

**DHG PHARMACEUTICAL JOINT STOCK COMPANY**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FISCAL PERIOD ENDED 30 SEPTEMBER 2019**

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## DHG PHARMACEUTICAL JOINT STOCK COMPANY

### CORPORATE INFORMATION

<b>Establishment decision</b>	No. 2405/QD-CT.UB dated 5 August 2004 This decision was issued by the People's Committee of Can Tho City.	
<b>Business registration certificate</b>	No. 5703000111 dated 15 September 2004 issued by the Department of Planning and Investment of Can Tho City.  The Business registration certificate has been amended several times, and its latest amendment No. 1800156801 dated 01 July 2019 was issued by the Department of Planning and Investment of Can Tho City.	
<b>The Board of Directors</b>	Mr. Nguyen Chi Thanh Ms. Dang Thi Thu Ha Mr. Jun Kuroda Mr. Masashi Nakaura Mr. Maki Kamijo Mr. Doan Dinh Duy Khuong Mr. Phan Minh Tien Mr. Do Le Hung Mdm. Pham Thi Viet Nga Mr. Tran Chi Liem	Chairman (end of term from 11 June 2019) Chairman (appointed on 11 June 2019) Member Member (appointed on 11 June 2019) Member (appointed on 11 June 2019) Member Member Member (appointed on 11 June 2019) Member (end of term from 11 June 2019) Member (end of term from 11 June 2019)
<b>The Board of Management</b>	Mr. Doan Dinh Duy Khuong Mr. Le Chanh Dao Ms. Nguyen Ngoc Diep Mr. Tomoyuki Kawata	Interim General Director Deputy General Director (retired on 01 Aug 2019) Deputy General Director Deputy General Director
<b>The Board of Supervisory</b>	From 11 June 2019, the Company changed its organizational structure, management and control from the Board of Supervisory model to the Audit Committee model under the Board of Directors.	
	Mr. Tran Quoc Hung Ms. Nguyen Phuong Thao Mr. Tran Trung Kien	Head (end of term from 11 June 2019) Member (resigned on 25 Oct 2018) Member (end of term from 11 June 2019)
<b>Audit Committee</b>	Mr. Do Le Hung Ms. Dang Thi Thu Ha Mr. Maki Kamijo	Head (appointed on 11 June 2019) Member (appointed on 11 June 2019) Member (appointed on 11 June 2019)
<b>Legal representative</b>	Mr. Doan Dinh Duy Khuong	Interim General Director
<b>Head office</b>	288 Bis Nguyen Van Cu, An Hoa Ward, Ninh Kieu District, Can Tho City, Vietnam	

## INTERIM CONSOLIDATED BALANCE SHEET

Codes	ASSETS	Notes	As at 30.09.2019 VND	As at 31.12.2018 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>2,804,232,097,123</b>	<b>3,147,636,450,849</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>4</b>	<b>53,232,958,830</b>	<b>75,835,597,431</b>
111	Cash		49,532,958,830	75,330,296,062
112	Cash equivalents		3,700,000,000	505,301,369
<b>120</b>	<b>Short-term financial investments</b>	<b>5</b>	<b>1,363,500,000,000</b>	<b>1,459,722,000,000</b>
123	Held-to-maturity investments		1,363,500,000,000	1,459,722,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>502,573,720,747</b>	<b>669,787,225,237</b>
131	Short-term trade receivables	6	440,733,445,153	618,503,855,955
132	Short-term advances to suppliers		53,545,047,553	26,841,394,656
135	Short-term loan receivables		2,288,813,698	3,395,400,976
136	Other short-term receivables	7	43,457,743,492	55,618,287,897
137	Provision for short-term doubtful debts	8	(37,451,329,149)	(34,571,714,247)
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>871,226,855,486</b>	<b>891,486,976,436</b>
141	Inventories		872,294,208,147	892,301,302,668
149	Provision for devaluation of inventories		(1,067,352,661)	(814,326,232)
<b>150</b>	<b>Other short-term assets</b>		<b>13,698,562,060</b>	<b>50,804,651,745</b>
151	Short-term prepayments	10	3,839,536,931	3,452,228,975
152	Value added tax deductibles		9,540,386,628	32,191,908,956
153	Taxes and other receivables from the State budget	11	318,638,501	15,160,513,814
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>1,122,934,574,137</b>	<b>1,058,328,035,945</b>
<b>210</b>	<b>Long-term receivables</b>		<b>469,000,000</b>	<b>1,560,000,000</b>
215	Long-term loans receivable		-	1,330,000,000
216	Other long-term receivables		469,000,000	230,000,000
<b>220</b>	<b>Fixed assets</b>		<b>919,994,042,208</b>	<b>976,618,370,054</b>
221	Tangible fixed assets	12	706,608,215,332	741,098,658,417
222	Cost		1,377,569,384,691	1,347,704,245,077
223	Accumulated depreciation		(670,961,169,359)	(606,605,586,660)
227	Intangible fixed assets	13	213,385,826,876	235,519,711,637
228	Cost		249,573,808,364	269,077,826,514
229	Accumulated amortization		(36,187,981,488)	(33,558,114,877)
<b>230</b>	<b>Investment properties</b>	<b>14</b>	<b>18,067,154,377</b>	<b>247,880,293</b>
231	Cost		20,486,466,306	1,249,521,792
232	Accumulated depreciation		(2,419,311,929)	(1,001,641,499)
<b>240</b>	<b>Long-term assets in progress</b>		<b>17,848,594,230</b>	<b>14,087,991,804</b>
242	Construction in progress	15	17,848,594,230	14,087,991,804
<b>250</b>	<b>Long-term financial investments</b>	<b>5</b>	<b>128,482,936,109</b>	<b>25,219,928,995</b>
252	Investments in associate		2,980,313,389	3,042,620,558
253	Equity investments in other entities		27,908,170,200	27,908,170,200
254	Provision for impairment of long-term financial investments		(7,405,547,480)	(5,730,861,763)
255	Held-to-maturity investments		105,000,000,000	-
<b>260</b>	<b>Other long-term assets</b>		<b>38,072,847,213</b>	<b>40,593,864,799</b>
261	Long-term prepayments	10	25,384,136,022	30,170,914,891
262	Deferred tax assets	16	12,688,711,191	10,422,949,908
<b>270</b>	<b>TOTAL ASSETS</b>		<b>3,927,166,671,260</b>	<b>4,205,964,486,794</b>

## DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 01 – DN/HN

## INTERIM CONSOLIDATED BALANCE SHEET (cont.)

Codes	RESOURCES	Notes	As at 30.09.2019 VND	As at 31.12.2018 VND
<b>300</b>	<b>LIABILITIES</b>		<b>753,460,532,609</b>	<b>1,061,702,377,563</b>
<b>310</b>	<b>Current liabilities</b>		<b>689,397,890,959</b>	<b>1,001,487,737,988</b>
311	Short-term trade payables	17	143,844,951,072	145,750,476,107
312	Short-term advances from customers		20,878,009,223	9,728,206,186
313	Taxes and amounts payable to the State budget	11	23,534,168,651	13,641,750,175
314	Payables to employees		122,634,786,635	180,019,655,715
315	Short-term accrued expenses	18	29,415,852,934	40,052,115,726
318	Short-term unearned revenue	19	45,904,436,612	9,030,131,533
319	Other current payables	20	1,888,172,649	2,004,193,753
320	Short-term loans	21	231,195,090,709	557,901,327,419
322	Bonus and welfare funds	22	70,102,422,474	43,359,881,374
<b>330</b>	<b>Long-term liabilities</b>		<b>64,062,641,650</b>	<b>60,214,639,575</b>
342	Long-term provisions	23	46,730,309,010	39,753,692,402
343	Science and technology development fund	24	17,332,332,640	20,460,947,173
<b>400</b>	<b>EQUITY</b>		<b>3,173,706,138,651</b>	<b>3,144,262,109,231</b>
<b>410</b>	<b>Owner's equity</b>	<b>25</b>	<b>3,173,706,138,651</b>	<b>3,144,262,109,231</b>
411	Owner's contributed capital		1,307,460,710,000	1,307,460,710,000
411a	- Ordinary shares carrying voting rights		1,307,460,710,000	1,307,460,710,000
412	Share premium		6,778,948,000	6,778,948,000
418	Investment and development fund		1,392,604,475,464	1,270,235,596,228
421	Retained earnings		459,511,361,948	550,252,659,422
421a	- Retained earnings accumulated to the prior year end		29,909,699,604	28,072,641,016
421b	- Retained earnings of the current period		429,601,662,344	522,180,018,406
429	Non-controlling interests	26	7,350,643,239	9,534,195,581
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>3,927,166,671,260</b>	<b>4,205,964,486,794</b>

Tran Ngoc Hien  
Preparer

Ho Buu Huan  
Chief Accountant

Le Thi Hong Nhung  
Finance Director  
18 October 2019

## CONSOLIDATED INCOME STATEMENT

Codes	Notes	For the 3-month period ended		For the 9-month period ended		
		30.09.2019 VND	30.09.2018 VND	30.09.2019 VND	30.09.2018 VND	
01	Gross revenue from goods sold and services rendered	28	1,003,451,491,411	946,826,950,091	2,969,382,128,557	3,018,358,341,580
02	Deductions	28	129,094,724,097	118,736,704,461	352,011,709,939	348,682,599,254
<b>10</b>	<b>Net revenue from goods sold and services rendered</b>	<b>28</b>	<b>874,356,767,314</b>	<b>828,090,245,630</b>	<b>2,617,370,418,618</b>	<b>2,669,675,742,326</b>
11	Cost of sales	29	504,152,815,779	446,580,368,543	1,467,467,805,730	1,473,926,835,424
20	Gross profit		370,203,951,535	381,509,877,087	1,149,902,612,888	1,195,748,906,902
21	Financial income	30	32,232,047,096	28,667,959,881	90,506,875,866	80,127,484,174
22	Financial expenses	31	25,696,188,464	25,219,153,321	76,614,192,371	79,071,306,919
23	<i>In which: interest expense</i>		<i>7,190,511,486</i>	<i>6,848,467,518</i>	<i>19,674,281,797</i>	<i>21,823,828,097</i>
24	Loss sharing from investment in associate		(8,768,835)	(38,116,282)	(62,307,169)	(38,116,282)
25	Selling expenses	32	170,006,078,405	164,990,095,433	462,468,996,284	491,821,246,771
26	General and administrative expenses	32	70,962,730,773	70,375,327,325	222,289,447,342	200,066,968,540
<b>30</b>	<b>Operating profit</b>		<b>135,762,232,154</b>	<b>149,555,144,607</b>	<b>478,974,545,588</b>	<b>504,878,752,564</b>
31	Other income	33	1,824,603,483	3,643,931,152	7,399,516,550	10,779,472,563
32	Other expenses	33	1,998,529,992	1,804,247,996	5,200,113,772	3,580,706,382
40	<b>Profit from other activities</b>		<b>(173,926,509)</b>	<b>1,839,683,156</b>	<b>2,199,402,778</b>	<b>7,198,766,181</b>
<b>50</b>	<b>Accounting profit before tax</b>		<b>135,588,305,645</b>	<b>151,394,827,763</b>	<b>481,173,948,366</b>	<b>512,077,518,745</b>
51	Current corporate income tax expense	35	17,991,899,924	12,685,553,029	56,021,599,647	39,743,213,730
52	Deferred corporate tax expense	35	119,003,201	(80,263,175)	(2,265,761,283)	23,863,523,163
<b>60</b>	<b>Net profit after corporate income tax</b>		<b>117,477,402,520</b>	<b>138,789,537,909</b>	<b>427,418,110,002</b>	<b>448,470,781,852</b>

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT (cont.)

Codes	Notes	For the 3-month period ended		For the 9-month period ended	
		30.09.2019 VND	30.09.2018 VND	30.09.2019 VND	30.09.2018 VND
<b>60</b>	<b>Net profit after corporate income tax</b>	<b>117,477,402,520</b>	<b>138,789,537,909</b>	<b>427,418,110,002</b>	<b>448,470,781,852</b>
	<b>In which:</b>				
61	Owners of the parent company	117,670,881,380	138,681,461,751	429,601,662,344	449,986,929,081
62	Non-controlling interests	(193,478,860)	108,076,158	(2,183,552,342)	(1,516,147,229)
<b>70</b>	<b>Earnings per share (VND)</b>	<b>862</b>	<b>943</b>	<b>3,153</b>	<b>3,063</b>

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Tran Ngoc Hien  
Preparer

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Ho Buu Huan  
Chief Accountant

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Le Thi Hong Nhung  
Finance Director  
18 October 2019

INTERIM CONSOLIDATED CASH FLOW STATEMENT  
(Indirect method)

	Codes	Fiscal period ended	
		30.09.2019 VND	30.09.2018 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	01	481,173,948,366	512,077,518,745
2. Adjustments for:			
Depreciation and amortization of fixed assets and investment properties	02	66,552,903,125	66,487,110,822
Provisions	03	12,574,785,280	14,080,280,508
Foreign exchange loss arising from translating foreign currency items	04	145,849,770	164,684,988
Gain from investing activities	05	(88,613,760,963)	(82,374,701,532)
Interest expense	06	19,674,281,797	21,823,828,097
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>491,508,007,375</b>	<b>532,258,721,628</b>
Changes in receivables	09	215,660,576,486	204,300,821,699
Changes in inventories	10	20,007,094,521	(234,859,849,735)
Changes in payables	11	(69,058,821,122)	(115,368,721,123)
Changes in prepaid expenses	12	4,503,770,913	6,869,473,367
Interest paid	14	(19,557,979,540)	(21,940,387,577)
Corporate income tax paid	15	(35,127,820,254)	(46,811,010,901)
Other cash outflows	17	(42,366,277,320)	(63,367,868,336)
<b>Net cash generated by operating activities</b>	<b>20</b>	<b>565,568,551,059</b>	<b>261,081,179,022</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(36,947,066,048)	(36,790,284,982)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	919,720,404	7,071,090,910
3. Cash outflow for lending, buying debt instruments of other entities	23	(2,194,173,917,808)	(2,440,920,873,526)
4. Cash recovered from lending, selling debt instruments of other entities	24	2,187,832,505,086	1,904,938,613,592
5. Equity investments in other entities	25	-	(160,000,000)
6. Interest earned, dividends and profits received	27	107,764,402,985	70,735,630,234
<b>Net cash generated by/ (used in) investing activities</b>	<b>30</b>	<b>65,395,644,619</b>	<b>(495,125,823,772)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	1,634,354,302,233	2,169,939,831,596
2. Repayment of borrowings	34	(1,961,060,538,943)	(2,033,415,400,470)
3. Dividends paid to the shareholders	36	(326,865,177,500)	(392,238,213,000)
<b>Net cash used in financing activities</b>	<b>40</b>	<b>(653,571,414,210)</b>	<b>(255,713,781,874)</b>
<b>Net decrease in cash</b>	<b>50</b>	<b>(22,607,218,532)</b>	<b>(489,758,426,624)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>75,835,597,431</b>	<b>549,777,216,585</b>
Effects of changes in foreign exchange rates	61	4,579,931	28,206,544
<b>Cash and cash equivalents at the end of the period/year</b>	<b>70</b>	<b>53,232,958,830</b>	<b>60,046,996,505</b>

Tran Ngoc Hien  
PreparerHo Buu Huan  
Chief AccountantLe Thi Hong Nhung  
Finance Director  
18 October 2019



NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FISCAL PERIOD ENDED 30 SEPTEMBER 2019**1 GENERAL INFORMATION****Structure of ownership**

On 2 September 2004, DHG Pharmaceutical Joint Stock Company (the “Company”) was equitized from Hau Giang Pharmaceutical United Factory in accordance with Decision No.2405/QD-CT.UB dated 5 August 2004 issued by the People’s Committee of Can Tho City. The Company was officially incorporated as a joint stock company under the Business Registration Certificate No.5703000111 dated 15 September 2004 issued by the Department of Planning and Investment of Can Tho City with the initial charter capital of VND 80,000,000,000

The Company’s shares were listed on Ho Chi Minh Stock Exchange with DHG code in accordance with Decision No. 93/UBCK-GPNY dated 1 December 2006 issued by the State Securities Commission of Vietnam.

The largest shareholder of the Company is Taisho Pharmaceutical Co., Ltd which owned 51.01% and the State Capital Investment Corporation (“SCIC”) which owned 43.31% of share capital of the Company. SCIC is controlled by Commission for the Management of State Capital at Enterprises.

The Company’s head office is located at 288 Bis Nguyen Van Cu Street, An Hoa Ward, Ninh Kieu District, Can Tho City, S.R. Vietnam.

The number of employees of the Group as at 30 September 2019 was 2,937 (as at 31 December 2018: 3,054).

**Operating industry and principal activities**

The Group’s operating industry is to manufacture and sell pharmaceutical products.

The Group’s principal activities are to manufacture and trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and cosmeceuticals.

**The Group’s structure**

As at 30 September 2019 and 31 December 2018, the Company’s subsidiary and associate were as follows:

Name	Principal activities	Business Registration Certificate	Proportion of ownership interest and voting power held	
			Closing balance	Opening balance
<b>Subsidiary</b>				
Fuji Medic Limited Liability Company	Health care services	No. 1801472944 issued by the Planning and Investment Department of Can Tho City on 27 July 2016	51%	51%
<b>Associate</b>				
Vinh Hao Algae Processing Joint Stock Company	Manufacturing and trading spirulina algae	No. 4803000150 issued by the Planning and Investment Department of Binh Thuan Province on 4 February 2008	31.36%	31.36%

According to the Resolution of the Board of Directors No. 003/2019/NQ.HĐQT dated 1 April 2019, the Board of Directors of the Company approved the plan to transfer its interest in Fuji Medic Limited Liability Company (“Fuji Medic”) or to liquidate its assets for dissolution of this company. As at the date of these interim consolidated financial statements, the Company is liquidating the assets of Fuji Medic.

**1 GENERAL INFORMATION (cont.)****Normal production and business cycle**

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

**Disclosure of information comparability in the consolidated financial statements**

Comparative figures on the consolidated balance sheet are the figures of the audited consolidated financial statements for the fiscal year ended 31 December 2018, comparative figures on consolidated income statement and consolidated cash flow statement are the figures of consolidated financial statements for the fiscal period ended 30 September 2018.

**2 ACCOUNTING CONVENTION AND FINANCIAL YEAR****Accounting convention**

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

The 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.

**Financial year**

The Group's financial year begins on 1 January and ends on 31 December.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Estimates**

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

**Business combinations**

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Group (its subsidiaries) up to 30 September each year. Control is achieved where the Group has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intra-group transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)****Business combinations (cont.)**

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 recognized.

**Investments in associate**

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

The results, assets and liabilities of associate are incorporated in these financial statements using the equity method of accounting. Interests in associate are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognized.

Where a group entity transacts with an associate of the Company, unrealized profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in transit, demand deposits and short-term investments with maturity term not exceeding 3 months from the date of investment, which are highly liquid, readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

**Financial investments*****Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Board of Management has the positive intent or ability to hold to maturity.

Held-to-maturity investments include term deposits to earn periodic interest (except for term deposits presented in "cash and cash equivalents" item). These investments are measured at cost less provision for impairment of financial investments. Interest income from term deposits is recognized in the income statement on accrual basis.

**Loan receivables**

Loan receivables are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to loan receivables is made in accordance with prevailing accounting regulations.

**Equity investments in other entities**

Equity investments in other entities represent the Group's investments in ordinary shares of the entities over which the Group has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment. The provision for impairment of these investments is made when the entities made losses, except for loss that was anticipated in their business plan before the date of investment.

**Receivables**

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

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)****Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises cost of purchases and other directly attributable expenses. In the case of manufactured products, cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as at the balance sheet date.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased 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.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives, as follows:

	<u>Years</u>
Buildings and structures	3 - 50
Machinery and equipment	3 - 20
Motor vehicles	3 - 20
Office equipment	3 - 10

Gain or loss resulting from sales and disposals of tangible fixed assets is the difference between proceeds from sales or disposals of assets and their residual values and is recognized in the income statement.

**Leases**

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

**Intangible fixed assets and amortization**

Intangible fixed assets represent the value of land use rights and computer software that are stated at cost less accumulated amortization.

Definite land use rights are amortized using the straight-line method over the terms indicated in the land use right certificate. Indefinite land use rights are carried at cost and not amortized under prevailing regulations.

Computer software is amortized using the straight-line method over its useful life from 3 to 8 years.

**Investment properties**

Investment properties are buildings, or part of buildings or infrastructure or buildings and land held by the Company to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation while investment properties held for capital appreciation are stated at cost less impairment loss. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives from 10 to 16 years.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)****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 Group's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

**Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise leasehold improvement expenses, land rentals, costs of small tools, supplies and spare parts issued for consumption and other prepayment expenses.

Land rentals represent the prepaid land rentals. The prepaid land rentals are allocated to the consolidated income statement using the straight-line method over the lease term.

Others have been capitalized as prepayments, and are allocated to the consolidated income statement using the straight-line method in accordance with the current prevailing accounting regulations.

**Provisions**

Provisions are recognized when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Board of Management's best estimate of the expenditure required to settle the obligation as at the consolidated balance sheet date.

**Severance allowance payable**

The severance allowance for employees is accrued at the end of each reporting year for all employees having worked at the Group for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements. The increase or decrease in the accrued amount shall be recorded in the consolidated income statement.

**Provision for dismantling and restoration costs**

In accordance with Circular No.200/2014/TT-BTC issued by the Ministry of Finance, since 1 January 2015, the Group is required to provide for dismantling and restoration costs of the Group's leased premises or land. The provision for dismantling and restoration costs is determined based on the estimated dismantling and restoration costs to be incurred at the time of returning the premises or land at the end of the lease term and recognized on a straight-line basis over the period from 1 January 2015 to the time of returning the premises or land.

**Unearned revenue**

Unearned revenue represents the fair value of goods and services provided to customers for free or at discount in the customer loyalty programs. Unearned revenue is recognized for the portion of obligation that the Group has not yet fulfilled to customers.

**Revenue recognition**

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

- (a) The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Group 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;
- (d) It is probable that the economic benefits associated with the transaction will flow to the Group; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)****Revenue recognition (cont.)**

Revenue of a transaction involving the rendering of services is recognized 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 recognized in each period by reference to the percentage of completion of the transaction at the consolidated balance sheet date. 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;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Group;
- (c) The percentage of completion of the transaction at the consolidated 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 income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognized when the Group's right to receive payment has been established.

**Sales deductions**

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for the products, goods or services which are sold in the previous periods, incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction of revenue of the current reporting period.

**Customer loyalty programs**

Revenue is recognized at total consideration received less fair value of goods and services which are provided to customers for free or at discount. Fair value amounts of goods and services provided for free or at discount are recognized as unearned revenue. If customers do not meet the required conditions stated in the customer loyalty programs at the end of the programs and hence, are not entitled to the free or discounted goods and services, the unearned revenue is realized into the income statement.

When customers meet all the required conditions and the Group is the one providing the free or discounted goods and services to customers, the unearned revenue is realized into the Group's income statement at the time that obligations to customers are fulfilled, which means goods are delivered and services are rendered to customers.

When customers meet all the required conditions and obligations of providing the free or discounted goods and services to customers are carried out by a third party. If the Group does not act as an agent of the third party, the unearned revenue is realized into the Group's income statement at the time that third party provides the free or discounted goods and services to customers. If the Group acts as an agent of the third party, the Group recognizes revenue for the difference between the unearned revenue amount and the amount payable to the third party for providing such free or discounted goods and services to customers. The amount paid to the third party is treated as the payment of the liability.

**Foreign currencies**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognized in the consolidated income statement.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)****Borrowing costs**

Borrowing costs are recognized in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 “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 capitalized 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 income for the period. Taxable income differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to the consolidated income statement, 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 Group intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of 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 applied in accordance with the prevailing tax laws in Vietnam.

**Dividend distribution**

The Company's profit after tax is available for appropriation to shareholders as dividends after approval by shareholders at the Company's Annual General Meeting of Shareholders.

Final dividends are declared and paid from retained earnings based on the approval of shareholders at the Annual General Meeting of Shareholders.

Appropriation of the Company's net profit after tax of 2018 was approved by the Board of Directors as follows:

- Dividends declared for 2018: 35% of par value.
- Appropriation to the bonus and welfare fund: 10% of net profit after tax.
- Remuneration payment to the Board of Directors, Board of Supervisory, members of Committees under the Board of Directors and the Board of Directors’ Secretary: VND 6,000,000,000.
- Remaining net profit after tax was appropriated to the investment and development fund.

**4 CASH AND CASH EQUIVALENTS**

	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Cash	12,203,727,444	27,969,606,758
Demand deposits	37,329,231,386	47,360,689,304
Cash equivalents (*)	3,700,000,000	505,301,369
	<u>53,232,958,830</u>	<u>75,835,597,431</u>

(\*) Cash equivalents represent term deposits at banks with the original maturity terms not exceeding 3 months.

**5 FINANCIAL INVESTMENTS****(a) Short-term financial investments**

Short-term held-to-maturity investments represent term deposits with the original maturity terms from more than 3 months to 12 months.

**Held-to-maturity investments**

	<b>30.09.2019</b>		<b>31.12.2018</b>	
	<b>Cost</b>	<b>Book value</b>	<b>Cost</b>	<b>Book value</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Term deposits	<u>1,363,500,000,000</u>	<u>1,363,500,000,000</u>	<u>1,459,722,000,000</u>	<u>1,459,722,000,000</u>

**(b) Long-term financial investments**

	<b>30.09.2019</b>		<b>31.12.2018</b>	
	<b>Cost</b>	<b>Provision</b>	<b>Cost</b>	<b>Provision</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Investments in associate (*)	2,980,313,389	-	3,042,620,558	-
Equity investments in other entities (**)	<u>27,908,170,200</u>	<u>(7,405,547,480)</u>	<u>27,908,170,200</u>	<u>(5,730,861,763)</u>
	<u>30,888,483,589</u>	<u>(7,405,547,480)</u>	<u>30,950,790,758</u>	<u>(5,730,861,763)</u>

(\*) Percentages of ownership and voting rights of the Group in associate are presented in Note 1. Detail of investment in associate is as follow:

	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Vinh Hao Algae Processing Joint Stock Company	<u>2,980,313,389</u>	<u>3,042,620,558</u>



## 5 FINANCIAL INVESTMENTS (cont.)

Movements in investments in associate during the period/year were as follows:

	Fiscal period ended 30.09.2019 VND	Fiscal year ended 31.12.2018 VND
Opening balance	3,042,620,558	3,129,548,349
Share of losses	(222,433,196)	(86,927,791)
Adjustment of the prior period's interest	160,126,027	-
Closing balance	<u>2,980,313,389</u>	<u>3,042,620,558</u>

(\*\*) Details of investments in other entities were as follows:

	30.09.2019 VND	31.12.2018 VND
ATP Packaging Joint Stock Company	20,000,000,000	20,000,000,000
Enlie Pharmaceutical Joint Stock Company (*)	4,286,800,000	4,286,800,000
Tra Vinh Pharmaceutical Joint Stock Company	2,575,315,200	2,575,315,200
Ninh Thuan Pharmaceutical & Medical Equipment Joint Stock Company	796,675,000	796,675,000
Tay Ninh Pharmaceutical Joint Stock Company	221,960,000	221,960,000
Cuu Long Pharmaceutical Joint Stock Company	27,420,000	27,420,000
	<u>27,908,170,200</u>	<u>27,908,170,200</u>

(\*) Formerly Becamex Pharmaceutical Joint Stock Company

Provision balance as at 30 September 2019 and 31 December 2018 represents the provision for impairment of the investment in ATP Packaging Joint Stock Company.

**Held-to-maturity investments – long-term**

Long-term held-to-maturity investments represent term deposits with remaining maturity term exceeding 12 months from the balance sheet date.

	30.09.2019		31.12.2018	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	<u>105,000,000,000</u>	<u>105,000,000,000</u>	<u>-</u>	<u>-</u>

## 6 SHORT-TERM TRADE RECEIVABLES

	30.09.2019 VND	31.12.2018 VND
Third parties	<u>440,733,445,153</u>	<u>618,503,855,955</u>
	<u>440,733,445,153</u>	<u>618,503,855,955</u>

As at 30 September 2019 and 31 December 2018, there were no single short-term trade receivables accounting for 10% or more of total trade receivables.

**7 OTHER SHORT-TERM RECEIVABLES**

	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>Value</b>	<b>Value</b>
	<b>VND</b>	<b>VND</b>
Interest income receivable	26,281,054,746	46,266,887,751
Receivable from employees	8,638,088,786	5,715,446,761
Other receivables	8,538,599,960	3,635,953,385
	<u>43,457,743,492</u>	<u>55,618,287,897</u>

**8 BAD DEBTS**

	<b>30.09.2019</b>		
	<b>Cost</b>	<b>Recoverable</b>	<b>Provision</b>
	<b>VND</b>	<b>amount</b>	<b>VND</b>
		<b>VND</b>	<b>VND</b>
Total amount of receivables and loans past due or not past due but impaired	180,921,799,041	143,470,469,892	(37,451,329,149)
	<b>31.12.2018</b>		
	<b>Cost</b>	<b>Recoverable</b>	<b>Provision</b>
	<b>VND</b>	<b>amount</b>	<b>VND</b>
		<b>VND</b>	<b>VND</b>
Total amount of receivables and loans past due or not past due but impaired	205,852,717,492	171,281,003,245	(34,571,714,247)

As at 30 September 2019 and 31 December 2018, there was no balance of receivables accounting for 10% or more of total past due receivable amount.

Movements in the provision for doubtful debts during the period/year were as follows:

	<b>Fiscal period</b>	<b>Fiscal year</b>
	<b>ended</b>	<b>ended</b>
	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	34,571,714,247	21,712,831,939
Increase during the period/year	2,879,614,902	12,865,960,026
Reversal during the period/year	-	(7,077,718)
Closing balance	<u>37,451,329,149</u>	<u>34,571,714,247</u>

**9 INVENTORIES**

	<b>30.09.2019</b>		<b>31.12.2018</b>	
	<b>Cost</b>	<b>Provision</b>	<b>Cost</b>	<b>Provision</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Goods in transit	64,366,017,966	-	66,470,323,130	-
Raw materials	334,340,816,752	-	376,766,969,549	-
Work in progress	60,205,606,153	-	54,189,946,414	-
Finished goods	370,377,535,015	(1,067,352,661)	346,534,828,838	(814,326,232)
Merchandise	43,004,232,261	-	48,339,234,737	-
	<u>872,294,208,147</u>	<u>(1,067,352,661)</u>	<u>892,301,302,668</u>	<u>(814,326,232)</u>

**9 INVENTORIES (cont.)**

Movements in the provision for inventories during the period/year were as follows:

	<b>Fiscal period ended 30.09.2019 VND</b>	<b>Fiscal year ended 31.12.2018 VND</b>
Opening balance	814,326,232	2,456,156,179
Additional provision	253,026,429	
Utilization of provision	-	(1,320,277,628)
Reversal of provision	-	(321,552,319)
Closing balance	<u>1,067,352,661</u>	<u>814,326,232</u>

The provision for devaluation of inventories was made for inventories of which costs were higher than net realizable value.

As at 30 September 2019 and 31 December 2018, the Group did not have any slow moving, damaged or sub-standard inventories.

**10 PREPAYMENTS****Short-term prepayments**

	<b>30.09.2019 VND</b>	<b>31.12.2018 VND</b>
Operating leases	1,925,338,148	101,800,010
Others	1,914,198,783	3,350,428,965
	<u>3,839,536,931</u>	<u>3,452,228,975</u>

Prepayments are allocated within 12 months since the time of prepayment.

**Long-term prepayments**

	<b>30.09.2019 VND</b>	<b>31.12.2018 VND</b>
Prepaid land rental	10,108,783,167	10,367,868,894
Tools and supplies	8,806,536,489	11,828,145,326
Leasehold improvements	-	77,295,492
Others	6,468,816,366	7,897,605,179
	<u>25,384,136,022</u>	<u>30,170,914,891</u>

Movements in long-term prepayments during the period/year were as follows:

	<b>Fiscal period ended 30.09.2019 VND</b>	<b>Fiscal year ended 31.12.2018 VND</b>
Opening balance	30,170,914,891	31,156,425,691
Increase	6,741,357,176	13,147,094,166
Allocation during the period/year	(11,497,742,045)	(14,147,024,752)
Reclassifications of opening balance	(30,394,000)	14,419,786
Closing balance	<u>25,384,136,022</u>	<u>30,170,914,891</u>

11 TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

Receivables

	Opening balance	Payable during the period/year	Refund/ Decrease during the period/year	Paid during the period/year	Closing balance
Import value added tax	3,713,591,537	(37,739,372,015)	-	34,089,337,857	63,557,379
Import and export duties	926,396,477	(9,895,215,127)	3,318,303,170	5,905,596,602	255,081,122
Corporate income tax	10,504,843,481	(45,761,703,319)	129,039,584	35,127,820,254	-
Land use tax	15,682,319	(15,682,319)	-	-	-
Total	15,160,513,814	(93,411,972,780)	3,447,342,754	75,122,754,713	318,638,501

Payables

VAT on domestic sales	13,499,506,643	35,797,333,136	-	(42,146,647,963)	7,150,191,816
Corporate income tax	-	10,259,896,328	-	-	10,259,896,328
Personal income tax	142,243,532	34,479,732,964	-	(31,101,828,559)	3,520,147,937
Land rental fee, land use tax	-	5,527,386,446	-	(2,923,453,876)	2,603,932,570
Other taxes	-	565,498,665	-	(565,498,665)	-
Total	13,641,750,175	86,629,847,539	-	(76,737,429,063)	23,534,168,651

DHG PHARMACEUTICAL JOINT STOCK COMPANY

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12 TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Cost</b>					
As at 01 January 2019	523,308,829,235	591,454,224,302	162,771,502,625	70,169,688,915	1,347,704,245,077
Additions during the period/year	-	985,000,000	-	34,900,000	1,019,900,000
Transferred from construction in progress (Note 15)	3,788,276,789	22,712,131,802	2,910,487,273	2,467,974,946	31,878,870,810
Transferred from investment properties (Note 14)	267,073,636	-	-	-	267,073,636
Disposals	(363,374,367)	(729,446,519)	(2,145,094,673)	(62,789,273)	(3,300,704,832)
As at 30 September 2019	527,000,805,293	614,421,909,585	163,536,895,225	72,609,774,588	1,377,569,384,691
<b>Accumulated depreciation</b>					
As at 01 January 2019	182,276,573,936	263,974,535,576	100,903,919,325	59,450,557,823	606,605,586,660
Charge for the period/year	21,828,319,352	34,517,724,683	8,262,044,527	2,758,903,081	67,366,991,643
Transferred from investment properties (Note 14)	267,073,636	-	-	-	267,073,636
Disposals	(363,374,367)	(707,224,267)	(2,145,094,673)	(62,789,273)	(3,278,482,580)
As at 30 September 2019	204,008,592,557	297,785,035,992	107,020,869,179	62,146,671,631	670,961,169,359
<b>Net book value</b>					
As at 01 January 2019	341,032,255,299	327,479,688,726	61,867,583,300	10,719,131,092	741,098,658,417
As at 30 September 2019	322,992,212,736	316,636,873,593	56,516,026,046	10,463,102,957	706,608,215,332

The cost of fully depreciated tangible fixed assets but still in use as at 30 September 2019 was VND 233,674,248,436 (as at 31 December 2018: VND 206,527,246,637).

## 13 INTANGIBLE FIXED ASSETS

	Land use rights with indefinite term VND	Land use rights with definite term VND	Computer software VND	Total VND
<b>Cost</b>				
As at 01 January 2019	95,158,560,046	157,471,235,263	16,448,031,205	269,077,826,514
Reclassification	(1,560,000,000)	1,560,000,000	-	-
Transfer to investment property (Note 14)	(2,431,128,400)	(17,072,889,750)	-	(19,504,018,150)
As at 30 September 2019	<u>91,167,431,646</u>	<u>141,958,345,513</u>	<u>16,448,031,205</u>	<u>249,573,808,364</u>
<b>Accumulated amortization</b>				
As at 01 January 2019	-	22,026,708,192	11,531,406,685	33,558,114,877
Charge for the period/year	-	2,409,625,350	1,774,939,437	4,184,564,787
Transfer to investment property (Note 14)	-	(1,554,698,176)	-	(1,554,698,176)
As at 30 September 2019	-	<u>22,881,635,366</u>	<u>13,306,346,122</u>	<u>36,187,981,488</u>
<b>Net book value</b>				
As at 01 January 2019	95,158,560,046	135,444,527,071	4,916,624,520	235,519,711,637
As at 30 September 2019	<u>91,167,431,646</u>	<u>119,076,710,147</u>	<u>3,141,685,083</u>	<u>213,385,826,876</u>

As at 30 September 2019 and 31 December 2018, the cost of intangible fixed assets included VND 6,007,417,805 of assets which were fully amortized but are still in active use.

## 14 INVESTMENT PROPERTIES

	Buildings VND
<b>Cost</b>	
As at 01 January 2019	1,249,521,792
Transferred from intangible fixed assets (Note 13)	19,504,018,150
Transferred to tangible fixed assets (Note 12)	<u>(267,073,636)</u>
As at 30 September 2019	<u>20,486,466,306</u>
<b>Accumulated depreciation</b>	
As at 01 January 2019	1,001,641,499
Charge for the period/year	130,045,890
Transferred from intangible fixed assets (Note 13)	1,554,698,176
Transferred to tangible fixed assets (Note 12)	<u>(267,073,636)</u>
As at 30 September 2019	<u>2,419,311,929</u>
<b>Net book value</b>	
As at 01 January 2019	247,880,293
As at 30 September 2019	<u>18,067,154,377</u>

The cost of fully depreciated investment properties but still in use as at 30 September 2019 was VND 232,067,069 (as at 31 December 2018: VND 367,140,705)

Fair value of the Company's investment properties as at 30 September 2019 was VND 39,285,197,100, which was determined by Century Valuation Joint Stock Company, an independent valuation company, not a related party of the Company. Century Valuation Joint Stock Company has a valid practicing certificate and has experience in real estate valuation. The real estate valuation in accordance with International Valuation Standards is made in reference to market prices of similar properties.

**15 CONSTRUCTION IN PROGRESS**

	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Construction of effervescent tablets plant stage 2	-	83,100,000
Construction of DHG Pharmaceutical Plant Branch in Hau Giang province	11,746,318,768	11,746,318,768
Construction of branch offices	623,948,774	623,948,774
REB product project	439,610,642	-
CTP product project	202,029,350	202,029,350
BUD product project	1,293,522,895	1,143,281,604
Raw materials for testing new machines	298,018,243	144,235,771
Renovating and repairing the factory	147,979,500	145,077,537
Purchase of new machines	3,097,166,058	-
	<u>17,848,594,230</u>	<u>14,087,991,804</u>

**Movements of construction in progress in the period/year**

	<b>Fiscal period ended</b>	<b>Fiscal year ended</b>
	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	14,087,991,804	36,307,709,778
Purchases	35,927,166,048	30,475,107,864
Transfer to tangible fixed assets (Note 12)	(31,878,870,810)	(37,785,438,197)
Transfer to intangible fixed assets	-	(786,031,200)
Transfer to prepaid expenses	(104,300,000)	(2,283,909,837)
Transfer to expense in the period/year	(183,392,812)	(11,839,446,604)
Closing balance	<u>17,848,594,230</u>	<u>14,087,991,804</u>

**16 DEFERRED TAX ASSETS**

The deferred tax assets mainly arise from deductible temporary differences relating to provisions and unrealized profits of intra-group transactions when consolidation.

	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
Corporate income tax rate used for determining deferred tax assets	20%	20%
Deductible temporary differences	63,443,555,955	52,114,749,540
Deferred tax assets	<u>12,688,711,191</u>	<u>10,422,949,908</u>

## 17 SHORT-TERM TRADE PAYABLES

	30.09.2019		31.12.2018	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
Related parties (Note 38)	302,305,600	302,305,600	-	-
Third parties (*)	143,542,645,472	143,542,645,472	145,750,476,107	145,750,476,107
	<u>143,844,951,072</u>	<u>143,844,951,072</u>	<u>145,750,476,107</u>	<u>145,750,476,107</u>

(\*) Suppliers accounting for 10% or more of total balance of trade payables were as follows:

	30.09.2019 VND	31.12.2018 VND
Roquette Freres	606,183,500	15,258,076,053
DSM Sinochem Pharmaceuticals India Pvt ltd	18,308,836,000	18,987,080,000
DSM Sinochem Pharmaceuticals Spain S.A	14,436,708,000	20,246,688,000

As at 30 September 2019 and 31 December 2018, the Group did not have any short-term trade payables past due.

## 18 SHORT-TERM ACCRUED EXPENSES

	30.09.2019 VND	31.12.2018 VND
Selling expenses	5,569,014,033	6,648,030,365
Interest expense	587,422,267	471,120,010
Other accruals	23,259,416,634	32,932,965,351
	<u>29,415,852,934</u>	<u>40,052,115,726</u>

## 19 SHORT-TERM UNEARNED REVENUE

	30.09.2019 VND	31.12.2018 VND
Unearned revenue from customer loyalty programs (Note 3)	45,904,436,612	9,030,131,533

## 20 OTHER SHORT-TERM PAYABLES

	30.09.2019 VND	31.12.2018 VND
Insurance and union fee	575,541,006	638,977,697
Others	1,312,631,643	1,365,216,056
	<u>1,888,172,649</u>	<u>2,004,193,753</u>



## 21 SHORT-TERM LOANS

	30.09.2019		31.12.2018	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
Loans from banks	231,195,090,709	231,195,090,709	557,901,327,419	557,901,327,419
	<u>231,195,090,709</u>	<u>231,195,090,709</u>	<u>557,901,327,419</u>	<u>557,901,327,419</u>

Movements in short-term loans during the period/year were as follows:

	As at 01.01.2019 VND	Increases VND	Decreases VND	As at 30.09.2019 VND
Loans from banks (*)	557,901,327,419	1,634,354,302,233	(1,961,060,538,943)	231,195,090,709
	<u>557,901,327,419</u>	<u>1,634,354,302,233</u>	<u>(1,961,060,538,943)</u>	<u>231,195,090,709</u>

(\*) These loans bear interests at the rates ranging from 0.4% to 0.72% per month (in 2018: from 0.23% to 0.69% per month).

As at 30 September 2019 and 31 December 2018, there was no short-term loan that was past due.

## 22 BONUS AND WELFARE FUNDS

The funds are established through appropriation from retained earnings upon approval of shareholders at the Company's Annual General Meetings ("AGM"). Bonus and welfare funds of the subsidiaries are established from retained earnings upon decision from the Board of Directors of the Company. The funds are used to pay bonus and welfare to the Group's employees in accordance with the Group's bonus and welfare policies and to pay bonus to the Board of Directors in accordance with the Company's AGM Resolution.

Movements of bonus and welfare funds during the period/year were as follows:

	Bonus and welfare fund VND	Welfare fund in form of assets VND	Bonus fund for Board of Directors VND	Total VND
Opening balance	17,760,519,100	17,615,709,836	7,983,652,438	43,359,881,374
Appropriation to the funds	65,108,903,082	-	6,000,000,000	71,108,903,082
Depreciation of assets formed from funds	-	(2,000,084,662)	-	(2,000,084,662)
Utilization of funds	<u>(36,079,230,728)</u>	<u>-</u>	<u>(6,287,046,592)</u>	<u>(42,366,277,320)</u>
Closing balance	<u>46,790,191,454</u>	<u>15,615,625,174</u>	<u>7,696,605,846</u>	<u>70,102,422,474</u>

**23 LONG-TERM PROVISIONS**

	<b>Provision for dismantling and restoration costs VND</b>	<b>Severance allowance VND</b>	<b>Total VND</b>
Opening balance	15,535,236,761	24,218,455,641	39,753,692,402
Additional provision for the period/year	2,969,861,897	4,797,596,335	7,767,458,232
Utilization of provisions	-	(790,841,624)	(790,841,624)
Closing balance	<u>18,505,098,658</u>	<u>28,225,210,352</u>	<u>46,730,309,010</u>

**24 SCIENCE AND TECHNOLOGY DEVELOPMENT FUND**

In accordance with Circular No. 12/2016/TTLT-BKHCN-BTC dated 28 June 2016, enterprises are allowed to establish the science and technology development fund for research and development activities. Funds are utilized when disbursement are paid for research and development activities.

Movements of science and technology development fund during the period/year were as follows:

	<b>Science and technology development fund in form of assets VND</b>
Opening balance	20,460,947,173
Depreciation of assets formed from fund	<u>(3,128,614,533)</u>
Closing balance	<u>17,332,332,640</u>

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 09 – DN/HN

25 OWNER'S EQUITY

Movements in owner's equity

	Owner's contributed capital VND	Share premium VND	Investment and development fund VND	Retained earnings VND	Total VND
As at 01 January 2018	1,307,460,710,000	6,778,948,000	1,112,177,317,110	321,006,296,742	2,747,423,271,852
Net profit for the year	-	-	-	653,029,446,317	653,029,446,317
Changes in interest after increasing investment in Song Hau Pharmaceutical One Member Limited Company	-	-	139,887,799	(103,356,911)	36,530,888
3 <sup>rd</sup> dividends declared for 2017 at 5%	-	-	-	(65,373,035,500)	(65,373,035,500)
1 <sup>st</sup> dividends advance for 2018 at 10%	-	-	-	(130,746,071,000)	(130,746,071,000)
Fund distribution	-	-	157,918,391,319	(157,918,391,319)	-
Appropriation to bonus and welfare funds	-	-	-	(63,169,294,111)	(63,169,294,111)
Appropriation to bonus fund for the Board of Directors	-	-	-	(6,472,934,796)	(6,472,934,796)
<b>As at 31 December 2018</b>	<b>1,307,460,710,000</b>	<b>6,778,948,000</b>	<b>1,270,235,596,228</b>	<b>550,252,659,422</b>	<b>3,134,727,913,650</b>
Net profit for the period/year	-	-	-	429,601,662,344	429,601,662,344
Second and third interim dividends for 2018	-	-	-	(326,865,177,500)	(326,865,177,500)
Fund distribution	-	-	122,368,879,236	(122,368,879,236)	-
Appropriation to bonus and welfare funds	-	-	-	(65,108,903,082)	(65,108,903,082)
Appropriation to bonus fund for the Board of Directors	-	-	-	(6,000,000,000)	(6,000,000,000)
<b>As at 30 September 2019</b>	<b>1,307,460,710,000</b>	<b>6,778,948,000</b>	<b>1,392,604,475,464</b>	<b>459,511,361,948</b>	<b>3,166,355,495,412</b>

## 25 OWNER'S EQUITY (cont.)

## Charter capital

	30.09.2019		31.12.2018	
	Number of shares	VND	Number of shares	VND
Authorized and issued share capital	130,746,071	1,307,460,710,000	130,746,071	1,307,460,710,000
Ordinary shares currently in circulation	130,746,071	1,307,460,710,000	130,746,071	1,307,460,710,000

All ordinary shares have a par value of VND 10,000. Each share is entitled to one vote at shareholders' meetings. Shareholders are eligible to receive dividends declared by the Company. Ordinary shares are ranked equally with regard to the Company's residual assets.

## Dividends

According to the Resolution of the General Meeting of Shareholders No. 001/2019/NQ.DHĐCĐ dated 11 June 2019, the General Meeting of Shareholders of the Company approved the plan of dividends from profit after tax of 2018 of 35% in cash, equivalent to VND 457,611,248,500.

The Company paid cash dividends of 2018 for the first and second payments at the rate of 10% and 20% of par value, equivalent to VND 392,238,213,000. On 17 July 2019, the Company paid the remaining 5% of dividends with an amount of VND 65,373,035,500.

## 26 NON-CONTROLLING INTERESTS

	Fiscal period ended 30.09.2019 VND	Fiscal year ended 31.12.2018 VND
Opening balance	9,534,195,581	11,671,141,968
Net profit attributable to non-controlling interests during the period/year	(2,183,552,342)	(1,940,415,499)
Changes in interests due to transferring investments	-	(196,530,888)
Closing balance	7,350,643,239	9,534,195,581

**27 OFF BALANCE SHEET ITEMS****Foreign currencies**

Cash and cash equivalents include the following foreign currencies:

	<b>30.09.2019</b>	<b>31.12.2018</b>
	<b>VND</b>	<b>VND</b>
United states Dollar (USD)	82,305	239,703
Euro (EUR)	514	34,833
	<u>                    </u>	<u>                    </u>

**28 GROSS REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

	For the 3-month period ended		For the 9-month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	VND	VND	VND	VND
<b>Sales of merchandise and services</b>				
Sales of finished goods	857,398,292,878	855,758,104,900	2,586,352,468,378	2,547,429,110,220
Sales of merchandise	145,527,776,089	90,091,429,076	380,418,231,945	453,687,950,243
Others	525,422,444	977,416,115	2,611,428,234	17,241,281,117
	<u>1,003,451,491,411</u>	<u>946,826,950,091</u>	<u>2,969,382,128,557</u>	<u>3,018,358,341,580</u>
<b>Deductions</b>				
Sales discounts	127,816,229,855	117,909,267,289	347,291,735,477	344,354,318,298
Sales returns	1,278,494,242	827,437,172	4,719,974,462	4,328,280,956
	<u>129,094,724,097</u>	<u>118,736,704,461</u>	<u>352,011,709,939</u>	<u>348,682,599,254</u>
<b>Net sales</b>	<u>874,356,767,314</u>	<u>828,090,245,630</u>	<u>2,617,370,418,618</u>	<u>2,669,675,742,326</u>
<b>In which:</b>				
Sales of finished goods	729,393,080,674	738,005,585,739	2,237,630,001,106	2,210,318,336,450
Sales of merchandises	144,438,264,196	89,107,243,776	377,128,989,278	442,116,124,759
Others	525,422,444	977,416,115	2,611,428,234	17,241,281,117

Goods in transit's revenue has not been recognized as at 30 September 2019: VND 74,832,542,887 (as at 30 September 2018: VND 0)

**29 COST OF GOODS SOLD AND SERVICES RENDERED**

	For the 3-month period ended		For the 9-month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	VND	VND	VND	VND
Cost of finished goods sold	365,103,560,466	361,957,426,112	1,103,000,916,842	1,056,577,690,028
Cost of merchandise sold	139,036,492,410	85,807,557,533	362,793,081,012	416,103,693,258
Others	12,762,903	(1,184,615,102)	1,420,781,447	2,192,442,639
Addition/ (reversal) of provision for devaluation of inventories	-	-	253,026,429	(946,990,501)
	<u>504,152,815,779</u>	<u>446,580,368,543</u>	<u>1,467,467,805,730</u>	<u>1,473,926,835,424</u>

**30 FINANCIAL INCOME**

	For the 3-month period ended		For the 9-month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	VND	VND	VND	VND
Interest income	30,802,896,584	27,528,972,210	87,010,565,936	77,973,098,612
Dividend income	173,511,100	150,841,200	768,004,044	204,013,080
Foreign exchange gains	1,242,508,424	988,146,471	2,715,174,898	1,950,372,482
Other financial income	13,130,988	-	13,130,988	-
	<u>32,232,047,096</u>	<u>28,667,959,881</u>	<u>90,506,875,866</u>	<u>80,127,484,174</u>

**31 FINANCIAL EXPENSES**

	For the 3-month period ended		For the 9-month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	VND	VND	VND	VND
Interest expense	7,190,511,486	6,848,467,518	19,674,281,797	21,823,828,097
Foreign exchange loss	1,272,611,044	2,916,036,700	4,494,518,220	6,012,030,649
Settlement discount	17,217,904,233	15,434,640,449	50,692,456,500	51,122,347,886
Provision for impairment of long-term financial investments	-	-	1,674,685,717	-
Other financial expenses	15,161,701	20,008,654	78,250,137	113,100,287
	<u>25,696,188,464</u>	<u>25,219,153,321</u>	<u>76,614,192,371</u>	<u>79,071,306,919</u>

**32 SELLING AND GENERAL AND ADMINISTRATIVE EXPENSES****Selling expenses**

	For the 3-month period ended		For the 9-month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	VND	VND	VND	VND
Staff cost	87,615,158,519	83,874,365,355	251,517,114,040	258,438,507,008
Advertising expenses	15,388,452,962	24,360,549,569	54,393,137,933	86,600,049,879
Others	67,002,466,924	56,755,180,509	156,558,744,311	146,782,689,884
	<u>170,006,078,405</u>	<u>164,990,095,433</u>	<u>462,468,996,284</u>	<u>491,821,246,771</u>

**General and administrative expenses**

	For the 3-month period ended		For the 9-month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	VND	VND	VND	VND
Staff cost	50,299,855,414	48,596,008,526	163,400,918,167	138,516,988,339
Others	20,662,875,359	21,779,318,799	58,888,529,175	61,549,980,201
	<u>70,962,730,773</u>	<u>70,375,327,325</u>	<u>222,289,447,342</u>	<u>200,066,968,540</u>

**33 OTHER INCOME AND EXPENSES****Other income**

	For the 3-month period ended		For the 9-month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	VND	VND	VND	VND
Gains from disposals of fixed assets and other long-term assets	520,581,061	614,718,193	875,044,697	4,175,106,122
Others	1,304,022,422	3,029,212,959	6,524,471,853	6,604,366,441
	<u>1,824,603,483</u>	<u>3,643,931,152</u>	<u>7,399,516,550</u>	<u>10,779,472,563</u>

**Other expenses**

	For the 3-month period ended		For the 9-month period ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	VND	VND	VND	VND
Depreciation expenses	161,088,278	182,794,540	498,869,447	484,069,230
Others	1,837,441,714	1,621,453,456	4,701,244,325	3,096,637,152
	<u>1,998,529,992</u>	<u>1,804,247,996</u>	<u>5,200,113,772</u>	<u>3,580,706,382</u>

**34 PRODUCTION AND OPERATING COSTS BY NATURE**

	For the 9-month period ended	
	30.09.2019	30.09.2018
	VND	VND
Raw materials and consumables	1,343,947,567,944	1,369,993,762,975
Labour	614,542,983,009	597,172,295,097
Depreciation and amortization	66,054,033,678	65,912,001,489
Out-sourced services	137,117,742,242	128,443,654,492
Other expenses	139,448,330,263	180,777,378,283
	<u>2,301,110,657,136</u>	<u>2,342,299,092,336</u>

**35 CORPORATE INCOME TAX EXPENSE**

	For the 9-month period ended	
	30.09.2019	30.09.2018
	VND	VND
Accounting profit before tax	481,173,948,366	512,077,518,745
Tax calculated at a normal rate of 20%	96,234,789,673	102,415,503,749
Adjustments for:		
Impact of negative taxable income	891,245,854	680,724,166
Non-assessable income	(153,600,809)	(40,822,966)
Impact of non-deductible expenses	7,559,483,966	3,140,347,750
Over/(under) provision of tax in prior years	-	11,886,600
Tax incentives	(48,018,952,354)	(55,525,980,615)
Adjustments arising from consolidation	(491,366,683)	(10,938,444,954)
Corporate income tax expense	<u>56,021,599,647</u>	<u>39,743,213,730</u>

**Changes in deferred tax income/ expense in the current and prior period are as follows:**

	For the 9-month period ended	
	30.09.2019	30.09.2018
	VND	VND
Deferred corporate tax income	2,229,561,757	397,119,913
Change of eliminated entries of fixed assets	36,199,526	(83,215,485)
Change of eliminated entries of inventories, merger of DHG Pharmaceutical and DHG Packaging and Printing 1	-	(24,177,427,591)
	<u>2,265,761,283</u>	<u>(23,863,523,163)</u>



**Applicable tax rates**

According to Circular No. 78/2014/TT-BTC, the standard corporate income tax is 22% since 1 January 2014 and is decreased to 20% since 1 January 2016.

*The Company*

According to Decision No. 3044/QĐ-UBND of the People's Committee of Can Tho City, the Company is required to pay the corporate income tax ("CIT") at a rate of 20% from 2005 to 2014, and 22% for the following years. According to Circular No. 78/2014/TT-BTC, the standard CIT is 20% since 01 January 2016. Accordingly, the applicable tax rate of the Company is 20% in 2018.

Since 01 April 2018, DHG Pharmaceutical One Member Limited Company (DHG Pharma Ltd.) and DHG Packaging and Printing 1 One Member Limited Company (DHG PP1) have been merged into the Company and still have the following preferential tax rates:

Pursuant to the investment certificate, DHG PP1 is obliged to pay CIT at the rate of 10% of taxable income from 2014 to 2028. Under terms in investment certificate granted to DHG PP1, DHG PP1 is entitled to CIT exemption from 2014 to 2017 and 50% reduction of CIT from 2018 to 2026.

Pursuant to investment certificate No. 642041000005 issued by the Management Board of Hau Giang Industrial Zone, DHG Pharma Ltd. is obliged to pay CIT at the rate of 10% of taxable income for 15 years from the date of starting its operation. DHG Pharma Ltd. is entitled to the CIT exemption for 4 years and 50% reduction for the following 9 years commencing from the first year of having taxable income. DHG Pharma Ltd. has registered to apply the above tax incentives effective from the financial year 2015.

*The subsidiary*

Subsidiary in the Group has obligations to pay the CIT to the State at the standard rate of taxable profits.

**36 BASIC EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Group and held as treasury shares.

	<b>For the 9-month period ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>
	<b>VND</b>	<b>VND</b>
Net profit attributable to shareholders (VND)	429,601,662,344	449,986,929,081
The estimated amount appropriated to bonus and welfare funds (*)	(17,388,049,870)	(49,498,692,908)
	<u>412,213,612,474</u>	<u>400,488,236,173</u>
Weighted average number of ordinary shares currently in circulation (shares)	130,746,071	130,746,071
Basic earnings per share (VND)	3,153	3,063

(\*) According to the Resolution of the General Meeting of Shareholders No. 001/2019/NQ.ĐHĐCĐ dated 11 June 2019, the appropriation for bonus and welfare funds for 2019 based on planned appropriation rate for bonus and welfare funds is 3%.

The Group does not have potentially diluted ordinary shares.

## 37 COMMITMENTS

## a) Operating lease commitment

	For the 9-month period ended	
	30.09.2019	30.09.2018
	VND	VND
Minimum lease payment under operating leases recognized in the income statement for the period	3,964,760,196	4,099,987,164

Minimum lease payments in the future under non-cancellable operating leases are as follows:

	Land lease	
	30.09.2019	31.12.2018
	VND	VND
Within one year	4,066,521,285	5,422,028,378
In the first to fifth year inclusive	21,688,113,512	21,688,113,512
After five years	106,122,683,012	110,234,387,865
	<u>131,877,317,809</u>	<u>137,344,529,755</u>

## b) Capital commitment

Capital expenditure contracted for at the balance sheet date was as follows:

	30.09.2019	31.12.2018
	VND	VND
	Approved but not contracted	120,479,348
Approved and contracted but not implemented	3,809,947,436	4,763,046,095
	<u>3,930,426,784</u>	<u>11,175,609,161</u>

## 38 TRANSACTIONS WITH RELATED PARTIES

## List of related parties:

<u>Related party</u>	<u>Relationship</u>
Vinh Hao Algae Processing Joint Stock Company	Associate
Taisho Pharmaceutical Co., Ltd. ("Taisho")	Major shareholder
The State Capital Investment Corporation ("SCIC")	Major shareholder
Hoe Pharmaceuticals Sdn Bhd	Taisho's related party

During the period/year, the following transactions were carried out with related parties:

	For the 9-month period ended	
	30.09.2019	30.09.2018
	VND	VND
<b>Purchases of goods and services</b>		
<b>Associate</b>		
Vinh Hao Algae Processing Joint Stock Company	2,134,278,000	647,706,800
<b>Sales of goods and services</b>		
<b>Subsidiary of Taisho Group</b>		
Hoe Pharmaceuticals Sdn.Bhd	1,728,473,580	-
<b>Supporting product development costs</b>		
Taisho Pharmaceutical Co., Ltd	1,026,346,453	-
<b>Dividend declared</b>		
SCIC	141,565,592,500	169,878,711,000
Taisho Pharmaceutical Co., Ltd	124,870,698,000	96,518,288,000

## 38 TRANSACTIONS WITH RELATED PARTIES (cont.)

	For the 9-month period ended	
	30.09.2019	30.09.2018
	VND	VND
<i>Benefits paid to key management personnel</i>		
Salary and other benefits	17,445,876,454	16,291,345,246

## Period/year end balances with related parties

	30.09.2019	31.12.2018
	VND	VND
<b>Trade payables</b>		
Vinh Hao Algae Processing Joint Stock Company - an associate	302,305,600	-

## 39 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

## a. Non-cash transaction affecting the cash flow statement

	For the 9-month period ended	
	30.09.2019	30.09.2018
	VND	VND
Appropriation to reserves from profit	193,477,782,318	227,560,620,226
Transfer from construction in progress to tangible fixed assets	31,878,870,810	26,476,133,338
Transfer from construction in progress to intangible fixed assets	-	786,031,200
Transfer from construction in progress to prepaid expenses	104,300,000	791,936,198
Interest earned and dividends which have not been received	26,281,054,746	34,943,905,751

## b. Proceed from borrowings

	For the 9-month period ended	
	30.09.2019	30.09.2018
	VND	VND
Proceed from borrowings under normal contracts	1,634,354,302,233	2,169,939,831,596

## c. Repayment of borrowings

	For the 9-month period ended	
	30.09.2019	30.09.2018
	VND	VND
Repayment of borrowings under normal contract	1,961,060,538,943	2,033,415,400,470

\_\_\_\_\_  
Tran Ngoc Hien  
Preparer

\_\_\_\_\_  
Ho Buu Huan  
Chief Accountant

\_\_\_\_\_  
Le Thi Hong Nhung  
Finance Director  
18 October 2019