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DHG PHARMACEUTICAL JOINT STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

REVIEWED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the 6-month period ended 30 June 2021

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STATEMENT OF THE MANAGEMENT

The Management of DHG Pharmaceutical Joint Stock Company (the "Parent Company") and its subsidiary (the Parent Company and its subsidiary are referred to as the "Group") presents this report together with the Group's interim consolidated financial statements for the 6-month period ended 30 June 2021.

BOARD OF DIRECTORS, AUDIT COMMITTEE AND MANAGEMENT

The members of the Board of Directors, Audit Committee and Management of the Group who held office during the period and to the date of this report are as follows:

Board of Directors

Ms. Dang Thi Thu Ha	Chairwoman
Mr. Jun Kuroda	Member
Mr. Masashi Nakaura	Member
Mr. Maki Kamijo	Member
Mr. Doan Dinh Duy Khuong	Member
Mr. Phan Minh Tien	Member (resigned on 19 April 2021)
Ms. Nguyen Thi Viet Thanh	Member (appointed on 19 April 2021)
Mr. Do Le Hung	Member

Audit Committee

Mr. Do Le Hung	Head of the Committee
Ms. Dang Thi Thu Ha	Member
Mr. Maki Kamijo	Member

Management

Mr. Masashi Nakaura	General Director
Mr. Doan Dinh Duy Khuong	Chief Operating Officer
Ms. Nguyen Ngoc Diep	Deputy General Director
Mr. Tomoyuki Kawata	Deputy General Director
Mr. Pham Chi Truc	Deputy General Director (resigned on 4 July 2021)

Legal representative

Legal representative of the Group during the period and at the date of these interim consolidated financial statements is Mr. Masashi Nakaura.

STATEMENT OF THE MANAGEMENT (Continued)

MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Management is responsible for preparing the interim consolidated financial statements which give a true and fair view of the consolidated financial position of the Group as at 30 June 2021, and its consolidated financial performance and cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting. In preparing these interim consolidated financial statements, the Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements;
- prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the interim consolidated financial statements so as to minimize errors and frauds.

The Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and that the interim consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting. The Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Management confirms that the Group has complied with the above requirements in preparing these interim consolidated financial statements.

For and on behalf of the Management,

CÔNG TY CỔ PHẦN DƯỢC HẬU GIANG

Masashi Nakaura
General Director
11 August 2021

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REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim consolidated financial statements of DHG Pharmaceutical Joint Stock Company (the "Parent Company") and its subsidiary (the Parent Company and its subsidiary are referred to as the "Group") , prepared on 11 August 2021 as set out from page 4 to page 37, which comprise the interim consolidated balance sheet as at 30 June 2021, the interim consolidated income statement and interim consolidated cash flow statement for the 6-month period ended 30 June 2021 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Interim Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 – "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2021, and of its consolidated financial performance and its consolidated cash flows for the 6-month period then ended, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting.

CÔNG TY TNHH DELOITTE VIỆT NAM

Nguyen Thi Thu Sang
Audit Partner
Audit Practising Registration Certificate
No. 1144-2018-001-1
BRANCH OF DELOITTE VIETNAM COMPANY LIMITED
11 August 2021
Ho Chi Minh City, Vietnam

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INTERIM CONSOLIDATED BALANCE SHEET

As at 30 June 2021

Unit: VND

ASSETS		Codes	Notes	Closing balance	Opening balance
A.	**CURRENT ASSETS**	**100**		**3,617,734,538,901**	**3,480,799,873,619**
I.	**Cash and cash equivalents**	**110**	**4**	**67,330,218,153**	**73,054,473,018**
1.	Cash	111		67,330,218,153	73,054,473,018
II.	**Short-term financial investments**	**120**	**5**	**2,181,000,000,000**	**2,074,000,000,000**
1.	Held-to-maturity investments	123		2,181,000,000,000	2,074,000,000,000
III.	**Short-term receivables**	**130**		**362,737,456,761**	**496,020,199,824**
1.	Short-term trade receivables	131	6	317,792,273,670	414,158,635,702
2.	Short-term advances to suppliers	132		38,012,356,976	69,081,209,633
3.	Short-term loan receivables	135	12	270,872,204	380,542,458
4.	Other short-term receivables	136	7	53,854,661,697	63,309,022,728
5.	Provision for short-term doubtful debts	137	8	(47,192,707,786)	(50,909,210,697)
IV.	**Inventories**	**140**		**989,031,530,188**	**826,585,429,976**
1.	Inventories	141	9	990,419,845,555	827,650,041,659
2.	Provision for devaluation of inventories	149	9	(1,388,315,367)	(1,064,611,683)
V.	**Other short-term assets**	**150**		**17,635,333,799**	**11,139,770,801**
1.	Short-term prepayments	151	10	9,929,234,322	4,042,674,685
2.	Value added tax deductibles	152		7,706,099,477	7,078,253,656
3.	Taxes and other receivables from the State budget	153	11	-	18,842,460

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2021

Unit: VND

ASSETS		Codes	Notes	Closing balance	Opening balance
B.	**NON-CURRENT ASSETS**	**200**		**919,683,599,652**	**966,703,597,751**
I.	**Long-term receivables**	**210**		**642,061,880**	**244,240,000**
1.	Other long-term receivables	216		642,061,880	244,240,000
II.	**Fixed assets**	**220**		**808,241,059,987**	**849,298,475,010**
1.	Tangible fixed assets	221	13	600,469,800,314	639,214,010,669
	- Cost	*222*		*1,392,686,212,404*	*1,403,682,695,234*
	- Accumulated depreciation	*223*		*(792,216,412,090)*	*(764,468,684,565)*
2.	Intangible assets	227	14	207,771,259,673	210,084,464,341
	- Cost	*228*		*252,779,142,186*	*252,779,142,186*
	- Accumulated amortization	*229*		*(45,007,882,513)*	*(42,694,677,845)*
III.	**Investment property**	**230**	**15**	**14,827,214,606**	**14,999,958,848**
	- Cost	*231*		17,304,956,819	17,304,956,819
	- Accumulated depreciation	*232*		(2,477,742,213)	(2,304,997,971)
IV.	**Long-term assets in progress**	**240**		**60,758,490,569**	**66,472,781,314**
1.	Construction in progress	242	16	60,758,490,569	66,472,781,314
V.	**Long-term financial investments**	**250**		**4,262,500,000**	**4,387,520,000**
1.	Equity investments in other entities	253	5	24,108,379,057	24,282,104,800
2.	Provision for impairment of long-term financial investments	254	5	(19,845,879,057)	(19,894,584,800)
VI.	**Other long-term assets**	**260**		**30,952,272,610**	**31,300,622,579**
1.	Long-term prepayments	261	10	14,437,826,781	15,232,901,753
2.	Deferred tax assets	262	17	16,514,445,829	16,067,720,826
TOTAL ASSETS (270=100+200)		**270**		**4,537,418,138,553**	**4,447,503,471,370**

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2021

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	**300**		**1,116,078,843,331**	**879,464,107,014**
I. Current liabilities	**310**		**1,053,273,582,743**	**816,433,295,601**
1. Short-term trade payables	311	18	195,644,568,173	252,270,552,909
2. Short-term advances from customers	312		20,862,585,122	20,694,112,030
3. Taxes and amounts payable to the State budget	313	11	35,678,352,843	38,151,677,839
4. Payables to employees	314		121,655,628,451	155,270,500,534
5. Short-term accrued expenses	315	19	17,873,618,269	38,824,609,041
6. Short-term unearned revenue	318	20	48,163,857,992	49,532,335,735
7. Other current payables	319	21	2,522,296,247	2,383,049,307
8. Short-term loans	320	22	562,685,165,649	212,271,519,448
9. Bonus and welfare funds	322	23	48,187,509,997	47,034,938,758
II. Long-term liabilities	**330**		**62,805,260,588**	**63,030,811,413**
1. Long-term provisions	342	24	51,594,511,535	50,102,720,849
2. Scientific and technological development fund	343	25	11,210,749,053	12,928,090,564
D. EQUITY	**400**		**3,421,339,295,222**	**3,568,039,364,356**
I. Owner's equity	**410**		**3,421,339,295,222**	**3,568,039,364,356**
1. Owner's contributed capital	411	26	1,307,460,710,000	1,307,460,710,000
- Ordinary shares carrying voting rights	*411a*	26	1,307,460,710,000	1,307,460,710,000
2. Share premium	412	26	*6,778,948,000*	*6,778,948,000*
3. Investment and development fund	418	26	1,668,641,014,030	1,479,946,644,695
4. Retained earnings	421	26	435,324,475,760	769,784,599,949
- Retained earnings accumulated to the prior year end	*421a*		*29,909,699,604*	*29,909,699,604*
- Retained earnings of the current period/year	*421b*		*405,414,776,156*	*739,874,900,345*
5. Non-controlling interests	429	27	3,134,147,432	4,068,461,712
TOTAL RESOURCES (440=300+400)	**440**		**4,537,418,138,553**	**4,447,503,471,370**

Tran Ngoc Hien	Ho Buu Huan	Masashi Nakaura
Preparer	**Chief Accountant**	**General Director**
		11 August 2021

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED INCOME STATEMENT

For the 6-month period ended 30 June 2021

Unit: VND

ITEMS		Codes	Notes	Current period	Prior period
1.	Gross revenue from goods sold and services rendered	01		2,214,960,853,495	1,835,857,603,146
2.	Deductions	02		249,740,938,587	157,109,243,226
3.	**Net revenue from goods sold and services rendered (10=01-02)**	**10**	**30**	**1,965,219,914,908**	**1,678,748,359,920**
4.	Cost of sales	11	31	1,051,499,579,836	833,880,593,954
5.	**Gross profit from goods sold and services rendered (20=10-11)**	**20**		**913,720,335,072**	**844,867,765,966**
6.	Financial income	21	33	63,647,260,305	73,933,597,726
7.	Financial expenses	22	34	49,855,637,387	48,501,708,069
	- In which: Interest expense	*23*		*6,278,590,807*	*6,012,071,421*
8.	Share of net losses from associate	24		-	(17,126,701)
9.	Selling expenses	25	35	342,616,612,899	315,860,009,036
10.	General and administration expenses	26	35	120,687,806,743	150,610,794,809
11.	**Operating profit (30=20+(21-22)+24-(25+26))**	**30**		**464,207,538,348**	**403,811,725,077**
12.	Other income	31	36	1,144,458,689	2,073,540,689
13.	Other expenses	32	37	12,304,299,449	4,110,879,107
14.	Losses from other activities (40=31-32)	40		(11,159,840,760)	(2,037,338,418)
15.	**Accounting profit before tax (50=30+40)**	**50**		**453,047,697,588**	**401,774,386,659**
16.	Current corporate income tax expense	51	38	49,013,960,715	38,889,418,743
17.	Deferred corporate tax (income)/expense	52	38	(446,725,003)	178,867,277
18.	**Net profit after corporate income tax (60=50-51-52)**	**60**		**404,480,461,876**	**362,706,100,639**
	In which:				
	Profit after tax attributable to Parent Company	61		405,414,776,156	362,675,082,283
	(Losses)/profit after tax attributable to non-controlling shareholders	62	27	(934,314,280)	31,018,356
19.	**Basic earnings per share**	**70**	**39**	**2,985**	**2,668**

Tran Ngoc Hien	Ho Buu Huan	Masashi Nakaura
Preparer	**Chief Accountant**	**General Director**
		11 August 2021

INTERIM CONSOLIDATED CASH FLOW STATEMENT

For the 6-month period ended 30 June 2021

Unit: VND

ITEMS		Codes	Current period	Prior period
I.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
1.	***Profit before tax***	***01***	***453,047,697,588***	***401,774,386,659***
2.	***Adjustments for:***			
	Depreciation and amortization of fixed assets, investment properties	02	42,602,670,087	44,575,493,441
	Provisions	03	(1,298,721,534)	(1,141,411,873)
	Foreign exchange gains arising from translating foreign currency items	04	(331,083,755)	(242,607,334)
	Gain from investing activities	05	(51,291,698,900)	(71,308,373,734)
	Interest expense	06	6,278,590,807	6,012,071,421
3.	***Operating profit before movements in working capital***	***08***	***449,007,454,293***	***379,669,558,580***
	Changes in receivables	09	125,780,419,818	179,065,534,412
	Changes in inventories	10	(162,769,803,896)	(227,184,852,134)
	Changes in payables	11	(123,174,291,471)	21,064,791,081
	Changes in prepaid expenses	12	(4,382,645,359)	(3,953,831,370)
	Interest paid	14	(6,167,768,607)	(6,100,352,671)
	Corporate income tax paid	15	(40,250,330,351)	(32,000,000,000)
	Other cash outflows	17	(25,802,816,359)	(28,961,074,218)
	Net cash generated by operating activities	***20***	***212,240,218,068***	***281,599,773,680***
II.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
1.	Acquisition and construction of fixed assets and other long-term assets	21	(12,843,540,924)	(36,951,908,419)
2.	Proceeds from sale, disposal of fixed assets and other long-term assets	22	4,443,501,640	684,227,272
3.	Cash outflow for lending and time deposits	23	(1,975,000,000,000)	(1,657,000,000,000)
4.	Cash recovered from lending and time deposits	24	1,868,109,670,254	1,533,530,683,595
5.	Cash recovered from investments in other entities	26	84,720,000	-
6.	Interest, dividends and profits received	27	69,829,340,250	72,875,892,386
	Net cash used in investing activities	***30***	***(45,376,308,780)***	***(86,861,105,166)***
III.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
1.	Proceeds from borrowings	33	582,804,881,494	650,098,169,307
2.	Repayment of borrowings	34	(232,391,235,293)	(466,790,840,100)
3.	Dividends and profits paid	36	(522,984,284,000)	(392,238,213,000)
	Net cash used in financing activities	***40***	***(172,570,637,799)***	***(208,930,883,793)***
	Net decrease in cash (50=20+30+40)	**50**	**(5,706,728,511)**	**(14,192,215,279)**
	Cash and cash equivalents at the beginning of the period	**60**	**73,054,473,018**	**70,328,408,693**
	Effects of changes in foreign exchange rates	61	(17,526,354)	55,993,061
	Cash and cash equivalents at the end of the period (70=50+60+61)	**70**	**67,330,218,153**	**56,192,186,475**

The accompanying notes are an integral part of these interim consolidated financial statements

INTERIM CONSOLIDATED CASH FLOW STATEMENT (Continued)
For the 6-month period ended 30 June 2021

Significant non-cash transactions for the 6-month period ended 30 June 2021 are presented in Note 42.

Tran Ngoc Hien **Preparer**	**Ho Buu Huan** **Chief Accountant**	**Masashi Nakaura** **General Director** *11 August 2021*

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
These notes are an integral part of and should be read in conjunction with the interim consolidated financial statements

1. GENERAL INFORMATION

Structure of ownership

On 2 September 2004, DHG Pharmaceutical Joint Stock Company (the "Parent Company") was equitized from Hau Giang Pharmaceutical United Factory in accordance with Decision No. 2405/QD-CT.UB dated 5 August 2004 issued by the People's Committee of Can Tho City. The Parent Company was officially incorporated as a joint stock company under 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 Parent Company's shares were listed in Ho Chi Minh Stock Exchange with DHG code in accordance with Decision No. 93/UBCK-GPNY dated 1 December 2006 issued by the State Securities Commission of Vietnam.

As at 30 June 2021, the largest shareholders of the Parent Company are Taisho Pharmaceutical Co., Ltd. which owns 51.01% and the State Capital Investment Corporation ("SCIC") which owns 43.31% of share capital of the Parent Company. SCIC is controlled by the Commission for the Management of State Capital at Enterprises.

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

The number of employees of the Group as at 30 June 2021 was 2,679 (as at 31 December 2020: 2,712).

Operating industry and principal activities

The operating industry of the Group are to manufacture and sell pharmaceutical products.

The principal activities of the Group are to manufacture and trade pharmaceuticals, medical tools and supplies, medical equipment, health supplements and cosmeceuticals.

The Group' structure

As at 30 June 2021 and 31 December 2020, the Group' subsidiary was 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%

According to the Resolution of the Board of Directors No.003/2019/NQ.HĐQT dated 1 April 2019, the Board of Directors of the Parent 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 interim consolidated financial statements, the Parent Company liquidated all assets of Fuji Medic.

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 interim consolidated financial statements

Comparative figures on the interim consolidated balance sheet are the figures of the audited consolidated financial statements for the year ended 31 December 2020 and comparative figures on the interim consolidated income statement and interim consolidated cash flow statement are the figures of the reviewed consolidated financial statements for the 6-month period ended 30 June 2020.

Significant event in the period which has impact on the interim consolidated financial statements

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses across industries. The Management has assessed the impact of Covid-19 on the financial situation and business activities, and also kept track of the Government's support policies to take appropriate measures to minimize the negative impact of the pandemic on the Group's operations during the year. At the reporting date, the Management is still able to manage the impact of the Covid-19 pandemic on the Group's operation and has yet to revise its annual budget.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The interim 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 interim consolidated financial reporting.

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

Financial year

The Group's financial year begins on 1 January and ends on 31 December. The interim consolidated financial statements are prepared for the 6-month period ended 30 June each year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of interim consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting requires the 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 period. Although these accounting estimates are based on the Management's best knowledge, actual results may differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and enterprises controlled by the Group (its subsidiary) up to 30 June 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 a subsidiary acquired or disposed of during the period are included in the interim 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 subsidiary to bring the accounting policies used in line with those used by the Group.

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

Non-controlling interests in the net assets of consolidated subsidiary are identified separately from the parent's ownership interests in them. 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 subsidiary are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combination

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 recognised 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 period 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.

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 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 Note "Cash and cash equivalents"). These investments are measured at cost less provision for impairment of financial investments. Interest income from term deposits is recognized in the interim consolidated 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.

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 settle 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 labour 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 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:

	Years
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 interim consolidated income statement.

Operating leases

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

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 consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Intangible assets and amortization

Intangible 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.

Investment properties

Investment properties are buildings, or part of buildings or infrastructure or buildings and land held by the Group 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 prepaid expenses.

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

Others have been capitalized as prepayments, and are allocated to the interim 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 Management's best estimate of the expenditure required to settle the obligation as at the interim consolidated balance sheet date.

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period 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 period of service equals to a half of an average monthly salary under the Vietnamese Labour 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 interim consolidated financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the interim consolidated income statement.

Provision for dismantling and restoration costs

In accordance with Circular No. 200/2014/TT-BTC issued by 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 2016 to the time of returning the premises or land.

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 balance sheet date of that period. 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 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 sales of products, goods and services are recorded as deduction of revenue of the period.

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

Customer loyalty programs

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

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 revenue at the time that obligations to customers are fulfilled, which means goods are delivered and services are rendered to customers.

When customers meet all the required conditions and 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 revenue 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.

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 interim consolidated income statement.

Borrowing costs

Borrowing costs are recognized in the income statement in the period 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 interim 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 interim 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 interim 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.

Profit distribution

The Parent Company's net profit after tax is available for appropriation to shareholders as dividends and funds upon approval by shareholders at the Parent Company's Annual General Meeting.

Dividends are declared and paid from retained earnings based on the approval of shareholders at the Parent Company's Annual General Meeting.

Segment reporting

A segment is a distinct business segment of the Group that provides a single product or service or a group of related products and services (product segment), or provides products and services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of others. The basic reportable segment of the Group is product segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's interim consolidated financial statements in order to help users of interim consolidated financial statements to understand and evaluate the operations of the Group in a comprehensive way.

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash on hand	10,627,287,000	9,061,709,500
Demand deposits	56,702,931,153	63,992,763,518
	67,330,218,153	**73,054,473,018**

5. FINANCIAL INVESTMENTS

Held-to-maturity investments

Short-term held-to maturity investments represent term deposits with the original maturity terms from more than 3 months and remaining maturity terms of less than 12 months from reporting date. Term deposits earned interests at the rate from 3.95% to 5.85% per annum (as at 31 December 2020: 4.75% to 6.70% per annum).

As at 30 June 2021, term deposits with maturity term of over 3 months of VND 280,000,000,000 were pledged as collaterals for the short-term loans from the banks (Note 22) (as at 31 December 2020: VND 100,000,000,000).

Equity investments in other entities

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Equity investments in other entities	24,108,379,057	(19,845,879,057)	24,282,104,800	(19,894,584,800)

Details of equity investments in other entities are as follows:

	Closing balance	Opening balance
	VND	VND
ATP Packaging Joint Stock Company	20,000,000,000	20,000,000,000
Enlie Pharmaceutical Joint Stock Company	4,108,379,057	4,282,104,800
	24,108,379,057	**24,282,104,800**

As at 30 June 2021 and 31 December 2020, fair values of long-term investments in other entities were as below:

	Fair value	
	Closing balance	Opening balance
	VND	VND
ATP Packaging JSC (*)	2,600,000,000	2,600,000,000
Enlie Pharmaceutical Joint Stock Company (**)	1,662,500,000	1,787,520,000

(*) The fair value of investment in ATP Packaging Joint Stock Company was determined by Bao Viet Securities Joint Stock Company, an independent valuation company, not a related party of the Company on 29 December 2020.

(**) The fair value of investment in Enlie Pharmaceutical JSC was determined based on the reference price in the stock market exchange.

The balance of provision as at 30 June 2021 and 31 December 2020 represents the provision for impairment of the investment in following companies:

	Closing balance	Opening balance
	VND	VND
ATP Packaging Joint Stock Company	17,400,000,000	17,400,000,000
Enlie Pharmaceutical Joint Stock Company	2,445,879,057	2,494,584,800
	19,845,879,057	**19,894,584,800**

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Receivables from third parties (*)	317,792,273,670	412,581,916,558
Receivables from related parties (Note 41)	-	1,576,719,144
	317,792,273,670	**414,158,635,702**

(*) As at 30 June 2021 and 31 December 2020, there was no single short-term trade receivables from third parties accounting for 10% or more of total trade accounts receivable.

7. OTHER SHORT-TERM RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Accruals of interest income	30,393,145,215	40,494,673,974
Receivables from employees	18,755,217,068	18,314,170,360
Other receivables	4,706,299,414	4,500,178,394
	53,854,661,697	**63,309,022,728**

8. BAD DEBTS

	Closing balance		
	Cost VND	Provision VND	Recoverable amount VND
Total amount of receivables and loan receivables past due or not past due but impaired	96,566,060,036	(47,192,707,786)	49,373,352,250

	Opening balance		
	Cost VND	Provision VND	Recoverable amount VND
Total amount of receivables and loan receivables past due or not past due but impaired	96,627,799,467	(50,909,210,697)	45,718,588,770

As at 30 June 2021 and 31 December 2020, there was no single receivable accounting for 10% or more of total amount of receivables past due or not past due but impaired.

Movements in the provision for doubtful debts during current period and prior year were as follows:

	Current period VND	Prior year VND
Opening balance	50,909,210,697	55,217,383,646
Reversal of provision	(895,751,792)	(1,449,056,292)
Written off	(2,820,751,119)	(2,859,116,657)
Closing balance	**47,192,707,786**	**50,909,210,697**

9. INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	114,214,746,121	-	121,226,935,043	-
Raw materials	425,639,280,330	-	302,896,326,728	-
Work in progress	64,150,363,529	-	54,939,723,503	-
Finished goods	342,255,283,627	(1,388,315,367)	302,980,473,638	(1,064,611,683)
Merchandise	44,160,171,948	-	45,606,582,747	-
	990,419,845,555	**(1,388,315,367)**	**827,650,041,659**	**(1,064,611,683)**

Movements in the provision for devaluation of inventories during the current period and prior year were as follows:

	Current period VND	Prior year VND
Opening balance	1,064,611,683	1,091,103,288
Additional provision	323,703,684	-
Reversal in the period/year	-	(26,491,605)
Closing balance	**1,388,315,367**	**1,064,611,683**

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

10. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current		
- Prepayment related to operating lease	4,734,066,937	715,600,001
- Others	5,195,167,385	3,327,074,684
	9,929,234,322	**4,042,674,685**
b. Non-current		
- Tools and supplies	5,573,399,130	7,257,962,228
- Others	8,864,427,651	7,974,939,525
	14,437,826,781	**15,232,901,753**

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

	Opening balance	Payables during the period	Paid during the period	Closing balance
	VND	VND	VND	VND
Value added tax for import goods	(18,842,460)	30,314,234,998	(30,295,392,538)	-
Import and export duties	-	5,128,023,819	(5,128,023,819)	-
Value added tax for domestic goods	14,606,561,461	39,228,296,664	(46,646,797,894)	7,188,060,231
Corporate income tax	14,623,658,246	49,013,960,715	(40,250,330,351)	23,387,288,610
Personal income tax	8,921,458,132	25,442,198,018	(32,798,870,718)	1,564,785,432
Land rental fee, land use tax	-	7,299,601,798	(3,761,383,228)	3,538,218,570
Other taxes	-	389,575,276	(389,575,276)	-
	38,132,835,379	**156,815,891,288**	**(159,270,373,824)**	**35,678,352,843**
In which:				
Tax receivables	*18,842,460*			-
Tax payables	*38,151,677,839*			*35,678,352,843*

12. LOAN RECEIVABLES

Loan receivables represent interest-free loans granted to customers in accordance with the refundable capital support policy of the Group. Provisions for loan receivables have been presented in Note 8.

13. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	528,464,444,217	652,926,393,748	149,473,465,318	72,818,391,951	1,403,682,695,234
Transfer from construction in progress	-	16,987,108,597	-	75,436,363	17,062,544,960
Disposals	-	(23,107,461,502)	(4,858,797,294)	(92,768,994)	(28,059,027,790)
Closing balance	528,464,444,217	646,806,040,843	144,614,668,024	72,801,059,320	1,392,686,212,404
ACCUMULATED DEPRECIATION					
Opening balance	238,387,732,775	356,260,455,790	104,069,873,495	65,750,622,505	764,468,684,565
Charge for the period	13,941,978,351	23,346,312,782	4,306,053,515	1,480,577,452	43,074,922,100
Disposals	-	(11,072,450,319)	(4,222,644,262)	(32,099,994)	(15,327,194,575)
Closing balance	252,329,711,126	368,534,318,253	104,153,282,748	67,199,099,963	792,216,412,090
NET BOOK VALUE					
Opening balance	**290,076,711,442**	**296,665,937,958**	**45,403,591,823**	**7,067,769,446**	**639,214,010,669**
Closing balance	**276,134,733,091**	**278,271,722,590**	**40,461,385,276**	**5,601,959,357**	**600,469,800,314**

As at 30 June 2021, the cost of tangible fixed assets included VND 288,785,514,895 (as at 31 December 2020: VND 279,535,717,069) of assets which were fully depreciated but are still in use.

14. INTANGIBLE ASSETS

	Land use rights with indefinite term	Land use rights with definite term	Computer software	Total
	VND	VND	VND	VND
COST				
Opening balance	88,314,253,166	143,434,719,993	21,030,169,027	252,779,142,186
Closing balance	88,314,253,166	143,434,719,993	21,030,169,027	252,779,142,186
ACCUMULATED AMORTIZATION				
Opening balance	-	26,771,173,416	15,923,504,429	42,694,677,845
Charge for the period	-	1,502,465,052	810,739,616	2,313,204,668
Closing balance	-	28,273,638,468	16,734,244,045	45,007,882,513
NET BOOK VALUE				
Opening balance	**88,314,253,166**	**116,663,546,577**	**5,106,664,598**	**210,084,464,341**
Closing balance	**88,314,253,166**	**115,161,081,525**	**4,295,924,982**	**207,771,259,673**

As at 30 June 2021, the cost of intangible assets included VND 16,169,520,805 (as at 31 December 2020: VND 6,793,449,005) of assets which were fully amortized but are still in use.

15. INVESTMENT PROPERTIES

	Buildings and land use rights
	VND
COST	
Opening and closing balance	17,304,956,819
ACCUMULATED DEPRECIATION	
Opening balance	2,304,997,971
Charge for the period	172,744,242
Closing balance	2,477,742,213
NET BOOK VALUE	
Opening balance	**14,999,958,848**
Closing balance	**14,827,214,606**

As at 30 June 2021, the cost of investment properties included VND 232,067,069 (as at 31 December 2020: VND 232,067,069) of assets which were fully depreciated but are still for lease.

Fair value of the Group's investment properties as at 30 June 2021 was VND 38,724,445,120, which was determined by Century Valuation Joint Stock Company, an independent valuation company, not a related party of the Group. 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.

16. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Construction of Branch DHG Pharmaceutical Plant at Hau Giang province	11,664,213,313	11,893,304,222
BUD product project	1,293,522,895	1,293,522,895
Construction of Gia Lai branch office	3,473,948,774	623,948,774
CTP product project	202,029,350	202,029,350
Expansion of DHG Pharmaceutical Plant and DHG Printing and Packaging Plant	6,025,703,977	1,778,218,986
REB product project	2,983,810,627	2,983,810,627
Renovating departments	1,962,192,771	466,766,087
PGT Project	148,231,359	148,231,359
Other machineries	33,004,837,503	47,082,949,014
	60,758,490,569	**66,472,781,314**

Movements in the construction in progress during the current period and prior year were as follows:

	Current period VND	Prior year VND
Opening balance	66,472,781,314	28,927,855,544
Purchases	12,843,540,924	88,805,051,465
Transfer to tangible fixed assets (Note 13)	(17,062,544,960)	(43,149,564,728)
Transfer to intangible fixed assets (Note 14)	-	(4,860,648,222)
Transfer to prepayments	(708,839,306)	(1,301,454,975)
Transfer to expenses	(786,447,403)	(1,948,457,770)
Closing balance	**60,758,490,569**	**66,472,781,314**

17. DEFERRED TAX ASSETS

	Closing balance VND	Opening balance VND
Corporate income tax rates used for determination of value of deferred tax assets	20%	20%
Deferred tax assets related to deductible temporary differences	82,572,229,145	80,338,604,130
Deferred tax assets	**16,514,445,829**	**16,067,720,826**

The deferred tax assets mainly arise from deductible temporary differences relating to provisions and unrealized profits arising from intra-group transactions of asset acquisition between the Company and its branches when presenting the interim consolidation financial statements.

Movement of deferred tax assets in the period/year was as follow:

	Current period VND	Prior year VND
Opening balance	16,067,720,826	12,346,988,198
Additional provision	483,106,900	3,875,366,641
Change in elimination entry of fixed assets	(36,381,897)	(154,634,013)
Closing balance	**16,514,445,829**	**16,067,720,826**

18. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
Apc Pharmaceuticals and Chemical Limited	54,099,717,984	54,099,717,984	8,440,469,074	8,440,469,074
Centrient Pharmaceuticals India Private Limited	6,496,720,000	6,496,720,000	17,768,761,000	17,768,761,000
Centrient Pharmaceuticals Netherlands B.V	-	-	53,966,749,750	53,966,749,750
Others	135,048,130,189	135,048,130,189	172,094,573,085	172,094,573,085
	195,644,568,173	**195,644,568,173**	**252,270,552,909**	**252,270,552,909**

As at 30 June 2021 and 31 December 2020, the Group did not have any short-term trade payables past due.

19. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Payment discount	6,444,670,184	8,153,790,426
Interest payable	189,133,309	78,311,109
Other accruals	11,239,814,776	30,592,507,506
	17,873,618,269	**38,824,609,041**

20. SHORT-TERM UNEARNED REVENUE

Short-term unearned revenue represents the unearned revenue for customer loyalty programs (as presented in Note 3).

21. OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Union fee	548,996,927	548,081,634
Others	1,973,299,320	1,834,967,673
	2,522,296,247	**2,383,049,307**

22. SHORT-TERM LOANS

	Opening balance VND	Increases in period VND	Decreases in period VND	Closing balance VND
Loans from banks	212,271,519,448	666,804,881,494	(316,391,235,293)	562,685,165,649
	212,271,519,448	**666,804,881,494**	**(316,391,235,293)**	**562,685,165,649**

	Closing balance VND	Opening balance VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Can Tho Branch (*)	526,485,165,649	212,271,519,448
HSBC Bank (Vietnam) Ltd. (**)	36,200,000,000	-
	562,685,165,649	**212,271,519,448**

(*) Loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Can Tho Branch with a maximum credit limit of VND 700,000,000,000. This facility can be withdrawn in Vietnam Dong and withdrawal deadline will be due on 2 September 2021. The maximum duration for each withdrawal is 6 months. These loans are secured by term deposits, as presented in Note 5.

(**) Loans from HSBC Bank (Vietnam) Ltd. with a maximum credit limit of VND 100,000,000,000. This facility can be withdrawn in Vietnam Dong or United State Dollar ("USD") or Euro ("EUR") or Hong Kong Dollar ("HKD") equivalent. These loans are unsecured.

These loans bear interests at the rates ranging from 0.18% per month to 0.28% per month (as at 31 December 2020: from 0.28% per month to 0.47% per month).

23. BONUS AND WELFARE FUNDS

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

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

	Bonus and welfare fund VND	Bonus fund for Board of Directors VND	Welfare fund in form of assets VND	Total VND
Opening balance	30,289,675,309	4,350,961,280	12,394,302,169	47,034,938,758
Appropriation to the funds (Note 26)	22,196,247,010	6,000,000,000	-	28,196,247,010
Depreciation of assets formed from the funds	-	-	(1,240,859,412)	(1,240,859,412)
Utilization	(21,247,083,119)	(4,555,733,240)	-	(25,802,816,359)
Closing balance	**31,238,839,200**	**5,795,228,040**	**11,153,442,757**	**48,187,509,997**

24. LONG-TERM PROVISIONS

	Provision for dismantling and restoration cost	Severance allowance	Total
	VND	VND	VND
Opening balance	23,427,211,309	26,675,509,540	50,102,720,849
Additional provision for the period	1,968,845,076	173,938,360	2,142,783,436
Utilization of provisions	-	(650,992,750)	(650,992,750)
Closing balance	**25,396,056,385**	**26,198,455,150**	**51,594,511,535**

25. SCIENCE AND TECHNOLOGY DEVELOPMENT FUNDS

In accordance with Circular No.12/2016/TTLT-BKHCN-BTC dated 28 June 2016, enterprises are allowed to establish the science and technology development funds for research and development activities. Funds are established upon approval of the Board of Directors. Funds are utilized when disbursement are paid for research and development activities.

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

	Scientific and technological development fund in form of assets
	VND
Opening balance	12,928,090,564
Depreciation of assets formed from the scientific and technological development fund	(1,717,341,511)
Closing balance	**11,210,749,053**

26. OWNERS' EQUITY

Movement in owners' equity

	Owner's contributed capital	Share premium	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND	VND
Prior year's opening balance	**1,307,460,710,000**	**6,778,948,000**	**1,392,604,475,464**	**665,297,795,718**	**3,372,141,929,182**
Profit for the year	-	-	-	739,874,900,345	739,874,900,345
Dividends for 2019	-	-	-	(522,984,284,000)	(522,984,284,000)
Fund distribution	-	-	87,342,169,231	(87,342,169,231)	-
Appropriation to bonus and welfare fund	-	-	-	(19,061,642,883)	(19,061,642,883)
Appropriation to bonus fund for the Board of Directors	-	-	-	(6,000,000,000)	(6,000,000,000)
Current period's opening balance	**1,307,460,710,000**	**6,778,948,000**	**1,479,946,644,695**	**769,784,599,949**	**3,563,970,902,644**
Profit for the period	-	-	-	405,414,776,156	405,414,776,156
Dividends for 2020	-	-	-	(522,984,284,000)	(522,984,284,000)
Fund distribution	-	-	188,694,369,335	(188,694,369,335)	-
Appropriation to bonus and welfare fund	-	-	-	(22,196,247,010)	(22,196,247,010)
Appropriation to bonus fund for the Board of Directors	-	-	-	(6,000,000,000)	(6,000,000,000)
Current period's closing balance	**1,307,460,710,000**	**6,778,948,000**	**1,668,641,014,030**	**435,324,475,760**	**3,418,205,147,790**

Charter capital

According to the amended Business Registration Certificate, the Parent Company's charter capital is VND 1,307,460,710,000. The value and number of shares of the Parent Company are as follows:

	Closing balance		Opening balance	
	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 Parent Company. Ordinary shares are ranked equally with regard to the Parent Company's residual assets.

Dividends

According to Resolution of the Parent Company's Annual General Meeting No. 001/2021/NQ.ĐHĐCĐ dated 19 April 2021, the shareholders of the Parent Company have approved payment of dividends from profit after tax of 2020 at 40% in cash, equivalent to VND 522,984,284,000.

The Parent Company paid cash dividends of 2020 on 18 May 2021.

Fund distribution

According to Resolution of the Parent Company's Annual General Meeting No. 001/2021/NQ.ĐHĐCĐ dated on 19 April 2021, the shareholders of the Parent Company have approved the appropriation to bonus and welfare fund of employees from profit after tax of 2020 at the rate of 3%, equivalent to the amount of VND 22,196,247,010, remuneration for the Board of Directors, Audit committee, members of other committees under the Board of Directors, secretary of the Board of Directors with the amount of VND 6,000,000,000. The remaining profit after tax of 2020 is distributed to Investment and development fund.

27. NON-CONTROLLING INTERESTS

	Current period	Prior year
	VND	VND
Opening balance	4,068,461,712	5,409,553,015
Net loss attributable to non-controlling interests	(934,314,280)	(1,341,091,303)
Closing balance	**3,134,147,432**	**4,068,461,712**

28. OFF BALANCE SHEET ITEMS

Foreign currencies

Cash and cash equivalents included the following currencies:

	Closing balance	Opening balance
United States Dollar ("USD")	295,896	517,671
Euros ("EUR")	931	937
Yen ("JPY")	30,701	31,427

Bad debt written off

	Closing balance	Opening balance
Bad debt written off	5,676,750,056	2,858,998,937

During the period, the Group wrote off bad debts and bad credits due to unable to collect.

29. SEGMENT REPORTING

The primary format, product segments, is based on the Group's management and internal reporting structure.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise assets and liabilities, financial income and expenses, selling expenses, general and administration expenses, other income or other expenses, and corporate income tax.

Product segments

In presenting information on the basis of product segments, segment revenue is disclosed for pharmaceutical products, health supplements and others.

	Current period	Prior period
	VND	VND
Net sales		
Pharmaceutical products	1,582,107,857,898	1,350,295,125,081
Health supplements	237,625,129,624	253,670,874,541
Others	145,486,927,386	74,782,360,298
	1,965,219,914,908	**1,678,748,359,920**
Cost of sales		
Pharmaceutical products	(774,981,069,435)	(651,193,951,189)
Health supplements	(146,366,943,953)	(122,335,433,214)
Others	(130,151,566,448)	(60,351,209,551)
	(1,051,499,579,836)	**(833,880,593,954)**
Gross profit		
Pharmaceutical products	807,126,788,463	699,101,173,892
Health supplements	91,258,185,671	131,335,441,327
Others	15,335,360,938	14,431,150,747
	913,720,335,072	**844,867,765,966**

30. NET REVENUE OF GOODS SOLD AND SERVICES RENDERED

	Current period VND	Prior period VND
Sales of goods and services		
Sales of finished goods	1,881,116,526,280	1,675,123,585,918
Sales of merchandise	332,521,915,469	159,947,122,429
Others	1,322,411,746	786,894,799
	2,214,960,853,495	**1,835,857,603,146**
Deductions		
Sales discount	248,962,689,860	155,824,311,361
Sales return	778,248,727	1,284,931,865
	249,740,938,587	**157,109,243,226**
Net sales of goods and services		
In which:		
Sales of finished goods	1,632,829,344,739	1,519,176,280,790
Sales of merchandise	331,068,158,423	158,785,184,331
Others	1,322,411,746	786,894,799
	1,965,219,914,908	**1,678,748,359,920**

31. COST OF GOODS SOLD AND SERVICES RENDERED

	Current period VND	Prior period VND
Cost of finished goods sold	733,169,886,427	688,739,666,850
Cost of merchandise sold	318,005,989,725	145,513,297,060
Others	-	337,125
Addition/(reversal) of provision for devaluation of inventories	323,703,684	(372,707,081)
	1,051,499,579,836	**833,880,593,954**

32. OPERATING COSTS BY NATURE

	Current period VND	Prior period VND
Raw materials and consumables	994,690,589,631	799,391,626,474
Staff cost	423,438,947,622	435,843,322,967
Depreciation and amortization	41,648,012,972	44,250,638,316
Outsourced services	90,557,595,539	93,622,848,508
Other expenses	94,261,069,765	87,742,998,148
	1,644,596,215,529	**1,460,851,434,413**

33. FINANCIAL INCOME

	Current period VND	Prior period VND
Dividends and profits earned	-	177,052,520
Interest income	59,727,811,491	70,464,220,643
Foreign exchange gain	3,919,448,814	3,292,324,563
	63,647,260,305	**73,933,597,726**

34. FINANCIAL EXPENSES

	Current period VND	Prior period VND
Settlement discount	40,147,849,934	37,600,373,289
Interest expense	6,278,590,807	6,012,071,421
Foreign exchange losses	3,334,404,820	4,939,086,396
Reversal provision for impairment of investments	(48,705,743)	(93,723,093)
Loss from investment liquidation	89,005,743	-
Other financial expenses	54,491,826	43,900,056
	49,855,637,387	**48,501,708,069**

35. SELLING, GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Prior period VND
a. Selling expenses		
- Advertising expenses	49,625,975,930	43,840,632,232
- Staff cost	202,318,401,424	186,016,341,472
- Others	90,672,235,545	86,003,035,332
	342,616,612,899	**315,860,009,036**
b. General and administration expenses		
- Staff cost	85,508,860,727	109,331,764,598
- Others	35,178,946,016	41,279,030,211
	120,687,806,743	**150,610,794,809**

36. OTHER INCOME

	Current period VND	Prior period VND
Gain from disposals of fixed assets	-	684,227,272
Others	1,144,458,689	1,389,313,417
	1,144,458,689	**2,073,540,689**

37. OTHER EXPENSES

	Current period VND	Prior period VND
Loss from disposals of fixed assets	8,347,106,848	-
Depreciation	954,657,115	324,855,125
Others	3,002,535,486	3,786,023,982
	12,304,299,449	**4,110,879,107**

38. CURRENT CORPORATE INCOME TAX EXPENSE

	Current period VND	Prior period VND
Profit before tax	453,047,697,588	401,774,386,659
Tax calculated at a normal rate of 20%	90,609,539,518	80,354,877,332
Adjustments for:		
Effect of taxable losses at subsidiary	381,352,767	-
Non-assessable income	-	(48,071,058)
Non-deductible expenses	3,306,757,887	101,965,344
Additional previous year's tax	9,331,091	-
Tax incentive	(45,095,512,757)	(41,522,756,954)
Adjustments for consolidation	(197,507,791)	3,404,079
Corporate income tax expense	**49,013,960,715**	**38,889,418,743**

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

	Current period VND	Prior period VND
Deferred corporate tax (income)/expense	(483,106,900)	101,550,269
Change of eliminated entries of fixed assets	36,381,897	77,317,008
	(446,725,003)	**178,867,277**

The corporate income tax expense for the period is estimated based on taxable income and is subject to adjustments upon review of the tax authorities.

Applicable tax rates

From 1 April 2018, DHG Pharmaceutical One Member Limited Company ("DHG Pharmaceutical") and DHG Packaging and Printing 1 One Member Limited Company ("DHG Packaging and Printing 1") were merged into the Company and still entitled to tax incentives as follows:

- Pursuant to the Investment Certificate, DHG Packaging and Printing 1 is obliged to pay corporate income tax at the rate of 10% of taxable income from 2014 to 2028. Under terms in Investment Certificate granted to DHG Packaging and Printing 1, DHG Packaging and Printing 1 is entitled to corporate income tax exemption from 2014 to 2017 and 50% reduction of corporate income tax from 2018 to 2026.

- Pursuant to Investment Certificate No. 642041000005 issued by the Management Board of Hau Giang Industrial Zone, DHG Pharmaceutical is entitled to corporate income tax at the rate of 10% of taxable income for 15 years from the date of starting its operation. DHG Pharmaceutical is entitled to the corporate income tax exemption for 4 years and 50% reduction for the following 9 years commencing from the first year of having taxable income. DHG Pharmaceutical has registered to the tax department of Hau Giang province to apply the above tax incentives effective from 2015.

Pursuant to Official Letter No. 5610/TCT-CS dated 6 December 2017 issued by General Tax Authority, the aforementioned tax incentives are still applicable to the Company after its merger.

All above tax incentives are not applicable to remaining income which is entitled to the normal rate of 20%.

The remaining subsidiary in the Group is obliged to pay corporate income tax at the normal rate of 20% of taxable income.

39. BASIC EARNINGS PER SHARE

a. Basic earnings per share

Basic earnings per share is 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.

	Current period VND	Prior period VND
Accounting profit after corporate income tax (VND)	405,414,776,156	362,675,082,283
Appropriation to fund (*)	(15,162,443,285)	(13,880,252,468)
Profit attributable to ordinary shareholders (VND)	390,252,332,871	348,794,829,815
Weighted average ordinary shares in circulation for the period (share)	130,746,071	130,746,071
Basic earnings per share (VND/share)	**2,985**	**2,668**

(*) Estimated amounts appropriated to bonus and welfare funds for the 6-month period ended 30 June 2021 are determined based on the planned appropriation percentage of profit distribution to bonus and welfare funds at the rate of 3% in accordance with Resolution of the Parent Company's Annual General Meeting No. 001/2021/NQ.ĐHĐCĐ dated 19 April 2021.

b. Diluted earnings per share

The Group does not have potentially diluted ordinary shares.

40. COMMITMENTS

a. Operating lease commitment

	Current period VND	Prior period VND
Minimum lease payment under operating leases recognized in the interim consolidated income statement for the period	3,553,218,570	2,717,814,192

At the interim consolidated balance sheet date, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Closing balance VND	Opening balance VND
Within one year	7,076,437,142	5,422,028,378
In the second to fifth year inclusive	28,305,748,568	21,688,113,512
After five years	125,954,566,277	99,224,658,019
	161,336,751,987	**126,334,799,909**

b. Capital commitment

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

	Closing balance VND	Opening balance VND
Approved but not contracted	574,485,250,395	580,576,297,132
Approved and contracted but not implemented	11,962,922,935	11,687,315,314
	586,448,173,330	**592,263,612,446**

In addition, the Board of Directors has approved the investment plan for Phase 2 - Project "Expansion of DHG Pharmaceutical Factory and DHG Printing and Packaging" with the amount of VND 440,000,000,000.

41. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

Related party	Relationship
Taisho Pharmaceutical Co., Ltd. ("Taisho")	Major shareholder
The State Capital Investment Corporation ("SCIC")	Major shareholder
Taisho Vietnam Co., Ltd.	Taisho's related party
Hoe Pharmaceuticals Sdn Bhd	Taisho's related party

During the period, the Group entered into the following transactions with related parties:

	Current period VND	Prior period VND
Sales of goods and provision of services		
Hoe Pharmaceuticals Sdn Bhd	379,208,649	-
Taisho Vietnam Co., Ltd.	468,155,712	-
	847,364,361	**-**
Purchases of goods and services		
Taisho Vietnam Co., Ltd.	401,569,920	-
Taisho Pharmaceutical Co., Ltd.	65,127,370	-
	466,697,290	**-**
Dividends paid		
SCIC	226,504,948,000	169,878,711,000
Taisho Pharmaceutical Co., Ltd.	266,788,208,000	200,091,156,000
	493,293,156,000	**369,969,867,000**

Remuneration paid to the Company's the Board of Directors and the Management during the period was as follows:

	Current period VND	Prior period VND
Salaries and other benefits	9,923,479,180	8,330,558,208

The balance with related party at the interim consolidated balance sheet date were as follows:

	Closing balance VND	Opening balance VND
Trade receivables		
Taisho Vietnam Co., Ltd.	-	1,576,719,144

42. SUPPLEMENTAL DISCLOSURES OF INTERIM CONSOLIDATED CASH FLOW INFORMATION

a. Non-cash transactions affecting the interim consolidated cash flow statement:

	Current period VND	Prior period VND
Profit appropriation to reserves	216,890,616,345	112,403,812,114
Transfers from construction in progress to tangible fixed assets	17,062,544,960	32,384,081,544
Transfers from construction in progress to intangible assets	-	453,676,000
Transfers from construction in progress to prepayments	708,839,306	436,888,673
Accrued interest payables	189,133,309	239,669,981
Interest earned which have not been received	30,393,145,215	37,193,321,865
Dividends not yet paid	-	130,746,071,000

b. Proceeds from borrowings

	Current period VND	Prior period VND
Proceeds from borrowings under normal contracts	666,804,881,494	650,098,169,307

c. Repayment of borrowings

	Current period VND	Prior period VND
Repayment of borrowings under normal contracts	316,391,235,293	466,790,840,100

Tran Ngoc Hien	Ho Buu Huan	Masashi Nakaura
Preparer	Chief Accountant	General Director
		11 August 2021