

**MINUTES**

**THE ANNUAL GENERAL MEETING IN 2018**

*DOMESCO Medical Import Export JSC*

*66 – Highway 30 – My Phu Ward – Cao Lanh City – Dong Thap Province*

*Business registration certificate No. 1400460395 issued by the Planning and Investment Department of Dong Thap Province, first time on 30/12/2003 and registered for the 34<sup>th</sup> on 26/07/2016.*

Today, at 9:00 a.m, April 24<sup>th</sup>, 2018, at the conference hall of DOMESCO Medical Import - Export Joint Stock Corporation, No. 66, National road 30, My Phu Ward, Cao Lanh City, Dong Thap Province hosts the Annual General Meeting (AGM) in 2018.

**A/ PARTICIPANTS AND LEGALITY, VALIDITY OF THE GENERAL MEETING:**

**I/ PARTICIPANTS:**

- Shareholders and authorized shareholders who own DOMESCO shares as of the record date (28/3/2018) issued by Securities Depository Center – Ho Chi Minh Branch.

Delegates were invited to the Meeting:

- Representatives State Capital Investment Corporation (SCIC).
- Representatives of Ernst & Young Viet Nam limited.

**II/ LEGALITY, VALIDITY OF THE MEETING:**

Mr. Nguyen Phi Thuc – Head of Board of Supervisory reports on the examination of shareholders' attendance:

1. The total shares of the Company is **34.727.465**; There are **34.727.465** shares with the voting right.

2. There are 1.485 shareholders were invited to attend the meeting, standing for **34.727.465** shares with the voting right.

3. Today, there are 50 shareholders and authorized shareholders in attendance, representing for 30.180.315 shares with the voting right, accounted for 86,91% of the total shares with the voting right.

4. All representatives are eligible to attend in the Meeting.

- Pursuant to the Enterprise Law 2014 and the Charter on organization and operation of DOMESCO Medical Import-Export JSC, the total shareholders and representatives at the AGM in 2018 of 86,91% is higher than the minimum rate of 51% of voting rights in charter, therefore, the AGM in 2018 of is legal and valid.

## **B. MEETING CONTENTS:**

**I/ Mr. Tran Thanh Thuc** – representative of the organizing committee presents the working and voting regulations of the Meeting.

*(Adopted by 100% shareholders and representatives at the meeting)*

**II/ Notice for nomination and approval of the list of Presidium; Secretariat; The Vote Counting Committee:**

**1.** The Organizing Committee presents the number of Presidium (3 people), Secretariat (2 people), the Vote Counting Committee (3 people).

*(Adopted by 100% shareholders and representatives at the meeting)*

**2.** The Organizing Committee presents the list of Presidium, Secretariat, Vote Counting Committee:

**2.1. The Presidium consists of:**

- |                              |  |
|------------------------------|--|
| 1/ Mr. Le Dinh Buu Tri       | - Chairman of Board of Director.                           |
| 2/ Ms. Luong Thi Huong Giang | - Vice Chairman of Board of Director cum General Director. |
| 3/ Mr. Nguyen Van Hoa        | - Member of Board of Director cum Vice General Director.   |

**2.2. The Secretariat consists of:**

- 1/ Ms. Luong Thi Bich Nhung
- 2/ Ms. Dao Thi Thuy Trang

**2.3. The Vote Counting Committee consists of:**

- 1/ Mr. Tran Thanh Thuc - Head of the Committee
- 2/ Ms. Vo Thi Kim Phung - Member
- 3/ Mr. Tran Nguyen Cuong - Member

*(Adopted by 100% shareholders and representatives at the meeting)*

## **III. CONTENTS OF THE GENERAL MEETING:**

**1.** On behalf of the organizing committee, Mr. Le Manh Tuan reports the Agenda for the General Meeting.

Some shareholders proposed that the AGM's agenda should be not contained the contents of charter's amendment and the internal corporate governance regulation of Domesco because they need more time to review it.

The general meeting agreed above proposal and voted directly at the General meeting with approval of 100% shareholders and representatives at the meeting as the attached agenda.

**2.** Nguyen Van Hoa - Member of Board of Director cum Vice General Director presents the Board of Director report on business performance in 2017 *(File enclosed)*.

**3.** Mr. Le Dinh Buu Tri – Chairman of Board of Director report on business plan in 2018 *(File enclosed)*.

4. Mr. Nguyen Phi Thuc – Head of Board of Supervisory presents Board of Supervisory report in 2017 and the plan in 2018 (*File enclosed*).

5. Ms. Nguyen Thi Nhu Quynh – Representatives of Ernst & Young Viet Nam limited presents Auditing results of consolidated financial statements in 2017 (*File enclosed*)

6. Ms. Luong Thi Huong Giang - Vice Chairman of Board of Director cum General Director presents Proposal for profit allocation in 2017. The profit allocation plan in 2018 (*File enclosed*)

7. Mr. Nguyen Phi Thuc – Head of Board of Supervisory presents proposal for choosing the auditing company for fiscal year 2018 (*File enclosed*).

\* Mr. Nguyen Phi Thuc – Head of Board of Supervisory presents: reports on the additional examination of shareholders' attendance

- Until 9:50 a.m, 24/4/2018, there are more 07 shareholders representing for 8.829 shares to additionally register in attendance. Therefore, the content after the proposal for choosing the auditing company for fiscal year 2018, there are 57 shareholders representing for **30.189.144** shares with the voting right, accounted for 86,93% of the total shares of the Company.

8. Mr. Le Dinh Buu Tri – Chairman of Board of Director presents the proposal for establishing Board of Director's subcommittees (*File enclosed*).

**Shareholders discuss, contribute ideas at the meeting**

Commentary	Answer from the board
1/ Domesco's facilities are said to be at full capacity, but by 2017 sales and profits continue to grow. Congratulations to Domesco.  I find the 2018 plan looks modest and slower than the company's recent growth.  What are the difficulties for 2018,  In 2018, will Domesco continue to restructure product portfolio to maintain profit growth?	- Over the years, DMC has continuously upgraded its factory in terms of quality and capacity. Therefore, over the next 3 years, DMC still has enough capacity to meet the demand of production and business.  - The plan for 2018 only increased 9.65% of revenue and 8.3% of profit after tax for the following reasons: Vietnam's pharmaceutical industry must depend 90% on imports. From Q2/2017 to tighten the protection of the environment, many countries have closed many factories producing raw materials and pharmaceutical intermediates (more than 20,000 factories), making raw materials and intermediates price soaring, specific material has increased 2-3 times so the cost of products increased significantly. In addition, pharmaceutical products are managed by state' departments, so it is not easy to raise prices even if raw materials and input costs are increasing, leading to the situation of raw materials increase, the price cannot increase.  The planned price of the tender packages in

	<p>2018 has been approved in 2017 (the price of raw materials did not increase dramatically), so many products cannot bidding due to the cost of good is higher than planned price.</p> <p>The OTC market is fiercely competitive as domestic pharmaceutical companies produce similar types of products</p> <p>So to maintain revenue and profit growth as the plan number in 2018 is a huge effort. To overcome the market difficulties in this period, the Domesco BOD and Executive board have specific plans to implement in order to maintain these growth.</p>
<p>2/ What the role of Abbott in 2018 plan implementation (for example franchising). Does DMC's factory standards meet Abbott's franchise?</p>	<p>Shareholder has been accompany with Domesco in the past years probably observe that the Company has been increase steadily in sales and profits over the past four to five years. Especially the spectacular growth of profitability. The business result is the clear answer from BOD and in which Abbott has 4/7 board members. At DMC, the BOD members are assigned the task to support for executive board based on the advantages and experience of each member. Therefore, the success of DMC is the remark of Abbott at DMC. Regarding of franchise products is the business secret. However, DMC affirmed that there are two potential strategic shareholders such as Abbott and SCIC. Shareholders will continue to support Domesco for sustainable development and to maximize their investment in DMC.</p> <p><b>Abbott representative:</b> The role of Abbott at DMC is only a short time, so it is difficult to compare with the great contribution from SCIC, the Executive Board and DMC employees. Abbott emphasized that the relationship between DMC - Abbott is a long-term relationship and will be as following purposes:</p> <ul style="list-style-type: none"> <li>- Helping the company reach the same level as the world-class companies such as Abbott.</li> <li>-The health care market in Vietnam has improved significantly, always changing and more demanding. Abbott's experience will help DMC anticipate the difficulties of</li> </ul>

	<p>entering the market effectively.</p> <p>However, with any involvement of Abbott, I always emphasize the role of BOD, Executive Board are very important. I would like to thank and appreciate this cooperation of the Board and especially SCIC shareholder.</p>
3/ The bidding document is currently only draft, whether DMC is waiting for the guiding documents to have more favorable for production?	<p>The tender was issued for consultation in February 2018 and is expected to be implemented in the second half of 2018. Domesco has researched to minimize risks and take advantage of the potential for advantages and ready to be implemented when this document is officially issued</p>
4/ What is the effect of new relating pharmaceutical regulation to local manufacturers?	<p>-They are affecting directly to DOMESCO business however this is the integration of Vietnam with Asia nations and global pharmaceutical industry.</p> <p>-It's necessary to classify enterprises/manufacturers who have not meet the standard requirements. For the long-term growth this help for standard manufacturers will have the sustainable development.</p> <p>-Domesco has strategic committee, they review all regulation will come to effect in this year and will foresee the impact to manufacturer in general and Domesco especially. After assessment they will propose possible solution to minimize risk (if yes).</p>
5/ How is the competitiveness on OTC, ETC market? Can DMC share the plan for the next 3-5 years?	<p>- The fierce competition still exists, to survive and develop Domesco's strategy is differentiate by launching new products, especial treatment with hi-tech dosage forms. High technology to compete and develop, ensuring Domesco's growth</p> <p>- DMC's product strategy is constantly changing, always creative and innovative in product portfolio restructuring. Domesco always strive to satisfy the trust of shareholders and to ensure the development of the company in the coming years.</p>
6/ From 2016: Abbott conducts M&A with Vietnam companies. According to recorded information, Abbott has transferred 28 products to DMC, in the future whether	<p><b>Mr. Peter Huang</b> - CEO of Abbott Asia-Pacific: Abbott's pharmaceutical market in Vietnam occupies the largest market share of Abbott in Asia Pacific</p>

<p>DMC will continue to receive the franchise from Abbott to create differentiate and breakthrough or not? What is the plan of cooperation between Abbott and DMC?</p>	<p>Abbott has been involved in many M&amp;A in Vietnam (such as Glomed, etc.), thereby streamlining its activities to accelerate Abbott's activities in Vietnamese market as well as to improve the production capabilities at those companies.</p> <p>In terms of long-term strategy, Abbott will accompany with these companies to improve their position and scale of development in Vietnam.</p>
<p>7/ Some of Abbott's regulations are being implemented step by step at DMC. So does Abbott use the rights of major shareholders to influence small shareholders?</p> <p>Does the expanding room eliminating some business lines is the reason for DMC's revenue not as expected recently?</p>	<p>- DMC is a listed company so DMC always complies with the laws, company's Charter and regulation. DMC always maintains the operational criteria of "Living and working in accordance with the law", DMC has their own regulations, policies, SOP, ... and in general, the issuance of 01 document or regulation must follow the process and must be approved by leaders, consultants from Department of Legislation and internal inspection, if necessary, some documents will consult with Labor Union on behalf of the workers.</p> <p>In brief: the process of working at DMC is to comply with the regulations of joint stock listed companies and Vietnam regulations where Domesco's revenue and production activities generated. No matter how big or small shareholder has the right to interfere in company operation if it does not comply with the company's internal management rules and regulations.</p> <p>- Kindly confirm: manufacturing is not affected by investment operation of foreign investors according to the Vietnamese investment law. Therefore, expanding room does not affect significantly to the Company's production.</p> <p>-Trading: only limited business to third parties. However, Domesco's strategy initially is to focus on the core business which is manufacturing goods because this is the highest profits for Domesco.</p>
<p>8/ Abbott board member at Domesco changing every year, does it affect the</p>	<p>The change is undesirable, but the reason is that the member reached to retirement age or</p>

operation of the company?	<p>transferred to other regions which do not include Vietnam. This change is also due to the desire to serve better, change for more direct purpose in the direction and management at Domesco.</p> <p>The change does not disrupt the implementation of the BOD's strategy and does not affect DMC operations.</p>
9/ Does the SCIC's divestment plan at DMC take place?	<b>SCIC representative said:</b> This issue is not within the scope of the conference today, so will exchange at other information channels.
10/ Does DMC carry out supplement dietary distribution for Digiworld (DGW)?	<p>No, it does not</p> <p>DMC does toll-manufacturing supplement dietary product by order of Digiworld (DGW).</p>
11/ Many pharmaceutical companies have built factories meeting PIC/S, EU-GMP standards, but DMC still has. What is DMC's plan for the next three year?	<p>As the market and macro policies in Vietnam and global have changed significantly over the previous year, in order to optimize the investment and preserve shareholders' assets, BOD needs to revise initial strategy to ensure the success of the investment.</p> <p>Investment in plant satisfy EU-GMP standard is also Domesco plan. DMC has the advantage of Abbott experts support regarding technology when building a plant so there is no need to invite external experts. In addition, the free cash flow (shown in the balance sheet) at Domesco is plentiful so Domesco is always stand by for this investment if the opportunity is good enough.</p>

**9.** Mr. Tran Thanh Thuc – Head of the Vote Counting Committee gives shareholders instructions to vote:

#### **Shareholders carry out election**

**10.** On behalf of the Vote Counting Committee, Mr. Tran Thanh Thuc discloses the vote counting minutes with the following result:

Content 1: Board of Director report on business performance in 2017

Contents	Favor	against	Abstention	Invalid	Total
Number of shares	30.185.209			2.108	30.187.317
%	100	0,0	0,0	0,0	100

Content 2: Board of Director report on business plan in 2018.

Contents	Favor	against	Abstention	Invalid	Total
Number of shares	30.187.317				30.187.317
%	100	0,0	0,0	0,0	100

Content 3: Board of Supervisory report in 2017 and the plan in 2018

Contents	Favor	against	Abstention	Invalid	Total
Number of shares	30.187.317				30.187.317
%	100	0,0	0,0	0,0	100

Content 4: Auditing results of financial statements in 2017

Contents	Favor	against	Abstention	Invalid	Total
Number of shares	30.187.317				30.187.317
%	100	0,0	0,0	0,0	100

Content 5 Proposal for profit allocation in 2017. The profit allocation plan in 2018.

Contents	Favor	against	Abstention	Invalid	Total
Number of shares	30.187.317				30.187.317
%	100	0,0	0,0	0,0	100

Content 6 Proposal for choosing the auditing company for fiscal year 2018

Contents	Favor	against	Abstention	Invalid	Total
Number of shares	30.186.732		585		30.187.317
%	100	0,0	0,0	0,0	100

Content 7 Proposal for establishing Board of Director's subcommittees

Contents	Favor	against	Abstention	Invalid	Total
Number of shares	30.186.790		527		30.187.317
%	100	0,0	0,0	0,0	100



The Minutes dated April 24, 2018 of the Annual General Meeting 2018 of DOMESCO Medical Import-Export JSC is a legal basis for Resolution of the Annual General Meeting 2018 of DOMESCO Medical Import-Export JSC.

This Minutes disclosed at 11:45AM, April 24, 2018 and approved by 100% shareholders and representatives at the Meeting./.

**ON BEHALF OF THE ANNUAL GENERAL MEETING IN 2018  
DOMESCO MEDICAL IMPORT-EXPORT JSC  
CHAIRMAN OF THE MEETING**

**SECRETARIAT**

1/ Ms. Luong Thi Bich Nhung

(signed & sealed)

2/ Ms. Dao Thi Thuy Trang

Le Dinh Buu Tri

[ NOTICE: This version is a translation of Vietnamese language original for convenience purpose only, and in the event of discrepancy, the Vietnamese language original shall prevail].