

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS FY2020
OF DHG PHARMACEUTICAL JOINT STOCK COMPANY****Kind Attn to: THE GENERAL MEETING OF SHAREHOLDERS OF DHG PHARMA**

- Pursuant to Enterprise Law No.59/2020/QH14 dated 17 Jun 2020;
- Pursuant to the Charter of DHG Pharmaceutical Joint Stock Company (DHG Pharma) issued on 06 Jul 2020;

The consolidated financial statements FY2020 of DHG Pharma were audited by Deloitte Vietnam Company Limited. This document was published on the Company's website: www.dhgpharma.com.vn and on the website of Ho Chi Minh Stock Exchange: www.hsx.vn. At the Annual General Meeting of Shareholders 2020, the Board of Directors presents the summary of the Company's consolidated financial statements FY2020 as follows:

I. BALANCE SHEET

No.	Items	01 Jan 2020 (VND)	31 Dec 2020 (VND)
	TOTAL ASSETS	4,146,818,721,257	4,447,503,471,370
A	Current assets	3,133,924,348,700	3,480,799,873,619
I	Cash and cash equivalents	70,328,408,693	73,054,473,018
II	Short-term financial investments	1,768,000,000,000	2,074,000,000,000
III	Short-term receivables	560,791,995,735	496,020,199,824
IV	Inventories	725,438,891,568	826,585,429,976
V	Other short-term assets	9,365,052,704	11,139,770,801
B	Non-current assets	1,012,894,372,557	966,703,597,751
I	Long-term receivables	459,000,000	244,240,000
II	Fixed assets	900,116,925,455	849,298,475,010
III	Investment property	15,345,447,332	14,999,958,848
IV	Long-term assets in progress	28,927,855,544	66,472,781,314
V	Long-term financial investments	28,122,793,643	4,387,520,000
VI	Other long-term assets	39,922,350,583	31,300,622,579
	TOTAL RESOURCES	4,146,818,721,257	4,447,503,471,370
A	Liabilities	769,267,239,060	879,464,107,014
I	Current liabilities	704,899,493,292	816,433,295,601
II	Long-term liabilities	64,367,745,768	63,030,811,413
B	Owner's equity	3,377,551,482,197	3,568,039,364,356

No.	Items	01 Jan 2020 (VND)	31 Dec 2020 (VND)
I	Owner's contributed capital	1,307,460,710,000	1,307,460,710,000
II	Share premium	6,778,948,000	6,778,948,000
III	Investment and development fund	1,392,604,475,464	1,479,946,644,695
IV	Retained earnings	665,297,795,718	769,784,599,949
V	Non-controlling interests	5,409,553,015	4,068,461,712

II. INCOME STATEMENT IN 2020

No.	Items	2019 (VND)	2020 (VND)
1	Gross revenue from goods sold and services rendered	4,413,958,643,618	4,206,732,382,220
2	Deductions	517,204,814,394	451,113,070,896
3	Net revenue from goods sold and services rendered	3,896,753,829,224	3,755,619,311,324
4	Cost of sales	2,184,461,607,643	1,944,243,042,082
5	Gross profit from goods sold and services rendered	1,712,292,221,581	1,811,376,269,242
6	Financial income	122,487,815,915	140,432,017,346
7	Financial expenses	98,859,012,607	119,182,682,485
	<i>In which: Interest expense</i>	<i>22,715,202,068</i>	<i>14,029,596,510</i>
8	Share of net losses from joint-ventures, associates	(112,629,706)	(500,637,457)
9	Selling expenses	687,045,221,994	699,298,275,858
10	General and administration expenses	333,829,908,766	302,861,761,740
11	Operating profit	714,933,264,423	829,964,929,048
12	Other income	15,583,127,368	6,031,473,208
13	Other expenses	17,321,295,887	14,972,488,544
14	Losses from other activities	(1,738,168,519)	(8,941,015,336)
15	Accounting profit before tax	713,195,095,904	821,023,913,712
16	Current corporate income tax expense	83,855,680,646	86,210,837,298
17	Deferred corporate tax income	(1,924,038,290)	(3,720,732,628)
18	Net profit after corporate income tax	631,263,453,548	738,533,809,042
	In which:		
	Profit after tax attributable to Parent Company	635,388,096,114	739,874,900,345
	Losses after tax attributable to non-controlling shareholders	(4,124,642,566)	(1,341,091,303)
19	Basic earnings per share	4,668	5,443

III. CASH FLOW STATEMENT

No.	Items	2019 (VND)	2020 (VND)
I.	Cash flows from operating activities		
1	Profit before tax	713,195,095,904	821,023,913,712
2	Adjustments for:		
	Depreciation and amortization of fixed assets and investment properties	88,710,979,693	88,196,799,144
	Provisions	26,907,747,769	17,994,453,882
	Foreign exchange losses arising from translating foreign currency items	42,737,167	100,670,419
	Gain from investing activities	(122,667,908,308)	(136,184,864,585)
	Interest expense	22,715,202,068	14,029,596,510
3	Operating profit before movements in working capital	728,903,854,293	805,160,569,082
	Changes in receivables	119,150,350,172	69,743,246,065
	Changes in inventories	165,771,307,812	(101,120,046,803)
	Changes in payables	(41,251,889,486)	171,398,479,009
	Changes in prepaid expenses	3,463,741,092	12,429,581,311
	Interest paid	(22,858,370,847)	(14,279,236,632)
	Corporate income tax paid	(65,982,154,011)	(78,840,918,985)
	Other cash outflows	(48,956,622,398)	(38,317,458,516)
	Net cash generated by operating activities	838,240,216,627	826,174,214,531
II.	Cash flows from investing activities		
1	Acquisition and construction of fixed assets and other long-term assets	(57,101,418,800)	(88,805,051,465)
2	Proceeds from sale, disposal of fixed assets and other long-term assets	11,584,129,859	5,238,101,817
3	Cash outflow for lending and time deposits	(3,015,673,917,808)	(3,198,000,000,000)
4	Cash recovered from lending and time deposits	2,711,687,125,261	2,892,053,651,065
5	Cash recovered from investments in other entities	0	8,629,332,200
6	Interest, dividends and profits received	125,848,754,578	132,791,732,930
	Net cash used in investing activities	(223,655,326,910)	(248,092,233,453)
III.	Cash flows from financing activities		
1	Proceeds from borrowings	1,916,023,391,699	736,698,389,686
2	Repayment of borrowings	(2,209,257,867,364)	(789,093,721,992)
3	Dividends and profits paid	(326,865,177,500)	(522,984,284,000)
	Net cash used in financing activities	(620,099,653,165)	(575,379,616,306)
	Net increase/(decrease) in cash	(5,514,763,448)	2,702,364,772
	Cash and cash equivalents at the beginning of the year	75,835,597,431	70,328,408,693
	Effects of changes in foreign exchange rates	7,574,710	23,699,553
	Cash and cash equivalents at the end of the year	70,328,408,693	73,054,473,018

IV. BASIC FINANCIAL RATIOS

No.	Items	Figures in	2019	2020
1	Asset structure ratios			
	Current assets to Total assets ratio	%	75.57%	78.26%
	Non-current assets to Total assets ratio	%	24.43%	21.74%
2	Capital structure ratios			
	Liabilities to Total resources ratio	%	18.55%	19.77%
	Owner's equity to Total resources ratio	%	81.45%	80.23%
3	Liquidity ratios			
	Current ratio	Time	4.45	4.26
	Quick ratio	Time	3.42	3.25
	Cash ratio	Time	0.10	0.09
4	Profitability ratios			
	Return on Sales (ROS)	%	16.20%	19.66%
	Return on Assets (ROA)	%	15.12%	17.19%
	Return on Equity (ROE)	%	19.36%	21.27%

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

Best regards./.

Recipients:

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

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

Masashi Nakaura

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

No.: 0289 /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of DHG Pharmaceutical Joint Stock Company (the "Company") and its subsidiary (the Company and its subsidiary are referred to as the "Group"), prepared on 25 February 2021 as set out from page 5 to page 39, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting, and for such internal control as the Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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



INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



Vo Thai Hoa
Audit Partner
Audit Practising Registration Certificate
No. 0138-2018-001-1
BRANCH OF DELOITTE VIETNAM COMPANY LIMITED
25 February 2021
Ho Chi Minh City, Vietnam

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

