

DHG PHARMACEUTICAL JSC

288 Bis Nguyen Van Cu Str., Ninh Kieu Dist., Can Tho City.

Tel: 07103. 891433

Fax: 07103. 895209

Founded: 02/Sep/1974

Equitized: 02/Sep/2004

Listed: 21/Dec/2006

Le Thi Hong Nhung

Head of IR Board

Cell: 0983 834469

hongnhung@dhgpharma.com.vn

Information to investors

Consolidated sales structure of 9 months/2014 by function

Net sales: **VND2,601 bn** (100%, grown by 13.1%)

In which:

- In-house goods: **VND2,385 bn** (91.7%, grown by 16.6%)
- Other goods: **VND216 bn** (8.3%, grown by -15.5%)

Export sales of 9 months/2014: VND17.3 bn (+9.4% y/y).

Develop more 21 products in Jordan, Ethiopia, Ukraine, Cambodia markets. Develop more new customers. Make an survey in Myanmar for market assessment. Take part in Vietnam Medi-Pharm Expo in HCMC to promote the Company's images and products and to find more export partners.

Sales of 10 categories: 9 months/2014 obtains VND2,209 bn, accounting for 92.6% of total sales of in-house goods. The categories have a high growth compared the same period (+18.2% in sales and +13.6% in output y/y). One of the reasons that help high-growth category is DHG's restructuring of professional, efficient selling; This project has distributed in increasing output and boosting selling. DHG continues improving the project to for more effective deployment. Particularly, on the 9-month period of 2014, three categories with high growth include Skin Care, Hepatobiliary and Analgesic - antipyretic.

Sales of brands: Some brands with a high growth sales of 9 months/2014 compared the same period are Naturenz – hepatobiliary group, Apitim – cardiovascular and Hapacol – analgesic and antipyretic group.

Sales of goods trading: decreased by 15.5% (by not distributing Eugica during 9 months of 2014 – decreased by VND124 bn). However, other trading and material trading has a strong growth, compensating for decrease in Eugica distribution sales.

Result of 9 months/2014:

Item	9 months/ 2014	y/y	Performance/plan
Value of production	VND2,832 bn	1.9%	66.5%
Net sales	VND2,601 bn	13.1%	67.1%
Profit before tax	VND516 bn	-11.6%	Due to abnormal profit from Eugica transfer – VND122 bn in Jul 2013
Profit before tax (not including sales from financial activities and abnormal income from Eugica transfer)	VND489 bn	15.3%	71.2%

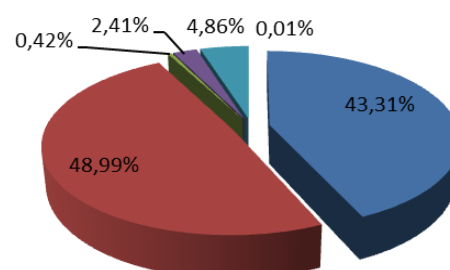
IR ACTIVITIES OF SEP. 2014

IR activities

- During the first 9 months of 2014, IR carried out **99** direct meetings with 251 domestic and foreign investment funds.
- Introduced DHG to **Vietnam enterprise 2014** festival organized by Daiwa on 5 Sep 2014 at Singapore and to **Gateway to Viet Nam 2014** festival organized by Saigon Securities Inc (SSI). at HCMC on 11 Sep 2014.

Shareholder structure on 22/07/2014

SCIC 43.31% Staffs 2.41%
Foreign 48.99% External 4.86%
Internal 0.42% Treasury shares 0.01%



Major: SCIC 43.31%; Franklin Templeton Investment Funds (9.30%), Portal Global Limited (7.20%)

Q3/2014 DHG BRIEF NEWS

- Continue implementation of the project "Restructuring of professional, effective selling system" contributing to boost category sales.
- Publicize the result of Naturenz clinical study in 3 areas: Mekong Delta, HCMC, and Hanoi.
- Complete the program "Each staff is a marketer - A Pink Sunday" with 1,800 participants and 162,000 sheets of product information sent to customers.
- Implement the program "40 years of love and gratitude" in Northern, Central, Eastern, HCMC, the Mekong Delta with more than 11,100 customers in attendance.
- Number of members in "Customer club" at time of 30 Sep 2014 is 9,588 (+9.6% y/y).
- Production output of 9 months/2014 is 3.4 billion of product units (+5.5% y/y), reaching 74.1% of the plan.
- The project "sharing values with farmers – developing medicinal region" was received non-refundable aid from VBCF. The first phase was VND652 million and the second one was VND2.6 bn, divided in times during 2 years according to the project process.
- As of 30/09/2014, there were 19 bioequivalent products. In 9 months/2014, there was 6 new products granted visa, 20 new and innovative products putting in production, and 3 new products putting in market.
- Total number of employees as of 30/09/2014 was 3,032 (+9.2% y/y). This increase is due to deploying the restructuring of selling system, divided into 3 selling groups.

Organize "walking festival and money-collection festival for poor patients in the occasion of DHG's 40th birthday. DHG's support fund for poor patients received VND1.85 bn (in which VND1.54 bn contributed from DHG's staffs, VND302 mn from customers and benefactors). DHG also held a meeting to 400 staffs of Southwest Medical army and people committee, to DHG staffs' family, and to retired staffs at the new plant.



Picture: "Walking festival donating for poor patients"

Mdm Pham Thi Viet Nga, CEO - DHG Pharma is in Top 5 excellent entrepreneur awarded 2014 Vietnamese Entrepreneur Steadfastness presided over by VCCI and EY Vietnam (published on 8 Oct. 2014).



Picture at the press conference "Result of award ceremony" EY – 2014 Vietnamese Entrepreneur steadfastness on 8 Oct. 2014 in Hanoi.

BOD's Resolutions/Decisions in Q3/2014

In Q3/2014, BOD has conducted 1 direct meeting and 4 email meetings to solve matters under BOD's function and jurisdiction as follows:

- The use of Development fund for science and technology
- Appointing, changing, and receiving personnel
- Decisions related to assets purchases and contractor selection.
- Approving the amended Corporate Charter

Investment activities, projects process

Disbursing the remain as of 31/12/2013 of the projects of the previous term according to the plan:

VND348.8 bn (not VAT). From 01/01/2014 to 30/09/2014, VND164.4 bn (including VAT) was disbursed, including additional VND22.4 bn for packaging factory, VND142 bn for pharmaceutical plant. Disbursing cumulation of Tan Phu Thanh IZ land money is VND63.6 bn; that packaging new factory being VND66 bn (including VAT) and VND443 bn (including VAT) for the new pharmaceutical plant.

Performance progress of investment projects which were approved by 2013 ASM:

1. Building houses for the branches: Have already completed house construction for ST Pharma and CM Pharma. Being constructed and offered house bidding contracts for Hai Phong branch, Ba Ria - Vung Tau branch. Buying the State land and house in the form of land transfer with collection at 5 positions (disbursed VND30.9 bn)
2. Investing, trading, and merging ASV Pharma Vietnam: this investment was stopped to focus on exploiting the maximum capacity of the new plant. Besides, DHG continues developing DHG's products in Myanmar and will consider the manufacturing development at an appropriate time and conditions.
3. Regional warehouse system has completely surveyed in Hung Yen province.
4. Medicinal production line complying with GMP WHO standard is being completed its estimated details.
5. Investment in the new production line: pause
6. Data center: Decided to invest a data center system at headquarter with an estimated cost of VND13 bn, disbursed VND2.3 bn.
7. Excipient and material warehouse at the general warehouse is being completed its technical design dossier in detail.
8. The project "Separating the medicinal line from the pharmaceutical chemistry line at Nguyen Van Cu plant complying with GMP WHO" is being performed. Soft-capsule factory has already completed and started operations on 30 Aug. 2014. Medicinal liquid factory and medicinal solid factory estimated to be completed at the end of Nov. 2014. The estimated value is VND54.8 bn (including VAT), disbursed VND15.3 bn as of 30 Sep 2014.
9. Investing in product development: VND11.69 bn, used from the Development Fund for Science and Technology.
10. Investing in transport vehicle: VND7 bn.
11. Repairing, maintaining Nguyen Van Cu plant: performed under the annual demand.
12. Planning 288 Bis Nguyen Van Cu area: according to Q4/2014 progress.

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

Beside, DHG's IR Board would like to share its activities with investors in order to reaffirm the role of investors in DHG's "tripod" strategy (shareholders – customers – employees).