

Reference: 60758390/15286588

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders of ICA Biotechnological – Pharmaceuticals Joint Stock Company**

We have audited the consolidated financial statements of ICA Biotechnological – Pharmaceuticals Joint Stock Company and its subsidiaries (the "Group") as set out on pages 4 to 38 which comprise the consolidated balance sheet as at 31 December 2011, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

The preparation and presentation of these consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Basis of opinion

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Group's management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

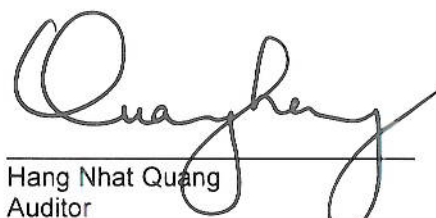
In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2011, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with the Vietnamese Accounting Standards and System and comply with the relevant statutory requirements.



Ernst & Young Vietnam Ltd.
Ernst & Young Vietnam Limited



Mai Viet Hung Tran
Deputy General Director
Certificate No. D.0048/KTV



Hang Nhat Quang
Auditor
Certificate No. N.1772/KTV

Ho Chi Minh City, Vietnam

30 September 2012

CONSOLIDATED BALANCE SHEET
as at 31 December 2011

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		242,755,641,412	218,076,643,420
110	I. Cash		3,708,063,758	6,889,554,338
111	1. Cash	4	3,708,063,758	6,889,554,338
130	II. Current accounts receivable		211,462,419,265	189,072,707,066
131	1. Trade receivables		65,848,344,262	93,035,782,106
132	2. Advances to suppliers		24,042,288,960	22,349,077,072
135	3. Other receivables	5	121,571,786,043	73,687,847,888
140	III. Inventories	6	19,573,963,118	14,948,463,292
141	1. Inventories		21,580,358,631	18,441,650,840
149	2. Provision for obsolete inventories		(2,006,395,513)	(3,493,187,548)
150	IV. Other current assets		8,011,195,271	7,165,918,724
151	1. Short-term prepaid expenses		722,723,066	742,153,483
152	2. Value-added tax deductible		2,622,051,622	4,170,493,847
154	3. Tax and other receivables from the State		203,142,194	203,142,194
158	4. Other current assets	7	4,463,278,389	2,050,129,200
200	B. NON-CURRENT ASSETS		385,337,373,258	415,331,511,965
220	I. Fixed assets		260,461,566,080	283,884,596,115
221	1. Tangible fixed assets	8	20,704,659,347	26,558,394,953
222	Cost		76,500,301,924	77,917,846,890
223	Accumulated depreciation		(55,795,642,577)	(51,359,451,937)
227	2. Intangible fixed assets	9	227,357,858,709	244,927,153,138
228	Cost		322,522,435,501	322,522,435,501
229	Accumulated amortisation		(95,164,576,792)	(77,595,282,363)
230	3. Construction in progress	10	12,399,048,024	12,399,048,024
260	II. Other long-term assets		14,195,817,821	6,931,927,823
261	1. Long-term prepaid expenses	11	4,177,956,103	4,338,443,452
262	2. Deferred tax assets	24.2	9,563,546,463	2,139,169,116
268	3. Other long-term assets		454,315,255	454,315,255
269	III. Goodwill	12	110,679,989,357	124,514,988,027
270	TOTAL ASSETS		628,093,014,670	633,408,155,385

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2011

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	A. LIABILITIES		428,148,850,247	406,524,505,786
310	I. Current liabilities		397,703,458,598	364,141,455,037
311	1. Short-term loans	13	166,439,085,412	165,752,260,092
312	2. Trade payables		59,117,010,182	74,039,831,011
313	3. Advances from customers		9,222,728,540	268,611,812
314	4. Statutory obligations	14	45,335,249,534	43,346,539,462
315	5. Payables to employees		2,348,485,568	3,529,093,590
316	6. Accrued expenses	15	35,028,078,836	20,452,124,418
319	7. Other payables	16	69,380,688,747	46,250,984,540
323	8. Bonus and welfare fund		10,832,131,779	10,502,010,112
330	II. Non-current liabilities		30,445,391,649	42,383,050,749
331	1. Long-term trade payables		6,248,400,000	7,572,800,000
333	2. Other long-term liabilities		290,000,000	250,000,500
334	3. Long-term loans	17	20,283,307,500	31,105,000,000
336	4. Provision for severance allowance		3,623,684,149	3,455,250,249
400	B. OWNERS' EQUITY	18.1	199,919,652,857	226,862,046,714
410	I. Capital		199,919,652,857	226,862,046,714
411	1. Share capital	18.2	116,500,000,000	116,500,000,000
412	2. Share premium		13,475,000,000	13,475,000,000
416	3. Foreign exchange differences reserve		(3,551,894,418)	-
417	4. Investment and development fund		27,437,774,724	22,421,624,675
418	5. Financial reserve fund		11,555,505,011	9,047,429,987
419	6. Other funds belonging to owners' equity		4,326,764,700	4,326,764,700
420	7. Undistributed earnings		30,176,502,840	61,091,227,352
439	C. MINORITY INTERESTS		24,511,566	21,602,885
440	TOTAL LIABILITIES AND OWNERS' EQUITY		628,093,014,670	633,408,155,385


Bui Thi Mai Huong
Chief Accountant


Luong Quang Son
General Director


30 September 2012

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2011

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	19.1	247,483,577,866	346,175,732,505
02	2. Deductions	19.1	(18,595,504,886)	(188,894,420)
10	3. Net revenue from sale of goods	19.1	228,888,072,980	345,986,838,085
11	4. Cost of goods sold	20, 22	(108,847,294,099)	(163,493,589,179)
20	5. Gross profit		120,040,778,881	182,493,248,906
21	6. Finance income	19.2	477,431,700	1,768,014,142
22	7. Finance expenses	21	(32,285,762,627)	(23,840,392,589)
23	<i>In which: Interest expense</i>		(26,781,870,464)	(20,815,841,548)
24	8. Selling expenses	22	(29,889,939,798)	(50,120,723,090)
25	9. General and administrative expenses	22	(54,776,857,148)	(58,330,611,009)
30	10. Operating profit		3,565,651,008	51,969,536,360
31	11. Other income	23	2,543,730,930	1,195,755,645
32	12. Other expenses	23	(1,398,945,269)	(120,940,685)
40	13. Other profit	23	1,144,785,661	1,074,814,960
50	14. Profit before tax		4,710,436,669	53,044,351,320
51	15. Current income tax expense	24.1	(4,698,179,701)	(4,669,640,988)
52	16. Deferred income tax benefit	24.2	7,424,377,347	1,791,893,709
60	17. Net profit after tax		7,436,634,315	50,166,604,041
	<i>In which:</i>			
61	17.1. Minority interest		2,908,681	5,103,553
62	17.2. Equity holders of the parent		7,433,725,634	50,161,500,488
80	18. Basic earnings per share	18.4	638	4,306


Bui Thi Mai Huong
Chief Accountant


Luong Quang Son
General Director

30 September 2012

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2011

VND


Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Profit before tax		4,710,436,669	53,044,351,320
	Adjustments for:			
02	Depreciation and amortisation	8, 9, 12	37,122,559,186	48,290,343,694
03	Provisions		(1,486,792,035)	2,378,607,816
04	Unrealised foreign exchange losses	21	1,118,426,397	440,987,234
05	Profits from investing activities		(355,407,091)	(182,079,780)
06	Interest expense	21	26,781,870,464	20,815,841,548
08	Operating profit before changes in working capital		67,891,093,590	124,788,051,832
09	Increase in receivables		(22,286,702,498)	(96,725,225,463)
10	(Increase) decrease in inventories		(3,138,707,791)	27,617,847,797
11	(Decrease) increase in payables		(8,759,949,657)	6,974,384,471
12	Decrease (increase) in prepaid expenses		179,917,766	(270,510,495)
13	Interest paid		(16,723,707,503)	(15,464,796,547)
16	Other cash outflows from operating activities		(1,225,919,542)	(5,135,162,705)
20	Net cash flows from operating activities		15,936,024,365	41,784,588,890
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase of fixed assets		(199,125,190)	(705,239,145)
22	Proceeds from disposals of fixed assets		545,454,545	-
28	Interest received		144,547,255	182,079,780
30	Net cash flows from (used in) investing activities		490,876,610	(523,159,365)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		87,066,018,460	74,572,667,406
34	Repayment of borrowings		(99,901,398,140)	(115,690,562,651)
36	Dividends paid		(6,773,011,875)	-
40	Net cash flows used in financing activities		(19,608,391,555)	(41,117,895,245)

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2011

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net (decrease) increase in cash		(3,181,490,580)	143,534,280
60	Cash at beginning of year	4	6,889,554,338	6,746,020,058
70	Cash at end of year	4	3,708,063,758	6,889,554,338


Bui Thi Mai Huong
Chief Accountant


Luong Quang Son
General Director

30 September 2012