

**DHG PHARMACEUTICAL JOINT STOCK
COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED FINANCIAL
STATEMENTS**

For the year ended 31 December 2016

DHG PHARMACEUTICAL JOINT STOCK COMPANY

No. 228 Bis Nguyen Van Cu Street, An Hoa Ward, Ninh Kieu District
Can Tho City, S.R.Vietnam

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DHG PHARMACEUTICAL JOINT STOCK COMPANY

No. 228 Bis Nguyen Van Cu Street, An Hoa Ward, Ninh Kieu District
Can Tho City, S.R.Vietnam

STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of DHG Pharmaceutical Joint Stock Company (the "Company") and its subsidiaries (the Company and its subsidiaries are referred to as the "Group") presents this report together with the Group's consolidated financial statements for the year ended 31 December 2016.

THE BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND SUPERVISORY BOARD

The members of the Board of Management, Supervisory Board and Board of General Directors of the Company who held office during the year and to the date of this report are as follows:

Board of Management

Mr. Hoang Nguyen Hoc	Chairman
Mr. Le Dinh Buu Tri	Vice Chairman
Ms. Pham Thi Viet Nga	Member
Mr. Doan Dinh Duy Khuong	Member
Mr. Tran Chi Liem	Member
Mr. Shuhei Tabata	Member
Ms. Dang Pham Minh Loan	Member (resigned on 20 July 2016)
Mr. Jun Kuroda	Member (appointed on 15 August 2016)

Supervisory Board

Mr. Tran Quoc Hung	Head of the Board
Ms. Nguyen Phuong Thao	Member
Mr. Dinh Duc Minh	Member

Board of General Directors

Ms. Pham Thi Viet Nga	General Director
Mr. Le Chanh Dao	Deputy General Director
Mr. Doan Dinh Duy Khuong	Deputy General Director
Ms. Nguyen Ngoc Diep	Deputy General Director

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors is responsible for preparing the consolidated financial statements which give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and its consolidated financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of General Directors 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 consolidated financial statements;
- prepare the 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 consolidated financial statements so as to minimize errors and frauds.

The Board of General Directors 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 consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of General Directors 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.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)

The Board of General Directors confirms that the Group has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of General Directors,



Le Chanh Dao
Deputy General Director
20 March 2017

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INDEPENDENT AUDITORS' REPORT

**To: The shareholders
The Board of Management, Supervisory Board and Board of General Directors
DHG Pharmaceutical Joint Stock Company**

We have audited the accompanying consolidated financial statements of DHG Pharmaceutical Joint Stock Company (the "Company") and its subsidiaries (the Company and its subsidiaries are referred to as the "Group"), prepared on 20 March 2017 as set out from page 5 to page 31, which comprise the consolidated balance sheet as at 31 December 2016, the consolidated income statement and consolidated cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Board of General Directors' Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of General Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditors' opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by another audit firm whose independent auditors' report issued on 12 March 2016 expressed an unqualified opinion.



Võ Thái Hòa

Audit Partner

Audit Practising Registration Certificate

No. 0138-2013-001-1

For and on behalf of

Deloitte Vietnam Company Limited

20 March 2017

Ho Chi Minh City, S.R. Vietnam

Nguyen Thi Thu Sang

Auditor

Audit Practising Registration Certificate

No. 1144-2013-001-1



CONSOLIDATED BALANCE SHEET

As at 31 December 2016

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		2,747,174,092,202	2,221,373,030,144
I. Cash and cash equivalents	110	4	603,188,961,343	420,712,811,918
1. Cash	111		270,265,069,467	89,510,544,052
2. Cash equivalents	112		332,923,891,876	331,202,267,866
II. Short-term financial investments	120	5	703,731,000,000	507,605,100,000
1. Held-to-maturity investments	123		703,731,000,000	507,605,100,000
III. Short-term receivables	130		692,280,925,032	644,064,122,343
1. Short-term trade receivables	131	6	622,748,103,096	570,830,701,600
2. Short-term advances to suppliers	132		23,277,764,848	23,308,107,672
3. Short-term loan receivables	135	12	34,213,970,916	37,688,828,113
4. Other short-term receivables	136	7	25,533,168,273	23,223,854,477
5. Provision for short-term doubtful debts	137	8	(13,492,082,101)	(10,987,369,519)
IV. Inventories	140	9	732,860,670,514	639,320,555,977
1. Inventories	141		734,557,083,279	642,331,928,161
2. Provision for devaluation of inventories	149		(1,696,412,765)	(3,011,372,184)
V. Other short-term assets	150		15,112,535,313	9,670,439,906
1. Short-term prepayments	151	10	4,212,568,934	3,968,455,036
2. Value added tax deductibles	152		699,572,826	4,327,687,627
3. Taxes and other receivables from the State budget	153	11	10,200,393,553	1,374,297,243
B. NON-CURRENT ASSETS	200		1,198,569,602,879	1,141,825,629,796
I. Long-term receivables	210		5,099,472,109	-
1. Long-term loan receivables	215	12	5,099,472,109	-
II. Fixed assets	220		1,103,242,478,314	1,067,774,140,547
1. Tangible fixed assets	221	13	841,277,798,603	811,356,338,576
- Cost	222		1,356,622,733,187	1,252,111,595,162
- Accumulated depreciation	223		(515,344,934,584)	(440,755,256,586)
2. Intangible assets	227	14	261,964,679,711	256,417,801,971
- Cost	228		284,512,652,922	273,969,773,238
- Accumulated amortization	229		(22,547,973,211)	(17,551,971,267)
III. Long-term assets in progress	240		16,652,207,601	15,722,551,016
1. Construction in progress	242	15	16,652,207,601	15,722,551,016
IV. Long-term financial investments	250	5	15,744,151,251	15,932,055,542
1. Investments in joint-ventures, associates	252		4,335,981,051	4,523,885,342
2. Equity investments in other entities	253		27,908,170,200	27,908,170,200
3. Provision for impairment of long-term financial investments	254		(16,500,000,000)	(16,500,000,000)
V. Other long-term assets	260		57,831,293,604	42,396,882,691
1. Long-term prepayments	261	10	22,760,003,178	28,312,322,417
2. Deferred tax assets	262	16	35,071,290,426	14,084,560,274
TOTAL ASSETS (270=100+200)	270		3,945,743,695,081	3,363,198,659,940

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

CONSOLIDATED BALANCE SHEET (Continued)
 As at 31 December 2016

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		1,051,504,592,702	841,962,632,700
I. Short-term liabilities	310		993,904,178,070	779,632,287,905
1. Short-term trade payables	311	17	291,703,470,691	224,957,469,694
2. Short-term advances from customers	312		17,652,215,300	7,079,129,950
3. Taxes and amounts payable to the State budget	313	11	23,399,915,284	13,343,506,157
4. Payables to employees	314		170,798,955,402	128,045,082,047
5. Short-term accrued expenses	315	18	29,959,680,555	21,683,931,132
6. Short-term unearned revenue	318	19	31,687,812,617	7,747,880,222
7. Other short-term payables	319	20	6,558,475,458	15,300,462,313
8. Short-term loans	320	21	354,765,428,463	270,711,206,737
9. Bonus and welfare funds	322	22	67,378,224,300	90,763,619,653
II. Long-term liabilities	330		57,600,414,632	62,330,344,795
1. Long-term provisions	342	23	33,379,107,808	31,323,948,748
2. Scientific and technological development funds	343	24	24,221,306,824	31,006,396,047
D. EQUITY	400		2,894,239,102,379	2,521,236,027,240
I. Owner's equity	410		2,894,239,102,379	2,521,236,027,240
1. Owner's contributed capital	411	25	871,643,300,000	871,643,300,000
2. Share premium	412	25	6,778,948,000	-
3. Treasury shares	415	25	-	(16,121,030,000)
4. Investment and development fund	418	25	1,220,561,708,767	1,039,479,185,578
5. Retained earnings	421	25	761,094,896,749	605,911,345,691
- Retained earnings accumulated to the prior year end	421a		50,993,468,583	164,434,562,794
- Retained earnings of the current year	421b		710,101,428,166	441,476,782,897
6. Non-controlling interests	429	26	34,160,248,863	20,323,225,971
TOTAL RESOURCES (440=300+400)	440		3,945,743,695,081	3,363,198,659,940

Tran Ngoc Hien
Preparer

Ho Bui Huan
Chief Accountant



Le Chanh Dao
Deputy General Director
20 March 2017

CONSOLIDATED INCOME STATEMENT
 For the year ended 31 December 2016

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue of goods sold and services rendered	01	29	4,153,858,990,854	4,151,727,486,719
2. Deductions	02	29	370,814,214,454	543,967,663,522
3. Net revenue of goods sold and services rendered (10=01-02)	10	29	3,783,044,776,400	3,607,759,823,197
4. Cost of goods sold and services rendered	11	30	2,070,058,537,405	2,194,892,134,426
5. Gross profit from goods sold and services rendered (20=10-11)	20		1,712,986,238,995	1,412,867,688,771
6. Financial income	21	32	57,818,264,184	34,338,648,064
7. Financial expenses	22	33	84,755,578,873	89,481,890,058
- In which: Interest expense	23		12,492,351,845	8,730,565,082
8. Share of net losses from associate	24	5	(187,904,291)	(910,388,172)
9. Selling expenses	25	34	631,639,529,721	457,613,535,495
10. General and administration expenses	26	34	297,318,503,446	262,310,172,518
11. Operating profit (30=(20+(21-22)+24-(25+26))	30		756,902,986,848	636,890,350,592
12. Other income	31	35	15,121,096,000	71,241,974,840
13. Other expenses	32	36	15,367,068,235	6,823,220,272
14. (Loss)/profit from other activities (40=31-32)	40		(245,972,235)	64,418,754,568
15. Accounting profit before tax (50=30+40)	50		756,657,014,613	701,309,105,160
16. Current corporate income tax expense	51	37	64,546,248,179	108,690,466,892
17. Deferred corporate tax income	52	37	(20,986,730,153)	(66,576,717)
18. Net profit after corporate income tax (60=50-51-52) Attributable to: The Parent Company's shareholders Non-controlling interests	60		713,097,496,587	592,685,214,985
19. Basic earnings per share (VND/share)	70	38	6,993	5,748

Tran Ngoc Hien
Preparer

Ho Bui Huan
Chief Accountant



Le Chanh Dao
Deputy General Director
20 March 2017

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2016

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	756,657,014,613	701,309,105,160
2. Adjustments for:			
Depreciation and amortization of fixed assets	02	93,720,931,417	89,670,281,622
Provisions	03	6,788,343,273	3,353,858,898
Foreign exchange losses arising from translating foreign currency items	04	467,459,783	-
Gain from investing activities	05	(61,668,280,508)	(32,381,792,805)
Interest expense	06	12,492,351,845	8,730,565,082
3. Operating profit before movements in working capital	08	808,457,820,423	770,682,017,957
(Increase)/decrease in receivables	09	(50,484,464,869)	198,827,310,535
(Increase)/decrease in inventories	10	(91,499,661,090)	144,415,717,547
Increase/(decrease) in payables	11	148,910,533,083	(373,682,424,489)
(Increase)/decrease in prepaid expenses	12	(1,466,899,682)	1,032,635,996
Interest paid	14	(12,355,359,094)	(9,256,860,798)
Corporate income tax paid	15	(64,844,697,715)	(191,641,456,763)
Other cash outflows	17	(92,225,802,806)	(65,181,968,703)
Net cash generated by operating activities	20	644,491,468,250	475,194,971,282
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(135,472,927,998)	(163,832,312,819)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	10,271,648,184	16,233,594,513
3. Cash outflow for lending, placement of term deposits	23	(1,439,479,585,457)	(828,615,931,107)
4. Cash collection from loans granted and term deposits	24	1,241,729,070,545	577,394,465,462
5. Interest earned, dividends and profits received	27	46,066,915,316	29,488,742,582
Net cash used in investing activities	30	(276,884,879,410)	(369,331,441,369)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from non-controlling interest's contributed capital	31	36,104,098,020	-
2. Purchase treasury shares	32	-	(15,665,180,000)
3. Proceeds from borrowings	33	1,561,815,329,559	1,222,254,694,302
4. Repayment of borrowings	34	(1,477,761,107,833)	(1,128,250,896,327)
5. Dividends paid to the shareholders	36	(305,521,825,000)	(261,781,100,000)
Net cash used in financing activities	40	(185,363,505,254)	(183,442,482,025)
Net increase/(decrease) in cash (50=20+30+40)	50	182,243,083,586	(77,578,952,112)
Cash and cash equivalents at the beginning of the year	60	420,712,811,918	498,291,764,030
Effect of changes in foreign exchange rates	61	233,065,839	-
Cash and cash equivalents at the end of the year (70=50+60+61)	70	603,188,961,343	420,712,811,918

Significant non-cash transactions for the year ended 31 December 2016 are presented in Note 41.


Tran Ngoc Hien
Preparer


Ho Bui Huan
Chief Accountant



Le Chanh Dao
Deputy General Director
20 March 2017

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the financial statements

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/QĐ-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.

In 2014, the Company increased its share capital to VND 871,643,300,000. The Company was granted the 20th amended Business Registration Certificate dated 6 May 2015 for the increase in share capital and the latest amended Business Registration Certificate No. 1800156801 dated 29 July 2016 issued by the Department of Planning and Investment of Can Tho City.

The 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.

The largest shareholder of the Company is The State Capital Investment Corporation ("SCIC") which owns 43.31% of share capital of the Company. SCIC is controlled by the Government of the Socialist Republic of Vietnam.

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

The number of employees of the Group as at 31 December 2016 was 2,944 (as at 31 December 2015: 2,877).

Operating industry and principal activities

The operating industry of the Company and its subsidiaries are to manufacture and sell pharmaceutical products, provide travelling services and dental clinics services.

The principal activities of the Company and its subsidiaries are to manufacture and trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics; provide travelling services and dental clinics services.

The Group's structure

As at 31 December 2016, the Company's subsidiaries and associate were as follows:

Name	Principal activities	Business Registration Certificate	Proportion of ownership interest and voting power held	
			Current year end	Prior year end
Subsidiaries				
DHG Travel One Member Limited Company	Domestic travel services	No. 5704000134 issued by the Planning and Investment Department of Can Tho City on 26 December 2007	100%	100%
SH Pharmaceutical Joint Stock Company	Trade pharmaceuticals, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 6403000044 issued by the Planning and Investment Department of Hau Giang province on 20 July 2007	51%	51%
CM Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 6104000035 issued by the Planning and Investment Department of Ca Mau province on 8 April 2008	100%	100%

Name	Principal activities	Business Registration Certificate	Proportion of ownership interest and voting power held	
			Current year end	Prior year end
Subsidiaries (Continued)				
ST Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 5904000064 issued by the Planning and Investment Department of Soc Trang Province on 11 April 2008	100%	100%
HT Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 5604000048 issued by the Planning and Investment Department of Kien Giang Province on 16 May 2008	100%	100%
DT Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 5104000057 issued by the Planning and Investment Department of Dong Thap Province on 28 August 2008	100%	100%
TOT Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 1801113085 issued by the Planning and Investment Department of Can Tho City on 25 February 2009	100%	100%
TG Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 1200975943 issued by the Planning and Investment Department of Tien Giang Province on 25 February 2009	100%	100%
A&G Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 1601171629 issued by the Planning and Investment Department of An Giang Province on 17 June 2009	100%	100%
Bali Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 1900455594 issued by the Planning and Investment Department of Bac Lieu Province on 29 March 2011	100%	100%
B&T Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 1300917335 issued by the Planning and Investment Department of Ben Tre Province on 5 October 2012	100%	100%
TVP Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 2100510569 issued by the Planning and Investment Department of Tra Vinh Province on 19 October 2012	100%	100%
VL Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 1500971019 issued by the Planning and Investment Department of Tra Vinh Province on 19 December 2012	100%	100%
DHG Pharmaceutical One Member Limited Company	Manufacture and trade pharmaceuticals, medical tools and supplies, medical equipment, dietary supplements and pharmaceutical cosmetics	No. 642041000005 issued by the Management Board of Hau Giang Industrial Zone on 16 August 2010	100%	100%

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Name	Principal activities	Business Registration Certificate	Proportion of ownership interest and voting power held	
			Current year end	Prior year end
Subsidiaries (Continued)				
DHG Packaging and Printing 1 One Member Limited Company	Manufacture and trade packaging, plastic, aluminum, paper for pharmaceutical industry; provide printing services	No. 642041000007 issued by the Management Board of Hau Giang Industrial Zone on 28 September 2012	100%	100%
Fuji Medic Limited Company	Operation of polyclinics, specialized and dental clinics.	No. 1801472944 issued by the Planning and Investment Department of Can Tho City on 27 July 2016	51%	-
Associate:				
Vinh Hao Algae Processing Joint Stock Company	Manufacture and trade spirulina algae	No. 4803000150 issued by the Planning and Investment Department of Binh Thuan Province on 4 February 2008	31.36%	31.36%

(*) As at 3 October 2016, the Board of Management approved the change of its 11 subsidiaries' business model to become dependent branches, included:

- Approval for dissolution of its 11 subsidiaries.
- Approval for establishment of its 11 dependent branches and transferring of business operation to the branches after subsidiaries' dissolution.
- Cut-off time for financial information was 31 December 2016. Since 1 January 2017, those companies will operate as dependent branches of the Company.

At the date of the consolidated financial statements, the Company is still proceeding necessary procedures for the dissolution of 11 subsidiaries.

Normal production and business cycle

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

Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2015.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

The Company's financial year begins on 1 January and ends on 31 December.



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

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

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

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

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

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

Business combinations

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 year of acquisition.

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

Investments in associate

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

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in transit, demand deposits and short-term investments with maturity term not exceeding 3 months from the date of investment, 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 Board of General Directors has the positive intent or ability to hold to maturity.

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

Loan receivables

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

Equity investments in other entities

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

Equity investments in other entities are carried at cost less provision for impairment. The provision for impairment of these investments is made when the entities made lossess, 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 and are stated at book value less provision for doubtful debts.

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

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises cost of purchases and other directly attributable expenses. In the case of manufactured products, cost comprises direct materials and where applicable, direct 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 - 25
Machinery and equipment	1.5 - 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

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

Intangible 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 amortised 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.

Construction in progress

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

Prepayments

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

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

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

Provisions

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

Severance allowance payable

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

Provision for dismantling and restoration costs

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

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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 recognised in each period by reference to the percentage of completion of the transaction at the consolidated balance sheet date. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

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

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

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

Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same 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 years, incurred after the balance sheet date but before the issuance of the consolidated financial statements are recorded as deduction of revenue of the current 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 income statement.

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

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

Foreign currencies

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

Borrowing costs

Borrowing costs are recognized in the income statement in the year when incurred unless they are capitalised 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 cost. 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 year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other 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 in 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 Group intends to settle its current tax assets and liabilities on a net basis.

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

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

Dividend distribution

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

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

Appropriation of the Company's net profit after tax of 2015 was approved by shareholders at the Company's Annual General Meeting as follows:

- Dividends declared for 2015: 35% of par value.
- Appropriation to the bonus and welfare fund: 10% of net profit after tax.
- Remuneration payment for the Board of Management, Supervisory Board, sub-committees under the Board of Management and the Board of Management's secretary: VND 5,000,000,000.
- Remaining net profit after tax was appropriated to the investment and development fund.

Segmental 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 others. The basic reportable segment of the Group is business segment.

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

4. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	17,132,249,688	15,959,146,726
Bank demand deposits	253,132,819,779	73,551,397,326
Cash equivalents (*)	332,923,891,876	331,202,267,866
	<u>603,188,961,343</u>	<u>420,712,811,918</u>

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

5. FINANCIAL INVESTMENTS

Held-to-maturity investments

Held-to maturity investments represent term deposits at banks with the original maturity terms from more than 3 months to 12 months.

At as 31 December 2016, term deposits with maturity term over 3 months of VND 212,936,250,576 were pledged as collaterals for the short-term loans from the banks (Note 21), and for tender guarantees (as at 31 December 2015: VND 105,000,000,000).

Investments in associate

	Closing balance VND	Opening balance VND
Vinh Hao Algae Processing Joint Stock Company	<u>4,335,981,051</u>	<u>4,523,885,342</u>

Movements in the investment in associate during the current year and prior year were as follows:

	Current year VND	Prior year VND
Opening balance	4,523,885,342	5,434,273,514
Share of losses	(187,904,291)	(910,388,172)
Closing balance	<u>4,335,981,051</u>	<u>4,523,885,342</u>

Equity investments in other entities

	Closing balance VND	Opening balance VND
ATP Packaging Joint Stock Company	20,000,000,000	20,000,000,000
Binh Duong Pharmaceutical & Medical Equipments Joint Stock Company	4,286,800,000	4,286,800,000
Tra Vinh Pharmaceutical Joint Stock Company	2,575,315,200	2,575,315,200
Ninh Thuan Pharmaceutical & Medical Equipments Joint Stock Company	796,675,000	796,675,000
Tay Ninh Pharmaceutical Joint Stock Company	221,960,000	221,960,000
Cuu Long Pharmaceutical Joint Stock Company	27,420,000	27,420,000
	<u>27,908,170,200</u>	<u>27,908,170,200</u>

Provision balance as at 31 December 2016 and 31 December 2015 represented the provision for impairment of the investment in ATP Packaging Joint Stock Company (formerly known as Vinh Tuong High-Tech Packaging Corporation).

As at 31 December 2016 and 31 December 2015, fair values of long-term investments in other entities were not available as there is no reference price in the market, except Cuu Long Pharmaceutical Joint Stock Company whose shares are listed in Ho Chi Minh Stock Exchange since 2008. Fair value of the Company's investment in Cuu Long Pharmaceutical Joint Stock Company as at 31 December 2016 and 31 December 2015 was VND 165,110,400 and VND 63,000,000, respectively.

6. SHORT-TERM TRADE RECEIVABLES

As at 31 December 2016 and 31 December 2015, short-term trade receivables only included receivables from the third parties; and there were no single short-term trade receivables accounting for 10% or more of total trade receivables.

7. OTHER SHORT-TERM RECEIVABLES

	Closing balance VND	Opening balance VND
Prepaid trade discounts	197,969,103	2,091,752,341
Accruals of interest income	15,588,566,422	6,691,565,280
Receivable from employees	1,837,560,698	1,581,592,079
Other receivables	7,909,072,050	12,858,944,777
	<u>25,533,168,273</u>	<u>23,223,854,477</u>

8. BAD DEBTS

	<u>Closing balance</u>		
	Cost VND	Provision VND	Recoverable amount VND
Total amount of receivables and loans past due or not past due but impaired	<u>157,309,867,394</u>	<u>(13,492,082,101)</u>	<u>143,817,785,293</u>
	<u>Opening balance</u>		
	Cost VND	Provision VND	Recoverable amount VND
Total amount of receivables and loans past due or not past due but impaired	<u>263,197,852,081</u>	<u>(10,987,369,519)</u>	<u>252,210,482,562</u>

As at 31 December 2016 and 31 December 2015, there was no single receivable accounting for 10% or more of total receivables past due or not past due but impaired.

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

	Current year VND	Prior year VND
Opening balance	10,987,369,519	7,705,445,652
Additional provision	2,695,803,165	4,722,120,351
Written-off	-	(1,298,566,283)
Reversal	(191,090,583)	(141,630,201)
Closing balance	<u>13,492,082,101</u>	<u>10,987,369,519</u>

9. INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	60,597,811,325	-	62,830,863,204	-
Raw materials	235,989,641,851	-	189,692,016,502	-
Work in progress	32,650,192,227	-	20,039,649,051	-
Finished goods	259,215,081,061	1,348,938,937	272,482,704,120	3,006,691,934
Merchandises	146,104,356,815	347,473,828	97,286,695,284	4,680,250
	734,557,083,279	1,696,412,765	642,331,928,161	3,011,372,184

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

	Current year VND	Prior year VND
Opening balance	3,011,372,184	5,419,429,868
Additional provision	-	77,701,136
Reversal of provision	(1,314,959,419)	(2,485,758,820)
Closing balance	1,696,412,765	3,011,372,184

10. PREPAYMENTS

	Closing balance VND	Opening balance VND
a. Short-term		
Prepaid operating leases	30,818,180	341,400,000
Others	4,181,750,754	3,627,055,036
	4,212,568,934	3,968,455,036
b. Long-term		
Prepaid land rental	11,059,114,850	18,179,059,222
Tools and supplies issued for consumption	6,810,300,852	8,771,307,312
Leasehold improvements	111,109,236	174,666,020
Others	4,779,478,240	1,187,289,863
	22,760,003,178	28,312,322,417

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

	Opening balance VND	Payable during the year VND	Refund during the year VND	Paid during the year VND	Closing balance VND
a. Receivables					
Value added tax	-	43,348,766,951	-	46,317,596,548	2,968,829,597
- Output value added tax	-	-	-	2,959,709,577	2,959,709,577
- Import VAT	-	43,348,766,951	-	43,357,886,971	9,120,020
Import duty	561,274,411	16,350,388,977	-	16,485,298,218	696,183,652
Corporate income tax	661,402,094	578,187,590	-	5,748,754,917	5,831,969,421
Personal income tax	151,620,738	208,650,214	-	760,440,359	703,410,883
	1,374,297,243	60,485,993,732	-	69,312,090,042	10,200,393,553
b. Payables					
Value added tax	6,294,283,103	73,357,273,698	-	69,473,822,179	10,177,734,622
- Output value added tax	6,294,283,103	73,298,275,730	-	69,414,824,211	10,177,734,622
- Import VAT	-	58,997,968	-	58,997,968	-
Import duty	-	3,961,846	-	3,961,846	-
Corporate income tax	5,090,580,730	63,968,060,589	72,150,627	59,095,942,798	9,890,547,894
Personal income tax	1,958,153,290	39,292,073,118	-	37,918,593,640	3,331,632,768
Land rental fee, land tax	-	5,597,572,488	-	5,597,572,488	-
Other taxes	489,034	212,467,790	-	212,956,824	-
	13,343,506,157	182,431,409,529	72,150,627	172,302,849,775	23,399,915,284

12. LONG-TERM LOAN RECEIVABLES

Long-term loan receivables represents interest-free loans granted to customers in accordance with the refundable capital support policy of the Group.

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13. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
COST					
Opening balance	476,774,270,225	520,156,224,966	175,646,609,476	79,534,490,495	1,252,111,595,162
Additions	210,366,591	17,951,863,398	287,089,092	125,830,245	18,575,149,326
Transferred from construction in progress	47,410,555,005	52,994,996,729	7,686,588,986	1,746,889,254	109,839,029,974
Disposals	(3,718,973,551)	(785,798,564)	(6,273,062,488)	(897,071,341)	(11,674,905,944)
Reclassified to tools and supplies	(184,219,795)	(6,188,634,366)	(583,923,355)	(4,552,400,575)	(11,509,178,091)
Written-off	-	(46,031,755)	(672,925,485)	-	(718,957,240)
Closing balance	<u>520,491,998,475</u>	<u>584,082,620,408</u>	<u>176,090,376,226</u>	<u>75,957,738,078</u>	<u>1,356,622,733,187</u>
ACCUMULATED DEPRECIATION					
Opening balance	101,691,317,297	196,822,251,509	88,065,099,713	54,176,588,067	440,755,256,586
Charge for the year	27,873,423,412	44,804,616,670	17,613,950,582	7,052,654,708	97,344,645,372
Disposals	(3,099,170,438)	(844,336,897)	(5,890,947,425)	(897,071,341)	(10,731,526,101)
Reclassified to tools and supplies	(184,219,795)	(5,983,940,308)	(583,923,355)	(4,552,400,575)	(11,304,484,033)
Written-off	-	(46,031,755)	(672,925,485)	-	(718,957,240)
Closing balance	<u>126,281,350,476</u>	<u>234,752,559,219</u>	<u>98,531,254,030</u>	<u>55,779,770,859</u>	<u>515,344,934,584</u>
NET BOOK VALUE					
Opening balance	<u>375,082,952,928</u>	<u>323,333,973,457</u>	<u>87,581,509,763</u>	<u>25,357,902,428</u>	<u>811,356,338,576</u>
Closing balance	<u>394,210,647,999</u>	<u>349,330,061,189</u>	<u>77,559,122,196</u>	<u>20,177,967,219</u>	<u>841,277,798,603</u>

As at 31 December 2016, the cost of the tangible fixed assets included VND 152,963 million (as at 31 December 2015: VND 125,814 million) of assets which were fully depreciated but are still in active use.



14. INTANGIBLE ASSETS

	Land use rights with indefinite term VND	Land use rights with definite term VND	Computer software VND	Total VND
COST				
Opening balance	113,669,150,046	151,617,120,387	8,683,502,805	273,969,773,238
Transferred from construction in progress	1,800,000,000	-	4,405,435,000	6,205,435,000
Transferred from long-term prepayments	-	6,773,444,684	-	6,773,444,684
Disposals	(2,436,000,000)	-	-	(2,436,000,000)
Closing balance	<u>113,033,150,046</u>	<u>158,390,565,071</u>	<u>13,088,937,805</u>	<u>284,512,652,922</u>
ACCUMULATED AMORTIZATION				
Opening balance	-	12,096,109,754	5,455,861,513	17,551,971,267
Charge for the year	-	3,303,353,940	1,692,648,004	4,996,001,944
Closing balance	-	<u>15,399,463,694</u>	<u>7,148,509,517</u>	<u>22,547,973,211</u>
NET BOOK VALUE				
Opening balance	<u>113,669,150,046</u>	<u>139,521,010,633</u>	<u>3,227,641,292</u>	<u>256,417,801,971</u>
Closing balance	<u>113,033,150,046</u>	<u>142,991,101,377</u>	<u>5,940,428,288</u>	<u>261,964,679,711</u>

As at 31 December 2016 and as at 31 December 2015, the cost of intangible assets included VND 2,917 million of assets which were fully amortized but are still in active use.

15. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Purchases of machinery and equipment for clinic office	7,606,761,906	-
Construction of effervescent tablets plant Office and ancillary structure	6,267,835,000	3,061,360,000
Construction of Gia Lai branch office	2,141,843,739	1,124,316,220
Construction of Thai Nguyen branch office	623,948,774	623,948,774
Construction of Hai Phong branch office	11,818,182	-
Construction of Da Nang branch office	-	27,580,000
Construction of beta lactam plant	-	7,266,927,272
Construction of Ho Chi Minh branch office	-	14,461,818
Construction of finished goods warehouse on Cach Mang Thang 8 Street	-	3,031,610,782
Construction of Hai Phong branch office	-	90,909,091
Others	-	481,437,059
	<u>16,652,207,601</u>	<u>15,722,551,016</u>

16. DEFERRED TAX ASSETS

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

17. 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
Payables to third parties				
Mega Lifescience (Vietnam) Co., Ltd.	26,633,640,634	26,633,640,634	42,854,138,507	42,854,138,507
Truong Tin Pharmaceutical Co., Ltd.	56,484,958,549	56,484,958,549	38,175,021,388	38,175,021,388
Nomura Trading Co., Ltd.	46,661,401,500	46,661,401,500	18,155,970,000	18,155,970,000
Others	161,923,470,008	161,923,470,008	125,772,339,799	125,772,339,799
	<u>291,703,470,691</u>	<u>291,703,470,691</u>	<u>224,957,469,694</u>	<u>224,957,469,694</u>

As at 31 December 2016 and 31 December 2015, the Group did not have any short-term trade payables past due.

18. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Marketing and customer care expenses	2,984,753,722	3,196,827,384
Seminar expenses	12,058,228	827,636,363
Interest expense	589,134,749	452,141,998
Other accruals	26,373,733,856	17,207,325,387
	<u><u>29,959,680,555</u></u>	<u><u>21,683,931,132</u></u>

19. SHORT-TERM UNEARNED REVENUE

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

20. OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Trade discounts	-	3,144,620,676
Insurance and union fee	988,977,577	1,102,968,970
Others	5,569,497,881	11,052,872,667
	<u><u>6,558,475,458</u></u>	<u><u>15,300,462,313</u></u>

21. SHORT-TERM LOANS

	Opening balance		Closing balance	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
Loans from banks (*)	247,000,000,000	247,000,000,000	323,700,000,000	323,700,000,000
Loans from others (**)	23,711,206,737	23,711,206,737	31,065,428,463	31,065,428,463
	<u><u>270,711,206,737</u></u>	<u><u>270,711,206,737</u></u>	<u><u>354,765,428,463</u></u>	<u><u>354,765,428,463</u></u>

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

	Opening balance VND	Increase VND	Decrease VND	Closing balance VND
Loans from banks	247,000,000,000	1,548,300,000,000	1,471,600,000,000	323,700,000,000
Loans from others	23,711,206,737	13,515,329,559	6,161,107,833	31,065,428,463
	<u><u>270,711,206,737</u></u>	<u><u>1,561,815,329,559</u></u>	<u><u>1,477,761,107,833</u></u>	<u><u>354,765,428,463</u></u>

(*) Represents the credit facility obtained from Vietnam Bank for Industry and Trade - Can Tho Branch with a maximum credit limit of VND 400,000,000,000. This facility can be drawn in Vietnam Dong and will expire on 4 March 2017. The duration for each withdrawal is from 3 to 4 months. These loans are secured by term deposits at bank, as presented in Note 5, and bear interest at the rate ranging from 0.32% per month to 0.38% per month (as at 31 December 2015: from 0.29% per month to 0.62% per month).

(**) Loans from others are unsecured and bear interest at the rate ranging from 0.375% per month to 0.57% per month (as at 31 December 2015: 0.42% per month to 0.57% per month).

As at 31 December 2016 and 31 December 2015, the Group did not have any short-term loans past due.

22. BONUS AND WELFARE FUNDS

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

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

	Bonus and welfare fund VND	Bonus fund for Board of Management VND	Welfare fund in form of assets VND	Total VND
Opening balance	49,431,767,334	6,353,384,139	34,978,468,180	90,763,619,653
Appropriation to the funds	62,205,301,754	8,471,392,714	-	70,676,694,468
Depreciation of assets formed from funds	-	-	(3,896,031,942)	(3,896,031,942)
Utilization of funds	(82,410,720,395)	(7,755,337,484)	-	(90,166,057,879)
Closing balance	29,226,348,693	7,069,439,369	31,082,436,238	67,378,224,300

23. LONG-TERM PROVISIONS

	Provision for dismantling and restoration costs VND	Serverance allowance VND	Total VND
Opening balance	5,053,947,698	26,270,001,050	31,323,948,748
Additional provision	2,539,531,610	3,059,058,500	5,598,590,110
Utilization of provision	-	(3,543,431,050)	(3,543,431,050)
Closing balance	7,593,479,308	25,785,628,500	33,379,107,808

24. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUNDS

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

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

	Scientific and technological development fund VND	Scientific and technological development fund in form of assets VND	Total VND
Opening balance	6,519,245,955	24,487,150,092	31,006,396,047
Utilization of funds	(2,059,744,927)	-	(2,059,744,927)
Assets formed from funds	(9,906,365,045)	9,906,365,045	-
Depreciation of assets formed from funds	-	(4,725,344,296)	(4,725,344,296)
Closing balance	(5,446,864,017)	29,668,170,841	24,221,306,824

25. OWNER'S EQUITY

Movement in owner's equity

	Owner's contributed capital VND	Share premium VND	Treasury shares VND	Financial reserve fund VND	Investment and development fund VND	Retained earnings VND	Total VND
Prior year's opening balance	871,643,300,000	-	(455,850,000)	67,063,774,920	782,076,482,219	556,467,354,916	2,276,795,062,055
Profit for the year	-	-	-	-	-	588,701,003,222	588,701,003,222
Repurchase of shares	-	-	(15,665,180,000)	-	-	-	(15,665,180,000)
Dividends declared for 2014	-	-	-	-	-	(261,462,600,000)	(261,462,600,000)
Appropriation to bonus fund for the Board of Management	-	-	-	-	-	(7,031,826,014)	(7,031,826,014)
Appropriation to investment and development fund	-	-	-	-	190,338,928,439	(190,338,928,439)	-
Appropriation to bonus and welfare fund	-	-	-	-	-	(80,423,657,994)	(80,423,657,994)
Transfer from financial reserve fund	-	-	-	(67,063,774,920)	67,063,774,920	-	-
Current year's opening balance	871,643,300,000	-	(16,121,030,000)	-	1,039,479,185,578	605,911,345,691	2,500,912,801,269
Reissuance of treasury shares	-	6,778,948,000	16,121,030,000	-	-	-	22,899,978,000
Profit for the year	-	-	-	-	-	710,101,428,166	710,101,428,166
Dividends declared for 2015	-	-	-	-	-	(304,296,825,000)	(304,296,825,000)
Appropriation to bonus fund for the Board of Management	-	-	-	-	-	(7,930,858,929)	(7,930,858,929)
Appropriation to bonus and welfare fund	-	-	-	-	-	(61,607,669,990)	(61,607,669,990)
Appropriation to investment and development fund	-	-	-	-	181,082,523,189	(181,082,523,189)	-
Current year's closing balance	871,643,300,000	6,778,948,000	-	-	1,220,561,708,767	761,094,896,749	2,860,078,853,516



Charter capital

According to the amended business registration certificate, the Company's charter capital is VND 871,643,300,000. The value and number of shares of the Company are as follows:

	Closing balance		Opening balance	
	Number of shares	VND	Number of shares	VND
Authorized and issued share capital	87,164,330	871,643,300,000	87,164,330	871,643,300,000
Treasure shares	-	-	(222,380)	(16,121,030,000)
Ordinary shares currently in circulation	87,164,330	871,643,300,000	86,941,950	855,522,270,000

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

Dividends

According to Resolution of the Company's Annual General Meeting No. 001/2016/NQ-DHDCD dated 28 April 2016, the shareholders of the Company has approved declaration of dividends from profit after tax of 2015 at 35% in cash, equal to VND 304,296,825,000.

26. NON-CONTROLLING INTERESTS

	Current year VND	Prior year VND
Opening balance	20,323,225,971	16,830,408,891
Net profit attributable to non-controlling interests	2,996,068,421	3,984,211,763
Capital contribution	13,204,120,020	-
Dividends paid	(1,225,000,000)	(318,500,000)
Appropriation to the bonus fund for the Board of Management	(540,533,785)	(98,000,000)
Appropriation to bonus and welfare funds	(597,631,764)	(74,894,683)
Closing balance	34,160,248,863	20,323,225,971

27. OFF BALANCE SHEET ITEMS

Cash and cash equivalents include the following foreign currencies:

	Closing balance	Opening balance
Đô la Mỹ (USD)	651,214	246,134
Euro (EUR)	46,884	82,222
Pataca Macau (MOP)	20	20

28. SEGMENTAL REPORTING

The primary format, business 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.

Business segments

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

	Current year VND	Prior year VND
Net sales		
Pharmaceutical products	2,480,389,589,185	2,484,643,264,144
Functional foods	384,319,038,415	228,202,528,816
Others	918,336,148,800	894,914,030,237
	<u>3,783,044,776,400</u>	<u>3,607,759,823,197</u>
Cost of goods sold and services rendered		
Pharmaceutical products	(1,068,977,808,142)	(1,250,950,839,266)
Functional foods	(161,135,328,070)	(109,026,213,904)
Others	(839,945,401,193)	(834,915,081,256)
	<u>(2,070,058,537,405)</u>	<u>(2,194,892,134,426)</u>
Gross profit		
Pharmaceutical products	1,411,411,781,042	1,233,692,424,878
Functional foods	223,183,710,346	119,176,314,912
Others	78,390,747,607	59,998,948,981
	<u>1,712,986,238,995</u>	<u>1,412,867,688,771</u>
29. NET REVENUE OF GOODS SOLD AND SERVICES RENDERED		
	Current year VND	Prior year VND
Sales of goods and services		
Sales of finished goods	3,380,790,607,602	3,200,964,894,298
Sales of merchandises	718,698,231,331	930,177,221,786
Sales of services rendered	54,370,151,921	20,585,370,635
	<u>4,153,858,990,854</u>	<u>4,151,727,486,719</u>
Sales deductions		
Sales discounts	355,747,658,516	519,034,780,072
Sales returns	15,066,555,938	24,932,883,450
	<u>370,814,214,454</u>	<u>543,967,663,522</u>
Net sales		
<i>In which:</i>		
Sales of finished goods	3,026,517,926,448	2,671,641,833,422
Sales of merchandises	702,156,698,031	915,532,619,140
Sales of services rendered	54,370,151,921	20,585,370,635
	<u>3,783,044,776,400</u>	<u>3,607,759,823,197</u>
30. COST OF GOODS SOLD AND SERVICES RENDERED		
	Current year VND	Prior year VND
Cost of merchandises sold	668,325,648,349	885,769,284,426
Cost of finished goods sold	1,392,600,918,874	1,295,091,816,024
Cost of services rendered	10,446,479,601	16,439,091,660
Reversal of provision for devaluation of inventories	(1,314,509,419)	(2,408,057,684)
	<u>2,070,058,537,405</u>	<u>2,194,892,134,426</u>

31. PRODUCTION AND OPERATING COSTS BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	1,671,352,166,776	1,811,744,467,262
Labour costs	776,272,594,987	623,895,388,369
Depreciation and amortization	88,523,885,671	87,048,035,391
Out-sourced services	343,569,376,383	235,580,609,704
Others expenses	90,487,878,474	103,065,724,361
	<u>2,970,205,902,291</u>	<u>2,861,334,225,087</u>

32. FINANCIAL INCOME

	Current year VND	Prior year VND
Interest income	54,650,166,838	30,383,145,079
Foreign exchange gains	2,588,416,127	3,652,204,147
Dividends and profits earned	313,749,620	290,914,626
Other financial income	265,931,599	12,384,212
	<u>57,818,264,184</u>	<u>34,338,648,064</u>

33. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	12,492,351,845	8,730,565,082
Settlement discount	66,663,910,134	71,141,260,942
Foreign exchange losses	5,485,354,448	9,550,922,190
Other financial expenses	113,962,446	59,141,844
	<u>84,755,578,873</u>	<u>89,481,890,058</u>

34. SELLING AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
a. Selling expenses		
Advertising expenses	162,943,769,507	78,073,169,748
Staff cost	300,631,057,260	245,338,504,849
Seminar expenses	15,993,550,783	14,667,144,681
Depreciation and amortization expenses	16,315,783,426	14,079,620,579
Transportation expenses	18,878,185,172	20,498,121,774
Material expenses	12,335,573,064	11,492,656,910
Customer care expenses	5,544,773,888	3,136,614,689
Tools and supplies expenses	7,199,729,225	5,066,594,906
	91,797,107,396	65,261,107,359
	<u>631,639,529,721</u>	<u>457,613,535,495</u>
b. General and administration expenses		
Staff cost	238,566,839,903	179,794,879,767
Out-sourced services expenses	17,771,200,504	22,610,993,699
Depreciation and amortization expenses	9,799,334,517	13,932,815,111
Provision for dismantling and restoration costs	2,814,081,133	5,053,947,698
Tools and supplies expenses	3,872,229,920	4,430,503,772
Provision for doubtful debts	2,546,308,507	4,580,490,150
Taxes, fees and duties	875,495,082	904,975,138
Material expenses	487,808,361	822,044,755
Others	20,585,205,519	30,179,522,428
	<u>297,318,503,446</u>	<u>262,310,172,518</u>

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35. OTHER INCOME

	Current year VND	Prior year VND
Gain from disposal of fixed assets	5,820,571,285	2,618,121,272
Commission income	110,988,811	40,192,572,673
Revenue from rental services	-	108,000,000
Others	9,189,535,904	28,323,280,895
	<u><u>15,121,096,000</u></u>	<u><u>71,241,974,840</u></u>

36. OTHER EXPENSES

	Current year VND	Prior year VND
Missing inventories written-off	8,295,694,967	-
Depreciation of Beta Lactam factory not operating yet	4,611,432,784	-
Others	2,459,940,484	6,823,220,272
	<u><u>15,367,068,235</u></u>	<u><u>6,823,220,272</u></u>

37. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Accounting profit before tax	<u>756,657,014,613</u>	<u>701,309,105,160</u>
Tax calculated at a normal rate of 20% (2015: 22%)	151,331,402,923	154,288,003,135
Adjustments for:		
Income not subject to tax	(62,752,505)	(228,031,106)
Expenses not deductible for tax purpose	2,772,313,223	1,548,562,325
Additional tax from prior years	262,608,996	136,312,591
Tax incentives	(107,120,114,912)	(45,370,354,379)
Temporary differences of provisions	(6,668,171,562)	-
Eliminated entries for consolidation	3,044,231,863	(1,750,602,391)
Current tax expenses after adjustments	<u><u>43,559,518,026</u></u>	<u><u>108,623,890,175</u></u>

Charge/(credit) to the income statement:

	Current year VND	Prior year VND
Current corporate income tax expenses	64,546,248,179	108,690,466,892
Deferred corporate tax income	<u>(20,986,730,153)</u>	<u>(66,576,717)</u>
	<u><u>43,559,518,026</u></u>	<u><u>108,623,890,175</u></u>

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

Applicable tax rates

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

Except for DHG Packaging and Printing 1 One Member Limited Company, DHG Pharmaceutical One Member Limited Company, SH Pharmaceutical Joint Stock Company which are entitled to tax incentives, the Company and other subsidiaries in the Group is obliged to pay corporate income tax at the rate of 20% (2015: 22%) of its taxable income.

DHG Packaging and Printing 1 One Member Limited Company ("DHG Packaging and Printing 1")

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.

DHG Pharmaceutical One Member Limited Company ("DHG One Member Pharma")

Pursuant to investment certificate No. 642041000005 issued by the Management Board of Hau Giang Industrial Zone, DHG One Member Pharma is obliged to pay corporate income tax at the rate of 10% of taxable income for 15 years from the date of starting its operation. DHG One Member Pharma 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 One Member Pharma has registered to the tax department of Hau Giang province to apply the above tax incentives effective from the financial year 2015.

SH Pharmaceutical Joint Stock Company ("SH Pharma JSC")

Pursuant to the investment certificate, SH Pharma JSC is obliged to pay corporate income tax at the rate of 20% of taxable income from 2008 to 2017. Under terms in investment certificate granted to SH Pharma JSC, SH Pharma JSC is entitled to corporate income tax exemption from 2008 to 2009 and 50% reduction of corporate income tax from 2010 to 2015.

All above tax incentives are not applicable to other income which are entitled to the normal rate of 20% for 2016 (2015: 22%).

38. BASIC EARNINGS PER SHARE

a. Basic earnings per share

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

	Current year VND	Prior year VND
Profit for the period attributable to shareholders of the Company (VND)	710,101,428,166	588,701,003,222
Appropriation to funds (*)	(101,594,448,158)	(88,282,851,475)
Earnings for the purpose of calculating basic earnings per share (VND)	608,506,980,008	500,418,151,747
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (share)	87,010,624	87,060,370
Basic earnings per share (VND/share)	<u>6,993</u>	<u>5,748</u>

(*) The appropriation for bonus and welfare funds for the year ended 31 December 2016 is based on the Company's profit distribution plan 2016 as approval by the shareholders in the Annual Shareholders' Meeting and the profit distribution plan of 2016 for subsidiaries in accordance to the decision of the Board of Management.

b. Diluted earnings per share

The Group does not have potentially dilutive ordinary shares.

39. COMMITMENTS

a. Operating lease commitment

	Current year VND	Prior year VND
Minimum lease payments under operating leases recognized in the consolidated income statement for the year	5,586,976,942	1,854,150,976

At the 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	5,481,993,358	1,854,150,976
In the second to fifth year inclusive	21,927,973,432	7,416,603,904
After five years	<u>122,558,946,522</u>	<u>43,338,191,348</u>
	<u>149,968,913,312</u>	<u>52,608,946,228</u>

b. Capital commitment

Capital expenditure contracted for at the balance sheet date but not recognized in the consolidated financial statements is as follows:

	Closing balance VND	Opening balance VND
Approved but not contracted	25,292,389,735	51,906,098,511
Approved and contracted but not implemented	<u>31,867,348,447</u>	<u>35,194,222,984</u>
	<u>57,159,738,182</u>	<u>87,100,321,495</u>

40. RELATED PARTY TRANSACTIONS AND BALANCES

The largest shareholder of the Group is the State Capital Investment Corporation ("SCIC") which owns 43.31% of the Company's share capital. SCIC is controlled by the Government of S.R Vietnam.

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

	Current year VND	Prior year VND
Services received		
Vinh Hao Algae Processing Joint Stock Company	<u>2,253,860,000</u>	<u>51,950,000</u>
Sales of goods and services		
Vinh Hao Algae Processing Joint Stock Company	<u>149,132,240</u>	<u>-</u>
Dividend declared		
SCIC	<u>132,127,887,500</u>	<u>113,252,475,000</u>
Benefits paid to key management personnel		
Salary and benefits	<u>10,691,087,971</u>	<u>11,883,263,388</u>

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41. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

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

	Current year VND	Prior year VND
Appropriation to reserves	250,621,052,108	277,794,412,447
Transferred from construction in progress to tangible fixed assets	109,839,029,974	157,255,650,566
Transferred from construction in progress to intangible assets	6,205,435,000	17,770,669,213
Transferred from construction in progress to tools and supplies	496,913,970	411,676,938
Transferred from construction in progress to long-term prepayments	23,886,000	674,908,727
Transferred from long-term prepayments to intangible assets	6,773,444,684	69,336,881,636
Transferred from tangible fixed assets to tools and supplies	-	212,927,438
Interest earned and dividends has not been received	15,588,566,422	6,691,565,280
Additions in fixed assets and construction in progress during the year that has not yet been paid	597,142,857	-
Transferred from financial reserve fund to investment and development fund	-	67,063,114,920

b. Proceeds from borrowings

	Current year VND	Prior year VND
Proceeds from borrowings under normal contracts	<u>1,561,815,329,559</u>	<u>1,222,254,694,302</u>

c. Repayment of borrowings

	Current year VND	Prior year VND
Repayment of borrowings under normal contracts	<u>1,477,761,107,833</u>	<u>1,128,250,896,327</u>

42. COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's figures to enhance their comparability with the year's presentation. Details are as follows:

	Previously reported amount VND	Amount after reclassification VND	Net change VND
Other income	84,857,448,081	71,241,974,840	(13,615,473,241)
Other expenses	<u>20,438,693,513</u>	<u>6,823,220,272</u>	<u>(13,615,473,241)</u>

Tran Ngoc Hien
Preparer

Ho Bui Huan
Chief Accountant



Le Chanh Dao
Deputy General Director
20 March 2017