

DHG PHARMACEUTICAL JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED 31 DECEMBER 2019**

DHG PHARMACEUTICAL JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED 31 DECEMBER 2019**

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DHG PHARMACEUTICAL JOINT STOCK COMPANY

CORPORATE INFORMATION

Establishment decision	No. 2405/QD-CT.UB dated 5 August 2004 This decision was issued by the People's Committee of Can Tho City.																				
Business registration certificate	No. 5703000111 dated 15 September 2004 issued by the Department of Planning and Investment of Can Tho City. The Business registration certificate has been amended several times, and its latest amendment No. 1800156801 dated 02 January 2020 was issued by the Department of Planning and Investment of Can Tho City.																				
The Board of Directors	<table><tr><td>Mr. Nguyen Chi Thanh</td><td>Chairman (end of term from 11 June 2019)</td></tr><tr><td>Ms. Dang Thi Thu Ha</td><td>Chairman (appointed on 11 June 2019)</td></tr><tr><td>Mr. Jun Kuroda</td><td>Member</td></tr><tr><td>Mr. Masashi Nakaura</td><td>Member (appointed on 11 June 2019)</td></tr><tr><td>Mr. Maki Kamijo</td><td>Member (appointed on 11 June 2019)</td></tr><tr><td>Mr. Doan Dinh Duy Khuong</td><td>Member</td></tr><tr><td>Mr. Phan Minh Tien</td><td>Member</td></tr><tr><td>Mr. Do Le Hung</td><td>Member (appointed on 11 June 2019)</td></tr><tr><td>Mdm. Pham Thi Viet Nga</td><td>Member (end of term from 11 June 2019)</td></tr><tr><td>Mr. Tran Chi Liem</td><td>Member (end of term from 11 June 2019)</td></tr></table>	Mr. Nguyen Chi Thanh	Chairman (end of term from 11 June 2019)	Ms. Dang Thi Thu Ha	Chairman (appointed on 11 June 2019)	Mr. Jun Kuroda	Member	Mr. Masashi Nakaura	Member (appointed on 11 June 2019)	Mr. Maki Kamijo	Member (appointed on 11 June 2019)	Mr. Doan Dinh Duy Khuong	Member	Mr. Phan Minh Tien	Member	Mr. Do Le Hung	Member (appointed on 11 June 2019)	Mdm. Pham Thi Viet Nga	Member (end of term from 11 June 2019)	Mr. Tran Chi Liem	Member (end of term from 11 June 2019)
Mr. Nguyen Chi Thanh	Chairman (end of term from 11 June 2019)																				
Ms. Dang Thi Thu Ha	Chairman (appointed on 11 June 2019)																				
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Mdm. Pham Thi Viet Nga	Member (end of term from 11 June 2019)																				
Mr. Tran Chi Liem	Member (end of term from 11 June 2019)																				
The Board of Management	<table><tr><td>Mr. Masashi Nakaura</td><td>General Director (appointed on 01 Jan 2020)</td></tr><tr><td>Mr. Doan Dinh Duy Khuong</td><td>Chief Operating Officer (appointed on 01 Jan 2020)</td></tr><tr><td>Mr. Le Chanh Dao</td><td>Deputy General Director (retired from 01 Aug 2019)</td></tr><tr><td>Ms. Nguyen Ngoc Diep</td><td>Deputy General Director</td></tr><tr><td>Mr. Tomoyuki Kawata</td><td>Deputy General Director</td></tr></table>	Mr. Masashi Nakaura	General Director (appointed on 01 Jan 2020)	Mr. Doan Dinh Duy Khuong	Chief Operating Officer (appointed on 01 Jan 2020)	Mr. Le Chanh Dao	Deputy General Director (retired from 01 Aug 2019)	Ms. Nguyen Ngoc Diep	Deputy General Director	Mr. Tomoyuki Kawata	Deputy General Director										
Mr. Masashi Nakaura	General Director (appointed on 01 Jan 2020)																				
Mr. Doan Dinh Duy Khuong	Chief Operating Officer (appointed on 01 Jan 2020)																				
Mr. Le Chanh Dao	Deputy General Director (retired from 01 Aug 2019)																				
Ms. Nguyen Ngoc Diep	Deputy General Director																				
Mr. Tomoyuki Kawata	Deputy General Director																				
The Board of Supervisory	From 11 June 2019, the Company changed its organizational structure, management and control from the Board of Supervisory model to the Audit Committee model under the Board of Directors. <table><tr><td>Mr. Tran Quoc Hung</td><td>Head (end of term from 11 June 2019)</td></tr><tr><td>Ms. Nguyen Phuong Thao</td><td>Member (resigned on 25 Oct 2018)</td></tr><tr><td>Mr. Tran Trung Kien</td><td>Member (end of term from 11 June 2019)</td></tr></table>	Mr. Tran Quoc Hung	Head (end of term from 11 June 2019)	Ms. Nguyen Phuong Thao	Member (resigned on 25 Oct 2018)	Mr. Tran Trung Kien	Member (end of term from 11 June 2019)														
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Mr. Tran Trung Kien	Member (end of term from 11 June 2019)																				
Audit Committee	<table><tr><td>Mr. Do Le Hung</td><td>Head (appointed on 11 June 2019)</td></tr><tr><td>Ms. Dang Thi Thu Ha</td><td>Member (appointed on 11 June 2019)</td></tr><tr><td>Mr. Maki Kamijo</td><td>Member (appointed on 11 June 2019)</td></tr></table>	Mr. Do Le Hung	Head (appointed on 11 June 2019)	Ms. Dang Thi Thu Ha	Member (appointed on 11 June 2019)	Mr. Maki Kamijo	Member (appointed on 11 June 2019)														
Mr. Do Le Hung	Head (appointed on 11 June 2019)																				
Ms. Dang Thi Thu Ha	Member (appointed on 11 June 2019)																				
Mr. Maki Kamijo	Member (appointed on 11 June 2019)																				
Legal representative	Mr. Masashi Nakaura General Director																				
Head office	288 Bis Nguyen Van Cu, An Hoa Ward, Ninh Kieu District, Can Tho City, Vietnam																				

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET

Codes	ASSETS	Notes	As at 31.12.2019 VND	As at 31.12.2018 VND
100	CURRENT ASSETS		3,133,924,348,700	3,147,636,450,849
110	Cash and cash equivalents	4	70,328,408,693	75,835,597,431
111	Cash		66,628,408,693	75,330,296,062
112	Cash equivalents		3,700,000,000	505,301,369
120	Short-term financial investments	5	1,768,000,000,000	1,459,722,000,000
123	Held-to-maturity investments		1,768,000,000,000	1,459,722,000,000
130	Short-term receivables		560,791,995,735	669,787,225,237
131	Short-term trade receivables	6	510,101,306,774	618,503,855,955
132	Short-term advances to suppliers		42,468,675,491	26,841,394,656
135	Short-term loan receivables		434,193,523	3,395,400,976
136	Other short-term receivables	7	63,005,203,593	55,618,287,897
137	Provision for short-term doubtful debts	8	(55,217,383,646)	(34,571,714,247)
140	Inventories	9	725,438,891,568	891,486,976,436
141	Inventories		726,529,994,856	892,301,302,668
149	Provision for devaluation of inventories		(1,091,103,288)	(814,326,232)
150	Other short-term assets		9,365,052,704	50,804,651,745
151	Short-term prepayments	10	2,828,340,389	3,452,228,975
152	Value added tax deductibles		6,536,161,194	32,191,908,956
153	Taxes and other receivables from the State budget	11	551,121	15,160,513,814
200	NON-CURRENT ASSETS		1,012,894,372,557	1,058,328,035,945
210	Long-term receivables		459,000,000	1,560,000,000
215	Long-term loans receivable		-	1,330,000,000
216	Other long-term receivables		459,000,000	230,000,000
220	Fixed assets		900,116,925,455	976,618,370,054
221	Tangible fixed assets	12	689,664,585,904	741,098,658,417
222	Cost		1,376,010,941,578	1,347,704,245,077
223	Accumulated depreciation		(686,346,355,674)	(606,605,586,660)
227	Intangible fixed assets	13	210,452,339,551	235,519,711,637
228	Cost		247,918,493,964	269,077,826,514
229	Accumulated amortization		(37,466,154,413)	(33,558,114,877)
230	Investment properties	14	15,345,447,332	247,880,293
231	Cost		17,304,956,819	1,249,521,792
232	Accumulated depreciation		(1,959,509,487)	(1,001,641,499)
240	Long-term assets in progress	15	28,927,855,544	14,087,991,804
242	Construction in progress		28,927,855,544	14,087,991,804
250	Long-term financial investments	5	28,122,793,643	25,219,928,995
252	Investments in associate		2,929,990,852	3,042,620,558
253	Equity investments in other entities		27,908,170,200	27,908,170,200
254	Provision for impairment of long-term financial investments		(2,715,367,409)	(5,730,861,763)
260	Other long-term assets		39,922,350,583	40,593,864,799
261	Long-term prepayments	10	27,575,362,385	30,170,914,891
262	Deferred tax assets	16	12,346,988,198	10,422,949,908
270	TOTAL ASSETS		4,146,818,721,257	4,205,964,486,794

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET (cont.)

Codes	RESOURCES	Notes	As at 31.12.2019 VND	As at 31.12.2018 VND
300	LIABILITIES		769,267,239,060	1,061,702,377,563
310	Current liabilities		704,899,493,292	1,001,487,737,988
311	Short-term trade payables	17	120,317,315,145	145,750,476,107
312	Short-term advances from customers		16,010,766,057	9,728,206,186
313	Taxes and amounts payable to the State budget	11	30,787,765,604	13,641,750,175
314	Payables to employees		129,610,915,608	180,019,655,715
315	Short-term accrued expenses	18	49,447,741,462	40,052,115,726
318	Short-term unearned revenue	19	29,295,047,003	9,030,131,533
319	Other current payables	20	1,907,128,227	2,004,193,753
320	Short-term loans	21	264,666,851,754	557,901,327,419
322	Bonus and welfare funds	22	62,855,962,432	43,359,881,374
330	Long-term liabilities		64,367,745,768	60,214,639,575
342	Long-term provisions	23	47,943,012,779	39,753,692,402
343	Science and technology development fund	24	16,424,732,989	20,460,947,173
400	EQUITY		3,377,551,482,197	3,144,262,109,231
410	Owner's equity	25	3,377,551,482,197	3,144,262,109,231
411	Owner's contributed capital		1,307,460,710,000	1,307,460,710,000
411a	- Ordinary shares carrying voting rights		1,307,460,710,000	1,307,460,710,000
412	Share premium		6,778,948,000	6,778,948,000
418	Investment and development fund		1,392,604,475,464	1,270,235,596,228
421	Retained earnings		665,297,795,718	550,252,659,422
421a	- Retained earnings accumulated to the prior year end		29,909,699,604	28,072,641,016
421b	- Retained earnings of the current year		635,388,096,114	522,180,018,406
429	Non-controlling interests	26	5,409,553,015	9,534,195,581
440	TOTAL RESOURCES		4,146,818,721,257	4,205,964,486,794

Tran Ngoc Hien
Preparer

Ho Buu Huan
Chief Accountant

Masashi Nakaura
General Director
22 January 2020

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT

Codes	Notes	For the 3-month period ended		Fiscal year ended		
		31.12.2019 VND	31.12.2018 VND	31.12.2019 VND	31.12.2018 VND	
01	Gross revenue from goods sold and services rendered	28	1,444,576,515,061	1,403,201,552,852	4,413,958,643,618	4,421,559,894,432
02	Deductions	28	165,193,104,455	190,749,085,467	517,204,814,394	539,431,684,721
10	Net revenue from goods sold and services rendered	28	1,279,383,410,606	1,212,452,467,385	3,896,753,829,224	3,882,128,209,711
11	Cost of sales	29	716,993,801,913	691,478,189,656	2,184,461,607,643	2,165,405,025,080
20	Gross profit		562,389,608,693	520,974,277,729	1,712,292,221,581	1,716,723,184,631
21	Financial income	30	31,980,940,049	27,657,542,782	122,487,815,915	107,785,026,956
22	Financial expenses	31	22,244,820,236	16,982,685,574	98,859,012,607	96,053,992,493
23	<i>Including: Interest expenses</i>		<i>3,040,920,271</i>	<i>6,699,878,711</i>	<i>22,715,202,068</i>	<i>28,523,706,808</i>
24	(Loss) sharing from investment in associate		(50,322,537)	(48,811,509)	(112,629,706)	(86,927,791)
25	Selling expenses	32	224,576,225,710	233,063,712,877	687,045,221,994	724,884,959,648
26	General and administrative expenses	32	111,540,461,424	85,570,264,071	333,829,908,766	285,637,232,611
30	Operating profit		235,958,718,835	212,966,346,480	714,933,264,423	717,845,099,044
31	Other income	33	8,183,610,818	7,430,373,702	15,583,127,368	18,209,846,265
32	Other expenses	33	12,121,182,115	691,811,375	17,321,295,887	4,272,517,757
40	Profit from other activities		(3,937,571,297)	6,738,562,327	(1,738,168,519)	13,937,328,508
50	Accounting profit before tax		232,021,147,538	219,704,908,807	713,195,095,904	731,782,427,552
51	Current corporate income tax expense	35	27,834,080,999	15,589,436,557	83,855,680,646	55,332,650,287
52	Deferred corporate tax expenses	35	341,722,993	1,497,223,284	(1,924,038,290)	25,360,746,447
60	Net profit after corporate income tax		203,845,343,546	202,618,248,966	631,263,453,548	651,089,030,818

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT (cont.)

Codes	Notes	For the 3-month period ended		Fiscal year ended	
		31.12.2019 VND	31.12.2018 VND	31.12.2019 VND	31.12.2018 VND
60	Net profit after corporate income tax	203,845,343,546	202,618,248,966	631,263,453,548	651,089,030,818
	Attributable to:				
61	Owners of the parent company	205,786,433,770	203,042,517,236	635,388,096,114	653,029,446,317
62	Non-controlling interests	(1,941,090,224)	(424,268,270)	(4,124,642,566)	(1,940,415,499)
70	Earnings per share (VND)	1,515	1,388	4,668	4,451

Tran Ngoc Hien
Preparer

Ho Buu Huan
Chief Accountant

Masashi Nakaura
General Director
22 January 2020

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 03 – DN/HN

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Items	Codes	Fiscal year ended	
		31.12.2019 VND	31.12.2018 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	713,195,095,904	731,782,427,552
2. Adjustments for:			
Depreciation and amortization of fixed assets and investment properties	02	88,931,916,303	88,607,459,577
Provisions	03	26,907,747,769	3,326,854,111
Foreign exchange loss/ (gain) arising from translating foreign currency items	04	42,737,167	(256,709,543)
Gain from investing activities	05	(126,390,136,054)	(111,551,817,456)
Interest expense	06	22,715,202,068	28,523,706,808
Other adjustments	07	3,455,837,681	-
Operating profit before movements in working capital			
3. working capital	08	728,858,400,838	740,431,921,049
Changes in receivables	09	185,132,504,183	102,583,668,709
Changes in inventories	10	165,771,307,812	(256,037,269,896)
Changes in payables	11	(107,188,590,042)	(114,239,302,717)
Changes in prepaid expenses	12	3,463,741,092	9,533,005,655
Interest paid	14	(22,858,370,847)	(28,505,436,659)
Corporate income tax paid	15	(65,982,154,011)	(76,742,927,770)
Other cash outflows	17	(48,956,622,398)	(86,232,427,352)
Net cash generated by operating activities	20	838,240,216,627	290,791,231,019
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(57,101,418,800)	(40,845,253,595)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	11,584,129,859	9,906,521,326
3. Cash outflow for lending, buying debt instruments of other entities	23	(3,015,673,917,808)	(2,795,800,810,202)
4. Cash recovered from lending, selling debt instruments of other entities	24	2,711,687,125,261	2,280,521,910,076
5. Equity investments in other entities	25	-	(160,000,000)
6. Interest earned, dividends and profits received	27	125,848,754,578	85,825,118,708
Net cash used in investing activities	30	(223,655,326,910)	(460,552,513,687)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,916,023,391,699	2,851,557,133,423
2. Repayment of borrowings	34	(2,209,257,867,364)	(2,763,455,806,004)
3. Dividends paid to the shareholders	36	(326,865,177,500)	(392,238,213,000)
Net cash used in financing activities	40	(620,099,653,165)	(304,136,885,581)
Net decrease in cash	50	(5,514,763,448)	(473,898,168,249)
Cash and cash equivalents at the beginning of the year	60	75,835,597,431	549,777,216,585
Effects of changes in foreign exchange rates	61	7,574,710	(43,450,905)
Cash and cash equivalents at the end of the year	70	70,328,408,693	75,835,597,431

Tran Ngoc Hien
Preparer

Ho Buu Huan
Chief Accountant

Masashi Nakaura
General Director
22 January 2020

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2019**

1 GENERAL INFORMATION

Ownership Structure

On 2 September 2004, DHG Pharmaceutical Joint Stock Company (the “Company”) was equitized from Hau Giang Pharmaceutical United Factory in accordance with Decision No.2405/QĐ-CT.UB dated 05 August 2004 issued by the People’s Committee of Can Tho City. The Company was officially incorporated as a joint stock company, according to the Business registration certificate No.5703000111 dated 15 September 2004 issued by the Department of Planning and Investment of Can Tho City with the initial charter capital of VND 80,000,000,000.

The Company’s shares were approved to be listed in Ho Chi Minh City Stock Exchange on 01 December 2006 under the Stock Listing License No.93/UBCK-GPNY of the State Securities Commission, with "DHG" ticker.

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

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

The number of employees of the Group as at 31 December 2019 was 2,872 (as at 31 December 2018: 3,054).

Operating industry and principal activities

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

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

The Group’s structure

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

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

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

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

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

Disclosure of information comparability in the consolidated financial statements

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

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

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

The consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Fiscal year

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Business combinations

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Group (its subsidiaries) up to 31 December each year. Control is achieved where the Group has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

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

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

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

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

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

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

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

Investments in associate

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

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

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

Cash and cash equivalents

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

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

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

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

Loan receivables

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

Equity investments in other entities

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

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

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

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

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

Inventories

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

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

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

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

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

Operating leases

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

Intangible fixed assets and amortization

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

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**Investment properties**

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

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

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

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

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

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

Provisions

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

Severance allowance payable

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

Provision for dismantling and restoration costs

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**Unearned revenue**

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

Revenue recognition

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

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

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in each period by reference to the percentage of completion of the transaction at the consolidated balance sheet date. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Group;
- (c) The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

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

Sales deductions

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

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

Customer loyalty programs

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**Customer loyalty programs (cont.)**

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

Foreign currencies

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

Borrowing costs

Borrowing costs are recognized in the income statement in the year when incurred unless they are capitalized in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalized even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable income for the period. Taxable income differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. Deferred tax is charged or credited to the consolidated income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are applied in accordance with the prevailing tax laws in Vietnam.

Dividend distribution

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

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**Dividend distribution (cont.)**

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

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

4 CASH AND CASH EQUIVALENTS

	31.12.2019	31.12.2018
	VND	VND
Cash on hand	11,739,260,444	27,969,606,758
Demand deposits	54,889,148,249	47,360,689,304
Cash equivalents (*)	3,700,000,000	505,301,369
	<u>70,328,408,693</u>	<u>75,835,597,431</u>

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

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

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

Held-to-maturity investments

	31.12.2019		31.12.2018	
	Cost	Book value	Cost	Book value
	VND	VND	VND	VND
Term deposits	<u>1,768,000,000,000</u>	<u>1,768,000,000,000</u>	<u>1,459,722,000,000</u>	<u>1,459,722,000,000</u>

(b) Long-term financial investments

	31.12.2019		31.12.2018	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Investments in associate (*)	2,929,990,852	-	3,042,620,558	-
Equity investments in other entities (**)	<u>27,908,170,200</u>	<u>(2,715,367,409)</u>	<u>27,908,170,200</u>	<u>(5,730,861,763)</u>
	<u>30,838,161,052</u>	<u>(2,715,367,409)</u>	<u>30,950,790,758</u>	<u>(5,730,861,763)</u>

5 FINANCIAL INVESTMENTS (cont.)**Long-term financial investments (cont.)**

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

	31.12.2019 VND	31.12.2018 VND
Vinh Hao Algae Processing Joint Stock Company	2,929,990,852	3,042,620,558

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

	Fiscal year ended 31.12.2019 VND	Fiscal year ended 31.12.2018 VND
Opening balance	3,042,620,558	3,129,548,349
Share of losses	(272,755,733)	(86,927,791)
Adjustment for gain from prior periods	160,126,027	-
Closing balance	<u>2,929,990,852</u>	<u>3,042,620,558</u>

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

	31.12.2019 VND	31.12.2018 VND
ATP Packaging Joint Stock Company	20,000,000,000	20,000,000,000
Enlie Pharmaceutical Joint Stock Company (*)	4,286,800,000	4,286,800,000
Tra Vinh Pharmaceutical Joint Stock Company	2,575,315,200	2,575,315,200
Ninh Thuan Pharmaceutical & Medical Equipment Joint Stock Company	796,675,000	796,675,000
Tay Ninh Pharmaceutical Joint Stock Company	221,960,000	221,960,000
Cuu Long Pharmaceutical Joint Stock Company	27,420,000	27,420,000
	<u>27,908,170,200</u>	<u>27,908,170,200</u>

(*) Formerly Becamex Pharmaceutical Joint Stock Company

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

6 SHORT-TERM TRADE RECEIVABLES

	31.12.2019 VND	31.12.2018 VND
Related parties (Note 37)	1,619,576,532	-
Third parties	508,481,730,242	618,503,855,955
	<u>510,101,306,774</u>	<u>618,503,855,955</u>

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

7 OTHER SHORT-TERM RECEIVABLES

	31.12.2019	31.12.2018
	Value	Value
	VND	VND
Accruals of interest income	39,427,941,088	46,266,887,751
Receivable from employees	20,788,864,119	5,715,446,761
Other receivables	2,788,398,386	3,635,953,385
	<u>63,005,203,593</u>	<u>55,618,287,897</u>

8 BAD DEBTS

	31.12.2019		
	Cost	Recoverable	Provision
	VND	amount	VND
		VND	VND
Total amount of receivables and loan receivables past due or not past due but impaired	150,144,912,078	94,927,528,432	(55,217,383,646)
	<hr/>		
	31.12.2018		
	Cost	Recoverable	Provision
	VND	amount	VND
		VND	VND
Total amount of receivables and loan receivables past due or not past due but impaired	205,852,717,492	171,281,003,245	(34,571,714,247)
	<hr/>		

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

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

	Fiscal year	Fiscal year
	ended	ended
	31.12.2019	31.12.2018
	VND	VND
Opening balance	34,571,714,247	21,712,831,939
Additional provision in the period/year	20,645,669,399	12,865,960,026
Reversal of provision in the period/year	-	(7,077,718)
Closing balance	<u>55,217,383,646</u>	<u>34,571,714,247</u>

9 INVENTORIES

	31.12.2019		31.12.2018	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	63,594,013,463	-	66,470,323,130	-
Raw materials	265,797,233,287	-	376,766,969,549	-
Work in progress	52,106,518,719	-	54,189,946,414	-
Finished goods	300,316,307,143	(1,091,103,288)	346,534,828,838	(814,326,232)
Merchandise	44,715,922,244	-	48,339,234,737	-
	<u>726,529,994,856</u>	<u>(1,091,103,288)</u>	<u>892,301,302,668</u>	<u>(814,326,232)</u>

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

	Fiscal year ended 31.12.2019 VND	Fiscal year ended 31.12.2018 VND
Opening balance	814,326,232	2,456,156,179
Additional provision in the period/year	276,777,056	-
Utilization of provision	-	(1,320,277,628)
Reversal of provision	-	(321,552,319)
Closing balance	<u>1,091,103,288</u>	<u>814,326,232</u>

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

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

10 PREPAYMENTS

Short-term prepayments

	31.12.2019 VND	31.12.2018 VND
Prepayment related to operating lease	679,023,036	101,800,010
Others	2,149,317,353	3,350,428,965
	<u>2,828,340,389</u>	<u>3,452,228,975</u>

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

Long-term prepayments

	31.12.2019 VND	31.12.2018 VND
Prepaid land rental	10,022,421,258	10,367,868,894
Tools and supplies	8,756,525,105	11,828,145,326
Leasehold improvement	-	77,295,492
Others	8,796,416,022	7,897,605,179
	<u>27,575,362,385</u>	<u>30,170,914,891</u>

10 PREPAYMENTS (cont.)

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

	Fiscal year ended 31.12.2019 VND	Fiscal year ended 31.12.2018 VND
Opening balance	30,170,914,891	31,156,425,691
Increase	12,687,711,066	13,147,094,166
Allocation in the period/year	(15,259,577,905)	(14,147,024,752)
Reclassifications of opening balance	(23,685,667)	14,419,786
Closing balance	<u>27,575,362,385</u>	<u>30,170,914,891</u>

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

Receivables

	Opening balance	Payables during the period/year	Refund/ Decrease during the period/year	Paid during the period/year	Closing balance
Value added tax for import goods	3,713,591,537	(47,411,508,160)	-	43,698,198,905	282,282
Import and export duties	926,396,477	(11,960,291,097)	3,382,446,739	7,651,716,720	268,839
Corporate income tax	10,504,843,481	(76,616,037,076)	129,039,584	65,982,154,011	-
Land use tax	15,682,319	(15,682,319)	-	-	-
Total	15,160,513,814	(136,003,518,652)	3,511,486,323	117,332,069,636	551,121

Payables

Value added tax for domestic goods	13,499,506,643	65,049,577,896	-	(63,884,868,484)	14,664,216,055
Corporate income tax	-	7,239,643,570	-	-	7,239,643,570
Personal income tax	142,243,532	47,087,040,118	-	(38,362,739,463)	8,866,544,187
Land rental fee, land use tax	-	5,536,202,671	-	(5,518,840,879)	17,361,792
Other taxes	-	728,039,322	-	(728,039,322)	-
Total	13,641,750,175	125,640,503,577	-	(108,494,488,148)	30,787,765,604

12 TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost					
As at 01 January 2019	523,308,829,235	591,454,224,302	162,771,502,625	70,169,688,915	1,347,704,245,077
Additions in the period/year	-	985,000,000	-	34,900,000	1,019,900,000
Transfer from construction in progress (Note 15)	4,387,764,915	28,733,020,749	4,842,452,274	2,784,324,310	40,747,562,248
Transfer from investment properties (Note 14)	267,073,636	-	-	-	267,073,636
Disposals	(1,631,302,720)	(729,446,519)	(7,562,067,403)	(286,395,787)	(10,209,212,429)
Fair value adjustments under asset liquidation contract (*)	-	(2,865,342,228)	(524,639,283)	(65,856,170)	(3,455,837,681)
Written-off	-	-	-	(62,789,273)	(62,789,273)
As at 31 December 2019	526,332,365,066	617,577,456,304	159,527,248,213	72,573,871,995	1,376,010,941,578
Accumulated depreciation					
As at 01 January 2019	182,276,573,936	263,974,535,576	100,903,919,325	59,450,557,823	606,605,586,660
Charge for the period/year	29,010,129,476	46,034,199,555	10,978,604,803	3,639,475,855	89,662,409,689
Transfer from investment properties (Note 14)	267,073,636	-	-	-	267,073,636
Disposals	(1,570,237,581)	(707,224,267)	(7,562,067,403)	(286,395,787)	(10,125,925,038)
Written-off	-	-	-	(62,789,273)	(62,789,273)
As at 31 December 2019	209,983,539,467	309,301,510,864	104,320,456,725	62,740,848,618	686,346,355,674
Net book value					
As at 01 January 2019	341,032,255,299	327,479,688,726	61,867,583,300	10,719,131,092	741,098,658,417
As at 31 December 2019	316,348,825,599	308,275,945,440	55,206,791,488	9,833,023,377	689,664,585,904

The cost of fully depreciated tangible fixed assets but still in use as at 31 December 2019 was VND 232,330,033,046 (as at 31 December 2018: VND 206,527,246,637).

(*) The cost of tangible fixed assets decreased in the period due to the adjustment in value of Fuji Medic Co., Ltd.'s fixed assets to market value. Based on asset liquidation contract signed with Tay Do Song Hau Medical Limited Liability Company and Resolution No. 017/2019/NQ.HĐQT dated 23 December 2019 of the Board of Directors on minimum value to liquidate Fuji Medic Co., Ltd. ("Fuji Medic")'s tangible fixed assets.

13 INTANGIBLE FIXED ASSETS

	Land use rights with indefinite term VND	Land use rights with definite term VND	Computer software VND	Total VND
Cost				
As at 01 January 2019	95,158,560,046	157,471,235,263	16,448,031,205	269,077,826,514
Reclassification	(1,560,000,000)	1,560,000,000	-	-
Transfer to investment properties (Note 14)	(2,431,128,400)	(17,072,889,750)	-	(19,504,018,150)
Disposals	(1,376,804,000)	-	-	(1,376,804,000)
Fair value adjustments (*)	-	-	(278,510,400)	(278,510,400)
As at 31 December 2019	<u>89,790,627,646</u>	<u>141,958,345,513</u>	<u>16,169,520,805</u>	<u>247,918,493,964</u>
Accumulated amortization				
As at 01 January 2019	-	22,026,708,192	11,531,406,685	33,558,114,877
Charge for the period/year	-	3,153,725,586	2,366,585,916	5,520,311,502
Transfer to investment properties (Note 14)	-	(1,554,698,176)	-	(1,554,698,176)
Fair value adjustments (*)	-	-	(57,573,790)	(57,573,790)
As at 31 December 2019	-	<u>23,625,735,602</u>	<u>13,840,418,811</u>	<u>37,466,154,413</u>
Net book value				
As at 01 January 2019	95,158,560,046	135,444,527,071	4,916,624,520	235,519,711,637
As at 31 December 2019	<u>89,790,627,646</u>	<u>118,332,609,911</u>	<u>2,329,101,994</u>	<u>210,452,339,551</u>

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

(*) Pursuant to Statement No. 01/2019/QĐ. TGD dated 30 December 2019 and Decision No. 10/2019/FJM dated 31 December 2019 of Fuji Medic on adjusting the cost of intangible fixed assets to VND 0. It is because Labconn testing system software was under Fuji Medic's copyright and was only used for Fuji Medic Clinic. Currently, Fuji Medic has stopped operating, dissolution procedure is still in progress and this software cannot be used for other companies.

14 INVESTMENT PROPERTIES

	Buildings VND
Cost	
As at 01 January 2019	1,249,521,792
Transferred from intangible fixed assets (Note 13)	19,504,018,150
Transferred to tangible fixed assets (Note 12)	(267,073,636)
Disposals	<u>(3,181,509,487)</u>
As at 31 December 2019	<u>17,304,956,819</u>
Accumulated depreciation	
As at 01 January 2019	1,001,641,499
Charge for the period/year	220,672,312
Transferred from intangible fixed assets (Note 13)	1,554,698,176
Transferred to tangible fixed assets (Note 12)	(267,073,636)
Disposals	<u>(550,428,864)</u>
As at 31 December 2019	<u>1,959,509,487</u>
Net book value	
As at 01 January 2019	247,880,293
As at 31 December 2019	<u>15,345,447,332</u>

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

14 INVESTMENT PROPERTIES (cont.)

Fair value of the Company's investment properties as at 31 December 2019 is VND 36,262,694,400, as determined by Century Valuation Joint Stock Company, an independent valuation company, not a related party of the Company. Century Valuation Joint Stock Company has a valid practicing certificate and has experience in real estate valuation. The real estate valuation in accordance with International Valuation Standards is made in reference to market prices of similar properties.

15 CONSTRUCTION IN PROGRESS

	31.12.2019	31.12.2018
	VND	VND
Construction of effervescent tablets plant stage 2	-	83,100,000
Construction of office and auxiliary works at DHG Pharmaceutical Plant Branch in Hau Giang	11,773,591,495	11,746,318,768
Construction of branch office	623,948,774	623,948,774
REB product project	858,768,402	-
CTP product project	202,029,350	202,029,350
BUD product project	1,293,522,895	1,143,281,604
Raw materials for testing new machines	719,784,577	144,235,771
Renovating and repairing warehouses	320,925,000	145,077,537
Purchasing new machines	11,882,568,506	-
GX project	111,034,727	-
Renovating and repairing offices	1,141,681,818	-
	<u>28,927,855,544</u>	<u>14,087,991,804</u>

Movements of construction in progress in the period/year

	Fiscal year ended	Fiscal year ended
	31.12.2019	31.12.2018
	VND	VND
Opening balance	14,087,991,804	36,307,709,778
Purchases	56,081,518,800	30,475,107,864
Transfer to tangible fixed assets (Note 12)	(40,747,562,248)	(37,785,438,197)
Transfer to intangible fixed assets	-	(786,031,200)
Transfer to prepaid expenses	(244,300,000)	(2,283,909,837)
Transfer to expense in the period/year	(249,792,812)	(11,839,446,604)
Closing balance	<u>28,927,855,544</u>	<u>14,087,991,804</u>

16 DEFERRED TAX ASSETS

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

	31.12.2019	31.12.2018
	VND	VND
Corporate income tax rate used for determining deferred tax assets	20%	20%
Deductible temporary differences	61,734,940,990	52,114,749,540
Deferred tax assets	<u>12,346,988,198</u>	<u>10,422,949,908</u>

16 DEFERRED TAX ASSETS (cont.)

Movements of deferred tax assets in the period/year:

	Fiscal year ended 31.12.2019 VND	Fiscal year ended 31.12.2018 VND
Opening balance	10,422,949,908	35,783,696,355
Additional provision / (Reversal)	1,946,486,540	(1,175,081,582)
Change of eliminated entries of fixed assets	(22,448,250)	(8,237,274)
Change of eliminated entries of inventories, merger of DHG Pharmaceutical and DHG Packaging and Printing 1	-	(24,177,427,591)
Closing balance	<u>12,346,988,198</u>	<u>10,422,949,908</u>

17 SHORT-TERM TRADE PAYABLES

	31.12.2019		31.12.2018	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
Third parties (*)	<u>120,317,315,145</u>	<u>120,317,315,145</u>	<u>145,750,476,107</u>	<u>145,750,476,107</u>
	120,317,315,145	120,317,315,145	145,750,476,107	145,750,476,107

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

	31.12.2019 VND	31.12.2018 VND
Apc Pharmaceuticals and Chemical Limited	15,665,540,764	5,470,145,212
Centrient Pharmaceuticals India Private Limited	13,322,405,000	-
Roquette Freres	1,789,778,580	15,258,076,053
DSM Sinochem Pharmaceuticals India Pvt ltd	-	18,987,080,000
DSM Sinochem Pharmaceuticals Spain S.A	7,205,946,000	20,246,688,000

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

18 SHORT-TERM ACCRUED EXPENSES

	31.12.2019 VND	31.12.2018 VND
Interest expense	327,951,231	471,120,010
Selling expenses	6,557,465,332	6,648,030,365
Other accruals	42,562,324,899	32,932,965,351
	<u>49,447,741,462</u>	<u>40,052,115,726</u>

19 SHORT-TERM UNEARNED REVENUE

	31.12.2019 VND	31.12.2018 VND
Unearned revenue from customer loyalty programs (Note 3)	29,295,047,003	9,030,131,533

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20 OTHER SHORT-TERM PAYABLES

	31.12.2019	31.12.2018
	VND	VND
Insurance and union fee	578,813,579	638,977,697
Others	1,328,314,648	1,365,216,056
	<u>1,907,128,227</u>	<u>2,004,193,753</u>

21 SHORT-TERM LOANS

	31.12.2019		31.12.2018	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
Loans from banks	264,666,851,754	264,666,851,754	557,901,327,419	557,901,327,419
	<u>264,666,851,754</u>	<u>264,666,851,754</u>	<u>557,901,327,419</u>	<u>557,901,327,419</u>

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

	As at		Decreases	As at
	01.01.2019	Increases	VND	31.12.2019
	VND	VND	VND	VND
Loans from banks (*)	557,901,327,419	1,916,023,391,699	(2,209,257,867,364)	264,666,851,754
	<u>557,901,327,419</u>	<u>1,916,023,391,699</u>	<u>(2,209,257,867,364)</u>	<u>264,666,851,754</u>

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

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

22 BONUS AND WELFARE FUNDS

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

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

	Bonus and welfare fund	Welfare fund in form of assets	Bonus fund for the Board of Directors	Total
	VND	VND	VND	VND
Opening balance	17,760,519,100	17,615,709,836	7,983,652,438	43,359,881,374
Appropriation to the funds	65,108,903,082	-	6,000,000,000	71,108,903,082
Depreciation of assets formed from the funds	-	(2,656,199,626)	-	(2,656,199,626)
Utilization of funds	(40,908,508,806)	-	(8,048,113,592)	(48,956,622,398)
Closing balance	<u>41,960,913,376</u>	<u>14,959,510,210</u>	<u>5,935,538,846</u>	<u>62,855,962,432</u>

23 LONG-TERM PROVISIONS

	Provision for dismantling and restoration costs VND	Severance allowance VND	Total VND
Opening balance	15,535,236,761	24,218,455,641	39,753,692,402
Additional provision for the period/year	3,954,284,426	5,046,511,242	9,000,795,668
Utilization of provisions	-	(811,475,291)	(811,475,291)
Closing balance	<u>19,489,521,187</u>	<u>28,453,491,592</u>	<u>47,943,012,779</u>

24 SCIENCE AND TECHNOLOGY DEVELOPMENT FUND

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

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

	Science and technology development fund in form of assets VND
Opening balance	20,460,947,173
Depreciation of assets formed from fund	<u>(4,036,214,184)</u>
Closing balance	<u>16,424,732,989</u>

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25 OWNER'S EQUITY

Movements in owner's equity

	Owner's contributed capital VND	Share premium VND	Investment and development fund VND	Retained earnings VND	Total VND
As at 01 January 2018	1,307,460,710,000	6,778,948,000	1,112,177,317,110	321,006,296,742	2,747,423,271,852
Net profit for the year	-	-	-	653,029,446,317	653,029,446,317
Changes in interest after increasing investment in Song Hau Pharmaceutical One Member Limited Company	-	-	139,887,799	(103,356,911)	36,530,888
Third interim dividends for 2017 at 5%	-	-	-	(65,373,035,500)	(65,373,035,500)
First interim dividends for 2018 at 10%	-	-	-	(130,746,071,000)	(130,746,071,000)
Fund distribution	-	-	157,918,391,319	(157,918,391,319)	-
Appropriation to bonus and welfare funds	-	-	-	(63,169,294,111)	(63,169,294,111)
Appropriation to bonus fund for the Board of Directors	-	-	-	(6,472,934,796)	(6,472,934,796)
As at 31 December 2018	1,307,460,710,000	6,778,948,000	1,270,235,596,228	550,252,659,422	3,134,727,913,650
Net profit for the period/year	-	-	-	635,388,096,114	635,388,096,114
Second and third interim dividends for 2018	-	-	-	(326,865,177,500)	(326,865,177,500)
Fund distribution	-	-	122,368,879,236	(122,368,879,236)	-
Appropriation to bonus and welfare funds	-	-	-	(65,108,903,082)	(65,108,903,082)
Appropriation to bonus fund for the Board of Directors	-	-	-	(6,000,000,000)	(6,000,000,000)
As at 31 December 2019	1,307,460,710,000	6,778,948,000	1,392,604,475,464	665,297,795,718	3,372,141,929,182

25 Charter capital

Charter capital

	31.12.2019		31.12.2018	
	Number of shares	VND	Number of shares	VND
Authorized and issued share capital	130,746,071	1,307,460,710,000	130,746,071	1,307,460,710,000
Ordinary shares currently in circulation	130,746,071	1,307,460,710,000	130,746,071	1,307,460,710,000

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

Dividends

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

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

26 NON-CONTROLLING INTERESTS

	Fiscal year ended 31.12.2019 VND	Fiscal year ended 31.12.2018 VND
Opening balance	9,534,195,581	11,671,141,968
Net loss attributable to non-controlling interests during the period/year	(4,124,642,566)	(1,940,415,499)
Changes in interests due to transferring investments	-	(196,530,888)
Closing balance	5,409,553,015	9,534,195,581

27 OFF BALANCE SHEET ITEMS**Foreign currencies**

Cash and cash equivalents include the following foreign currencies:

	31.12.2019	31.12.2018
	VND	VND
United states Dollar (USD)	276,537	239,703
Euro (EUR)	32,087	34,833
Yen (JPY)	32,879	-
	<u> </u>	<u> </u>

28 GROSS REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	For the 3-month period ended		Fiscal year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	VND	VND	VND	VND
Sales of merchandise and services				
Sales of finished goods	1,202,152,815,955	1,150,399,947,812	3,788,505,284,333	3,697,829,058,032
Sales of merchandise	238,841,832,320	251,091,379,436	619,260,064,265	704,779,329,679
Others	3,581,866,786	1,710,225,604	6,193,295,020	18,951,506,721
	<u>1,444,576,515,061</u>	<u>1,403,201,552,852</u>	<u>4,413,958,643,618</u>	<u>4,421,559,894,432</u>
Deductions				
Sales discount	164,252,720,696	188,378,448,929	511,544,456,173	532,732,767,227
Sales return	940,383,759	2,370,636,538	5,660,358,221	6,698,917,494
	<u>165,193,104,455</u>	<u>190,749,085,467</u>	<u>517,204,814,394</u>	<u>539,431,684,721</u>
Net sales	<u>1,279,383,410,606</u>	<u>1,212,452,467,385</u>	<u>3,896,753,829,224</u>	<u>3,882,128,209,711</u>
In which:				
Sales of finished goods	1,037,557,420,382	960,869,290,300	3,275,187,421,488	3,171,187,626,750
Sales of merchandise	238,244,123,438	249,872,951,481	615,373,112,716	691,989,076,240
Others	3,581,866,786	1,710,225,604	6,193,295,020	18,951,506,721

Goods in transit's revenue has not been recognized as at 31 December 2019: VND 6,909,422,690 (as at 31 December 2018: VND 5,648,961,599)

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29 COST OF GOODS SOLD AND SERVICES RENDERED

	For the 3-month period ended		Fiscal year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	VND	VND	VND	VND
Cost of finished goods sold	482,904,781,102	442,364,839,404	1,585,905,697,944	1,498,942,529,432
Cost of merchandise sold	231,381,910,913	247,105,750,035	594,174,991,925	663,209,443,293
Others	2,683,359,271	1,382,162,035	4,104,140,718	3,574,604,674
Addition/ (reversal) of provision for devaluation of inventories	23,750,627	625,438,182	276,777,056	(321,552,319)
	<u>716,993,801,913</u>	<u>691,478,189,656</u>	<u>2,184,461,607,643</u>	<u>2,165,405,025,080</u>

30 FINANCIAL INCOME

	For the 3-month period ended		Fiscal year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	VND	VND	VND	VND
Interest income	31,231,237,935	26,293,142,474	118,241,803,871	104,266,241,086
Dividends, profits received	-	119,328,000	768,004,044	323,341,080
Foreign exchange gain	749,702,114	1,245,072,308	3,464,877,012	3,195,444,790
Other financial income	-	-	13,130,988	-
	<u>31,980,940,049</u>	<u>27,657,542,782</u>	<u>122,487,815,915</u>	<u>107,785,026,956</u>

31 FINANCIAL EXPENSES

	For the 3-month period ended		Fiscal year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	VND	VND	VND	VND
Interest expense	3,040,920,271	6,699,878,711	22,715,202,068	28,523,706,808
Foreign exchange loss	1,102,167,909	1,239,242,110	5,596,686,129	7,251,272,759
Settlement discount	22,791,737,644	19,812,694,336	73,484,194,144	70,935,042,222
Provision for impairment of long-term financial investments	(4,690,180,071)	(10,769,138,237)	(3,015,494,354)	(10,769,138,237)
Other financial expenses	174,483	8,654	78,424,620	113,108,941
	<u>22,244,820,236</u>	<u>16,982,685,574</u>	<u>98,859,012,607</u>	<u>96,053,992,493</u>

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

	For the 3-month period ended		Fiscal year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	VND	VND	VND	VND
Staff cost	97,203,571,982	118,053,797,093	348,720,686,022	376,492,304,101
Advertising expenses	61,394,118,826	44,926,886,536	115,787,256,759	131,526,936,415
Others	65,978,534,902	70,083,029,248	222,537,279,213	216,865,719,132
	<u>224,576,225,710</u>	<u>233,063,712,877</u>	<u>687,045,221,994</u>	<u>724,884,959,648</u>

General and administrative expenses

	For the 3-month period ended		Fiscal year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	VND	VND	VND	VND
Staff cost	69,492,405,022	64,091,507,569	232,893,323,189	202,608,495,908
Others	42,048,056,402	21,478,756,502	100,936,585,577	83,028,736,703
	<u>111,540,461,424</u>	<u>85,570,264,071</u>	<u>333,829,908,766</u>	<u>285,637,232,611</u>

33 OTHER INCOME AND EXPENSES**Other income**

	For the 3-month period ended		Fiscal year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	VND	VND	VND	VND
Gain from disposals of fixed assets and other long-term assets	6,189,903,952	2,804,911,504	7,064,948,649	6,980,017,626
Income from transferring product manufacturing technology	-	1,295,959,553	-	1,295,959,553
Others	1,993,706,866	3,329,502,645	8,518,178,719	9,933,869,086
	<u>8,183,610,818</u>	<u>7,430,373,702</u>	<u>15,583,127,368</u>	<u>18,209,846,265</u>

Other expenses

	For the 3-month period ended		Fiscal year ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	VND	VND	VND	VND
Cost of fair value adjustment to liquidate Fuji Medic's assets	3,455,837,681	-	3,455,837,681	-
Depreciation expenses	376,234,158	174,456,165	875,103,605	658,525,395
Others	8,289,110,276	517,355,210	12,990,354,601	3,613,992,362
	<u>12,121,182,115</u>	<u>691,811,375</u>	<u>17,321,295,887</u>	<u>4,272,517,757</u>

34 PRODUCTION AND OPERATING COSTS BY NATURE

	Fiscal year ended	
	31.12.2019	31.12.2018
	VND	VND
Raw materials and consumables	1,926,821,900,103	1,982,456,539,598
Labor	851,669,219,473	852,365,897,180
Depreciation and amortization	87,974,994,516	87,857,894,079
Out-sourced services	195,153,522,073	188,939,360,980
Other expenses	252,294,636,498	268,524,705,325
	<u>3,313,914,272,663</u>	<u>3,380,144,397,162</u>

35 CORPORATE INCOME TAX EXPENSE

	Fiscal year ended	
	31.12.2019	31.12.2018
	VND	VND
Accounting profit before tax	713,195,095,904	731,782,427,552
Tax calculated at a normal rate of 20%	142,639,019,181	146,356,485,510
Adjustments for:		
Impact of negative taxable income	1,683,527,578	855,293,179
Non-assessable income	(153,600,809)	(64,688,566)
Impact of non-deductible expenses	12,086,783,085	3,660,197,703
Under provision of tax in the prior year	-	20,203,562
Tax incentives	(71,504,817,230)	(100,873,547,384)
Adjustments for consolidation	(895,231,159)	(11,873,632,807)
Corporate income tax before applying the market profit margin on related party transactions	83,855,680,646	38,080,311,197
Increase in corporate income tax by applying the market profit margin on related party transactions	-	17,252,339,090
Corporate income tax expense after adjustment	83,855,680,646	55,332,650,287

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

	Fiscal year ended	
	31.12.2019	31.12.2018
	VND	VND
Deferred corporate tax income/(expense)	1,946,486,540	(1,175,081,582)
Change of eliminated entries of fixed assets	(22,448,250)	(8,237,274)
Change of eliminated entries of inventories, merger of DHG Pharmaceutical and DHG Packaging and Printing 1	-	(24,177,427,591)
	1,924,038,290	(25,360,746,447)

Applicable tax rates

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

The Company

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

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

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

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

The subsidiary

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

36 BASIC EARNINGS PER SHARE

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

	Fiscal year ended	
	31.12.2019	31.12.2018 (Restated)
	VND	VND
Net profit attributable to shareholders (VND)	635,388,096,114	653,029,446,317
The estimated amount appropriated to bonus and welfare funds (*)	(25,061,642,883)	(71,108,903,082)
	<u>610,326,453,231</u>	<u>581,920,543,235</u>
Weighted average number of ordinary shares currently in circulation (shares)	130,746,071	130,746,071
Basic earnings per share (VND)	4,668	4,451

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

The Group does not have potentially diluted ordinary shares.

38 TRANSACTIONS WITH RELATED PARTIES (cont.)

	Fiscal year ended	
	31.12.2019 VND	31.12.2018 VND
Benefits paid to key management personnel		
Salary and other benefits	22,310,288,363	21,158,862,663

Period/year end balances with related parties

	31.12.2019	31.12.2018
	VND	VND
Trade receivables		
Hoe Pharmaceuticals Sdn.Bhd	1,619,576,532	-

39 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

a. Non-cash transaction affecting the cash flow statement

	Fiscal year ended	
	31.12.2019 VND	31.12.2018 VND
Appropriation to reserves from profit	193,477,782,318	227,560,620,226
Transfer from construction in progress to tangible fixed assets	40,747,562,248	37,785,438,197
Transfer from construction in progress to intangible fixed assets	-	786,031,200
Transfer from construction in progress to prepaid expenses	244,300,000	2,283,909,837
Interest earned and dividends which have not been received	39,427,941,088	46,266,887,751

b. Proceed from borrowings

	Fiscal year ended	
	31.12.2019 VND	31.12.2018 VND
Proceed from borrowings under normal contracts	1,916,023,391,699	2,851,557,133,423

c. Repayment of borrowings

	Fiscal year ended	
	31.12.2019 VND	31.12.2018 VND
Repayment of borrowings under normal contract	2,209,257,867,364	2,763,455,806,004

Tran Ngoc Hien
Preparer

Ho Buu Huan
Chief Accountant

Masashi Nakaura
General Director
22 January 2020