



ANNUAL REPORT 2016

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PURPOSE, VISION, and CORE VALUES (PVCV)

OUR PURPOSE

We have a simple but clear purpose - **TO HOLD THE CARE OF HUMAN LIFE AS OUR HIGHEST PRIORITY.**

OUR VISION

Our distinct Purpose and our operational expertise across our business processes will help realize our vision - **TO BE A HEALTHCARE LEADER AND THE PREEMINENT PROVIDER OF INNOVATIVE NATURAL PHARMACEUTICAL PRODUCTS. WE ARE A COMPANY THAT VALUES THE WELL-BEING OF THE COMMUNITY AND PROMOTES A HEALTHY LIFESTYLE IN A SOCIALLY RESPONSIBLE WAY.**

OUR CORE VALUES

Our Purpose and Vision are ambitious. They are supported by our Core Values that are consistent with the expectation of our stakeholders and community.



ABSOLUTE INTEGRITY

We adhere to the highest standards of ethical behavior within the internal and external business environment. We are committed to be transparent and compliant in all of our processes.



MUTUAL RESPECT

We value diversity in team collaboration and nurture sustainable trusting relationships in everything we do.



PASSION FOR INNOVATION

We enable the innovative spirit and mindset in everything we do to continuously improve. We will embrace creative thinking in developing new products and services, and find better ways to solve problems and to face challenges.



CULTURE OF DISCIPLINE

We will embed the culture that requires disciplined people who engage in disciplined thought and then take disciplined action towards achieving company objectives, and strive for self-discipline to follow its policies and procedures.



Curcuma
Plus

Siapkan
masa depannya,
hari ini



2016 Highlights

2016 Highlights

2016 Performance and Financial Highlights

2016 Significant Events

Top Products

2016 Project Highlights

We did it!

Imboost is now the #1 selling pharmaceutical product in Indonesia and the most valuable brand in the Indonesian healthcare market. There's a lot to be proud of!

2016 Performance and Financial Highlights

Kinerja di 2016

During 2016, in an overall still slow market environment, we continued to make clear strategic decisions to consistently improve SGH performance while giving back to the community.

Sepanjang 2016, ditengah kondisi pasar yang masih bertumbuh lamban, kita telah membuat keputusan-keputusan strategis yang jelas untuk secara konsisten memperbaiki kinerja SGH sambil menciptakan nilai dan membagikan kembali kepada masyarakat.

We acknowledge that there is always more that we can do for millions of people in Indonesia and for the countries where we operate.

Three years ago, while Indonesia was gearing up to respond to the large unmet demand for healthcare with the implementation of the NHI scheme, despite an extremely challenging financial situation for the Company, we set out an ambitious plan for growth. Our 2014-16 performance shows that we have paved the way for realizing our aim of becoming a larger and more efficient organization, reaching many more consumers and patients and remaining true to our values.

Kita menyadari bahwa selalu ada lebih banyak yang dapat kita lakukan untuk jutaan orang di Indonesia dan untuk negara tempat kita beroperasi.

Tiga tahun yang lalu, sementara Indonesia masih bersiap untuk menanggapi kebutuhan yang belum terpenuhi atas layanan kesehatan dengan penerapan skema asuransi kesehatan nasional, walaupun ditengah situasi keuangan yang sangat menantang bagi perusahaan, kita berani menetapkan rencana pertumbuhan yang ambisius. Kinerja kita sepanjang 2014-16 membuktikan bahwa kita telah membuka jalan untuk mewujudkan tujuan kita untuk menjadi organisasi yang lebih besar dan lebih efisien, menjangkau lebih banyak konsumen dan pasien dan tetap setia pada nilai-nilai kita.

A summary of 2016 highlights includes:

1 8% net sales growth amidst multiple headwinds



2 Significant manufacturing and procurement efficiencies



3 Visible progress on working capital management (decreased by 30% from the peak in 2014) and operating cost improvement



4 Important new principal additions for PPG



5 Several major projects successfully completed, including the implementation of SAP for PPG, the roll out of our "One Stop Service" (OSS) Program and further progress for our herbal research in our newest facility- The SOHO Center of Excellence in Herbal Research (SCEHR) in Nagrak, Sukabumi.

We closely engage with our customers, our Principals and all our business partners to offer innovative products and services. We put consumers and patients at the center of everything we do and we focus on prevention as the key tool to achieve better outcomes.

We are entering 2017 with a much stronger business compared to three years ago. We achieved robust revenue growth in 2016 and have a solid portfolio of market-leading products and a healthy R&D pipeline. We continue to pursue several significant business development opportunities complementing our organic growth strategy and strengthening the future potential of the Company.

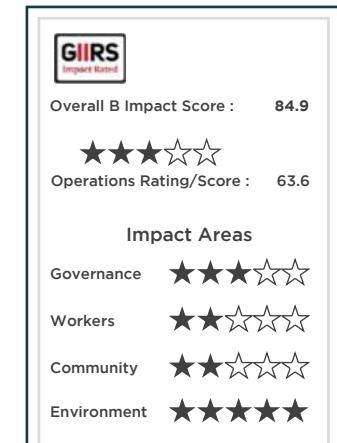
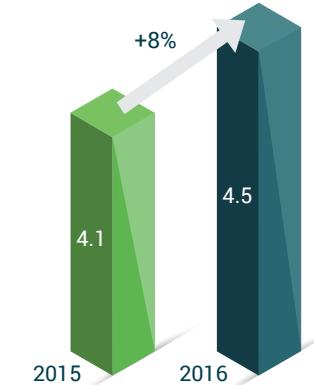
Growth and physical size are of course not an end in themselves, but means to create impact. Demonstrating our commitment to the society, the environment and to best in class governance standards, we take great pride in having received the **Silver Medal** for Consumer IBM (Impact Business Model) under GIIRS Ratings. GIIRS Ratings are the gold standard for impact measurement: rigorous, comprehensive and comparable ratings of any company social and environmental impact.

Kita membangun hubungan erat dengan para pelanggan, prinsipal dan semua mitra bisnis untuk dapat menawarkan produk dan layanan inovatif. Kita selalu menempatkan konsumen dan pasien di pusat segala hal yang kita lakukan dan kita berfokus pada upaya pencegahan sebagai hal penting untuk mencapai hasil yang lebih baik.

Kita memasuki tahun 2017 dengan performa bisnis yang jauh lebih kuat dibanding tiga tahun lalu. Kita mencapai pertumbuhan yang tinggi di tahun 2016 dan memiliki portofolio produk yang solid memimpin pasar dengan jaringan R & D produk baru yang sehat. Kita terus mengejar beberapa peluang pengembangan bisnis untuk melengkapi strategi pertumbuhan organik dan memperkuat potensi masa depan perusahaan.

Pertumbuhan dan ukuran fisik (skala perusahaan) tentu saja bukan tujuan akhir, melainkan merupakan sarana bagi kita untuk menciptakan dampak. Sebagai perwujudan komitmen kita kepada masyarakat, lingkungan, dan tata kelola perusahaan dengan standar terbaik, kita sangat bangga meraih **medali perak** untuk Konsumen IBM (*Impact Business Model*) berdasarkan peringkat GIIRS. Peringkat GIIRS adalah standar tertinggi untuk pengukuran dampak: pemeringkatan yang ketat, komprehensif dan setara untuk diperbandingkan atas perusahaan manapun dari dampak sosial dan lingkungan.

SGH Net Sales 2015-2016 (IDR Trn)



2016 Significant Events

Peristiwa Penting di 2016



SGH National Conference 2016

On April 19th 2016, SOHO Global Health held its SGH National Conference 2016 at the Discovery Convention Centre, Ancol, Jakarta. Following the theme "**The Power of ONE**", our leaders and our staff committed to even stronger collaboration across divisions and to work as ONE team. This event also marked the official **nationwide launching ceremony of the Dedicated Sales Team ("DST")** for SOHO's products.



SGH National Conference 2016

Pada tanggal 19 April 2016, SOHO Global Health menggelar **SGH National Conference 2016** berlokasi di *Discovery Convention Centre*, Ancol, Jakarta. Mengusung tema "**The Power of ONE**", para pimpinan dan staf berkomitmen untuk memperkuat kolaborasi lintas divisi dan untuk bekerja sebagai SATU tim. Acara ini sekaligus secara resmi menandai **peluncuran Dedicated Sales Team ("DST")** untuk produk SOHO.



The 2nd Innovation Camp

Following the theme "**Unite & Focus on Goal**", SOHO Global Health held the 2nd Innovation Camp in March 2016 at Eco Camp. As part of our commitment to innovation, this annual cross-functional team event had the purpose to generate new product ideas, speed up NPD process and strengthen cross divisional collaboration among New Product Development teams.

The 2nd Innovation Camp

Mengusung tema "**Unite & Focus on Goal**", SOHO Global Health menggelar **The 2nd Innovation Camp** pada bulan Maret 2016 di *Eco Camp*. Sebagai perwujudan komitmen kita atas inovasi, acara tim-lintas-fungsi tahunan ini bertujuan menghasilkan ide produk baru, mempercepat proses NPD dan memperkuat kolaborasi lintas divisi antar tim pengembangan produk baru.



SGH Campus Hiring and Graduate Trainee Program

During September - October 2016, **SGH Campus Hiring** toured several major cities in Indonesia including, among others, Jakarta, Yogyakarta, and Surabaya - visiting several top universities. As a result, 13 fresh graduates joined the first batch of the **Graduate Trainee Program session 2016/2017**. This program implemented for the first time by Supply & Operations (S&O) as part of the S&O Academy to **nurture future leaders**, is expected to be extended to the whole Group to support all SGH business units in the future.

SGH Campus Hiring and Graduate Trainee Program

Sepanjang September - Oktober 2016, dalam rangka **SGH Campus Hiring** dilakukan tur ke kota-kota besar di Indonesia termasuk, antara lain Jakarta, Yogyakarta, dan Surabaya mengunjungi beberapa universitas ternama. Sebagai hasilnya, 13 orang lulusan ST mengikuti angkatan pertama **Graduate Trainee Program session 2016/2017**. Program ini diimplementasikan untuk pertama kalinya oleh **Supply & Operations (S&O)** sebagai bagian dari **S&O Academy** untuk mencetak pemimpin masa depan, dan diharapkan dapat diimplementasikan untuk seluruh Grup dalam mendukung kebutuhan unit bisnis SGH di masa depan.

Innovative Ways To Communicate: SGH Webinar Chief Talk Series & SGH Living The Values

Since the beginning of 2016, SOHO Global Health launched a new and innovative communication platform allowing SGH Leaders to digitally interact with all SGH employees thanks to the **SGH Webinar Chief Talk Series**. The first Webinar was aired in February 2016 featuring Rogelio C. La O' Jr. (Cooey), President Director SGH, illustrating "**SGH Strategic Direction & Priorities in 2016**". This was followed by quarterly Chief Talks covering recent updates on strategic projects and themes.

Following the launch of SGH new Purpose, Vision, and Core Values (PVCV) in late 2015, a forum called "**HELLO LEADER**" was created in October 2016 to support the **SGH Living The Values** initiative. The first live event featured Herlina Permatasari, Executive Vice President HCDPA; and was followed by other monthly live events where Leaders met group of employees to share practical ways to live the company values in the daily working life.

Cara Inovatif dalam Berkommunikasi: SGH Webinar Chief Talk Series & SGH Living The Values

Sejak awal tahun 2016, SOHO Global Health meluncurkan platform komunikasi baru dan inovatif yang memungkinkan para pemimpin SGH berinteraksi secara digital dengan semua karyawan SGH melalui **SGH Webinar Chief Talk Series**. Webinar pertama ditayangkan pada bulan Februari 2016 yang menampilkan Rogelio C. La O' Jr. (Cooey), Presiden Direktur SGH, yang memaparkan "**Arahan Strategis & Prioritas SGH di tahun 2016**". Rangkaian seri Webinar ini dilakukan triwulan menampilkan para pimpinan SGH (*Chief Talk*) yang membahas perkembangan terkini seputar proyek utama dan berbagai tema strategis.

Setelah peluncuran **SGH New Purpose, Vision, and Core Values (PVCV)** pada akhir 2015, sebuah forum yang disebut "**HELLO LEADER**" dinisiasi pada bulan Oktober 2016 untuk mendukung inisiatif **SGH Living The Values**. Acara *live* pertama menampilkan Herlina Permatasari, *Executive Vice President HCDPA*; dan diikuti oleh acara *live* bulanan berikutnya dimana para pimpinan SGH berkumpul dengan para karyawan untuk berbagi cara praktis mengaplikasikan nilai-nilai perusahaan dalam kehidupan kerja sehari-hari.



Top Products

Top Produk

Our Healthcare business unit includes a portfolio of brands that aim to deliver consistent, profitable and responsible growth supported by important investments in marketing and innovation.

Unit bisnis Healthcare memiliki portofolio produk yang terdiversifikasi yang bertujuan untuk menghasilkan pertumbuhan yang konsisten, kompetitif, menguntungkan yang didukung dengan investasi dalam inovasi dan kegiatan pemasaran.

We have built 7 brands with annual sales in excess of IDR 40 billion each and above that deliver strong health benefits to the Indonesian community.

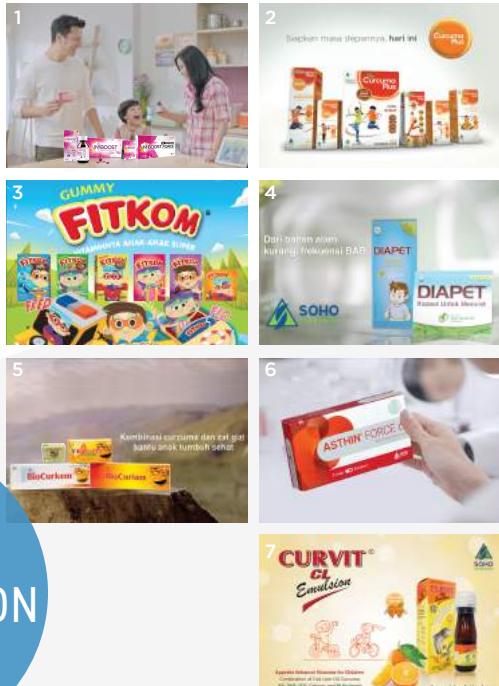
Imboost is now the #1 selling pharmaceutical product in Indonesia and the most valuable brand in the Indonesian healthcare market. There's a lot to be proud of!

SGH memiliki 7 *brand* yang mencatat penjualan sebesar Rp 40 miliar per *brand* dan berkontribusi memberikan manfaat sosial untuk kesejahteraan masyarakat.

Imboost kini menduduki peringkat #1 produk farmasi dengan penjualan tertinggi di Indonesia dan sekaligus menjadi ekuitas merek yang termahal nilainya di pasar farmasi nasional. Sungguh prestasi yang sangat membanggakan!

7 IDR @40 Billion Brands

1. Imboost
2. Curcuma Plus
3. Fitkom
4. Diapet
5. Curcuma Group
6. Asthin
7. Curvit



7
IDR 40 BILLION
BRANDS

2016 Project Highlights

Proyek Utama di 2016

In 2016, the Company undertook four important projects, including two key ones: "Power of ONE" and the SAP implementation. These projects, involving large investments, were the result of extensive planning and are expected to drive significant benefits and performance improvements.

Pada tahun 2016, SGH mengerjakan empat proyek penting, termasuk dua proyek utama: "Power of ONE" dan implementasi SAP. Proyek-proyek ini, yang melibatkan investasi besar, merupakan hasil perencanaan yang ekstensif dan diharapkan dapat memberikan manfaat dan peningkatan kinerja yang signifikan.

Power of ONE!

SATU VISION, SATU AKSI



Power of One: Dedicated Sales Team ("DST") for SOHO's products and One Stop Service ("OSS") Program

A special task force called "Power of ONE" has been put in place since Q2 2016 to better align the efforts of our Healthcare and PPG team. This initiative is our attempt to link strategy to operations, close execution gaps and reap the powerful synergies deriving from acting as one SGH.

The roll out of a **Dedicated Sales Team ("DST") for SOHO's products** in April 2016 marked an important milestone in this project. Later in July 2016, SGH's Professional Products team introduced the **One Stop Service ("OSS") Program** building innovative ways to increase **doctor engagement** that are in line with today's changing market environment. Both the "DST" and the "OSS" program have started to gain traction and we look forward to their continued success in 2017.

Power of One: Dedicated Sales Team ("DST") untuk Produk SOHO's dan One Stop Service ("OSS") Program

Satuan tugas khusus yang disebut "Power of ONE" telah diinisiasi sejak Q2 2016 untuk lebih menyelaraskan upaya tim Healthcare dan PPG. Inisiatif ini adalah upaya kita untuk menyelaraskan strategi dengan operasional, menutup celah eksekusi dan menuai sinergi yang kuat yang berasal dari bertindak sebagai satu SGH. Peluncuran **Dedicated Sales Team ("DST") untuk produk** SOHO pada bulan April 2016 menandai tonggak penting implementasi proyek ini. Kemudian pada bulan Juli 2016, tim *Professional Products* SGH memperkenalkan **One Stop Service ("OSS") Program** sebuah cara inovatif untuk meningkatkan **keterlibatan dokter** sesuai dengan perubahan lingkungan pasar saat ini. Kedua program "DST" dan "OSS" ini mulai menunjukkan hasil yang menjanjikan dan kita berharap akan mendulang sukses yang lebih besar di tahun 2017.

Everest Project: SAP for PPG

After a successful implementation of SAP for SIP (Soho Industri Pharmasi) in Q4 2015, during 2016 the Everest Project Team spent exceptional effort and worked around the clock to ensure a timely **SAP Go Live in PPG**. Jan 7th 2017 marked another milestone for PT Parit Padang Global as PPG officially launched SAP as its new ERP platform. With this integrated enterprise management system we believe we will reshape our business processes and build a much more efficient SGH.



2016 Project Highlights

Proyek Utama di 2016

Everest Project: SAP for PPG

Setelah sukses mengimplementasikan SAP untuk SIP (Soho Industri Pharmasi) pada Q4 2015, pada tahun 2016 Tim Proyek Everest menerapkan waktu dan tenaga untuk memastikan **SAP Go Live tepat waktu di PPG**. 7 Januari 2017 menandai tonggak sejarah PT Parit Padang Global dimana PPG secara resmi meluncurkan SAP sebagai platform ERP terbarunya. Dengan sistem manajemen yang terintegrasi ini, kita percaya kita dapat menata kembali proses bisnis dan membangun SGH yang jauh lebih efisien.

Cash Cycle Task Force

During 2016 we continued the work that we started since Q3 2014 with the set up of the **Cash Cycle Task Force**. This project aims at achieving **structural working capital reductions** especially in Distribution and Manufacturing. Thanks to the Cash Cycle Task Force we have substantially reduced our cash cycle days from more than 100 days in 2014 to 61 days at the end of 2016. This tight control of working capital allowed us to convert more than IDR 350 billion of unnecessary inventory and receivables into Net Cash and create headroom in our balance sheet to fund growth opportunities.

Cash Cycle Task Force

Selama tahun 2016 kita terus melanjutkan upaya yang sudah dimulai sejak Q3 2014 melalui pembentukan **Cash Cycle Task Force**. Upaya ini bertujuan untuk **mengendalikan modal kerja** khususnya di area Distribusi dan Manufaktur. Berkat dibentuknya satuan tugas khusus ini kita berhasil mempercepat siklus kas dari sekitar 100 hari di tahun 2014 menjadi 61 hari di akhir tahun 2016. Pengendalian ketat atas modal kerja ini memampukan kita mengkonversikan lebih dari Rp 350 miliar persediaan dan piutang yang lama tertagih menjadi kas bersih dan memperbesar ruang gerak di neraca keuangan kita untuk mendanai peluang pertumbuhan.

Natural Business Building Network

Part of our commitment to the highest levels of compliance in conducting business; we continued to invest by professionally engaging HCPs and creating awareness about naturals among both prescribers and consumers. After a series of Natural Wellness symposia during 2014, in 2015 we established the **Indonesia Pediatric Respiratory Advisory Board** and the **Indonesia Antioxidant Advisory Board**, and during 2016, we conducted a series of **Cough Immunomodulator Antioxidant ("CIA") Forums**.



In the **OTC space**, SGH continues to build brand equity. Imboost, now the top selling pharmaceutical product in Indonesia, showcases a great success story for our switching strategy. Instead our efforts to switch Oste Forte to OTC did not prove entirely successful: we occasionally make mistakes, but we learn and we always get better. Oste Forte is now gaining back its strong support among HCPs and leading in its category in the Ethical space.

Membangun Jaringan Bisnis Berbasis Natural

Sebagai bagian dari komitmen untuk menjalankan bisnis dengan standar *compliance* yang tinggi, kita terus berinvestasi membangun jaringan bisnis yang melibatkan profesional kesehatan dan membangun kesadaran akan produk alami di kalangan dokter maupun konsumen /pasien. Setelah melakukan serangkaian simposium *Natural Wellness* di tahun 2014, pada tahun 2015 kita membentuk **Indonesia Pediatric Respiratory Advisory Board** dan **Indonesia Antioxidant Advisory Board**, dan sepanjang tahun 2016 kita menggelar rangkaian **Cough Immunomodulator Antioxidant ("CIA") Forums**.

Di **pasar OTC**, SGH terus membangun ekuitas merek. Imboost, sekarang menjadi produk farmasi terlaris di Indonesia, sebuah perwujudan kisah sukses atas strategi *switching* yang kita lakukan. Namun demikian upaya kita untuk *switch* Oste Forte ke OTC tidak terbukti sepenuhnya berhasil: terkadang kita melakukan kesalahan, tapi kita belajar dan selalu berupaya menjadi lebih baik. Oste Forte kini meraih kembali kepercayaan para profesional kesehatan dan memimpin di kategori nya di pasar Ethical (peresepan dokter).

Award and Recognition

Prestasi dan Penghargaan



2016 Environmental Award from DKI Jakarta Provincial Government

PT Soho Industri Pharmasi won an award from the DKI Jakarta Provincial Government in the category of "Compliance and Performance in Environmental Management for Business Activities 2016 with a Very Good Predicate". The award was directly presented by the DKI Jakarta Governor, Basuki Tjahaja Purnama, on October 28th 2016.

Penghargaan Pengelolaan Lingkungan Hidup Tahun 2016 dari Gubernur Provinsi DKI Jakarta

PT Soho Industri Pharmasi menerima penghargaan dari Pemerintah Provinsi DKI Jakarta sebagai "Perusahaan dengan Predikat Sangat Baik Dalam Ketaatan dan Kinerja Pengelolaan Lingkungan Hidup Tingkat Provinsi DKI Jakarta Tahun 2016". Penghargaan ini diserahkan langsung oleh Gubernur Provinsi DKI Jakarta, Basuki Tjahaja Purnama, pada tanggal 28 Oktober 2016.



Because
their future
starts today





Group Review

History

SGH at A Glance

Board of Commissioners Profile

SGETL Profile

Message from the President Commissioner

Message from the President Director

We plan. We execute. We learn. We always get better

The opportunities for value creation are boundless: better products leading to added market share; faster growth and better margins in services.

Growth is therefore available, but we have to earn it!

Group Review

Reaksi cepat untuk
imunitas kuat.

History

Sejarah

1946 N.V. Ethica Handel Maatschappij (currently known as PT Ethica Industri Farmasi) founded by Mr. Tan Tjhoen Lim as an injectables focused pharmaceutical company

1951 N.V. Soho Pharmaceutische Industrie en Handel Maatschappij (currently known as PT Soho Industri Pharmasi) was established as the pioneer and trend-setter in the use of natural products in prescription market

1956 PT Parit Padang was established as the distribution arm of the business

1992 PT Soho Industri Pharmasi expanded its business portfolio by starting to market OTC products

2005 Alliance business was established to provide a full-service solution for MNCs looking to enter the Indonesian pharmaceutical market

2006 - SOHO OTC business expanded to Consumer Health products
- First exports to international market

2009 PT Universal Health Network ("Unihealth") was established to increase the number of consumer touch points via multilevel marketing /direct selling

2012 PT Soho Global Medika was established to seize the market opportunity created by the growth of the medical device & medical equipment segment

N.V. Ethica Handel Maatschappij (kini PT Ethica Industri Farmasi) didirikan oleh Tan Tjhoen Lim sebagai perusahaan farmasi yang berfokus pada produk injeksi

N.V. Soho Pharmaceutische Industrie en Handel Maatschappij (kini PT Soho Industri Pharmasi) didirikan sebagai pionir dan pelopor dalam penggunaan produk alami di pasar obat resep

PT Parit Padang didirikan untuk melayani distribusi bagi Grup beserta usaha terkaitnya

PT Soho Industri Pharmasi mengembangkan usahanya dengan memasarkan produk OTC

Bisnis Alliance didirikan untuk menyediakan solusi layanan lengkap bagi perusahaan multinasional yang akan melakukan penetrasi ke pasar farmasi Indonesia

- PT Soho mengembangkan bisnis OTC nya dengan meluncurkan produk *Consumer Health*
- Memulai ekspor ke pasar internasional untuk pertama kalinya

PT Universal Health Network ("Unihealth") didirikan untuk memperluas jangkauan kepada konsumen lewat jalur multi-level marketing/penjualan langsung

PT Soho Global Medika didirikan untuk manfaatkan peluang pertumbuhan segmen peralatan medis dan alat kesehatan (alkes)

2013
- Formed a Joint Venture with Fresenius Kabi, a global leader in Injectable Generics through the sale of a 51% stake in PT Ethica Industri Farmasi
- Natural Wellness: Harnessing nature for a healthier Indonesia

2015
- Embraced new Purpose, Vision and Core Values (PVCV) as guiding principles to sustainably grow the business
- Announced partnership with Quadria Capital, a growth focused private equity fund with healthcare industry & regional specialization

2016
Everest Project Team worked on the implementation of SAP for PPG (Parit Padang Global), while SIP (Soho Industri Pharmasi) was already live on SAP since late 2015. The new integrated enterprise management system is expected to streamline our business processes, drive efficiencies and ensure data integrity and accuracy throughout the Company

- Ethica Fresenius Kabi (EFK) didirikan sebagai perusahaan patungan dengan Fresenius Kabi - sebuah perusahaan kesehatan global yang menguasai pasar Generik Injeksi - melalui pembelian 51% saham PT Ethica Industri Farmasi
- Natural Wellness: Mengembangkan potensi alam untuk Indonesia sehat

- Menerapkan Purpose, Vision and Core Values (PVCV) yang baru sebagai pedoman dalam mengembangkan bisnis yang berkesinambungan
- Mengumumkan kemitraan dengan Quadria Capital, lembaga pendanaan khusus yang bergerak di bidang *healthcare* dengan spesialisasi di kawasan regional

Tim Proyek Everest dibentuk untuk mengimplementasikan SAP di PPG (Parit Padang Global), sementara SIP (Soho Industri Pharmasi) telah terlebih dahulu mengimplementasikan SAP sejak akhir tahun 2015. Sistem manajemen perusahaan terintegrasi ini diharapkan dapat merampingkan proses bisnis, mendorong efisiensi dan memastikan integritas dan akurasi data di seluruh grup perusahaan

SGH at A Glance

Sekilas Tentang SGH

Founded in 1946 at the establishment of Ethica Industri Farmasi, SOHO Global Health (SGH) has consolidated its reputation as a pioneer in healthcare products. SGH's Imboost franchise is currently the #1 pharmaceutical product in Indonesia according to IMS and SGH brands lead the kids multivitamin segment with 35% market share.

Didirikan sejak tahun 1946 melalui pendirian Ethica Industri Farmasi, SOHO Global Health (SGH) telah mengukuhkan reputasinya sebagai pelopor obat alami di industri kesehatan. Imboost yang diproduksi SGH kini menduduki peringkat #1 produk farmasi dengan penjualan tertinggi di Indonesia berdasarkan IMS dan merek-merek unggulan SGH terus memimpin pasar multivitamin anak dengan pangsa pasar 35%.

SGH has organized its businesses in two business units: Healthcare, and Commercial. Supported by over 2700 employees, SGH maintains coverage of ~90% of the targeted doctors, while distribution reaches over 41,000 outlets nationwide.

SGH memfokuskan bisnisnya atas dua unit usaha: Healthcare, dan Commercial. Didukung oleh lebih dari 2700 karyawan, SGH membangun jaringan bisnis dengan cakupan sekitar ~90% dari dokter yang ditargetkan, sementara Distribution menjangkau lebih dari 41,000 outlet secara nasional.

SGH Footprints

Branches

Jakarta 1	Medan
Jakarta 2	Padang
Bogor	Pekanbaru
Tangerang	Palembang
Bandung	Jambi
Cirebon	Bandar Lampung
Semarang	Makassar
Solo	Manado
Yogyakarta	Banjarmasin
Surabaya	Samarinda
Malang	Pontianak
Jember	Batam
Denpasar	



Professional Products

Pioneer and leader in the natural and herbal OTC category, marketed in the medical channel



Consumer Health

Offers OTC drugs with therapeutic benefits & consumer products with health benefits



Unihealth

Multi Level Marketing (MLM) business unit focusing on direct selling of beauty products and health supplement



Distribution

Distributing products for the Group and 40+ other third-party principals throughout Indonesia.



Alliance

Contract marketing organization serving blue chip MNC partners health benefits



International Business

Manage export of SGH's products to selected destinations focusing on ASEAN for future growth



Soho Global Medika (SGM)

Expansion strategy to seize opportunities in medical device and medical equipment market

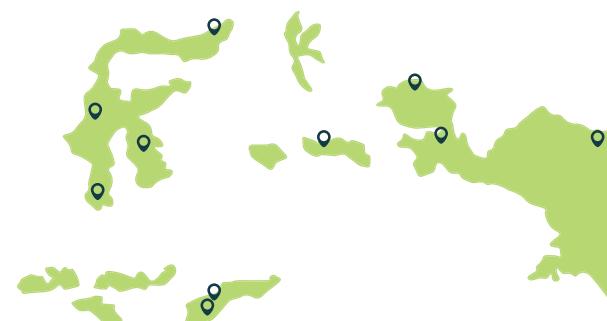


Sales Offices

Balikpapan
Kediri
Karawang

Sub Distributors' Areas

Ambon	Nabire
Banda Aceh	Pangkalbanun
Bangka	Pangkal Pinang
Bengkulu	Palangkaraya
Flores	Palu
Gorontalo	Sampit
Jayapura	Serang
Kendari	Sorong
Kupang	Sumbawa
Lombok	Ternate
Manokwari	





Board of Commissioners Profile

Profil Dewan Komisaris



Eng Liang Tan
President Commissioner, SGH since 1997

Since taking over as President Commissioner in 1997, Eng Liang has grown SOHO Global Health's turnover more than 20-fold.

Won the Entrepreneur of the Year Award 2010 in the Health Product Innovation category organized by Ernst & Young.

Eng Liang Tan received Postgraduate Master Degree in Management from the University of Bradford, England and German degree as Diplom Physiker (equivalent to MSc) in Physics (specializing in Nuclear Physics) from the University of Bochum, Germany.

Abrar Mir
Commissioner, SGH since 2015; Co-founder and Managing Partner, Quadria Capital.

Abrar is actively involved in managing Quadria Capital and serves on the fund's Investment Committee. Abrar currently serves on the boards of Medica Synergie, SOHO Global Health, Medisia Investment Holdings and Orilus Investments.

Prior to founding Quadria Capital, Abrar was Global Head of Healthcare at Religare Capital Markets. Before that he was a Managing Director at Bank of America Merrill Lynch in London.

Abrar received an M.Phil in International Law from the University of Cambridge and is fluent in five languages.



SGELT Profile

Profil SGELT



Rogelio C. La O' Jr (Cooey)
President Director, SGH since 2014

Past experience includes working as Regional Director of SE Asia at Smile Train, Regional Director for ASEAN and Greater China at Pfizer Consumer Healthcare, Regional Director at JnJ

Master in Business Management from AIM Manila and BSc in Commerce

Piero Brambati
EVP Finance, SGH since 2013

Past experience includes healthcare coverage for \$2B long-short global hedge fund, management consulting at The Boston Consulting Group, project management at GSK and Nestle

MBA from London Business School and MSc in Mechanical Engineering



Ludovic Toulemonde
SEVP Healthcare BU since 2015

Previously GM at Mead Johnson Nutrition Indonesia and several GM positions at Nestlé

Advanced Management Program (AMP) from INSEAD Singapore, MBA degree from ESC Lille, France.



Rick Gouw
SEVP Commercial BU since 2014

Past experience includes working as President Director for PT AstraZeneca Indonesia, Regional VP at Baxter Healthcare Asia, and GM Ciba-Geigy Malaysia

MBA degree from Northwestern University, USA and MSc Pharmacy from Leiden University, The Netherlands

Made Dharma
EVP Supply & Operations since 2014

Past experience includes working at Dexa Medica, Bristol Myers Squibb, Philip Morris and Firemenich Aromatic Indonesia

Master in Management from PPM GSM Jakarta, Ba in Chemical Engineering from UGM, Yogyakarta



Denny Charlie
EVP Business Technology since 2012

Past experience includes working at Acer Indonesia as Chief Information Officer and Asia Pulp & Paper as Deputy General Manager of IT

MSc in Industrial Engineering from Iowa State University



Yuliana Tjhai
EVP Legal, Compliance & Internal Audit and Corporate Secretary since 2013

Past experience includes working as a Partner at Bahar & Partners, a leading law firm based in Jakarta

Law degree from University of Indonesia and Master Degree in International Commercial Law from University of Nottingham



Herlina Permatasari
EVP Human Capital Development & Public Affairs since 2010

Past experience includes working at PT Nutrifood Indonesia and PT Bina Multi Profesi

Psychology degree from Maranatha Christian University, Bandung

Message from the President Commissioner

Pesan dari Presiden Komisaris

In the midst of our transformation, we delivered solid results in 2016 and ended the year as one of the leading **NATIONAL** healthcare enterprises, but we are far from complacent, we want to become a leading **GLOBAL** enterprise. We have a close collaboration in place with SFI Research, our sister company headquartered in Sydney, Australia, to be able to develop indigenous herbs that can be marketed globally and we are also ideally poised to collaborate with SOHO Flordis International (SFI) to leverage their global sales and marketing team to export Indonesian indigenous herbs to foreign countries.

For every company, there is a fine line between just staying the course and listening to new voices; between balancing short term and long term goals. In the short term, we set priorities and work on what is essential. But let's face it, every CEO and Company should be most proud of investing to achieve a long-term vision and to build a lasting legacy, not just managing the day to day.

All our efforts are deemed to prepare SOHO Global Health to become a financially healthy, cash generative and sustainable company, but I want to build an organization that will last and I really want to see a successful IPO in the planned 2019/2020 timeframe.

Opportunities Ahead

Favorable demographics and increasing affordability will create a surge in national as well as regional healthcare spend and the vast majority of the Indonesian population still lacks sufficient access to quality healthcare. Growth is therefore available, but we have to earn it.

Di tengah transformasi, kita mampu menghasilkan kinerja yang solid pada tahun 2016 dan mengukuhkan posisi ini sebagai salah satu perusahaan *healthcare NASIONAL* terkemuka, namun kita jauh dari puas, kita ingin menjadi perusahaan **GLOBAL** terkemuka. Kita telah membangun kerja sama yang kuat dengan perusahaan seinduk, SFI Research, yang berlokasi di Sydney, Australia, untuk dapat mengembangkan tanaman obat asli Indonesia yang siap dipasarkan secara global dan kita juga menjalin kerja sama dengan SOHO Flordis International (SFI) untuk memanfaatkan jaringan bisnis tim penjualan dan pemasaran global yang dimiliki SFI untuk melakukan ekspor ke negara tujuan.

Bagi setiap perusahaan, ada garis batas antara mengerjakan hal yang biasa dilakukan dan mendengarkan suara baru; antara menyeimbangkan tujuan jangka pendek dan jangka panjang. Dalam jangka pendek, kita menetapkan prioritas dan mengerjakan apa yang penting. Tapi tidak bisa dipungkiri, setiap CEO dan perusahaan pasti sangat bangga berinvestasi untuk mencapai visi jangka panjang dan membangun warisan abadi, bukan hanya mengelola operasional harian.

Semua upaya yang kita lakukan dimaksudkan untuk mempersiapkan SOHO Global Health menjadi perusahaan yang sehat, dan menghasilkan kinerja finansial yang kuat, namun lebih dari itu saya ingin membangun sebuah organisasi yang bertahan kokoh dan berkesinambungan, dan saya benar-benar ingin melihat IPO kita sukses dalam jangka waktu 2019/2020 sesuai yang direncanakan.

Peluang di Depan Kita

Demografi yang menguntungkan dan peningkatan daya beli akan menciptakan lonjakan belanja kesehatan nasional maupun regional, sementara sebagian besar penduduk Indonesia masih kekurangan akses terhadap layanan kesehatan berkualitas. Oleh karena itu, peluang pertumbuhan jelas ada di depan kita, tapi kita harus mengupayakannya.



We plan. We execute. Occasionally we make mistakes. We learn. We always get better. In 2016, we didn't just manage to weather a difficult environment, but we steadily worked to poised SOHO Global Health to succeed in an era of profound structural changes.

Kita membuat rencana. Kita melakukan eksekusi. Terkadang kita membuat kesalahan. Kita terus belajar. Kita selalu menjadi lebih baik. Di tahun 2016, kita tidak hanya mampu mengatasi situasi sulit, melainkan juga mampu memposisikan SOHO Global Health untuk sukses di era yang didominasi perubahan struktural.

Eng Liang Tan
President Commissioner
SOHO Global Health

Message from the President Commissioner

Pesan dari Presiden Komisaris

We have a strong balance sheet with excess cash that gives us the financial flexibility to invest: acquire assets and put substantial resources behind our current products. This represents a huge advantage compared to the past. And we are continuing to heavily invest in our long-term commitment to R&D, in the highest levels of compliance, in a global network and in projects like the SOHO Center of Excellence in Herbal Research (SCEHR).

In late 2015 we officially launched our latest Purpose, Vision, and Core Values (PVCV). "Holding the care of human life as our highest priority" is a strong and inspiring "Purpose". Our Core Values: embrace integrity, mutual respect, innovative thinking and a culture of discipline. I do expect everyone in our organization to practice these values all the time.

We operate in the area of healthcare and every day we go to work to help save people's lives while acting with unyielding integrity. We always do what we say we are going to do: we said we would innovate and offer to the market safer, but effective natural medicines and that's what we are doing.

We recognize that the marketplace is changing fast and will continue to do so.

I want all SOHO Global Health employees to behave in line with our culture: to take bold actions despite any market uncertainty and always put our customers and our patients at the center of what we do.

Kita memiliki neraca yang kuat dengan kas yang cukup untuk memberi kita fleksibilitas finansial dalam berinvestasi: membeli aset dan menempatkan sumber daya substansial untuk mendukung produk-produk unggulan kita. Ini merupakan keunggulan besar yang kita miliki dibandingkan dengan masa lalu. Dan kita terus konsisten berinvestasi: dalam komitmen jangka panjang terhadap R&D, dalam tingkat kepatuhan tertinggi (*compliance*), dalam membangun jaringan global dan dalam proyek strategis seperti *SOHO Center of Excellence in Herbal Research (SCEHR)*.

Menjelang akhir tahun 2015 kita meresmikan peluncuran *Purpose, Vision and Core Values (PVCV)* yang baru. Menunjung kepedulian terhadap kehidupan manusia sebagai prioritas kami yang tertinggi adalah "Tujuan" yang bermakna sangat dalam dan inspiratif. Nilai-nilai utama kita - integritas mutlak, saling menghormati, semangat untuk berinovasi, dan mengambil upaya disiplin - dimaksudkan untuk dipraktekkan setiap hari oleh semua orang di organisasi.

Organisasi kita bergerak di bidang pelayanan kesehatan dan setiap hari kita bekerja untuk menyelamatkan nyawa jutaan orang dengan bertindak penuh integritas. Kita selalu berkomitmen melakukan apa yang kita katakan: kita mengatakan akan berinovasi dan menawarkan obat alami yang lebih aman dan efektif, dan itulah yang sedang kita lakukan.

Kita menyadari bahwa pasar berubah dengan cepat dan perubahan ini akan terus ada. Saya ingin semua karyawan SOHO Global Health berperilaku sesuai dengan budaya kita: untuk mengambil tindakan berani meskipun ditengah ketidakpastian, dan selalu menempatkan pelanggan dan pasien di pusat segala hal yang kita lakukan.

Message from the President Director

Pesan dari Presiden Direktur



Becoming a leader in the healthcare industry will require commitment and will test our culture because success is not given, it's earned. We are creating a leading national enterprise built on strong brands and innovative ways of doing business.

Menjadi pemimpin di industri healthcare akan membutuhkan komitmen dan akan menguji budaya kita karena kesuksesan tidak diperoleh secara cuma-cuma, kesuksesan itu diupayakan dan diraih. Kita membangun perusahaan nasional terkemuka berdasarkan keunggulan merek dan cara inovatif dalam berbisnis.

Rogelio C. La O' Jr (Cooey)
President Director
SOHO Global Health

Message from the President Director

Pesan dari Presiden Direktur

Most SOHO Global Health brands continue to dominate their market segments: Imboost is now the #1 selling pharmaceutical product in Indonesia and we continue to lead in kid multivitamins with 35% market share.

Power of ONE initiatives have started to gain traction and we look forward to their continued success in 2017. Our Supply & Operations team has also provided significant manufacturing efficiencies that will help margins this year.

Our 2016 consolidated financial report posted 8% net sales growth amidst the multiple headwinds and challenges that we faced, while we have been doing a solid job in managing costs and working capital. Tight management of our cash cycle contributed to a 30% decrease of net working capital from the peak in 2014 and allowed us to convert more than IDR 350 billion of unnecessary inventory and receivables into Net Cash. The business posted a positive EBIT in 2016, but our operating margin is still too low and there is still scope for substantial improvement.

To cope with ever changing market conditions, we took swift actions to reshape our organization, make the necessary adjustments to our strategy, redesign processes, kick start innovative initiatives and make the investments needed to return to our long-term growth targets.

In 2017 we need to regain sales momentum and further improve our market share. We are refocusing our efforts behind our core products with the strongest brand equities: we will invest more behind key brands as Imboost, Fitkom, Diapet, Asthin Force and Curcuma Plus and look for opportunities to innovate.

Going forward, we will benefit from our unique positioning as the leader of the "natural" wave that is reshaping the healthcare industry.

Merek-merek unggulan SOHO Global Health terus mendominasi segmen pasar: Imboost kini menduduki peringkat #1 produk farmasi dengan penjualan tertinggi di Indonesia dan kita terus memimpin pasar multivitamin anak dengan pangsa pasar 35%. Inisiatif Power of ONE mulai menunjukkan hasil yang menjanjikan dan kita berharap akan mendulang sukses yang lebih besar di tahun 2017. Tim Supply & Operations juga telah menghasilkan efisiensi signifikan di area manufaktur yang akan membantu marjin perusahaan tahun ini.

Laporan keuangan konsolidasi 2016 kita mencatat pertumbuhan penjualan bersih sebesar 8% di tengah berbagai tantangan yang dihadapi, sementara kita telah melakukan pekerjaan yang solid dalam mengelola biaya dan modal kerja. Pengelolaan yang ketat atas siklus kas telah memberikan kontribusi terhadap penurunan modal kerja sebesar 30% dari puncaknya pada tahun 2014 dan memungkinkan kita mengkonversi lebih dari Rp 350 miliar nilai persediaan dan piutang yang lama tertagih menjadi kas bersih. Bisnis SGH membukukan EBIT positif pada 2016, namun laba hasil operasi kita masih terlalu rendah dan masih ada ruang untuk perbaikan substansial.

Untuk mengatasi kondisi pasar yang terus berubah, kita mengambil tindakan cepat untuk menata kembali organisasi, membuat penyesuaian yang diperlukan atas strategi perusahaan, merancang ulang proses, memulai inisiatif inovatif dan membuat investasi yang diperlukan untuk memungkinkan tercapainya target pertumbuhan jangka panjang.

Di tahun 2017 kita perlu meraih kembali momentum penjualan dan terus meningkatkan pangsa pasar kita. Kita akan fokus pada produk unggulan kita yang memiliki ekuitas merek yang kuat: kita akan berinvestasi lebih banyak lagi untuk mendukung Imboost, Fitkom, Diapet, Asthin Force dan Curcuma Plus dan terus mencari peluang untuk berinovasi.

We are seeing exciting inorganic growth opportunities as global interest in the Indonesian healthcare market remains very strong. We have signed several important new partnerships and Gilead's first product, a revolutionary HCV treatment, has been launched by our Alliance team in January 2017. Bolt-on acquisitions will also be instrumental to make our existing businesses more competitive and faster growing.

We certainly don't count solely on acquisitions to grow our Company and we are strong believers that we can grow organically our current products and business portfolio over the long term. We always invest heavily in R&D, capital expenditures and systems. We have a deep pipeline of new products, each of which can generate substantial revenues over time. SAP went Live recently for PPG and for SIP since late 2015. We expect substantial benefits from these IT investments to sustain our business.

In 2016 we changed the way we measure individual contribution to the Company's goals through a revamped Personal Scorecard (PSC) system linked to individual compensation. Our team knows exactly what to do to create shareholder value for the Company, incentives are fully aligned and everyone is now compensated to execute.

The opportunities for value creation are boundless: better products leading to added market share; faster growth and better margins in services. Over the last 10 years huge wealth has been created in the Indonesian healthcare industry and the same will happen during the next 10 years.

My commitment to you and to our shareholders is that SOHO Global Health will be better positioned than any rival to create that value and earn those rewards.

Ke depan, kita akan mendapatkan keuntungan dari posisi unik kita sebagai pemimpin trend "obat alami" yang telah menata ulang industri kesehatan.

Kita melihat peluang pertumbuhan anorganik yang menjanjikan karena minat global terhadap pasar kesehatan Indonesia tetap sangat kuat. Kita telah menandatangi beberapa kemitraan strategis dan produk pertama hasil kemitraan ini, Gilead, obat revolusioner perawatan HCV, diluncurkan oleh tim Alliance pada bulan Januari 2017. Percepatan akuisisi juga akan sangat penting untuk membuat bisnis kita kompetitif dan tumbuh lebih cepat.

Kita tentu saja tidak hanya mengandalkan akuisisi untuk pertumbuhan perusahaan, dan kita sangat yakin akan kemampuan kita untuk mengembangkan produk dan portofolio bisnis secara organik dalam jangka panjang. Kita selalu berinvestasi atas R&D, belanja modal, dan sistem. Kita memiliki pengembangan produk baru yang kuat, yang akan menghasilkan pendapatan yang substansial di kemudian hari. SAP mulai diimplementasikan di PPG dan telah diimplementasikan di SIP sejak akhir 2015. Kita mengharapkan banyak manfaat dari investasi ini untuk keberlangsungan bisnis perusahaan.

Pada tahun 2016, kita mengubah cara mengukur kontribusi individu terhadap tujuan perusahaan melalui perubahan sistem Personal Scorecard (PSC) terkait dengan kompensasi individual. Kini semua tahu persis apa yang harus dilakukan untuk menciptakan nilai pemegang saham bagi perusahaan, insentif individual diselaraskan dan setiap orang diberi kompensasi untuk mengeksekusi.

Peluang untuk penciptaan nilai tidak terbatas: produk yang lebih baik bagi peningkatan pangsa pasar; pertumbuhan lebih cepat dan marjin yang lebih baik atas penyediaan layanan. Selama 10 tahun terakhir kesejahteraan telah tercipta di industri kesehatan Indonesia dan hal yang sama akan terjadi dalam 10 tahun kedepan.

Komitmen saya kepada anda dan pemegang saham adalah bahwa SGH akan berada pada posisi yang lebih unggul dari para pesaing manapun untuk menciptakan nilai tersebut dan meraih peluang yang ada





Management Discussion

Market Trend & SGH Position
Our Operations
Our Strategy

We act with unyielding integrity

We operate in the area of healthcare and every day we go to work to help save people's lives. We are striving to solve the health problems of millions of Indonesians who often lack access to quality healthcare. We always act with unyielding integrity and putting our customers and our patients at the center of what we do.

Management Discussion

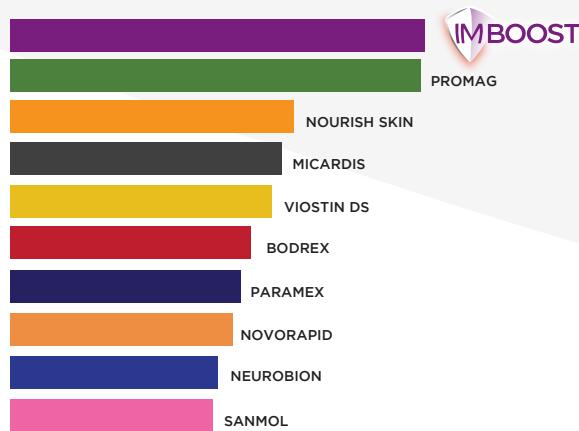
Market Trend & SGH Position

Tren Pasar & Posisi SGH

Imboost is now #1 Pharmaceutical product in Indonesia.

Imboost kini menduduki peringkat #1 produk farmasi dengan penjualan tertinggi di Indonesia

Top 10 Pharmaceutical Products in Indonesia

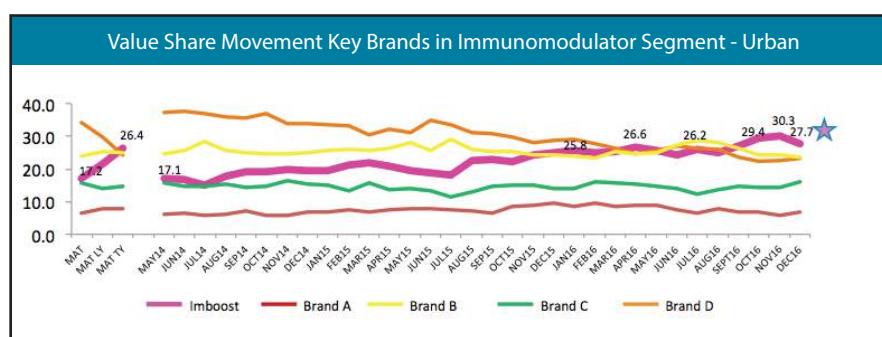
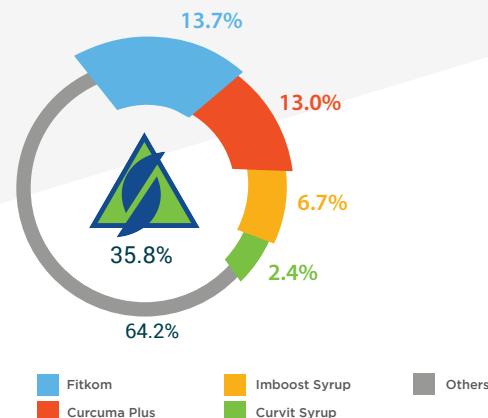


Source: IMS Health: Total Market, MAT Q4 2016

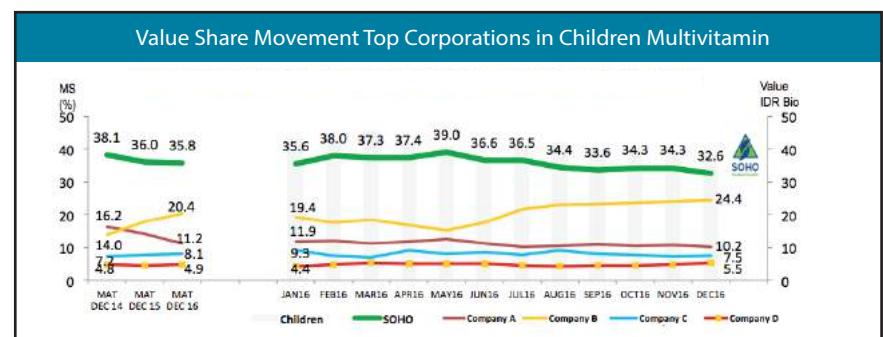
SGH continues to lead in kids multivitamins with a 35.8% value share.

SGH terus memimpin di pasar multivitamin anak dengan 35.8% pangsa pasar.

SGH Market Share in Kids Multivitamin Category



Source: Nielsen, RMS MAT December 2016



Source: Nielsen, RMS MAT December 2016



Our Operations

Fasilitas Operasional Kita

SGH's three primary operating segments consist of Supply & Operations, Sales & Marketing and Distribution.

SGH memiliki 3 fasilitas operasional meliputi *Supply & Operations, Sales & Marketing and Distribution*.



Supply & Operations

Overview

- SGH manufacturing operations are focused primarily on non-sterile oral pharmaceutical products and OTC products
- Manufacturing operations are carried out on a site with an area of about 22,000 sq.m.

Certificate and Recognition

GMP Pharma :

- Nonbeta lactam Oral Liquid
- Nonbeta lactam Semisolid
- Nonbeta lactam Tablet and Coated Tablet
- Nonbeta lactam Hard Capsule
- Nonbeta lactam Oral Powder
- Nonbeta lactam Effervescent Tablet
- Nonbeta lactam Effervescent Powder

GMP Traditional Medicine :

- Tablet
- Coated tablet
- Capsule
- Oral powder
- Oral liquid

Fasber :

- Oral liquid (Traditional Medicine)
- Oral Powder, Hard Capsule, Tablet & Coated Tablet (Traditional Medicine)
- Oral Liquid (Supplement)
- Oral Powder, Hard Capsule, Tablet & Coated Tablet , Effervescent tablet (Supplement)

Licensing of Food Industry

- ISO 9001:2008
- Proper : Blue rank
- HALAL Certificate : Product Group of Curcuma Plus Milk, Dianeral Milk & Dianeral sweetener

Capabilities

Solvent Extraction Capabilities :

- Capabilities include solvent extraction of raw botanicals (leaves, roots, etc.) into active raw materials
- Raw material extracts are then blended with excipients before being filled into capsules and packaged into finished goods

SOHO Global Research :

SCEHR (SOHO Center of Excellence in Herbal Research)

Manufacturing Capabilities :

- Liquid dosage forms: Syrups, suspensions and emulsions
- Semi-solid dosage forms: creams and ointments
- Solid dosage forms include:
 - Tablets
 - Film-coated and sugar-coated tablets
 - Capsules
 - Effervescent tablets and
 - Powders

Output

Volume: 800+ million (dosage unit)



Sales & Marketing

Overview

- Natural medicine OTC and distinctive natural based OTx and consumer health products
- Leading in immunomodulator, kids multivitamin and diarrhea category



Distribution

Overview

- Distributing products with 60 years long track record for Principals: Ethical, OTC/Consumer and Medical devices/ equipments
- Distribution network covers over 90% of Indonesia's major cities

Certificate and Recognition

- Sales Practice adherence to Code of Conduct (CoC) and Anti-Bribery and Anti-Corruption (ABAC)

Capabilities

HCP Network

- Well established across major therapeutics
- Wide coverage of medical doctors across Indonesia (about 90% of target medical doctors covered)

IT Enablement

- SFMS (Sales Force Management System): Web version & iPad version

of fleet

600 vehicles

Warehouse

- 1 distribution center (Central Warehouse)
- 2-8°C for cold chain storage
- Manage in excess of 15,000 pallets in our Central Warehouse and 17,000 pallets within all branches nationwide

Distribution Network

- 52 distribution points (branches, sales offices and sub-distributors)

IT Enablement

- SAP: integrated enterprise management system
- MSA (Mobile Sales Application): Automation for ordering purposes
- Qlikview: Centralized database management dashboard with daily information update

Output

Market Share:

- Imboost: #1 selling pharmaceutical product in Indonesia
- Kids multivitamin: SGH leads this category with 35% market share

Output

Channel coverage over 41,000 outlets

Our Strategy

Strategi Kita

2016 was an important year for SOHO Global Health. In line with our strategy, significant progress was made in positioning the group for accelerated profits in higher margin, growing businesses.

2016 merupakan tahun transisi yang penting bagi SOHO Global Health. Sejalan dengan strategi perusahaan, kemajuan yang signifikan telah dicapai sehingga perusahaan dapat meningkatkan keuntungan dengan fokus pada bisnis dengan marjin tinggi dan peluang pertumbuhan besar.

As we begin 2017, we remain firmly focused on improved profitability, return on investment and growth. Our strategy to achieve this encompasses two main strategic themes:

- Sustainable growth
- Professionalism

Kita mulai 2017 dengan tetap fokus terhadap peningkatan profitabilitas, pengembalian atas investasi (*return on investment / "ROI"*) dan pertumbuhan perusahaan. Strategi kita untuk mencapai tujuan tersebut diterjemahkan ke dalam dua tema strategis:

- Pertumbuhan yang berkesinambungan
- Profesionalisme



SGH's Employees and Environmental Work

Karyawan dan Lingkungan Kerja di SGH

Our healthcare solutions touch the lives of millions of people in Indonesia, create direct employment for 2700+ people and indirect employment for hundreds of others, have a positive impact on communities and generate significant economic benefits.

Solusi kesehatan kita menyentuh kehidupan jutaan manusia di Indonesia, menciptakan lapangan kerja bagi 2700+ karyawan SGH secara langsung dan secara tidak langsung bagi ratusan lainnya, menciptakan dampak positif bagi komunitas dan kesejahteraan ekonomi yang signifikan.

As a responsible part of the worldwide community we are working on initiatives to fully implement our Environmental, Social and Governance ("ESG") Management System, an integrated system to manage environmental as well as social and governance aspects. The system also manages risks from our operational activities: the plantation, our manufacturing and distribution network, as well as from third parties providing products and services to our company (e.g. contractors, suppliers, consultants). The ESG Management System complies with the International Finance Corporation ("IFC") Performance Standards, Environmental Health Safety Guidelines ("EHSG") and all applicable rules and regulations in Indonesia.

CUSTOMERS

We operate in the area of healthcare and every day we go to work to help save people's lives. We are striving to solve the health problems of millions of Indonesians who often lack access to quality healthcare. We always act with unyielding integrity and putting our customers and our patients at the center of what we do.

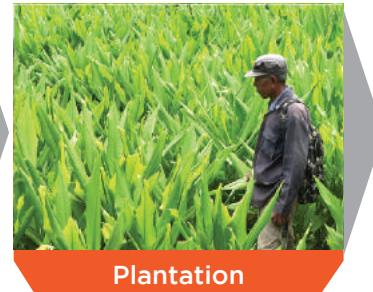
As the pioneer in natural herbal-based medicine, SGH is aiming at ensuring the highest quality of its natural-based products. It's our commitment to improve the health of Indonesians by harnessing Indonesia's natural wealth and indigenous plants.

Sebagai bagian dari komunitas dunia kita terus berupaya mengimplementasikan *Environmental, Social and Governance ("ESG") Management System*, sebuah sistem terintegrasi untuk mengelola aspek lingkungan mencakup aspek sosial dan tata kelola perusahaan. Sistem ini juga mengelola dampak dan risiko dari aktivitas operasional: mulai dari perkebunan, pabrik, dan aktivitas distribusi, hingga pihak ketiga penyedia produk dan/atau jasa bagi perusahaan (seperti kontraktor, pemasok, konsultan). Sistem manajemen ini mengacu pada standar kinerja *International Finance Corporation ("IFC")*, *Environmental Health Safety Guidelines ("EHSG")*, dan seluruh regulasi terkait yang berlaku di Indonesia.

PELANGGAN

Organisasi kita bergerak di bidang pelayanan kesehatan dan setiap hari kita bekerja untuk menyelamatkan nyawa jutaan orang. Kita berusaha mengatasi masalah kesehatan jutaan orang Indonesia yang sering kali kekurangan akses perawatan kesehatan berkualitas. Kita selalu bertindak dengan integritas yang teguh dan menempatkan pelanggan dan pasien di pusat segala hal yang kita lakukan.

Sebagai pionir penyedia obat-obatan berbasis herbal, SGH berupaya keras menjamin standard kualitas tertinggi atas produk natural yang diproduksinya. Adalah komitmen SGH untuk meningkatkan kesehatan masyarakat Indonesia melalui upaya mengembangkan potensi alam Indonesia.



Delivering on this promise, we implement the Seed to Patient concept for our Curcuma based products, in which the Group controls the entire process from seeding, growing, harvesting, extracting, and manufacturing all the way up to delivery to customers/patients. We take great care in maintaining and developing each part of the value chain, starting from where we obtain our high quality raw materials: the plantation.

KOMUNITAS

Corporate Social Responsibility (CSR) activities conducted by SOHO Global Health (SGH) are focusing on key public health concerns. In general, our CSR programs can be classified into two types of activities: activities related to public health and product donations.

In line with the Company's mission, CSR activities related to public health we regularly sponsor free medical treatment in several areas in Indonesia with a particular focus on the communities surrounding our operations such as Jakarta, Sukabumi, Bandung, Medan and Yogyakarta.

Moreover, SGH provides product support for health related charity organizations including the Cancer Foundation, Public Health Center (Pusat Kesehatan Masyarakat / "Puskesmas"), and Orphanages in Greater Jakarta. In addition SGH also donated books to kindergarten students via the "Share The Book" program. We work closely with the Bogor Institute of Agriculture (IPB) and with the Nagrak Organic SRI Center (NOSC), an agricultural practices support, to provide agricultural training to the plasma Temulawak farmers in Nagrak Village, Cibadak-Sukabumi.

Sebagai perwujudan dari komitmen ini, kita menerapkan konsep *Seed to Patient* untuk produk Curcuma kita, dimana Grup mengendalikan seluruh rangkaian proses kreasi nilai dari pembibitan, penanaman, pembudidayaan, panen, ekstraksi dan produksi hingga pengiriman ke konsumen/ pasien. Kita sungguh-sungguh memperhatikan dan mengelola setiap bagian dari rantai nilai, dimulai dari pasokan bahan baku: perkebunan Curcuma.

KOMUNITAS

Aktivitas Corporate Social Responsibility (CSR) yang dikelola SOHO Global Health (SGH) difokuskan pada area kesehatan publik. Secara umum, program CSR kita dapat diklasifikasikan menjadi dua tipe aktivitas: aktivitas terkait dengan penyelenggaraan kesehatan publik, dan donasi produk.

Selaras dengan tujuan perusahaan, aktivitas CSR terkait dengan kesehatan publik dilakukan dengan menggelar pengobatan gratis secara berkala dengan fokus utama bagi komunitas di sekitar area operasi perusahaan seperti di Jakarta, Sukabumi, Bandung, Medan dan Yogyakarta.

SGH juga mendonasikan produk untuk mendukung acara kesehatan yang digelar beberapa badan amal diantaranya Yayasan Kanker, Pusat Kesehatan Masyarakat (Puskesmas) dan panti asuhan di Jabotabek. Disamping itu SGH juga mendonasikan buku untuk murid Taman Kanak Kanak (TK) melalui program "Share The Book".

Kita juga menjalin hubungan kerja sama dengan IPB dan NOSC, lembaga ahli pertanian, untuk menyediakan pelatihan teknis bagi petani plasma Temulawak di sekitar lokasi perkebunan di Nagrak, Cibadak-Sukabumi.

SGH's Employees and Environmental Work

Karyawan dan Lingkungan Kerja di SGH

PEOPLE

We value high performance. This is why we are investing in our people to learn, grow and to have a successful career with SGH. One thing that will not change is our proven strength of picking great people and developing them to become great leaders. SGH Campus Hiring and Graduate Trainee Program, as well as an active internal job posting system facilitating promotions and rotations to fill vacant positions, showcase our commitment to nurture future leaders.

During 2016 we hired 470+ new employees (including replacements) in the entire organization amidst significant economic uncertainty all over the country. Among 2700+ people that we employed, 900+ are women; and among 60 people in managerial level, 24% are women - a significant portion from employment standpoint that showcased how we recognize the value of diversity.

CARE FOR PLANET

Our manufacturing facility has a dedicated wastewater treatment plant that is operating well within capacity and complies with local regulations. An adequate control on the storage, handling, and disposal of hazardous materials used in the production process is in place and complies with all relevant regulations. In addition we are starting to implement procedures for reducing and recycling general waste; also focusing our resource efficiency initiatives on converting material replacement from solvent based to water based.

KARYAWAN

Kami menghargai kinerja tinggi. Inilah alasan mengapa kita berinvestasi untuk pengembangan karyawan sehingga karyawan dapat belajar, tumbuh dan membangun karir yang produktif bersama SGH. Satu hal yang tidak pernah berubah adalah komitmen dan sekaligus keunggulan kita dalam memilih karyawan yang bertalenta dan mengembangkan mereka menjadi pemimpin yang handal. *SGH Campus Hiring and Graduate Trainee Program*, serta sistem job posting internal yang terus aktif dalam memfasilitasi promosi dan rotasi karyawan untuk mengisi kekosongan lowongan pekerjaan, telah membuktikan komitmen kita untuk menumbuhkan pemimpin - pemimpin masa depan.

Sepanjang tahun 2016 kita merekrut 470+ karyawan baru (termasuk penggantian) di tengah kondisi ekonomi nasional yang tidak menentu. Dari keseluruhan 2700+ karyawan yang kita pekerjakan, 900+ diantaranya adalah perempuan; dan dari 60 orang yang menduduki posisi senior manajer, 24% adalah perempuan - porsi yang signifikan dari keseluruhan karyawan yang sekaligus menandakan komitmen kita atas keberagaman.

KEPEDULIAN PADA LINGKUNGAN (PLANET)

Fasilitas manufaktur telah dilengkapi dengan Instalasi Pengolahan Air Limbah (IPAL) yang beroperasi dengan baik sesuai kapasitas dan sesuai dengan regulasi lokal. Kontrol yang memadai pada penyimpanan, penanganan, dan pembuangan limbah material berbahaya yang digunakan pada proses produksi telah diterapkan secara efektif dan sesuai dengan seluruh regulasi terkait. Lebih lanjut, kita mulai mengimplementasikan prosedur untuk mengurangi dan mendaur ulang limbah umum; serta memfokuskan proyek pengefisiensian sumber daya untuk mengkonversi material dari bahan pelarut (*solvent-based*) menjadi bahan cair (*water-based*).

1. CO₂ Emission Energy

Carbon dioxide (CO₂) is the primary greenhouse gas emitted through human activities. The main human activity that emits CO₂ is the combustion of fossil fuels (coal, natural gas, and oil) for energy and transportation, although certain industrial processes and land-use changes also emit CO₂.

Significant CO₂ reduction was generated from various saving initiatives during 2015-16 in our sites, ranging from reducing energy usage (such as electricity, fuel, gas, and water consumption) to improving systems and avoiding leakages.

2. Hazardous Waste

Hazardous waste may be the result of production activities, and expired medicines. Actual production output 2016 increased 4.2% in volumes compared to 2015. However hazardous waste increased by 107% compared to 2015 as a result of Finished Goods inventory clean up in the distribution channel.

3. VOC Emission

Volatile organic compounds (VOCs) are organic chemicals that have a high vapor pressure at ordinary room temperature. Their high vapor pressure results from a low boiling point, which causes large numbers of molecules to evaporate or sublime from the liquid or solid form of the compound and enter the surrounding air, a trait known as volatility.

Main activities of VOC reduction during 2015-16 involved production material replacement from solvent based to water based; we expect this initiative to be 100% completed by Q2 2018.

1. Emisi CO₂

Karbon dioksida (CO₂) adalah gas rumah kaca utama yang dihasilkan melalui kegiatan manusia. Aktivitas manusia utama yang mengeluarkan CO₂ adalah pembakaran bahan bakar fosil (batubara, gas alam dan minyak bumi) untuk energi dan transportasi, walaupun beberapa proses industri dan perubahan penggunaan lahan juga memancarkan CO₂.

Pengurangan CO₂ yang signifikan dihasilkan dari berbagai inisiatif penghematan selama 2015-16 di lokasi pabrik kita, mulai dari pengurangan penggunaan energi (seperti listrik, bahan bakar, gas dan konsumsi air) sampai perbaikan sistem dan penghindaran kebocoran.

2. Bahan berbahaya dan beracun

Bahan berbahaya dan beracun berasal dari kegiatan sisa produksi dan obat kadaluarasa. Volume hasil produksi tahun 2016 meningkat 4.2% dibanding tahun 2015. Namun bahan berbahaya dan beracun yang dihasilkan meningkat sebesar 107% dibandingkan tahun 2015 sebagai hasil dari pembersihan persediaan barang jadi di saluran distribusi.

3. Emisi VOC

Senyawa organik volatile merupakan bahan kimia organik yang memiliki tekanan uap yang tinggi pada suhu kamar. Hasil tekanan uap yang tinggi dari titik didih rendah yang menyebabkan sejumlah besar molekul menguap atau sublimasi dan memasuki udara di sekitarnya, suatu sifat yang dikenal dengan volatilitas.

Sejumlah inisiatif untuk mengurangi emisi VOC telah dilakukan sepanjang tahun 2015-16 diantaranya konversi material dari bahan pelarut (*solvent-based*) menjadi bahan cair (*water-based*); kita berharap inisiatif ini 100% selesai pada Q2 2018.



Capek bolak-balik WC
karena diare?

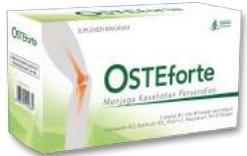


Terbuat dari **bahan alam**
untuk bantu lancarkan BAB





IMBOOST is an Immuno-booster with accurate dose for various illnesses caused by virus/bacteria/fungus



OSTE FORTE is a supplement to help maintain Joint-Health, made from Natural Ingredients Glucosamine & Chondroitin, with Vitamin C, Manganese, Magnesium and Zinc



A nice tasting children's multivitamins. FITKOM fulfills kids' vitamins needs in their growing age and maintains health



LAXING is made from natural ingredients to help promote bowel movements and ease the digestive system



CURCUMA PLUS products consist of Milk and Multivitamins which have been specifically formulated for kids aged 1 year and up, with the combination of natural ingredients Curcuma and complete nutrients to help kids grow healthy. CURCUMA PLUS offers complete variants, helping children to develop bone & teeth, maintain appetite and immunity, and fulfill their daily fruits and vegetables needs.



ASTHIN is the strongest and safest antioxidant without any pro-oxidant that helps to prevent and treat symptoms of diseases related to free radicals



AQUA MARIS is a Nasal Spray sourced from the Adriatic Sea Water which has a higher mineral content with APF Pump technology. Helps to clean the nose every day, allergic rhinitis and post operative nasal therapy



DIAPET is made from natural ingredients to reduce bowel movements frequency



MAGOZAI is an antioxidant from 7 natural ingredients with highest ORAC score which are beneficial to help maintain health and reduce the risk of degenerative diseases



ASTA-GEN is an anti-aging molecules from the highest source of antioxidants - natural astaxanthin, that protects the whole body organ



PROSPAN unique actions of secretolytic and bronchospasmolytic in relieving productive cough is well defined in the cellular level. Making PROSPAN as one of the first natural medicine with a clear, pharmaceutical grade mode of action explanation



CURVIT is the best choice for boosting appetite, maintaining body immune system and helping the development of brain



CURCUMA FCT is helping to maintain health of liver function and increase appetite



HEZZEL FARM MULTIVITAMIN are supplement for maintain your healthy joint, brain, eye, teeth and bone, decrease blood fat level, to meet essential vitamins and minerals requirement, and protect the body from viral and bacterial infections

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