



Biotechnological & Pharmaceutical

## FINANCIAL REPORT 2007 AND FINANCIAL PLAN 2008

### 1. FINANCIAL REPORT 2007:

#### 1.1 Financial Management 2007:

- Set up and issue Manual, SOPs, Financial investment policy apply for joint stock company
- Financial report was yearly audited by E&Y and transactions were posted in accordance with prevailing Government accounting principles. All statutory tax must be cleared and paid on time.
- To hold the initiative in capital reservation in order to satisfy business activities, and prioritize capital for manufacturing projects

#### 1.2 Financial ratios 2007:

Unit: '000 dong

Item	Year 2007	Year 2006	% (+)/(-)6
Net sales	274.548.712	81.910.710	335,18%
- Self manufactured	148.232.699	54.973.305	269,64%
- Domestic and imported goods	126.316.013	26.937.405	468,92%
Cost of good sold	142.787.921	47.305.730	301,84%
- Self manufactured	44.508.645	24.722.062	180,03%
- Domestic and imported goods	98.279.276	22.583.668	435,17%
Profit from Operation	93.887.216	16.136.176	581,84%
Profit after tax	86.535.294	14.460.527	598,42%
Earning per share	7.428		
Total Assets	450.897.217	193.024.223	233,59%
Total charter capital	116.500.000	48.089.100	242,25%



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**Financial ratios 2007:**

	<b>Main financial ratios</b>	<b>Year 2007</b>	<b>Year 2006</b>	<b>% (+)/(-)</b>
<b>1</b>	<b>Liquidity ratio</b>			
	- Current ratio (time)	2,27	1,13	200%
	- Quick ratio (time)	2,14	1,00	214%
<b>2</b>	<b>Capital ratio</b>			
	- Total liabilities/ Total Assets (time)	0,51	0,63	80%
	- Total liabilities/ Total Owner's equity (time)	1,05	1,67	62%
<b>3</b>	<b>Management efficiency ratio</b>			
	- Turnover of Assets (time)	0,60	0,42	142%
	- Turnover of Fixed Asset (time)	1,90	0,96	197%
	- Turnover of working capital (time)	0,89	0,76	117%
	- Turnover of account receivable (time)	0,68	1,07	63%
	- Turnover of account payable (time)	1,56	0,72	216%
	- Turnover of inventory (time)	3,87	3,62	106%
<b>4</b>	<b>Profitability ratio</b>			
	- Profit after tax/ Net sales (%)	31,51	17,65	178%
	- Profit after tax/ Net sales / Owner's equity(%)	39,34	19,99	196%
	- Profit after tax/ Net sales / Total Asset (%)	19,19	7,49	256%
	- Profit from Operation/ Net sales (%)	34,19	19,70	173%



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### **1.3 Human resource and payroll management:**

#### **a) Payroll**

Payroll was discussed and compromised in the contract by both sides (convert to dong except expatriate staff was paid by USD). Salary will be paid on ability and performance of staff. The minimum level of labor should be not less than stipulated level approved by Government.

Normally staff's salary will be reviewed at the end of the year base on inflation index, performance of each staff, the business activities results of company and other economics conditions

Staff with excellent performance will be received bonus before stipulated time recorded in contract and bonus will depends on distribution to company

#### **b) Bonus**

Based on business activities result of company and seniority (at least 12 months) staff will be received bonus at the end of the year, at least equal 01 month salary, except the other excellent cases will be received higher bonus by cash or in kinds

Besides annual bonus as above, staff also can be received bonus base on their performance. The evaluation on staff's performance was recorded in company's policy

#### **c) Allowance**

Staff will be received the following allowances such as: lunch fees, transportation, over-times, uniform

#### **d) Health supports**

Besides health insurance, staff still can get free 100% support by using medicines that company manufactures if they can show up doctors' prescriptions

#### **e) Welfares**

100% social insurance base on the basic salary in the contract will be offer for staff in accordance with labor law

Entertainment: Normally the company will hold a travel to many resorts in Vietnam or overseas if possible

Gifts for holidays: Staff will be normally received gifts in the following cases: Western new-year, Lunar year, international lady-day, International labor-day, Liberty-day, International day (staffs' children have ages less than 15)

#### **f) Annual leave:**

Staff, who have working time in company over 3 years up will be added 01 day annual leave since the 4<sup>th</sup> year, but not more than 6 days



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## 2. FINANCIAL PLAN 2008:

Unit: '000 dong

Items	Year 2008	Year 2007	% (+)/(-)
Total net sales	338.381.169	274.548.712	123,25%
- Self manufactured	186.990.593	148.232.699	126,14%
- Domestic and imported goods	151.390.576	126.316.013	119,85%
Cost of Goods sold	168.473.594	142.787.921	117,98%
- Self manufactured	50.077.273	44.508.645	112,51%
- Domestic and imported goods	118.396.321	98.279.276	120,46%
Profit from operation	119.482.062	93.887.216	127,26%
Profit after tax	110.520.907	86.535.294	127,71%
Earning per share	9.486	7.428	127,70%
Total Assets	572.000.000	450.897.217	126,85%
Total Charter capital	116.500.000	116.500.000	100%

### In order to achieve the above targets, ICA must have some of solutions as below:

- Strictly control expenses, cost by allocating annual budget to each division. At the end of the month, each division must submit the analysis report and explain for unusual increase or decrease of expenses, cost. Each division should self control expenses more efficient
- Reserve capital for current potential products which have high sales in the market. Avoid manufacturing without plan, and big inventory reservation.
- Strictly control aging report, speed up money collection from clients and reduce bank's interest in the future
- Searching co-operated capital to expand manufacturing and exploit all company's advantages such as large factory, product quality, product brand....

### Human Resource and payroll policy:

- All staff should be recruited in accordance with company's requirements. Most of staff were recruited have factual competency, experience, skill and introduced through many famous consultants such as Navigos, First Alliances, Vietnamworks.com, Talent.Net, ...
- Try to get labor 's average salary around 6 million Vietnam dong/person /month



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**Plan for capital acquisition:**

- Efficiently usage the charter company's capital comprise Owner's equity, accumulative profits and bank loan for purchasing materials, salary, bonus payment, advertisement and promotion fees, bank interest fees....
- ICA has been invited domestic and foreign investors' capital to joint in some new projects regarding expand manufacturing and intends to list to stock market in Ho Chi Minh city as well in foreign countries in near future

Above are financial reports 2007 which was audited by E & Y and financial plan 2008 of ICA Biotechnology and Pharmaceutical.

We would like to get your comments and advices

Respectfully,

**ON BEHALF OF BOARD OF MANAGEMENT  
CHAIRMAN  
NGÔ VĂN TOÀN**