

PHARBACO CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO1
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Pharbaco Central Pharmaceutical Joint Stock Company No1 (the "Company") submits this report together with the Company's consolidated financial statements for the year ended 31 December 2024.

BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISORY

The members of the Board of Directors, Board of Management and Board of Supervisory of the Company who held office during the year and to the date of this report are as follows:

Board of Directors

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

Board of Management

Mr. To Thanh Hung	Chief Executive Officer
Ms. Nguyen Thi Thu Ha	Deputy Permanent Chief Executive Officer
Ms. Ha Thi Thanh Hoa	Deputy Chief Executive Officer
Ông Nguyễn Văn Quang	Deputy Chief Executive Officer

Board of Supervisory

Ms. Khong Thi Huong Lan	Head of Board
Ms. Phung Thi Nga	Member
Ms. Tang Thi Dieu Linh	Member

Legal representative

The legal representative of the Company during the year and up to the date of this report is Mr. To Thanh Hung - Chief Executive Officer. Mr. To Thanh Hung has authorized the preparation and approval of the Company's consolidated financial statements to Ms. Nguyen Thi Thu Ha (Deputy Permanent Chief Executive Officer) under Authorization No. 01/2021/UQ-PHARBACO dated January 7, 2021.

RESPONSIBILITIES OF THE BOARD OF MANAGEMENT

The Board of Management 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 as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of Management 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 MANAGEMENT (CONTINUED)

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and 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 Management 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 Management confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Management,



Nguyen Thi Thu Ha
Deputy Permanent Chief Executive Officer
Hanoi, March 31, 2025

No.: 033110/2025/BCKT-iCPA

INDEPENDENT AUDITORS' REPORT

To: The shareholders, Board of Directors and Board of Management
Pharbaco Central Pharmaceutical Joint Stock Company No1

We have audited the accompanying consolidated financial statements of Pharbaco Central Pharmaceutical Joint Stock Company No1 (the "Company"), prepared on March 31, 2025 as set out from page 6 to page 40, which comprise the consolidated balance sheet as at 31 December 2024, the consolidated statement of income, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statement.

Responsibilities of the Board of Management

The Board of Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as Board of Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the financial position of the Company as at December 31, 2024, as well as its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with Vietnamese accounting standards, the Vietnamese enterprise accounting system, and relevant legal regulations on the preparation and presentation of consolidated financial statements.



Le Quoc Anh
Deputy General Director
Audit Practising Registration Certificate
No. 3384-2025-072-1
For and on behalf of
International Auditing Company
Limited
Hanoi, March 31, 2025

A blue ink signature of Nguyen Huy Hung.

Nguyen Huy Hung
Auditor
Audit Practising Registration
Certificate No. 2335-2023-072-1

CONSOLIDATED BALANCE SHEET
As at 31 December 2024

Unit: VND

ASSETS	Code	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		777,700,050,219	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 account receivables	130		206,668,011,494	264,773,427,661
1. Short-term trade account receivables	131	V.2	211,124,937,554	161,419,550,035
2. Short-term advances to suppliers	132	V.3	50,768,678,408	107,225,089,554
3. Other short-term receivables	136	V.4a	5,184,498,356	16,323,949,020
4. Provision for short-term doubtful debts	137	V.5	(60,410,102,824)	(20,195,160,948)
III. Inventories	140	V.6	181,198,323,077	273,206,020,350
1. Inventories	141		181,307,079,046	281,060,435,923
2. Provision for decline in inventory	149		(108,755,969)	(7,854,415,573)
IV. Other short-term assets	150		161,376,098,956	169,466,331,136
1. Short-term prepayments	151	V.11a	3,635,354,640	1,994,017,957
2. Value added tax deductible	152		157,740,744,316	167,377,938,065
3. Taxes and other receivables from State budget	153	V.7a	-	94,375,114
B. NON-CURRENT ASSETS	200		2,389,916,323,016	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.4b	156,854,697,592	156,854,697,592
II. Fixed assets	220		135,410,988,399	112,496,556,941
1. Tangible fixed assets	221	V.8	87,482,750,362	102,878,895,085
- Historical Cost	222		559,317,096,007	547,448,403,039
- Accumulated depreciation	223		(471,834,345,645)	(444,569,507,954)
2. Intangible fixed assets	227	V.9	47,928,238,037	9,617,661,856
- Historical Cost	228		57,227,979,082	15,427,979,082
- Accumulated depreciation	229		(9,299,741,045)	(5,810,317,226)
III. Long-term assets in progress	240		2,089,555,485,887	1,971,557,907,671
1. Construction in progress	242	V.10	2,089,555,485,887	1,971,557,907,671
IV. Long-term financial investments	250		283,853,641	283,853,641
1. Investment in joint venture, associates	252	V.12	283,853,641	283,853,641
V. Other long-term assets	260		7,811,297,497	12,337,819,564
1. Long-term prepayment	261	V.11b	7,811,297,497	12,337,819,564
TOTAL ASSETS	270		3,167,616,373,235	3,167,193,254,444

CONSOLIDATED BALANCE SHEET (CONTINUED)

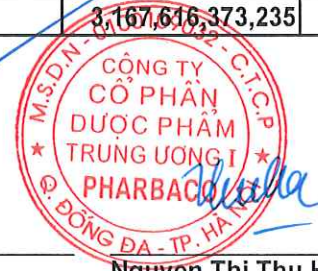
As at 31 December 2024

Unit: VND

RESOURCES	Code	Notes	Closing balance	Opening balance
C. LIABILITIES	300		1,897,891,373,284	1,919,143,714,255
I. Short-term liabilities	310		976,318,468,468	924,026,415,192
1. Short-term trade account payables	311	V.13	174,563,722,890	112,095,153,810
2. Short-term advances from customers	312	V.14	149,576,264,685	118,473,044,875
3. Taxes and amounts payable to State budget	313	V.7b	4,890,201,326	9,907,863,501
4. Payable to employees	314		14,713,709,889	12,004,366,541
5. Short-term accrued expenses	315	V.15	5,099,275,741	4,070,701,624
6. Short-term other payables	319	V.16a	6,026,920,376	24,851,636,728
7. Short-term borrowings and finance lease liabilities	320	V.17	620,893,815,332	642,069,089,884
8. Bonus and welfare fund	322		554,558,229	554,558,229
II. Long-term liabilities	330		921,572,904,816	995,117,299,063
1. Other long-term payables	337	V.16b	1,720,600,000	2,615,020,000
2. Long-term borrowings and finance lease liabilities	338	V.18	919,558,016,888	992,213,597,104
3. Deferred income tax liability	341		294,287,928	288,681,959
D. OWNER'S EQUITY	400		1,269,724,999,951	1,248,049,540,189
I. Owner's equity	410	V.19	1,269,724,999,951	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 capital surplus	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		65,028,588,865	43,343,785,822
- Accumulated retained earnings to previous year	421a		43,343,785,822	3,977,656,868
- Retained earnings for current year	421b		21,684,803,043	39,366,128,954
5. Non-controlling interest			7,460,787,789	7,470,131,070
TOTAL RESOURCES	440		3,167,616,373,235	3,167,193,254,444


Tran Thi Bich Loan
Preparer


Nguyen Duc Canh
Chief Accountant


Nguyen Thi Thu Ha
Deputy Permanent Chief
Executive Officer
Hanoi, March 31, 2025


CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2024

Unit: VND

ITEMS	Code	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		1,066,796,488,421	1,341,155,656,626
2. Deductions	02		1,701,142,857	1,122,900,240
3. Net revenue from goods sold and services rendered	10	VI.1	1,065,095,345,564	1,340,032,756,386
4. Cost of sales	11	VI.2	855,335,074,533	1,109,245,779,220
5. Gross profit from goods sold and services rendered	20		209,760,271,031	230,786,977,166
6. Financial income	21	VI.3	2,971,391,910	6,515,043,180
7. Financial expenses	22	VI.4	43,258,189,305	46,183,731,165
- In which: Interest expense	23		36,548,872,295	40,619,602,712
8. Share of profit or loss in joint ventures and associates	24		-	-
9. Selling expenses	25	VI.5	4,890,899,552	6,001,422,926
10. General and administration expenses	26	VI.6	134,371,319,416	133,988,532,542
11. Net profit from operating	30		30,211,254,668	51,128,333,713
12. Other income	31	VI.7	88,007,744	82,018,781
13. Other expenses	32	VI.8	2,149,867,791	1,518,501,524
14. Profit from other activities	40		(2,061,860,047)	(1,436,482,743)
15. Accounting profit before tax	50		28,149,394,621	49,691,850,970
16. Current corporate income tax expense	51	VI.9	6,468,328,890	10,327,547,880
17. Deferred corporate income tax expense	52		5,605,969	2,738,795
18. Net profit after corporate income tax	60		21,675,459,762	39,361,564,295
19. Parent company's net profit after tax	61		21,684,803,043	39,366,128,954
20. Net profit after tax attributable to non-controlling interest	62		(9,343,281)	(4,564,659)
21. Basic earnings per share	70	VI.10	191	347
22. Diluted earnings per share	71	VI.10	191	347


Tran Thi Bich Loan
Preparer


Nguyen Duc Canh
Chief Accountant



Nguyen Thi Thu Ha
Deputy Permanent Chief
Executive Officer
Hanoi, March 31, 2025


CONSOLIDATED CASH FLOW STATEMENT
(Using the indirect method)
For the year ended 31 December 2024

Unit: VND

ITEMS	Code	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	28,149,394,621	49,691,850,970
2. Adjustments for:			
Depreciation and amortisation of fixed assets and investment properties	02	30,760,611,578	32,037,525,324
Provisions	03	32,469,282,272	27,963,210,615
(Profits)/losses of exchange rate differences from revaluation of accounts derived from foreign currencies	04	3,569,878,279	2,067,003,356
(Profits)/losses from investing activities	05	(725,160,548)	(3,030,380,378)
Interest expense	06	36,548,872,295	40,619,602,712
3. Operating profit before movements in working capital	08	130,772,878,497	149,348,812,599
(Increase)/Decrease in receivables	09	27,633,247,593	(195,572,043,481)
(Increase)/Decrease in inventories	10	99,753,356,877	(4,290,743,840)
Increase/(Decrease) in payables (excluding interest payable and corporate income tax payable)	11	31,144,713,530	(22,097,010,398)
(Increase)/Decrease in prepaid expenses	12	2,885,185,384	(2,217,919,413)
Interest paid	14	(35,445,937,712)	(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	245,243,444,169	(126,209,623,550)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(129,901,725,729)	(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 recovered from lending, selling debt, instruments of other entities	24	-	70,000,000,000
4. Interest earned, dividends and profits received	27	643,102,808	4,054,181,187
Net cash generated by /(used in) investing activities	30	(129,158,622,921)	(109,770,219,463)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	618,699,723,699	1,366,532,799,886
2. Repayment of borrowings	34	(712,530,578,467)	(1,059,064,322,634)
3. Dividends and profits paid	36	(12,875,000)	(56,191,359,615)
Net cash generated by financing activities	40	(93,843,729,768)	251,277,117,637
Net cash flow during the year	50	22,241,091,480	15,297,274,624
Cash and cash equivalents at the beginning of the year	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 year	70	228,457,616,692	206,216,639,888


Tran Thi Bich Loan
Preparer


Nguyen Duc Canh
Chief Accountant


Nguyen Thi Thu Ha
Deputy Permanent Chief
Executive Officer
Hanoi, March 31, 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

I. GENERAL INFORMATION**1. Structure of ownership**

Pharbaco Central Pharmaceutical Joint Stock Company No1 (hereinafter referred to as the 'Company') was formerly the Central Pharmaceutical Enterprise I under the Vietnam Pharmaceutical Enterprises Association (now the Vietnam Drug Administration), established by Decision No. 401/BYT-QD dated April 22, 1993, by the Minister of Health. The Central Pharmaceutical Enterprise I was transformed into the Central Pharmaceutical Joint Stock Company I – Pharbaco under Decision No. 286/QD-BYT dated January 25, 2007, and Decision No. 2311/QD-BYT dated June 27, 2007, by the Minister of Health and operates under business registration certificate No. 0103018671 dated July 25, 2007. The Company has made 19 changes to its business registration certificate (now the Enterprise Registration Certificate). Currently, the Company operates under the 19th amended Enterprise Registration Certificate issued on November 1, 2022.

The Company was approved to trade common shares on the UPCOM market at the Hanoi Stock Exchange under Decision No. 767/QD-SGDHN dated November 18, 2019, with the stock code PBC.

The Company's headquarters is located at: 160 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi City, Vietnam.

The Company's charter capital is VND 1,132,999,020,000, equivalent to 113,299,902 shares, with a par value of VND 10,000 per share.

2. Field of business

The Company's business activities include the production and trading of pharmaceuticals.

3. Business sectors

The Company's main business activities in the year include the production of pharmaceuticals, chemical drugs, and medicinal materials.

For regulated business sectors, the Company may only operate when it meets the conditions as required by law.

4. Normal production and business cycle

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

5. The Company's structure

Detailed information about the Company's subsidiaries and associated companies as of 31 December 2024 is as follows:

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. GENERAL INFORMATION (CONTINUED)****5. The Company's structure (Continued)**

Company name	Place of incorporation and operation	Ownership percentage	Benefit ratio	Voting rights ratio held	Main activities
<u>Subsidiary</u>					
Viet My Advanced Pharmaceutical JSC	Thach Loi Village, Thanh Xuan Commune, Soc Son District, Hanoi	75%	75%	75%	Warehousing and goods storage business
<u>Associate</u>					
Central Hospital 1 JSC - Pharbaco	160 Ton Duc Thang, Hang Bot Ward, Dong Da District, Hanoi City	44%	44%	44%	Business of general, specialized, and dental clinics

6. Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2023.

7. Employees

The total number of employees of the Company as of December 31, 2024 is 601 people (December 31, 2023: 652 people).

II. BASIS OF CONSOLIDATED FINANCIAL STATEMENT PREPARATION AND FISCAL YEAR**Basis of consolidated financial statement preparation**

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with the Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Fiscal year

The fiscal year of the enterprise 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

III. ACCOUNTING STANDARDS AND APPLIED ACCOUNTING REGIME

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 the Ministry of Finance guiding the accounting regime for enterprises; 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 and Circular No.202/2014/TT-BTC dated 22 December 2014 by Ministry of Finance guiding on preparation and presentation of consolidated financial statements.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of consolidated financial statements in conformity with the 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. The actual results may differ from those estimates.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the enterprises controlled by the Company (its subsidiaries), prepared as of December 31 each year. 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.

The operating results of subsidiaries acquired or disposed of during the year are presented in the consolidated income statement from the acquisition date or until the disposal date of the investment in that subsidiary.

Where necessary, the financial statements of subsidiaries are adjusted to ensure that the accounting policies applied by the Company and its subsidiaries are consistent.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests in the net assets of a consolidated subsidiary are presented as a separate item, distinct from the equity of the parent company's shareholders. Non-controlling interests include the value of non-controlling interests at the date of the original business combination (see details below) and their share of changes in total equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests, even if such losses exceed their share in the subsidiary's net assets.

The assets, liabilities, and contingent liabilities of a subsidiary are measured at fair value at the acquisition date. Any excess of the purchase price over the total fair value of the acquired assets is recognized as goodwill. Any shortfall between the purchase price and the total fair value of the acquired assets is recognized in the income statement for the period in which the acquisition occurs.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Investments in associates**

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

The operating results, assets, and liabilities of associates are consolidated in the financial statements using the equity method. Investments in associates are presented in the Balance Sheet at cost, adjusted for changes in the Company's share of the net assets of the associates after the acquisition date. Losses of an associate exceeding the Company's investment in that associate (including any long-term investments that, in substance, form part of the Company's net investment in the associate) are not recognized.

In the event that a subsidiary of the Company conducts a transaction with an associate of the Company, any unrealized gains or losses corresponding to the Company's share in the associate are eliminated from the consolidated financial statements.

Cash and cash equivalents

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

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity. Held-to-maturity investments include term bank deposits (including promissory bills and treasury 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 recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

When there is strong evidence that part or all of the investment may not be recovered and the amount of loss can be measured reliably, the loss is recognized in financial expenses during the year and reduced direct deduction of investment value.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Receivables

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

The allowance for doubtful debts represents the portion of accounts receivable that the Company expects to be uncollectible as of the reporting date. Increases or decreases in the allowance balance are recognized as administrative expenses in the income statement.

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***IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Inventories**

Inventories are measured at the lower of cost and net realizable value. Inventory cost includes direct material costs, direct labor costs, and applicable manufacturing overheads, if any, incurred to bring the inventories to their present location and condition. The cost of inventories is determined using the weighted average method. Net realizable value is estimated as the selling price less the estimated costs of completion and the estimated costs necessary to make the sale, including marketing, selling, and distribution expenses.

The Company's provision for inventory devaluation is established in accordance with current accounting regulations. Accordingly, the Company is permitted to set up provisions for devaluation of obsolete, damaged, or substandard inventories, and in cases where the original cost of inventories exceeds their net realizable value at the end of the accounting period.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation.

The costs of tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The original cost of tangible fixed assets that are self-made or self-constructed includes construction costs, actual production costs incurred, plus installation costs.

Tangible fixed assets are depreciated using the straight-line method based on the estimated useful life, as follows:

	<u>Years</u>
Buildings and structures	06 - 30
Machinery and equipment	03 - 15
Means of transport & transmission	06 - 10
Management equipment and tools	05 - 10

Intangible fixed assets and depreciation

The cost of intangible fixed assets includes the purchase price and direct costs related to preparing the asset for use. Upgrade costs of assets are capitalized into the cost of the fixed asset, while other costs are expensed in the current year's operating results. When an intangible fixed asset is sold or disposed of, the cost and accumulated amortization are written off, and any gains or losses arising from the disposal of the asset are recognized in the operating results.

Intangible fixed assets are amortized using the straight-line method based on the estimated useful life, as follows:

The amortization period for the Company's intangible fixed assets is as follows:

	<u>Years</u>
Computer software	08 - 10
Virtual server	03
Drug formula	20

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

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

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Prepaid expenses**

Prepaid expenses include the value of tools, equipment, and small components that have been used, repair costs, and other expenses that are expected to provide economic benefits to the Company in the future. These expenses are capitalized as prepaid expenses and allocated to the income statement using the straight-line method in accordance with current accounting regulations.

Accrued expenses

The Company's accrued expenses include provisions for interest expenses, audit fees, etc., which are actual expenses incurred during the fiscal year but have not been paid due to the absence of invoices or incomplete accounting documents. These expenses are recognized as production and business costs for the reporting period based on the principle of matching revenues and expenses. When the necessary documents are available, any difference between the provision and the actual amount will be adjusted by recording additional or reduced expenses accordingly.

The provisions for production and business expenses in the year are calculated rigorously and must be supported by reasonable and reliable evidence of the accrued expenses for the year, to ensure that the accrued expenses recorded in this account align with the actual expenses incurred.

Revenue recognition

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with; ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably. When the contract stipulates that the buyer is entitled to return the products or goods, purchased under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer is not entitled to pay return products and goods (except for cases where customers have the right to return goods in the form of exchange for other goods or services);
- (d) The Company has obtained or will receive economic benefits from the sale transaction; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) The amount of revenue can be measured reliably. If the contract grants the buyer the right to return the purchased service under specific conditions, revenue is recognized only when those conditions no longer exist and the buyer's right to return the service ceases to be effective;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

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***IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Borrowing costs**

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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

The determination of the tax currently payable is based on the prevailing tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Foreign currency

Transactions denominated in foreign currency are converted at the exchange rate on the transaction date. The balances of monetary items denominated in foreign currency at the end of the fiscal year are converted at the exchange rate on that date.

The exchange rate differences arising during the year from foreign currency transactions are recognized in financial income or financial expenses. The exchange rate differences from the revaluation of monetary items denominated in foreign currency at the end of the fiscal year, after offsetting the increase and decrease differences, are recognized in financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual transaction exchange rate at the time the transaction occurs. The actual transaction exchange rate for foreign currency transactions is determined as follows:

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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***Foreign currency (Continued)**

- The actual transaction exchange rate when buying and selling foreign currency (spot foreign exchange contracts, forward contracts, futures contracts, option contracts, swap contracts): the exchange rate agreed upon in the foreign exchange purchase or sale contract between the Company and the bank.
- If the contract does not specify the payment exchange rate:
 - For capital contributions or received capital contributions: the foreign exchange purchase rate of the bank where the Company opens an account to receive capital from the investor on the contribution date.
 - For receivables: the buying exchange rate of the commercial bank where the Company designates the customer to make payment at the time the transaction occurs.
 - For payables: the selling exchange rate of the commercial bank where the Company intends to transact at the time the transaction occurs.
 - For asset purchases or expenses paid immediately in foreign currency (not through accounts payable): the buying exchange rate of the commercial bank where the Company makes the payment.

The exchange rate used to revalue the balances of monetary items denominated in foreign currency at the end of the fiscal year is determined according to the following principle:

- For foreign currency deposits with banks: the foreign exchange purchase rate of the bank where the Company opens its foreign currency account.
- For monetary items denominated in foreign currency classified as other assets: the foreign exchange purchase rate of the bank with which the Company regularly transacts.
- For monetary items denominated in foreign currency classified as payables: the foreign exchange selling rate of the bank with which the Company regularly transacts.

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss after tax distributed to shareholders owning ordinary shares of the Company (after adjusting for the appropriation of bonus and welfare funds) by weighted average number of common shares outstanding during the year.

Diluted earnings per share is calculated by dividing the after-tax profit (or loss) to holders of the Company's common shares (after adjusting for dividends on convertible preferred shares) for the weighted average number of ordinary shares outstanding for the year and the weighted average number of ordinary shares to be issued in the event that all potential shares of common stock have a dilutive are converted into common shares.

Related parties

Regarded as related parties are businesses - including parent companies, subsidiaries, affiliates - individuals who, directly or indirectly through one or more intermediaries, have control over the Company or are under the control of the Company, or under common control with the Company. Associates, individuals who directly or indirectly hold the voting power of the Company and have significant influence over the Company, key management positions such as directors, officers of the Company, Close members of the family of these individuals or affiliated parties or companies associated with these individuals are also considered related parties.

In considering each related party relationship, attention is paid to the substance of the relationship, not merely the legal form.

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***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET****1. CASH AND CASH EQUIVALENTS**

	Closing balance VND	Opening balance VND
Cash on hand	2,716,021,955	2,714,031,834
Cash at bank	225,741,594,737	5,502,608,054
Cash equivalents	-	198,000,000,000
Total	228,457,616,692	206,216,639,888

2. SHORT-TERM TRADE ACCOUNT RECEIVABLES

	Closing balance VND	Opening balance VND
a) Short-term trade account receivables		
APPOLLO OIL Corporation	48,554,676,661	48,554,676,661
Hai Minh Hung Transport Construction Investment Co., Ltd	16,976,071,942	22,189,980,667
Other objects	145,594,188,951	90,674,892,707
Total	211,124,937,554	161,419,550,035
b) Receivables from related parties (Details in note VII.2)	17,153,874,952	22,367,783,677

3. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance VND	Opening balance VND
APPOLLO OIL Corporation (*)	8,066,635,605	49,866,635,605
Qui Long Refrigeration Electrical Engineering Technology Co., Ltd (**)	15,481,044,300	15,379,324,500
Other suppliers	27,220,998,503	41,979,129,449
Total	50,768,678,408	107,225,089,554

- (*) Advance payment under Technology Transfer Contract No. 11/PBC-APL dated March 1, 2018, for the transfer of technology for 90 pharmaceutical products. The total contract value, excluding VAT, is VND 85.5 billion. The transfer price per product is VND 950,000,000.

During the year, the Company has recorded the value of intangible fixed assets consist of 44 submitted dossiers and received registration numbers (VISA) from the Drug Administration which corresponding to the amount of 41,800,000,000 VND.

- (**) Advance payment to Qui Long Mechanical and Electrical Engineering Co., Ltd. Which according to Contract No. 03/HĐ/QL-PHARBACO dated March 15, 2019, and the attached contract appendices which related to the design, supply, construction, and installation of the MEP system for the investment project to build a factory meeting The European standards.

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***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)****4. OTHER RECEIVABLES**

	Closing balance VND	Opening balance VND
a) Short-term		
Short-term deposit and collateral	898,286,197	15,803,975,818
- Vietnam Maritime Bank - Thanh Xuan Branch	218,943,598	9,094,412,476
- Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hanoi Branch	-	6,000,000,000
- Other objects	679,342,599	709,563,342
Advances	483,395,880	442,253,900
Phuc Thinh Financial Investment Joint Stock Company	3,682,387,226	-
Other receivables	120,429,053	77,719,302
Total	5,184,498,356	16,323,949,020
b) Long-term		
Hai Ha Co., Ltd (i)	137,443,287,674	137,443,287,674
BV Pharma JSC (ii)	19,371,518,993	19,371,518,993
Long-term deposit and collateral	39,890,925	39,890,925
Total	156,854,697,592	156,854,697,592
c) Other long-term receivables are related parties (Details in note VII.2)	137,443,287,674	137,443,287,674

- (i) The entrusted amount from Hai Ha Water and Road Transport Co., Ltd. to invest in the project of constructing the HAI HA PETRO shopping center building at Nguyen Duc Canh Street, Group 6, Diem Dien Town, Thai Thuy District, Thai Binh Province, under the Investment Cooperation Agreement No. 05012023/PBC-HAI HA dated 05 January 2023. The profit the Company is entitled to corresponds to the capital contribution in the project after the project becomes operational and generates revenue.

As stated in Note VII.4 - Events after the reporting period, the Company has recovered the aforementioned investment cooperation under Contract Liquidation Minutes No. 01-2025/BBTL dated March 10, 2025, due to Hai Ha Waterway and Roadway Transport Co., Ltd.'s violation of the investment progress.

- (ii) The capital contribution under the Business Cooperation Agreement No. 01/2017/PBC-HĐHTKD dated 12 May 2017 with BV Pharma Joint Stock Company to carry out the investment cooperation in the construction of a pharmaceutical manufacturing plant and the business of related products. The two parties will share the pre-tax profits from the plant at a 50/50 ratio.

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V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)

5. BAD DEBTS

	Closing balance		Provision	Opening balance		Provision
	Cost	Recoverable amount		Cost	Recoverable amount	
	VND	VND	VND	VND	VND	VND
APPOLLO OIL Corporation	48,554,676,661	14,566,402,999	(33,988,273,662)	39,625,236,169	23,812,740,668	(15,812,495,501)
BV Pharma JSC	19,371,518,993	-	(19,371,518,993)	-	-	-
Huong Que Trading Investment JSC	2,565,085,530	-	(2,565,085,530)	2,565,085,530	-	(2,565,085,530)
Tien Thanh Pharmaceutical and Trading Co., Ltd	1,814,538,915	-	(1,814,538,915)	1,814,538,915	-	(1,814,538,915)
Other objects	3,496,952,851	826,267,127	(2,670,685,724)	6,082,005	3,041,003	(3,041,002)
Total	75,802,772,950	15,392,670,126	(60,410,102,824)	44,010,942,619	23,815,781,671	(20,195,160,948)

6. INVENTORIES

	Closing balance		Provision	Opening balance		Provision
	Original cost			Original cost		
	VND	VND	VND	VND	VND	VND
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)	(108,755,969)	281,060,435,923	(7,854,415,573)	(7,854,415,573)

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V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)

7. TAXES AND RECEIVABLES AND PAYABLES TO THE STATE BUDGET

	Closing balance		During the year		Actual amount paid/offset during the		Opening balance	
	VND	VND	VND	VND	VND	VND	VND	VND
a) Account receivables								
Value added tax	-	71,075,699,698	71,010,864,849				64,834,849	
Import & export duties	-	4,455,413,100	4,455,170,900				242,200	
Personal income tax	-	1,036,144,758	1,006,846,693				29,298,065	
Real estate tax, land rent	-	35,876,645,291	35,876,645,291				-	
Total	-	112,443,902,847	112,349,527,733				94,375,114	
b) Account payables								
Corporate income tax	4,876,192,391	6,468,328,890	11,500,000,000				9,907,863,501	
Personal income tax	14,008,935	14,008,935	-				-	
Business License Tax	-	8,000,000	8,000,000				-	
Contractor Tax	-	28,730,982	28,730,982				-	
Fee & charge & other payables	-	3,066,855	3,066,855				-	
Total	4,890,201,326	6,522,135,662	11,539,797,837				9,907,863,501	

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V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)

8. TANGIBLE FIXED ASSETS

	Buildings, Structures	Machinery, Equipment	Means of Transportation, Transmitters	Office Equipment, Furniture	Total
	VND	VND	VND	VND	VND
HISTORICAL COST					
Opening balance	126,732,541,191	401,875,140,279	14,893,321,615	3,947,399,954	547,448,403,039
Additions	-	11,716,389,331	-	187,758,182	11,904,147,513
Liquidation of transfer	-	(35,454,545)	-	-	(35,454,545)
Closing balance	126,732,541,191	413,556,075,065	14,893,321,615	4,135,158,136	559,317,096,007
ACCUMULATED DEPRECIATION					
Opening balance	86,894,548,225	344,884,816,717	11,437,716,371	1,352,426,641	444,569,507,954
Depreciation for the year	4,969,093,410	20,618,560,526	1,031,982,475	651,551,348	27,271,187,759
Liquidation of transfer	-	(6,350,068)	-	-	(6,350,068)
Closing balance	91,863,641,635	365,497,027,175	12,469,698,846	2,003,977,989	471,834,345,645
NET BOOK VALUE					
Opening balance	39,837,992,966	56,990,323,562	3,455,605,244	2,594,973,313	102,878,895,085
Closing balance	34,868,899,556	48,059,047,890	2,423,622,769	2,131,180,147	87,482,750,362

The remaining value of tangible fixed assets pledged or mortgaged as collateral for loans as of December 31, 2024, was VND 39,004,293,231 (as of December 31, 2023, it was VND 40,990,004,297).

The original cost of fully depreciated tangible fixed assets still in use as of December 31, 2024, was VND 345,034,871,171 (as of December 31, 2023, it was VND 313,601,545,732).

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***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)****9. INTANGIBLE FIXED ASSETS**

	Computer Software VND	Virtual Server VND	Pharmaceutical formula VND	Total VND
HISTORICAL COST				
Opening balance	14,560,550,514	867,428,568	-	15,427,979,082
Additions	-	-	41,800,000,000	41,800,000,000
Closing balance	14,560,550,514	867,428,568	41,800,000,000	57,227,979,082
ACCUMULATED AMORTISATION				
Opening balance	5,017,666,983	792,650,243	-	5,810,317,226
Depreciation for the year	1,803,337,095	74,778,325	1,611,308,399	3,489,423,819
Closing balance	6,821,004,078	867,428,568	1,611,308,399	9,299,741,045
NET BOOK VALUE				
Opening balance	9,542,883,531	74,778,325	-	9,617,661,856
Closing balance	7,739,546,436	-	40,188,691,601	47,928,238,037

The original cost of intangible fixed assets, including fully depreciated assets still in use as of 31 December 2024, is VND 867,428,568 (as of 31 December 2023, it was VND 0).

10. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Project to build a pharmaceutical factory with EU GMP standards in 2 phases (*)	2,062,672,315,160	1,943,859,922,129
+ PMU1	1,432,868,660,346	1,360,026,451,884
+ PMU2	629,803,654,814	583,833,470,245
Wind power project	-	814,814,815
The Noi Bai Cargo Handling and Transit Shopping Center Project	26,883,170,727	26,883,170,727
Total	2,089,555,485,887	1,971,557,907,671

(*) GMP EU-standard Pharmaceutical Manufacturing Plant Project in Thanh Xuan Commune, Soc Son District, Hanoi City.

11. PREPAYMENT

	Sale of goods VND	Sale of finished goods VND	Other types VND	Excluding VND	Total VND
Revenue					
Net revenue from sales to external parties	505,550,627,216	824,730,775,797	9,751,353,373	-	1,340,032,756,386
Total revenue	505,550,627,216	824,730,775,797	9,751,353,373	-	1,340,032,756,386
Operating expenses	499,534,573,606	615,712,628,540	-	-	1,115,247,202,146
- Cost of goods sold	497,253,835,773	611,991,943,447	-	-	1,109,245,779,220
- Selling expenses	2,280,737,833	3,720,685,093	-	-	6,001,422,926
Segment operating results	6,016,053,610	209,018,147,257	-	-	224,785,554,240
Unallocated expenses					133,988,532,542
Operating profit					90,797,021,698
Share of profit or loss in joint ventures and associates					-
Financial income					6,515,043,180
Financial expenses					46,183,731,165
Other profit (loss)					(1,436,482,743)
Profit before corporate income tax					49,691,850,970
Current corporate income tax expenses					10,327,547,880
Deferred corporate income tax expenses					2,738,795
Net profit after corporate income tax					39,361,564,295

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

12. INVESTMENT IN ASSOCIATES

(*) Central Hospital 1 JSC - Pharbaco operates under the business registration certificate number 0108606011, which was first registered on 29 January 2019. The company is engaged in the business of general clinics, specialized clinics, and dentistry. On 22 April 2021, the company's General Meeting of Shareholders passed Resolution No. 01/2021/QĐ-ĐHCCĐ on the dissolution of the company.

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V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)

13. SHORT -TERM TRADE ACCOUNT PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
Truking Technology Limited	20,650,318,200	20,650,318,200	21,201,444,000	21,201,444,000
VRT Pharmaceutical Co., Ltd	18,586,912,614	18,586,912,614	-	-
SINOBRIGHT PHARMA CO., LIMITED	10,986,930,000	10,986,930,000	9,847,365,000	9,847,365,000
RV Group (S) Pte. Ltd	8,354,796,801	8,354,796,801	7,984,976,630	7,984,976,630
Other suppliers	115,984,765,275	115,984,765,275	73,061,368,180	73,061,368,180
Total	174,563,722,890	174,563,722,890	112,095,153,810	112,095,153,810

14. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
HMH Medical Pharmaceutical Co., Ltd	16,682,180,840	16,682,180,840	15,152,180,840	15,152,180,840
MSP.,JSC	14,228,974,240	14,228,974,240	4,694,000,000	4,694,000,000
Other customers	118,665,109,605	118,665,109,605	98,626,864,035	98,626,864,035
Total	149,576,264,685	149,576,264,685	118,473,044,875	118,473,044,875

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***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)****15. SHORT-TERM ACCRUED EXXPENSES**

	Closing balance VND	Opening balance VND
Interest expenses advance	3,777,296,837	2,674,362,254
Other expenses advance	1,321,978,904	1,396,339,370
Total	5,099,275,741	4,070,701,624

16. OTHER PAYABLES

	Closing balance VND	Opening balance VND
a) Short-term		
Trade union fees	856,081,701	564,321,253
Short-term deposits received	1,174,020,000	313,200,000
Other payables	3,996,818,675	23,974,115,475
- Phuc Thinh Financial Investment Joint Stock Company (*)	-	20,000,000,000
- BRV Healthcare Company Limited	2,000,000,000	2,000,000,000
- Other objects	1,996,818,675	1,974,115,475
Total	6,026,920,376	24,851,636,728
b) Long-term		
Long-term deposits received	1,720,600,000	2,615,020,000
- Van Lang High School	1,140,000,000	1,140,000,000
- Viet Land Corporation	500,000,000	500,000,000
- Phuong Linh Import Export and Trading Co., Ltd	-	427,500,000
- Other objects	80,600,000	547,520,000
Total	1,720,600,000	2,615,020,000

- (*) The amount of money advanced by Phuc Thinh Financial Investment Joint Stock Company for the future benefit conversion rights of Pharbaco Central Pharmaceutical Joint Stock Company No1 according to Appendix No. PL02 N26/11/16 of the Contract No. HTDT N 12/5/10, with an amount of VND 20 billion.

According to the debt offset minutes No. 03/Pharbaco, dated July 1, 2024, the Company and Phuc Thinh Financial Investment Joint Stock Company agreed to offset the debt with an amount of 20,000,000,000 VND. Accordingly, after the debt offset, the receivable amount of Phuc Thinh Financial Investment Joint Stock Company (on June 30Th, 2024) for land rental at 85 Ton Duc Thang (paid by Pharbaco on behalf) of 23,682,387,226 VND is reduced to 3,682,387,226 VND (The detailed explanation at V.4).

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

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)

17. SHORT-TERM BORROWINGS AND FINANCE LEASE LIABILITIES

	0		Occurred		0	
	Amount	Amount able to be paid off	Increase	Decrease	Value	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term bank 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 for Investment and Development of Vietnam - Long Bien Branch (i)	408,733,390,290	408,733,390,290	511,864,260,158	491,131,608,448	388,000,738,580	388,000,738,580
+ Vietnam Maritime Commercial Joint Stock Bank - Thanh Xuan Branch	-	-	33,165,912,500	91,275,259,421	58,109,346,921	58,109,346,921
+ Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hanoi Branch	-	-	1,228,920,000	31,453,352,960	30,224,432,960	30,224,432,960
+ Tien Phong Commercial Joint Stock Bank - Hoan Kiem Branch (ii)	49,918,859,979	49,918,859,979	72,440,631,041	22,521,771,062	-	-
Current portion of long-term loans	162,241,565,063	162,241,565,063	72,655,580,216	76,148,586,576	165,734,571,423	165,734,571,423
+ Tien Phong 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
+ Bank for Investment and Development of Vietnam - Long Bien Branch	120,556,000,000	120,556,000,000	28,655,580,224	69,655,580,224	161,556,000,000	161,556,000,000
Total short-term loans	620,893,815,332	620,893,815,332	691,355,303,915	712,530,578,467	642,069,089,884	642,069,089,884

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

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)

17. SHORT-TERM BORROWINGS AND FINANCE LEASE LIABILITIES (CONTINUED)

(i) Loan from Bank for Investment and Development of Vietnam - Long Bien Branch under the credit limit agreement No. 02/2024/1809635/HĐTD dated November 25, 2024. The maximum credit limit is VND 420,000,000,000. The purpose of the loan is to supplement working capital (including loans, issuing guarantees, opening LCs) to support production and business activities. The credit limit is effective from the date of signing this agreement until October 30, 2025. The loan term for each drawdown under the limit is a maximum of 6 months. The interest rate for the loan will be specified in each specific Credit Agreement in accordance with the Bank's interest rate policy for each period. The collateral for the loan is defined in the property mortgage agreements signed accordingly. At all times, the client must comply with BIDV's collateral policy for each period, with a minimum collateral ratio of 65%.

(ii) Loan from Tien Phong Commercial Joint Stock Bank - Hoan Kiem Branch under the credit agreement and subsequent amendments to the credit agreement as follows:

Credit facility agreement No. 76/2022/HĐTD/HGM dated June 14, 2022. The credit limit is VND 100,000,000,000. The term of the credit facility is 12 months from the date of signing this credit agreement. The purpose of the loan is to supplement working capital to serve the pharmaceutical production and business activities of the Company. The term for each loan within the credit facility does not exceed 6 months. The interest rate is flexible and specified in each debt acknowledgment document. The collateral for the loan is specified in the collateral agreements signed before, during, and after the effective date of this agreement, as well as in the corresponding amendments, supplements, or replacements of the collateral agreement.

The amendment and supplement document dated July 10, 2024, attached to the Credit Facility Agreement No. 76/2022/HĐTD/HGM. Accordingly, the term of the credit facility is extended until December 31, 2024.

On January 13, 2025, the Company signed a new credit facility agreement No. 04/2025/HĐTD/HGM with the Tien Phong Commercial Joint Stock Bank - Hoan Kiem Branch. Accordingly, the loan limit is 100 billion VND. This credit facility limit includes the outstanding debt of the Company under the Credit Facility Agreement No. 76/2022/HĐTD/HGM signed on June 14, 2022. The term of the credit facility is 12 months from the date of signing this credit facility agreement.

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

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)

18. LONG-TERM BORROWINGS AND FINANCE LEASE LIABILITIES

	Closing balance		Occurred		Opening balance	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
The Company's long-term loans	919,558,016,888	919,558,016,888	-	72,655,580,216	992,213,597,104	992,213,597,104
+ Tien Phong Commercial Joint Stock Bank - Hoan Kiem Branch (i)	166,857,142,884	166,857,142,884	-	43,999,999,992	210,857,142,876	210,857,142,876
+ Bank for Investment and Development of Vietnam - Long Bien Branch (ii)	752,700,874,004	752,700,874,004	-	28,655,580,224	781,356,454,228	781,356,454,228
Total	919,558,016,888	919,558,016,888	-	72,655,580,216	992,213,597,104	992,213,597,104

(i) Long-term loan from Tien Phong Commercial Joint Stock Bank - Hoan Kiem Branch according to the specific loan agreements as follows:

- Long-term loan agreement with Tien Phong Commercial Joint Stock Bank, contract number 18/2021/HDTD/HGM/03 dated April 28, 2021, for an amount of 27 billion VND. The loan term is a maximum of 84 months from the date of the first disbursement. The interest rate is specified in each debt acknowledgment document issued to the customer. The purpose of the loan is to pay for the investment cost of a rooftop solar power project on the factory roof in Thon Thach Loi, Soc Son District, Hanoi. The collateral for the loan is specified in the asset mortgage agreement number 18/2021/HDBD/HGM/04 dated April 28, 2021.
- Loan agreement number 31/2023/HDTD/HGM/01 dated March 14, 2023, for a loan amount of 198 billion VND. The loan term is 84 months from the date of the first disbursement. The interest rate is specified in each debt acknowledgment document. The purpose of the loan is to cover the Company's medium-term capital needs. The collateral for the loan is specified in the specific 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***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)****18. LONG-TERM BORROWINGS AND FINANCE LEASE LIABILITIES (CONTINUED)**

- (ii) Long-term loan from the Joint Stock Commercial Bank for Investment and Development of Vietnam – Long Bien Branch under the following specific credit agreements:
- Credit limit agreement No. 01/2021/1809635/HĐTD dated January 11, 2021, with a credit limit of VND 400 billion. The loan term is 96 months starting from the day after the first disbursement date. The applicable interest rate will follow the bank's regulations at the time of disbursement. The purpose of the loan is to issue LC to pay reasonable and valid costs for the implementation of Phase II - GMP-EU Pharmaceutical Manufacturing Plant Project (PMU2). The collateral for the loan is all assets formed from the loan and the company's equity at the Phase II investment project (PMU2).
 - Credit limit agreement No. 02/2022/1809635/HĐTD dated September 29, 2022, with a credit limit of VND 450 billion. The loan term is 72 months starting from the day after the first disbursement date. The applicable interest rate will follow the bank's regulations at the time of disbursement. The purpose of the loan is to lend back the equity capital already invested in Phase I of the GMP-EU Pharmaceutical Manufacturing Plant Project (PMU1).
 - Credit limit agreement No. 03/2022/1809635/HĐTD dated August 30, 2022, with a maximum credit limit of VND 247 billion, but not exceeding the actual outstanding principal of the loan at Saigon Thuong Tin Commercial Joint Stock Bank - Ha Dong Branch at the time BIDV disburses the loan. The loan term is based on the current repayment schedule of the loan at Saigon Thuong Tin Commercial Joint Stock Bank - Ha Dong Branch but not exceeding July 8, 2026. The applicable interest rate will follow the bank's regulations at the time of disbursement. The purpose of the loan is to repay in full the outstanding principal of the loan funding Phase I of the GMP-EU Pharmaceutical Manufacturing Plant Project (PMU1) at Saigon Thuong Tin Commercial Joint Stock Bank - Ha Dong Branch. The collateral is all assets formed from the loan, equity capital in Phase I of the investment project (PMU1), and other assets that are being pledged at Saigon Thuong Tin Commercial Joint Stock Bank - Ha Dong Branch.

The long-term loans are repaid according to the following schedule:

	Closing balance VND	Opening balance VND
Within one year	162,241,565,063	165,734,571,423
In the second year	303,166,299,992	213,861,142,848
In the third year to the fifth year inclusive	607,106,002,596	778,352,454,256
After the fifth year	9,285,714,300	-
Total	1,081,799,581,951	1,157,948,168,527
Less: Amount due for settlement within 12 months (shown under short-term borrowings and liabilities)	162,241,565,063	165,734,571,423
Amount due for settlement after 12 months	919,558,016,888	992,213,597,104

PHARBACO CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO1

160 Ton Duc Thang, Hang Bot Ward,
Dong Da District, Hanoi City

Form B 09 – DN/HN

Issued under Circular No. 202/2014/TT-BTC
Dated 22 December 2014 of the Ministry of Finance

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

V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)

19. OWNER'S EQUITY

a) Changes in Equity

	Owner's contributed capital VND	Share premium VND	Investment and Development fund VND	Undistributed profit after tax VND	Non-controlling interest VND	Total VND
Prior year's opening balance	1,132,999,020,000	25,731,363,636	38,505,239,661	60,627,607,868	7,474,695,729	1,265,337,926,894
Profit/ Loss in the year	-	-	-	39,366,128,954	(4,564,659)	39,361,564,295
Dividend distribution	-	-	-	(56,649,951,000)	-	(56,649,951,000)
Opening balance	1,132,999,020,000	25,731,363,636	38,505,239,661	43,343,785,822	7,470,131,070	1,248,049,540,189
Profit/ Loss in the year	-	-	-	21,684,803,043	(9,343,281)	21,675,459,762
Closing balance	1,132,999,020,000	25,731,363,636	38,505,239,661	65,028,588,865	7,460,787,789	1,269,724,999,951

b) Shares

	Closing balance Share	Opening balance Share
Number of shares registered for issuance	113,299,902	113,299,902
Number of shares sold to the public	113,299,902	113,299,902
- Common shares	113,299,902	113,299,902
- Preferred shares	-	-
Number of treasury shares	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	113,299,902	113,299,902
- Common shares	113,299,902	113,299,902
- Preferred shares	-	-

The par value of the outstanding shares is VND 10,000.

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***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)****20. OFF-BALANCE CONSOLIDATED SHEET ITEMS**

Various foreign currencies:

	Closing balance	Opening balance
United States dollar (USD)	113,410.70	50,199.61
- Cash on hand	7,003.00	7,003.00
- Cash at bank	106,407.70	43,196.61
Euro (EUR)	925.30	935.15
- Cash at bank	925.30	935.15

21. BUSINESS SEGMENTS AND GEOGRAPHICAL SEGMENTS**Business segment**

For management purposes, the Company's organizational structure is divided into three operating segments: the Merchandise & Supplies Sales Segment, the Finished Goods Sales Segment, and the Services Segment. The Company prepares segment reports based on these three business segments.

The main activities of the three business segments are as follows:

- Merchandise Sales Segment - Sales of pharmaceuticals, chemical drugs, and medicinal materials..
- Finished Goods Sales Segment - Manufacturing of various types of pharmaceuticals, chemical drugs, and medicinal materials.
- Services Segment - Leasing of infrastructure facilities.

The Company was unable to allocate assets and liabilities by segment as of December 31, 2024. The segment information regarding the Company's business activities is as follows:

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***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)****21. BUSINESS SEGMENTS AND GEOGRAPHICAL SEGMENTS (CONTINUED)**

Consolidated operating results for the financial year ended December 31, 2024:

	Sale of goods	Sale of finished goods	Other types	Excluding	Total
	VND	goods VND	VND	VND	VND
Revenue					
Net revenue from sales to external parties	299,405,006,779	757,325,126,705	8,365,212,080	-	1,065,095,345,564
Total revenue	299,405,006,779	757,325,126,705	8,365,212,080	-	1,065,095,345,564
Operating expenses	293,941,730,669	566,284,243,416	-	-	860,225,974,085
- Cost of goods sold	292,555,984,425	562,779,090,108	-	-	855,335,074,533
- Selling expenses	1,385,746,244	3,505,153,308	-	-	4,890,899,552
Segment operating results	5,463,276,110	191,040,883,289	8,365,212,080	-	204,869,371,479
Unallocated expenses					134,371,319,416
Operating profit					70,498,052,063
Share of profit or loss in joint ventures and associates					-
Financial income					2,971,391,910
Financial expenses					43,258,189,305
Other profit (loss)					(2,061,860,047)
Profit before corporate income tax					28,149,394,621
Current corporate income tax expenses					6,468,328,890
Deferred corporate income tax expenses					5,605,969
Net profit after corporate income tax					21,675,459,762

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***V. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED BALANCE SHEET (CONTINUED)****21. BUSINESS SEGMENTS AND GEOGRAPHICAL SEGMENTS (CONTINUED)**

Consolidated operating results for the financial year ended December 31, 2023:

	Sale of goods	Sale of finished goods	Other types	Excluding	Total
	VND	VND	VND	VND	VND
Revenue					
Net revenue from sales to external parties	505,550,627,216	824,730,775,797	9,751,353,373	-	1,340,032,756,386
Total revenue	505,550,627,216	824,730,775,797	9,751,353,373	-	1,340,032,756,386
Operating expenses	499,534,573,606	615,712,628,540	-	-	1,115,247,202,146
- Cost of goods sold	497,253,835,773	611,991,943,447	-	-	1,109,245,779,220
- Selling expenses	2,280,737,833	3,720,685,093	-	-	6,001,422,926
Segment operating results	6,016,053,610	209,018,147,257	-	-	224,785,554,240
Unallocated expenses					133,988,532,542
Operating profit					90,797,021,698
Share of profit or loss in joint ventures and associates					-
Financial income					6,515,043,180
Financial expenses					46,183,731,165
Other profit (loss)					(1,436,482,743)
Profit before corporate income tax					49,691,850,970
Current corporate income tax expenses					10,327,547,880
Deferred corporate income tax expenses					2,738,795
Net profit after corporate income tax					39,361,564,295

Geographical Segment

A geographical segment is a distinguishable component of an enterprise engaged in the production or supply of goods and services within a specific economic environment, where the segment's risks and economic benefits differ from those of segments operating in other economic environments.

The Company is headquartered at No. 160 Ton Duc Thang Street, Hang Bot Ward, Dong Da District, Hanoi City. Additionally, more than 90% of the Company's revenue and assets originate within Vietnam. Therefore, the Company is not required to prepare segment reporting by geographical area in accordance with Vietnamese Accounting Standard No. 28 – Segment Reporting.

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***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT****1. NET REVENUE FROM SALES AND SERVICES**

	Current year VND	Prior year VND
Gross revenue from goods sold and services	1,066,796,488,421	1,341,155,656,626
<u>In which:</u>		
- Revenue from sales of goods and materials	299,405,006,779	505,550,627,216
- Revenue from sales of finished products	759,026,269,562	825,853,676,037
- Revenue from provision of services	7,208,360,380	8,731,639,473
- Other Revenue	1,156,851,700	1,019,713,900
Deductions	1,701,142,857	1,122,900,240
- Discount on sales	-	28,459,000
- Sales returns	1,701,142,857	1,094,441,240
Net revenue from goods sold and services rendered	1,065,095,345,564	1,340,032,756,386
Revenue from related parties (details in note VII.2 - Related parties)	1,822,691,196	195,794,902,495

2. COST OF SALES

	Current year VND	Prior year VND
Cost of goods sold, materials	292,555,984,425	497,253,835,773
Cost of finished goods sold	557,680,850,583	597,787,755,860
Damaged goods	12,843,899,129	6,433,096,918
Provision for inventory depreciation	(7,745,659,604)	7,771,090,669
Total	855,335,074,533	1,109,245,779,220

3. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank and loan interest	654,265,025	4,041,747,228
Realized exchange rate difference	2,317,126,885	2,473,295,952
Total	2,971,391,910	6,515,043,180

4. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	36,548,872,295	40,619,602,712
Loss on exchange rates incurred in year	3,139,553,407	3,490,731,474
Loss on exchange rates evaluated at fiscal year-end	3,569,763,603	2,073,396,979
Total	43,258,189,305	46,183,731,165

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***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT (CONTINUED)****5. SELLING EXPENSES**

	Current year VND	Prior year VND
Labor costs	2,376,110,663	2,862,242,597
Cost of materials and packaging	54,985,520	36,553,064
Tool and equipment costs	6,968,667	13,579,924
Fixed asset depreciation costs	18,588,745	18,588,744
Outsourced service costs	1,344,332,062	1,671,714,603
Other cash costs	1,089,913,895	1,398,743,994
Total	4,890,899,552	6,001,422,926

6. GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Labor costs	47,372,722,828	54,120,134,453
Management material costs	2,887,292,487	4,171,687,040
Office supplies costs	2,684,118,998	7,579,616,915
Fixed asset depreciation costs	7,735,552,303	9,352,880,076
Taxes, fees, charges	14,985,816,005	14,840,978,300
Outsourced service costs	11,384,529,099	14,142,629,959
Other cash costs	7,106,345,820	9,588,485,853
Provision of bad debt provision	40,214,941,876	20,192,119,946
Total	134,371,319,416	133,988,532,542

7. OTHER INCOME

	Current year VND	Prior year VND
Income from sale and liquidation of tools	75,000,000	-
Other income	13,007,744	82,018,781
Total	88,007,744	82,018,781

8. OTHER EXPENSES

	Current year VND	Prior year VND
Losses from sale and liquidation of fixed assets	4,104,477	1,011,366,850
Payment of administrative fines and collection of late tax payments	54,515,363	127,915,066
Board of Directors' remuneration	300,000,000	280,000,000
Other expenses	1,791,247,951	99,219,608
Total	2,149,867,791	1,518,501,524

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***VI. INFORMATION SUPPLEMENTING THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT (CONTINUED)****9. CURRENT CORPORATE INCOME TAX EXPENSES**

	Current year VND	Prior year VND
Pharbaco Central Pharmaceutical Joint Stock Company No1	6,468,328,890	10,327,547,880
Viet My Advanced Pharmaceutical JSC	-	-
Total	6,468,328,890	10,327,547,880

10. BASIC/ DILUTED EARNINGS PER SHARE

	Current year VND	Prior year VND
Accounting profit after corporate income tax	21,684,803,043	39,366,128,954
Less: Welfare and bonus fund allocated from the Company's net profit after tax (*)	-	-
Profit allocated to common shareholders	21,684,803,043	39,366,128,954
Weighted average common shares outstanding during the year (**)	113,299,902	113,299,902
Earnings per share	191	347
Diluted earnings per share	191	347
Par value of shares (VND per share)	10,000	10,000

(*) According to Circular 200/2014/TT-BTC, the bonus and welfare fund, which is allocated from post-tax profit, must be excluded from net profit when estimating basic earnings per share. The Company has not yet estimated the bonus and welfare fund for 2024, as it is not specified in the Company's charter. Additionally, the General Meeting of Shareholders has not yet decided on the distribution of the Company's profit after tax.

(**) Diluted earnings per share: The Company has no potential ordinary shares that would dilute earnings per share during the financial year or as of the date of this consolidated financial statement. Therefore, diluted earnings per share are equal to basic earnings per share.

11. PRODUCTION AND BUSINESS COSTS BY ELEMENT

	Current year VND	Prior year VND
Raw material costs	475,665,366,352	514,836,249,926
Labor costs	105,805,526,979	117,978,307,710
Fixed asset depreciation costs	30,760,611,578	32,037,525,324
Outsourced service costs	28,371,208,950	29,601,160,556
Other cash costs	23,715,999,335	26,551,436,845
Provision of bad debt provision	40,214,941,876	20,192,119,946
Total	704,533,655,070	741,196,800,307

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***VII. OTHER INFORMATION****1. OPERATING COMMITMENTS**

The company has currently entered into land lease agreements and makes annual payments as follows:

The land lease contract with Hanoi House Management and Development One Member Limited Liability Company, under contract number 298/XNĐĐ/HĐTNCH dated September 10, 2014. The leased location is at 160, Ton Duc Thang Street, Hang Bot Ward, Hanoi City, for the purpose of establishing a business and service facility in compliance with current legal regulations. The lease term is 03 (three) years, starting from January 1, 2014. The total leased area is 2,464.1 m². On October 1, 2018, the Company signed an annex to extend the lease until December 31, 2018. Currently, both parties are in the process of negotiating to extend the land lease agreement.

Land lease contract number 69-2001/ĐCND-HĐTĐTN dated November 22, 2001, with the Department of Land and Property Management of Hanoi. The leased land is located in Thanh Xuan Commune, Soc Son District, Hanoi, for the purpose of leasing to build a GMP-standard pharmaceutical manufacturing plant, as per the investment project approved by the Prime Minister under Decision No. 954/QĐ-TTg dated October 13, 1999, and according to Article 1 of Decision No. 758/QĐ-TTg dated August 17, 2000. The leased area is 68,818 m². The lease term is 50 years, starting from August 17, 2000. Under this contract, the Company must pay annual land rent until the contract expires, in accordance with current state regulations.

2. RELATED PARTY TRANSACTIONS AND BALANCES**List of related parties:****Related parties****Relationship**

Phapvan Agriculture material.,JSC

Major Shareholders

Vietnam Pharmaceutical Corporation - Joint Stock Company

Major Shareholders

Dai Hai ha Petro Co., Ltd

Major Shareholders

Hai Ha Waterway Transport Company Limited

Major Shareholders

Hai Minh Hung Transport Construction Investment Co., Ltd

Major Shareholders

Central Hospital 1 JSC - Pharbaco

Associates

Mr. Vu Hong Khoa

Chairman of the Board of Directors

Mr. To Thanh Hung

Chief Executive Officer

Le Vu Services Trading Business Production Co., Ltd

Mr. Vu Hong Khoa - Chairman of the Board of Directors is the legal representative

Thai Binh Ship Ocean Co., Ltd

Mr. Vu Hong Khoa - Chairman of the Board of Directors is the legal representative

Vietnam Industrial Infrastructure Investment JSC

The company is related to Mr. Nguyen Dinh Tuan - member of the Board of Directors (Mr. Tuan is the Chairman of the Board of Directors)

Pharbaco Thai Binh pharmaceutical Joint Stock Company

Related company

Other key members of the Board of Directors, the Board of Management and individuals who are close relatives of key members

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***VII. OTHER INFORMATION (CONTINUED)****2. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)***During the year, the Company engaged in the following major transactions with related parties:*

	Current year VND	Prior year VND
Revenue from sales	1,822,691,196	195,794,902,495
Hai Minh Hung Transport Construction Investment Co., Ltd	911,515,500	194,522,180,635
Vietnam Pharmaceutical Corporation - Joint Stock Company	911,175,696	1,272,721,860
Goods purchased	-	29,638,193,801
Hai Minh Hung Transport Construction Investment Co., Ltd	-	29,638,193,801
Investment capital contribution under trust	-	137,443,287,674
Hai Ha Waterway Transport Company Limited	-	137,443,287,674

Balances mainly with related parties as of the end of the fiscal year:

	Closing balance VND	Opening balance VND
Short-term trade account receivables	17,153,874,952	22,367,783,677
Hai Minh Hung Transport Construction Investment Co., Ltd	16,976,071,942	22,189,980,667
Central Hospital 1 JSC - Pharbaco	177,803,010	177,803,010
Other long-term receivables	137,443,287,674	137,443,287,674
Hai Ha Waterway Transport Company Limited	137,443,287,674	137,443,287,674

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***VII. OTHER INFORMATION (CONTINUED)****2. RELATED PARTY TRANSACTIONS AND BALANCES***The income of the Board of Directors, the Board of Management and the Board of Supervisory for the year is as follows:*

	Current year VND	Prior year VND
Board of Directors	540,000,000	1,204,832,800
Mr. Vu Hong Khoa	120,000,000	80,000,000
Ms. Tran Tuyet Mai - Chairman of the Board of Directors (resigned from April 18, 2023)	-	40,000,000
Mr. To Thanh Hung	120,000,000	120,000,000
Ms. Nguyen Thi Thu Ha	120,000,000	120,000,000
Mr. Nguyen Huy Thanh	50,000,000	120,000,000
Mr. Nguyen Dinh Tuan	60,000,000	-
Ms. Luu Quynh Mai	70,000,000	-
Ms. Nguyen Thi Mai - Member of the Board of Directors (resigned from January 01, 2024)	-	477,000,000
Ms. Ha Thi Thanh Hoa - Member of the Board of Directors (resigned from January 01, 2024)	-	120,000,000
Mr. Nguyen Dang Khanh - Member of the Board of Directors (resigned from April 18, 2023)	-	40,000,000
Ms. Tran Vu Hai Yen - Member of the Board of Directors (resigned from April 18, 2023)	-	87,832,800
Board of Management	2,212,000,000	2,492,026,000
Mr. To Thanh Hung	643,000,000	674,500,000
Ms. Nguyen Thi Thu Ha	393,000,000	416,369,000
Mr. Nguyen Van Quang	638,000,000	670,109,000
Ms. Ha Thi Thanh Hoa	538,000,000	545,167,000
Mr. Nguyen Duc Thinh - Deputy Chief Executive Officer (resigned from April 1, 2023)	-	185,881,000
Board of Supervisory	1,202,358,800	1,202,427,100
Ms. Khong Thi Huong Lan	228,581,300	251,708,300
Ms. Phung Thi Nga	349,524,300	297,115,600
Ms. Tang Thi Dieu Linh	624,253,200	653,603,200
Total	3,954,358,800	4,899,285,900

3. SUPPLEMENTAL DISCLOSURES OF CONSOLIDATED CASH FLOW INFORMATION**Actual amounts of borrowings received during the year:**

- Proceeds from borrowings under normal contracts: VND 618,699,723,699.

Actual amounts of principal paid during the year:

- Repayment of borrowings under normal contracts: VND 712,530,578,467.

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***VII. OTHER INFORMATION (CONTINUED)****4. SUBSEQUENT EVENTS**

According to The resolution No. 01/NQ-Pharbaco-HĐQT dated February 25, 2025, the company's Board of Directors has approved the cooperating investment plan with The Pharbaco Pharmaceutical Joint Stock Company in Thai Binh in order to build a pharmaceutical manufacturing plant which meet to GMP standards. The project location is at Lot CN01, An Ninh's Industrial Cluster, Tien Hai District, Thai Binh Province. The total investment for the project is 600 billion VND. The amount which participating in the investment cooperation is 200 billion VND. Accordingly, the Company has signed Contract No. 01/2025/PBC-TB dated February 25, 2025, with Pharbaco Pharmaceutical Joint Stock Company in Thai Binh regarding the related investment cooperation. The profit-sharing method when the project goes into operation: according to the after-tax profit ratio which corresponding to the capital contribution ratio as per the audited investment capital settlement report. Based on this contract, on March 26, 2025, the Company has transferred 200 billion VND from account number 0021000303803 which opened at Vietnam Joint Stock Commercial Bank for Foreign Trade - Hanoi Branch to Pharbaco Pharmaceutical Joint Stock Company in Thai Binh to participate in the investment cooperation for the project.

On March 10, 2025, the Company has signed the Minutes of Liquidation of Contract No. 01-2025/BBTL with Hai Ha Waterway Transport Co., Ltd. Which regarding the liquidation of Investment Cooperation Contract No. 05012023/PBC-HAI HA dated January 5, 2023 (The detailed explanation at V.4). Due to the fact that Hai Ha Waterway Transport Co., Ltd. has violated the investment schedule in the contract and as of March 10, 2025, the Building project of the HAI HA PETRO commercial building on Nguyen Duc Canh Street, Group 6, Diem Dien Town, Thai Thuy District, Thai Binh Province has not yet been completed. Therefore, according to the power of attorney contract dated November 22, 2024, on March 27, 2025, Ms. Tran Vu Hai Yen, who is on behalf of Hai Ha Waterway Transport Co., Ltd. has transferred money into the account number 0021000303803 of the Company at Vietnam Joint Stock Commercial Bank for Foreign Trade - Hanoi Branch to refund the business cooperation amount of 137,443,287,674 VND.

In addition to the above events, there are no significant events arose after December 31, 2024 that require adjustment or presentation in the consolidated financial statements for the financial year ending December 31, 2024.



Tran Thi Bich Loan
Preparer

Nguyen Duc Canh
Chief Accountant



Nguyen Thi Thu Ha
Deputy Permanent Chief
Executive Officer
Hanoi, March 31, 2025