

DHG PHARMACEUTICAL JOINT STOCK COMPANY

**SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE FISCAL PERIOD ENDED 30 JUNE 2018**

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DHG PHARMACEUTICAL JOINT STOCK COMPANY

CORPORATE INFORMATION

Establishment decision	No. 2405/QD-CT.UB dated 5 August 2004 This decision was issued by the People's Committee of Can Tho City.	
Business registration certificate	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 12 June 2018 was issued by the Department of Planning and Investment of Can Tho City.	
The Board of Directors	Mr. Nguyen Chi Thanh Mdm. Pham Thi Viet Nga Mr. Doan Dinh Duy Khuong Mr. Tran Chi Liem Mr. Jun Kuroda Mrs. Dang Thi Thu Ha Mr. Phan Minh Tien	Chairman Member Member Member Member Member Member (appointed on 28 March 2018)
The Board of Management	Mr. Doan Dinh Duy Khuong Mr. Le Chanh Dao Mrs. Nguyen Ngoc Diep Mr. Tomoyuki Kawata	Acting General Director Deputy General Director Deputy General Director Deputy General Director
The Board of Supervisory	Mr. Tran Quoc Hung Mrs. Nguyen Phuong Thao Mr. Tran Trung Kien	Head Member Member (appointed on 28 March 2018)
Legal representative	Mr. Doan Dinh Duy Khuong	Acting General Director
Head office	288 Bis Nguyen Van Cu, An Hoa Ward, Ninh Kieu District, Can Tho City, Vietnam	

SEPARATE INTERIM BALANCE SHEET

Code	ASSETS	Note	As at 30.06.2018	As at 31.12.2017
			VND	VND
100	CURRENT ASSETS		3,095,464,209,765	2,987,836,507,239
110	Cash and cash equivalents	3	48,844,893,486	419,183,311,635
111	Cash		48,844,893,486	53,683,311,635
112	Cash equivalents		-	365,500,000,000
120	Short-term investments	4	1,629,500,000,000	805,500,000,000
123	Investments held-to-maturity		1,629,500,000,000	805,500,000,000
130	Short-term receivables		595,470,083,072	1,161,768,508,380
131	Trade accounts receivable	5	525,342,144,803	717,739,160,468
132	Prepayments to suppliers		37,617,886,758	15,772,357,928
135	Short-term lending	6	7,036,774,288	16,239,970,057
136	Other short-term receivables	7	51,846,066,081	431,814,739,025
137	Provision for doubtful debts	8	(26,372,788,858)	(19,797,719,098)
140	Inventories	9	780,201,045,359	583,730,974,911
141	Inventories		781,287,484,155	587,059,342,977
149	Provision for decline in value of inventories		(1,086,438,796)	(3,328,368,066)
150	Other current assets		41,448,187,848	17,653,712,313
151	Short-term prepaid expenses	10	10,204,851,926	2,814,096,207
152	Value Added Tax to be reclaimed		28,168,888,667	7,679,352,910
153	Other taxes receivables	11	3,074,447,255	7,160,263,196
200	Long-term assets		1,750,106,211,947	1,239,539,429,458
210	Long-term receivables		2,757,368,962	51,986,957,800
215	Long-term lending	6	2,757,368,962	51,986,957,800
220	Fixed assets		996,333,827,269	454,084,914,097
221	Tangible fixed assets	12	758,608,686,970	267,649,115,014
222	Historical cost		1,332,810,507,206	667,403,079,048
223	Accumulated depreciation		(574,201,820,236)	(399,753,964,034)
227	Intangible fixed assets	13	237,725,140,299	186,435,799,083
228	Historical cost		268,436,767,314	210,442,791,877
229	Accumulated amortization		(30,711,627,015)	(24,006,992,794)
230	Investment properties	14	277,444,873	401,818,158
231	Historical cost		1,249,521,792	1,671,878,867
232	Accumulated depreciation		(972,076,919)	(1,270,060,709)
240	Long-term assets in progress	15	37,112,972,037	17,391,628,650
242	Construction in progress		37,112,972,037	17,391,628,650
250	Long-term investments	4	675,073,689,153	679,929,614,053
251	Investments in subsidiaries		660,892,460,000	665,732,460,000
252	Investments in associates		3,787,450,000	3,787,450,000
253	Investments in other entities		27,908,170,200	27,908,170,200
254	Provisions for long-term investments		(17,514,391,047)	(17,498,466,147)
260	Other long-term assets		38,550,909,653	35,744,496,700
261	Long-term prepaid expenses	10	27,154,503,053	25,968,452,669
262	Deferred income tax assets	16	11,396,406,600	9,776,044,031
270	TOTAL ASSETS		4,845,570,421,712	4,227,375,936,697

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 01 – DN

SEPARATE INTERIM BALANCE SHEET (cont.)

Code	RESOURCES	Note	As at 30.06.2018 VND	As at 31.12.2017 VND
300	LIABILITIES		1,931,083,213,052	1,397,897,373,498
310	Short-term liabilities		1,868,923,715,361	1,344,651,927,458
311	Short-term trade accounts payable	17	239,183,067,136	381,025,726,936
312	Short-term advances from customers Tax and other payables to the State		11,762,792,429	10,577,917,817
313	Budget	11	51,889,781,411	18,707,803,364
314	Payable to employees		126,134,054,211	136,722,141,109
315	Short-term accrued expenses	18	40,965,869,338	49,433,190,823
318	Unearned revenue	19	25,694,683,185	9,218,195,665
319	Other short-term payables	20	627,431,596,755	208,049,690,196
320	Short-term borrowings	21	657,255,412,545	469,800,000,000
322	Bonus and welfare funds	22	88,606,458,351	61,117,261,548
330	Long-term liabilities		62,159,497,691	53,245,446,040
342	Provision for long-term liabilities Science and technology development	23	39,467,641,953	31,381,754,006
343	funds	24	22,691,855,738	21,863,692,034
400	Owners' equity		2,914,487,208,660	2,829,478,563,199
410	Capital and reserves	25	2,914,487,208,660	2,829,478,563,199
411	Owners' capital		1,307,460,710,000	1,307,460,710,000
411a	- Ordinary shares with voting rights		1,307,460,710,000	1,307,460,710,000
412	Capital surplus		6,778,948,000	6,778,948,000
418	Investment and development fund		1,235,263,646,512	1,077,345,255,193
421	Undistributed earnings - Undistributed post-tax profits		364,983,904,148	437,893,650,006
421a	accumulated to the prior year end		146,807,044,929	(24,456,194,565)
421b	- Post-tax profit of current year		218,176,859,219	462,349,844,571
440	TOTAL RESOURCES		4,845,570,421,712	4,227,375,936,697

Ngo Thi Hong Dao
Preparer

Ho Buu Huan
Chief Accountant

Le Chanh Dao
Deputy General Director
19 July 2018

SEPARATE INTERIM INCOME STATEMENT

Code	Note	For the 3-month period ended		For the 6-month period ended	
		30.06.2018 VND	30.06.2017 VND	30.06.2018 VND	30.06.2017 VND
01	Sales	1,030,883,873,771	1,162,963,293,402	2,200,501,385,886	2,274,950,250,357
02	Less deductions	(104,148,371,844)	(100,868,415,412)	(224,237,386,413)	(170,101,596,555)
10	Net sales	27 926,735,501,927	1,062,094,877,990	1,976,263,999,473	2,104,848,653,802
11	Cost of sales	28 (557,502,570,012)	(855,279,101,822)	(1,412,367,856,886)	(1,683,417,474,123)
20	Gross profit	369,232,931,915	206,815,776,168	563,896,142,587	421,431,179,679
21	Financial income	29 35,211,080,708	630,632,009,606	55,431,267,565	645,847,987,877
22	Financial expenses	30 (26,458,985,850)	(24,227,613,401)	(53,063,111,518)	(44,081,642,166)
23	<i>Including: Interest expenses</i>	(7,428,675,233)	(5,992,899,462)	(14,975,360,579)	(10,652,258,756)
25	Selling expenses	31 (180,590,365,919)	(148,411,474,860)	(322,169,494,050)	(288,261,468,819)
26	General & administrative expenses	31 (66,330,864,124)	(79,557,882,759)	(119,196,200,983)	(151,872,673,820)
30	Operating profit	131,063,796,730	585,250,814,754	124,898,603,601	583,063,382,751
31	Other income	32 5,185,607,297	801,431,097	6,600,254,175	2,465,598,342
32	Other expenses	32 (905,850,517)	(1,523,950,242)	(1,669,376,858)	(1,863,181,138)
40	Net other income	4,279,756,780	(722,519,145)	4,930,877,317	602,417,204
50	Net accounting profit before tax	135,343,553,510	584,528,295,609	129,829,480,918	583,665,799,955
51	Current corporate income tax expense	34 (25,269,461,996)	(2,384,994,890)	(26,236,240,249)	(2,293,047,949)
52	Deferred corporate income tax expense	86,424,542	533,606,190	145,588,750	658,192,272
60	Net profit after tax	110,160,516,056	582,676,906,909	103,738,829,419	582,030,944,278

Ngo Thi Hong Dao
Preparer

Ho Bui Huan
Chief Accountant

Le Chanh Dao
Deputy General Director
19 July 2018

DHG PHARMACEUTICAL JOINT STOCK COMPANY

NOTE

DHG Pharmaceutical Joint Stock Company (DHG Pharma) explains the fluctuations in profit after tax of Q2/2017 compared to the same period last year as follows:

Figures in: VND million

Targets	Q2/2018	Q2/2017	Increase, decrease	
			Value	%
Net sales	926,736	1,062,095	(135,359)	-12.74%
Profit before tax	135,344	584,528	(449,185)	-76.85%
Profit after tax	110,161	582,677	(472,516)	-81.09%
Dividend from subsidiaries (Note 36) (*)	7,314	612,004	(604,690)	
Profit before tax after the deduction of dividend from subsidiaries	128,030	(27,475)	155,505	
Profit after tax after the deduction of dividend from subsidiaries	102,847	(29,327)	132,173	

- Net revenue decreased by VND 135 billion, equivalent to 12.74% over the same period due to suspending of good distribution to partners in May 2018.
- After subtracting dividend of Q2/2018, profit after tax of parent company increased by VND 155 billion compared to Q2/2017. The reason was:

From 01 April 2018, DHG Packing and Printing 1 One Member Limited Company and DHG Pharmaceutical One Member Limited Company were merged into DHG Pharma and became DHG Pharmaceutical Plant Branch in Hau Giang. This resulted in an increased in proportion of sales and profits of finished products and sales of finished products grew from VND 173 billion (Q2/2017) to VND 810 billion (Q2/2018).

(*) The differences between dividends of the two periods were due to: In Q2/2017, the parent company received dividends of 15 subsidiaries for business results in 2016. At the end of December in 2017, 12 distribution subsidiaries dissolved in accordance with the Board of Directors' decisions and in 2018, there were 2 production subsidiaries carrying out the merger procedures on 01 April 2018 as mentioned above.

DHG Pharmaceutical Joint Stock Company kindly explains.

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19 July 2018

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 03 – DN

SEPARATE INTERIM CASH FLOW STATEMENT
(Indirect method)

Code	Note	Fiscal period ended	
		30.06.2018 VND	30.06.2017 VND
Cash flows from operating activities			
01	Net profit before tax	129,829,480,918	583,665,799,955
Adjustments for:			
02	Depreciation and amortization	33,220,752,325	25,205,454,115
03	Provisions	5,691,619,104	11,995,973,534
04	Unrealised foreign exchange (gains)/losses	796,564,719	(149,692,834)
05	(Gain) from investing activities	(57,899,685,216)	(644,546,147,982)
05	Losses transferred from liquidated subsidiary	140,350,390	-
06	Interest expenses	14,975,360,579	10,652,258,756
07	Appropriation to science and technology development funds	-	7,000,000,000
08	Operating profit/(loss) before changes in working capital	126,754,442,819	(6,176,354,456)
09	Decrease in receivables	372,083,182,852	94,615,148,818
10	Increase in inventories	(92,701,762,807)	(13,921,841,390)
11	(Decrease)/ Increase in payables	(210,915,936,607)	198,563,118,938
12	(Decrease)/ Increase in prepaid expenses	992,461,564	(8,983,524,952)
14	Interest paid	(14,983,041,446)	(10,757,849,398)
15	Corporate income tax paid	(16,394,904,402)	-
16	Other receipts from operating activities	-	1,600,000,000
17	Other payments on operating activities	(39,159,964,476)	(41,121,035,256)
20	Net cash inflows from operating activities	125,674,477,497	213,817,662,304
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Acquisition and construction of fixed assets and other long-term assets	(22,474,039,315)	(13,464,629,896)
22	Proceeds from sales, disposals of fixed asset and other long-term assets	6,182,727,272	3,865,035,313
23	Payments for granting loans, purchasing debt instruments of other entities	(1,477,872,583,232)	(671,348,802,045)
24	Receipts from collecting loans, proceeds from sales of debt instruments of other entities	836,365,824,742	719,242,379,918
25	Investments in other entities	(160,000,000)	-
26	Proceeds from disposals of investments in subsidiaries	-	-
27	Interest, dividends and profit received	39,796,499,442	66,848,508,065
30	Net cash outflows/(inflows) from investing activities	(618,161,571,091)	105,142,491,355
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issuance of shares and receipt of contributed capital	-	-
33	Proceeds from borrowings	1,463,145,782,841	1,383,813,007,336
34	Repayments of borrowings	(1,275,690,370,296)	(1,017,643,696,928)
36	Dividends and profit paid	(65,373,035,500)	(305,075,155,000)
40	Net cash inflows from financing activities	122,082,377,045	61,094,155,408
50	Net decrease/(increase) in cash and cash equivalents	(370,404,716,549)	380,054,309,067
60	Cash and cash equivalents at beginning of year	419,183,311,635	310,837,861,290
61	Effect of foreign exchange differences	66,298,400	(3,821,553)
70	Cash and cash equivalents at end of period/year	48,844,893,486	690,888,348,804

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Ngo Thi Hong Dao
Preparer

Ho Buu Huan
Chief Accountant

Le Chanh Dao
Deputy General Director
19 July 2018

**NOTES TO THE SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE FISCAL PERIOD ENDED 30 JUNE 2018**

1 GENERAL INFORMATION OF THE COMPANY

Ownership structure

On 2 September 2004, DHG Pharmaceutical Joint Stock Company was equitized from Hau Giang Pharmaceutical United Factory in accordance with Decision No.2405/QD-CT.UB dated 05 August 2004 issued by the People's Committee of Can Tho City. The Company was officially incorporated as a joint stock company, according to 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 approved to be listed in Ho Chi Minh City Stock Exchange on 01 December 2006 under the Stock Listing License No.93/UBCK-GPNY of the State Securities Commission, with "DHG" ticker.

In 2017, the Company increased the share capital to VND 1,307,460,710,000 by issuing bonus shares to existing shareholders at ratio 2:1. The Company was granted the 23rd amended Business registration certificate dated 28 July 2017 for the increase in share capital.

The Company's head office is located at 288 Bis Nguyen Van Cu Street, An Hoa Ward, Ninh Kieu District, Cantho City, Vietnam.

As at 30 June 2018, the Company had 3,078 employees (as at 31 December 2017: 2,286 employees).

The principal activities of the Company are to produce and trade in pharmaceutical products.

The Company's normal business cycle is within 12 months.

Corporate structure

As at 30 June 2018, the Company's subsidiaries and associates were as follows:

Name	Principal activities	Business registration certificate	% of ownership and voting rights	
			30.06.2018	31.12.2017
Subsidiaries:				
B&T Pharmaceutical One Member Limited Company	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 1300917335 issued by the Department of Planning and Investment of Ben Tre Province on 05 October 2012	-	100%
Song Hau Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 6403000044 issued by the Department of Planning and Investment of Hau Giang province on 20 July 2007	100%	51%
DHG Travel One Member Limited Company (**)	Domestic Travel Services	No. 5704000134 issued by the Department of Planning and Investment of Can Tho City on 26 December 2007	100%	100%
DHG Pharmaceutical One Member Limited Company (***)	Manufacture and trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 6300124430 issued by the Department of Planning and Investment of Hau Giang province on 16 August 2010	100%	100%

1 GENERAL INFORMATION OF THE COMPANY (cont.)

Name	Principal activities	Business registration certificate	% of ownership and voting rights	
			30.06.2018	31.12.2017
Subsidiaries (cont.)				
DHG Packaging and Printing 1 One Member Limited Company (***)	Produce label, packaging from paper and cover; Manufacture and trade plastic, aluminum, paper; provide printing services	No. 6300215818 issued by the Department of Planning and Investment of Hau Giang province on 28 September 2012	100%	100%
Fuji Medic Limited Liability Company	Activities of polyclinics, specialty and dental clinics	No. 1801472944 issued by the Department of Planning and Investment of Can Tho City on 27 July 2016	51%	51%
Associate:				
Vinh Hao Algae Processing Joint Stock Company	Manufacture and trade Spirulina algae	No. 4803000150 issued by the Department of Planning and Investment of Binh Thuan province on 4 February 2008	31.36%	31.36%

(*) On 19 June 2017, the Board of Directors of the Company approved the policy to raise the ownership ratio of Song Hau Pharmaceutical Joint Stock Company from 51% to 100%. On 10 May 2018, the Board of Directors of the Company approved the conversion of Song Hau Pharmaceutical Joint Stock Company into Song Hau Pharmaceutical One Member Limited Company.

(**) On 14 July 2017, the Board of Directors of the Company approved the dissolution of DHG Travel One Member Limited Company. The dissolution date is 31 December 2017.

(***) On 28 March 2018, the General Meeting of Shareholders approved the merger of DHG Packaging and Printing 1 One Member Limited Company and DHG Pharmaceutical One Member Limited Company into DHG Pharma.

2 SIGNIFICANT ACCOUNTING POLICIES**Basis of preparation of separate financial statements**

The separate financial statements, expressed in Vietnamese Dong (VND), are prepared under the historical cost convention, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and legal regulations on preparation and presentation of financial statements.

The separate financial statements are intended to present the financial position of the Company, and the results of its operations and cash flow for the fiscal year ended on the same day. Therefore, the Company does not perform consolidation of investments in subsidiaries and associates in this separate financial statements. The Company's investments are recognized under the Company's policies.

The separate financial statements are not intended to present the financial status and its results of operations and cash flow in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2 SIGNIFICANT ACCOUNTING POLICIES (cont.)**Fiscal year**

The Company's fiscal year begins on 01 January and ends on 31 December.

Accounting estimates

The preparation of the financial statements in conformity with Vietnamese Accounting Standards requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the year. Although these estimates are based on the Board of Management's best knowledge of current events and actions, actual results may differ from those estimates.

Currency

The separate financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognized as income or expense in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank where the Company regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognized as income or expense in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Management of all outstanding amounts at the year-end. Bad debts are written off when identified.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realizable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

Investments***Investments held-to-maturity***

Investments held-to-maturity are investments which the Board of Management of the Company has positive intention and ability to hold until maturity.

Investments held-to-maturity includes term deposits for interest earning. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that part or the whole of the investment is uncollectible.

2 SIGNIFICANT ACCOUNTING POLICIES (cont.)***Investments in subsidiaries***

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investments.

Investments in associates

Associates are investments that the Company has significant influence but not control and would generally have from 20% to under 50% voting shares of the investee.

Investments in associates are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is a reduction in value of the investments.

Investments in equity of other entities

Investments in equity of other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are initially recorded at cost. Provision for diminution in value of these investments is made when the entities make losses, except when the loss was anticipated by the Board of Management of the Company in their business plan before the date of investment.

Fixed assets***Tangible and intangible fixed assets***

Fixed assets are stated at historical cost less accumulated depreciation/amortization. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortization

Fixed assets are depreciated and amortized using the straight-line method so as to write off the cost of the assets over their estimated useful lives or over the term of the project if shorter. The estimated useful lives of the assets are as follows:

Building and structures	3 – 25 years
Machinery and equipment	3 – 20 years
Motor vehicles	3 – 10 years
Office equipment	3 – 10 years
Software	3 – 8 years

Land use rights with definite terms are amortized using the straight-line method over the terms indicated in the land use right certificates. Land use rights with indefinite useful life are recorded at historical cost and are not amortized.

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognized as income or expense in the income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2 SIGNIFICANT ACCOUNTING POLICIES (cont.)**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.

Investment properties

All of the Company's investment properties are held for lease.

Investment properties held for lease are stated at historical cost less accumulated depreciation. Cost of investment properties comprises all costs (cash or cash equivalents) that the Company paid or the fair value of any other consideration given to acquire the investment properties at the time of its acquisition or completion of construction.

Depreciation

Investment properties held for lease are depreciated on the straight-line method to write off the cost of the assets over their estimated useful lives of 10-16 years.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognized as income or expense in the income statement.

Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over estimated useful lives.

Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables including non-trade payables and not relating to purchase of goods and services.

Payables are classified into short-term and long-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognized in the income statement when incurred.

2 SIGNIFICANT ACCOUNTING POLICIES (cont.)**Provisions**

Provisions are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognized for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense.

Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Company who have worked regularly for full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with the law and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

Provision for dismantling and restoration costs

According to Circular No. 200/2014/TT-BTC issued by the Ministry of Finance, since 01 January 2015, the Company is required to provide for dismantling and restoration costs of the Company's leased premises and lands. This provision is determined based on the estimated dismantling and restoration costs incurred at the time of returning the premises and lands in the future and recognized on straight-line basis over the period from 01 January 2015 to the time of returning the premises and lands.

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. The Company records unearned revenue for the future obligations that the Company has to conduct.

Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognized as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

2 SIGNIFICANT ACCOUNTING POLICIES (cont.)**Current and deferred income tax (cont.)**

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Owners' capital

Contributed capital of the shareholders is recorded according to actual amount contributed and is recorded according to par value of the share.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Undistributed earnings record the Company's results (profit, loss) after business income tax at the reporting date.

Funds

The Company's funds are as below:

Investment and development fund

Investment and development fund is appropriated from net profit of the Company and approved by shareholders at the General Meeting of Shareholders.

Bonus and welfare fund

Bonus and welfare fund is appropriated from the net profit of the Company and approved by shareholders at the General Meeting of Shareholders.

Dividend distribution

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

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

Appropriation of the Company's profit after tax of the year 2017 was approved at the General Meeting of Shareholders as follows:

- Dividends declared for year 2017: 30% of par value.
- Appropriation to the bonus and welfare fund: 10% of consolidated profit after tax of parent company's shareholders.
- Remuneration payment for the Board of Directors, Board of Supervisory, members of Subcommittees under the Board of Directors and the Board of Directors' Secretary: VND 6 billion.
- After appropriations were made, remaining consolidated profit after tax was appropriated to the investment and development fund.

Revenue recognition***Sales of goods***

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

2 SIGNIFICANT ACCOUNTING POLICIES (cont.)***Sales of goods (cont.)***

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognized based on principle of substance over form and allocated to each sales obligation. In case that the Company gives promotional goods to customers associated with customers' purchase, the Company allocates total consideration received for goods sold and promotional goods. Cost of promotional goods is recognized as cost of sales.

Rendering of services

Revenue from rendering of services is recognized in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the sale of services is only recognized when all four following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income

Interest income is recognized on an earned basis.

Dividend income

Income from dividend is recognized when the Company has established the receiving right from investees.

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 period, incurred after the balance sheet date, but before the issuance of the financial statements are recorded as deduction of revenue in the 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.

2 SIGNIFICANT ACCOUNTING POLICIES (cont.)**Customer loyalty programs (cont.)**

When customers meet all the required conditions and the Company is the one providing the free or discounted goods and services to customers, the unearned revenue, corresponding to the fair value of free goods or services provided or discounted amount for the customers, is realized into the Company'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 the obligations of providing the free or discounted goods and services to customers are carried out by a third party: If the Company does not act as an agent of the third party, the unearned revenue is realized into the Company's income statement at the time that the third party provides the free or discounted goods and services to customers. If the Company acts as an agent of the third party, the Company 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.

Cost of sales

Cost of goods sold or cost of services are cost of finished goods, merchandises, materials sold or services provided during the period and recorded on the basis of matching with revenue and on prudent concept.

Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses or losses relating to financial investment activity, expenses of lending and borrowing, provision for diminution in value of investments in other entities, losses incurred when selling foreign currencies, losses from foreign exchange differences and payment discounts.

Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include salary expenses for salesman, publicity expenses, goods display and introduction expenses, advertising expenses, sales commission, maintenance charges, costs of packing and transportation.

General and administrative expenses

General and administrative expenses represent expenses for administrative purposes of the Company which mainly include salary expenses for administrative staff (salaries, wages, allowances, etc.); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff; expenses of office materials, tools and supplies, depreciation of fixed assets used for administration; land rental, license tax, provision for bad debts; outside services and other cash expenses.

3 CASH AND CASH EQUIVALENTS

	30.06.2018	31.12.2017
	VND	VND
Cash on hand	11,534,765,732	20,202,849,000
Cash at bank	37,003,758,754	33,480,462,635
Cash in transit	306,369,000	-
Cash equivalents (*)	-	365,500,000,000
	<u>48,844,893,486</u>	<u>419,183,311,635</u>

(*) Cash equivalents included term deposits with an original maturity of 3 months or less.

4 INVESTMENTS

(a) Short-term investments

Investments held-to-maturity

	30.06.2018		31.12.2017	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	1,629,500,000,000	1,629,500,000,000	805,500,000,000	805,500,000,000

(b) Long-term investments

	30.06.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Investments in subsidiaries (*)	660,892,460,000	-	665,732,460,000	-
Investments in associates (**)	3,787,450,000	(1,014,391,047)	3,787,450,000	(998,466,147)
Other long-term investments (***)	27,908,170,200	(16,500,000,000)	27,908,170,200	(16,500,000,000)
	<u>692,588,080,200</u>	<u>(17,514,391,047)</u>	<u>697,428,080,200</u>	<u>(17,498,466,147)</u>

(*) Percentages of ownership and voting rights in subsidiaries are presented in Note 1. Details of investments in subsidiaries are as follow:

	30.06.2018 VND	31.12.2017 VND
DHG Travel One Member Limited Company	5,000,000,000	5,000,000,000
Song Hau Pharmaceutical One Member Limited Company	22,150,000,000	21,990,000,000
DHG Pharmaceutical One Member Limited Company	540,000,000,000	540,000,000,000
B&T Pharmaceutical One Member Limited Company	-	5,000,000,000
DHG Packaging and Printing 1 One Member Limited Company	80,000,000,000	80,000,000,000
Fuji Medic Limited Liability Company	13,742,460,000	13,742,460,000
	<u>660,892,460,000</u>	<u>665,732,460,000</u>

(**) Percentages of ownership and voting rights in associates are presented in Note 1. Details of investments in associate are as follow:

	30.06.2018 VND	31.12.2017 VND
Vinh Hao Algae Processing Joint Stock Company	<u>3,787,450,000</u>	<u>3,787,450,000</u>

4 INVESTMENTS (cont.)**(b) Long-term investments (cont.)**

(***) Details of other long-term investments are as follow:

	30.06.2018	31.12.2017
	VND	VND
ATP Packaging JSC	20,000,000,000	20,000,000,000
Becamex Pharmaceutical JSC	4,286,800,000	4,286,800,000
Tra Vinh Pharmaceutical JSC	2,575,315,200	2,575,315,200
Ninh Thuan Pharmaceutical & Medical Equipments JSC	796,675,000	796,675,000
Tay Ninh Pharmaceutical JSC	221,960,000	221,960,000
Cuu Long Pharmaceutical JSC	27,420,000	27,420,000
	<u>27,908,170,200</u>	<u>27,908,170,200</u>

Provision balance as at 30 June 2018 and 31 December 2017 represents the provision for long-term investments in ATP Packaging Joint Stock Company and Vinh Hao Algae Processing Joint Stock Company.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.06.2018	31.12.2017
	VND	VND
Receivables from subsidiaries (Note 36)	1,412,632,781	14,131,213,054
Receivables from third parties	<u>523,929,512,022</u>	<u>703,607,947,414</u>
	<u>525,342,144,803</u>	<u>717,739,160,468</u>

As at 30 June 2018 and 31 December 2017, there was no balance of trade accounts receivable from third parties accounting for 10% or more of total trade accounts receivable balance.

6 LENDING

Short-term lending	30.06.2018	31.12.2017
	VND	VND
Lending to customers	<u>7,036,774,288</u>	<u>16,239,970,057</u>
	<u>7,036,774,288</u>	<u>16,239,970,057</u>
Long-term lending	30.06.2018	31.12.2017
	VND	VND
Lending to subsidiaries (Note 36)	-	48,536,959,865
Lending to customers	<u>2,757,368,962</u>	<u>3,449,997,935</u>
	<u>2,757,368,962</u>	<u>51,986,957,800</u>

7 OTHER SHORT-TERM RECEIVABLES

	30.06.2018	31.12.2017
	VND	VND
Prepaid trade discounts	237,299,823	243,590,918
Interest income receivable	33,252,116,707	20,834,778,056
Receivables from subsidiaries	1,513,721,705	395,463,956,053
Receivables from employees	8,894,158,935	7,196,606,074
Other receivables	<u>7,948,768,911</u>	<u>8,075,807,924</u>
	<u>51,846,066,081</u>	<u>431,814,739,025</u>

8 DOUBTFUL DEBTS

	30.06.2018		
	Cost VND	Recoverable amount VND	Provision VND
The total amount of receivables and loans past due or not past due but impaired	210,756,167,262	184,383,378,404	(26,372,788,858)
	<u>210,756,167,262</u>	<u>184,383,378,404</u>	<u>(26,372,788,858)</u>
	31.12.2017		
	Cost VND	Recoverable amount VND	Provision VND
The total amount of receivables and loans past due or not past due but impaired	182,026,229,054	162,228,509,956	(19,797,719,098)
	<u>182,026,229,054</u>	<u>162,228,509,956</u>	<u>(19,797,719,098)</u>

As at 30 June 2018 and 31 December 2017, there was no balance of receivables accounting for 10% or more of total past due receivable amount.

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

	Fiscal period ended 30.06.2018 VND	Fiscal year ended 31.12.2017 VND
Beginning of year	19,797,719,098	6,106,506,780
Increase during the period/year	6,495,495,969	7,569,250,421
Transfers from subsidiaries	79,573,791	6,121,961,897
Decrease during the period/year	-	-
End of period/year	<u>26,372,788,858</u>	<u>19,797,719,098</u>

9 INVENTORIES

	30.06.2018		31.12.2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	81,878,447,037	-	41,560,218,649	-
Raw materials	298,177,464,924	-	158,745,757,363	(1,294,938,769)
Work in progress	70,080,954,931	-	12,834,843,947	-
Finished goods	294,069,354,712	(1,086,438,796)	87,638,780,601	(667,007,995)
Merchandises	37,081,262,551	-	286,279,742,417	(1,366,421,302)
	<u>781,287,484,155</u>	<u>(1,086,438,796)</u>	<u>587,059,342,977</u>	<u>(3,328,368,066)</u>

9 INVENTORIES (cont.)

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

	Fiscal period ended 30.06.2018 VND	Fiscal year ended 31.12.2017 VND
Beginning of year	3,328,368,066	1,654,623,698
Increase of provision during the period/year	-	1,673,744,368
Utilization of provision during the period/year	(1,294,938,769)	-
Reversal of provision during the period/year	(946,990,501)	-
End of period/year	<u>1,086,438,796</u>	<u>3,328,368,066</u>

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

As at 30 June 2018 and 31 December 2017, the Company did not have any slow moving, damaged or sub-standard inventories.

10 PREPAID EXPENSES**Short-term prepaid expenses**

	30.06.2018 VND	31.12.2017 VND
Operating leases	3,071,736,894	39,409,097
Others	7,133,115,032	2,774,687,110
	<u>10,204,851,926</u>	<u>2,814,096,207</u>

Prepaid expenses are allocated within 12 months since the time of prepayment.

Long-term prepaid expenses

	30.06.2018 VND	31.12.2017 VND
Prepaid land rental fees	10,540,592,712	10,713,316,530
Tools and supplies	10,114,412,327	9,705,821,685
Leasehold improvements	63,754,008	79,580,088
Others	6,435,744,006	5,469,734,366
	<u>27,154,503,053</u>	<u>25,968,452,669</u>

Prepaid expenses are allocated in a period of more than 12 months since the time of prepayment.

Movements in long-term prepaid expenses were as follows:

	Fiscal period ended 30.06.2018 VND	Fiscal year ended 31.12.2017 VND
Beginning of year	25,968,452,669	16,425,962,516
Increase	2,595,284,130	15,756,909,308
Transfers from subsidiary	4,297,359,154	-
Allocation during the period/year	(5,706,592,900)	(6,214,419,155)
End of period/year	<u>27,154,503,053</u>	<u>25,968,452,669</u>

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

	Beginning of year VND	Payable during the period/year VND	Transfers from subsidiaries VND	Payment during the period/year	End of period/year VND
Receivables					
VAT on import sales	-	-	-	485,237,897	485,237,897
Import - export duties	1,536,214,509	(8,432,692,821)	-	7,919,621,678	1,023,143,366
Corporate income tax – current	-	-	-	-	-
Personal income tax	5,608,366,368	(4,050,287,660)	-	-	1,558,078,708
Land rental fee, land tax	15,682,319	(15,682,319)	-	-	-
Others	-	-	-	7,987,284	7,987,284
	<u>7,160,263,196</u>	<u>(12,498,662,800)</u>	<u>-</u>	<u>8,412,846,859</u>	<u>3,074,447,255</u>
Payables					
Output value added tax	7,800,259,075	47,758,364,215	1,683,028,788	(29,177,406,308)	28,064,245,770
VAT on import sales	3,461,540	21,043,657,256	-	(21,047,118,796)	-
Corporate income tax – current	10,904,082,749	26,236,240,249	385,815,039	(16,394,904,402)	21,131,233,635
Personal income tax	-	14,845,964,140	89,571,316	(14,935,535,456)	-
Land rental fee, land tax	-	5,670,599,167	-	(2,976,297,161)	2,694,302,006
Others	-	315,796,586	-	(315,796,586)	-
	<u>18,707,803,364</u>	<u>115,870,621,613</u>	<u>2,158,415,143</u>	<u>(84,847,058,709)</u>	<u>51,889,781,411</u>

12 TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
As at 01 January 2018	270,109,462,150	210,736,501,998	117,816,877,013	68,740,237,887	667,403,079,048
Purchase during the period/year	-	78,014,000	-	-	78,014,000
Transfers from subsidiaries	245,391,117,700	358,572,444,001	49,846,396,232	705,380,285	654,515,338,218
Transfers from construction in progress (Note 15)	8,438,171,054	361,818,182	4,191,477,528	37,679,091	13,029,145,855
Transfers from investment properties (Note 14)	422,357,075	-	-	-	422,357,075
Disposals	(2,499,207,818)	-	(138,219,172)	-	(2,637,426,990)
As at 30 June 2018	521,861,900,161	569,748,778,181	171,716,531,601	69,483,297,263	1,332,810,507,206
Accumulated depreciation					
As at 01 January 2018	125,704,028,040	132,091,881,780	87,125,513,206	54,832,541,008	399,753,964,034
Charge for the period/year	12,361,436,425	15,022,645,618	5,048,814,328	2,213,525,929	34,646,422,300
Transfers from subsidiaries	30,617,438,905	95,485,858,539	14,478,138,221	467,537,514	141,048,973,179
Transfers from investment properties (Note 14)	327,548,370	-	-	-	327,548,370
Disposals	(1,436,868,475)	-	(138,219,172)	-	(1,575,087,647)
As at 30 June 2018	167,573,583,265	242,600,385,937	106,514,246,583	57,513,604,451	574,201,820,236
Net book value					
As at 01 January 2018	144,405,434,110	78,644,620,218	30,691,363,807	13,907,696,879	267,649,115,014
As at 30 June 2018	354,288,316,896	327,148,392,244	65,202,285,018	11,969,692,812	758,608,686,970

Historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2018 was VND 200,712 million (as at 31 December 2017: VND 175,368 million). Historical cost of fully depreciated tangible fixed assets awaiting for disposal as at 30 June 2018 was VND 2,665 million (as at 31 December 2017: VND 6,450 million).

13 INTANGIBLE FIXED ASSETS

	Land use rights with indefinite term VND	Land use rights with definite term VND	Software VND	Total VND
Historical cost				
As at 01 January 2018	92,414,349,361	102,821,579,711	15,206,862,805	210,442,791,877
Purchase during the period/year	-	-	-	-
Transfers from subsidiaries Transferred from construction in progress (Note 15)	1,020,800,000	56,022,387,810	176,626,800	57,219,814,610
Disposals	-	(1,560,000,000)	-	(1,560,000,000)
As at 30 June 2018	95,158,560,046	157,471,235,263	15,806,972,005	268,436,767,314
Accumulated amortization				
As at 01 January 2018	-	14,814,607,855	9,192,384,939	24,006,992,794
Charge for the period/year	-	1,357,639,389	1,010,206,398	2,367,845,787
Transfers from subsidiaries	-	4,188,935,834	147,852,600	4,336,788,434
Disposals	-	-	-	-
As at 30 June 2018	-	20,361,183,078	10,350,443,937	30,711,627,015
Net book value				
As at 01 January 2018	92,414,349,361	88,006,971,856	6,014,477,866	186,435,799,083
As at 30 June 2018	95,158,560,046	137,110,052,185	5,456,528,068	237,725,140,299

Historical cost of fully amortized intangible fixed assets but still in use as at 30 June 2018 and 31 December 2017 was VND 6,007 million and VND 5,861 million respectively.

14 INVESTMENT PROPERTIES

	Buildings VND
Historical cost	
As at 01 January 2018	1,671,878,867
Transfers to tangible fixed assets (Note 12)	(422,357,075)
Disposals	-
As at 30 June 2018	1,249,521,792
Accumulated depreciation	
As at 01 January 2017	1,270,060,709
Charge for the period/ year	29,564,580
Transfers to tangible fixed assets (Note 12)	(327,548,370)
Disposals	-
As at 30 June 2018	972,076,919
Net book value	
As at 01 January 2018	401,818,158
As at 30 June 2018	277,444,873

Historical cost of fully depreciated investment properties but still in use as at 30 June 2018 and 31 December 2017 was VND 367,140,705.

DHG PHARMACEUTICAL JOINT STOCK COMPANY

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15 LONG-TERM ASSETS IN PROGRESS

	30.06.2018	31.12.2017
	VND	VND
Effervescent tablet production factory	21,072,036,020	16,658,486,842
Construction of office and auxiliary works at DHG Pharmaceutical One Member Limited Company	11,746,318,769	-
Construction of branches' offices	2,049,779,781	699,591,808
Motor vehicles for branches	1,458,181,819	-
Registration of Foreign Manufacturer Accreditation (PMDA)	353,349,987	-
Repairing warehouses and factories	433,305,661	-
Temperature and humidity measuring equipment for trucks	-	33,550,000
	<u>37,112,972,037</u>	<u>17,391,628,650</u>

Movements in construction in progress during the period/year were as follows:

	Fiscal period ended	Fiscal year ended
	30.06.2018	31.12.2017
	VND	VND
Beginning of year	17,391,628,650	6,903,601,956
Purchase	22,396,025,315	39,320,643,649
Transfers from subsidiaries	12,688,624,754	-
Transfers to tangible fixed assets (Note 12)	(13,029,145,855)	(13,880,428,662)
Transfers to intangible fixed assets (Note 13)	(2,334,160,827)	(2,264,085,000)
Transfers to investment properties	-	-
Transfers to tools, supplies	-	(2,132,259,411)
Disposals	-	(10,555,843,882)
End of period/year	<u>37,112,972,037</u>	<u>17,391,628,650</u>

16 DEFERRED INCOME TAX ASSETS

	30.06.2018	31.12.2017
	VND	VND
Corporate income tax rate used for determining deferred income tax assets	20%	20%
Deductible temporary differences of provisions	56,982,033,000	48,880,220,153
Deferred income tax assets	<u>11,396,406,600</u>	<u>9,776,044,031</u>

17 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.06.2018		31.12.2017	
	Value	Able-to-pay	Value	Able-to-pay
	VND	amount	VND	amount
		VND		VND
Third parties (*)	239,183,067,136	239,183,067,136	246,870,234,719	246,870,234,719
Related parties (Note 36)	-	-	134,155,492,217	134,155,492,217
	<u>239,183,067,136</u>	<u>239,183,067,136</u>	<u>381,025,726,936</u>	<u>381,025,726,936</u>

17 SHORT-TERM TRADE ACCOUNTS PAYABLE (cont.)

(*) Suppliers accounting for 10% or more of total trade accounts payable balance are as follows:

	30.06.2018	31.12.2017
	VND	VND
Truong Tin Pharmaceutical Limited Company	37,649,425,080	35,135,876,027

As at 30 June 2018 and 31 December 2017, there was no balance of short-term trade accounts payable that was past due.

18 SHORT-TERM ACCRUED EXPENSES

	30.06.2018	31.12.2017
	VND	VND
Seminar expenses	7,251,119,982	-
Interest expenses	445,168,994	452,849,861
Marketing and customer care expenses	12,669,693,367	6,660,719,815
Market research	-	10,429,270,479
Payment discounts	5,845,223,980	8,261,692,934
Others	14,754,663,015	23,628,657,734
	<u>40,965,869,338</u>	<u>49,433,190,823</u>

19 SHORT-TERM UNEARNED REVENUE

	30.06.2018	31.12.2017
	VND	VND
Unearned revenue from customer loyalty programs (Note 2)	25,694,683,185	9,218,195,665

20 OTHER SHORT-TERM PAYABLES

	30.06.2018	31.12.2017
	VND	VND
Union fee	986,200,985	497,197,623
Dividends payable	-	196,119,106,500
Payables to subsidiaries	624,499,715,144	4,432,681,911
Other payables	1,945,680,626	7,000,704,162
	<u>627,431,596,755</u>	<u>208,049,690,196</u>

21 SHORT-TERM BORROWINGS

	30.06.2018		31.12.2017	
	Value	Able-to-pay amount	Value	Able-to-pay amount
	VND	VND	VND	VND
Loans from banks	657,255,412,545	657,255,412,545	469,800,000,000	469,800,000,000
	<u>657,255,412,545</u>	<u>657,255,412,545</u>	<u>469,800,000,000</u>	<u>469,800,000,000</u>

21 SHORT-TERM BORROWINGS (cont.)

The movements of short-term borrowings during the period/year were as follows:

	As at 01.01.2018 VND	Increase VND	Decrease VND	As at 30.06.2018 VND
Loans from banks (*)	469,800,000,000	1,463,145,782,841	(1,275,690,370,296)	657,255,412,545
	<u>469,800,000,000</u>	<u>1,463,145,782,841</u>	<u>(1,275,690,370,296)</u>	<u>657,255,412,545</u>

(*) These loans bear interest at 0.23% to 0.42% per month (2017: 0.32% to 0.42% per month).

As at 30 June 2018 and 31 December 2017, there was no balance of short-term borrowings 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 of Shareholders. The funds are used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies and to pay bonus to the Board of Directors in accordance with the resolution of the Company's Annual General Meetings of Shareholders.

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

	Bonus and welfare fund for employees VND	Bonus fund for the Board of Directors VND	Welfare fund in form of assets VND	Total VND
Beginning of year	33,126,810,874	7,704,745,368	20,285,705,306	61,117,261,548
Appropriation to the funds	61,795,178,258	6,000,000,000	-	67,795,178,258
Transfer from subsidiaries	(178,422,039)	12,000,000	-	(166,422,039)
Assests formed from funds	(338,721,111)	-	338,721,111	-
Depreciation of assets formed from funds	-	-	(1,558,462,024)	(1,558,462,024)
Transfers to subsidiaries	(6,510,756,170)	-	-	(6,510,756,170)
Utilization	(29,572,478,838)	(2,497,862,384)	-	(32,070,341,222)
End of period/year	<u>58,321,610,974</u>	<u>11,218,882,984</u>	<u>19,065,964,393</u>	<u>88,606,458,351</u>

23 PROVISIONS FOR LONG-TERM LIABILITIES

	Provision for dismantling and restoration costs of the Company's leased premises or lands VND	Provision for severance allowances VND	Total VND
Beginning of year	4,757,709,643	26,624,044,363	31,381,754,006
Provision during the period/year	850,997,964	571,129,541	1,422,127,505
Transfers from subsidiaries	7,373,869,093	198,064,020	7,571,933,113
Utilization	-	(908,172,671)	(908,172,671)
End of period/year	<u>12,982,576,700</u>	<u>26,485,065,253</u>	<u>39,467,641,953</u>

24 SCIENCE AND TECHNOLOGY DEVELOPMENT FUNDS

In accordance with Circular 12/2016/TTLT-BKHCHN-BTC dated 28 June 2016, entities are allowed to establish the science and technology development funds for research and development activities. Provision made during the year is charged to expenses. Funds are utilized when disbursements are paid for research and development activities.

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

	Science and technology development fund VND	Science and technology development fund in form of assets VND	Total VND
Beginning of year	-	21,863,692,034	21,863,692,034
Appropriation to the funds	-	-	-
Transfers from subsidiaries	-	3,092,782,022	3,092,782,022
Depreciation of assets formed from science and technology development fund	-	(2,264,618,318)	(2,264,618,318)
Expenditure during the period/year	-	-	-
End of period/year	-	22,691,855,738	22,691,855,738

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 09 – DN26

25 OWNERS' EQUITY

Movements in owners' equity

	Owners' capital VND	Capital surplus VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND
Balance as at 01 January 2017	871,643,300,000	6,778,948,000	-	1,204,418,584,654	230,865,437,769	2,313,706,270,423
Bonus shares issued at ratio 2:1	435,817,410,000	-	-	(435,817,410,000)	-	-
Net profit for the year	-	-	-	-	1,243,994,817,903	1,243,994,817,903
Dividends	-	-	-	-	(305,075,155,000)	(305,075,155,000)
1 st interim dividends declared for the year 2017 at the rate of 10%	-	-	-	-	(130,746,071,000)	(130,746,071,000)
2 nd interim dividends declared for the year 2017 at the rate of 15%	-	-	-	-	(196,119,106,500)	(196,119,106,500)
Appropriation to reserves	-	-	-	308,744,080,539	(308,744,080,539)	-
Appropriation to bonus and welfare fund	-	-	-	-	(85,212,171,380)	(85,212,171,380)
Appropriation to bonus fund for the Board of Directors	-	-	-	-	(11,070,021,247)	(11,070,021,247)
Balance as at 31 December 2017	1,307,460,710,000	6,778,948,000	-	1,077,345,255,193	437,893,650,006	2,829,478,563,199
Net profit for the period/year	-	-	-	-	103,738,829,419	103,738,829,419
Profit transferred from subsidiaries after the merging	-	-	-	-	185,505,786,602	185,505,786,602
Profit change due to the merging of subsidiaries	-	-	-	-	(71,067,756,802)	(71,067,756,802)
Dividends	-	-	-	-	(65,373,035,500)	(65,373,035,500)
Appropriation to reserves	-	-	-	157,918,391,319	(157,918,391,319)	-
Appropriation to bonus and welfare fund	-	-	-	-	(61,795,178,258)	(61,795,178,258)
Appropriation to bonus fund for the Board of Directors	-	-	-	-	(6,000,000,000)	(6,000,000,000)
Balance as at 30 June 2018	1,307,460,710,000	6,778,948,000,00	-	1,235,263,646,512	364,983,904,148	2,914,487,208,660

25 OWNERS' EQUITY (cont.)

Charter capital

	30.06.2018		31.12.2017	
	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
Treasure shares	-	-	-	-
Ordinary shares currently in circulation	130,746,071	1,307,460,710,000	130,746,071	1,307,460,710,000

Ordinary share has a par value of VND 10,000. Each ordinary share is entitled to one vote at shareholders' meetings of the Company. Shareholders are eligible to receive dividends declared by the Company from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Movements of share capital during the period/year:

	Fiscal period ended 30.06.2018		Fiscal year ended 31.12.2017	
	Number of shares	VND	Number of shares	VND
Beginning of year	130,746,071	1,307,460,710,000	87,164,330	871,643,300,000
Bonus shares issued during the period/year	-	-	43,581,741	435,817,410,000
Treasure shares reissued during the period/year	-	-	-	-
End of period/year	130,746,071	1,307,460,710,000	130,746,071	1,307,460,710,000

Dividends

According to Resolution No. 001/2018/NQ-ĐHĐCĐ of the General Meeting of Shareholders approved on 28 March 2018, the General Meeting of Shareholders approved dividend payment of 30% in cash from profit after tax of 2017, equivalent to VND 392,238,213,000. In 2017, the Company paid interim dividends in cash for 2 phases at the rate of 10% and 15% of par value, equivalent to VND 326,865,177,500. On 09 May 2018, the Company paid the remaining 5% of dividend with the amount of VND 65,373,035,500.

26 OFF BALANCE SHEET ITEMS

Foreign currencies

Included in cash and cash equivalents are balances held in foreign currencies as follows:

	30.06.2018 VND	31.12.2017 VND
US dollar (USD)	547,764	399,506
Euro (EUR)	5,632	559

27 REVENUE

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	VND	VND	VND	VND
Sales				
Sales of finished goods	911,345,980,148	191,825,485,899	1,049,400,115,369	401,588,755,484
Sales of merchandises	117,508,298,637	960,515,230,890	1,134,402,344,627	1,855,738,413,973
Leasing, distribution and sales of cheap commodities	2,029,594,986	10,622,576,613	16,698,925,890	17,623,080,900
	<u>1,030,883,873,771</u>	<u>1,162,963,293,402</u>	<u>2,200,501,385,886</u>	<u>2,274,950,250,357</u>
Sales deductions				
Trade discounts	102,414,365,257	97,792,400,951	219,729,145,907	164,875,598,422
Sales returns	1,734,006,587	3,076,014,461	4,508,240,506	5,225,998,133
	<u>104,148,371,844</u>	<u>100,868,415,412</u>	<u>224,237,386,413</u>	<u>170,101,596,555</u>
Net sales	<u>926,735,501,927</u>	<u>1,062,094,877,990</u>	<u>1,976,263,999,473</u>	<u>2,104,848,653,802</u>
In which:				
Sales of finished goods	810,089,479,085	173,583,142,075	938,407,440,423	367,365,955,460
Sales of merchandises	114,616,427,856	877,889,159,302	1,021,157,633,160	1,719,859,617,442
Leasing, distribution and sales of cheap commodities	2,029,594,986	10,622,576,613	16,698,925,890	17,623,080,900

28 COST OF SALES

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	VND	VND	VND	VND
Cost of finished goods sold	442,728,313,742	112,014,792,545	535,934,152,447	216,824,109,429
Cost of merchandises sold	115,706,464,481	741,203,144,885	876,800,802,201	1,464,513,449,966
Cost of services rendered	14,782,290	143,931,540	579,892,739	162,681,876
Provision for decline in value of inventories	(946,990,501)	1,917,232,852	(946,990,501)	1,917,232,852
	<u>557,502,570,012</u>	<u>855,279,101,822</u>	<u>1,412,367,856,886</u>	<u>1,683,417,474,123</u>

29 FINANCIAL INCOME

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	VND	VND	VND	VND
Interest income	27,026,964,783	17,370,393,100	46,360,767,962	30,984,292,053
Dividend income	7,338,908,385	612,028,968,926	7,366,893,585	612,056,954,126
Foreign exchange gains	845,105,791	761,906,783	1,091,868,529	1,935,828,054
Interest income from lending	-	470,740,797	611,635,740	870,913,644
Interest transferred from subsidiaries	101,749	-	101,749	-
	<u>35,211,080,708</u>	<u>630,632,009,606</u>	<u>55,431,267,565</u>	<u>645,847,987,877</u>

30 FINANCIAL EXPENSES

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	VND	VND	VND	VND
Interest expenses	7,428,675,233	5,992,899,462	14,975,360,579	10,652,258,756
Foreign exchange losses	2,075,241,958	981,579,842	3,242,818,200	2,363,017,454
Payment discounts	16,778,683,060	16,621,029,493	34,595,464,067	30,390,536,453
Provision for long-term investments	15,924,900	597,096,044	15,924,900	597,096,044
Loss transferred from liquidate subsidiary	140,452,139	-	140,452,139	-
Others	20,008,560	35,008,560	93,091,633	78,733,459
	<u>26,458,985,850</u>	<u>24,227,613,401</u>	<u>53,063,111,518</u>	<u>44,081,642,166</u>

31 SELLING EXPENSES AND GENERAL & ADMINISTRATIVE EXPENSES**Selling expenses**

Major items included in selling expenses were:

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	VND	VND	VND	VND
Staff costs	95,554,341,215	84,190,879,283	170,567,374,971	148,073,059,550
Advertising expenses	36,391,451,556	19,838,541,830	62,239,500,310	51,494,332,013

General & administrative expenses

Major item included in general & administrative expenses was:

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	VND	VND	VND	VND
Staff costs	45,107,685,227	65,556,928,528	84,424,120,541	120,056,836,060

32 OTHER INCOME AND EXPENSES**Other income**

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	VND	VND	VND	VND
Gains from disposals of fixed assets and other long-term assets	3,524,024,293	89,083,332	3,560,387,929	633,988,159
Sundry income	1,661,583,004	712,347,765	3,039,866,246	1,831,610,183
	<u>5,185,607,297</u>	<u>801,431,097</u>	<u>6,600,254,175</u>	<u>2,465,598,342</u>

Other expenses

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	VND	VND	VND	VND
Sundry expenses	905,850,517	1,523,950,242	1,669,376,858	1,863,181,138
	<u>905,850,517</u>	<u>1,523,950,242</u>	<u>1,669,376,858</u>	<u>1,863,181,138</u>

33 COST OF OPERATION BY FACTOR

	For the 6-month period ended	
	30.06.2018 VND	30.06.2017 VND
Raw materials	1,355,037,407,759	1,588,748,900,471
Staff costs	342,423,117,061	316,525,852,034
Depreciation and amortization expenses	32,919,477,635	24,949,504,762
Outside service expenses	77,259,213,421	67,360,727,905
Others	113,420,834,710	96,546,762,820
	<u>1,921,060,050,586</u>	<u>2,094,131,747,992</u>

34 CORPORATE INCOME TAX

According to the 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 rate of 20% from 2005 to 2014. Decision No. 3044/QĐ-UBND allows the Company to be exempted from CIT from 2005 to 2006 and a 50% reduction of CIT from 2007 to 2011. According to Circular 78/2014/TT-BTC, the standard corporate income tax decreased to 22% since 01 January 2014 and 20% since 01 January 2016.

Current corporate income tax expense during the period/year was calculated as follows:

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018 VND	30.06.2017 VND	30.06.2018 VND	30.06.2017 VND
Net accounting profit before tax	135,343,553,510	584,528,295,609	129,829,480,918	583,665,799,955
Tax calculated at the normal tax rate of 20%	27,068,710,701	116,905,659,122	25,965,896,183	116,733,159,991
Effect of:				
Tax losses for which no deferred income tax asset was recognized	(1,108,411,558)	5,678,230,834	-	5,678,230,834
Expenses not deductible for tax purposes	775,219,425	2,206,898,719	1,741,997,678	2,293,047,949
Shortage of tax in previous years	1,745,455	-	1,745,455	-
Income not subject to tax	(1,467,802,027)	(122,405,793,785)	(1,473,399,067)	(122,411,390,825)
Temporary differences of provisions	(86,424,542)	(533,606,190)	(145,588,750)	(658,192,272)
Corporate income tax expenses	<u>25,183,037,454</u>	<u>1,851,388,700</u>	<u>26,090,651,499</u>	<u>1,634,855,677</u>

	For the 3-month period ended		For the 6-month period ended	
	30.06.2018 VND	30.06.2017 VND	30.06.2018 VND	30.06.2017 VND
Charged/(credited) to income statement:				
Corporate income tax - current	25,269,461,996	2,384,994,890	26,236,240,249	2,293,047,949
Corporate income tax - deferred	(86,424,542)	(533,606,190)	(145,588,750)	(658,192,272)
Corporate income tax expenses	<u>25,183,037,454</u>	<u>1,851,388,700</u>	<u>26,090,651,499</u>	<u>1,634,855,677</u>

35 COMMITMENTS**a) Operating lease commitment**

At the balance sheet date, the Company had outstanding commitments under non-cancellable operating leases, as follows:

	30.06.2018	31.12.2017
	VND	VND
Within 1 year	2,711,014,189	5,422,028,378
Between 1 to 5 years	21,688,113,512	21,688,113,512
Over 5 years	113,005,646,812	115,731,722,192
	<u>137,404,774,513</u>	<u>142,841,864,082</u>

b) Capital commitment

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

	30.06.2018	31.12.2017
	VND	VND
Approved but not contracted	13,247,194,643	15,055,633,763
Approved and contracted but not implemented	11,249,857,551	4,951,768,060
	<u>24,497,052,194</u>	<u>20,007,401,823</u>

36 TRANSACTIONS WITH RELATED PARTIES

<u>Related parties</u>	<u>Relationship</u>
DHG Travel One Member Limited Company	Subsidiary
Song Hau Pharmaceutical One Member Limited Company	Subsidiary
DHG Pharmaceutical One Member Limited Company	Subsidiary
B&T Pharmaceutical One Member Limited Company	Subsidiary
DHG Packaging and Printing 1 One Member Limited Company	Subsidiary
Fuji Medic Limited Liability Company	Subsidiary
Vinh Hao Algae Processing Joint Stock Company	Associate
State Capital Investment Corporation (SCIC)	Major shareholder

The largest shareholder of the Company is the State Capital Investment Corporation "SCIC", which owns 43.31% of the Company's share capital. The SCIC is controlled by the Government of SR Vietnam.

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

	Fiscal period ended	
	30.06.2018	30.06.2017
	VND	VND
Sales of goods and services		
Subsidiaries		
DHG Packaging and Printing 1 One Member Limited Company	183,541,022	265,731,509
DHG Travel One Member Limited Company	-	982,007,094
Song Hau Pharmaceutical One Member Limited Company	31,565,295,771	36,348,492,405
DHG Pharmaceutical One Member Limited Company	155,719,582,755	337,391,230,795
Fuji Medic Limited Liability Company	21,790,909	-
	<u>187,490,210,457</u>	<u>374,987,461,803</u>

36 TRANSACTIONS WITH RELATED PARTIES (cont.)

	Fiscal period ended	
	30.06.2018 VND	30.06.2017 VND
<i>Purchases of goods and services</i>		
DHG Packaging and Printing 1 One Member Limited Company	10,932,029,742	16,467,656,885
DHG Travel One Member Limited Company	-	14,648,275,498
DHG Pharmaceutical One Member Limited Company	437,669,886,011	870,476,877,428
Vinh Hao Algae Processing Joint Stock Company	421,846,000	1,132,250,000
	<u>449,023,761,753</u>	<u>902,725,059,811</u>
<i>Loan interest income</i>		
DHG Packaging and Printing 1 One Member Limited Company	355,246,388	518,558,461
DHG Travel One Member Limited Company	-	3,750,000
DHG Pharmaceutical One Member Limited Company	256,389,352	348,605,183
	<u>611,635,740</u>	<u>870,913,644</u>
<i>Dividend income</i>		
DHG Packaging and Printing 1 One Member Limited Company	-	36,075,222,427
DHG Travel One Member Limited Company	-	435,525,710
CM Pharmaceutical One Member Limited Company	-	6,353,700,178
DT Pharmaceutical One Member Limited Company	-	1,616,676,596
HT Pharmaceutical One Member Limited Company	-	6,548,577,233
ST Pharmaceutical One Member Limited Company	-	6,892,286,367
Song Hau Pharmaceutical One Member Limited Company	7,313,721,705	765,000,000
A&G Pharmaceutical One Member Limited Company	-	11,274,561,340
TOT Pharmaceutical One Member Limited Company	-	28,569,221,931
TG Pharmaceutical One Member Limited Company	-	2,285,345,720
Bali Pharmaceutical One Member Limited Company	-	6,435,232,133
DHG Pharmaceutical One Member Limited Company	-	497,405,232,363
TVP Pharmaceutical One Member Limited Company	-	563,672,164
B&T Pharmaceutical One Member Limited Company	-	3,396,890,325
VL Pharmaceutical One Member Limited Company	-	3,386,544,475
	<u>7,313,721,705</u>	<u>612,003,688,962</u>
<i>Loss transferred from liquidated subsidiary</i>		
B&T Pharmaceutical One Member Limited Company	140,350,390	-
	<u>140,350,390</u>	<u>-</u>
<i>Purchases of fixed assets</i>		
Song Hau Pharmaceutical One Member Limited Company	6,810,351,793	-
	<u>6,810,351,793</u>	<u>-</u>
<i>Proceeds from equity investment</i>		
B&T Pharmaceutical One Member Limited Company	5,000,000,000	-
	<u>5,000,000,000</u>	<u>-</u>

DHG PHARMACEUTICAL JOINT STOCK COMPANY

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36 TRANSACTIONS WITH RELATED PARTIES (cont.)

	Fiscal period ended	
	30.06.2018	30.06.2017
	VND	VND
Dividends paid		
State Capital Investment Corporation (“SCIC”)	28,313,118,500	132,127,887,500

Income of the Board of Directors and Board of Management paid in the period as follows:

	Fiscal period ended	
	30.06.2018	30.06.2017
	VND	VND
Gross salaries and other benefits	11,037,963,806	9,911,906,264

Year end balances with related parties as at the balance sheet date as follows:

Trade accounts receivable	30.06.2018	31.12.2017
	VND	VND
DHG Packaging and Printing 1 One Member Limited Company	-	1,440,000
Song Hau Pharmaceutical One Member Limited Company	1,404,162,781	14,129,773,054
Fuji Medic Limited Liability Company	8,470,000	-
	<u>1,412,632,781</u>	<u>14,131,213,054</u>

	30.06.2018	31.12.2017
	VND	VND
Lending		
DHG Pharmaceutical One Member Limited Company	-	20,117,248,828
DHG Packaging and Printing 1 One Member Limited Company	-	28,419,711,037
	<u>-</u>	<u>48,536,959,865</u>

Other short-term payables	30.06.2018	31.12.2017
	VND	VND
DHG Pharmaceutical One Member Limited Company	540,000,000,000	-
DHG Packaging and Printing 1 One Member Limited Company	79,991,284,240	-
DHG Travel One Member Limited Company	4,508,430,904	-
	<u>624,499,715,144</u>	<u>-</u>
	30.06.2018	31.12.2017
	VND	VND

Trade accounts payable

Subsidiaries

DHG Packaging and Printing 1 One Member Limited Company	-	4,681,937,834
DHG Travel One Member Limited Company	-	16,325,000
DHG Pharmaceutical One Member Limited Company	-	129,452,729,383

Associate

Vinh Hao Algae Processing Joint Stock Company	-	4,500,000
	<u>-</u>	<u>134,155,492,217</u>

DHG PHARMACEUTICAL JOINT STOCK COMPANY

37 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

(a) Non-cash transactions affecting the cash flow statement

	Fiscal period ended	
	30.06.2018	30.06.2017
	VND	VND
Appropriation to reserves	225,713,569,577	405,026,273,166
Transferred from construction in progress to tangible fixed assets	13,029,145,855	3,717,290,910
Transferred from construction in progress to intangible fixed assets	2,334,160,827	2,264,085,000
Transferred from construction in progress to investment properties	-	-
Transferred from construction in progress to tools and supplies	-	-
Transferred from investment properties to tangible fixed assets	-	25,384,704,062
Transferred from tangible fixed assets to investment properties	94,808,705	323,326,952
Issuance of bonus shares from investment and development fund	435,817,410,000	435,817,410,000
Net off payables and receivables for interest income	2,125,459,194	574,727,940,825
Net off payables and receivables for lending collection	-	206,906,270
Net off payables and receivables for loans granted	-	-
Net off payables and receivables for capital withdrawal at subsidiary	5,000,000,000	5,000,000,000
Disposals of fixed assets formed from science and technology development fund	-	1,640,441,347

(b) Proceeds from borrowings during the period/year

	Fiscal period ended	
	30.06.2018	30.06.2017
	VND	VND
Proceeds from borrowings under normal contracts	1,463,145,782,841	1,383,813,007,336

(c) Repayments of borrowings during the period/year

	Fiscal period ended	
	30.06.2018	30.06.2017
	VND	VND
Repayments of borrowings under normal contracts	1,275,690,370,296	1,017,643,696,928

Ngo Thi Hong Dao
Preparer

Ho Buu Huan
Chief Accountant

Le Chanh Dao
Deputy General Director
19 July 2018