

DHG PHARMACEUTICAL JSC

288 Bis Nguyen Van Cu Street,
An Hoa Ward, Ninh Kieu District,
Can Tho City, Vietnam

Tel: 84.7103 891 433
Fax: 84.7103 895 209
Established: 02/09/1974
Equitized: 02/09/2004
Listed: 21/12/2006

Le Thi Hong Nhung

Head of IR Section
Cel: 0983 834 469
hongnhung@dhgpharma.com.vn

IR ACTIVITIES FOR Q3/2013

IR Activities

- Successfully implemented 24 meetings with investors, direct contacts with 58 investment funds and securities domestic and international companies. Participated in workshops on how to analyze stocks and introduce about DHG Pharma.
- Release ESOP of the year 2010 for staffs, the valid day for amendment: 17/09/2013.
- Translated into English 100% of information that have been informed, published on website and email to all relevant investors.

Information concerned by investors

Sales consolidated by functions for 9M/2013F:

Net sales consolidated for 9 months/2013F	Amount (Bn VND)	Sales Ratio	YoY Growth Rate
Self-produced goods	2,045	85.7%	+9.1%
Merchandise goods	182	7.6%	+290.8%
Raw materials	56	2.4%	+ 63.3%
Tourism	18	0.8%	+ 66.5%
Others	87	3.6%	+ 48.2%
Total net sales	2,388	100%	+17.98%

Export sales of 9M/2013:

Attained 21,4 bn VND, accounting for 71% of annual plan. DHG is currently exporting to 12 nations worldwide, including: Moldova, Ukraina, Myanmar, Russia, Mongolia, Cambodia, Nigieria, Laos, Singapore, Jordan, Sri Lanka, Rumania. There are some new markets that we are gradually accessing, including: Afganistan, Indonesia, Philippinnes, Yemen, Thailand. We have been developing 68 new products so far.

Sales of product groups of 9M/2013:

11 brandnames that have been strongly invested are accounting for 48,6% of total sales of self-produced goods of the Company and its growth rate is up to 15% YoY. The highest growth rate of sales is mainly in brandnames of NattoEnzym 73% (Diabetics), Apitim 39% (Cardiovascular) and Naturenz 30% (Hepatic-Biliary).

10 product groups that are sold with the growth rate of 9.1% YoY, and the growth rate due to production factor is 4.73%, and due to the price factor is 2.22% and the remaining growth rate is due to the changes of structure of product groups. Among them, the product group of Cardiovascular-Diabetes has the highest growth rate with 23%, Analgesics-Antipyretics is the second group with 22% and the third group is Hepatic-Biliary with 18%.

The structure of product groups is relatively stable during the past few years. Antibiotics is the product group that has the highest ratio with 38.11% (9M/2012 was 39.42%), then it is Analgesics-Antipyretics with 19.01% (9M/2012 was 17.33%), and Nutritional is 7.98% (9M/2012 was 8.34%).

The product group of Herbal Suppelements is another group that has high growth rate of sales with 25.74% YoY, it contributes much to increase the ratio of sales from 7.39% of 9M/2012 up to 8.19% as of 9M/2013, and medicines is accounting for 91.79% and cosmetics is 0.02%.

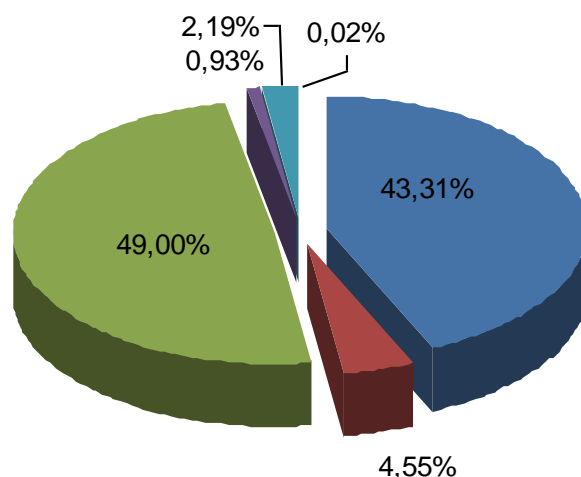
Business results

	Items	Amount	YoY Growth Rate	Planned Ratio
<i>Consolidated results</i> <i>9M/2013F</i>	Production value	2,862 Bn VND # 136,3 Mln USD	11.19%	75.32%
	Net sales	2,388 Bn VND # 113,7 Mln USD	17.98%	74.63%

Shareholders' structure on 19 August 2013

SCIC 43.31%
Foreigners 49%
Internal 0.93%

Employees 2.19%
External 4.55%
Treasury stock 0.02%



Main shareholders: SCIC 43.31%; Franklin Templeton Investment Funds (8.91%), Portal Global Limited (7.20%)

Structure of capacity by factories (current factories)

Production factories	9M/2013		9M/2012		YoY Growth Rate
	Capacity	Value	Capacity	Value	Value
Non Betalactam	77.89%	51.04%	79.45%	52.61%	7.88%
Betalactam	13.11%	36.75%	11.67%	35.50%	15.08%
Liquid, cream, gel	0.98%	6.80%	1.01%	6.85%	10.30%
Soft capsules	8.02%	5.41%	7.88%	5.03%	19.53%
Total	100%	100%	100%	100%	11.19%

NEWS IN BRIEF Q3/2013

- For DHG, it is really challenging to acquire the planned rate of sales for the year 2013 in the difficult time as it is now and it is also due to the negative effects of Decree 01 about bidding in the hospital. It has been three quarters of the year 2013 with a number of difficulties and competitions in pharmaceutical sector, DHG has been much focusing on many programs of advertisement, workshops to introduce our products and support for sales activities; we also organize training courses for salespersons to improve skills for the whole sales staff.
- Spivital has been approved by Vietnam Association of Herbal Supplements as “Golden Product for Community Health 2013”.
- R&D activities for 9M/2013 have been producing 10 new products, and introduce to the market 13 new products (9 are medicines and 4 are herbal supplements). DHG is doing bioequivalent test for 09 products, and 01 has been approved, 03 are going to be approved in October 2013. DHG is also coordinating to do 9 research projects with many Institutes, Universities.
- Activities of customers care are being intensively prepared for Customers’ Meeting at the end of the year with the title “Festival of Tinh Dat Phuong Nam” at the Gymnastics of DHG Pharma.
- Capacity of production of 9M/2013 is 3,24 bn units of products, accomplished 71% of planned ratio. Modify the production plan, personnel to meet the demands of production, adjust inventories for the transfer of capacity of current factory to new factory in Q1/2014.
- Company also organized the workshop to implement new organizational structure, and risk management of DHG as proposed by E&Y for intermediate managers and key staffs (Group 20). Organize to train leaders and staff of each section.
- IT section has implemented softwares at hospitals, GPP pharmacies, carry out financial statement on ERP at Subsidiaries; coordinate with FPT to apply trial version of sales on PDA at subsidiaries of HCMC and Dong Nai.

Decisions/Decrees officially issued by Board of Directors

In Q3/2013, Board of Directors has been implementing one periodic meeting and 5 unscheduled meetings via mail to ask for ideas to discuss and approve contents as follows:

- Agree to advance dividends for the first stage of 2013 with the ratio of 15% par value, implemented on 30/08/2013;
- Layoff, designate titles of managers; change of legal representatives and members of subsidiaries of DHG Nature and A&G Pharma;
- Approve the Regulations of legal representatives of DHG Pharma at subsidiaries, associates;
- Approve the supplementation of business fields and project “Sharing value with farmers – developing herbal-planting area” of DHG Nature;
- Approve other contents that are under control of Board of Directors.

Investments and projects

Progress of new factory:

Non Betalactam factory: keep on with the current process, it is scheduled to be tested GMP-WHO in November 2013. Then, procedures for registering products will be done.

Beta Lactam factory: implementing the bidding of installation.

Accounts spent: Total investment for new factory of DHG Nature will be up to 676 bn VND (excluded land price).

The total amount spent from the beginning of the year 2013 until 30/09/2013 is 220 bn VND. The amount spent from the breaking time of the project until 30/09/2013 is 341,9 bn VND (in which, there are 59 bn VND used for land).

Vinh Hao Spirulina Algae Company (SPIVIHA) – DHG's ownership of 31.36%

SPIVIHA is still facing some difficulties for the output of the product produced due to the amount of consumption from DHG Pharma. In Q3/2013, DHG is starting to import raw materials again that helps Spiviha to decrease inventories, increase sales to compensate for operating activities. However, Spiviha is slowing down its production due to the current difficulties of output.

The business results for 9M/2013, Spiviha has gained 15 tons of production for algae (it is 93.75% of planned ratio), consumed of 3.6 tons of algae with the sales of 2,26 bn VND, loss of 126 mn VND.



Outside view of office building at Non Beta Lactam Factory - DHG Pharma



Inside view of Non Beta Lactam DHG Pharma taken on 18/10/13



This news is made in order to provide investors with latest information in term of trading, production, investment activities, progress of current projects, strategies of Board of Directors, Board of Management at DHG.

Furthermore, DHG's IR Section also would like to share its activities with investors in order to reaffirm the vital role of investors in DHG's Triangle Strategy (Shareholders – Customers – Employees).