

No: 19.../2017/TTHĐQT-ĐHĐCĐ

Hanoi, March 15th, 2017

STATEMENT
2017 ANNUAL GENERAL MEETING
Re: Traphaco JSC's Strategy for the period of 2017-2020

To: GENERAL MEETING OF SHAREHOLDERS

Pursuant to:

- The Enterprise Law No. 68/2014/QH13 by the 13th National Assembly of the Socialist Republic of Vietnam dated 26/11/2014;
- The Corporate Charter of TRAPHACO JSC;
- The 2015 consolidated financial statement audited by Deloitte Vietnam Co., Ltd.;
- The Resolution No. 33/2016/NQ-ĐHĐCĐ dated 30/3/2016 of the General Meeting of Shareholders, term of 2016 - 2020,

The Board of Directors submits to the 2017 Annual General Meeting the 2017-2020 Strategy for Traphaco JSC with the main contents as follows:

1.1. MISSION, VISION, CORE VALUES

- **Mission:** Pioneering in manufacturing "green" medicine to protect people's health.
- **Vision 2020:** By 2020, Traphaco will rank No. 1 among Vietnamese pharmaceutical companies in terms of growth of revenue and profit and market capitalization.
- **Core values: Pioneer - Creativity - Responsibility - Identity**
 - **Pioneer:** Pioneer in managing green value chain, innovate and apply new knowledge and technologies.
 - **Creativity:** Create products and services with perfect quality that bear Traphaco's intellectual uniqueness.
 - **Responsibilities:** Commit and fulfill responsibilities to society, shareholders, clients, partners and employees on the principle of mutual benefit.
 - **Identity:** Traphaco's identity of culture and people: Desire, passion, dedication.

1.2. GENERAL GOALS TO 2020

- ✓ Rank No. 1 among Vietnamese pharmaceutical companies in terms of growth of revenue and profit and market capitalization. Become the leading Green brand in Vietnam.
- ✓ Market capitalization: VND 10,000 billion. Total revenue: VND 4,000 billion. Total profit: VND 500 billion.
- ✓ Technology as the most advanced in Vietnam's pharmaceutical industry.
- ✓ Modern Management System based on information-integrated platform.

- ✓ Traphaco-ers are happy, satisfy with life and work, Traphaco's workplace is one of the best working environment in Vietnam.

1.3. THE BASIC FINANCIAL INDICATORS

Growth rate/year	2016		2017		2018		2019		2020	
	(billion)	%	(billion)	%	(billion)	%	(billion)	%	(billion)	%
Revenue	2100	15%	2000	15%	2400	20%	3000	25%	4000	33%
Profit	210	18%	240	14%	300	25%	400	33%	500	25%
Market capitalization	4200	20 times PAT			6000	20 times PAT			10000	20 times PAT

- 15% increase in 2017 compared to 2016, but the total revenue is estimated at 2,000 billion due to the fact that the revenue from the goods imported for Nam Duong Co., Ltd and the revenue of Thai Nguyen in three quarters are excluded.

1.4. POSITIONING STRATEGY

- Focus on the domestic market, breakthrough in the South market.
- Diversify products based on the balance of capabilities among R&D - Manufacturing - Distribution, ultimately upholding Traphaco's comparative advantage.
- Modernize the supply chain based on advanced technologies and modern management system.
- Develop cooperation and partnership based on extensive, intensive and well-established distribution system.
- Balance resources; synthesize and integrate values to create competitive advantages, based on core competencies for sustainable development.
- Develop the value chain of Traphaco's entire system.

Respectfully submitted to the AGM for consideration and approval 

Regards.

Recipients:

- 2017 AGM;
- Members of BoD, Executive Board, Supervisory Board;
- Website TRAPHACO;
- Archive HC.

**B/O. THE BOARD OF DIRECTORS
CHAIRWOMAN**

(signed)

MSc. Vu Thi Thuan