

No: 419 /DHG-AC

Reg explanation of the fluctuations in profits after tax of 6 –month period from 10% or more over the same period

Cantho, 14<sup>th</sup> August 2017

Kind Attn to: **The State Securities Commission**  
**The Ho Chi Minh Stock Exchange**

Pursuant to the Circular No.155/2015/TT-BTC of the Ministry of Finance issued on 06 October 2015, guiding the disclosure of information on the securities market.

Now, DHG Pharmaceutical Joint Stock Company explains the financial data in the audited separate and consolidated financial statements for the fiscal period ended 30 June 2017 because the profit after tax changed from 10% or more over the same period as follows:

#### The separate financial statements

Name of indicators	Code	Audited data 6M.2017	Audited data 6M.2016	Difference	
				Value	Proportion
Net sales	10	2,104,848,653,802	1,696,345,089,210	408,503,564,592	24.08%
Net profit after tax	60	582,030,944,278	191,738,609,848	390,292,334,430	203.55%
Dividends from subsidiaries		612,003,688,962	90,080,720,029	521,922,968,933	579.39%
After-tax profit after deduction of dividends from subsidiaries		(29,972,744,684)	101,657,889,819	(131,630,634,503)	-129.48%

Profit after tax in 6 months of 2017 of the parent company after deducting dividends from subsidiaries decreased 129.48% over the same period. Since August 2016, the Company transferred production activities of Beta lactam plant

to a new plant in Tan Phu Thanh Industrial Zone - DHG Pharmaceutical One Member Limited Company.

**The consolidated financial statements**

Name of indicators	Code	Audited data 6M.2017	Audited data 6M.2016	Difference	
				Value	Proportion
Net sales	10	1,808,064,780,544	1,691,135,684,838	116,929,095,706	6.91%
Net accounting profit before tax	50	351,936,787,241	338,550,194,995	13,386,592,246	3.95%
Net profit after tax	60	359,678,327,728	307,162,659,022	52,515,668,706	17.10%

Profit after tax in 6 months of 2017 increased by 17.1% over the same period, mainly because:

DHG received the preferential corporate income tax at the new pharmaceutical plant (DHG Pharmaceutical One Member Limited Company) and the new packaging plant (DHG Packaging and Printing 1 One Member Limited Company). The total amount of corporate income tax incentives in 6 months of 2017 is VND 84.53 billion (6 months of 2016 is VND 36.26 billion), resulted in an increase in profit after tax.

DHG Pharmaceutical Joint-Stock Company kindly explains.

Best regards./.

**Recipients**

- As above
- Archived AT, AC, FN

**THE GENERAL DIRECTOR**

(Signed and sealed)

**PHAM THI VIET NGA**