

THE EQUITIZATION STEERING COMMITTEE OF THANH LE GENERAL IMPORT - EXPORT TRADING CORPORATION AND THE THANH LE GENERAL IMPORT - EXPORT TRADING CORPORATION RECOMMENDS THAT INVESTORS SHOULD READ CAREFULLY THE INFORMATION HEREIN AND THE PUBLIC OFFERING REGULATIONS BEFORE PARTICIPATING IN THE AUCTION.



PROSPECTUS

INITIAL PUBLIC OFFERING

THANH LE GENERAL IMPORT - EXPORT TRADING CORPORATION

ISSUING ORGANIZATION



THANH LE GENERAL IMPORT - EXPORT TRADING CORPORATION

Address: No. 63 Yersin Road, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province

Telephone: (0274) 3829534 / (0274) 3829535 Fax: (0274) 3824112

Website: www.thalexim.vn

AUCTION ORGANIZATION



HOSE

HO CHI MINH STOCK EXCHANGE

Address: 16 Vo Van Kiet Street, District 1, Ho Chi Minh City.

Telephone: (028) 38 21 7713

Fax: (028) 3821 7452

Website: www.hsx.vn

ADVISORY ORGANIZATION



VIETNAM BANK FOR INDUSTRY AND TRADE SECURITIES JSC

Head office: No. 306 Ba Trieu Street, Hai Ba Trung District, Hanoi

Telephone: (024) 3974 1771

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Branch: 49 Ton That Dam Street, District 1, Ho Chi Minh City

Telephone: (028) 3820 9996 / (028) 3820 1883 Fax: (028) 3820 0899

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Binh Duong, 2017

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GENERAL INFORMATION OF THE AUCTION

1. Name of corporation : **Thanh Le General Import - Export Trading Corporation**
2. Number of shares to be offered : **11,830,000 shares**, accounting for 5.00% of the expected charter capital of the company.
3. Type of shares : Freely transferable common shares
4. Par value : VND 10,000 /share
5. Initial price : **VND 10,600 /share**
6. Limitation on number of shares to be registered : According to the initial public offering regulations of Thanh Le General Import - Export Trading Corporation issued by the Ho Chi Minh Stock Exchange.
7. Participants : Domestic organizations/individuals satisfying conditions as stipulated by the regulation of initial public offering of Thanh Le General Import - Export Trading Corporation.
8. Method of auction : Public auction by the Ho Chi Minh Stock Exchange.

9. Location of the Prospectus:

❖ **THANH LE GENERAL IMPORT - EXPORT TRADING CORPORATION**

- Head office: No. 63 Yersin Road, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province
- Telephone: (0274) 3829 534 – (0274) 3829 535 Fax: (0274) 3824 112
- Website: www.thalexim.vn

❖ **HO CHI MINH STOCK EXCHANGE**

- Head office: No. 16 Vo Van Kiet Street, District 1, Ho Chi Minh City
- Telephone: (028) 3821 7713 Fax: (028) 3821 7452
- Website: www.hsx.vn

❖ **AUCTION AGENT**

According to the initial public offering regulations of Thanh Le General Import - Export Trading Corporation issued by the Ho Chi Minh Stock Exchange.

LEGAL BASIS OF THE AUCTION

❖ Legal documents on equitization:

- Decree No. 59/2011/ND-CP dated July 18, 2011 of the Government relating to conversion of 100% state-owned enterprises into joint-stock companies;
- Decree No. 189/2013/ND-CP dated November 20, 2013 of the Government relating to amendments to certain articles of the Decree No. 59/2011/ND-CP on conversion of 100% state-owned enterprises into joint-stock companies;
- Decree No. 116/2015/ND-CP dated November 11, 2015 of the Government relating to amendments to certain articles of the Decree No. 59/2011/ND-CP dated July 18, 2011 of the Government relating to conversion of 100% state-owned enterprises into joint-stock companies;
- Circular No. 127/2014/TT-BTC dated September 05, 2014 of the Ministry of Finance guiding financial treatment and enterprise evaluation relating to conversion of 100% state-owned enterprises into joint-stock companies, pursuant to the Decree No. 59/2011/ND-CP dated July 18, 2011 of the Government;
- Circular No. 196/2011/TT-BTC dated December 28, 2011 of the Ministry of Finance guiding auction for initial public offering, management and use of proceeds from conversion of 100% state-owned enterprises into joint-stock companies;
- Circular No. 115/2016/TT-BTC dated June 30, 2016 of the Ministry of Finance relating to amendments to certain articles of the Circular No. 196/2011/TT-BTC dated December 26, 2011 of the Ministry of Finance guiding auction for initial public offering, management and use of proceeds from conversion of 100% state-owned enterprises into joint-stock companies;
- Decree No. 63/2015/ND-CP dated July 22, 2015 of the Government providing policies for redundant employees arising from reorganizing of one-member limited liability companies owned by the State;
- Circular No. 44/2015/TT-BLDTBXH dated October 22, 2015 of the Ministry of Labor - Invalids and Social Affairs guiding implementation of certain articles of the Decree No. 63/2015/ND-CP;
- Circular No. 33/2012/TT-BLDTBXH dated December 20, 2012 of the Ministry of Labor Invalids and Social Affairs guiding implementation of policies for employees under the Decree No. 59/2011/ND-CP dated July 18, 2011 of the Government;

LEGAL BASIS OF THE AUCTION

- Decision No. 51/2014/QD-TTg dated September 15, 2014 of the Prime Minister guiding state-owned enterprises on divestment, sale of shares, transaction registration, and listing on stock exchanges;
- Decision No. 2711/QD-UBND dated October 28, 2014 of the People's Committee of Binh Duong Province relating to equitization plan of the Thanh Le General Import - Export Trading Corporation;
- Decision No. 2726/QD-UBND dated October 30, 2014 of the People's Committee of Binh Duong Province relating to the establishment of the Equitization Steering Committee of Thanh Le General Import - Export Trading Corporation;
- Decision No. 01/QD-BCD dated December 15, 2014 of the Equitization Steering Committee of Thanh Le General Import - Export Trading Corporation relating to the establishment of the assistant team for the Equitization Steering Committee of Thanh Le General Import - Export Trading Corporation ;
- Decision No. 1458/QD-UBND dated June 11, 2015 relating to approval of the auction results of the package named "Providing advisory services for the equitization plan of the Thanh Le General Import - Export Trading Corpora Thanh Le General Import - Export Trading Corporation";
- Services contract No. 322/TNB-TVTHCPH-PN-CT dated June 25, 2015 by and between the Thanh Le General Import - Export Trading Corporation and the Southwest Information and Appraisal Corporation (SIAC) on providing advisory services for the equitization plan of the Thanh Le General Import - Export Trading Corporation;
- Decision No. 343/QD-UBND dated February 18, 2016 of the People's Committee of Binh Duong Province on adjusting the time of deal close to determine the enterprise value of the Thanh Le General Import - Export Trading Corporation.
- Decision No. 2594/QD-UBND dated September 30, 2016 of the People's Committee of Binh Duong Province changing the Head of Equitization Steering Committee of Thanh Le General Import - Export Trading Corporation and Investment and Industrial Development Corporation - one-member limited liability company;
- Decision No. 349/QD-UBND dated February 15, 2017 of the People's Committee of Binh Duong Province relating to approval of the land use plan when implementing the equitization plan of the Thanh Le General Import - Export Trading Corporation;
- Office letter No. 309/STNMT-QLDD dated March 20, 2017 of the Thue Thien Hue

LEGAL BASIS OF THE AUCTION

- Province's Department of Natural Resources and Environment relating to the land use plan of the Thanh Le General Import - Export Trading Corporation;
- Office letter No. 195/KTNN – TH dated May 29, 2017 relating to submission of the audit report of results of valuation consultancy and financial treatment before officially announcing the enterprise value for equitization of the Thanh Le General Import - Export Trading Corporation;
 - Decision No. 1364/QĐ – UBND dated May 30, 2017 30/05/2017 of the People's Committee of Binh Duong Province amending Article 1 of the Decision No. 349/QĐ-UBND dated February 15, 2017 of the People's Committee of Binh Duong Province.
 - Decision No. 1365/QĐ_UBND dated May 30, 2017 of the People's Committee of Binh Duong Province relating to the enterprise value for equitization of the Thanh Le General Import - Export Trading Corporation;
 - Decision No. 1165/QĐ-TTg dated August 09, 2017 of the Prime Minister on approval of the equitization plan of the parent company - Thanh Le General Import - Export Trading Corporation;
 - Office letter No. 4056/UBND-KTTH dated September 14, 2017 relating to the starting price for initial public offering of the Thanh Le General Import - Export Trading Corporation;
 - Advisory contract No. 27/2017/TVCPH/CKCT.HCM –THALEXIM dated 29/08/2017 by and between the Thanh Le General Import - Export Trading Corporation and the Vietnam Bank for Industry and Trade Securities Joint Stock Company - Ho Chi Minh City Branch;

PART I: LIST OF PERSONNEL RESPONSIBLE FOR THE INFORMATION OF THE CORPORATION

PART I: LIST OF PERSONNEL RESPONSIBLE FOR THIS PROSPECTUS

1. Equitization Steering Committee

- **Mr. Doan Minh Quang** - Title: Chairman of the Board of Members and General Director of the Thanh Le General Import - Export Trading Corporation; Deputy Head of the Equitization Steering Committee of the Thanh Le General Import - Export Trading Corporation.

We ensure that the information and data provided in this Prospectus are true and correct with the facts to our knowledge or our fairly investigation and data collection.

2. Thanh Le General Import - Export Trading Corporation

- **Mr. Doan Minh Quang** - Title: Chairman of the Board of Members and General Director of the Thanh Le General Import - Export Trading Corporation.

We ensure that the information and data provided in this Prospectus are true and correct with the facts to our knowledge or our fairly investigation and data collection.

3. Advisory Organization

- **Mr. Thai Hoang Long** - Title: Deputy General Director and Branch Director of the Vietnam Bank for Industry and Trade Securities Joint Stock Company - Ho Chi Minh City Branch.

(Pursuant to the Power of Attorney No. 02/UQ-CKCT dated March 16, 2017 by the General Director of the Vietnam Bank for Industry and Trade Securities Joint Stock Company)

This Prospectus is part of the initial public offering dossier of the Thanh Le General Import - Export Trading Corporation prepared by the Vietnam Bank for Industry and Trade Securities Joint Stock Company - Ho Chi Minh City Branch on the basis of an advisory contract with the Thanh Le General Import - Export Trading Corporation.

PART I: LIST OF PERSONNEL RESPONSIBLE FOR THE INFORMATION OF THE CORPORATION

WE GUARANTEE THAT:

- The analysis, evaluation, and selection of words in this Prospectus are carried out fairly and prudently based on the information and data provided by the Thanh Le General Import - Export Trading Corporation.
- The steps taken and the content of the Prospectus are in compliance with the mandatory order but do not imply a guarantee of stock value.

PART II: ABBREVIATIONS

PART II: ABBREVIATIONS

Words and phrases abbreviated in this Prospectus will have following definitions:

Abbreviations	Meaning
BM	Business Management
BOD	Board of Directors
BOM	Board of Members
BOS	Board of Supervisors
BR	Business registration
BRC	Business registration certificate
CA	Chief accountant
HOSE	Ho Chi Minh Stock Exchange
IPO	Initial Public Offering
JSC	Joint Stock Company
LUR	Land Use Right
PM	Project Management
SI	Social Insurance
SP	Services Provision
SSC	State Securities Commission of Vietnam
THALEXIM- JSC	Thanh Le General Import - Export Trading Corporation - Joint Stock Company
THALEXIM/Corporation	Thanh Le General Import - Export Trading Corporation
UPCOM	Standing for a Stock exchange market for unlisted public companies held on the Hanoi Stock Exchange
USD	United States dollar (<i>the official currency of the United States</i>)
VAT	Value added Tax
VietinBankSc	Vietnam Bank for Industry and Trade Securities Joint Stock Company - Ho Chi Minh City Branch
VND	Vietnamese Dong (<i>the official currency of Vietnam</i>)

PART III: THE SITUATION OF THE CORPORATION

PART III: THE SITUATION OF THE CORPORATION

I. THE CORPORATION SITUATION PRIOR TO EQUITIZATION

1. Overview of the Corporation

- Full name in Vietnamese : **TỔNG CÔNG TY THƯƠNG MẠI XUẤT NHẬP KHẨU THANH LỄ - TNHH MTV**
- Full name in English : **THANH LE GENERAL IMPORT - EXPORT TRADING CORPORATION – COMPANY LIMITED**
- Abbreviated English name : **THALEXIM**
- Head office : No. 63 Yersin Road, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province
- Telephone : 0274.3829534 / 0274.3829535
- Fax : 0274.3824 112
- Website : www.thalexim.vn
- BRC : No. 3700146458 issued by the Binh Duong Province's Department of Planning and Investment on July 01, 2010, registered for the seventh amendment on November 11, 2015.
- Charter capital : VND 1.717.144.000.000 (*One thousand seven hundred seventeen billion one hundred forty-four million Vietnamese dongs*)

2. Foundation and development

- THALEXIM was formerly Thanh Le Import - Export Trading Company founded on the basis of enterprises in difficulty in production and finance due to the transformation of the economic structure of the country from a centrally planned economy to a socialist-oriented market economy.
- Starting from the receipt of loss-making state-owned enterprises and ineffective operation in the small scale and cottage industries, with the constantly efforts of the entire leadership and employees, THALEXIM has stood firmly and expanded its activities to many sectors such as development and investment in industrial zones, activities of petroleum and oil, cashew nuts and other industrial products in Binh Duong province and the southern region. So far, THALEXIM is known as a strong and

PART III: THE SITUATION OF THE CORPORATION

prestigious brand name in Binh Duong Province.

- In 1997, the establishment of and putting into operation of Chanh My Petroleum General Store with capacity of 36,000 m³, has raised the petroleum and oil business of Thanh Le Import - Export Trading Company to a large scale.
- In late 2005, units for rent of two industrial zones including Song Than 1 and Binh Duong were filled with 174 enterprise renting land and factories, including 76 foreign invested enterprises with over 45,000 employees.
- To implement the plan of enterprise innovation for the period of 2006-2010, Thanh Le Import - Export Trading Company changed its operation following the parent/subsidiary model under the Decision No. 107/2006/QD-UBND dated April 28, 2006 by the PC of Binh Duong Province, creating a premise for Thanh Le Import - Export Trading Company to develop into a corporation with strong economic potentials in Binh Duong province later.
- A new development in activities of petroleum and oil is that Thanh Le Import - Export Trading Company became a focal point company, which is allowed to import petroleum and oil directly on September 14, 2007 under the license No. 01/BCT-GPXD issued by the Ministry of Industry and Trade. This is a great advantage for the petroleum and oil business of Thanh Le Import - Export Trading Company.
- 2010 marked a significant step in the development of THALEXIM with the event that Thanh Le Import - Export Trading Company was transformed into Thanh Le General Import - Export Trading Corporation according to the Decision No. 1611/QD-UBND dated June 4, 2010 of the PC of Binh Duong Province. Thanh Le General Import - Export Trading Corporation operated under the parent/subsidiary model and according to the Charter of Organization and Operation of Thanh Le General Import - Export Trading Corporation approved by the People's Committee of Binh Duong Province under the Decision No. 1612/QD-UBND dated June 4, 2010.
- The Corporation continues to implement the plan of enterprise restructuring under the direction of the Government to increase operational efficiency and apply advanced management model. Activities of production and business in petroleum and oil, and food; import-export activities, investment activities; business and management of industrial zone infrastructure; cultural and social service activities, recreation and entertainment, etc. During this period, despite difficulties and obstacles, the Corporation has always strove to overcome difficulties and improved its performance to keep abreast of given targets and tasks, leading the organization to fulfill the targets and plans assigned by the PC of Binh Duong Province.

PART III: THE SITUATION OF THE CORPORATION

- On October 28, 2014, the People's Committee of Binh Duong Province issued the Decision No. 2711/QD-UBND relating to equitization plan of the Thanh Le General Import - Export Trading Corporation.
- On February 18, 2016, the People's Committee of Binh Duong Province issued the Decision No. 343/QD-UBND on adjusting the time of deal close to determine the enterprise value of the Thanh Le General Import - Export Trading Corporation. Accordingly, the time of deal close to determine the enterprise value of the Thanh Le General Import - Export Trading Corporation is December 31, 2015.
- On August 09, 2017, the Prime Minister issued the Decision No. 1165/QD-TTg dated August 09, 2017 on approval of the equitization plan of the parent company - Thanh Le General Import - Export Trading Corporation.

3. Business lines

According to the Business registration certificate No. 3700146458 issued by the Binh Duong Province's Department of Planning and Investment on July 01, 2010, registered for the seventh amendment on November 11, 2015, the Corporation's business lines include:

Table 1. Business lines:

Business line	Code
Wholesale of solid, liquid and gaseous fuels and related products. Details: Import-export activities in petroleum and oil. Wholesale of materials and fuels for petroleum and oil. Wholesale of crude oil, gas and related products. Wholesale of coke and other solid materials. (Do not store coke in the head office.)	4661 (main)
Manufacture of wearing apparel, except fur apparel Details: Manufacturing and outsourcing of garment products	1410
Activities of amusement parks and theme parks. Details: Activities of green parks, amusement and recreation activities.	9321
Wholesale of other products n.e.c. Details: Wholesale of fertilizers, and agricultural materials (except pesticides), basic chemicals, chemical products, packaging. Wholesale of materials for apparel and footwear.	4669
Wholesale of construction materials, installation supplies.	4663

PART III: THE SITUATION OF THE CORPORATION

Business line	Code
Details: Wholesale of construction materials, stone, sand, and gravel.	
Wholesale of other household products. Details: Wholesale of spare parts, electrical products, electronics and consumer goods. Wholesale of handicraft goods: lacquer, wooden and carving products, ceramics, glass, wool carpets, leather products, faux leather, rubber, timber, wooden household goods and other handicrafts.	4649
Wholesale of other machinery, equipment and supplies. Details: Wholesale of means of transport, civil engineering equipment, printing equipment and supplies.	4659
Wholesale of food. Details: Purchasing of agricultural and forest products for processing: cashew nuts, coffee beans, pepper, peas, rubber, and food.	4632
Wholesale of textiles, clothing, and footwear. Details: Wholesale of wearing apparel, textiles, and dyeing products.	4641
Wholesale of agricultural raw materials (except wood, bamboo) and live animal. Details: Wholesale of medicine	4620
Architectural and engineering activities; Technical testing and analysis Details: Consultancy, design, supervision of civil, public, industrial, transport, and infrastructure works	7110
Construction of buildings Details: Construction of civil and industrial works	4100
Construction of roads and railways Details: Construction of public and transportation works	4210
Construction of other civil engineering projects Details: Construction of technical infrastructure	4290
Other specialized construction activities.	4390

PART III: THE SITUATION OF THE CORPORATION

Business line	Code
Details: Investment, construction, and business activities in technical infrastructure of industrial parks, residential areas, urban areas, and housing for workers. Investment and business activities in exploiting markets, supermarkets, trade centers, recreation and entertainment areas	
Real estate activities with own or leased property Details: Real estate activities. Renting and leasing office, meeting room, conference room; organization of conferences, seminars; Renting and leasing of warehouse and workshop. (In compliance with the provincial planning)	6810
Restaurants and mobile food service activities Details: Other food and beverage service activities	5610
Warehousing and storage Details: Warehousing and storage in frozen warehouse; Warehousing and storage on other warehouse	5210
Cargo handling	5224
Manufacture of footwear Details: Manufacture and outsourcing of footwear	1520
Processing and preserving of fruit and vegetables Details: Manufacture and processing of agricultural, forestry and sea products	1030
Manufacture of other articles of paper and paperboard n.e.c Details: Package production	1709
Printing Details: Package printing	1811
Manufacture of refines petroleum products Details: Processing of petroleum and oil; Manufacture of refines petroleum products	1920
Quarrying of stone, sand, and clay	0810

PART III: THE SITUATION OF THE CORPORATION

Business line	Code
Details: Quarrying and processing of stone, sand, gravel, clay.	
Support activities for other mining and quarrying	0990
Wholesale of metals and metal ores	
Details: Wholesale of iron, steel, other metals (except for gold pieces), and metal ores	4662
Retail sale in non-specialized stores with food, beverages or tobacco predominating	
Details: Retail sale of food, beverages or tobacco (domestic manufacturing).	4711
Other retail sale in non-specialized stores.	
Details: Retail sale in supermarket, trade center.	4719
Non-specialized wholesale trade	4690
Building of ships and floating structures	3011
Water collection, treatment and supply	3600
Sewerage and sewer treatment activities	3700
Collection of non-hazardous waste	3811
Collection of hazardous waste	3812
Treatment and disposal of non-hazardous waste	3821
Treatment and disposal of hazardous waste	3822
Materials recovery	3830
Wholesale of motor vehicles	4511
Sale of motor vehicles on a fee or contract basis	4513
Wholesale on a fee or contract basis	4610
Wholesale of beverages	4633
Other land transport of passenger	4932
Freight transport by road	4933
Sea and coastal passenger water transport	5011

PART III: THE SITUATION OF THE CORPORATION

Business line	Code
Sea and coastal freight water transport	5012
Inland passenger water transport	5021
Inland freight water transport	5022
Service activities incidental to land and rail transportation	5221
Service activities incidental to water transportation	5222
Other transportation support activities	5229
Short-term accommodation activities	5510
Other financial service activities, except insurance and pension funding activities n.e.c	6499
Details: Investment in and execution of rights and obligations of the owner, shareholders, and capital-contributing members in subsidiaries and associated companies	
(The enterprise must strictly comply with the provisions of the law on land, construction, environmental protection and business conditions applicable to conditional business lines)	Business activities do not match to any of the Viet Nam Standard Industrial Classification

Source: The Business registration certificate No. 3700146458 issued by the Binh Duong Province's Department of Planning and Investment on July 01, 2010, registered for the seventh amendment on November 11, 2015.

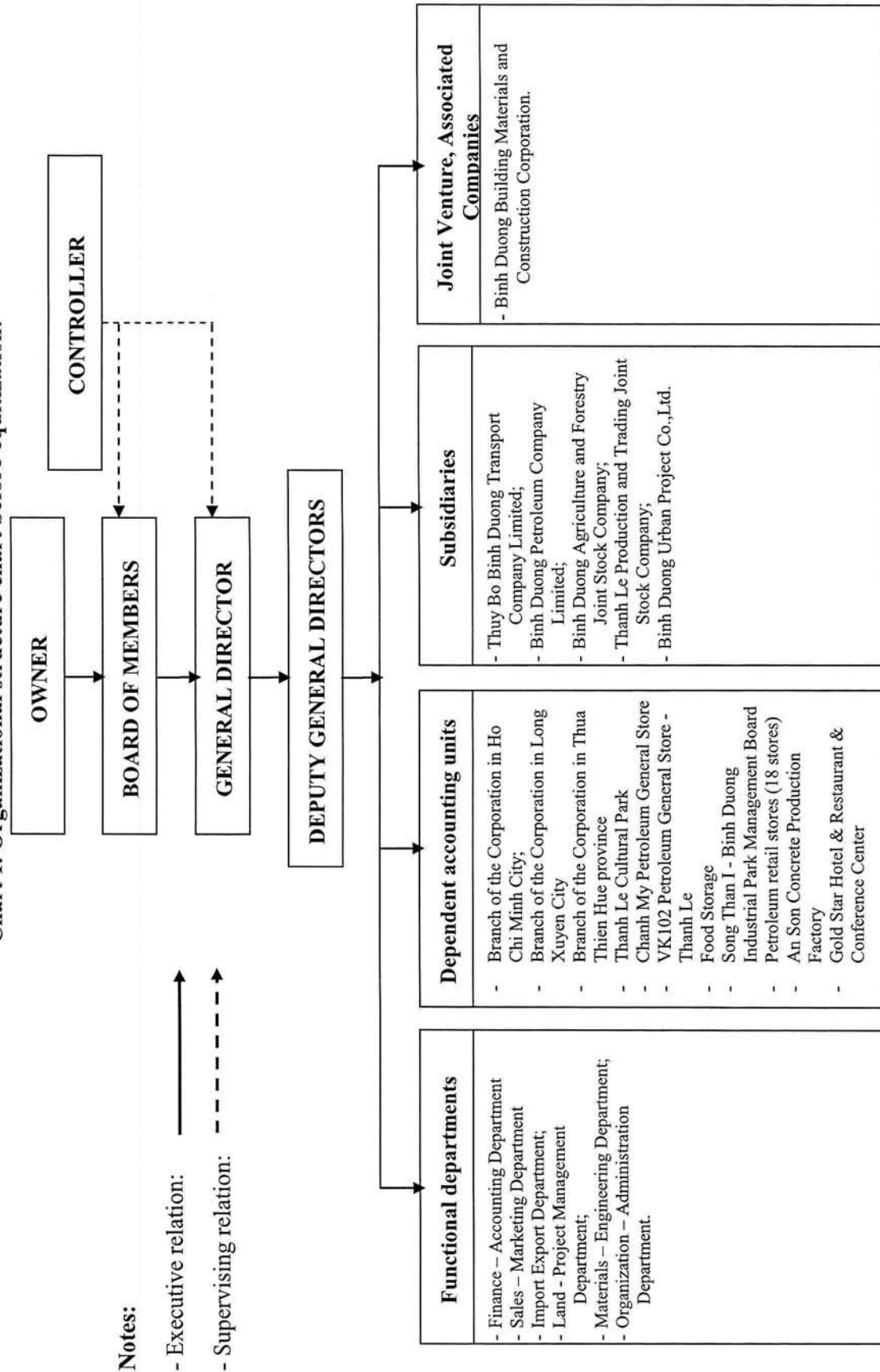
4. Main products and services

- Petroleum and oil activities;
- Cultural - social services, amusement and recreation activities;
- Real estate activities, renting and leasing of offices, warehouses and ports;
- Investing, exploiting and trading in technical infrastructure of industrial zones.

PART III: THE SITUATION OF THE CORPORATION

5. Organizational Structure

Chart 1. Organizational structure chart before equitization:



(Source: Thanh Le General Import - Export Trading Corporation)

PART III: THE SITUATION OF THE CORPORATION

Organizational structure of the management, supervision and administration of the Corporation is composed of the Board of Members, the General Director, the Controller, the Deputy General Director(s), the Chief Accountant, functional departments. In addition, the mass organizations in the Corporation include: the Party Committee, the Trade Union and the Youth Union, specifically as follows:

5.1. Owner

The Owner of Thanh Le General Import - Export Trading Corporation is Binh Duong Provincial People's Committee.

5.2. Board of Members

The Board of Members is the highest decision-making body of the Corporation. In particular, the Board of Members shall be appointed by the Owner, exercise the rights and obligations of the Owner decentralized as defined in the Charter of the Corporation; take responsibility before the Owner and the law for the performance of tasks, powers, obligations and responsibilities for the development of the Corporation in accordance with the objectives and tasks assigned by the Owner. The Chairman of the Board of Members shall have the right to act on behalf of the Owner to decide matters related to determining and implementing the objectives, tasks and interests of the Corporation, except for matters falling under the competence of the Owner as provided for in the Charter of the Corporation.

5.3. General Director

The General Director is the person who manages the day-to-day operations of the Corporation and is responsible to the Board of Members for the exercise of its rights and obligations.

5.4. Deputy General Director:

The Deputy General Director is the assistant of the General Director in the management of one or more fields of activity of the Corporation as assigned and authorized by the General Director. The Deputy General Director is responsible to the Owner, the Chairman of the Board of Members, the General Director and the law for the assigned tasks.

5.5. Controller:

The Controller is responsible before the law and the Owner for the exercise of the rights and duties assigned. The Controller is responsible for: verifying the legality, truthfulness and prudence of the Chairman of the Board of Members cum the General Director in the organization to exercise rights in the management and administration of the business operations of the Corporation; appraising financial statements, business reports, management evaluation reports and other reports before submitting them to

PART III: THE SITUATION OF THE CORPORATION

the Owner or concerned state authorities; submitting the evaluation report to the Owner; recommending the Owner of solutions of amending, supplementing and organizational structure the management and administration of the business operations of the Corporation.

5.6. Chief Accountant

The Chief Accountant is responsible for organizing the implementation of the accounting work of the Corporation; proposing solutions and conditions to create capital sources for the production, business and development investment of the Corporation; assisting the General Director in supervising finance and promoting the financial resources of the Corporation in accordance with the laws on finance and accounting; has the rights and obligations as prescribed by law. The Chief Accountant is responsible to the General Director and the law for assigned or authorized tasks. Criteria for recruitment of the Chief Accountant shall comply with the provisions of the Accounting Law and the provisions of law.

5.7. Functional Departments

At present, THALEXIM has the following functional departments:

- Finance – Accounting Department
- Sales – Marketing Department
- Import Export Department;
- Land - Project Management Department;
- Materials – Engineering Department;
- Organization – Administration Department.

5.8. Mass organizations in the Corporation

- Party Committee of Thanh Le General Import - Export Trading Corporation;
- Trade Union of Thanh Le General Import - Export Trading Corporation;
- Youth Union of Thanh Le General Import - Export Trading Corporation.

5.9. List of key personnel:

Table 2. List of key personnel:

No.	Full name	Position
1.	Board of Members	
-	Mr. Doan Minh Quang	Chairman of the Board of Members
-	Mr. Huynh Xuan Phuong	Member of the Board of Members

PART III: THE SITUATION OF THE CORPORATION

No.	Full name	Position
-	Mr. Tran Dinh Giap	Member of the Board of Members
-	Mrs. Pham Thi Bang Trang	Member of the Board of Members
-	Mrs. Pham Thi Kim Thanh	Member of the Board of Members
2	Board of General Directors & Chief Accountant	
-	Mr. Doan Minh Quang	General Director
-	Mr. Huynh Xuan Phuong	Deputy General Director
-	Mr. Tran Dinh Giap	Deputy General Director
-	Mrs. Pham Thi Kim Thanh	Deputy General Director
-	Mr. Dang Van Doan	Deputy General Director
-	Mrs. Pham Thi Bang Trang	Chief Accountant
3	Controller	
-	Mrs. Nguyen Thi Thuy Hang	Controller

(Source: Thanh Le General Import - Export Trading Corporation)

PART III: THE SITUATION OF THE CORPORATION

6. Total number of laborers transferred to the Joint Stock Company

Total number of laborers transferred to the Joint Stock Company is **568** with the following structure:

Table 3. Structure of laborers transferred to the Joint Stock Company:

Labor structure	Number	Proportion (%)
I. Classification by level of labor:	568	100.00%
- Post graduate level	6	1.06%
- Undergraduate level	142	25.00%
- College level	22	3.87%
- Secondary technical school level	50	8.80%
- Intermediate, formal vocational training level	-	-
- Primary level & technical worker	-	-
- Unskilled worker	348	61.27%
II. Classification by contract term	568	100.00%
- Not subject to signing labor contract	7	1.23%
- Indefinite term contract	561	98.77%
- Contract with term from 12 months to 36 months	-	-
- Seasonal contract from 3 months to 12 months	-	-
- Labor on temporary leave	-	-
III. Classification by the nature of work	568	100.00%
- Management labor	33	5.81%
- Professional labor	145	25.53%
- Direct labor	390	68.66%
IV. Classification by gender	568	100.00%
- Male	420	73.94%
- Female	148	26.06%
V. Classification by working age	568	100.00%
- Under 30	137	24.12%
- From 30 – 40	157	27.64%
- From 41 – 50	138	24.30%
- From 51 – 55	75	13.20%
- From 55 – 60	31	5.46%
- Above 60	-	-
VI. Classification by location	568	100.00%
- At the Corporation Office	130	22.89%
- At the subordinate units of the Corporation	438	77.11%
- Representatives of the capital of the Corporation in the member companies	-	-

(Source: Thanh Le General Import - Export Trading Corporation)

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7. Actual value of the enterprise at the time of valuation of the enterprise

Pursuant to Document No. 195/KTNN-TH dated 29/05/2017 on sending audit report on valuation consultancy results and handling financial matters before officially announcing the value of the equitized enterprise at the parent Company - Thanh Le General Import - Export Trading Corporation and Decision No. 1365/QĐ_UBND dated 30/05/2017 of Binh Duong Provincial People's Committee on the enterprise value to equitize Thanh Le General Import - Export Trading Corporation, the actual value of the State capital at the enterprise is:

✦ Actual value of the enterprise for equitization

VND 7,505,236,655,989. (In words: Seven thousand five hundred five billion, two hundred thirty six million, six hundred fifty five thousand, nine hundred and eighty nine dong).

In which:

✦ Actual value of the State capital at the enterprise is:

VND 2,366,313,499,709. (In words: Two thousand three hundred sixty six billion, three hundred thirteen million, four hundred ninety nine thousand, seven hundred and nine dong).

✦ Actual value of the enterprise for equitization as at 31/12/2015 of THALEXIM is detailed in the table below:

Table 4. Actual value of the enterprise as at 31/12/2015:

Unit: Dong

NO.	ITEM	BOOK VALUE	REDEFINED VALUE	DIFFERENCE
A	ASSETS IN USE (I+II+III+IV)	6,848,663,929,210	7,505,236,655,989	656,572,726,779
I	FIXED ASSETS AND LONG-TERM INVESTMENTS	2,516,942,098,774	3,098,525,633,698	581,583,534,924
01	Long-term receivables	20,280,000,000	20,280,000,000	-
1.1	Long-term receivables from customers	-	-	-
1.2	Long-term prepayments for sellers	-	-	-
1.3	Business capital in subordinate units	-	-	-
1.4	Long term internal receivables	-	-	-
1.5	Long-term loan receivables	-	-	-
1.6	Other long-term receivables	20,280,000,000	20,280,000,000	-

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NO.	ITEM	BOOK VALUE	REDEFINED VALUE	DIFFERENCE
1.7	Provision for long-term bad receivables (*)	-	-	-
02	Fixed assets	378,408,149,250	698,481,313,835	320,073,164,585
2.1	Tangible fixed assets	257,916,409,302	444,182,263,289	186,265,853,987
a	<i>Buildings and architecture</i>	205,746,149,753	376,734,038,537	170,987,888,784
b	<i>Machinery and equipment</i>	15,993,456,676	22,990,480,865	6,997,024,189
c	<i>Means of transport, transmission</i>	33,187,895,143	40,760,774,349	7,572,879,206
d	<i>Management equipment, tools</i>	2,909,102,730	3,358,249,938	449,147,208
e	<i>Other fixed assets</i>	79,805,000	338,719,600	258,914,600
2.2	Leased fixed assets	-	-	-
2.3	Intangible fixed assets	120,491,739,948	254,299,050,546	133,807,310,598
03	Real Estate Investment	168,461,134,512	168,494,172,077	33,037,565
3.1	Land use rights	152,016,921,696	152,016,921,696	-
3.2	Buildings and architecture	16,444,212,816	16,477,250,381	33,037,565
04	Long-term assets in progress	913,985,155,074	913,985,155,074	-
4.1	Long term work in progress	191,296,137,500	191,296,137,500	-
4.2	Construction in progress	722,689,017,574	722,689,017,574	-
05	Long-term financial investment	1,004,143,538,185	1,264,711,919,488	260,568,381,303
5.1	Investments in subsidiaries	1,004,143,538,185	1,264,711,919,488	260,568,381,303
5.2	Investments in associated companies and joint ventures	-	-	-
5.3	Investments in other units	-	-	-
5.4	Provision for long-term financial investments (*)	-	-	-
5.5	Investments held to maturity date	-	-	-
06	Other long-term assets	31,664,121,753	32,573,073,224	908,951,471
6.1	Long-term prepaid expenses	31,664,121,753	32,573,073,224	908,951,471
6.2	Deferred income tax assets	-	-	-
6.3	Long-term equipment, supplies and spare parts	-	-	-
6.4	Other long-term assets	-	-	-
II	CURRENT ASSETS AND SHORT-TERM INVESTMENT	4,331,721,830,436	4,385,770,179,993	54,048,349,557
01	Cash and cash equivalents	1,291,013,303,525	1,291,012,320,223	(983,302)

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NO.	ITEM	BOOK VALUE	REDEFINED VALUE	DIFFERENCE
1.1	Cash	288,013,303,525	288,012,320,223	(983,302)
1.2	Cash equivalents	1,003,000,000,000	1,003,000,000,000	-
02	Short-term financial investments	335,000,000,000	335,000,000,000	-
2.1	Trading securities	-	-	-
2.2	Provision for impairment of trading securities (*)	-	-	-
2.3	Investments held to maturity date	335,000,000,000	335,000,000,000	-
03	Short-term receivables	1,479,545,430,300	1,512,484,766,379	32,939,336,079
3.1	Short-term receivables from customers	910,686,905,163	922,764,805,662	12,077,900,499
3.2	Short-term prepayments to suppliers	392,997,308,118	392,997,308,118	-
3.3	Short-term internal receivables	-	-	-
3.4	Receivables according to the planned progress of the construction contract	-	-	-
3.5	Short-term loan receivables	-	-	-
3.6	Other short-term receivables	176,924,883,219	196,722,652,599	19,797,769,380
3.7	Provision for short-term bad receivables (*)	(1,063,666,200)	-	1,063,666,200
3.8	Shortage of assets awaiting resolution	-	-	-
04	Inventories	1,204,335,127,181	1,220,785,677,213	16,450,550,032
a	Goods in transit	79,420,767,852	79,420,767,852	-
b	Raw materials	4,496,889,145	4,496,889,145	-
c	Tools and supplies	1,277,766,260	1,277,766,260	-
d	Goods	594,636,047,296	588,891,875,403	(5,744,171,893)
e	Finished real estate	472,848,410,488	495,043,132,413	22,194,721,925
f	Real estate goods	51,655,246,140	51,655,246,140	-
05	Other short term assets	21,827,969,430	26,487,416,178	4,659,446,748
5.1	Short-term prepaid expenses	1,761,016,230	2,216,726,867	455,710,637
5.2	VAT deductible	10,028,201,278	10,028,201,278	-
5.3	Taxes and other receivables from the State	10,038,751,922	10,038,751,922	-

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NO.	ITEM	BOOK VALUE	REDEFINED VALUE	DIFFERENCE
5.4	Government bond repurchase transaction	-	-	-
5.5	Other short term assets	-	-	-
5.6	Tools and supplies fully allocated, but still in use	-	4,203,736,111	4,203,736,111
III	Goodwill of the enterprise	-	20,940,842,298	20,940,842,298
IV	Land Use Right Value	-	-	-
B	Assets Not needed For Use	-	-	-
C	Assets awaiting liquidation	-	-	-
D	Assets formed from the reward and welfare funds (Not for production and business)	-	-	-
TOTAL ASSETS OF THE ENTERPRISE (A+B+C+D)		6,848,663,929,210	7,505,236,655,989	656,572,726,779
<u>In which:</u>				
TOTAL ACTUAL VALUE OF THE ENTERPRISE (Section A)		6,848,663,929,210	7,505,236,655,989	656,572,726,779
E1	ACTUAL LIABILITIES	5,147,123,785,313	5,138,923,156,280	(8,200,629,033)
E2	NON-BUSINESS EXPENDITURE SOURCE	-	-	-
TOTAL ACTUAL VALUE OF EQUITY AT THE ENTERPRISE [A - (E1+E2)]		1,701,540,143,897	2,366,313,499,709	664,773,355,812

(Source: Valuation Document of Thanh Le General Import - Export Trading Corporation as at 31/12/2015)

- **Assets not included in equitization:** At the time of valuation of the enterprise, Thanh Le General Import - Export Trading Corporation has no assets that do not need to be used, assets that are stagnant and waiting liquidation to be excluded from the enterprise value:
 - + Assets that do not to be used: 0 dong;
 - + Assets that are stagnant and waiting liquidation: 0 dong.
- **Notes:**
 - + Land use right value of the Office Building at 102 Nguyen Du, District 1, Ho Chi Minh City is being recognized at the book value, THALEXIM will make the adjustment when

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a final decision is made by of the Ho Chi Minh City People's Committee.

- + Land use right value at An Binh land area, Di An Town, Binh Duong province is being recognized under the Appraisal Certificate of Land Use Right Value dated 12/05/2017 of SIAC, THALEXIM will make the value adjustment according to current regulations when there is an official opinion from Binh Duong Provincial People's Committee on the land price of this land area.
- + At the time of equitization, two subsidiaries including Binh Duong Building Materials One Member Company Limited and Binh Duong Forestry One Member Company Limited are wholly owned by the Corporation. Currently, these two companies have been converted into Joint Stock Companies and have registered to trade shares on the UPCOM market

8. Main assets of the enterprise

8.1. Land situation

8.1.1. Current use of land

In recent years, THALEXIM has used the land for the right purpose and efficiently exploited the land, fulfilled its financial obligations to the State and land management is in accordance with the provisions of the Land Law 2013 as well as other regulations of competent state authorities.

At present, THALEXIM is managing and using 39 land areas. In which:

- **Inside Binh Duong Province:** 37 land areas, with a total area of **301.26 ha**.
- **Outside Binh Duong Province:** 02 land areas.
 - *Land area 1: In Ho Chi Minh City*
Address: 102 Nguyen Du, District 1, Ho Chi Minh City.
Area: 563 m²; residential land.
 - *Land area 2: In Thua Thien Hue Province*
Address: Thuy Phu Commune, Huong Thuy Town, Thua Thien Hue Province.
Area: 16,727.3 m²; Land leased with annual rent payment.

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❖ Specific information about current use of land of the Corporation:

Table 5. Land use situation:

No.	Name of land area	Area (m ²)	Origin of land use	Current status
A. INSIDE BINH DUONG PROVINCE				
I. Land being managed as a factory office				
a. Land areas issued with land use right certificates in the form that the State leases land with annual rent payment				
1	Head office of the Corporation	11,036.00	Land lease, annual rent payment	Head office
2	Gold Star Guest House	5,473.60	Land lease, annual rent payment	Thanh Le guest house
3	Factory Office for lease (former Lien Viet Shoes Factory)	24,717.80	Land lease, annual rent payment, the unit subleases the factory.	Land being used by Thanh Le Trading and Production JSC
4	PG Bank Transaction Office	683.40	Land lease, annual rent payment, the unit subleases the office.	PG Bank Transaction Office for lease
5	Thanh Le Water Park	13,470.90	Land lease, annual rent payment	Cultural park land
6	Chanh My Petroleum General Store			
	Area 1	207,00	Land lease, annual rent payment	Petroleum storage
	Area 2	41,381.00		
	Area 3	7,145.60		
7	Chanh My Factory for lease	7,910.20	Land lease, annual rent payment, the unit subleases the factory.	Factory for Gomo Company to lease
8	Corridor area protecting the General Store			
	Area 1	1,651.50	Land lease, annual rent payment	Corridor area protecting the General Store
	Area 2	1,505.20		
	Area 3	2,211.30		
9	Petroleum Store No. 8	824.00	Land lease, annual rent payment	Petroleum Store
10	Petroleum Store No. 9	893.00	Land lease, annual rent payment	Petroleum Store
11	Petroleum Store No. 16	2,265.50	Land lease, annual rent payment	Petroleum Store

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No.	Name of land area	Area (m ²)	Origin of land use	Current status
12	Petroleum Store No. 26	1,728.30	Land lease, annual rent payment	Petroleum Store
	SUBTOTAL (a)	123,104.3		
b. Land areas issued with land use right certificates in the form that the State allocates land with collection of land use fees				
1	Cho Cay Dua Transaction Office	179.5	Land allocation for fee collection	Cho Cay Dua Transaction Office
2	Chanh My Petroleum Vehicle Parking	9,559.3	Land allocation for fee collection	Petroleum Vehicle Parking
3	Petroleum Store No. 6	1,250.65	Public land of the Provincial Military Command transferred on 8/11/2005.	Petroleum Store
4	Petroleum Store No. 7	969.2	Transfer of land use right received of Dai Nam Joint Stock Company	Petroleum Store
5	Petroleum Store No. 10	4,232	Transfer of land use right received of Thanh Dat Petroleum Private Enterprise	Petroleum Store
6	Petroleum Store No. 14	920.7	Land allocation for fee collection	Petroleum Store
7	Binh Duong Building	1,274.7	Land allocated for production and business purposes	Apartment
	SUBTOTAL (b)	18,386.1		
	TOTAL (I) = (a)+(b)	141,490.4		
II. Residential Area Projects				
1	Chanh My Garden villa	119,940.5	Area under planning: 127,575.1 m ² , in which: + Land allocated with collection of land use fee: 54,715 m ² of residential land. ➤ Transferred or resettled area: 7,634.6 m ² .	Chanh My Garden villa

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No.	Name of land area	Area (m ²)	Origin of land use	Current status
			<p>➤ Remaining residential land area: 47,080.4 m².</p> <p>Land allocated without collection of land use fee: 72,860.1 m², including: 7,116 m² of land for public service works, 10,890.7 m² of green park land, 967.6 m² of technical infrastructure land, 44,968 m² of traffic land, 8,917.8 m² of river protection corridor land.</p>	
2	Residential Area K8	22,872.96	<p>Area under planning: 64,112 m², in which</p> <ul style="list-style-type: none"> - Land allocated with collection of land use fee: 41,239.04 m² of residential land. ➤ Transferred or resettled area: 41,239.04 m². - Land allocated without collection of land use fee: 22,872.96 m², including: 670.16 m² of public flower garden land and 22,202.8 m² of traffic, corridor, greenery land. 	Residential Area
3	Binh Duong residential area	33,225.92	<p>Area under planning: 99,546 m², in which:</p> <ul style="list-style-type: none"> - Land allocated with collection of land use fee: 66,320.08 m² of residential land ➤ Transferred or resettled area: 66,320.08 m² - Land allocated without collection of land use fee: 	Residential Area

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No.	Name of land area	Area (m ²)	Origin of land use	Current status
			33,225.92 m ² of traffic, greenery and technical infrastructure land (including 1,011.77 m ² of religious land)	
	Binh Duong Residential Area extended	2,740.39	Area under planning: 25.645 m ² - Land allocated with collection of land use fee: 15,565.61 m ² . - Land allocated without collection of land use fee: 2,740.39 m ² of traffic, greenery and technical infrastructure land.	
4	An Binh residential area	29,812.8	Area under planning: 29,812.8 m ² . - The State allocates land with collection of land use fees: 28,963.3 m ² , in which: ➤ 6,430.6 m ² of residential land (Transferred from Binh Duong Residential Area extended). ➤ 22,532.7 m ² of nonagricultural production and business land. - Land allocated without collection of land use fee: 325.4 m ² . - Area compensated but not made land procedures: 524.1 m ²	An Binh residential area
5	Song Than Commercial Service	56,630.38	Area under planning: 112,684.28 m ² , in which:	Commercial Service Urban

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No.	Name of land area	Area (m ²)	Origin of land use	Current status
	Urban Area (Area B)		<ul style="list-style-type: none"> ➤ Land allocated with collection of land use fee: 60,924.96 m² in which: ➤ Land allocated to implement the project of Petroleum Store No. 14: 920.7 m². ➤ Transferred or resettled area: 55,133.2 m². <p>- Remaining land area after transfer or resettlement: 4,871.06 m²:</p> <ul style="list-style-type: none"> • Residential area: 1,647.06 m² (Duration of land use: Long-term). • Commercial service land (supermarket land): 3,224 m² [Duration of land use: until 09/10/2045 (According to Decision No. 7810/QD-CT dated 22/10/2004)]. <p>- Land allocated without collection of land use fee: 51,759.32 m² including: 424.05 m² of technical infrastructure land, 4,927.05 m² of greenery, parking land, 46,408.22 m² of traffic land.</p>	Area
6	An Son resettlement area	106.413,61	<p>Area under planning: 131,113.61 m².</p> <p>- Land allocated with collection of land use fee:</p>	Residential, resettlement area (Area of 11,295 m ² that has not

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No.	Name of land area	Area (m ²)	Origin of land use	Current status
			<p>35,995 m² in which:</p> <ul style="list-style-type: none"> ➤ Transferred or resettled area: 24,700 m². ➤ Remaining land area after transfer or resettlement: 11,295 m² (This area has not yet fulfilled its financial obligations). <p>- Area compensated but not made land procedures: 95,118.61 m² including 33,916.1 m² of residential + commercial service land and 61,202.51 m² of infrastructure land.</p>	yet fulfilled its financial obligations)
7	Thanh Le commercial housing area	50,501.2	The State leases land with annual rent payment	Thanh Le Commercial Housing Area (Non-agricultural production land / Housing Area)
	TOTAL (II)	422,137.76		
III. Industrial Park projects				
1	Binh Duong Industrial Park	165,000.1	<p>Land allocated with collection of land use fee: 140,810,06 m² of land for industrial plant construction.</p> <ul style="list-style-type: none"> ➤ Area subleased to secondary investors (One-time rent collection): 140,810.06 m². <p>- Land allocated without collection of land use fee: 24,190.04 m² of common technical infrastructure land (including: 7,178.91 m² of</p>	Industrial Park

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No.	Name of land area	Area (m ²)	Origin of land use	Current status
			greenery land and 17,011.13 m ² of traffic land).	
	Wastewater Treatment Plant in Binh Duong Industrial Park	878.6	Land leased by the State with annual rent payment: 878.6 m ² land for production and business establishment (Construction of concentrated wastewater treatment plant for Binh Duong Industrial Park)	Concentrated wastewater treatment plant for Binh Duong Industrial Park
2	Song Than Industrial Park 1	1,658,100	<p>Area under planning: 1,780,000 m² [including 122,000 m² Song Than Commercial Service Urban Area (Area B)]</p> <p>- Land leased by the State with one time rent payment: 1,397,100 m² Land for construction of industrial enterprises and land for warehouses and yards.</p> <p>➤ Area subleased to secondary investors (One-time rent collection): 1,397,100 m².</p> <p>- Land allocated without collection of land use fee: 261,000 m²</p>	Industrial Park
3	Nam Tan Uyen Industrial Park	61,890.3	<p>Land leased from enterprises investing in industrial park infrastructure.</p> <p>- Intended use: industrial park land (SKK).</p> <p>- Duration of use: until 24/10/2054</p>	Industrial Park
	TOTAL (III)	1,885,869		

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No.	Name of land area	Area (m ²)	Origin of land use	Current status
IV. Land being managed but not made land procedures				
1	General store protection corridor land area	2,343.0	Received transfer from local people	General store protection corridor
2	Chanh My Petroleum General Store Expansion Land Area	41,126.7	Received transfer from HUD Company (paid compensation to local people)	Vacant land
3	Land area for building petroleum store No. 24	2,086.7	The State leases land with annual rent payment	Petroleum store
4	ICD port warehouse area	332,000.0	Land compensated to local people	Port warehouse
5	Thanh Le Cultural Park	91,137.8	Public land and land transferred from local people	Cultural service work
6	Hoi Nghia commune land are	43,073.9	Received transfer from local people	Vacant land
7	Binh Thang petroleum port	40,654.2	Received transfer from local people	Vacant land and sandy beach
8	Land Area in An Son Commune			
	Area 1	3,265.0	Received transfer from local people	Vacant land
	Area 2	2,955.0		
	Area 3	2,153.0		
	Area 4	2,296.0		
	TOTAL (IV)	563,091.3		
B. OUTSIDE BINH DUONG PROVINCE				
1	Land area in Thua Thien Hue province	16,727.3	The State leases land with annual rent payment.	Petroleum store
2	Nguyen Du Building Land Area	563	Residential land (ODT)	Investment in building office building for lease

(Source: Thanh Le General Import - Export Trading Corporation)

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8.1.2. Land use plan of the Corporation after equitization

Thanh Le General Import - Export Trading Corporation, JSC leases the land of the State and pays land rent according to the land use plan already approved by the competent authority and provisions of the law on land use management.

(1). Land areas inside Binh Duong province:

According to: (i) Decision No. 349/QĐ-UBND dated 15/02/2017 of the Binh Duong Provincial People's Committee approving the land use plan when equitizing Thanh Le General Import - Export Trading Corporation, (ii) Decision No. 1364/QĐ-UBND dated 30/05/2017 of the Binh Duong Provincial People's Committee adjusting Article 1 in Decision No. 349/QĐ-UBND dated 15/02/2017, **THALEXIM is allowed to continue to use and manage 37 land areas with total area of 3,012,588.46 m² after equitization, including:**

- 19 land areas with an area of **141,490.4 m²** being allocated and leased by the State to use for the purpose of office, production and business establishment.
- 07 residential areas with an area of **422,137.76 m²**, including the remaining area after assignment, transfer, area that has been allocated land without collection of land use fees (traffic, greenery, technical infrastructure, etc.), area that has been compensated but not made land procedures.
- 03 industrial parks with an area of **1,885,869 m²** that have been allocated land by the State with collection of land use fees, leased land with one time rent payment, leased land with annual rent payment (including non-subleased portion and subleased portion), area that has been allocated land without collection of land use fees (common technical infrastructure), area that has been subleased in the industrial parks, specifically as follows:
 - + 02 industrial parks that Thanh Le General Import - Export Trading Corporation is the investor with an area of 1,823,978.7 m².
 - + 01 land area subleased in Nam Tan Uyen Industrial Park with an area of 61,890.3 m².
- 08 land areas with total area of **563,091.3 m²** that Thanh Le General Import - Export Trading Corporation have received transfer, compensated land for local people, received transfer from organizations and land managed by the State to invest in projects without making land procedures.

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(2). Land areas outside Binh Duong Province:

a. Land area in Thua Thien Hue

On 20/3/2017, the Department of Natural Resources and Environment of Thua Thien Hue Province issued Document No. 309/STNMT-QLDD to agree on the land lease plan with annual rent payment for Petroleum store with an area of **16,727.3 m²** in Thuy Phu Commune, Huong Thuy Town, Thua Thien Hue Province. After equitization, THALEXIM will contact the Department of Natural Resources and Environment of Thua Thien Hue province to carry out procedures to lease the land of the State and fulfill financial obligations on land in accordance with regulations.

b. Land area in Ho Chi Minh City

563 m² office building land area at 102 Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City is transferred from local people, the value of the land use right is being recognized according to book value accountant, THALEXIM will make the adjustment when a final decision is made by of the Ho Chi Minh City People's Committee.

(3). Land areas being managed and used by Binh Duong Urban Project Co.,Ltd (wholly owned subsidiary):

According to the Decision No 685/QD-UBND dated 21/03/2017 of the Binh Duong Provincial People's Committee approving the land use plan of Binh Duong Urban Project Co.,Ltd when equitizing Thanh Le General Import - Export Trading Corporation, Binh Duong Provincial People's Committee allowed Binh Duong Urban Project Co.,Ltd to continue to use and manage 04 land areas with total area of 10.908,32 m².

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8.2. Current status of fixed assets

Table 6. Status of fixed assets of the Corporation at the time of valuation of the enterprise (31/12/2015):

Unit: Dong

NO.	ITEM	BOOK VALUE	REDEFINED VALUE	DIFFERENCE
1	Tangible fixed assets	257,916,409,302	444,182,263,289	186,265,853,987
a	Buildings and architecture	205,746,149,753	376,734,038,537	170,987,888,784
b	Machinery and equipment	15,993,456,676	22,990,480,865	6,997,024,189
c	Means of transport, transmission	33,187,895,143	40,760,774,349	7,572,879,206
d	Management equipment, tools	2,909,102,730	3,358,249,938	449,147,208
e	Other fixed assets	79,805,000	338,719,600	258,914,600
2	Leased fixed assets	-	-	-
3	Intangible fixed assets	120,491,739,948	254,299,050,546	133,807,310,598
	Total	378,408,149,250	698,481,313,835	320,073,164,585

(Source: Valuation Document of THALEXIM as at 31/12/2015)

PART III: THE SITUATION OF THE CORPORATION

Table 7. Status of fixed assets of the Corporation as at 31/12/2016

Unit: Dong

No.	Type of Assets	Cost of fixed asset	Accumulated depreciation	Net book value
(1)	(2)	(3)	(4)	(5)=(3)-(4)
I.	Tangible fixed assets	851,573,405,233	373,455,388,888	478,118,016,345
1	Buildings and architecture	644,450,379,690	285,698,116,377	358,752,263,313
2	Machinery and equipment	91,527,533,506	39,872,038,829	51,655,494,677
3	Means of transport, transmission	108,966,628,668	44,020,436,199	64,946,192,469
4	Management equipment, tools	5,640,,895,369	2,930,,630,483	2,710,264,886
5	Other fixed assets	987,968,000	934,167,000	53,801,000
II.	Intangible fixed assets	190,875,166,657	61,776,441,923	129,098,724,734
III.	Leased fixed assets	-	-	-
	Total	1,042,448,571,890	435,231,830,811	607,216,741,079

(Source: THALEXIM's audited financial statements for 2016)

PART III: THE SITUATION OF THE CORPORATION

9. Owner, List of dependent accounting units, subsidiaries, associated companies, joint ventures

9.1. Owner

Thanh Le General Import - Export Trading Corporation is a 100% state owned enterprise owned by People's Committee of Binh Duong Province. The Corporation is an independent accounting unit with legal status, operates production and business activities in the form of limited liability company on the basis of the certificate of enterprise registration, the Law on Enterprises and the Charter of the Corporation together with the relevant applicable laws.

9.2. List of dependent accounting units, subsidiaries, associated companies, joint ventures:

9.2.1. List of dependent accounting units

Table 8. List of dependent accounting units:

No.	Name of unit	Address	Functions, fields
1	Branch of Thanh Le General Import - Export Trading Corporation in Ho Chi Minh City	No. 102, Nguyen Du Street, Ben Nghe Ward, District 1, Ho Chi Minh City	Leasing Office
2	Branch of Thanh Le General Import - Export Trading Corporation in Long Xuyen City	No. 493/43, Tran Hung Dao Street, Binh Duc Ward, Long Xuyen City, An Giang province	Trading Petroleum
3	Branch of Thanh Le General Import - Export Trading Corporation in Thua Thien Hue province	Village 1B, Thuy Phu Commune, Huong Thuy Town, Thua Thien Hue Province	Trading Petroleum
4	Thanh Le Cultural Park	563- 567 Binh Duong Avenue, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province	Activities of amusement parks and theme parks. Leasing halls, meeting rooms, organizing conferences, seminars

PART III: THE SITUATION OF THE CORPORATION

No.	Name of unit	Address	Functions, fields
5	Gold Star Hotel & Restaurant & Conference Center	No. 37 Hung Vuong Street, Phu Cuong Ward, Thu Dau Mot City, Binh Duong Province	Trading catering services, restaurants, wedding parties, hotels
6	Chanh My Petroleum General Store	No. 63/18 Nguyen Van Cu, Chanh My Ward, Thu Dau Mot City, Binh Duong Province	Importing and exporting petroleum products
7	VK102 Petroleum General Store -Thanh Le	Hamlet 6, Phu Xuan Commune, Nha Be District, Ho Chi Minh City	Importing and exporting petroleum products
8	Food Storage	No. 63/18 Nguyen Van Cu, Chanh My Ward, Thu Dau Mot City, Binh Duong Province	Trading food
9	Song Than I - Binh Duong Industrial Park Management Board	No. 09, Street No. 1, Song Than 1 Industrial Park, Di An Town, Binh Duong Province	Maintaining industrial park infrastructure
10	Petroleum retail stores (18 stores)	Binh Duong Province	Retailing petroleum
11	An Son Concrete Production Factory	Binh Duong Province	Trading building materials

(Source: Thanh Le General Import - Export Trading Corporation)

PART III: THE SITUATION OF THE CORPORATION

9.2.2. List of subsidiaries, associated companies, joint ventures

Table 9. List of subsidiaries, associated companies, joint ventures as at 31/12/2016:

No.	Name of unit	Address	Business field	Charter capital (million VND)	Capital contribution of the Corporation	
					Proportion (%)	Value (Million VND)
I	List of subsidiaries ⁽¹⁾					
1	Thuy Bo Binh Duong Transport Company Limited	3rd Floor, No. 63 Yersin Street, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province	Trading petroleum; Trading building materials; Inland waterway freight transportation by motorized means and some other trades	50,021	76.60%	38,315
2	Binh Duong Petroleum Company Limited	1st Floor, No. 63 Yersin, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong.	Wholesaling solid, liquid and gaseous fuels and related products, etc.	30,000	80.00%	24,000
3	Binh Duong Agriculture and Forestry Joint Stock Company (equitized from Binh Duong Forestry Co., Ltd)	Quarter 2, Phuoc Vinh Township, Phu Giao District, Binh Duong Province	Planting and tending forests	106,884	65.02%	69,498
4	Thanh Le Production Trading Joint Stock Company	No. 36/8 Provincial Road 743, Phu Loi Ward, Thu Dau Mot City, Binh Duong Province	Producing non-alcoholic beverages, mineral water, etc.	13,500	56.84%	7,673
5	Binh Duong Urban Project Co., Ltd	No.606, Binh Duong Avenue, Hiep Thanh Ward, Thu Dau	Public activities, construction of works and other service	26,000	100.00%	26,012

PART III: THE SITUATION OF THE CORPORATION

No.	Name of unit	Address	Business field	Charter capital (million VND)	Capital contribution of the Corporation	
					Proportion (%)	Value (Million VND)
		Mot Town, Binh Duong Province	business activities			
II	List of associated companies					
1	Binh Duong Building Materials and Construction Corporation (equitized from Binh Duong Building Materials and Construction Co.,Ltd)	Provincial Road 743, Trung Thang Quarter, Binh Thang Ward, Di An Town, Binh Duong Province	Producing building materials	1,000,000	49.00%	490,000
III	List of joint ventures	None.	-/-	-/-	-/-	-/-
	Total					655,498

(Source: Thanh Le General Import - Export Trading Corporation)

PART III: THE SITUATION OF THE CORPORATION

10. Business situation and production and business results for 2014 - 2016 period

10.1. Business situation

- THALEXIM's main business is trading petroleum. In addition, THALEXIM also operates in the: (i) Field of investment in exploiting and trading technical infrastructure of industrial parks, (ii) Field of trading Real estate, leasing office, port warehouse; (iii) Field of trading sociocultural, entertainment services. Particularly in the field of trading petroleum, THALEXIM is one of focal points exporting and importing petroleum, ensuring important social security in Binh Duong province.

10.1.1. Main production and business activities

a. Field of trading petroleum:

- Petroleum trading activities of the Corporation not only contribute significantly to supplying sufficiently and timely, ensuring quality of various types of petroleum to meet consumer demand of the people, socio-economic demand but also contribute to ensuring national security and defense, energy security.
- In order to maintain the system of petroleum general agents, agents and retail stores in key areas, the Corporation has always put in place safe solutions to meet the petroleum demand in all situations.
- The Corporation's distribution system plays a key role in timely supplying petroleum demand to consumers on roads and waterways, preventing the occurrence of petroleum shortages on the market in accordance with the regulations in Decree No. 83/2014/ND-CP of the Government.

Table 10. List of affiliated petroleum stores:

No.	Name of petroleum store	Address
1	Petroleum Store No. 2	Thuan An Town, Binh Duong Province
2	Petroleum Store No. 3	Thuong Tan Commune, Bac Tan Uyen District, Binh Duong Province
3	Petroleum Store No. 5	No. 63/18, Huynh Van Cu, Chanh My Ward, Thu Dau Mot City, Binh Duong Province
4	Petroleum Store No. 6	No. 180, BD Avenue, Phu Hoa Ward, Thu Dau Mot City, Binh Duong Province
5	Petroleum Store No. 7	Intersection 550, Di An Township, Di An District, Binh Duong Province
6	Petroleum Store No. 8	My Phuoc Ward, Ben Cat Town, Binh Duong Province

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No.	Name of petroleum store	Address
7	Petroleum Store No. 9	Group 5, Uyen Hung Township, Tan Uyen District, Binh Duong Province
8	Petroleum Store No. 10	Hamlet 1, Hoi Nghia Village, Tan Uyen District, Binh Duong Province
9	Petroleum Store No. 11	Hung Hoa Commune, Ben Cat District, Binh Duong Province
10	Petroleum Store No. 12	An Loi Hamlet, Hoa Loi Commune, Ben Cat District, Binh Duong Province
11	Petroleum Store No. 13	Hamlet 3, Tan Binh Commune, Tan Uyen District, Binh Duong Province
12	Petroleum Store No. 14	Di An Township, Di An District, Binh Duong Province
13	Petroleum Store No. 15	CMT8 Road, Phu Cuong Ward, Thu Dau Mot City, Binh Duong Province
14	Petroleum Store No. 16	Provincial Road 743, Phu Loi Ward, Thu Dau Mot City, Binh Duong Province
15	Petroleum Store No. 18	Cong Xanh Hamlet, Tan Binh Commune, Bac Tan Uyen District, Binh Duong Province
16	Petroleum Store No. 23	Provincial Road 747, Hamlet 2, Binh My Commune, Tan Uyen District, Binh Duong Province
17	Petroleum Store No. 24	Noi Hoa 1 Quarter, Binh An Ward, Di An Town, Binh Duong Province
18	Petroleum Store No. 26	Thuong Tan Commune, Bac Tan Uyen District, Binh Duong Province
19	Branch of Thanh Le General Import - Export Trading Corporation	Village 1B Thuy Phu Commune, Huong Thuy Town, Thua Thien Hue Province

Source: Provided by THALEXIM

b. Field of investment in exploiting and trading technical infrastructure of industrial parks

Binh Duong and Song Than I Industrial Parks of Thanh Le have attracted many domestic and foreign investment projects through which have helped solve the employment problem for about 35,000 people, contributing significantly to the stabilization and improvement of living standards for workers inside and outside Binh Duong Province.

PART III: THE SITUATION OF THE CORPORATION

Regarding environmental protection in industrial parks: In 2015, 112 enterprises in the Industrial Parks connected wastewater treatment with concentrated industrial wastewater treatment plant in the Industrial Parks, reaching 100% of enterprises required to connect. Treated wastewater meets requirements as prescribed. Particularly Song Than 1 Wastewater Treatment Plant, treated wastewater is also monitored continuously 24/24 through an automated monitoring system installed by the Department of Natural Resources and Environment of Binh Duong Province in which 100% monitored indicators reached the permitted standards.

c. Field of trading Real estate, leasing office, port warehouse

THALEXIM always attached great importance to the investment in the development of infrastructure of urban areas and residential areas with complete and synchronized planning to create grounds for providing services and accommodation for professionals and workers and also contribute to improve the quality of life for people in the region and locality. The Corporation cooperated with member companies, domestic and foreign partners to form closed real estate projects with technical infrastructure, social infrastructure works, green parks, public and commercial services in order to attract people to settle down, form a style and create a modern urban civilized lifestyle.

Investing in the construction of An Son Inland Waterway Port Warehouse of Thanh Le General Import - Export Trading Corporation is essential in order to create stable employment for local people, contribute significantly to transshipping goods by waterway to concentrate imported-exported goods of the Central Highlands provinces and neighboring industrial parks, improving the material and spiritual life of local people.

d. Field of trading sociocultural, entertainment services

Thanh Le Cultural Park in Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province started operating in 2007. Located in the heart of Thu Dau Mot City, with an area of 8.45 ha of greenery park, Thanh Le Cultural Park is considered as the "green lung" of Thu Dau Mot city with space design close to nature, clean and beautiful landscape, cool fresh air, system of waterfalls, ancient trees, grass lawns, fresh flowers and many other cultural spaces such as swimming pool, gym, event venue, event conference, social cafeteria, artificial grass mini football pitch, water park, stone bench, outdoor exercise machine, theater, eco lake... Because here is a place where many people come to visit, have fun after work and holidays during the year, in addition to the business service field, the Corporation is always interested in investing in cultural works of high social welfare such as renovating and building two swimming pools of 750 m2, investing in a new swimming pool and a water park, two mini football pitches of 1,600 m2 and considers these works as public activities not for profit.

PART III: THE SITUATION OF THE CORPORATION

10.1.2. Revenue structure:

Table 11. Total revenue structure for 2014-2016 period:

No.	Item	2014		2015		2016	
		Value (million VND)	Structure (%)	Value (million VND)	Structure (%)	Value (million VND)	Structure (%)
1	Net revenue	24,772,864	98.94	13,732,720	98.57	6,624,177	97.27
2	Revenue from financial activities	183,187	0.73	197,103	1.41	180,951	2.66
3	Other income	82,349	0.33	2,180	0.02	4,980	0.07
Total		25,038,401	100	13,932,005	100	6,810,109	100

Source: THALEXIM's financial statements for 2014, 2015 and 2016

10.1.3. Raw materials

a. Source of raw materials:

Petroleum trading is a conditional business field subject to State management, so in addition to domestic supply sources, there are also sources of imported goods under the petroleum import permit granted by the Ministry of Industry and Trade.

b. Stability of supply sources:

Determining that the fluctuation of the supply source of input raw materials will greatly affect the operation and business performance, the Corporation has implemented a number of solutions as follows:

❖ For petroleum source required to import:

THALEXIM has established good relationships with many reputable suppliers from Southeast Asian countries (Thailand, Singapore), China, Korea and Taiwan, Japan.

❖ For petroleum source produced domestically:

- The Corporation is one of the major and reputable customers of Binh Son Refining and Petrochemical Company Limited;
- The Corporation developed a quite large tank storage system with 02 petroleum general stores including Chanh My Petroleum General Store and VK 102 Petroleum General Store - Thanh Le. Thanks to that, THALEXIM can ensure the storage and supply of petroleum according to the market demand;
- Determining that petroleum is a special commodity that is strategic, linked to national security and defense and socio-economic life, the Corporation is always planning safe

PART III: THE SITUATION OF THE CORPORATION

solutions in order to meet enough petroleum in all situations and create favorable conditions for customers who directly use goods and services provided by THALEXIM.

c. *Influence of raw material prices on revenue and profit:*

- In the period from 2012 - 2016, domestic petroleum prices were always unstable and unpredictable as fluctuations depended on the world's petroleum prices, or in other words, the impact of the world economic and political situation thereby affecting the petroleum business performance of the Corporation.
- Currently, the petroleum market has fierce competition under the strict control of the State. Therefore, profit margins in recent years have tended to decrease.

10.1.4. Business production costs

Table 12. Structure of production and business costs for 2014 -2016 period:

Item	2014		2015		2016	
	Value (million VND)	Structure / DTT (%)	Value (million VND)	Structure / DTT (%)	Value (million VND)	Structure / DTT (%)
Cost of goods sold	24,424,158	98.59%	13,396,691	97.55%	6,366,110	96.10%
Financial expenses	152,358	0.62%	217,929	1.59%	96,327	1.45%
Selling expenses	278,504	1.12%	206,326	1.50%	196,782	2.97%
General and administrative expenses	39,342	0.16%	42,629	0.31%	52,057	0.79%
Other expenses	30,461	0.12%	780	0.01%	6,001	0.09%
Total	24,924,826	100.61%	13,864,358	100.96%	6,717,279	101.41%

(Source: THALEXIM's Audited financial statements for 2015, 2016)

10.1.5. Technology level

In order to better serve the business production activities and increase the efficiency of operation, THALEXIM has invested in some quite modern machines, equipment and means of transportation. Petroleum stores and shops are designed to ensure standards of measurement and fire and explosion prevention and protection and environmental protection as prescribed.

For the environmental protection of the industrial parks, THALEXIM has invested in a concentrated wastewater treatment plant for industrial parks with technology in accordance with the current quality standards as prescribed.

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10.1.6. Situation of research and development of new products

The Corporation always pays special attention and encourages scientific research activities, recommends initiatives to improve labor productivity, improve the quality of products and services, and reduce costs thereby improving operational efficiency.

10.1.7. Situation of quality inspection of products / services

For petroleum products: Petroleum providers for THALEXIM are reputable in the Southeast Asia and internationally, meeting TCVN ISO 9001: 2008 and ISO / TS 29001: 2010. For domestic supply sources, THALEXIM selected Binh Son Refining and Petrochemical Company Limited as the provider so that the quality of imported products is guaranteed. In addition, the Corporation also ensures the regulations on petroleum trading as prescribed.

For the industrial park environment: Treated wastewater monitoring indicators met the permitted standards. Particularly for the Song Than 1 Wastewater Treatment Plant, the treated water is also monitored continuously 24/24 through an automated monitoring system installed by the Department of Natural Resources and Environment of Binh Duong Province.

10.1.8. Marketing activities

The Corporation built marketing strategies based on the development of price strategies consistent with the quality of products / services provided to customers after researching and comparing to market prices.

Recognizing that quality of service is the most important factor to attract customers, THALEXIM focused on perfecting the quality management process, streamlining the administrative procedures to save time, reduce costs, and also help manage and operate smoothly - quickly, enhance the prestige with customers.

Every year, the Corporation usually holds customer conferences for dialogue, listening to feedback. For traditional, long-term customers, the Corporation also applies preferential pricing policy.

10.1.9. Trademark, patent and copyright registration

THALEXIM understands the importance of the brand value, the trademark of goods for the sustainable development of THALEXIM. At present, Thanh Le General Import - Export Trading Corporation registered the trademark with the name and logo at the National Office of Intellectual Property on the territory of Vietnam.

Logo:



PART III: THE SITUATION OF THE CORPORATION

10.2. Financial situation and results of production and business activities in 03 years before equitization

Table 13. Business results for 2014-2016 period:

Unit: million VND

No.	Indicator (end of period)	2014	2015	2016
1	Total assets	7,853,712	6,848,663	6,062,631
2	Equity	1,668,555	1,701,540	1,929,394
	<i>In which:</i>			
-	<i>Owner's investment capital according to accounting books</i>	<i>1,639,000</i>	<i>1,701,267</i>	<i>1,701,267</i>
3	Short term liabilities	5,279,626	4,524,944	3,409,945
	<i>In which:</i>			
-	<i>Short-term borrowings and debts</i>	<i>2,982,263</i>	<i>3,336,523</i>	<i>2,607,071</i>
-	<i>Overdue debts</i>	-	-	-
4	Long-term liabilities	905,530	622,179	723,291
	<i>In which:</i>			
-	<i>Long-term leased borrowings and debts</i>	<i>267,000</i>	<i>252,563</i>	<i>211,219</i>
-	<i>Overdue debts</i>	-	-	-
5	Bad receivables	1,064	1,064	1,064
6	Total number of employees (persons)	619	623	628
7	Total salary fund	61,568	53,882	66,126
8	Average income per capita per month	7,79	6,80	8,43
9	Total revenue	25,038,401	13,932,005	6,810,109
10	Total cost	24,924,826	13,864,358	6,717,279
11	Profit before tax	113,575	67,647	92,829
12	Profit after tax	103,881	42,885	89,529
13	Profit after tax on equity ratio	8.58%	2.54%	4.93%

(Source: THALEXIM's audited financial statements for 2014, 2015 and 2016)

PART III: THE SITUATION OF THE CORPORATION

Table 14. Some financial indicators for 2014-2016 period

Indicators	2014	2015	2016
1. Indicators of solvency			
<i>(At the end of the period)</i>			
- Current Solvency Ratio (Times) <i>(Short-term assets / Short-term liabilities)</i>	1.04	0.96	1.12
- Quick Solvency Ratio (Times) <i>[(Short-term assets - Inventories) / Short-term liabilities]</i>	0.75	0.69	0.73
2. Indicators of capital structure			
<i>(At the end of the period)</i>			
- Liability/Total assets ratio (Times)	0.79	0.75	0.68
- Equity/total assets ratio (Times)	0.21	0.25	0.32
- Liability/Equity Ratio (Times)	3.71	3.02	2.14
3. Indicators of operational capacity			
- Receivables Turnover (Turns) <i>(Net revenue/ Average customer receivables)</i>	13.9	8.5	4.1
- Average collection period (Days) <i>(Number of days in the years /Receivables turnover)</i>	26.26	42.94	89.02
- Inventories turnover (Turns) <i>(Cost of goods sold / Average inventories)</i>	13.2	12.1	5.0
- Total assets turnover (Turns) <i>(Net revenue/ Total average assets)</i>	3.17	1.87	1.03
4. Indicators of profitability			
- Profit after tax/Net revenue (%)	1.41%	2.45%	3.90%
- Operating profit/Net revenue (%)	0.30%	0.48%	1.42%
- Profit after tax /Average equity (%)	8.58%	2.54%	4.93%
- Profit after tax /Total average assets (%)	1.33%	0.58%	1.39%

(Source: THALEXIM's audited financial statements for 2014, 2015 and 2016)

PART III: THE SITUATION OF THE CORPORATION

10.3. Factors affecting the production and business activities of the Corporation in 2015, 2016

10.3.1. Advantages

- The Corporation always received the attention and support of the People's Committee of Binh Duong Province and related Departments / Agencies;
- Leaders of the Corporation have many years of working experience in the core business fields of the Corporation;
- The Corporation has a cooperative relationship with reliable petroleum partners at home and abroad in order to support each other to together develop stably, promote the strengths, maintain and develop the brand in the market, ensuring the adequate and stable supply of quality goods in the spirit of long-term and sustainable cooperation.

10.3.2. Disadvantages

- The petroleum market price was unstable and unpredictable, affecting the efficiency of petroleum business of the Corporation;
- Disadvantage on capital source: At present, business capital does not meet the demand for investment capital in projects to expand business activities. Especially in the future, the Corporation has a huge demand for capital.

11. Position of the Corporation compared with other enterprises in the same industry

11.1. Corporation's position in the industry

THALEXIM is known as a multi-sector state-owned enterprise operating on a large scale with a solid foundation, dynamic in business activities, contributing significantly to the cause of socio-economic development of Binh Duong Province in particular and the whole country in general.

11.2. Prospects for industry development

- ❖ **Consumption of fuel from petroleum (including gasoline, oil, ...) will continue to maintain good growth in the next 10 years thanks to:**

Economic outlook is positive, with average GDP growth in the next 10 years forecast at 6.2%. Rapid growth rate of ownership of transportation vehicles - an average of 14.4% by 2020 - increases the demand for fuels, automotive fuels such as gasoline and diesel. In addition, the growth potential of new vehicles will remain huge over the next five years as the share of cars in total population was only 21.5 per 1000 people in 2015.

PART III: THE SITUATION OF THE CORPORATION

❖ Supply source:

Imported petroleum now accounts for about 40% of total supply to the domestic market. Nghi Son Refinery and Petrochemical plant is in operation, increasing the supply source from domestic refineries to 60% of consumption demand. Increase in domestic supply source will help petroleum business enterprises be more active in operating business activities, reducing costs.

11.3. Development orientation of the Corporation

- Develop stably and sustainably four main business fields of the Corporation: (i) Field of trading petroleum; (ii) Field of investment in exploiting and trading technical infrastructure of industrial parks, (iii) Field of trading Real estate, leasing office, port warehouse; (iv) Field of trading sociocultural, entertainment services;
- Make efforts to improve competitiveness: maintain and exploit effectively the target market (s) as the basis for expanding production and business to potential markets and sectors, helping the enterprise to consolidate resources and develop sustainably;
- Be interested in investing in human resources development: building a professional, enthusiastic staff to accompany and develop with the Corporation;
- Continuously modernize facilities and equipment: pay attention to promoting the research and application of quality management standards, advanced scientific and technological applications, etc.;
- Actively seek and promote development partnerships, investment and business production opportunities.

11.4. Assessment of the appropriateness of the Corporation's development orientation with the industry orientation, state policies and general trends in the world

Based on forecasts of the needs of customers, orientation of the State, Government, People's Committee of Binh Duong province in the near future, THALEXIM has developed development orientation, business production plan of the Corporation for 2017 - 2022 period. As a result, the development orientation of the Corporation in the 2017 - 2022 period is in line with the industry orientation, State policies.

PART III: THE SITUATION OF THE CORPORATION

II. OPERATIONAL DIRECTION AND BUSINESS PRODUCTION PLAN AFTER EQUITIZATION

1. Objectives of equitization

Implementing the Government's objectives set out in the Government's Decree No. 59/2011/ND-CP dated 18/07/2011 on transforming 100% State owned enterprises into joint stock companies, objectives of equitization of Thanh Le General Trading Import Export Corporation include:

- Transform the form of owning 100% State capital into joint-stock company model; Make a fundamental change in the management approach; step by step invest in technological renewal, scale development, raising financial capacity and production and business capacity in order to enhance the operational efficiency of the Corporation.
- Scale up the business activities of the Company in both width and depth in order to not only preserve state assets and but also manage, utilize and exploit better the resources and advantages of the Corporation.
- Enhance the role of real mastery, attach the responsibilities, works and interests of shareholders, create motivation in the operation, management of production and business effectively, improve the income of employees, shareholders and contribute to economic growth of the country.
- Have strong strategic investors with financial capacity and management experience to develop the core production - business activities of the Corporation.

2. Enterprise equitization associated with registration of transactions and listing on the stock market

- Within 90 days from the date of issuance of the certificate of business registration, a joint stock company must complete the procedures for registration of a public company and register its shares for centralized depository at the Securities Depository Center and register trading on the UPCOM trading system in accordance with the law on securities and securities market.
- In case the Joint Stock Company fully satisfies the conditions for listing on the Stock Exchange, after carrying out the procedures to put its shares into trading on the UPCOM market, within 01 year from the date of issuance of the certificate of business registration, the Company must supplement the dossier to complete listing procedures on the Stock Exchange in accordance with the law on securities and securities market

After the completion of the equitization process, in case the Corporation fully meets the regulations of the securities law on public companies, the Corporation is committed to strictly comply with the above regulations.

3. Form of equitization

Selling part of the State capital.

PART III: THE SITUATION OF THE CORPORATION

4. Company information after equitization

Full name in Vietnamese: **TỔNG CÔNG TY THƯƠNG MẠI XUẤT NHẬP KHẨU THANH LỄ - CTCP**

English name: **THANH LE CORPORATION**

Abbreviated name: **THALEXIM**

Head office: **No. 63, Yersin Road, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province**

Tel: **(0274).3829 534 – 3829 535**

Fax: **(0274).3824 112 – 3829 533**

Website: **www.thalexim.vn**

Corporation Logo:



5. Business lines after equitization

Thanh Le General Trading Import Export Corporation - Joint Stock Company is allowed to inherit the legitimate rights, obligations and interests of Thanh Le General Trading Import Export Corporation before transformation; to continue trading current business lines of Thanh Le General Import Export Corporation and other business activities as prescribed by the law.

Table 15. Business lines expected after equitization:

Business line	Code
Wholesale of solid, liquid and gaseous fuels and related products. Details: Import-export activities in petroleum and oil. Wholesale of materials and fuels for petroleum and oil. Wholesale of crude oil, gas and related products. Wholesale of coke and other solid materials. (Do not store coke in the head office.)	4661 (Main)
Manufacture of wearing apparel, except fur apparel Details: Manufacturing and outsourcing of garment products	1410
Activities of amusement parks and theme parks. Details: Activities of green parks, amusement and recreation activities.	9321
Wholesale of other products n.e.c. Details: Wholesale of fertilizers, and	4669

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Business line	Code
agricultural materials (except pesticides), basic chemicals, chemical products, packaging. Wholesale of materials for apparel and footwear.	
Wholesale of construction materials, installation supplies. Details: Wholesale of construction materials, stone, sand, and gravel.	4663
Wholesale of other household products. Details: Wholesale of spare parts, electrical products, electronics and consumer goods. Wholesale of handicraft goods: lacquer, wooden and carving products, ceramics, glass, wool carpets, leather products, faux leather, rubber, timber, wooden household goods and other handicrafts.	4649
Wholesale of other machinery, equipment and supplies. Details: Wholesale of means of transport, civil engineering equipment, printing equipment and supplies.	4659
Wholesale of food. Details: Purchasing of agricultural and forest products for processing: cashew nuts, coffee beans, pepper, peas, rubber, and food.	4632
Wholesale of textiles, clothing, and footwear. Details: Wholesale of wearing apparel, textiles, and dyeing products.	4641
Wholesale of agricultural raw materials (except wood, bamboo) and live animal. Details: Wholesale of medicine	4620
Architectural and engineering activities; Technical testing and analysis Details: Consultancy, design, supervision of civil, public, industrial, transport, and infrastructure works	7110
Construction of buildings Details: Construction of civil and industrial works	4100
Construction of roads and railways Details: Construction of public and transportation works	4210
Construction of other civil engineering projects Details: Construction of technical infrastructure	4290
Other specialized construction activities.	4390

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Business line	Code
Details: Investment, construction, and business activities in technical infrastructure of industrial parks, residential areas, urban areas, and housing for workers. Investment and business activities in exploiting markets, supermarkets, trade centers, recreation and entertainment areas	
Real estate activities with own or leased property Details: Real estate activities. Renting and leasing office, meeting room, conference room; organization of conferences, seminars; Renting and leasing of warehouse and workshop. (In compliance with the provincial planning)	6810
Restaurants and mobile food service activities Details: Other food and beverage service activities	5610
Warehousing and storage Details: Warehousing and storage in frozen warehouse; Warehousing and storage on other warehouse	5210
Cargo handling	5224
Manufacture of footwear Details: Manufacture and outsourcing of footwear	1520
Processing and preserving of fruit and vegetables Details: Manufacture and processing of agricultural, forestry and sea products	1030
Manufacture of other articles of paper and paperboard n.e.c Details: Package production	1709
Printing Details: Package printing	1811
Manufacture of refined petroleum products Details: Processing of petroleum and oil; Manufacture of refined petroleum products	1920
Quarrying of stone, sand, and clay Details: Quarrying and processing of stone, sand, gravel, clay.	0810
Support activities for other mining and quarrying	0990

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Business line	Code
Wholesale of metals and metal ores Details: Wholesale of iron, steel, other metals (except for gold pieces), and metal ores	4662
Retail sale in non-specialized stores with food, beverages or tobacco predominating Details: Retail sale of food, beverages or tobacco (domestic manufacturing).	4711
Other retail sale in non-specialized stores. Details: Retail sale in supermarket, trade center.	4719
Non-specialized wholesale trade	4690
Building of ships and floating structures	3011
Water collection, treatment and supply	3600
Sewerage and sewer treatment activities	3700
Collection of non-hazardous waste	3811
Collection of hazardous waste	3812
Treatment and disposal of non-hazardous waste	3821
Treatment and disposal of hazardous waste	3822
Materials recovery	3830
Wholesale of motor vehicles	4511
Sale of motor vehicles on a fee or contract basis	4513
Wholesale on a fee or contract basis	4610
Wholesale of beverages	4633
Other land transport of passenger	4932
Freight transport by road	4933
Sea and coastal passenger water transport	5011
Sea and coastal freight water transport	5012
Inland passenger water transport	5021
Inland freight water transport	5022
Service activities incidental to land and rail transportation	5221
Service activities incidental to water transportation	5222

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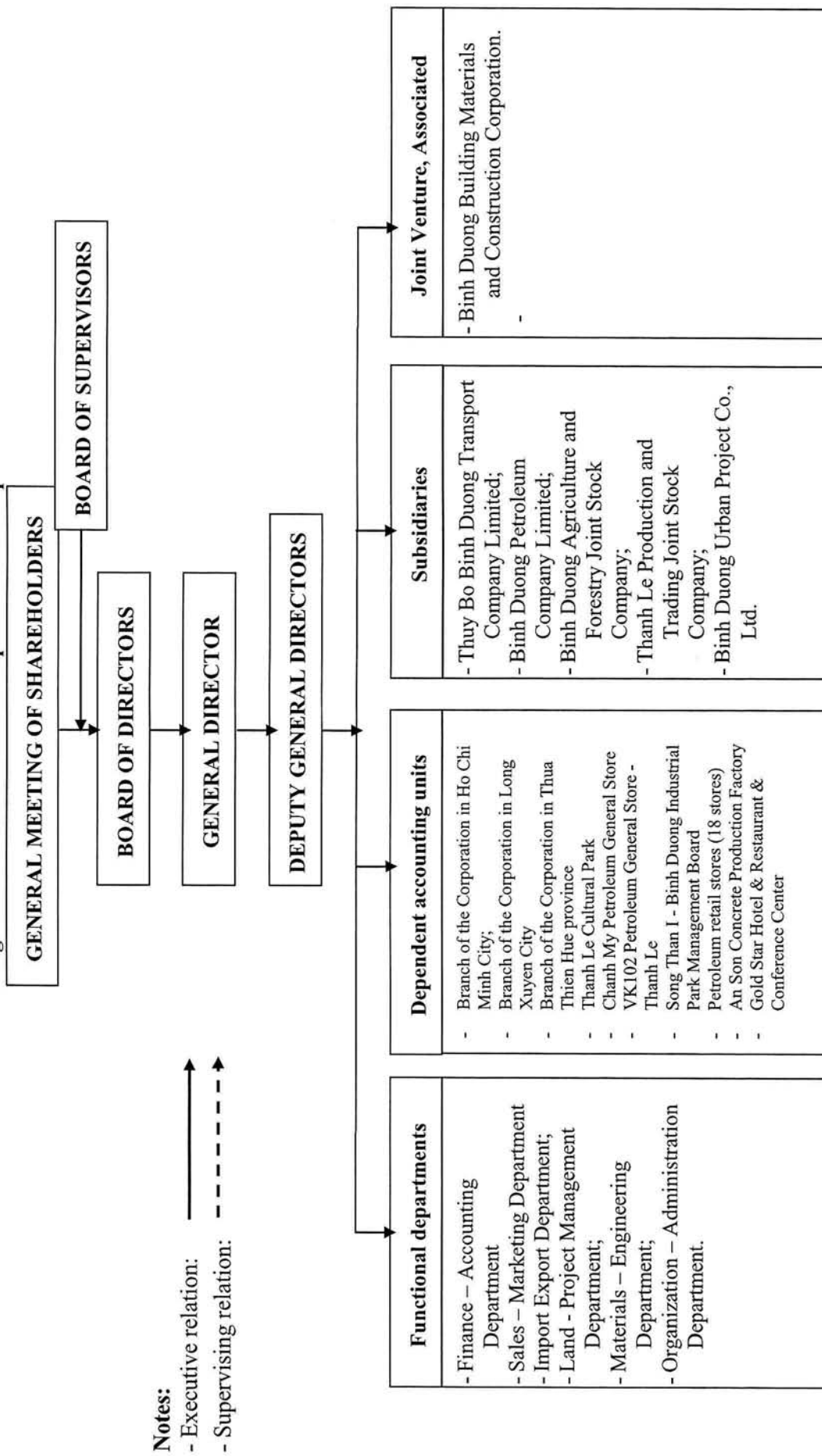
Business line	Code
Other transportation support activities	5229
Short-term accommodation activities	5510
Other financial service activities, except insurance and pension funding activities n.e.c	6499
Details: Investment in and execution of rights and obligations of the owner, shareholders, and capital-contributing members in subsidiaries and associated companies	

Source: THALEXIM's approved equitization plan

PART III: THE SITUATION OF THE CORPORATION

6. Organizational and management structure of the Corporation after equitization

Chart 2. Organizational chart of the Corporation after equitization:



Source: Thanh Le General Import - Export Trading Corporation

PART III: THE SITUATION OF THE CORPORATION

6.1. Management and operation apparatus

a. Orientation to consolidate the organizational model of the Corporation:

The organizational model of the Corporation after equitization is completed on the basis of consolidation, reorganization of member units in the current THALEXIM system and reorganization of functional departments according to the following orientation:

- Apply the corporate governance model in the form of large-scale public joint stock company structured in accordance with the development strategy of the Corporation.
- The organizational structure should be closely linked to THALEXIM's operational objectives, which are operating business effectively, strengthening control and risk management, and increasing the resonance value of THALEXIM's member units. The allocation of resources aims to achieve the operational objectives in a way that promotes independence and initiative for direct sales department, establishes a new Risk Management Board and, at the same time, reasonably arranges support department.
- The organizational structure has decentralized authority according to professional function and clearly assigned specific responsibilities to each functional department. Organizational scale is centralized as a foundation for efficient business operation and minimized operating costs. The functional departments actively coordinate and jointly resolve the tasks assigned towards the general efficiency of the whole THALEXIM.
- Ensure balance between power and responsibility among units within the organizational structure of THALEXIM.
- Ensure flexible organizational structure, dealing with changing external business environment factors. The internal operation process is systematic to quickly make policy decisions according to situation arising and respond in a timely manner to the organizational change factor.
- Arrange and rearrange the member units as subsidiaries and associated companies in order to promote professional competence and restrict internal competition.

b. Expected management and operation apparatus of the Corporation after equitization:

After equitization, Thanh Le General Trading Import Export Corporation - Joint Stock Company will operate according to the "*Charter on Organization and Operation of Thanh Le Trading Import Export Corporation - Joint Stock Company*" approved by the first General Meeting of Shareholders of the Corporation under the direction, management, operation and supervision of the Board of Directors, the Board of Supervisors and the Board of Management (General Director, Deputy General Directors and Chief Accountant). In which:

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- **General Meeting of Shareholders:**

The General Meeting of Shareholders is the highest authority body of the Corporation, including all shareholders entitled to vote or persons authorized by shareholders.

- **Board of Directors:** Is the management body of THALEXIM, has the full rights to act on behalf of THALEXIM to decide and exercise the rights and obligations of THALEXIM not under the authority of the General Meeting of Shareholders. The number of members of the board of directors will be decided by the General Meeting of Shareholders in accordance with the operational requirements in each period. The term of office of the Board is five years. The term of office of a member of the board of directors, an independent member of the board of directors is the term of office of the board of directors and can be re-elected for an unlimited number of terms. Members of the Board of Directors may be removed from office or dismissed or elected by the General Meeting of Shareholders to supplement or replace members who are removed from office or dismissed within the term of office, then the term of the new members is the remaining term of the Board.

- **Board of Supervisors:** is the body elected by the General Meeting of Shareholders to act on behalf of the Shareholders to control and evaluate independently, objectively and honestly all business, management and operation activities of THALEXIM, the financial status of THALEXIM and be responsible to the General Meeting of Shareholders for the performance of assigned tasks. The number of members of the Board of Supervisors will be decided by the General Meeting of Shareholders. Members of the Board of Supervisors are not members of THALEXIM's finance - accounting department and not members or employees of the independent auditing company which is auditing the financial statements of THALEXIM. The term of office of the Board of Supervisors shall not exceed 5 years; Members of the Board of Supervisors can be re-elected for unlimited number of terms.

- **General Director and the assisting apparatus to the General Director:** The General Director is the person who manages the day-to-day operations of THALEXIM.

- **General Director:** will be appointed by the Board of Directors subject to the supervision of the Board of Directors and responsible to the Board of Directors and the law for the management of the day-to-day operations of THALEXIM and the exercise of rights and tasks assigned. The term of office of the General Director is 05 years. The General Director can be re-elected for an unlimited number of terms. The appointment, dismissal, removal and resignation of the General Director shall

PART III: THE SITUATION OF THE CORPORATION

be in accordance with relevant laws.

- **Assisting apparatus:** includes deputy general directors, chief accountant, office, professional committees, and equivalent bodies of the Corporation responsible for advising and assisting the General Director in the management and administration of the work.
 - **Functional departments and dependent units:** After equitization, the functions and tasks of functional departments and dependent units will remain unchanged. Depending on the actual situation, the organizational needs and development trends of the Corporation, the Corporation will adjust accordingly. Above organizational structure does not include Party organizations, mass organizations as prescribed by law.
7. **Some main information on enterprise development strategies and investment plan after equitization**

7.1. Vision and mission:

- Become a strong economic unit in the fields of trading petroleum, services through sustainable development strategy based on core competitive advantage: the distribution - retail system to the consumers, strong, friendly and community-oriented brand chain, specific corporate culture and management system, pioneering investment in technology innovation to bring the highest added value to shareholders, employees and society.
- Become a potential, dynamic, highly competitive company, always aiming at higher targets and being the first choice of all partners and customers.
- Mission: Commit to continuously innovate, promote comprehensive investment to develop, provide products - services of high quality at reasonable price, contribute to bring the best values for customers thereby building trust, relationship with customers and partners for sustainable development.
- Carry out multi-disciplinary and multi sector business, but still ensure adequate depth development, contributing to bring the Corporation become a comprehensive strong unit.

7.2. Development strategies

- Continue to expand joint ventures with strategic partners focused on investment, management and exploitation of strengths, continuous development and sustainability.
- Build and develop marketing, distribution and sales systems in the provinces.
- Build the plan to promote the brand name of the Corporation at home and abroad.
- Build professional executive apparatus and staff.
- Participate in the domination of the domestic market as a strong economic unit with

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multi-sector trade and service business, creating a qualitative and quantitative development in business activities.

7.3. Development objectives

7.3.1. Objectives of business lines

- Become a multidisciplinary and multi sector economic enterprise with a strong brand in Vietnam and step by step reach out to the world market. Constantly innovate to improve the quality of products and services. Promote business activities, consolidate and develop key commodity lines and markets, ensure equal competitiveness for domestic and foreign enterprises.
- Define some commodity lines and commodities with dominant market share in business in terms of both providers as well as consumers of key commodity lines and commodities.
- Establish groups of commodities, commodities and forms of activities with real strengths suitable to the market trend and capacity of member units to become professional and reputable manufacturer and distributor in the market. In particular, the parent company has the ability to support to the maximum extent the member companies in the market orientation, product consumption.
- Increase competitiveness and step by step perform the role of wholesaling, regulating and dominating some commodities and business activities in the province and the whole country. At the same time, step by step approach and participate in the regional and world markets for some new products only developed in the domestic market. This is perfectly in line with the current trend of economic integration of the country.
- Expand retail network nationwide with appropriate distribution channels, flexible and diverse sales and payment methods to meet all the needs of the market.

7.3.2. Objectives of organizational structure of the enterprise

- Manage, use resources efficiently, minimize costs and risks, take advantage of all potentialities and opportunities. Strengthen cooperation with domestic and foreign partners to promote potential and enhance the position.
- Improve the management and operation apparatus of the enterprise, promote internal resources, build technical facilities, expand domestic and foreign markets.
- Organize, arrange and establish functional departments in line with the new model, responsible for both managing the member companies in finance and organize direct production and business activities in key commodity lines.
- Rearrange dependent accounting units, independent accounting companies and joint-stock companies towards the direction of dominant specialties and commodity lines and

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concentrating on focal points.

7.3.3. Objectives of corporate governance

- Strengthen joint ventures, capital contribution with domestic and foreign economic organizations in order to improve the competitiveness, expand the scale and be ready for international integration
- Expand joint ventures with units in the country in order to diversify raw material supply source and expand consumption market. Identify the domestic market as a solid backbone in the product consumption as well as raw material supply resource for export goods to the parent company and subsidiaries.
- Identify a number of stable markets for export goods and expand to other export markets by quality, design, service quality, price and high competitiveness.
- Expand service activities in the direction of diversification.
- Become an enterprise with a recognized professional executive management structure.
- Become an enterprise with a working environment where employees can best leverage their abilities, contribute to overall achievement, and become one of the leading enterprises where employees consider ideal to work.

7.3.4. Objectives of information technology application

- Among management methods, Information technology emerges as the most effective tool, so information technology is successfully applied by enterprises in a thorough manner, helping employees increase productivity, helping middle managers to coordinate effective performance of the work and providing the Management Board with all the information needed to make quick, accurate decisions.
- The Corporation operates in many fields with over 25 years of continuous development. Since 1990, the Corporation has soon applied information technology into production and business. So far, through various sources from hire-purchase to self-development, the Corporation has had a full range of hardware and software systems to better meet the requirements of work.
- In the coming time, grasping the inevitable trend of Vietnam economy, preparing for industrial future 4.0, which in the immediate future is the requirements set out for the enterprise after equitization, the Corporation has taken preparatory steps as follows:
 - **In terms of organization:** The Corporation has established the information technology division, after surveying and evaluating work requirements will increase construction-specialized human resources or receiving transfer of such management software systems as: petroleum storage management, enterprise resource planning integrated accounting software system ERP, petroleum station business monitoring subsystem. The next direction is to build the information technology division into

PART III: THE SITUATION OF THE CORPORATION

the department to have functions and duties corresponding to the scale of operation of the Corporation.

- **In terms of infrastructure:** Continue to improve the internal network system of the Corporation, strengthen the security solutions; For subsidiaries and subordinate units, continue to deploy the virtual private network system connected in sync with each other.
- **In terms of research and development:** Apply automation integration, information technology, IT, large data analysis to help the system operate better and better.

7.3.5. Project investment plan after equitization

Table 16. Project investment plan after equitization

Name of project	Total investment (million VND)	Implementation time	Location
1. An Son Residential, Port Warehouse Area	650,000	2010-2020	An Son Commune, Thuan An District, Binh Duong Province
2. VK 102 Nha Be Petroleum General Store	400,000	2016- 2018	Phu Xuan Hamlet, Nha Be District, Ho Chi Minh City
3. An Binh Residential Area	230,000	2017-2020	An Binh Ward, Di An Town, Binh Duong Province

Source: Thanh Le General Import - Export Trading Corporation

PART III: THE SITUATION OF THE CORPORATION

8. Indicators of production and business activities of the Corporation for 5 years after equitization

8.1. Some indicators of production and business activities of the Corporation for 5 years after equitization (2017-2021)

Table 17. Some indicators of production and business activities of the Corporation for 5 years after equitization:

No.	Indicator	Unit	2017F	2018F	2019F	2020F	2021F
1	Estimated charter capital	Million VND	2,366,000	2,366,000	2,366,000	2,366,000	2,366,000
2	Total number of employees	Persons	568	568	579	597	621
	Total Salary Fund	Million VND	65,000	67,600	70,304	73,116	76,041
3	Average income	Million VND / person / month	9.54	9.92	10.11	10.21	10.21
4	Consumption output						
	<i>Petroleum products (million liters)</i>		650	683	717	752	790
	Total revenue	Million VND	6,830,000	7,166,650	7,520,079	7,891,124	8,280,665
5	5.1 Revenue from sales and service provision	Million VND	6,805,000	7,141,650	7,495,079	7,866,124	8,255,665
	5.2 Finance income	Million VND	20,000	20,000	20,000	20,000	20,000
	5.3 Other income	Million VND	5,000	5,000	5,000	5,000	5,000
6	Total cost	Million VND	6,720,100	7,041,155	7,389,731	7,755,653	8,139,784
	6.1 Cost of goods sold	Million VND	6,405,400	6,712,388	7,046,250	7,396,781	7,764,814
	6.2 Selling expenses	Million VND	145,000	151,731	158,787	166,183	173,936
	6.3 General and administrative expenses	Million VND	69,200	72,516	75,993	79,640	83,465
	6.4 Interest expenses	Million VND	100,500	104,520	108,701	113,049	117,571

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No.	Indicator	Unit	2017F	2018F	2019F	2020F	2021F
6.5	Other expenses	Million VND	-	-	-	-	-
7	Profit before tax	Million VND	109,900	125,496	130,348	135,471	140,881
8	Profit after tax	Million VND	87,920	100,396	104,278	108,377	112,704
9	Profit before tax on equity ratio	%	4.64%	5.30%	5.51%	5.73%	5.95%
10	Profit after tax on equity ratio	%	3.72%	4.25%	4.41%	4.58%	4.77%
11	Allocation of funds (15%)	Million VND	13,188	15,059	15,642	16,257	16,906
12	Dividend ratio	%	3.16%	3.61%	3.75%	3.89%	4.05%
13	Dividends paid	Million VND	74,732	85,337	88,636	92,120	95,799

(Source: Approved THALEXIM equitization plan)

Note: Specific business plan will be adjusted and supplemented by THALEXIM in line with reality, ensuring more efficiency than before equitization.

PART III: THE SITUATION OF THE CORPORATION

8.2. Solutions to implement the plan mentioned above

8.2.1. Group of solutions to develop the business scale, improve the efficiency of production and business activities for each sector, each field

- Consolidate, maintain and develop the target market
- Diversify products, service activities to meet the increasing needs of customers;
- Take advantage of competitive advantage in the target market to develop new types of services to meet the increasingly diverse needs of customers;
- Continuously improve the quality of products, services and competitive prices to constantly increase revenue through the search and full exploitation of the supply sources of products and services of quality, prestige and efficiency;
- Take advantage of positive support from units of the Corporation, units exploiting in the target market to develop business.

8.2.2. Management solutions

In order for the financial plan to be implemented as planned, the Corporation will make some management solutions as follows:

- Based on its financial strength and business prestige, the Corporation has always strengthened and expanded its cooperation with banks that have had credit relations to implement the lowest loan cost to finance projects;
- Use the loan capital for the right purposes, not use short-term loan capital to finance medium and long-term projects in order to avoid the imbalance of capital sources;
- Spend to invest projects effectively, projects that have implemented but had low efficiency or inefficiency should be quickly identified to stop investing and divest capital;
- The construction works must be carried out on schedule to ensure the putting of assets into use at the right time, especially the infrastructure works of industrial parks (ensuring the handover of infrastructure for the investors), petroleum general store works, etc.

8.2.3. Human resources solutions

- During and after organization restructuring, the Corporation will update job descriptions for each position to suit the requirements of the new organization.
- Improve the performance appraisal system, attach the Corporation's objectives with each unit and employee's specific objectives.
- Strengthen the evaluation of current human resources, train to develop employees to meet the development requirements of the Corporation.
- Attract, recruit employees with high professional qualifications, high experience and market expertise to supplement the shortage of capacity.

PART III: THE SITUATION OF THE CORPORATION

- Improve the salary and bonus system tied to the employee's capability and job performance, create motivation for high productivity, ensure internal equity and competition with the external market.
- Promote internal communication to increase employee's cohesion, enhance motivation to work and build corporate culture of THALEXIM more and more developing.

8.2.4. Brand development solutions

In order to continue to build and develop Thanh Le brand to become a strong brand operating in the model of a joint-stock company that is sufficiently competitive in the domestic market and integrated into the global economy, brand development solutions focus on the following:

- Construct brand structure under the model of mother brand - sub brand (brand relationship). Continue to register protection of design, logo, message, trade name.
- Build corporate culture according to the identity of the brand, inform and communicate all officers and employees to jointly build Thanh Le brand.
- Participate in brand awards (high quality Vietnamese goods brand, national brand award, focal and petroleum distribution agent brand, etc.), participate in trade fairs by industry.

8.2.5. Solutions on organization of production and business and adjustment of charter capital structure

- After completing the transformation into a joint stock company, THALEXIM will consider the organization of the operation under the model of the parent company as an investment company and specialized subsidiaries in line with the business lines of the Corporation.
- Implement the roadmap for divestment of state capital in accordance with the plan already approved by the competent authority.

PART IV: CHARTER CAPITAL AND CHARTER CAPITAL STRUCTURE

PART IV: CHARTER CAPITAL AND CHARTER CAPITAL STRUCTURE

1. Charter Capital

Based on the characteristics and actual situation of the Corporation at the time of equitization, business development strategies after equitization and at the same time, pursuant to Decision No. 1165/QĐ-TTg dated 09/08/2017 of the Prime Minister approving the equitization plan of the parent company - Thanh Le General Trading Import Export Corporation, **the charter capital of Thanh Le General Trading Import Export Corporation - Joint Stock Company after equitization is expected at: VND 2,366,000,000,000 (In words: Two thousand, three hundred and sixty six billion dong).**

2. Charter Capital Structure

Total number of shares of the Corporation expected at the time of establishment is **236,600,000** shares, the par value of a share is 10,000 VND, the charter capital structure is detailed in the following table:

Table 18. Estimated charter capital structure of the Corporation after equitization:

No.	Type of Shareholder	Number of shares	Value (VND)	Proportion compared with the charter capital (%)
I	State	115,934,000	1,159,340,000,000	49.00%
II	Employee	1,067,400	10,674,000,000	0.45%
	<i>Purchase shares in a preferential way according to the actual working time in the public sector</i>	356,900	3,569,000,000	0.15%
	<i>Purchase shares in a preferential way according to long-term commitment time to work in the joint stock company</i>	710,500	7,105,000,000	0.30%
III	Trade Union	-	-	-
IV	Sold outside	119,598,600	1,195,986,000,000	50.55%
1	Strategic investors	107,768,600	1,077,686,000,000	45.55%
2	Other investors purchasing through public auction	11,830,000	118,300,000,000	5.00%
Total		236,600,000	2,366,000,000,000	100.00%

(Source: Approved THALEXIM equitization plan)

PART V: ESTIMATED RISKS

PART V: RISK FACTORS

1. Economic risks

Any economy always carries certain risks. These risks are formed from the fluctuation of basic factors in the economy such as economic growth, inflation, interest rates, exchange rates... Like other enterprises, the Corporation is an entity engaged in economy so it is not outside the influence and impact from the change of those factors. While the economy growth, well-controlled macro factors, sharply increased demand are driving forces behind the enterprises' development, whereas the economic recession, high interest rates, inflation are great barriers to business operations of enterprises.

a. Economic growth

Economic growth directly affects the income, financial capacity, needs of the customer (s) in making investment plans and investment decisions, etc., and thus affects the business plan, production and business results of enterprises, including THALEXIM.

According to the General Statistics Office (GSO), Gross Domestic Product (GDP) in 2016 was estimated to increase by 6.21% against 2015, of which Quarter I increased by 5.48%; quarter II increased by 5.78%; quarter III increased by 6.56%; and quarter IV increased by 6.68%. The growth rate in 2016 was although lower than the 6.68% growth rate of 2015 and did not meet the 6.7% growth target as set out, in the context of unfavorable world economy, decreased global prices and trade, the domestic economy facing many difficulties due to complicated weather and sea environment, achieving the above-mentioned growth rate was a success, affirming the correctness, timeliness and effectiveness of measures and solutions promulgated by the Government and drastic direction of all levels, branches and localities.

Table 19. GDP growth rate of Vietnam in the period of 2007 - 2016:

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
GDP (%)	8.44	6.23	5.32	6.78	5.89	5.03	5.42	5.98	6.68	6.21

Source: General Statistics Office

It is forecasted that in 2017, Vietnam economy will face many challenges such as: (1) risk of inflation and trade deficit returned, (2) slowly increased State budget revenues, limited national financial resources, difficult government bond capital mobilization, (3) great dependence on FDI enterprises...

In addition, the European economy at risk of crisis from the British Brexit event, the Chinese economy with no signs of recovery, fluctuations in exchange rates in the world and the sluggish economy of some countries are also factors affecting the Vietnam economy.

PART V: ESTIMATED RISKS

b. Inflation risks

Inflation is a macro factor that can affect the whole economy in general and the Corporation in particular. In the period of 2008 - 2011, high inflation rate negatively affected the Vietnam economy and business activities of the Corporation. Controlling inflation and stabilizing macro-economy remained one of the top priorities of the Government in the period of 2011 - 2015, and are reaffirmed in the 05-year economic plan for 2016-2020 period.

Table 20. Inflation rate of Vietnam in the period of 2007 - 2016:

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Inflation rate (%)	8.3	22.9	6.52	11.75	18.13	9.21	6.04	4.09	0.63	<5.0

Source: General Statistics Office.

In 2017, it is likely that inflation will increase again due to various factors such as increase in petroleum price, increase in environmental tax, increase in public service charges, etc.

c. Interest rate risk

The State Bank of Vietnam governs interest rates through two main types of interest rates: rediscount rates and refinance rates. Based on the operating rates of the State Bank of Vietnam, the commercial banking system will determine the interest rates for capital mobilization and lending rates. Change in interest rates will affect the financial costs and business performance and profits of enterprises in general and THALEXIM in particular.

Determining the interest rate is one of the important financial indicators, which can significantly affect the cost of capital use and business results of the Corporation so the Board of Directors always monitors and updates the daily interest rate situation and always carefully considers before making decisions to use loans from the bank (s). As a result, the interest rate risks are always controlled by the Corporation.

2. Legal risks

The stability and unification of the legal system will affect the production and business activities of the Corporation as well as other enterprises. These are legal risks in the system aspect, affecting most enterprises governed by the law. This change can bring advantages but also create disadvantages for the operation of the Corporation. Business operations of the Corporation are governed by various legal documents. These laws will be further amended and supplemented to suit the actual situation. Any change will affect the production and business activities of the Corporation.

Ability to manage and control corporate activity is one of the key factors contributing to limiting legal risks. Along with the development process, the Corporation will continue to

PART V: ESTIMATED RISKS

have mechanisms for monitoring, updating and adjusting to have the best adaptation to changing legal environment.

3. Industry's specific risks

Risk of fire, explosion, environmental pollution

One of the main business lines of the Corporation is trading petroleum, so the possibility of fire, explosion, environmental pollution is quite high and affects the business activities of the Corporation General Company when a problem occur. In order to limit and control this specific risk, the Corporation has equipped all fire prevention and fighting systems in accordance with regulations, organized fire fighting forces in place, hired specialized units to implement the solutions to prevent and protect oil spill and purchased a full range of property risk insurance, fire and explosion insurance.

Risk of fluctuation of petroleum price and state management mechanism

The fluctuation of petroleum price in the world will directly affect the business activities of petroleum trading enterprises in general and THALEXIM in particular. Previously, according to regulations, the petroleum price was decided by the enterprise, but in fact it was decided by the State management agency; This caused the petroleum trading enterprises not be active before fluctuation of petroleum price in the world. However, Decree 83/2014/ND-CP promulgated on 03/09/2014 and entered into force on 01/11/2014, is considered to have breakthrough innovations under the market mechanism, helping the State's management of petroleum business activities to be closer to the market, in which petroleum trading enterprises (in particular petroleum dealers and distributors) are allowed to make price decisions (if the price fluctuation range is less than 3%), partially helping enterprises limit the risk of fluctuation of petroleum price.

4. Other risks

In addition to risks presented above, the business operations of the Corporation may be affected by natural disasters such as earthquakes, epidemics, floods, etc., which, in the event of occurrence, could cause damage to the Corporation's assets and also affect the business operations of the Corporation. These are rare risks in reality, but when they occur, they cause huge losses in material and human resources as well as the general operation of the Corporation.

PART VI: SHARES OFFERED

PART VI: SHARES OFFERED

1. General information about the offering

- Share name : Share of Thanh Le General Trading Import Export Corporation – Joint Stock Company
- Expected charter capital : VND 2,366,000,000,000
- Number of shares expected to be issued : 236,600,000 shares
- Number of shares auctioned publicly : 11,830,000 shares
- Type of shares : Ordinary shares, freely transferable
- Par value : 10,000 VND / share
- Initial price : **10,600 VND / share.**

2. Method of selling and paying for shares

2.1. Method of selling shares

Table 21. Expected method of selling shares:

No.	Type of Shareholder	Number of shares	Value (Million VND)	Proportion compared with the charter capital (%)
I	State	115,934,000	1,159,340	49.00%
II	Employee	1,067,400	10,674	0.45%
	<i>Purchase shares in a preferential way according to the actual working time in the public sector</i>	356,900	3,569	0.15%
	<i>Purchase shares in a preferential way according to long-term commitment time to work in the joint stock company</i>	710,500	7,105	0.30%
III	Trade Union	-	-	0.00%

PART VI: SHARES OFFERED

No.	Type of Shareholder	Number of shares	Value (Million VND)	Proportion compared with the charter capital (%)
IV	Sold outside	119,598,600	1,195,986	50.55%
1	Strategic investors (*)	107,768,600	1,077,686	45.55%
2	Other investors purchasing through public auction	11,830,000	118,300	5.00%
Total		236.600.000	2,366,000	100%

(Source: Approved THALEXIM equitization plan)

Note (*): According to Decision No. 1165/QD-TTg dated 09/8/2017 by the Prime Minister approving equitization plan of the parent company - Thanh Le General Trading Import Export Corporation, the Prime Minister authorizes the Chairman of the People's Committee of Binh Duong Province to formulate criteria, decide and take responsibility for the selection of strategic shareholders in accordance with the current law, ensure that investors commit to sticking to long-term interests with the enterprise and implement after the initial public offering of shares.

2.2. Method and duration of payment

- **For shares sold to strategic investors:**

Be provided for by the Equitization Steering Committee.

- **For shares sold to officers and employees:**

Be provided for by the Equitization Steering Committee.

- **For shares sold to the trade union:**

THALEXIM's trade union does not register to purchase shares.

- **For shares initially offered to the public:**

Method and duration of payment for shares are specified in the "Regulation on initial public offering of shares of Thanh Le General Trading Import Export Corporation" issued by Ho Chi Minh City Stock Exchange.

PART VI: SHARES OFFERED

3. Plan to use proceeds from equitization

Table 22. Estimated plan to use proceeds from equitization:

No.	Item	Value (VND)
A	Charter capital	2,366,000,000,000
B	Actual State capital at the enterprise after re-evaluation	2,366,313,499,709
C	Proceeds from equitization (Estimated):	1,277,546,344,000
	➤ <i>From selling shares in a preferential way to employees according to the actual working time in the public sector</i>	2,269,884,000
	➤ <i>From selling preferred shares additionally purchased to employees according to long-term commitment time to work in the joint stock company</i>	7,531,300,000
	➤ <i>From selling shares to the Trade Union</i>	0
	➤ <i>From selling shares to strategic investors</i>	1,142,347,160,000
	➤ <i>From public auction</i>	125,398,000,000
D	Par value of shares sold to employees, trade union, strategic investors and through public auction	1,206,660,000,000
E	Par value of shares additionally issued left to the Corporation (E) = (A) – (B)	0
F	Equitization cost of the enterprise	2,715,000,000
G	Cost of settling redundant labor policy	0
H	Surplus capital left to the enterprise corresponding to the ratio of additionally issued shares / charter capital	0
Total budget return = (C) - (E) - (F) - (G) - (H)		1,274,831, 344,000

(Source: Approved THALEXIM equitization plan)

Note: Total budget return is calculated based on assumptions that (i) Subjects offered purchase all shares and (ii) the selling price to the strategic shareholders of the Corporation and the average successful auction price and the lowest successful auction price of the public auction are temporarily calculated at the initial price of 10,600 VND per share. The proceeds from the equitization and total budget return will be recalculated on the basis of the result of the sale of shares and the cost of settling the actual redundant labor policy in accordance with the provisions of the law.

PART VI: SHARES OFFERED

4. Related parties about the offering

❖ ISSUING ORGANIZATION

THANH LE GENERAL TRADING IMPORT EXPORT CORPORATION

Head office: No. 63 Yersin, Hiep Thanh Ward, Thu Dau Mot City, Binh Duong Province

Tel: (0274) 3829534 – (0274) 3829535 Fax: (0274) 3824112

Website: www.thalexim.vn

❖ AUCTION ORGANIZATION

HO CHI MINH CITY STOCK EXCHANGE

Head office: No. 16 Vo Van Kiet Street, District 1, Ho Chi Minh City

Tel: (028) 3821 7713 Fax: (028) 3821 7452

Website: www.hsx.vn

❖ ADVISORY ORGANIZATION

VIETNAM BANK FOR INDUSTRY AND TRADE SECURITIES JOINT STOCK COMPANY

Head office: No. 306 Ba Trieu Street, Hai Ba Trung District, Hanoi

Tel: (024) 3974 1771 Fax: (024) 3974 7572

Branch: No. 49 Ton That Dam, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City

Tel: (028) 3820 9986 / 3820 1883 Fax: (028) 3820 0899

Website: www.vietinbanksc.com.vn

❖ AUDITING ORGANIZATION OF FINANCIAL STATEMENTS FOR 2015, 2016

NHAN TAM VIET AUDITING COMPANY LIMITED

Head office: 3rd Floor, No. 8, Cat Linh Street, Cat Linh Ward, Dong Da District, Hanoi

Tel: (024) 3761 3399 Fax: (024) 3761 5599

Website: www.vpaudit.vn

❖ VALUATION ORGANIZATION

SOUTHWEST INFORMATION AND APPRAISAL CORPORATION (SIAC)

Head office: 299 Street 30/04, Xuan Khanh Ward, Ninh Kieu District, Can Tho City

Tel: (0292) 3781139 - (0292) 3781179 Fax: (0292) 3740037

Website: www.siac.vn

PART VI: SHARES OFFERED

CONCLUSIONS

This Prospectus is part of the initial public offering documents of Thanh Le General Trading Import Export Corporation drafted in an honest, objective and accurate manner by Vietnam Bank for Industry and Trade Securities Joint Stock Company - Ho Chi Minh City Branch based on the information and data provided by Thanh Le General Trading Import Export Corporation.

All such information is given in accordance with the applicable law in order to ensure publicity, transparency and legitimate interests of investors but not imply guarantee of securities value.

Above-mentioned information is provided to investors with the aim to help them see the enterprise they intend to invest objectively and wisely.

We sincerely hope that investors should carefully review this Prospectus and relevant documents before making a decision to purchase shares of Thanh Le General Trading Import Export Corporation.

Thank you very much for your interest!

Binh Duong, date 21 month 09 year 2017

**LIST OF PERSONNEL RESPONSIBLE FOR
THE INFORMATION OF THE CORPORATION**

REPRESENTATIVE OF EQUITIZED ENTERPRISE

**THANH LE GENERAL TRADING IMPORT EXPORT CORPORATION
CHAIRMAN OF THE BOARD OF MEMBERS AND GENERAL DIRECTOR**



Đoàn Minh Quang

REPRESENTATIVE OF THE EQUITIZATION STEERING COMMITTEE

DEPUTY HEAD



Đoàn Minh Quang

ADVISORY ORGANIZATION

**VIETNAM BANK FOR INDUSTRY AND TRADE SECURITIES JOINT
STOCK COMPANY - HO CHI MINH CITY BRANCH**

DEPUTY GENERAL DIRECTOR



Thái Hoang Long

