

**CENTRAL PHARMACEUTICAL
JOINT STOCK COMPANY NO2
AUDITED FINANCIAL STATEMENTS
For the fiscal year ended December 31, 2024**



CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO2

Address: No. 9 Tran Thanh Tong Street, Bach Dang Ward, Hai Ba Trung District, Hanoi

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BOARD OF GENERAL DIRECTORS' REPORT

The members of the Board of General Directors of Central Pharmaceutical Joint Stock Company No2 (hereinafter referred to as "the Company") presents this Report together with the audited Financial Statements of the Company for the fiscal year ended December 31, 2024.

Board of Management and Board of General Directors

The members of Board of Management and Board of General Directors who held the Company during the fiscal year ended December 31, 2024 and to the date of this Report are as follows:

Board of Management

Mr. Nguyen Tien Duc	Chairman
Mr. Le Tien Dung	Vice Chairman
Mr. Cao Quang Hung	Member
Mr. Cao Tien Dung	Member
Mr. Nguyen Thanh Tung	Member

Board of General Directors

Mr. Le Tien Dung	General Director
Mr. Phan Tri Dung	Deputy General Director
Mr. Cao Tien Dung	Deputy General Director
Mr. Nguyen Thanh Tung	Deputy General Director

Respective responsibilities of Board of General Directors

The Board of General Directors of the Company is responsible for preparing Financial Statements which give a true and fair view of the financial position, and results of operations and cash flows of the Company in the year, in accordance with Vietnamese Accounting Standards, corporate accounting system and legal regulations relating to the preparation and presentation of the Financial Statements. In the preparation of these Financial Statements, Board of General Directors is required to:

- Select suitable accounting policies and then consistently apply them;
- Make judgments and estimates that are reasonable and prudent;
- State whether appropriate accounting standards are respected or any application of material misstatements needs to be disclosed and justified in Financial Statements;
- Prepare the 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 Financial Statements so as to minimize risks and frauds.

The Board of General Directors 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 Financial Statements comply with Vietnamese Accounting Standards, corporate accounting system and legal regulations relating to the preparation and presentation of the Financial Statements. The Board of General Directors 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.

**CENTRAL PHARMACEUTICAL JOINT STOCK
COMPANY NO2**

Address: No. 9 Tran Thanh Tong Street, Bach Dang Ward,
Hai Ba Trung District, Hanoi

BOARD OF GENERAL DIRECTORS' REPORT

*enclosed with the Financial Statements
for the fiscal year ended 31/12/2024*

BOARD OF GENERAL DIRECTORS' REPORT

(continued)

The Board of General Directors confirms that the Company has complied with the above requirements in preparing these Financial Statements.

For and on behalf of the Board of General Directors,

CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO2



Le Tien Dung
General Director

Hanoi, March 24, 2025



No.: 2603.01.....-25/BC-TC/VAE

Hanoi, March 26, 2025

INDEPENDENT AUDITORS' REPORT

To: Shareholders
Board of Management and Board of General Directors
Central Pharmaceutical Joint Stock Company No2

We have audited the accompanying Financial Statements of Central Pharmaceutical Joint Stock Company No2 (hereinafter referred to as "the Company"), prepared on March 24, 2025, from page 06 to page 31, which comprises: Balance Sheet as at 31/12/2024, Income Statement, Cash Flow Statement for the fiscal year then ended and Notes to the Financial Statements.

Board of General Directors' responsibility

Board of General Directors of the Company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting regime for enterprises and legal regulations relating to the preparation and presentation of the Financial Statements and for such internal control as Board of Directors determines is necessary to enable the presentation of Financial Statements that are free from material misstatements whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Financial Statements based on conducting the audit in accordance with Vietnamese Standards on Auditing. Because of the matters described in the "Basis for Disclaimer of Opinion" paragraph, however we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

In the audit report on the Financial Statements for the fiscal year ended December 31, 2023, we declined to express an opinion because the Company had recorded an increase in other income from the amount of support received according to the Minutes of Agreement on the transfer of shares at Binh An Developed Investment Joint Stock Company of the Viet Land Corporation to determine the business results in the years from 2010 to 2016 with a value of VND 99,600,000,000. As of this report's issuance date, we have not been provided with the Company's records and documents related to the completion of the procedures for transferring the above shares. Therefore, we cannot assess the impact of this issue on the Company's Financial Statements for the fiscal year ended December 31, 2024 and December 31, 2023.

We have not been provided with the Financial Statements for the fiscal year ended December 31, 2024, and December 31, 2023 of Binh An Developed Investment Joint Stock Company to serve as a basis for considering the provision for investment losses (if any). Therefore, we cannot assess the impact of the above issue on the Financial Statements for the fiscal year ended December 31, 2024 and December 31, 2023 of the Company.

INDEPENDENT AUDITORS' REPORT

(continued)

Disclaimer of Opinion

Because of the importance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an audit opinion on the accompanying Financial Statements.



Pham Thanh Ngoc

Deputy General Director

Audit Practice Registration Certificate:

No. 1011-2023-034-1

For and on behalf of

VIETNAM AUDITING AND EVALUATION CO., LTD

Dang Thi Thu Hang

Auditor

Audit Practice Registration Certificate:

No. 3744-2021-034-1

Form B 01 - DN

BALANCE SHEET

As at December 31, 2024

				Unit: VND
ASSETS	Codes	Notes	31/12/2024	01/01/2024
A. CURRENT ASSETS	100		129,841,539,917	115,731,417,847
I. Cash and cash equivalents	110		5,053,168,373	3,584,348,015
1. Cash	111	V.1.	5,053,168,373	3,584,348,015
II. Short-term financial investments	120		-	-
III. Short-term receivables	130		76,690,595,733	68,372,556,663
1. Short-term trade receivables	131	V.3.	22,152,834,582	15,290,693,543
2. Advances to suppliers	132	V.4.	913,567,035	2,260,194,489
3. Other short-term receivables	136	V.5.	58,235,678,311	55,107,915,294
4. Provision for short-term doubtful debts	137	V.6.	(4,611,484,195)	(4,286,246,663)
IV. Inventories	140	V.7.	47,610,369,449	42,441,389,305
1. Inventories	141		47,610,369,449	42,441,389,305
2. Provision for devaluation of inventories	149		-	-
V. Other short-term assets	150		487,406,362	1,333,123,864
1. Short-term prepayments	151	V.11.	160,618,558	526,066,090
2. Value added tax deductibles	152		257,777,679	738,047,649
3. Taxes and receivables from the State budget	153	V.14.	69,010,125	69,010,125
B. NON-CURRENT ASSETS	200		312,791,806,940	335,653,430,459
I. Long-term receivables	210		72,240,000,000	72,240,000,000
1. Other long-term receivables	216	V.5.	72,240,000,000	72,240,000,000
II. Fixed assets	220		132,236,602,153	152,211,168,141
1. Tangible fixed assets	221	V.8.	132,236,602,153	152,211,168,141
- Cost	222		289,655,763,230	287,593,813,217
- Accumulated depreciation	223		(157,419,161,077)	(135,382,645,076)
2. Intangible fixed assets	227	V.9.	-	-
- Cost	228		810,751,750	810,751,750
- Accumulated amortization	229		(810,751,750)	(810,751,750)
III. Investment property	230		-	-
IV. Long-term assets in progress	240		76,805,661	1,911,841,105
1. Construction in progress	242	V.10.	76,805,661	1,911,841,105
V. Long-term financial investments	250		93,960,000,000	93,960,000,000
1. Equity investments in other entities	253	V.2.	93,960,000,000	93,960,000,000
VI. Other long-term assets	260		14,278,399,126	15,330,421,213
1. Long-term prepayments	261	V.11.	14,278,399,126	15,330,421,213
TOTAL ASSETS (270=100+200)	270		442,633,346,857	451,384,848,306

(The notes from page 10 to page 31 are an integral part of these Financial Statements)

Form B 01 - DN

BALANCE SHEET

As at December 31, 2024

(continued)

RESOURCES		Codes	Notes	31/12/2024	01/01/2024
C LIABILITIES		300		361,660,487,896	364,857,880,350
I. Current liabilities		310		267,700,487,896	249,182,302,038
1. Short-term trade payables		311	V.12.	19,658,618,096	18,526,334,668
2. Short-term advances from customers		312	V.13.	18,990,940,376	17,313,758,220
3. Taxes and amounts payable to the State budget		313	V.14.	54,006,314,179	54,007,795,834
4. Payables to employees		314		3,332,236,406	2,792,579,033
5. Short-term accrued expenses		315	V.15.	38,669,880,463	37,501,404,459
6. Other current payables		319	V.16.	30,861,866,290	34,419,976,050
7. Short-term loans and obligations under finance leases		320	V.17.	101,895,578,312	84,335,400,000
8. Bonus and Welfare funds		322		285,053,774	285,053,774
II. Non-current liabilities		330		93,960,000,000	115,675,578,312
1. Other long-term payables		337	V.16.	93,960,000,000	93,960,000,000
2. Long-term loans and obligations under finance leases		338	V.17.	-	21,715,578,312
D OWNER'S EQUITY		400		80,972,858,961	86,526,967,956
I. Owner's equity		410	V.18.	80,797,568,961	86,351,677,956
1. Owner's contributed capital		411		200,000,000,000	200,000,000,000
- Ordinary shares carrying voting rights		411a		200,000,000,000	200,000,000,000
2. Capital surplus		412		4,902,500,000	4,902,500,000
3. Development and investment fund		418		3,267,017,189	3,267,017,189
4. Other owners' funds		420		249,948,734	249,948,734
5. Retained earnings		421		(127,621,896,962)	(122,067,787,967)
Retained earnings accumulated to the prior year end		421a		(122,067,787,967)	(98,018,455,598)
Retained earnings of current year		421b		(5,554,108,995)	(24,049,332,369)
II. Other resources and funds		430		175,290,000	175,290,000
1. Subsidised funds		431	V.19.	175,290,000	175,290,000
TOTAL RESOURCES (440=300+400)		440		442,633,346,857	451,384,848,306

Hanoi, March 24, 2025

CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO2

Prepared by

Chief Accountant

General Director



Dinh Thi Minh Huong



Nguyen Thi Dieu Thuy



Le Tien Dung

(The notes from page 10 to page 31 are an integral part of these Financial Statements)

INCOME STATEMENT

For the fiscal year ended December 31, 2024

Items	Codes	Notes	Unit: VND	
			Year 2024	Year 2023
1. Gross revenue from goods sold and services rendered	01	VI.1.	200,432,039,681	193,554,722,559
2. Revenue deductions	02	VI.2.	245,129,568	334,640,472
3. Net revenue from goods sold and services rendered (10=01-02)	10		200,186,910,113	193,220,082,087
4. Cost of sales	11	VI.3.	182,437,005,741	182,923,768,418
5. Gross profit from goods sold and services rendered (20=10-11)	20		17,749,904,372	10,296,313,669
6. Financial income	21	VI.4.	39,448,484	54,546,728
7. Financial expenses	22	VI.5.	5,235,494,574	15,823,515,896
Where: Interest expense	23		4,838,474,984	15,682,526,787
8. Selling expenses	25	VI.6.	3,943,260,744	4,275,030,305
9. General and administration expenses	26	VI.6.	14,716,657,419	13,534,655,637
10. Operating profit {30=20+(21-22)-(25+26)}	30		(6,106,059,881)	(23,282,341,441)
11. Other income	31	VI.7.	1,819,418,874	1,276,388,493
12. Other expenses	32	VI.8.	1,267,467,988	2,043,379,421
13. Profit from other activities (40=31-32)	40		551,950,886	(766,990,928)
14. Accounting profit before tax (50=30+40)	50		(5,554,108,995)	(24,049,332,369)
15. Current corporate income tax expense	51	VI.9.	-	-
16. Net profit after corporate income tax (60=50-51-52)	60		(5,554,108,995)	(24,049,332,369)
17. Basic earning per share	70	VI.11.	(277.71)	(1,202.47)

Hanoi, March 24, 2025

CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO2

Prepared by

Chief Accountant

General Director

Dinh Thi Minh Huong

Nguyen Thi Dieu Thuy



Le Tien Dung

(The notes from page 10 to page 31 are an integral part of these Financial Statements)

CASH FLOW STATEMENT

(Under direct method)

For the fiscal year ended December 31, 2024

Unit: VND

Items	Codes	Notes	Year 2024	Year 2023
I. Cash flow from operating activities				
1. Revenue from sales and services and other income	01		196,323,634,424	183,873,647,866
2. Payments to suppliers of goods and services	02		(146,322,029,652)	(146,153,299,908)
3. Cash paid to employees	03		(28,573,354,377)	(18,941,992,120)
4. Paid loan interest	04		(4,961,650,359)	(2,687,284,438)
5. Other cash inflows from operating activities	06		745,866,026	159,710,645
6. Other cash outflows from operating activities	07		(11,292,649,580)	(13,375,998,031)
<i>Net cash flow used in operating activities</i>	20		5,919,816,482	2,874,784,014
II. Cash flow from investing activities				
1. Acquisition and construction of fixed assets and other non-current assets	21		(311,753,566)	(1,558,805,108)
2. Interest earned, dividends and received profits	27		14,084,809	9,076,036
<i>Net cash flow used in investing activities</i>	30		(297,668,757)	(1,549,729,072)
III. Cash flow from financing activities				
1. Proceeds from borrowing	33		250,000,000	980,000,000
2. Prepayment of borrowing	34		(4,405,400,000)	(2,475,000,000)
3. Dividends and profits paid to owners	36		-	(3,644,025)
<i>Net cash flow from financing activities</i>	40		(4,155,400,000)	(1,498,644,025)
Net increase/decrease in cash (50 = 20+30+40)	50		1,466,747,725	(173,589,083)
Cash and cash equivalents at the beginning of the year	60		3,584,348,015	3,756,920,669
Effect of changes in foreign exchange rates	61		2,072,633	1,016,429
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	V.1	5,053,168,373	3,584,348,015

Hanoi, March 24, 2025

CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO2

Prepared by

Chief Accountant

General Director



Dinh Thi Minh Huong



Nguyen Thi Dieu Thuy



Le Tien Dung

NOTES TO THE FINANCIAL STATEMENTS*(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)***I. Operational characteristics of enterprise****1. Structure of ownership**

Central Pharmaceutical Joint Stock Company No2 (hereinafter referred to as “the Company”) is an independent economic unit, established and operating under Business Registration Certificate No. 0100109113 issued by the Hanoi Department of Planning and Investment on March 3, 2005. The Company has made 16 times of changed in its Business Registration Certificate.

Under the 16 amended Business Registration Certificate No. 0100109113 dated 17/03/2023, due to the charter capital is **VND 200,000,000,000** (*Two hundred billion Vietnamese dong*).

Share of the Company are being traded on the UPCOM with the trading code DP2.

2. Operating industry

The company operates in the field of pharmaceutical production and trading.

3. Principal activities

- Wholesale of other household items (Buying and selling personal and household items; business: medicinal materials, pharmaceutical chemicals, essential oils, contemporary medicine, oriental medicine, cosmetics, nutritional foods);
- Wholesale of machinery, equipment and others spare parts (Buying and selling machinery, equipment and spare parts; business: medical machinery and equipment; machinery, equipment, packaging for the production of contemporary medicine, oriental medicine, cosmetics, nutritional foods);
- Consultancy and technology transfer services in the pharmaceutical sector focus on scientific, technical, and professional activities that are not classified elsewhere.
- Real estate business, land use rights belonging to the owner, user or rent (Real estate business, renting houses, offices, warehouses, yards);

The Company's Head Office: No. 9 Tran Thanh Tong Street, Bach Dang Ward, Hai Ba Trung District, Hanoi

4. Normal production and business cycle

The Company's normal period of production and business cycle is carry out for a time period of 12 months or less.

5. Disclosure of information comparability in the Financial Statements

Comparative figures are the figures of the Financial Statements for the fiscal year ended December 31, 2024.

6. Number of employees

The number of employees as at December 31, 2024 is 170 (as at December 31, 2023 is 180).

II. Accounting period and currency used in accounting**1. Accounting period**

The Company's accounting period begins on 01 January and ends on 31 December.

2. Currency used in accounting

Accompanying Financial Statements express in Vietnamese dong (“VND”) are prepared under the historical cost convention, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

NOTES TO THE FINANCIAL STATEMENTS *(continue)**(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)***III. Applied accounting regime and standards****1. Applied accounting regime and standards**

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

2. Statement on compliance to Accounting Standards and Accounting regime

The Company's Financial Statements are prepared and presented in accordance with current Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

IV. Summary of significant accounting policies**1. Foreign exchange rates applied in accounting**

Exchange rates for translating transactions denominated in foreign currencies in the period are translated at exchange rates ruling at transaction date by the Joint Stock Commercial Bank for Investment and Development of Vietnam and the Joint Stock Commercial Bank for Industry and Trade of Vietnam.

The exchange rate when re-evaluating foreign currency items at the time of preparing the Financial Statement is the exchange rate announced by the Joint Stock Commercial Bank for Investment and Development of Vietnam and the Joint Stock Commercial Bank for Industry and Trade of Vietnam at the time of preparing the Financial Statement, in which:

- The exchange rate when revaluating foreign currency items classified as assets is the buying rate of the Joint Stock Commercial Bank for Investment and Development of Vietnam and the Joint Stock Commercial Bank for Industry and Trade of Vietnam at the time of preparing the Financial Statement.
- The exchange rate when re-evaluating foreign currency items classified as liabilities is the selling rate of the Joint Stock Commercial Bank for Investment and Development of Vietnam and the Joint Stock Commercial Bank for Industry and Trade of Vietnam at the time of preparing the Financial Statement.

2. Estimates

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

3. Principle of recognizing cash

Cash include cash on hand, demand deposits highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. Accounting principle for financial investments***Equity investments in other entities***

Equity investments in other entities represent the Company's investments in Binh An Developed Investment Joint Stock Company, records investments in equity instruments which the Company has no control, joint control or significant influence.

NOTES TO THE FINANCIAL STATEMENTS *(continue)**(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)*

Equity investments in other entities are carried at historical cost, including purchase price or capital contribution plus costs directly related to investment activities.

Provision for losses on investments in equity instruments of other entities is made at the time of preparing Financial Statements when the investments have a decline compared to the original price, the Company makes provisions as follows:

- For investments whose fair value cannot be determined at the reporting date, provisions are made at an amount equal to the difference between the actual capital contributions of the parties at other entities and the actual equity multiplied by the Company's capital contribution ratio compared to the total actual capital contributions of the parties at other entities.

Increase, decrease in the provision for investment in other entities that must be appropriated at the closing date of preparing Financial Statements is recorded in financial expenses.

As at December 31, 2024, the Company has not considered making provisions for equity investments in other entities.

5. Accounting principle of receivables

Receivables present the amounts recoverable from customers and are stated at book value less provisions for doubtful debts. Receivables are classified on the following principle:

- Trade accounts receivable consist of receivables with their commercial nature arising from transactions with their purchasing-selling nature between the Company and buyers who are independent entities from the Company.
- Other receivables consist of receivables with their non-commercial nature, not related to transactions with their purchasing-selling nature.

Receivables are monitored in detail for each subject and the maturity of amounts receivable and other elements according to the management demand of enterprise.

Provision for doubtful debts is made receivables that are overdue in the economic contracts, contractual commitments or debt repayment commitments that the enterprise has repeatedly requested but has not yet recovered or when the debtor is in dissolution, in bankruptcy or is experiencing similar difficulties and so may be unable to repay the debt.

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

As at December 31, 2024, the Company has not considered making provisions for doubtful debts.

6. Principle for recognizing inventories

Inventories are recognized at the lower price between historical cost and net realizable value. Historical cost of inventories consists of expenses of acquisition, processing and other directly related expenses (if any) incurred to bring inventories to their present location and condition.

Net realizable value is determined as the estimated selling price of inventories during the normal business period minus the estimated costs to complete and necessary estimated costs to sell.

Value of inventories is determined under using the weighted average method and accounted for by perpetual method.

The company's provision for inventory write-down is made according to current accounting regulations. Accordingly, the company is allowed to establish provisions for obsolete, damaged, or low-quality inventory, and in cases where the cost of inventory exceeds its net realizable value at the end of the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS (continue)*(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)*

As at 31/12/2024, the Company had no inventories that need to make provision for devaluation.

7. Principle for fixed asset recognition and depreciation**7.1 Principle for tangible fixed asset recognition and depreciation**

Tangible fixed assets are stated at cost, presented in the Balance Sheet under the items of historical cost, accumulated depreciation and carrying amount.

The cost of purchased tangible fixed assets comprise their purchase prices (excluding trade discount or other discount), taxes and any directly attributable costs of bringing the assets to their working condition for use.

Historical cost of fixed assets which are constructed by contractors includes value of completed and handover works, directly-related costs and stamp duty.

The historical cost of procured tangible fixed assets include actual price of tangible fixed assets which are self-constructed or self-made and their installation and commissioning expense.

The expenses incurred after the initial recognition of tangible fixed assets are recorded as the increases of historical cost of assets when these expenses are sure to increase economic benefits in the future. The incurred expenses which do not satisfy the above conditions are recognized into operating expenses in the period.

The Company applied straight-line depreciation method to tangible fixed assets. Tangible fixed assets are accounted and classified into groups by their nature and purpose of utilization in the Company's production and business operation, including:

<i>Type of fixed assets</i>	<i>Depreciation duration <years></i>
Building and architectural objects	10 - 25
Machinery, equipment	03 - 10
Transportation means	06 - 09
Managerial equipment, tools	03 - 10
Other fixed assets	03 - 10

Gains and losses resulting from sale or disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the Income Statement.

7.2 Principle for intangible fixed asset recognition and amortization

Intangible fixed assets are stated at cost, presented in the Balance Sheet under the items of historical cost, accumulated amortization and carrying amount.

Historical cost of intangible fixed assets consists of their total purchase price of bringing the assets to their working condition for use. The costs arising after initial recognition of intangible fixed assets are recorded as production costs in the period excluding specific costs of a specific intangible asset, enabling an increase in the future economic benefits.

When an intangible fixed asset is sold or disposed, historical cost and accumulated amortization are written off and gain or loss from disposal is recognized into income or expense in the year.

Intangible assets of the Company is accounting software programs.

Software programs

Costs in relation to translation software programs are not an integral part of the relevant capitalized hardware. Historical costs of computer softwares is the whole expenditure paid by the Company until the softwares are put into use. Computer softwares are amortized on straight line basis within 04 years.

NOTES TO THE FINANCIAL STATEMENTS *(continue)**(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)***8. Principle for recognizing construction in progress**

The Company's construction in progress is the investment cost for the construction of the project "Vinh Tuy complex building" and others, are carried out at cost. This cost includes the costs necessary to form the asset in accordance with the Company's accounting policy. Depreciation of these assets is applied in the same way as other assets, commencing when the assets are ready for use.

9. Accounting principles for business cooperation contracts

A business cooperation contract (BCC) means a cooperation contract between two or more venturers in order to carry out specific business activities, but it does not require establishment of a new legal entity. Those activities may be jointly controlled by the capital contributors under the joint venture agreement or controlled by one of several participating parties.

10. Principle for recognition and allocation of prepayments

Prepayments include land use rights with a term, land rental costs and industrial park infrastructure, factory repair costs, tools, supplies issued for use awaiting for allocation and other costs... which are expected to provide future economic benefits to the Company, capitalized in the form of prepaids.

Land use rights with a term, land rental costs and industrial park infrastructure are allocated to the Income Statement using the straight-line method over the lease term.

Tools and supplies awaiting allocation, biocompatibility testing costs, factory repair costs awaiting allocation and other costs are considered to be able to provide future economic benefits to the Company. These costs are capitalized as prepayments and allocated to the Income Statement, using the straight-line method over a period of no more than 03 years.

11. Accounting principle for liabilities

Liabilities are amounts payable to suppliers and other subjects. Liabilities comprise trade accounts payable and other payables. Liabilities are not recorded at lower amounts than payment obligation.

- Trade accounts payable comprise of liabilities with their commercial nature arising from purchasing goods, services, assets and the suppliers are independent from buyers.

- Other amounts payable comprise amounts payable with their non-commercial nature, not related to transactions of purchasing, selling and supplying goods, services.

Liabilities are monitored by details of each item and due date. Foreign currency liabilities are revalued by the Company at the Commercial Bank where the Company regularly conducts transactions as at December 31, 2024.

12. Principle for recognizing loans

Loans are recognized on the basis of receipts, bank vouchers, loan agreement and loan contracts.

Loans are monitored by details of each item, due date and original currency.

13. Principle for recognition and capitalization of borrowing costs

Borrowing costs consist of loan interest and other costs that incurs in direct connection with the borrowings.

NOTES TO THE FINANCIAL STATEMENTS (continue)*(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)*

Borrowing costs are recognized into operation and production costs in the year.

14. Principle for recognizing accrued expense

Accrued expenses comprise interest payable, late interest and others, including actual expenses incurred in the reporting period but unpaid because no invoice was available or accounting documents are missing, being recognized in operating expenses of the reporting period.

Accrued expenses on production and business expenses in the period are calculated strictly with reasonable and reliable evidence on the expenses to be accrued in the period to ensure the accounting expenses payable to be accounted will match the actual costs incurred.

15. Principle for recognizing owner's equity

Capital investment of the Company's owners is recognized by owner's actual capital contribution.

Capital surplus is recognized as the difference between the issuance price and the par value of shares during the initial issuance, additional issuance, the difference between the reissuance price and the book value of treasury shares, and the equity component of convertible bonds upon maturity. Direct costs related to additional share issuance and the reissuance of treasury shares are deducted from capital surplus.

Retained earnings are the profit amounts from enterprise's business operation after deducting CIT expense this year and the retroactive adjustments due to changes in accounting policies and the retroactive adjustment of material misstatements in the previous years.

16. Principle and method of recognizing revenue

The Company's revenue includes revenue from goods sold, warehouse for rent, revenue from the sale of investments, dividends and interest from bank deposits.

Revenue from sales of goods and finished products

Revenue from selling goods, finished products is recognized upon simultaneously meeting the following five (5) conditions as follows:

- The Company has transferred the majority of risks and benefits associated with the right to own the products or goods 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;
- Turnover is determined with relative certainty. In case the contract specifies that buyers have the right to return goods or products that were bought under specific terms, the revenue is only recognized when these specific terms no longer exist and the buyers have no right to return goods or products (except for the case that customers can return goods as exchange to other goods or services).
- The Company gained or will gain economic benefits from the sale transaction; and
- It is possible to determine the costs related to the goods sale transaction.

Interest income

Interest amounts are recognized on accrual basis, being determined on balances of deposits and actual interest rate in the period.

NOTES TO THE FINANCIAL STATEMENTS (continue)*(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)***17. Principle and method of recognizing deductions**

Sales returns are products that have been sold but are returned by customers because they do not meet quality, type or specification standards. Therefore, revenue from sales returns is a deduction from revenue generated during the period. At the end of the period, this revenue will be transferred to adjust the actual net revenue of that period.

18. Principle and method of recognizing financial expense

Financial expense recognized in Income Statement is the total financial expense incurred in the period, without offset with revenue from financial income, including interest expenses, exchange rate difference and other financial expense.

19. Tax liabilities***Value added tax (VAT)***

The Company declares and calculates VAT under the guidelines of current value added tax law.

Corporate income tax

Corporate income tax presents the total amount of current tax payable.

Current tax payable is calculated on taxable profit in the year. Taxable income differs from net profit presented in the Income Statement because taxable income does not include assessable incomes or expenses or deductible one in other years (including losses carried forward, if any) and it further excludes items that are non-taxable or non-deductible.

The Company declares corporate income tax using the tax rate of 20% of taxable profit.

The determination of taxable income and tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and its ultimate determination depends on the results of tax authorities' examination.

Other taxes

Other taxes are declared and paid to local tax authorities in accordance with the prevailing tax law in Vietnam.

20. Segment Reporting

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) that is subject to risks and returns that are different from those of other business segments. The Board of General Directors believes that the Company's principal activities are the production and business of pharmaceutical products and that it operates mainly in one geographical department, which is Vietnam. Therefore, the Company does not present segment reports by business segment and by geographical area in accordance with Vietnamese Accounting Standard No. 28 - Segment reporting.

V. Additional information for items presented in the Balance Sheet

1. Cash	31/12/2024	01/01/2024
	VND	VND
Cash on hand	594,457,069	84,902,478
Cash in bank	4,458,711,304	3,499,445,537
Total	5,053,168,373	3,584,348,015

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

2. Financial investments*Investments in other entities*

	31/12/2024		01/01/2024	
	VND		VND	
	Historical cost	Provision	Historical cost	Provision
Long-term				
Binh An Developed Investment Joint Stock Company (i)	93,960,000,000	-	93,960,000,000	-
Total	93,960,000,000	-	93,960,000,000	-

(i) Investment pursuant to Investment Cooperation Contract No. 01/HTDT dated December 28, 2007, between Central Pharmaceutical Joint Stock Company No2 and Viet Land Corporation for the establishment of Binh An Developed Investment Joint Stock Company. The company has not yet obtained the investee's Financial Statements for the fiscal year ended December 31, 2024 as a basis for assessing the impairment of this investment. The company was unable to ascertain the fair value of this investment due to the lack of a transaction price and the insufficient information required for a proper valuation assessment. During the year 2024, the Company didn't arise any transactions with Binh An Developed Investment Joint Stock Company.

3. Trade receivables

	31/12/2024		01/01/2024	
	VND		VND	
	Amount	Provision	Amount	Provision
Short-term				
Sinh Phuc Pharmaceutical Technology and Trading Company Limited	2,573,083,196	-	373,405,198	-
Codupha Central Pharmaceutical JSC	485,214,791	-	1,163,089,182	-
Vinh Quang Independent Pharmacy	1,179,863,634	-	1,640,395,759	-
Tam Phat Pharmaceutical Trading JSC	2,431,803,708	-	2,137,633,663	-
Hoang Van Vi	1,884,736,180	-	207,759,770	-
Nguyen Minh Duc	1,093,267,638	-	349,851,819	-
Eastern Europe Pharmaceutical JSC	1,067,988,892	-	-	-
Huong Viet Pharmaceutical JSC	2,361,553,219	-	1,899,177,284	-
Sapphire Pharmaceutical Co., Ltd	1,048,414,352	-	1,198,414,352	-
Thien Dat Pharmaceutical JSC	559,412,371	-	661,017,686	-

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

Thuan Thanh Pharmaceutical JSC	503,486,031	-	818,077,096	-
Others	6,964,010,570	(299,074,297)	4,841,871,734	(159,071,765)
Total	22,152,834,582	(299,074,297)	15,290,693,543	(159,071,765)
4. Advances to suppliers				
			31/12/2024	01/01/2024
			VND	VND
Lloya Laboratories Inc			-	262,333,500
Mediplantex National Pharmaceutical JSC			549,002,625	197,000,000
Lee Pharma Limited			-	887,898,000
Morepen Laboratories Limited			-	220,140,000
Others			364,564,410	692,822,989
Total			913,567,035	2,260,194,489
5. Other receivables				
	31/12/2024		01/01/2024	
	VND		VND	
	Amount	Provision	Amount	Provision
a) Short-term	58,235,678,311	(4,312,409,898)	55,107,915,294	(4,127,174,898)
Advances	166,917,426	-	138,587,426	-
Mortgages, collaterals	937,656,060	-	322,935,844	-
Social insurance paid first	1,953,222,422	-	267,618,981	-
Other receivables	55,177,882,403	(4,312,409,898)	54,378,773,043	(4,127,174,898)
Binh An Developed Investment JSC (i)	49,600,314,938	-	48,952,457,207	-
Tran Bao Cuong	2,320,000,000	(2,345,000,000)	2,345,000,000	(2,345,000,000)
Others	3,257,567,465	(1,967,409,898)	3,081,315,836	(1,782,174,898)
b) Long-term	72,240,000,000	-	72,240,000,000	-
Other receivables	72,240,000,000	-	72,240,000,000	-
Nhat Minh Production Company Limited (ii)	72,240,000,000	-	72,240,000,000	-
Total	130,475,678,311	(4,312,409,898)	127,347,915,294	(4,127,174,898)

(i) This is the land rent receivable of Binh An Developed Investment JSC at No. 9 Tran Thanh Tong, Bach Dang Ward, Hai Ba Trung District, Hanoi City from October 2012 to December 31, 2015, according to Ground Handover Minute No. 521 dated October 1, 201,2 and Appendix 1 No. 525 dated October 3, 2012.

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

(ii) This is an investment under the business cooperation contract No. 10/2017NM-DTW2-VH dated May 10, 2017, Contract Appendix No. 101/2018/NM-DPTW2-VH dated September 6, 2018, and Contract Appendix No. 02/2023/NM-DTW2-VH dated January 9, 2023 on adjusting the term of business investment cooperation to December 31, 2024 to implement the Dai Mo low-rise housing construction investment project in Dai Mo, Nam Tu Liem, Hanoi and the Office Center for Lease Project at No. 15 The Giao, Hai Ba Trung, Hanoi with a total investment capital of 170 billion VND for the construction of the two above projects. According to the capital contribution agreement dated May 10, 2017, and the first capital contribution agreement amendment document dated September 5, 2018, between Viet Hien Development Company Limited, Central Pharmaceutical Joint Stock Company No2 and Nhat Minh Production Company Limited - Hanoi Branch, Central Pharmaceutical Joint Stock Company No2 accounts for 42.62% of the total investment capital, Nhat Minh Production Company Limited accounts for 26.84% of the total investment capital, Viet Hien Development Company Limited accounts for 30.54% of the total investment capital.

c) **Other receivables from related parties:** Details are presented in Note VIII.2

6. Bad debts

	31/12/2024		01/01/2024	
	VND		VND	
	Cost	Recoverable amount	Cost	Recoverable amount
Total value of receivables, that are overdue or not overdue but difficult to recover;				
Trade receivables	299,074,297	-	159,071,765	-
Southeast Asia Pharmaceutical Company Limited	81,568,705	-	81,568,705	-
Others	217,505,592	-	77,503,060	-
Other receivables	4,312,409,898	-	4,312,409,898	185,235,000
Tran Bao Cuong	2,345,000,000	-	2,345,000,000	-
Nguyen Chi Dung	339,952,000	-	339,952,000	75,235,000
Pham Dang Khoa	139,200,000	-	139,200,000	110,000,000
Others	1,488,257,898	-	1,488,257,898	-
Total	4,611,484,195	-	4,471,481,663	185,235,000

7. Inventories

	31/12/2024		01/01/2024	
	VND		VND	
	Cost	Provision	Cost	Provision
Raw material	27,393,596,296	-	21,734,570,682	-
Tools and supplies	9,118,366	-	66,713,503	-
Work in progress	6,376,772,136	-	7,272,775,594	-
Finished goods	13,830,882,651	-	13,367,329,526	-
Total	47,610,369,449	-	42,441,389,305	-

CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO2

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NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

8. Increases, decreases of tangible fixed assets

Items	Building and structures	Machinery, equipment	Transportation means	Managerial equipment, tools	Others	Total
Unit: VND						
<i>Cost</i>						
Balance as at 01/01/2024	84,424,312,149	197,860,614,918	2,940,685,808	1,132,380,534	1,235,819,808	287,593,813,217
Purchase in the year	550,400,993	490,543,366	-	936,242,037	84,763,617	2,061,950,013
Balance as at 31/12/2024	84,974,713,142	198,351,158,284	2,940,685,808	2,068,622,571	1,320,583,425	289,655,763,230
<i>Accumulated depreciation</i>						
Balance as at 01/01/2024	27,469,947,665	103,272,099,649	2,838,137,216	1,001,763,899	800,696,647	135,382,645,076
Depreciation in the year	3,186,118,758	18,711,442,196	36,949,176	75,214,135	26,791,736	22,036,516,001
Balance as at 31/12/2024	30,656,066,423	121,983,541,845	2,875,086,392	1,076,978,034	827,488,383	157,419,161,077
<i>Net book value</i>						
As at 01/01/2024	56,954,364,484	94,588,515,269	102,548,592	130,616,635	435,123,161	152,211,168,141
As at 31/12/2024	54,318,646,719	76,367,616,439	65,599,416	991,644,537	493,095,042	132,236,602,153

Historical cost of fixed assets that have been fully depreciated but are still in use as at December 31, 2024: VND 21,193,377,265 (As at December 31, 2023: VND 26,858,127,497).

- Closing net book value of tangible fixed assets used for mortgage, collateral to secure borrowing amounts as at December 31, 2024: VND 125,927,605,760 (As at December 31, 2023: VND 107,536,835,476)

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

9. Increases, decreases in intangible fixed assets

	Accounting software	Unit: VND Total
<i>Cost</i>		
Balance as at 01/01/2024	810,751,750	810,751,750
Purchase in the year	-	-
Balance as at 31/12/2024	810,751,750	810,751,750
<i>Accumulated amortization</i>		
Balance as at 01/01/2024	810,751,750	810,751,750
Amortization in the year	-	-
Balance as at 31/12/2024	810,751,750	810,751,750
<i>Net book value</i>		
As at 01/01/2024	-	-
As at 31/12/2024	-	-

- The cost of intangible assets at the end of the year that have been fully depreciated but are still in use as at December 31, 2024 is VND 810,751,750 (As at December 31, 2023: VND 810,751,750)

10. Construction in progress

	31/12/2024 VND	01/01/2024 VND
Cao Xoa production line project	-	1,835,035,444
Vinh Tuy complex building	76,805,661	76,805,661
Total	76,805,661	1,911,841,105

11. Prepayments

	31/12/2024 VND	01/01/2024 VND
<i>a) Short-term</i>	<i>160,618,558</i>	<i>526,066,090</i>
Research expenses awaiting allocation	734,281	196,757,597
Other expenses awaiting for allocation	159,884,277	329,308,493
<i>b) Long-term</i>	<i>14,278,399,126</i>	<i>15,330,421,213</i>
Land use rights are limited in duration (*)	8,969,710,685	9,279,011,045
Land rental costs and infrastructure of Quang Minh Industrial Park	3,485,402,721	3,600,940,929
Factory repair costs awaiting allocation	392,630,545	184,925,272
Other expenses awaiting for allocation	1,430,655,175	2,265,543,967
Total	14,439,017,684	15,856,487,303

(*) The remaining value of the Land Use Rights with a term used to secure loans as at December 31, 2024, is VND 8,969,710,685 (As at December 31, 2023, it is VND 9,279,011,045).

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NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

12. Trade payables

	31/12/2024		01/01/2024	
	VND		VND	
	Historical cost	Amount payable	Historical cost	Amount payable
<i>Short-term</i>				
VCP.,JSC	-	-	2,453,657,588	2,453,657,588
Van Son International Economic and Technical Cooperation Company	7,346,050,277	7,346,050,277	7,346,050,277	7,346,050,277
MI Pharma Private Limited	2,159,462,950	2,159,462,950	2,052,045,934	2,052,045,934
Pharbaco Central Pharmaceutical JSC No.1	1,473,575,740	1,473,575,740	-	-
Albios Lifesciences Private Limited	1,229,003,100	1,229,003,100	-	-
Toan Phuc Pharmaceutical Chemical Company Limited	1,507,906,286	1,507,906,286	205,800,000	205,800,000
Others	5,942,619,743	5,942,619,743	6,468,780,869	6,468,780,869
Total	19,658,618,096	19,658,618,096	18,526,334,668	18,526,334,668

13. Advances from customers

	31/12/2024	01/01/2024
	VND	VND
<i>Short-term</i>		
Generic Phamaceutical JSC	973,530,932	1,501,899,000
Southeast Asia Pharmaceutical and Medical Equipment JSC	1,518,956,641	762,309,312
Xuan Anh Pharmaceutical and Equipment Company Limited	6,966,231,329	2,316,255,444
Minh An Pharmaceutical Technology Company Limited	2,502,761,314	2,638,746,689
HND Pharmaceutical Joint Stock Company	-	2,120,000,580
Northern Medibros Medicine JSC	-	1,069,218,045
Capital Pharmacy.,JSC	1,374,059,046	1,192,559,046
Others	5,655,401,114	5,712,770,104
Total	18,990,940,376	17,313,758,220

14. Taxes and amounts payable to the State budget

				Unit: VND
	01/01/2024	Payable in the year	Paid in the year	31/12/2024
<i>a) Payables</i>				
Value added tax	-	985,644,602	985,644,602	-
VAT on imported goods	-	3,320,972,486	3,320,972,486	-

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NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

Import tax	-	174,129,687	174,129,687	-
Personal income tax	11,890,172	201,295,459	202,777,114	10,408,517
Housing tax, land rent	53,995,905,662	1,187,092,386	1,187,092,386	53,995,905,662
Other taxes	-	4,000,000	4,000,000	-
Total	54,007,795,834	5,873,134,620	5,874,616,275	54,006,314,179
b) Receivables				
Corporate income tax	69,010,125	-	-	69,010,125
Total	69,010,125	-	-	69,010,125

15. Accrued expenses

	31/12/2024	01/01/2024
	VND	VND
Short-term		
Advance payment of interest expenses and late payment of interest	38,583,040,463	37,436,604,459
Other accrued expenses	86,840,000	64,800,000
Total	38,669,880,463	37,501,404,459

16. Other payables

	31/12/2024	01/01/2024
	VND	VND
a) Short-term	30,861,866,290	34,419,976,050
Trade Union Fee	1,345,941,665	1,482,809,875
Other payables	29,515,924,625	32,937,166,175
Dividends payable	107,755,846	107,755,846
Nhat Minh Production Company Limited Branch in Hanoi (i)	26,410,000,000	26,410,000,000
Others	2,998,168,779	6,419,410,329
b) Long-term	93,960,000,000	93,960,000,000
Other payables	93,960,000,000	93,960,000,000
Binh An Developed Investment Joint Stock Company (ii)	93,960,000,000	93,960,000,000
Total	124,821,866,290	128,379,976,050

(i) This is the amount payable according to Official Dispatch requesting working capital support No. 580/CV-DPTW2 dated December 10, 2018, of Central Pharmaceutical Joint Stock Company No2, Official Dispatch agreeing to support working capital dated December 20, 2018, loan without interest, no collateral, no term.

(ii) This is a loan from Binh An Developed Investment Joint Stock Company to reinvest in this same Company.

c) **Other payables as related parties:** Details are presented in Note VIII.2

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NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

17. Loans and obligations under finance lease

	31/12/2024		In the year		01/01/2024		Unit: VND
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off	
a) Short-term	101,895,578,312	101,895,578,312	21,965,578,312	4,405,400,000	84,335,400,000	84,335,400,000	
Short-term loans	7,380,000,000	7,380,000,000	250,000,000	4,405,400,000	11,535,400,000	11,535,400,000	
Personal loan (*)	7,380,000,000	7,380,000,000	250,000,000	4,405,400,000	11,535,400,000	11,535,400,000	
Vu Thi Nhung	-	-	-	1,000,000,000	1,000,000,000	1,000,000,000	
Le Thi Hoang	-	-	-	230,000,000	230,000,000	230,000,000	
Cao Minh Phuong	2,880,000,000	2,880,000,000	-	-	2,880,000,000	2,880,000,000	
Nguyen Thi Bich Thuy	-	-	-	1,295,400,000	1,295,400,000	1,295,400,000	
Others	4,500,000,000	4,500,000,000	250,000,000	1,880,000,000	6,130,000,000	6,130,000,000	
Long-term loans on due date	94,515,578,312	94,515,578,312	21,715,578,312	-	72,800,000,000	72,800,000,000	
Vietnam Development Bank - Transaction Office 1 Branch (**)	94,515,578,312	94,515,578,312	21,715,578,312	-	72,800,000,000	72,800,000,000	
b) Long-term	-	-	-	21,715,578,312	21,715,578,312	21,715,578,312	
Vietnam Development Bank - Transaction Office 1 Branch (**)	-	-	-	21,715,578,312	21,715,578,312	21,715,578,312	
Total	101,895,578,312	101,895,578,312	21,965,578,312	26,120,978,312	106,050,978,312	106,050,978,312	

(*) Loans to employees in the Company are to supplement working capital with an interest rate of 8%/year, a loan term of less than 12 months.

(**) Loan from Vietnam Development Bank - Transaction Office 1 Branch under Contract No. 02/2007/HDTT dated November 15, 2007, amended contract No. 09.02.2007/HDDSD-NHPT.SGDI dated March 31, 2016, to invest in purchasing equipment and installation for the project "Investing in the construction of a pharmaceutical factory meeting GMP-WHO standards". This loan is secured by mortgaging assets formed from loan capital and land use rights and assets attached to the Company's land at Quang Minh Industrial Park, Quang Minh Commune, Me Linh District, Hanoi City. The loan interest rate is 9%/year, loan term is 18 years.

c) Loans with related parties: Details are presented in note VIII.2

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

18. Owner's equity**a) Movement in owner's equity**

Items	Owner's contributed capital	Capital surplus	Retained earnings	Unit: VND
				Total
Balance as at 01/01/2023	200,000,000,000	4,902,500,000	(98,018,455,598)	106,884,044,402
Loss in previous year	-	-	(24,049,332,369)	(24,049,332,369)
Balance as at 31/12/2023	200,000,000,000	4,902,500,000	(122,067,787,967)	82,834,712,033
Loss this year	-	-	(5,554,108,995)	(5,554,108,995)
Balance as at 31/12/2024	200,000,000,000	4,902,500,000	(127,621,896,962)	77,280,603,038

b) Details of owner's equity contribution

	31/12/2024	01/01/2024
	VND	VND
Vietnam Pharmaceutical Corporation - JSC	13,566,500,000	13,566,500,000
Viet Land Corporation	24,748,000,000	24,748,000,000
Saigon Handicraft Fine Art Export Joint Stock Company	150,000,000,000	150,000,000,000
Other shareholders	11,685,500,000	11,685,500,000
Total	200,000,000,000	200,000,000,000

c) Capital transactions with owners, dividend distribution and shared profit

	Year 2024	Year 2023
	VND	VND
Owners' contributed capital	200,000,000,000	200,000,000,000
Contribution at the beginning of the year	200,000,000,000	200,000,000,000
Contribution at the year end	200,000,000,000	200,000,000,000
Paid dividend, shared profit	-	-

d) Shares

	31/12/2024	01/01/2024
	Shares	Shares
Number of shares registered for issue	20,000,000	20,000,000
Number of shares issued to the public	20,000,000	20,000,000
- Ordinary shares	20,000,000	20,000,000
Number of outstanding shares in circulation	20,000,000	20,000,000
- Ordinary shares	20,000,000	20,000,000
A common share has par value of VND 10,000 per share		

NOTES TO THE FINANCIAL STATEMENTS (continue)*(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)***e) Funds of the Company**

Items	01/01/2024	Increase in the year	Decrease in the year	Unit: VND
				31/12/2024
Development and investment fund	3,267,017,189	-	-	3,267,017,189
Other owners' funds	249,948,734	-	-	249,948,734
Total	3,516,965,923	-	-	3,516,965,923

*** Purpose of appropriation and use of enterprise funds**

The enterprise's development investment fund is appropriated from the profit after corporate income tax and is used to supplement the Company's charter capital by investing in expanding the scale of production and business or in-depth investment of the enterprise. In accordance with the provisions of the Company's charter.

19. Subsidised funds	31/12/2024	01/01/2024
	VND	VND
Funds remaining at the beginning of the period	175,290,000	175,290,000
Funding provided during the period	-	-
Career spending	-	-
Funds remaining at the end of the period	175,290,000	175,290,000

20. Off Balance sheet items

Foreign currencies	31/12/2024	01/01/2024
	VND	VND
USD bank deposit	1,207.47	1,888.39

VI. Additional information for items presented in the Income Statement**1. Gross revenue from goods sold and services rendered**

Revenue	Year 2024	Year 2023
	VND	VND
Revenue from sales of goods	397,509,791	11,083,808,657
Revenue from sales of finished products	200,034,529,890	182,470,913,902
Total	200,432,039,681	193,554,722,559

2. Revenue deductions

Sales Returns	Year 2024	Year 2023
	VND	VND
Sales Returns	245,129,568	334,640,472
Total	245,129,568	334,640,472

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

3. Cost of sales

	Year 2024 VND	Year 2023 VND
Cost of goods sold	397,446,375	11,145,839,338
Cost of finished goods sold	182,039,559,366	171,777,929,080
Total	182,437,005,741	182,923,768,418

4. Financial income

	Year 2024 VND	Year 2023 VND
Interest on bank deposits and margin interest	14,084,809	9,076,036
Exchange rate difference interest arises during the year	3,843,675	45,470,692
Gain from exchange rate difference due to revaluation at the year end	21,520,000	-
Total	39,448,484	54,546,728

5. Financial expenses

	Year 2024 VND	Year 2023 VND
a) Financial expenses		
Interest expense	4,838,474,984	15,234,665,265
Interest on late payment	87,397,416	447,861,522
Exchange rate difference loss arising during the year	309,622,174	76,816,590
Loss from exchange rate difference due to revaluation at the year end	-	64,172,519
Total	5,235,494,574	15,823,515,896

b) Financial expenses with related parties: Details are presented in note VIII.2**6. Selling expenses and general and administration expenses**

	Year 2024 VND	Year 2023 VND
a) Selling expenses incurred in the year	3,943,260,744	4,275,030,305
Labour cost	2,524,058,126	2,146,586,690
Cost of materials and packaging	11,048,560	5,195,562
Depreciation of fixed assets	36,949,176	36,949,176
Others expenses	1,371,204,882	2,086,298,877
b) General administration expenses incurred in the year	14,716,657,419	13,534,655,637
Labour cost	6,250,895,693	5,918,508,592
Management material costs	3,622,894	-
Tool costs	716,559,992	465,481,655
Fixed asset depreciation	358,806,465	555,187,168
Taxes, fees and charges	368,214,447	488,038,526

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

Provision	325,237,532	-
Out-sourced services	155,681,561	119,031,996
Other monetary expenses	6,537,638,835	5,988,407,700
Total	18,659,918,163	17,809,685,942
7. Other income		
	Year 2024	Year 2023
	VND	VND
a) <i>Other income</i>		
Income from warehouse leasing	1,472,420,350	-
Income from liabilities that are not payable	-	1,029,582,980
Income from transfer of drug ownership	240,000,000	100,000,000
Other	106,998,524	146,805,513
Total	1,819,418,874	1,276,388,493
b) <i>Other income with related parties:</i> Details are presented in note VIII.2		
8. Other expenses		
	Year 2024	Year 2023
	VND	VND
Administrative fines and late payment of taxes and insurance	3,500,000	146,644,406
Inventory processing	1,151,833,292	896,531,137
Input VAT is not deductible.	-	934,800,132
Interest on late payments	112,133,844	-
Other	852	65,403,746
Total	1,267,467,988	2,043,379,421
9. Current corporate income tax expense		
	Year 2024	Year 2023
	VND	VND
Total accounting profit before tax	(5,554,108,995)	(24,049,332,369)
Non-deductible expenses when calculating corporate income tax	1,480,570,824	12,305,155,510
Corporate income taxable income	(4,073,538,171)	(11,744,176,859)
Current corporate income tax rate	20%	20%
Corporate income tax expense calculated on current taxable income	-	-
10. Production cost by nature		
	Year 2024	Year 2023
	VND	VND
Raw materials and consumables	134,698,548,105	125,891,489,798
Labour cost	25,440,760,587	26,401,961,340
Depreciation and amortisation	22,036,516,001	22,026,937,888

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

Out-sourced services	5,212,475,746	4,584,289,813
Other monetary expenses	10,217,387,319	11,814,316,722
Total	197,605,687,758	190,718,995,561

11. Basic earnings per share

	Year 2024	Year 2023
	VND	VND
Accounting profit after corporate income tax	(5,554,108,995)	(24,049,332,369)
Adjustments of increase or decrease in accounting profit to determine profit or loss allocating to shareholders holding common shares:	-	-
<i>Adjustments of decrease</i>	-	-
Loss allocating shareholders holding common shares	(5,554,108,995)	(24,049,332,369)
Average ordinary shares in circulation for the year	20,000,000	20,000,000
Basic earnings per share	(277.71)	(1,202.47)

VII. Additional information for items presented in the Cash Flow Statement

	Year 2024	Year 2023
	VND	VND
1. Actual receipt of borrowing amounts in the year		
Proceeds from borrowings under normal agreement	250,000,000	980,000,000
2. Principal amount paid in the year		
Payment of borrowing principal under normal agreement	4,405,400,000	2,475,000,000

VIII. Other information**1. Subsequent events after reporting date**

The Board of General Directors confirms that, in all material respects, there are no unusual events arising after the balance sheet date that affect the financial position and operation of the Company and need to be adjusted or presented on the Financial Statements for the year ended December 31, 2024.

2. Transactions and balances with related parties

Related parties of the Corporation include: key members, individuals who are related to key members and other related parties.

List of related parties:

Related parties	Relationship
Vietnam Pharmaceutical Corporation - JSC	Large shareholders
Binh An Developed Investment JSC	Unit receiving contributed capital
Mr. Nguyen Tien Duc	Chairman
Mr. Le Tien Dung	Vice Chairman and General Director
Mr. Cao Quang Hung	Member of the Board of Management

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

Mr. Cao Tien Dung	Member of the Board of Management and Deputy General Director
Mr. Nguyen Thanh Tung	Member of the Board of Management and Deputy General Director
Mr. Phan Tri Dung	Deputy General Director
Mr. Tran Duc Thao	Assistant to Chairman of the Board of Management
Mrs. Nguyen Thi Dieu Thuy	Chief Accountant
Mr. Luong Tan Hoan	Chief Supervisor
Mrs. Tran Thi Thu Thuy	Member of Board of Supervisor
Mrs. Duong Thi Ngoc	Member of Board of Supervisor

a) During the year, the Company has entered into its significant transactions with related parties as follows:

	Year 2024 VND	Year 2023 VND
Interest expense		
Mr. Le Tien Dung	63,000,000	64,000,000
Mr. Phan Tri Dung	4,200,000	2,000,000
Mrs. Nguyen Thi Dieu Thuy	-	21,200,000
Other income (Income from warehouse leasing)		
Vietnam Pharmaceutical Corporation - JSC	1,281,610,500	-

b) Balances with related parties

	31/12/2024 VND	01/01/2024 VND
Other receivables		
Binh An Developed Investment JSC	49,600,314,938	48,952,457,207
Other payables		
Binh An Developed Investment JSC	93,960,000,000	93,960,000,000
Loans		
Mr. Le Tien Dung	750,000,000	750,000,000
Mr. Phan Tri Dung	50,000,000	50,000,000

c) Remuneration entitled to key management members

Details of the income of key management members in the year as follows:

Name	Year 2024 VND	Year 2023 VND
Board of Management and Board of Directors 's income	2,142,321,399	1,475,634,548
Mr. Nguyen Tien Duc	402,652,763	283,822,273
Mr. Le Tien Dung	636,949,775	454,860,911
Mr. Phan Tri Dung	348,004,317	217,022,727
Mr. Nguyen Thanh Tung	369,303,408	247,821,817
Mr. Cao Tien Dung	373,411,136	260,106,820
Mr. Cao Quang Hung	12,000,000	12,000,000

NOTES TO THE FINANCIAL STATEMENTS (continue)

(These notes are an integral part of and should be read in conjunction with the accompanying Financial Statements.)

Income of Chief Accountant and Other Management Members	555,758,408	532,472,275
Mrs. Nguyen Thi Dieu Thuy	364,478,408	268,987,275
Mr. Tran Duc Thao	191,280,000	263,485,000
Remuneration of Board of Supervisors	28,800,000	28,800,000
Mr. Luong Tan Hoan	12,000,000	12,000,000
Mrs. Tran Thi Thu Thuy	8,400,000	8,400,000
Mrs. Duong Thi Ngoc	8,400,000	8,400,000
Total	2,726,879,807	2,036,906,823

3. Comparative information

Comparative figures are the figures of the audited Financial Statements for the year ended 31/12/2023 of Central Pharmaceutical Joint Stock Company No2 by Vietnam Auditing and Evaluation Co., Ltd.

Hanoi, March 24, 2025

CENTRAL PHARMACEUTICAL JOINT STOCK COMPANY NO2

Prepared by

Chief Accountant

General Director



Dinh Thi Minh Huong



Nguyen Thi Dieu Thuy



Le Tien Dung



No.: 67/CV-DPTU2

Hanoi, date 26 March 2025

To: - The State Securities Commission of Vietnam
- Hanoi Stock Exchange

Central Pharmaceutical Joint Stock Company No2 (Stock code: DP2) respectfully extends our greetings and sincere appreciation for your continued attention and support.

Implementing Circular No. 96/2020/TT-BTC dated November 16th, 2020, issued by the Ministry of Finance, providing guidance on information disclosure in the securities market;

We hereby provide an explanation regarding the Auditor's disclaimer of opinion in the reviewed Financial Statements as follows:

In the Independent Audit Report No 2603.01-25/BC-TC/VAE issued by Viet Nam Auditing & Evaluation Company Limited on ___ March 2025, a disclaimer of opinion was expressed as of December 31st, 2024, concerning the following matters:

In the audit report on the Financial Statements for the fiscal year ended December 31st, 2023, we have issued a disclaimer of opinion because the Company recognized an increase in other income from the amount received as support under the Agreement Minutes on Share Transfer of Binh An Developed Investment Joint Stock Company from the Company to Dat Viet Financial Investment Joint Stock Company to determine business results for the years from 2010 to 2016, with a value of VND 99,600,000,000. As of the date of issuance of this report, we have not been provided with documents and records related to the completion of the share transfer procedures mentioned above. Therefore, we are unable to assess the impact of this matter on the Company's Financial Statements for the fiscal years ended December 31st, 2024 and December 31st, 2023.

We have not been provided with the Financial Statements for the fiscal years ended December 31st, 2024 and December 31st, 2023, of Binh An Developed Investment Joint Stock Company as a basis for considering the provision for investment loss (if any). Therefore, we cannot assess the impact of the aforementioned matter on the Company's Financial Statements for the fiscal years ended December 31st, 2024 and December 31st, 2023.

DP2 provides the following explanation regarding the Auditing Company's disclaimer of opinion:

Since the project "Commercial Service Complex on land area No. 9 Tran Thanh Tong" has not yet commenced operations, Central Pharmaceutical Joint Stock Company No2 has not completed the share transfer procedures to Dat Viet Financial Investment Joint Stock Company.

According to Investment Cooperation Contract No. 01/HTDT dated December 28, 2007, between Central Pharmaceutical Joint Stock Company No2 and Dat Viet Financial Investment Joint Stock Company for the establishment of Binh An Investment and Development Joint Stock Company to implement the project "Commercial Service Complex on land area No. 9 Tran Thanh Tong." Currently, as the project has not yet commenced operations, Binh An Investment and Development Joint Stock Company has not generated any economic transactions.

DP2 respectfully requests the support of the relevant authorities.

Sincerely!

Recipients:

- As above;
- Archives Office, Accounting Finance


Lê Tien Dung