

No : 564/DHG-AC

Re. explaining the differences in financial figures of the Company disclosed compared to the 1H2016 audited financial reports of the Company

Cần Thơ, August 15, 2016

To: **The State Securities Commission**  
**The Ho Chi Minh Stock Exchange**

Pursuant to Circular 155/2012/TT-BTC issued on October 6, 2015 of the Ministry of Finance providing guidelines for disclosure of information on the securities market.

DHG Pharma thus is explaining the differences in financial data on the separated financial statements and consolidated financial statements for the 6 months' period ended June 30, 2016 disclosed by the Company and the audited financial statements with detailed as follows:

**Separated Financial Statements:**

| Target name                        | Target code | Audited figures   | Figures prior to audit | Differences     |         |
|------------------------------------|-------------|-------------------|------------------------|-----------------|---------|
|                                    |             |                   |                        | Value           | %       |
| Cost of goods sold                 | 11          | 1,253,115,880,976 | 1,251,158,819,513      | 1,957,061,463   | 0,16%   |
| Financial income                   | 21          | 128,777,141,586   | 126,549,468,160        | 2,227,673,426   | 1,76%   |
| Financial expense                  | 22          | 31,063,032,157    | 31,116,584,521         | (53,552,364)    | -0,17%  |
| Selling expense                    | 24          | 244,232,734,550   | 244,109,093,781        | 123,640,769     | 0,05%   |
| G&A expense                        | 25          | 93,507,498,808    | 100,353,333,220        | (6,845,834,412) | -6,82%  |
| Other revenues                     | 40          | 16,294,007,297    | 22,027,074,425         | (5,733,067,128) | -26,03% |
| Total accounting profit before tax | 50          | 219,497,091,602   | 218,183,800,760        | 1,313,290,842   | 0,60%   |
| CIT                                | 51          | 27,758,481,754    | 36,049,050,911         | (8,290,569,157) | -23,00% |
| Profit after tax                   | 60          | 191,738,609,848   | 182,134,749,849        | 9,603,859,999   | 5,27%   |

- Target # 11 reclassification to increased adjusted expense account taken from the management expenses into cost of capital.

- Target # 21 increased by adjusting the deduction of loan interest to subsidiary – DHG PP1.
- Target # 22 decreased due to adjusting to decrease expenses.
- Target # 24 increase by adjusting the expenses payable and accounts reclassified from G&A expense to selling expenses.
- Target # 25 decreased due to decrease in expenses payable and accounts reclassified from G&A expense to selling expense and COGS.
- Target # 40 reduced by adjusting the Pending missing asset transfer to other expenses.
- Target # 51 decreased due to decrease in revenues from internal transactions.

With the above reasons the audited after-tax profit of the parent company increased 5.27% compared to the prior audit report.

DHG Pharma kindly noted.

Best Regards./.

**Receivers:**

- As above
- Storing: AT, AC

**CHIEF EXECUTIVE OFFICER**

DHG Pharma JSC.

THE SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

No: 565/DHG-AC

Re: explanation of financial numbers  
due to NPAT 1H2016 fluctuated more  
than 10% y.o.y

*Cần Thơ, August 16, 2016*

To: **The State Securities Commission**  
**Ho Chi Minh Stock Exchange**

Pursuant to Circular 155/2015 / TT-BTC issued on October 6, 2015 of the Ministry of Finance guidelines for disclosure of information on the securities market.

DHG Pharma is explaining the financial figures on the audited consolidated financial statements for the financial period ended June 30, 2016 due to the after-tax profit changed over 10% over the same period, details as follows:

### Separated Financial Statements

| Target name                       | Target Code | Audited 1H2016 figures | Audited 1H2015 figures | Differences      |         |
|-----------------------------------|-------------|------------------------|------------------------|------------------|---------|
|                                   |             |                        |                        | Value            | %       |
| Net Sales from goods and services | 10          | 1,696,345,089,210      | 1,387,820,142,130      | 308,524,947,080  | 22.23%  |
| Total accounting PBT              | 50          | 219,497,091,602        | 292,851,300,544        | (73,354,208,942) | -25.05% |
| PAT (CIT)                         | 60          | 191,738,609,848        | 246,869,332,470        | (55,130,722,622) | -22.33% |

Profit before tax 1H2016 of the parent company decreased 25.50% and profit after tax decreased 22.33% over the same period. The reason:

In 2015, to stabilize the market, DHG reduced costs of media communication activities. 2016, to reinforce market share, assuring revenue to meet 1H2016 target of net sales growth of 22.23% over the same period, thus DHG continued to invest to promote media activities for key brands.

This activity has short-term impact on profitability and create a foundation for future development of these brands

## Consolidated Financial Statements

| Target name                       | Target Code | Audited 1H2016 figures | Audited 1H2015 figures | Differences     |        |
|-----------------------------------|-------------|------------------------|------------------------|-----------------|--------|
|                                   |             |                        |                        | Value           | %      |
| Net Sales from goods and services | 10          | 1,691,135,684,838      | 1,467,920,775,328      | 223,214,909,510 | 15.21% |
| Total accounting PBT              | 50          | 338,550,194,995        | 315,223,677,074        | 23,326,517,921  | 7.40%  |
| PAT                               | 60          | 307,162,659,022        | 261,701,979,452        | 45,460,679,570  | 17.37% |

Profit after tax 1H2016 increased by 17.37% over the same period, caused mainly by:

- Sales activity helped improve company revenue to grow by 15.21% and profit before tax increased by 7.4%. Results achieved thanks to the restructuring of the distribution system in previous years and the focus on media communication in promoting key brands in the first 6 months of 2016.
- DHG incentives received corporate income tax break at the new pharmaceuticals plant (DHG Pharmaceutical One member Limited Company) and the new packaging plant (DHG Printing and Packaging 1 Company Limited).

DHG Pharma kindly explained.

Best Regards./.

**Receivers:**

- As above
- Storing: AT, AC

**CHIEF EXECUTIVE OFFICER**