

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FY2021 OF  
DHG PHARMACEUTICAL JOINT STOCK COMPANY****Kind Attn to: THE GENERAL MEETING OF SHAREHOLDERS OF DHG PHARMA**

- Pursuant to Enterprise Law No.59/2020/QH14 dated 17 Jun 2020;
- Pursuant to the Charter of DHG Pharmaceutical Joint Stock Company (DHG Pharma) issued on 19 Apr 2021,

The consolidated financial statements FY2021 of DHG Pharma were audited by Deloitte Vietnam Company Limited. This document was published on the Company's website: [www.dhgpharma.com.vn](http://www.dhgpharma.com.vn) and on the website of Ho Chi Minh Stock Exchange: [www.hsx.vn](http://www.hsx.vn). At the Annual General Meeting of Shareholders 2021, the Board of Directors presents the summary of the Company's consolidated financial statements FY2021 as follows:

**I. BALANCE SHEET**

No.	Items	01 Jan 2021 (VND)	31 Dec 2021 (VND)
	<b>TOTAL ASSETS</b>	<b>4,447,503,471,370</b>	<b>4,617,666,192,702</b>
<b>A</b>	<b>Current assets</b>	<b>3,480,799,873,619</b>	<b>3,727,292,944,320</b>
I	Cash and cash equivalents	73,054,473,018	43,373,518,349
II	Short-term financial investments	2,074,000,000,000	2,110,000,000,000
III	Short-term receivables	496,020,199,824	488,071,438,874
IV	Inventories	826,585,429,976	1,072,605,509,022
V	Other short-term assets	11,139,770,801	13,242,478,075
<b>B</b>	<b>Non-current assets</b>	<b>966,703,597,751</b>	<b>890,373,248,382</b>
I	Long-term receivables	244,240,000	642,061,880
II	Fixed assets	849,298,475,010	767,930,673,967
III	Investment property	14,999,958,848	14,654,470,364
IV	Long-term assets in progress	66,472,781,314	69,507,677,936
V	Long-term financial investments	4,387,520,000	4,577,500,000
VI	Other long-term assets	31,300,622,579	33,060,864,235
	<b>TOTAL RESOURCES</b>	<b>4,447,503,471,370</b>	<b>4,617,666,192,702</b>
<b>A</b>	<b>Liabilities</b>	<b>879,464,107,014</b>	<b>824,522,565,569</b>
I	Current liabilities	816,433,295,601	757,715,602,158
II	Long-term liabilities	63,030,811,413	66,806,963,411
<b>B</b>	<b>Owner's equity</b>	<b>3,568,039,364,356</b>	<b>3,793,143,627,133</b>

No.	Items	01 Jan 2021 (VND)	31 Dec 2021 (VND)
I	Owner's contributed capital	1,307,460,710,000	1,307,460,710,000
II	Share premium	6,778,948,000	6,778,948,000
III	Investment and development fund	1,479,946,644,695	1,668,641,014,030
IV	Retained earnings	769,784,599,949	807,129,425,637
V	Non-controlling interests	4,068,461,712	3,133,529,466

## II. INCOME STATEMENT IN 2021

No.	Items	2020 (VND)	2021 (VND)
<b>1</b>	<b>Gross revenue from goods sold and services rendered</b>	<b>4,206,732,382,220</b>	<b>4,522,014,622,470</b>
2	Deductions	451,113,070,896	518,844,205,371
<b>3</b>	<b>Net revenue from goods sold and services rendered</b>	<b>3,755,619,311,324</b>	<b>4,003,170,417,099</b>
4	Cost of sales	1,944,243,042,082	2,082,259,824,914
<b>5</b>	<b>Gross profit from goods sold and services rendered</b>	<b>1,811,376,269,242</b>	<b>1,920,910,592,185</b>
6	Financial income	140,432,017,346	122,939,313,054
7	Financial expenses	119,182,682,485	99,190,812,380
	<i>In which: Interest expense</i>	14,029,596,510	12,080,103,631
8	Share of net losses from associates	(500,637,457)	-
9	Selling expenses	699,298,275,858	802,955,208,315
10	General and administration expenses	302,861,761,740	257,171,743,291
<b>11</b>	<b>Operating profit</b>	<b>829,964,929,048</b>	<b>884,532,141,253</b>
12	Other income	6,031,473,208	1,931,180,500
13	Other expenses	14,972,488,544	22,461,429,911
14	Losses from other activities	(8,941,015,336)	(20,530,249,411)
<b>15</b>	<b>Accounting profit before tax</b>	<b>821,023,913,712</b>	<b>864,001,891,842</b>
16	Current corporate income tax expense	86,210,837,298	89,184,316,760
17	Deferred corporate tax income	(3,720,732,628)	(1,467,218,705)
<b>18</b>	<b>Net profit after corporate income tax</b>	<b>738,533,809,042</b>	<b>776,284,793,787</b>
	Profit after tax attributable to Parent Company	739,874,900,345	777,219,726,033
	Losses after tax attributable to non-controlling shareholders	(1,341,091,303)	(934,932,246)
<b>19</b>	<b>Basic earnings per share</b>	<b>5,443</b>	<b>5,720</b>

### III. CASH FLOW STATEMENT

No.	Items	2020 (VND)	2021 (VND)
<b>I.</b>	<b>Cash flows from operating activities</b>		
<b>1</b>	<b>Profit before tax</b>	821,023,913,712	864,001,891,842
<b>2</b>	<b>Adjustments for:</b>		
	Depreciation and amortisation of fixed assets and investment properties	88,196,799,144	83,863,617,460
	Provisions	17,994,453,882	6,212,023,553
	Foreign exchange (gain)/loss arising from translating foreign currency items	100,670,419	(428,437,498)
	Gain from investing activities	(136,184,864,585)	(106,217,667,352)
	Interest expense	14,029,596,510	12,080,103,631
<b>3</b>	<b>Operating profit before movements in working capital</b>	<b>805,160,569,082</b>	<b>859,511,531,636</b>
	Change in receivables	69,743,246,065	22,427,410,406
	Change in inventories	(101,120,046,803)	(246,313,380,755)
	Change in payables	171,398,479,009	(33,242,143,727)
	Change in prepaid expenses	12,429,581,311	(1,749,149,711)
	Interest paid	(14,279,236,632)	(12,049,912,729)
	Corporate income tax paid	(78,840,918,985)	(99,613,058,758)
	Other cash outflows	(38,317,458,516)	(36,526,894,741)
	<b>Net cash generated by operating activities</b>	<b>826,174,214,531</b>	<b>452,444,401,621</b>
<b>II.</b>	<b>Cash flows from investing activities</b>		
1	Acquisition and construction of fixed assets and other long-term assets	(88,805,051,465)	(24,562,126,487)
2	Proceeds from sale, disposal of fixed assets and other long-term assets	5,238,101,817	4,631,501,640
3	Cash outflow for lending and time deposits	(3,198,000,000,000)	(2,980,000,000,000)
4	Cash recovered from lending and time deposits	2,892,053,651,065	2,944,109,670,254
5	Cash recovered from investments in other entities	8,629,332,200	84,720,000
6	Interest earned, dividends and profits received	132,791,732,930	101,430,251,158
	<b>Net cash (used in)/generated by investing activities</b>	<b>(248,092,233,453)</b>	<b>45,694,016,565</b>
<b>III.</b>	<b>Cash flows from financing activities</b>		
1	Proceeds from borrowings	736,698,389,686	794,683,347,097
2	Repayment of borrowings	(789,093,721,992)	(799,563,689,552)
3	Dividends and profits paid	(522,984,284,000)	(522,984,284,000)
	<b>Net cash used in financing activities</b>	<b>(575,379,616,306)</b>	<b>(527,864,626,455)</b>
	<b>Net increase/(decrease) in cash</b>	<b>2,702,364,772</b>	<b>(29,726,208,269)</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>70,328,408,693</b>	<b>73,054,473,018</b>
	Effects of changes in foreign exchange rates	23,699,553	45,253,600
	<b>Cash and cash equivalents at the end of the year</b>	<b>73,054,473,018</b>	<b>43,373,518,349</b>

#### IV. BASIC FINANCIAL RATIOS

No.	Items	Unit	2020	2021
<b>1</b>	<b>Asset structure ratios</b>			
	Current assets to Total assets ratio	%	78.26%	80.72%
	Non-current assets to Total assets ratio	%	21.74%	19.28%
<b>2</b>	<b>Capital structure ratios</b>			
	Liabilities to Total resources ratio	%	19.77%	17.86%
	Owner's equity to Total resources ratio	%	80.23%	82.14%
<b>3</b>	<b>Liquidity ratios</b>			
	Current ratio	Time	4.26	4.92
	Quick ratio	Time	3.25	3.50
	Cash ratio	Time	0.09	0.06
<b>4</b>	<b>Profitability ratios</b>			
	Return on Sales (ROS)	%	19.66%	19.39%
	Return on Assets (ROA)	%	17.19%	17.13%
	Return on Equity (ROE)	%	21.27%	21.09%

Kindly submit to the General Meeting of Shareholders for consideration and approval.

Best regards.

**Recipients:**

- As above;
- Archived: BOD Secretary, AC.

**OBO. THE BOARD OF DIRECTORS  
BOD MEMBER, GENERAL DIRECTOR**

**Masashi Nakaura**

[NOTICE: This Convocation Notice is a translation of the Vietnamese language original for convenience purpose only, and in the event of any discrepancy, the Vietnamese language original shall prevail.]

No.: 0285 /VN1A-HC-BC

## INDEPENDENT AUDITORS' REPORT

**To: The shareholders  
The Board of Directors, Audit Committee and Management of  
DHG Pharmaceutical Joint Stock Company**

We have audited the accompanying consolidated financial statements of DHG Pharmaceutical Joint Stock Company (the "Company") and its subsidiary (the Company and its subsidiary are referred to as the "Group"), prepared on 16 February 2022 as set out from page 4 to page 36, which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

The 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 consolidated financial reporting, and for such internal control as the 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 that we comply with ethical requirements and 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 Group'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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### **Auditors' opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, 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.



  
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**Nguyen Thi Thu Sang**  
Audit Partner  
Audit Practising Registration Certificate  
No. 1144-2018-001-1  
**BRANCH OF DELOITTE VIETNAM COMPANY LIMITED**  
16 February 2022  
Ho Chi Minh City, Vietnam



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**Vong My Thanh**  
Auditor  
Audit Practising Registration Certificate  
No. 3460-2020-001-1