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PROSPECTUS

INITIAL PUBLIC OFFERING OF SHARES ON HOCHIMINH STOCK EXCHANGE

VIETNAM NATIONAL SEAPRODUCTS CORPORATION

THE AUCTIONEER



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ABBREVIATIONS AND GLOSSARY

SEAPRODEX	Vietnam National Seaproducts Corporation
The Corporation/ the Company	Vietnam National Seaproducts Corporation
SSI	Saigon Securities Incorporation
JSC	Joint Stock Company
DATC	Debt and Asset Trading Corporation
MARD	Ministry of Agriculture and Rural Development
HCMC	Ho Chi Minh City

INFORMATION ABOUT THE INITIAL PUBLIC OFFERING OF SHARES

VIETNAM NATIONAL SEAPRODUCTS CORPORATION



Name of Issuer	:	Vietnam National Seaproducts Corporation
Charter Capital	:	1,250,000,000,000 VND
Total shares for IPO	:	66,612,758 shares, equivalent to 48.7% of total charter capital
Par Value	:	10,000 VND per share
Type of issuing share	:	Ordinary share
Starting Price	:	10,100 VND per share
Limit order for domestic investors	:	minimum: 100 shares maximum: 66,612,758 shares
Limit order for foreign investors:	:	Minimum: 100 shares Maximum : 66,612,758 shares
Subscription quantity:	:	Multiple of 100 shares
Incremental bidding price	:	100 VND (One hundred Vietnamese Dong)
Deposit:	:	10% of total value of share subscription at starting price

I. COMPANY INFORMATION

Vietnam National Seaproducts Corporation (SeaproDEX), formerly the Seaproducts Export & Import Company, was established in 1978, with its economic mission to centralize fishery sources, focus on boosting fishery export industry during the time of receiving supports and governances from the State. Through 36 years of development, SeaproDEX has been adjusting its operational business models. In 2001, SeaproDEX was restructured and operated according to the model of Parent and Subsidiary Corporation by the Decision 243QĐ/2003/QĐ-Ttg of Prime Minister. In 2010, the company was officially renamed to Vietnam Seaproducts Corporation Company Limited. On 14th Mar, 2011, three fishery corporations including Vietnam National Seaproducts Corporation Company Limited, Ha Long Fisheries Company Limited and Eastern Seafood Company Limited, were incorporated into Vietnam National Seaproducts Corporation Limited by Decision No. 456/ QĐ-BNN-DMDN of The Ministry of Agriculture and Rural Development, operating under the model of parent and subsidiary company. The parent is a limited company that owned 100% by the State.

1. General Information

- Vietnamese name: TONG CONG TY THUY SAN VIET NAM – CÔNG TY TNHH MTV
- English name: VIETNAM NATIONAL SEAPRODUCTS CORPORATION LIMITED
- Abbreviated name: SEAPRODEX CO., LTD.
- Head Quarter Add: 2-4-6 Dong Khoi Street, District 1, HCM City.
- Telephone: (+84-8) 3829 7214 – 3829 1924
- Fax: (+84-8) 3829 0146
- Email: seaproDEX@seaproDEX.vn
- Website: www.seaproDEX.vn
- Business License: No. 0310745210 by Ho Chi Minh Planning and Investment Department issued on March 31st 2011
- Charter Capital: VND 839,030,527,000 (*Eight hundred thirty-nine billion, zero hundred thirty million, five hundred and twenty-seven thousand Vietnamese dong*)



- Logo:

2. Licensed Business Activities

According to Business License No 0310745210 of HCMC Department for Planning and Investment on March 31st 2011, SeaproDEX has been registered for business activities as below:

- Seaproduct exploitation, aquaculture, seafood processing for export and domestic consumption.
- Seafood feed production; animal oil production; animal feed production; red wine, beer and malt for alcoholic drinks; mineral water production; plastic products.

- Wine distillation, wine mix and production.
- Mechanical processing; metal coating, ships and floating structures building; transportation vehicles repair and maintenance.
- Construction; wholesale and retails for foods and beverages, fuels; real estate business; auction advisory services; advertisements; market survey services; designs of inland waterway vehicles; labor supply; hotel business and tourism; investment advisory (except financial, accounting and legal advisory); fishing logistics services.
- Transportation for passengers and goods, warehouse and wharf boat exploitation, accommodation services, restaurant and mobile food services.

Main Business Activities:





- Seafood processing for export and domestic consumption;
- Seaproduct exploitation;
- Fishing logistics services;
- Ship building and repairing.
- Domestic seaproduct trading


3. Main products and services

3.1 Main business activities:

No.	Type of products	Description/ Characteristics
I PROCESSING OF EXPORT SEAFOOD		
1	<p>Black Tiger Shrimp</p> <p>White leg Shrimp</p> <p>Giant Fresh Water Prawn</p> <p>Cat tiger Shrimp</p>  	<ul style="list-style-type: none"> ■ Type of products: Whole shrimp, headless shell on shrimp, peeled tail- on shrimp, peeled and deveined shrimp, peeled undeveined shrimp, sushi steamed shrimp, nobashi shrimp, steamed shrimp ■ <u>Qualifications:</u> <ul style="list-style-type: none"> + Whole Shrimp: IQF 10kgx1PE/Carton, Semi IQF 500gr/ box x 10/CTN or 1kg/box x 6CTN or customer orders. + Other products: block frozen with weight 1.8/ block, package 6 blocks/CTN or customer orders. ■ Size: <ul style="list-style-type: none"> + Whole shrimp: 20, 25, 30 units/kg or 6-8, 8-12,13-15 units/pound. + Other products: weighted in pounds according to customer's orders. <p>Main material sources:</p> <ul style="list-style-type: none"> ■ + Black Tiger Prawn: Ca Mau, Bac Lieu, Soc Trang,...

No.	Type of products	Description/ Characteristics
		<ul style="list-style-type: none"> + White leg Shrimp: Ca Mau, Bac Lieu, Soc Trang, Quang Nam, Quang Ngai, Quang Tri, Thua Thien – Hue, Binh Thuan etc. + Giant river prawn: Long An, Ben Tre, Dong Thap etc. <ul style="list-style-type: none"> ▪ Main export market: Europe, America, Japan, Asia, Australia.
<p>2</p> <p>Cuttlefish</p> <p>Squid</p> <p>Broad Squid</p> <p>Baby Cuttlefish</p>		<ul style="list-style-type: none"> ▪ Products: whole cleaned cuttlefish, Guttled Cuttlefish Fillet, Rounded Cut Cuttlefish, Pine-apple Cuttlefish ▪ <u>Qualifications :</u> <ul style="list-style-type: none"> + Whole Cleaned Cuttlefish IQF 10kgx1PE/CTN or 1kg/PEx12/CTN; Semi-IQF 500gr/trayx20/CTN. + Other size 1,6-2,0kg/block, package 6 blocks/CTN or customer's orders. ▪ Size: big size 8-12 units/kg; 4-6 units/kg, small size 10-20 units/kg, 20-40 units/kg, 40-60 units/kg ▪ Main material sources: Phan Thiet, Khanh Hoa, Kien Giang, Vung Tau ▪ Main export market: Japan, Korea, Italy, Spain
<p>3</p> <p>Pangasius</p>		
<p>Barramundi Fillet</p>		<p>Red Mullet</p> 
<p>Sillago Butterfly</p>		<p>Mackerel Fillet</p> 

No.	Type of products	Description/ Characteristics
	<p>Swordfish Steak</p> 	<p>Solefish</p> 
	<p>Frozen Cut Hairtail Fish</p> 	<ul style="list-style-type: none"> ▪ Fish Product: Whole fish cleaned and gutted, cleaned whole fish, fish fillet, fish steak, fish cake. ▪ <u>Product Specification:</u> <ul style="list-style-type: none"> + Whole fish: quick frozen IQF 1fish/PEx10/CTN, sometimes using vacuum bag + Fish fillet: wrapped portions 5kg/BLx2/CTN, or customer orders. ▪ <u>Size:</u> <ul style="list-style-type: none"> + Whole fish: sizing in kg or ounce (1oz = 28,35kg/ piece) or customer orders. + Fish fillet: sizing in gram 60-120 gram/ piece, 120-170 gram/ piece, over 220 gram/ piece or in ounce 3-5 Oz/piece, 5-7oz/ piece, 7-9 oz/ piece, 4-6 oz/ piece, 6-8 oz/ piece, 8-10 oz/ piece, 10-12 Oz/ piece. ▪ Main material sources: Ca Mau, Kien Giang, Vung Tau, Binh Thuan, Tien Giang, Dong Thap, Quang Binh, Quy Nhon, Quang Ngai, Khanh Hoa ▪ Export market: Europe, Japan, American, Holland, China, Spain, Korea.
<p>4</p>	<p>Whole White Clam</p> 	<ul style="list-style-type: none"> ▪ Product: whole white clam ▪ Specification: steamed 85%, Vacuum Steam 15% ▪ Product mix: White clam 70-75%; brown (purple) clam 25-30% ▪ Size mix: 60-80 pieces/ kg (60-65%), 40- 60 pieces/ kg (35-40%) ▪ Main export market: Europe and America.
<p>II AQUACULTURE</p>		
<p>1</p>	<p>Sturgeon</p>	<ul style="list-style-type: none"> ▪ Investment project for commercial sturgeon has been deployed since June 2012. ▪ Farm location: Kala, Bao Thuan, Di Linh, Lam Dong Province

No.	Type of products	Description/ Characteristics
		<ul style="list-style-type: none"> ▪ Distribution: Product delivery according to customer orders or direct delivery (restaurants, hotels, fishbowl, retail customers). Method of payment: on time or deferred with 10 days without discount. Currently, only newly open AEON mall is the only customer receiving discount in promotion program (0,5% for membership; 1,5% advertisement cost).
III FISHERY LOGISTIC SERVICES		
1	Ice production for fishing purposes	<ul style="list-style-type: none"> ▪ Seaprodex has 2 fishing ports within fishing port system from year 2020 to 2030 according to the Government plan. One is Cat Lo – Vung Tau Fishing Port and the other one is Da Lo Truong Sa Fishing Port. Designed capacity is capable of receiving 365 vessels/ day and 108,000 tons of seafood/ year.
2	Fish logistic Services: Wharf services, electricity and water supply	<ul style="list-style-type: none"> ▪ At Cat Lo Vung Tau Fishing Port, loading and unloading process has been totally mechanized and it can provides other services such as : goods provide, fish market, fuels, water and electricity provide. The port is capable of receiving vessels with capacity up to 1,000 CV and 5,000 ton payload.
3	Factory and space for lease	<ul style="list-style-type: none"> ▪ Seaprodex has a fleet of 8 units, 16.5 -25.5 m in length, 330 - 430 horse power for logistics services. ▪ Logistics capability is 500 turns of fishing boats, providing 2,000 tons of fuels, 600 m3 of water, and purchasing 2,000 tons of seafood for fishermen.
IV SHIP BUILDING AND REPAIRING		
1	Build and repair ships.	<ul style="list-style-type: none"> ▪ 2 shipyards in Ha Long Mechanical Engineering Ship Building JSC and Vietnam Fishery Mechanical Shipbuilding JSC have been equipped with specialized mechanics. ▪ Capability: build and repair vessels with loading capacity up to 6,000 tons, 50 m in length, fishing vessels and aquaculture service vessel in steel shell, wood shell, and composite shell with capacity up to 1,500 CV, 34 m in length.
2	Manufacture auxiliary equipment for fishing ship building industry.	<ul style="list-style-type: none"> ▪ Auxiliary equipment propeller shaft systems, hydraulic steering gear, ocean tuna fishing equipment, mooring systems and storage facilities, seafood processing

No.	Type of products	Description/ Characteristics
		equipment such as cold storages, IQF devices, wind freezer, flake ice machine, cold systems for fishing boats.

3.2 Related business activities

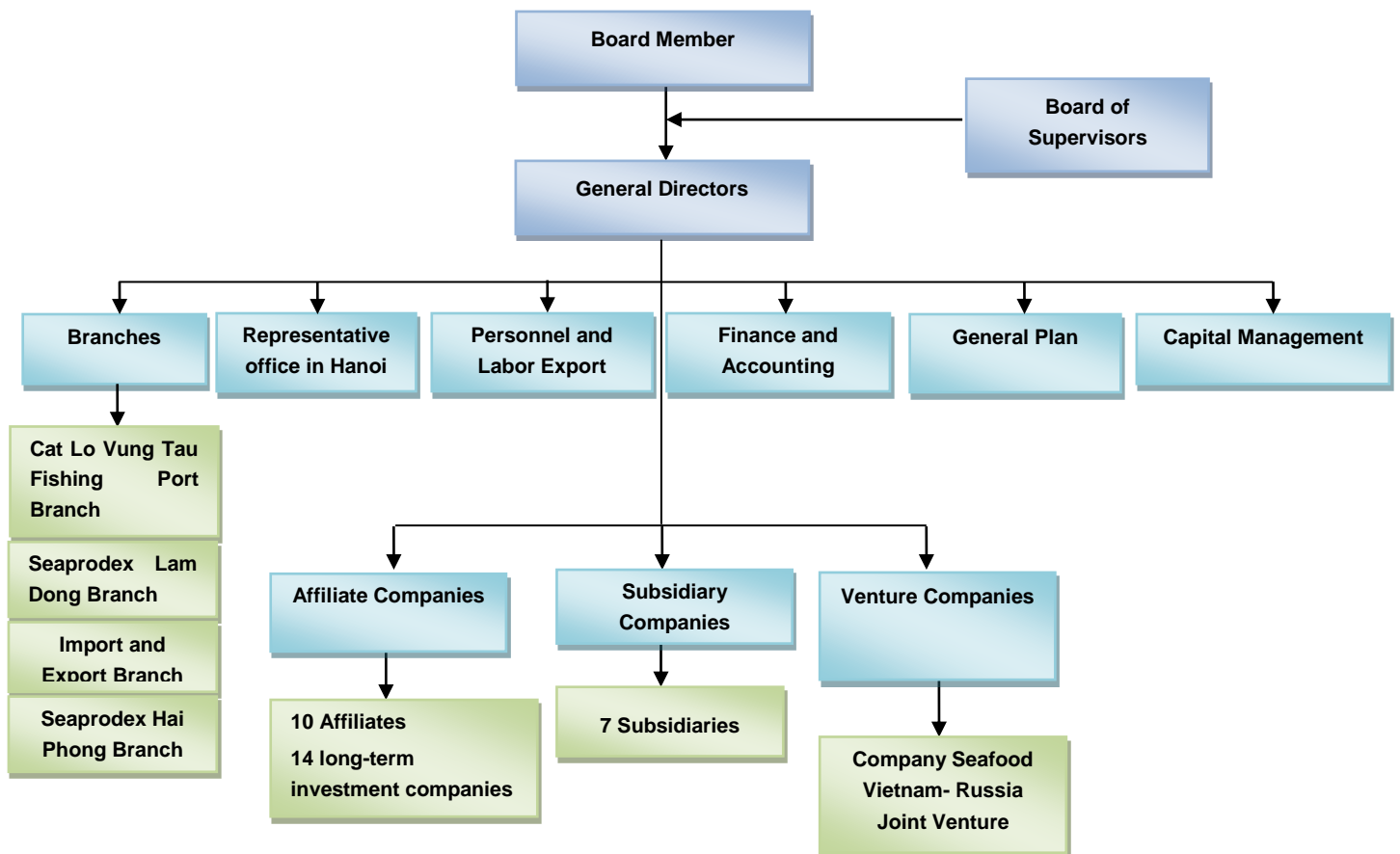
No.	Service	Description/ Characteristics
1	Import business	<ul style="list-style-type: none"> ▪ Main business activities in Seaprodex Da Nang, Seaprodex Ha Noi and Seaprodex Import and Export branch. ▪ Imported Goods: Material goods, material goods for domestic productions, hot rolled steel.
2	Office Services	<ul style="list-style-type: none"> ▪ Offices, factories and spaces for lease in 10 premises of Seaprodex
4	Warehouse, wharf for rent	<ul style="list-style-type: none"> ▪ Main business activities in Hai Phong Seaprodex Branch
5	Trading and other industrial production	<ul style="list-style-type: none"> ▪ Produce and process animal feed ▪ Produce paper for export. ▪ Trading ▪ Labor export

4. Organizational structure

Organizational structure of Seaprodex includes:

- Board Member: 3 members.
- Board of directors: 1 General Director and 4 Deputy General Directors
- Supervisors: 2 members
- 4 functional departments: Personnel and Labor Export department, Finance and Accounting department, General Plan department, Capital Management department.
- 4 branches
- 3 divisions in charge: 10 affiliates companies, 7 subsidiary companies and 1 venture company.
- 1 representatives offices in Ha noi

Graph 1: Organization chart



Subordinate companies

- *Export and Import Branch*
 Established in 2011
 Head quarter: No 2- 4-6 Dong Khoi Street, Ben Nghe Ward, District 1 , HCM City
 Main Business Activities: export seafood and import goods and materials for domestic production.
- *Hai Phong Seaprodex Branch*
 Established in 2011
 Head Quarter: No 137 Ngo Quyen Street, May Chai, Ngo Quyen District, Hai Phong City.
 Main business activities: Manufacture and process seafood including fish fillet, fish cake, steam clam and other by-products. Warehouse and wharf for rent.
 Hai Phong Seaprodex Branch temporarily receives all assets from another subordinate company of Seaprodex - Vietnam Seafood Vocational Training Center on March 3rd 2014, according to the Decision No. 363/QD-TSVN-HDTV on December 19th 2013 of Seaprodex about Dissolution of Vietnam Seafood Vocational Training Center.
- *Cat Lo Vung Tau Fishing Port Branch*
 Established in 2011
 Head Quarter: No.1007/34 30/4 Street, Ward 11, Vung Tau City, Ba Ria Vung Tau Province.
 Business Activities: Ice Production for Fishing Purposes, fishing logistic services, other related premise business.
 Explanations for related activities: Seaprodex is waiting for decision from Ministry of Agriculture and Rural Development to transfer Cat Lo Vung Tau Fishing Port into East Sea Fishing and Services Company (ESF) and transfer ESF to Ministry of Agriculture and Rural Development in 2014 according to Document No. 1411/VPCP-DMDN dated on March 3rd 2014 from Government Office. On June 9th 2014, Ministry of Agriculture and Rural Development request the Prime Minister on Document No. 1835/TTr-BNN-QLDN about the establishment of " Fishing Logistic Services and Fishery Control Center" based on the consolidation of Ha Long Fisheries Company Limited, East Sea Fishing and Service Company and Cat Lo Branch.
- *Lam Dong Seaprodex Branch*
 Established in 2012.
 Head quarter: Ko Net Village, Bao Thuan Commune, Di Linh, Lam Dong Province.
 Business Activities: cultivate and exploit Sturgeon

5. Total number of personnel will be transferred to the Joint Stock Company

There will be 105 personnels continuing working for Seaprodex after the equitization, in details:

Table 1: Labor Structure in the Joint Stock Company

No.	Types of labors	Quantity
1	Total labor	105

2 Labor classification according to qualifications	
Bachelor and above	75
College graduate	5
High School	8
Others	17
3 Labor classification according to working contracts	
No labor contract	11
Indefinite labor contracts	70
1 – 3 year labor contracts	24

Source: SEAPRODEX

6. Enterprise value and the State's capital contribution

According to SeaproDEX's valuation document of Ha Noi Auditing and Accounting Limited and the Decision No 743/QĐ-BNN-QLĐN dated April 14th 2013 of Ministry of Agriculture and Rural Development on approval of SeaproDEX's valuation for equitization.

On June 30th 2013, the enterprise value of SeaproDEX and the State's capital contribution are as following:

- Actual value of SeaproDEX: **VND 1,480,398,373,881**
- Actual value of the State's capital contribution: **VND 1,368,088,939,805**
- Assets not be accounted for enterprise valuation (according to book value):
 - Not-in-used assets : VND 23,274,192,632
 - Fix assets for disposal: VND 16,580,210
- The actual value of the State's capital in SeaproDEX included 1,169,400 bonus shares received from Vietnam Fishery Mechanical ShipBuilding JSC, equivalent to amount of VND 11,690,000,000.
- The actual value of the State's capital in SeaproDEX included 13,126,734 bonus shares and dividend shares from 5 companies which are West Sea JSC, Searefico JSC, Seafood JSC No.1, Vietnam France JSC Feed Animal Production Proconco, Minh Hai Seafood JSC, equivalent to amount of VND 131,267,340,000.
- Not-in-used assets have been excluded from the enterprise value which is VND 23,274,192,632, in which:

- Fixed assets at Vietnam Seafood Vocational Training Center (original value: VND 4,637,992,988, residual value: VND 3,701,247,736, residual percentage: 79.8% of original value). On December 31st 2013, this center has been dissolved and in the progress to transfer to Debt and Asset Trading Corporation (DATC).
- The uncollectible over-3-year receivables from Seaproducts Mechanical ShareHolding Company (SEAMECO) which is equivalent to VND 18,740,000,000 has been transferred to DATC.

Table 2: Enterprise value of Seaprodex and the State's capital contribution as at 30 Jun 2013

Unit: VND

No.	Category	Book value	Revaluation value	Difference
1	2	3	4	5 = 4 - 3
A	In-used Assets	947,342,977,332	1,480,398,373,881	533,055,396,550
I	Fixed Assets and Long-term investment	494,225,935,693	991,830,091,568	497,604,155,875
1	Fixed assets	18,181,225,479	32,555,041,647	14,373,816,168
2	Long term financial investment	516,211,592,999	915,832,726,324	399,621,133,325
3	Construction in progress	26,493,719,842	26,493,719,842	-
4	Long term deposits	-	-	-
5	Long term prepaid expenses	12,438,603,755	12,438,603,755	-
6	Deferred tax assets	4,510,000,000	4,510,000,000	-
7	Other long-term assets	-	-	-
8	Long-term receivables	-	-	-
9	Provision for long-term financial investment	(83,609,206,382)	-	83,609,206,382
II	Current assets and Short-term investment	453,117,041,639	474,907,920,952	21,790,879,313
1	Cash	291,296,115,540	291,317,747,933	21,632,393
+	<i>Cash</i>	<i>135,650,807</i>	<i>135,653,200</i>	<i>2,393</i>
+	<i>Deposits</i>	<i>291,160,464,733</i>	<i>291,182,094,733</i>	<i>21,630,000</i>
2	Short term financial investment	61,996,793,334	61,996,793,334	-
3	Provision for short term financial investment	-	-	-
4	Receivables	113,934,091,521	113,934,091,521	-
5	Provision for receivables	(21,996,593,090)	-	21,996,593,090
6	Inventory	6,151,313,437	5,923,967,267	(227,346,170)
7	Other short-term assets	1,735,320,897	1,735,320,897	-

No.	Category	Book value	Revaluation value	Difference
III	Goodwill	-	-	-
IV	Value of land use rights	-	13,660,361,362	13,660,361,362
B	Not-in-used assets	23,274,192,632	23,274,192,632	-
I	Fixed assets and long term investment	4,075,559,370	4,075,559,370	-
II	Current Asset and Short term Investment	19,198,633,262	19,198,633,262	-
1	Uncollectible assets and bad debts	19,198,633,262	19,198,633,262	-
C	Assets for disposals	16,580,210	16,580,210	-
I	Fixed asset and long term Investment	16,580,210	16,580,210	-
1	Fixed assets	16,580,210	16,580,210	-
II	Current Assets and short term investment	-	-	-
1	Materials and unsold goods with poor quality	-	-	-
D	Asset formed from welfare funds and bonus funds	-	-	-
	Total enterprise value (A+B+C+D)	970,633,750,174	1,503,689,146,723	533,055,396,550
	In which : Actual enterprise value (A)	947,342,977,332	1,480,398,373,881	533,055,396,550
E1	Actual Value of Liabilities	112,309,434,076	112,309,434,076	-
	In which: Value of land use right payment for State budget	-	-	-
E2	Professional fund	-	-	-
	Total actual value of the State's capital contribution [A-<E1+E2>]	835,033,543,256	1,368,088,939,805	533,055,396,550

Source: Seaprodex's valuation document

7. Major assets of the Company

7.1. Fixed assets

Fixed assets of the Company based on accounting data and re-evaluated at the time of corporate valuation (0 hour on 30/06/2013) as follows:

Table 3: Revaluation of fixed assets at 30/6/2013

Unit: Viet Nam Dong

No.	Asset name	Historical value		Re- evaluated Value		Differences	
		Cost	Accumulated depreciation	Cost	Accumulated depreciation	Cost	Accumulated depreciation
1	2	3	4	5	6	7 = 5 - 3	8 = 6 - 4
A	Used fixed assets	48,858,981,112	18,181,225,479	96,343,861,661	46,215,403,009	47,484,880,549	28,034,177,530
1	Buildings and structures	36,301,901,105	13,221,613,117	69,930,328,940	26,439,720,314	33,628,427,835	13,218,107,197
2	Machinery and equipment	7,811,643,037	2,204,431,678	7,811,643,037	3,103,874,035	-	899,442,358
3	Transportation	4,146,204,051	2,395,483,134	4,342,295,403	2,618,243,125	196,091,352	222,759,991
4	Office equipment and other assets	304,836,919	76,535,966	304,836,919	110,042,588	-	33,506,622
5	Intangible fixed assets	294,396,000	283,161,584	294,396,000	283,161,584	-	-
6	Land use rights	-	-	13,660,361,362	13,660,361,362	13,660,361,362	13,660,361,362
B	Obsolete fixed assets	7,841,851,015	4,075,559,370	7,841,851,015	4,075,559,370	-	-
1	Buildings and structures	4,837,198,988	3,739,798,736	4,837,198,988	3,739,798,736	-	-
2	Machinery and equipment	2,179,325,135	286,334,171	2,179,325,135	286,334,171	-	-

Unit: Viet Nam Dong

No.	Asset name	Historical value		Re- evaluated Value		Differences	
		Cost	Accumulated depreciation	Cost	Accumulated depreciation	Cost	Accumulated depreciation
3	Transportation	793,226,892	49,426,463	793,226,892	49,426,463	-	-
4	Office equipment	32,100,000	-	32,100,000	-	-	-
C	In liquidation fixed assets	1,102,629,826	16,580,210	1,102,629,826	16,580,210	-	-
1	Buildings and structures	-	-	-	-	-	-
2	Machinery and equipment	91,175,000	16,580,210	91,175,000	16,580,210	-	-
3	Transportation	1,011,454,826	-	1,011,454,826	-	-	-
4	Office equipment and other assets	-	-	-	-	-	-
D	Fixed asset from bonus and welfare funds	-	-	-	-	-	-
	Total	57,803,461,953	22,273,365,059	105,288,342,502	50,307,542,589	47,484,880,549	28,034,177,530

Source: Summary table of fixed assets at 30/6/2013 from corporate valuation document of SEAPRODEX

7.2. Lands

At present, SEAPRODEX manages and uses total areas of 878,517.40 m² in 5 provinces, cities in Vietnam. It includes 8 branches in HCM city, 3 branches in Vung Tau, 1 branch Ha Noi, 4 branches in Binh Duong and 3 branches in Hai Phong; The Company's land was divided into 2 groups as follows:

- Group of lands be in used after equitization: 797,219.40 m²
 - 24,507.2 m² of land which has land-use right (long-term land rental contract with annual payment).
 - 3,172 m² of land which has short-term land rental contract with annual payment (No.4 Dong Khoi and No.7 No Trang Long)

- 30,015 m² of land which has land-use right and land rental contract with one-time land use fee payment.
 - 83,2 m² of land (26/1A Le Thanh Ton) which does not have land-use right and land rental contract. The land is on the process for auction according to the approved plan at Document No.2681/UBND-TM dated 8 June 2010 of People’s Committee of HCMC about the Overall plan for handling of lands of SEAPRODEX according to Decision No. 09/2007/QĐ-TTg about: “Auction house and transfer the land use right if appropriate to the construction plan of the City” and Document No.5549/UBND-TM dated 30 Oct 2012 of People’s Committee of HCMC about implementing of auction procedures and transferring of land use right.
 - 739,442 m² of land (in Co May, Ba Ria) which does not have land-use right and land rental contract but has been approved by the Ministry of Agriculture and Rural Development and People’s Committee of Vung Tau for building new project on the whole land.
- Group of lands not be in used after equitization: 81,298 m²

Details as follows:

Table 4: List of land-use rights of SEAPRODEX

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
I	Ho Chi Minh City, total area of 9,354.40 m²					
1	2-4-6 Dong Khoi and 21 Ngo Duc Ke, Ben Nghe Ward, District 1.	1,892.0 In which, No. 21 Ngo Duc Ke (area 380 m ²) merged to No. 2-4-6	- Document No.456/UBND-ĐTMT dated 21/01/2010 of the People’s Committee about “Approved joint venture and co-invest plans in project of hotels, offices complex”. - Document No.687/TTg-KTN dated 28/04/2010 of the Prime Minister about “Agreed in principle about procedure of selling assets on land, transfer of land use right at	- Headquarter of SEAPRODEX. - Under legal proceedings to determine the values of land use rights at market price and to request for land allocation with one-time land use fee payment.	- Completing legal documentation for land allocation. - Continue in-use to join venture or partner with other parties to develop projects in accordance with construction plan of	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
		Dong Khoi street	<p>market price to merge with the land lot at 21 Ngo Duc Ke for construction in accordance with the construction plan of the City”.</p> <ul style="list-style-type: none"> - Document No.6954/BTC-QLCS dated 01/06/2010 of The Ministry of Finance about “Valuation of assets on land and valuation of land use rights at market prices for Vietnam National Seaproducts Corporation”. - Document No.2543/UBND-ĐMTM dated 01/06/2010 of People’s Committee about “Policy about handling land lots at 2-4-6 Dong Khoi street to Seaprodex, under the direction of the Prime Minister in official letter No.687/TTg-KTN”. - Document No.2681/UBND-TM dated 08/06/2010 of People’s Committee of Ho Chi Minh City about “Overall plan for handling of land and house of Vietnam National Seaproducts Corporation” according to the Decision No. 09/2007/QĐ-TTg about: “Implementation procedure of selling land assets, land use rights at market price, 	<ul style="list-style-type: none"> - Preparing legal procedures for investment license for trade center-office complex in accordance with construction plan of the city. 	the city.	

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			merging with the land lots at 21 Ngo Duc Ke street (fixed assets of Vietnam National Seaproducts Corporation) for construction project in accordance with the construction plan of the city".			
2	22-24-26 Mac Thi Buoï, Ben Nghe Ward, District 1.	277.8	<ul style="list-style-type: none"> - Document No.2681/UBND-TM dated 08/06/2010 of People's Committee of Ho Chi Minh City about "Overall plan for handling of land and house of SEAPRODEX according to the Decision No.09/2007/QĐ-TTg: continuing to use the land in accordance with the construction plan of the city". - 50-year land lease with annual payment contract No. 3763/HDTD-TNMT-DKKTD dated 04/05/2006 (name: East Sea Fisheries Corporation) with Department of Natural Resources and Environment of Ho Chi Minh City. - Appendix of land lease contract no.6022/PLHd-TNMT-DKKTD dated 16/09/2013 between SEAPRODEX with Department of Natural Resources and 	<ul style="list-style-type: none"> - Completed the construction of SEAPRODEX's Office building. - SEAPRODEX uses as office building for the parent and its subsidiaries. 	<ul style="list-style-type: none"> - Annual rent payment for land lease in 50 years. - Office of SEAPRODEX and its subsidiaries. 	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			<p>Environment of Ho Chi Minh City.</p> <ul style="list-style-type: none"> - Ownership certificates for house, land use rights and other assets on land lot No. BP 625040 dated 14/03/2014 of People's Committee of Ho Chi Minh City issued for SEAPRODEX. 			
3	211 Nguyen Thai Hoc, Pham Ngu Lao ward, District 1	243.4	<ul style="list-style-type: none"> - Document No.2681/UBND-TM dated 08/06/2010 of People's Committee of Ho Chi Minh City about "Overall plan for handling of land and house of SEAPRODEX" according to the Decision No. 09/2007/QD-TTg about "Continuance of land use in accordance with the construction plan of the City". - 50-year land lease with annual payment contract No.1442/HĐ-TNMT-QLSDĐ dated 12/03/2014 between Department of Natural Resources and Environment of Ho Chi Minh City and SEAPRODEX. - Certificate of land use right no. BS 702738 issued by People's Committee of HCMC dated 12/03/2014. 	Developing investment project of hotels and commercial service complex in accordance with the construction plan of the city.	<ul style="list-style-type: none"> - Annual rent payment for land lease in 50 years. - Investing to build hotel and commercial service complex. 	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
4	115 Vuon Chuoi, 4 Ward, District 3 ⁽¹⁾	140.1	<ul style="list-style-type: none"> - Document No.1046/BNN-ĐMDN dated 29/03/2013 of Ministry of Agriculture & Rural Development about “Agreeing on the continuance of use of land lot No.115 Vuon Chuoi St. SEAPRODEX. - Decision No.2993/QĐ-UBND dated 07/06/2013 of People’s Committee of HCMC about “Approving for SEAPRODEX to use land lot at No.115 Vuon Chuoi under form of annual rent payment for land lease in 50 years. - Certificate of land-use right No. BN794973 issued by People’s Committee of HCMC dated 19/11/2013. - 50-year land lease Contract No. 7900/HD-TNMT-QLSDD dated 26/11/2013 with Department of Natural Resources and Environment. 	Being used for its business activities.	This land will be transferred to East Sea Fishing and Service Company Limited in accordance with Report No. 2884/TB-BNN-QLDN dated 18/6/2014 of the Ministry of Agriculture & Rural Development	-
5	7 No Trang Long, 7 Ward, Binh Thanh District	1,280.0	<ul style="list-style-type: none"> - License for House Purchase and Transfer No.526/GP-MB7 dated 27/04/1989 of HCMC Land Registry issued for Factory 26/6, directly under Seaprodux. 	<ul style="list-style-type: none"> - Short stay service business. - People’s Committee of HCM City issued Decision 	- Transfer from short-term land lease into long-term land lease with annual payment.	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			<ul style="list-style-type: none"> - The declaration of registration fee payment dated 04/08/1989. - Land lease annual contract between Vietnam National Seaproducts Corporation – Limited Company and Department of Natural Resources and Environment of HCMC No.4972/HD-TNMT-QLSDD dated 23/08/2012. - Planning License No. 41/GPQH dated 05/05/2014 of Ho Chi Minh City Department of Planning and Architecture issued for land lot No.7 No Trang Long street with approval to invest in hotel- trading service complex. 	<ul style="list-style-type: none"> to adjust land lot No.7 No Trang Long street in residential area for improvement and new construction”. - Department of Planning and Architecture of HCMC issued “Planning and Investment License for building hotel, commerce and service complex”. - SEAPRODEX is submitting legal application to Department of Natural Resources and Environment for transferring from short-term land lease to long-term land lease. 	<ul style="list-style-type: none"> - Implementation of investment projects in business and commerce services in accordance with the construction plan of the city. 	
6	97/6 Kinh Duong Vuong (old address: 449/1	541.9	<ul style="list-style-type: none"> - Document No.2681/UBND-TM dated 08/06/2010 of People’s Committee of HCMC about “Overall plan for handling of land and 	<ul style="list-style-type: none"> - SEAPRODEX ‘s warehouse 	<ul style="list-style-type: none"> - Annual rent payment for land lease in 50 years. 	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
	Hung Vuong), 12 Ward, District 6		<p>house of SEAPRODEX in accordance with the Decision No.09/2007/QD-TTg about “Continuing to use the land in accordance with the construction plan of the city”</p> <ul style="list-style-type: none"> - Decision No.6490/QD-UBND dated 21/12/2012 of People’s Committee of HCMC allows SEAPRODEX to lease the land in 50 year with annual rent payment. - 50 year land lease contract No.1760/HD-TNMT-QLSDD dated 03/04/2013 with Department of Natural Resources and Environment of HCMC. - Certificate of land use right No.BK676750 dated 04/04/2013 issued by Department of Natural Resources and Environment of HCMC. 	<ul style="list-style-type: none"> - Applying for legal permissions for construction of commercial service distribution center in accordance with local construction plan. 	<ul style="list-style-type: none"> - Investing to build commercial service distribution center. 	
7	26/1A Le Thanh Ton, Ben Nghe Ward, District 1	83.2	<ul style="list-style-type: none"> - Certificate of house ownership for 26/6 aquaculture factory, directly under SeaproDEX, No.3246/GP-CS dated 04/08/1992 of HCMC Land Registry. - Document No.2681/UBND-TM dated 08/06/2010 of HCMC People’s Committee 	<ul style="list-style-type: none"> - Being used in business operation while waiting for the auction procedure. - Implementing auction procedures under approved plan by the 	House auction as approval of the authority as Decision No. 09/2007 / QD-TTG.	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			<p>about “Overall plan for handling of land and house of SEAPRODEX according to the Decision No. 09/2007/QĐ-TTg about: “Auction house and transfer the land use right if appropriate to construction plan of the city”</p> <ul style="list-style-type: none"> - Document No.9424/STC-BCD09-CS dated 01/10/2012 of HCMC Department of Finance suggesting procedures of house auction and land use right transfer. - Document No.5549/UBND-TM dated 30/10/2012 of People’s Committee of HCMC about Implementation of house auction and land use right transfer. - Document No.11735/STC-BVG dated 28/11/2012 of HCMC Department of Finance about “Providing valuation documents for land lot No. 26 / 1A Le Thanh Ton street”. - Document of Ministry of Finance dated 09/01/2013 about “Completing legal documents and implementing house auction and land use right transfer in accordance with 	Ministry of Finance.		

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			the approved plans.			
8	74/6 Huong Lo 14 (Luy Ban Bich - new street name), Ward 3, District 11, HCMC ⁽¹⁾	4,896.0	<ul style="list-style-type: none"> - SEAPRODEX received the land in the form of foreclosure from Industrial Development of Printing Paper Packaging Company under HCMC Finance Committee dated 28/10/1992. - Phu Tho Tourist Service Company occupied this land for its use from 25/09/1998 to present. - Land ownership is under dispute. - HCM City People's Committee Office, CD09 Board (Department of Finance) and People's Committee of District 11 are settling the dispute according to the official letter No. 4870/VP-TM dated 27/6/2012; Report No.193/BC-UBND (District 11) dated 13/9/2013; Official letter No.12598/STC-CS dated 27/12/2012; Official letter No. 964/VP-TM dated 06/02/2013; Official letter No.2056/STS-BCD09-CS dated 12/03/2013 with final opinion: "Suggest Vietnam National Seaproducts Corporation reporting to the Ministry of Agriculture and Rural Development to remove this land lot from the disposed land 	Phu Tho Tourist Company Limited has managed and used this land from 25/9/1998 to present	<ul style="list-style-type: none"> - SEAPRODEX requested to take this land off the disposed land list of Vietnam National Seaproducts Corporation under Decision No.09/2007/QD-TTg of the Prime Minister. 	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			list under Decision 09/2007 / QD-TTg of the Prime Minister”.			
II	Vung Tau, total area of 803,032.30 m²					
1	78–80-82 Thuy Van, Ward 2, Vung Tau	1.040,4 In which: - Land allocation: 455.5 - Land lease in 50 years: 584.9	- Certificate of Investment No.49121000402 dated 04/01/2013 of People’s Committee of Ba Ria - Vung Tau province issued for SEAPRODEX to invest and build Blue Sapphire Hotel. - Certificate of land use right No.510676 by Department of Natural Resources and Environment of Ba Ria – Vung Tau province issued for SEAPRODEX in the form of land allocation without land use fee with 455,5 m ² . - Decision No.1424/QD-UBND dated 24/6/2013 by People’s Committee of Ba Ria - Vung Tau province allowing SEAPRODEX to lease the land (584,9 m2) in 50 years with annual rent payment to invest and build Blue Sapphire Hotel.	Implementing legal documents to invest in Sapphire Blue Hotel Project in accordance with the Certificate of investment No. 49121000402 dated 04/01/2013 issued by Ba Ria – Vung Tau People’s Committee.	Seaprodex continues to use 584.9 m ² of land and transfer 455.5 m ² of land from land allocation without land use fee to 50 year land lease with annual payment to build Blue Sapphire Hotel.	-
2	Land lots under Co May bridge, Block	739,442.0	- Decision No.23/QD-HDQT-TCCX-LD dated 12/05/2003 by Board of Directors of	- Aquaculture farm. - Implementing legal	- Document No.4434/UBND-VP	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
	5, Phuoc Trung Ward, Ba Ria City		<p>SEAPRODEX (old) about transferring Co May Breeding Shrimp Joint Venture Enterprise to Seaprodex.</p> <ul style="list-style-type: none"> - Decision No. 27QD/HDQT-TCCX-LD dated 30/05/2003 by Board of Directors of SEAPRODEX (old) about changing name from Co May Breeding Shrimp Joint Venture Enterprise to Co May Aquaculture Experiment, Breeding and Aquaculture Food. - Decision No.8245/QD-UB dated 29/10/2004 of People's Committee of Ba Ria Vung Tau province about retrieving 73,9442 ha of aquaculture land under Co May bridge, Phuoc Trung ward, Ba Ria commune. - Document No.2050/BNN-DMDN dated 13/07/2009 by the Ministry of Agriculture and Rural Development on suggesting People's Committee of Ba Ria Vung Tau province to supporting, not retrieve and continue to allocate land lot under Co May bridge to SEAPRODEX to develop eco-tourism zone, in accordance with local construction plan. 	documents to invest in projects in accordance with the local construction plan.	dated 27/6/2014 by Ba Ria – Vung Tau People's Committee agreeing for SEAPRODEX and Nguyen Kim JSC to study of investment project to build ecological tourist area and seafood cuisine supermarket.	

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			<ul style="list-style-type: none"> - Document No.3717/UBND-VP dated 04/6/2013 by People's Committee of Ba Ria Vung Tau province about retrieving 73,9442ha of land lot under Co May bridge, Phuoc Trung ward, Ba Ria commune. 			
3	Cat Lo fishing port, No. 1007, 30/4 street, Ward 11, Vung Tau ⁽¹⁾	62,549.9	<ul style="list-style-type: none"> - Decision No.3434/QD-UB dated 26/04/2001 by People's Committee Ba Ria – Vung Tau province approving for East Sea Fisheries Corporation to lease the land in 50 year with annual rent payment to operate and develop Cat Lo Port. - Decision no.5190/QD-UB dated 02/07/2001 by People's Committee of Ba Ria – Vung Tau about “Issuing Certificate of land use right to East Sea Fisheries Corporation for 50 year with annual rent payment term. - Land lease contract No.04/HD/TD dated 22/05/2001 with Land Department of Ba Ria – Vung Tau. - Certificate of land use right (name East Sea Fisheries Corporation) No.T00407 dated 02/07/2001 issued by People's Committee of 	Operating port in accordance with approved functions.	<ul style="list-style-type: none"> - Transferring Cat Lo Port to East Sea Fishing and Service Company Limited as the direction of the Ministry of Agriculture and Rural Development in Document No.920/BNN-QLDN dated 17/03/2014. 	

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			<p>Ba Ria – Vung Tau.</p> <ul style="list-style-type: none"> - Decision No.2325/QQ-UBND dated 15/10/2013 by People’s committee of Ba Ria – Vung Tau about “Accepting Vietnam National Seaproducts Corporation to lease full land lot of 62,594.925 m² to operate and develop Cat Lo Port. 			
III	Ha Noi, total area of 5,983.70 m²					
1	2 Ngo Gia Tu, Duc Giang ward, Long Bien District	5,983.7	<ul style="list-style-type: none"> - Decision No.2390/QD-UB dated 02/05/2003 by People’s Committee of Ha Noi approving for SEAPRODEX (old) to lease the land in 30 year with annual rent payment. - 30-year land lease contract No.57-2003/ DC-HDTDTN dated 03/06/2003 between Vietnam National Seaproducts Corporation (old) and Land – Housing department of Ha Noi. - Certificate of land use right no.00658 dated 30/10/2003 issued by the People’s Committee of Ha Noi. - Document No.3795/UBND-KH dated 28/05/2013 by People’s Committee of Ha Noi 	<ul style="list-style-type: none"> - Under management and Use of Representative Office of SEAPRODEX in Ha Noi. - SEAPRODEX is applying for the certificate of land use right and the construction license of building office and commercial services complex in accordance with local construction plan. 	<ul style="list-style-type: none"> - Annual rent payment for land lease in 30 years. - Decision No. 2390/QD-UB dated 02/05/2003 approving for SEAPRODEX TO lease 6,403 m² of land to be office of SEAPRODEX Commercial Service Center. 	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			and document No.7380/BTC-QLCS dated 10/6/2013 by Ministry of Finance about “Plan to arrange and handle the land owned by the State of SEAPRODEX in Ha Noi according to Decision No.09/2007/QD-TTg about: “Agree on retaining the land at SEAPRODEX to use in accordance with the city's plan”.			
IV	Binh Duong Province, total area of 30,015.0 m²					
1	Land lots in Zone C, Song Than II Industrial Zone, Di An District	30,015.0	- Decision No.2947/QD-CT dated 26/02/2002 by People’s Committee of Binh Duong Province about Issuing certificate of land use right for Vietnam National Seaproducts Corporation to lease the land in 45 years with one-time rent payment. - Certificate of land use right No.N070322 dated 26/02/2002 issued by People’s Committee of Binh Duong Province.	Corporation used it as a warehouse bulk.	- Land lease in 45 year with one-time rent payment. - Continuing to use as a warehouse.	13,660,361,362
V	Hai Phong, total area of 30,132.0 m²					
1	173 Ngo Quyen, May Chai Ward, Ngo Quyen	16,420.0	- Decision No.165/QD/UB dated 16/02/1994 by People’s Committee of Hai Phong about transferring the land to Seasafico Hanoi	Offices and factories of Corporation Branch in Hai Phong.	- SEAPRODEX sent official letter No.311/TSVN-KHTH	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
	District.		<p>branch to build Seasafico seafood processing factory.</p> <ul style="list-style-type: none"> - Certificate of land use right No.BP423950 dated 24/10/2013 issued by People's Committee of Hai Phong to Vietnam National Seaproducts Corporation. - Land lease contract No.141/HD-TNMT-QLSDD dated 24/10/2013 with Department of Natural Resources and Environment of Hai Phong. 		dated 09/07/2014 about "the land use plan of the Corporation after equitization" to the Ministry of Agriculture and Rural and Hai Phong City People's Committee.	
2	8B/215 Le Lai, May Chai Ward, Ngo Quyen District ⁽¹⁾	5,272.0	<ul style="list-style-type: none"> - Decision No.502/TSHL/TC dated on 08/07/1998 signed by Chief executive officer of Ha Long Fisheries Corporation about establishing Ha Long Technical Worker School. - Document No.1048/VQH dated 30/11/2003 by Sub-National Institute of Planning – Construction Department of Hai Phong about using plan on land which is under management and using of Halong Science and Technology School at 1 Ngo Quyen street, Ngo Quyen District. 	<ul style="list-style-type: none"> - Vietnam Vocational Aquaculture School has managed and used this land. - Company does not have function in the field of education – training therefore this center hasn't been active since transferring, just a few staff staying there to manage the assets. 	SEAPRODEX handed-over to Debt and Asset Trading Corporation (DATC).	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
			- Vietnam National Seaproducts Corporation received from Ha Long Fisheries Corporation as Decision no.456/QĐ-BNN-ĐMDN dated 14/03/2011 by Minister of Agriculture and Rural Development about merging Vietnam National Seaproducts Corporation, Ha Long Fisheries Corporation, East Sea Fisheries Corporation to Vietnam National Seaproducts Corporation.			
3	Land and house at Ly Thanh Tong, Van Son Ward, Do Son District ⁽¹⁾	8,440.0	<p>- Certificate of land use right of Hai Phong Refrigeration Branch, No.04GCN/QLND dated 10/03/1994UBND issued by People's Committee of Do Son town – Hai Phong city.</p> <p>- Decision No.2197/QĐ-UB dated 11/9/2003 by People's Committee of Hai Phong city about retrieving land of 8,732 m² to transfer to Department of Natural Resources and Environment of Hai Phong city to auction the land use right as law.</p>	<p>- SEAPRODEX delegated Hai Phong Branch to manage and operate the land.</p> <p>- Vietnam National Seaproducts Corporation (old name) previously received from Seaproducts Refrigeration Industry Corporation since equitization in 1998. Due to the reason of geography, business environment, the</p>	SEAPRODEX handed-over to Debt and Asset Trading Corporation (DATC).	-

No.	Location	The area under the current use map (m ²)	Legal documents relating to the land use plan	Current use of the land and implementation plan	Land use plan after equitization	The value of the land-use rights at 30/6/2013
				Corporation has not managed this land effectively, so the facilities are severely degraded.		

Source: SEAPRODEX

⁽¹⁾ Lands are not in-used after the equitization.

7.3 Machinery and equipment

Table 4: List of major machinery and equipment

No.	Asset name	Quantity	Started year	Cost (VNĐ)	% Remaining	Revaluation (VNĐ)
1.	Generator - 195 KVA -Denyo Power - DCA 220K (headquarter)	1	1993	300,000,000	20%	60,000,000
2.	Cold Storage Equipment - 500 ton (Warehouse and compressors 2+3) – Hai Phong Seaprodex Branch	1	12/1994	3,955,061,408	35%	1,384,271,493
3.	Frozen facilities (cellar and compressors) – Hai Phong Seaprodex Branch	1	12/1994	1,845,020,000	20%	369,004,000
4.	Clams Steaming chain (steaming system and boiler) – Hai Phong Seaprodex Branch	1	09/2012	1,101,622,756	92%	1,009,820,851

Source: The minutes of the company valuation as at 30/6/2013

7.4 Motor vehicles

Table 5: List of major motor vehicles

	Asset name	Quantity	Started year	Cost (VNĐ)	% Remaining	Revaluation (VNĐ)
1.	Toyota Camry- ACV40L- JEA EKU 51A-33145 – Seaprodex office	1	2012	1,127,768,182	82%	923,132,826
2.	Toyota Fortuner - 52U-8405 – Seaprodex office	1	2012	857,727,273	80%	689,755,679
3.	Nissan- 7 seats- 56P 9531, year 2010, manual transmission 1,8 – Seaprodex office	1	2010	653,500,000	51%	335,826,380
4.	Innova 8 seats 52U - 8802, year 2009	1	2009	583,096,321	43%	320,571,421

Source: The minutes of the company valuation as at 30/6/2013

8. List of subsidiaries and associates

As at 30/9/2014, SEAPRODEX has 6 subsidiaries operating in two main fields: seafood processing and mechanical engineering ship building; 10 associates and 1 joint venture company.

Table 6: Subsidiary companies as at 30/9/2014 (*)

#	Name of Subsidiaries	No. Certificate	Established	Charter Capital (VNĐ)	% Ownership	Core business
1	Vietnam Fishery Mechanical Shipbuilding JSC	0203002698	2006	56,249,660,000	62.37%	Shipbuilding, repair of water facilities, Service business supplies, Product and processing of export joss paper.
2	Hanoi Seaproducts Import Export JSC.	0103012492	2006	100,000,000,000	59.34%	Processing, exporting seaproducts, imported supplies trading, office building leasing .
3	DaNang Seaproducts Import Export JSC.	040010078	2006	100,000,000,000	54.68%	Processing, trading and exporting seafood.
4	Namcan Seaproducts Import Export JSC.	059565	1998	50,000,000,000	50.78%	Aquafarming, Processing, Exporting seafood products
5	East Sea Fishing And Service Company Limited ⁽¹⁾	-	-	48,571,065,773	100%	Logistics services for fisheries sector
6	Ha Long Fisheries Company Limited ⁽²⁾	-	-	122,650,923,186	100%	Trading and supplying base, port services.

Source: SEAPRODEX

(*): At company valuation time (30/6/2013), SEAPRODEX has 7 subsidiaries. In May 2014, SEAPRODEX divested from Ha Long Mechanical Engineering Ship Building JSC so the current number of its subsidiaries is 6.

⁽¹⁾ East Sea Fishing And Service Company Limited will transfer to the Ministry of Agriculture and Rural Development in 2014, under Official Letter No. 1411/VPCP-ĐMDN dated 5/3/2014 of Government Office.

⁽²⁾ The Ministry of Agriculture and Rural Development (MARD) is in process of obtaining the consent of the Prime Minister on transferring HaLong Fisheries Company Limited into East Sea Fishing and Services Company Limited under Report No.1424/TTr-BNN-QLDN dated 5/5/2014 and Report No.1835/TTr-BNN-QLDN dated 09/6/2014 issued by MARD submitted to The Prime Minister about setting up a fisheries logistic services center and fisheries inspection activities based on a consolidation and reorganization Halong Fisheries Company Limited, East Sea Fishing and Services Company Limited and Cat Lo Branch.

Table 7: Associated companies as at 30/9/2014

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	Name of Associates	No. Certificate	Established	Charter Capital (VNĐ)	% Ownership	Core business
1	Nha Be Ship Building and Repairing JSC.	4103002249	2004	5,000,000,000	26.01%	Building and repairing ships, trading equipments for ship.
2	Halong Seafood Processing JSC	0200107688	2004	6,646,000,000	31.78%	Warehousing, purchasing raw material for processing agriculture, forestry, and fishery products.
3	Seaproducts Mechanical Shareholding Company	4103006087	2007	42,000,000,000	46.36%	Supplying port services, warehousing, building and repairing ship.
4	Ha Long Aquaculture Service JSC	0103016971	2007	32,000,000,000	20.00%	Producing aphrodisiac for fish, trading domestic seafood, warehousing.
5	Ha Long Fishery Discovery JSC	0203002864	2010	11,000,000,000	23.21%	Trading, exploiting and processing seafood for export and inland.
6	Seaprodex Advertising & Trading JSC	4103004336	2006	2,500,000,000	40.00%	Organizing fairs, trade promotion, office leasing.
7	Ha Long Canned Food JSC	0200344752	1999	50,000,000,000	27.75%	Processing and exporting canned food, warehousing.
8	Seafood JSC No.5	0301909649	2006	24,200,000,000	28.64%	Processing and exporting aquatic products.
9	East Sea Trading Service and Labour Export JSC	0305282782	2010	5,000,000,000	26.00%	Labor recruitment for export
10	Seafood JSC No.4	0302317620	2001	161,606,460,000	26.90%	Processing and exporting frozen seafood

Source: SEAPRODEX

Table 8: Joint Venture Companies as at 30/9/2014

STT	Name of JV Company	No. Certificate	Established	Charter Capital (VNĐ)	% Ownership
1	Vietnam-Russia Seafood Joint Venture Company ⁽³⁾	10/KTĐN-GPĐT	1998	80,000,000,000	50.0%

Source: SEAPRODEX

⁽³⁾ Vietnam-Russia Seafood JV Company ('Seaprimfico') is a joint venture established between SEAPRODEX and Primorybprom based on a joint venture contract signed on 5/2/1998 and Investment License No.10/KTDT-GPDT dated 3/6/1988 with a charter capital of US\$ 8,000,000. In which, SEAPRODEX contributed 50% capital (equivalent US\$ 4,000,000 or VND 40,000,000,000). The last extension of the Investment License will valid until 31 May 2007.

SEAPRODEX is currently conducting procedures of property liquidation and factory relocation to hand over the land area to HoChiMinh City Thu Thiem New City project. Seaprodex has repeatedly recommended to dissolve the joint venture, however, the Russian partner did not agree. In order to facilitate investors to buy IPO shares, SEAPRODEX suggests resolve this investment when considering adjusting the State's capital at time of transferring into a JSC as follows:

- Option 1: Hand-over its VND 40 billion investment capital in the joint venture to DATC as the provision amount of VND 35,495,015,615 has been added to increase State's capital at the 1st enterprise valuation.
- Option 2: SEAPRODEX continues to maintain this long-term investment with residual value of VND 4,504,984,385 which is equivalent of initial investment capital (VND 40 billion) less allowance for loss of investment (VND 35,495,015,615) which was already accounted for in the audited financial statements as at 30/6/2013 and 31/12/2013 (the amount has also been added to increase State's capital at the 1st enterprise valuation).

Besides subsidiaries, associates and joint ventures, SEAPRODEX owns other long-term investments as follows:

Table 9: Other long-term investments as at 30/9/2014

	Name of company	Charter capital (VNĐ)	Number of shares	% Ownership	Core business
1	Seaproduct Import Export Trading JSC	10,500,000,000	189,000	18.00%	Exporting seafood products, importing supplies, office leasing
2	Special Aquatic Products JSC	108,000,000,000	1,944,000	18.00%	Manufacturing canned food from seaproducts, meat-related foods, ground leasing

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	Name of company	Charter capital (VNĐ)	Number of shares	% Ownership	Core business
3	Phu My Trading – Manufacturing – Service JSC	14,000,000,000	250,000	17.86%	Dispensing and trading body wash, perfume, ground leasing
4	Vietnam Fishery Material JSC	9,000,000,000	159,868	17.76%	Commercial business, warehousing services
5	Vietnam - France Joint Stock Company Feed Animal Production PROCONCO	2,000,000,000,000	34,940,000	17.47%	Manufacturing animal feed
6	Seafood Joint stock Company No.1	55,832,000,000	990,000	17.73%	Manufacturing and exporting seafood products
7	Minh Hai Joint Stock Seafoods Processing Company	80,999,510,000	1,189,383	14.68%	Manufacturing and exporting seafood products
8	Vietnam Technology Joint stock Company (2T Corporation)	30,000,000,000	425,600	14.19%	Construction
9	Seaprodex Refrigeration Industry Corporation	243,749,160,000	3,114,000	12.78%	M&E Mechanical and electrical, construction
10	Marine Equipment JSC (MECOM)	9,000,000,000	100,000	11.11%	Providing marine electronic equipment
11	Seapacex	2,000,000,000	17,000	8.50%	Manufacturing package for seafood products
12	Fisheries II Construction JSC	15,280,000,000	128,000	8.38%	Construction
13	Seaprodex Real estate JSC	68,000,000,000	200,000	2.94%	Ground filling and levelling, housing construction, building construction
14	West sea Corporation	26,345,910,000	47,002	1.78%	Trading animal feed

Source:
SEAPRODEX

9. Financial results 3 years before equitization

9.1. Business performance

9.1.1. Product/Service Outputs over years

Summary of production and consumption of seafood of SEAPRODEX in period 2011-2013 are shown in the table below:

Table 10: Output by company

Output	2011FY		2012FY		2013FY		2014E	
	MT	%	MT	%	MT	%	MT	%
I. Parent Company	987	12.7	423	6.5	63	1.0	109	1.6
Seaprodex Hai Phong	987	12.7	414	6.4	41	0.6	47.5	0.7
Seaprodex Lam Dong	-	-	8.4	0.1	22	0.4	62	0.9
II. Subsidiaries	6,765	87.3	6,078	93.5	5,990	99.0	6,500	98.4
DaNang Seaproducts Import Export JSC.	3,470	44.8	3,337	51.3	3,064	50.6	2,450	37.7
Nam Can Seaproducts Import Export JSC.	2,166	27.9	1,523	23.4	2,364	39.1	3,750	56.7
Hanoi Seaproducts Import Export JSC.	529	6.8	334	5.1	309	5.1	400	4.5
Saigon Seaproducts Import Export JSC. (*)	600	7.7	884	13.6	253	4.2	-	-
TỔNG CỘNG	7,752	100.0	6,501	100.0	6,053	100.0	6,609	100.0

Source: SEAPRODEX

(*) Seaprodex divested all of its ownership at Saigon Seaproducts Import Export JSC in December 2013.

Investment in seafood processing companies is considered main business of SEAPRODEX. There is also seafood processing activities at SEAPRODEX, however, it is operating at just a small size at Seaprodex Hai Phong with main products such as shrimps, fish and squid. At Seaprodex Lam Dong, key business is aquafarming and trading of sturgeon.

Output volume of the parent company is significantly decreasing during the last few years. Particularly, the volume in 2012 and 2013 decreased by 58.05% y.o.y and 85.11% y.o.y, respectively. It is due to the difficulty and the lack of inputs for seafood processing activities in Northern area that made the operating result of Seaprodex Hai Phong becoming inefficiency. As a result, SEAPRODEX has decided to gradually withdraw its seafood processing activities in Hai Phong branch since 2013. Currently, the branch is mainly working as a seafood processor and receiving processing fee from clients.

Table 11: Output by product

Product name	2011FY	2012FY	2013FY
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	MT	%	MT	%	MT	%
Shrimp	7,065	91.1	5,586	85.9	5,648	93.3
Fish	365	4.7	289	4.5	168	2.8
Squid	186	2.4	250	3.8	92	1.5
Others	136	1.8	375	5.8	145	2.4
TOTAL	7,752	100.0	6,501	100.0	6,053	100.0

Source: SEAPRODEX

Table 12: Output by market

Market	2011FY		2012FY		2013FY	
	MT	%	MT	%	MT	%
USA	322	4.1	173	2.6	183	3.0
Japan	3,198	41.3	3,658	56.3	3,175	52.5
Europe	4,029	52.0	1,780	27.4	2,096	34.6
Asia	203	2.6	890	13.7	599	19.9
TOTAL	7,752	100	6,501	100	6,053	100

Source: SEAPRODEX

In seafood output structure by product and market, shrimp was the main export product of SEAPRODEX, accounted for 85-93% of total output. Meanwhile, Japan and Europe remained the top export market.

9.1.2. Revenue from each product/service over years

Revenue structure of Seaprodex by business activities over years marks a significant shift and variation in proportion. Details as follows:

Table 13: Revenue structure by business activities

Unit: bil.VND

	2011 FY (*)	%	2012 FY (*)	%	2013FY (*)	(%)
Main business:	1.913,6	54,0	1.644,5	44,9	1.593,2	46,1
- Seafood export	1.253,5	35,4	1.080,0	29,5	1.182,0	34,2
- Domestic	422,4	11,9	421,2	11,5	307,7	8,9
- Mechanical ship building	2,6	0,1	4,2	0,1	1,2	0,0
- Fishery logistic services	235,1	6,6	139,1	3,8	102,3	3,0
Related business:	1.628,9	46,0	2.018,4	55,1	1.865,5	53,9
- Import goods trading	1.432,5	40,4	1.663,6	45,4	1.607,4	46,5
- Other services	196,4	5,5	354,8	9,7	258,1	7,5
Total revenue	3.542,5	100%	3.662,9	100%	3.458,7	100%

Source: SEAPRODEX

(*) Numbers used for analyzing in 2011 were consolidated from 03 member companies of the Company followed Decision No. 456/QĐ-BNN-ĐMDN dated 14/3/2011. Financial year begin from 01/4/2011 to 31/12/2011. Numbers used for analyzing in 2012 and 2013 based on audited consolidated financial statements.

The above data shown that the proportion of main business activities tends to decrease in value while its related business activities have gradually increased over the period 2011-2013. In detail, the proportion of main business activities and related business activities in the Company's revenue structure is 54,0%:46,0% in 2011, 44,9%:55,1% in 2012 and 46,1%:53,9% in 2013, respectively.

Within main business activities, exported seafood processing accounted for 30%-36% of SEAPRODEX's total sales over the years with annual export turnover \$54 - 61 million p.a. Domestic seafood activities at SEAPRODEX and its subsidiaries include domestic trading of frozen seafood including shrimp, squid and fish (without brand name) and trading of sturgeon which is aquacultured by the parent and sold to restaurants and supermarkets. Fishery logistic services include cold storage rental at port, ice supply for seafood, electricity and oil supply for fishing boats, service fee for fish market etc. which mainly originated from Cat Lo Vung Tau Port Branch and Da Nang Seaproducts Im-Export JSC. Ship building and repairing occupies immaterial percentage in consolidated sales and decreasing in value year by year.

Along with the increasing trend of the related business activities, imported goods trading activity accounted for 40%-47% of the Company's total revenue over the years. Key trading items are iron, steel, metal, machinery and equipment for fishery sector. This activity is carried on at Import-Export Branch of SEAPRODEX and 2 subsidiaries which are Da Nang Seaproducts Import - Export JSC (SEAPRODEX owns 54,68%) and Ha Noi Seaproducts Import-Export JSC (SEAPRODEX owns 59,34%). Other services in related business mainly include revenue from office and warehouse rental.

9.1.3. Raw materials

a/ Seafood processing activities:

- Raw materials: include materials from catching e.g. fish, squid and from aquafarming e.g. shrimp (black tiger shrimp, white leg shrimp) and sturgeon.
- Stability of source of raw materials:

✓ For materials from catching: There are 2 main seasons in a year which are South season (from March to September – lunar year) and North season (from October to February – lunar year). During South season - also the main season for factories, the farmer can collect many kinds of fishes with higher quantity and higher quality than North season. In order to maintain enough materials for production, SEAPRODEX’s factories must keep raw materials in 2-3 months/year.

✓ For materials from aquafarming: Main product of Seaprodex is sturgeon. It usually takes 12 months in average for farming from a fingerling (50g per unit) to a mature sturgeon (2kg/unit). Fingerling is supplied from local fingerling farms who import fish eggs from overseas. Quality and price of fingerling is improving and become more and more competitive. In order to develop consistently, SEAPRODEX is researching to involve in sturgeon production value chain which firstly is fingerling production and later on is feeding production.

b/ Imported trading business activities

- Main goods: iron, steel, metal, machinery and equipment for fishery sector.
- Stability of source of raw materials: Imported trading business activity is traditional business of SEAPRODEX. SEAPRODEX imported goods from traditional suppliers and markets such as Japan, Korea, China and Asian countries to supply directly or import for its frequent clients for local production.

9.1.4. Production costs

Total production and operation costs of SEAPRODEX in FY 2011- 2013:

Table 14: Production cost breakdown

Unit: VND million

	2011FY	2012FY	2013FY
1. Costs of goods sold	137,507	451,883	358,533
% COGS/Revenue	81.3%	91.2%	88.7%
2. Selling expenses	1,219	3,470	2,551
% Selling expense/Revenue	0.7%	0.7%	0.6%
- Labour cost ⁽¹⁾	-	45	313
- Packaging cost	95	33	37
- Office tools cost	-	-	110
- Fixed asset depreciation	-	-	10
- Advertisement cost	-	-	317
- Service outsourcing cost	1,062	2,888	1,504
- Other costs by cash	62	503	260
3. Administration expenses	42,459	48,044	55,743
% Administration expense /Revenue	25.1%	9.7%	13.8%
- Labour cost	22,067	24,983	30,814 (*)
- Material, equipment cost	812	1,045	2,146
- Office tools cost	1,314	1,213	956
- Fixed assets depreciation	4,767	3,887	2,919

	2011FY	2012FY	2013FY
- Fee, tax	1,098	1,760	3,210
- Provision cost	1,792	673	2,975
- Outside service cost	7,469	8,987	8,326
- Other cost by cash	3,650	5,496	4,396
TOTAL COST/REVENUE	107.2%	101.6%	103.1%

Source: Parent company's financial statements in 2012, 2013

⁽¹⁾ Labour costs in 2013 included provision for severance allowances for 2014 with total value of VND 2,006,440,390.

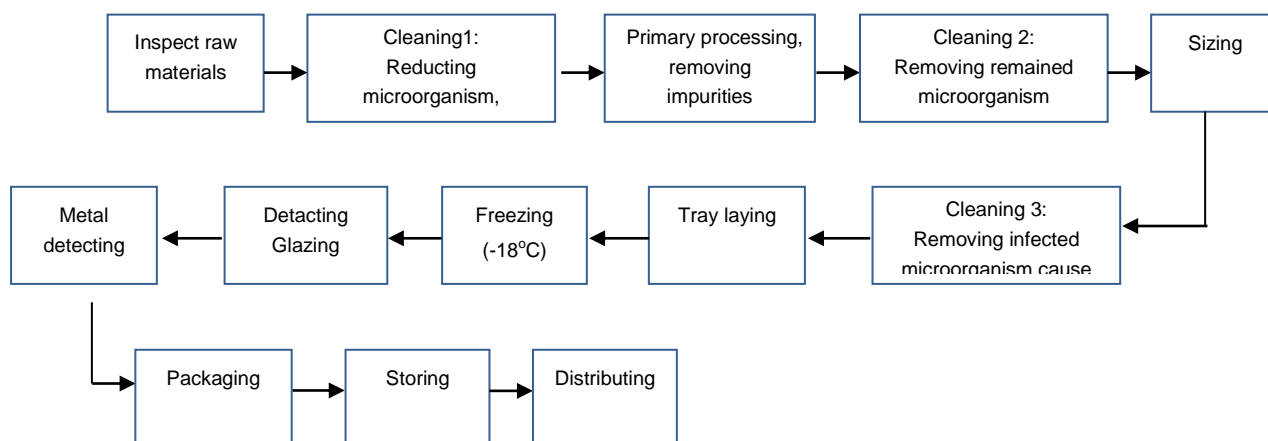
The cost of goods sold occupies a large portion of revenue with an average of 85% for 2011-2013 period, which is mainly including cost of raw materials (for mail business activities) and cost of imported goods (for related business activities). It means, to ensure the stability of raw material supplies with competitive price is an important task of SEAPRODEX after equitization.

The proportion of selling cost/Revenue stabilized at 0.7%, but administration costs/total revenue fluctuated in wide range of 10%-25% due to costs expensed for consolidating the Company in 2011 and relocating the head office in 2013.

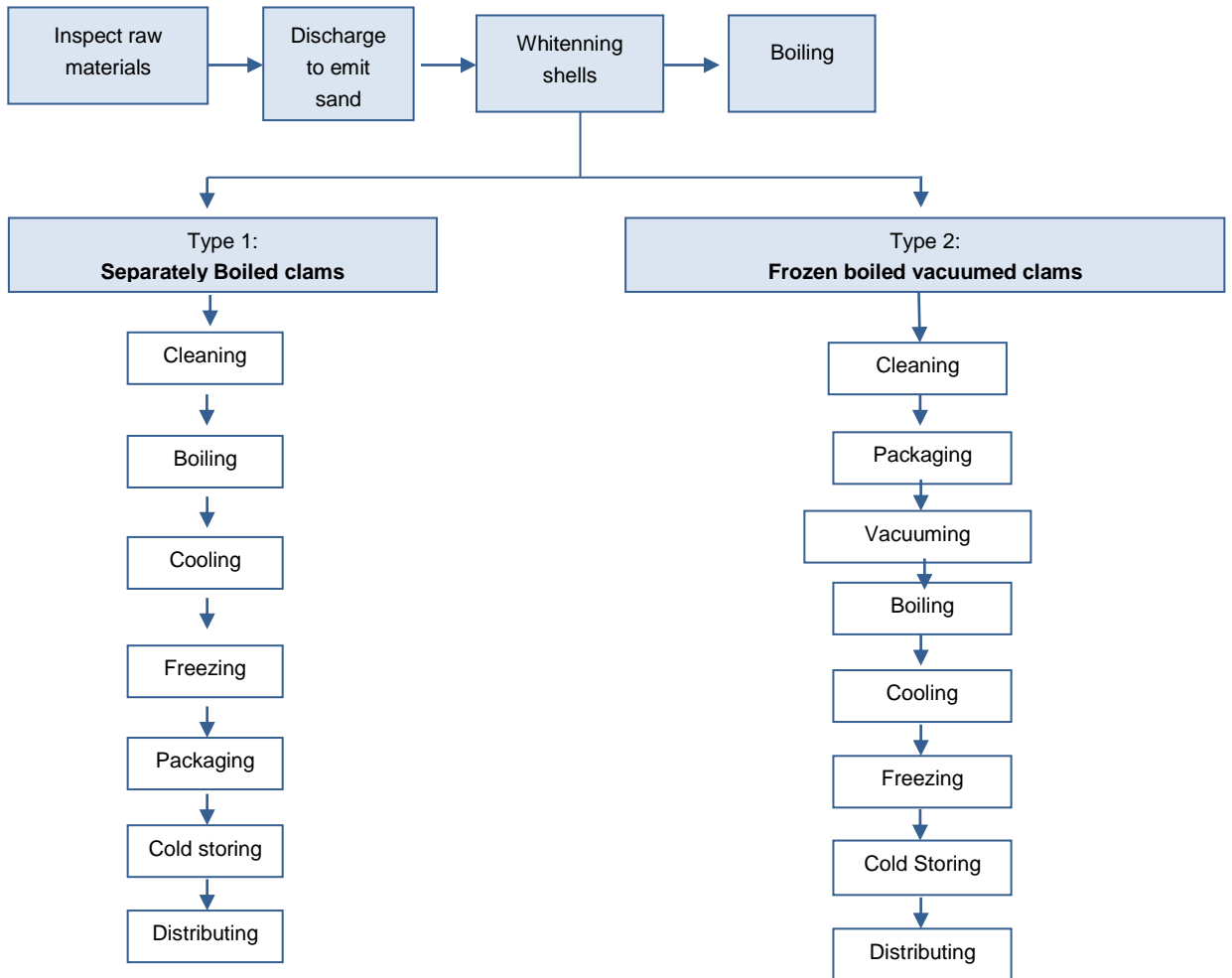
9.1.5. Typical technological process

Below are some manufacturing and technological process in the production system of the Company and its member units. The processes met the quality standards such as: HACCP, GMP, SSOP, BRC, ISO, HALAL applied in major importing markets (Japan, USA and EU). Below are typical production processes for black tiger shrimp, white leg shrimp and frozen clam.

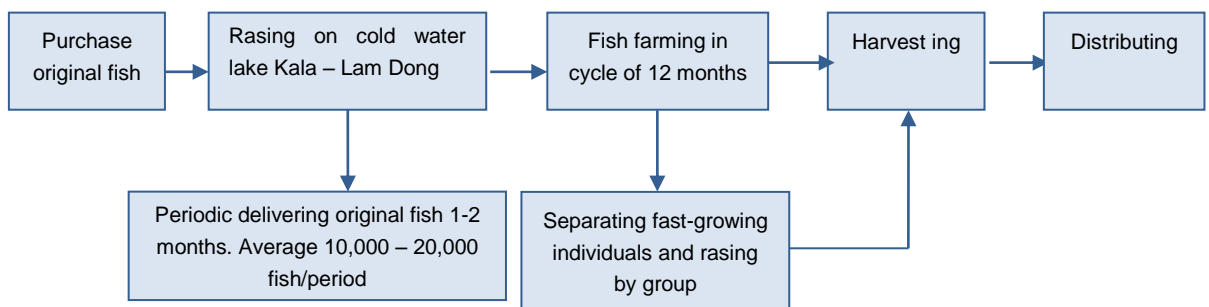
a. Process of black tiger shrimp, white leg shrimp production



b. Process of frozen boiled clam production



c. Process of Sturgeon Aquaculture



9.1.6. Research and development of new products

The research and development of new products are carried out at member companies. SEAPRODEX supports member companies in protection of trademark and patent attached with Seaprodex brand.

9.1.7. Product quality control process

- Quality control system applied by Seaprodex and member companies including HACCP, GMP, SSOP, BRC, ISO, HALAL which are corresponding to the requirement of quality control adapted to each market such as Japan, US, EU.
- Quality control department: is organized at each member company according to the quality control process recognized by each company.

9.1.8. Marketing activities

SEAPRODEX's marketing activities are carried out through promotional activities such as participation in fisheries exhibition organized domestically and internationally (Seaprodex participate in Vietnam Fisheries International Exhibition organized by VASEP annually); participate in the study tour of overseas market under specific schemes and programs. Additionally, Seaprodex maintains advertising operational information, products and services of the parent and member companies through website of Seaprodex which is linked with other websites of member companies.

9.1.9. Trademark, patent and copyright registration

At present, the Company has registered trademark in territory of Vietnam with the brand name and logo at National Office of Intellectual Property of Vietnam.

Table 15: List of patent registration certificates in domestic

Patent registration certificate	Decision	Issued date
No. 48271 (Registration date: 23 May 2002)	No. 3561/QD-DK	20 June 2003

Seaprodex has also registered its patent in many other foreign countries including:

Table 16: List of patent certificates in foreign countries

Country	Document	Issued date
Europe (Registration date: 26 July 2002)	N° 002795185	09 Dec 2003
Japan (Registration date: 3 July 2002)	4696681	01 Aug 2003

9.2. Financial situation and operational performance in 3 years before equitization

Table 17: Major financial indicators 3 years before equitization

Unit: millions VND

Items	Financial Statements- Parent Company			Consolidated Financial Statements		
	2011FY	2012FY	2013FY	2011FY	2012FY	2013FY
1. Total Assets	1,103,459	1,182,048	1,227,336	2,568,471	2,352,430	2,095,113
2. The State's Capital	826,722	839,031	839,031	826,722	839,031	839,031
3. Short-term loans and liabilities	8,842	27,764	15,500	762,289	725,337	425,702
4. Long-term loans and liabilities	-	-	-	48,893	16,377	8,781
5. Doubtful debts	-	-	-	-	-	-
6. Total number of employees (persons)	307	280	277	n/a	n/a	n/a
7. Total salary budget	24,336	27,034	30,603	n/a	n/a	n/a
8. Average salary (VND/person/month)	9,013,669	9,700,232	10,230,799	n/a	n/a	n/a
9. Total revenue ⁽¹⁾	268,830	609,034	522,264	3,731,453	3,813,791	3,610,117
10. Total costs ⁽²⁾	213,981	537,812	445,113	3,587,195	3,757,201	3,528,654
11. Profit before tax	54,849	71,222	77,151	144,259	33,404	105,232
12. Profit after tax	58,442	70,476	71,703	135,902	27,945	98,034
13. Profit after tax/the State's Capital ratio	7.07%	8.40%	8.55%	16.44%	3.33%	11.68%

Source: FS of the Parent FY 2011; Audited financial statements of Parent and consolidation FY 2012 and 2013

⁽¹⁾: Total revenue included net sales, financial incomes and other incomes.

⁽²⁾: Total cost included COGS, financial expenses, selling expenses, administration expenses and other expenses.

Major financial indicators for FY 2014:

2014E	Revenue (VND bn)	Net profit (VND bn)	State budget contribution (VND bn)
Consolidated company	3,181	103	113
The parent	262	60	17
Subsidiaries	2,919	43	96

9.3. Factors affecting production and trading activities of the Company in reporting years

a/ Advantages

- Restructuring plan of Seaprodex, especially the plan of financial and investment restructuring appears to effectively help the Company to improve its business performance. In 2013, implementing its restructuring plan of divestment in other member companies, the organizational structure of Seaprodex has changed: number of subsidiaries reduced from 10 to 7; number of associates reduced from 17 to 10; long-term investments reduced from 22 to 14.
- Vietnam's seafood export, especially shrimp exports saw great success in 2013 with export volume surged strongly. However, two shrimp exporters which are subsidiaries of Seaprodex namely Seaprodex Da Nang and Seanamico did not fully utilize this opportunity. Total export value of these 2 corporations reached US\$ 63.64 million in 2013, occupied 1% of total export value of the industry.
- The approved restructuring scheme of agricultural sector and rural development by improving the added value and sustainable development had created many benefits for seafood processing and exporting companies.

b/ Disadvantages

- The economic situation domestically and abroad still faces many difficulties with low demand. Some sectors such as trading business and ship building are still in recession.
- Narrowing credit limit and tightening lending conditions of banks makes difficult for seafood companies.
- Corporate governance in most of member companies is limited. The ability to assess and forecast the market is not tight, still passive and confused with fluctuations of the market, hence, the business performance is not highly effective.

10. Seaprodex's position in the sector

10.1. Seaprodex's position in the sectors

a/ Seafood processing activities

Seaprodex is the unique state owned corporation of seafood sector with main businesses which are farming, processing of seafood for export and local consumption. Consolidated revenue from seafood export reached average VND 1,100 – 1,200 billion annually, accounts for more than 30% total consolidated revenue and equivalent of 1% over nationwide export value.

In Top 100 leading seafood companies which account for 71% of nationwide export value, there are some member companies of Seaprodex such as: Minh Hai Seafood (ranks 24), Seaprodex Da Nang (ranks 55), Seanamico (ranks 61); Seafood No.4 (ranks 77). (Source: VASEP)

Shrimp - main exported product of Seaprodex accounts for more than 2% of total exported shrimp of the whole sector. In which, exported organic Nam Can – Ca Mau shrimp accounts for more than 90% of the sector's products.

Indicator (tan)	2012	2013
Nationwide seafood quantity	5,925,000	6,050,000
Shrimp	488,000	548,000
Exported shrimp of SEAPRODEX (equivalent)	11,172	11,296
SEAPRODEX's shrimp/ Total shrimp	2.29%	2.06%

Source: Seafood export report 2013, SEAPRODEX

b/ Imported trading business

Imported trading business turnover reached VND 1,500 bn annually, in which, iron and steel occupy around 80%. Although accounting for only a small portion compared to trading business of these products nationwide, Seaprodex has some traditional customers which are prestigious Vietnamese enterprises specializing in manufacturing of metal and mechanical processing in large cities such as Hochiminh City, Ha Noi, Hai Phong.

10.2. Development prospects of the sectors

Vietnam ranks third in the world in seafood product output (after China and India) and play an important role of supplying aquacultural products to the world. Vietnam, with a dense river system and a coastline of over 3.260 kms, has been geographically endowed with idea conditions for the thriving fishery sector.

Seafood exports of Vietnam has grown dramatically in the past 17 years, from \$ 550 million in 1995 increased to \$ 6.7 billion in 2013. This growth has put Vietnam became one of the five largest seafood exporters in the world, play a key role in providing fishery resources globally.

Moreover, the government has implemented several policies to support the seafood export enterprises. After two years of continuous advocating from VASEP and seafood business community, the Viet Nam Ministry of Agriculture and Rural Development promulgated Circular 48/2013/TTBNNPTNT on November 12, 2013, replacing Circular 55/2011/ TT-BNNPTNT on inspection and certification of seafood quality and food safety. Circular 48 helps facilitate seafood exporters to export their products.

Synchronize with technical solutions is financial solutions. The State Bank of Viet Nam (SBV) issued Circular No 29/2013/TT-NHNN dated December 06, 2013 on provision of foreign currency loans of the credit institutions and foreign banks' branches with customers being residents. This new provision applies until 31st December 2014. The Circular helps exporters receive foreign currency loans with reasonable interest rate. Accordingly, they can lower input costs and raise their competitiveness with other rivals in the world.

According to the Vietnam's Fisheries General Department under the Ministry of Agriculture and Rural Development, the overall development plan for Vietnam's fishery sector until 2020 with a vision to 2030 (Decision No.2760 QD-BNN-TCTS dated 22/11/2013) to restructure the sector towards increasing the added value of products and ensuring a sustainable development was approved. This project will focus on intensive production, applying advanced technology, improving infrastructure, and promote the linkage throughout the supply chain, thereby addressing the key issues of the industry.

Although there are many advantages and disadvantages of fisheries sector, it has been identified as one of the leading export industries in future through Decision No 332/QĐ-TTg, approving the long term scheme on development of Vietnam's aquaculture. Hereby, the opportunities, potentials for developing the sector still very large if some challenges, difficulties are solved.

Type of fisheries	Output	Annual growth until 2020
Pangasius	1,5-2,0 million MT	4.8%
Brackish water shrimp	700,000 MT	5.76%
Mollusk	400,000 MT	16.0%
Marine fishe	200,000 MT	14.9%
Tilapia	150,000 MT	7.9%
Sea weed and algae	150,000 MT	7.2%
Blue-legged Prawn	60,000 MT	11.6%

Source: Decision No. 332/QĐ-TTg

10.3. Evaluation on the conformity of the development orientation of SEAPRODEX with the orientation of the sector, the State's policies and global trend.

With the development strategy after equitization in general and production business plans in particular, if the Corporation manages to achieve every business target in every year with flexible and effective management,

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proactive responses to any changes to minimize unfavorable impacts, optimize any opportunities from the markets and current business capacity, the business plans after equitization will become more feasible. It is evaluated that the investment plans and strategy of the Company after equitization are in conformity with the orientation of the sector, the State's policies and global trend.

II. INVESTMENT PLAN AND DEVELOPMENT STRATEGY OF THE COMPANY AFTER EQUITIZATION

1. Objective of the equitization

The objective of the equitization is to develop Seaprodex to become a leading Vietnamese company in the field of aquafarming, processing and exporting seafood through investing indirectly in the companies specialized in fisheries, cattle feed, warehouse and office leasing. Besides, The Company will focus on domestic market that is still untapped.

Business plan in period 2015 – 2017, Seaprodex sets some basic targets:

- Consolidated business performance attains a stable and sustainable growth with CAGR of 10% per year.
- Restructuring the operation of subsidiaries and building partnership closely with affiliates in order to exploit strengths of each other, towards the goal of building a rapid circulation of goods system, reducing internal competition and promoting synergies to creating a sustainable development.
- Increasing investment in R&D activities to find solutions for saving costs, improving labour productivity, strengthening value-added elements to enhance the competitiveness of products. Besides, the R&D activities play a role to find out high profitable investment opportunities..
- Continuing to rearrange the organization system, building a dynamic, healthy competitive working environment to encourage and promote employees. Focusing on training high quality, good expertise labour force, especially in fields of aquaculture and seafood processing.
- Studying to cooperate in producing and exporting some high value-added argo-forestry goods.
- Selling parts of the State's shares to reduce ownership ratio.
- Listing on a concentrated stock market within 1 year after the equitization.

2. Form of equitization

According to Clause 2, Article 4, Decree 59/2011/NĐ-CP dated 18/7/2011 of conversion of enterprises with 100% state-owned capital into shareholding companies, Seaprodex will sell part of its current State owned capital in the enterprise. The State will hold controlling stake at SEAPRODEX with the minimum rate not lower than 51% of its charter capital.

3. General information of the Corporation after equitization

- Vietnamese name: TONG CONG TY THUY SAN VIET NAM – CONG TY CO PHAN
- English name: VIET NAM SEAPRODUCTS – JOINT STOCK CORPORATION
- Abbreviation:0020 SEAPRODEX
- Head office: No. 2-4-6 Dong Khoi Street, Ben Nghe Ward, District 1, HCMC
- Tel: 08.38291924
- Fax: 08.38290146
- Website: www.seaprodex.vn

- Logo: 

4. Scopes of business after equitization

Main business activities

- (i) Processing and exporting seaproducts
- (ii) Fisheries farming;
- (iii) Ship building and repairing;
- (iv) Domestic seaproduct trading

Related business activities

- (i) Imported services that served seafood production and domestic consumption
- (ii) Services related to fisheries such as ecological tourism, island tourism.

Other activities

- (i) Office for lease, warehouse services, hotel business based on current assets

5. Organizational structure of Parent Company after equitization

Organization chart of the Corporation after equitization including:

- General Shareholders's Meeting
- Board of Directors
- Inspection Committee
- Board of Managers
- 3 Functional Divisions including Management Division, Financial Investment Division and Support Division.
- 5 Departments belong to Division including: Trading Department, Investment Department, Finance&Accounting Department, Human and Offices Department
- 4 Dependent branches.

Organization Structure of the Corporation's system was formed base on consolidating and restructuring current units of The Parent Company- The Corporation system with below orientations:

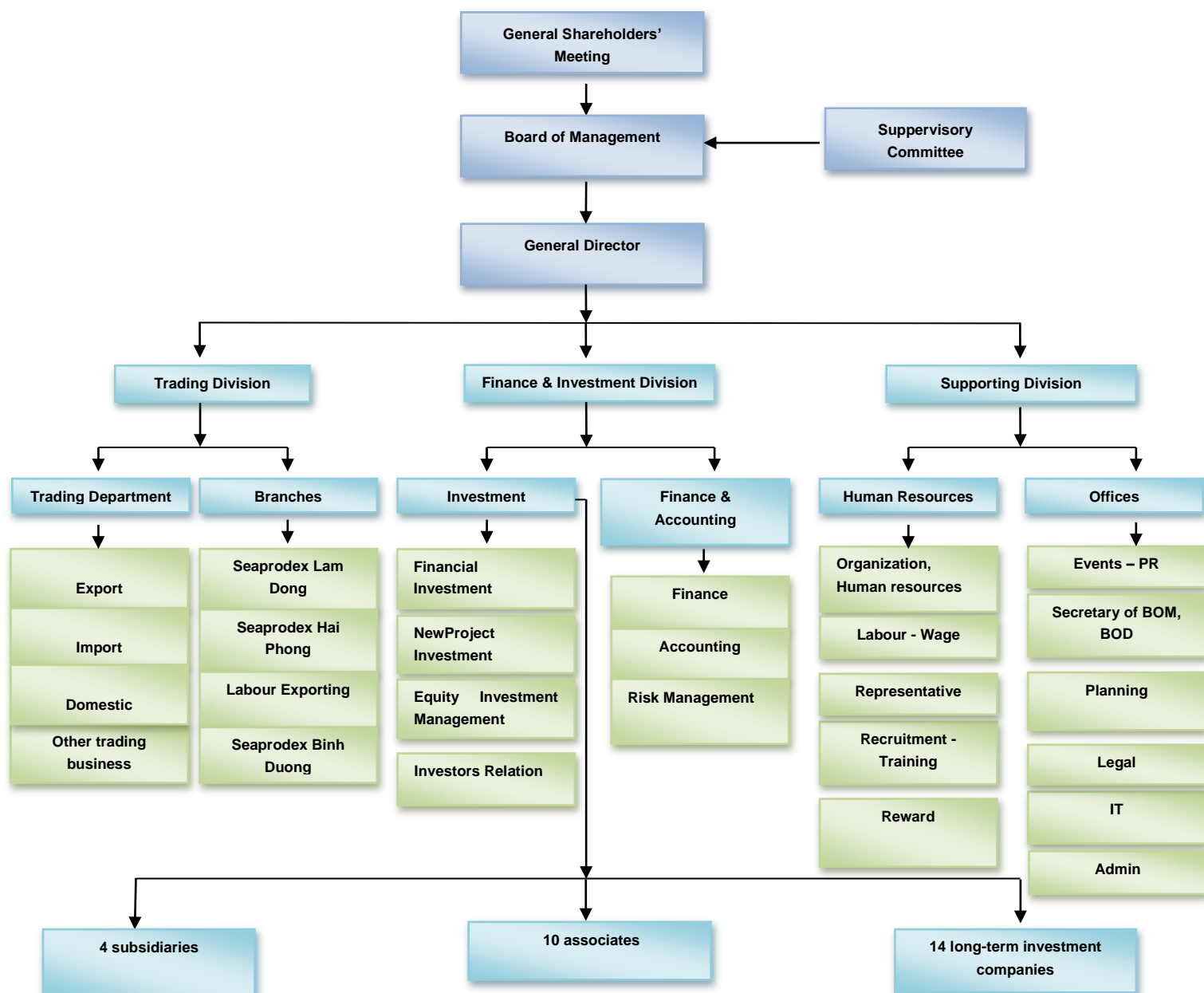
- To unify implementations of management and administration;
- The organizational structure must be associated with the Corporation's operational objectives are to maximize profits. Resources are allocated to achieve operation objectives by strengthening the independence and proactive for Trading Division and Finance & Investment Division (Front office), paying attention to risk management function (Middle office), arranging Support Division (Back office) sensibly;
- The organizational structure focuses executives and assigns responsibilities clearly, specify to each functional departments. Lean and small scale is a foundation for operating efficiency and minimizing costs;
- To ensure balance between rights and responsibilities among different participants in the Corporation's organizational structure;

- To ensure the organizational structure flexible to face with changes of outside business environment factors. Internal operating procedures are systematic in order to make decisions promptly to respond with changing elements of the organization.

Organizational structure, governance and control include hierarchical relationships such as General Shareholders’ Meeting, Board of Directors, Chief Executive Officer are adjusted by the charter of joint stock company, bellows are some main contents:

- The number of members of the BOD is 5 persons, of Supervisory Board is 3 persons.
- Chairmain and Chief Executive Officer.
- Representative of the owner of State capital at the Company after equitization is determined and approved by the Ministry of Agriculture and Rural Development.

Chart 2: Organzational structure chart of the Parent Company after equitization



On the basis of the current organizational structure of Seaprodex, to simultaneously implement the restructuring plan which is one of the targets of equitization plan and to stabilize the business operation in accordance with the labor handling plan of Seaprodex, Seaprodex builds a new organization structure as presented above and changes in the structure after equitization as follows:

■ **Trading Division:**

- Forming new Trading Division that is reorganized from the Import-Export Branch of current organizational structure of The Corporation.
- Forming new Labour Export Branch, formerly Labour Export unit, under Office for Organization and Labour Export in SEAPRODEX’s organizational structure before equitization. Objective of the branch is to expand operation scale of labour export sector.
- Forming new Seaprodex Binh Duong Branch with task of implementing investment projects at Song Than Industrial Zone.

■ **Finance and Investment Division:**

Forming new Investment Department, formerly known as Capital management department which manages investments in other businesses and investing in projects under task of Planning-Intergrating department in the current organizational structure to carry out the following main duties:

- Financial investment, including investing to increase existence portfolios, investing new portfolios and doing merger and acquisition deals.
- Investing in new projects, including investment in existing projects of the Corporation, its subsidiaries, associates; looking for new projects.
- Investor relationships.
- Managing invested capital in existing portfolio. This task is assigned to Investment Department in the first phase after equitization in order to stabilize governance activities. The existing portfolio will be gradually divested by the roadmap that has been approved by the Ministry of Agriculture and Rural Development to the end of 2015. Subsequently, the task of managing invested capital will be allocated to the Financing-Accounting Department.

- **Support Division:** establishing 2 new departments are Organization - Human Resources Department and Office of the Corporation, formerly was 2 units under Office for Organization and Labour Exporting by the current organizational structure. Simultaneously, Office of the Company undertakes business planning and integrating of Integrated Planning Unit.

6. Investment plan and development strategy of SEAPRODEX after equitization

6.1. Investment plan

SEAPRODEX is implementing 6 following projects:

Table 18: *Investment projects*

No	Project name	Project description	Projected capital	Timing and resource
1	Trading center and hotel at 211 Nguyen Thai Hoc, Dist.1, HCM city	Trading center and hotel with 8 floors and 2 basement floors, combined with commercial	VND 40 billion	Expected construction time: Quarter 1/2015. Expected operation time:

		services. Construction Area: 2,063 m ²		Quarter 1/2016. Resource: owner's capital.
2	Trading center and office for rent at 2 Ngo Gia Tu, Ha Noi	Office building for rent combined with commercial services with total floor area of 31,900 m ² . SEAPRODEX owns 4,830 m ² and 448 m ² at floor 4 th , 5 th and basement.	VND 323 billion	Expected construction time: Quarter 1/2016. Expected operation time: Quarter 1/2018. Resource: capital contributed by land use right (VND 41 bn); the rest contributed by other partners.
3	Hotel at 80 Thuy Van, Vung Tau	3-star hotel with total floor area of 8,357 m ² (basement floor: 900 m ²), 12 stories.	VND 100 billion	Expected construction time: Quarter 1/2016. Expected operation time: Quarter 1/2018. Resource: owner's capital.
4	Logistic warehouse at Song Than, Industrial Zone II	To construct the cooling system and warehouse on land area of 21,000 m ² .	VND 190 billion (fee of land VND 42 bn)	Expected construction time: Quarter 1/2015. Expected operation time: Quarter 4/2015. Resource: capital contribution in setting up a new legal entity.
5	Medical center at 7 No Trang Long, Binh Thanh, HCM City	Medical center with total area of 6,800 m ² , 9 stories.	VND 60 billion	Expected construction time: Quarter 1/2016. Expected operation time: Quarter 4/2017. Resource: owner's capital.
6	Trading and service center at 97/6 Kinh Duong Vuong, Dist. 6, HCM City	Trading and service center with total area of 1,900m ² , 5 stories.	VND 15 billion	Expected construction time: Quarter 4/2015. Expected operation time: Quarter 1/2017. Resource: owner's capital.

Source: SEAPRODEX

Additionally, SEAPRODEX owns huge amount of idle cash which mostly deposited at banks. In order to maximize the capital utilization, SEAPRODEX has plan and investment target as followings:

- Looking for investment opportunities in seafood industry; enhancing M&A activities within the industry; reviewing investment portfolio; divestment at inefficient member companies and increasing ownership at highly potential seafood companies such as Seanamico, Canfooco, Seafood No.4
- Establishment of subsidiary or investment department that specializes in research and screening of investment opportunities in seafood and agricultural industry.

6.2 Divestment plan

According to the Decision No.2007/QD-BNN-DMDN dated August 22, 2012 of the Ministry of Agriculture and Rural Development relating to the approval of restructuring plan of SEAPRODEX and Letter No.1293/BNN-DMDN dated April 17, 2013 relating to the divestment of SEAPRODEX at member companies and issues at Viet Nga JV, SEAPRODEX has divestment plan as following:

Table 19: Divestment plan

No.	Name of member companies	Charter capital (VND)	Capital contribution at member companies (VND)	Ownership (%)	Projected divestment time
1	Ha Long Seafood Processing JSC	6,646,000,000	2,110,000,000	31.78%	2014-2015
2	Ha Long Seafood Exploitation and Technical Service JSC	11,000,000,000	2,553,260,000	23.21%	2014
3	Fishery Packaging JSC	2,000,000,000	170,000,000	8.5%	2014-2015
4	Fishery II Construction JSC	15,280,000,000	1,280,000,000	8.38%	2014-2015
5	Seaprodex Advertising & Trading JSC	2,500,000,000	1,000,000,000	40.0%	2014
6	Seaprodex House Investment and Development JSC	68,000,000,000	2,000,000,000	2.94%	2014-2015
7	Phu My Production - Trading - Service JSC	14,000,000,000	2,500,000,000	17.86%	2015
8	East Sea Trading Service and Labour Export JSC	5,000,000,000	1,300,000,000	26.0%	2015
9	Fishery Trading & Export – Import JSC	10,500,000,000	1,890,000,000	18.0%	2015-2016
10	Vietnam Fishery Material JSC	9,000,000,000	1,598,680,000	17.76%	2015
11	West Sea JSC	26,345,910,000	470,020,000	1.78%	2014-2015
12	Vietnam-Russia Seafood Joint Venture Company (*)	80,000,000,000	40,000,000,000	50.0%	Dissolution in 2014-2015

Source: SEAPRODEX

SEAPRODEX is currently conducting procedures of property liquidation and factory relocation to hand-over the land area to HoChiMinh City Thu Thiem New City project. SEAPRODEX has repeatedly recommended to dissolve the joint venture, however, the Russian partner did not agree. In order to facilitate investors to buy IPO shares, SEAPRODEX suggests resolve this investment when considering adjusting the State's capital at time of transferring into a JSC as follows:

- Option 1: Hand-over its VND 40 billion investment capital in the joint venture to DATC as the provision amount of VND 35,495,015,615 has been added to increase State's capital at 1st enterprise valuation.
- Option 2: SEAPRODEX continues to maintain this long-term investment with residual value of VND

4,504,984,385 which is equivalent of initial investment capital (VND 40 billion) less allowance for loss of investment (VND 35,495,015,615) which was already accounted for in the audited financial statements as at 30/6/2013 and 31/12/2013 (the amount has also been added to increase State's capital at 1st enterprise valuation).

6.3 Main economic indicators of the business plan in 3 years after equitization

Business plan of the parent and consolidated companies after equitization as follows:

Table 20: Business plan of 2015 – 2017

Item	Unit	2015E	2016E	2017E
Charter capital	VND billion	1,250	1,250	1,250
Net revenue (parent company)	VND billion	233.6	188.9	209.1
Net revenue (consolidated)	VND billion	4,055.6	4,606.3	5,266.6
Profit after tax (parent company)	VND billion	47.2 (*)	84.1	100.9
Profit after tax (consolidated)	VND billion	66.2	109.6	131.1
State budget contribution	VND billion	29.2	29.2	29.2
Total number of employees	Person	105	105	105
Average salary	VND mil/person/month	11.9	12.5	13.1
Dividend ratio (**)	%	0.0%	6.0%	8.0%
Profit allocation	VND billion	47.2	84.1	100.9
<i>Bonus and welfare fund (5%)</i>	VND billion	2.4	4.2	5
<i>Financial provision fund (5%)</i>	VND billion	2.4	4.2	5
<i>Investment development fund (5%)</i>	VND billion	2.4	4.2	5
<i>Dividend payment</i>	VND billion	0.0	75.0	100.0
<i>Retained earnings</i>	VND billion	40.1	36.6	22.4

Source: SEAPRODEX

(*) The Company prepared the business plan of 2015 on the assumption that the investment in Vietnam-Russia Seafood Joint Venture would not be approved to dissolve by the competent authority. Thus, the Company recorded a loss of VND 35 billion in the Profit and loss of 2015 (the investment value was VND 40 billion, only VND 5 billion was recovered). If the authority approves to handle this investment before carrying out the second enterprise valuation to transfer to a JSC and does not record the loss in the Profit and loss of 2015, the profit after tax of the parent and the consolidation accounts will increase a similar amount.

(**) Dividend Policy

Profits after tax 2015 - 2017 follows an allocation plan with the aim to achieve an annual dividend rate of 6% - 8% starting from the second fiscal year after equitization. The Company expects dividend rate to increase after the 2015-2017 projection period as earnings will be recorded from 6 investment projects in the field of commercial rentals, hotels, warehouses, medical facilities. These follow the Company's usage of properties plan after equitization. The profit distribution plan is as follows:

- In 2015, due to the VND52 bn provision for unrecoverable investments in Seaprimfico Joint Venture and Seaproducts Mechanical ShareHolding Company (SEAMECO), the Company will achieve lower profits. The Company will not pay dividends and keep retained earnings to pay dividends for the following years. In case the State authorities accepts to handle investment in Seaprimfico and do not record it as a loss in 2015, the dividend rate will be 5%, 6%, 7,5% for 2015, 2016 and 2017, respectively.
- In 2016 - 2017, the Company will distribute all profit after tax after subtracting provisions for the Reserve Fund and distribute 50% and 50% of 2015's retained earnings.

Note: Business plan of 2015-2017 does not include figures of Cat Lo Branch, East Sea Fishing and Service Company and Ha Long Fisheries Company Limited as these entities will be separated from SEAPRODEX after equitization.

➤ Some solutions for 2015-2017 projected business plan:

General solutions

- Building a system of process, internal control with modern management method in order to effectively manage Seaprodex's operation.
- Continuing to complete and develop investment projects to put into operation as soonest and creat profits from these projects. At the same time, continuing to exploit effectively its current assets and warehouses.
- Decreasing high-risk imported goods to focus on trading high-efficiency goods.
- Through the representatives of capital in its subsidiaries to invest in new and upgraded seafood processing plants, and working with the enterprises to manage and operate effectively to increase earnings and profits.
- Researching to further enhance the value of Seaprodex at effective associates and long-term investment companies.
- Looking for opportunities to invest in corporations operating effectively in seafood and agriculture industry.
- Supporting along with its subsidiaries, associates and long-term investment companies to engage in target programs of the industry in order to contribute and determine Seaprodex's role in the industry and increasing earnings and profits from these programs.

Specific solutions

Unit	Solutions
Seaprodex's office	Rental income from leasing offices is keeping stable at VND28 billion in 2014 then falling to VND10 billion p.a in following years due to the office stopping their leasing in order to implement investments. Since 2017, revenues will increase by VND13 billion as the Song Than warehouse project begins its operations with total area of 18,000 m ² and average rental price of US\$3/m ² /year.
Import Export branch	- In 2014, the Branch's sales target is VND298 billion, as assigned by the Company. From 2015 onwards, the Company will decrease its commercial imports to focus on effective business sectors. Targeted sales decrease 33.3%

		compared to 2014 and will continue to decline 25% - 30% in following years due to working capital pressure, low returns (import activities) and no competitive advantages due to lack of processing units (export activities).
Branch Vung Tau Cat Lo Fishing Port		Awaiting branch handover to South China Sea Company Limited according to the Decision of the Ministry of Agriculture and Rural Development. Its revenue for 1H2014 is VND14 billion. In the coming years, the revenue from this branch will no longer contribute to the Company's revenue, so it is not included in the business plan of 2015 – 2017.
Branch Seaprodex Hai Phong		In 2014, the revenue as assigned by the Company is VND7 billion. The revenue in the coming years will increase following the inflation rate. From 2016 onwards, revenues from affiliates will increase VND3 billion/year as a result of leasing additional wharfs.
Branch Seaprodex Lam Dong		After the testing period (2011-2012), this branch has organized mass farming of sturgeon. Seaprodex's sturgeons have become well known amongst both local and foreign customers. Quantity is expected to increase by 50% in 2015 and an average of 20% p.a in 2016-2017. Quantity is expected to be 140, 210, 280 ton p.a for 2015, 2016 and 2017, respectively.
Danang Seaproducts Import- Export Corporation		Contributes significantly to Seaprodex's total revenue at rate of 47% in 2013. Maintain the revenue growth rate from exporting shrimp at 5.76% p.a. At the same time, revenue is planned to increase at the inflation rate and exchange rate of 2014-2017. The Company is expected to contribute more than 45% in revenue of SEAPRODEX in 2015-2017.
Nam Can Seaproducts Import- Export JSC		Maintain an average growth rate of 18.8% p.a. according to average rate 2011-2013, including accounting for exchange rate effects. Capacity maintains 70%, equivalent of 2,000 ton p.a.
Hanoi Seaproducts Import&Export JSC		Stable operating business and expected to grow at inflation rates in 2014-2017
Viet Nam Mechanical Shipbuilding JSC	Fishery	Looking for opportunities to join designing and building program of seafood exploitation ships, inspection ships and police ships issued by the government recently.

III. CHARTER CAPITAL, STRUCTURE OF CHARTER CAPITAL

1. Charter capital

Based on the financial condition, size and business activities of SeaproDEX after equitization, SeaproDEX suggested charter capital after equitization as follows:

Charter capital:	VND 1,250,000,000,000 (One thousand two hundred fifty billion Vietnamese dong)
Par value:	VND 10,000 per share
Number of shares:	125,000,000 shares

2. Charter capital structure

Đơn vị tính: đồng

No.	Shareholder	Number of shares	Par value	Percentage of charter capital
1	State	63,750,000	637,500,000,000	51.00%
2	Employees	423,600	4,236,000,000	0.34%
2.1	Shares offered for employees based on number of working years (100 shares per year)	219,400	2,194,000,000	0.18%
2.2	Additional shares offered for employees based on committed working year (200 shares per year)	105,200	1,052,000,000	0.08%
2.3	Additional shares offered for highly qualified employees (500 shares per year)	99,000	990,000,000	0.08%
3	Other investors	60,826,400	608,264,000,000	48.66%
	Total	125,000,000	1,250,000,000,000	100%

IV. GENERAL INFORMATION OF THE AUCTION

1. Auction method and settlement information

1.1 Auction form

- Number of shares offered: **60,826,400 shares**
- Type of shares: ordinary shares
- Par value: VND 10,000 per share
- Starting price: VND 10,100 per share
- Auction method: Public auction of shares at Hochiminh Stock Exchange

1.2 Auction participants and number of shares registered to buy

- Auction participants: Foreign and domestic organizations, individuals satisfying conditions as required by the Regulation of the initial public offering of **SEAPRODEX**
- Minimum number of shares subscribed to buy: 100 shares
- Maximum number of shares subscribed to buy: 60,826,400 shares
- Limited amount for local investors: Maximum 60,826,400 shares
- Limited amount for foreign investors: Maximum 60,826,400 shares
- Subscription quantity: Multiple of 100
- Deposit: 10% total value of shares subscribed to buy at starting price

1.3 Time schedule and location

- Time schedule and location of disclosure of information, auction subscription, deposits, distributing tickets to attend the auction: Following provisions of Regulations on initial public offering of SEAPRODEX.
- Time schedule for share subscription at auction agents: following provisions of Regulations on initial public offering of SEAPRODEX.
- Time schedule when the Agents receive tickets to attend the auction: following provisions of Regulations on initial public offering of SEAPRODEX.
- Time schedule for share auction: following provisions of Regulations on initial public offering of SEAPRODEX.
- Location of share auction: Hochiminh Stock Exchange – No.16 Vo Van Kiet, Dist.1, HCMC.
- Term for settlement of purchasing shares and receipt of refunded deposits: following provisions of Regulations of initial public offering of SEAPRODEX.
- SeaproDEX offers a single share auction only. Depend on shares successfully auctioned to adjust the charter capital (if any) to convert the Company into a joint stock company.

1.4 Parties relating to the auction

❖ Auction organization

HOCHIMINH STOCK EXCHANGE

Address: 16 Vo Van Kiet, Dist. 1, Hochiminh City
Telephone: (84-8) 38217713 Fax: (84-8) 38217452
Website: www.hsx.vn

❖ IPO adviser

SAIGON SECURITIES INC.

Head office: 72 Nguyen Hue, Dist. 1, Hochiminh City
Telephone: (84-8) 38242897 - Fax: (84-8) 38242997
Website: www.ssi.com.vn

❖ Equitization Plan adviser

VIET CAPITAL SECURITIES

Head office: Bitexco Financial Tower, Floor 15, 2 Hai Trieu, Dist.1, HCMC
Telephone: (84-8) 39143588 – Fax: (84-8) 39143209
Website: <https://www.vcsc.com.vn>

❖ Corporate evaluation adviser

HANOI COMPANY PROFESSIONAL OF AUDITING AND ACCOUNTING LTD.

Address: No.3 Lane 1295 Giai Phong Street, Hoang Mai Dist., Ha Noi
Telephone: (84-4) 9745 081 - (84-4) 9745 082 Fax: (84-4) 9745 083
Website: www.cpahanoi.com

2. Auction method and settlement of shares for employees

2.1. Offering price

According to Decree 59/2011/ND-CP, share price offered for employee is determined as follows:

- For employees satisfying conditions to buy with preferential price, the price of share offered equals to 60% of the lowest successful bidding price.
- For additional shares offered for employees according to commitment working year and for high qualified experts of SEAPRODEX, the price of share equals the lowest successful bidding price.

2.2. Offering volume

- Employees to buy with preference price	:	146 persons	219,400 shares
- Employees committed to buy further shares with preference price	:	56 persons	105,200 shares
- High qualified experts to buy with preference price	:	24 persons	99,000 shares
Total			<u>423,600 shares</u>

- 2.3. **Offering method:** direct to the employees.
- 2.4. **Settlement of shares for employees:** SEAPRODEX will determine finally.

V. UTILIZATION PLAN OF THE PROCEEDS FROM THE INITIAL PUBLIC OFFERING

1. Estimated proceeds from the initial public offering

The form of equitization is to sale out a proportion of the capital contribution of the State in the Company. According to Article 42 of the Decree 59/2011/ND-CP dated July 18, 2011 relating to transferring of 100% state-owned enterprise to joint stock company, the proceeds from the equitization which include par value and capital surplus will be utilized for settlement of equitization costs and payment for employee redundancy in accordance with prevailing regulations. The remaining balance (if any) will be transferred to the Arrangement and Business Development Supporting fund.

The expected funds collected from the equitization to be returned to the Arrangement and Business Development Supporting fund is VND 613,557,694,250.

No.	Content	Amount (VND)
1	Expected funds collected from the equitization <i>In which:</i>	617,738,624,000
1.1	Collection from offering shares to employees	3,391,984,000
1.2	Collection from IPOs	614,346,640,000
2	Total expected costs of the equitization	4,180,929,750
2.1	Estimated equitization costs	1,260,000,000
2.2	Estimated settlement costs for redundant employees	2,920,929,750
3	Total expected fund returned to the Arrangement and Business Development Supporting fund	613,557,694,250

Note: The above calculations are based on assumptions that total offering share and completely sold out and the offering price is equal to the initial price (VND 10,100/share).

2. Estimated equitization costs

Table 21: Estimated equitization costs

No.	Content	Amount (VND)
1	Direct expenses	668,800,000

No.	Content	Amount (VND)
	<i>Equitization training</i>	28,400,000
	<i>Asset valuation</i>	60,400,000
	<i>Drafting the equitization plan, the Company's charter</i>	30,000,000
	<i>Employee's meeting</i>	30,000,000
	<i>Public announcement</i>	40,000,000
	<i>IPOs</i>	400,000,000
	<i>The first shareholders' meeting</i>	80,000,000
2	Audit fee and enterprise valuation	300,000,000
3	Allowances for equitization board and supporting team	247,500,000
4	Other expenses	43,700,000
	Total	1,260,000,000

VI. RISKS

1. Economic risks

As a company operating in the marketable economy, Seaprodex's business performance as well as its development strategy is affected by the fluctuation of the domestic macroeconomic. In 2013 and the first half of 2014, it experienced the positive signs of recovery of the world economy and the Government's effort to stimulate the economy by flexible monetary and financial policy but still achieving basic targets such as controlled inflation and stabilized exchange rate that helps to support the manufacturing companies and Seaprodex.

- **GDP growth:** The GDP growth increased from 5.25% in 2012 to 5.42% in 2013. In the 1st 6 months of 2014, GDP has increased 5.18% y.o.y, also the highest rate within the last 3 years. These recent movement shows our economy is recovering, demand capacity is increasing and business performance of companies is also improving.
- **Inflation:** From 2-digit inflation in 2012 backwards, by operating the inflation control policy and stabilizing the macro economy drastically, the Government has led the inflation fallen to 6.84% in 2012 and 6.04% in 2013. In the 1st 6 month 2014, inflation rate is only 1.38%, equivalent 1/5 inflation target of the whole year 2014 and the lowest in 13 years.
- **Interest rate:** Presently, State bank of Vietnam continues to operate interest policy with declining interest rates, in consistent with macroeconomic situation, monetary policy and inflation in order to decrease lending interest rate and unplug difficulties for the economy in general and corporations in particular. From beginning of 2012 up to now, deposit interest rate fell sharply that helps local corporations to access loans with lower interest expenses. From high interest rate of 20% in 2010 – 2011, lending rate plunged to common rate of 9-10% p.a recently.

2. Legal and regulatory risks

Being a state-owned enterprise converted into joint stock company, the operation of Seaprodex will not be regulated in compliance with Decree No.09/2009/ND-CP by the Government with respects to financial management regulations and State capital management for state-owned enterprise but will be regulated under Corporate Law 2005 and other related regulations. Hence, Seaprodex will be regulated by other legal documents of securities and stock exchange when having converted into public listed company. Law and other legal documents in this field are in completing stage, any changes in policies may incur at any time and when it incur, adversely impact may affect business performance and management of an entity.

3. Specific risks

3.1 Input price fluctuation risk

Seafood processing and export business: Input materials of Seaprodex and its subsidiaries are exploiting and farming seafood such as shrimp, squid and fish. In which, shrimp is the main product, accounting for 90% of total output of Seaprodex over the years. Hence, any volatility of shrimp input will affect business operation of the Company including weather, aquaculture environment, growing condition, especially water, seed quality, farming technology, food and disease. In order to ensure enough materials for production with reasonable expenditure, Seaprodex always prepare detailed

procurement plan of shrimp input and coordinate closely with suppliers and agents to ensure reasonable inventory.

Imported trading business: Major imported commodities of Seaproducts are iron, steel, metals which are used in engineering manufacturing and real estate business. Seaproducts imports these commodities from suppliers in Japan, Korea, China and other Asian countries. Import price of these commodities depends not only on demand-supply factors but also on political relation, economic cooperation, bilateral and multilateral trade between Vietnam and these countries. Therefore, in order to ensure the supply of these commodities with reasonable price, Seaproducts usually signs long-term contract with large and reputable suppliers to minimize the risks in trading business activities.

3.2 Competitive risks

There are hundreds of companies in Vietnam operating in the field of aquaculture, processing and export of shrimp. However, the overall industry is not well organized that leads to many small companies with unfair competition that makes the market unstable and affects the company's performance in some way.

In addition, Vietnam shrimp export was competed by other countries such as Thailand, India, Indonesia due to high production costs and low rate of successful farming. Besides, Vietnam's shrimp processors are under intense competition by Chinese traders in purchasing of raw shrimp.

3.3 Risks of consumption market

Seafood processing and export business: Frozen processed seafood products must follow strict hygiene, safety and quality issues. Currently, the entire production process of Seaproducts's member companies is in compliance with the achieved quality management system required by each import market. However, if there is any change in food hygiene standards of any market will lead to disruption in production and hence, will increase the company's costs. Export activity is always associated with the international practices as well as the legal constraints of the importing countries. There are also many other objective factors from local laws as protectionist policies, design, packaging, branding that may affect the business activities of the Company.

Imported trading business: imported iron and steel are supplied to domestic enterprises serving the needs of production and domestic consumption. However, recently, iron and steel manufacturing sector is in surplus situation while the secondary market is still sluggish. In order to minimize the risk of its trading business, in short term, the Company needs to control tightly the business process, review the product selection and customer screening. In the long term, the Company may participate in the chain of production and distribution of products on the basis of expanding its business lines relating to its major businesses.

3.4 Foreign exchange risk

Export sales accounted for large proportion in total sales of the Seaproducts: 29.5% (2012), 34.2% (2013), hence, any fluctuation in foreign exchange will affect business performance of the Company. Its main export market is Europe and Japan, so its business performance will mostly affected by foreign exchange rate of GBP and Yen towards Vietnamese dong.

On the other side, import trading activities with products directly imported from Asian countries and paid in US dollars, which is the target of FX monitoring of the government, hence, foreign exchange risk is immaterial.

3.5 Risks of human resources and workforce attraction

Seafood processing sector is under high competition with other similar labor-intensive sectors such as textiles, footwear in terms of workforce resources. In recent time, the later sectors attracted more workforces, especially in terms of production concentrated in the industrial parks.

4. Risks of public offerings

Public offerings of shares by the Company are subject to the status of the stock market and macroeconomic conditions. Negative signs of those factors affect judgement of investors and absorption capacity of the market.

5. Other risks

Besides the above specific risks of seafood business, other risks such as fire, war, disaster, epidemic diseases etc. are inevitable risks that will cause damage to assets, people and business operation of SEAPRODEX.

VII. LIST OF PERSONNEL RESPONSIBLE FOR THE CONTENT OF THE PROSPECTUS

1. SEAPRODEX's Equitization Steering Committee

Mr. Ha Cong Tuan	Deputy Minister of the Ministry of Agriculture and Rural Development – Head of Equitization Steering Committee
Mr. Do Van Nam	Department Head, Head of Committee of Enterprise Restructuring - Ministry of Agriculture and Rural Development – Regular Deputy Head
Mr. Vo Phuoc Hoa	Responsible Member's Council – Deputy Head
Mr. Pham Xuan Hoan	Deputy Department Head, Head of Committee of enterprise Restructuring - Ministry of Agriculture and Rural Development – Member
Mr. Lai Huu Uoc	Deputy Department Head, Head of Committee of enterprise Restructuring - Ministry of Agriculture and Rural Development – Member
Mr. Tran Tan Tam	Board of Management and General Director of SEAPRODEX – Member
Mr. Vo Van Luan	Trade Union President of SEAPRODEX – Member
Ms. Do Thi Thuyet	Specialist, Committee of Enterprise Restructuring - Ministry of Agriculture and Rural Development – Member
Ms. Luyen Thuy Loan	Specialist, Committee of Enterprise Restructuring - Ministry of Agriculture and Rural Development – Member
Mr. Bui Khac Hien	Specialist, Committee of Enterprise Restructuring - Ministry of Agriculture and Rural Development – Member

2. The Issuer:

VIETNAM NATIONAL SEAPRODUCTS CORPORATION

Mr. Tran Tan Tam	Member of Member's Council, CEO of SEAPRODEX
Ms. Bui Thi Phuong Thao	Chief accountant of SEAPRODEX
Ms. Phan Thuy Anh	Supervisor of SEAPRODEX
Mr. Le Cong Duc	Deputy General Director of SEAPRODEX, Director of Import-Export Branch
Mr. Lam Hong Thanh	Deputy General Director of SEAPRODEX, Director of Cat Lo – Vung Tau Fish Port Branch
Mr. Nguyen Van Cong	Director of Hai Phong SEAPRODEX Branch
Mr. Nguyen Minh Tien	Director of Lam Dong SEAPRODEX Branch
Mr. Mai Xuan Phong	Head of Organization and Labor Export Department
Mr. Tran Huu Hanh	Head of General Planning Department
Mr. Tran Phuoc Thai	Head of Capital Management in other enterprises

We assure that information and data in this Prospectus are in accordance with the fact that we are aware of or have investigated and collected properly.

3. The Advisor

SAIGON SECURITIES INCORPORATION (SSI)

Mr. Nguyen Hong Nam Position: Deputy General Director

This Prospectus is an integral part of initial public offering documents with the preparation by Saigon Securities Incorporation on the basis of the Consulting Contract with Seaproducts. We assure that the analysis, evaluation and choice of words and expressions on this Prospectus have been made in a reasonable and prudent manner under the information and data provided by Seaproducts.

REPRESENTATIVE OF THE STEERING COMMITTEE
Head of the Steering Committee

REPRESENTATIVE OF THE EQUITIZED ENTERPRISE
General Director

REPRESENTATIVE OF THE ADVISOR
SAIGON SECURITIES INC.
Deputy General Director