

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2017 OF
DHG PHARMACEUTICAL JOINT STOCK COMPANY****Kind Attn to: THE GENERAL MEETING OF SHAREHOLDERS OF DHG PHARMA**

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

Consolidated financial statements 2017 of DHG Pharma was audited by Pricewaterhouse Coopers Vietnam Ltd. (PwC). This document was published on the Company's website: www.dhgpharma.com.vn and on the website of Ho Chi Minh City Stock Exchange: www.hsx.vn. At the Annual General Meeting of Shareholders 2017, the BOD presents a summary of the consolidated financial statements 2017 of the Company as follows:

I. BALANCE SHEET

No.	Items	01/01/2017 (VND)	12/31/2017 (VND)
	TOTAL ASSETS	3,945,341,975,930	4,087,479,990,857
A	Current assets	2,746,072,800,225	2,939,184,938,924
I	Cash and cash equivalents	603,188,961,343	549,777,216,585
II	Short-term investments	703,731,000,000	930,615,143,091
III	Short-term receivables	692,280,925,032	799,556,214,859
IV	Inventories	732,860,670,514	633,807,876,593
V	Other current assets	14,011,243,336	25,428,487,796
B	Long-term assets	1,199,269,175,705	1,148,295,051,933
I	Long-term receivables	5,099,472,109	3,509,997,935
II	Fixed assets	1,103,433,387,404	1,026,999,503,625
III	Long-term assets in progress	17,160,871,337	36,307,709,778
IV	Long-term investments	15,744,151,251	14,537,718,549
V	Other long-term assets	57,831,293,604	66,940,122,046
	TOTAL RESOURCES	3,945,341,975,930	4,087,479,990,857
A	Liabilities	1,075,559,068,116	1,328,385,577,037
I	Short-term liabilities	1,017,958,653,484	1,264,936,829,442
II	Long-term liabilities	57,600,414,632	63,448,747,595
B	Owners' equity	2,869,782,907,814	2,759,094,413,820

No.	Items	01/01/2017 (VND)	12/31/2017 (VND)
I	Owners' capital	871,643,300,000	1,307,460,710,000
II	Share premium	6,778,948,000	6,778,948,000
III	Investment and development fund	1,220,561,708,767	1,112,177,317,110
IV	Undistributed earnings	736,638,702,184	321,006,296,742
V	Non-controlling interests	34,160,248,863	11,671,141,968

II. INCOME STATEMENT IN 2017

No.	Items	2016 (VND)	2017 (VND)
1	Revenue	4,153,858,990,854	4,569,014,010,206
2	Less deductions	(370,814,214,454)	(506,260,545,711)
3	Net revenue	3,783,044,776,400	4,062,753,464,495
4	Cost of good solds	(2,070,058,537,405)	(2,279,637,916,449)
5	Gross profit	1,712,986,238,995	1,783,115,548,046
6	Financial income	57,818,264,184	88,779,692,278
7	Financial expenses	(84,755,578,873)	(97,684,683,909)
	<i>Including: Interest expenses</i>	<i>(12,492,351,845)</i>	<i>(24,541,141,037)</i>
8	Loss sharing from investments in associates	(187,904,291)	(1,206,432,702)
9	Selling expenses	(631,639,529,721)	(732,085,284,498)
10	General and administration expenses	(297,318,503,446)	(318,385,523,755)
11	Net operating profit	756,902,986,848	722,533,315,460
12	Other income	15,121,096,000	6,756,814,138
13	Other expenses	(15,367,068,235)	(10,041,010,203)
14	Net other expenses	(245,972,235)	(3,284,196,065)
15	Net accounting profit before tax	756,657,014,613	719,249,119,395
16	Business income tax - current	(89,002,442,744)	(77,572,213,560)
17	Business income tax - deferred	20,986,730,153	712,405,929
18	Net profit after tax	688,641,302,022	642,389,311,764
	Attributable to:		
18.1	Owners of the parent company	685,645,233,601	642,407,977,142
18.2	Non-controlling interests	2,996,068,421	-18,665,378
19	Earnings per share	4,485	4,367

III. CASH FLOW STATEMENT

No.	Items	01/01/2017 (VND)	12/31/2017 (VND)
I.	Cash flows from operating activities		
1.	Net profit before tax	756,657,014,613	719,249,119,395
2.	Adjustments for:		
	– Depreciation and amortisation	93,720,931,417	92,010,389,406
	– Provisions	6,788,343,273	16,053,758,031
	– Unrealised foreign exchange (gains)/losses	467,459,783	(464,083,555)
	– Gains from disposal of fixed assets	(6,892,268,341)	(2,081,319,802)
	– Interest and dividend income	(54,963,916,458)	(81,590,212,108)
	– Gains from disposal of investment in subsidiaries	-	(3,992,308,108)
	– Loss sharing from investments in associates	187,904,291	1,206,432,702
	– Interest expenses	12,492,351,845	24,541,141,037
	– Appropriation to science and technology development funds	-	8,705,231,445
3.	Operating profit before changes in working capital	808,457,820,423	773,638,148,443
	– Increase in receivables	(49,383,172,892)	(126,642,627,881)
	– Decrease/(increase) in inventories	(91,499,661,090)	98,293,050,507
	– (Decrease)/increase in payables	148,508,813,932	(46,446,885,927)
	– Increase in prepaid expenses	(1,466,899,682)	(11,597,356,933)
	– Interest paid	(12,355,359,094)	(24,677,425,925)
	– Business income tax paid	(64,844,697,715)	(95,788,362,968)
	– Other payments on operating activities	(92,225,802,806)	(106,470,431,383)
	Net cash inflows from operating activities	645,191,041,076	460,308,107,933
II.	Cash flows from investing activities		

No.	Items	01/01/2017 (VND)	12/31/2017 (VND)
1.	Purchases of fixed assets and other long-term assets	(136,172,500,824)	(63,484,311,476)
2.	Proceeds from disposals of fixed assets	10,271,648,184	20,184,454,559
3.	Loans granted and term deposits at bank	(1,439,479,585,457)	(1,523,238,571,667)
4.	Collection of loans granted and term deposits at bank	1,241,729,070,545	1,315,098,077,111
5.	Investments in other entities	-	(19,440,000,000)
6.	Proceeds from disposals of investments in subsidiaries	-	9,000,000,000
7.	Dividends and interest received	46,066,915,316	69,676,354,237
	<i>Net cash outflows from investing activities</i>	(277,584,452,236)	(192,203,997,236)
III.	Cash flows from financing activities		
1.	Proceeds from capital contributed by non-controlling shareholders and reissues of treasury shares	36,104,098,020	-
2.	Proceeds from borrowings	1,561,815,329,559	2,516,213,007,337
3.	Repayments of borrowings	(1,477,761,107,833)	(2,401,178,435,800)
4.	Dividends paid	(305,521,825,000)	(436,556,226,000)
	<i>Net cash outflows from financing activities</i>	(185,363,505,254)	(321,521,654,463)
	Net (decrease)/increase in cash and cash equivalents	182,243,083,586	(53,417,543,766)
	Cash and cash equivalents at beginning of year	420,712,811,918	603,188,961,343
	Effect of foreign exchange differences	233,065,839	5,799,008
	Cash and cash equivalents at end of year	603,188,961,343	549,777,216,585

IV. BASIC FINANCIAL RATIOS

No.	Items	Figures in	2016	2017
1	Asset structure ratios			
	Current assets to Total assets ratio	%	69.60%	71.91%
	Long-term assets to Total assets ratio	%	30.40%	28.09%
2	Capital structure ratios			
	Liabilities to Total resources ratio	%	27.26%	32.50%
	Owners' equity to Total resources ratio	%	72.74%	67.50%
3	Liquidity ratios			
	Current ratio	Time	2.70	2.32
	Quick ratio	Time	1.98	1.82
	Cash ratio	Time	0.59	0.43
4	Profitability ratios			
	Return on Sales (ROS)	%	18.20%	15.81%
	Return on Assets (ROA)	%	18.84%	15.99%
	Return on Equity (ROE)	%	25.55%	22.82%

Respectfully submits to the General Meeting of Shareholders for consideration and approval.

Best regards.

Recipients:

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

**ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRMAN**

Nguyen Chi Thanh

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