

DHG PHARMACEUTICAL JSC

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Founded: 02/Sep/1974

Equitized: 02/Sep/2004

Listed: 21/Dec/2006

Le Thi Hong Nhung

Head of IR Function

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IR ACTIVITIES IN JUNE, JULY AND AUG OF 2011

Prominent IR activities

Attend the seminar “Using Investor relations (IR) to maximize equity valuation” held on 17 June 2011

Send the annual report 2010 to investors and partners.

Receive the special award for Best Annual Report 2010 on 05 July 2011

Attend the seminar “Prospects for Investment in Vietnam” held by T.I.M and Julius Baer Bank on 20 August 2011

Assist internal shareholders to fulfil the procedures for depositing ESOP shares and receive dividends in cash

Meetings with investors

- Pheim Aizawa Trust, ACBS
- Havest, VietCapital, KimEng
- Rong Viet Securities, Tri Tin Securities
- VietStock, MHB, SSI, BVSC
- JP Morgan, VIGroup
- Route one, HSC, Templeton, PXP
- VietNamHolding, T.I.M, Yuki
- Natixis Bank, Julius Baer

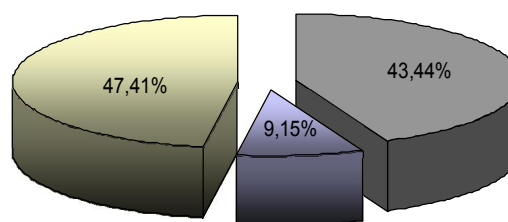
Investors’ most concerned queries

Sales in the first six months of 2011 following product’s group?

12 groups classified by their functional indications:

Ownership Structure as of 29 Aug 2011

SCIC 43.44%
Foreign 47.41%
Domestic 9.15%



King shareholder: Templeton Frontier Markets Fund (8.05%)

Product’s group	Year 2010		Six months of 2010		Six months of 2011		Growth in comparison with the same period	
	Ratio of Selling output	Ratio of sales	Ratio of Selling output	Ratio of sales	Ratio of Selling output	Ratio of sales	Selling output	Sales
Vitamin - minerals	15.58%	9.96%	16.12%	10.34%	14.69%	10.07%	14.17%	31.96%
Ophthalmic products	0.39%	2.24%	0.37%	2.23%	0.38%	1.86%	26.56%	13.41%
Musculoskeletal products	3.69%	2.15%	3.72%	2.13%	3.92%	2.16%	32.17%	37.61%
Digestives & hepatic and biliary products	7.37%	6.92%	7.69%	7.28%	6.44%	5.99%	4.82%	11.53%
Analgesics - Antipyretics	20.01%	14.73%	18.68%	14.10%	18.86%	14.21%	26.45%	36.50%
ENT – Asthma – Coryza products	34.90%	15.13%	35.65%	15.14%	37.05%	16.49%	30.16%	47.54%
Diabetic products	0.62%	0.62%	0.64%	0.63%	0.63%	0.63%	24.12%	34.96%
Nervous system products	1.13%	1.21%	1.01%	1.14%	1.03%	1.00%	27.92%	19.66%
Cardiovascular products	1.63%	1.99%	1.59%	2.04%	1.58%	1.82%	24.20%	21.07%
Beauty care products	0.24%	0.72%	0.25%	0.78%	0.19%	0.57%	-8.32%	-0.97%
Dermatological products	0.34%	1.37%	0.34%	1.43%	0.32%	1.29%	18.03%	22.30%
Antibiotics, antifungals - Antiparasites	14.10%	42.95%	13.92%	42.78%	14.90%	43.91%	34.06%	39.05%
Total	100%	100%	100%	100%	100%	100%	25.25%	35.48%

Pharmaceutical and herbal:

Product's group	Year 2010		Six months of 2010		Six months of 2011		Growth in comparison with the same period	
	Ratio of Selling output	Ratio of sales	Ratio of Selling output	Ratio of sales	Ratio of Selling output	Ratio of sales	Selling output	Sales
Pharmaceutical	85.60%	89.36%	86.65%	90.23%	84.89%	88.03%	22.70%	32.17%
Herbal	14.40%	10.64%	13.35%	9.77%	15.11%	11.97%	41.77%	65.97%
Total	100%	100%	100%	100%	100%	100%	25.25%	35.48%

Pharmaceutical, Dietary supplement, Cosmetic:

Product's group	Year 2010		Six months of 2010		Six months of 2011		Growth in comparison with the same period	
	Ratio of Selling output	Ratio of sales	Ratio of Selling output	Ratio of sales	Ratio of Selling output	Ratio of sales	Selling output	Sales
Pharmaceutical	87.71%	92.06%	88.37%	91.87%	88.68%	93.27%	25.70%	37.53%
Dietary supplement	0.01%	0.13%	0.02%	0.17%	0.00%	0.06%	-71.17%	-48.25%
Cosmetic	12.28%	7.81%	11.62%	7.96%	11.31%	6.67%	21.96%	13.55%
Total	100%	100%	100%	100%	100%	100%	25.25%	35.48%

The incident happened on 03/Aug/2011 ?

- On 03 August 2011, there was an explosion occurred in the drying area of Factory 1. Eight workers were scraped by broken glass; they were transferred to Can Tho General Hospital and up to 23h of the same date, they all left the hospital after being taken care of by doctor.
- On 27 August 2011, factories, production lines and machinery have been completely repaired, the factory returned to normal operation.
- Lost value stated in the initial report to authorities is VND 34 billion.
- Cause of the incident: no official conclusions from the authorities
- Lost value after the assessment on 22 Aug 2011, in details as follows:

Content	Amount (VND)
Material damaged in the warehouse and factory	326,839,129
Semi-finished products are produced in progress	3,934,385,208
Finished goods damaged in warehouse and factory	12,446,522
Package damaged and re-making	108,347,669
Cost for testing raw materials and semi-finished products	146,230,920
Cost for cleaning up the site	151,962,500
Estimated costs to repair factory	2,747,889,416
Estimated costs to repair equipment	2,493,917,420
Total	9,922,018,784

Explain the difference of the reported data on the loss value?

When the incident occurred, certain areas of factory 1 and factory 5 are affected. Specifically, the explosion made the glass door, wall, and the production line broken down; the broken power systems caused a stagnation of the air conditioning systems and drying systems. The whole production chain involved, including machinery, raw materials, finished products, semi-finished products affected. Since pharmaceutical is a commodity that could easily influence from air, moisture, heat from the outside environment. In addition, the production of medicine must be strictly complied with WHO GMP standards. Therefore, when determining the initial value losses to report to authorities (VND 34 billion), DHG has estimated figures based on historical data as follows:

- Housing estimated at cost of fixed assets: VND1.5 billion
- Machinery and equipment estimated at cost of fixed assets: VND 3.5 billion
- Raw materials for production by the time of the explosion: VND 08 billion
- Semi-finished products by the time of the explosion: VND 21 billion

Is there any change in business plan of 2011?

Currently, the company does not change the plan set for 2011 in which the target still remain net sales: VND 2,240 billion, profit before tax; VND 380 billion

Time to pay 2011 dividend in advance?

The second phase dividend of 2010 at ratio 30% has been paid on 16 Sep 2011, total amount disbursed: VND 195,498,897,000

The ratio for 2011 dividend is planned to be 20%. Currently, Board of Directors does not set a concrete time for paying.

Export sales of the first 6 months/2011?

Export turnover of 06 months reached VND 9.7 billion, up 11% compared to the same period of 2010

Sales breakdown by region of 6 months /2011?

Subsidiaries (Mekong 2): 24.37%. Mekong 1: 11.15%. North: 29.71%. East: 10.50%. Central: 14.90%. HCM City: 9.37%

The time for asking shareholder's opinion on the supplement of company's business fields: trade in publishing software and guesthouse?

Board of Directors decides to reconsider this issue. If required, they will ask for shareholders' opinion at the latest shareholders' meeting

DHG IN BRIEF

Business results

Consolidate results of 08 months of 2011 (estimated)

	08 months of 2011 (estimated)	Amount	Growth compared the same period	Ratio of plan target
Production value		VND 1,937 billion	33%	74%
Net sales		VND 1,526 billion	29%	68%
Profit before tax		VND 320 billion	26%	84%

Investment activities, Projects in-progress

New factory project:

Up to 31 Aug 2011, the company has spent VND 58.4 billion to pay for land site and VND 11.4 billion for other costs. Static pile has been conducted. Mass pile will be carried out on late of Oct/ 2011. The progress of project is being followed closely to ensure finished on 02 Sep 2012.

Investment in associate company - Medisun (30%):

Total amount received from transferring stocks: VND 13.5 billion. Up to 30 June 2011, the remaining amount, which has been not paid: VND 1,774,800,266. Transferee asks for extension to 31/12/2011, the unpaid amount will bear interest of 20%/year

Other investment

Total investment in fixed assets implemented in six months of 2011 was VND 75 billion

The building for branches has been fulfilled: Ben Tre, Gia Lai and Bac Ninh

Investment in associate company - SPIVIHA (31.5%):

Results of 6 months/2011: net sales: VND 5.5 billion, profit after tax: VND 02 billion, production output: 12,649 kg of algae powder, consumption output: 12.683 kg of algae powder.

Production output of 09 months/2011 estimated: 20,300 kg of algae powder, 37% up compared to the same period. Results of 09 months/2011 estimated: net sales: VND 09 billion (86% plan target of the year), profit after tax: VND 3.1 billion (100% plan target of the year).

The initial amount invested in SPIVIHA: VND 3.6 billion, purchase stocks from minor shareholders: VND180 million = VND 3.78 billion (31,5%).

Investment in associate company – Vinh Tuong VIPACO (20%):

The amount invested in VIPACO was VND 20 billion. Current owner equity of Vinh Tuong is VND 70 billion. Thus, based on the consolidated figures of owner equity, DHG lost VND 06 billion (VND 70 billion*20%= VND14 billion); DHG was allocated VND 3.2 billion in 2010, and continue to allocate 600 million in 6 months of 2011

Decision/Resolution/Strategy

- Change the legal representative of DHG's wholly-owned subsidiaries in order to be proper to their structures: HT Pharma, CM Pharma, ST Pharma, HT Pharma, TG Pharma
- Establish Board members of DHG's wholly-owned subsidiaries: DT Pharma, CM Pharma.
- Merge O Mon Drugstore and Thot Not Drugstore into TOT Pharma
- Change the locations of Thanh Hoa branch, Binh Thuan branch and HCM City Representative Office
- Receive the right of land use, the right of house ownership at HCM City: 16 H1 Block 16, Road 36, Quarter 2, P. Tan Phong Ward, District 7, HCMC.
- Transfer the right of land use at Tan Loi Ward, Buon Ma Thuot City, Daklak province (161.3m² – transfer price: VND 3 billion).

Other news/activities of the Company

- DHG is honoured to be one of 10 Vietnam firms listed among "Asia's top 200 best small and medium enterprises" by Forbes.
- Carry out the program "A helpful living" for the youth of company the third time; present DHG Family Club before the public in August.
- All senior and intermediate leaders carry out market examination and making report in July.
- Train leadership and sales system following the principle of innovation. Training Topic: **"Today's solutions may be a problem for tomorrow."** Training time: from 04 Sep to 08 Sep 2011 and from 16 Sep to 19 Sep 2011. Location: Phan Thiet, Vung Tau
- The strategy of paying salary to salespersons based on their real proceeds showing high efficiency, customer receivables in the first 6 months of 2011 decreased 0.74% while revenue increased 36% over the same period.
- Complete to run BFO for accounting, finance, personnel, whole distribution system. Continue to apply it for office systems, expected to be fulfilled at the end of 2011, and in the beginning of 2012, whole company system will run BFO.
- Carry out the project "Building effective subsidiary" in order to make a foundation to implement this project for the whole sales system in 2012
- To celebrate DHG's 37th birthday (on 2/9), the company has organized several activities: "Mass walk for poor patients," "Free health examination", "Take money from the piggy-bank for poor patients" Total amount raised from employees, customers and partners for the Poor Patient Fund is VND 1.35 billion
- Especially this year, DHG also builds a significant image that is a giant "Benevolent heart" with the participation of more than 1,500 employees of the same compassionate heart.

This bulletin is made in order to provide investors with update information on trading, production, investment activities, the progress of current projects, the strategies of Board of Directors, Board of Leadership of DHG Pharmaceutical Joint-Stock Company (DHG).

Beside, DHG's IR Department would like to share its activities with investors in order to reaffirm the role of investors in DHG's "tripod" strategy.

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