



Biotechnological & Pharmaceutical

BOARD OF MANAGEMENT'S REPORT AND ICA'S BUSINESS PLAN UNTILL 2010

I. Board of Management's report:

1. Evaluation of business activities for the year 2007

Besides implementing business activities, ICA Biotechnological & pharmaceutical company (former name ICA Pharmaceuticals Ltd) had many significant achievements in 2007. ICA had successfully changed its structure from a limited company to a joint-stock enterprise since 29 Mar 2007 and became public company on 30 Oct 2007.

In 2007, ICA gathered and combined all business activities, including import and export which were allocated and delegated by prior distributors:

- Direct manufacturing from ICA factory located at VSIP (Successfully obtained technology transfers and licenses as well as produced 2 products Fortec and Amitase which were being controlled most of market in Vietnam)
- ICA has the exclusivity to distribute products of 2 foreign factories located in VSIP (Korea United Pharma and Phil Inter Pharma) in ICA's portfolio
- Directly import pharmaceutical products from Italia, America, Korea (ICA obtained direct import-export license from Minister of Health since the end 2006)

In general, ICA has well performed its business plan in 2007, co-operated with significant pharmaceutical partners in the world to develop feasible projects in future

Board of Management's report:

ICA Biotechnological & pharmaceutical company's BOM for the 1st term comprise 3 members:

- Mr. Ngô Văn Toàn : President of BOM cum Founder
- Mr. Ngô Đức Vinh : BOM's member
- Mr. Lương Quang Sơn : BOM's member cum Vice General Director.

Meetings of Board of Management were held in 2007 are as below:

- **1st meeting:** was immediately held on 10 April 2007, after BOM was voted and selected General Director.
- **2nd meeting:** was held on 16 April 2007 to implement Shareholders' resolution with the following contents:
 - Issue more shares to public in order to increase chartered capital from 68.88 billion VND to 116.50 billion VND
 - Clarify beneficiary for purchasing share, quantity and market value of issuing share
 - Time for buying share



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- **3rd meeting:** was held on 08 August 2007, regarding foundation of ICA Ha Noi branch, located at 14 Lang Ha, Ba Dinh and approval for the project of buying land to construct main office branch in Ha Noi
- **4th meeting:** was held on 05 September 2007 regarding investment of Tobicom eye-drop monodose and multidose, and purchasing technology transfer and license of Fortec and Amitase
- **5th meeting:** was held on 25 Oct 2007 regarding foundation of representative office of ICA in Ho Chi Minh city. Address 4th floor, Sheraton hotel, 88 Dong Khoi, district 1, HCMC

Management and controlling activities of General Director and BOM:

There are 3 members in BOM, of which 2 members in charge of Director, one of them is Chairman of BOM cum General Director, and the other one is Vice General Director. All the members of BOM manage and control BOM's activities by the following solutions:

- Attend and discuss with Management Board regarding execution of BOM's decisions, or preparation of projects in important meetings
- Attend and discuss with Management Board regarding periodic plans, activities
- Follow up and control business activities via Management Board's reports which send to BOM
- Directly instruct and comment on Management Board regarding significant issues during operation.

Due to company has just changed its structure to a joint-stock enterprise, hence management and combination between BOM and Management Board sometimes still not well perform, however with high efforts this was overcome and achieved good results in accordance with regulation, principles of company and legal stipulation. Management Board's controlling helps BOM to efficiently and quickly execute its solutions, decisions. The current Management Board comprises members who have high education, competency, and experiences in previous multinational Pharmaceutical companies with many years' seniority

1. BOM's plan activities in 2008:

In 2008, BOM intends to have following activities as below:

- To hold quarterly meeting. BOM will listen all suggestions from General Director, discuss and instructs for company's projects, plans, policies
- To hold the meeting on behalf of Shareholder's authority
- To hold unusual meeting in order to solve any problems which belong to BOM's jurisdiction
- To select audit company for financial reports in 2008
- To held annual Shareholder meeting for the year 2008.
- To submit project regarding profit allocation, dividend share for BOM's approval



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- Review and submit company's strategies up to 2010 for BOM's approval
- Decide for other projects and contents which belong to BOM's authority during implementation of plan 2008

II. Developed plan of company until 2010:

- Based on successes and achievements in the past, ability of company as well as strong & weak points
- Based on market fluctuation, material resources, financial policy of Government and current finance situation of company

ICA builds up business plan until 2010 with the following targets and specific programs as below::

1. Target:

ICA was being strongly developed. To restructure the company is very necessary in order to integrate with company development as well as society growing. To restructure the company mainly occurs in two fields:

- Restructure finance structure is changing in capital and share owner.
- Restructure operation structures are revolutions of strategies and especially basic changes about organization, mentality, management methods and system controlling in order to success in integrated context..
- Expand investment in the same business with famous pharmaceutical companies in the world.

The main targets with long term strategy which ICA always follows up until 2010, with slogan

ICA always aims to strong Pharmaceutical and Healthcare group, with quality without compromise.

To achieve the above target, ICA had been building precepts and actions as below:

- Balance and clear between shareholders benefit interests in accordance with legalization
- Live and work in accordance with law
- Taking results as standard to evaluate company's business
- Manufacturing is the base of development, especially to expand further export to foreign countries
- Restructure organization, apply advanced technologies in order to create high competition
- Popularize ICA brand into belief of population, and consider it as motive of success

2. Methods for execution:

To achieve above targets, ICA must have concrete activities as below:



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Recruitment and development programs :

To recruit right person, right work, qualified and skillful candidate as human is the most important element

Modernize technologies system:

Purchase new equipment, apply advance technology to create high quality products, with reasonable price and maintain title “ High Vietnam quality products” which was voted by customers in many years ago, and more over ICA is always maintain quality in accordance with strict standards of GMP that stipulated by WHO

Computerize all company’s activities:

To set up informatics system with high quality, ensure to satisfy diversified requirements of all divisions and assure absolute confidence, such as Lemon3 accounting system, company’s website.

Research and develop new products :

- Set up research and development center with basic incumbency is to encourage creation
- Research and launch new products with high quality and competitive price in accordance with current and future domestic and foreign markets. However the company should not forget to protect intellectual property in order to prevent counterfeit of competitors
- Co-operate with Universities, hospitals, domestic and foreign researched and studied centers in order to apply advanced pharmaceutical technology, clinical test In 2008 ICA will prioritize to research and launch new products to market such as eye drop Tobicom Monodose and other things.

Attract finance capital investmenty:

In 2007, ICA has issued shares to staff and some outside shareholders. In 2008 ICA try to issue share to potential shareholders, in order to legally increase capital and expand manufacturing in future. Further more, ICA intends to list to stock exchange of HCMC in due time.

3. Developed plan for new projects until 2010:

- Check and take over new project for purchasing Cephalosporin
- Speed up implementation of eye drop Monodose and multidose project.
- Construct Generic factory aim to serve: i) Supply medicine for internal treatment insurance in nationwide hospital.ii) export products to Indochina and Russia as well as some other areas iii) Processing orders from famous and significant pharmaceutical groups from Japan and America.
- Purchase more endless or long term projects of famous pharmaceutical brands from closed and significant partners who had long time relationship
- Prepare to construct factory for Injectable and Biotechnological projects



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4. Plan of increasing capital for period of 2008-2010 and list to Stock market in HCMC

- In order to perform projects in period of 2008 to 2010, BOM intends to increase chartered capital from 116,5 billion dong up to 150 billion dong in 2009 and up to 200 billion dong in 2010. This process can be divided to many times and depends on rate of progress and company's development
- BOM will have meeting and select solution, time and tailored partners who can bring best benefits to shareholders and company, and also listen to shareholders' advices before executing projects
- In order to develop and well present clearance of stock in market, BOM will submit solution and would like to receive feedbacks from shareholders regarding listing stock in HCMC and overseas market in earliest time

5. Business plan until 2010:

Unit : '000 dong

Items	year 2008	year 2009	Năm 2010
Net sales	338.381.169	525.400.000	666.200.000
* Self manufactured	186.990.592	226.000.000	263.000.000
* Domestic & Imported goods	151.390.577	181.000.000	202.000.000
* From Cephalosporin factory		93.000.000	102.000.000
* Other projects		25.000.000	98.000.000
Profit after tax	110.520.907	137.800.000	185.500.000
Chartered capital	116.500.000	150.000.000	200.000.000
Estimated Stock sharing	30% - 45%	30% - 45%	30% - 45%

- The new plan regarding purchasing Cephalosporine factory which currently has very high revenue was invested by one pharmaceutical leading company in the world (ranked 6th) from Europe-Holand. ICA currently has no production line for this product. Besides that both sides will co-oprate to construct a new factory in Vietnam as well as export ICA's products into overseas base on advantage of each side
- The target of this product group comprise:
Brand quantity : 5 brands
Estimated sales 2008: around 82 billion đồng

Hence, estimated sale and profit for the year 2008 should be 420 billion đồng and 118 billion accordingly.



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CONCLUSSION AND EVALUATION:

Based on business plan from 2008 to 2010 together with BOM and Management board's efforts as well as staff's determination, supports from shareholders, investors and significant partners, ICA will definitely success all its plans and targets

**On behalf of Board of Management
Chairman**

NGO VAN TOAN

