

BOARD OF IPO AUCTION ORGANIZER OF PARENT COMPANY – VIETNAM GENERAL OF AGRICULTURAL MATERIAL CORPORATION RECOMMENDS THAT INVESTORS SHOULD CAREFULLY READ THE INFORMATION HEREIN AND THE AUCTION REGULATION BEFORE PARTICIPATING IN THE AUCTION

INFORMATION DISCLOSURE

INITIAL PUBLIC OFFERING

PARENT COMPANY - VIETNAM GENERAL OF AGRICULTURAL MATERIAL CORPORATION

IPO ORGANISER



HANOI STOCK EXCHANGE

Address: 2 Phan Chu Trinh, Hoan Kiem, Ha Noi

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IPO ISSUER



VIETNAM GENERAL OF AGRICULTURAL MATERIAL CORPORATION LIMITED

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Tel: 04.37332359 Fax: 04.37474647

IPO ADVISER



Biến cơ hội thành giá trị

SAI GON – HA NOI SECURITIES JOINT STOCK COMPANY

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I. INITIAL PUBLIC OFFERING INFORMATION**1. IPO Issuer**

- Company name in Vietnamese : **Tổng công ty Vật tư nông nghiệp – Công ty TNHH Một thành viên**
- English name : **Vietnam General of Agricultural Material Corporation Limited**
- Address : 164 Tran Quang Khai, Ly Thai To Ward, Hoan Kiem District, Ha Noi City
- Tel : 04.37332359
- Fax : 04.37474647
- JSC charter capital : 220.000.000.000 VND
- Share par value : 10.000 VND/share
- Total number of shares : 22.000.000 shares

In which

- ❖ *State owned* : 0 share, occupies 0% charter capital
- ❖ *Share offered to employee at a discount* : 238.200 shares, occupies 1,08% charter capital
- ❖ *Trade union party :* 11.200 shares, occupies 0,05% charter capital
- ❖ *External investors* : 21.750.580 shares, occupies 98,87% charter capital

2. Share offered for auction

- Number of shares offering : 6.350.580 shares, occupies 28,87% charter capital
- Type of share : Common share
- Offering method : Initial Public Offering of 100% State owned corporation that is equitized through auction
- Auction method : Under the provisions of “Regulation for Initial Public Offering through auction of Vietnam General of Agricultural Material Corporation Limited” issued by Hanoi Stock Exchange
- Starting price : 10.100 VND/share
- Deposit : Equals to 10% value of total share registered to purchase calculated in par value

- Minimum bidding volume : 100 shares
- Maximum bidding volume : 6.350.580 shares

3. Information disclosure on organizing of share purchase registration

3.1 Location provides the IPO Information Disclosure copy, receives registration form and money deposit, provides and receives auction participation form:

In auction agencies as stated in “Regulation for Initial Public Offering through auction of Vietnam General of Agricultural Material Corporation Limited” issued by Hanoi Stock Exchange (abbreviated as Auction Regulation)

3.2 Time to submit the auction participating registration, money deposit and receive auction form:

According to the time as stated in the Auction Regulation.

3.3 Conditions to register for auction participation

- (1) Having the registration for participation in regulated form and is submitted on regulated time.
- (2) Paying the full deposit of 10% value of total share registered to purchase calculated in par value during the regulated time for registration.
- (3) Ensure that all the conditions for investment and auctioning participation are in accordance with provisions of Decree No. 59/2011/NĐ-CP dated 18/07/2011 of the Government on transformation of the 100% State – owned enterprises into the Joint stock companies; Circular No. 196/2011/TT-BTC dated 26/12/2011 of the Ministry of Finance on the guidance for initial sale of share, management and use of the proceeds from the equitization of 100% State owned enterprises transform into Joint stock companies and Other related legal documents.
- (4) Having other related documents as listed below:

For native individuals:

- Presenting Identity card, valid Identification document details for checking process.
- Declaring the detailed, exact and clear address.

For domestic organizations:

- If the legal representative does not directly make the registration, it is required to have valid power of attorney issued or signed by the legal representative of the corporation to the participant. The participant then must present ID card or valid identity papers when he registers for and participates in the auction.
- Valid notarized copies of documents that demonstrate the legal status of the organization such as business registration certificate, decision of foundation, etc.

+ *For foreign individuals and organizations:*

- Copy of ID/ passport; Vietnamese ID card (in case of giving authorization to participate to a Vietnamese).
- Valid power of attorney (if any).
- Present account-opening paper at an organization, which provides payment service and are operating in Vietnam.
- For organization: Beside those above stated documents, it is required to have valid notarized copy proving the legal status of the organization such as business registration certificate, establishment license, etc; valid written proxy to the participant who represents for the corporation to participate in the auction (in case the legal representative could not directly participate into the auction).

3.4 Provision for paying deposit and share purchase payment:

Investors can pay in cash or transfer to auction agencies' account that is announced in the auction regulation.

3.5 Limit on the bidding volume:

- *For native investors:* Each investor is allowed to buy a minimum of 100 shares and maximum of 6.350.580 shares, which equals to the total shares offering to auction.
- *For foreign investors:* Each investor is allowed to buy a minimum of 100 shares and maximum of 6.350.580 shares, which equals to the total shares offering to auction.

4. Organize the auction, shares purchase payment and deposit redemption

+ *Time of the auction:*

As stipulated in *Auction Regulation*.

+ *Location of the Auction:*

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Tel: (84- 4) 3941 2626

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+ *Time of payment and deposit redemption:*

- Time of payment: As stipulated in Auction Regulation.
- Payment method: Investors can make their deposits in cash or transfer to the accounts of auction agencies where they register for their auction participation.
- Time of deposit redemption: As stipulated in Auction Regulation.
- Location: All the places where investors registered for their auction participation.

5. IPO Adviser:

SAI GON – HA NOI SECURITIES JOINT STOCK COMPANY

Headquarters:

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Address: 3rd floor, Artex building, No. 236 - 238 Nguyen Cong Tru, District 1, Ho Chi Minh City

Tel: 08. 3915 1368 Fax: 08. 3915 1369

II. LEGAL BASIS FOR THE OFFERING

- Enterprise law No. 68/2014/QH13 dated 26/11/2014 of Constitution of Socialist Republic of Vietnam;
- Decree No. 59/2011/NĐ-CP dated 18/07/2011 of the Government on the transformation of the 100% State – owned enterprises into the Joint stock companies and implementation guiding documents;
- Decree No. 189/2013/NĐ-CP dated 20/11/2013 of the Government on the amending and supplementing some articles of the Decree No. 59/2011/NĐ-CP dated 18/07/2011 of the Government on the transformation of the 100% State owned enterprises into the Joint Stock Companies;
- Decree No. 116/2015/NĐ-CP dated 11/11/2015 of the Government on the amending and supplementing some articles of the Decree No. 59/2011/NĐ-CP dated 18/07/2011 of the Government on the transformation of the 100% State owned enterprises into the Joint Stock Companies;
- Decree No. 63/2015/NĐ-CP dated 22/07/2015 of the Government providing the policies towards redundant employment in accordance with the restructuring of state-owned one member limited companies;

- Circular No. 196/2011/TT-BTC dated 26/12/2011 of the Ministry of Finance on the guidance for initial sale of share, management and use of the proceeds from the equitization of 100% State owned enterprises transform into Joint stock companies;
- Circular No. 127/2014/TT-BTC dated 05/09/2014 of the Ministry of Finance on Guidance for financial settlement and enterprise's value determination when transfer 100% State – owned enterprises into joint stock company;
- Decision No. 929/QĐ-TTg dated 17/7/2012 of the Prime Minister on the approval of the scheme “Restructuring of State – owned enterprises, focusing on economic groups and State-owned corporations period 2011-2015”;
- Resolution No. 30/NQ-TW dated 12/03/2014 of the Political Bureau on continuing restructuring, innovating and developing, improving the efficiency operations of agriculture and forestry company;
- Resolution No. 15/NQ-CP dated 06/03/2014 of the Government on a number of solutions to accelerate equitization, withdrawal of capital at enterprises.
- Dispatch No.2130/TTg-ĐMDN dated 15/11/2011 of the Prime Minister restructuring state owned enterprises under the Ministry of Agriculture and Rural Development;
- Decision No. 4587/QĐ-BNN-QLDN dated 23/10/2014 of the Ministry of Agriculture and Rural Development on implementing equitization the Parent company - Vietnam General of Agricultural Material Corporation Limited;
- Decision No. 4956/QĐ-BNN-QLDN dated 17/11/2014 of the Ministry of Agriculture and Rural Development on the foundation of equitization steering committee of the Parent company - Vietnam General of Agricultural Material Corporation Limited;
- Decision No. 862/QĐ-BNN-QLDN dated 16/03/2015 of the Ministry of Agriculture and Rural Development on the human resource adjustment of equitization steering committee of the Parent company - Vietnam General of Agricultural Material Corporation Limited;
- Decision No. 4990/QĐ-BNN-QLDN dated 19/11/2014 of the Ministry of Agriculture and Rural Development on forming assistance board for the equitization steering committee of the Parent company - Vietnam General of Agricultural Material Corporation Limited;
- Decision No. 1106/QĐ-BNN-QLDN dated 06/04/2015 of the Ministry of Agriculture and Rural Development on the time adjustment for enterprise value determination for equitization of the Parent company - Vietnam General of Agricultural Material Corporation Limited;
- Decision No. 3950/QĐ-BNN-QLDN dated 05/10/2015 of the Ministry of Agriculture and Rural Development on the approval for enterprise value of Vietnam General of Agricultural Material Corporation Limited for equitization.

- Decision No. 723/QĐ-TTg dated 28/04/2016 of Prime Minister on the approval for equitization plan of Parent company - Vietnam General of Agricultural Material Corporation Limited;
- Dispatch No. 4255/BNN-QLDN dated 25/5/2016 of the Ministry of Agriculture and Rural Development on the approval of starting price and chose Ha Noi Stock Exchange as IPO Organizer of Vietnam General of Agricultural Material Corporation Limited;
- And other related legal documents.

III. PERSONS RESPONSIBLE FOR THE INFORMATION DISCLOSURE CONTENT

1. Equitization Steering Committee:

- **Mr. Nguyen Truong Thang** Position: Member – Equitization steering committee
(According to Dispatch No. 4628/BNN-QLDN dated 07/06/2016 of the Ministry of Agriculture and Rural Development on IPO information disclosure and appoint officer to supervise the auction process)

This information disclosure is made by equitized enterprise and advisory party.

2. Equitized enterprise:

VIETNAM GENERAL OF AGRICULTURAL MATERIAL CORPORATION

- **Mr. Nguyen Truong Thang** Position: Acting Chairman – Members’ Councils concurrently General Director

We hereby assure all the information and data provided in this Information Disclosure are consistent with reality or have been investigated, collected in a reasonable manner so that the investors may evaluate on the Corporation’s assets, financial condition, outlook of business performance and prospect before register for the auction participation

We take full responsibility for the accuracy, transparency, full compliance with the provisions of the law on equitization of the information and data provided in herein document so that the investors may evaluate on the Corporation’s assets, financial condition and outlook of business performance.

3. IPO Adviser: SAI GON - HA NOI SECURITIES JOINT STOCK COMPANY (SHS)

- **Mr. Vu Duc Tien** Position: Chief Executive Officer

This information disclosure has been participative made by SHS based on advisory contract with Vietnam General of Agricultural Material Corporation Limited. We assure that the analysis, evaluation and selection of words for this Information disclosure have been done in a reasonable and prudent manner based on the information and data that were provided by Vietnam General of Agricultural Material Corporation Limited.

**IV. DEFINITIONS AND ABBREVIATIONS USED IN THE INFORMATION
DISCLOSURE**

Words or phrases that are abbreviated in this Information Disclosure:

- MARD : Ministry of Agriculture and Rural Development
- Corporation/company/
VIGECAM : Vietnam General of Agricultural Material
Corporation
- MC : Members' Councils
- BOM : Board of Management
- BOD : Board of Director
- Rev : Revenue
- Prop. : Proportion
- JSC : Joint stock company
- Co Ltd/Ltd Co : Company Limited
- GD : General Director
- COGS : Cost of goods sold
- GSO : General Statistics Office of Vietnam

V. INFORMATION OF EQUITIZED ENTERPRISE

1. General Information of the Equitized Enterprise

- *General Information*

- Enterprise name in Vietnamese: **Tổng công ty Vật tư nông nghiệp – Công ty TNHH Một thành viên**
- Address: 164 Tran Quang Khai, Ly Thai To Ward, Hoan Kiem District, Ha Noi City
- Tel: 04.37332359
- Fax: 04.37474647
- State owned Business registration certificate: No. 0100104468, first registration on 29th June 2010; 3rd amendment registration on 7th March 2014 issued by Ha Noi Department of Planning and Investment.
- Main business lines: The Corporation is trading on commercial product and service. Main business line is import export and trading on agricultural materials such as: fertilizer, tea and other agricultural products; trading on domestic agricultural products; leasing office, factories and warehouse; trading on machinery that serves agricultural production.

- *History of foundation and development*

Forerunner of the Corporation is a unit of central purchasing cooperatives. In 1960 it transformed into state-owned organization under the Ministry of Domestic Trade. In 1962 the company moved to the agricultural sector with a name called Bureau production, after that it had been renamed as Department of Agricultural Materials which under the Ministry of Agriculture. Since 1973, the Bureau production changed in to the Corporation form but it still kept the traditional name as General of Agricultural Materials. Since then, the General of Agricultural Material Corporation becomes a largest business unit providing and supplying agricultural materials, with 1st level units located at the focal point to receive supplies from North, Central and South provinces. The grade II company supplies agricultural materials to the provinces, cities but the specialties in supplying agricultural materials remain to be a cohesive system.

By 2010, according to Decision No. 1527/QĐ-BNN-ĐMDN dated 07/06/2010 of the Ministry of Agriculture and Rural Development on approving the scheme of transforming the Corporation in the form of parent company - subsidiary and transferred the parent company –

the General of Agricultural Materials Corporation into one member limited liability form. General of Agricultural Materials Corporation Limited is 100% state-owned corporation under the Ministry of Agriculture and Rural Development.

Through 55 years of development, the Corporation has always served as a major logistics unit of the national agricultural production. The company has annual supplied huge quantities of chemical fertilizers and specialized materials to serve agricultural production, which contributes significantly to the increase of food production and ensure foods security. Thanks to the contribution of agricultural materials, food industries have thrived, not only solve food shortages for decades but for the lasted 15 years, it also has surplus rice and annually exports millions of tons that worth billions of dollars.

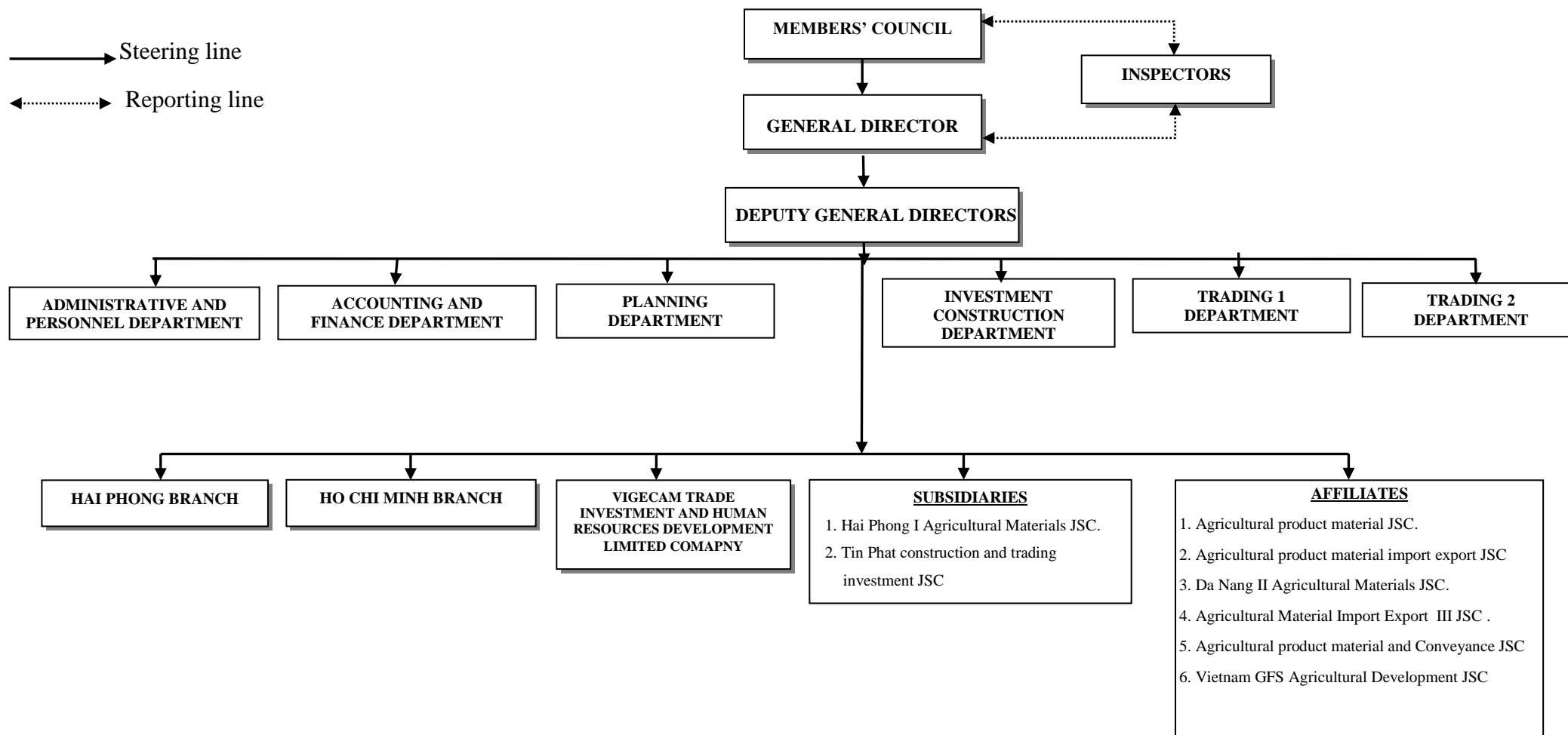
• ***Business lines***

According to business registration certificate No. 0100104468, first registration on 29th June 2010; 3rd amendment registration on 7th March 2014 issued by Ha Noi Department of Planning and Investment, the registered business lines of the Corporation are:

- Agents, brokers, auction: Agents for sale of coffee and tea; Agents for Buying, reselling and consignment goods
- Professional activities, science and technology have not been listed: commercial brokerage.
- Introducing and promoting trade.
- Produce product from plastic.
- Production of animal feed, poultry and seafood.
- Restaurant and catering services for mobile service: service restaurants, cafes, restaurants (not including bar, karaoke, disco).
- Short-stay service: Service guest houses, motels, business short-stay services (not including bar, karaoke, disco).
- Architectural and engineering activities and related technical consultancy: Project planning, project management works: traffic, civil, industrial, irrigation, electricity (only works when there are enough capacity conditions under provisions of law).
- Wholesale of machinery, equipment and other machine parts: Wholesale of machinery, equipment and spare parts office machines (except computers and peripheral equipment); Wholesale of machinery, electrical equipment, electrical materials (generators, electric motors, wires and electrical equipment used in the circuit); Buying and selling office equipment, electronics, refrigeration, computer components, telecommunications equipment.
- Construction of houses of all kinds.
- Demolition: demolition of constructions.

- Preparing the ground (not including mine detectors and the likely at the construction ground).
- Construction of other civil engineering projects: Construction of traffic, civil and industrial, irrigation, power, urban infrastructure; Construction of civil and industrial.
- Trading in real estate, land use rights of the owner, the owner or lessee to use; Real estate business; Business ecotourism parks, amusement parks, sports (not including bars, karaoke rooms, dance halls); Rental offices, housing, shops.
- Consulting, brokerage, real estate auctions, auction of land use rights: Service real estate auction (excluding valuation); consulting services in real estate; Advertising services in real estate; Management services of real estate.
- Warehousing and storage of goods: Warehousing and storage of goods in bonded warehouses.
- Wholesale cars and other motor vehicles.
- Agency for Automobile and other motor vehicles.
- Supporting services related to promoting and organizing tours: Travel domestic, international travel and services for tourists (not including bar, karaoke, and disco).
- Other manufacturing activities not to be listed: Manufacture of office equipment, personal items, household, electronics, refrigeration, computer components, and telecommunications equipment.
- Wholesale, other specialized not to be listed: Wholesale of fertilizers, pesticides and other chemicals used in agriculture.
- Wholesale equipment and electronic components, telecommunications: Buy and sell electronics, refrigeration, computer components, and telecommunications equipment.
- Wholesale of other household appliances: Buying and selling personal and family items.
- Manufacture of fertilizers and nitrogen compounds.
- Wholesale rice.
- Wholesale of agricultural and forestry materials (except wood, bamboo) and live animals (except those prohibited by the State).
- Road freight: Freight dedicated automobile; Cargo.
- Other road passenger conveyance: Conveyance using bus within the provincial; Passenger conveyance.
- Other supporting service activities have not listed: Export commodities that company trades.
- Wholesale food (For business that operate under specific conditions, the enterprise only trade as qualified as prescribed by law)

2. Organization structure of the Corporation



❖ Members' council

MC of the Corporation is the direct representative of the Owner at the Corporation, whose members are appointed by Ministry of Agriculture and Rural Development, has functions and duties as stipulated in Corporation's Charter and current legal regulations. MC is responsible before the Owner and the current laws for all activities of the Corporation.

❖ Inspectors

Inspectors are appointed and dismissed by the Owner to exercise the Owner's rights and duties in management and administration of business operations of the Corporation, which include: executing of the policies of the State; inspecting and supervising the management and using of funds of the Corporation to secure the effectiveness and development of business; supervising the organization of salary employees; supervising the business and finance activities of the Corporation.

❖ Board of Management

BOM consists of General Director and Deputy General Directors. General Director is the legal representative of the Corporation, responsible for all organizing and operating activities of the Corporation in accordance with the goals, plans, resolutions and decisions of the MC. He takes responsibilities in front of the Ministry of Construction, MC on the exercise of assigned rights and duties.

Deputy General Directors who assist General Director in operating the Corporation under the appointment and giving authorized by General Director. They take responsible before MC and General Director on their duties. BOM has executive management of capital and assets of the parent company - the Corporation to its subsidiaries as owners, both directly manage in the manufacturing business, investment, finance in the project with the contractor perspective or investor. Also in some cases, the Corporation is both the owner and partner with its member companies in the economic contracts.

❖ Functional Department:

The Parent company has 06 functional departments, the function and duties of the departments are as followed:

➤ Construction Investment Department:**▪ Function:**

Advise and assist and to act for the Board members and the CEO in the field of investment, construction and management of projects

▪ Duties:

- ✓ Perform the task of preparing the investment for the project: The Corporation invest 100% capital; cooperation projects, joint ventures, associated with organizations and individuals in domestic as well as abroad in accordance with the law of Vietnam on investment management, construction and international practice.
- Surveying the market for product to be produced, investment environment, where the Corporation intends to build projects.
- Construction Scheme (pre-feasibility study, feasibility) to submit to authority party for approval;
- Preparation of document, content negotiations and participate in negotiations with partners in domestic and abroad;
- Perform the tasks on assignment of land, construction permits, coordinate with related units clearance, preparing ground for construction and other work in service of the construction;
- Manage project documents, designs or hire technical design, construction cost estimates;
- Prepare bidding documents for the authorities of contractor selection;
- Contract negotiations with the contractors and submit for approval;
- Other jobs in the process of preparation of investment.
- ✓ Management, implementation of the investment process as prescribed by the State
- Perform supervision tasks of construction works;
- Management quality, volume, tempo, construction costs, environmental safety of buildings.
- ✓ Payment acceptance, settlement construction under the contract signed.
- ✓ Monitoring the management and use of land and implementation of procedures for granting land use right certificates of the Corporation.
- ✓ To perform the tasks and powers of the management as investor of construction for the rehabilitation of repair, upgrade, maintenance works or works of the Corporation
- ✓ Other duties as assigned by BOM, MC.
- **Accounting – Finance Department:**
 - **Function:**

Advise and assist the MC, General Director on the following areas: finance, financial investment, accounting, analysis of economic activity for the investment activities, production - business of the Corporation; Subscribe to liabilities, goods sold, the costs for production - business activities and other expenses of the Corporation; Monitoring the implementation of business plans for production of the Corporation.
 - **Duties:**
 - ✓ On the basis of financial plans, annual business and production plans of other departments or branches, the Department will synthetic and build overall financial plan of the

- Corporation. It also organizes and urge other departments, branches to comply with outlined financial plans;
- ✓ Managing, checking and monitoring the efficiency in capital in: Corporation, the member companies, joint ventures, associates and financial markets that the Corporation invests in;
 - ✓ Making evaluation of the financial and economic efficiency of investment projects, economic contracts, buying and selling, borrowing and lending under the decentralized management level of the Corporation.
 - ✓ Perform accounting duties for entire manufacturing- operations - import-export business in the Corporation; Synthetic monitoring the financial activities of the subsidiaries, associated companies and joint ventures.
 - ✓ Analysis of annual economic activity of the Corporation;
 - ✓ Synthesis, processing and storage of documents, financial data, accounting documents in accordance with accounting standards, the Accounting Act and other regulations on financial management of the State;
 - ✓ Operational implementation of the accounting profession in the Corporation
 - ✓ Checking the plan implementation of financial collection and expenditure, payment, submission; The management situation, use of assets, supplies and capital of the Corporation, including venture capital to affiliates and partners;
 - ✓ Synthesis entire financial operations of the Corporation and parties that have invested capital of the Corporation; Reporting, consolidation settlement produced quarterly, 6 months or annually of the Corporation;
 - ✓ Examining the settlement of completed project and submit to the Corporation;
 - ✓ Counseling, guiding on the accounting - finance profession for departments, branches of the Corporation;
 - ✓ Coordinate with other departments, branches of the Corporation to plan for the purchase price, selling price, price of goods inventory, supplies and assets of the Corporation
 - ✓ Finalization of the project that the Corporation invests or contributes capital in.
 - ✓ Other tasks as assigned by the General Director.
- **Trading 1 Department:**
- Function:
 - ✓ Advise and assist the MC and General Director in the fields of: foreign relations, policy of import-export, laws of Vietnam and International on this type of business operation;
 - ✓ Searching for market, goods sources for ensuring business effectiveness.
 - Duties:
 - ✓ Investigation, research domestic and foreign markets; Analysis and synthesis of commercial information; Seize business opportunities, implementation of marketing, customer finding;

- ✓ Developing existing market of the Corporation; expanding product consumption areas of the Corporation and the members in order to participate in increasing the consumption of fertilizer business effectively.
- ✓ Constructing and preparing business plans for import - export to submit for GD's approval;
- ✓ Drafting economic contracts with domestic and international customers in accordance with the law of Vietnam, laws and international practices to submit to GD or the person authorized to sign the contract;
- ✓ Export and import of goods as shown in certificate of business registration of the Corporation;
- ✓ Organizing and implementing economic contracts on the basis of approved business plan;
- ✓ Propose to the Corporation leaders in the management measures to increase labor productivity, improve efficiency and effectively manage production and business;
- ✓ Aggregating data, producing reports business results monthly, quarterly and year; Analyzing and evaluating business results by month, quarter, year
- ✓ Other tasks as assigned by the General Director.

➤ **Trading 2 Department**

▪ **Function:**

- ✓ Advise and assist the MC, the GD on the following areas: external relations, policy import - export and laws of Vietnam and International business operations;
- ✓ Searching for market, goods sources for ensuring business effectiveness.

▪ **Duties:**

- ✓ Investigation, research domestic and foreign markets; Analysis and synthesis of commercial information; Seize business opportunities, implementation of marketing, customer finding;
- ✓ Developing existing market of the Corporation; expanding product consumption areas of the Corporation and the members in order to participate in increasing the consumption of fertilizer business effectively.
- ✓ Constructing and preparing business plans for import - export to submit for GD's approval;
- ✓ Drafting economic contracts with domestic and international customers in accordance with the law of Vietnam, laws and international practices to submit to GD or the person authorized to sign the contract
- ✓ Export and import of agricultural commodities - food, equipment, vehicles, consumer goods, etc;
- ✓ Organizing and implementing economic contracts on the basis of approved business plan;
- ✓ Other tasks as assigned by the General Director.

➤ **Planning Department:**

▪ **Function:**

Advise and assist the MC and GD in the fields of strategic planning and production in import-export business; checking the business plans of the rooms export for GD's approval.

- Duties:
- ✓ Based on the business plan of the departments, branches of the Corporation, the department build strategy business plan annually, short term, medium term and long term of the Corporation;
- ✓ Checking and evaluating of import – export business plans ;
- ✓ Evaluation and analysis of business plans and production of members who has shared capital of the Corporation;
- ✓ Consolidate the plans for production, import-export business of the Corporation;
- ✓ Coordinating the implementation of production and business plans of the Corporation and the subsidiary of the Corporation;
- ✓ Often forecast of supply and demand, prices of goods on the domestic market and abroad for goods that the Corporation trades on;
- ✓ Statistics, aggregated information relating to the production and business of the Corporation;
- ✓ Making general reports and statistical reports periodically in order to report to GD and the relevant agencies;
- ✓ Coordinate with the departments and branches of the Corporation making plan for purchase price, selling price, inventory and materials, goods and assets of the Corporation;
- ✓ Other tasks as assigned by GD.
- **Administrative and Personnel Department:**
- Function:
- ✓ Organizing personnel apparatus and organization; Constructing officer plan and the policies of the State for enterprises and for workers
- ✓ Inspector - legislation; grievance, complaints and denunciations; Emulation and Reward, military;
- ✓ Managing administrative work; property protection; fire prevention.
- Duties:
- ✓ Study of organizational model for advanced management practices applied to the Corporation; research applying administrative reform, the style of work, the relationship between the departments of corporations units smoothly and efficiently;
- ✓ Developing plan for key staff of the Corporation;
- ✓ Organization of training and retraining of cadres and workers to meet the development requirements of the Corporation;

- ✓ Construction of organizational title professional standards, technical criteria and grades of officers and employees of the Corporation; To conduct the exam to transfer and promote wage, skill upgrading;
- ✓ Implement policies for employees as prescribed by the State; Social Insurance, track social insurance contributions, health insurance, unemployment insurance of officer and employees of the Corporation;
- ✓ Tracking the performance of duties, the observance of labor regulations, working regulations and assess the results of the staff to perform their tasks and employees in the Corporation;
- ✓ Constructing organization and management of labor norms, wage unit prices tied to production and business results;
- ✓ Perform the inspection, examination and settlement of complaints and denunciations in accordance with law within the scope of the Corporation;
- ✓ Monitoring, perform the upgrade, pay and other benefits for the workers and employees of the Corporation; monitor the safety and occupational health in the Corporation;
- ✓ Managing seal, personnel records management staff and employees of the Corporation under the jurisdiction management;
- ✓ Drafting legal evaluation of the rules and regulations of the Corporation; responsible for legal and consulting for the activities of the Corporation;
- ✓ Launching and guiding the movement, monitoring and review of labor emulation movements produced in the Corporation;
- ✓ Ensure adequate and responsive and timely infrastructure nature to leaders and departments within the agency works well in the Corporation;
- ✓ Managing, maintenance and repair of entire buildings, equipment and property of the Corporation;
- ✓ Doing the reception and concierge to work at the Corporation;
- ✓ Putting information, security and LAN management of the Corporation; repair, maintenance (both hardware, software) of computers and peripheral equipment of the Corporation;
- ✓ Implementation of the archives;
- ✓ Managing, arranging transport and equipment and other office supplies for leaders and cadres of the Corporation to work and go for business trips;
- ✓ Legal records management, land records and property records of the Corporation;
- ✓ Property Protection; search partners, and actively working with customers to rent office building in offices of the Corporation - 16 Ngo Tat To, 120 Quan Thanh hotel and other buildings of the Corporation;
- ✓ Develop plans for fire protection, environmental protection at the offices of the Corporation;
- ✓ Other tasks as assigned by the Corporation.

❖ **Subsidiaries, Affiliates, Financial Investments and Subordinate Units:**

➤ **Subsidiaries**

1. Hai Phong I Agricultural Material JSC
2. Tin Phat Construction and Trading Investment JSC

➤ **Affiliates**

1. Da Nang II Agricultural Material JSC
2. Agricultural Material Import Export III JSC
3. Agricultural product material JSC
4. Agricultural product material import export JSC
5. Agricultural product material and Conveyance JSC
6. Vietnam GFS Agricultural Development JSC

➤ **Subordinate Units**

1. Hai Phong branch
2. Ho Chi Minh city branch
3. VIGECAM Trade investment and Human resources development Co. Ltd

3. Major product and service

The Corporation's business is trading and providing services. Main trading product is import and export and trading on agricultural materials such as fertilizers; tea exportation and other agricultural commodities; domestic agricultural products; lease of office, factories and warehouses; provide machinery and equipment for agricultural production.

4. Labour situation of the Corporation

4.1. Employee wages

	Criteria	2012	2013	2014	2015
1	Total salary fund (VND)	5.793.600.000	5.718.960.000	6.004.999.680	6.224.000.000
2	Total employee (person)	68	60	64	64
3	Average wage (VND/person/month)	7.100.000	7.943.000	7.819.010	8.104.166

Source: the Corporation

4.2. Structure and Level of Labour after Equitization

- ❖ Total number of employee before equitization: **69 people**
- ❖ Labour classification before equitization (as at 05/10/2015):

Seq.	Classification	Number	Proportion
I	Education level	69	100%
1	Bachelor and Above	59	85,51%

Seq.	Classification	Number	Proportion
2	College, vocational level	3	4,35%
3	Lower college level, technical worker	2	2,90%
4	Other	5	7,24%
II	Contract classification	69	100%
1	Enterprise management officers (not subjected to sign labor contract)	6	8,69%
2	Indefinite term labor contract	45	65,22%
3	1-3 years labor contract	18	26,09%
4	Other	0	0%

Source: the Corporation

❖ Labour structure after equitization

Seq.	Classification	Number	Proportion
I	Education level	66	100%
1	Bachelor and Above	56	84,85%
2	College, vocational level	3	4,55%
3	Lower college level, technical worker	2	3,03%
4	Other	5	7,58%
II	Contract classification	66	100%
1	Enterprise management officers (not subjected to sign labor contract)	5	7,58%
2	Indefinite term labor contract	44	66,67%
3	1-3 years labor contract	17	25,76%
4	Other	0	0%

Source: the Corporation

5. Enterprise value as at 31/03/2015

According to Memorandum of Enterprise value evaluation for equitized the Parent company – Vietnam General of Agricultural Material Corporation, the actual enterprise value as at 24h00 date 31/03/2015 is **363.581.960.931 VND**. In which:

Actual State-owned value in the company: **117.241.583.230 VND**

Details:

In: VND

Seq.	Criteria	Book value	Re-evaluate value	Difference
1	2	3	4	5 = 4 – 3
A	In use assets	351.216.487.767	363.581.960.931	12.365.473.164
I	Fixed assets and long-term investments	152.684.362.462	165.049.835.597	12.365.473.135
1	Fixed assets	46.218.674.264	56.969.367.363	10.750.693.099
2	Long-term financial investments	91.482.426.501	92.845.992.080	1.363.565.579
3	Construction in progress	10.784.291.968	10.784.291.968	-
4	Long-term prepaid expenses	2.625.108.721	2.876.323.178	251.214.457
5	Other long-term assets	1.573.861.008	1.573.861.008	-
II	Current assets and short-term investments	198.532.125.305	198.532.125.334	29
1	Cash	63.251.939.031	63.251.939.060	29
+	<i>Cash in fund</i>	<i>1.082.756.511</i>	<i>1.082.756.540</i>	29
+	<i>Cash in bank</i>	<i>62.169.182.520</i>	<i>62.169.182.520</i>	-
4	Receivables	121.750.175.025	121.750.175.025	-
2	Material and merchandise inventory	8.938.170.223	8.938.170.223	-
3	Other current assets	4.591.841.026	4.591.841.026	-
III	Goodwill	-	-	-
IV	Land use right	-	-	-
B	Assets not to be used	61.728.191.403	61.728.191.403	-
I	Fixed assets and long-term investment	-	-	-
II	Current assets and short-term investment	61.728.191.403	61.728.191.403	-
1	Receivables that are unable to be paid	61.728.191.403	61.728.191.403	-
C	Assets waiting for liquidation	-	-	-
D	Assets formed from welfare and reward fund	-	-	-
	Total enterprise assets value (A+B+C+D)	412.944.679.170	425.310.152.334	12.365.473.164
	In which: Actual enterprise value (Part A)	351.216.487.767	363.581.960.931	12.365.473.164

E1	Actual Payables	246.340.377.701	246.340.377.701	-
	In which: the value of Land use right received that must paid to state budget	-	-	-
E2	Non-business expenditure resources	-	-	-
F	Total State-owned value in the enterprise [A-<E1+E2>]	104.876.110.066	117.241.583.230	12.365.473.164

Source: Enterprise value report of the Parent company

6. Main assets of the Corporation

- **Lands:** Currently, the Corporation is managing and using land which leased from the State with total area of 114.874,34 m2 including 06 lands in Ha Noi, Hai Phong and Ho Chi Minh city, details are:

Seq.	Description	Area (m ²)	Works on land	Using purpose	Used form	Period of using, remaining issues	Plan for using land after equitization	Value of land use right that count into enterprise value (VND)
1	Land on No. 120 Quan Thanh, Quan Thanh ward, Ba Dinh district, Ha Noi City	276,0	A building of 10 storeys with reinforced concrete structure	Offices for working and for rent	Hired land with yearly leasing fee	Land lease contract no. 92-2004/TNMTNĐ-HĐTĐTN dated 10/09/2004, period of leasing is for 13 years 6 months since 09/07/2004. Expired on 02/2018.	The Corporation has submitted document for continue the leasing and using as current plan but until now, it has not been replied by Ha Noi people Committee.	
2	Land on no. 16 Ngo Tat To, Van Mieu ward, Dong Da, Ha Noi	Land area 1.585,4m ² , used floor area 2.475,9 m ²	1 building of 07 storeys, 03 buildings of 02 storeys . The 1 building that has 02 storeys, the Ha Noi	Working office of member companies, affiliates and office for rent	Hired land with yearly leasing fee	Land leasing contract no. 09/XN2/HDDTN26/XD dated 15/4/2009 between Ha Noi housing development and management Ltd company and the Corporation. The leasing period is 05 years since 01/01/2009 to 01/01/2014. According to Dispatch no.11226/BTC-QLCS dated 12/8/2014 of Ministry of Finance on plan for rearranging and dealing with house and land of the Corporation on No. 16 Ngo Tat To, Dong Da district: The house area used by Ha Noi agricultural investment JSC (B building: land area of 80,4 m2, floor used area: 120 m2): Ha Noi housing development	The Corporation has submitted document for continue the leasing and using as current plan but until now, it has not been replied by Ha Noi people Committee.	

Seq.	Description	Area (m ²)	Works on land	Using purpose	Used form	Period of using, remaining issues	Plan for using land after equitization	Value of land use right that count into enterprise value (VND)
			people committee and other parties is process for leasing to Ha Noi agricultural investment JSC			<p>and management Ltd company end leasing contract with the Corporation and sign leasing contract with Ha Noi agricultural investment JSC). Currently, Interdisciplinary of Ha Noi has had Dispatch no.1662/LN-SXD-STC-STN&MT-CTQL&PTN dated 10/3/2016 to Ha Noi People Committee to seek approval for land area leased to Ha Noi agricultural investment JSC:</p> <ul style="list-style-type: none"> - Housing area: 177,5 m² - Land area: 204,3 m² (private use of 97,1 m², common used that not in plan 107,2 m²). Ha Noi People Committee has not yet issued decision to separate land using between the 2 parties and Ha Noi housing development and management Ltd company has not signed the contract with the Corporation yet. 		

Seq.	Description	Area (m ²)	Works on land	Using purpose	Used form	Period of using, remaining issues	Plan for using land after equitization	Value of land use right that count into enterprise value (VND)
3	Land on No. 164 Tran Quang Khai, Ly Thai To ward, Hoan Kiem district, Ha Noi city	536,0	01 building of 04 storeys	Working office of the parent company	Hired land with yearly leasing fee	Land leasing contract no.93-2004/TNMTNĐ-HĐTĐTN dated 10/09/2004, leasing period of 41 years since 09/04/2004.	The Corporation has submitted document for continue the leasing and using as current plan but until now, it has not been replied by Ha Noi people Committee.	
4	Land on no. 166-168-170 Hai Thuong Lan Ong, District 5, Ho Chi Minh Cty	554,94	One blocks of 1 storey and 01 building of 02 storeys	Working office of Ho Chi Minh branch		Transferred according to Agreement Memorandum no. 645/BBTT-TCT-VHNH dated 12/10/2004 on the debt settlement between Viet Hoa Bank and the Corporation. Land dossier has been lost thus, the Corporation has not granted the land using certificate. Five Star International Group JSC is leasing this land with period is each year. The contract has expired but this company still uses the land and has not returned it to the Corporation.	The Corporation has submitted the dispatch for continue using and managing the land at 166-168-170 Hải Thuong Lan Ong, District 5, Ho Chi Minh Cty, but it has not yet received approval from Ho Chi Minh people committee.	
5	Land on Dong Da entertainment park, Trung Liet ward, Dong Da	23.042	The project was carried	Perform project "Entertainment	Hired land with yearly leasing	Land leasing contract no.22-97/ĐC-HĐTĐTN dated 17/06/1997, leasing period is 50 years since 21/05/1997.	According to Decision no. 723/QĐ-TTg dated 28/4/2016 of Prime Minister on approval	

Seq.	Description	Area (m ²)	Works on land	Using purpose	Used form	Period of using, remaining issues	Plan for using land after equitization	Value of land use right that count into enterprise value (VND)
	district, Ha Noi City		out reclamation, clearance. (Currently there are a number of squatter households in the project site)	complex” according to Decision of project approval No. 671 NN-ĐTD/QĐ dated 24/04/1997 of MARD , Decision for land using No. 332 / TTg dated 21/05/1997 of the Prime Minister and Decision No. 3013 /	fee	<p>In 2003, the Corporation has minutes of agreement with Dong Da District People Committee to spend 7.000 m2 on project site to build the District Cultural House. Thus, on 12/08/2014, on Dispatch no 11226/BCT-QLCS of Ministry of Finance on plan of arranging and dealing with house facilities and land of the Corporation in Ha Noi, which is according to Decision No. 09/2007/QĐ-TTg, only stated the project land area was 16.042m2. In present, there has not had Decision for project land acquisition to build District Cultural House. Dong Da District People Committee still managed these land area.</p> <p>MARD has had Dispatch no. 3552/BNN-QLDN dated 08/5/2015 and Dispatch no. 7600/BNN-QLDN dated 15/9/2015 submit to the Prime Minister for consideration and approval for transferring Project investor into Five Star International Group JSC. On 10.19.2015, the Prime Minister issued the Dispatch No. 1853/TTg-KTN as follows: "...</p>	<p>Equitization plan of Parent company: “As to land are kept to manage and use (including land of Dong Da amusement complex project), the Joint stock company continue to manage and lease from the State in accordance with the land using regulation”.</p> <p>The Corporation has submitted dispatch asking for continue the leasing, managing and using as current plan but until now, it has not been replied by Ha Noi people Committee.</p>	

Seq.	Description	Area (m ²)	Works on land	Using purpose	Used form	Period of using, remaining issues	Plan for using land after equitization	Value of land use right that count into enterprise value (VND)
				QĐ-BNN dated 04/9/2003 of MARD for project investor transferred to the Corporation		implementation of the transfer project to build entertainment complexes Dong Da according to the current regulations." Five Star International Group JSC are implementing the proposal for transferring project investor. Project land lease amount owed as to 30/4/2016: 14.434.506.044 VND (In which: Land lease fee: 8.971.718.736 VND; Payment for delayed: 5.443.664.828 VND; this amount and the cost incurred will be accounted in the cost of construction in progress of the project).		
6	Land on Kien Bai Commune, Thuy Nguyen District, Hai Phong City	88.880	Currently implementing projects to build fertilizer factory. 2 factory currently under	Office, warehouse factories, business site	Hired land with yearly leasing fee	Land leasing contract no. 14/HĐTĐ dated 20/01/2006, leasing period of 40 years since 31/12/2004. The Corporation has made capital contributions in whole assets on land and land lease rights on 88.880 m2 area of the Corporation, founded Agricultural Development GFS Vietnam JSC to invest in building factories NPK fertilizer capacity of	As its own asset, Agricultural Development GFS Vietnam JSC is managing and using for deployment of NPK fertilizer production factories.	

Seq.	Description	Area (m ²)	Works on land	Using purpose	Used form	Period of using, remaining issues	Plan for using land after equitization	Value of land use right that count into enterprise value (VND)
			constructi on in progress			360,000 tons / year in Thuy Nguyen - Hai Phong. The percentage of shares in the Corporation holding company is 26%. Agricultural Development GFS Vietnam JSC was issued investment registration certificate dated 30.03.2016 by Hai Phong department of planning and investment, Code of Project: 5881022770. Currently Agricultural Development GFS Vietnam JSC is doing procedures for granting land use right certificate.		
	Total	114.874,34						

Source: the Corporation.

Note:

On 120 Quan Thanh and 164 Tran Quang Khai, Ha Noi City and Ministry of Finance has issued Decision No.1975/QĐBCT dated 12/8/2014 that approve the Corporation to sell properties on land and transfer the land using right.

On 166-168-170 Hai Thuong Lan Ong, District 5, Ho Chi Minh City, the Ministry of Finance issued Decision no. 1701/QĐ-BTC dated 15/7/2014 allow the Corporation to sell properties on land and transfer the land using right.

However until now, the Corporation still remains these land to use when it transfer to Joint Stock Company.

▪ **Fixed assets as on 31/03/2015**

Seq.	Assets	Accounting value		Revaluation	
		Original cost	Original cost	Original cost	Retained value
A	In used fixed assets	83.372.271.613	46.218.674.264	86.469.218.397	56.969.367.363
1	Building & architectonic model	77.228.054.370	43.938.042.037	80.097.912.884	54.243.212.528
2	Equipment & machine	1.025.261.739	465.410.280	1.025.261.739	487.660.392
3	Means of Transportation	4.438.781.886	1.708.269.007	5.068.300.654	2.184.264.706
4	Instruments & tools for management and other fixed assets	643.173.618	106.258.499	240.743.120	53.535.296
5	Intangible fixed assets	37.000.000	694.441	37.000.000	694.441
B	Not in used fixed assets	-	-	-	-
C	Fixed assets waiting for liquidation	-	-	-	-
D	Assets formed from welfare and reward fund	-	-	-	-
	Total	83.372.271.613	46.218.674.264	86.469.218.397	56.969.367.363

Source: Enterprise value for equitization report

Since the time of enterprise valuation, the Corporation has no significant changes in fixed assets.

7. List of Parent company, Subsidiaries of equitized enterprise

- **Parent company:** None
- **Subsidiaries:**

Seq.	Company	Charter capital	Address	Business line	Date of
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		Million VND	Proportion owned by Vigecam (%)			operation
1.	Hai Phong I Agricultural Materials JSC	26.241	57,00	No. 10 Minh Khai street, Hong Bang District, Hai Phong City	Trading on Agricultural material, commodities and service	29/6//2005
2.	Tin Phat Construction and Trading Investment JSC	5.249	76,19	16 Ngo Tat To, Van Mieu ward, Dong Da, Ha Noi	Trading on construction, commercial, agricultural material and service	01/7/2005

▪ *Affiliates (as on time for enterprise value evaluation 31/3/2015):*

Seq.	Company	Charter capital		Address	Business line	Date of operation
		Million VND	Prop. owned by Vigecam (%)			
1.	Da Nang II Agricultural Material JSC	27.140	38,22	No. 38 Pasteur, Da Nang City	Trading on fertilizer and agricultural material, commodity, service	3/11/2005
2.	Agricultural Material Import Export III JSC	219.209	6,00	No. 24A Ton That Thuyet, ward 18, district 4, Ho Chi Minh City	Trading and production of fertilizer and agricultural material, commodity, service	4/12/2003
3.	Agricultural Product Material JSC	176.704	7,42.	No. 14 Ngo Tat To, Van Mieu ward, Dong Da District, Ha Noi City	Trading and production of fertilizer and agricultural material, commodity, service	3/11/2005
4.	Agricultural Product Material Import Export JSC	10.110	48,00	Ngu Hiep, Thanh Tri suburban, Ha Noi city	Trading on fertilizer and agricultural material, service	11/11/1999
5.	Agricultural Product Material and Conveyance JSC	5.200	47,82	No. 58 Nguyen Binh Khiem, DaKao ward, District 1, Ho Chi	Trading on agricultural product, material,	27/06/2003

Seq.	Company	Charter capital		Address	Business line	Date of operation
		Million VND	Prop. owned by Vigecam (%)			
				Minh city	service	
6.	Vietnam GFS Agricultural Development JSC	110.000	26,00	No. 508 Truong Chinh, Nga Tu So ward, Dong Da district, Ha Noi City	Produce fertilizer and nitro compound, trading on fertilizer, agricultural product, service, agency	1/10/2014

Note:

1. The Corporation divested its capital in Da Nang II Agricultural Material JSC, and there are 763.800 shares remain, occupies 28,14% Charter capital of this company.

Date of divestiture: 19/5/2016, Agriculture and Rural Development Securities Company announced auction result to Da Nang II Agricultural Material JSC.

2. As on 31/3/2015, Da Nang II Agricultural Material JSC address is No. 38 Pasteur, Da Nang City. Now, it has moved to new address at 757 Nguyen Huu Tho, Da Nang.

▪ **Subordinate units**

Seq.	Company name	Address	Charter Capital (VND)	Business lines
1.	Hai Phong branch	No. 2 Hong Bang road, Trai Chuoi ward, Hong Bang district, Hai Phong City	0	Trading of fertilizer and agricultural material, commodity, machinery, service
2.	Ho Chi Minh City branch	134 Ton That Thuyet, ward 15, district 4, Ho Chi Minh city	0	Trading of fertilizer and agricultural material, commodity, machinery, service
3.	VIGECAM Trade Investment and Human resources development Co Ltd	16 Ngo Tat To, ward Van Mieu, Dong Da district, Ha Noi city	30.000.000.000	Trading of fertilizer and agricultural material, commodity, machinery, service

MAJOR FINANCIAL INFORMATON OF SUBSIDIARIES AND AFFILIATES IN 2013

In: Million VND

Seq.	Company	Owner Equity	Share owned	Total assets	Receivables	Payables	Total revenue	Profit before
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			of Vigecam (%)		Total	Expired	Total	Expired		tax
I	Subsidiaries									
1	Hai Phong I Agricultural Material JSC	32.759	57,00	78.446	42.087	1.017	45.687	0	478.812	4.187
2	Tin Phat Construction and Trading Investment JSC	3.318	76,00	13.679	3.663	0	10.361	0	10.124	-877
II	Affiliates									
1	Da Nang II Agricultural Material JSC	30.331	38,22	122.631	36.944		92.300		1.188.985	185
2	Agricultural Material Import Export III JSC	231.867	6,00	349.620	90.459		117.752		1.193.037	3.949
3	Agricultural Product Material and Conveyance JSC	5.341	47,83	10.217	2.240		4.875		15.369	99
4	Agricultural Product Material Import Export JSC	11.368	48,00	109.279	7.400		97.911		343.016	102
5	Agricultural product material JSC	176.704	7,42						5.318.830	8.285

Note: As the share owned by the Corporation in Agricultural product material JSC is small amount, thus this company do not reveal its financial information (capital of 176.704 millions VND is charter capital).

**MAJOR FINANCIAL INFORMATION
OF SUBSIDIARIES AND AFFILIATES IN 2014**

In: Million VND

Seq.	Company	Owner Equity	Share owned of Vigecam 31/12/14 (%)	Total assets	Receivables		Payables		Total revenue	Profit before tax
					Total	Expired	Total	Expired		
I	Subsidiaries									
1	Hai Phong I Agricultural Material JSC	27.930	57,00	72.262	44.714	2.800	44.332	0	400.044	6.177
2	Tin Phat Construction and Trading Investment JSC	2,149	76,00	12.847	2.712	0	10.698	0	8.258	-1.161
II	Affiliates									
1	Da Nang II Agricultural Material JSC	33.955	38,22	152.396	44.577		118.441		735.636	12.808
2	Agricultural Material Import Export III JSC	231.305	6,00	623.597	290.945		392.292		973.459	2.599
3	Agricultural Product Material and Conveyance JSC	5.492	47,83	11.376	2.177		5.884		15.046	274
4	Agricultural Product Material Import Export JSC	-27.387	48,00	62.129	1.139		89.517		182.334	-38.755

5	Agricultural product material JSC	176.704	7,42	2.223.391					4.781.297	45.314
6	Vietnam GFS Agricultural Development JSC	110.000	26,00							

Note:

1. As to Hai Phong I Agricultural Material JSC: In 2014, according to capital representative report, in above payable number, there is an amount existed for long time: 43.560 million VND. The customer has commitment of asset guarantee for this loan.
2. As to GFS company: Company has founded in 2014 and in the progress of infrastructure and legal fulfillment, so it has no revenue.
3. As to Agricultural product material JSC: the share owned by the Corporation in the company is small amount, thus this company do not reveal its financial information (capital of 176.704 millions VND is charter capital)

**MAJOR FINANCIAL INFORMATION
OF SUBSIDIARIES AND AFFILIATES AS ON 31/3/2015**

In: Million VND

Seq.	Company	Owner Equity	Share owned of Vigecam (%)	Total assets	Receivables		Payables		Total revenue	Profit before tax
					Total	Expired	Total	Expired		
I	Subsidiaries									
1	Hai Phong I Agricultural Material JSC	28.027	57,00	68.914	41.087	2.800	40.886	0	46.274	224
2	Tin Phat Construction and Trading Investment JSC	1.952	76,00	12.754	3.607	0	10.802	0	2.900	-167
II	Affiliates									
1	Da Nang II Agricultural Material JSC	34.193	38,22	84.353	43.722		50.160		349.718	304
2	Agricultural Material Import Export III JSC	232.696	6,00	569.247	238.920		336.551		239.879	1.783
3	Agricultural Product Material and Conveyance JSC	5.213	47,82	11.909	1.730		6.695		2.573	13
4	Agricultural Product Material Import Export JSC	-30.372	48,00	65.268	29.844		95.641	77.857	96.863	-2.985
5	Agricultural product material JSC	176.704	7,42							
6	Vietnam GFS Agricultural Development JSC	110.000	26,00							

Note:

1. As to Hai Phong I Agricultural Material JSC: according to capital representative report, in above payable number, which mainly is debt existed for long time, the customer has commitment of asset guarantee for this loan.
2. As to Tin Phat Construction and Trading Investment JSC, loss in profit caused decrease in owner's equity, which remains 1.952 million VND (Charter capital: 5.249 million VND)
3. Agricultural Product Material Import Export JSC: Profit loss accumulated of over 38 billions VND, Charter capital is 10.110 million VND caused negative owner's equity.

4. As to Agricultural product material JSC : the share owned by the Corporation in the company is small amount, thus this company do not reveal its financial information (capital of 176.704 millions VND is charter capital)
5. As to GFS company: Company has founded in 2014 and in the progress of infrastructure and legal fulfillment, so it has no revenue.

**MAJOR FINANCIAL INFORMATION
OF SUBSIDIARIES AND AFFILIATES IN 2015**

In: million VND

Seq.	Company	Owner Equity	Share owned of Vigecam (%)	Total assets	Receivables		Payables		Total revenue	Profit before tax
					Total	Expired	Total	Expired		
I	Subsidiaries									
1	Hai Phong I Agricultural Material JSC	27.931	57,00	68.115	41.019	2.800	40.183	0	292.981	3.598
2	Tin Phat Construction and Trading Investment JSC	1.346	76,00	8.962	2.911	0	7.615	0	11.548	-735
II	Affiliates									
1	Da Nang II Agricultural Material JSC	31.102	38,22	88.375	44.043		57.272		735.670	200
2	Agricultural Material Import Export III JSC	233.772	6,00	607.761	153.851		373.989		969.484	4.823
3	Agricultural Product Material and Conveyance JSC	4.435	47,82	26.438	6.514		22.003		39.133	-694
4	Agricultural Product Material Import Export JSC	-66.086	48,00	31.964	9.634		98.051	80.938	127.740	-77.521
5	Agricultural product material JSC	176.704	7,42						5.500.000	15.000
6	Vietnam GFS Agricultural Development JSC	110.000	26,00							

Note:

1. As to Hai Phong I Agricultural Material JSC: according to capital representative report, in above payable number, there is an amount existed for long time: 43.734 million VND. The customer has commitment of asset guarantee for this loan.
2. As to Agricultural Product Material Import Export JSC: In 2015, this company did not submit audited financial report, however, using date provided by its chief accountant, this company has profit loss of over 77 billion VND, Bank overdue of over 80 billion VND caused negative owner's equity.
3. As to Agricultural product material JSC : the share owned by the Corporation in the company is small amount, thus this company do not reveal its financial information (capital of 176.704 millions VND is charter capital)
4. As to GFS company: Company has founded in 2014 and in the progress of infrastructure and legal fulfillment, so it has no revenue.

INVESTMENT CAPITAL AND DIVIDENT PAID OVER YEARS

In: million VND

Seq.	Company name	Charter capital	Investment value of the Corporation	Proportion	Arising rate of contributions		Dividend		
					Increase (%)	Decrease (%)	2013	2014	2015
I	Invest in Subsidiaries								
1	Hai Phong I Agricultural Material JSC	26.241	14.958	57,00%	0	0	1.495	2.243	1.495
2	Tin Phat Construction and Trading Investment JSC	5.249	4.000	76,19%	0	0	0	0	0
II	Invest in Affiliates								
1	Da Nang II Agricultural Material JSC	27.140	10.372	38,22%	0	10,08	818	1.037	1.037
2	Agricultural Material Import Export III JSC	219.202	13.153	6,00%	0	0	139	74	0
3	Agricultural product material JSC	176.704	13.060	7,42%	0	0	0	1.306	
4	Agricultural Product Material Import Export JSC	10.110	4.853	48,00%	0	0	0	0	0
5	Agricultural Product Material and Conveyance JSC	5.200	2.487	47,82%	0	0	0	0	9.000
6	Vietnam GFS Agricultural Development JSC	110.000	28.600	26,00%					
	Total		91.483		0	0	2.452	4.660	11532

Note: For Agricultural product material JSC: according to Decision of GMOS in 2014, this company will share 10% dividend in which 5% is in cash and 5% is in shares. Till 31/12/2015, this company has not given 5% share dividend.

8. Business situation and performance of 3 years prior equitization

8.1. Business Operation

8.1.1. Revenue, Gross profit

+ Revenue – Parent company

In: Million VND

Seq.	Activity	2012		2013		2014		2015	
		Value	Prop.	Value	Prop.	Value	Prop.	Value	Prop.
1	Fertilizer	75.662	59,87%	34.163	38,94%	52.344	47,78%	99.454	45,38%
2	Export tea	23.807	18,84%	15.436	17,60%	31.796	29,02%	69.951	31,92%
3	Rent Office and warehouse	3.925	3,11%	6.412	7,31%	12.311	11,24%	13.542	6,18%
4	Others (LAS, construction investment...)	22.982	18,19%	31.711	36,15%	13.098	11,96%	36.232	16,53%
	Total	126.376	100%	87.722	100%	109.549	100%	219.179	100%

Source: Audited financial report of 2012 – 2015 of VIGECAM

+ *Revenue – Consolidated*

In: VND

Seq.	Description	2014		2015	
		Value	Prop. (%)	Value	Prop. (%)
1	Parent company	109.452.219.126	21,29%	219.135.412.927	42,10%
2	Hai Phong I Agricultural Material JSC	396.412.723.240	77,11%	289.827.741.704	55,68%
3	Tin Phat Construction and Trading Investment JSC	8.254.697.397	1,61%	11.548.906.665	2,22%
	Total	514.119.639.763	100%	520.512.061.296	100%

Source: Audited consolidate financial report 2014 – 2015

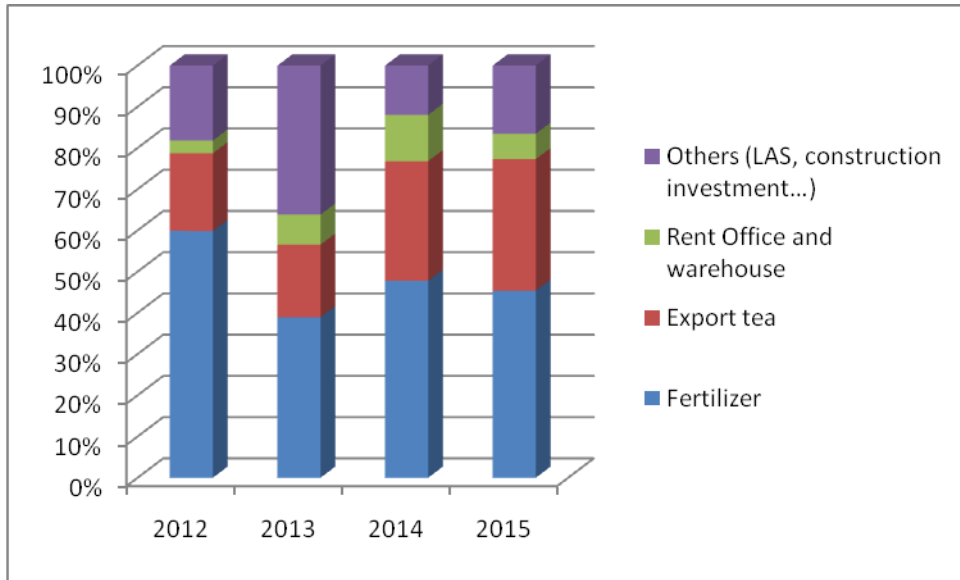
Revenue over the years of the Corporation decreased, especially in 2013. The reason is that in these years, consumption of fertilizer and exported tea were difficult under the impact of the recession of the economy in domestic and the world.

Fertilizer market in 2013 were difficult: the international fertilizer prices fluctuate erratically, in the last few months the prices fell more. There were commodity fell from 30-40% compared to the beginning of year; domestic fertilizer business is also not positive as fertilizer prices was affected largely from the importation from China to Vietnam; counterfeiting, counterfeit labels for some products, prestigious brands has caused market manipulation and reduce consumer confidence for genuine business enterprises. Inbound market, there are some fertilizer production enterprises such as Ninh Binh Urea, DAP Dinh Vu, Ca Mau, ... every year they have increased production and build a network of their own consumption, thus the deployment for Corporation's fertilizer imports and distribution is very slow, long inventory of goods has directly affected the business operation of the Corporation.

In 2015, fertilizer consumption situation improved significantly, tea exports also increased, revenue from other activities also grew strongly in 2015 led to skyrocketing sales compared to 2014 and reached 219 billion at the parent company.

On consolidated figures, revenues from Hai Phong I Agricultural Material JSC has had highest proportion of consolidated revenue structure over the years. In 2015, revenue from the company declined sharply but thank for efficient operations from the Parent company, consolidated revenues grew slightly in 2015, reached over 520 billion.

Revenue from activities



Fertilizer is the main products of the Corporation, accounted for about 50% in the structure of total annual sales. Tea exports accounted for nearly 30% of the revenue and tend to increase over the years. This is the business sector that has potential long-term stability, therefore, from the first months of 2014, the Corporation has been actively negotiated with domestic and foreign partners to expand the market to purchase and sell of goods . Business Results 2014 for tea exports in volume, revenue and efficiency are achieved and exceeded the targeted plan.

+ *Gross profit – Parent company*

In: million VND

Criteria	2012		2013		2014		2015	
	Value	%/Rev	Value	%/Rev	Value	%/Rev	Value	%/Rev
Fertilizer	4.916	3,89%	3.266	3,72%	1.633	1,49%	396	0,18%
Export tea	4.046	3,20%	1.350	1,54%	1.763	1,61%	427	0,20%
Rent Office and warehouse	3.925	3,11%	6.412	7,31%	7.629	6,96%	1.850	0,84%
Others (LAS, construction investment...)	3.095	2,45%	27.022	30,80%	9.854	9,00%	2.389	1,09%
Total	15.982	12,65%	38.050	43,38%	20.879	19,06%	5.063	2,31%

Source: Audited financial report of 2012 – 2015 of parent company

Gross profit decreased in the period from 2013 till present, and particularly sharply in 2015. Gross margin in 2015 was in a low level of 2.31% which shows the low efficient production and operation of the Corporation.

+ *Gross profit - Consolidated*

In: million VND

Seq.	Company	2014		2015	
		Value	Prop. (%)	Value	Prop. (%)
1	Parent company	20.879.121.958	49,23	5.062.788.286	23,08
2	Hai Phong I Agricultural Material JSC	21.206.293.421	50,00	16.758.113.133	76,39
3	Tin Phat Construction and Trading Investment JSC	324.396.248	0,77	115.708.637	0,53
	Total	42.409.811.627	100	21.936.610.056	100

Source: the Corporation

+ *Revenue and Gross profit – parent company*

In: VND

Criteria	2012	2013	2014	2015
Revenue	126.376.380.019	87.721.786.653	109.548.645.734	219.178.742.938
Gross profit	15.982.006.981	38.049.558.656	20.879.121.958	5.062.788.286
Gross profit margin	12,65%	43,38%	19,06%	2,31%

Source: Audited financial report of 2012 – 2015 of parent company

+ *Revenue and Gross profit – Consolidated*

In: VND

Criteria	2014	2015
Revenue	514.119.639.763	520.512.061.296
Gross profit	42.409.811.627	21.936.610.056
Gross profit margin	8,25%	4,21%

Source: Audited consolidate financial report 2014 – 2015

8.1.2. Supply of goods and input materials

– *Supply of goods and materials:*

The Corporation has been seeking diversified sources of supply in order to meet the business needs. It has often cooperated with reputable suppliers and the traditional partners.

The Corporations are pushing to strengthen cooperation with domestic suppliers who capable of providing goods that meets quality requirements, in time with reasonable yet competitive prices.

For these types of goods that have mandatory requirements on origin, quality standards, which the domestic provider can not satisfy, have to import directly, the Corporation selected companies, foreign corporations who have qualified reputation on the basis of reasonable and competitive prices.

– *The stability of the supply:*

Due to the input commodity prices operate under market price, the Corporation should always faces instability, unpredictable prices. Fertilizer is the main business items and staple of the Corporation but its fluctuating prices do not follow the rules of the market, besides, the imports of consumption goods is slow, causing long inventory has pushed costs thus have bad influencing to the business operations of the Corporation.

In 2014, the Corporation did not import fertilizer due to many risks. Imported price even higher than domestic item so the Corporation only focus on some fertilizer types such as: Kali, Ure, DAP of traditional and reputable providers in home country.

– *Main providers:*

Seq.	Provider	Item
1	Ha Anh Import export JSC	Urea Ninh Binh
2	VINACAM JSC	DAP Korea
3	Nam Thinh Hung Commercial service Co Ltd	Urea Ninh Binh
4	Hai Phong I Agricultural Material JSC	Kali CIS, DAP
5	Toan Nghia Commercial service Co Ltd	Urea Ninh Binh
6	Toan Phat Co Ltd	RS Sugar
7	TM& CN TITAN Co Ltd	Sun flower oil
8	FLOW CONTROL LTD Hong Kong	Ammonium Sulfate
9	5 – Continent Phosphorus Co..Ltd	Calcium Boron
10	NINGBO CETUS ELECTRIC APPLIANCE CO..LTD	Water heater
11	Viet Duc VINA Company	Urea Ninh Binh
12	Tuong Nguyen import export trading Co Ltd	Urea Ninh Binh
13	Phuong Thao trading investment co ltd	DAP 16-44 Dinh Vu
14	Hong Van trading conveyance co ltd	Urea Ca Mau
15	Nam Son agricultural commodities company	Chinese Urea
16	Nguyen Kim import export & investment Co ltd	DAP Dinh Vu
17	16 Co ltd branch	SVR3L real rubber
18	Thanh Vinh Tea Co Ltd	Green tea
19	Shan Truc Thanh Tea Co Ltd	Green tea
20	Hoang Lam Tea private company	Green tea
21	Than Uyen Tea JSC	Green tea

22	Bac Giang plastic JSC	PP wrapper covered by Krap (served as exported tea wrapper)
23	Long Duong Tea Co ltd	BE wrapper (served as exported tea wrapper)
24	Minh Hoang Wrapper Co Ltd	PP wrapper in mark (served as exported tea wrapper)

Source: the Corporation

8.1.3. Operational expenses of the Corporation

+ Operational expenses – Parent company

In: Million VND

Seq.	Expense	2012		2013		2014		2015	
		Value	%/Rev	Value	%/Rev	Value	%/Rev	Value	%/Rev
1	COGS	110.394	87,35%	49.672	56,62%	88.670	80,94%	214.116	97,69%
2	Financial expense	9.397	7,44%	5.983	6,82%	2.520	2,30%	41.094	18,75%
3	Selling expense	4.154	3,29%	15.145	17,26%	17.777	16,23%	38.614	17,62%
4	Administrative expense	-2.025	-1,60%	16.671	19,00%	5.748	5,25%	11.883	5,42%
Total		121.920	96,47%	87.470	99,71%	114.714	104,72%	305.708	139,48%

Source: Audited financial reports 2012 -2015 of parent company

+ Operational expense - Consolidated

In: VND

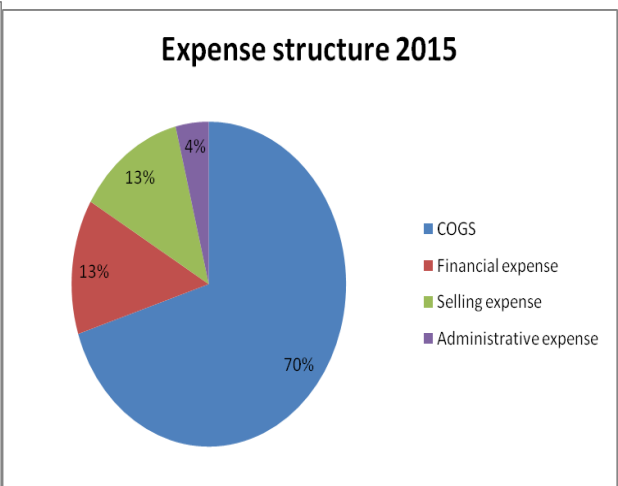
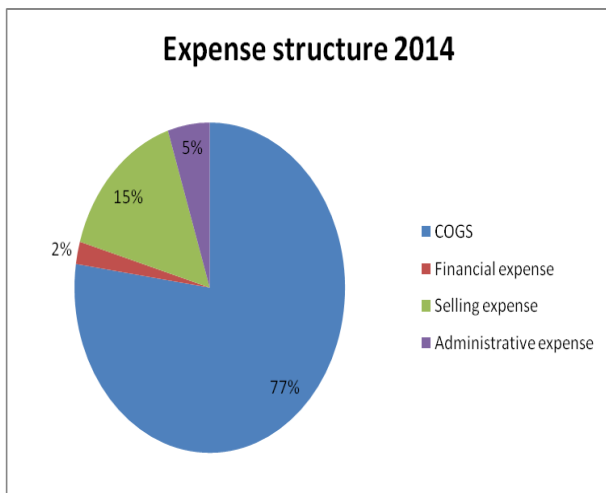
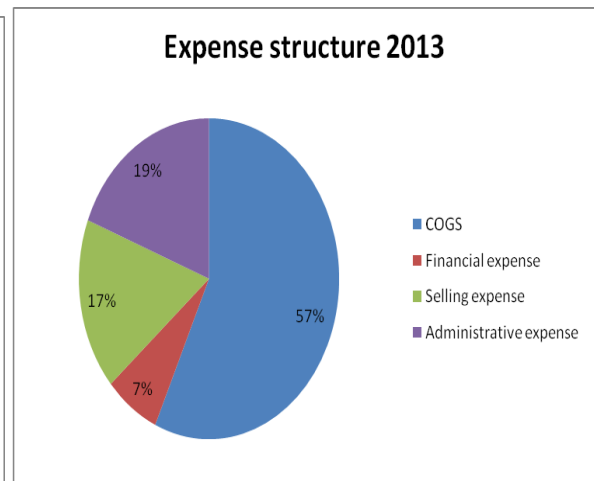
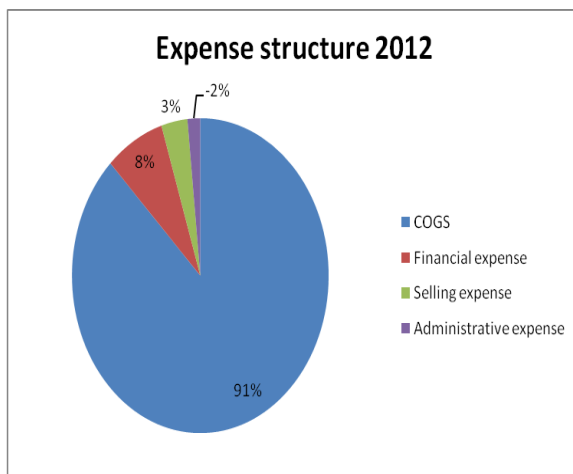
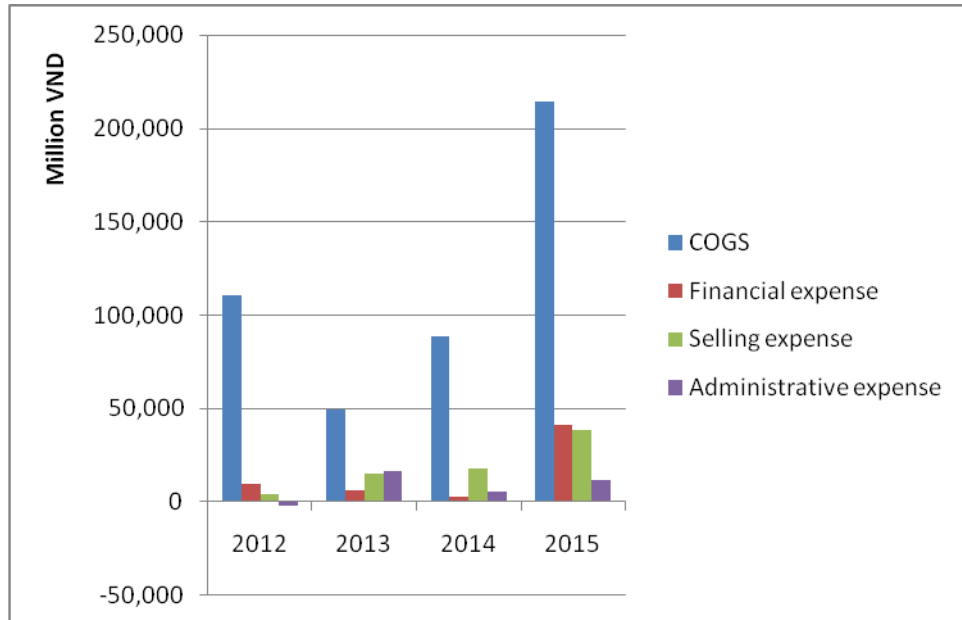
Seq.	Expense	2014		2015	
		Value	%/Rev	Value	%/Rev
1	COGS	471.669.828.136	91,75%	498.575.451.240	95,79%
2	Financial expense	6.231.238.869	1,21%	43.877.498.158	8,43%
3	Selling expense	31.485.540.123	6,12%	50.181.193.259	9,64%
4	Administrative expense	7.451.324.416	1,45%	13.641.603.258	2,62%
Total		516.837.931.544	100,54%	606.275.745.915	116,48%

Source: Audited consolidate financial reports 2012 -2015

COGS, which is the main cost of the Corporation, takes 75% of the revenue over years. Selling cost takes 2nd position in cost structure, equivalent 12,26% of the revenue. Administrative

expense in recent years was stabilized at 5% - 6% of Net revenue. Financial expense from 2014 and earlier had relatively low proportion, but this number soared in 2015 (over 18%) due to interest expenses incurred by the Corporation during the year is quite large. In general, operational cost of the Company is quite high, equivalent to over 95% of revenue.

Operational expense in 2012 - 2015



8.1.4. Product and Service quality inspection

The Corporation does not have quality inspection process as it operates by trading the product.

8.1.5. Marketing

❖ **Applied marketing method:**

The Corporation uses website <http://www.vigecam.vn> for establishing its existence on the internet and create available information for parties who are interested in the Corporation.

❖ **Policies for marketing:**

The Corporation does not have large marketing scale, however it develops a reputation and brand with quality of products, maintain sustainable relationships based on cohesion and mutual trust for traditional customers, increase exposure and build credibility with new customers. This policy applies to customers both at home and abroad.

8.1.6. Technical level

The Corporation trading on commercial and services, thus it does not have production process.

8.1.7. Research for new product and service:

The Corporation tends to develop high-end tea type by:

- + Finding new tea supplier with better quality and wrapper to satisfy market such as European, America, etc.
- + Develop fertilizer that safer to plant and human.

8.1.8. Logo, trademark:



The Corporation has granted trademark registration certificate no 42132 dated 17/07/2002 by Intellectual Property Department, 1st renewal on 21/04/2010. Trademark has blue and white color with full protection, not single part like earth, Vietnam map and rice plant.

8.1.9. Contracts:

Seq.	Contract no.	Value (VND)	Time (proposed)	Product/Service	Partner
I	Trading 1 department				
*	Input				
1	Commercial contract no. 2/2016/HĐTM	10.600.000.000	Till 31/12/2016	Green tea rolled finished product	Than Uyen Tea JSC
2	Principle contract no. 02/HĐ/VTNN-CV	10.022.400.000	Till 31/12/2016	Green tea	Chieng Ve - Moc Chau Tea JSC

Seq.	Contract no.	Value (VND)	Time (proposed)	Product/Service	Partner
3	08/VTNN-TV	3.128.160.000	Till 31/12/2016	Green tea	Thanh Vinh Tea JSC
4	12/VTNN-NSX	2.685.375.000	Till 31/12/2016	Green tea	Thanh Vinh Tea JSC
5	39/VTNN-NSX	1.086.050.000	Till 30/06/2016	Green tea	Nguon Sao Xanh Ltd Co
*	Output				
1	41/VGC- ZAL	1.095.822.000	Till 30/06/2016	Green tea rolled finished product	Zahir Amin ltd
2	44/VGC- OHL	1.095.822.000	Till 30/06/2016	Green tea rolled finished product	Obaid Hassan ltd
3	45/VGC- ZAL	1.095.822.000	Till 30/07/2016	Green tea rolled finished product	Zahir Amin ltd
4	46/VGC- OHL	1.095.822.000	Till 30/07/2016	Green tea rolled finished product	Obaid Hassan ltd
5	47/VGC- OHL	1.095.822.000	Till 30/07/2016	Green tea rolled finished product	Obaid Hassan ltd
6	16/VGC- OHL	5.902.531.000	Till 31/12/2016	Green tea	Obaid Hassan ltd
7	09/VGC- ZAL	3.343.662.000	Till 31/12/2016	Green tea	Zahir Amin ltd
8	13/VGC- ZAL	3.283.953.750	Till 31/12/2016	Green tea	Zahir Amin ltd
9	40/VGC- MBL	1.158.886.400	Till 30/06/2016	Green tea	Modasir Amin ltd
II	Trading 2 Department				
*	Input				
1	KM-EMATE 01	224,975 USD	Till 05/2016	Gadget of hot cold water machine	Shanghai Emate Industrial Co ltd
2	KM-BIYUAN 01	81,600 USD	Till 05/2016	Gadget of hot cold water machine	Shanghai Biyuan Industry Co ltd

Seq.	Contract no.	Value (VND)	Time (proposed)	Product/Service	Partner
3	TCL 01-2015	50.940 USD	Till 06/2016	Hot cold water machine	TCL household appliances Co ltd (Zhongshan)
4	23/2016/HĐKT	20.504.250.000 VNĐ	Till 30/12/2016	Peanut W320,W240	A&T Commercial JSC
*	Output				
1	03/HĐKT/GTH-TCT	14.550.000.000	Till 30/12/2016	RS Sugar	Gia Thai Hoa Commercial Co Ltd
2	01/HĐKT/2016/VIG-HT	7.202.465.600	Till 30/12/2016	Russian Sunflower Oil	Ha Thanh Commercial Co Ltd
3	01/HĐKT/2016/VIG-TVM	5.710.876.600	Till 15/9/2016	Gadget of imported hot cold water machine	Tan Viet My Commercial and Investment Co ltd
4	02/HĐKT/2016/VIG-TVM	2.071.388.000	Till 17/8/2016	Gadget of imported hot cold water machine	Tan Viet My Commercial and Investment Co ltd
5	03/HĐKT/2016/VIG-TVM	1.322.597.100	Till 30/8/2016	Gadget of imported hot cold water machine	Tan Viet My Commercial and Investment Co ltd

8.2. Financial condition and business results of the last 3 years prior to equitization

+ **Receivables – Parent company**

In: VND

Criteria	31/12/2012	31/12/2013	31/12/2014	31/12/2015
Account receivables from customers	100.684.630.181	88.696.023.348	86.783.179.446	26.596.632.646
Advanced payment to suppliers	81.382.969.179	81.482.610.780	86.522.378.987	64.648.989.414
Internal short-term receivables	-	-	10.362.422.413	0
Other receivables	51.692.220.420	49.321.635.336	49.559.758.258	2.712.564.947
Provision for bad debts	0	(5.972.238.868)	-	0
Total	233.759.819.780	213.528.030.596	233.227.739.104	93.958.187.007

Source: Audited financial reports 2012 – 2015 of Parent company; enterprise value evaluation report.

(As on 31/12/2015 Receivables overdue :87.350.036.675 VND)

+ Receivables – Consolidated

In: VND

Criteria	31/12/2014	31/12/2015
Account receivables from customers	131.695.889.593	72.400.390.271
Advanced payment to suppliers	90.479.989.110	64.729.858.444
Internal short-term receivables	0	0
Other receivables	49.609.328.515	2.016.144.212
Provision for bad debts	(2.800.877.122)	(2.800.877.122)
Total	268.984.330.096	136.345.515.805

Source: Audited consolidated financial reports 2014 -2015

+ Liabilities – Parent company

In: VND

Criteria	31/12/2012	31/12/2013	31/12/2014	31/12/2015
Short-term liabilities	216.412.499.651	162.587.903.461	192.432.367.860	204.004.057.472
Short-term debt and liabilities	42.299.850.330	14.185.600.000	49.050.531.011	121.730.165.582
Account payable to suppliers	21.618.720.596	13.777.551.691	5.806.738.728	6.471.489.301
Deferred revenue	78.965.494.046	58.339.183.987	48.060.026.990	32.086.789.450
Welfare and rewards fund	581.104	531.918.116	430.346.882	1.046.797.640
Taxes and payable to State budget	8.277.417.880	10.907.966.365	12.707.972.535	15.674.808.237
Payables to employee	3.694.208.206	2.673.285.738	4.705.391.830	4.790.675.190
Accruals	6.793.288.245	9.019.379.033	10.833.872.997	555.282.880
Internal payables	-	30.651.961	10.427.021.413	-
Other payables	54.762.939.244	53.122.366.570	50.410.465.474	21.648.049.192
Provision for short-term payables	-	-	-	-
Long-term liabilities	1.795.006.000	1.965.836.000	1.939.964.775	33.012.290.426
Long-term debt and liabilities				
Account payable to suppliers				

Other long-term payables	1.795.006.000	1.965.836.000	1.939.964.775	33.012.290.426
Provision for severance allowances				
Unearned revenue				
Total	218.207.505.651	164.553.739.461	194.372.332.635	237.016.347.898

Source: Audited financial reports 2012 – 2015 of Parent company.

(As on 31/12/2015 Receivables overdue :76.512.871.703 VND)

+ **Payables – Consolidate**

In: VND

Criteria	31/12/2014	31/12/2015
Short-term liabilities	235.326.114.735	247.555.424.479
Short-term debt and liabilities	96.479.382.008	161.373.350.527
Account payable to suppliers	6.615.446.743	7.362.607.802
Deferred revenue	48.353.208.653	32.118.169.450
Welfare and rewards fund	270.856.904	1.032.390.973
Taxes and payable to State budget	14.788.734.033	17.177.339.760
Payables to employee	4.705.391.830	4.929.675.190
Accruals	13.084.895.167	605.282.880
Internal payables	-	-
Other payables	51.028.199.397	22.956.607.897
Provision for short-term payables	-	-
Long-term liabilities	1.939.964.775	35.716.794.036
Long-term debt and liabilities		

Account payable to suppliers		
Other long-term payables	1.939.964.775	33.012.290.426
Provision for severance allowances		
Unearned revenue		
Long-term payables	-	2.704.503.610
Total	237.266.079.510	283.272.218.515

Source: Audited consolidate financial reports 2014 – 2015

+ **Business result – Parent company**

TT	Criteria	In	2012	2013	2014	2015
1	Total assets	Mil. VND	444.781	389.479	420.980	355.533
2	State owned capital	Mil. VND	226.574	224.926	226.608	118.517
3	Short-term debt	Mil. VND	42.300	14.186	49.051	121.730
4	Long-term debt	Mil. VND	0	0	0	0
5	Revenue	Mil. VND	126.376	87.722	109.549	219.179
6	Operation costs	Mil. VND	125.839	93.325	115.340	314.509
7	Profit before tax	Mil. VND	11.567	1.368	2.131	-57.821
8	Profit after tax	Mil. VND	10.033	423	2.120	-57.821
9	ROE	%	5,5	0,23	1,14	(48,79)

Source: Audited financial reports 2012 -2015 of parent company

+ **Business results – Consolidate**

Seq .	Criteria	In	2014	2015
1	Total assets	VND	475.398.057.674	412.109.753.500
2	State owned capital	VND	229.355.561.519	128.837.534.985
3	Short-term debt	VND	96.479.382.008	161.373.350.527
4	Long-term debt	VND	-	-
5	Revenue	VND	514.119.639.763	520.512.061.296
6	Operation costs	VND	518.529.939.605	615.704.928.702
7	Profit before tax	VND	7.147.280.994	(54.958.843.901)
8	Profit after tax	VND	5.679.766.705	(55.831.007.910)
9	ROE	%	2,48	(43,33)

Source: Audited consolidate financial reports 2014 -2015

+ **Financial Ratio for 2013 – 2015**

Criteria	2013	2014	2015
Liquidity			
Current ratio	1,39	1,39	0,84
Quick ratio	1,35	1,25	0,60
Leverage			
Debt/Total assets	0,42	0,46	0,67
Debt/ Owner equity	0,73	0,86	2,00
Operation			
Total asset turnover	0,21	0,27	0,62
Fixed asset turnover	1,02	1,47	4,39

Working capital turnover	0,34	0,44	1,04
Receivables turnover	0,39	0,49	1,42
Payable turnover	4,87	6,97	19,24
Inventories turnover	2,04	5,44	5,7
Profitability			
Profit after tax/Revenue	0,48%	1,94%	-26,38%
ROE	0,19%	0,94%	-48,79%
ROA	0,11%	0,50%	-16,26%
Net profit margin	5,06%	0,92%	-37,49%

Source: Calculate from Audited financial reports 2012 -2015 of parent company

8.3. Factors affect the business performance in reported years

❖ Advantages:

- MC, Company’s management board of the Corporation have tried and decisive in production and business activities, often capturing and timely processing of information arising in production and business activities of the Corporation at the weekly briefings, monthly
- The Corporation member is close to each other, officers and employees have a sense of responsibility in professional work as well as in production and business activities. Staff and employees of the Corporation are mostly young and force are trained; if used the right expertise they will be the key driver for the Corporation to develop a sustainable way.
- Along with the efforts of its members, the Corporation also often get the attention and direction of the Ministry of Agriculture and Rural Development, Ministry of Finance together with the help of the coordination unit within and outside the industry, the credibility of the partners in the formulation and development of the Corporation
- Exportation of the Company has favored from Government’s policies.
- The corporation is experienced and reputable business in the field of agricultural supplies. It has built a network of large customers in both domestic and foreign. The Corporation has established good relationships with customers, especially in the field of export of tea, customers always rely on product quality and long-term commitment to the Corporation.
- The Corporation have good conditions of infrastructure, technical infrastructure. Currently, the Corporation had capital in businesses with headquarters and warehouse in the clues, seaports, key positions around North, Central and South. If the abundant infrastructure is

used and promoted, it will be the driving force main lines of the Corporation for further development.

❖ **Difficulties:**

In recent years, those companies in commercial, agricultural supplies, import and domestic fertilizer business in general and the Corporation in particular have faced many difficulties, details are:

- Business lines of the Corporation is not concentrate and there is no main strongly line that bring revenue every year.
- Fertilizer business meets many challenges due to fluctuate price without market frequency, imported ones has slow consumption has pushed up the cost and bring risk to the business.
- Rent of offices, warehouse also in difficulty as market demand and price has decreasing trend, meanwhile the leasing land from the State has increased price 3 times since 2013 that leads to low business result.
- The assessing to bank's loan for contract fulfillment has been uneasy with low credit allowed and unable to meet business demand of the Corporation.
- Even they are young and enthusiastic, the labour force of the Corporation still lacks of experiences in term of trading on fertilizer and agricultural commodities..
- The Corporation has been dealing with financial issues including large value payables and long-term receivable yet hard to collect. Besides, in 2014, the Corporation spent lots of time collecting receivables, asset and financial issues to prepare to enterprise value evaluation in 2015 for equitization.
- Land and housing material of the Corporation at 16 Ngo Tat To, Van Mieu ward, Dong Da district, Ha Noi has not been signed the renewal contract and the use of land between the Corporation and Ha Noi Agricultural Development JSC has not had final decision by Ha Noi People Committee.

Vietnam General of Agricultural Material Corporation had Dispatch no. 103/VTNN-ĐTXD dated 19/4/2016 sent to Ha Noi People Committee requesting a legal response to implement land using plan. The use of land between 2 companies without planning will caused confliction and legal issues between two parties when they sign contract directly with Department of Resources and Environment afterwards; and request Ha Noi People Committee guide other Departments to view and solve this issue objectively to ensure the rights for the Corporation. Until now, Ha Noi People Committee has not responded to this request and Ha Noi Housing Management and Development Company has not signed renewal contract with the Corporation.

- Project of Dong Da entertainment Complex has not cleared all the squatter households. Previously, the Corporation has agreed with Dong Da District People Committee to spend 7.000 m2 on project site to build the Cultural House, but has not been approved by the authorities. Currently, Dong Da District People Committee still managed 7.000 m2 of land in the project. The land lease

debt owned of this project as at 30/4/2016 according to Announcement no. 37706/TB-CT-KTT5 dated 07/6/2016 of Ha Noi tax Department is: 14.434.506.044 VND(In which: Land leasing fee: 8.971.718.736 VND; Deferred payment: 5.443.664.828 VND; these amounts and other arise expenses will accounted in unfinished construction cost of the Project.

- Land contract at 120 Quan Thanh, Ba Dinh, Ha Noi is almost expired (Feb 2018).

9. *Company position in the industry*

9.1. *Company position in the industry*

Main business line of the Corporation is trading on agricultural material, in which it focus on chemical fertilizer that serve agricultural production. Over 50 years of operation and development, Vigecam has been always reputable enterprise in the market. The Corporation keeps a major logistic role of country agriculture production with huge number of chemical fertilizer and specific material providing each year, which has significant contribution in increasing foods production and ensure the stability of people's lives during war and peace time.

As to tea exportation, according to aggregate number of The General Department of Customs & Tea Association as on 31/12/2014, the Corporation ranked 58/330 tea export enterprise of Vietnam. Customer of the company is traditional ones.

9.2. *Industry development perspective*

Domestic economic fact in 2015 was still challenging due to accumulated difficulties from previous years. However, world economic is covering from recession, unemployment rate is decreasing and market is quite stable, the demand and price for agricultural materials and commodities will improve, which will help the farmers to have more confidences in invest in agriculture production. As a result, the companies that trading on agriculture materials and commercial, including the Corporation, will have more advantages in their business fields. On the other hand, as the economic and market have not stable yet, the importation and trading inbound are forecasted to be difficult.

9.3. *Evaluation on the suitability of the corporation's development orientation to industry orientation, State policy and world's common trend.*

The suitability is presented by the commitment to expand its business by developing distribution channels and transfer to JSC form of the Corporation. Surviving in the current market complex, the State-owned company form is not efficient, flexible and limited in competitive strength. JSC form is the most suitable form to compete in Vietnam and the other developed countries. By this form, the Company could raise financial fund both in home and abroad from other organization. Companies and individuals can participate in company's business, create more jobs for the employee, contribute to the budget and change of business management form. From these acts, the company will have competitive strength and enhance its efficiency in the market.

**VI. INVESTMENT PLAN AND DEVELOPMENT STRATEGY OF ENTERPRISE
AFTER EQUITIZATION**

1. Name of Joint stock company and business lines

- Company name : TỔNG CÔNG TY VẬT TƯ NÔNG NGHIỆP – CÔNG TY CỔ PHẦN
- English name : VIETNAM GENERAL CORPORATION OF AGRICULTURAL MATERIALS - JOINT STOCK COMPANY
- Abbreviation name : VIGECAM
- Head office : No. 164 Tran Quang Khai, Ly Thai To ward, Hoan Kiem, Ha Noi city
- Tel : 04.37332359
- Fax : 04.37474647

• **Business lines**

Hesitated the Corporation business lines according to business registration certificate. Details are:

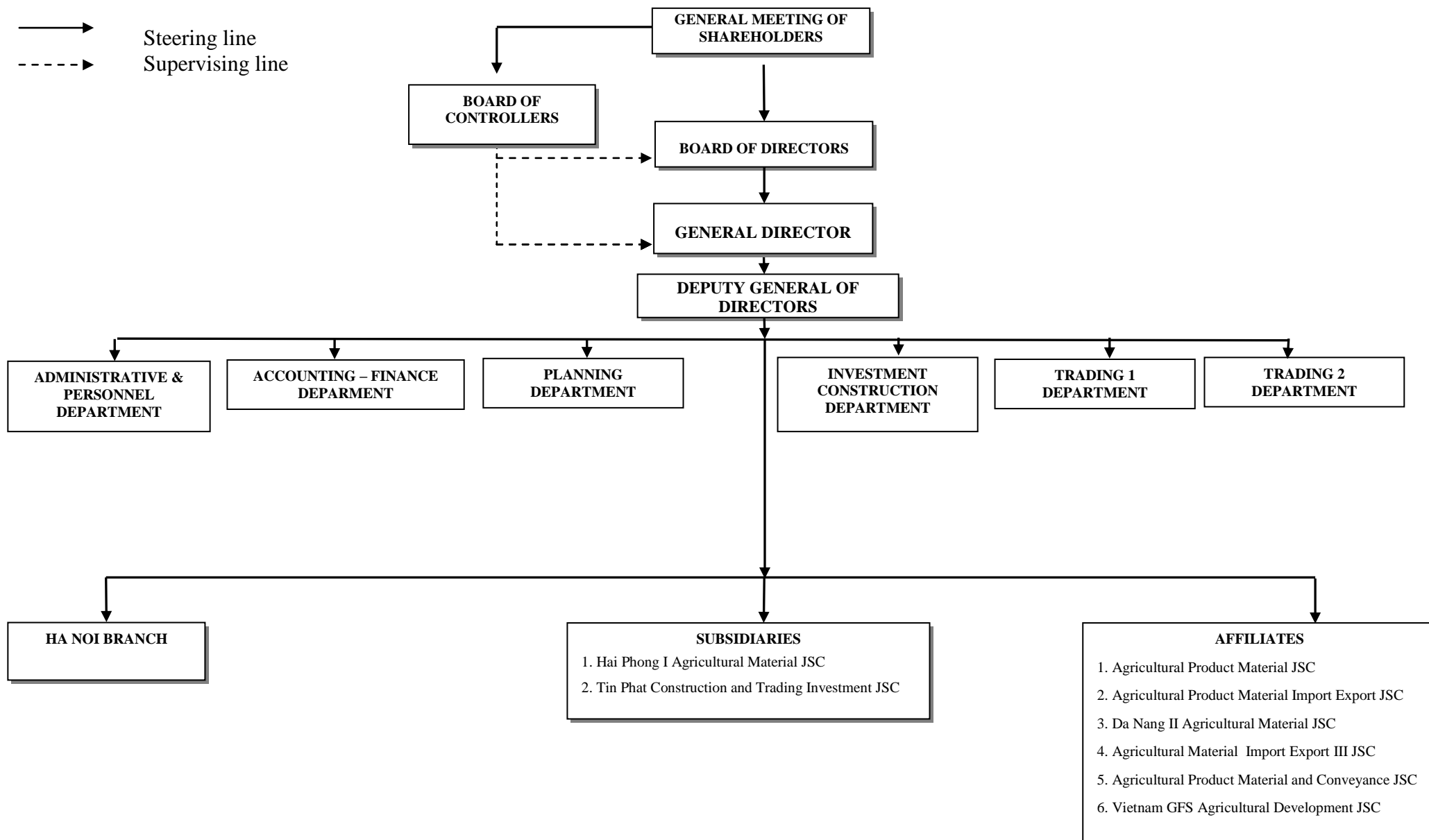
Seq.	Business lines	Line code
1	Agents, brokers, auction: Details: Agents for sale of coffee and tea; Agents for Buying, reselling and consignment goods	4610
2	Professional activities, science and technology have not been listed. Details: commercial brokerage	7490
3	Introducing and promoting trade.	8230
4	Produce product from plastic.	2220
5	Production of animal feed, poultry and seafood	1080
6	Restaurant and catering services for mobile service. Details: service restaurants, cafes, restaurants (not including bar, karaoke, disco).	5610
7	Short-stay service: Details: Service guest houses, motels, business short-stay services (not including bar, karaoke, disco).	5510
8	Architectural and engineering activities and related technical consultancy : Project planning, project management works: traffic, civil, industrial, irrigation, electricity (only works when there is enough capacity conditions under provisions of law).	7110

9	Wholesale of machinery, equipment and other machine parts: Wholesale of machinery, equipment and spare parts office machines (except computers and peripheral equipment); Wholesale of machinery, electrical equipment, electrical materials (generators, electric motors, wires and electrical equipment used in the circuit); Buying and selling office equipment, electronics, refrigeration, computer components, telecommunications equipment.	4659
10	Construction of houses of all kinds	4100
11	Demolition: demolition of constructions	4311
12	Preparing the ground (not including mine detectors and the likely at the construction ground)	4312
13	Construction of other civil engineering projects: Construction of traffic, civil and industrial, irrigation, power, urban infrastructure; Construction of civil and industrial	4290
14	Trading in real estate, land use rights of the owner, the owner or lessee to use; Real estate business; Business ecotourism parks, amusement parks, sports (not including bars, karaoke rooms, dance halls); Rental offices, housing, shops.	6810
15	Consulting, brokerage, real estate auctions, auction of land use rights: Service real estate auction (excluding valuation); Consulting services in real estate; Advertising services in real estate; Management services of real estate	6820
16	Warehousing and storage of goods: Warehousing and storage of goods in bonded warehouses	5210
17	Wholesale cars and other motor vehicles	4511
18	Agency for Automobile and other motor vehicles	4513
19	Supporting services related to promoting and organizing tours: Travel domestic, international travel and services for tourists (not including bar, karaoke, disco)	7920
20	Other manufacturing activities not to be listed: Manufacture of office equipment, personal items, household, electronics, refrigeration, computer components, telecommunications equipment	3290
21	Wholesale, Other specialized not to be listed: Wholesale of fertilizers, pesticides and other chemicals used in agriculture	4669
22	Wholesale equipment and electronic components, telecommunications: Buy and sell electronics, refrigeration, computer components, telecommunications equipment	4652
23	Wholesale of other household appliances: Buying and selling personal and family items	4649
24	Manufacture of fertilizers and nitrogen compounds	2012
25	Wholesale rice	4631

26	Wholesale of agricultural and forestry materials (except wood, bamboo) and live animals (except those prohibited by the State)	4620
27	Road freight: Freight dedicated automobile; Cargo	4933
28	Other road passenger conveyance: Conveyance using bus within the provincial; Passenger conveyance	4932
29	Other supporting service activities has not listed: Export commodities that company trades	8299
30	Wholesale food (For business that operate under specific conditions, the enterprise only trade as qualified as prescribed by law)	4632

2. Organizational Structure of Joint Stock Company

(Please refer to next page)



- ❖ **General Meeting of Shareholders (GMOS):** Consists of all shareholders with voting rights and has the highest power authority of the company, decides all the issued that stipulated by law and company regulation. Especially, GMOS will approve for annual financial report of the Company, budget for the following year and vote, dismiss the Board of Director and Board of Controllers of the company.
- ❖ **Board of Directors:** is the management authority voted by GMOS. BOD consists of 5 members and has full representative rights of the company to decide all related issues to company's purpose and rights except issues under the decision right of GMOS. Rights and obligations of BOD are stipulated under the Law, regulation and internal rules of the company.
- ❖ **Board of Controllers:** voted by GMOS and has 3 members. The board is responsible for checking the legality of the management and business operations; evaluation of annual financial statements of the Corporation; announced the test results of production and business operations of the Corporation for the General Meeting of Shareholders and perform other tasks stipulated in the Company's Charter.
- ❖ **Board of Management:** Performs all the Decision of BOD and GMOS, business plan and investment plan of the Corporation that has been approved and other tasks stipulated in the Company's Charter.
- ❖ **Functional Departments:** The joint stock company has 06 functional departments, perform these following task and duties:
 - **Construction Investment Department:**
 - **Function:**

Advise and assist and to act for the Board members and the CEO in the field of investment, construction and management of projects
 - **Duties:**
 - ✓ Perform the task of preparing the investment for the project: The Corporation invest 100% capital; cooperation projects, joint ventures, associated with organizations and individuals in domestic as well as abroad in accordance with the law of Vietnam on investment management, construction and international practice.
 - Surveying the market for product to be produced, investment environment, where the Corporation intends to build projects.
 - Construction Scheme (pre-feasibility study, feasibility) to submit to authority party for approval;
 - Preparation of document, content negotiations and participate in negotiations with partners in domestic and abroad;
 - Perform the tasks on assignment of land, construction permits, coordinate with related units clearance, preparing ground for construction and other work in service of the construction;
 - Manage project documents, designs or hire technical design, construction cost estimates;

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- Prepare bidding documents for the authorities of contractor selection;
 - Contract negotiations with the contractors and submit for approval;
 - Other jobs in the process of preparation of investment.
 - ✓ Management, implementation of the investment process as prescribed by the State
 - Perform supervision tasks of construction works;
 - Management quality, volume, tempo, construction costs, environmental safety of buildings.
 - ✓ Payment acceptance, settlement construction under the contract signed.
 - ✓ Monitoring the management and use of land and implementation of procedures for granting land use right certificates of the Corporation.
 - ✓ To perform the tasks and powers of the management as investor of construction for the rehabilitation of repair, upgrade, maintenance works or works of the Corporation
 - ✓ Other duties as assigned by BOM, MC.
 - **Accounting – Finance Department:**
 - **Function:**

Advise and assist the MC, General Director on the following areas: finance, financial investment, accounting, analysis of economic activity for the investment activities, production - business of the Corporation; Subscribe to liabilities, goods sold, the costs for production - business activities and other expenses of the Corporation; Monitoring the implementation of business plans for production of the Corporation.
 - **Duties:**
 - ✓ On the basis of financial plans, annual business and production plans of other departments or branches, the Department will synthetic and build overall financial plan of the Corporation. It also organizes and urge other departments, branches to comply with outlined financial plans;
 - ✓ Managing, checking and monitoring the efficiency in capital in: Corporation, the member companies, joint ventures, associates and financial markets that the Corporation invests in;
 - ✓ Making evaluation of the financial and economic efficiency of investment projects, economic contracts, buying and selling, borrowing and lending under the decentralized management level of the Corporation.
 - ✓ Perform accounting duties for entire manufacturing- operations - import-export business in the Corporation; Synthetic monitoring the financial activities of the subsidiaries, associated companies and joint ventures.
 - ✓ Analysis of annual economic activity of the Corporation;
 - ✓ Synthesis, processing and storage of documents, financial data, accounting documents in accordance with accounting standards, the Accounting Act and other regulations on financial management of the State;

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- ✓ Operational implementation of the accounting profession in the Corporation
 - ✓ Checking the plan implementation of financial collection and expenditure, payment, submission; The management situation, use of assets, supplies and capital of the Corporation, including venture capital to affiliates and partners;
 - ✓ Synthesis entire financial operations of the Corporation and parties that have invested capital of the Corporation; Reporting, consolidation settlement produced quarterly, 6 months or annually of the Corporation;
 - ✓ Examining the settlement of completed project and submit to the Corporation;
 - ✓ Counseling, guiding on the accounting - finance profession for departments, branches of the Corporation;
 - ✓ Coordinate with other departments, branches of the Corporation to plan for the purchase price, selling price, price of goods inventory, supplies and assets of the Corporation
 - ✓ Finalization of the project that the Corporation invest or contribute capital in.
 - ✓ Other tasks as assigned by the General Director.
 - **Trading 1 Department:**
 - Function:
 - ✓ Advise and assist the MC and General Director in the fields of: foreign relations, policy of import-export, laws of Vietnam and International on this type of business operation;
 - ✓ Searching for market, goods sources for ensuring business effectiveness.
 - Duties:
 - ✓ Investigation, research domestic and foreign markets; Analysis and synthesis of commercial information; Seize business opportunities, implementation of marketing, customer finding;
 - ✓ Developing existing market of the Corporation; expanding product consumption areas of the Corporation and the members in order to participate in increasing the consumption of fertilizer business effectively.
 - ✓ Constructing and preparing business plans for import - export to submit for GD's approval;
 - ✓ Drafting economic contracts with domestic and international customers in accordance with the law of Vietnam, laws and international practices to submit to GD or the person authorized to sign the contract;
 - ✓ Export and import of goods as shown in certificate of business registration of the Corporation;
 - ✓ Organizing and implementing economic contracts on the basis of approved business plan;
 - ✓ Propose to the Corporation leaders in the management measures to increase labor productivity, improve efficiency and effectively manage production and business;
 - ✓ Aggregating data, producing reports business results monthly, quarterly and year; Analyzing and evaluating business results by month, quarter, year
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- ✓ Other tasks as assigned by the General Director.
- **Trading 2 Department**
 - Function:
 - ✓ Advise and assist the MC, the GD on the following areas: external relations, policy import - export and laws of Vietnam and International business operations;
 - ✓ Searching for market, goods sources for ensuring business effectiveness.
 - Duties:
 - ✓ Investigation, research domestic and foreign markets; Analysis and synthesis of commercial information; Seize business opportunities, implementation of marketing, customer finding;
 - ✓ Developing existing market of the Corporation; expanding product consumption areas of the Corporation and the members in order to participate in increasing the consumption of fertilizer business effectively.
 - ✓ Constructing and preparing business plans for import - export to submit for GD's approval;
 - ✓ Drafting economic contracts with domestic and international customers in accordance with the law of Vietnam, laws and international practices to submit to GD or the person authorized to sign the contract
 - ✓ Export and import of agricultural commodities - food, equipment, vehicles, consumer goods, etc;
 - ✓ Organizing and implementing economic contracts on the basis of approved business plan;
 - ✓ Other tasks as assigned by the General Director.
- **Planning Department:**
 - Function:

Advise and assist the MC and GD in the fields of strategic planning and production in import-export business; checking the business plans of the rooms export for GD's approval.
 - Duties:
 - ✓ Based on the business plan of the departments, branches of the Corporation, the department build strategy business plan annually, short term, medium term and long term of the Corporation;
 - ✓ Checking and evaluating of import – export business plans ;
 - ✓ Evaluation and analysis of business plans and production of members who has shared capital of the Corporation;
 - ✓ Consolidate the plans for production, import-export business of the Corporation;
 - ✓ Coordinating the implementation of production and business plans of the Corporation and the subsidiary of the Corporation;

- ✓ Often forecast of supply and demand, prices of goods on the domestic market and abroad for goods that the Corporation trades on;
- ✓ Statistics, aggregated information relating to the production and business of the Corporation;
- ✓ Making general reports and statistical reports periodically in order to report to GD and the relevant agencies;
- ✓ Coordinate with the departments and branches of the Corporation making plan for purchase price, selling price, inventory and materials, goods and assets of the Corporation;
- ✓ Other tasks as assigned by GD.
- **Administrative and Personnel Department:**
 - Function:
 - ✓ Organizing personnel apparatus and organization; Constructing officer plan and the policies of the State for enterprises and for workers
 - ✓ Inspector - legislation; grievance, complaints and denunciations; Emulation and Reward, military;
 - ✓ Managing administrative work; property protection; fire prevention.
 - Duties:
 - ✓ Study of organizational model for advanced management practices applied to the Corporation; research applying administrative reform, the style of work, the relationship between the departments of corporations units smoothly and efficiently;
 - ✓ Developing plan for key staff of the Corporation;
 - ✓ Organization of training and retraining of cadres and workers to meet the development requirements of the Corporation;
 - ✓ Construction of oorganizational title professional standards, technical criteria and grades of officers and employees of the Corporation; To conduct the exam to transfer and promote wage, skill upgrading;
 - ✓ Implement policies for employees as prescribed by the State; Social Insurance, track social insurance contributions, health insurance, unemployment insurance of officer and employees of the Corporation;
 - ✓ Tracking the performance of duties, the observance of labor regulations, working regulations and assess the results of the staff to perform their tasks and employees in the Corporation;
 - ✓ Constructing organization and management of labor norms, wage unit prices tied to production and business results;
 - ✓ Perform the inspection, examination and settlement of complaints and denunciations in accordance with law within the scope of the Corporation;

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- ✓ Monitoring, perform the upgrade, pay and other benefits for the workers and employees of the Corporation; monitor the safety and occupational health in the Corporation;
 - ✓ Managing seal, personnel records management staff and employees of the Corporation under the jurisdiction management;
 - ✓ Drafting legal evaluation of the rules and regulations of the Corporation; responsible for legal and consulting for the activities of the Corporation;
 - ✓ Launching and guiding the movement, monitoring and review of labor emulation movements produced in the Corporation;
 - ✓ Ensure adequate and responsive and timely infrastructure nature to leaders and departments within the agency works well in the Corporation;
 - ✓ Managing, maintenance and repair of entire buildings, equipment and property of the Corporation;
 - ✓ Doing the reception and concierge to work at the Corporation;
 - ✓ Putting information, security and LAN management of the Corporation; repair, maintenance (both hardware, software) of computers and peripheral equipment of the Corporation;
 - ✓ Implementation of the archives;
 - ✓ Managing, arranging transport and equipment and other office supplies for leaders and cadres of the Corporation to work and go for business trips;
 - ✓ Legal records management, land records and property records of the Corporation;
 - ✓ Property Protection; search partners, and actively working with customers to rent office building in offices of the Corporation - 16 Ngo Tat To, 120 Quan Thanh hotel and other buildings of the Corporation;
 - ✓ Develop plans for fire protection, environmental protection at the offices of the Corporation;
 - ✓ Other tasks as assigned by the Corporation..
 - ❖ ***Ha Noi branch:*** formed by transformation of VIGECAM Trade Investment and Human resources development Limited Company, is the member of the Corporation with the function of selling and introduce product of the Company.
 - ❖ ***The Corporation will dissolve Hai Phong and Ho Chi Minh branches.*** The employees from these 2 branches will be transferred to other trading departments of the Company.
 - ❖ ***Subsidiaries and Affiliates***
 - *Subsidiaries:* Hai Phong I Agricultural Material JSC and Tin Phat Constructing and Trading Investment JSC.
 - *Affiliates:* Agricultural Product Material JSC, Agricultural Product Material Import Export JSC, Da Nang II Agricultural Material JSC, Agricultural Material Import Export III JSC, Agricultural Product Material and Conveyance JSC, Vietnam GFS Agricultural Development JSC.

❖ *Political and Social Bodies:* Joint Stock Company has Government Party, Trade Union Party, Youth Union Party.

3. Business plan of the Company after equitization

3.1 Major economic ratio of business plan after 3 years of equitization

Seq.	Target	In	2016	2017	2018
1	Charter capital	VND	220.000.000.000	220.000.000.000	220.000.000.000
2	Total assets	VND	419.531.768.259	461.978.643.158	513.696.109.644
3	Owner's equity	VND	221.445.268.364	224.236.185.297	226.756.975.730
4	Total sales	VND	286.277.975.834	359.403.071.071	435.923.094.976
4.1	<i>Revenue</i>	<i>VND</i>	<i>271.723.076.571</i>	<i>340.324.014.252</i>	<i>413.834.892.903</i>
-	<i>Fertilizer</i>	<i>VND</i>	<i>135.321.428.571</i>	<i>184.037.142.857</i>	<i>234.647.357.143</i>
-	<i>Exported tea</i>	<i>VND</i>	<i>42.697.200.000</i>	<i>50.083.815.600</i>	<i>58.748.315.699</i>
-	<i>Agricultural product (green bean)</i>	<i>VND</i>	<i>5.997.600.000</i>	<i>6.851.658.240</i>	<i>7.827.334.373</i>
-	<i>Rubber pus</i>	<i>VND</i>	<i>20.014.848.000</i>	<i>22.864.962.355</i>	<i>26.120.932.995</i>
-	<i>RS sugar</i>	<i>VND</i>	<i>36.556.800.000</i>	<i>41.762.488.320</i>	<i>47.709.466.657</i>
-	<i>Sun flower oil</i>	<i>VND</i>	<i>21.991.200.000</i>	<i>25.122.746.880</i>	<i>28.700.226.036</i>
-	<i>Rent of office, warehouse</i>	<i>VND</i>	<i>9.144.000.000</i>	<i>9.601.200.000</i>	<i>10.081.260.000</i>
4.2	<i>Financial revenue</i>	<i>VND</i>	<i>8.866.461.531</i>	<i>11.954.480.285</i>	<i>13.424.697.858</i>
4.3	<i>Other revenue</i>	<i>VND</i>	<i>5.688.437.731</i>	<i>7.124.576.933</i>	<i>8.663.504.216</i>
	<i>Growth rate</i>	<i>%</i>	<i>89,40</i>	<i>25,54</i>	<i>21,29</i>
5	Total expenses	VND	272.797.359.566	341.257.128.137	415.237.844.406
6	Transfer to state budget	VND	27.172.307.657	34.032.401.425	41.383.489.290
7	Profit after tax	VND	10.784.493.014	14.516.754.667	16.548.200.456
8	ROE	%	5	7	8
9	EPS	VND	VND	660	752
10	Dividend paid	%	4	5	6
11	Average labour	person	68	68	68
12	Average wage/person /month	VND	9.461.002	10.407.102	11.447.813
13	Total wages fund	VND	7.720.177.632	8.492.195.232	9.341.415.408

Source: the Corporation

3.2 *Solution to fulfill the targeted business plan*

In order to meet 3 years business plan 2016 -2018, the Corporation has set solution groups, including:

❖ Human resources:

- Rearrange labour force, introduce lower management level to department and dependant units in order to enhance active habit in production, as well as satisfy market demand.
- Continue to study and fulfill the plan of wages paid that suitable with work efficiency.
- Focus on supervision works and training to labor force to enhance its quality.

❖ Technical:

Implementing strategy for applying science and technology into management; shorten the spaces and time by number aggregation.

❖ Corporate Governance:

- Fulfill corporate governance structure including separation of functions between units and department so that the independence, the individual creativity and self-responsibility will improve, thus enhance work efficiency.
- Building management staff and qualified business professional expertise, with experience in profession; decentralized financial management, increase control limitation, the cost to ensure transparency and efficiency in the mobilization and use of state capital.
- Research amendments and supplements to the contractual norms to suit the business requirements of production and characteristics of the Corporation.
- Complete regulations on decentralized governance of the Corporation, construction to operation regulations promulgated officially done after equitization Corporation.
- Apply regime wages, bonuses and other benefits in the direction of benefit tied to the level of completion of the mission and performance of the company, having regard to the particular business lines and areas of activity.
- Directly appoint the management of capital in the joint-stock company with capital of the Corporation, tasked directly and ask the manager dominant capital contribution to be consulted on important issues before voting in subsidiaries. Reported the use of shares and capital distribution to serve the development orientation and objectives of the Corporation.
- The Corporation appoint representatives to carry out the powers and obligations of the shareholders in affiliates.
- Create mechanisms and institutions operating, management consistent with the new situation on the basis of full potential of each member in the group, clarify the responsibilities and obligations of each person.

❖ Business and Production management:

- Building corporate governance system in the form of joint stock company, continue to improve the functions and tasks of units in the company, strengthen management and thrift practice and waste combat.
- Focus on leadership and direct business to boost production efficiency, maintain production and business activities aggregated, diversified business items. Determining fertilizer, tea exports are still the main business lines.
- Strengthen marketing, quality assessment model experiments to bring products to slow release fertilizer of "sloth" market penetration.
- Encouraging labor emulation activities in the business of manufacturing organizations, build unity among officials and employees to stick ingenuity and dedication to contribute to build the Corporation to be stronger days by days.
- ❖ Trading on commodities and services:
 - Focusing on developing key the business lines, the business sector that the Corporation has advantages such as: Imported and domestic fertilizer business; import and sales of raw materials for animal feed; import and sale of pharmaceuticals and plant protection; Rubber exports; agricultural exports, in which:
 - + For fertilizer business: in 2016, the company expects total sales volume of 15,000 tons (buy part of the NPK plant in Thuy Nguyen, Hai Phong; cooperation with Golden Season Fertilizers JSC on "sloth" fertilizer project, purchased from domestic suppliers or import in case of favorable conditions) on the basis of supporting the participation of strategic investors in the search market and distribution of the product, Since 2017, the annual sales volume increased by about 5,000 tons, and since 2019 the annual consumption growth of 10% / year.
 - + For the tea business: corporations implement purchasing and refined in order to improve product quality and increase the value of exports. 2016, expected sales volume reached about 800 tones (up 15% compared to 2015). In the coming years, the Corporation strives to achieve growth targets tea export value of 10% / year. This is found to have more development potential of the Corporation by purchasing power stability and the increasing demand.
 - + For agricultural operations such as soybeans, rubber, sugar RS, sunflower oil, is expected to yield annual consumption growth of about 12% on average.
 - Continue to invest in developing and expanding the market to buy and sell the commodity trading subsidiary as: Business office rental, hotel and warehouse premises, business machines and equipment for agricultural production rural, business electronics, electrical appliances, ... in particular, the upcoming Corporation expects procurement to upgrade 120 Quan Thanh hotels with a total value of about 10 billions VND.
 - The Corporation delivered the research to each department/unit and branch to develop their own fixed volume of target work in accordance with the principle do more get more and

vice versa; continue to review and amend the regulation to suit the business situation and business management of the Corporation from time to time.

- The Corporation has always focused on how to work in groups. To implement effective production, business and construction investment, each of a business plan, each investment project construction, each job will be assigned to a working group. The leader is the direct steering and coordination team members implement the job. Team Leader responsible for effectiveness of business projects or investment projects. If the team implemented effectively, they get high reward and if causing losses or wastes, they have to compensate for losses.
- As wholesale trading business, the Corporation must seek and build sufficiently reliable trading partners, with the financial capacity in key market areas, such as in the Southwest, southeastern, Central and Tay Nguyen, Northwest regions. The view of the Corporation is engaged in the same business chain enjoying the same advantages and share disadvantages.
- Financial management perspective in business: Customers pays and the delivery follows, delivered is adequate and timely. No prepaid to sellers, except for some strategic commodities, there must have strict contracts, with interest rate for the prepaid period and applied only to the sellers who have financial capability and prestige name. Each partner only has purchasing relationship with a business unit of the Corporation.
- Reviewing the cost norms, perform the decentralization of financial management to the subordinate units to dependently trading like an independent accounting unit and should be responsible to the Members' Council, general director and the laws for business activities of units.

❖ Financial Investment:

Regularly inspect and review the effectiveness of the Corporation capital investment in the joint-stock companies with a roadmap to further divestment in companies, focusing on developing the main business of the Corporation.

❖ Fund:

- Enlist the credit capital of the state, maintain the relationship and reputation with credit institutions in loans and payments.
- Calculate and allocate funds accordingly.
- Strictly implement the redeployment of financial structure for better production serve and business activities of the Corporation, to lower the cost for management.
- Annually, on the basis of the approved business plans of the departments, units, Financial Accounting Department draft specific financial plan to serve business and production, ensure balanced financial resources to serves the implementation of business plans in each unit at particular time.
- There is a need for solutions to mobilize idle capital, capital from employees, limiting high-interest loans by the Bank, rationally use of capital, quick move of cash flow, building

details and specific plans for capital usage to avoid idle capital and customer misappropriates the capital, etc.

4. Labour structure after Equitization

Seq.	Classification	Person	Prop.
I	By level of education	66	100%
1	University degree and postgraduate	56	84,85%
2	College, vocational level	3	4,55%
3	Lower college level, technical worker	2	3,03%
4	Other	5	7,58%
II	By labor contract	66	100%
1	Enterprise management officers (not subjected to sign labor contract)	5	7,58%
2	Indefinite term labor contract	44	66,67%
3	1-3 years labor contract	17	25,76%
4	Other	0	0%

5. Charter capital and capital structure of Joint Stock Company

❖ *Charter capital*

- Charter capital: 220.000.000.000 VND .
- Share par value: 10.000 VND/share.
- Number of shares: 22.000.000 shares.

❖ *Shareholders structure*

Seq.	Description	Number of share	Value in par value (VND)	Holding prop.
1	State owned	0	0	0 %
2	Shares offered to the Employee, in which:	238.200	2.382.000.000	1,08%
2.1	Shares offered at a discount of 60% lowest successful bidding price	84.700	847.000.000	0,38%
2.2	Additional shares register to buy under commitment of long-term working in the Company (200 shares/committed year)	61.000	610.000.000	0,28%

2.3	Additional shares register to buy under commitment of long-term working in the Corporation (500 shares/committed year)	92.500	925.000.000	0,42%
3	Shares offered to Trade Union Party	11.220	112.200.000	0,05%
4	Shares offered to external parties	21.750.580	217.505.800.000	98,87%
4.1	Strategic investor	15.400.000	154.000.000.000	70%
4.2	Public auction	6.350.580	63.505.800.000	28,87%
	Total	22.000.000	220.000.000.000	100%

❖ *Plan for increase/decrease of charter capital after transforming to JSC:*

The Corporation has not yet had plan for increase/decrease charter capital after transform into Joint Stock Company.

VII.SALE METHOD AND SHARE PURCHASE PAYMENT

1. Sale method

❖ *As to employee*

a) *Share offered at a discount (discount 40% for employee) according to Clause 1 Article 48 of Decree no. 59/2011/NĐ-CP*

Total employee	:	69 people
Total employee are legally able to buy share	:	68 people
Total working years	:	847 years
Total shares at a discount	:	84.700 shares, equivalent to 0,38% charter capital
Type of share	:	Common share
Transfer restriction	:	Not applied
Share price	:	60% of lowest successful bidding price
Proposed implementation time	:	After public auction

b) *Additional shares for offered according to Clause 2 Article 48 of Decree no. 59/2011/NĐ-CP.*

Determined criteria in	:	Minutes of the Labor Meeting dated 25/08/2015
Total employees commit to work long-term	:	58 people

Total shares purchase under working committment	:	153.500 share, equivalent 0,7% Charter capital
<i>In which:</i>		
- Additional shared purchased stipulated in point a Clause 2 Article 48 of Decree no. 59/2011/NĐ-CP (200shares/1 year)	:	61.000 shares, equivalent 0,28% charter capital
- Additional shared purchased stipulated in point b Clause 2 Article 48 of Decree no. 59/2011/NĐ-CP (500shares/1 year)	:	92.500 shares, equivalent 0,42% charter capital
Type of share	:	Common share
Transfer restriction	:	Transfer restriction according to working period commitment
Price	:	Equals to lowest successful bidding price
Proposed implementation time	:	After public auction

❖ **Shares offered to Trade Union party**

Trade Union Party of the Corporation registered to buy 11.220 shares, corresponds 0,05% charter capital. The share price is equal 60% lowest successful bid of the auction. The shares offered is under transfer restriction type.

❖ **Shares offered to public auction**

- No. of shares: 6.350.580 shares, approximately 28,87% of charter capital
- Parties registered for auction: All investors including organization and individuals, both domestic and foreign in accordance with legal regulation.
- IPO organizer: Ha Noi Stock Exchange (HNX)

❖ **Share offered to Strategic Investors**

- Shares offered to strategic investors: 15.400.000 shares, equivalent 70% charter capital.
Implementation of Decision no. 723/QĐ-TTg dated 28/04/2016 of Prime Minister approved equitization plan of Parent company – General of Agricultural Material Corporation, the Ministry of Agriculture and Rural Development has been reviewing and report in details of selection criteria, selection process and investor propose of the Corporation submitted to Prime Minister for approval.
- Offering time: after public auction.
- Offering method: Direct negotiation.
- Offering price: Not lower than successful lowest bidding price of the auction.

2. Payment method and deadline

- As to shares offer to public auction: the offering method and payment due date will be regulated in IPO auction regulation issued by Hanoi Stock Exchange;
- As to shares offer to employee: decided by the equitization steering committee;

VIII. PLAN FOR THE USE OF PROCEEDS COLLECTED FROM EQUITIZATION**1. Expected proceeds collect from the equitization**

TT	Costs category	Value (VND)
1	JSC charter capital	220.000.000.000
2	Actual State capital in the enterprise after the revaluation	117.241.583.230
3	Proceeds collected from equitization	221.812.483.200
a	From shares offered to employee at a discount	513.282.000
B	From shares offered to employee under the commitment to work for a long-term	1.550.350.000
C	From shares offered to Trade Union Party	67.993.200
D	From shares offered to strategic investors	155.540.000.000
E	From shares offered to public auction	64.140.858.000
4	Share value calculated by starting price offered to employee, trade union party, strategic investors and public auction	220.000.000.000
5	Additional issued shares calculated in par value (5) = (1) - (2)	102.758.416.770
6	Implemented equitization costs	1.274.000.000
7	Costs for implementing the policy for redundant employees	0
8	Surplus left in the enterprise that corresponds with the rate of additional issued share/charter capital (8) = { (3) - (4) - (6) - (7) } x { (5)/(1) }	251.516.732
9	Payback to the State Budget (9) = (3) - (5) - (6) - (7) - (8)	117.528.549.698

Source: the Corporation

2. Plan for dealing with the proceeds collected from the equitization

- Pay to Fund that stated in Clause 3 Article 21 of Decree no. 59/2011/NĐ-CP the value of sold share in par value and leave to the enterprise the additional issued share calculated in par value.
- The capital surplus (difference between proceeds from equitization and total sold share value of the State plus (+) additional issued share) will be used to pay for equitization costs and policy for redundant workers (if any). The remaining (if any) will be dealt as below:

+ leave to the corporation the proportion corresponded with the additional issued shares in capital structure.

+ The remaining (if any) will pay to Fund that stated in Clause 3 Article 21 of Decree no. 59/2011/NĐ-CP .

- In case the surplus is not enough for equitization cost and policy for redundant workers, it will have supplemented from Funds stated in Point b Clause 1 Article 42 of Decree no. 59/2011/NĐ-CP .

IX. PLAN TO PARTICIPATE IN THE STOCK MARKET

As stipulated in Article 56 of Decree No. 58/2012/NĐ-CP dated 20/07/ 2012 of the Prime Minister guiding the implementation of some articles of the Securities Law and the Law amending and supplementing some articles of the Securities Law, Clause 17 Article 1 of Decree No. 60/2015/NĐ-CP of the Prime Minister dated 26/06/2015 on amending and supplementing some articles of Decree No. 58/2012/NĐ-CP and Article 3 of Circular No. 180/2015/TT-BTC dated 13/11/2015 of Ministry of Finance guiding on the registration of securities transactions on the trading system for unlisted securities, the company is obliged:

a) Within a maximum of 90 days after the completion of the share offering to the public for the equitization of state enterprises under the law on equitization; and for a maximum period of 30 days after the completion of share offering to the public of other enterprises under the provisions of the securities laws, issuers must complete the business re-registration procedure (if any), register shares for depository Vietnam Securities Depository Center and register for trading on the Upcom trading system;

b) In case state-owned enterprise implement equitization as stipulated in Article 22 of this Decree in the form of offering shares to the public and it meets the conditions for share listed under the provisions of Article 53 or Article 54 of this Decree, the enterprises must submit the share listing registration dossiers immediately after the end of the offering and report the offering result to the State Securities Commission.

X. RISK FACTORS AFFECT TO THE ISSUER BUSINESS PERFORMANCE

1. Economic risks

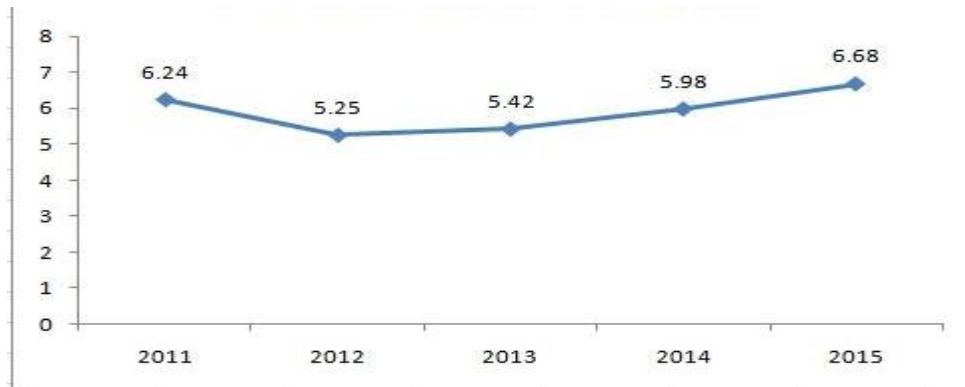
❖ *Economic growth:*

The reality and potential of economy's development have always had the impacts on the survival and growth of firms. When the economy is in the periods of high growth will create many opportunities for firms to develop. On a contrary, as the economy declines, the recession will cause a negative impact to the businesses.

Vietnam's economy has tended to increase in the years 2000 - 2007 with an average growth rate of 7.8%. But the financial crisis of some major economies in 2008 has pushed the world economy into recession, narrowing export markets, capital markets, labor markets and the negative impact to many economic and social sectors of our country's. Economic growth in the

country in 2008 was only 6.18% and the figure for 2009, 2010 and 2011 after several efforts to restore the economy of the government also is only 5.32%, 6.78% and 5.89%, respectively.

GDP of Vietnam through years



Source: GSO

The Economy and Society in 2012 of our country continues to be affected by the instability of the world economy, which due to the financial crisis and debt crisis in Europe has not been resolved. Recession in the euro area along with the credit crunch and rising unemployment in the countries of this area is ongoing. Activity in manufacturing and global trade strongly affected, commodity prices fluctuates complicatedly. Growth of leading economies decline entail a decline of other economies. Some countries and group of large countries that have an important role in trade relations with our country such as the US, China, Japan and the EU have to face many challenges and have slow growth. The disadvantage from the decline of the world economy adversely affect production and business activities and residential life in the country. Consumer goods market shrinking, high inventory levels, reducing the purchasing power of the population. Banks bad debt ratio is at worrying levels. Many businesses, especially small and medium-sized enterprises have to downscaled production, shut down or dissolved. Vietnam's economy, because of facing the big challenges mentioned above, GDP was only 5.03% in 2012; Inflation continued to rise; high interest rates; exchange rate fluctuated. The macro-economic instability has become a big challenge for Vietnam's economy in 2012.

In 2013, Vietnam's economy has transformed in a more positive direction, GDP in 2013 rose more than 5.42%, a positive improvement compared with an increase of 5.25% in 2012. In 2014 and 2015, GDP growth reached 5.98% and 6.68%, higher than the growth of the previous year, but overall GDP growth was still slower than the targeted plan. The difficulties and economic instability in recent years have a direct impact on production and business operations of the corporation. Although the economy is slowly exit from the recession, but to continue to exist and develop, it is required the Corporation to be always proactive, responsive, timely for solutions to overcome challenges, to take full advantage of opportunities to develop the business.

❖ *Inflation:*

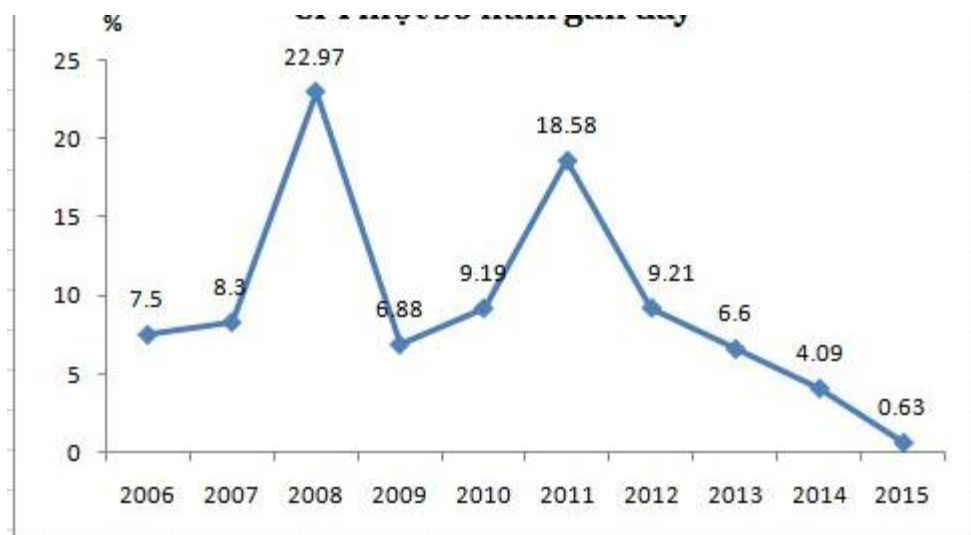
Inflation indicators affecting business and production activities of the enterprise through the cost of production and business costs. In Vietnam, inflation has risen from 6.6% in 2006 to 12.6% in 2007, especially in 2008 the inflation rate increased to 19.87%. In 2009, thanks to efforts to control inflation and the Government, the inflation rate dropped to 6.9%. However, the inflation rate of Vietnam in 2010 increased to 11.8%.

Generally, in the period 2001-2010, Vietnam's inflation has risen on average 8.8% / year, far exceeding the figures of some other regional countries such as Thailand (2.7%) or China (2.1%).

In particular, the consumer price index rose to 18.13% in 2011 compared to December 2010, exceeding the 7% target set at the beginning of the year. The main cause of this increase is due to fluctuations in gold prices, the USD, the interest rate, the trade deficit, etc has lead the domestic commodity prices to higher level. In addition, the prices of industrial commodities and food has sharply rose also contributed to raise the inflation recently. In 2012, with the main objective in the work of macro market management of the government was control inflation, Vietnam had achieved positive results with the inflation of the 2012 stop at 6.8 %.

In 2013, with the primary objective is to control inflation, the inflation rate has been brought down at 6% by the government. In 2014, the consumer price index rose 4.09% over the same period last year. Inflation is lower in recent years shows that macroeconomic control activity of government has achieved its objectives. The inflation rate is maintained at a low level will positively impact production and business activities of enterprises and help enterprises to control costs prices of inputs, ensure stable operations . However, low inflation also showed an increase weakeneing trend of consumer demand, lead to increase the risk of deflation and the negative impact on economic growth targets. CPI inflation index rose 0.63% in 2015 compared to 2014, and being the lowest growth rate of the consumer price index since 2001 up to present.

CPI over years



Source: GSO

2. Legal risk

Vietnam is currently on the development process, thus its legal system is being completed gradually. The policies are changed to become suitable with every development stage of the economy. Therefore, the present legal documents are unavoidable from the inadequacy and overlap, which creates difficulties for not only individuals but also enterprises' activities. Because the corporation after equitization will operate under the provisions of the Business Law and other related legal documents, all the changes in legal environment will all affect on the firm's business.

3. Typical risks

- Key products of the Corporation are mainly agricultural products. Currently the state has a policy to encourage the development of processing industries and agricultural exports, but domestic supplies who meet quality and standards demand has small scale and are affected by seasonality factor and weather for agricultural products.
- The export of agricultural products meets the strong competition from the exporting countries, as well as legal barriers and techniques of the importing country.
- The current products of the parent company is mainly exported product, which is heavily influenced by the political changes, economic fluctuations, fluctuations in prices and exchange rates in the country and the world.
- The exported agricultural products that have high value have the price fluctuations depend on world prices and often complicated. Raw material costs input, transport costs ... are often the largest proportion of total costs.

4. Risks of the offering

The relationship between demand and supply in the market, which relies on the economic as well as investor's psychological factors, has a great impact on the stock prices. There is a possibility that the number of shares offering for the auction cannot be fully distributed.

5. Other risks

According to the provision on Clause 4 Article 21 Decree No. 59/2011/NĐ-CP dated 18/07/2011 of the Government on the transformation of the 100% State – owned enterprises into the Joint stock companies, if there is a decrease between the actual value of the State owned capital portions as at the time when the enterprise officially transform to a joint stock company compared to the time the enterprise is valued (to the Corporation was at 24.00pm 31/03/2015), that decrease should be dealt with as followed.

a) Due to objective causes:

- If causes by objective reasons such as natural disasters, enemy sabotage, changing in the State policies or international markets, etc, the enterprise has to report to the authorized

agencies who can approve for equitization plan so that they can evaluate, and decide to use the source from share sale to offset the losses after deduct the insurance compensations (if any). In case the money from selling share is not enough for the offset, the authorized agencies may present the issue to the General meeting of shareholders to get agreement on charter capital's size and structure adjustment.

b) Due to subjective causes:

- If the loss was due to a failure to deal completely with existing financial issues in accordance with current State regulations, then liability of relevant bodies such as the enterprise itself, consultants, auditors or the body which made the equitization decision must be clearly confirmed, in order to process compensation for material loss; caused by the improper solve;
- If the loss was due to executive operation of production and business activities; or if management caused a loss of capital and assets, then senior managerial staff of the enterprise shall be liable to pay compensation for the loss subjectively caused in accordance with the current regulations;;
- If for the reasons of force majeure a person liable to pay compensation is unable to do so in accordance with the decision of the authorized body, then the remaining loss shall be dealt with as if it was due to objective reasons as stipulated in sub-clause (a) above.

Furthermore, there are many other risks that are force majeure such as natural disasters, epidemics, war, fires, etc that would cause the damages for assets, human and business operation of Corporation if happen.

XI. CONCLUSION

This information disclosure is a part of IPO profile of Vietnam General of Agricultural Materials Corporation Limited, which is provided to investors with the purpose to assist them in their own evaluation on the assets, business performance, financial condition and the prospect of the Corporation in the future. These herein information do not mean to guarantee for the share's value.

This information disclosure is made on the basis of information as well as the data provided by the Parent company - Vietnam General of Agricultural Materials Corporation Limited which ensure the openness, transparency, fairness, together with the protection of the investors' legitimate interests.

Investors should take the reference on this information disclosure before making the decision to participate in the auction.

Lastly, this English version of the Corporation's IPO Information Disclosure is only for translation and reference purposes. The official IPO Information Disclosure, is in Vietnamese.

Ha Noi, date month year 2016

**REPRESENTATIVE OF EQUITIZATION STEERING COMMITTEE
VIETNAM GENERAL OF AGRICULTURAL MATERIALS CORPORATION
MEMBER OF COMMITTEE – ACTING CHAIRMAN OF MEMBERS' COUNCIL**

(Signed)

NGUYEN TRUONG THANG

**REPRESENTATIVE OF OFFERING ORGANIZATION
VIETNAM GENERAL OF AGRICULTURAL MATERIALS CORPORATION
GENERAL DIRECTOR**

(Signed)

NGUYEN TRUONG THANG

**REPRESENTATIVE OF ADVISORY ORGANIZATION
SAI GON – HA NOI SECURITIES JOINT STOCK COMPANY
GENERAL DIRECTOR**

(Signed)

VU DUC TIEN