

MINUTE OF 2016 ANNUAL GENERAL MEETING OF DHG PHARMA

Today, at 8:40 am on 18 April 2017, at the Headquarter of DHG Pharmaceutical Joint Stock Company - Address: 288Bis Nguyen Van Cu, An Hoa Ward, Ninh Kieu Dist. Can Tho. DHG Pharma - Business number: 1800156801, issued by Can Tho Department of Planning and Investment. 1st time issued was on 15 September 2004, 22nd revision was on 29 July 2016, the 2016 Annual General Meeting (hereinafter referred to as "Annual General Meeting") was held with the following details:

I. Attendance, legality and validity of the Meeting.

1. Attendance:

- Representatives of State Capital Investment Cooperation (SCIC)
- Representatives of Deloitte Vietnam Company Limited
- Members of the Board of Directors (BOD) and Board of Supervisory (BOS) term III (2014 – 2018) and members of the Board of Executive of DHG Pharma attend the meeting as follows:

No.	Full name	Position
1.	Mr. Hoang Nguyen Hoc	BOD Chairman
2.	Mr. Le Dinh Buu Tri	BOD Vice Chairman
3.	Mrs. Pham Thi Viet Nga	BOD member General Director
4.	Mr. Doan Dinh Duy Khuong	BOD member Deputy Director
5.	Mr. Tran Chi Liem	BOD member
6.	Mr. Jun Kuroda	BOD member
7.	Mr. Tran Quoc Hung	Head of BOS
8.	Mrs. Nguyen Phuong Thao	Member of BOS
9.	Mr. Le Chanh Dao	Deputy Director
10.	Mrs. Nguyen Ngoc Diep	Deputy Director

- The Company's shareholders.

2. The legality and the validity of the Meeting:

According to the minute No. 001/2017/BB.ĐHĐCĐ dated 18 April 2017 of the Shareholder Status Checking Board, **Mrs. Tran Thi Anh Nhu – Head of Shareholder Status Checking Board** announced shareholders who are eligible to attend the 2016 Annual General Meeting of DHG Pharma.

No.	Shareholders' attendances at the Meeting	Number of Shareholders	Number of shares	Percentage (%) of voting shares
1.	Total shareholders who are eligible to vote in accordance with the list of shareholders dated 09 March 2017	3,251	87,164,330	100%
2.	Absent shareholders who did not authorize anybody to attend the meeting	2,403	9,832,322	11.28%
3.	Shareholders' attendances at the Meeting (Include attendances of official shareholders and authorized shareholders)	848	77,332,008	88.72%

All shareholders and authorized representative of shareholders present at the AGM complete registration procedures and are qualified for the Meeting.

According to Article 141 of the Enterprise Law No. 68/2014 / QH13 dated 26 Nov 2014 and policies of the AGM, the AGM shall be held if the number of attending shareholders represents at least 51% of total votes.

According to Article 18 of the Model Charter attached to Circular No. 121/2012 / TT-BTC dated 26 July 2012, the AGM shall be held if the number of attending shareholders represents at least 65% of total shares with voting right.

Clause 1, Article 23 of the Regulation of Organization and Operation of DHG Pharma provides as follows: "The AGM shall be conducted if the number of attending shareholders represents at least 65% of total shares with voting right. "

Thus, in accordance with the Enterprise Law, Circular No. 121/2012 / TT-BTC and the Regulation of the Company, the 2016 AGM of DHG Pharma on 18 April 2017 represents 88.72% of total shares with voting rights is legal and valid.

II. Meeting Agenda:

1. Mr. Phan Luong Khai Hoan – On behalf of the Presidium– introduces the Presidium, Board of Secretary, Board of Verification and Board of Vote Checking.

The Presidium:

- + Mr. Hoang Nguyen Hoc – BOD Chairman – Chairman
- + Mr. Le Dinh Buu Tri – BOD Vice Chairman – Member
- + Mrs. Pham Thi Viet Nga – BOD Member, General Director – Member
- + Mr. Doan Dinh Duy Khuong – BOD Member, Deputy Director – Member

Board of Secretary

- + Mrs. Le Thi Hong Nhung – BOD Secretary – Head of the Board
- + Mrs Le Thi Hoang Niem – Expert of Internal Audit Committee – Member

Board of Verification (BOV)

+ *Mr. Tran Quoc Hung* – Head of BOS – Head of the Board

+ *Mr. Hua Truong Hai* – Member

Board of Vote Checking

+ *Mrs. Luong Thi Thai Hien* – Deputy Director of Distribution Center – Head of the Board

Group of vote counting and inputting:

Ms. Duong Kim Loan

Mrs Nguyen Thi Phuong Giang

Mr. Ta Quang Loc

Mr. Lieu Anh Khoa

Mr. Dang Van Vo

Mrs. Nguyen Doan Nhu Tran

- **Voting rate in form of showing voting cards:** 100% shareholders attending the Meeting unanimously passed the Presidium, the Board of Secretary, Board of Verification and Board of Vote Checking.
2. *Mr. Phan Luong Khai Hoan* – on behalf of the Presidium – unanimously passed The Meeting Agenda, Working Regulations, rules of voting and additional election of a BOD member in the 2016 AGM.

On 17 April 2017, the BOD of DHG Pharma agreed to submit the two (02) replaced statements to the AGM as follows:

- Statement No. 007/2017/TTr.DHG dated 17 April 2017 replaced Statement No. 001/2017/TTr.DHG dated 03 April 2017, regarding profit distribution in 2016 profit distribution plan in 2017 (replaced statement has been attached).
 - Statement No. 008/2017/TTr.DHG dated 17 April 2017 replaced Statement No. 003/2017/TTr.DHG dated 03 April 2017, regarding Employee Stock Ownership Plan (ESOP) (replaced statement has been attached).
- ⇒ **Voting rate in the form of showing voting card:** 100% shareholders attending the Meeting unanimously passed the Meeting Agenda, 02 replaced statements, Working Regulations, rules of voting and additional election of a BOD member at the Meeting.
3. **Mr. Doan Dinh Duy Khuong** – BOD member reported “Report of the BOD on the Performance Evaluation of the Company in 2016; Activities and Remuneration of the BOD in 2016; Investment Plans and Business Targets in 2017” (Report No. 001/2017/BC.ĐHĐCĐ dated 03 April 2017 has been attached).
4. **Mr. Tran Quoc Hung** – Head of the BOS – reported “Report of the BOS in 2016” (Report No. 002/2017/BC.ĐHĐCĐ dated 03 April 2017 has been attached).

5. Mr. **Ho Buu Huan** – Chief Accountant of the Company – reported “FY 2016 Consolidated Audited Financial Report of DHG Pharma” (Report No. 003/2017/BC.ĐHĐCĐ dated 03 April 2017 has been attached).
6. Mr. **Le Dinh Buu Tri** – Vice chairman of the BOD – reported “Statement of Profit Distribution in 2016 and Profit Distribution Plan in 2017” (Statement No. 007/2017/TTr.ĐHĐCĐ dated 17 April 2017 has been attached).
7. Mr. **Le Dinh Buu Tri** – Vice chairman of the BOD – reported “Statement of Selection of Independent Audit Unit for FY 2017 Financial Report” (Statement No. 002/2017/TTr.ĐHĐCĐ dated 03 April 2017 has been attached).
8. Mrs. **Pham Thi Viet Nga** – BOD member, General Director – reported “Statement of buying Treasury Shares to Sell to Employees with Preferential Pricing” (Statement No. 008/2017/TTr.ĐHĐCĐ dated 17 April 2017 has been attached).
9. Mrs. **Pham Thi Viet Nga** – BOD Member, General Director – reported “Statement of the Issuance of Shares to Increase Share Capital from Owner’s Equity” (Statement No. 004/2017/TTr.ĐHĐCĐ dated 03 April 2017 has been attached).
10. Mr. **Tran Chi Liem** – BOD member – reported “Statement of the Removal and Additional Election of BOD Members” Term III (2014 – 2018)” (Statement No. 005/2017/TTr.ĐHĐCĐ dated 03 April 2017 has been attached).
11. Mr. **Le Dinh Buu Tri** – Vice Chairman of the BOD – reported “Statement of Opening up Foreign Ownership Limit at DHG Pharma” (Statement No. 006/2017/TTr.ĐHĐCĐ dated 03 April 2017 has been attached).
12. Comments and questions of shareholders and answers given by the Presidium regarding the Meeting agenda.

Questions of shareholders	Answers given by the Presidium
<p>1. Question for Mr. Hoang Nguyen Hoc (The Presidium – Deputy Director of SCIC):</p> <ul style="list-style-type: none"> - Plan of SCIC at DHG in the future? - SCIC supports Taisho to publicly bid in order to raise the ownership ratio at DHG, therefore is it true that SCIC agrees for DHG to opening up the foreign ownership limit? 	<p>Answers given by Mr. Hoang Nguyen Hoc</p> <ul style="list-style-type: none"> - For the time being, according to the general trend, SCIC may consider to divest but just in short term period, SCIC has not got any plans for 2- 3 years . - With the responsibility of being a major shareholder, SCIC will continue to work with DHG Pharma in order to achieve revenue target, profit and development strategy approved by the AGM. - Opening up foreign ownership limit is the general trend nowadays. DHG opens up the foreign ownership limit, so that the Company’s shares are better in trading. It is also considered not to significantly affect the Company’s strategies and business plans in the medium and long term.

Questions of shareholders	Answers given by the Presidium
	<ul style="list-style-type: none"> - Opening up foreign ownership limit is also aimed if SCIC sold owned shares, it would be more fair for foreign and domestic shareholders. - The BOD asked Taisho for a contribution to DHG as both a major holder and a business partner. Taisho proposed the BOD to have packages of contribution in regards to upgrading factory standards, R&D, production management and business cooperation. - SCIC supports Taisho to increase ownership limit at DHG, but not support Taisho to usurp DHG. DHG's products and trademark are still owned by DHG. Therefore, in the shareholders' agreement, the approval rating of important decisions at AGM still holds over 65%.
<p>2. Questions for Mr. Jun Kuroda</p> <ul style="list-style-type: none"> - Does Taisho have any plans in DHG? - If Taisho held over 51% of ownership limit, would Taisho change any plan at DHG? - What kind of technology Taisho expects to transfer to DHG? - Does Taisho intend to usurp DHG like what Taisho is used to with other companies in the region. 	<p>Answers given by Mr. Jun Kuroda:</p> <ul style="list-style-type: none"> - Taisho is holding 24,5% of shares in DHG. Taisho expects to assist DHG in production technology and technology transfer in order to lift DHG to new heights and help DHG to be more competitive in foreign and domestic markets. - Taisho is a big pharmaceutical company in Japan and Taisho believes that Taisho will assist DHG to have faster and stronger developments. If there was an opportunity for Taisho to have more shares ownership at DHG, Taisho would have more contribution to DHG. - Taisho assisted DHG to upgrade the effervescent line in accordance with PIC/S standard, which has been completed at the end of March 2017. Taisho is planning to upgrade other remaining lines. - Over the years, Taisho has made many of M&A deals. However, Taisho does not intend to usurp DHG, but co-develop with DHG, so that shareholders receive added values from this development.
<p>3. Question for Mr. Jun Kuroda:</p> <p>Taisho's business results in the last 3 years were not positive (revenue was not increased, profit declined).</p>	<p>It is suggested that shareholders should focus questions on the Meeting agenda and activities of DHG. If shareholders want to have more information on Taisho, it is able to have a private</p>

Questions of shareholders	Answers given by the Presidium
How does Taisho plan to develop in medium and long term?	talk with Taisho's representative.
4. How does export revenue of DHG grow in 2016 and plan of 2017?	In 2016, export revenue of DHG reached 1.8 million USD as reported. The Company also sets growth plans for each year in order to reach 4.5 million USD in 2020.
5. How are the revenues of OTC and ETC channels increased?	DHG does not operate the revenue under OTC and ETC channels, but pharmacy channel and hospital channel. According to the plan of 2016 – 2020 , the hospital channel accounts for over 10% of revenue each year. The proportion of the hospital channel reached 14% in 2016.
6. How does modern channel revenue contribute to DHG's overall revenue?	DHG develops to distribute its products at supermarket shelves, convenience stores for consumers to have more opportunities to choose OTC products and DHG's dietary supplements such as Naturenz, NattoEnzym, Spivital and so forth. The development of modern channel in 2016-2017 is more communicative but still contributes a certain amount of revenue. By 2020, according to the general development trend, modern channels will make a significant contribution to revenue.
7. What is the reason why the revenue growth in 2016 is lower than profit?	<p>DHG has developed the 5 year plan very careful and detailed. 2016 and 2017 are the 2 foundation years for the Company to change the structure of general warehouse model, sales system model, systems meet PIC/S standard, ... in order to reach 300 million USD in revenue in 2020.</p> <p>Profits in 2016 outperformed revenues growth due to product portfolio restructuring, product rationalization and cost efficiency.</p>
8. Are medicine or dietary supplements the strenght of DHG in 2017 and upcoming years?	The business strategy of DHG has also elaborated business plan of each item. However, the BOD and BOE will consider further increasing proportion of dietary supplement groups.
9. When did the company pay 35% dividend?	As soon as the AGM approves the profit distribution in 2016, the BOD will conduct a meeting regarding the Resolution of implementation of the AGM. The dividend will be paid at the earliest time as regulated.
10. New product development plan of DHG	At the Meeting, kindly refrain from detailed report of new products as it depends on the product registration. DHG has put new product targets and product revenues into the Executive Board's KPIs.

13. Votes on the Meeting contents by voting cards and announcement of voting results

At the time of voting and electing, the number of shareholders attending the Meeting (*Include attendances of official shareholders and authorized shareholders*) is 853 shareholders, who represents for 77,332,133 shares, equivalent to 88.72% eligible voting shares of the Company.

According to minutes of vote checking No. 002/2017/BB.ĐHĐCĐ dated 18 April 2017 reported at the Meeting by Mrs. Luong Thi Thai Hien:

Voting results are as follows:

No.	Contents	Approved		Disapproved		No idea	
		Number of shares	Percent age (%)	Number of shares	Perce ntage (%)	Number of shares	Perce ntage (%)
1	Report No. 001/2017/BC.ĐHĐCĐ dated 03 April 2017 of the BOD regarding the evaluation on the performance of the Company in 2016; Activities and remuneration of the BOD in 2016; Investment plan in 2017 and business target in 2017	77,314,066	99.98%	-	0.00%	18,067	0.02%
2	Report No. 002/2017/BC.ĐHĐCĐ dated 03 April 2017 of the BOS in 2016	77,314,066	99.98%	-	0.00%	18,067	0.02%
3	Report No. 003/2017/BC.ĐHĐCĐ dated 03 April 2017 regarding consolidated audited financial report for the year 2016	77,314,066	99.98%	-	0.00%	18,067	0.02%
4.1	Statement No. 007/2017/TTr.ĐHĐCĐ dated 17 April 2017 regarding profit distribution in 2016	77,320,532	99.98%	-	0.00%	11,601	0.02%
4.2	Statement No. 007/2017/TTr.ĐHĐCĐ dated 17/ April 2017 regarding profit distribution plan in 2017	77,320,532	99.86%	-	0.00%	106,601	0.14%
5	Statement No. 002/2017/TTr.ĐHĐCĐ dated 03 April 2017 regarding the selection of independent auditor for the 2017 Financial report	76,441,372	98.85%	-	0.00%	890,761	1.15%
6	Statement No. 008/2017/TTr.ĐHĐCĐ dated 17 April 2017 regarding buying treasury shares to sell to employees with preferential pricing	62,483,954	82.27%	3,058,425	4.03%	10,407,857	13.70%
7	Statement No. 004/2017/TTr.ĐHĐCĐ dated 03 April 2017 regarding the issuance of share to increase share capital from equity. Issued rate 2:1.	77,320,532	99.98%	-	0.00%	11,601	0.02%
8	Statement No. 005/2017/TTr.ĐHĐCĐ dated 03 April 2017 regarding the dismissal of Board Member's positions towards Mrs. Dang Pham Minh Loan and Mr. Shuheh Tabata	77,320,532	99.98%	-	0.00%	11,601	0.02%

No.	Contents	Approved		Disapproved		No idea	
		Number of shares	Percentage (%)	Number of shares	Percentage (%)	Number of shares	Percentage (%)
9	Statement No. 006/2017/TTr.ĐHĐCĐ dated 03 April 2017 regarding the policy of raising foreign ownership limit at DHG Pharma	77,318,691	99.98%	1,841	0.00%	11,601	0.02%

Voting result on the additional member of the BOD is as follows:

No.	Content	Trust		Untrust		No idea	
		Number of shares	Percentage (%)	Number of shares	Percentage (%)	Number of shares	Percentage (%)
10	Approved Mr. Jun Kuroda to be a BOD member of DHG Pharma Term III (2014 – 2018), replacing Mrs. Dang Pham Minh Loan	77,115,280	99.72%	143,520	0.19%	73,333	0.09%

Thus, the contents have been validly passed at the Meeting because of the number of shareholders representing more than 65% of the total votes of shareholders attending the meeting agreed.

The Annual General Meeting of DHG Pharma 2016 ends at 11:50 am on the same day. The minutes of the meeting are made in 04 copies and validly passed at the meeting.

The contents approved by the Annual General Meeting will be included in the Resolution of DHG Pharma's Annual General Meeting dated 18 April 2016.

Board of Secretary

Le Thi Hong Nhung

Le Thi Hoang Niem

**CHAIRMAN OF
DHG PHARMA
2016 ANNUAL GENERAL MEETING
CHAIRMAN OF THE BOD**

Hoang Nguyen Hoc