

Số/No.: 82 /IMP

Tp. Cao Lãnh, ngày 07 tháng 03 năm 2022  
Cao Lãnh City, day 07 month 03 year 2022

**CÔNG BỐ THÔNG TIN  
TRÊN CỔNG THÔNG TIN ĐIỆN TỬ  
CỦA ỦY BAN CHỨNG KHOÁN NHÀ  
NƯỚC VÀ SGDCK TP.HCM**

**DISCLOSURE OF INFORMATION ON THE  
STATE SECURITIES COMMISSION'S  
PORTAL AND HOCHIMINH STOCK  
EXCHANGE'S PORTAL**

Kính gửi/ To: - Ủy ban Chứng khoán Nhà nước/ *The State Securities Commission*  
- Sở Giao dịch chứng khoán TP.HCM/ *Hochiminh Stock Exchange*

- Tên tổ chức / *Organization name*: Công ty Cổ phần Dược phẩm Imexpharm/  
*Imexpharm Corporation*
- Mã chứng khoán/ *Securities Symbol*: IMP
- Địa chỉ trụ sở chính/ *Address*: Số 04, Đường 30/04, Tp. Cao Lãnh, tỉnh Đồng Tháp/  
*No. 04, 30/04 Street, Ward 1, Cao Lãnh City, Dong Thap Province.*
- Điện thoại/ *Telephone*: (84.277) 3851941
- Fax: (84.277) 3853106
- Người thực hiện công bố thông tin/ *Submitted by*: Ông Nguyễn Quốc Định/  
*Mr. Nguyen Quoc Dinh*
- Chức vụ/ *Position*: Chủ tịch Hội đồng quản trị / *Chairman*

Loại thông tin công bố: ☒ định kỳ ☐ bất thường ☐ 24h ☐ theo yêu cầu  
*Information disclosure type: ☒ Periodic ☐ Irregular ☐ 24 hours ☐ On demand*

**Nội dung thông tin công bố (\*)/ Content of Information disclosure (\*):**

Báo cáo tài chính năm 2021 đã được kiểm toán bản tiếng Anh/ Audited Financial Statements for the year ended 31 december 2021.

Tôi cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung các thông tin đã công bố./

*I declare that all information provided in this paper is true and accurate; I shall be legally responsible for any misrepresentation.*

**Người Ủy Quyền CBTT**  
**Party authorized to disclose information**



*CN. Nguyễn Quốc Định*

IMEXPARM CORPORATION

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021



**IMEXPHARM CORPORATION**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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## IMEXPARM CORPORATION

### CORPORATE INFORMATION

**Enterprise registration  
certificate**

No. 1400384433 dated 1 August 2001 was initially issued by the Department of Planning and Investment of Dong Thap Province with the latest 29<sup>th</sup> amendment dated 20 October 2020.

**Board of Directors**

Mr. Nguyen Quoc Dinh	Chairman
Mrs. Tran Thi Dao	Vice Chairwoman
Mr. Le Van Nha Phuong	Member
Mr. Truong Minh Hung	Member
Mr. Ngo Minh Tuan	Member
Mr. Tran Anh Tuan	Member
Mrs. Han Thi Khanh Vinh	Member

**Board of Supervision**

Mr. Nguyen Duc Tuan	Chief Supervisor
Mrs. Le Thi Kim Chung	Member
Mrs. Do Thi Thanh Thuy	Member

**Board of Management**

Mrs. Tran Thi Dao	General Director
Mr. Nguyen Quoc Dinh	Deputy General Director
Mr. Huynh Van Nhung	Deputy General Director
Mr. Ngo Minh Tuan	Deputy General Director
Mr. Le Van Nha Phuong	Deputy General Director
Mr. Tran Hoai Hanh	Chief Accountant

**Legal representative**

Mrs. Tran Thi Dao	General Director
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**Registered office**

No 4, 30/4 Street, Ward 1, Cao Lanh City,  
Dong Thap Province, Vietnam

**Auditor**

PwC (Vietnam) Limited



## IMEXPHARM CORPORATION

### STATEMENT OF THE BOARD OF MANAGEMENT

#### STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management of Imexpharm Corporation ("the Company") is responsible for preparing financial statements which give a true and fair view of the financial position of the Company as at 31 December 2021, and of the results of its operations and its cash flows for the year then ended. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and enable financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or errors.

The Legal Representative has authorised the Deputy General Director of the Company to approve and sign the financial statements for the year ended 31 December 2021 in accordance with the Power of Attorney dated 1 January 2020.

#### APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as set out on pages 5 to 49 which give a true and fair view of the financial position of the Company as at 31 December 2021, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

On behalf of the Board of Management



Nguyen Quoc Dinh  
Deputy General Director  
Authorised by Legal Representative

Dong Thap Province, SR Vietnam  
4 March 2022



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF IMEXPHARM CORPORATION**

We have audited the accompanying financial statements of Imexpharm Corporation ("the Company") which were prepared on 31 December 2021 and approved by the Board of Management on 4 March 2022. The financial statements comprise the balance sheet as at 31 December 2021, the income statement and the cash flow statement for the year then ended, and explanatory notes to the financial statements including significant accounting policies, as set out on pages 10 to 49.

### **The Board of Management's Responsibility**

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements and for such internal control which the Board of Management determines necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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





### Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of financial statements.

### Other Matter

This report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

### For and on behalf of PwC (Vietnam) Limited



Nguyen Hoang Nam  
Audit Practising Licence No.  
0849-2018-006-1  
Authorised signatory

Tran Thi Cam Tu  
Audit Practising Licence No.  
2713-2018-006-1

Report reference number: HCM11467  
Ho Chi Minh City, 4 March 2022

## BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>1,176,339,787,490</b>	<b>981,975,300,723</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>271,272,865,376</b>	<b>85,268,705,365</b>
111	Cash		46,272,865,376	84,092,597,420
112	Cash equivalents		225,000,000,000	1,176,107,945
<b>120</b>	<b>Short-term investments</b>		<b>112,452,800,000</b>	<b>63,607,855,260</b>
121	Trading securities	4(a)	1,532,736,844	6,476,068,160
122	Provision for diminution in value of trading securities	4(a)	(379,936,844)	(3,208,212,900)
123	Investments held to maturity	4(b)	111,300,000,000	60,340,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>295,062,515,167</b>	<b>398,091,289,641</b>
131	Short-term trade accounts receivable	5	247,015,200,965	334,633,890,776
132	Short-term prepayments to suppliers	6	17,786,828,766	41,593,541,046
135	Short-term lending		2,000,000,000	-
136	Other short-term receivables	7	40,711,862,178	38,510,075,750
137	Provision for doubtful debts – short-term	8	(12,451,376,742)	(16,646,217,931)
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>492,074,917,415</b>	<b>424,237,469,275</b>
141	Inventories		493,805,074,580	427,676,097,124
149	Provision for decline in value of inventories		(1,730,157,165)	(3,438,627,849)
<b>150</b>	<b>Other current assets</b>		<b>5,476,689,532</b>	<b>10,769,981,182</b>
151	Short-term prepaid expenses		3,155,165,762	2,031,006,594
152	Value Added Tax ("VAT") to be reclaimed	15(a)	2,321,523,770	8,738,974,588

The notes on pages 10 to 49 are an integral part of these financial statements.



BALANCE SHEET  
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2021 VND	2020 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>1,118,360,467,816</b>	<b>1,114,479,966,147</b>
<b>210</b>	<b>Long-term receivables</b>		<b>50,244,740</b>	<b>50,244,740</b>
216	Other long-term receivables		50,244,740	50,244,740
<b>220</b>	<b>Fixed assets</b>		<b>509,799,233,736</b>	<b>503,263,217,067</b>
221	Tangible fixed assets	10(a)	436,217,826,957	426,699,912,381
222	Historical cost		900,574,257,505	840,760,619,608
223	Accumulated depreciation		(464,356,430,548)	(414,060,707,227)
227	Intangible fixed assets	10(b)	73,581,406,779	76,563,304,686
228	Historical cost		98,719,023,019	100,218,809,059
229	Accumulated amortisation		(25,137,616,240)	(23,655,504,373)
<b>240</b>	<b>Long-term asset in progress</b>		<b>519,462,645,260</b>	<b>522,446,935,889</b>
242	Construction in progress	11	519,462,645,260	522,446,935,889
<b>250</b>	<b>Long-term investments</b>		<b>50,962,461,050</b>	<b>51,668,587,700</b>
252	Investments in associates	4(c)	50,621,446,700	50,621,446,700
253	Investments in other entities	4(c)	617,550,000	1,326,668,000
254	Provision for long-term investments	4(c)	(276,535,650)	(279,527,000)
<b>260</b>	<b>Other long-term asset</b>		<b>38,085,883,030</b>	<b>37,050,980,751</b>
261	Long-term prepaid expenses	12	38,085,883,030	37,050,980,751
<b>270</b>	<b>TOTAL ASSETS</b>		<b>2,294,700,255,306</b>	<b>2,096,455,266,870</b>

The notes on pages 10 to 49 are an integral part of these financial statements.


BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at 31 December	
			2021 VND	2020 VND
<b>300</b>	<b>LIABILITIES</b>		<b>500,290,192,302</b>	<b>365,969,098,434</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>408,638,192,302</b>	<b>346,932,038,104</b>
311	Short-term trade accounts payable	13	92,712,787,659	59,703,520,754
312	Short-term advances from customers	14	25,374,390,853	27,361,129,848
313	Tax and other payables to the State	15(b)	19,616,861,640	15,748,532,937
314	Payable to employees		36,173,686,395	40,462,406,145
315	Short-term accrued expenses	16	41,030,737,890	52,281,719,270
319	Other short-term payables	17	4,794,695,249	6,908,927,444
320	Short-term borrowings	18(a)	172,142,789,243	130,927,621,224
322	Bonus and welfare fund	19	16,792,243,373	13,538,180,482
<b>330</b>	<b>Long-term liabilities</b>		<b>91,652,000,000</b>	<b>19,037,060,330</b>
338	Long-term borrowings	18(b)	91,652,000,000	-
343	Fund for scientific and technological development	20	-	19,037,060,330
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,794,410,063,004</b>	<b>1,730,486,168,436</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,794,410,063,004</b>	<b>1,730,486,168,436</b>
411	Owners' capital	21, 22	667,053,700,000	667,053,700,000
411a	- Ordinary shares with voting rights		667,053,700,000	667,053,700,000
412	Share premium	22	507,368,247,904	507,368,247,904
414	Owners' other capital	22	2,420,789,142	2,420,789,142
415	Treasury shares	22	(358,600,000)	(358,600,000)
418	Investment and development fund	22	420,501,550,420	348,765,273,377
421	Undistributed earnings	22	197,424,375,538	205,236,758,013
421a	- Undistributed post-tax profits of previous years		414,907,353	414,907,353
421b	- Post-tax profits of current year		197,009,468,185	204,821,850,660
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>2,294,700,255,306</b>	<b>2,096,455,266,870</b>

  
Duong Hoang Vu  
Preparer

  
Tran Hoai Hanh  
Chief Accountant



  
Nguyen Quoc Dinh  
Deputy General Director  
Authorised by Legal  
Representative  
4 March 2022

The notes on pages 10 to 49 are an integral part of these financial statements.

## INCOME STATEMENT

Code		Note	Year ended 31 December	
			2021 VND	2020 VND
01	Revenue from sales of goods		1,301,313,458,150	1,420,882,858,393
02	Less deductions		(34,716,750,800)	(51,461,143,612)
10	Net revenue from sales of goods	26	1,266,596,707,350	1,369,421,714,781
11	Cost of goods sold	27	(778,595,381,087)	(822,376,136,443)
20	Gross profit from sales of goods		488,001,326,263	547,045,578,338
21	Financial income	28	18,444,172,717	9,605,519,548
22	Financial expenses	29	(18,040,753,298)	(19,620,348,994)
23	- Including: Interest expense	29	(5,496,312,950)	(5,407,738,374)
25	Selling expenses	30	(181,292,527,233)	(213,142,674,844)
26	General and administration expenses	31	(72,636,907,782)	(71,348,172,682)
30	Net operating profit		234,475,310,667	252,539,901,366
31	Other income		5,512,709,103	3,310,229,133
32	Other expenses		(1,128,927,550)	(408,793,070)
40	Net other income		4,383,781,553	2,901,436,063
50	Net accounting profit before tax		238,859,092,220	255,441,337,429
51	Business income tax ("BIT") - current	32	(49,764,217,257)	(45,744,459,140)
52	Business income tax - deferred	32	-	-
60	Net profit after tax		189,094,874,963	209,696,878,289
70	Basic earnings per share	24	2,600	2,773
71	Diluted earnings per share	24	2,600	2,773

Duong Hoang Vu  
Preparer

Tran Hoai Hanh  
Chief Accountant



Nguyen Quoc Dinh  
Deputy General Director  
Authorised by Legal  
Representative  
4 March 2022

The notes on pages 10 to 49 are an integral part of these financial statements.



**CASH FLOW STATEMENT**  
**(Indirect method)**

		Year ended 31 December	
Code	Note	2021 VND	2020 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Net profit before tax	238,859,092,220	255,441,337,429
	Adjustments for:		
02	Depreciation and amortisation	60,412,122,442	53,360,966,033
03	(Reversal of provision)/provisions	(8,734,579,279)	4,109,616,176
04	Unrealised foreign exchange (gains)/losses	(1,623,268,980)	71,169,614
05	Profits from investing activities	(18,627,767,331)	(9,977,230,590)
06	Interest expense	5,496,312,950	5,407,738,374
08	Operating profit before changes in working capital	275,781,912,022	308,413,597,036
09	Decrease/(increase) in receivables	115,759,490,658	(60,835,559,336)
10	Increase in inventories	(66,128,977,456)	(75,247,048,473)
11	Decrease in payables	(2,831,326,127)	(49,525,833,086)
12	(Increase)/decrease in prepaid expenses	(2,159,061,447)	7,465,144,833
13	Decrease in trading securities	4,943,331,316	-
14	Interest paid	(4,227,363,668)	(5,309,674,055)
15	BIT paid	(45,310,346,424)	(40,856,105,810)
17	Other payments on operating activities	(40,946,622,834)	(10,951,098,329)
20	Net cash inflows from operating activities	234,881,036,040	73,153,422,780
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets	(52,856,687,303)	(89,684,662,322)
22	Proceeds from disposals of fixed assets	8,655,454,545	4,889,090,910
23	Term deposits placed at banks	(247,049,478,082)	(105,940,000,000)
24	Collection of loans and term deposits at banks	195,897,929,613	47,675,066,830
26	Proceeds from divestment in other entities	2,104,560,000	-
27	Dividends and interest received	10,106,162,541	6,584,559,369
30	Net cash outflows from investing activities	(83,142,058,686)	(136,475,945,213)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issue of shares	-	29,631,600,000
33	Proceeds from borrowings	324,785,490,153	408,997,618,089
34	Repayments of borrowings	(190,282,322,134)	(315,649,453,686)
36	Dividends paid to owners	(100,007,355,000)	(49,387,359,000)
40	Net cash inflows from financing activities	34,495,813,019	73,592,405,403
50	Net increase in cash and cash equivalents of year	186,234,790,373	10,269,882,970
60	Cash and cash equivalents at beginning of year	85,268,705,365	75,035,614,726
61	Effect of foreign exchange differences	(230,630,362)	(36,792,331)
70	Cash and cash equivalents at end of year	271,272,865,376	85,268,705,365

Additional information relating to the cash flow statement is presented in Note 35.

Duong Hoang Vu  
Preparer

Tran Hoai Hanh  
Chief Accountant

Nguyen Quoc Dinh  
Deputy General Director  
Authorised by Legal  
Representative  
4 March 2022



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1 GENERAL INFORMATION**

Imexpharm Corporation (the "Company"), formerly known as Dong Thap Pharmaceutical Union incorporated under Decision No. 284/TCCQ dated 28 September 1983 issued by the Health Department of Dong Thap Province, was transformed from a state-owned company into a joint stock company in accordance with initial Enterprise registration certificate No. 1400384433 dated 1 August 2001 and the latest 29<sup>th</sup> amendment dated 20 October 2020 issued by the Department of Planning and Investment of Dong Thap Province.

The Company's shares were listed on Ho Chi Minh Stock Exchange ("HOSE") on 15 November 2006 with the stock code IMP under Decision No. 76/UBCK-GPNY of HOSE.

The principal activities of the Company are manufacturing pharmaceutical products, processing pharmaceutical materials, trading, importing and exporting pharmaceutical products, medical equipment and supplies, chemicals, materials for medicine manufacturing and packaging, chemicals used for sterilization or disinfection in humans (except for those listed under Point A, Part II, Appendix No. 04 accompanying Decision No. 10/2007/QD-BTM dated 21 May 2007 issued by the Ministry of Trade, currently known as the Ministry of Industry and Trade).

The normal business cycle of the Company is 12 months.

As at 31 December 2021, the Company had 25 branches and 3 associates as presented in Note 4c - Investments. Details of the Company's associates are presented below:

Company name	Principal activities	Address of registered office	Percentage of ownership and voting rights	
			31.12.2021	31.12.2020
Agimexpharm Pharmaceutical Joint Stock Company	Manufacturing and trading pharmaceutical products	An Giang Province	32.99%	32.99%
Dong Thap Muoi Research Conservation and Development Pharmaceutical Joint Stock Company	Researching, conserving, and developing pharmaceutical materials	Long An Province	23.56%	23.56%
Gia Dai Pharmaceutical Company Limited	Manufacturing and trading pharmaceutical products	Ho Chi Minh City	26.00%	26.00%

As at 31 December 2021, the Company had 1,203 employees (as at 31 December 2020: 1,246 employees).

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements. The financial statements have been prepared under the historical cost convention.

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The financial statements in the Vietnamese language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Vietnamese version.

**2.2 Fiscal year**

The Company's fiscal year is from 1 January to 31 December.

**2.3 Currency**

The financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Company's accounting currency. The Company determines its accounting currency based on the currency which is mainly used in sales of goods, which has a significant impact on selling prices of goods, which is normally used for listing selling prices and receiving payments; which is mainly used in purchases of goods or services, which has a significant impact on cost of labour, materials and other production or operating costs and which is normally used as payments of those costs.

In addition, the Company also uses this currency to raise financial resources (such as via issuance of shares) and regularly collects this currency from business operation and savings.

**2.4 Exchange rates**

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the commercial bank with which the Company regularly transacts. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the commercial bank where the Company opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

**2.6 Receivables**

Receivables represent trade receivables from customers arising from sales of goods or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. Bad debts are written off when identified.

Receivables are classified into short-term and long-term receivables on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

**2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method for inventories.

Provision is made, where necessary, for obsolete, slow-moving, and defective inventory items. The difference between the provision of this year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold in the year.

**2.8 Investments****(a) Trading securities**

Trading securities are securities which are held for trading to earn profit.

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end. The provision for diminution in value of trading securities is made when their carrying value is higher than their market value. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Investments (continued)****(a) Trading securities (continued)**

The Company recognises trading securities when it has ownership of the assets, specifically as follows:

- Listed securities are recognised at the time of orders matching; and
- Unlisted securities are recognised at the time when official ownership is established in accordance with regulations.

Profit or loss from liquidation or disposal of trading securities is recorded in the income statement. The costs of trading securities disposed are determined by using the moving weighted average method.

**(b) Investments held to maturity**

Investments held to maturity are investments which the Company has a positive intention and ability to hold until maturity.

Investments held to maturity include term deposits and other held-to-maturity investments. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

**(c) Investments in associates**

Associates are investments that the Company has significant influence but not control and the Company would generally have from 20% to less than 50% of the voting rights of the investee. Investments in associates are initially recorded at cost of acquisition including purchase cost plus other expenditure directly attributable to the investments. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 Investment (continued)****(d) Investments in other entities**

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

**(e) Provision for investments in associates and other entities**

Provision for investments in associates and other entities is made when there is a diminution in value of the investments at the year end.

Provision for investments in associates is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision is calculated similarly to provision for investments in associates.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

**2.9 Lending**

Lending is lending granted for the earning interest under agreements among parties but not for being traded as securities.

Lending is initially recognised at cost. Subsequently, the Board of Management reviews all outstanding amounts to determine the amount of provision to recognise at the year end.

Provision for doubtful lending is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated losses that may arise. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Lending is classified into short-term and long-term lending on the balance sheet based on the remaining term of the lending as at the balance sheet date.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the income statement when incurred in the year.

*Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the historical cost of the fixed assets over their estimated useful lives or over the term of the enterprise registration certificate if shorter. The estimated useful lives of each asset class are as follows:

Plant, buildings, and structures	5 – 40 years
Machinery and equipment	3 – 15 years
Motor vehicles	5 – 10 years
Office equipment	3 – 8 years
Computer software	3 – 5 years
Copyright	3 years
Other intangible fixed assets	3 years

Land use rights comprise of land use rights granted by the State for which land use fees are collected and prepaid land use rights obtained under land rental contracts which are effective before the effective date of land law 2003 (i.e. 1 July 2004) and which land use right certificates are granted.

Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consists of its purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

Indefinite land use rights are stated at costs and not amortised.

*Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the income statement.

*Construction in progress*

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipment; project management expenditure; construction consulting expenditure; and capitalised borrowing costs for qualifying assets in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Operating leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

**2.12 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

Prepayments for land rental contracts which are not recorded as intangible assets as described in 2.10 are recorded as prepaid expenses and allocated using the straight-line basis over the prepaid lease term.

**2.13 Payables**

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables and payables not relating to purchase of goods and services.

Payables are classified into short-term and long-term payables on the balance sheet based on the remaining period from the balance sheet date to the maturity date.

**2.14 Borrowings**

Borrowings include borrowings from banks.

Borrowings are classified into short-term and long-term based on remaining period from the balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the year of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which used for the purpose of construction or production of any qualifying assets, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Company's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the income statement when incurred.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.15 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the year but not yet paid for, due to pending invoices or insufficient records and documents. Accrued expenses are recorded as operating expenses in the reporting year.

**2.16 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation 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. Provision is not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as financial expenses. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

**2.17 Fund for scientific and technological development**

Fund for scientific and technological development is appropriated for scientific and technological development activities. The fund is set up on the basis of maximum 10% of profit before tax and charged to operating expenses when appropriated.

**2.18 Provision for severance allowances**

In accordance with Labour Law of Vietnam, employees of the Company who have worked regularly for a period of 12 months or longer are entitled to severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Company less the period during which the employee participates in the unemployment insurance scheme in accordance with labour regulations and the working period for which the employee has received severance allowance from the Company.

The severance allowance is accrued at the end of the reporting year on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month period prior to the balance sheet date. As at 31 December 2021, the estimated provision for severance allowances to be accrued is VND11,181,595,000.

However, the Company follows the guidance of Circular No. 180/2012/TT-BTC dated 24 October 2012 issued by the Ministry of Finance, not to recognise provision for severance allowances. The Company records and pays severance allowances when employees leave the Company.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.19 Capital and reserves**

Owners' capital is recorded according to the actual amounts contributed at par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Owners' other capital represents other capital held by the owners at the reporting date.

Undistributed earnings record the Company's results (profit or loss) after BIT at the reporting date.

**2.20 Appropriation of profit**

The Company's dividends are recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's General Meeting of shareholders.

Net profit after BIT could be distributed to shareholders after approval at a General Meeting of shareholders, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Company's funds are as below:

**(a) Investment and development fund**

The investment and development fund is appropriated from profit after BIT of the Company and approved by shareholders in the General Meeting of Shareholders. This fund is appropriated for investment and business expansion activities, and offsetting against damages incurred during the course of business (if any). The fund's disbursement is decided by the Board of Directors and the General Director depending on utilisation purpose.

**(b) Bonus and welfare fund**

The bonus and welfare fund is appropriated from the Company's profit after BIT and subject to shareholders' approval at the General Meeting of shareholders. This fund is presented as a liability on the balance sheet. The fund is set aside for the purpose of rewarding, encouragement and improvement of the employees' welfare.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Revenue recognition****(a) Revenue from sales of goods**

Revenue from sale of goods is recognised in the income statement when all five (5) of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the “substance over form” principle and allocated to each sales obligation. If the Company gives promotional goods to customers associated with their purchases, the Company allocates the total considerations received between goods sold and promotional goods. Cost of promotional goods is recognised as cost of goods sold in the income statement.

**(b) Interest income**

Interest income is recognised on an earned basis.

**(c) Dividend income**

Income from dividends is recognised when the Company has established receiving rights from investees.

**2.22 Sales deductions**

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

Sales deductions for sales of products and goods which are sold in the year but are incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction from the revenue of the year.

**2.23 Cost of goods sold**

Cost of goods sold are cost of finished goods, merchandises and materials sold during the year, and recorded on the basis of matching with revenue and on a prudence basis.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.24 Financial expenses**

Financial expenses are expenses incurred in the year for financial activities including interest expenses; losses from disposal financial investments; provision for diminution in value of investments in other entities and losses from foreign exchange differences; and payment discounts.

**2.25 Selling expenses**

Selling expenses represent expenses that are incurred in the process of selling products and goods.

**2.26 General and administration expenses**

General and administration expenses represent expenses that are incurred for administrative purposes.

**2.27 Current and deferred income tax**

Income tax includes all income taxes which is based on taxable profits. Income tax expense comprises current income tax expense and deferred income tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred income tax are recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the fiscal year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 Related parties**

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, including holding companies, subsidiaries and fellow subsidiaries are related parties of 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 Company, key management personnel, including Board of Directors and Board of Management of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering relationships with each related party, the Company considers the substance of the relationships, not merely the legal form.

**2.29 Segment reporting**

A segment is a component which can be separated by the Company, engaged in sales of goods or rendering of services ("business segment"), or sales of goods or rendering of services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Company's business segment or the Company's geographical segment

**2.30 Critical accounting estimates**

The preparation of financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements 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 date of the financial statements and the reported amounts of revenues and expenses during the financial year.

The areas involving significant estimates and assumptions are as follows:

- Estimation of provision for doubtful debt (Note 8);
- Estimation of provision for decline in value of inventories (Note 9); and
- Estimated useful life of fixed assets (Note 10).

Such estimates and assumptions are continually evaluated. They are based on historical experiences and other factors, including expectations of future events that may have a financial impact on the Company and that are assessed by the Board of Management to be reasonable under the circumstances.



## 3 CASH AND CASH EQUIVALENTS

	2021 VND	2020 VND
Cash on hand	2,220,458,913	1,159,224,741
Cash at bank	43,340,006,463	82,909,095,679
Cash in transit	712,400,000	24,277,000
Cash equivalents (*)	225,000,000,000	1,176,107,945
	<u>271,272,865,376</u>	<u>85,268,705,365</u>

(\*) Cash equivalents represent bank deposits with maturity from one to three months and earn interest at the fixed interest rates in Vietnamese Dong.

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4 INVESTMENTS

(a) Trading securities

	2021			2020		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Mekophar Chemical Pharmaceutical Joint Stock Company	1,532,736,844	1,152,800,000	(379,936,844)	6,069,637,900	2,920,320,000	(3,149,317,900)
Bach Tuyet Cotton Corporation	-	-	-	239,465,000	180,570,000	(58,895,000)
OPC Pharma Joint Stock Company	-	-	-	166,965,260	557,812,500	-
	<u>1,532,736,844</u>	<u>1,152,800,000</u>	<u>(379,936,844)</u>	<u>6,476,068,160</u>	<u>3,658,702,500</u>	<u>(3,208,212,900)</u>

(b) Investments held to maturity

	2021		2020	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits at banks	<u>111,300,000,000</u>	<u>111,300,000,000</u>	<u>60,340,000,000</u>	<u>60,340,000,000</u>

The term deposits represent bank deposits with maturity of more than three months and less than one year and earn interest at the fixed interest rate in Vietnamese Dong.



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4 INVESTMENTS (continued)

(c) Long-term investments

	2021			2020		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
(i) Investments in associates						
Agimexpharm Pharmaceutical Joint Stock Company	46,631,446,700	102,342,894,940	-	46,631,446,700	62,408,542,340	-
Dong Thap Muoi Research Conservation and Development Pharmaceutical Joint Stock Company	3,808,000,000	-	-	3,808,000,000	-	-
Gia Dai Pharmaceutical Company Limited	182,000,000	-	(182,000,000)	182,000,000	-	(182,000,000)
	<u>50,621,446,700</u>	<u>102,342,894,940</u>	<u>(182,000,000)</u>	<u>50,621,446,700</u>	<u>62,408,542,340</u>	<u>(182,000,000)</u>

*Operational status of associates*

Gia Dai Pharmaceutical Company Limited stopped its operations in 2015. Other associates are operating in their normal course of business.

*Fair value*

As at 31 December 2021 and 31 December 2020, the fair value of investment in Agimexpharm Pharmaceutical Joint Stock Company was VND102,342,894,940 and VND62,408,542,340, respectively. The Company had not determined the fair value of the remaining investments since such information is not available.

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4 INVESTMENTS (continued)

(c) Long-term investments (continued)

	2021			2020		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
(ii) Investments in equity of other entities						
TV.Pharm Pharmaceutical Joint Stock Company	-	-	-	581,428,000	1,412,411,534	-
Vidipha Central Pharmaceutical Joint Stock Company	503,000,000	697,546,400	-	503,000,000	599,260,674	-
Saigon Thuong Tin Commercial Joint Stock Bank	-	-	-	127,690,000	135,873,369	-
No. 25 Central Pharmaceutical Joint Stock Company	114,550,000	20,014,350	(94,535,650)	114,550,000	17,023,000	(97,527,000)
	<u>617,550,000</u>	<u>717,560,750</u>	<u>(94,535,650)</u>	<u>1,326,668,000</u>	<u>2,164,568,577</u>	<u>(97,527,000)</u>

Equity investments in other entities represent the investments that hold less than 20% voting rights in those entities.



**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>2021 VND</b>	<b>2020 VND</b>
Third parties (*)	244,719,287,253	328,364,004,175
Related parties (Note 36(b))	2,295,913,712	6,269,886,601
	<u>247,015,200,965</u>	<u>334,633,890,776</u>

(\*) Details of customers accounting for 10% or more of total short-term trade accounts receivable balance are as follows:

	<b>2021 VND</b>	<b>2020 VND</b>
Orgalife Nutritional Science Co, Ltd.	43,743,402,089	60,148,026,539
Newzilan Trading JSC	24,280,000,000	59,027,952,000

As at 31 December 2021 and 31 December 2020, the balances of short-term trade accounts receivable which were past due, amounted to VND9,253,737,611 and VND12,860,872,119, respectively, and are presented in Note 8.

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>2021 VND</b>	<b>2020 VND</b>
Third parties (*)	<u>17,786,828,766</u>	<u>41,593,541,046</u>

(\*) Details of suppliers accounting for 10% or more of total balance of short-term prepayments to suppliers are as follows:

	<b>2021 VND</b>	<b>2020 VND</b>
New Diamond Machinery Co., Ltd	4,387,548,000	487,659,700
Orioled International Pte. Ltd.	2,186,940,700	27,177,480,866
Rieckermann Services Limited	2,011,392,000	-
STV Machine Co., Ltd	202,989,710	6,045,419,600

## 7 OTHER SHORT-TERM RECEIVABLES

	2021		2020	
	Book value VND	Provision VND	Book value VND	Provision VND
Advances to employees	21,334,760,203	-	10,713,756,395	-
Interest income from banks	2,500,372,603	-	351,079,865	-
Others	16,876,729,372	(7,382,035,914)	27,445,239,490	(10,145,851,116)
	<u>40,711,862,178</u>	<u>(7,382,035,914)</u>	<u>38,510,075,750</u>	<u>(10,145,851,116)</u>

As at 31 December 2021 and 31 December 2020, the balances of other short-term receivables which were not past due but doubtful, amounting to VND7,382,035,914 and VND10,145,851,116, respectively, and are presented in Note 8.

## 8 DOUBTFUL DEBTS

	2021			2020		
	Cost VND	Recoverable amount VND	Provision VND	Cost VND	Recoverable amount VND	Provision VND
i) Receivables that were past due	9,253,737,611	4,184,396,783	(5,069,340,828)	12,860,872,119	6,360,505,304	(6,500,366,815)
From 6 months to 1 year	4,109,887,691	2,876,921,384	(1,232,966,307)	7,460,623,550	5,222,436,485	(2,238,187,065)
From 1 year to 2 years	1,553,349,079	776,674,540	(776,674,540)	1,265,281,210	632,640,605	(632,640,605)
From 2 years to 3 years	617,375,227	185,212,568	(432,162,659)	532,799,741	159,839,922	(372,959,819)
Over 3 years	2,973,125,614	345,588,292	(2,627,537,322)	3,602,167,618	345,588,292	(3,256,579,326)
ii) Receivables that were not past due but doubtful	7,382,035,914	-	(7,382,035,914)	10,145,851,116	-	(10,145,851,116)
	<u>16,635,773,525</u>	<u>4,184,396,783</u>	<u>(12,451,376,742)</u>	<u>23,006,723,235</u>	<u>6,360,505,304</u>	<u>(16,646,217,931)</u>



## 9 INVENTORIES

	2021		2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	332,440,599,219	(1,730,157,165)	293,054,174,055	(3,438,627,849)
Finished goods	123,745,850,735	-	102,134,863,725	-
Work in progress	28,558,844,869	-	17,266,285,446	-
Goods in transit	3,912,299,583	-	9,081,018,258	-
Tools and supplies	3,626,904,362	-	3,450,770,759	-
Merchandise	1,520,575,812	-	2,688,984,881	-
	<u>493,805,074,580</u>	<u>(1,730,157,165)</u>	<u>427,676,097,124</u>	<u>(3,438,627,849)</u>

Movements in the provision for decline in value of inventories during the year were as follows:

	2021 VND	2020 VND
Beginning of year	3,438,627,849	1,972,031,378
Increase (Note 27)	-	1,466,596,471
Reversal (Note 27)	(1,708,470,684)	-
End of year	<u>1,730,157,165</u>	<u>3,438,627,849</u>

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10 FIXED ASSETS

(a) Tangible fixed assets

	Plant, buildings and structure VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>					
As at 1 January 2021	262,380,510,716	440,415,743,007	94,597,144,456	43,367,221,429	840,760,619,608
New purchases in the year	2,040,894,600	13,770,659,681	1,358,621,727	857,471,818	18,027,647,826
Transfers from construction in progress (Note 11)	35,004,549,404	9,737,859,141	6,468,664,909	693,670,538	51,904,743,992
Disposals	(824,194,320)	(4,013,680,873)	(4,573,099,818)	(707,778,910)	(10,118,753,921)
As at 31 December 2021	298,601,760,400	459,910,580,956	97,851,331,274	44,210,584,875	900,574,257,505
<b>Accumulated depreciation</b>					
As at 1 January 2021	114,098,255,928	208,192,058,295	67,053,049,739	24,717,343,265	414,060,707,227
Charge for the year	11,257,974,536	35,083,571,640	6,585,423,398	6,003,041,001	58,930,010,575
Disposals	(824,194,320)	(3,899,930,873)	(3,202,383,151)	(707,778,910)	(8,634,287,254)
As at 31 December 2021	124,532,036,144	239,375,699,062	70,436,089,986	30,012,605,356	464,356,430,548
<b>Net book value</b>					
As at 1 January 2021	148,282,254,788	232,223,684,712	27,544,094,717	18,649,878,164	426,699,912,381
As at 31 December 2021	174,069,724,256	220,534,881,894	27,415,241,288	14,197,979,519	436,217,826,957

As at 31 December 2021, tangible fixed assets with a carrying value of VND77,224,193,967 were pledged with banks as collateral assets for long-term borrowings granted to the Company (Note 18).

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2021 was VND249,972,738,561 (as at 31 December 2020: VND240,544,076,763).



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10 FIXED ASSETS (continue)

(b) Intangible fixed assets

	Land use rights VND	Copyright VND	Computer software VND	Others VND	Total VND
<b>Historical cost</b>					
As at 1 January 2021	82,189,827,368	744,712,823	15,507,088,868	1,777,180,000	100,218,809,059
New purchases in the year	-	-	-	312,800,000	312,800,000
Transfers from construction in progress (Note 11)	-	-	159,372,000	-	159,372,000
Disposals	(1,971,958,040)	-	-	-	(1,971,958,040)
As at 31 December 2021	80,217,869,328	744,712,823	15,666,460,868	2,089,980,000	98,719,023,019
<b>Accumulated amortisation</b>					
As at 1 January 2021	6,611,534,913	744,712,823	14,771,702,747	1,527,553,890	23,655,504,373
Charge for the year	587,002,382	-	688,872,263	206,237,222	1,482,111,867
As at 31 December 2021	7,198,537,295	744,712,823	15,460,575,010	1,733,791,112	25,137,616,240
<b>Net book value</b>					
As at 1 January 2021	75,578,292,455	-	735,386,121	249,626,110	76,563,304,686
As at 31 December 2021	73,019,332,033	-	205,885,858	356,188,888	73,581,406,779

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2021 was VND17,285,601,899 (as at 31 December 2020: VND15,497,017,899).

**11 CONSTRUCTION IN PROGRESS**

	<b>2021 VND</b>	<b>2020 VND</b>
Purchases of machinery and equipment	416,207,494,483	419,989,821,350
High-technology pharmaceutical factory	69,141,549,239	68,541,633,876
Others	34,113,601,538	33,915,480,663
	<u>519,462,645,260</u>	<u>522,446,935,889</u>

As at 31 December 2021, machinery and equipment with a carrying value of VND196,487,625,046 were pledged with banks as collateral assets for long-term borrowings granted to the Company (Note 18).

Movements in the construction in progress during the year are as follows:

	<b>2021 VND</b>	<b>2020 VND</b>
Beginning of year	522,446,935,889	490,298,169,896
Purchase	49,079,825,363	96,469,611,992
Transfers to tangible fixed assets (Note 10(a))	(51,904,743,992)	(55,845,453,826)
Transfers to intangible fixed assets (Note 10(b))	(159,372,000)	(8,475,392,173)
	<u>519,462,645,260</u>	<u>522,446,935,889</u>
End of year	<u>519,462,645,260</u>	<u>522,446,935,889</u>

**12 LONG-TERM PREPAID EXPENSES**

	<b>2021 VND</b>	<b>2020 VND</b>
Marketing authorization expenses	11,943,130,894	-
Land rental	10,927,573,418	11,279,970,653
Quality evaluation costs (*)	4,363,306,459	10,645,733,321
Tools and supplies	3,986,230,264	4,717,234,726
Office furniture	2,554,393,122	3,878,999,929
Others	4,311,248,873	6,529,042,122
	<u>38,085,883,030</u>	<u>37,050,980,751</u>

(\*) Included the costs incurred in order to obtain the EU-GMP certification for the production lines at high-technology antibiotic factories. The EU-GMP certification is valid for a period of 3 years. These expenses shall be allocated over this period accordingly.



**12 LONG-TERM PREPAID EXPENSES (continued)**

Movements in long-term prepaid expenses during the year are as follows:

	2021 VND	2020 VND
Beginning of year	37,050,980,751	46,059,824,173
Increase	20,929,614,101	8,509,102,239
Allocation in the year	(19,894,711,822)	(17,517,945,661)
End of year	<u>38,085,883,030</u>	<u>37,050,980,751</u>

**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	2021		2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties (*)	89,689,373,999	89,689,373,999	56,797,231,527	56,797,231,527
Related parties (Note 36(b))	3,023,413,660	3,023,413,660	2,906,289,227	2,906,289,227
	<u>92,712,787,659</u>	<u>92,712,787,659</u>	<u>59,703,520,754</u>	<u>59,703,520,754</u>

(\*) Details of suppliers accounting for 10% or more of the total short-term trade accounts payable balance are as follows:

	2021 VND	2020 VND
APC Pharmaceuticals Chemical Ltd	24,078,746,242	4,040,099,700
Novartis (Singapore) Pte. Ltd.	10,028,253,600	4,325,695,437
SpecGx LLC	5,873,925,000	-
Hoa Viet Mechanical Refrigeration Electrical Co., Ltd.	<u>4,135,812,030</u>	<u>9,468,329,750</u>

As at 31 December 2021 and 31 December 2020, there was no balance of short-term trade accounts payable that was past due.

**14 SHORT-TERM ADVANCES FROM CUSTOMERS**

	<b>2021 VND</b>	<b>2020 VND</b>
Third parties (*)	<u>25,374,390,853</u>	<u>27,361,129,848</u>

(\*) Details of customers accounting for 10% or more of the total short-term advances from customers balance are as follows:

	<b>2021 VND</b>	<b>2020 VND</b>
Newzilan Trading Joint Stock Company	7,000,000,000	7,000,000,000
Orgalife Nutritional Science Co, Ltd.	7,080,400,000	7,080,400,000
Moc Tinh Pharmaceutical Joint Stock Company	<u>5,031,881,552</u>	<u>6,366,650,076</u>

**15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE**

Movements in tax and other receivables from/payables to the State during the year were as follows:

	<b>As at 1.1.2021 VND</b>	<b>Payable/ (receivable) during the year VND</b>	<b>Payment/net-off during the year VND</b>	<b>As at 31.12.2021 VND</b>
<b>a) Tax receivable</b>				
VAT to be reclaimed	<u>8,738,974,588</u>	<u>128,695,739,993</u>	<u>(135,113,190,811)</u>	<u>2,321,523,770</u>
<b>b) Tax payables</b>				
BIT - current	12,687,504,941	49,764,217,257	(45,310,346,424)	17,141,375,774
VAT for import	-	20,034,401,605	(19,971,930,353)	62,471,252
Import tax	-	9,616,154,114	(9,616,154,114)	-
Foreign contractor tax	450,908,103	2,055,582,998	(2,498,955,452)	7,535,649
Personal income tax for employees	-	10,690,587,559	(10,690,587,559)	-
Other personal income tax	1,905,982,900	6,212,436,613	(7,574,040,063)	544,379,450
VAT output	704,136,993	7,588,198,111	(6,431,235,589)	1,861,099,515
Others	-	607,874,895	(607,874,895)	-
	<u>15,748,532,937</u>	<u>106,569,453,152</u>	<u>(102,701,124,449)</u>	<u>19,616,861,640</u>



**16 SHORT-TERM ACCRUED EXPENSES**

	<b>2021 VND</b>	<b>2020 VND</b>
Advertising and promotion	33,703,956,346	35,880,503,584
Maintenance and market development	4,342,895,431	10,268,367,490
Royalty fees	2,983,886,113	6,132,848,196
	<u>41,030,737,890</u>	<u>52,281,719,270</u>

**17 OTHER SHORT-TERM PAYABLES**

	<b>2021 VND</b>	<b>2020 VND</b>
Remunerations for the Board of Directors and the Board of Supervision	3,390,000,905	4,390,554,350
Union fees	1,045,148,494	618,373,094
Short-term deposits from other enterprises	359,545,850	1,900,000,000
	<u>4,794,695,249</u>	<u>6,908,927,444</u>

IMEXPHARM CORPORATION

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18 BORROWINGS

(a) Short-term borrowings

	As at 1.1.2021 VND	Increase VND	Current portion VND	Decrease VND	As at 31.12.2021 VND
The Joint Stock Commercial Bank for Investment and Development of Vietnam	17,235,889,618	39,669,547,909	-	(56,905,437,527)	-
Shinhan Bank Vietnam Limited (ii)	86,207,057,402	100,175,942,244	-	(105,892,210,403)	80,490,789,243
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Dong Thap Branch	27,484,674,204	-	-	(27,484,674,204)	-
Asian Development Bank (ii)	-	-	91,652,000,000	-	91,652,000,000
	<u>130,927,621,224</u>	<u>139,845,490,153</u>	<u>91,652,000,000</u>	<u>(190,282,322,134)</u>	<u>172,142,789,243</u>

(b) Long-term borrowing

	As at 1.1.2021 VND	Increase VND	Current portion VND	Decrease VND	As at 31.12.2021 VND
Asian Development Bank (ii)	-	183,304,000,000	(91,652,000,000)	-	91,652,000,000
	<u>-</u>	<u>183,304,000,000</u>	<u>(91,652,000,000)</u>	<u>-</u>	<u>91,652,000,000</u>

**18 SHORT-TERM BORROWINGS (Continued)**

- (i) Representing a short-term loan according to the credit facility with a credit limit of VND150 billion. This loan is unsecured and bears interest rate issued in each credit facility. The credit term for each draw-down does not exceed 6 months from the disbursement date for the purpose of financing the Company's working capital requirements.
- (ii) Representing a long-term loan according to the credit facility with a credit limit of USD8 million. This loan is secured by a tangible fixed asset (Note 10(a)) and machinery and equipment in progress (Note 11) which bears interest rate issued in each credit facility, for the purpose of financing the Company's projects. This loan will be repaid a half on the 12th month since the first disbursement date and the rest on the last due date.

**19 BONUS AND WELFARE FUND**

Movements of bonus and welfare fund during the year are as follows:

	2021 VND	2020 VND
Beginning of year	13,538,180,482	3,845,535,676
Appropriated (Note 22)	25,163,625,395	14,486,402,415
Utilised	(21,909,562,504)	(4,793,757,609)
End of year	<u>16,792,243,373</u>	<u>13,538,180,482</u>

**20 SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND**

Movements of scientific and technological development fund during the year are as follows:

	2021 VND	2020 VND
Beginning of year	19,037,060,330	25,281,067,716
Utilised	(19,037,060,330)	(6,244,007,386)
End of year	<u>-</u>	<u>19,037,060,330</u>



**21 OWNERS' CAPITAL****(a) Number of shares**

	2021		2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	66,705,370	-	66,705,370	-
Number of shares issued	66,705,370	-	66,705,370	-
Number of shares repurchased	(33,800)	-	(33,800)	-
Number of existing shares in circulation	66,671,570	-	66,671,570	-

**(b) Details of owners' shareholdings**

	2021		2020	
	Ordinary shares	%	Ordinary shares	%
SK Investment Vina III Pte. Ltd.	19,621,743	29.42	16,022,977	24.02
Vietnam Pharmaceutical Corporation	14,696,534	22.03	14,696,534	22.03
Kwe Beteiligungen AG	10,112,023	15.16	10,039,443	15.05
Sunrise Kim Investment Joint Stock Company	6,199,039	9.29	-	-
KBA Investment Joint Stock Company	4,915,726	7.37	-	-
Shareholding owned by other owners	11,160,305	16.73	25,946,416	38.90
	66,705,370	100.00	66,705,370	100.00

**(c) Movements of share capital**

	Number of shares	Ordinary shares VND	Total VND
As at 1 January 2020	49,421,159	494,211,590,000	494,211,590,000
New shares issued	17,284,211	172,842,110,000	172,842,110,000
As at 31 December 2020 and as at 31 December 2021	66,705,370	667,053,700,000	667,053,700,000

Par value per share: VND10,000.

IMEXPHARM CORPORATION

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22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development fund VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2020	494,211,590,000	601,241,079,354	2,420,789,142	(358,600,000)	303,579,793,377	157,794,615,146	1,558,889,267,019
Net profit for the year	-	-	-	-	-	209,696,878,289	209,696,878,289
Cash dividend declared (*) (Note 23)	-	-	-	-	-	(49,387,359,000)	(49,387,359,000)
Stock dividend declared (*)	49,380,380,000	-	-	-	-	(49,380,380,000)	-
Issue of bonus shares (*)	98,768,730,000	(98,768,730,000)	-	-	-	-	-
Capital increase from ESOP (**)	24,693,000,000	4,938,600,000	-	-	-	-	29,631,600,000
Appropriation to Investment and development fund (*)	-	-	-	-	42,380,243,978	(42,380,243,978)	-
Appropriation to Bonus and welfare fund (*) (Note 19)	-	-	-	-	-	(14,486,402,415)	(14,486,402,415)
Bonus for the Board of Directors and Board of Supervision (*)	-	-	-	-	-	(1,745,322,400)	(1,745,322,400)
Fund utilisation	-	-	-	-	(2,069,791,607)	-	(2,069,791,607)
Others	-	(42,701,450)	-	-	4,875,027,629	(4,875,027,629)	(42,701,450)
As at 31 December 2020	667,053,700,000	507,368,247,904	2,420,789,142	(358,600,000)	348,765,273,377	205,236,758,013	1,730,486,168,436
Net profit for the year	-	-	-	-	-	189,094,874,963	189,094,874,963
Cash dividend declared (*) (Note 23)	-	-	-	-	-	(100,007,355,000)	(100,007,355,000)
Appropriation to Investment and development fund (*)	-	-	-	-	79,650,870,265	(79,650,870,265)	-
Appropriation to Bonus and welfare fund (*) (Note 19)	-	-	-	-	-	(25,163,625,395)	(25,163,625,395)
Fund utilisation	-	-	-	-	(7,914,593,222)	7,914,593,222	-
As at 31 December 2021	667,053,700,000	507,368,247,904	2,420,789,142	(358,600,000)	420,501,550,420	197,424,375,538	1,794,410,063,004

**22 MOVEMENTS IN OWNERS' EQUITY (continued)**

- (\*) In accordance with Resolution No. 07/NQ-ĐHCĐ-IMEX of the Annual General Meeting of Shareholders of the Company on 24 April 2021, the Annual General Meeting of Shareholders has approved the 2020 profit after tax distribution plan as follows:
- a) Dividend payment at the rate of 15% of the par value of shares in circulation in form of cash of VND100,007,355,000. In accordance with Article 4, Resolution No. 10/NQ-ĐHCĐ-IMEX of the Company's Board of Directors on 19 May 2021, the Board of Directors has approved the last registration date as 24 June 2021 and the date of dividend payment in form of cash as 16 July 2021. At the date of these financial statements, the Company completed their cash dividend payment to their shareholders;
  - b) Appropriation to investment and development fund at the rate of 40.31% from post-tax undistributed earnings as VND84,525,897,894, in which, VND4,875,027,629 has been accrued in 2020. Therefore, for the year ended 31 December 2021, the Company appropriated VND79,650,870,265; and
  - c) Appropriation to bonus and welfare fund at the rate of 12% from post-tax undistributed earnings as VND25,163,625,395.

**23 DIVIDENDS PAYABLE**

Movements of dividends payable during the year are as follows:

	2021 VND	2020 VND
Beginning of year	-	-
Dividends payable during the year (Note 22)	100,007,355,000	49,387,359,000
Dividends paid in cash	(100,007,355,000)	(49,387,359,000)
	<hr/>	<hr/>
End of year	-	-
	<hr/> <hr/>	<hr/> <hr/>



**24 EARNINGS PER SHARE****(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus shares issued during the year and excluding treasury shares. The details were as follows:

	2021	2020
Net profit attributable to shareholders (VND)	189,094,874,963	209,696,878,289
Add utilisation of bonus and welfare fund (VND)	7,914,593,222	-
Less amount allocated to bonus and welfare fund (VND) (*)	(23,641,136,182)	(25,163,625,395)
Less tax incentive	-	(4,875,027,629)
	<u>173,368,332,003</u>	<u>179,658,225,265</u>
Weighted average number of ordinary shares in issue (shares)	<u>66,671,570</u>	<u>64,782,488</u>
Basic earnings per share (VND)	<u>2,600</u>	<u>2,773</u>

(\*) The amount allocated to bonus and welfare fund for the year ended 31 December 2021 was estimated based on the appropriation rate for bonus and welfare fund from post-tax undistributed earnings in accordance with the 2020 profit distribution scheme which was approved at the Annual General Meeting of Shareholders of the Company.

(\*\*) During the year, the Company paid stock dividend in accordance with Resolution No. 28/NQ-ĐHĐCĐ-IMP dated 30 May 2020 (Note 22). Therefore, the basic earnings per share of the fiscal year ended 31 December 2020 were recalculated as below:

	For the year ended 31.12.2020		
	As previously reported	Adjustments	As restated
Net profit attributable to shareholders (VND)	209,696,878,289	-	209,696,878,289
Less amount allocated to bonus and welfare fund (VND) (*)	(25,163,625,395)	-	(25,163,625,395)
Less tax incentive (Note 32)	(4,875,027,629)	-	(4,875,027,629)
	<u>179,658,225,265</u>	<u>-</u>	<u>179,658,225,265</u>
Weighted average number of ordinary shares in issue (shares)	<u>64,783,200</u>	<u>(712)</u>	<u>64,782,488</u>
Basic earnings per share (VND)	<u>2,773</u>	<u>-</u>	<u>2,773</u>

**24 EARNINGS PER SHARE (continued)****(b) Diluted earnings per share**

The Company did not have any ordinary shares potentially diluted during the year and up to the date of these financial statements. Therefore, the diluted EPS is equal to the basic EPS.

**25 OFF BALANCE SHEET ITEMS****(a) Foreign currencies**

	2021	2020
United States Dollar ("USD")	35,210.17	63,323.49
Euro ("EUR")	13,915.70	20,612.12
	<u>                    </u>	<u>                    </u>

**(b) Bad debts written off**

	2021 VND	2020 VND
Bad debts written off	24,122,380,526	22,578,163,488
	<u>                    </u>	<u>                    </u>

**26 NET REVENUE FROM SALES OF GOODS**

	2021 VND	2020 VND
<b>Revenue</b>		
Sales of finished goods	1,226,011,961,397	1,331,309,397,235
Sale of franchised goods	62,939,173,910	70,806,752,827
Sales of others	12,362,322,843	18,766,708,331
	<u>1,301,313,458,150</u>	<u>1,420,882,858,393</u>
<b>Sales deductions</b>		
Trade discounts	(29,582,368,865)	(39,900,295,014)
Sales returns	(3,985,521,135)	(11,418,486,598)
Sales rebates	(1,148,860,800)	(142,362,000)
	<u>(34,716,750,800)</u>	<u>(51,461,143,612)</u>
<b>Net revenue from sales of goods</b>	<u>1,266,596,707,350</u>	<u>1,369,421,714,781</u>

**27 COST OF GOODS SOLD**

	<b>2021 VND</b>	<b>2020 VND</b>
Cost of finished goods sold	611,806,764,876	678,808,766,070
Cost of promotion goods	110,468,108,539	74,360,393,235
Cost of franchised goods	46,812,420,873	52,113,482,965
Cost of others	11,216,557,483	15,626,897,702
(Reversal of provision)/Provision for decline in value of inventories (Note 9)	(1,708,470,684)	1,466,596,471
	<u>778,595,381,087</u>	<u>822,376,136,443</u>

**28 FINANCIAL INCOME**

	<b>2021 VND</b>	<b>2020 VND</b>
Dividend income	4,477,428,000	4,510,601,000
Interest income from deposits and lendings	7,886,669,374	2,504,256,292
Realised foreign exchange gains	2,706,789,623	2,590,662,256
Income from divestments	1,750,016,740	-
Net gain from foreign currency translation at year-end	1,623,268,980	-
	<u>18,444,172,717</u>	<u>9,605,519,548</u>

**29 FINANCIAL EXPENSES**

	<b>2021 VND</b>	<b>2020 VND</b>
Payment discounts	12,625,291,286	12,209,678,399
Interest expense	5,496,312,950	5,407,738,374
Realised foreign exchange losses	893,896,405	637,987,026
Loss from divestments	685,376,621	-
(Reversal of provision)/Provision for diminution in value of investments	(2,831,267,406)	429,040,700
Net loss from foreign currency translation at year-end	-	71,169,614
Others	1,171,143,442	864,734,881
	<u>18,040,753,298</u>	<u>19,620,348,994</u>



**30 SELLING EXPENSES**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Staff costs	88,287,380,895	94,790,993,924
Marketing, maintenance and market development	34,093,791,217	78,858,001,322
Material costs	28,666,369,681	12,624,426,436
Outside services	8,192,656,316	9,056,882,355
Depreciation and amortisation	6,042,782,979	5,668,407,158
Conference and business travel/(reversal of conference and business travel)	2,295,484,526	(4,295,610,949)
Repairs and maintenance	1,529,691,269	2,088,307,173
Other expenses	12,184,370,350	14,351,267,425
	<u>181,292,527,233</u>	<u>213,142,674,844</u>

**31 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Staff costs	24,644,097,497	26,158,702,700
Outside services	8,530,061,120	10,734,994,439
Remunerations for the Board of Directors and the Board of Supervision	4,874,668,777	5,213,088,519
Depreciation and amortisation	4,304,248,293	4,477,798,336
Conference and business travel	1,439,767,971	2,564,059,160
Other expenses	28,844,064,124	22,199,529,528
	<u>72,636,907,782</u>	<u>71,348,172,682</u>

**32 BIT**

The BIT on the Company's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2021 VND	2020 VND
Net accounting profit before tax	238,859,092,220	255,441,337,429
Tax calculated at a rate of 20%	47,771,818,444	51,088,267,486
Effect of:		
Income not subject to tax	(895,485,600)	(902,120,200)
Expenses not deductible for tax purposes	2,268,207,767	433,339,483
Temporary differences for which no deferred income tax asset was recognised	(822,123,826)	-
Under/(Over)-provision in previous years	1,441,800,472	(4,875,027,629)
BIT charge (*)	49,764,217,257	45,744,459,140
Charged to income statement:		
BIT – current	49,764,217,257	45,744,459,140
BIT – deferred	-	-
	49,764,217,257	45,744,459,140

(\*) The BIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

**33 COST OF OPERATION BY FACTORS**

Cost of operation by factor represent all costs incurred during the year from the Company's operating activities, excluding cost of merchandise for trading activities. The details are as follows:

	2021 VND	2020 VND
Raw materials	445,355,627,414	488,914,528,914
Staff costs	222,039,589,270	242,697,283,048
Depreciation and amortisation	60,412,122,442	53,360,966,033
External services	57,516,645,614	57,890,176,582
Others	177,590,442,575	266,711,399,054
	962,914,427,315	1,109,574,353,631

**34 BUSINESS AND GEOGRAPHICAL SEGMENTS***Geographical Segment*

The Company's revenue is mainly generated by domestic sales whereas export sales only account for a small portion in the total revenue in the Company's income statement for the year from 1 January 2021 to 31 December 2021 and the comparative periods. Therefore, the Company did not present geographical segment.

*Business Segment*

The Company's principal activities are to manufacture pharmaceutical products and trade materials used for processing pharmaceutical products. Other business activities only make up a small portion in the total revenue. Therefore, the Company did not present business segment.

**35 ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS****Non-cash transactions affect the statement of cash flows**

	Year ended 31 December	
	2021 VND	2020 VND
Purchases of fixed assets have not yet been settled	14,563,585,886	11,435,990,284

**36 RELATED PARTY DISCLOSURES****(a) Related party transactions**

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

	2021 VND	2020 VND
<b>i) Sales of goods</b>		
<b>Associate</b>		
Agimexpharm Pharmaceutical Joint Stock Company	5,111,953,263	14,477,942,751



## 36 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	2021 VND	2020 VND
ii) Purchases of goods		
Associate		
Agimexpharm Pharmaceutical Joint Stock Company	14,748,275,494	19,720,990,051
iii) Sales of fixed assets		
Associate		
Agimexpharm Pharmaceutical Joint Stock Company	1,182,727,272	-

## 36 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

		2021 VND	2020 VND
<b>iv) Compensation of key management</b>			
<b>Net salary after tax</b>			
Mrs. Tran Thi Dao	Vice Chairwoman of Board of Directors cum General Director	2,559,040,571	2,910,632,933
Mr. Nguyen Quoc Dinh	Chairman of Board of Directors cum Deputy General Director	1,598,026,168	1,807,034,884
Mr. Ngo Minh Tuan	Member of Board of Directors cum Deputy General Director	1,047,770,830	1,174,578,264
Mr. Le Van Nha Phuong	Member of Board of Directors cum Deputy General Director	1,513,506,558	1,550,617,284
Mr. Huynh Van Nhung	Deputy General Director	1,287,687,146	1,210,963,523
Mr. Tran Hoai Hanh	Chief Accountant	760,095,717	787,024,300
<b>Remuneration and bonuses after tax</b>			
Mr. Nguyen Quoc Dinh	Chairman of Board of Directors cum Deputy General Director	969,336,604	898,170,631
Mrs. Tran Thi Dao	Vice Chairwoman of Board of Directors cum General Director	596,751,710	561,017,026
Mr. Ngo Minh Tuan	Member of Board of Directors cum Deputy General Director	324,132,613	309,305,589
Mr. Le Van Nha Phuong	Member of Board of Directors cum Deputy General Director	299,582,857	287,308,847
Mr. Huynh Van Nhung	Deputy General Director	-	240,140,245
Mrs. Han Thi Khanh Vinh	Member of Board of Directors	335,000,000	243,000,000
Mr. Tran Anh Tuan	Member of Board of Directors	315,000,000	243,000,000
Mr. Truong Minh Hung	Member of Board of Directors	315,000,000	99,000,000
Mr. Vo Huu Tuan	Member of Board of Directors	-	194,000,000
Mr. Nguyen Duc Tuan	Chief Supervisor	345,600,000	288,000,000
Mrs. Le Thi Kim Chung	Member of Board of Supervision	216,377,720	193,508,001
Mrs. Do Thi Thanh Thuy	Member of Board of Supervision	193,374,584	195,487,957
Mrs. Nguyen Thi Kim Le	Secretary of Board of Directors	217,835,817	193,351,494
<b>Total</b>		<b>12,894,118,895</b>	<b>13,386,140,979</b>

## 36 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	2021 VND	2020 VND
<b>v) Financing activities</b>		
<b>Associate</b>		
Dividend distribution to Agimexpharm Pharmaceutical Joint Stock Company	22,185,000	47,276,000
<b>vi) Other transactions</b>		
<b>Associate</b>		
Dividend received from Agimexpharm Pharmaceutical Joint Stock Company	4,234,820,000	4,234,820,000

## (b) Year end balances with related parties

	2021 VND	2020 VND
<b>i) Short-term trade accounts receivable (Note 5)</b>		
<b>Associate</b>		
Agimexpharm Pharmaceutical Joint Stock Company	2,295,913,712	6,269,886,601
<b>ii) Short-term trade accounts payable (Note 13)</b>		
<b>Associate</b>		
Agimexpharm Pharmaceutical Joint Stock Company	3,023,413,660	2,906,289,227



**37 CAPITAL EXPENDITURE COMMITMENTS**

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements was as follows:

	2021 VND	2020 VND
Property, plant and equipment	<u>45,663,803,930</u>	<u>47,710,581,265</u>

**38 OTHER EVENT**

The outbreak of the Covid-19 pandemic for the year ended 31 December 2021 has been a major challenge for businesses. The Company has performed a preliminary assessment of the effects on the Company's business, including asset recovery, assessment of assets and liabilities, and requirements to meet debt covenants, ... and reflected these effects on the financial statements for the year then ended. However, the Board of Management has not been able to estimate this effect on the Company's business results in the next accounting period. The Company will continue to control the situation and take timely actions to minimise the impact caused by this pandemic.

The financial statements were approved by the Board of Management on 4 March 2022.



Duong Hoang Vu  
Preparer



Tran Hoai Hanh  
Chief Accountant




Nguyen Quoc Dinh  
Deputy General Director  
Authorised by Legal  
Representative