

DHG PHARMACEUTICAL JOINT STOCK COMPANY

INTERIM FINANCIAL STATEMENTS  
FOR THE FISCAL PERIOD ENDED 31 MARCH 2024



**DHG PHARMACEUTICAL JOINT STOCK COMPANY**

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# DHG PHARMACEUTICAL JOINT STOCK COMPANY

## CORPORATE INFORMATION

<b>Establishment decision</b>	No. 2405/QD-CT.UB dated 5 August 2004 This decision was issued by the People's Committee of Can Tho City.	
<b>Business registration Certificate</b>	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 03 January 2023 was issued by the Department of Planning and Investment of Can Tho City.	
<b>Board of Directors</b>	Ms. Dang Thi Thu Ha Mr. Jun Kuroda Mr. Toshiyuki Ishii Mr. Maki Kamijo Mr. Doan Dinh Duy Khuong Mr. Do Le Hung Ms. Nguyen Thi Viet Thanh	Chairwoman Member Member Member Member Independence member Independence member
<b>Management</b>	Mr. Toshiyuki Ishii Mr. Doan Dinh Duy Khuong Ms. Nguyen Ngoc Diep Mr. Tomoyuki Kawata Ms. Le Thi Hong Nhung Ms. Vu Thi Huong Lan	General Director Chief Operating Officer Deputy General Director Deputy General Director Finance Director Human Resources Director
<b>Audit Committee</b>	Mr. Do Le Hung Ms. Dang Thi Thu Ha Mr. Maki Kamijo	Head Member Member
<b>Legal representative</b>	Mr. Toshiyuki Ishii	General Director
<b>Head office</b>	288 Bis Nguyen Van Cu, An Hoa Ward, Ninh Kieu District, Can Tho City, Vietnam	

## INTERIM BALANCE SHEET

Codes	ASSETS	Notes	As at 31.03.2024	As at 31.12.2023
			VND	VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>4,745,903,271,705</b>	<b>4,642,192,911,354</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>4</b>	<b>52,731,767,043</b>	<b>94,134,026,358</b>
111	Cash		52,731,767,043	94,134,026,358
<b>120</b>	<b>Short-term financial investments</b>	<b>5</b>	<b>2,675,000,000,000</b>	<b>2,230,000,000,000</b>
123	Held-to-maturity investments		2,675,000,000,000	2,230,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>575,552,511,804</b>	<b>720,853,339,751</b>
131	Short-term trade receivables	6	472,686,406,486	564,316,568,263
132	Short-term advances to suppliers		82,932,812,936	97,870,766,106
135	Short-term loan receivables	7	257,622,204	257,622,204
136	Other short-term receivables	8	55,502,318,390	93,865,682,771
137	Provision for short-term doubtful debts	9	(35,826,648,212)	(35,457,299,593)
<b>140</b>	<b>Inventories</b>	<b>10</b>	<b>1,395,174,507,398</b>	<b>1,534,636,314,655</b>
141	Inventories		1,399,341,497,221	1,538,803,304,478
149	Provision for devaluation of inventories		(4,166,989,823)	(4,166,989,823)
<b>150</b>	<b>Other short-term assets</b>		<b>47,444,485,460</b>	<b>62,569,230,590</b>
151	Short-term prepayments	11	13,574,025,286	10,348,451,125
152	Value added tax deductibles		24,041,891,082	38,299,117,713
153	Taxes and other receivables from the State budget	12	9,828,569,092	13,921,661,752
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>1,455,402,980,808</b>	<b>1,468,281,309,218</b>
<b>210</b>	<b>Long-term receivables</b>		<b>695,061,880</b>	<b>205,000,000</b>
216	Other long-term receivables		695,061,880	205,000,000
<b>220</b>	<b>Fixed assets</b>		<b>793,043,764,094</b>	<b>816,151,349,895</b>
221	Tangible fixed assets	13	612,121,881,481	634,290,806,084
222	Cost		1,603,282,415,562	1,605,054,855,405
223	Accumulated depreciation		(991,160,534,081)	(970,764,049,321)
227	Intangible fixed assets	14	180,921,882,613	181,860,543,811
228	Cost		234,288,626,721	234,288,626,721
229	Accumulated amortization		(53,366,744,108)	(52,428,082,910)
<b>230</b>	<b>Investment properties</b>	<b>15</b>	<b>31,278,908,796</b>	<b>31,481,004,375</b>
231	Cost		44,826,611,143	44,826,611,143
232	Accumulated depreciation		(13,547,702,347)	(13,345,606,768)
<b>240</b>	<b>Long-term assets in progress</b>	<b>16</b>	<b>556,875,183,538</b>	<b>553,593,578,887</b>
242	Construction in progress		556,875,183,538	553,593,578,887
<b>250</b>	<b>Long-term financial investments</b>	<b>5</b>	<b>4,420,000,000</b>	<b>4,175,000,000</b>
253	Equity investments in other entities		24,108,379,057	24,108,379,057
254	Provision for impairment of long-term financial investments		(19,688,379,057)	(19,933,379,057)
<b>260</b>	<b>Other long-term assets</b>		<b>69,090,062,500</b>	<b>62,675,376,061</b>
261	Long-term prepayments	11	52,045,998,310	45,803,166,017
262	Deferred tax assets	17	17,044,064,190	16,872,210,044
<b>270</b>	<b>TOTAL ASSETS</b>		<b>6,201,306,252,513</b>	<b>6,110,474,220,572</b>

## INTERIM BALANCE SHEET (cont.)

Codes	RESOURCES	Notes	As at 31.03.2024 VND	As at 31.12.2023 VND
<b>300</b>	<b>LIABILITIES</b>		<b>1,126,142,834,312</b>	<b>1,257,539,546,302</b>
<b>310</b>	<b>Current liabilities</b>		<b>1,057,191,644,355</b>	<b>1,189,241,981,081</b>
311	Short-term trade payables	18	251,400,240,490	217,976,497,330
312	Short-term advances from customers		13,626,733,285	17,052,802,354
313	Taxes and amounts payable to the State budget	12	35,169,502,503	39,328,182,255
314	Payables to employees		119,224,216,041	200,602,151,395
315	Short-term accrued expenses	19	47,823,571,754	64,723,116,636
318	Short-term unearned revenue	20	24,369,866,484	43,702,028,314
319	Other current payables	21	1,806,850,059	2,155,779,020
320	Short-term loans	22	544,725,923,789	572,164,547,560
322	Bonus and welfare funds	23	19,044,739,950	31,536,876,217
<b>330</b>	<b>Long-term liabilities</b>		<b>68,951,189,957</b>	<b>68,297,565,221</b>
342	Long-term provisions	24	65,431,329,439	64,317,626,290
343	Science and technology development fund	25	3,519,860,518	3,979,938,931
<b>400</b>	<b>EQUITY</b>		<b>5,075,163,418,201</b>	<b>4,852,934,674,270</b>
<b>410</b>	<b>Owner's equity</b>	<b>26</b>	<b>5,075,163,418,201</b>	<b>4,852,934,674,270</b>
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		2,458,122,657,972	2,458,122,657,972
421	Retained earnings		1,302,801,102,229	1,080,572,358,298
421a	- Retained earnings accumulated to the prior year end		1,080,572,358,298	29,909,699,603
421b	- Retained earnings of the current period		222,228,743,931	1,050,662,658,695
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>6,201,306,252,513</b>	<b>6,110,474,220,572</b>

Tran Ngoc Hien  
Preparer

Ho Bui Huan  
Chief Accountant



Toshiyuki Ishii  
General Director  
18 April 2024

## INTERIM INCOME STATEMENT

Codes	Notes	For the 3-month period ended		
		31.03.2024 VND	31.03.2023 VND	
01	Gross revenue from goods sold and services rendered	28	1,463,734,199,389	1,383,426,620,514
02	Deductions	28	205,215,675,341	154,868,593,150
<b>10</b>	<b>Net revenue from goods sold and services rendered</b>	<b>28</b>	<b>1,258,518,524,048</b>	<b>1,228,558,027,364</b>
11	Cost of sales	29	746,021,322,465	614,412,653,946
20	Gross profit from goods sold and services rendered		512,497,201,583	614,145,373,418
21	Financial income	30	38,803,815,449	52,724,641,528
22	Financial expenses	31	21,199,118,726	19,268,607,863
23	<i>In which: Interest expense</i>		5,207,518,121	4,466,296,455
25	Selling expenses	32	191,813,211,170	187,850,091,363
26	General and administrative expenses	32	88,483,489,419	68,517,173,126
<b>30</b>	<b>Operating profit</b>		<b>249,805,197,717</b>	<b>391,234,142,594</b>
31	Other income	33	1,751,621,832	525,631,229
32	Other expenses	33	1,555,786,323	1,126,505,003
40	Losses/ (Gains) from other activities		195,835,509	(600,873,774)
<b>50</b>	<b>Accounting profit before tax</b>		<b>250,001,033,226</b>	<b>390,633,268,820</b>
51	Current corporate income tax expense	35	27,944,143,441	29,648,082,371
52	Deferred corporate tax (income)/ expense	35	(171,854,146)	22,025,777
<b>60</b>	<b>Net profit after corporate income tax</b>		<b>222,228,743,931</b>	<b>360,963,160,672</b>
<b>70</b>	<b>Earnings per share (VND)</b>	<b>36</b>	<b>1,645</b>	<b>2,674</b>

Tran Ngoc Hien  
Preparer

Ho Bui Huan  
Chief Accountant

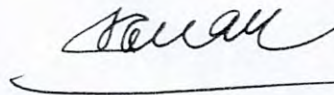


Toshiyuki Ishii  
General Director  
18 April 2024

INTERIM CASH FLOW STATEMENT  
(Indirect method)

Items	Codes	Fiscal period ended	
		31.03.2024 VND	31.03.2023 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	01	250,001,033,226	390,633,268,820
2. Adjustment for:			
Depreciation and amortization of fixed assets and investment properties	02	23,424,315,229	20,930,868,176
Provisions	03	1,345,382,929	119,760,929
Foreign exchange losses/ (gains) arising from translating foreign currency items	04	906,367,015	(2,199,600,207)
Gain from investing activities	05	(38,032,690,581)	(46,191,551,372)
Interest expense	06	5,207,518,121	4,466,296,455
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>242,851,925,939</b>	<b>367,759,042,801</b>
Changes in receivables	09	120,955,475,256	(80,542,206,311)
Changes in inventories	10	139,461,807,257	(88,111,286,460)
Changes in payables	11	(96,713,632,889)	(188,341,666,554)
Changes in prepaid expenses	12	1,012,662,263	(2,873,556,011)
Interest paid	14	(5,240,625,131)	(4,316,090,282)
Corporate income tax paid	15	(24,317,331,454)	(19,047,603,388)
Other cash outflows	17	(12,444,651,334)	(4,614,405,616)
<b>Net cash generated by/ (used in) operating activities</b>	<b>20</b>	<b>365,565,629,907</b>	<b>(20,087,771,821)</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Payment for purchasing, construction of fixed assets and other long-term assets	21	(14,342,263,684)	(36,496,500,610)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	545,567,000	-
3. Cash outflow for lending, buying debt instruments of other entities	23	(1,390,000,000,000)	(1,035,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	945,000,000,000	900,000,000,000
5. Interest earned, dividends and profits received	27	79,271,882,490	47,307,666,438
<b>Net cash used in investing activities</b>	<b>30</b>	<b>(379,524,814,194)</b>	<b>(124,188,834,172)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	234,563,739,386	273,194,566,510
2. Repayment of borrowings	34	(262,002,363,157)	(114,723,409,074)
<b>Net cash used in financing activities</b>	<b>40</b>	<b>(27,438,623,771)</b>	<b>158,471,157,436</b>
<b>Net (decrease)/ increase in cash</b>	<b>50</b>	<b>(41,397,808,058)</b>	<b>14,194,551,443</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>94,134,026,358</b>	<b>34,017,813,791</b>
Effects of changes in foreign exchange rates	61	(4,451,257)	(56,757,330)
<b>Cash and cash equivalents at the end of the period/ year</b>	<b>70</b>	<b>52,731,767,043</b>	<b>48,155,607,904</b>

  
Tran Ngoc Hien  
Preparer

  
Ho Bui Huan  
Chief Accountant

  
  
Toshiyuki Ishii  
General Director  
18 April 2024

**NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FISCAL PERIOD ENDED 31 MARCH 2024****1 GENERAL INFORMATION****Structure of ownership**

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/QD-CT.UB dated 5 August 2004 issued by the People's Committee of Can Tho City. The 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 Company's shares were listed on 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.

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 Company as at 31 March 2024 was 2,788 (as at 31 December 2023: 2,789).

**Operating industry and principal activities**

The Company's operating industry is to manufacture and sell pharmaceutical products.

The Company's principal activities are to manufacture and trade pharmaceuticals, health supplement and cosmeceuticals.

**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 financial statements**

Comparative figures on the balance sheet are the figures of the audited financial statements for the Fiscal year ended 31 December 2023. Comparative figures on the income statement and cash flow statement are the figures of the interim financial statements for the fiscal period ended 31 March 2023.

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

The 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 financial statements are prepared solely to present the financial position of the Company as at 31 March 2024, and its results of operations and cash flows for the Fiscal period ended 31 March 2024. The investments of the Company are recorded under the Company's policy and are presented in Note 3 as below.

The 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.



**2 ACCOUNTING CONVENTION AND FISCAL YEAR (cont.)****Fiscal year**

The Company'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 Company in the preparation of the financial statements, are as follows:

**Estimates**

The preparation of 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.

**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, highly liquid investments that are 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 Company's 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 Note "Cash and cash equivalents") for the purpose of earning annual interest. These investments are measured at cost less provision for impairment of financial investments. Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Interest income from term deposits is recognized in the income statement on accrual basis.

**Loan receivables**

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

**Equity investments in other entities**

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company 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 investments is made when there is a reliable evidence for declining in value of these investments at the balance sheet date, except for loss that was anticipated in their business plan before the date of investment.

**Receivables**

Receivables represent the amounts recoverable from customers or other debtors. Receivables 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.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)****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. The Company applies the perpetual inventory procedure. 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:

	<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 income statement.

**Leases**The Company 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 Company 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 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 fixed assets and amortization**

Intangible fixed assets represent 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 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 Company'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 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 income statement using the straight-line method over the lease term.

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

**Provisions**

Provisions are recognized when the Company has a present obligation as a result of a past event, and it is probable that the Company 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 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 Company 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 six consecutive months nearest to the date of the financial statements at the end of each fiscal year. The increase or decrease in the accrued amount shall be recorded in the income statement.

**Provision for dismantling and restoration costs**

In accordance with Circular 200/2014/TT-BTC issued by the Ministry of Finance, since 1 January 2015, the Company is required to provide for dismantling and restoration costs of the Company'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 Company 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 Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company 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 Company; 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 Company;
- (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 Company's right to receive payment has been established.

**Sales deductions**

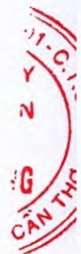
Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same year of sales of products, goods and services are recorded as deduction of revenue of that year.

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

**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 of goods sold and services rendered.

When customers meet all the required conditions and the Company is the one providing the free or discounted goods and services to customers, the unearned revenue is realized into the Company'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 (con.t)**

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 Company does not act as an agent of the third party, the unearned revenue is realized into the revenue of goods sold and services rendered at the time that third party provides the free or discounted goods and services to customers. If the Company acts as an agent of the third party, the Company 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 payable to the third party is settlement for payable.

**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 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 profit for the period. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (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 financial statements and the corresponding tax bases used in the computation of taxable profit 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 profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply during the year when the liability is settled or the asset realized. Deferred tax is charged or credited to the 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 Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the current corporate income tax 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.

## 4 CASH AND CASH EQUIVALENTS

	31.03.2024 VND	31.12.2023 VND
Cash on hand	15,400,350,843	12,018,469,000
Demand deposits	36,701,188,200	82,115,557,358
Cash in transit	630,228,000	-
	<u>52,731,767,043</u>	<u>94,134,026,358</u>

## 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 and remaining maturity terms of less than 12 months from reporting date.

## Held-to-maturity investments

	31.03.2024		31.12.2023	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	<u>2,675,000,000,000</u>	<u>2,675,000,000,000</u>	<u>2,230,000,000,000</u>	<u>2,230,000,000,000</u>

## (b) Long-term financial investments

	31.03.2024		31.12.2023	
	Cost VND	Provision VND	Cost VND	Provision VND
Equity investments in other entities (*)	<u>24,108,379,057</u>	<u>(19,688,379,057)</u>	<u>24,108,379,057</u>	<u>(19,933,379,057)</u>
	<u>24,108,379,057</u>	<u>(19,688,379,057)</u>	<u>24,108,379,057</u>	<u>(19,933,379,057)</u>

(\*) Equity investments in other entities:

	31.03.2024 VND	31.12.2023 VND
ATP Packaging Joint Stock Company	20,000,000,000	20,000,000,000
Enlie Pharmaceutical Joint Stock Company	4,108,379,057	4,108,379,057
	<u>24,108,379,057</u>	<u>24,108,379,057</u>

The provision balance as at 31 March 2024 and 31 December 2023 represents the provision for long-term investments in the following other entities:

	31.03.2024 VND	31.12.2023 VND
ATP Packaging Joint Stock Company	17,400,000,000	17,400,000,000
Enlie Pharmaceutical Joint Stock Company	2,288,379,057	2,533,379,057
	<u>19,688,379,057</u>	<u>19,933,379,057</u>

## 6 SHORT-TERM TRADE RECEIVABLES

	31.03.2024 VND	31.12.2023 VND
Related parties (Note 38)	-	359,198,711
Third parties	472,686,406,486	563,957,369,552
	<u>472,686,406,486</u>	<u>564,316,568,263</u>

As at 31 March 2024 and 31 December 2023, there was no single trade receivable from third parties accounting for 10% or more of total trade receivables.

## 7 LOAN RECEIVABLES

Short-term loan receivables	31.03.2024 VND	31.12.2023 VND
Loan receivables from customers	257,622,204	257,622,204
	<u>257,622,204</u>	<u>257,622,204</u>

## 8 OTHER SHORT-TERM RECEIVABLES

	31.03.2024 VND	31.12.2023 VND
Accruals of interest income	35,503,287,674	77,288,046,583
Receivable from employees	15,708,787,930	11,377,183,395
Other receivables	4,290,242,786	5,200,452,793
	<u>55,502,318,390</u>	<u>93,865,682,771</u>

## 9 BAD DEBTS

	31.03.2024		
	Cost VND	Recoverable amount VND	Provision VND
Total amount of receivables and loan receivables past due or not past due but impaired	100,064,608,197	64,237,959,985	(35,826,648,212)
	<u>100,064,608,197</u>	<u>64,237,959,985</u>	<u>(35,826,648,212)</u>
	31.12.2023		
	Cost VND	Recoverable amount VND	Provision VND
Total amount of receivables and loan receivables past due or not past due but impaired	85,898,997,236	50,441,697,643	(35,457,299,593)
	<u>85,898,997,236</u>	<u>50,441,697,643</u>	<u>(35,457,299,593)</u>

As at 31 March 2024 and 31 December 2023, there was no balance of receivables accounting for 10% or more of total past due receivable amount.

## 9 BAD DEBTS (cont.)

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

	Fiscal period ended 31.03.2024 VND	Fiscal year ended 31.12.2023 VND
Opening balance	35,457,299,593	40,635,347,479
Additional/ (Reversal) of provision in the period/year	369,348,619	(745,684,747)
Write off in the period/ year	-	(4,432,363,139)
Closing balance	<u>35,826,648,212</u>	<u>35,457,299,593</u>

## 10 INVENTORIES

	31.03.2024		31.12.2023	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	173,787,452,556	-	148,847,734,811	-
Raw materials	670,345,018,272	(1,363,391,273)	714,496,974,952	(1,363,391,273)
Work in progress	91,885,582,034	-	61,543,767,889	-
Finished goods	424,739,338,810	(2,803,598,550)	493,464,850,314	(2,803,598,550)
Merchandise	38,584,105,549	-	120,449,976,512	-
	<u>1,399,341,497,221</u>	<u>(4,166,989,823)</u>	<u>1,538,803,304,478</u>	<u>(4,166,989,823)</u>

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

	Fiscal period ended 31.03.2024 VND	Fiscal year ended 31.12.2023 VND
Opening balance	4,166,989,823	1,079,381,315
Additional in provision in the period/year	-	3,087,608,508
Closing balance	<u>4,166,989,823</u>	<u>4,166,989,823</u>

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

As at 31 March 2024 and 31 December 2023, the Company did not have any slow moving, damaged or sub-standard inventories.

## 11 PREPAYMENTS

## Short-term prepayments

	31.03.2024 VND	31.12.2023 VND
Prepayment related to operating lease	8,288,970,062	2,341,616,129
Others	5,285,055,224	8,006,834,996
	<u>13,574,025,286</u>	<u>10,348,451,125</u>

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



## 11 PREPAYMENTS (cont.)

## Long-term prepayments

	31.03.2024 VND	31.12.2023 VND
Tools and supplies	13,508,968,574	15,012,818,726
Others	38,537,029,736	30,790,347,291
	<u>52,045,998,310</u>	<u>45,803,166,017</u>

Prepayments are allocated in a period of more than 12 months since the time of prepayment.

Movements in long-term prepayments were as follows:

	Fiscal period ended 31.03.2024 VND	Fiscal year ended 31.12.2023 VND
Opening balance	45,803,166,017	34,594,969,043
Increase in the period/year	15,912,634,376	37,419,236,698
Allocation in the period/year	(9,669,802,083)	(26,211,039,724)
Closing balance	<u>52,045,998,310</u>	<u>45,803,166,017</u>

## 12 TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

## Taxes and other receivables from the State budget

	Opening balance	Payable during the period/year	Paid during the period/year	Waiting for net-off/refund during the period/year	Closing balance
	VND	VND	VND	VND	VND
Value added tax for domestic goods	-	-	-	-	-
Value added tax for import goods	-	-	-	-	-
Import and export duties	-	-	-	-	-
Corporate income tax	-	-	-	-	-
Personal income tax	(11,712,427,300)	11,712,427,300	-	(9,703,695,408)	(9,703,695,408)
Land rental fee, land use tax	(2,125,372,645)	2,125,372,645	-	-	-
Other taxes	(83,861,807)	-	(41,011,877)	-	(124,873,684)
	<u>(13,921,661,752)</u>	<u>13,837,799,945</u>	<u>(41,011,877)</u>	<u>(9,703,695,408)</u>	<u>(9,828,569,092)</u>

## Taxes and other payables to the State budget

	Opening balance	Payable during the period/year	Paid during the period/year	Other payables during the period/year	Closing balance
	VND	VND	VND	VND	VND
Value added tax for domestic goods	10,195,592,558	17,126,905,709	(19,799,178,441)	-	7,523,319,826
Value added tax for import goods	-	10,872,957,217	(10,872,957,217)	-	-
Import and export duties	-	2,793,814,065	(2,793,814,065)	-	-
Corporate income tax	17,365,215,439	27,944,143,441	(24,317,331,454)	886,364	20,992,913,790
Personal income tax	5,245,758,516	13,979,503,497	(18,339,684,693)	-	885,577,320
Land rental fee, land use tax	-	5,233,083,601	(16,648,782)	-	5,216,434,819
Other taxes	6,521,615,742	2,081,471,728	(8,051,830,722)	-	551,256,748
	<u>39,328,182,255</u>	<u>80,031,879,258</u>	<u>(84,191,445,374)</u>	<u>886,364</u>	<u>35,169,502,503</u>

## 13 TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Cost</b>					
As at 01 January 2024	575,488,850,093	801,339,341,910	144,766,146,986	83,460,516,416	1,605,054,855,405
Transfer from construction in progress (Note 16)	-	320,000,000	16,800,000	121,454,545	458,254,545
Disposals	-	-	(2,230,694,388)	-	(2,230,694,388)
As at 31 March 2024	575,488,850,093	801,659,341,910	142,552,252,598	83,581,970,961	1,603,282,415,562
<b>Accumulated depreciation</b>					
As at 01 January 2024	306,889,990,729	481,106,529,476	109,032,523,527	73,735,005,589	970,764,049,321
Charge for the period/ year	5,983,408,095	14,085,434,461	1,969,901,928	588,434,664	22,627,179,148
Disposals	-	-	(2,230,694,388)	-	(2,230,694,388)
As at 31 March 2024	312,873,398,824	495,191,963,937	108,771,731,067	74,323,440,253	991,160,534,081
<b>Net book value</b>					
As at 01 January 2024	268,598,859,364	320,232,812,434	35,733,623,459	9,725,510,827	634,290,806,084
As at 31 March 2024	262,615,451,269	306,467,377,973	33,780,521,531	9,258,530,708	612,121,881,481

As at 31 March 2024, the cost of tangible fixed assets included VND 448,437,735,582 (as at 31 December 2023: VND 423,984,610,315) of assets which were fully depreciated but are still in active use.

## 14 INTANGIBLE FIXED ASSETS

	Land use rights with indefinite term VND	Land use rights with definite term VND	Computer software VND	Total VND
<b>Cost</b>				
As at 01 January 2024	83,120,604,201	129,637,853,493	21,530,169,027	234,288,626,721
As at 31 March 2024	83,120,604,201	129,637,853,493	21,530,169,027	234,288,626,721
<b>Accumulated amortization</b>				
As at 01 January 2024	-	33,243,669,564	19,184,413,346	52,428,082,910
Charge for the period/year	-	676,795,452	261,865,746	938,661,198
As at 31 March 2024	-	33,920,465,016	19,446,279,092	53,366,744,108
<b>Net book value</b>				
As at 01 January 2024	83,120,604,201	96,394,183,929	2,345,755,681	181,860,543,811
As at 31 March 2024	83,120,604,201	95,717,388,477	2,083,889,935	180,921,882,613

As at 31 March 2024, the cost of intangible fixed assets included VND 16,224,032,457 (as at 31 December 2023: VND 16,285,369,257) of assets which were fully amortized but are still in use.

## 15 INVESTMENT PROPERTIES

	Buildings and land use rights VND
<b>Cost</b>	
As at 01 January 2024	44,826,611,143
As at 31 March 2024	44,826,611,143
<b>Accumulated depreciation</b>	
As at 01 January 2024	13,345,606,768
Charge for the period/ year	202,095,579
As at 31 March 2024	13,547,702,347
<b>Net book value</b>	
As at 01 January 2024	31,481,004,375
As at 31 March 2024	31,278,908,796

**15 INVESTMENT PROPERTIES (cont.)**

As at 31 March 2024, the cost of investment properties included VND 6,008,960,472 (as at 31 December 2023: VND 6,008,960,472).

Pursuant to the Evaluation Results Report issued by DHG's Finance Department on 31 December 2023, the fair value of the Company's investment properties was VND 109,233,000,000 which was still determined according to the valuation certificate issued by South East Appraisal and Consulting Corporation Company on 05 August 2020 and the valuation certificate issued by VAS Valuation Co., Ltd on 17 January 2023. South East Appraisal and Consulting Corporation Company and VAS Valuation Co., Ltd are independent valuation companies, not related parties of the Company. These companies have a valid practicing certificate and have 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 LONG-TERM ASSETS IN PROGRESS**

	31.03.2024 VND	31.12.2023 VND
Construction of Gia Lai branch office	3,473,948,774	3,473,948,774
Other repairs and renovation	2,999,864,577	3,360,669,025
Purchasing machineries	9,111,093,376	6,833,612,393
REB product project	3,141,815,687	3,141,815,687
LUS product project	4,876,554,441	4,876,289,803
Investment for the expansion of DHG Pharmaceutical Plant and DHG Printing and Packaging Plant	533,271,906,683	531,907,243,205
	<u>556,875,183,538</u>	<u>553,593,578,887</u>

**Movements of construction in progress in the period/year:**

	Fiscal period ended 31.03.2024 VND	Fiscal year ended 31.12.2023 VND
Opening balance	553,593,578,887	92,596,259,917
Purchases	22,698,558,456	647,041,101,099
Transfer to tangible fixed assets (Note 13)	(458,254,545)	(136,841,845,465)
Transfer to intangible fixed assets (Note 14)	-	(500,000,000)
Transfer to prepayments, tools and supplies	(10,481,068,717)	(9,927,288,821)
Transfer to expenses in the period/year	(8,477,630,543)	(38,774,647,843)
Closing balance	<u>556,875,183,538</u>	<u>553,593,578,887</u>

**17 DEFERRED TAX ASSETS**

	31.03.2024 VND	31.12.2023 VND
Corporate income tax rates used for determination of value of deferred tax assets	20%	20%
Deductible temporary differences	85,220,320,950	84,361,050,220
Deferred tax assets	<u>17,044,064,190</u>	<u>16,872,210,044</u>

The deferred tax assets mainly arise from deductible temporary differences relating to provisions and unrealized profits arising from intra-group transactions of assets acquisition between the Company and its old subsidiaries in the Company which are dissolved.

## 17 DEFERRED TAX ASSETS (cont.)

Movements of deferred tax assets in the period/year were as follows:

	Fiscal period ended 31.03.2024 VND	Fiscal year ended 31.12.2023 VND
Opening balance	16,872,210,044	15,844,813,335
Additional in deferred tax assets	173,740,630	1,035,075,355
Change of eliminated entry of fixed assets	(1,886,484)	(7,678,646)
Closing balance	<u>17,044,064,190</u>	<u>16,872,210,044</u>

## 18 SHORT-TERM TRADE PAYABLES

	31.03.2024		31.12.2023	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
Related parties (Note 38)	1,081,991,040	1,081,991,040	5,538,404,113	5,538,404,113
Third parties (*)	250,318,249,450	250,318,249,450	212,438,093,217	212,438,093,217
	<u>251,400,240,490</u>	<u>251,400,240,490</u>	<u>217,976,497,330</u>	<u>217,976,497,330</u>

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

	31.03.2024 VND	31.12.2023 VND
Sinobright Pharmaceutical Co., Ltd	26,842,750,000	130,891,200
Nomura Trading Co., Ltd	95,589,841,875	69,114,460,800

As at 31 March 2024 and 31 December 2023, there was no balance of short-term trade payables that were past due.

## 19 SHORT-TERM ACCRUED EXPENSES

	31.03.2024 VND	31.12.2023 VND
Interest payable	307,069,811	340,176,821
Payment discount	3,316,328,264	4,547,353,282
Land rental fee	32,560,698,985	32,560,698,985
Other accruals	11,639,474,694	27,274,887,548
	<u>47,823,571,754</u>	<u>64,723,116,636</u>

## 20 SHORT-TERM UNEARNED REVENUE

	31.03.2024 VND	31.12.2023 VND
Unearned revenue from customer loyalty programs (Note 3)	<u>24,369,866,484</u>	<u>43,702,028,314</u>

## 21 OTHER SHORT-TERM PAYABLES

	31.03.2024 VND	31.12.2023 VND
Union fee	612,025,602	609,770,604
Others	1,194,824,457	1,546,008,416
	<u>1,806,850,059</u>	<u>2,155,779,020</u>

## 22 SHORT-TERM LOANS

	31.03.2024		31.12.2023	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
Loans from banks	544,725,923,789	544,725,923,789	572,164,547,560	572,164,547,560
	<u>544,725,923,789</u>	<u>544,725,923,789</u>	<u>572,164,547,560</u>	<u>572,164,547,560</u>

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

	As at 01.01.2024 VND	Increases VND	Decreases VND	As at 31.03.2024 VND
Loans from banks (*)	572,164,547,560	234,563,739,386	(262,002,363,157)	544,725,923,789
	<u>572,164,547,560</u>	<u>234,563,739,386</u>	<u>(262,002,363,157)</u>	<u>544,725,923,789</u>

(\*) These loans bear interests at the rates ranging from 0.26% to 0.38% per month (in 2023: from 0.26% to 0.58% per month).

As at 31 March 2024 and 31 December 2023, there was no short-term loan that was past due.

## 23 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"). The funds are used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies and to use for Operation Fund for 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 VND	Welfare fund in form of assets VND	Operation Fund for Board of Directors VND	Total VND
Opening balance	15,097,149,467	7,611,763,909	8,827,962,841	31,536,876,217
Depreciation of assets formed from the funds	-	(47,484,933)	-	(47,484,933)
Utilization	(12,356,166,294)	-	(88,485,040)	(12,444,651,334)
Closing balance	<u>2,740,983,173</u>	<u>7,564,278,976</u>	<u>8,739,477,801</u>	<u>19,044,739,950</u>

## 24 LONG-TERM PROVISIONS

	Provision for dismantling and restoration cost VND	Severance allowance VND	Total VND
Opening balance	35,240,281,765	29,077,344,525	64,317,626,290
Additional provision in the period/year	984,422,538	236,611,772	1,221,034,310
Utilization of provisions	-	(107,331,161)	(107,331,161)
Closing balance	<u>36,224,704,303</u>	<u>29,206,625,136</u>	<u>65,431,329,439</u>

## 25 SCIENCE AND TECHNOLOGY DEVELOPMENT FUNDS

In accordance with Circular No. 05/2022/TTLT-BKHCHN-BTC dated 31 May 2022 issued by the Ministry of Science and Technology and Circular No. 67/2022/TT-BTC dated 7 November 2022 issued by the Ministry of Finance, enterprises are allowed to establish the science and technology development funds for research and development activities. Funds are utilized when disbursement is paid for research and development activities.

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

	Science and technology development fund in form of assets VND
Opening balance	3,979,938,931
Depreciation of assets formed from the funds	(460,078,413)
Closing balance	<u>3,519,860,518</u>



## 26 OWNER'S EQUITY

## Movements in owners' equity

	Owner's contributed capital VND	Share premium VND	Investment and development fund VND	Retained earnings VND	Total VND
Balance as at 01 January 2023	1,307,460,710,000	6,778,948,000	1,958,932,899,782	1,018,364,345,675	4,291,536,903,457
Net profit for the year	-	-	-	1,050,662,658,695	1,050,662,658,695
Dividends for 2022	-	-	-	(457,611,248,500)	(457,611,248,500)
Fund distribution	-	-	499,189,758,190	(499,189,758,190)	-
Appropriation to bonus and welfare funds	-	-	-	(29,653,639,382)	(29,653,639,382)
Appropriation to Operation Fund for Board of Directors	-	-	-	(2,000,000,000)	(2,000,000,000)
<b>Balance as at 31 December 2023</b>	<b>1,307,460,710,000</b>	<b>6,778,948,000</b>	<b>2,458,122,657,972</b>	<b>1,080,572,358,298</b>	<b>4,852,934,674,270</b>
Net profit for the period/year	-	-	-	222,228,743,931	222,228,743,931
<b>Balance as at 31 March 2024</b>	<b>1,307,460,710,000</b>	<b>6,778,948,000</b>	<b>2,458,122,657,972</b>	<b>1,302,801,102,229</b>	<b>5,075,163,418,201</b>

## 26 OWNER'S EQUITY (cont.)

## Charter capital

	31.03.2024		31.12.2023	
	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 dividends declared by the Company. Ordinary shares are ranked equally with regard to the Company's residual assets.

## 27 OFF BALANCE SHEET ITEMS

## Foreign currencies

	31.03.2024	31.12.2023
United states Dollar (USD)	199,073	277,633
Euro (EUR)	37,207	1,500
Yen (JPY)	283,211	283,574

## Bad debts written off

	31.03.2024 VND	31.12.2023 VND
Bad debts written off	12,869,556,888	12,879,556,888

## 28 REVENUES

	For the 3-month period ended	
	31.03.2024 VND	31.03.2023 VND
<b>Sales</b>		
Sales of finished goods	1,205,553,203,987	1,257,495,547,195
Sales of merchandise	257,546,837,395	125,482,376,913
Others	634,158,007	448,696,406
	<u>1,463,734,199,389</u>	<u>1,383,426,620,514</u>
<b>Deductions</b>		
Sales discount	205,179,300,358	154,368,122,450
Sales return	36,374,983	500,470,700
	<u>205,215,675,341</u>	<u>154,868,593,150</u>
<b>Net sales</b>	<u>1,258,518,524,048</u>	<u>1,228,558,027,364</u>
<b>In which:</b>		
Sales of finished goods	1,001,819,119,340	1,103,762,999,032
Sales of merchandise	256,065,246,701	124,346,331,926
Others	634,158,007	448,696,406

Goods in transit's revenue have not been recognized as at 31 March 2024: VND 13,783,198,852 (as at 31 March 2023: VND 41,682,983,517).

## 29 COST OF SALES

	For the 3-month period ended	
	31.03.2024 VND	31.03.2023 VND
Cost of finished goods sold	498,343,260,617	498,413,706,003
Cost of merchandise sold	247,678,061,848	115,998,947,943
	<u>746,021,322,465</u>	<u>614,412,653,946</u>

## 30 FINANCIAL INCOMES

	For the 3-month period ended	
	31.03.2024 VND	31.03.2023 VND
Interest income	37,487,123,581	46,191,551,372
Foreign exchange gain	1,316,691,868	6,533,090,156
	<u>38,803,815,449</u>	<u>52,724,641,528</u>

## 31 FINANCIAL EXPENSES

	For the 3-month period ended	
	31.03.2024 VND	31.03.2023 VND
Interest expenses	5,207,518,121	4,466,296,455
Foreign exchange losses	2,686,254,628	2,305,165,665
Settlement discount	13,506,628,045	13,205,929,386
Reversal provision for impairment of long-term financial investments	(245,000,000)	(752,500,000)
Other financial expenses	43,717,932	43,716,357
	<u>21,199,118,726</u>	<u>19,268,607,863</u>

## 32 SELLING EXPENSES AND GENERAL &amp; ADMINISTRATIVE EXPENSES

## Selling expenses

	For the 3-month period ended	
	31.03.2024 VND	31.03.2023 VND
Staff cost	119,195,221,911	113,957,997,741
Advertising expenses	9,666,831,256	10,885,070,379
Others	62,951,158,003	63,007,023,243
	<u>191,813,211,170</u>	<u>187,850,091,363</u>

## General &amp; administrative expenses

	For the 3-month period ended	
	31.03.2024 VND	31.03.2023 VND
Staff cost	51,147,808,108	47,109,768,071
Others	37,335,681,311	21,407,405,055
	<u>88,483,489,419</u>	<u>68,517,173,126</u>

## 33 OTHER INCOME AND EXPENSES

## Other income

	For the 3-month period ended	
	31.03.2024 VND	31.03.2023 VND
Gain from disposals of fixed assets and other long-term assets	545,567,000	-
Income from research services	940,954,990	153,971,549
Others	265,099,842	371,659,680
	<u>1,751,621,832</u>	<u>525,631,229</u>

## Other expenses

	For the 3-month period ended	
	31.03.2024 VND	31.03.2023 VND
Depreciation expense	156,276,576	180,305,535
Supporting fee for business households	1,138,015,357	-
Others	261,494,390	946,199,468
	<u>1,555,786,323</u>	<u>1,126,505,003</u>

## 34 PRODUCTION AND OPERATION COSTS BY NATURE

	Fiscal period ended	
	31.03.2024 VND	31.03.2023 VND
Raw materials and consumables	638,144,393,179	606,084,323,541
Staff cost	253,365,908,755	234,517,316,157
Depreciation and amortization	23,268,038,653	20,750,562,641
Out-sourced services	66,903,874,402	57,333,442,479
Other expenses	50,720,020,961	53,797,707,179
	<u>1,032,402,235,950</u>	<u>972,483,351,997</u>

## 35 CURRENT AND DEFERRED CORPORATE INCOME TAX

The current corporate income tax expense for the period/year was computed as follows:

	Fiscal period ended	
	31.03.2024	31.03.2023
	VND	VND
Accounting profit before tax	250,001,033,226	390,633,268,820
Tax calculated at a normal rate of 20%	50,000,206,645	78,126,653,764
Adjustments for:		
Expenses not deductible for tax purposes	3,019,224,400	(2,039,757,639)
Corporate income tax incentives at branches	(25,075,287,604)	(46,438,813,754)
Corporate income tax expense	<u>27,944,143,441</u>	<u>29,648,082,371</u>

Movements in deferred corporate tax expense/ (income) during the period/year were as follows:

	Fiscal period ended	
	31.03.2024	31.03.2023
	VND	VND
Deferred corporate tax (income)/ expense	(173,740,630)	20,006,581
Change of eliminated entry of fixed assets	1,886,484	2,019,196
	<u>(171,854,146)</u>	<u>22,025,777</u>

**Applicable tax rates**

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 corporate income tax (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% tax reduction 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.

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

## 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/year, excluding ordinary shares repurchased by the Company and held as treasury shares.

	Fiscal period ended	
	31.03.2024	31.03.2023
	VND	VND
Accounting profit after corporate income tax	222,228,743,931	360,963,160,672
Appropriation to fund (*)	(7,166,862,318)	(11,328,894,820)
Profit attributable to ordinary shareholders	<u>215,061,881,613</u>	<u>349,634,265,852</u>
Weighted average ordinary shares in circulation for the period (share)	130,746,071	130,746,071
<b>Basic earnings per share</b>	<b>1,645</b>	<b>2,674</b>

(\*) Estimated amounts appropriated to the bonus and welfare funds and the operation fund of Board of Management for the year ended 31 March 2024 are temporarily determined based on the planned appropriation percentage of profit distribution to the bonus and welfare funds at the rate of 3% and the operation fund of Board of Management with amount of VND 2,000,000,000 in accordance with Resolution of the Parent Company's Annual General Meeting No. 001/2023/NQ.DHDCD dated 19 April 2023.

The Company does not have potentially diluted ordinary shares.

## 37 COMMITMENTS

## a) Operating lease commitment

	Fiscal period ended	
	31.03.2024	31.03.2023
	VND	VND
Minimum lease payment under operating leases recognized in the income statement for the period/year	1,769,109,285	1,769,109,285

At the balance sheet date, the Company had outstanding commitments under non-cancellable operating leases as follows:

	Land lease	
	31.03.2024	31.12.2023
	VND	VND
Within one year	7,076,437,142	7,076,437,142
In the first to fifth year inclusive	28,305,748,568	28,305,748,568
After five years	106,199,512,589	107,988,278,643
	<u>141,581,698,299</u>	<u>143,370,464,353</u>

## b) Capital commitment

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

	31.03.2024	31.12.2023
	VND	VND
Approved but not contracted	44,157,019,852	45,420,547,978
Approved and contracted but not implemented	6,553,182,692	6,872,383,566
	<u>50,710,202,544</u>	<u>52,292,931,544</u>

## 38 TRANSACTIONS WITH RELATED PARTIES

Related parties

The State Capital Investment Corporation ("SCIC")  
 Taisho Pharmaceutical Co., Ltd  
 Hoe Pharmaceuticals Sdn Bhd  
 Taisho Vietnam Co.,Ltd.  
 Domesco Medical Import Export Joint Stock Corporation  
 Traphaco Joint Stock Company

Relationship

Major shareholder  
 Major shareholder  
 Related companies of Taisho  
 Related companies of Taisho  
 Related companies of SCIC  
 Related companies of SCIC

During the period/year, the following transactions were carried out with related parties:

	Fiscal period ended	
	31.03.2024 VND	31.03.2023 VND
<b>Sales of goods and provision of services</b>		
Hoe Pharmaceuticals Sdn Bhd	-	1,573,122,502
Taisho Pharmaceutical Co., Ltd	11,732,160	153,971,549
Domesco Medical Import Export Joint Stock Corporation	-	3,950,227,126
Traphaco Joint Stock Company	82,500,000	-
	<u>                    </u>	<u>                    </u>
<b>Purchases of goods and services</b>		
Hoe Pharmaceuticals Sdn Bhd	-	250,007,071
Taisho Pharmaceutical Co., Ltd	2,927,962,386	4,871,143,271
Taisho Vietnam Co.,Ltd.	611,295,200	-
	<u>                    </u>	<u>                    </u>
<b>Promotion</b>		
Hoe Pharmaceuticals Sdn Bhd	-	5,456,489
	<u>                    </u>	<u>                    </u>

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## 38 TRANSACTIONS WITH RELATED PARTIES (cont.)

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

Name	Title	Fiscal period ended	
		31.03.2024	31.03.2023
		VND	VND
Ms. Dang Thi Thu Ha	Board of Directors Chairwoman	250,000,000	250,000,000
Mr. Jun Kuroda	Board of Directors Member	175,000,000	175,000,000
Mr. Toshiyuki Ishii	Board of Directors Member cum General Director	2,020,445,237	466,672,000
Mr. Maki Kamijo	Board of Directors Member	175,000,000	255,000,000
Mr. Doan Dinh Duy Khuong	Board of Directors Member (cum Chief Operating Officer)	1,874,024,138	1,644,862,000
Mr. Do Le Hung	Board of Directors Member	225,000,000	225,000,000
Ms. Nguyen Thi Viet Thanh	Board of Directors Member	175,000,000	205,000,000
Ms. Nguyen Ngoc Diep	Deputy General Director	1,300,849,210	1,049,359,500
Mr. Tomoyuki Kawata	Deputy General Director	1,211,390,850	1,028,759,500
Ms. Le Thi Hong Nhung	Finance Director	366,585,925	-
Ms. Vu Thi Huong Lan	Human Resources Director	719,508,718	-
		<u>8,492,804,078</u>	<u>5,299,653,000</u>

Related party balances at the balance sheet date were as follows:

	31.03.2024	31.03.2023
	VND	VND
<b>Trade receivables</b>		
Hoe Pharmaceuticals Sdn Bhd	-	359,198,711
<b>Trade payables</b>		
Taisho Pharmaceutical Co.,Ltd	1,081,991,040	5,538,404,113
<b>Short-term advances from customers</b>		
Taisho Pharmaceutical Co.,Ltd	872,402,362	604,786,764

39 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

(a) Non-cash transactions affecting the cash flow statement


	Fiscal period ended	
	31.03.2024	31.03.2023
	VND	VND
Transfers from construction in progress to tangible fixed assets	458,254,545	4,640,554,430
Transfers from construction in progress to prepayments, tools and supplies	10,481,068,717	-
Accrued interest payables	307,069,811	259,829,496
Accrued interest income	35,503,287,674	53,868,465,748

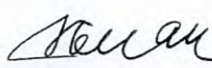
(b) Proceeds from borrowings

	Fiscal period ended	
	31.03.2024	31.03.2023
	VND	VND
Proceeds from borrowings under normal contracts not over 3 months	-	100,933,668,682
Proceeds from borrowings under normal contracts over 3 months	234,563,739,386	273,194,566,510

(c) Repayment of borrowings

	Fiscal period ended	
	31.03.2024	31.03.2023
	VND	VND
Repayment of borrowings under normal contracts not over 3 months	-	100,933,668,682
Repayment of borrowings under normal contracts	262,002,363,157	114,723,409,074

  
 Tran Ngoc Hien  
 Preparer

  
 Ho Buu Huan  
 Chief Accountant

  
  
 Toshiyuki Ishii  
 General Director  
 18 April 2024