

**DHG PHARMACEUTICAL JOINT STOCK COMPANY**

**SEPARATE INTERIM FINANCIAL STATEMENTS  
FOR FISCAL PERIOD ENDED MARCH 31, 2017**

**DHG PHARMACEUTICAL JOINT STOCK COMPANY**

**SEPARATE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2017**

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## DHG PHARMACEUTICAL JOINT STOCK COMPANY

### CORPORATE INFORMATION

**Establishment Decision** No. 2405/QD-CT.UB dated August 05, 2004  
issued by the People's Committee of Can Tho City.

**Business Registration Certificate** No. 5703000111 dated September 15, 2004 issued by the Planning and Investment Department of Can Tho City.

The Business Registration Certificate has been amended several times and its latest amendment No. 1800156801 dated July 29, 2016 was issued by the Planning and Investment Department of Can Tho City.

<b>Board of Directors</b>	Mr. Hoang Nguyen Hoc	Chairman
	Mr. Le Dinh Bui Tri	Deputy Chairman
	Mrs. Pham Thi Viet Nga	Member
	Mr. Doan Dinh Duy Khuong	Member
	Mr. Tran Chi Liem	Member
	Mr. Jun Kuroda	Member
	Mr. Shuhei Tabata	Member (dismiss on March 24, 2017)

<b>Board of Management</b>	Mrs. Pham Thi Viet Nga	General Director
	Mr. Le Chanh Dao	Deputy General Director
	Mr. Doan Dinh Duy Khuong	Deputy General Director
	Mrs. Nguyen Ngoc Diep	Deputy General Director

<b>Supervisory Board</b>	Mr. Tran Quoc Hung	Head of the Board
	Mrs. Nguyen Phuong Thao	Member
	Mr. Dinh Đức Minh	Member

<b>Legal representative</b>	Mrs. Pham Thi Viet Nga	General Director
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**Headquarter** 288 Bis Nguyen Van Cu Street, An Hoa Ward, Ninh Kieu District, Can Tho City, Vietnam

## SEPARATE INTERIM BALANCE SHEET

Code	Note	As of 03.31.2017 VND	As of 12.31.2016 VND
<b>100</b>	<b>ASSETS</b>		
<b>100</b>	<b>CURRENT ASSETS</b>	<b>2,368,475,317,980</b>	<b>2,375,437,113,573</b>
<b>110</b>	<b>Cash and Cash equivalents</b>	<b>225,730,602,254</b>	<b>310,837,861,290</b>
111	Cash	48,730,602,254	25,209,548,477
112	Cash equivalents	177,000,000,000	285,628,312,813
<b>120</b>	<b>Short-term investments</b>	<b>717,000,000,000</b>	<b>694,000,000,000</b>
123	Held-to-maturity investments	717,000,000,000	694,000,000,000
<b>130</b>	<b>Short-term receivables</b>	<b>695,955,029,888</b>	<b>587,663,605,860</b>
131	Trade receivables	566,735,175,561	505,395,183,923
132	Prepayments to suppliers	27,966,005,365	19,450,347,218
135	Short-term loans receivables	85,873,297,800	46,337,054,549
136	Other short-term receivables	28,450,481,855	22,587,526,950
137	Provision for short-term doubtful debts	(13,069,930,693)	(6,106,506,780)
<b>140</b>	<b>Inventories</b>	<b>712,903,074,820</b>	<b>770,889,142,004</b>
141	Inventories	714,557,698,518	772,543,765,702
149	Provision for devaluation of inventories	(1,654,623,698)	(1,654,623,698)
<b>150</b>	<b>Other current assets</b>	<b>16,886,611,018</b>	<b>12,046,504,419</b>
151	Short-term prepayments	6,211,340,670	2,637,736,253
153	Taxes and other payables to the State Budget	10,675,270,348	9,408,768,166
<b>200</b>	<b>NON-CURRENT ASSETS</b>	<b>1,258,220,018,440</b>	<b>1,262,533,382,063</b>
<b>210</b>	<b>Long-term receivables</b>	<b>10,323,661,731</b>	<b>2,749,472,109</b>
215	Receivables on long-term loans	10,323,661,731	2,749,472,109
<b>220</b>	<b>Fixed assets</b>	<b>500,991,293,791</b>	<b>490,337,670,120</b>
221	Tangible fixed assets	293,446,859,435	284,031,671,199
222	Original cost	660,467,136,353	640,015,468,670
223	Accumulated depreciation	(367,020,276,918)	(355,983,797,471)
227	Intangible fixed assets	207,544,434,356	206,305,998,921
228	Original cost	228,317,381,877	226,053,296,877
229	Accumulated amortization	(20,772,947,521)	(19,747,297,956)
<b>230</b>	<b>Real estate investments</b>	<b>164,522,321</b>	<b>25,567,976,719</b>
231	Original cost	601,924,144	36,576,236,140
232	Accumulated depreciation	(437,401,823)	(11,008,259,421)
<b>240</b>	<b>Long-term assets in progress</b>	<b>8,647,660,892</b>	<b>6,903,601,956</b>
242	Cost of work in progress	8,647,660,892	6,903,601,956
<b>250</b>	<b>Long-term financial investments</b>	<b>711,488,080,200</b>	<b>711,488,080,200</b>
251	Investments in subsidiaries	696,292,460,000	696,292,460,000
252	Investments in associates	3,787,450,000	3,787,450,000
253	Investments in equity of other entities	27,908,170,200	27,908,170,200
254	Provision for impairment of long-term financial investments	(16,500,000,000)	(16,500,000,000)
<b>260</b>	<b>Other non-current assets</b>	<b>26,604,799,505</b>	<b>25,486,580,959</b>
261	Long-term prepaid expenses	17,419,594,980	16,425,962,516
262	Deferred income tax assets	9,185,204,525	9,060,618,443
<b>270</b>	<b>TOTAL ASSETS</b>	<b>3,626,695,336,420</b>	<b>3,637,970,495,636</b>

## DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 01 – DN

## SEPARATE INTERIM BALANCE SHEET (cont.)

Code		Note	As of 03.31.2017 VND	As of 12.31.2016 VND
	<b>RESOURCES</b>			
<b>300</b>	<b>LIABILITIES</b>		<b>1,289,178,834,063</b>	<b>1,299,808,030,648</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>1,234,496,694,931</b>	<b>1,250,005,950,057</b>
311	Short-term trade payables	18	671,283,552,537	645,867,894,117
312	Short-term advances from customers		11,136,037,551	13,737,632,713
313	Taxes and other payables to the State Budget	11	8,733,521,401	2,265,214,563
314	Payables to employees		55,011,720,174	113,184,224,509
315	Short-term accrued expenses	19	49,215,260,510	27,426,200,327
318	Unrealized revenue	20	18,728,902,739	26,361,586,191
319	Other short-term payables	21	127,237,360,071	5,208,187,098
320	Short-term borrowings	22	257,674,499,856	354,765,428,463
322	Bonus and welfare fund	23	35,475,840,092	61,189,582,076
<b>330</b>	<b>Long-term liabilities</b>		<b>54,682,139,132</b>	<b>49,802,080,591</b>
342	Provision for long-term payables	24	29,426,022,623	28,803,092,215
343	Science and technology development fund	25	25,256,116,509	20,998,988,376
<b>400</b>	<b>OWNER'S EQUITY</b>		<b>2,337,516,502,357</b>	<b>2,338,162,464,988</b>
<b>410</b>	<b>Owner's equity</b>	<b>26</b>	<b>2,337,516,502,357</b>	<b>2,338,162,464,988</b>
411	Owner's contributed capital		871,643,300,000	871,643,300,000
411a	- Common shares with voting rights		871,643,300,000	871,643,300,000
412	Capital surplus		6,778,948,000	6,778,948,000,00
418	Investment and development fund		1,204,418,584,654	1,204,418,584,654
421	Undistributed profit after tax		254,675,669,703	255,321,632,334
	- Undistributed profit after tax brought forward		255,321,632,334	-
	- Undistributed profit after tax for the current year		(645,962,631)	255,321,632,334
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>3,626,695,336,420</b>	<b>3,637,970,495,636</b>

Tran Ngoc Hien  
Preparer

Ho Buu Huan  
Chief Accountant

Le Chanh Dao  
Deputy General Director  
April 15, 2017

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 02 – DN

SEPARATE INTERIM INCOME STATEMENT

Code		Note	For 3-month period	For 3-month period
			ended	ended
			03.31.2017	03.31.2016
			VND	VND
01	Gross revenue from goods and services rendered		1,111,986,956,955	859,710,154,458
02	Deductions		69,233,181,143	38,938,824,587
<b>10</b>	<b>Net revenue from goods and services rendered</b>	<b>28</b>	<b>1,042,753,775,812</b>	<b>820,771,329,871</b>
11	Cost of goods sold	29	828,138,372,301	588,375,038,776
20	Gross profit		214,615,403,511	232,396,291,095
21	Financial income	30	15,215,978,271	12,097,488,164
22	Financial expenses	31	19,854,028,765	14,540,939,802
23	<i>In which: interest expenses</i>		<i>4,659,359,294</i>	<i>2,619,858,691</i>
25	Selling expenses	32	139,849,993,959	108,151,764,163
26	General administration expenses	32	72,314,791,061	57,531,960,414
<b>30</b>	<b>Operating profit</b>		<b>(2,187,432,003)</b>	<b>64,269,114,880</b>
31	Other income	33	1,664,167,245	12,162,804,565
32	Other expenses	34	339,230,896	262,457,566
40	Profit from other activities		1,324,936,349	11,900,346,999
<b>50</b>	<b>Profit before tax</b>		<b>(862,495,654)</b>	<b>76,169,461,879</b>
51	Current corporate income tax expenses	36	(91,946,941)	15,338,476,548
52	Deferred income tax expenses		(124,586,082)	-
<b>60</b>	<b>Profit after corporate income tax</b>		<b>(645,962,631)</b>	<b>60,830,985,331</b>

Tran Ngoc Hien  
Preparer

Ho Buu Huan  
Chief Accountant

Le Chanh Dao  
Deputy General Director  
April 15, 2017

## DHG PHARMACEUTICAL JOINT STOCK COMPANY

### NOTE

DHG Pharmaceutical Joint-Stock Company explains on the fluctuation of profit after tax of Q1/2017 to same period last year as follows:

Unit: million VND

Target	2017	2016	Increase, Decrease	
	Q1	Q1	Q1	
			Value	%
Net sales	1,042,754	820,771	221,982	27.05%
Profit after tax	(646)	60,831	(61,477)	-101.06%

#### Reason:

Profit after tax of Q1/2016 of Parent Company decreased 101.06% over the same period. The main reason is the transfer of production to the new factory in Tan Phu Thanh Industrial Zone - DHG Pharmaceutical One Member Limited Company.

DHG Pharmaceutical Joint-Stock Company kindly explains.

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Tran Ngoc Hien  
Preparer

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Ho Buu Huan  
Chief Accountant

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Le Chanh Dao  
Deputy General Director  
April 15, 2017

SEPARATE INTERIM CASH FLOW STATEMENT  
(Indirect method)

Code	Note	For fiscal period ended	
		03.31.2017 VND	03.31.2016 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01		<b>(862,495,654)</b>	<b>76,169,461,879</b>
	Adjustments for:		
02	Depreciation of fixed assets	12,743,955,920	13,797,450,515
03	Provisions	2,337,767,506	492,864,266
05	Gains from investing activities	(14,586,961,827)	(13,206,675,750)
06	Interest expenses	4,659,359,294	2,619,858,691
08	<b>Operating profit before movements in working capital</b>	<b>4,291,625,239</b>	<b>79,872,959,601</b>
09	(Increase)/decrease in receivables	(41,755,789,739)	37,034,889,984
10	Decrease in inventories	57,986,067,184	21,310,463,640
11	Increase in payables	81,900,129,164	96,398,654,861
12	Increase in prepaid expenses	(4,574,690,634)	(597,281,733)
14	Interest paid	(4,691,606,542)	(2,771,250,640)
15	Business income tax paid	-	(13,139,237,530)
16	Proceeds from operating activities	3,240,441,347,00	-
17	Other cash outflows	(28,152,030,503)	(20,073,620,933)
20	<b>Net cash generated by operating activities</b>	<b>68,244,145,516</b>	<b>198,035,577,250</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Acquisition and construction of fixed assets and other long-term assets	(4,494,151,667)	(12,105,007,778)
22	Proceeds from sales, disposal of fixed assets and other long-term assets	1,646,427,285	2,907,632,727
23	Payments for investments in other entities	(448,040,702,796)	(482,869,020,968)
24	Collection of loans granted to other entities	377,930,269,923	170,690,077,486
27	Interest, dividends and profits received	16,697,681,310	8,237,552,025
30	<b>Net cash outflows from investing activities</b>	<b>(56,260,475,945)</b>	<b>(313,138,766,508)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Proceeds from borrowings	559,547,565,946	105,511,819,889
34	Repayments of borrowings	(656,638,494,553)	(191,509,064,194)
40	<b>Net cash outflows from financing activities</b>	<b>(97,090,928,607)</b>	<b>(85,997,244,305)</b>
50	<b>Net cash flow during the period/year</b>	<b>(85,107,259,036)</b>	<b>(201,100,433,563)</b>
60	<b>Cash and cash equivalents at the beginning of year</b>	<b>310,837,861,290</b>	<b>329,246,389,813</b>
61	Impacts of exchange rate fluctuations	-	-
70	<b>Cash and cash equivalents at end of period/year</b>	<b>225,730,602,254</b>	<b>128,145,956,250</b>

Tran Ngoc Hien  
Preparer

Ho Buu Huan  
Chief Accountant

Le Chanh Dao  
Deputy General Director  
April 15, 2017

**NOTE FOR SEPARATE INTERIM FINANCIAL STATEMENTS  
FOR THE FISCAL PERIOD ENDED MARCH 31, 2017**

**1. GENERAL INFORMATION**

**Structure of ownership**

On September 02, 2004, DHG Pharmaceutical Joint Stock Company officially came into operation in accordance with Decision No. 2405/QĐ-CT.UB dated August 05, 2004 of the People's Committee of Can Tho City about the transformation of Hau Giang Pharmaceutical United Factory into a joint stock company operating in The Socialist Republic of Vietnam in accordance with Business Registration Certificate No. 5703000111 dated September 15, 2004 issued by the Planning and Investment Department of Can Tho City, the initial charter capital is 80,000,000,000 VND.

Shares of the company was approved to be listed in HCM Stock Exchange on December 01, 2006 under the stock listing License No. 93/UBCK-GPNY of the State Securities Commission, with "DHG" ticker.

The largest shareholder of the Company is the State Capital Investment Corporation ("SCIC"), 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, Vietnam.

As at March 31, 2017, the Company had 2,138 employees (as at December 31, 2016: 1,738 employees).

**Business line and principal activities**

The main business line of the Company is production and trading of pharmaceuticals. The Company's principal business is to manufacture and trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals.

**Corporate structure**

As at March 31, 2017, the Company's subsidiaries and associate were as following:

Name	Principal activities	Business Registration Certificate	Ownership and voting rights	
			03.31.2017	12.31.2016
<b>Subsidiaries:</b>				
DT Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 5104000057 issued by the Planning and Investment Department of Dong Thap province on August 28, 2008	100%	100%
HT Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 5604000048 issued by the Planning and Investment Department of Kien Giang province on May 16, 2008	100%	100%
CM Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 6104000035 issued by the Planning and Investment Department of Ca Mau province on April 08, 2008	100%	100%
A&G Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 1601171629 issued by the Planning and Investment Department of An Giang province on June 17, 2009	100%	100%

**DHG PHARMACEUTICAL JOINT STOCK COMPANY**
**Form B 09 – DN**
**1 GENERAL INFORMATION (cont.)**

Name	Principal activities	Business Registration Certificate	Ownership and voting rights	
			03.31.2017	12.31.2016
<b>Subsidiaries (cont.)</b>				
ST Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 5904000064 issued by the Planning and Investment Department of Soc Trang province on April 11, 2008	100%	100%
TOT Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 1801113085 issued by the Planning and Investment Department of Can Tho City on February 25, 2009	100%	100%
TG Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical equipment, dietary supplements and cosmeceuticals	No. 1200975943 issued by the Planning and Investment Department of Tien Giang province on February 25, 2009	100%	100%
Bali Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 1900455594 issued by the Planning and Investment Department of Bac Lieu Province on March 29, 2011	100%	100%
B&T Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 1300917335 issued by the Planning and Investment Department of Ben Tre Province on October 05, 2012	100%	100%
TVP Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 2100510569 issued by the Planning and Investment Department of Tra Vinh Province on October 19, 2012	100%	100%
VL Pharmaceutical One Member Limited Company (*)	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 1500971019 issued by the Planning and Investment Department of Vinh Long Province on December 19, 2012	100%	100%
Song Hau Pharmaceutical Joint-Stock Company	Trade pharmaceuticals, medical supplies and equipment, dietary supplements and cosmeceuticals	No. 6403000044 issued by the Planning and Investment Department of Hau Giang province on July 20, 2007	51%	51%
DHG Travel One Member Limited Company	Travel services	No. 5704000134 issued by the Planning and Investment Department of Can Tho City on December 26, 2007	100%	100%
DHG Pharmaceutical One member Limited Company	Production and trading in pharmaceuticals, supplies, equipment, medical devices, dietary supplements and cosmetics	No. 6300124430 issued by the Planning and Investment Department of Hau Giang province on August 16, 2010	100%	100%

Name	Principal activities	Business Registration Certificate	% Ownership and voting rights	
			03.31.2017	12.31.2016
<b>Subsidiaries (cont.)</b>				
DHG Packaging and Printing 1 One Member Limited Company	Produce label, packaging from paper and cover; Manufacture and trade plastic, aluminium, paper; provide printing services	No. 6300215818 issued by the Planning and Investment Department of Hau Giang province on September 28, 2012	100%	100%
Fuji Medic Company Ltd.	Operation of polyclinics, specialized and dental clinics	No. 1801472944 issued by the Planning and Investment Department of Can Tho City on July 27, 2016	51%	51%
<b>Associate:</b>				
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 February 04, 2008	31.36%	31.36%

(\*) On October 03, 2016, the Board of Directors approved the change in operating model of 11 subsidiaries into branches under the parent company, included:

- Approved the dissolution of 11 subsidiaries.
- Approved the establishment of 11 branches under the parent company to receive the transfer of all subsidiary activities after the dissolution.
- Time to close the book was December 31, 2016. Since January 01, 2017, those companies will operate as a branch of the parent company.

At the release date of this separate financial statements, the Company is still proceeding with 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.

## **2 BASIS OF PREPARATION OF SEPARATE INTERIM FINANCIAL STATEMENTS AND FISCAL YEAR**

### **Basis of preparation of separate interim financial statements**

The separate interim financial statements, prepared in Vietnam Dong (VND), are prepared under the historical cost convention, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

The separate interim financial statements are intended to present the financial position of the Company as at March 31, 2017, and the results of its operations and cash flows for the fiscal year ended the same day. Therefore, the company does not perform consolidation of investments in subsidiaries and associated companies in this separate interim financial statements. The Company's investments are recognized under the Company policies and disclosed in Note 3 below.

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

### **Fiscal year**

The Company's fiscal year begins on January 01 and ends on December 31.

### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### **Estimated accounting**

The preparation of separate interim 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 year. Although these accounting estimates are based on the Board of Management' 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, which are highly liquid, readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

#### **Financial investments**

##### **Held-to-maturity investments**

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

Held-to-maturity investments include term deposits with a remaining maturity term not exceeding 12 months from balance sheet date to earn periodic interest. 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 provisions. Provisions relating to loan receivables is made in accordance with prevailing accounting regulations.

#### ***Investments in subsidiaries and associates***

##### *Investments in subsidiaries*

Subsidiaries are all entities controlled by the Company. The control is achieved when the Company has the ability to control the financial and operating policies of the investee companies to obtain benefits from the activities of these companies.

##### *Investments in associates*

An associate is an entity in which the Company has significant influence but is not a subsidiary or joint venture of the Company. Significant influence is the power to participate in the the financial and operating policies of the investee but not control or joint control of these policies.

Interests in subsidiaries and associate are initially recorded at cost. The Company's share of the net profit of the investee after acquisition is recognized in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries and associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries and associates are made in accordance with Circular No. 228/2009/TT-BTC dated December 07, 2009 of the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated June 28, 2013 of the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and current 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 in value of these investments is made when the entities made losses, except for loss that was anticipated in their business plan before the date of investment.

**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 purchasing cost and other directly attributable expenses. In the case of manufactured products, cost comprises direct material costs, 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.

Provision for devaluation of inventories of the Company is made in accordance with the current accounting regulations. As a result, the Company is entitled to make provision for obsolete, damaged, 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 on a straight-line basis over the estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	3 - 25
Machinery and equipment	1,5 - 20
Motor vehicles	3 - 10
Office equipment	3 - 10

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between proceeds from sales or disposals of assets and their remainder price and is recognized in the income statement.

**Lease**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 the process of negotiating an operating lease are recognized in the book value of the leased asset and accounting under the straight-line method 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 considered 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 fixed assets representing the value of land use right and computer software are stated at cost less accumulated amortization.

Land use rights are amortized on a straight-line method over the terms indicated in the land use right certificate. Land use rights which are carried at cost and not amortized under prevailing regulations.

Computer software is amortized on a straight-line method over the estimated useful life from 3 to 8 years

**Investment properties**

Investment properties are buildings, or part of buildings or both buildings and land or infrastructure held by the Company to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation. Investment properties held for capital appreciation are stated at cost less impairment loss. The cost of purchased investment properties comprises their purchase price and any directly attributable costs, such as professional fees for legal services, registration fees 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 under construction for production, rental or administrative purposes or for other purposes, are carried at cost. This 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 to 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 amount of prepaid land rentals. The prepaid land rentals are allocated to the income statement using the straight-line method over the lease term.

Other are capitalized as prepayments and are amortized to the consolidated income statement using the straight-line method in accordance with the current 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' 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 period of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted of the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. 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 Ministry of Finance, since January 01, 2015, the Company is required to provide for dismantling and restoration costs of the company's leased premises or land. The provision is 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 January 01, 2015 to the time of returning the premises or land.

**Unearned revenue**

Unearned revenue represents the fair value of goods and services provided to customers for free or at discount in the customer loyalty programs. Unearned revenue is recognized for the portion of obligation that the 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) The Company will gain economic benefits associated with the transaction; 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 has right to receive payment.

**Sales deductions**

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

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

**Customer loyalty program**

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 gross revenue from goods 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 that corresponds to the fair value of the goods or services provided for free or discounted for the customers, is realized into gross revenue from goods and services 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 Company does not act as an agent of the third party, the unearned revenue is realized into revenue from goods and services 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 paid to the third party is treated as the payment of the liabilities.

**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. Foreign exchange differences arising in these transactions are recognized in the income statement.

**Borrowing costs**

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

**Taxation**

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

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

Deferred tax is recognized on significant differences between carrying amounts of assets and a liability in the financial statements and the corresponding tax base 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 period when the liability is settled or the asset realised. 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 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 in the following year from undistributed earnings based on the approval of shareholders at the Group's Annual General Meeting.

#### 4 CASH AND CASH EQUIVALENTS

	03.31.2017 VND	12.31.2016 VND
Cash	11,209,360,082	10,996,396,256
Cash in banks	37,521,242,172	14,213,152,221
Cash equivalents (*)	177,000,000,000	285,628,312,813
	<u>225,730,602,254</u>	<u>310,837,861,290</u>

(\*) Cash equivalents included term deposits with an original maturity of 3 months or less.

#### 5 FINANCIAL INVESTMENTS

##### Held-to-maturity investments

Investments held to maturity include bank deposits with an original maturity period of 3 months to 12 months.

##### Investments in equity of other entities

	03.31.2017		12.31.2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Investments in subsidiaries	696,292,460,000	-	696,292,460,000	-
Investment in associate	3,787,450,000	-	3,787,450,000	-
Equity investment in other entities	27,908,170,200	(16,500,000,000)	27,908,170,200	(16,500,000,000)
	<u>727,988,080,200</u>	<u>(16,500,000,000)</u>	<u>727,988,080,200</u>	<u>(16,500,000,000)</u>

**5 FINANCIAL INVESTMENTS (cont.)****Investments in subsidiaries**

	<b>03.31.2017</b>	<b>12.31.2016</b>
	<b>VND</b>	<b>VND</b>
DT Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
DHG Travel One Member Limited Company	5,000,000,000	5,000,000,000
HT Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
CM Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
Song Hau Pharmaceutical Joint-Stock Company	2,550,000,000	2,550,000,000
A&G Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
ST Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
TOT Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
TG Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
Bali Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
DHG Pharmaceutical One Member Limited Company	540,000,000,000	540,000,000,000
B&T Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
VL Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
TVP Pharmaceutical One Member Limited Company	5,000,000,000	5,000,000,000
DHG Packaging and Printing 1 One Member Limited Company	80,000,000,000	80,000,000,000
Fuji Medic Co. Ltd.	13,742,460,000	13,742,460,000
	<u>696,292,460,000</u>	<u>696,292,460,000</u>

**Investment in associate**

	<b>03.31.2017</b>	<b>12.31.2016</b>
	<b>VND</b>	<b>VND</b>
Vinh Hao Algae Processing Joint Stock Company	<u>3,787,450,000</u>	<u>3,787,450,000</u>

**Equity investments in other entities**

	<b>03.31.2017</b>	<b>12.31.2016</b>
	<b>VND</b>	<b>VND</b>
ATP Packaging Joint Stock Company	20,000,000,000	20,000,000,000
Binh Duong Pharmaceutical & Medical Equipment Joint Stock Company	4,286,800,000	4,286,800,000
Tra Vinh Pharmaceutical Joint Stock Company	2,575,315,200	2,575,315,200
Ninh Thuan Pharmaceutical & Medical Equipment Joint Stock Company	796,675,000	796,675,000
Tay Ninh Pharmaceutical Joint Stock Company	221,960,000	221,960,000
Cuu Long Pharmaceutical Joint Stock Company	27,420,000	27,420,000
	<u>27,908,170,20</u>	<u>27,908,170,200</u>

Provision balance as at March 31, 2017 and December 31, 2016 represents the provision for impairment in value of the investment in ATP Packaging Joint Stock Company.

**6 SHORT-TERM TRADE RECEIVABLES**

	<b>03.31.2017</b>	<b>12.31.2016</b>
	<b>VND</b>	<b>VND</b>
From subsidiaries (Note 38)	8,663,946,452	110,472,202,944
From third parties	<u>558,071,229,109</u>	<u>394,922,980,979</u>
	<u>566,735,175,561</u>	<u>505,395,183,923</u>

As at March 31, 2017 and December 31, 2016, there are no short-term receivables from third parties accounted for 10% or more on total trade receivables.



Movements in the provision for doubtful receivables in the period / year are as follows:

	Fiscal period ended 03.31.2017 VND	Fiscal year ended 12.31.2016 VND
Opening balance	6,106,506,780	5,777,715,142
Increase in the period/year	841,462,016	328,791,638
Subsidiaries transfer	6,121,961,897	-
Decrease in the period/year	-	-
Closing balance	<u>13,069,930,693</u>	<u>6,106,506,780</u>

## 10 INVENTORIES

	<u>03.31.2017</u>		<u>12.31.2016</u>	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	48,810,855,800	-	60,597,811,325	-
Raw materials	164,979,867,777	-	174,559,432,461	-
Work in progress	20,678,163,907	-	9,884,664,619	-
Finished goods	89,901,544,466	1,028,460,903	120,444,958,431	1,028,460,903
Merchandises	390,187,266,568	626,162,795	407,056,898,866	626,162,795
	<u>714,557,698,518</u>	<u>1,654,623,698</u>	<u>772,543,765,702</u>	<u>1,654,623,698</u>

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

	Fiscal period ended 03.31.2017 VND	Fiscal year ended 12.31.2016 VND
Opening balance	1,654,623,698	2,360,634,730
Increase in the period/year	-	-
Reverse in the period/year	-	(706,011,032)
Closing balance	<u>1,654,623,698</u>	<u>1,654,623,698</u>

Provision for devaluation of inventories is established by original cost of inventories higher than net realizable value of inventories.

As at March 31, 2017 and December 31, 2016, the Company has no inventory backlog, poor and deteriorating quality unable to sell.

## 11 PREPAYMENTS

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### Short-term prepayments

	03.31.2017 VND	12.31.2016 VND
Operating lease expenses	4,308,327,559	30,818,180
Other expenses	1,903,013,111	2,606,918,073
	<u>6,211,340,670</u>	<u>2,637,736,253</u>

## DHG PHARMACEUTICAL JOINT STOCK COMPANY

Prepayments with term not exceeding 12 months from the time of prepayment.

### Long-term prepayments

	03.31.2017 VND	12.31.2016 VND
Prepaid land rental	10,972,489,928	11,059,114,850
Tools and supplies	4,266,542,439	3,722,025,943
Leasehold improvements	444,918,185	111,109,236
Others expenses	1,735,644,428	1,533,712,487
	<u>17,419,594,980</u>	<u>16,425,962,516</u>

Prepayments with term over 12 months from the time of prepayment.

Movements of long-term prepayments as follows:

	Fiscal period ended 03.31.2017 VND	Fiscal year ended 12.31.2016 VND
Opening balance	16,425,962,516	14,621,653,241
Increase	1,913,173,211	4,756,380,827
Amortization in period/year	(919,540,747)	(2,952,071,552)
Closing balance	<u>17,419,594,980</u>	<u>16,425,962,516</u>

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

	As at 01.01.2017 VND	Payable during the period VND	Paid during the period VND	As at 12.31.2017 VND
<b>Receivables</b>				
VAT on domestic sales	2,959,709,577	10,624,866,303	10,828,313,069	3,163,156,343
VAT on imports	9,120,020	10,384,920,326	11,031,321,114	655,520,808
Import export tax	696,183,652	3,062,790,243	3,387,497,930	1,020,891,339
Corporate income tax – current	5,743,754,917	(91,946,941)	-	5,835,701,858
	<u>9,408,768,166</u>	<u>23,980,629,931</u>	<u>25,247,132,113</u>	<u>10,675,270,348</u>
<b>Payables</b>				
Personal income tax	2,265,214,563	22,488,237,577	21,387,974,387	3,365,477,753
Land lease, land tax	-	5,590,404,882	222,361,234	5,368,043,648
Others	-	55,101,000	55,101,000	-
	<u>2,265,214,563</u>	<u>28,133,743,459</u>	<u>21,665,436,621</u>	<u>8,733,521,401</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 January 01, 2017	233,895,975,591	214,148,457,109	117,449,597,439	74,521,438,531	640,015,468,670
Purchase in the period / year	-	-	-	-	-
Construction in progress finished (Note 16)	11,818,182	44,500,000	63,283,560	366,405,989	486,007,731
Investment properties transfer (Note 15)	35,974,311,996	-	-	-	35,974,311,996
Disposals	-	(9,407,653,674)	(353,666,647)	(6,247,331,723)	(16,008,652,044)
As at March 31, 2017	269,882,105,769	204,785,303,435	117,159,214,352	68,640,512,797	660,467,136,353
<b>Accumulated depreciation</b>					
As at January 01, 2017	95,750,794,071	125,495,766,885	79,998,597,658	54,738,638,857	355,983,797,471
Depreciation for the period/year	5,063,660,769	4,287,021,862	2,759,393,915	1,603,483,206	13,713,559,752
Investment properties transfer (Note 15)	10,589,607,934	-	-	-	10,589,607,934
Disposals	-	(7,342,436,681)	(353,666,647)	(5,570,584,911)	(13,266,688,239)
As at March 31, 2017	111,404,062,774	122,440,352,066	82,404,324,926	50,771,537,152	367,020,276,918
<b>Net book value</b>					
As at January 01, 2017	138,145,181,520	88,652,690,224	37,450,999,781	19,782,799,674	284,031,671,199
As at March 31, 2017	158,478,042,995	82,344,951,369	34,754,889,426	17,868,975,645	293,446,859,435

The cost of tangible fixed assets of the Company have been fully depreciated and still in use as at March 31, 2017 is 146,377 million VND (as at December 31, 2016: 148,975 million VND).

## 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 January 01, 2017	110,288,939,361	102,821,579,711	12,942,777,805	226,053,296,877
Purchase in the period / Year	-	-	-	-
Construction in progress finished (Note 16)	-	-	2,264,085,000	2,264,085,000
Disposals	-	-	-	-
As at March 31, 2017	<u>110,288,939,361</u>	<u>102,821,579,711</u>	<u>15,206,862,805</u>	<u>228,317,381,877</u>
<b>Accumulated amortization</b>				
As at January 01, 2017	-	12,710,844,439	7,036,453,517	19,747,297,956
Amortization in the period/year	-	525,940,854	499,708,711	1,025,649,565
Disposals	-	-	-	-
As at March 31, 2017	<u>-</u>	<u>13,236,785,293</u>	<u>7,536,162,228</u>	<u>20,772,947,521</u>
<b>Net book value</b>				
As at January 01, 2017	<u>110,288,939,361</u>	<u>90,110,735,272</u>	<u>5,906,324,288</u>	<u>206,305,998,921</u>
As at March 31, 2017	<u>110,288,939,361</u>	<u>89,584,794,418</u>	<u>7,670,700,577</u>	<u>207,544,434,356</u>

The historical cost of intangible fixed assets of the Company have been fully depreciated and still in use as at March 31, 2017 and December 31, 2016 is 2,917 million VND.

## 15 REAL ESTATE INVESTMENT

	Buildings VND
<b>Cost</b>	
As at January 01, 2017	36,576,236,140
Transfer to tangible fixed assets (Note 13)	(35,974,311,996)
Disposals	-
As at March 31, 2017	<u>601,924,144</u>
<b>Accumulated Depreciation</b>	
As at January 01, 2017	11,008,259,421
Depreciation in period/year	18,750,336
Transfer to tangible fixed assets (Note 13)	(10,589,607,934)
Disposals	-
As at March 31, 2017	<u>437,401,823</u>
<b>Remaining Balance</b>	
As at January 01, 2017	<u>25,567,976,719</u>
As at March 31, 2017	<u>164,522,321</u>

The original price of the real estate investment of the company has been fully depreciated but still used as at March 31, 2017 is 47,567,069 VND and at December 31, 2016 is 612,933,335 VND.

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**16 LONG-TERM CONSTRUCTION IN PROGRESS**

	<b>03.31.2017</b>	<b>12.31.2016</b>
	<b>VND</b>	<b>VND</b>
Construction of effervescent tablets plant	8,023,712,118	6,267,835,000
Construction of Gia Lai brarrch office	623,948,774	623,948,774
Construction of Thai Nguyen branch office	-	11,818,182
	<u>8,647,660,892</u>	<u>6,903,601,956</u>

**Movement in costs of construction in progress in the period/year:**

	<b>Fiscal period</b>	<b>Fiscal year</b>
	<b>ended</b>	<b>ended</b>
	<b>03.31.2017</b>	<b>12.31.2016</b>
	<b>VND</b>	<b>VND</b>
Opening balance	6,903,601,956	13,094,070,465
Purchase	4,494,151,667	92,473,008,537
Transfer to tangible fixed assets (Note 13)	(486,007,731)	(84,930,323,433)
Transfer to intangible fixed assets (Note 14)	(2,264,085,000)	(6,205,435,000)
Transfer to real estate investment (Note 15)	-	(136,483,613)
Transfer to tools & supplies	-	(496,913,970)
Disposals	-	(6,894,321,030)
Closing balance	<u>8,647,660,892</u>	<u>6,903,601,956</u>

**17 DEFERRED TAX ASSETS**

	<b>03.31.2017</b>	<b>12.31.2016</b>
	<b>VND</b>	<b>VND</b>
Corporate income tax rates used for determination of value of deferred tax assets	20%	20%
Deferred tax assets related to deductible temporary differences of provision amount	<u>45,926,022,623</u>	<u>45,303,092,215</u>
Deferred tax assets	<u>9,185,204,525</u>	<u>9,060,618,443</u>

**18 SHORT-TERM TRADE PAYABLES**

	<b>03.31.2017</b>	<b>12.31.2016</b>
<b>Value</b>	<b>Amount able to</b>	<b>Value</b>
<b>VND</b>	<b>be paid off</b>	<b>Amount able to</b>
	<b>VND</b>	<b>be paid off</b>
		<b>VND</b>
<b>Trade payables to third parties</b>		
Truong Tin Pharmaceutical Limited Company	37,536,615,315	37,536,615,315
Mega Lifescience Limited Company (VN)	25,768,717,696	25,768,717,696
Nomura Trading Co.,Ltd	41,230,107,500	41,230,107,500
Others	134,149,675,966	134,149,675,966
		145,283,545,293
<b>Trade payables to subsidiaries and associate (Note 38)</b>	<u>432,598,436,060</u>	<u>432,598,436,060</u>
	<u>671,283,552,537</u>	<u>671,283,552,537</u>
	<u>370,804,348,141</u>	<u>370,804,348,141</u>
	<u>645,867,894,117</u>	<u>645,867,894,117</u>

**19 SHORT-TERM ACCRUED EXPENSES**

	<b>03.31.2017</b>	<b>12.31.2016</b>
	<b>VND</b>	<b>VND</b>
Seminar expenses	1,815,709,380	12,058,228
Interest payable	556,887,501	589,134,749
Marketing and customer care expenses	23,403,415,564	2,984,753,722
Others	23,439,248,065	23,840,253,628
	<u>49,215,260,510</u>	<u>27,426,200,327</u>

**20 SHORT-TERM UNEARNED REVENUE**

Short-term unearned revenue represents unearned revenue from customer loyalty programs, as presented in Note 3.

**21 OTHER SHORT TERM PAYABLES**

	<b>03.31.2017</b>	<b>12.31.2016</b>
	<b>VND</b>	<b>VND</b>
Union fee	936,372,496	700,902,630
Others	126,300,987,575	4,507,284,468
	<u>127,237,360,071</u>	<u>5,208,187,098</u>

**22 SHORT-TERM LOANS**

	<b>03.31.2017</b>		<b>12.31.2016</b>	
	<b>Value</b>	<b>Amount able to</b>	<b>Value</b>	<b>Amount able to</b>
	<b>VND</b>	<b>be paid off</b>	<b>VND</b>	<b>be paid off</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Bank loans	226,500,000,000	226,500,000,000	323,700,000,000	323,700,000,000
Others	31,174,499,856	31,174,499,856	31,065,428,463	31,065,428,463
	<u>257,674,499,856</u>	<u>257,674,499,856</u>	<u>354,765,428,463</u>	<u>354,765,428,463</u>

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

	<b>As at 01.01.2017</b>	<b>Increase</b>	<b>Decrease</b>	<b>As at 03.31.2017</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Bank loans (*)	323,700,000,000	557,800,000,000	(655,000,000,000)	226,500,000,000
Others (**)	31,065,428,463	1,747,565,946	(1,638,494,553)	31,174,499,856
	<u>354,765,428,463</u>	<u>559,547,565,946</u>	<u>(656,638,494,553)</u>	<u>257,674,499,856</u>

(\*) These loans have interest at 0.32% to 0.42% per month (in 2016: from 0.32% to 0.38% per month).

(\*\*) These loans have interest at 0.375% to 0.57% per month (in 2016: from 0.375% to 0.57% per month).

**23 BONUS AND WELFARE FUND**

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

Movements of Bonus and Welfare fund during the period/year as follows:

	<b>Bonus and welfare fund for staff VND</b>	<b>Bonus fund for Board of Directors VND</b>	<b>Welfare fund in form of fixed assets VND</b>	<b>Total VND</b>
Opening balance	23,284,835,838	6,822,310,000	31,082,436,238	61,189,582,076
Appropriation in the period/year	-	-	-	-
Subsidiaries transfer	1,712,874,138	32,655,428	-	1,745,529,566
Depreciation of assets formed from fund	-	-	(823,380,066)	(823,380,066)
Fund transfer to subsidiaries	(4,000,000,000)	-	-	(4,000,000,000)
Utilization of fund	(20,997,709,976)	(1,638,181,508)	-	(22,635,891,484)
Closing balance	-	5,216,783,920	30,259,056,172	35,475,840,092

**24 LONG-TERM PROVISIONS**

	<b>Provision for dismantling and restoration costs VND</b>	<b>Severance allowance VND</b>	<b>Total VND</b>
Opening balance	3,055,713,715	25,747,378,500	28,803,092,215
Appropriation in the period/year	425,498,982	1,070,806,508	1,496,305,490
Utilization of provisions	-	(873,375,082)	(873,375,082)
Closing balance	3,481,212,697	25,944,809,926	29,426,022,623

**25 SCIENCE AND TECHNOLOGY DEVELOPMENT FUND**

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

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

	<b>Science and technology development fund VND</b>	<b>Science and technology development fund in form of fixed assets VND</b>	<b>Total VND</b>
Opening balance	(5,308,384,662)	26,307,373,038	20,998,988,376
Appropriation in the period/year	7,000,000,000	-	7,000,000,000
Depreciation of assets formed from fund	-	(1,190,623,667)	(1,190,623,667)
Disposal of assets formed from fund	1,640,441,347	(1,640,441,347)	-
Transfer to subsidiaries	(723,809,524)	-	(723,809,524)
Expenditure in the period	(828,438,676)	-	(828,438,676)
Closing balance	1,779,808,485	23,476,308,024	25,256,116,509

DHG PHARMACEUTICAL JOINT STOCK COMPANY

Form B 09 – DN

26 MOVEMENTS OF OWNER'S EQUITY

	Share capital	Capital surplus	Treasury shares	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
<b>Balance as at January 01, 2016</b>	871,643,300,000	-	(16,121,030,000)	1,025,023,272,831	542,991,263,137	2,423,536,805,968
Reissuance of treasury shares	-	6,778,948,000	16,121,030,000	-	-	22,899,978,000
Net profit for the year	-	-	-	-	255,321,632,334	255,321,632,334
Dividends	-	-	-	-	(304,296,825,000)	(304,296,825,000)
Appropriation to reserves	-	-	-	179,395,311,823	(179,395,311,823)	-
Appropriation to bonus and welfare fund	-	-	-	-	(54,299,126,314)	(54,299,126,314)
Appropriation to bonus fund for the Board of Directors	-	-	-	-	(5,000,000,000)	(5,000,000,000)
<b>Balance as at December 31, 2016</b>	<b>871,643,300,000</b>	<b>6,778,948,000</b>	<b>-</b>	<b>1,204,418,584,654</b>	<b>255,321,632,334</b>	<b>2,338,162,464,988</b>
Net profit for the period/year	-	-	-	-	(645,962,631)	(645,962,631)
Dividends	-	-	-	-	-	-
Appropriation to reserves	-	-	-	-	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-
Appropriation to bonus fund for the Board of Directors	-	-	-	-	-	-
<b>Balance as at March 31, 2017</b>	<b>871,643,300,000</b>	<b>6,778,948,000</b>	<b>-</b>	<b>1,204,418,584,654</b>	<b>254,675,669,703</b>	<b>2,337,516,502,357</b>

**DHG PHARMACEUTICAL JOINT STOCK COMPANY**

**Form B 09 – DN**

**Charter capital**

	<b>03.31.2017</b>		<b>12.31.2016</b>	
	<b>Number of shares</b>	<b>VND</b>	<b>Number of shares</b>	<b>VND</b>
Authorized and issued share capital	87,164,330	871,643,300,000	87,164,330	871,643,300,000
Treasury shares	-	-	-	-
Ordinary shares currently in circulation	<u>87,164,330</u>	<u>871,643,300,000</u>	<u>87,164,330</u>	<u>871,643,300,000</u>

All ordinary shares have a par value of 10,000 VND. 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.

Movements in share capital during the period/year:

	<b>Fiscal period ended 03.31.2017</b>		<b>Fiscal year ended 12.31.2016</b>	
	<b>Number of shares</b>	<b>VND</b>	<b>Number of shares</b>	<b>VND</b>
Opening balance	87,164,330	871,643,300,000	86,941,950	855,522,270,000
Treasury shares reissued during the period/year	-	-	222,380	16,121,030,000
Closing balance	<u>87,164,330</u>	<u>871,643,300,000</u>	<u>87,164,330</u>	<u>871,643,300,000</u>

**27 OFF BALANCE SHEET ITEMS**

**Foreign currencies**

Cash and cash equivalents include foreign currencies as follows:

	<b>03.31.2017 VND</b>	<b>12.31.2016 VND</b>
United States Dollar (USD)	80,729	52,290
Euro (EUR)	2,294	2,086
Pataca Macau (MOP)	20	20

## 28 REVENUE

	For the 3-month period ended 03.31.2017 VND	For the 3-month period ended 03.31.2016 VND
<b>Sales</b>		
Sales of finished goods	209,763,269,585	424,831,616,258
Sales of merchandise goods	895,223,183,083	434,149,065,969
Leasing, distribution and sale services	7,000,504,287	729,472,231
	1,111,986,956,955	859,710,154,458
<b>Sales deductions</b>		
Sales discounts	67,083,197,471	35,701,309,788
Sales returns	2,149,983,672	3,237,514,799
	69,233,181,143	38,938,824,587
<b>Net sales</b>	1,042,753,775,812	820,771,329,871
<b>In which:</b>		
Sales of finished goods	193,782,813,385	403,071,100,734
Sales of merchandise goods	841,970,458,140	416,970,756,906
Leasing, distribution and sale services	7,000,504,287	729,472,231

## 29 COST OF GOODS SOLD

	For the 3-month period ended 03.31.2017 VND	For the 3-month period ended 03.31.2016 VND
Cost of finished goods sold	104,809,316,884	210,651,747,992
Cost of merchandises sold	723,310,305,081	377,094,467,630
Cost of services rendered	18,750,336	628,823,154
	828,138,372,301	588,375,038,776

## 30 FINANCIAL INCOME

	For the 3-month period ended 03.31.2017 VND	For the 3-month period ended 03.31.2016 VND
Interest income	13,613,898,953	11,042,850,719
Dividends and profits earned	27,985,200	136,465,200
Foreign exchange gains	1,173,921,271	918,172,245
Loan interest income from subsidiaries	400,172,847	-
	15,215,978,271	12,097,488,164

**31 FINANCIAL EXPENSES**

	For the 3-month period ended 03.31.2017 VND	For the 3-month period ended 03.31.2016 VND
Interest expense	4,659,359,294	2,619,858,691
Foreign exchange losses	1,381,437,612	910,655,766
Settlement discount	13,769,506,960	10,966,436,034
Other financial expenses	43,724,899	43,989,311
	19,854,028,765	14,540,939,802

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

	For the 3-month period ended 03.31.2017 VND	For the 3-month period ended 03.31.2016 VND
Staff costs	63,882,180,267	36,979,243,381
Material costs	5,110,428,886	1,837,687,273
Tools and supplies expenses	1,495,821,662	698,309,327
Depreciation and amortization expenses	5,053,522,786	3,322,711,034
Advertising expenses	31,655,790,183	49,395,547,980
Seminar expenses	3,825,998,365	1,231,228,432
Transportation expenses	3,141,468,546	3,808,989,133
Others	25,684,783,264	10,878,047,603
	139,849,993,959	108,151,764,163

**General and administration expenses**

	For the 3-month period ended 03.31.2017 VND	For the 3-month period ended 03.31.2016 VND
Staff costs	54,499,907,532	44,109,552,505
Material costs	661,340,952	-
Tools and supplies expenses	380,060,901	450,552,750
Depreciation and amortization expenses	1,774,968,560	2,570,789,099
Taxes, fees and duties	134,750,923	92,644,660
Provision for doubtful debts	841,462,016	502,183,934
Provision for dismantling and restoration costs	425,498,982	425,498,982
Out-sourced services expenses	2,390,990,324	2,345,259,187
Science and technology development fund	7,000,000,000	-
Other expenses	4,205,810,871	7,035,479,297
	72,314,791,061	57,531,960,414

**33 OTHER INCOME**

	For the 3-month period ended 03.31.2017 VND	For the 3-month period ended 03.31.2016 VND
Proceeds from disposals of fixed assets and other long-term assets	544,904,827	2,027,359,831
Rental income	-	332,727,273
Commission income	-	7,023,949,930
Others	1,119,262,418	2,778,767,531
	<u>1,664,167,245</u>	<u>12,162,804,565</u>

**34 OTHER EXPENSES**

	For the 3-month period ended 03.31.2017 VND	For the 3-month period ended 03.31.2016 VND
Other expenses	339,230,896	262,457,566
	<u>339,230,896</u>	<u>262,457,566</u>

**35 COST OF OPERATIONS BY FACTORS**

	For the 3-month period ended 03.31.2017 VND	For the 3-month period ended 03.31.2016 VND
Material costs	773,655,435,844	551,875,869,158
Labour costs	141,496,927,801	121,386,629,439
Depreciation and amortization expenses	12,606,138,548	13,042,039,037
Out-sourced services expenses	28,896,276,394	77,622,630,052
Others	58,475,507,711	14,679,569,822
	<u>1,015,130,286,298</u>	<u>778,606,737,508</u>

**36 CORPORATE INCOME TAX**

According to Decision No. 3044/QD-Committee of the People's Committee of Can Tho City, the Company subject to corporate income tax at the rate of 20% from 2005 to 2014. Decision No. 3044/QD-Committee for allowing the company is exempt from income tax from 2005 to 2006 and a 50% income tax from 2007 to 2011. According to Circular 78/2014 / TT-BTC, from January 01, 2014, tax rate income for ordinary business is 22% and since January 01, 2016 decreased to 20%.

**36 CORPORATE INCOME TAX (cont.)**

Current income tax expense for the period / year is calculated as follows:

	<b>For the 3-month period ended 03.31.2017 VND</b>	<b>For the 3-month period ended 03.31.2016 VND</b>
Accounting profit before tax	(862,495,654)	76,169,461,879
Tax calculated at the standard tax rate of 20%	(172,499,131)	15,233,892,376
Adjustments for:		
Non-deductible items	86,149,230	131,877,212
Income not subject to tax	(5,597,040)	(27,293,040)
Corporate income tax expenses	<u>(91,946,941)</u>	<u>15,338,476,548</u>

**37 COMMITMENTS****a) Operating lease commitment**

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

	<b>03.31.2017 VND</b>	<b>12.31.2016 VND</b>
Within one year	5,422,028,378	5,481,993,358
From 1 to 5 year	21,688,113,512	21,927,973,432
After 5 years	119,873,549,425	122,558,946,522
	<u>146,983,691,315</u>	<u>149,968,913,312</u>

**b) Capital commitment**

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

	<b>03.31.2017 VND</b>	<b>12.31.2016 VND</b>
Approved but not contracted	12,149,045,218	20,957,976,618
Approved and contracted but not implemented	19,455,747,063	16,355,560,493
	<u>31,604,792,281</u>	<u>37,313,537,111</u>

## 38 RELATED PARTY TRANSACTIONS

<u>Related party</u>	<u>Relationship</u>
DT Pharmaceutical One Member Limited Company	Subsidiary
DHG Travel One Member Limited Company	Subsidiary
HT Pharmaceutical One Member Limited Company	Subsidiary
ST Pharmaceutical One Member Limited Company	Subsidiary
CM Pharmaceutical One Member Limited Company	Subsidiary
Song Hau Pharmaceutical Joint-Stock Company	Subsidiary
A&G Pharmaceutical One Member Limited Company	Subsidiary
TG Pharmaceutical One Member Limited Company	Subsidiary
TOT Pharmaceutical One Member Limited Company	Subsidiary
Bali Pharmaceutical One Member Limited Company	Subsidiary
DHG Pharmaceutical One Member Limited Company	Subsidiary
TVP Pharmaceutical One Member Limited Company	Subsidiary
B&T Pharmaceutical One Member Limited Company	Subsidiary
VL Pharmaceutical One Member Limited Company	Subsidiary
DHG Packaging and Printing 1 One Member Limited Company	Subsidiary
Fuji Medic Co. Ltd.	Subsidiary
Vinh Hao Algae Processing Joint Stock Company	Associate
State Capital Investment Corporation (SCIC)	Major Shareholder

During the period/year, the following activities were conducted with the related parties:

	<b>Fiscal period ended</b>	
	<b>03.31.2017</b>	<b>03.31.2016</b>
	<b>VND</b>	<b>VND</b>
<b><i>Revenues from sales of goods and services</i></b>		
<b>Subsidiaries</b>		
DHG Packaging and Printing 1 One Member Limited Company	135,370,373	115,720,271
DHG Travel One Member Limited Company	372,418,366	397,611,950
CM Pharmaceutical One Member Limited Company	-	10,278,048,496
DT Pharmaceutical One Member Limited Company	-	8,003,806,688
HT Pharmaceutical One Member Limited Company	-	11,807,636,285
ST Pharmaceutical One Member Limited Company	-	13,141,578,894
Song Hau Pharmaceutical Joint-Stock Company	17,989,474,656	19,434,578,697
A&G Pharmaceutical One Member Limited Company	-	22,583,281,286
TOT Pharmaceutical One Member Limited Company	-	35,538,261,952
TG Pharmaceutical One Member Limited Company	-	5,922,649,080
Bali Pharmaceutical One Member Limited Company	-	8,657,327,801
DHG Pharmaceutical One Member Limited Company	179,975,884,992	72,906,935,438
TVP Pharmaceutical One Member Limited Company	-	5,244,723,425
B&T Pharmaceutical One Member Limited Company	-	9,785,988,104
VL Pharmaceutical One Member Limited Company	-	11,696,633,342
	<b>198,473,148,387</b>	<b>235,514,781,709</b>
<b>Sales of fixed assets</b>		
DHG Pharmaceutical One Member Limited Company	2,921,004,997	-
	<b>2,921,004,997</b>	<b>-</b>

## 38 RELATED PARTY TRANSACTIONS (cont.)

	Fiscal period ended	
	03.31.2017	03.31.2016
	VND	VND
<b>Purchase of goods and services</b>		
DHG Packaging and Printing 1 One Member Limited Company	7,686,043,494	13,006,886,653
DHG Travel One Member Limited Company	1,771,334,545	2,685,374,547
TOT Pharmaceutical One Member Limited Company	-	81,367,974
DHG Pharmaceutical One Member Limited Company	379,138,138,172	145,943,597,000
Vinh Hao Algae Processing Joint Stock Company	401,750,000	266,700,000
	<b>388,997,266,211</b>	<b>161,983,926,174</b>

**Dividend income**

DHG Packaging and Printing 1 One Member Limited Company	257,846,749	-
DHG Pharmaceutical One Member Limited Company	142,326,098	-
	<b>400,172,847</b>	<b>-</b>

**Loans to subsidiaries in the period/year****Investment for project of subsidiaries in the period/year**

DHG Pharmaceutical One Member Limited Company	7,828,390,957	12,171,282,683
	<b>7,828,390,957</b>	<b>12,171,282,683</b>

**Loans granted for working capital in the in the period/year**

ST Pharmaceutical One Member Limited Company	-	3,878,438,285
	<b>-</b>	<b>3,878,438,285</b>

The income of the Board of Directors and the Board of Management paid during the period as follows:

Gross salaries and other benefits	5,686,229,417	4,117,553,748
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**Balances with related parties at the date of the accounting balance sheet as follows:**

Trade Receivables	03.31.2017	12.31.2016
	VND	VND
DHG Packaging and Printing 1 One Member Limited Company	1,440,000	720,000
DHG Travel One Member Limited Company	-	1,841,860
CM Pharmaceutical One Member Limited Company	-	12,867,061,125
DT Pharmaceutical One Member Limited Company	-	8,042,060,515
HT Pharmaceutical One Member Limited Company	-	8,650,030,666
ST Pharmaceutical One Member Limited Company	-	13,113,970,433
Song Hau Pharmaceutical Joint-Stock Company	8,659,410,837	8,256,820,378
A&G Pharmaceutical One Member Limited Company	-	15,233,812,633
TOT Pharmaceutical One Member Limited Company	-	10,337,468,553
TG Pharmaceutical One Member Limited Company	-	6,095,572,073
Bali Pharmaceutical One Member Limited Company	-	8,579,349,638
DHG Pharmaceutical One Member Limited Company	3,095,615	-
TVP Pharmaceutical One Member Limited Company	-	2,310,029,324
B&T Pharmaceutical One Member Limited Company	-	658,526,143
VL Pharmaceutical One Member Limited Company	-	11,625,139,603
Fuji Medic Co. Ltd.	-	4,699,800,000
	<b>8,663,946,452</b>	<b>110,472,202,944</b>

**38 RELATED PARTY TRANSACTIONS (cont.)**

<b>Loans Receivables</b>	<b>03.31.2017 VND</b>	<b>12.31.2016 VND</b>
DHG Pharmaceutical One Member Limited Company	16,859,095,620	9,030,704,663
DHG Packaging and Printing 1 One Member Limited Company	22,919,711,037	22,919,711,037
	<u>39,778,806,657</u>	<u>31,950,415,700</u>
 <b>Trade payable</b>		
DHG Packaging and Printing 1 One Member Limited Company	4,144,114,554	7,577,591,879
DHG Travel One Member Limited Company	156,564,000	103,390,000
DHG Pharmaceutical One Member Limited Company	428,165,757,506	362,912,166,262
Vinh Hao Algae Processing Joint Stock Company	132,000,000	211,200,000
	<u>432,598,436,060</u>	<u>370,804,348,141</u>

**39 SUPPLEMENTAL DISCLOSURES OF CASH FLOW STATEMENT****(a) Non-cash transactions affecting the cash flow statement**

	<b>Fiscal period ended</b>	
	<b>03.31.2017 VND</b>	<b>03.31.2016 VND</b>
Transfers from construction in progress to tangible fixed assets	486,007,731	1,156,439,386
Transfers from construction in progress to intangible fixed assets	2,264,085,000	4,405,435,000
Transfers from construction in progress to tools and supplies	-	1,395,000
Transfers from real estate investments to tangible fixed assets	25,384,704,062	-
Disposed fixed assets funded by science and technology development fund	1,640,441,347	-
The balances of the transferred subsidiaries are recorded in the Company's financial statements		
- Loans	21,504,411,839	-
- Provision for doubtful debts	6,121,961,897	-
- Payables to employees	26,416,761,894	-
- Accrued expenses	1,254,153,583	-
- Bonus and welfare fund, management bonus fund	145,529,566	-
- Trade receivables and others	140,577,758,828	-

**(b) Proceeds from borrowings in the period/ year**

	<b>Fiscal period ended</b>	
	<b>03.31.2017 VND</b>	<b>03.31.2016 VND</b>
Proceeds from borrowings under normal contracts	<u>559,547,565,946</u>	<u>105,511,819,889</u>

**(c) Repayment of borrowings**

	<b>Fiscal period ended</b>	
	<b>03.31.2017 VND</b>	<b>03.31.2017 VND</b>
Repayments of borrowings under normal contracts	<u>656,638,494,553</u>	<u>191,509,064,194</u>

**40 COMPARATIVE FIGURES**

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

	Previously reported amount VND	Amount after reclassification VND	Net change VND
Other income	13,043,077,461	12,162,804,565	(880,272,896)
Other expenses	1,142,730,462	262,457,566	(880,272,896)

The reclassification does not affect net income and tax expense for the financial period ended March 31, 2016.

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Tran Ngoc Hien  
Preparer

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Ho Buu Huan  
Chief Accountant

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Le Chanh Dao  
Deputy General Director  
April 15, 2017