BTC and prevailing statutory regulations require to present Financial statements and Notes to financial instruments but not provide any relevant instruction for assessment and recognition of fair value of financial assets and financial liabilities.

## **2.6 Foreign currency transactions**

Foreign currency transactions during the year are translated into Vietnam Dong using the actual rate at transaction date.

Actual exchange rate when revaluing monetary items denominated in foreign currencies at the reporting date of Financial Statements is determined under the following principles:

- ▶ For asset accounts, applying the bid rate of the commercial bank where the Company regularly conducts transaction;
- ▶ For cash deposited in bank, applying the bid rate of the commercial bank where the Company opens its foreign currency accounts;
- ▶ For liability accounts, applying the offer rate of the commercial bank where the Company regularly conducts transactions.

All exchange differences arising as a result of transactions or revaluation at the balance sheet date shall be recorded into the financial income or expense in the year.

## **2.7 Cash**

Cash comprises cash on hand and demand deposits.

## **2.8 Financial investments**

*Investments held to maturity* comprise term deposits held to maturity to earn profits periodically. Provision for devaluation of held to maturity is made at the end of the year, based on the recovery capacity to be made provision for bad debt in accordance with statutory regulations.

## **2.9 Receivables**

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company. The receivables shall be classified into short-term receivables or long-term receivables on the financial statements according to their remaining terms at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing or estimating the possible losses.

## **2.10 Inventories**

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

Net realizable value is estimated based on the selling price of the inventory minus the estimated costs for completing the products and the estimated costs needed for their consumption.

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual method.

The value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the year.

Provision for devaluation of inventories made at the end of the year is based on the excess of original cost of inventory over their net realizable value.

## **2.11 Fixed assets**

Fixed assets (tangible and intangible) are initially started at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation amortization and carrying amount.

### *Subsequent measurement after initial recognition*

If these costs aument future economic benefits obtained from the use of tangible fixed assets are extended to their initial standards conditions, these costs are capitalized as an incremental in their historical cost.

Other costs incurred after tangible fixed assets have been put into operation such as repair, maintenance and overhaul costs are recognized in the Statement of Income in the year in which the costs are incurred.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

- ▶ Buildings, structures 05 – 30 years

▶ Machinery, equipment	03 – 10 years
▶ Vehicle, transportation equipment	06 – 10 years
▶ Office equipment and furniture	03 – 05 years
▶ Other tangible fixed assets	03 – 05 years
▶ Land use rights	No depreciation
▶ Management software	10 years

### **2.12 Construction in progress**

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs.

### **2.13 Operating lease**

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to Statement of Income on a straight-line basis over the period of the lease.

### **2.14 Prepaid expenses**

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Types of prepaid expenses include:

- ▶ Prepaid land expenses include prepaid land rental, including those related to leased land for which the Company has received certificate of land use right but not eligible for recording as intangible fixed asset in accordance with the Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance guiding regulation on management, use and depreciation of fixed assets and other expenses related to ensure for the use of leased land. These expenses are recognized in the statement of income on a straight-line basis according to the lease term of the contract.
- ▶ Tools and supplies include assets which are possessed by the Company in an ordinary course of business, with historical cost of each asset less than 30 million dong and therefore not eligible for recording as fixed asset under current legal regulations. The historical cost of tools and supplies are allocated on the straight-line basis from 01 to 03 years.
- ▶ Other prepaid expenses are recorded at their historical costs and allocated on the straight-line basis from 01 to 03 years.

### **2.15 Payables**

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company. The payables shall be classified into short-term payables or long-term payables on the financial statements according to their remaining terms at the reporting date.

### **2.16 Borrowings**

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings.

### 2.17 Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs".

Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

### 2.18 Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided to customers during the reporting period, for which payments have not yet been made. These are recorded as operating expenses of the reporting year.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

### 2.19 Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profits appropriation or loss handling of the Company.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Management and announcement of cut-off date for dividend payment of Vietnam Securities Depository and Clearing Corporation

### 2.20 Revenue

Revenue is recognized to extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measures regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales returns. The following specific recognition conditions must also be met when recognizing revenue:

*Revenue from sale of goods:*

- ▶ The majority of risks and benefits associated with the right to own the products or goods have been transferred to the buyer;
- ▶ The company no longer holds the right to manage the goods as the goods owner, or the right to control the goods;

*Revenue from rendering of services:*

- ▶ The percentage of completion of the transaction at the Balance sheet date can be measured reliably.

*Financial income*

Financial incomes include income from assets yielding interest, royalties, dividends and other financial gains by the company shall be recognised when the two conditions are satisfied:

- ▶ It is probable that the economic benefits associated with the transaction will flow to the Company; and
- ▶ The amount of the revenue can be measured reliably.

### **2.21 Revenue deductions**

Revenue deductions from sales of goods and rendering of services arising in the year include: Trade discounts, sales discounts and sales returns.

Trade discount, sales discount and sales return incurred in the same period of sale of goods and rendering of services are recorded as a decrease in revenue in the incurring period.

In case goods and services are sold in the previous periods, but until the next period they are incurred as deductible items, the Company records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Financial Statements, it is then recorded as a decrease in revenue on the Financial Statements of the reporting period (the previous period); and if it is incurred after the issuance of Financial Statements, it is recorded as a decrease in revenue of incurring period (the next period).

### **2.22 Cost of services rendered**

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis. Cases of loss of materials and goods exceeded the norm, labour cost and fixed manufacturing overheads not allocated to the value of inventory, provision for devaluation of inventory, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year even when products and goods have not been determined as sold.

### **2.23 Financial expenses**

Items recorded into financial expenses comprise:

- ▶ Borrowing costs;
- ▶ Payment discounts;
- ▶ Exchange rate difference losses.

The above items are recorded by the total amount arising in the year without offsetting against financial income.

### **2.24 Corporate income tax (CIT)**

#### *a) Current Corporate Income Tax Expenses*

The current Corporate Income Tax ("CIT") expense is determined based on taxable income for the period and the applicable CIT rate for the current accounting period.

#### *b) Tax Incentive Policies*

##### *Trang Due Factory*

According to Investment Registration Certificate No. 6483048176 issued by the Hai Phong Economic Zone Authority on July 9, 2019, the project's objective is to construct a manufacturing plant for pharmaceuticals, functional foods, and chemical-cosmetic products on an investment scale of 18,455.5 m<sup>2</sup> in the Trang Due Industrial Zone. The company is entitled to a CIT rate of 10% for 15 years from the first year the investment project generates revenue. Additionally, the company is exempt from CIT for four years starting from the first year the investment project generates taxable income and receives a 50% reduction in payable CIT for the subsequent nine years (or starting from the fourth year if the company does not generate taxable income in the first three years).

Year 2021 marked the first year the project generated revenue; however, at the end 2024, the project has not yet generated taxable income to qualify for these tax incentives.

*c) Current Corporate Income Tax Rate*

The company is currently applying a CIT rate of 20% in the fiscal year ending 31 December 2024, for production and business activities generating taxable corporate income.

**2.25 Basic earnings per share**

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

**2.26 Related Parties**

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Company's related parties include:

- ▶ Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- ▶ Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- ▶ Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Financial Statements, the Company consider the nature of the relationship, not just the legal form of the relationship.

**2.27 Segment information**

The main business activities of the Company are the production and trading of pharmaceuticals, which primarily take place within Vietnam. Therefore, the Company does not prepare segment reporting by business segment or geographical segment.

**3. Cash**

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	239,215,271	611,336,625
Cash at bank	13,467,177,706	4,763,575,266
	<b>13,706,392,977</b>	<b>5,374,911,891</b>

**4. Held to maturity investments**

	31/12/2024		01/01/2024	
	Original cost VND	Provision VND	Original cost VND	Provision VND
Term deposit	327,986,523,288	-	301,000,000,000	-
	<b>327,986,523,288</b>	<b>-</b>	<b>301,000,000,000</b>	<b>-</b>

Year-end balance includes term deposits of 6 to 12 months deposited at commercial banks with interest rates from 4.3%/year - 6.1%/year.

**5. Short-term trade receivables**

	31/12/2024	01/01/2024
	VND	VND
<b>Other parties</b>		
Dai Bac Company Limited	3,453,700,320	51,122,610
Viet Bach Pharmaceutical Joint Stock Company	1,287,198,000	910,269,360
Pharmacy Pharmaceutical Joint Stock Company	1,392,322,104	795,857,625
FPT Long Chau Pharmaceutical Joint Stock Company	1,415,086,476	570,280,080
Tam Thuan Phat Pharmaceutical and Medical Equipment Company Limited	943,409,250	-
HALI Vietnam Trading & Services Joint Stock Company	230,039,700	782,824,350
Others	26,095,360,639	13,951,018,256
	<b>34,817,116,489</b>	<b>17,061,372,281</b>

**6. Short-term advances to suppliers**

	31/12/2024	01/01/2024
	VND	VND
<b>Other parties</b>		
MPM Equipment Joint Stock Company	1,238,985,000	1,238,985,000
Goldsun Company Limited	2,000,000,000	-
Note Group Joint Stock Company	1,200,000,000	-
Others	3,598,148,651	409,820,392
	<b>8,037,133,651</b>	<b>1,648,805,392</b>

**7. Other short-term receivables**

	31/12/2024	01/01/2024
	VND	VND
<b>a) Details by content</b>		
Interest receivables	4,199,484,881	5,588,706,849
Mortgages	64,320,627	134,539,577
Others	64,121,896	-
	<b>4,327,927,404</b>	<b>5,723,246,426</b>
<b>b) Details by object</b>		
<b>Other parties</b>		
Vietnam Prosperity Joint Stock Commercial Bank - Hai Phong Branch	2,336,202,689	4,789,747,945
Bao Viet Joint Stock Commercial Bank - Hai Phong Branch	1,830,372,603	479,397,260
Others	161,352,112	454,101,221
	<b>4,327,927,404</b>	<b>5,723,246,426</b>

**8. Inventories**

	31/12/2024	01/01/2024
	VND	VND
Raw material	25,284,752,821	32,823,231,266
Tools, supplies	-	15,147,027
Work in progress	5,307,782,086	2,656,940,881
Finished goods	13,062,654,337	16,448,246,004
Merchandise	270,262,567	387,960,521
	<b>43,925,451,811</b>	<b>52,331,525,699</b>

**9. Prepaid expenses**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>		
Tools and equipment	14,737,400	16,371,170
Others	207,685,151	230,661,462
	<b>222,422,551</b>	<b>247,032,632</b>
<b>Long-term</b>		
Infrastructure leasing expense for Trang Due Factory project (*)	33,515,363,125	34,360,288,246
Tools and equipment	811,674,956	941,904,949
Others	176,694,333	43,902,517
	<b>34,503,732,414</b>	<b>35,346,095,712</b>

(\*) The land lease and infrastructure costs at Lot N1-2, Trang Due Industrial Park, Dinh Vu - Cat Hai Economic Zone, Hong Phong Commune, An Duong District, Hai Phong City, covering an area of 18,455.5 m<sup>2</sup>, are governed by Contract No. 102/HDTD&CSHT-TD/2018 dated 27 December 2018, between the Company and Saigon - Hai Phong Industrial Park Joint Stock Company.

The lease term is from the signing date of the contract until 27 August 2064, for the purpose of implementing the project to build a pharmaceutical manufacturing plant, dietary supplement production, and chemical-cosmetic production. The Company has made one-time advance payment for the entire lease term.

	Buildings, structures	Machinery, equipment	transportation equipment	Tools, equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>Historical cost</b>						
As at 01/01/2024	126,668,350,080	91,310,288,957	12,000,615,393	5,957,775,104	33,000,000	235,970,029,534
Purchase	216,112,037	675,687,900	-	509,259,259	-	1,401,059,196
Completed construction in progress	-	345,000,000	-	-	-	345,000,000
Liquidation, disposal	-	-	(1,431,629,398)	-	-	(1,431,629,398)
<b>As at 31/12/2024</b>	<b>126,884,462,117</b>	<b>92,330,976,857</b>	<b>10,568,985,995</b>	<b>6,467,034,363</b>	<b>33,000,000</b>	<b>236,284,459,332</b>
<b>Accumulated depreciation</b>						
As at 01/01/2024	35,287,495,205	56,729,465,931	8,531,432,572	4,563,689,130	11,798,387	105,123,881,225
Depreciation	5,033,901,686	6,622,839,320	762,681,216	434,538,163	6,600,000	12,860,560,385
Liquidation, disposal	-	-	(1,325,419,289)	-	-	(1,325,419,289)
<b>As at 31/12/2024</b>	<b>40,321,396,891</b>	<b>63,352,305,251</b>	<b>7,968,694,499</b>	<b>4,998,227,293</b>	<b>18,398,387</b>	<b>116,659,022,321</b>
<b>Net carrying amount</b>						
As at 01/01/2024	91,380,854,875	34,580,823,026	3,469,182,821	1,394,085,974	21,201,613	130,846,148,309
<b>As at 31/12/2024</b>	<b>86,563,065,226</b>	<b>28,978,671,606</b>	<b>2,600,291,496</b>	<b>1,468,807,070</b>	<b>14,601,613</b>	<b>119,625,437,011</b>

Cost of fully depreciated tangible fixed assets but still in use at the end of the period is VND 54,141,080,142.

**11. Intangible fixed assets**

	Land use right (*) VND	Computer software VND	Total VND
<b>Historical cost</b>			
As at 01/01/2024	19,661,484,770	800,000,000	20,461,484,770
<b>As at 31/12/2024</b>	<b>19,661,484,770</b>	<b>800,000,000</b>	<b>20,461,484,770</b>
<b>Accumulated amortization</b>			
As at 01/01/2024	-	180,000,009	180,000,009
Amortization	-	80,000,004	80,000,004
<b>As at 31/12/2024</b>	<b>-</b>	<b>260,000,013</b>	<b>260,000,013</b>
<b>Net carrying amount</b>			
As at 01/01/2024	19,661,484,770	619,999,991	20,281,484,761
<b>As at 31/12/2024</b>	<b>19,661,484,770</b>	<b>539,999,987</b>	<b>20,201,484,757</b>

(\*) The Company's land use rights without specified term include:

No	Land use rights	Original cost (VND)
1	Plot No. 6, Block B, Lot TT5B, South West Linh Dam Lake Project, Hoang Liet Ward, Hoang Mai District, Hanoi City.	3,057,600,000
2	90/14 Tran Van On, Tan Son Nhi Ward, Tan Phu District, Ho Chi Minh City.	1,399,472,000
3	Trung Nghia Residential Area, Hoa Minh Ward, Lien Chieu District, Da Nang City.	1,356,805,700
4	The land plot at the Resettlement Area Hung Phu 1, Hung Phu Ward, Cai Rang District, Can Tho City.	13,847,607,070
		<b>19,661,484,770</b>

**12. Construction in progress**

	31/12/2024 VND	01/01/2024 VND
Design costs for the Office Building project in Can Tho	120,000,000	120,000,000
Wastewater Tank Construction Project	-	281,111,111
	<b>120,000,000</b>	<b>401,111,111</b>

**13. Short-term trade payables**

	31/12/2024	01/01/2024
	VND	VND
<b>Other parties</b>		
Duc Thanh Packaging Manufacturing and Trading Company Limited	2,493,999,180	1,648,926,217
WINMEDIA Joint Stock Company	531,000,000	252,000,000
Giang Ha Anh Company Limited	357,527,520	959,814,576
Thien Hy Long Vietnam Information Technology and Communications Joint Stock Company	137,600,000	883,588,608
Zhongshan Jianhe Traditional Chinese Medicine Company Limited	-	794,775,083
Others	4,121,624,160	11,155,967,644
	<b><u>7,641,750,860</u></b>	<b><u>15,695,072,128</u></b>

**14. Short-term advances from customers**

	31/12/2024	01/01/2024
	VND	VND
<b>Other parties</b>		
Hoa Phat Pharmaceutical Joint Stock Company	500,000,000	886,000,000
GOTO Viet Nam Pharmaceutical Company Limited	120,000,000	150,000,000
Others	180,083,736	290,778,695
	<b><u>800,083,736</u></b>	<b><u>1,326,778,695</u></b>

**15. Short-term accrued expenses**

	31/12/2024	01/01/2024
	VND	VND
Bonus expenses for customers and distributors	1,270,875,647	475,807,036
Accrued land rental expenses	3,081,576,960	4,112,190,720
Others	2,374,649,782	125,723,467
	<b><u>6,727,102,389</u></b>	<b><u>4,713,721,223</u></b>

16. Other short-term payables

	31/12/2024	01/01/2024
	VND	VND
<b>a) Details by content</b>		
Excess assets awaiting resolution	226,388,041	374,940,465
Trade union funds	172,658,592	207,042,264
Short-term deposits and bets received	187,231,000	400,465,000
Dividends, profits payable (Note 19)	375,777,250	356,965,350
Interest payable on loans	-	26,990,411
Payable remuneration to the Board of Directors and the Board of Supervisory	2,350,000,000	2,350,000,000
Others	99,909,913	62,313,790
	<b>3,411,964,796</b>	<b>3,778,717,280</b>
<b>b) Details by object</b>		
Shareholders	375,777,250	356,965,350
Board of Directors and Board of Supervisory	2,350,000,000	2,350,000,000
- Mr. Bui Xuan Huong	545,454,544	545,454,544
- Mrs. Lu Thi Khanh Tran	363,636,364	-
- Mr. Le Van Hung	363,636,364	100,000,000
- Mr. Nguyen Dinh Khai	363,636,364	363,636,364
- Mr. Dinh Van Cuong	363,636,364	363,636,364
- Mrs. Bui Thi Hat	150,000,000	-
- Mrs. Truong Thi Nguyet Hoa	100,000,000	150,000,000
- Mrs. Dinh Thi Tram Anh	100,000,000	100,000,000
- Others	-	727,272,728
Others	686,187,546	1,071,751,930
	<b>3,411,964,796</b>	<b>3,778,717,280</b>

17. Loans

	01/01/2024	Year 2024		31/12/2024
	Book value	Increase	Decrease	Book value
	VND	VND	VND	VND
<b>a) Short-term</b>				
<b>Short-term</b>	<b>6,250,000,000</b>	<b>10,100,000,000</b>	<b>16,350,000,000</b>	-
- Personal loan	6,250,000,000	10,100,000,000	16,350,000,000	-
<b>Long-term loans due for repayment</b>	<b>550,000,000</b>	-	<b>550,000,000</b>	-
- Personal loan	550,000,000	-	550,000,000	-
	-	-	-	-
	<b>6,800,000,000</b>	<b>10,100,000,000</b>	<b>16,900,000,000</b>	-
<b>b) Long-term</b>				
- Personal loan	1,525,000,000	-	1,525,000,000	-
	<b>1,525,000,000</b>	-	<b>1,525,000,000</b>	-
Maturity within next 12	(550,000,000)	-	(550,000,000)	-
Maturity after 12 months	<b>975,000,000</b>	-	-	-

## 18. Taxes and amounts receivable/payable to the State

	01/01/2024		Year 2024		31/12/2024	
	Receivables VND	Payables VND	Payables VND	Actual payment VND	Receivables VND	Payables VND
Value-added tax	-	431,189,939	9,528,163,530	9,656,197,599	325,705	303,481,575
Corporate income tax	-	14,239,887,429	30,743,441,846	31,739,887,429	-	13,243,441,846
Personal income tax	133,720,905	227,227,585	4,364,130,338	4,273,649,418	275,281,768	459,269,368
Land tax and land rental	-	-	80,149,152	80,149,152	-	-
Other fees	-	-	7,000,000	7,000,000	-	-
	<b>133,720,905</b>	<b>14,898,304,953</b>	<b>44,722,884,866</b>	<b>45,756,883,598</b>	<b>275,607,473</b>	<b>14,006,192,789</b>

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the Financial Statements could be changed at a later date upon final determination by the tax authorities.

## 19. Owners' equity

## a) Changes in owner's equity

	As at 01/01/2023		Development investment fund		Retained earnings		Total	
	Contributed capital VND	Share premium VND	Share premium VND	Development investment fund VND	Retained earnings VND	Retained earnings VND	Total VND	Total VND
As at 01/01/2023	86,000,000,000	97,658,827,900	97,658,827,900	39,257,279,583	194,533,816,572	194,533,816,572	417,449,924,055	417,449,924,055
Profit of the previous year	-	-	-	-	125,263,370,840	125,263,370,840	125,263,370,840	125,263,370,840
Increase of capital	128,999,330,000	(97,658,827,900)	(97,658,827,900)	-	(31,340,502,100)	(31,340,502,100)	-	-
Distribution of profit	-	-	-	10,882,421,052	(85,123,631,578)	(85,123,631,578)	(74,241,210,526)	(74,241,210,526)
As at 31/12/2023	214,999,330,000	-	-	50,139,700,635	203,333,053,734	203,333,053,734	468,472,084,369	468,472,084,369
Profit of the current year	-	-	-	-	121,171,578,583	121,171,578,583	121,171,578,583	121,171,578,583
Distribution of profit (*)	-	-	-	12,526,337,084	(83,289,304,626)	(83,289,304,626)	(70,762,967,542)	(70,762,967,542)
As at 31/12/2024	214,999,330,000	-	-	62,666,037,719	241,215,327,691	241,215,327,691	518,880,695,410	518,880,695,410

(\*) According to the Resolution of the 2024 Annual General Meeting of Shareholders No. 521/2024/NQ-DHDCD dated 24 April 2024, the Company announced the profit distribution in 2023 as follows:

	Rate %	Amount VND
Net Profit after tax	100.00%	125,263,370,840
Development Investment Fund	10.00%	12,526,337,084
Bonus and Welfare fund	5.00%	6,263,168,542
Dividend payment (30% of Contributed charter capital)	51.49%	64,499,799,000
Retained earnings	33.51%	41,974,066,214
	<b>100%</b>	<b>125,263,370,840</b>

**b) Details of Contributed capital**

	31/12/2024		01/01/2024	
	VND	Rate	VND	Rate
Vietnam Pharmaceutical Group - Joint Stock Company	47,460,870,000	22.07	47,460,870,000	22.07
Bui Xuan Huong	13,718,000,000	6.38	13,718,000,000	6.38
Dinh Van Cuong	11,991,700,000	5.58	11,991,700,000	5.58
Nguyen Dinh Khai	31,508,500,000	14.66	31,508,500,000	14.66
Le Van Hung	9,620,620,000	4.47	9,620,620,000	4.47
Le Thanh Thuy	20,863,320,000	9.70	14,050,000	0.0065
Others	79,836,320,000	37.14	100,685,590,000	46.83
	<b>214,999,330,000</b>	<b>100.00</b>	<b>214,999,330,000</b>	<b>100.00</b>

**c) Capital transactions with owners and distribution of dividends and profits**

	Year 2024 VND	Year 2023 VND
Owner's contributed capital		
- At the beginning of the year	214,999,330,000	86,000,000,000
- Increase in the year	-	128,999,330,000
- <b>At the end of the year</b>	<b>214,999,330,000</b>	<b>214,999,330,000</b>
Distributed dividends and profit		
- Distributed dividends payable at the beginning of the year	356,965,350	255,326,750
- Distributed dividends payable in the year	64,499,799,000	68,800,000,000
+ Dividend payment from last year's profit	64,499,799,000	68,800,000,000
- Distributed dividends paid	(64,480,987,100)	(68,698,361,400)
+ Dividend payment from last year's profit	(64,480,987,100)	(68,698,361,400)
<b>Ending balance of this year</b>	<b>375,777,250</b>	<b>356,965,350</b>

**d) Share**

	31/12/2024 Share	01/01/2024 Share
Quantity of Authorized issuing shares	21,499,933	21,499,933
Quantity of issued shares	21,499,933	21,499,933
- Common shares	21,499,933	21,499,933
Quantity of outstanding shares in circulation	21,499,933	21,499,933
- Common shares	21,499,933	21,499,933
Par value per share (VND/share)	10,000	10,000

**20. Off Statement of Financial Position Items**

**a) Operating leased assets**

In addition to the land lease contract mentioned in Note 9, the Company has also signed annual land lease contracts in Hai Phong City for use as office space, a manufacturing plant, and a branch in Hai Phong. The total leased area is 11,232 m<sup>2</sup>. Under these contracts, the Company is required to pay annual land lease fees until the contract expires, in accordance with current legal regulations.

**b) Foreign currencies**

	31/12/2024	01/01/2024
USD	3,391.89	3,391.89

**c) Bad debts written-off**

	31/12/2024	01/01/2024
	VND	VND
Bad debts written off according to the General Shareholders' Meeting Resolution.	810,672,899	810,672,899

**21. Net revenue from goods sold and services rendered**

	Year 2024	Year 2023
	VND	VND
Revenue from the sale of finished goods, merchandise, and services rendered.	422,590,077,558	418,230,694,826
	<b>422,590,077,558</b>	<b>418,230,694,826</b>

**22. Revenue deductions**

	Year 2024	Year 2023
	VND	VND
Trade discounts	4,891,596,607	6,264,849,355
Sale returns	213,042,713	2,234,935,209
Sale discounts	-	86,320
	<b>5,104,639,320</b>	<b>8,499,870,884</b>

**23. Cost of goods sold and services rendered**

	Year 2024	Year 2023
	VND	VND
Cost of goods sold and services rendered	141,431,610,499	128,228,010,323
	<b>141,431,610,499</b>	<b>128,228,010,323</b>

**24. Financial income**

	Year 2024	Year 2023
	VND	VND
Interest income	15,462,733,659	21,664,816,634
Gain on exchange difference in the year	22,966,172	67,838
Gain on exchange difference at the year - end	274,743	720,198
	<b>15,485,974,574</b>	<b>21,665,604,670</b>

**25. Financial expenses**

	Year 2024	Year 2023
	VND	VND
Interest expense	161,504,879	1,594,332,407
Payment discount	-	299,192,340
Loss on exchange difference in the year	156,871,643	15,827,949
	<b>318,376,522</b>	<b>1,909,352,696</b>

**26. Selling expenses**

	Year 2024	Year 2023
	VND	VND
Labor	14,192,092,177	22,899,601,823
Raw material	967,656,374	1,196,079,956
Depreciation and amortization	352,969,404	479,576,586
External services	75,824,181,998	43,186,176,414
- Advertising expenses	71,076,579,293	38,170,872,776
- Others	919,958,697	5,015,303,638
Others by cash	2,737,744,692	6,462,869,782
	<b>94,074,644,645</b>	<b>74,224,304,561</b>

**27. General administrative expenses**

	Year 2024	Year 2023
	VND	VND
Labor	30,057,391,902	44,684,577,420
Material	1,648,890,176	2,454,844,879
Depreciation and amortization	3,090,321,347	3,451,658,789
Taxes, fees and charges	665,296,982	680,260,264
External services	5,403,780,598	7,245,261,999
Others by cash	4,431,764,514	11,877,346,060
	<b>45,297,445,519</b>	<b>70,393,949,411</b>
<b>In which, expenses to related parties (Notes 35)</b>	<b>28,179,317</b>	<b>7,610,356</b>

**28. Other income**

	Year 2024	Year 2023
	VND	VND
Income from rental of parking spaces, vehicle parking, and utilities	308,001,734	403,843,449
Income from sale or disposal of fixed assets	163,203,368	2,279,841
Others	582,423,739	692,246,103
	<b>1,053,628,841</b>	<b>1,098,369,393</b>

29. Other expenses

	Year 2024	Year 2023
	VND	VND
Late payment fines	15,508,662	-
Contract fines	605,135,000	
Others	367,300,377	735,922,745
	<b>987,944,039</b>	<b>735,922,745</b>
<b>In which, expenses to related parties</b> (Notes 35)	<b>-</b>	<b>163,000</b>

30. Current income tax expenses

	Year 2024	Year 2023
	VND	VND
<b>Total profit before tax:</b>	<b>151,915,020,429</b>	<b>157,003,258,269</b>
<b>Adjustment:</b>		
Ineligible expenses	1,802,188,801	1,696,178,877
Taxed income	<u>153,717,209,230</u>	<u>158,699,437,146</u>
In which		
- Income from Trang Due factory	(20,551,811,350)	(3,573,694,963)
- Income from Nam Son factory	174,269,020,580	162,273,132,109
<b>Current corporate income tax (tax rate 20%)</b>	<b>30,743,441,846</b>	<b>31,739,887,429</b>
Adjustment		
Adjustment to CIT of previous years to CIT of this year	-	598,044,986
Opening CIT payable	14,239,887,429	9,567,425,542
CIT paid in the year	(31,739,887,429)	(27,665,470,538)
<b>Closing CIT payable</b>	<b>13,243,441,846</b>	<b>14,239,887,419</b>

31. Basic earnings per share

The calculation of basic earnings per share that can be distributed to ordinary shareholders of the Company is made based on the following figures:

	Year 2024	Year 2023
	VND	VND
Net profit after tax	121,171,578,583	125,263,370,840
Profit distributed to common shares	121,171,578,583	125,263,370,840
Average number of outstanding common shares in circulation in the year	21,499,933	21,499,933
	<b>5,636</b>	<b>5,826</b>

The company has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of Directors from the net profit after tax at the date of preparing Financial Statements.

As at 31 December 2024, the Company does not have shares with dilutive potential for earnings per share.

**32. Business and production costs by items**

	Year 2024	Year 2023
	VND	VND
Raw materials	122,025,992,547	95,731,952,411
Labour expenses	54,736,326,647	80,529,924,035
Depreciation and amortization	12,449,052,747	13,979,664,995
External services	84,014,151,668	51,774,150,321
Others	6,843,426,592	23,462,135,103
	<b><u>280,068,950,201</u></b>	<b><u>265,477,826,865</u></b>

**33. Financial instruments**

**Financial risk management**

Financial risks that the Company may face risks including: market risk, credit risk and liquidity risk.

The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

**Market risk**

The Company may face with the market risk such as: exchange rates and interest rates.

**Exchange rate risk**

The Company bears the risk of interest rates due to the transaction made in a foreign currency other than VND such as: borrowings and debts, revenue, cost, importing materials, good, machinery and equipment, etc.

**Interest rate risk**

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

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**Central Pharmaceutical Joint Stock Company No. 3**No. 16, Le Dai Hanh Street, Minh Khai Ward,  
Hong Bang District, Hai Phong City**Financial Statements**  
For the fiscal year ended 31/12/2024

	Under 1 year VND	1 - 5 years VND	Over 5 years VND	Total VND
<b>31/12/2024</b>				
Cash	13,467,177,706	-	-	13,467,177,706
Trade and other receivables	39,172,524,655	-	-	39,172,524,655
Loans Receivable	327,986,523,288	-	-	327,986,523,288
	<b>380,626,225,649</b>	<b>-</b>	<b>-</b>	<b>380,626,225,649</b>
<b>01/01/2024</b>				
Cash	4,763,575,266	-	-	4,763,575,266
Trade and other receivables	22,784,618,707	-	-	22,784,618,707
Loans Receivable	301,000,000,000	-	-	301,000,000,000
	<b>328,548,193,973</b>	<b>-</b>	<b>-</b>	<b>328,548,193,973</b>

**Liquidity Risk**

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year VND	1 - 5 years VND	Over 5 years VND	Total VND
<b>31/12/2024</b>				
Trade and other payables	11,053,715,656	-	-	11,053,715,656
Accrued expenses	6,727,102,389	-	-	6,727,102,389
	<b>17,780,818,045</b>	<b>-</b>	<b>-</b>	<b>17,780,818,045</b>
<b>01/01/2024</b>				
Borrowing and debts	6,800,000,000	975,000,000	-	7,775,000,000
Trade and other payables	19,473,789,408	-	-	19,473,789,408
Accrued expenses	4,713,721,223	-	-	4,713,721,223
	<b>30,987,510,631</b>	<b>975,000,000</b>	<b>-</b>	<b>31,962,510,631</b>

The Company believes that risk level of loan repayment is low. The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

**34. Subsequent events**

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the financial statements.

**35. Transactions and balances with related parties**

In addition to the information related to the parties disclosed in the above notes, the Company also has transactions during the year with a related party, the Vietnam National Pharmaceutical Group – Joint Stock Company (a shareholder of the Company), as follows:

	Year 2024	Year 2023
	VND	VND
<b>Brand fees</b>	<b>28,179,317</b>	<b>7,610,356</b>
Vietnam Pharmaceutical Group - Joint Stock Company	28,179,317	7,610,356
<b>Other expenses</b>	-	<b>163,000</b>
Vietnam Pharmaceutical Group - Joint Stock Company	-	163,000

The actual income paid of the members of the Board of Directors, the Board of Management, and the Board of Supervisory is as follows:

	Year 2024	Year 2023
	VND	VND
<b>Remuneration of the Board of Directors and the Board of Supervisory</b>	<b>2,350,000,000</b>	<b>2,350,000,000</b>
Mr. Bui Xuan Huong - Chairman of the Board of Directors	545,454,544	545,454,544
Mrs. Lu Thi Khanh Tran - Member of the Board of Directors (appointed on 24 April 2024)	-	-
Mrs. Nguyen Hong Nhung - Member of the Board of Directors (resigned on 24 April 2024)	363,636,364	363,636,364
Mr. Le Van Hung - Member of the Board of Directors (appointed on 24 April 2024)	-	-
Mr. Nguyen Thanh Tuan - Member of the Board of Directors (resigned on 24 April 2024)	363,636,364	363,636,364
Mr. Nguyen Dinh Khai - Member of the Board of Directors	363,636,364	363,636,364
Mr. Dinh Van Cuong - Member of the Board of Directors	363,636,364	363,636,364
Mrs. Bui Thi Hat - Head of the Board of Supervisory (appointed on 24 April 2024)	-	-
Mrs. Truong Thi Nguyet Hoa - Member of the Board of Supervisory (resigned as Head of the Supervisory Board on 24 April 2024)	150,000,000	150,000,000
Mr. Le Van Hung - Member of the Board of Supervisory (resigned on 24 April 2024)	100,000,000	100,000,000
Mrs. Dinh Thi Tram Anh - Member of the Board of Supervisory	100,000,000	100,000,000
<b>Remuneration of the Management (excluding Board of Directors' remuneration)</b>	<b>2,789,164,686</b>	<b>2,673,716,035</b>
Mr. Bui Xuan Huong - Chairman of the Board of Directors	38,000,000	36,000,000
Mr. Nguyen Dinh Khai - General Director	894,168,965	1,249,286,667
Mrs. Bui Thi Loan - Deputy General Director	524,262,483	750,025,744
Mr. Nguyen Thanh Tuan - Deputy General Director (resigned on 08 May 2024)	455,572,795	638,403,624

In addition to the above related parties' transactions, other related parties did not have any transactions during the year and have no balance at the end of the accounting period with the Company.

**36. Comparative figures**

The comparative figures are figures in the Statement of Financial position, Statement of income, and Notes to the financial statements for the fiscal year ended as at 31 December 2023, which was audited by AASC Limited.

In addition, the Cash Flow Statement for the fiscal year ending 31 December 2023 has been prepared and restated by the Company using the indirect method.



**Tran Thi Ha Thu**  
Preparer

*Hai Phong, 10 March 2025*



**Tran Thi Ha Thu**  
Chief Accountant



**Nguyen Dinh Khai**  
General Director

