



**MEKOPHAR**

**CHEMICAL PHARMACEUTICAL  
JOINT-STOCK COMPANY**

**REVIEWED CONSOLIDATED  
FINANCIAL STATEMENTS  
For the fiscal period ended September 30, 2019**



## CONSOLIDATED BALANCE SHEET

As at September 30, 2019

Unit : VND

ASSETS	Code	Notes	Sept. 30,2019	Jan. 01,2019
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>638,870,667,413</b>	<b>520,191,081,168</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	V.1	<b>55,376,190,067</b>	<b>66,383,393,486</b>
1. Cash	111		37,376,190,067	36,383,393,486
2. Cash equivalents	112		18,000,000,000	30,000,000,000
<b>II. Short-term investments</b>	<b>120</b>	V.2	<b>60,946,711,100</b>	<b>10,946,711,100</b>
1. Short-term investments	121		10,946,711,100	10,946,711,100
3. Held-to-maturity investments	123		50,000,000,000	-
<b>III. Accounts receivable</b>	<b>130</b>		<b>171,998,025,439</b>	<b>150,028,111,895</b>
1. Trade accounts receivable	131	V.3	158,154,217,020	128,807,560,435
2. Prepayments to suppliers	132	V.4	17,967,157,445	22,013,168,737
6. Other receivables	136	V.5	1,420,384,062	1,282,834,700
7. Provision for doubtful debts	137		(5,543,733,088)	(2,075,451,977)
<b>IV. Inventories</b>	<b>140</b>		<b>268,575,582,786</b>	<b>221,412,650,809</b>
1. Inventories	141	V.6	268,575,582,786	221,412,650,809
2. Provision for decline in value of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>81,974,158,021</b>	<b>71,420,213,878</b>
1. Short-term prepayments	151	V.11	3,311,170,673	1,482,282,611
2. Deductible VAT	152		78,021,816,604	69,000,545,249
3. Taxes and other receivables from the State Budget	153		641,170,744	937,386,018
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>830,673,974,330</b>	<b>753,785,014,968</b>
<b>I. Long-term receivables</b>	<b>210</b>		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>52,846,810,515</b>	<b>52,140,652,943</b>
1. Tangible fixed assets	221	V.7	42,735,460,749	44,689,167,603
- Cost	222		248,481,388,034	243,178,058,889
- Accumulated depreciation	223		(205,745,927,285)	(198,488,891,286)
3. Intangible fixed assets	227	V.8	10,111,349,766	7,451,485,340
- Cost	228		12,911,828,139	10,146,451,139
- Accumulated amortization	229		(2,800,478,373)	(2,694,965,799)
<b>III. Investment Properties</b>	<b>230</b>		-	-
<b>IV. Long-term work in progress</b>	<b>240</b>		<b>738,860,506,816</b>	<b>663,494,511,084</b>
2. Construction in progress	242	V.9	738,860,506,816	663,494,511,084
<b>V. Long-term investments</b>	<b>250</b>	V.10	<b>32,553,280,195</b>	<b>30,578,703,428</b>
1. Investments in subsidiaries	251		-	-
2. Investments in associates, joint-ventures	252		27,003,280,195	25,028,703,428
3. Other long-term investments	253		5,550,000,000	5,550,000,000
<b>VI. Other long-term assets</b>	<b>260</b>		<b>6,413,376,804</b>	<b>7,571,147,513</b>
1. Long-term prepaid expenses	261	V.11	6,413,376,804	7,571,147,513
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>1,469,544,641,743</b>	<b>1,273,976,096,136</b>

RESOURCES	Code	Notes	Sept. 30,2019	Jan. 01,2019
<b>C - LIABILITIES</b>	<b>300</b>		<b>213,718,757,410</b>	<b>182,339,531,299</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>121,741,434,818</b>	<b>103,435,514,955</b>
1. Trade accounts payable	311	V.12	24,971,463,356	28,948,828,175
2. Advances from customers	312	V.13	15,632,123,010	10,766,655,120
3. Taxes and other payables to the State Budget	313	V.14	10,929,014,231	12,365,742,112
4. Payables to employees	314		10,637,614,486	8,438,191,703
5. Accrued expenses	315		-	172,000,000
9. Other payables	319	V.15	17,657,606,681	17,811,236,685
10. Short-term borrowings	320		22,152,353,265	-
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322		19,761,259,789	24,932,861,160
<b>II. Long-term liabilities</b>	<b>330</b>		<b>91,977,322,592</b>	<b>78,904,016,344</b>
6. Unrealized revenue	336		84,977,322,592	71,904,016,344
12. Provision for long-term liabilities	342	V.16	7,000,000,000	7,000,000,000
13. Fund for science and technology development	343		-	-
<b>D - OWNERS' EQUITY</b>	<b>400</b>		<b>1,255,825,884,333</b>	<b>1,091,636,564,837</b>
<b>I. Owners' equity</b>	<b>410</b>	V.17	<b>1,255,825,884,333</b>	<b>1,091,636,564,837</b>
1. Share capital	411		232,490,000,000	194,208,130,000
- Share with voting rights	411a		232,490,000,000	194,208,130,000
- Preferred shares	411b		-	-
2. Share premium	412		409,754,114,458	295,058,504,458
5. Treasury shares	415		(14,487,151,158)	(14,487,151,158)
8. Investment and development fund	418		546,407,678,417	505,320,886,183
11. Undistributed earnings	421		81,661,242,616	111,536,195,354
-Undistributed earnings up to period year -end	421a		24,000,000,000	4,000,000,000
-Undistributed earnings this period	421b		57,661,242,616	107,536,195,354
12. Investment reserve for basic construction	422		-	-
<b>II. Budget sources and other funds</b>	<b>430</b>	V.18	<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>1,469,544,641,743</b>	<b>1,273,976,096,136</b>

Prepared By   
**Le Thi Thu Huong**

Chief Accountant   
**Le Thi Thuy Hang**

General Director   
**Huynh Thi Lan**

October 24, 2019

**CÔNG TY CỔ PHẦN HÓA - DƯỢC PHẨM MEKOPHAR**  
 HỒ CHÍ MINH



## CONSOLIDATED INCOME STATEMENT

The Nine - month period ended 30 September 2019

Unit : VND

ITEMS	Code	Notes	Three-month period ended		Nine-month period ended	
			30/09/2019	30/09/2018	30/09/2019	30/09/2018
<b>1. Sales</b>	<b>01</b>	VI.1	<b>306,830,165,632</b>	<b>261,317,626,853</b>	<b>886,099,860,692</b>	<b>857,830,070,087</b>
2. Less sales deductions	02	VI.2	869,407,161	98,422,105	1,368,105,321	299,668,564
<b>3. Net sales</b>	<b>10</b>	VI.3	<b>305,960,758,471</b>	<b>261,219,204,748</b>	<b>884,731,755,371</b>	<b>857,530,401,523</b>
4. Cost of sales	11	VI.4	227,943,622,240	202,722,864,560	674,692,666,861	663,061,045,073
<b>5. Gross profit</b>	<b>20</b>		<b>78,017,136,231</b>	<b>58,496,340,188</b>	<b>210,039,088,510</b>	<b>194,469,356,450</b>
<b>6. Financial income</b>	<b>21</b>	VI.5	<b>439,568,798</b>	<b>134,127,966</b>	<b>7,321,566,025</b>	<b>10,790,317,174</b>
7. Financial expenses	22	VI.6	381,864,809	672,161,350	2,275,915,714	1,950,583,473
<i>In which: loan interest expenses</i>	23		<i>89,731,587</i>	<i>429,333,333</i>	<i>510,813,860</i>	<i>1,278,666,666</i>
8. Gain/losses from Joint venture, associated Company	24		2,945,191,667	2,169,705,789	8,493,280,195	8,861,402,388
9. Selling expenses	25	VI.7	21,531,952,708	18,407,121,877	58,593,138,138	56,576,308,207
10. General & administration expenses	26	VI.8	31,383,843,066	16,344,720,231	89,808,176,423	71,719,746,881
<b>11. Operating profit</b>	<b>30</b>		<b>28,104,236,113</b>	<b>25,376,170,485</b>	<b>75,176,704,455</b>	<b>83,874,437,451</b>
<b>12. Other income</b>	<b>31</b>	VI.9	<b>69,519,980</b>	<b>275,947,991</b>	<b>1,610,844,214</b>	<b>1,504,148,430</b>
13. Other expenses	32	VI.10	-	2,359,871	175,881,731	180,406,182
<b>14. Other profit</b>	<b>40</b>		<b>69,519,980</b>	<b>273,588,120</b>	<b>1,434,962,483</b>	<b>1,323,742,248</b>
<b>15. Net accounting profit before tax</b>	<b>50</b>		<b>28,173,756,093</b>	<b>25,649,758,605</b>	<b>76,611,666,938</b>	<b>85,198,179,699</b>
16. Corporate income tax - current	51	VI.11	10,312,068,641	10,202,355,294	18,950,424,322	23,019,877,208
17. Corporate income tax - deferred	52		-	-	-	-
<b>18. Net profit after corporate income</b>	<b>60</b>		<b>17,861,687,452</b>	<b>15,447,403,311</b>	<b>57,661,242,616</b>	<b>62,178,302,491</b>
<b>19. Earnings per share</b>	<b>70</b>				<b>2,658</b>	<b>3,248</b>
<b>20. Earnings per share</b>	<b>71</b>				<b>2,658</b>	<b>3,248</b>

Prepared By

Le Thi Thu Huong

Chief Accountant

Le Thi Thuy Hang

HCMC, October 24, 2019

General Director



Huynh Thi Lan



## CONSOLIDATED CASH FLOW STATEMENT

(Under indirect method)

The Nine - month period ended 30 September 2019

Unit : VND

ITEMS	Code	Notes	Nine-month period ended	
			30/09/2019	30/09/2018
1	2	3	4	5
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>1. Net profit before tax</b>	<b>01</b>		<b>76,611,666,938</b>	<b>85,198,179,699</b>
<b>2. Adjustments for :</b>			<b>(2,635,089,567)</b>	<b>(22,648,193,543)</b>
- Depreciation and amortisation	02		7,838,015,425	8,645,357,984
- Provisions	03		3,468,281,111	-
- Unrealised foreign exchange gains/ losses	04		908,158,327	-
- Gains/losses from investing activities	05		(15,360,358,290)	(32,572,218,193)
- Interest expense	06		510,813,860	1,278,666,666
- Other	07		-	-
<b>3. Profit from operating activities before changes in working capital</b>	<b>08</b>		<b>73,976,577,371</b>	<b>62,549,986,156</b>
- Increase (-)/ decrease (+) in receivables	09		45,836,749,264	86,837,328,877
- Increase (-)/ decrease (+) in inventories	10		(47,162,931,977)	1,542,408,505
- Increase (+)/ decrease (-) in payables	11		(64,413,133,667)	(47,252,937,924)
- Increase (-)/ decrease (+) in prepaid expenses	12		(671,117,353)	(3,892,165,812)
- Increase/decrease in trading securities	13		-	-
- Interest paid	14		(510,813,860)	(1,278,666,666)
- Corporate income tax paid	15		(21,224,629,863)	(23,636,644,792)
- Other receipts from operating activities	16		-	-
- Other payments for operating activities	17		(15,351,588,963)	(7,475,448,748)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>20</b>		<b>(29,520,889,048)</b>	<b>67,393,859,596</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Purchases of fixed assets and other long-term assets	21		(83,910,168,729)	(27,693,653,267)
2. Proceeds from disposals of fixed assets and other long-term assets	22		37,272,727	83,636,364
3. Loans granted, purchases of debt instruments of other entities	23		(50,000,000,000)	-
5. Investments in other entities	25		-	-
6. Proceeds from divestment in other entities	26		-	22,000,000,000
7. Dividends and interest received	27		6,829,805,368	6,587,679,441
<b>Net cash inflows/(outflows) from investing activities</b>	<b>30</b>		<b>(127,043,090,634)</b>	<b>977,662,538</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
1. Proceeds from issue of shares and capital contribution	31		152,977,480,000	-
2. Payments for shares returns and repurchases	32		-	-
3. Proceeds from borrowings	33		62,238,110,878	-
4. Repayments of borrowings	34		(40,944,069,110)	-
5. Payments for finance lease liabilities	35		-	-
6. Dividends paid	36		(28,714,750,500)	(38,286,334,000)
<b>Net cash inflows/(outflows) from financing activities</b>	<b>40</b>		<b>145,556,771,268</b>	<b>(38,286,334,000)</b>
<b>Net cash inflows/(outflows) (50 = 20+ 30 + 40)</b>	<b>50</b>		<b>(11,007,208,414)</b>	<b>30,085,188,134</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>66,383,393,486</b>	<b>40,032,394,890</b>
<i>Effect of foreign exchange differences</i>	61		4,995	-
<b>Cash and cash equivalents at the end of the year (70 = 50+60+61)</b>	<b>70</b>		<b>55,376,190,067</b>	<b>70,117,583,024</b>

Prepared By

Le Thi Thu Huong

Chief Accountant

Le Thi Thuy Hang



HCMC, October 24, 2019

General Director

Huynh Thi Lan



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the accounting period from Jan. 01, 2019 to Sept. 30, 2019**

*Unit: VND*

### **I. BUSINESS HIGHLIGHTS**

#### **1. Establishment**

Mekophar Chemical Pharmaceutical Joint-Stock Company, whose business code is 0302533156, operates under Business registration certificate No. 4103000833 dated February 08, 2002 issued by the Department of Planning and Investment of Ho Chi Minh City and The eighteenth amended certificate dated May 30, 2019, the chartered capital is VND 232,490,000,000.

English name: Mekophar Chemical Pharmaceutical Joint Stock Company

Short name: Mekophar

Head office: No. 297/5 Ly Thuong Kiet Str., Dist. 11, HCMC.

The Company's branches are located at:

Hanoi branch: No. B26-B28-TT17 Van Quan, Yen Phuc, Phuc La, Ha Dong Dist., Hanoi City

Nghe An Branch: No. 79 Ho Huu Nhan, Vinh Tan, Vinh City, Nghe An Province

Da Nang branch: No. 410 Nguyen Tri Phuong, Hai Chau District, Da Nang City

Can Tho branch: No.17A Cach Mang Thang Tam Str., Binh Thuy Dist., Can Tho City

#### **2. Structure of ownership:**

Joint Stock Company.

#### **3. Business sector:**

Production and trading.

#### **4. Principal activities**

The Company's principal activities: Producing, trading medicine; Trading perfume; ; Trading cosmetics and other cleaning products; Trading medical tools; Maintaining and testing medicine; Retailing medicine; Producing packing used in pharmaceutical industry (plastic bottle, paper box, carton box); Producing technological food (except for producing and processing fresh food); Trading functional food; processing food; Producing cosmetics (not manufacturing chemicals, soap, and detergent at the head office); Trading real estates, leasing apartment, office; Trading garments; Producing bottled pure water; Trading beverages; Trading medical machinery and equipment; Trading other chemicals (except for chemicals used in agriculture); Trading plastics in primary form; Investment consultancy (except for accounting, finance, law); Consultancy on technology transfer; Commercial introduction and promotion; Acting as brokerage agent (except for real estates).

#### **5. Normal operating cycle**

Normal operating cycle of the Company lasts 12 months of the normal fiscal year beginning from January 01 and ending on December 31.

#### **6. Operations in the fiscal year affecting the financial statements:** Not applicable.

#### **7. Total employees to September 30, 2019:** 756 persons.

#### **8. Enterprise Structure**

##### **8.1. List of subsidiaries**

As at September 30, 2019, the Company has one (01) directly owned company as follows:

Company's name and address	Principal activities	Percentage of shareholding	Percentage of owning	Percentage of voting right
Mekophar Co.,Ltd Head office: Lot I-9-5, D2 Street, High-Tech Park, Long Thanh My Ward, District 9, HCMC	Producing biological products, medicine, cosmetics, functioning food ...and original cell	100%	100%	100%

## 8.2. List of Joint-ventures and associates

As at September 30, 2019, the Company has one (01) associate as follows:

Company's name and address	Principal activities	Percentage of shareholding	Percentage of owning	Percentage of voting right
An Sinh Hospital 10 Tran Huy Lieu, Ward 12, Phu Nhuan, HCMC	Medically examining and treating	22%	22%	22%

## II. ACCOUNTING PERIOD AND REPORTING CURRENCY

### 1. Fiscal year

The fiscal year is begun on January 01 and ended December 31 annually.

### 2. Reporting currency

Vietnam Dong (VND) is used as a currency unit for accounting records.

## III. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES

### 1. Applicable Accounting System

The Company applies Vietnamese Corporate Accounting System issued by the Vietnam Ministry of Finance in accordance with the guidance of Circular No. 200/2014/TT-BTC dated December 22, 2014.

### 2. Disclosure of compliance with Vietnamese Accounting Standards and the Vietnamese

We conducted our accounting, preparation and presentation of the financial statements in accordance with Vietnamese Accounting Standards and other relevant statutory regulations. The financial statements give a true and fair view of the state of affairs of the Company and the results of its operations as well as its cash flows.

The selection of figures and information presented in the notes to the financial statements is complied with the material principles in Vietnamese Accounting Standard No.21 - Presentation of the financial statements.

## IV. APPLICABLE ACCOUNTING POLICIES

### 1. Foreign exchange rate applicable in accounting

The Company has translated foreign currencies into Vietnam Dong at the actual rate and book rate.

#### Principles for determining the actual rate

All transactions denominated in foreign currencies which arise during the period (trading foreign currencies, capital contribution or receipt of contributed capital, recording receivables and payables, purchasing assets or costs immediately paid by foreign currencies) are converted at the actual exchange rates ruling as of the transaction dates.

Closing balance of monetary items (cash, cash equivalents, payables and receivables, except for prepayments to suppliers, prepayments from customers, pre-paid expenses, deposits and unearned revenue) denominated in foreign currencies should be revaluated at the actual rate ruling as of the balance sheet date.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as assets will be the buying rate of Vietcombank. The buying rate as at September 30, 2019: 23,150 VND/USD; 25,210 VND/EUR.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as payables will be the selling rate stated by Vietcombank. The exchange rate as at September 30, 2019: 23,270 VND/USD; 25,993 VND/EUR.

Foreign exchange differences, which arise from foreign currency transactions during the period/year, shall be included in the income statement. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included in the income statement.

#### **Principle for determining book rate**

When recovering receivables, deposits or payments for payables in foreign currencies, the Company uses specific identification book rate.

When making payment by foreign currencies, the Company uses moving weighted average rate.

### **2. Principles for recording cash and cash equivalents**

Cash includes cash on hand, demand deposit and cash in transit.

Cash equivalents comprise term deposits and other short-term investments with an original maturity of three months or less, highly liquid, readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

### **3. Principles for accounting financial investments**

#### **Principles for accounting held-to-maturity investments**

Held-to-maturity investments include term deposits (including treasury bill, bill of exchange), bonds, loans, preferred share that the issuer is required to re-buy them in a certain time in the future and held-to-maturity loans for the purpose of periodic interest receiving and other held-to-maturity investments.

The held-to-maturity investments are initially recorded at the original cost including buying price and costs attributable to the acquisition of the investments. After initial recognition, if the provision for doubtful debts has not been made as statutorily required, these investments are revaluated at the recoverable value. When firm evidence shows that a portion or the whole investments may be unrecoverable, the loss will be recorded in financial expenses in the year and recorded in decrease of the investment's value.

#### **Principles for recording financial investments in Subsidiary, Joint-ventures, Associates**

Principles for recording financial investments in subsidiaries: Subsidiary is a company which the Company has shareholding of more than one half of the voting right in order to govern the financial and operating policies in order to obtain economic benefits from the subsidiary's operation. When the Company ceases to control the subsidiary, the investment in the subsidiary will be written down.

The investment in Joint-ventures is recorded when the Company holds joint control over these entities' financial and operating policies. When the Company ceases to control these entities, the investment will be written down.

The investment in associate is recorded when the Company has 20% - 50% of voting right in those companies and has considerable influence over their decisions on financial policies.



Investments in Subsidiary, Joint-ventures, associates are initially stated at original cost and will not be adjusted thereafter for change in the investor's share of the investee's net assets. The original cost includes purchase price and costs attributable to the investment. In case the investment is by non-monetary assets, the investment fee should be recorded at the fair value of the non-monetary assets at the date of occurrence.

Provision for loss of investments in subsidiaries, joint-ventures, associates is made when the investee suffers from loss and thus the Company possibly loses its capital or the investments' value is devalued. Basis for making provision for loss of investments is consolidated financial statements of the investee (if it is parent company), the investee's financial statements (if it is an independent enterprise without subsidiary).

#### **Principles for recording equity investments in other entities**

Equity investment in other entities represents the Company's investment in other entities' equity instruments. However, the Company does not hold any control or joint control right and exercise significant influences over the investees either.

The investments are stated at original cost including purchase price and costs directly attributable to the investment. In case of non-monetary assets investment, the investment fee should be recorded at the fair value of the non-monetary assets at the date of occurrence.

Regarding the investments the Company holds in a long time (not trading securities) and no significant influences are exercised on the investees, provision for loss will be made as follows:

- + If an investment in listed shares or the fair value of the investment is determined reliably, the allowance shall be made according to the market values of the shares.
- + If it is impossible to determine the investments' fair value at the reporting date, the provision will be made on the basis the loss that investee suffers. Basis for making provision for loss of investments is consolidated financial statements of the investee (if it is parent company), the investee's financial statements (if it is an independent enterprise without subsidiary).

#### **4. Principles for recording trade receivables and other receivables:**

**Principle for recording receivables:** At original cost less provision for doubtful debts.

The classifying of the receivables as trade receivables, inter-company receivables and other receivables depends on the nature of the transaction or relationship between the company and debtor.

**Method of making provision for doubtful debts:** Provision for doubtful debts is estimated for the loss value of the receivables, other held-to-maturity investments similar to doubtful debts that are overdue and undue, but are likely to become possibly irrecoverable due to insolvency of debtors who go bankruptcy, making procedures for dissolution, go missing or run away....

#### **5. Principles for recording inventories:**

**Principles adopted in recording inventory:** Inventories are stated at original cost less (-) the provision for the decline in value of obsolete and deteriorated inventories.

**Original costs are determined as follows:**

- The original cost of materials, merchandises consists of costs of purchase, costs of transportation and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods: costs of materials, direct labor and manufacturing overheads which are allocated on the basis of major materials costs/normal operation level/costs of land use right and relevant overall costs incurred in the duration of building properties.
- Work in progress: costs of raw materials, labor and other directly costs for producing inventories incurred in the duration of building works in progress...

**Method of calculating inventories' value:** Weighted average method.

**Method of accounting for the inventories:** Perpetual method.

**Method of making provision for decline in value of inventories:** Provision for decline in value of inventories is made when the net realisable value of inventories is lower than their original cost. Net realisable value is the estimated selling price less the estimated costs of completion and selling expenses. Provision for decline in value of inventories is the difference between the cost of inventories greater than their net realisable value. Provision for decline in value of inventories is made for each inventory with the cost greater than the net realisable value.

## **6. Principles for recording fixed assets:**

### **6.1 Principles for recording tangible fixed assets:**

Tangible fixed assets are stated at original cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred beyond their originally assessed standard of performance are capitalised as an additional cost of tangible fixed assets when they have resulted in an increase in the future economic benefits expected to be obtained from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the year.

When the assets are sold or disposed, their original costs and the accumulated depreciation which have been written off and any gain or loss from disposal of assets are recorded in the income statement.

Determination of original costs of tangible fixed assets:

Tangible fixed assets purchased

The original cost of purchased tangible fixed assets shall consist of the actual purchase price less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation such as fees for installation and trial operation of fixed assets; specialists and other direct costs.

The original cost of a tangible fixed asset formed from capital construction under the mode of tendering shall be the finalisation price of the construction project, other relevant fees plus (+) registration fee (if any).

Fixed assets which are buildings, structures attached to land use right, the value of land use right is computed separately and recorded as intangible fixed assets.

### **6.2 Principles for recording intangible fixed assets:**

**Intangible fixed assets** are stated at cost less accumulated amortization. The original cost of a intangible fixed asset comprises all costs of owning the asset to the date it is put into operation as expected.

Principles for recording intangible fixed assets:

Purchase of separate intangible fixed assets

The original cost of purchased intangible fixed assets shall consist of the actual purchase price payable less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation. The land use rights which are purchased together with buildings, structures will be determined separately and recorded as intangible fixed assets.

If an intangible fixed asset is formed from the exchange involving payment accompanied with vouchers related to the capital ownership of the establishment, its original cost is the reasonable value of vouchers issued in relation to capital ownership.

Land use right

The original cost of an intangible fixed asset which is the land use right shall be the payment made to obtain the lawful land use right plus (+) compensatory payments for clearance of site, expenses for Computer software

The original cost of a tangible fixed asset which is the computer software shall be the total of actual expenses incurred by the Company to obtain the computer software.

### **6.3 Method of depreciating and amortizing fixed assets**

Depreciation is charged to write off the cost of fixed assets on a straight line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

The estimated useful life for assets is as follows:

<i>Buildings and structures</i>	<i>5 - 25 years</i>
<i>Machinery and equipment</i>	<i>3 - 12 years</i>
<i>Transportation and facilities</i>	<i>5 - 8 years</i>
<i>Office equipment</i>	<i>3 - 10 years</i>
<i>Right to use original cells</i>	<i>3 years</i>
<i>Land use rights indefinitely recorded at cost and is not amortized .</i>	

### **7. Principles for recording construction in progress:**

Construction in progress is stated at original cost. These are all necessary costs for purchasing fixed assets.

These costs are capitalised as an additional cost of asset when the works have been completed. After the works have been finalized, the asset will be handed over and put into use.

### **8. Principles for recording liabilities**

Liabilities are recorded at original cost and not lower than the payment obligation.

Liabilities shall be classified into trade payables, inter-company payables and other payables depending on the nature of transactions and relationship between the Company and debtors.

Liabilities must be kept records in detail according to payment schedule, creditor, type of original currency (including revaluation of liabilities payable which satisfying the definition of monetary assets denominated in foreign currencies) and other factors according to requirements of the enterprise.

At the reporting date, if it is evident that there is an unavoidable loss, an amount payable shall be recorded according to cautious rules.

### **9. Principles for recording provision liabilities:**

**Provisions are recognized when the following conditions are satisfied:** the Company has a present (legal or constructive) obligations as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

**Value of provision liability being recorded:** The value which is estimated to be the most reasonable for settling the present obligation at the balance sheet date.

Provision for payables includes the expenditures for doing scientific research. The provision value depends on the Company's operating results of each year.

### **10. Principles for recoding unearned revenue**

Unrealized revenue is the amount the customers prepaid for one or several accounting periods

Unearned revenue include amounts of customers paid in advance for one or many accounting periods for the revenue in correspondence with the value of goods, services.

Method of allocating unearned revenue is on the principle of conformity with obligations that the Company will perform in next one or several accounting periods.

### **11. Principles for recording owner's Equity**

Principles for recording owner's Equity

The owners' equity is the amount that is contributed by members and supplemented from the profit after tax. The owners' equity will be recorded at the actual contributed capital by cash or assets in the early establishment period or additional mobilization to expand operation.

## **Principles for recording share premium, convertible bond option and other capitals**

+ **Share premium** is the difference between the cost over and above the nominal value of the first issued or additionally issued share and the differences (increase or decrease) of the actual receiving amount against the repurchase price when treasury share is reissued. In case where shares are repurchased to cancel immediately at the purchase date, shares' value recorded decrease the business capital source at purchase date is the actual repurchase price and the business resource should be written down according to the par value and share premium of the repurchased shares.

### **+ Principles for recognising undistributed profit:**

The undistributed profit is recorded at the profit (loss) from the Company's result of operation after deducting the current year corporate income tax and the adjusted items due to the retroactive application of changes in accounting policy and adjustments for material misstatement of the previous year.

The distributing of profit is based on the charter of the Company approved by the annual shareholder meeting.

## **12. Principles for recording treasury shares**

The owners' equity instruments acquired by the Company (treasury share) are recorded at original cost and deducted into the owners' equity. The Company does not record gain (loss) when purchasing, selling, issuing or cancelling its equity instruments.

## **13. Principles for recording revenues**

### **Revenue from goods sold**

Revenue from the sale of good should be recognised when all the five (5) following conditions have been satisfied: 1) The enterprise has transferred to buyer the significant risks and rewards of ownership of the goods; 2) The enterprise retains neither continuing managerial involvement as an owner nor effective control over the goods sold; 3) The amount of revenue can be measured reliably; When the contract specifies that buyers are entitled to return products, goods they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return products, goods (except for changing to other goods, services) 4) The economic benefits associated with the transaction has flown or will flow to the enterprise; 5) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### **Revenue from service rendered**

Revenue from services rendered is recorded when the result of the supply of services is determined reliably. In case where the services are rendered in several periods, the revenue will recorded by the part of completed works at the balance sheet. Revenue from services rendered is determined when the following four conditions have been satisfied: 1. The revenue is determined firmly; When the contract specifies that buyers are entitled to return the service they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return service; 2. The economic benefits associated with the transaction has flown or will flow from the supply of the provided service; 3. Part of completed works can be determined at the balance sheet date; 4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If the contract's results can not be determined firmly, the revenue will be recorded at the recoverable level of expenses recorded.

### **Principles and method of recording revenue from asset lease**

Revenue from asset lease is recorded on the principle of allocating advanced lease amount in conformity with lease term.

### **Principles for recording financial income**

Financial incomes include interests, royalties, distributed dividends and profits and income from other financing activities (sale and purchase of securities, liquidation of capital in joint-ventures, investment in associates, subsidiaries, other investments; Foreign exchange gains).

Income arising from interests, royalties, distributed dividends and profits of the enterprises shall be recognized if they simultaneously satisfy the two (2) conditions below 1. It is possible to obtain economic benefits from the concerned transactions; 2. Income is determined with relative certainty.

- Interests recognized on the basis of the actual time and interest rates in each period;
- Royalties recognized on the basis of accrualment in compliance with the contracts;
- Distributed dividends and profits shall be recognized when shareholders are entitled to receive dividends or the capital-contributing parties are entitled to receive profits from the capital contribution.

When an amount which has been recorded as an income becomes irrecoverable, such irrecoverable or uncertainly recoverable amount must be accounted as expense incurred in the period, but not recorded as income decrease.

### **14. Principles and method of recording cost of goods sold**

Cost of goods sold are the cost of products, goods, services, investment properties; cost of construction products (as to construction enterprise) sold in the period; expenses related to trading the investment properties and other expenses recorded in the cost of goods sold or recorded a decrease in the cost of goods sold in reporting period. The cost of goods sold is recorded at the date the transaction incurs or likely to incur in the future regardless payment has been made or not. The cost of goods sold and revenue shall be recorded simultaneously on conformity principles. Expenses exceeding normal consumption level are recorded immediately to the cost of goods sold on prudent principle.

### **15. Principles and method of recording financial expenses**

**Financial expenses** include expenses or loss related to the financial investment, borrowing cost and capital borrowing, contribution in joint-venture, associate, provision for devaluation of financial investment, loss from sale of foreign currencies, loss from foreign exchange loss and other financial

Financial expenses are recorded in details by their content and determined reliably when there are sufficient evidences on these expenses.

### **16. Principles and methods of recording current taxes and deferred taxes**

Corporate income tax includes current corporate income tax and deferred corporate income tax incurred in the year and set basis for determining operating result after tax in current fiscal year.

Current tax: is the tax payable on the taxable income and tax rate enacted in current year in accordance with the law on corporate income tax.

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

Tax policies the Company should comply with are as follows:

The Company pays tax at 20%.

### **17. Principles for recording earnings per share**

Basic earnings per share is calculated by dividing net income available to common shareholders before appropriating to Bonus and Welfare Fund by the weighted-average number of common shares outstanding during the period.

Diluted EPS is calculated by dividing net income available to common shareholders (after adjusting dividends of preferred convertible shares) by the weighted-average number of common share outstanding and the weighted-average number to be issued in case where all dilutive potential common are converted into common shares.

## **18. Financial instruments:**

### **Initial recognition**

#### **Financial assets**

According to Circular No. 210/2009/TT-BTC dated November 06, 2009 (Circular No. 210), financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial assets which are stated at fair value through the Income Statement, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company decides to classify these assets at the date of initial recognition.

At the date of initial recognition, the financial assets are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash, short-term deposits, trade accounts receivables and other receivables.

#### **Financial liabilities**

According to Circular 210, financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial liabilities which are stated at fair value through the Income Statement, financial liabilities determined on amortised cost basis. The Company decides to classify these liabilities at the date of initial recognition.

At the date of initial recognition, the financial liabilities are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial liabilities.

Financial liabilities of the Company comprise trade payables, other payables, borrowings and liabilities.

### **Re-measurements after initial recognition**

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount reported in the report on financial position if, and only if, there is a currently enforceable legal right to offset the financial assets against financial liabilities or vice-versa and there is an intention to settle on a net basis or to realize the assets and settle the liability simultaneously.

## **19. Related parties**

Related parties include: Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

## **20. Principles for presenting assets, revenue and operating results by segment**

A reportable segment includes business segment or a geographical segment.

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

For the purpose of management, the Company operates in a large scale of the country, so it presents major segment reporting by business sector, the minor segment reporting by geographical segment.

## V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE BALANCE SHEET

<b>1. Cash and cash equivalents</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
<b>Cash</b>	<b>37,376,190,067</b>	<b>36,383,393,486</b>
Cash on hand	1,767,610,873	2,528,709,488
Demand deposits	35,608,579,194	33,854,683,998
<i>VND</i>	35,310,520,798	33,064,313,381
<i>USD</i>	298,058,396	790,370,617
<b>Cash Equivalents</b>	<b>18,000,000,000</b>	<b>30,000,000,000</b>
<b>Total</b>	<b>55,376,190,067</b>	<b>66,383,393,486</b>

### 2. Short-term financial investments

	<b>Sept. 30, 2019</b>		<b>Jan. 01, 2019</b>	
	<b>Amount</b>	<b>Value</b>	<b>Amount</b>	<b>Value</b>
<b>Trading securities</b>	<b>676,956</b>	<b>10,946,711,100</b>	<b>676,956</b>	<b>10,946,711,100</b>
<i>VIDIPHA Pharmaceutical JSC</i>	180,000	4,070,000,000	180,000	4,070,000,000
<i>Pharmaceutical Packaging JSC</i>	477,775	6,635,250,000	477,775	6,635,250,000
<i>OPC Pharmaceutical JSC</i>	19,181	241,461,100	19,181	241,461,100
<b>Held-to-maturity investments</b>		<b>50,000,000,000</b>		-
<i>Term deposits</i>		50,000,000,000		-
<b>Total</b>		<b>60,946,711,100</b>		<b>10,946,711,100</b>

<b>3. Trade accounts receivable</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Local customers	118,793,627,882	95,857,523,267
Foreign customers	39,360,589,138	32,950,037,168
<b>Total</b>	<b>158,154,217,020</b>	<b>128,807,560,435</b>

<b>4. Prepayments to suppliers</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Local customers	2,197,396,165	3,361,300,324
Foreign customers	15,769,761,280	18,651,868,413
<b>Total</b>	<b>17,967,157,445</b>	<b>22,013,168,737</b>

<b>5. Other receivables</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Short-term		
Advances	159,336,842	10,647,657
<i>Health, social insurance, trade union fee</i>	555,660,460	546,605,890
<i>Consideration for the members of the Board of Management not holding direct management</i>	252,000,000	326,000,000
<i>Other receivables</i>	453,386,760	399,581,153
<b>Total</b>	<b>1,420,384,062</b>	<b>1,282,834,700</b>

<b>6. Inventories</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Raw materials	173,973,745,365	154,254,136,898
Tools & supplies	3,346,204,581	2,639,651,284
Works in progress	17,650,234,186	10,525,836,944
Finished goods	73,599,328,386	53,987,054,507
Merchandise inventory	6,070,268	5,971,176
<b>Total</b>	<b>268,575,582,786</b>	<b>221,412,650,809</b>

**7. Tangible fixed assets** ( See page 20 )

**8. Intangible fixed assets**

	<b>Land use rights</b>	<b>Patents, copyrights</b>	<b>Total</b>
<b>Original cost</b>			
<b>Opening balance</b>	<b>7,438,152,000</b>	<b>2,708,299,139</b>	<b>10,146,451,139</b>
<i>New purchases</i>		2,765,377,000	2,765,377,000
<i>Disposal, sale</i>			
<b>Closing balance</b>	<b>7,438,152,000</b>	<b>5,473,676,139</b>	<b>12,911,828,139</b>
<b>Accumulated amortization</b>			
<b>Opening balance</b>	-	<b>2,694,965,799</b>	<b>2,694,965,799</b>
<i>Charge for the year</i>		105,512,574	105,512,574
<i>Disposal, sale</i>			
<b>Closing balance</b>	-	<b>2,800,478,373</b>	<b>2,800,478,373</b>
<b>Net book value</b>			
As at the beginning of the year	<b>7,438,152,000</b>	<b>13,333,340</b>	<b>7,451,485,340</b>
As at the end of the period	<b>7,438,152,000</b>	<b>2,673,197,766</b>	<b>10,111,349,766</b>

<b>9. Capital construction in progress</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Accounting software	595,425,000	3,140,802,000
Project of Investing in Development Research and Producing Biological and Pharmaticeual Products.	738,265,081,816	660,353,709,084
<b>Total</b>	<b>738,860,506,816</b>	<b>663,494,511,084</b>

**10. Long-term investments**

	<b>Sept. 30, 2019</b>		<b>Jan. 01, 2019</b>	
	<b>Amount</b>	<b>Value</b>	<b>Amount</b>	<b>Value</b>
<b>Investments in associates, joint-ventures</b>	<b>2,464,000</b>	<b>27,003,280,195</b>	<b>2,464,000</b>	<b>25,028,703,428</b>
An Sinh Hospital - Percentage of contribution: 22%	2,464,000	27,003,280,195	2,464,000	25,028,703,428
<b>Investments in equity of other entities</b>	-	<b>5,550,000,000</b>	-	<b>5,550,000,000</b>
Orchids Co.,Ltd - Percentage of contribution: 15%		5,550,000,000		5,550,000,000
<b>Total</b>	<b>2,464,000</b>	<b>32,553,280,195</b>	<b>2,464,000</b>	<b>30,578,703,428</b>

On September 30, 2019 the Company used the amount of VND 900,000,000,000 to invest in Mekophar Co.,Ltd for building new plant of the Project "Investing in Development research and producing biological and Pharmaticeual Products " of Mekophar Co.,Ltd, High -Tech Zone, Long Thanh My Ward, Dist. 9, HCMC.



<b>11. Prepaid expenses</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
<b>Short-term prepaid expenses</b>		
Office lease, others	10,000,000	176,066,278
Fire insurance costs	422,668,125	307,395,000
Repair of fixed assets	1,733,976,456	758,751,932
Others ( Mekophar Co., Ltd )	1,144,526,092	240,069,401
<b>Total</b>	<b><u>3,311,170,673</u></b>	<b><u>1,482,282,611</u></b>
<b>Long-term prepaid expenses</b>		
Repair of fixed assets	475,094,065	946,558,869
Others ( Mekophar Co., Ltd )	5,938,282,739	6,624,588,644
<b>Total</b>	<b><u>6,413,376,804</u></b>	<b><u>7,571,147,513</u></b>
<b>12. Trade payables</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Local suppliers	19,650,326,003	24,185,653,175
Foreign suppliers	5,321,137,353	4,763,175,000
<b>Total</b>	<b><u>24,971,463,356</u></b>	<b><u>28,948,828,175</u></b>
<b>13. Prepayments from customers</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Local customers	13,910,330,420	10,363,372,354
Foreign customers	1,721,792,590	403,282,766
<b>Total</b>	<b><u>15,632,123,010</u></b>	<b><u>10,766,655,120</u></b>
<b>14. Taxes and payables to the State Budget</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
VAT output	429,469,745	617,111,845
VAT on import	223,524,909	584,391,622
Corporate income tax	8,890,033,104	11,164,238,645
Land and housing taxes, land rentals, others	1,385,986,473	-
<b>Total</b>	<b><u>10,929,014,231</u></b>	<b><u>12,365,742,112</u></b>
<b>15 Short-term other payables</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Social insurance, health insurance, trade union fee, Communist party membership fee	162,956,548	259,142,107
Board of Management	344,555,555	437,000,000
Other payables	17,150,094,578	17,115,094,578
<b>Total</b>	<b><u>17,657,606,681</u></b>	<b><u>17,811,236,685</u></b>
<b>16. Long-term provision liability</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Provision for research projects	7,000,000,000	7,000,000,000
<b>Total</b>	<b><u>7,000,000,000</u></b>	<b><u>7,000,000,000</u></b>
<b>17. Owners' equity</b>		
<b>a. Comparison schedule for changes in Owner's Equity (See page 21)</b>		

**b. Details of owners' shareholding**

	<b>% of shareholding</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Shareholding by the State	18.20%	42,304,320,000	35,283,600,000
Shareholding by other investors	81.80%	190,185,680,000	158,924,530,000
Share premium		409,754,114,458	295,058,504,458
Treasury share		(14,487,151,158)	(14,487,151,158)
<b>Total</b>	<b>100.0%</b>	<b>627,756,963,300</b>	<b>474,779,483,300</b>

\* Number of treasury shares: 277,646, equivalent to VND14,487,151,158.

<b>c. Shares</b>	<b>Sept. 30, 2019</b>	<b>Jan. 01, 2019</b>
Number of shares registered to be issued	23,249,000	19,420,813
Number of shares sold out to the public	23,249,000	19,420,813
<i>Ordinary share</i>	23,249,000	19,420,813
Number of shares repurchased	277,646	277,646
<i>Ordinary share</i>	277,646	277,646
Number of existing shares in issue	22,971,354	19,143,167
<i>Ordinary share</i>	22,971,354	19,143,167
<i>Par value: VND/share.</i>	10,000	10,000

**VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT**

	<b>From Jan. 01, 2019 to Sept. 30, 2019</b>	<b>From Jan. 01, 2018 to Sept. 30, 2018</b>
<b>1. Sales</b>		
Revenue from finished goods sold	475,219,345,282	447,302,442,143
Revenue from services of original cells bank	42,768,225,073	44,730,901,436
Revenue from merchandises sold	353,852,706,002	353,270,617,890
Revenue from sale of materials	8,004,771,201	6,405,017,710
Revenue from office lease	6,254,813,134	6,121,090,908
<b>Total</b>	<b>886,099,860,692</b>	<b>857,830,070,087</b>
<b>2. Sales deductions</b>		
Sales returns	605,681,776	293,473,326
Discount sales	762,423,545	6,195,238
<b>Total</b>	<b>1,368,105,321</b>	<b>299,668,564</b>
<b>3. Net sales</b>		
Revenue from finished goods sold	474,614,634,806	447,020,445,812
Revenue from exchange of services	42,768,225,073	44,725,401,436
Revenue from merchandises sold	353,851,734,702	353,258,445,657
Revenue from construction contract	7,242,347,656	6,405,017,710
Revenue from trading investment properties	6,254,813,134	6,121,090,908
<b>Total</b>	<b>884,731,755,371</b>	<b>857,530,401,523</b>
<b>4. Cost of sales</b>		
Cost of finished goods sold	302,140,415,820	294,898,535,320
Cost of service of original cells bank	13,798,148,757	12,433,508,387
Cost of merchandises sold	351,693,233,431	350,911,155,254
Cost of materials, services rendered	7,060,868,853	4,817,846,112
<b>Total</b>	<b>674,692,666,861</b>	<b>663,061,045,073</b>

	From Jan. 01, 2019 to Sept. 30, 2019	From Jan. 01, 2018 to Sept. 30, 2018
<b>5. Financial income</b>		
Interest income from deposits, loans	649,575,989	72,002,087
Dividends, profit paid	6,539,181,000	6,516,219,454
<i>An Sinh General Hospital Co., Ltd</i>	<i>6,160,000,000</i>	<i>5,516,669,734</i>
<i>VIDIPHA Pharmaceutical JSC</i>	<i>360,000,000</i>	<i>215,928,720</i>
<i>Pharmaceutical Packaging Joint Stock Company</i>	-	<i>764,440,000</i>
<i>OPC Pharmaceutical Joint Stock Company</i>	<i>19,181,000</i>	<i>19,181,000</i>
Realised foreign exchange gains	34,369,460	162,595,633
Unrealised foreign exchange gains	98,439,576	-
Transfer of shares of Areco Ltd.	-	4,039,500,000
<b>Total</b>	<b>7,321,566,025</b>	<b>10,790,317,174</b>
<b>6. Financial expenses</b>		
Realised foreign exchange losses	1,715,101,856	671,916,807
Interest	510,813,860	1,278,666,666
Others	49,999,998	-
<b>Total</b>	<b>2,275,915,714</b>	<b>1,950,583,473</b>
<b>7. Selling expenses</b>		
Salaries	19,456,071,044	18,825,441,540
Commission	17,397,422,788	16,395,164,926
Depreciation	130,208,355	309,309,772
Services bought from outsiders	15,478,255,686	15,108,608,799
Transportation	5,971,279,465	5,742,791,461
Other sundry expenses by cash	159,900,800	194,991,709
<b>Total</b>	<b>58,593,138,138</b>	<b>56,576,308,207</b>
<b>8. General and administration expenses</b>		
Salaries	33,557,922,307	30,076,008,942
Materials and packaging	9,423,146,428	11,986,039,270
Depreciation	2,780,400,139	2,826,416,715
Taxes, fees and duties	7,425,404,844	9,205,350,871
Services bought from outsiders	12,659,656,304	1,710,408,501
Other sundry expenses by cash	23,961,646,401	15,915,522,582
<b>Total</b>	<b>89,808,176,423</b>	<b>71,719,746,881</b>
<b>9. Other income</b>		
Liquidation of fixed assets	37,272,727	83,636,364
Other income (Treatment to surplus amount upon the counting)	1,406,511,107	1,344,339,108
Other income	167,060,380	76,172,958
<b>Total</b>	<b>1,610,844,214</b>	<b>1,504,148,430</b>
<b>10. Other expenses</b>		
Other expenses (Treatment to deficient amount upon the counting, other)	175,881,731	180,406,182
<b>Total</b>	<b>175,881,731</b>	<b>180,406,182</b>

	From Jan. 01, 2019 to Sept. 30, 2019	From Jan. 01, 2018 to Sept. 30, 2018
<b>11. Current corporate income tax</b>		
- Current corporate income tax	18,890,033,104	22,961,107,192
+ Parent Company	18,890,033,104	22,961,107,192
+ Subsidiary Company	-	-
- Adjustments of corporate income tax expenses of previous	60,391,218	58,770,016
+ Parent Company	60,391,218	58,770,016
+ Subsidiary Company	-	-
<b>- Total current corporate income tax</b>	<b>18,950,424,322</b>	<b>23,019,877,208</b>
<b>12. Costs of production and doing business by factors</b>		
Raw materials	301,902,171,026	283,136,826,150
Labour cost	88,247,908,663	82,843,257,647
Depreciation and amortization	7,838,015,425	8,645,357,984
Services bought	45,995,219,707	34,060,750,746
Other sundry cash expense	52,430,118,830	45,690,221,997
<b>Total</b>	<b>496,413,433,651</b>	<b>454,376,414,524</b>
<b>13. Earnings/Diluted earnings per share</b>		
Accounting profit after corporate income tax	57,661,242,616	62,178,302,491
Increase or decrease of accounting profit	-	-
- Acrease adjustment	-	-
- Decrease adjustment	-	-
Profit or loss attributable to ordinary equity holders	57,661,242,616	62,178,302,491
Average ordinary shares outstanding during the year	21,695,292	19,143,167
Earnings per share	2,658	3,248

## VII. OTHER INFORMATION

### Related party transactions

Related parties	Relationship	Transactions	Movement	Value
An Sinh Hospital	Associate	Sale of goods	Opening balance	819,585,581
			Sale of goods	7,618,669,150
			Proceeds	5,665,336,902
			Closing balance	2,772,917,829

Prepared By

  
Le Thi Thu Huong

Chief Accountant

  
Le Thi Thuy Hang

HCMC, October 24, 2019

General Director



  
Huynh Thi Lan



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the accounting period from Jan. 01, 2019 to Sept. 30, 2019

Unit: VND

### V.7. Tangible fixed assets

Items	Bludings & Structures	Machinery & Equipment	Transportation & Facilities	Others	Total
<b>Original cost</b>					
Opening balance	53,610,571,336	124,270,837,248	16,082,054,233	49,214,596,072	<b>243,178,058,889</b>
<i>New purchase</i>		3,871,851,499		1,906,944,498	<b>5,778,795,997</b>
<i>Disposal, sale</i>		36,428,800	439,038,052		<b>475,466,852</b>
Closing balance	53,610,571,336	128,106,259,947	15,643,016,181	51,121,540,570	<b>248,481,388,034</b>
<b>Accumulated depreciation</b>					
Opening balance	36,384,901,499	106,313,037,543	13,061,977,214	42,728,975,030	<b>198,488,891,286</b>
<i>Charge for the year</i>	1,392,995,745	4,195,389,307	496,787,715	1,647,330,084	<b>7,732,502,851</b>
<i>Disposal, sale</i>		36,428,800	439,038,052		<b>475,466,852</b>
Closing balance	37,777,897,244	110,471,998,050	13,119,726,877	44,376,305,114	<b>205,745,927,285</b>
<b>Net book value</b>					
As at beginning of the year	<b>17,225,669,837</b>	<b>17,957,799,705</b>	<b>3,020,077,019</b>	<b>6,485,621,042</b>	<b>44,689,167,603</b>
As at the end of the period	<b>15,832,674,092</b>	<b>17,634,261,897</b>	<b>2,523,289,304</b>	<b>6,745,235,456</b>	<b>42,735,460,749</b>



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the accounting period from Jan. 01, 2019 to Sept. 30, 2019

Unit: VND

### V.17. Owner's Equity

#### a. Comparison schedule for changes in Owner's Equity

Items	Paid-in Capital	Share Premium	Treasury Share	Investment and Development	Undistributed Earnings	Total
<b>Prior year opening balance</b>	<b>194,208,130,000</b>	<b>295,058,504,458</b>	<b>(14,487,151,158)</b>	<b>448,083,058,734</b>	<b>118,609,448,545</b>	<b>1,041,471,990,579</b>
Profit of year 2018					107,536,195,354	107,536,195,354
Consideration for the members of the Board of Management not holding direct management in 2017					(336,000,000)	(336,000,000)
Bonus for the Board of Management in 2017					(1,849,000,000)	(1,849,000,000)
Appropriation to funds from profit of 2017				57,237,827,449	(57,237,827,449)	-
Appropriation to bonus and welfare fund from profit of 2017					(10,613,795,716)	(10,613,795,716)
Dividends paid to shareholders from profit of 2017					(38,286,334,000)	(38,286,334,000)
Decease of dividends received from associated Company in prior years.					(6,286,491,380)	(6,286,491,380)
<b>Prior year closing balance</b>	<b>194,208,130,000</b>	<b>295,058,504,458</b>	<b>(14,487,151,158)</b>	<b>505,320,886,183</b>	<b>111,536,195,354</b>	<b>1,091,636,564,837</b>
<b>Current year opening balance</b>	<b>194,208,130,000</b>	<b>295,058,504,458</b>	<b>(14,487,151,158)</b>	<b>505,320,886,183</b>	<b>111,536,195,354</b>	<b>1,091,636,564,837</b>
Profit of current period					57,661,242,616	57,661,242,616
Capital increase by issuing shares	38,281,870,000	114,695,610,000			-	152,977,480,000
Consideration for the members of the Board of Management not holding direct management in 2018					(326,000,000)	(326,000,000)
Bonus for the Board of Management in 2018					(912,000,000)	(912,000,000)
Appropriation to funds from profit of 2018				41,086,792,234	(41,086,792,234)	-
Appropriation to bonus and welfare fund from profit of 2018					(9,977,949,192)	(9,977,949,192)
Dividends paid to shareholders from profit of 2018					(28,714,750,500)	(28,714,750,500)
Decease of dividends received from associated Company in prior years.					(6,518,703,428)	(6,518,703,428)
<b>Current period closing balance</b>	<b>232,490,000,000</b>	<b>409,754,114,458</b>	<b>(14,487,151,158)</b>	<b>546,407,678,417</b>	<b>81,661,242,616</b>	<b>1,255,825,884,333</b>