

DHG Pharmaceutical Joint Stock Company

Separate financial statements for the
fiscal year ended 31 December 2012

DHG Pharmaceutical Joint Stock Company
Corporate Information

Establishment Decision No.	2405/QD-CT.UB	5 August 2004
	The decision was issued by Can Tho City People's Committee	
Business Registration Certificate	5703000111 issued by the Planning and Investment Department of Can Tho City on 15 September 2004. The Company's Business Registration Certificate has been amended several times, the most recent of which is Business Registration Certificate No.1800156801 dated 25 July 2012.	
Board of Management	Ms. Pham Thi Viet Nga Ms. Le Minh Hong	Chairperson Member (From August 16 th , 2012, No. 009/NQ.HDQT)
	Mr. Le Chanh Dao Mr. Doan Dinh Duy Khuong Ms. Nguyen Thi Hong Loan Mr. Nguyen Nhu Song Mr. Le Dinh Buu Tri	Member Member Member Member Member
Board of Directors	Ms. Le Minh Hong Ms. Pham Thi Viet Nga Mr. Le Chanh Dao Mr. Doan Dinh Duy Khuong Ms. Nguyen Ngoc Diep	General Director (From July 1 st , 2012) General Director (Until June 30 th , 2012) Deputy General Director Deputy General Director (From March 30 th , 2012) Deputy General Director (From May 1 st , 2012)
Supervisory Board	Mr. Tran Quoc Hung Ms. Tran Thi Anh Nhu Ms. Nguyen Phuong Thao Mr. Dam Manh Cuong	Head of Board (From April 26 th , 2012) Member (From April 26 th , 2012) Member (From April 26 th , 2012) Member (Until April 26 th , 2012)
Registered Office	288 Bis, Nguyen Van Cu Street, An Hoa Ward, Ninh Kieu District, Can Tho City Viet Nam	

DHG Pharmaceutical Joint Stock Company
Separate balance sheet at 31 December 2012

	Code	Note	31/12/2012 VND	31/12/2011 VND
ASSETS				
Current assets (100=110 + 130 + 140 + 150)	100		1,580,603,991,548	1,313,661,016,517
Cash and cash equivalents	110	4	613,986,501,139	367,470,471,515
Cash	111		102,305,732,419	253,806,115,800
Cash equivalents	112		511,680,768,720	113,664,355,715
Accounts receivable	130	5	480,591,098,551	455,594,547,921
Accounts receivable – trade	131		372,734,167,917	320,045,947,907
Prepayments to suppliers	132		78,703,023,419	78,175,999,715
Other receivables	135		32,816,506,786	58,935,844,374
Allowance for doubtful debts	139		(3,662,599,571)	(1,563,244,075)
Inventories	140	6	480,020,938,415	474,744,126,949
Inventories	141		485,921,276,662	479,219,007,611
Allowance for inventories	149		(5,900,338,247)	(4,474,880,662)
Other current assets	150		6,005,453,443	15,851,870,132
Short-term prepayments	151		242,021,571	898,817,101
Deductible value added tax	152		-	4,296,209,672
Taxes receivable from State	154	7	1,015,085,054	4,094,359,356
Other current assets	158		4,748,346,818	6,562,484,003

DHG Pharmaceutical Joint Stock Company
Separate balance sheet at 31 December 2012

	Code	Note	31/12/2012 VND	31/12/2011 VND
Long-term assets (200 = 220 + 240 + 250 + 260)	200		601,985,396,185	527,395,562,662
Fixed assets	220		446,193,008,543	430,525,318,827
Tangible fixed assets	221	8	251,844,977,858	229,545,041,047
<i>Cost</i>	222		471,989,433,543	402,612,259,283
<i>Accumulated depreciation</i>	223		(220,144,455,685)	(173,067,218,236)
Intangible fixed assets	227	9	165,087,563,085	156,164,943,736
<i>Cost</i>	228		172,987,428,238	162,000,725,488
<i>Accumulated depreciation</i>	229		(7,899,865,153)	(5,835,781,752)
Construction in progress	230	10	29,260,467,600	44,815,334,044
Investment property	240	11	10,636,908,724	5,816,300,361
<i>Cost</i>	241		14,128,720,979	7,790,891,262
<i>Accumulated depreciation</i>	242		(3,491,812,255)	(1,974,590,901)
Long-term investments	250	12	121,001,392,730	65,224,618,750
Investments in subsidiaries	251		106,396,773,980	50,550,000,000
Investments in associates	252		23,787,450,000	23,787,450,000
Other long-term investments	258		11,831,050,200	11,901,050,200
Allowance for diminution in the value of long-term investments	259		(21,013,881,450)	(21,013,881,450)
Other long-term assets	260		24,154,086,188	25,829,324,724
Long-term prepayments	261	13	19,223,747,886	20,398,249,520
Deferred tax assets	262	32	3,300,000,000	3,300,000,000
Other long-term assets	268		1,630,338,302	2,131,075,204
TOTAL ASSETS (270=100+200)	270		2,182,589,387,733	1,841,056,579,179

DHG Pharmaceutical Joint Stock Company
Separate balance sheet at 31 December 2012

	Code	Note	31/12/2012 VND	31/12/2011 VND
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		582,636,608,543	533,556,734,235
Current liabilities	310		561,373,498,818	475,686,495,838
Short-term borrowings	311	14	19,484,808,997	21,115,601,324
Accounts payable – trade	312	15	85,355,337,560	131,796,776,369
Advances from customers	313		1,192,373,799	589,540,651
Taxes and other payables to State Treasury	314	16	15,242,865,497	15,214,638,784
Payables to employees	315		128,313,641,878	102,490,566,716
Accrued expenses	316	17	226,182,631,850	151,717,148,092
Other payables	319	18	36,101,028,671	15,448,696,524
Bonus and welfare fund	323	19	49,500,810,566	37,313,527,378
Long-term liabilities	330		21,263,109,725	57,870,238,397
Provision for severance allowance	336	20	-	33,464,925,600
Science and technology development fund	339	21	21,263,109,725	24,405,312,797
EQUITY (400 = 410)	400		1,599,952,779,190	1,307,499,844,944
Share capital	410	22	1,599,952,779,190	1,307,499,844,944
Share capital	411	23	653,764,290,000	651,764,290,000
Treasury shares	414	23	(455,850,000)	(455,850,000)
Investment and development funds	417		483,619,881,808	281,459,992,012
Financial reserves	418		66,026,578,871	66,026,578,871
Retained profits	420		396,997,878,511	308,704,834,061
TOTAL RESOURCES	440		2,182,589,387,733	1,841,056,579,179
(440 = 300 + 400)				

DHG Pharmaceutical Joint Stock Company
Separate balance sheet at 31 December 2012

OFF-BALANCE SHEET ITEMS

	Note	31/12/2012	31/12/2011
Foreign currencies:			
USD		109,684	271,766
EUR		131,696	182,918
MOP		20	20
CNY		3,515	3,515
CAD		100	100
JPY		-	22,000
BTH		-	31,592

Prepared by:

Approved by:

Dang Pham Huyen Nhung
Chief Accountant

Le Chanh Dao
Deputy General Director

18 January 2013

DHG Pharmaceutical Joint Stock Company
Separate statement of income for the fiscal year ended 31 December 2012

	Code	Note	Three-month period ended		Fiscal year ended	
			31/12/2012 VND	31/12/2011 VND	31/12/2012 VND	31/12/2011 VND
Total revenue	01	24	819,439,746,548	693,526,957,758	2,657,848,944,353	2,316,844,382,257
Less sales deductions	02	24	(3,771,666,045)	(2,592,969,522)	(10,943,606,386)	(13,424,152,094)
Net sales	10	24	815,668,080,503	690,933,988,236	2,646,905,337,967	2,303,420,230,163
Cost of sales	11	25	(442,876,793,190)	(389,332,908,420)	(1,466,226,751,111)	(1,287,971,387,880)
Gross profit	20		372,791,287,313	301,601,079,816	1,180,678,586,856	1,015,448,842,283
Financial income	21	26	8,414,121,067	7,456,648,296	100,494,456,281	104,604,545,496
Financial expenses	22	27	(622,832,252)	(12,625,234,289)	(4,453,025,982)	(17,028,315,476)
<i>In which:</i>						
Interest expense			(507,167,514)	(733,485,672)	(2,611,607,290)	(2,038,850,925)
Selling expenses	24	28	(234,443,008,473)	(155,222,958,343)	(618,376,641,577)	(503,386,091,979)
General and administration expenses	25	29	(45,896,694,189)	(49,910,413,933)	(159,731,039,954)	(144,746,562,654)
Net operating profit	30		100,242,873,466	91,299,121,547	498,612,335,624	454,892,417,670
Other income	31	30	31,843,727,406	4,155,579,051	40,808,903,854	12,581,644,856
Other expenses	32	31	(1,906,687,609)	(3,041,683,860)	(7,978,823,917)	(14,816,156,650)
Other profit	40		29,937,039,797	1,113,895,191	32,830,079,937	(2,234,511,794)
Profit before tax	50		130,179,913,263	92,413,016,738	531,442,415,561	452,657,905,876
Income tax expense – current	51	32	(26,021,676,457)	(16,004,416,039)	(69,078,238,050)	(53,621,237,575)
Income tax expenses - deferred	52	32	-	2,478,523,373	-	2,478,523,373
Net profit	60		104,158,236,806	78,887,124,072	462,364,177,511	401,515,191,674
Basic earnings per share	70	33	1,596	1,211	7,082	6,167

Prepared by:

Approved by:

Dang Pham Huyen Nhung
Chief Accountant

Le Chanh Dao
Deputy General Director

18 January 2013

DHG Pharmaceutical Joint Stock Company
Separate statement of income for the fiscal year ended 31 December 2012

EXPLANATION

DHG Pharmaceutical Joint Stock Company presents the movements of the revenue and profit of the year 2012, compared with the previous year, as follows

Unit: Million VND

Targets	Year 2012		Year 2011		Movements			
	Q4	12 months	Q4	12 months	Q4		12 months	
					Value	Ratio	Value	Ratio
Net revenue	815,668	2,646,905	690,934	2,303,420	124,734	18.05%	343,485	14.91%
Profit after tax	104,158	462,364	78,887	401,515	25,271	32.03%	60,849	15.15%

Reasons:

1. The Company had implemented the Circular 180/2012/TT-BTC dated 24 October 2012 of MOF providing guidelines for treatment of the severance allowance paid to employees. Thus, the Company has written back the provision for severance allowance VND 28.9 billion leading to highly increase the profit of Q4/2012

2. Pushed up advertising activities, seminars to introduce new products to customers, leading to an increase in revenue 18.05% in Q4/2012

Due to the above elements, profit of Q4/2012 increased 32.03% compared to the same period; profit of the year 2012 increased 15.15%.

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Dang Pham Huyen Nhung
Chief Accountant

Le Chanh Dao
Deputy General Director

18 January 2013

DHG Pharmaceutical Joint Stock Company
Separate statement of cash flows for the fiscal year 31 December 2012

(Indirect method)

	Code Note	2012 VND	2011 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	01	531,442,415,561	452,657,905,876
Adjustments for			
Depreciation and amortisation	02	61,876,720,888	49,049,590,631
Allowances and provisions	03	3,524,813,081	11,374,403,641
Gain on disposals of fixed assets	04	(356,937,679)	(1,503,979,614)
Gain on disposal of associate	05	(20,000,000)	(6,053,088,865)
Dividends and interest income	06	(97,841,204,510)	(93,599,746,975)
Interest expense	07	2,611,607,290	2,038,850,925
Operating profit before changes in working capital	08	501,237,414,631	413,963,935,619
Change in receivables and other current assets	09	(17,343,101,156)	(22,984,972,663)
Change in inventories	10	(6,702,269,051)	(151,485,714,193)
Change in payables and other liabilities	11	31,059,256,828	56,311,524,568
Change in prepayments	12	656,795,530	(154,676,314)
		508,908,096,782	295,650,097,017
Interest paid	13	(2,024,682,017)	(1,967,602,123)
Corporate income tax paid	14	(59,060,977,632)	(74,161,936,049)
Other payments for operating activities	16	(32,333,565,149)	(50,434,686,010)
Net cash generated from operating activities	20	415,488,871,984	169,085,872,835

The accompanying notes form an integral part of these separate interim financial statements

DHG Pharmaceutical Joint Stock Company
Separate statement of cash flows for the fiscal year 31 December 2012

(Indirect method – cont.)

	Code	Note	2012 VND	2011 VND
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(83,722,951,430)	(247,679,055,576)
Proceeds from disposals of fixed assets and other long-term assets	23		2,863,084,974	5,096,949,171
Loans given to other entities	24		(204,000,000)	(1,035,537,465)
Loans collected from other entities	25		2,116,867,671	5,999,720,820
Payments for investments in other entities	26		(55,846,773,980)	-
Collections on investments in other entities	27		(90,000,000)	13,500,000,000
Receipts of interests and dividends	28		96,072,176,732	94,692,045,362
Net cash used in investing activities	30		(38,811,596,033)	(129,425,877,688)
CASH FLOWS FROM FINANCIAL ACTIVITIES				
Proceeds from equity issued	31		2,000,000,000	2,500,000,000
Proceeds from short-term borrowings	33		17,840,323,555	48,180,001,906
Payments to settle debts	34		(19,471,115,882)	(39,866,813,555)
Payments of dividends	36		(130,530,454,000)	(260,665,196,000)
Net cash (used in)/ generated from financing activities	40		(130,161,246,327)	(249,852,007,649)
Net cash flows during the period (50 = 20 + 30 + 40)	50		246,516,029,624	(210,192,012,502)
Cash and cash equivalent at the beginning of the period	60		367,470,471,515	577,662,484,017
Cash and cash equivalent at the end of the period (70 = 50 + 60)	70	4	613,986,501,139	367,470,471,515

Prepared by:

Approved by:

Dang Pham Huyen Nhung
Chief Accountant

Le Chanh Dao
Deputy General Director

18 January 2013

The accompanying notes form an integral part of these separate interim financial statements

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012

These notes form an integral part of and should be read in conjunction with the accompanying separate interim financial statements.

1. Reporting Entity

DHG Pharmaceutical Joint Stock Company (“the Company”) was incorporated as a joint stock company under Business Registration Certificate No. 5703000111 issued by Planning and Investment Department of Can Tho City on 15 September 2004. The principal activities of the Company are to produce and trade in pharmaceutical products.

The Company’s shares are listed on the Ho Chi Minh Stock Exchange.

As at 31 December 2012, the Company had 2,335 employees (31 December 2011: 2,076 employees).

2. Basis of financial report

(a) Statement of compliance

Separate financial report is prepared in compliance with Vietnam Accounting Standards, Vietnam Accounting System and relative legal regulations applied to interim financial report. These interim financial reports should be viewed together with The company’s separate financial report for the year ended 31 December 2011

(b) Basis of financial statement preparation

The separate interim financial statements, except for the statement of cash flow, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

These interim financial statements are separate financial statements and do not include financial statements of its subsidiaries. Investments in subsidiaries, associates and joint ventures are carried at cost less allowance for diminution in the value of long-term investments. The company prepares consolidated financial statements including the Company’s financial statements and Subsidiaries’ financial statements and issues separately these statements.

(c) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(d) Accounting currency

Financial report is prepared and presented in Vietnam dong (VND).

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these separate interim financial statements.

(a) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are converted into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the period have been converted into VND at rates approximating those ruling at the transaction dates.

All foreign exchange differences are recorded in the statement of income in according with Vietnamese Accounting Standard No.10 (“VAS 10”) – The Effects of Changes in Foreign Exchange Rates.

(b) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(c) Investments

Investments in term deposits and debt instruments; investments in equity instruments of entities over which the Company has no control or significant influence; and investments in subsidiaries and associates are stated at cost. Allowance is made for reductions in investment values which in the opinion of the management are not temporary. The allowance is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the allowance was recognised. An allowance is reversed only to the extent that the investment’s carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(d) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method of accounting for inventory.

(f) Tangible fixed assets

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of tangible fixed assets comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhauls cost, is charged to the statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

- buildings 3 – 18 years
- machinery and equipment 3 – 13 years
- motor vehicles 3 – 13 years
- office equipment 3 – 10 years

(g) Intangible fixed assets

(i) Indefinite land use rights

Indefinite land use rights are stated at cost and are not amortised. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights.

(ii) Definite land use rights

Definite land use rights are stated at cost less accumulated amortisation. The initial cost of land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights. Amortisation is computed on a straight-line basis over 50 years.

(iii) Software

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis ranging from 3 to 7 years.

(h) Investment property

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

(i) Cost

Investment property is stated at cost less accumulated depreciation. The initial cost of an investment property comprises its purchase price, cost of land use rights and any directly attributable expenditure of bringing the property to the condition necessary for it to be capable of operating in the manner intended by management. Expenditure incurred after investment property has been put into operation, such as repairs and maintenance, is charged to the statement of income in the period in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property, the expenditure is capitalised as an additional cost of investment property.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property which are ranging from 5 to 16 years.

(i) Construction in progress

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

(j) Long-term prepayments

(i) Leasehold and improvements

Leasehold improvements are recorded at cost and amortised on a straight-line basis over 2 to 5 years.

(ii) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease ranging from 39 to 41 years.

(k) Trade and other payables

Trade and other payables are stated at their cost.

(l) Provisions

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Severance allowance

Under the Vietnamese Labour Code, when employees who have worked for 12 months or more (“eligible employee”) voluntarily terminates his/her labour contract, the employer is required to pay the eligible employee severance allowance calculated based on years of service and employees’ compensation at termination. Provision for severance allowance has been provided based on employees’ years of service and their current salary level.

Pursuant to Law on Social Insurance, effective from 1 January 2009 the Company and its employees are required to contribute to an unemployment insurance fund managed by the Vietnam Social Insurance Agency. The contribution to be paid by each party is calculated at 1% of the lower of the employees’ basic salary and 20 times the general minimum salary level as specified by the Government from time to time. With the implementation of unemployment insurance scheme, the Company is no longer required to provide severance allowance for the service period after 1 January 2009. However, severance allowance to be paid to the existing eligible employees as of 31 December 2012 will be determined based on the eligible employees’ year of service as of 31 December 2008 and their average salary for the six-month period prior to the termination date. Following the Circular 180/2012/TT-BTC dated 24 October 2012 of MOF providing guidelines for treatment of the severance allowance paid to employees, the Company does not need to made provision for severance allowance.

(m) Financial instruments

For the purpose of providing information about the importance of financial instruments to finance situation and business result before consolidation of the Company and the property and degree of risks from the financial instruments, the Company classifies financial instruments as follows:

(i) Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and are not listed in the market, excluding:

- Entities that the Company plans to sell or sell in the near future are classified as assets hold for business purpose, and and types that at the initial record are categorized in the group of determination by reasonable value through the Business result report;
- Entities that are categorized in the group of ready to sell at the initial record; or
- Entities that hold by the Company might not be retrieved most initial investment value, not by decrease of credit quality, and classified as group of ready to sell.

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

Available assets for sale

Assets available for sale are non-derivative financial assets which are defined as available for sale or are not classified as:

- Financial assets are determined by reasonable value through the business operation report statement.
- Investments are held to the maturity; or
- Loans and receivables.

(ii) Financial liabilities

Financial liabilities are determined by amortized cost

Financial liabilities that are not classified as financial liabilities determined by reasonable value through the business operation report will be classified as financial liabilities determined as amortized cost.

The classification of financial instruments listed above is only for presentation and demonstration purposes and is not intended to describe the method of determining the value of the financial instruments. The accounting policies for valuation of financial instruments are presented in the related notes.

(n) Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Share capital

(i) Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

(ii) Treasury shares

When share capital recognised as equity is purchased, the amount of the consideration paid, which includes directly attributable cost, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

(p) Equity funds

Allocations are made to equity funds from retained profits each period based on percentage decided by the shareholders in their annual ordinary general meeting.

(q) Revenue

Goods sold

Revenue from the sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

(r) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

(s) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(t) Earnings per share

The Company presents basic (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. The Company does not have any potentially dilutive ordinary shares.

(u) Segment reporting

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Management is of the opinion that the Company operates in one single business segment, which is the manufacture and sale of pharmaceutical products and one single geographical segment, which is Vietnam.

(v) Off balance sheet items

Amounts which are defined as off balance sheet items under the Vietnamese Accounting System are disclosed in the relevant notes to these separate financial statements.

4. Cash and cash equivalents

	31/12/2012	31/12/2011
	VND	VND
Cash on hand	26,806,591,509	39,616,249,203
Cash in banks	75,493,614,629	210,488,738,232
Cash in transit	5,526,281	3,701,128,365
Cash equivalents	511,680,768,720	113,664,355,715
	<hr/>	<hr/>
	613,986,501,139	367,470,471,515
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents at 31 December 2012 included amounts denominated in currencies other than VND amounting to VND 5,951 million (31 December 2011: VND 10,810 million)

5. Accounts receivable

Accounts receivable – trade comprised:

	31/12/2012	31/12/2011
	VND	VND
Trade receivables from subsidiaries	82,769,573,041	111,851,774,089
Trade receivables from associates	356,765,200	356,765,200
Trade receivables from third parties	289,607,829,676	207,837,408,618
	<hr/>	<hr/>
	372,734,167,917	320,045,947,907
	<hr/> <hr/>	<hr/> <hr/>

Accounts receivable – trade were unsecured, interest free and receivable within 30 days from invoice date.

Prepayments to suppliers at 31 December 2012 and 31 December 2011 were amounts prepaid for acquisition of machinery and construction services.

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

Other short-term receivables comprised:

	31/12/2012	31/12/2011
	VND	VND
Commission prepaid	29,175,860,269	43,434,893,278
Interest receivable	1,769,027,778	-
Loan receivables (*)	204,000,000	2,116,867,671
Receivables from employees	810,716,851	10,865,879,179
Others	856,901,888	2,518,204,246
	<hr/>	<hr/>
	32,816,506,786	58,935,844,374
	<hr/> <hr/>	<hr/> <hr/>

Movements in the allowance for doubtful debts during the period were as follows:

	2012	2011
	VND	VND
Opening balance	1,563,244,075	4,587,387,069
Increase in allowance during the period	2,099,355,496	-
Utilization during the period	-	(3,024,142,994)
	<hr/>	<hr/>
Closing balance	3,662,599,571	1,563,244,075
	<hr/> <hr/>	<hr/> <hr/>

6. Inventories

	31/12/2012	31/12/2011
	VND	VND
Goods in transit	58,010,077,544	84,006,950,234
Raw materials	177,671,058,172	173,962,372,778
Work in progress	22,929,841,047	36,179,562,499
Finished goods	226,036,943,228	182,653,728,641
Merchandise inventory	1,273,356,671	1,318,932,032
Goods on consignment	-	1,097,461,427
	<hr/>	<hr/>
	485,921,276,662	479,219,007,611
Allowance for inventories	(5,900,338,247)	(4,474,880,662)
	<hr/>	<hr/>
	480,020,938,415	474,744,126,949
	<hr/> <hr/>	<hr/> <hr/>

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

Movements in the allowance for inventories during the period were as follows:

	2012 VND	2011 VND
Opening balance	4,474,880,662	2,965,968,111
Increase in allowance during the period	1,425,457,585	1,508,912,551
	<hr/>	<hr/>
Closing balance	5,900,338,247	4,474,880,662
	<hr/> <hr/>	<hr/> <hr/>

7. Taxes and other receivables from the State

	31/12/2012 VND	31/12/2011 VND
Corporate income tax	-	3,995,583,961
Personal income tax	-	98,775,395
Import tax	1,015,085,054	
	<hr/>	<hr/>
	1,015,085,054	4,094,359,356
	<hr/> <hr/>	<hr/> <hr/>

DHG Pharmaceutical Joint Stock Company

Notes to the separate interim financial statements for the fiscal year 31 December 2012 (cont.)

8. Tangible fixed assets

	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
Opening balance	117,485,487,414	159,529,732,168	73,318,740,567	52,278,299,134	402,612,259,283
Additions	2,176,840,073	17,000,598,488	248,685,000	9,862,307,210	29,288,430,771
Transfers from construction in progress	20,548,898,356	19,488,947,241	13,021,295,571	933,144,083	53,992,285,251
Transfer from investment property	212,898,182				212,898,182
Transfer to investment property	(1,612,196,849)	-	-	-	(1,612,196,849)
Disposals	(600,000,000)	(6,086,537,477)	(4,758,880,327)	(1,058,825,291)	(12,504,243,095)
Closing balance	138,211,927,176	189,932,740,420	81,829,840,811	62,014,925,136	471,989,433,543
Accumulated depreciation					
Opening balance	27,292,731,016	86,668,197,259	29,284,684,789	29,821,605,172	173,067,218,236
Depreciation in the period	12,353,032,409	25,285,005,427	12,381,373,327	7,743,744,782	57,763,155,945
Transfer from investment property	95,633,270				95,633,270
Transfer to investment property	(783,455,966)	-	-	-	(783,455,966)
Disposals	(165,000,000)	(5,593,954,013)	(3,189,413,235)	(1,049,728,552)	(9,998,095,800)
Closing balance	38,792,940,729	106,359,248,673	38,476,644,881	36,515,621,402	220,144,455,685
Net book value					
Opening balance	90,192,756,398	72,861,534,909	44,034,055,778	22,456,693,962	229,545,041,047
Closing balance	99,418,986,447	83,573,491,747	43,353,195,930	25,499,303,734	251,844,977,858

Included in the cost of tangible fixed assets were assets costing VND 95,575 million which were fully depreciated as of 31 December 2012 (31 December 2010: VND 59,161 million), but which are still in active use.

9. Intangible fixed assets

	Indefinite land used rights VND	Definite land use rights VND	Software VND	Total VND
Cost				
Opening balance	103,758,193,658	52,594,912,775	5,647,619,055	162,000,725,488
Additions	3,512,842,000	7,519,442,000	-	11,032,284,000
Disposals	-	-	(45,581,250)	(45,581,250)
Closing balance	107,271,035,658	60,114,354,775	5,602,037,805	172,987,428,238
Accumulated amortisation				
Opening balance	-	4,040,212,851	1,795,568,901	5,835,781,752
Charge for the period	-	1,147,228,834	962,435,817	2,109,664,651
Disposals	-	-	(45,581,250)	(45,581,250)
Closing balance	-	5,187,441,685	2,712,423,468	7,899,865,153
Net book value				
Opening balance	103,758,193,658	48,554,699,924	3,852,050,154	156,164,943,736
Closing balance	107,271,035,658	54,926,913,090	2,889,614,337	165,087,563,085

In the tangible assets there are assets with the cost of 1,079 million VND depreciated to the date 31 December 2012

10. Construction in progress

	2012 VND	2011 VND
Opening balance	44,815,334,044	7,632,452,186
Additions during the period	43,171,949,857	124,086,162,178
Transfer to tangible fixed assets	(53,992,285,251)	(84,187,878,657)
Transfer to intangible fixed assets	-	(2,540,241,968)
Transfer to investment property	(4,734,531,050)	(6,244,545)
Transfer to long-term prepaid expenses	-	(168,915,150)
Closing balance	29,260,467,600	44,815,334,044

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012 (cont.)

11. Investment property

	Buildings VND
Cost	
Opening balance	7,790,891,262
Additions during the period	204,000,000
Transfer from tangible fixed assets	1,612,196,849
Transfers from construction in progress	4,734,531,050
Transfer to tangible fixed assets	(212,898,182)
	<hr/>
Closing balance	14,128,720,979
	<hr/>
Accumulated depreciation	
Opening balance	1,974,590,901
Transfers from tangible fixed assets	783,455,966
Charge for the period	829,398,658
Transfers to tangible fixed assets	(95,633,270)
	<hr/>
Closing balance	3,491,812,255
	<hr/>
Net book value	
Opening balance	5,816,300,361
Closing balance	10,636,908,724
	<hr/>

In investment property there are assets with the cost of 613 million VND depreciated to the date 31 December 2012 (31 December 2011: No), but which are still in active use.

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012 (cont.)

12. Long-term investments

	31/12/2012	31/12/2011
	VND	VND
Investments in subsidiaries		
▪ DT Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
▪ DHG Travel One Member Limited Company	5,000,000,000	3,000,000,000
▪ HT Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
▪ DHG Nature One Member Limited Company	5,000,000,000	5,000,000,000
▪ CM Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
▪ DHG Packing and Printing One Member Limited Company	5,000,000,000	5,000,000,000
▪ Song Hau Pharmaceutical Joint Stock Company	2,550,000,000	2,550,000,000
▪ A&G Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
▪ ST Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
▪ TOT Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
▪ TG Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
▪ BALI Pharmaceutical One Member Limited Company	5,000,000,000	-
▪ DHG Pharmaceutical One Member Limited Company	48,846,773,980	-
	<hr/> 106,396,773,980	<hr/> 50,550,000,000
Investments in associates		
▪ Vinh Hao Algae Processing Joint Stock Company	3,787,450,000	3,787,450,000
▪ Vinh Tuong High-Tech Packaging Corporation	20,000,000,000	20,000,000,000
	<hr/> 23,787,450,000	<hr/> 23,787,450,000
Other long-term investments		
▪ Cuu Long Pharmaceutical Joint Stock Company	27,420,000	27,420,000
▪ Binh Duong Pharmaceutical Joint Stock Company	4,286,800,000	4,286,800,000
▪ Ninh Thuan Pharmaceutical Joint Stock Company	796,675,000	796,675,000
▪ Nghe An Pharmaceutical Joint Stock Company	3,922,880,000	3,922,880,000
▪ TV.Pharm Pharmaceutical Joint Stock Company	2,575,315,200	2,575,315,200
▪ Ba Ria – Vung Tau Pharmaceutical, Cosmetic and Commercial Joint Stock Company	-	70,000,000
▪ Tay Ninh Pharmaceutical Joint Stock Company	221,960,000	221,960,000
	<hr/> 11,831,050,200	<hr/> 11,901,050,200

DHG Pharmaceutical Joint Stock Company**Notes to the separate interim financial statements for the fiscal year 31 December 2012****(cont.)**

Movements in the allowance for diminution in value of long-term investments during the period were as follows:

	2012 VND	2011 VND
Opening balance	21,013,881,450	17,201,479,225
Increase in allowance during the period		9,865,491,090
Allowance utilised during the period	-	(6,053,088,865)
	<hr/>	<hr/>
Closing balance	21,013,881,450	21,013,881,450

Details of the investments in subsidiaries and associates were as follows:

Name	Principal activity	Business Registration Certificate	% of ownership	
			31/12/2012	31/12/2011
Subsidiaries				
DT Pharmaceutical One Member Limited Company	Trade pharmaceuticals, medical equipment, dietary supplements and pharmaceutical cosmetics	5104000057 issued by Planning and Investment Department of Dong Thap Province on 28 August 2008	100%	100%
DHG Travel One Member Limited Company	Domestic travel services	5704000134 issued by Planning and Investment Department of Can Tho City on 26 December 2007	100%	100%
HT Pharmaceutical One Member Limited Company	Trade pharmaceuticals, medical equipment, dietary supplements and pharmaceutical cosmetics	5604000048 issued by Planning and Investment Department of Kien Giang Province on 16 May 2008	100%	100%
DHG Nature One Member Limited Company	Grow, process, manufacture, and trade herbal materials; Manufacture and trade pharmaceutical chemistry and dietary supplements	1800723433 issued by Planning and Investment Department of Can Tho City on 25 August 2008	100%	100%
CM Pharmaceutical One Member Limited Company	Trade pharmaceuticals, medical equipment, dietary supplements and pharmaceutical cosmetics	6104000035 issued by Planning and Investment Department of Ca Mau Province on 8 April 2008	100%	100%

DHG Pharmaceutical Joint Stock Company**Notes to the separate interim financial statements for the fiscal year 31 December 2012****(cont.)**

Name	Principal activity	Business Registration Certificate	% of ownership	
			31/12/2012	31/12/2011
DHG Packaging and Printing One Member Limited Company	Manufacture and trade packaging, plastic, aluminium, paper for pharmaceutical industry; Provide printing services.	5704000183 issued by Planning and Investment Department of Can Tho City on 29 April 2008	100%	100%
Song Hau Pharmaceutical Joint Stock Company	Trade pharmaceuticals, medical equipment and dietary supplements and pharmaceutical cosmetics.	6403000044 issued by Planning and Investment Department of Hau Giang Province on 20 July 2007	51%	51%
A&G Pharmaceutical One Member Limited Company	Trade pharmaceuticals, medical equipment, dietary supplements and pharmaceutical cosmetics.	1601171629 issued by Planning and Investment Department of An Giang Province on 17 June 2009	100%	100%
ST Pharmaceutical One Member Limited Company	Trade pharmaceuticals, medical equipment, dietary supplements and pharmaceutical cosmetics.	5904000064 issued by Planning and Investment Department of Soc Trang Province on 11 April 2008	100%	100%
TOT Pharmaceutical One Member Limited Company	Trade pharmaceuticals, medical equipment and dietary supplements and pharmaceutical cosmetics.	1801113085 issued by Planning and Investment Department of Can Tho City on 25 February 2009	100%	100%
TG Pharmaceutical One Member Limited Company	Trade pharmaceuticals, medical equipment and dietary supplements and pharmaceutical cosmetics.	1200975943 issued by Planning and Investment Department of Tien Giang Province on 25 February 2009	100%	100%
Bali Pharmaceutical One Member Limited Company	Trade pharmaceuticals, medical equipment and dietary supplements and pharmaceutical cosmetics.	1900455594 issued by Planning and Investment Department of Bac Lieu Province on 29 March 2011	100%	-
DHG Pharmaceutical One Member Limited Company	Manufacture and trade pharmaceuticals, dietary supplements and pharmaceutical cosmetics	642041000005 issued by Management Board of Hau Giang Industrial Zone on 16 August 2010	100%	-
Associates				
Vinh Hao Algae	Manufacture and trade	4803000150 issued by	30%	30%

DHG Pharmaceutical Joint Stock Company**Notes to the separate interim financial statements for the fiscal year 31 December 2012**

(cont.)

Name	Principal activity	Business Registration Certificate	% of ownership	
			31/12/2012	31/12/2011
Processing Joint Stock Company	spirulina algae.	Planning and Investment Department of Binh Thuan Province on 4 February 2008		
Vinh Tuong High-Tech Packaging Corporation	Manufacture package from primeval plastics.	4603000373 issued by Planning and Investment Department of Binh Duong Province on 9 July 2007	20%	20%

13. Long-term prepayments

	Leasehold improvements VND	Prepaid land costs VND	Total VND
Opening balance	1,798,393,813	18,599,855,707	20,398,249,520
Amortisation for the period	(733,474,069)	(441,027,565)	(1,174,501,634)
Closing balance	1,064,919,744	18,158,828,142	19,223,747,886

14. Short-term borrowings

	31/12/2012 VND	31/12/2011 VND
Loan from the Company's employees (*)	19,484,808,997	21,115,601,324

(*) These borrowings were unsecured and bore interest at rates ranging from 0.9% to 1.1% per month during the period (2011: từ 1.10% đến 1,15%)

15. Accounts payable - trade

	31/12/2012 VND	31/12/2011 VND
Trade payables to subsidiaries	15,458,786,460	24,655,680,303
Trade payables to associates	-	2,024,000,000
Trade payables to third parties	69,896,551,100	105,117,096,066
	85,355,337,560	131,796,776,369

The amounts were unsecured, interest free and payable on demand.

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

16. Taxes payable to State Treasury

	31/12/2012	31/12/2011
	VND	VND
Value added tax	6,178,930,107	
Corporate income tax	6,021,676,457	-
Personal income tax	3,042,258,933	15,023,688,298
Others	-	190,950,486
	<hr/>	<hr/>
	15,242,865,497	15,214,638,784
	<hr/>	<hr/>

DHG Pharmaceutical Joint Stock Company**Notes to the separate interim financial statements for the fiscal year 31 December 2012 (cont.)**

In details as follows:

	<u>Beginning balance</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Ending balance</u>
VAT on local sales	(4,296,209,672)	28,021,832,440	(17,546,692,661)	6,178,930,107
VAT on imports	-	34,209,093,398	(34,209,093,398)	-
Import-export duties	(98,775,395)	12,008,887,312	(12,925,196,971)	(1,015,085,054)
Corporate income tax	(3,995,583,961)	69,078,238,050	(59,060,977,632)	6,021,676,457
Personal income tax	15,023,688,298	22,707,516,024	(34,688,945,389)	3,042,258,933
Land rental	-	2,250,373,050	(2,250,373,050)	-
Others	190,950,486,00	41,500,000	(232,450,486)	-
Total	<u>6,824,069,756</u>	<u>168,317,440,274</u>	<u>(160,913,729,587)</u>	<u>14,227,780,443</u>

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012 (cont.)

17. Accrued expenses

	31/12/2012	31/12/2011
	VND	VND
Sales rebates	126,210,885,597	98,396,878,201
Sales promotion	67,099,413,768	43,514,942,486
Seminar expenses	16,925,732,519	1,863,306,378
Advertising expenses	5,520,924,677	35,256,582
Interest payable	980,410,624	393,485,351
Others	9,445,264,665	7,513,279,094
	<hr/>	<hr/>
	226,182,631,850	151,717,148,092
	<hr/> <hr/>	<hr/> <hr/>

18. Other payables

	31/12/2012	31/12/2011
	VND	VND
Trade union	2,000,820,231	745,260,734
Health insurance	744,833,142	498,567,101
Dividend payable	17,894,000	15,750,000
Commission payable	20,487,704,191	10,541,130,161
Others	12,849,777,107	3,647,988,528
	<hr/>	<hr/>
	36,101,028,671	15,448,696,524
	<hr/> <hr/>	<hr/> <hr/>

19. Bonus and welfare fund

The fund is established by appropriating from retained profits at the discretion of shareholders at their annual general meeting. The fund is used to pay bonus and welfare to the Company's employees and Board of Management fee in accordance with the Company's bonus and welfare policies and Board of Management fee in accordance with the resolution of the shareholders in the annual general meeting.

DHG Pharmaceutical Joint Stock Company**Notes to the separate interim financial statements for the fiscal year 31 December 2012****(cont.)**

Movements of bonus and welfare fund during the period were as follows:

	Bonus and welfare fund VND	Board of management bonus fund VND	Welfare fund turned into fixed assets VND	Total VND
Opening balance	12,929,842,833	2,164,796,237	22,218,888,308	37,313,527,378
Allocation to the fund	34,648,908,632	6,729,736,633		41,378,645,265
Transfers from Bonus and welfare fund			867,729,317	867,729,317
Allocation to depreciation			(2,426,822,557)	(2,426,822,557)
Utilisation of the fund	(21,584,999,523)	(6,047,269,314)		(27,632,268,837)
Closing balance	25,993,751,942	2,847,263,556	20,659,795,068	49,500,810,566

20. Provision for severance allowance

Movements of provision for severance allowance during the period were as follows:

	VND
Opening balance	33,464,925,600
Utilised during the period	(4,574,510,891)
Written back	(28,890,414,709)
Closing balance	-

21. Science and technology development fund

In accordance with Circular 130/2008/TT-BTC dated 26 December 2008, entities are allowed to provide for the science and technology development fund for using in research and development activities. Provisions are charged to income. Fund is utilised when research and development activities are carried out and disbursements are made.

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

	VND
Opening balance	24,405,312,797
Utilisation during the period	(5,511,609,394)
Science & Tech fund turned into fixed assets	3,307,001,799
Depreciation of assets formed by Science & Tech fund	(937,595,477)
Closing balance	21,263,109,725

DHG Pharmaceutical Joint Stock Company

Notes to the separate interim financial statements for the fiscal year 31 December 2012 (cont.)

22. Change of share capital

	Share capital VND	Capital surplus VND	Treasury shares VND	Investment and development fund VND	Financial reserves VND	Retained profits VND	Total VND
Balance at 1 January 2011	269,129,620,000	378,761,392,824	(455,850,000)	187,595,334,349	59,884,587,817	319,917,178,729	1,214,832,263,719
Share capital issued	2,500,000,000	-	-	-	-	-	2,500,000,000
Bonus shares	380,134,670,000	(378,761,392,824)	-	(1,373,277,176)	-	-	-
Net profit for the period	-	-	-	-	-	401,515,191,674	401,515,191,674
Dividends	-	-	-	-	-	(260,665,196,000)	(260,665,196,000)
Funds received from subsidiaries	-	-	-	21,503,560,959	6,141,991,054	(27,645,552,013)	-
Attribution to funds	-	-	-	73,734,373,880	-	(73,734,373,880)	-
Transfer to bonus and welfare fund	-	-	-	-	-	(41,375,186,813)	(41,375,186,813)
Board of management bonus fund	-	-	-	-	-	(9,307,227,636)	(9,307,227,636)
Balance at 31 December 2011	651,764,290,000	-	(455,850,000)	281,459,992,012	66,026,578,871	308,704,834,061	1,307,499,844,944
Share capital issued	2,000,000,000	-	-	-	-	-	2,000,000,000
Net profit for the period	-	-	-	-	-	462,364,177,511	462,364,177,511
Attribution to funds	-	-	-	202,159,889,796	-	(202,159,889,796)	-
Dividends (Note 34)	-	-	-	-	-	(65,166,299,000)	(65,166,299,000)
Paid dividends in advance for phase 1 /2012	-	-	-	-	-	(65,366,299,000)	(65,366,299,000)
Transfer to bonus and welfare fund	-	-	-	-	-	(34,648,908,632)	(34,648,908,632)
Board of management bonus fund	-	-	-	-	-	(6,729,736,633)	(6,729,736,633)
Balance at 31 December 2012	653,764,290,000	-	(455,850,000)	483,619,881,808	66,026,578,871	396,997,878,511	1,599,952,779,190

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

23. Share capital

The Company authorised and issued share capital is:

	31/12/2012		31/12/2011	
	Number of shares	VND	Number of shares	VND
Authorised and issued share capital	65,376,429	653,764,290,000	65,176,429	651,764,290,000
Treasury shares	(10,130)	(455,850,000)	(10,130)	(455,850,000)
Ordinary shares currently in circulation	65,366,299	653,308,440,000	65,166,299	651,308,440,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared 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 in share capital during the period were as follows:

	2012		2011	
	Number of shares	VND	Number of shares	VND
Balance at the beginning of the period	65,166,299	651,308,440,000	26,902,832	268,673,770,000
Ordinary shares issued	200,000	2,000,000,000	250,000	2,500,000,000
Bonus shares issued during the period			38,013,467	380,134,670,000
Balance at the end of the period	65,366,299	653,308,440,000	65,166,299	651,308,440,000

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

24. Total revenue

Total revenue represented the gross value of goods sold exclusive of value added tax.

Net sales comprised

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Total revenue				
▪ Finished goods sold	764,946,957,708	644,815,217,904	2,501,144,145,109	2,171,896,449,439
▪ Merchandise goods sold	16,173,499,611	11,986,014,168	61,693,423,707	67,351,624,994
▪ Promotion goods	38,319,289,229	36,725,725,686	95,011,375,537	77,596,307,824
	819,439,746,548	693,526,957,758	2,657,848,944,353	2,316,844,382,257
Less sales deductions				
▪ Sales returns	(3,771,666,045)	(2,592,969,522)	(10,943,606,386)	(13,424,152,094)
Net sales	815,668,080,503	690,933,988,236	2,646,905,337,967	2,303,420,230,163
In which:				
▪ Finished goods sold	761,175,291,663	642,222,248,382	2,490,200,538,723	2,158,492,070,961
▪ Merchandise goods sold	16,173,499,611	11,986,014,168	61,693,423,707	67,331,851,378
▪ Promotion goods	38,319,289,229	36,725,725,686	95,011,375,537	77,596,307,824

25. Cost of sales

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Finished goods sold	390,263,244,579	342,839,209,873	1,317,757,398,437	1,148,694,390,463
Merchandise goods sold	15,211,197,432	10,855,755,481	57,417,842,546	61,896,708,346
Promotion goods	37,402,351,179	35,637,943,066	89,626,052,543	75,871,376,520
Allowances for inventories		-	1,425,457,585	1,508,912,551
	442,876,793,190	389,332,908,420	1,466,226,751,111	1,287,971,387,880

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

26. Financial income

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Interest income	7,546,288,414	5,255,740,675	33,460,972,443	36,793,083,524
Gain on disposal of associate	-	-	20,000,000	6,053,088,865
Dividends	-	597,188,000	64,380,232,067	56,806,663,451
Foreign exchange gains	755,130,150	1,603,719,621	2,001,753,137	4,951,709,656
Other financial incomes	112,702,503		631,498,634	
	<u>8,414,121,067</u>	<u>7,456,648,296</u>	<u>100,494,456,281</u>	<u>104,604,545,496</u>

27. Financial expenses

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Interest expense	507,167,514	733,485,672	2,611,607,290	2,038,850,925
Allowance for long-term investments	-	9,865,491,090		9,865,491,090
Foreign exchange losses	100,588,699	1,995,762,016	1,709,118,220	5,000,720,822
Other expenses	15,076,039	30,495,511	132,300,472	123,252,639
	<u>622,832,252</u>	<u>12,625,234,289</u>	<u>4,453,025,982</u>	<u>17,028,315,476</u>

28. Selling expenses

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Expenses for employees	77,707,043,655	73,431,773,362	233,672,038,168	237,649,781,075
Materials and supplies	3,092,644,673	2,587,646,753	10,718,076,495	8,151,044,373
Tools	621,730,273	1,088,790,665	3,200,407,661	3,672,857,597
Depreciation of fixed assets	3,050,995,539	2,503,289,880	11,990,723,237	9,218,486,524
External service rendered	118,474,334,368	68,341,833,424	289,635,352,331	201,810,387,974
Other expenses	31,496,259,965	7,269,624,259	69,160,043,685	42,883,534,436
	<u>234,443,008,473</u>	<u>155,222,958,343</u>	<u>618,376,641,577</u>	<u>503,386,091,979</u>

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

29. Administrative overheads

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Expenses for employees	33,483,264,242	25,938,143,112	110,997,702,512	92,968,768,920
Materials and supplies	55,825,394	2,680,000	126,520,756	7,384,969
Office supplies	376,844,368	352,742,384	2,162,093,173	2,446,392,823
Depreciation of fixed assets	2,734,229,135	2,954,382,347	9,948,830,211	8,904,179,656
Taxes, fees and legal fees	178,133,129	(228,286,976)	369,137,941	382,513,707
Provisions for bad debts	(1,387,240,418)	11,316,229,381	2,099,355,496	15,165,454,008
External service rendered	5,676,520,989	2,110,155,114	12,080,503,462	7,775,569,822
Other cash expenses	4,779,117,350	7,464,368,571	21,946,896,403	17,096,298,749
	45,896,694,189	49,910,413,933	159,731,039,954	144,746,562,654

30. Other income

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Income from scrap sales	138,866,663	118,516,252	584,472,042	544,163,608
Proceeds on disposals of fixed assets	281,818,182	713,979,355	2,863,084,974	5,096,949,171
Income from renting land and vehicles	393,181,819	628,181,824	3,205,092,196	2,214,007,507
Others	31,029,860,742	2,694,901,620	34,156,254,642	4,726,524,570
	31,843,727,406	4,155,579,051	40,808,903,854	12,581,644,856

31. Other expenses

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Net book value of fixed assets disposed and written off	6,022,737	336,401,577	2,506,147,295	3,592,969,557
expenses for repairing and replacing broken assets	-	1,648,170,309	202,473,500	7,073,639,168
Other expenses	1,900,664,872	1,057,111,974	5,270,203,122	4,149,547,925
	1,906,687,609	3,041,683,860	7,978,823,917	14,816,156,650

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

32. Corporate Income tax

(a) Deferred tax assets

Deferred tax assets were attributable to the following:

	31/12/2012	31/12/2011
	VND	VND
Allowances and provisions	<u>3,300,000,000</u>	<u>3,300,000,000</u>

(b) Recognised in the statement of income

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Current tax expense	26,021,676,457	16,004,416,039	69,078,238,050	53,621,237,575
Deferred tax income	-	(2,478,523,373)	-	(2,478,523,373)
Corporate income tax expense	<u>26,021,676,457</u>	<u>13,525,892,666</u>	<u>69,078,238,050</u>	<u>51,142,714,202</u>

(c) Reconciliation of effective tax rate

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Profit before tax	<u>130,179,913,263</u>	<u>92,413,016,738</u>	<u>531,442,415,561</u>	<u>452,657,905,876</u>
Tax at income rate applicable to the Company	32,544,978,316	23,103,254,185	132,860,603,890	113,164,476,469
Tax effect of non-deductible expenses	564,187,365	2,728,770,022	1,144,623,381	2,728,770,022
Tax exempt income	-	(170,065,700)	(16,095,058,017)	(14,201,665,863)
Effect of tax incentives	(7,087,489,224)	(12,136,065,841)	(48,831,931,204)	(50,548,866,426)
Corporate tax income expense	<u>26,021,676,457</u>	<u>13,525,892,666</u>	<u>69,078,238,050</u>	<u>51,142,714,202</u>

(d) Applicable tax rate

Under the terms of its Business Registration Certificate, the Company has an obligation to pay the government corporate income tax at the rate of 20% of taxable profits from 2005 to 2014 and 25% for the succeeding years. The provisions of the Company's Investment Licence allow it to be exempted from income tax from 2005 to 2006 and receive a 50% reduction in income tax from 2007 to 2013

All above tax exemption and reduction are not applicable to other income which is taxed at a rate of 25%.

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

33. Basic earnings per share

The calculation of basic earnings per share at 31 December 2012 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows

(i) Net profit attributable to ordinary shareholders

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
	VND	VND	VND	VND
Net profit attributable to ordinary shareholders	104,158,236,806	78,887,124,072	462,364,177,511	401,515,191,674

(ii) Weighted average number of ordinary shares

	Three-month period ended		Fiscal year ended	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Issued ordinary shares at the beginning of the period	65,250,743	65,166,299	65,166,299	26,902,832
Effect of ordinary shares issued in April 2011	-	-	-	188,356
Effect of bonus shares issued in August 2011	-	-	-	38,013,467
Effect of ordinary shares issued in May 2012	-	-	121,644	-
Weighted average number of ordinary shares issued at the end of the period.	65,250,743	65,166,299	65,287,943	65,104,655

34. Dividends

The Annual Shareholders' Meeting of the Company dated 26 April 2012 decides to distribute dividends of the year 2011 by cash with the amount of 130,331 million VND. Dividends distributed by cash include dividends between 65,166 million VND (10% of par value of shares in circulation at 17 November 2011) and year-end dividends with the amount of 65,166 million VND (10% of par value of shares in circulation at 8 June 2012). In addition, the meeting of Board of Management dated 19 October 2012 decides to distribute dividends for the half year 2012 by cash with the amount of 65,366 million VND (10% of par value of shares in circulation at 07 November 2012).

35. The financial tools

(a) Financial risk management

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

(i) Overview

Types of financial risk that the Company must face because of using its financial tools:

- Credit risk
- Payment risk
- Market risk

This section provides information about each type of risk - the risk that The Company may encounter and describes the objectives, policies and processes that The Company uses for accounting and managing risk

(ii) Risk management framework

The Board of Directors has overall responsibility for establishing and monitoring the Company's risk management framework. The Directors are responsible for developing and monitoring risk management policies of The Company.

(b) Credit risk

Credit risk is the risk of financial losses of The Company if a customer or counterparty of a financial tool does not meet contractual obligations, and arises primarily from customer receivables and investments in debt securities.

(i) The impact of credit risk

The total record value of financial assets represents the maximum credit risk. The maximum credit risk at the reporting date is as follows:

	Note	31/12/2012 VND	31/12/2011 VND
Term and non-term bank deposits	(ii)	587,179,909,630	327,854,222,312
Trade receivables and other receivables	(iii)	401,888,075,132	377,418,548,206
		989,067,984,762	705,272,770,518

(ii) Term and non-term bank deposits

Term and non-term bank deposits of The Company are mainly deposited in reputable financial organization. Board of Directors have not noticed any significant credit risk from these deposits and that financial organizations can take solvency and cause damage to The Company.

(iii) Trade receivables and other receivables

The balance of receivable accounts represents the maximum level of credit risk related to receivable accounts.

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

The Company's credit risk related to receivable accounts is mainly affected by the individual characteristics of each customer. To control these risks, the Board of Directors of The Company has established credit policies that each new customer is analyzed the possibility of credit prior to the proposed contract terms and conditions relating to payment and delivery of goods. Credit limit is set for each customer, the maximum receivables that customers can have without the approval of the Board of Directors. Credit limits are reviewed each year. Receivable accounts are required to pay within 30 days from the date of the invoice. Customers having balance over 45 days will be required to pay before being allowed to buy more. The Company did not receive collateral from customers.

(c) Liquidity risk

Liquidity risk is the risk that The Company can not pay its financial obligations when they are due. Method of The Company 's liquidity management is to ensure the highest level that The Company always have sufficient liquidity to pay liabilities when due, under normal conditions as well as under conditions of financial stress, which does not give rise to unacceptable losses or risk of harm to the reputation of The Company.

On 31 December 2012 and 31 December 2011, financial liabilities with fixed payments or can be identified, including estimated interest payments have contractual maturities as following:

	Book value VND	Contractual cash flow VND	Within one year VND
At 31 December 2012			
Short-term borrowings	19,484,808,997	20,018,033,043	20,018,033,043
Trade payables	85,355,337,560	85,355,337,560	85,355,337,560
Payable to employees	128,313,641,878	128,313,641,878	128,313,641,878
Accrued expenses	226,182,631,850	226,182,631,850	226,182,631,850
Other payables	36,101,028,671	36,101,028,671	36,101,028,671
	495,437,448,956	495,970,673,002	495,970,673,002

	Book value VND	Contractual cash flow VND	Within one year VND
At 31 December 2011			
Short-term borrowings	21,115,601,324	21,830,148,358	21,830,148,358
Trade payables	131,796,776,369	131,796,776,369	131,796,776,369
Payable to employees	102,490,566,716	102,490,566,716	102,490,566,716
Accrued expenses	151,717,148,092	151,717,148,092	151,717,148,092
Other payables	15,448,696,524	15,448,696,524	15,448,696,524
	422,568,789,025	423,283,336,059	423,283,336,059

(d) Market risk

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and stock prices will affect the Company's income or the value of the financial tools in which the Company is holding. The purpose of market risk management is to manage and control market risk within acceptable limits, while maximizing profits.

(i) Exchange rate risk

The Group receives the exchange rate risk for the sale and purchase in a currency other than USD, mainly USD and EUR.

Effect of exchange rate risk

At 31 December 2012 and 31 December 2011, the company has assets /(liabilities) in foreign currency as follows:

	31/12/2012		31/12/2011	
	USD	EUR	USD	EUR
Cash and cash equivalents	109,684	131,696	271,766	182,918
Receivables from customers	325,301	22,644	91,257	-
Payables for seller	(2,107,460)	(138,354)	(3,336,160)	(87,659)
	(1,672,475)	15,986	(2,973,137)	95,259

Here is the exchange rate adopted by the Company:

	Exchange rate at the date of	
	31/12/2012	31/12/2011
USD 1	20,855	21,036
EUR 1	27,755	27,670

1 % stronger of the VND against USD and weaker 0.3% of the EUR at the end of period (2011: VND weakened 10 % and 2 % against the U.S. dollar and EUR) can affect the net profit as shown below. This assessment assuming all other parameters, in particular interest rates remains unchanged.

	Affect net profit	
	31/12/2012 VND	31/12/2011 VND
USD – increase in net profit	261,596,055	(4,690,718,245)
EUR – increase in net profit	3,327,698	39,537,248
	264,923,753	(4,651,180,997)

(ii) Interest rate risk

On the reporting date, the Company's financial tools bear interest rate as follows:

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

	Book value	
	31/12/2012	31/12/2011
	VND	VND
Financial tools with fixed interest rates:		
Cash equivalents	511,680,768,720	113,664,355,715
Short-term borrowings	(19,484,808,997)	(21,115,601,324)
	492,195,959,723	92,548,754,391
Financial tools with floating interest rates:		
Cash at bank	75,493,614,629	210,488,738,232

The financial tools with floating interest rates make the Company get changes in interest rate risk. The Company's policy does not limit the potential risk of interest rate fluctuations. The 100 basis point interest rate changes do not significantly affect the Company's net profit.

36. Significant transactions with related parties

Identify of related parties

The Company has related party relationship with its subsidiaries, associates, shareholders, directors and executive officers.

Significant transactions with subsidiaries and associates

In additions to balances with subsidiaries and associates disclosed in other notes to these financial statements, during the period there were the following significant transactions with subsidiaries and associates:

	2012	2011
	VND	VND
DHG Packing and Printing One Member Limited Company		
Purchases of raw materials	171,328,521,042	159,301,603,492
Sales of raw materials	5,302,519,191	21,501,146,055
Sales of promotion goods	8,310,000	-
Electricity, water, rice services	1,273,273,826	1,244,291,235
Dividend income	27,666,841,486	14,694,925,708
Receive from promotion fund and financial reserved fund	-	16,073,162,705

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Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

	2012	2011
	VND	VND
DHG Travel One Member Limited Company		
Car rental	1,910,000,002	1,126,363,637
Sales of merchandise	137,385,000	2,961,000
Sales of assets	518,658,590	
Purchases of services	31,093,563,541	49,792,331,192
Capital contributed	2,000,000,000	
Dividend income	5,863,516,876	2,113,673,581
Receivables from promotion fund and financial reserved fund	-	1,448,894,639
CM Pharmaceutical One Member Limited Company		
Sales of merchandise	3,597,200	
Sales of finished goods	37,519,341,626	30,551,626,446
Supply promotion goods	1,042,719,301	618,688,445
House rental	144,000,000	144,000,000
Dividend income	1,496,637,902	852,701,981
Receivables from promotion fund and financial reserved fund	-	1,752,578,221
DT Pharmaceutical One Member Limited Company		
Sales of finished goods	43,912,090,139	31,224,644,603
Sales of merchandise	-	7,312,741
Supply promotion goods	1,278,888,825	1,116,909,589
House rental	180,000,000	180,000,000
Dividend income	2,397,964,464	472,389,234
Receivables from promotion fund and financial reserved fund	-	1,068,598,063
HT Pharmaceutical One Member Limited Company		
Purchases of merchandise	10,174,500	
Sales of merchandise	-	16,842,817
Sales of finished goods	48,998,883,086	38,972,116,844
Supply promotion goods	1,249,944,525	908,486,641
House rental	180,000,000	180,000,000
Dividend income	3,031,643,370	870,037,825
Receivables from promotion fund and financial reserved fund	-	1,328,315,864
ST Pharmaceutical One Member Limited Company		
Purchases of merchandise	13,923,000	
Sales of finished goods	44,355,857,982	33,839,161,629
Sales of merchandise	-	16,397,521
Supply promotion goods	773,316,610	962,160,297
House rental	96,000,000	96,000,000
Dividend income	2,097,882,397	773,708,153
Receivables from promotion fund and financial reserved fund	-	866,551,064

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

	2012	2011
	VND	VND
DHG Nature One Member Limited Company		
Purchases of raw materials	32,909,389,798	29,946,417,231
Purchases of tools	-	6,622,275
Sales of merchandise	1,627,780,915	2,487,392,678
Sales of finished goods	-	102,070,000
Supply promotion goods	2,475,000	
Sales of fixed assets	-	42,727,273
Out-sourcing fee	4,716,576,852	4,781,918,489
Electricity, water, rice services	378,839,320	744,448,622
House rental	144,000,000	144,000,000
Dividend income	2,820,347,739	2,781,901,318
Receivables from promotion fund and financial reserved fund	-	2,234,456,951
Song Hau Pharmaceutical Joint Stock Company		
Purchases of merchandise	7,573,500	
Sales of merchandise	12,000,000	43,002,059
Sales of finished goods	82,352,303,267	69,148,868,850
Supply promotion goods	1,955,096,449	1,855,396,124
Repurchases of fixed assets	-	67,683,744
Dividend income	765,000,000	765,000,000
A&G Pharmaceutical One Member Limited Company		
Purchases of merchandise	13,005,000	
Purchases of assets	-	804,295,908
Sales of finished goods	88,992,088,529	88,867,892,926
Sales of merchandise	5,130,000	10,614,202
Supply promotion goods	2,525,030,171	2,318,736,875
House rental	120,000,000	
Dividend income	4,494,959,450	2,985,090,523
Receivables from promotion fund and financial reserved fund	-	2,105,826,766
TOT Pharmaceutical One Member Limited Company		
Purchases of merchandise	3,683,641,689	7,830,267,414
Purchases of promotion goods	911,900	
Sales of finished goods	145,543,718,576	79,284,103,161
Supply promotion goods	2,553,498,158	2,280,885,870
Sales of merchandise	27,340,500	923,276,200
Electricity, rice services	112,176,961	7,488,505
Sales of fixed assets & tools	-	198,289,809
House rental	120,000,000	120,000,000
Dividend income	10,245,934,008	1,418,992,133
Receivables from promotion fund and financial reserved fund	-	591,246,723

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Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

	2012	2011
	VND	VND
TG Pharmaceutical One Member Limited Company		
Purchases of merchandise	7,986,600	
Sales of finished goods	32,911,957,137	33,222,732,930
Sales of merchandise	-	345,460
Supply promotion goods	691,365,086	1,059,571,773
Sales of assets	83,546,137	
Purchases of assets	429,984,846	
Dividend income	1,638,017,936	418,626,282
Receivables from promotion fund and financial reserved fund	-	174,427,617
Bali Pharmaceutical One Member Limited Company		
Purchases of merchandise	10,098,776	
Sales of finished goods	34,967,206,467	15,328,841,623
Sales of merchandise	-	275,724,307
Supply promotion goods	1,108,854,075	457,815,629
Sales of assets & tools	-	284,288,001
House rental	120,000,000	50,000,000
Capital contributed	5,000,000,000	
Dividend income	875,503,284	
DHG Pharmaceutical One Member Limited Company		
Sales of finished goods	420,000	
Sales of assets	705,183,614	
Capital contributed	48,846,773,980	
Vinh Tuong High-Tech Packaging Corporation		
Purchases of raw materials		518,910,500
Vinh Hao Algae Processing Joint Stock Company		
Purchase of raw materials	9,693,200,000	11,863,000,000
Dividends	564,450,000	526,820,000

As of the balance sheet date, the accounts payable to and receivable from other related parties are as follows:

	31/12/2012	31/12/2011
	VND	VND
<i>CM Pharmaceutical One Member Limited Company</i>		
Receivable for goods	6,058,823,067	9,223,560,742
<i>DT Pharmaceutical One Member Limited Company</i>		
Receivable for goods	2,123,587,857	5,973,357,696
Receivable for goods via subsidiaries		19,020,809

DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

HT Pharmaceutical One Member Limited Company

Receivable for goods	7,540,286,589	4,558,134,370
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ST Pharmaceutical One Member Limited Company

Receivable for goods	15,306,321,677	10,191,913,918
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DHG Nature One Member Limited Company

Receivable for goods	472,018,992	-
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Song Hau Pharmaceutical Joint Stock Company

Receivable for goods	2,040,416,837	12,291,410,395
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A&G Pharmaceutical One Member Limited Company

Receivable for goods	9,155,935,421	21,339,776,285
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TOT Pharmaceutical One Member Limited Company

Receivable for goods via subsidiaries	192,755,144	649,939,733
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Receivable for goods	26,270,513,743	35,395,938,552
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TG Pharmaceutical One Member Limited Company

Receivable for goods	10,448,039,735	4,927,100,483
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BALI Pharmaceutical One Member Limited Company

Receivable for goods	3,353,629,124	7,950,581,648
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Vinh Tuong High-Tech Packaging Corporation

Receivable for supplying services	356,765,200	356,765,200
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Total amount receivable

83,319,093,386	112,877,499,831
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DHG Packing and Printing One Member Limited Company

Payable for goods	15,458,786,460	22,378,470,648
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DHG Travel One Member Limited Company

Payable for services	-	2,277,209,655
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Vinh Hao Spirulina Algae Corporation

Payable for goods	-	2,024,000,000
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Total amount payable

15,458,786,460	26,679,680,303
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DHG Pharmaceutical Joint Stock Company
Notes to the separate interim financial statements for the fiscal year 31 December 2012
(cont.)

Transactions with key management personnel

Total remuneration and business allowances to key management personnel were as follows:

	2012 VND	2011 VND
Salary	5,057,725,900	2,103,276,605
Remuneration	2,392,000,000	1,748,019,000
Bonus	925,000,000	3,323,300,000
	8,374,725,900	8,204,765,374

37. Capital commitments

As at 31 December 2012 the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2012 VND	31/12/2011 VND
Approved but not contracted	693,655,841,444	698,955,443,787
Approved and contracted	39,980,704,273	17,697,277,500
	733,636,545,717	716,652,721,287

38. Production and business costs by element

	2012 VND	2011 VND
Raw material costs included in production costs	1,085,776,357,190	982,468,214,335
Labour costs and staff costs	523,729,389,111	475,629,667,994
Depreciation and amortisation	61,876,720,888	49,049,590,631
Outside services	359,721,728,834	278,306,057,449
Other expenses	103,834,709,243	88,824,615,935
	2,134,938,905,266	1,874,278,146,344

Prepared by:

Approved by:

Dang Pham Huyen Nhung
Chief Accountant

Le Chanh Dao
Deputy General Director

18 January 2013