

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2018
OF DHG PHARMACEUTICAL JOINT STOCK COMPANY****Kind Attn to: THE GENERAL MEETING OF SHAREHOLDERS OF DHG PHARMA**

- Pursuant to the Law on Enterprises No. 68/2014/QH13 dated 26 Nov 2014;
- Pursuant to the Charter on Organization and Operation of DHG Pharma,

Consolidated financial statements 2018 of DHG Pharma was 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 (AGM) 2018, the Board of Directors presents a summary of the Company's consolidated financial statements 2018 as follows:

I. BALANCE SHEET

No.	Items	01 Jan 2018 (VND)	31 Dec 2018 (VND)
	TOTAL ASSETS	4,087,479,990,857	4,205,964,486,794
A	Current assets	2,939,184,938,924	3,147,636,450,849
I	Cash and cash equivalents	549,777,216,585	75,835,597,431
II	Short-term financial investments	930,615,143,091	1,459,722,000,000
III	Short-term receivables	799,556,214,859	669,787,225,237
IV	Inventories	633,807,876,593	891,486,976,436
V	Other short-term assets	25,428,487,796	50,804,651,745
B	Non-current assets	1,148,295,051,933	1,058,328,035,945
I	Long-term receivables	3,509,997,935	1,560,000,000
II	Fixed assets	1,026,999,503,625	976,618,370,054
III	Investment property	-	247,880,293
IV	Long-term assets in progress	36,307,709,778	14,087,991,804
V	Long-term financial investments	14,537,718,549	25,219,928,995
VI	Other long-term assets	66,940,122,046	40,593,864,799
	TOTAL RESOURCES	4,087,479,990,857	4,205,964,486,794
A	Liabilities	1,328,385,577,037	1,061,702,377,563
I	Current liabilities	1,264,936,829,442	1,001,487,737,988
II	Long-term liabilities	63,448,747,595	60,214,639,575

No.	Items	01 Jan 2018 (VND)	31 Dec 2018 (VND)
B	Owner's equity	2,759,094,413,820	3,144,262,109,231
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	1,112,177,317,110	1,270,235,596,228
IV	Retained earnings	321,006,296,742	550,252,659,422
V	Non-controlling interests	11,671,141,968	9,534,195,581

II. INCOME STATEMENT IN 2018

No.	Items	2017 (VND)	2018 (VND)
1	Gross revenue from goods sold and services rendered	4,569,014,010,206	4,421,559,894,432
2	Deductions	506,260,545,711	539,431,684,721
3	Net revenue from goods sold and services rendered	4,062,753,464,495	3,882,128,209,711
4	Cost of sales and services rendered	2,279,637,916,449	2,165,405,025,080
5	Gross profit from goods sold and services rendered	1,783,115,548,046	1,716,723,184,631
6	Financial income	88,779,692,278	107,785,026,956
7	Financial expenses	97,684,683,909	96,053,992,493
	<i>In which: Interest expense</i>	<i>24,541,141,037</i>	<i>28,523,706,808</i>
8	Share of net losses from joint-ventures, associates	(1,206,432,702)	(86,927,791)
9	Selling expenses	732,085,284,498	724,884,959,648
10	General and administration expenses	318,385,523,755	285,637,232,611
11	Operating profit	722,533,315,460	717,845,099,044
12	Other income	6,756,814,138	18,209,846,265
13	Other expenses	10,041,010,203	4,272,517,757
14	Profit/(loss) from other activities	(3,284,196,065)	13,937,328,508
15	Accounting profit before tax	719,249,119,395	731,782,427,552
16	Current corporate income tax expense	77,572,213,560	55,332,650,287
17	Deferred corporate tax expense/(income)	(712,405,929)	25,360,746,447
18	Net profit after corporate income tax	642,389,311,764	651,089,030,818
	<i>In which:</i>		
18.1	Profit after tax attributable to Parent Company	642,407,977,142	653,029,446,317
18.2	Losses after tax attributable to non-controlling shareholders	(18,665,378)	(1,940,415,499)
19	Basic earnings per share	4,378	4,445

III. CASH FLOW STATEMENT

No.	ITEMS	2017 (VND)	2018 (VND)
I.	Cash flows from operating activities		
1.	Profit before tax	719,249,119,395	731,782,427,552
2.	Adjustments for:		
	Depreciation and amortisation of fixed assets and investment properties	92,010,389,406	88,607,459,577
	Provisions	16,053,758,031	3,326,854,111
	Foreign exchange gain arising from translating foreign currency items	(464,083,555)	(256,709,543)
	Gain from investing activities	(86,457,407,316)	(111,551,817,456)
	Interest expense	24,541,141,037	28,523,706,808
	Other adjustments	8,705,231,445	-
3.	Operating profit before movements in working capital	773,638,148,443	740,431,921,049
	Changes in receivables	(126,642,627,881)	102,583,668,709
	Changes in inventories	98,293,050,507	(256,037,269,896)
	Changes in payables	(46,446,885,927)	(114,239,302,717)
	Changes in prepaid expenses	(11,597,356,933)	9,533,005,655
	Interest paid	(24,677,425,925)	(28,505,436,659)
	Corporate income tax paid	(95,788,362,968)	(76,742,927,770)
	Other cash outflows	(106,470,431,383)	(86,232,427,352)
	Net cash generated by operating activities	460,308,107,933	290,791,231,019
II.	Cash flows from investing activities		
1.	Acquisition and construction of fixed assets	(63,484,311,476)	(40,845,253,595)
2.	Proceeds from sale, disposal of fixed assets	20,184,454,559	9,906,521,326
3.	Cash outflow for lending and term deposit from bank	(1,523,238,571,667)	(2,795,800,810,202)
4.	Cash recovered from lending and term deposit from bank	1,315,098,077,111	2,280,521,910,076
5.	Equity investments in other entities	(19,440,000,000)	(160,000,000)
6.	Cash recovered from investments in other entities	9,000,000,000	-
7.	Interest earned, dividends and profits received	69,676,354,237	85,825,118,708
	Net cash used in investing activities	(192,203,997,236)	(460,552,513,687)
III.	Cash flows from financing activities		
1.	Proceeds from borrowings	2,516,213,007,337	2,851,557,133,423
2.	Repayment of borrowings	(2,401,178,435,800)	(2,763,455,806,004)
3.	Dividends and profits paid	(436,556,226,000)	(392,238,213,000)
	Net cash used in financing activities	(321,521,654,463)	(304,136,885,581)
	Net decreases in cash	(53,417,543,766)	(473,898,168,249)
	Cash and cash equivalents at the beginning of the year	603,188,961,343	549,777,216,585
	Effects of changes in foreign exchange rates	5,799,008	(43,450,905)
	Cash and cash equivalents at the end of the year	549,777,216,585	75,835,597,431

IV. BASIC FINANCIAL RATIOS

No.	Items	Figures in	2017	2018
1	Asset structure ratios			
	Current assets to Total assets ratio	%	71.91%	74.84%
	Non-current assets to Total assets ratio	%	28.09%	25.16%
2	Capital structure ratios			
	Liabilities to Total resources ratio	%	32.50%	25.24%
	Owner's equity to Total resources ratio	%	67.50%	74.76%
3	Liquidity ratios			
	Current ratio	Time	2.32	3.14
	Quick ratio	Time	1.82	2.25
	Cash ratio	Time	0.43	0.08
4	Profitability ratios			
	Return on Sales (ROS)	%	15.81%	16.77%
	Return on Assets (ROA)	%	15.99%	15.70%
	Return on Equity (ROE)	%	22.82%	22.06%

Respectfully submits to the AGM for consideration and approval.

Best regards.

Recipients:

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

**ON BEHALF OF THE BOARD OF DIRECTORS
BOD MEMBER, INTERIM GENERAL DIRECTOR**

Doan Dinh Duy Khuong

[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.]