

DHG PHARMACEUTICAL JSC

288 Bis Nguyen Van Cu Street, Ninh Kieu, District, Can Tho City.

Tel: 84.7103. 891433

Fax: 84.7103. 895 209

Date of Foundation: 02/09/1974

Date of Equitization: 02/09/2004

Date of Listing: 21/12/2006

Le Thi Hong Nhung

Head of Investor Relations

Cell Phone: 0983 834469

hongnhung@dhgpharma.com.vn

Investors' most FAQ:

9M2012 sales breakdown by sectors:

Net Sales: VND2,025 billion (100%)

Breakdown:

- Self-manufactured goods: VND1,874 billion (92.5%)
- Goods, raw materials: VND81 billion (4.0%)
- Tourism: VND11 billion (0.5%)
- Promotion goods: VND59 billion (3%)

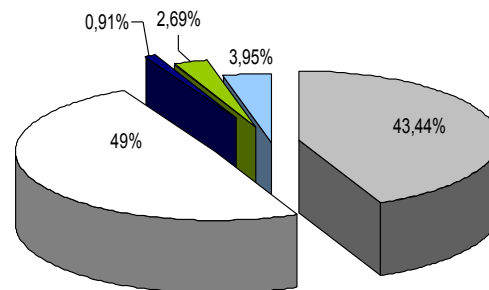
IR Activities from August to October, 2012

IR activities

- Provided investors with updated information at Consumer Day held by HSC on 17/08; Vietnam Access Day by Dragon Capital on 17/09; and Vietnam Access Day by VietCapital on 24/10.
- Presented on DHG, and answered questions from students from 14 universities participating in CFA Research Challenge 2013 Contest on 06/10.
- Held 29 meetings with domestic and foreign investors.

Ownership Structure as of 12/06/2012

SCIC 43.44%
Foreign investors 49%
Internal shareholders 0.91%
Staff 2.69%
Others 3.95%



Major shareholder: Franklin Templeton Investment Fund (8.37%)

Sales from medicine brands:

- Accounted for 51.3% of the total sales of products manufactured by the Company.
- Grew 20.6% YoY on average.

In particular:

- + The highest growth rates belong to Gavix (Cardiovascular, 64.5%), diabetic products (51.3%), Unikids (Vitamins and minerals, 48.8%), Apitim (Cardiovascular, 44.8%)
- + The highest increase in absolute value belong to Klamentin (Antibiotic, VND60 billion), Hapacol (Analgesic – Antipyretic, VND58 billion)

9M2012 sales breakdown by category:

9M2012 sales breakdown by category remains relatively unchanged as compared to that of 1H2012. But compared with 2011, there is a slight shift toward such categories as Ophthalmic – Nervous and Cardiovascular – Diabetic.

Promotion activities and events in 9M2012:

- 445 programs and events were organized to promote the company's brands, such as: bone density test, road shows, offers of product samples, health-care days, meetings, forums, and consultation at drugstores, etc.
- Participated in five High Quality Vietnamese Product Fairs in 2012; presented products at workshops before and during the exhibition time to deepen impression on customers and enhance brand-awareness.
- Participated with Health Services of provinces to implement three celebrations of the Vietnamese Doctors' Day, Walking Event: "For the medical system", eight meetings for the prevention of hand-foot-mouth disease, the ASEAN meeting about dengue fever, media support for the Phu Dong Games, Region 5 in Can Tho City.

Business results

Consolidated 9M2012

Item	Amount	Growth	Ratio of plan
Production value	VND2,574 bn	18.97%	75.71%
Net sales	VND2,015 bn	17.23%	73.64%
Profit before tax	VND421 bn	17.05%	83.38%

Asset and capital changes:

- Cash and equivalent reached VND602 billion (+32.9% yoy) thanks to slow disbursement for the new factory.
- Accounts receivable stood at VND541 billion (+17.8% yoy), in which sales receivable was VND399 billion, increased by 36.1% owing to increased revenue (+17.2%) and increased purchase by customers at the end of September (+18.9%). Credit terms for commercial customers (pharmacies) is 30 days while terms for treatment systems (hospitals, medical centers) is 90 days.
- Inventories rose to VND604 billion (+17.5% yoy) to meet the market demand in the late months of the year. However, this item was taken into account by the management to control and exploit the assets effectively.
- Fixed assets increased by VND100.3 billion (+25.3% yoy), in which tangible assets increased VND51.3 billion (+21.8%), intangible assets increased VND23.3 billion (+16.4%), capex increased VND25.8 billion. The increase came from the investment in purchasing land for the distribution network, production machinery and equipment, vehicles and BFO software, etc.
- Equity rose to VND1.625 billion (+21.3% yoy) thanks to the increase in retained earnings (+51.8%), undistributed earnings (+23.2%), and ESOP issuance of 200,000 shares.

Profitability ratios: remained relatively stable

	9M2011	9M2012
ROS	17.89%	17.68%
ROA	16.24%	15.55%
ROE	23.06%	22.03%

Cost changes:

- Cost of goods sold (COGS) increased 14,1% yoy in 9M2012, and 13.9% yoy in 3Q2012 alone. Gross profit margin (GPM) increased 1.4% yoy to over 48.9% in 9M2012, and 5.1% yoy to over 51.2% in 3Q2012 alone. The improving GPM was mainly because COGS of other items shrank by VND10 billion, while net revenues of other items increased by VND11.8 billion (due to change in the method of consolidating financial statements). 9M2012 GPM of the company's self-produced products almost the same (+0.1% yoy).
- 9M2012 selling expense was VND446 billion (+20.54% yoy) and 3Q2012 selling expense rose 96% YoY and helped increasing 3Q2012 revenues by 25.74% yoy. The increasing selling expense is mostly because DHG spent more on advertising and introduction conferences of new products.
- 9M2012 administration expense increased slightly. The increase is largely because the Company switched from 4D 3-level salary scale to the 4D 7-level scale and increasing minimum wage according to the government regulation.

Export activities:

9M2012 export reached VND15.1 billion (-17% yoy) because some products are being renewed their visas.

R&D activities:

- 21 new products registrations.
- 19 new products (18 medicines, 01 food supplement) are being manufactured.
- Sales of new products: VND33.5 billion.

PR activities:

09 installments of "Doctor-Patient Interface" (VTV Can Tho), 09 installments of "Health Bridge" (Vinh Long TV), 20 installments of "Health Magazine" (Can Tho TV and Radio), 16 internal TV news.

Internet communications: DHG's website access increased from 300 visits/day to 1,000/day. Online sales reached 100 visits/day. A large number of consumers were introduced to purchase drugs at pharmacies.

Participated with volunteer doctors to implement 92 programs of free medicine and examination for 39,130 people in remote regions of the country.

DHG BRIEF NEWS IN 9M2012

Decisions/Resolutions issued by the Board

In Q32012, the Board of Management held 01 ordinary and 05 extra-ordinary meetings. The company issued 06 Resolutions and 22 Decisions with the contents as follows:

- Adoption of the Reports by the Board of Directors and Report on Implementation of Shareholder Meeting's Resolution.

- Adoption of the Charter, business registration procedures, capital representative appointment, establishment of subsidiaries: BT Pharma, VL Pharma, TVP Pharma, DHG PP 1, DHG Nature 1, DHG Pharma Ltd.
- Adoption of the Working Regulations of the Board of Directors, the Internal Control Committee, the Amended Management Regulations.
- DHG Travel Charter increase to VND05 billion from VND03 billion.
- Adoption of the cessation of Lam Dong branch in 06 months (25 Aug 2012 – 25 Feb 2013)
- Adoption of the Amendment of Investment Certificate, the Amendment of the Bidding Plan for DHG Pharma Ltd., the approval of investment for DHG PP 1 and DHG Nature 1 projects.
- Appointment and dismissal of management titles and other contents under the authority of the Board of Management.

Investment activities and project progress

New factory project:

Total amount of disbursement for the new factory in 9M2012: VND28.5 billion (6.6% of 2012 disbursement progress). The total amount of disbursement from the beginning of the project was VND100.2 billion, in which the amount for land was VND59 billion.

New factory progress:

- Contractors had been selected for construction, bridges, quality control, insurances bids
- Contractors are being selected for clean room's panels, medium voltage, office piling bids
- Bidding in October and November: Chiller System, HVAC Center - Non Betalactam, waste water treatment, RO water supply, office.
- Management still sticks to the plan of completing the NonBetalactam factory-warehouse auxiliaries and office in late March 2013. The Betalactam factory is expected to breakground in March 2013, complete in December 2013.

Photo taken inside the new Non-Betalactam factory on 25 Sep



Construction of buffer concret and moisture release



Insertion of steel on the warehouse floor

Photo taken outside the new Non-Betalactam factory on 16 Oct



Investment under Shareholder Meeting's resolutions in 9M2012:

Investment in the distribution network (to purchase land and build houses): VND20 billion (35.54% of 2012 target).
Investment in the current factory at 288 Bis Nguyen Van Cu: VND42.9 billion (95% of 2012 target (VND45.1 billion).

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.