

EQUITIZATION STEERING COMMITTEE OF VIETNAM NATIONAL SALT COMPANY LIMITED AND VIETNAM NATIONAL SALT COMPANY LIMITED HIGHLY RECOMMEND INVESTORS TO CAREFULLY READ ALL INFORMATION CONTAINED HEREIN AND REGULATION OF BIDDING BEFORE PARTICIPATING IN THE BIDDING (THIS INFORMATION ANNOUNCEMENT IS MADE IN VIETNAMESE AND ENGLISH. IN CASE THERE IS ANY DIFFERENCE OR CONFLICT BETWEEN VIETNAMESE AND ENGLISH, VIETNAMESE VERSION IS PRIORITIZED TO BE APPLIED FOR EXPLANATION OF THIS INFORMATION ANNOUNCEMENT)

INFORMATION ANNOUNCEMENT

FOR INITIAL PUBLIC OFFERING OF SHARES OF VIETNAM NATIONAL SALT COMPANY LIMITED

ISSUING ORGANIZATION



VIETNAM NATIONAL SALT COMPANY LIMITED

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CHỨNG KHOÁN BẢO VIỆT

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Ha Noi, 2021



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ABBREVIATION

- Company : Vietnam Salt Company Limited
- Corp : Corporation
- JSC : Joint Stock Company
- One Member Ltd : One Member limited liability companies
- Vinafood 1/ Holding corporation : Vietnam Northern Food Corporation

I. LEGAL BASE

Dispatch Decree No. 126/2017/ND-CP dated November 16, 2017 by the Government on the transformation of state-owned enterprises and single-member limited liability companies with 100% charter capital invested by state-owned enterprises into joint stock company;

Dispatch Decree No. 140/2020/ND-CP dated November 30, 2020 by the Government on the amendments to the Government's Decree No.126/2017/ND-CP dated November 16, 2017 on conversion of state-owned enterprises and wholly state-owned single-member limited liability companies into joint-stock companies, the Government's Decree No 91/2015/ND-CP dated October 13, 2015 on state capital investment in enterprises, use and management of capital and assets in enterprises, and the Government's Decree No.32/2018/ND-CP dated March 08, 2018 providing amendments to decree No 91/2015/ND-CP;

Dispatch Decree No. 63/2015/ND-CP dated July 22, 2015 by the Government providing for policies towards redundant employees due to the restructuring of stated-owned single member limited companies;

Dispatch Circular No. 44/2015/TT-BLFTBXH dated October 22, 2015 by the Ministry of Labour, Invalids and Social Affairs guiding the implementation of the Decree No.63/2015/ND-CP dated July 22, 2015 by the Government providing for policies towards redundant employees resulted from restructuring of state-owned one-member limited liability companies;

Dispatch Circular No. 40/2018/TT-BTC dated May 4, 2018 of the Ministry of Finance providing guidelines for initial offering of shares and management and use of proceeds from equitization of state-owned enterprises and one-member limited liability companies with 100% charter capital invested by state-owned enterprises transformed into joint stock companies;

Dispatch No. 41/2018/TT-BTC dated May 4, 2018 by the Ministry of Finance providing guidelines on a number of contents regarding financial handling and valuation of enterprises upon transformation of state-owned enterprises and one-member limited liability companies with 100% charter capital invested by stated – owned and single-member limited liability companies with 100% charter capital invested by state-owned enterprises into joint stock companies;

Dispatch Official letter No. 808/TTg-DMDN dated June 26, 2019 by Prime Minister approving the Restructuring Plan of Vietnam Northern Food Corporation Ltd;

Dispatch Decision No. 2869/QD-BNN-QLDN dated July 17, 2018 by Ministry of Agriculture & Rural Development approving the Restructuring Plan of Vietnam Northern Food Corporation Ltd (period 2018 - 2020);

Dispatch Decision No. 26/2019/QD-TTg dated August 15, 2019 by Prime Minister approving the list of equitized enterprises;



Dispatch Decision No. 196/QD-TCTLTMB-HDTV dated September 5, 2018 by the Board of Member of Vietnam Northern Food Corporation Ltd approving the Restructuring Plan of Vietnam Northern Food Corporation Ltd;

Dispatch Decision No. 335/QD-TCTLTMB-HDTV dated September 23, 2019 by the Board of Member of Vietnam Northern Food Corporation Ltd on the implementation of equitization of Vietnam National Salt Company Limited;

Dispatch Decision No. 336/QD-TCTLTMB-HDTV dated September 24, 2019 by the Board of Member of Vietnam Northern Food Corporation Ltd on the establishment of Equitization Steering Committee of Vietnam National Salt Company Limited;

Dispatch Decision No. 383/QD-TCTLTMB-HDTV dated October 17, 2019 by the Board of Member of Vietnam Northern Food Corporation Ltd approving the Equitization Progress Plan of Vietnam National Salt Company Limited;

Dispatch Decision No. 258/QD-TCTLTMB-HDTV dated September 28, 2020 by the Board of Member of Vietnam Northern Food Corporation Ltd approving the adjustment of the Equitization Progress Plan of Vietnam National Salt Company Limited;

Dispatch Official Letter No. 135/QHLDTL-CSLD dated March 26, 2020 by the Ministry of Labour, Invalids and Social Affairs on the settlement of regimes for redundant secondary bussiness manangers of the Board of Member of Vietnam Northern Food Corporation Ltd;

Dispatch Decision No. 293/QD-TCTLTMB-HDTV dated October 19, 2020 by the Board of Member of Vietnam Northern Food Corporation Ltd on the approval of plans for employment after equitization of Vietnam National Salt Company Limited;

Dispatch Decision No. 260/QD-TCTLTMB-HDTV dated September 29, 2020 by the Board of Member of Vietnam Northern Food Corporation Ltd on the approval of enterprise value of Vietnam National Salt Company Limited;

Dispatch Decision No. 318/QD-TCTLTMB-HDTV dated November 20, 2020 by the Board of Member of Vietnam Northern Food Corporation Ltd on the approval of equitization plan of Vietnam National Salt Company Limited;

Dispatch Decision No. 353/QD-TCTLTMB-HDTV dated December 25, 2020 by the Board of Member of Vietnam Northern Food Corporation Ltd on the approval of amendments and supplements of equitization plan of Vietnam National Salt Company Limited;

Dispatch Decision No. 08/QD-TCTLTMB-HDTV dated January 14, 2021 by the Board of Member of Vietnam Northern Food Corporation Ltd adjusting the number of initial public offering shares in the equitization plan of Vietnam National Salt Company Limited;

Dispatch Decision No. 82/QD-TCTLTMB-HDTV dated March 20, 2020 by the Board of Member of Vietnam Northern Food Corporation Ltd on the approval of the



estimation and contractor selection plan, the Package: Consulting the initial public offering to equitize Vietnam National Salt Company Limited;

Dispatch Decision No. 125/QĐ-TCTLTMB-HDTV dated May 15, 2020 by the Board of Member of Vietnam Northern Food Corporation Ltd on the approval of contractor selection results, the Package: Consulting the initial public offering to equitize Vietnam National Salt Company Limited;

Dispatch Contract No. 226/2020/BVSC-VISALCO/PTV-DG dated June 22, 2020 between Baoviet securities joint stock company and Vietnam National Salt Company Limited about IPO consulting service contract for equitization.

II. INTRODUCTION OF EQUITIZED ENTERPRISE

1. Equitized Enterprise

1.1. Basic Information

Vietnamese name : CÔNG TY TNHH MỘT THÀNH VIÊN MUỐI VIỆT NAM

English name : VIETNAM NATIONAL SALT COMPANY LIMITED

Abbreviation : VISALCO., LTD

Head office address : No. 5-7 Hang Ga, Hang Bo Ward, Hoan Kiem District, Hanoi City, Vietnam.

Phone number : (84) 24 3825 7496

Fax : (84) 24 3824 3129

Logo :



Business registration : No. 0105873523 by the Department of Planning and Investment of Hanoi, first issued on April 27, 2012 and registered 9th change on June 17, 2016

Charter capital : **47,800,000,000 VND** (*In words: Forty-seven billion and eight hundred million VND*).

1.2. Brief overview of formation and development process

a. History of Salt Corporation (the former)

The Central Salt Company was established under Decision No. 252/HDBT dated October 15, 1958 based on the merger between the Department of Salt Industry (Ministry of Industry) and the Central Salt Company (the former Ministry of Internal Trade, now the Ministry Industry and Trade).

On May 17, 1995, the Minister of Trade established the (former) Salt Corporation by Decision No. 414/TM-TCCB based on the Central Salt Company. In December 1997, the Prime Minister decided to transfer the former Salt Corporation to the Ministry of Agriculture and Rural Development.



b. The merger of the (former) Salt Corporation into the Northern Food Corporation and reorganized to establish 03 Salt Branches under the Northern Food Corporation (late 2009 to March 2012):

The former Salt Corporation (Corporation 90/TTg) and the Northern Food Corporation (Corporation 91/TTg) were formerly under the Ministry of Agriculture and Rural Development. According to the Government's policy, due to ineffective business activities and many financial problems, at the end of 2009, the (former) Salt Corporation had to merge with the Northern Food Corporation according to Document No. 2248/TTg-DMDN dated 13/11/2009 of the Prime Minister and Decision No. 3576 / QD-BNN-DMDN dated 15/12/2009 of the Ministry of Agriculture and Rural Development.

After merging with the Salt Corporation, the Northern Food Corporation directly managed the independent enterprises of the salt industry, which were companies with shares and contributed capital; The Office of the Salt Corporation and its dependent units were organized, rearranged and converted into 03 salt-accounting branches under the Northern Food Corporation, namely: Vietnam Salt Branch, Branch Sea Salt Experiment & Technology Transfer Branch and Vinh Ngoc Salt Branch. Particularly, Vietnam Salt Branch operates on the basis of inheriting the status quo of financial and labor existence transferred by Office of Salt Corporation (including: Office of Salt Corporation and 02 dependent units: Investment Consulting and Construction Company + General Import-Export Company).

c. Establishment of one-member limited liability company and take over the transfer of 02 Salt Branches under the Corporation to the Company (from April 2012 to the period of Restructuring period 2012 - 2015 of the Corporation):

Company establishment:

Implementing the plan of reorganizing 100% state-owned enterprises under the Northern Food Corporation approved by the Prime Minister in Document No. 2475 / TTg-DMDN dated December 30, 2011, Vietnam Salt Branch was transformed by The Salt Corporation into Vietnam Salt Company Limited (referred to as Vietnam Salt Company for short, is the second ranked company with 100% charter capital owned by the The Salt Corporation). The Company was established under Decision No. 101 / QD-TCTLTMB-TCLĐ dated April 6, 2012 of the Board of Members of the Northern Food Corporation with a charter capital of 20 billion VND and inherits rights and obligations, legal interest, solving existing problems of the Vietnam Salt Branch as well as the former Salt Corporation. The company was organized and operated under the Organization and Operation Charter issued together with the Decision No. 285 / QD-TCTLTMB-HDTV dated August 10, 2012 of the Board of Members of the Northern Food Corporation.

d. Transferring of 02 Salt Branches under The Salt Corporation (Sea Salt Experiment & Technology Transfer Branch and Vinh Ngoc Salt Branch) to the company:

According to the Scheme on Restructuring the Northern Food Corporation (period 2012-2015) approved by the Prime Minister in Decision No. 1894 / QĐ-TTg dated December 14, 2012, on the basis of Report No. 55 / CTMVN-HDTV dated March 27, 2013 of the Board of Members on the plan to receive two Salt Branches, the Board of Members of the Northern Food Corporation decided to transfer the status quo of the 02 Salt Branches of The Salt Corporation (Sea Salt Experimental & Transfer Technology Branch and Vinh Ngoc Salt Branch) to The Vietnam Salt One Member Limited Company to manage by Decision No. 54 / QĐ-TCTLTMB-TCLĐ dated 03/4/2013 of the Members' Council of The Salt Corporation (Vietnam Salt Limited Company inherits legal rights, obligations, interests in land, property, labor, capital, debts ... of transferred branches) with the transferred capital of 5.2 billion VND (equal to the invested capital of The Salt Corporation at 02 Salt Branches according to the book value as at 31/3/2013 ...), raising the company's total charter capital to: 25.2 billion.

The Company received Vinh Ngoc Salt Branch (under Decision No. 16 / QĐ-CTMVN-HDTV dated April 9, 2013) and Branch of Experimental & Transfer Technology of Sea Salt (according to Decision No. 17/QĐ-CTMVN -HDTV dated 9/4/2013) and established 02 Salt Branches with organizational structure according to the Reception Plan. Vinh Ngoc Salt Branch established under Decision No. 18/QĐ-CTMVN-HDTV dated April 9, 2013 of the Board of Members (keeping the former name), Branch of Experimental & Transfer Sea Salt Technology was established by Decision No. 19 / QĐ-CTMVN-HDTV dated April 9, 2013 of the Board of Members (renamed Hanoi Salt Branch and used the above name until now).

Investment and development activities of the Company:

In 2014, the Company established Quynh Yen High Quality Salt Production Factory based on Decision 51A/QĐ-CTMVN-HDTV dated August 18, 2014 of the Council of Members. The Company approved the staffing apparatus of the Factory.

In 2015, the Company contributed capital with a Japanese partner to establish a joint venture company: Hakumatsu INC Japan Food Company (according to Official Dispatch No. 704 / TCTLTMB-HDTV dated August 20, 2014 of the Board of Members of Northern Food Corporation- approved by the Ministry of Agriculture and Rural Development in Official Dispatch No. 6192 / BNN-QLDN dated August 5, 2014).

In 2017, the Company built a 1,500-ton salt storage warehouse for the high-quality salt factory in Quynh Yen, Quynh Luu, Nghe An province.

2. Business segments

According to Business Registration Certificate No. 0105873523 issued by the Department of Planning and Investment of Hanoi City, first issued on April 27, 2012 and registered 9th change on June 17, 2016. The business lines of the Company are as follows:

Table 1: Business lines

No.	Name of business line	Code
1	Salt extraction	0893 (Main)
2	Manufacture of other food products not elsewhere classified Details: Production of salt from purchased salt, including iodized salt	1079
3	Rice wholesale	4631
4	Other specialized wholesale not elsewhere classified Details: Industrial salt wholesale	4669
5	Retail sale of food in specialized stores Details: Retail sale of food	4721
6	Cargo transportation by road	4933
7	Warehousing and storage	5210
8	Short-term accommodation services	5510
9	Restaurants and mobile catering services Details: Restaurants (not including bars, karaoke rooms, discotheques);	5610
10	Retail of apparel, footwear, leather and leatherette goods in specialized stores	4771
11	Retail drugs, medical devices, cosmetics and toiletries in specialized stores Details: Retail sale of perfumes, cosmetics and toiletries	4772
12	Other new retail sales in specialized stores Details: Retail sale of souvenirs, knitwear, handicrafts. Retail sale of non-food and food products not classified in any class	4773
13	Wholesale of agricultural and forestry raw materials (except wood, bamboo) and live animals (Except for those prohibited by the State)	4620
14	Food wholesale	4632
15	Food retail in specialized stores	4722
16	Wholesale of agricultural machinery, equipment and spare parts	4653

No.	Name of business line	Code
17	Construction of other civil engineering works	4290
18	Installation of machinery and industrial equipment	3320
19	Manufacture of cosmetics, soap, detergents, polishes and sanitary preparations. Details: Manufacture of cosmetics: bath salts and foot bath salts; (For the conditional business lines, the enterprise only does business when it meets all conditions as prescribed by law)	2023

Source: Business Registration Certificate of Vietnam National Salt Company Limited

3. Main products and services

- For salt production and business activities, The Company's current products include:

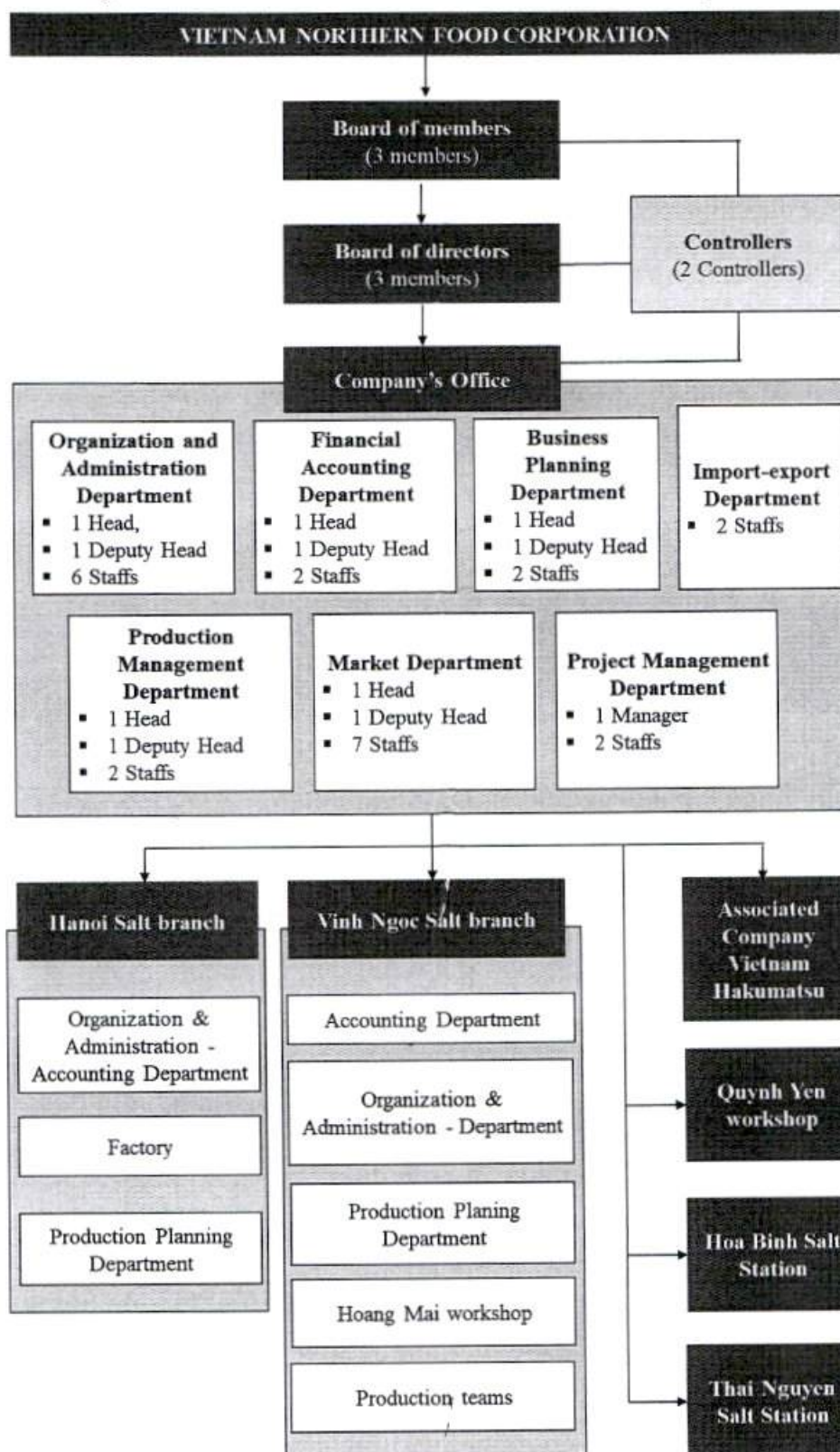
- Raw salt: Northern Salt; Southern Salt; Raw salt; Raw salt for export.
- Domestic crude salt: 0.5 kg (crude salt); 0.7kg (crude salt); 1kg (crude salt); Coarse salt, bagged 20kg; Coarse salt Hanoi branch
- Raw iodized salt
- Refined salt of all kinds: 0.25kg; 0.45kg; 0.5kg ; 01 kg; Salt materials of all kinds - Company Office; Salt products Vinh Ngoc Branch - Ha Noi; Salt bag drying 50kg-Hanoi branch.
- Salt for export
- Other salt
- Soup salt
- Olives salt (Box)
- Salt chili (Box) + Shrimp

The main products focus on 2 groups, namely raw salt and finished salt of all kinds.

- For rice wholesale activities: The Company distributes mainly 5% rice for exporting.

4. Organizational structure of The Company before equitization

Figure 1: Organizational structure of VISALCO before equitization



4.1. Board of members

- Developing and submitting for approval, organizing the implementation of objectives, strategies, long-term plans, medium-term plans, annual business plans of the Company.
- Deciding construction and procurement projects of the Company according to the Corporation's Regulation on management and decentralization of investment projects which are specified in the Financial Management Regulation of the Company.
- Deciding on capital raising plans, sales contracts and other contracts with a value of 50% or less of the Company's equity which is recorded in the quarterly financial statements or the financial statements of the year closest to the time of capital raising of the Company.
- Deciding on the building and using of the brand; solutions for market development, marketing, and technology; assignment of specialization, cooperation, access, expansion and sharing of information, market, research and application of science and technology between the Company and its member companies (if any).
- Deciding the plan for organization, management, business organization, payroll and use of The Company's management, planning and labor training apparatus.
- Decision on the establishment or dissolution of a branch or representative office of The Company at home country and abroad in accordance with the laws of Vietnam and the foreign law where the branch or representative office is located, followed the request of the Director and after The Salt Corporation has approved the policy.
- Issuing internal management regulations, economic - technical norms of the Company; approving the Regulation on organization, management, and operation of the dependent accounting units.
- Selecting, appointing, dismissing, praising or disciplining; deciding on salary, bonus and other benefits for Deputy Director, Chief Accountant of The Company after being approved by the holding corporation.
- Approving the Director to decide on the selection, appointment, dismissal and the salary decision for Directors, accountants of affiliated units and Heads of specialized and professional departments of the Company;
- Deciding on transferring and adjusting capital and resources authorized by the Company to use among its affiliates.
- Approving the annual financial statements of the Company, the plan to use profit after tax or handle losses in the business process of The Company before submitting to the holding corporation for consideration and decision.
- Organizing supervision of the Company Director, Director of dependent accounting unit according to the provisions of Company Charter;
- Requesting Director to file bankruptcy when the Company goes bankrupt.



- The Board of members submit to the holding corporation:
- + Approving the Charter, amending and supplementing the Company's Charter;
- + Deciding on salary, salary allowances and other benefits for members of the Members' Council;
- + Approving the investment projects, purchasing and selling of the Company's assets beyond the authority specified in the Regulation on investment management and decentralization of the holding corporation;
- + Approving capital raising plans, selling and purchasing contracts and other contracts with a value of more than 50% of the equity of the Company recorded in the quarterly financial statements or the financial statements of the year closest to the time capital raising of The Company.
- + Approving the establishment and dissolution of domestic and foreign branches and representative offices;
- + Deciding the plan of ownership transformation, organizational structure and reorganization of The Company.
- + Deciding the development strategy, long-term, and annual plans of the Company;
- + Investment portfolio for the investment level under the deciding competence of the holding corporation;
- + Approving the adjustment and supplementation of business lines;
- + Deciding on adjusting the charter capital; transferring part or all of the Charter capital to other organizations or individuals;
- + Approving the total managerial staffs and employees of The Company; total salary fund of the Company.
- + Approving financial statements; distributing profits, setting up annual funds after completing tax obligations and other obligations of the Company; planning to handle losses in the business process.
- + Issuing the Financial Regulations of the Company.
- The Board of Members uses the professional departments of the Company to perform its duties. In addition, the Board of Members is allowed to establish a full-time assisting units and internal control who are the senior associate or junior associate with at least 05 years of professional experience to directly assist the Board of Members.
- Other rights and duties in accordance with the law and Company Charter.

4.2. Director

- Implementing the resolutions of the Board of Members, the business plan and investment plan of The Company approved by the Board of Members;



- Deciding on all tasks related to day-to-day operations of the Company, including signing financial and commercial contracts on behalf of The Company, organizing and operating production and business activities, excepting tasks under the authority of the Board of Members; For contracts with a value exceeding the level assigned to the Director, the Director only signs after a decision of the Board of Members is issued.
- Recruiting employees according to the payroll approved by the Board of Members and the holding corporation.
- Deciding on selection, appointment, dismissal, laudatory or sanction, salary and allowances (if any) for: Director, Accountants of dependent accounting units and heads of departments of The Company after being approved by the Board of Members; Deputy departments, divisions (or equivalent titles); Deputy Director of a subsidiary of the Company;
- To propose to the Board of Members on building strategy; long-term, medium-term development plans of the Company.
- Developing annual business plans of the Company, capital raising plan, investment projects, joint venture plans, internal management regulations of the Company and submitting to the Board of Members.
- Developing and submitting to the Board of Members for approval the plan of management organization structure, labor training planning, ownership transformation plan.
- Formulating and submitting to the Board of Members for approval economic, technical standard, product standards, wage unit prices in accordance with State regulations; organizing the implementation of product standards in accordance with the regulations of The Company, the holding corporation, and the government.
- Submitting to the Board of Members for consideration and decision or letting the Board of Members submit to the holding corporation for decision (if beyond the authority of the Board of Members) the investment projects out of the Company and investment projects in the Company internal decentralization level for the Director.
- Deciding the investment projects, purchase assets of the Company in accordance with the Financial Management Regulations of The Company, decentralization of the Board of Members and the provisions of the law on investment.
- Attending meetings of the Board of Members; preparing documents for the Board of Members meetings, reporting to the Board of Members and competent state agencies on the business results of the Company; disclosing the financial statements of The Company in accordance with the law.
- Be supervised by the Board of Members, controllers, and state agencies for the implementation of functions and duties in accordance with the provisions of The Company Charter and regulations, other provisions of the law.



- Preparing a plan for the distribution of profit after tax of the Company and submitting it to the Board of Members to report to the holding corporation before approval accordance with law.
- Applying necessary measures in emergency cases and must immediately report to the Board of Members state agencies.
- Decentralizing or authorizing another person in the Company to perform part or some of the rights and duties of the Director; be responsible for the results of the decentralization or authorization.
- Other rights and duties as provided for by law, the Company Charter and resolutions and decisions of the Board of Members.
- Received the annual salary. The salary and bonus level corresponding to the production and business efficiency of The Company shall be decided by the Board of Members or under the signed contract.
- The payment and settlement regime of salary and bonus are the same as for the full-time members of the Board of Members.

4.3. Controllers

- To check the reasonableness, legality, honesty and prudence of the Board of Members, the Director in implementing the rights of the holding corporation and in the management and operation of the Company's business.
- Verifying before submitting to the holding corporation or state agencies the following reports of The Company:
 - + Report on management evaluation;
 - + Annual financial report;
 - + Report on management evaluation;
 - Other reports at the request of the holding corporation or state agencies.
- The evaluation results of Controllers must be reported and sent together with the above reports.
- Proposing the holding corporation or Board of Members measures to supplement, modify, improve the organizational structure, management and administration of The Company.
- Controllers have the right to review any records, documents of the Company at the head office, branches, and representative offices of the Company. Members of the Board of Members, directors and other managers must fully and promptly provide information and documents on the exercise of the rights of the owner, on management, operation, and business activities at the request of the Controller.
- When detecting a member of the Board of Members, Director, Deputy Director and Chief Accountant violates obligations, must immediately notify in writing to the Board

of Members for tackling and request the violators terminated the violation or remedial measures must be taken. In case the Board of Members commits a serious violation, it must notify the holding corporation for tackling.

- Conducting other rights and duties in accordance with law and the Company's Charter or other decisions of the holding corporation.

4.4. Deputy Director

- Deputy Directors assist the Director in operating the Company according to the assignment and authorization of the Director; be responsible to the Director and the law for the performance of rights and duties assigned or authorized. The authorization related to signing of economic contracts or related to the use of the Company's seal must be made in writing. The authorization can authorize for a period or time, mandate by field or each issue.

- Responsibilities and powers of Deputy Director within the scope and assigned duties:

- + Actively managing and handling assigned tasks comprehensively and systematically: proactively managing relationships with partners, state agencies in localities related to the tasks assigned according to the company's plan; report the situation and consult the Director to promptly direct the work arising out of plan.

- + Actively coordinating with other deputy directors to deal with related affairs, in the process of coordinating work settlement, if there are different opinions but cannot reach agreement, then report to the Director for consideration and final decision.

- + In case the Deputy Director in charge of the assigned field be absent for own reasons, but he/she has a task to be solved immediately, then he/she must report to the Director for direct handling or assign another Deputy Director to handle it.

- + The Deputy Director has the right to direct the professional departments to perform the tasks according to the functions and expertise of that department. Heads, deputy heads of departments are responsible for performing the tasks directed by the Deputy Director.

4.5. Chief accountant

- The Chief Accountant is responsible for organizing and implementing the accounting work of The Company; assisting the Director in supervising finance at The Company according to the law on finance and accounting; take responsibility in front of the Director, the Board of Members and law for the assigned or authorized tasks;

- Standards, authorities, and responsibilities of Chief Accountant are applied in accordance with the Accounting Law.

4.6. Specialized departments of the Company Office

a. Organization and Administration Department

Personnel and organization work



- Advising the Director on the plan to consolidate the organization, the management neatly and effectively in accordance with the development requirements of the Company.

- Training, recruiting, planning, promoting and appointing staffs. Basing on labor plan, presiding, and coordinating with the Finance and Accounting Department to build the salary and the total salary fund of the Company.

- Implementing the policies and regimes of employees: Labor, salary, social insurance, health insurance ... of the Company in accordance with the Labor Code and current law.

- Advising the Director to build, amend and supplement the Regulations, the Charter of the organization and operation of the Company.

- Standing Committee of the Company's salary increase.

- Managing records of officers and employees of The Company.

- Receiving, advising and handling according to the authority complaints and denunciations. Meeting with inspection teams (if any) and coordinating with relevant departments to prepare necessary documents as required by the inspection team.

- Standing Committee of Emulation, Laudatory or Sanction.

Administrative work

- Drafting and submitting to the managers for approval the working regulations of The Company and monitoring and speeding up the implementation of the regulations.

- Arranging working place for departments reasonably. Perform regular maintenance and repair. Managing assets of the Company Office, repairing, and promptly replacing damaged equipment.

- Building, inspecting, purchasing, and guiding the implementation of the Company's regulations on assets and office equipment.

- Procurement and distribution of stationery.

- Archive documents, administrative dossiers and seals, confirm the copy of documents in the Company.

- Reception, organization activities of meetings and conferences of the Company.

- Implementing internal protection, security, national defense, accidents, storms, floods, natural disasters, and safety working, fire prevention of the Company.

- Managing cars and vehicles to ensure convenient service for managers and convenient business travel according to regulations.

- Monitoring the implementation of regulations on using electricity, water, telephone ... of the Company.

- Funerals, marriages, sickness visits with employees and employees' families and foreign relations.
- Monitoring and managing the collective kitchen of the Company.
- Responsible for coordinating with the Company Trade Union to take care of the life of employees on holidays, Tet, annual visits, and tourism.
- Performing other duties as assigned by the Director.

b. Financial Accounting Department

- Performing professional work in accordance with the State's regulations on accounting standards.
- Recording, tracking, reflecting the movement of business capital of The Company. Provide managers with data in time, overview the financial situation as well as financial results of each business operation. Advising the Board of Directors on the accounting regime, collecting and processing information related to economic transactions arising in The Company. Keep accounting and business data confidential in The Company.
- Supervising the management of assets and capital in accordance with the regulations of law and The Company. Especially for fixed assets, commodities, cash and liabilities.
- Guiding, monitoring, urging, inspecting, and proposing measures to well perform the accounting work. Preparing the financial statements quarterly and annually in accordance with the provisions of Law and the Company Charter.
- Checking the legality, reasonableness, and validity of all types of documents, completing the procedures before submitting them to the managers for approval. Performing and completing records and accounting of arising economic transactions in accordance with the Company's financial regulations and the provisions of law.
- Coordinating with departments in the Company to monitor, urge and recover customers' debts to ensure efficient use of The Company's capital resources.
- Developing internal financial regulations and cost of the Company.
- Advising the director in the field of management of the Company's financial and accounting activities and performing other duties as assigned by the Director.
- Performing other duties as assigned by the Director.

c. Business Planning Department

- Planning monthly, quarterly, annual and long-term production and business plans of the Company.
- Monitoring the implementation of monthly, quarterly and annual production and business plans. Analyzing, evaluating and reporting the results of the production and business plans for 6 months and 1 year.



- Organizing the purchase and supply of materials, exploit the source of goods, sell products, and expand the market as assigned by the Director.
- Drafting sales contracts according to the tasks assigned by the Director.
- Recording purchase, sale, import, export and inventory data. Conduct monthly, quarterly reports on the goods and materials situation to The Company managers and the Finance and Accounting Department.
- Recording contracts, documents of goods sale and purchase and coordinate with the accounting department to recover the debt of the sale.
- Regular forecasting on supply and demand, commodity prices of salt market nationwide to serve the demand of production and business of the Company.
- Ensuring economic confidentiality before irresponsible people to avoid damage to production and business activities of the Company.
- Implementing information technology task of the Company.
- Performing other duties as assigned by the Director.
- d. Production Management Department**
 - Product quality management; building quality standards, registering product quality; tracking and checking the implementation of product standards.
 - Organizing the processing and production of high quality iodized salt to serve the business of the Company.
 - Tracking, urging, inspecting, and proposing solutions, adjust to the implementation of production and business plans.
 - Management of raw materials for production ...
 - Brand management, brand promotion and products planning. Research propose packaging models, new products.
 - Safety and environmental sanitation management at production facilities.
 - Advising the Director of The Company on quality management.
 - Building the standard of consumption of raw materials, fuels, and materials in production.
 - Organizing the purchase and supply of materials, exploit the source of goods, sell products, and expand the market as assigned by the Director.
 - Drafting sales contracts according to the tasks assigned by the Director. Coordinating with the accounting department to recover the sale debts.
 - Making a report related to the production situation arising in the month or quarter and send it to the Finance and Accounting Department.
 - Performing other duties as assigned by the Director.

e. Import-export Department

- Promoting the company's products and brands to international markets.
- Carrying out the import and export of the company's goods.
- Organizing the purchase and supply of materials, exploit the source of goods, sell products, and expand the market as assigned by the Director.
- Drafting sales contracts according to the tasks assigned by the Director. Coordinate with the accounting department to recover the sale debts.
- Transactions with foreign and domestic customers, build import-export business plans and carry out import and export procedures.
- Advising the Director of The Company on international policies and practices related to production and business activities in the import and export accordance with The Company's development.
- Assisting Director to meet client, negotiate, make transactions and sign contracts with foreign customers.
- Introducing and offering products of The Company at fairs and exhibitions, survey the market, collect information to expand markets and introduce new products.
- Performing other duties as assigned by the Director.

f. Project Management Department

- Advising and directly assisting the Director in implementing salt industry projects invested by The Company, including:
 - + Projects using State budget capital, managed, and invested by the Ministry of Agriculture and Rural Development.
 - + Projects using The Company's investment capital.
- Performing other duties as assigned by the Director.

g. Market Department

- Advising and making a business plan for salt-based and salt products (hereinafter referred to as all salt products) for the Board of Directors and the Director of The Company according to market demand, bringing socio-economic efficiency.
- Continue to carry out the task of selling salt products in the market according to the plan assigned by the Director of the company to ensure increasing output, revenue, categories of products and profit.
- Carrying out a comprehensive research on salt products: models, types, yields, prices, distribution channels ... for each customer and specific market areas.
- Preparing and submitting to the Director of the Company monthly, quarterly, annual plans, details of output, sales, capital, costs, profits ... for each salt product. Implement the approved plan.

- Carrying out advertising and marketing products.
- Proposing and participating in the work of improving product quality, producing new products to meet market demand.
- Organizing a suitable and effective sales network and distribution channel for each type of product and market area, on the chain of production - transportation - storage - customer.
- Managing goods and cash according to the specific regulations of The Company.
- Building sales price and cost standard: transportation, wages, employee salaries, loss rate, sales discount for each product, agent level... Implement approved standard well, ensure increasing innovation.
- Researching and applying new and more effective sales methods.
- Standardizing and training professional sales staff in accordance with The Company's requirements.
- Performing other duties assigned by the Director of The Company.

h. Hanoi Salt branch

- Implementing salt production and exploitation and business activities under the direction of the Company.
- Managing the safety of goods and assets of the factory. Ensuring safety and hygiene for the production environment.
- Organizing production of goods to ensure quality.
- Directly researching the market and organizing the sale of products in each assigned area.
- Making monthly, quarterly, yearly report on supplies and goods to the Finance and Accounting Department.
- Performing other duties as assigned by the Director.

i. Vinh Ngoc Salt branch

- Implementing salt production and exploitation and business activities under the direction of the Company.
- Managing the safety of goods and assets of the factory. Ensuring safety and hygiene for the production environment.
- Organizing production of goods to ensure quality.
- Directly researching the market and organizing the sale of products in each assigned area.

- Making monthly, quarterly, yearly report on supplies and goods to the Finance and Accounting Department.
- Performing other duties as assigned by the Director.
- j. **Hoa Binh, Thai Nguyen salt stations and Quynh Yen factory**
 - Implementing salt production and business activities under the direction of yhe Company.
 - Managing the safety of goods and assets of the Station. Ensuring safety and hygiene for the production environment
 - Organizing production of goods to ensure quality.
 - Directly researching the market and organizing the sale of products in each assigned area.
 - Making monthly, quarterly, yearly report on supplies and goods to the Finance and Accounting Department.
 - Performing other duties as assigned by the Director.

5. Number of employees transferred to joint stock company

The number of employees of VISALCO at the time of enterprise valuation on September 30, 2019 is 195 people, of which 149 people transferred to joint stock companies.

Labor structure by qualifications is as follows:

Table 2: Employees of the Company as at 30/09/2019

Labor structure by qualifications	Quantity
Number of employees with university and postgraduate degrees	61
Number of employees with college and intermediate degrees	49
Number of employees who are technical / vocational workers	84
Number of other employees	01
Total	195

Source: VISALCO

Table 3: Labor of The Company after switching to joint stock company

Labor structure by qualifications	Quantity
Number of employees with university and postgraduate degrees	36

Labor structure by qualifications	Quantity
Number of employees with college and intermediate degrees	32
Number of employees who are technical / vocational workers	21
Number of other employees	60
Total	149

Source: VISALCO

6. Enterprise value and state capital share in the enterprise

- Vietnam National Salt Company Limited has hired Vietnam Financial Services and Valuation Joint Stock Company (VVFC) as an advisory unit to determine the enterprise value under the Enterprise Valuation Contract for equitization No.10311/HD-VVFC/BAN3 dated October 31, 2019;

- On July 6, 2020, VVFC Vietnam Valuation and Financial Services Joint Stock Company signed to issue Enterprise Valuation Minutes dated September 30, 2019 to equitize Vietnam National Salt Company Limited;

- On September 24, 2020, VVFC Vietnam Valuation and Financial Services Joint Stock Company, Vietnam National Salt Company Limited and the Equitization Steering Committee signed the Enterprise Valuation Verification Minutes to equitization of Vietnam National Salt Company Limited;

- On September 29, 2020, the Board of Members of Northern Food Corporation issued Decision No.260/QĐ-TCTLTMB-HDTV on the approval of enterprise value to equitize Vietnam National Salt Company Limited. The result of enterprise valuation is determined as follows:

6.1. Enterprise value and state capital share in the enterprise

Table 4: Summary of results of determining enterprise value and state capital in enterprises (by asset-based valuation)

Unit: VND

No.	Main indicators	Accounting books	Re-evaluating	Increase
A	Property in use	86,862,413,441	118,993,679,224	32,131,265,783
I	Fixed assets and long-term investments	17,747,080,338	31,806,842,315	14,059,761,977
1	Tangible fixed assets	17,013,714,793	29,666,814,648	12,653,099,855
a	House, building materials	13,477,615,945	24,129,216,239	10,651,600,294
b	Machinery, Equipment	754,233,708	1,555,882,413	801,648,705
c	Transportation	1,057,535,172	1,766,469,437	708,934,265
d	Equipment, management tools	-	-	-



No.	Main indicators	Accounting books	Re-evaluating	Increase
e	Other fixed assets	1,724,329,968	2,215,246,559	490,916,591
2	Financial lease fixed assets	-	-	-
3	Intangible fixed assets	-	-	-
4	Real estate investment	-	-	-
5	Long-term financial investments	315,000,000	691,798,499	376,798,499
a	Invest in subsidiary companies	-	-	-
b	Invest in associates and joint ventures	315,000,000	691,798,499	376,798,499
6	Long-term work in progress	-	-	-
7	Long-term receivables	-	-	-
8	Other long-term assets	418,365,545	1,448,229,169	1,029,863,624
a	Long-term prepaid expenses	418,365,545	1,448,229,169	1,029,863,624
a1	Long-term prepaid expenses	418,365,545	479,702,399	61,336,854
a2	Business advantage value	-	968,526,770	968,526,770
	+ Brand value	-	968,526,770	968,526,770
	+ Potential value for development	-	-	-
II	Working assets and short-term investments	69,115,333,103	87,186,836,909	18,071,503,806
1	Cash	2,514,184,498	2,515,023,201	838,703
a	Cash in hand	669,585,024	669,586,000	976
b	Cash at bank	1,844,599,474	1,845,437,201	837,727
2	Cash equivalents	-	-	-
3	Short-term investments	24,984,345,012	24,984,345,012	-
a	Trading securities	-	-	-
b	Allowances for decline in value of trading securities	-	-	-
c	Investments held to maturity	24,984,345,012	24,984,345,012	-
4	Short-term receivables	25,923,711,012	43,631,560,460	17,707,849,448
a	Short-term receivables from customers	16,883,619,541	16,883,621,541	2,000
b	Short-term prepayments to sellers	460,100,000	460,100,000	-
c	Short-term intracompany receivables	-	-	-
d	Receivables under schedule of construction contract	-	-	-
e	Short-term loan receivables	-	-	-
f	Other short-term receivables	26,159,005,613	26,210,248,458	51,242,845
g	Short-term allowances for doubtful debts	(17,656,604,603)	-	17,656,604,603
h	Shortage of assets awaiting resolution	77,590,461	77,590,461	-



No.	Main indicators	Accounting books	Re-evaluating	Increase
5	Inventories	14,352,771,510	14,352,771,510	-
a	<i>Inventories</i>	<i>14,352,771,510</i>	<i>14,352,771,510</i>	-
6	Other current assets	1,340,321,071	1,703,136,727	362,815,656
a	<i>Short-term prepaid expenses</i>	<i>102,079,255</i>	<i>362,824,411</i>	<i>260,745,156</i>
b	<i>Deductible vat</i>	<i>1,230,341,052</i>	<i>1,230,341,052</i>	-
c	<i>Taxes and other receivables from government budget</i>	<i>7,900,764</i>	<i>109,971,264</i>	<i>102,070,500</i>
B	Assets not needed	-	-	-
C	Assets awaiting liquidation	-	-	-
D	Assets formed from welfare and reward fund	-	-	-
	TOTAL ASSET VALUE OF THE ENTERPRISE	86,862,413,441	118,993,679,224	32,131,265,783
	TOTAL ACTUAL VALUE OF THE ENTERPRISE	86,862,413,441	118,993,679,224	32,131,265,783
E1	Actual liabilities payable	58,463,131,024	58,565,201,524	102,070,500
E2	Balance of exchange rate difference due to revaluation of monetary accounts denominated in foreign currencies	-	835,727	835,727
E3	Balance of non-business funding sources	-	-	-
	REAL VALUE OF THE STATE CAPITAL IN THE ENTERPRISE	28,399,282,417	60,427,641,973	32,028,359,557

Source: Minutes of enterprise valuation based on the asset-based approach and the free cashflow to equity discount method of Vietnam National Salt Company Limited as of September 30, 2019

- The actual enterprise value for equitization as at September 30, 2019 of The Company is: VND 118,993,679,224, of which the actual value of the State capital in the enterprise is: VND 60,427,641,973.



- Actual value of state capital in enterprises increased by 32,028,359,557 VND compared with book value before financial treatment, witness an increase of 112.7%.
- Assets not included in equitization value: No

Note: The enterprise value approved and presented above is the value used as the basis for determining the starting price at the initial public offering (IPO).

6.2. Problems need to be tackled with

The enterprise value determination data of Vietnam National Salt Company Limited as of September 30, 2019 included:

- Overdue receivable debts, which cannot be reconciled and are irrecoverable but cannot be proved irrecoverable according to the provisions of the law, with the total amount: VND 17,623,673,815.
- Overdue payables, which have not been reconciled and verified with a total amount of VND 25,681,450,547.

7. Major assets of enterprise

7.1. Land

The land use and land use area status prior to equitization are as follows:

Table 5: Land use status by area

No	Location	Land area (m ²)	Legal records	Form of land use and management prior equitization	Purpose of land use prior equitization	Notes
I	Ha Noi	3,821.7				
<i>According to Official letter No. 4578/UBND-KT dated September 18, 2020 of the People's Committee of Ha Noi city on the land use plan after equitization of Vietnam national Salt company limited in Ha Noi</i>						
1	No. 05-07 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Ha Noi	389.2	Lease Contract No. 139/XNHHK/HDTNCD (rental of houses and land of Hanoi Housing Business Management Company Limited); The lease term is until December 31, 2016.	Rent	Using as headquarters, office work, introducing and selling the Company's products	- House leasing of Hanoi Housing Management Company Limited (Floor 1 st & 2 nd), in addition there is a part of the area the company built by the Company (Floor 3 rd & 4 th). - Value determined to calculate the enterprise value: VND 1,179,728,596,
2	No. 77 Nguyen Cong Tru, Hai Ba Trung District, Ha Noi	91	Certificate of land use rights number AD 493838 dated December 28, 2006; Expiry date: 40 years from 01/01/1999.	Rent payment every year	Using for Company business	
3	Group 2, Bo De Ward, Long Bien District, Ha Noi	3,341.5	Construction License 145/GP-UBXDCB Hanoi City dated August 4, 1984; Land parcel record dated 11/22/2005;	Rent payment every year	Using as office, workshop, and product storage of Hanoi Salt Branch	
II	Thai Nguyen	2,538				
<i>According to Official letter No. 1638/UBND-KT dated May 8, 2020 of the People's Committee of Thai Nguyen province on the land use plan after equitization of Vietnam national Salt company limited in Thai Nguyen</i>						



No	Location	Land area (m ²)	Legal records	Form of land use and management prior equitization	Purpose of land use prior equitization	Notes
1	Group 16, Quan Trieu Ward, Thai Nguyen City, Thai Nguyen Province	2,538	Certificate of land use rights No. BG 553136 issued by Thai Nguyen Provincial People's Committee on June 11, 2012, land plot number 854, map sheet number 10, Quan Trieu ward, Thai Nguyen city.	Rent payment every year	Using as offices of Thai Nguyen Salt Station, business locations, and for product storage and transit	
III	Hoa Binh	652.8				
<i>According to Official letter No. 145/UBND-TCTM dated February 7, 2020 of the People's Committee of Hoa Binh province on the land use plan after equitization of Vietnam national Salt company limited in Hoa Binh</i>						
1	No. 2, Group 16, Ngo Quyen Street, Phuong Lam Ward, Hoa Binh Province	652.8	Certificate of land use rights No. AD 973262 dated 9/11/2007 by the People's Committee of Hoa Binh province. Expiry date until December 2020.	Rent payment every year	Using as Hoa Binh Salt Station office, business location, and for product storage and transit	
IV	Nghe An	1,308,204.8				
<i>According to Official letter No. 4179/UBND-KT dated July 1, 2020 of the People's Committee of Nghe An province on the land use plan after equitization of Vietnam national Salt company limited in Nghe An</i>						
1	Quynh Yen Commune, Quynh Luu District, Nghe An Province	7,976	Certificate of land use rights No. AI 189903 dated September 10, 2007 issued by the People's Committee of Nghe An province. The expiry date is until July 17, 2047.	Rent payment every year	Using as the office of Vinh Ngoc Branch	



No	Location	Land area (m ²)	Legal records	Form of land use and management prior equitization	Purpose of land use prior equitization	Notes
2	Quynh Thien Ward, Hoang Mai Town, Nghe An Province	1,708	Certificate of land use rights No. AI 189503 dated 25/8/2008 by the People's Committee of Nghe An province. The expiry date is until July 4, 2048.	Rent payment every year	Using as factory and salt storage of Vinh Ngoc Salt Branch	
3	An Hoa Commune, Quynh Luu District, Nghe An Province	159,065.2	1. Minutes of field inspection dated June 17, 2020 between Land Registration Office of Nghe An province, People's Committee of Mai Hung ward and Vinh Ngoc salt branch; The current state land measurement results confirmed by the Nghe An Provincial Land Registration Office on June 22, 2020 were: 176,225.9 m ² 2. The master plan of Ngoc Huy salt field was approved by the People's Committee of Nghe An province in 2008.	Rent payment every year	Using as a salt production field & business purpose.	The actual land use area is 176,225.9 m ²
4	Quynh Phuong Ward, Hoang Mai Town, Nghe An Province	262,032.2	1. Minutes of the field inspection dated June 17, 2020 between the Land Registration Office of Nghe An province, the People's Committee of Quynh Phuong ward and the Vinh Salt Branch; The current state land measurement results confirmed by the Nghe An Provincial Land Registration Office on June 22, 2020 were: 270,680.5 m ²	Rent payment every year	Using as a salt production field & business purpose.	The actual land use area is 270,680.5 m ²



No	Location	Land area (m ²)	Legal records	Form of land use and management prior equitization	Purpose of land use prior equitization	Notes
			2. The detailed plan of Ngoc Huy salt field was confirmed by the People's Committee of Quynh Luu district in 2008			
5	Mai Hung Ward, Hoang Mai Town, Nghe An Province	177,213.5	1. The field inspection report dated June 17, 2020 between the Land Registration Office of Nghe An province, the People's Committee of Mai Hung ward and Vinh Ngoc salt branch; The current state land measurement results confirmed by the Nghe An Provincial Land Registration Office on June 22, 2020 were: 241,370.5 m ² 2. The master plan of Ngoc Huy salt field was approved by the People's Committee of Nghe An province in 2008.	Rent payment every year	Using as salt production fields, salt storage and business purposes	The actual land use area is 241,370.5 m ²
6	Quynh Thuan Commune, Quynh Luu District, Nghe An Province	142,016	1. Minutes of field inspection dated June 18, 2020 between the Land Registration Office of Nghe An province, the People's Committee of Quynh Thuan commune and the Vinh Ngoc salt branch; The current state land measurement results confirmed by the Nghe An Provincial Land Registration Office on June 22, 2020 were: 144,249.9 m ² . 2. The detailed planning map of Vinh Yen salt field	Rent payment every year	Using as salt production fields, salt storage and business purposes	The actual land use area is 144,249.9 m ²



No	Location	Land area (m ²)	Legal records	Form of land use and management prior equitization	Purpose of land use prior equitization	Notes
			was approved by the People's Committee of Quynh Luu district in 2008.			
7	Quynh Yen Commune, Quynh Luu District, Nghe An Province	558,193.9	1. Minutes of the field inspection dated June 17, 2020 between the Land Registration Office of Nghe An province, the People's Committee of Quynh Yen commune and Vinh Ngoc salt branch; The current state land measurement confirmed by the Land Registration Office of Nghe An province on June 22, 2020 were: 723,808 m ² . 2. The detailed planning map of Quynh Yen salt field was approved by the People's Committee of Quynh Luu district in 2008.	Rent payment every year	Using as salt production fields, salt storage and business purposes	The actual land use area is 723,808 m ²

Source: Vietnam national Salt company limited

7.2. Tangible fixed assets

The tangible fixed asset of the Company at enterprise valuation time at September 30, 2019 as follows:

Table 6: Value of tangible fixed assets at 30/09/2019

Unit: VND

No.	Assets	Book value		Recalculated value	
		Cost	Residual value	Cost	Residual value
(1)	(2)	(3)	(4)	(5)	(6)
A	In use Assets	30.888.045.319	17.013.714.793	51.826.017.544	29.666.814.648
I	Fixed assets and long- term investments	30.888.045.319	17.013.714.793	51.826.017.544	29.666.814.648
1	Building & architectonic model	21.554.727.299	13.477.615.945	41.200.728.612	24.129.216.239



No.	Assets	Book value		Recalculated value	
		Cost	Residual value	Cost	Residual value
2	Equipment	3.739.887.178	754.233.708	3.748.978.086	1.555.882.413
3	Means of transportation	3.110.689.499	1.057.535.172	3.187.893.346	1.766.469.437
4	Management tools	-	-	-	-
5	Other fixed assets	2.482.741.343	1.724.329.968	3.688.417.500	2.215.246.559
II	Financial lease fixed assets	-	-	-	-
III	Intangible fixed assets	-	-	-	-
B	Not in use assets	-	-	-	-
C	Assets awaiting for liquidation	-	-	-	-
D	Assets formed from bonus and welfare fund	-	-	-	-
E	Other asset	-	-	-	-
Total		30.888.045.319	17.013.714.793	51.826.017.544	29.666.814.648

Source: Enterprise valuation dossier of Vietnam national Salt company limited at
September 30, 2019

Table 7: Value of equipment at 30/09/2019

Unit: VND

No.	Assets	Amount	Book value		Recalculated value	
			Cost	Residual value	Cost	Residual value
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I	Company's office		657,614,910	377,056,680	666,705,818	471,683,802
1	Quynh Yen salt washing mill	1	190,861,000	128,301,038	190,861,000	128,301,038
2	Quynh Yen Centrifuge - 7,5W	1	133,636,364	67,931,860	135,000,000	90,450,000
3	Centrifuge Quynh Yen	1	107,272,728	52,742,449	115,000,000	75,900,000
4	Inox crusher in Quynh Yen workshop (5T /h)	1	34,060,000	27,248,000	34,060,000	31,675,800
5	Centrifuge cage stand Quynh Yen workshop	1	110,000,000	100,833,333	110,000,000	103,400,000
6	Mixer at Quan Trieu station	1	41,784,818	-	41,784,818	8,356,964
7	Agricultural dryer (100kg / batch)	1	40,000,000	-	40,000,000	33,600,000



No.	Assets	Amount	Book value		Recalculated value	
			Cost	Residual value	Cost	Residual value
(1)	(2)	(3)	(4)	(5)	(6)	(7)
II	Hanoi Branch		2,604,416,268	263,386,739	2,604,416,268	807,465,711
8	Production line of refined salt	1	1,040,831,761	84,902,673	1,040,831,761	312,249,528
9	Chinese continuous centrifuge	1	399,641,837	-	399,641,837	119,892,551
10	Iodine mixer No, 1	1	110,000,000	-	110,000,000	33,000,000
11	Dynamic shelf dryer	1	981,329,250	132,733,739	981,329,250	294,398,775
12	Leaking water filter tower	1	72,613,420	45,750,327	72,613,420	47,924,857
III	Vinh Ngoc Branch		477,856,000	113,790,289	477,856,000	276,732,900
13	Water pumps	1	54,428,000	-	54,428,000	29,935,400
14	Fine salt grinder	1	144,798,000	-	144,798,000	43,439,400
15	Refined salt mixer	1	124,300,000	39,300,569	124,300,000	84,524,000
16	Soup making machine	1	37,400,000	4,395,660	37,400,000	28,798,000
17	Centrifuge No, 2	1	116,930,000	70,094,060	116,930,000	90,036,100
Total			3,739,887,178	754,233,708	3,748,978,086	1,555,882,413

Source: Enterprise valuation dossier of Vietnam national Salt company limited at
September 30, 2019

Table 8: Means of transportation at at 30/09/2019

Unit: VND

No.	Assets	Amount	Book value		Recalculated value	
			Cost	Residual value	Cost	Residual value
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I	Company's office		1.332.307.999	649.740.524	1.409.511.846	929.235.787
1	Ford Ranger pickup truck - Market Department	1	745.191.426	304.481.386	778.878.182	475.115.691
2	Suzuki car – Market Department	1	236.055.000	119.994.625	279.572.091	187.313.301
3	Thaco Truck - Planning Department	1	351.061.573	225.264.513	351.061.573	266.806.795
II	Hanoi Branch		365.271.500	-	365.271.500	109.581.450
4	Mitsubishi car	1	365.271.500	-	365.271.500	109.581.450
III	Vinh Ngoc Branch		1.413.110.000	407.794.648	1.413.110.000	727.652.200
5	Ford car	1	435.150.000	-	435.150.000	130.545.000
6	Huyn dai truck	1	539.000.000	136.057.499	539.000.000	237.160.000
7	TMT truck	1	438.960.000	271.737.149	438.960.000	359.947.200
Total			3.110.689.499	1.057.535.172	3.187.893.346	1.766.469.437

Source: Enterprise valuation dossier of Vietnam national Salt company limited at September 30, 2019

Table 9: Book value of fixed assets at 31/12/2020

Unit: VND

No	Fixed assets	Cost	Residual value	Residual value/ Cost
1	Building & architectonic model	21,850,637,299	13,270,176,750	60.73%
2	Equipment	3,986,543,178	696,266,580	17.47%
3	Means of transportation	3,110,689,499	989,300,334	31.80%
4	Other fixed assets	3,134,158,343	1,712,376,431	54.64%
Total		32,082,028,319	16,668,120,095	51.95%

Source: Audited financial statement of 2020

The original cost of the assets which have been fully depreciated but still in use as at 31/12/2020 was: VND 5,006,293,734.

8. List of parent company, subsidiaries, joint ventures, and affiliates

8.1. Parent company

Vietnam Northern Food Corporation (Vinafood1)

- Address: No. 6 Ngo Quyen Street, Ly Thai To Ward, Hoan Kiem District, Hanoi City.
- Certificate of business registration: No. 0100102608 by the Department of Planning and Investment of Hanoi for the first time on 20/07/2010, registration for the 9th change on 14/02/2020.
- Charter capital: 4,359,390,000,000 VND
- Main business lines: Wholesale of rice; Wholesale of agricultural and forestry raw materials (except wood, bamboo); and live animals;...
- Rate of contributed capital of Vinafood1 in Visalco: 100%.

8.2. Subsidiaries, joint ventures, affiliates, and capital contributions

- Subsidiaries: none
- Affiliate:

Hakumatsu Food Company Limited:

- Address: Quynh Yen Commune, Quynh Luu District, Nghe An Province
- Investment Certificate No. 271022000019 issued by the People's Committee of Nghe An province for the first time on January 30, 2015
- Charter capital: 1,260,000,000 VND
- Main business lines:

TT	Name of business line	Code
1	Salt production (food), iodine salt mixed	1079
2	Wholesale of rice and food (including salt)	4631, 4632
3	Wholesale of salt for industrial use	4669
4	Food retail in specialized stores (including table salt)	4721, 4722

- Total value of capital contributed according to the books: VND 315,000,000.
- List of capital contributors:

No	Name of capital contributors	Capital contribution (VND)	Capital contribution ratio (%)	Type of capital contribution
1	Vietnam Salt Company Limited	315,000,000	25	Assets
2	Hakumatsu Inc - Japan	945,000,000	75	Cash
	Total	1,260,000,000	100	

9. Business performance and results of business activities in 3 years prior to equitization.

9.1. Notes about financial data in the audited financial statements of 2018, 2019 and 2020 of the Company.

▪ **In the 2018 audited financial statements of the Company, exceptional opinion of the auditor is as follows:**

+ The basis of exceptional auditor's opinion:

At 31/12/2018, short-term loan principal was VND 25,060,609,920 (as at 31/12/2017 was VND 25,060,609,920) of the two subsidiaries of the Company, which were General Import and Export Company of Salt Industry and Construction and Investment Consulting Company was dissolved since 2009 and the Company has not kept records, has not confirmed the balance, has not estimated obligations that might arise for these loans. We have not obtained sufficient and appropriate audit evidence regarding this balance and therefore do not comment on the existence, completeness and value of this short-term loan and its impact to other items presented in the financial statements.

As presented in 10th notes - Notes to the financial statements, Vinh Ngoc Branch has not developed the criteria for evaluating work in progress at the end of the fiscal year (value is 721,080,908 VND).

+ Auditor's opinion except:

In our opinion, except for the effect of the matters referred to in the "Basis of exceptional auditor's opinion" paragraph, the financial statements have reflected, in all material respects, truthfully and reasonably The Company's financial position as at 31 December 2018, as well as the results of operations and cash flows for the year ended the same day, in accordance with Accounting Standards, Vietnamese Enterprise Accounting system and regulatory requirements relevant to financial reporting.

▪ **In the 2019 audited financial statements of the Company, exceptional opinion of the auditor is as follows:**

+ The basis of exceptional auditor's opinion:

At 31/12/2019, short-term loan principal was VND 25,060,609,920 (as at 01/01/2019 was VND 25,060,609,920), the Company has not kept records, has not confirmed the balance, and has not estimated obligations that might arise for these loans. We have not obtained sufficient and appropriate audit evidence regarding this balance and therefore do not comment on the existence, completeness and value of this short-term loan and its impact to other items presented in the financial statements.

+ Auditor's opinion except:

In our opinion, except for the effect of the matters referred to in the "Basis of exceptional auditor's opinion" paragraph, the financial statements have reflected, in all material respects, truthfully and reasonably The Company's financial position as at 31 December 2019, as well as the results of operations and cash flows for the year ended the same day, in accordance with Accounting Standards, Vietnamese Enterprise Accounting system and regulatory requirements relevant to financial reporting.

▪ **In the 2020 audited financial statements of the Company, exceptional opinion of the auditor is as follows:**

+ The basis of exceptional auditor's opinion:

Short-term loan principal was VND 23,587,843,072 at 31/12/2020 (as at 01/01/2019 was VND 25,060,609,920), but the Company has not kept records, has not confirmed the balance, and has not estimated obligations that might arise for these loans. We have not obtained sufficient and appropriate audit evidence regarding this balance and therefore do not comment on the existence, completeness and value of this short-term loan and its impact to other items presented in the financial statements.

+ Auditor's opinion except:

In our opinion, except for the effect of the matters referred to in the "Basis of exceptional auditor's opinion" paragraph, the financial statements have reflected, in all material respects, truthfully and reasonably The Company's financial position as at 31 December 2020, as well as the results of operations and cash flows for the year ended the same day, in accordance with Accounting Standards, Vietnamese Enterprise Accounting system and regulatory requirements relevant to financial reporting.

9.2. Business performance and results of business activities in 3 years to equitization

9.2.1. Business performance

a. Business sector

✓ Salt production and trading:

Currently, the company's salt product structure focuses on two main product lines: raw salt and finished salt. Revenue for this sector decreased significantly from 2018 to 2020, mainly coming from the Company suspending salt supplying contracts with some mountainous provinces.



- Finished salt is the key product of Visalco, with volume accounting for the largest proportion in total salt production of the Company. This item has a gross profit margin of about 17% in 2020 and the total gross profit of this item accounts for 42% of the total gross profit of the Company.

- Raw salt has a highly volatile gross margin in recent years, specifically, the this ratio increased from 45% to 65% from 2018 to 2020.

- Salt products for export have a relatively high profit margin compared to other salt products, at 32-33%. This is the ideal profit margin for salt products and highest compared to other products of the Company, these products are mainly exported to countries such as the US and Japan. However, the proportion of exported salt products still accounts for a relatively small proportion of the total net revenue, about 2% to 3%.

✓ **Rice wholesale:**

- The main customer for the Company's rice wholesale segment is Vinafood1, so the rice output the company provides depends on the holding corporation's needs. Currently, the revenue from rice wholesale activities accounts for the largest proportion in Visalco's revenue structure, with more than 68% in 2019. Because of enhancing in the market's rice demand, revenue from this segment increased from VND65.05 billion in 2018 to VND163.96 billion in 2020. However, due to high cost of goods sold, gross profit margin is relatively low.

Table 10: Product structure of the Company in 2018-2020

Unit: Ton

No	Criteria	2018	2019	2020
1	Raw salt	4,150	7,636	7,235
2	Finished salt	11,189	10,133	8,590
3	Rice	6,986	13,513	17,474
Total		24,343	33,301	33,299

Source: Vietnam Salt Company Limited

Table 11: Revenue structure of the Company in 2018 - 2020

Unit: million VND

No	Criteria	2018		2019		2020	
		Value	% Sales	Value	% Sales	Value	% Sales

No	Criteria	2018		2019		2020	
		Value	% Sales	Value	% Sales	Value	% Sales
4	House rental activities	1,052	1	1,222	0.9	1,188	0.6
Total		116,762	100	152,678	100	199,038	100

Source: Vietnam Salt Company Limited

Table 12: Gross profit structure of the Company in 2018 - 2020

Unit: million VND

No	Criteria	2018		2019		2020	
		Value	% Sales	Value	% Sales	Value	% Sales
1	Raw salt	3,026	2.59	3,290	2.16	4,510	2.27
2	Finished salt	6,781	5.81	3,791	2.49	4,699	2.36
3	Rice	1,194	1.02	1,015	0.67	533	0.27
4	House Rental activities	1,052	0.9	1,222	0.8	1,188	0.6
Total		12,053	10.32	9,318	6.11	10,930	5.49

Source: Vietnam Salt Company Limited

b. Input materials

✓ Salt production and trading:

- The source of salt supplied to the Company mainly comes from purchasing from salt business households, with a volume of about 9,000 to 10,000 tons/year, and the remain is exploited and produced by the Company. For the salt source purchased from business households, the purchase price in recent years has not changed significantly. For self-exploited salt products produced by the Company from the evaporation of raw materials from seawater. Currently the company owns 05 lands used as salt fields in Nghe An province, with a total area of more than 1.5 million m². Salt fields stretching along the coast of Nghe An, seawater with high salinity, plus a hot and dry climate are favorable conditions for salt production, so seawater raw materials for production of the Company are plentiful, stable and low cost. In addition, the Company also uses other types of fuels such as electricity, packaging, ... to serve the production process.

- For salt products, the input material price accounts for about 60% to 70% of cost of good sold, so the fluctuation of the input materials has a great impact on the revenue and profitability of the product. If input material price increases, it will directly affect cost of good sold, thereby significantly reducing the profitability of the Company.

✓ Rice wholesale:

- For rice wholesale activities, the Company imports rice mainly from partners such as Ha Bac Food Joint Stock Company - Dong Thap Branch, Dong Thap Food Processing and Exporting Branch – Vietnam Northern Food Corporation and Investment and Development Branch of the Mekong Delta raw material region - Vietnam Northern Food Corporation. The main type of rice that the Company imports is 5% eight rice for export. The long-term Covid 19 pandemic causes the sharply rising in input price, however the rice demand of the Company's customers is still high, the Company's rice purchasing activity is stable. The input price of rice accounts for a large proportion, leading to a relatively low gross profit margin.

c. Production expense

Table 13: Cost structure of the Company in 2018-2020

Unit: VND

No	Criteria	2018		2019		2020	
		Value	% Sales	Value	% Sales	Value	% Sales
1	Cost of good sold	104,709,305,694	89.61%	143,160,179,846	93.84%	188,107,161,022	94.51%
2	Financial expense	496,278,129	0.42%	390,479,111	0.26%	285,804,731	0.14%
3	Selling expense	6,941,566,948	5.94%	5,075,745,158	3.33%	5,725,034,305	2.88%
4	Administrative expenses	10,693,770,498	9.15%	11,134,227,524	7.30%	10,807,656,012	5.43%
5	Other expense	323,456,479	0.28%	217,207,255	0.14%	2,100,000	0.00%
	Total expense	123,164,377,748	105.40%	159,977,838,894	104.86%	204,927,756,070	102.96%

Source: Vietnam Salt Company Limited

- In general, the Company encounters with costs burden. The total revenue of the Company is not enough to cover expenses of year, leading losses in recent years, reducing the competitiveness of the Company compared to its peers.

- Currently, cost of goods sold (COGS) accounted for the largest proportion in Visalco's cost structure. From 2018 to 2020, the ratio of COGS to sales increased significantly, from 89.61% to 94.51%. The burden of COGS is the main reason that the total expense maintained at a high level, thereby causing the decline in business performance, and the loss is recorded in recent years.

- Due to tightening expense management, expenses such as selling expenses, administrative expenses, and financial expenses have improved in the last 3 years. The ratio of selling expenses on sale from 2018 to 2020 decreases to 2.88%, and administrative expenses on sale decreased to 5.43%.

d. Technology level



- Visalco has achievements in research and implementation of science and technology into practice, playing an important role to improve productivity and quality, meeting the high demand of customers.

- The company has invested in advanced equipment and technology to produce high-quality salt products, build separate brands to sell to the high-end market segment and serve the export market. At the same time, the company invests in technology to produce clean salt, invests in a sedimentation system, removes impurities, applies tarpaulin production, conducts salt washing in fields ...

- 2 methods of producing salt of Visalco:

▪ **Drying salt production techniques:** 5 main steps: Obtaining seawater and preparing production equipment → Plaster processing - Gypsum crystallization → Drying salt crystallization → Harvesting and preserving of water-drying salt → Harvest raw plaster.

▪ **Sand drying salt production techniques:** 3 main steps: supplying sea water supply → Salt production and salt filtration → Salt crystallization.

e. Quality control system

- Visalco's Production Management Department directly performs product quality management, building quality standards, product quality registration, and monitoring and inspection of the implementation of standards. standard product.

- On October 18, 2013, the company was granted HACCP certificate (system of hazard analysis and critical point control) by GIG (Guardian independent certification UK) No. N691078.

f. Marketing activities

- Visalco promotes brand promotion through building a brand identity department for the company's products (logo, packaging, ...), organizing communication campaigns through advertising channels, building website ... Currently, the company owns a website www.visalco.vn to promote the image of the business.

g. Trademark, patent registration and copyright

- The company has registered logo, trademark for its products and services. The Company's logo, with the image of seagulls flying over the ocean, expresses the desire to develop and build its brand not only in the domestic market, but also reaching the international markets...



- The Company has 5 patents, including 4 exclusive patents capable of transferring technology to contribute to industrialization and modernization of Vietnam's salt industry.

- In 2013, the Company was granted HACCP (Hazard analysis and critical point control system, or the system to analyze, identify and control the important risks in the process of food production and processing) certification by the Guardian (Guardian independent certification UK) facilitate the company's salt products to export to major markets such as the US, UK, China, Japan ..., where have strict requirements about ensuring food quality, hygiene, and safety.

i. Implementing provided contracts

Table 14: List of implementing provided contracts

Name of contract	Value (VND)	Execution time	Product	Partner
Sale contract	128,433,507	7/11/2020	Salt	RHEE BROS
Sale contract	71,190,000	30/9/2020	Salt	Richy Northern Joint Stock Company
Rice sale contract for exporting	3,885,000,000	29/02/2020	Rice	Vietnam Northern Food Corporation

9.3. Business operation and financial status in the last three years before equitization

Table 15: Business operation and financial status 2018 – 2020

Criteria	Unit	2018	2019	2020
1, Total asset	VND	90,654,092,638	81,552,296,706	61,870,147,032
2, State capital (book value)	VND	32,892,256,870	27,324,189,188	23,073,483,167
3, Short-term debt	VND	30,772,540,920	27,881,846,920	26,535,080,072
In which, overdue debt	VND	-	-	-
4, Long-term debt	VND	-	-	-
In which, overdue debt	VND	-	-	-
5, Bad debt	VND	17,670,296,603	17,661,604,603	17,593,674,053

Criteria	Unit	2018	2019	2020
6, Total employees	Person	213	215	195
7, Total payroll fund	VND	13,571,611,092	13,754,015,960	12,754,539,720
8, Income (person/month)	VND	5,309,707	5,323,262	5,450,658
9, Total revenue	VND	118,999,650,755	154,409,771,212	200,677,050,049
10, Total expenses	VND	123,164,377,748	159,977,838,894	204,927,756,070
11, Earning before tax	VND	(4,164,726,993)	(5,568,067,682)	(4,250,706,021)
12, Earning after tax	VND	(4,164,726,993)	(5,568,067,682)	(4,250,706,021)
13, Earning after tax/ State capital (*)	%	(11,91%)	(18,49%)	(16,87%)

(Source: Audited financial statements 2018, 2019 and 2020)

9.4. Factors affect business operation.

9.4.1. Advantages

- The Company is the only enterprise nationwide operating in the salt industry currently 100% owned by the state (a tier 2 enterprise is a 100% state owned). The company inherits advantages in terms of brand, image, and long-standing products of the former Vietnam Salt Corporation.

- Vietnam Salt Company Limited is one of two specialized salt units of the Vietnam Northern Food Corporation (the other one is Salt and Ha Tinh Trading Joint Stock Company, in which Vietnam Northern Food Corporation owns 52% of the capital contribution), so the salt business duties or social salt duties (such as purchasing salt from salt farmers, ...) which is mainly performed by the Company. In recent years, the Company has completed the assigned tasks.

9.4.2. Challenges

- The main Company's product is salt. This is a commodity with low value, high production cost and fierce competition. Therefore, if the Company maintains the core salt business, it will encounter difficulties.

- In recent years, the total cost of the Company has remained higher than the total annual revenue, causing losses. Specifically, in 2020, the total revenue was about VND200.68 billion, but the total expense incurred about VND204.93 billion.

- The production cost of the Company is higher than the selling price in the market, leading to the inability to compete with other companies in the same industry. The production cost of crude salt at Vinh Ngoc Branch is currently about 1,750 VND/kg, while the wholesale price of large batch salt on the Nghe An market is only about 1,400 - 1,500 VND/kg. The price of iodized salt, refined salt produced by the Company are about 3,000 VND/kg, while the market price is about 2,500 - 2,600 VND/kg.

- The current Company's workforce is mainly indirect labor force and the staff of the former Office of Vietnam Salt Corporation. Therefore, in terms of health, knowledge, and market sensitivity, such employees are no longer suitable for the salt production and business characteristics and the market mechanism. Meanwhile, the Company has a serious lack of direct workforce, and sales force, expertises in product marketing, market knowledge, and technicians specializing in salt manufacturing and processing. Moreover, the Company also has shortage a team of young key managers, who have new management ideology, and are sensitive to the market.

10. Market position of the Company

10.1. Market position

- Visalco is a 100% state-owned enterprise directly under the Vietnam Northern Food Corporation is one of the reputable food salt suppliers in Vietnam. With more than 60 years of development, from the supplier of raw salt for people's consumption, the Company has created modern refined salt technology, providing products to the market with high quality salt. Currently, the Company is one of the salt suppliers with the largest market share in Vietnam, with a network of agents and distribution branches of each member unit and large supermarkets.

- The salt products are manufactured by clean technology to filter seawater by sand and solar energy. This is an advanced technology in the North of Vietnam, which makes salt taste very salty, pure, and soluble when processed. The North sea salt product VNF1 is a salt mixture with many different mineral salt components in which the main ingredient NaCl accounts for 80-82%, the rest 10-15% which are Magnesium Chloride mineral salts; Magiesunphats, Calcium Sulfates; Calcium chloride, Potassium Chloride and up to 50ppm of over 60 other trace elements such as: Iron, Zinc, Copper, Selenium, Chromium, Fluorine, Iodine, Bromine, Giecmanium, Molipdenum. More specifically, these minerals exist in a fixed natural ratio, which is approximately compatible with the proportion of chemical elements in the human body, especially in blood and other fluids. Due to the different values of the quantity and type of composition of micronutrients, Visalco's sea salt products have high quality and value.

10.2. Industry development prospect

- Salt production is a long-standing traditional industry in Vietnam. People create sand-dried salt containing various healthy minerals. With this advantage, Vietnam's salt products have successfully conquered fastidious markets such as Japan, the US, and South Korea... Specifically, the amount exported to Japan reached 2,000 tons/year; The US reached 800 tons/year (mainly handmade sand salt in Nghe An area). At the same time, the salt industry also has certain advantages to develop in the direction of industry with high productivity and quality, well serving domestic consumption as well as processing and export industries.

- In 2018, the salt production area of Vietnam was 13.4 thousand hectares, and salt production was approximately 966 thousand tons. Due to high output, there was a

situation of oversupply, the total supply in 2018 reached 1,686 thousand tons (including: 140 thousand tons salt in 2017). While the demand for salt in the year is 1,480 thousand tons, up to 206 thousand tons of salt will be transferred in 2019.

- The salt industry in 2019 is considered a bumper crop with good prices thanks to favorable weather. According to the statistics of the whole country, the area of salt production in 2019 is estimated at 13,585 hectares (manual salt is 9,272 hectares, industrial salt is 4,313 hectares); the output reached 310 thousand tons. The amount of salt remaining in the population and some businesses is now about 269 thousand tons.

- Vietnam's salt industry is forecasted to be a sector that will suffer the earliest, direct and worst impact when sea level rise and tens of thousands of hectares of salt production area will be in danger of being gradually erased. book over time. While economic integration is accompanied by requirements for the application of science and technology, high technology in production, the increase in productivity, the reduction of the number of manual labor ... is also placing the salt industry in front of requirements. need to innovate production and promote sustainable development in the coming time.

- In recent years, the salt production and trading industry in the North has been strongly affected by erratic weather events, and at the same time, has been competed by the huge source of imported salt from China, India, and Thailand. ... and the source of salt in the South, which is cheap and sold in large quantity. The market is narrowed, the product price is low, the salt industry is hard and labor-intensive, leading to ineffective production and business of the enterprises in the industry and a serious shortage of young labor.

- Following Salt Industry development plan, the Government has issued Decision No.1325/QĐ-TTg approving the salt industry development projects for the period of 2021 -2030. The project's objective is to develop the salt industry in the direction of efficient and sustainable of making advantages of salt-producing localities to improve productivity, quality and diversify salt products to meet domestic salt demand, towards salt export, job creation, income improvement, and stable livelihood of salt making people.

- + Targets by 2025: The total salt production area will be maintained 14,500 ha, the output will reach 1,500,000 tons/year, of which the production area of crystallization on the canvas foundation is 5,000 ha, the output will reach 650,000 tons (accounting for 43 %), the output of processed salt reaches 500,000 tons; Renovating and upgrading salt field infrastructure, especially the salt field irrigation system; Applying science and technology in salt production and processing, increase productivity by at least 20% ...

- + Targets by 2030, the total area of salt is 14,244 ha, the output will reach 2 million tons/year, meeting the domestic demand; Investing in the development of industrial-scale salt production, establishing key industrial-scale salt production regions in the southern central provinces ...

- The higher development leads to the improvement in people life, the salt demand is also increasing to serve diverse needs such as food production, industrial field,



and pharmaceutical and cosmetics... Vietnam's salt market is becoming dramatically potential, so if the Company takes this advantage, it will operate effectively.

10.3. Conformity assessment of the Company's development orientation with industry orientation, Government's policy, and general trend in the world

- The development orientation of Visalco is in line with industry orientation, State policy and general trend in the world. Through models converted to joint-stock company, the company will mobilize the resources of society on both capital and human resources from all economic organizations and individuals in the country, Legal entities and individuals participating in production and business activities of enterprises help innovate and develop businesses, create jobs for workers, increase revenue sources for the local government budget, change management methods, create a driving force for development, improve the efficiency and competitiveness of enterprises in the market economy.

III. INVESTMENT AND DEVELOPMENT PLAN OF THE ENTERPRISE AFTER EQUITIZATION

1. General information after equitization

1.1. General information

Vietnamese name : CÔNG TY CỔ PHẦN MUỐI VIỆT NAM
English name : VIETNAM NATIONAL SALT COMPANY LIMITED
Abbreviated name : VISALCO., LTD
Address : No. 5-7 Hang Ga, Hang Bo Ward, Hoan Kiem District, Hanoi City, Vietnam
Telephone : (84) 24 3825 7496
Fax : (84) 24 3824 3129
Logo :



1.2. Legal form

- After equitization, Vietnam Salt Company Limited will be a joint stock company, having legal status under Vietnamese law from the date of being granted the business registration certificate, implementing the regime independent accounting, having its own seal, being allowed to open a bank account in accordance with the law, being organized and operated under the charter of Vietnam Salt Joint Stock Company; Enterprise Law and other related legal documents.

- Business lines after equitization: Inheriting the lines of the Business Registration Certificate No. 0105873523 issued by the Department of Planning and Investment of Hanoi City, first issued on April 27, 2012 and registered 9th change on June 17, 2016, the business lines of the Company are expected as follows:

Table 16: Business line after equitization

No.	Name of business line	Code
1	Salt extraction	0893 (Main)
2	Manufacture of other food products not elsewhere classified Details: Production of salt from purchased salt, including iodized salt	1079



No.	Name of business line	Code
3	Rice wholesale	4631
4	Other specialized wholesale not elsewhere classified. Details: Industrial salt wholesale	4669
5	Retail sale of food in specialized stores Details: Retail sale of food	4721
6	Cargo transportation by road	4933
7	Warehousing and storage	5210
8	Short-term accommodation services	5510
9	Restaurants and mobile catering services Details: Restaurants (not including bars, karaoke rooms, discotheques);	5610
10	Retail of apparel, footwear, leather and leatherette goods in specialized stores	4771
11	Retail drugs, medical devices, cosmetics and toiletries in specialized stores Details: Retail sale of perfumes, cosmetics and toiletries	4772
12	Other new retail sales in specialized stores Details: Retail sale of souvenirs, knitwear, handicrafts. Retail sale of non-food and food products not classified in any class	4773
13	Wholesale of agricultural and forestry raw materials (except wood, bamboo) and live animals (Except for those prohibited by the State)	4620
14	Food wholesale	4632
15	Food retail in specialized stores	4722
16	Wholesale of agricultural machinery, equipment and spare parts	4653
17	Construction of other civil engineering works	4290
18	Installation of machinery and industrial equipment	3320
19	Manufacture of cosmetics, soap, detergents, polishes and sanitary preparations. Details: Manufacture of cosmetics: bath salts and foot bath salts; (For the conditional business lines, the enterprise only does business when it meets all conditions as prescribed by law)	2023

1.3. Organization structure of Visalco after equitization.

Figure 1: Organization structure of Visalco after equitization.

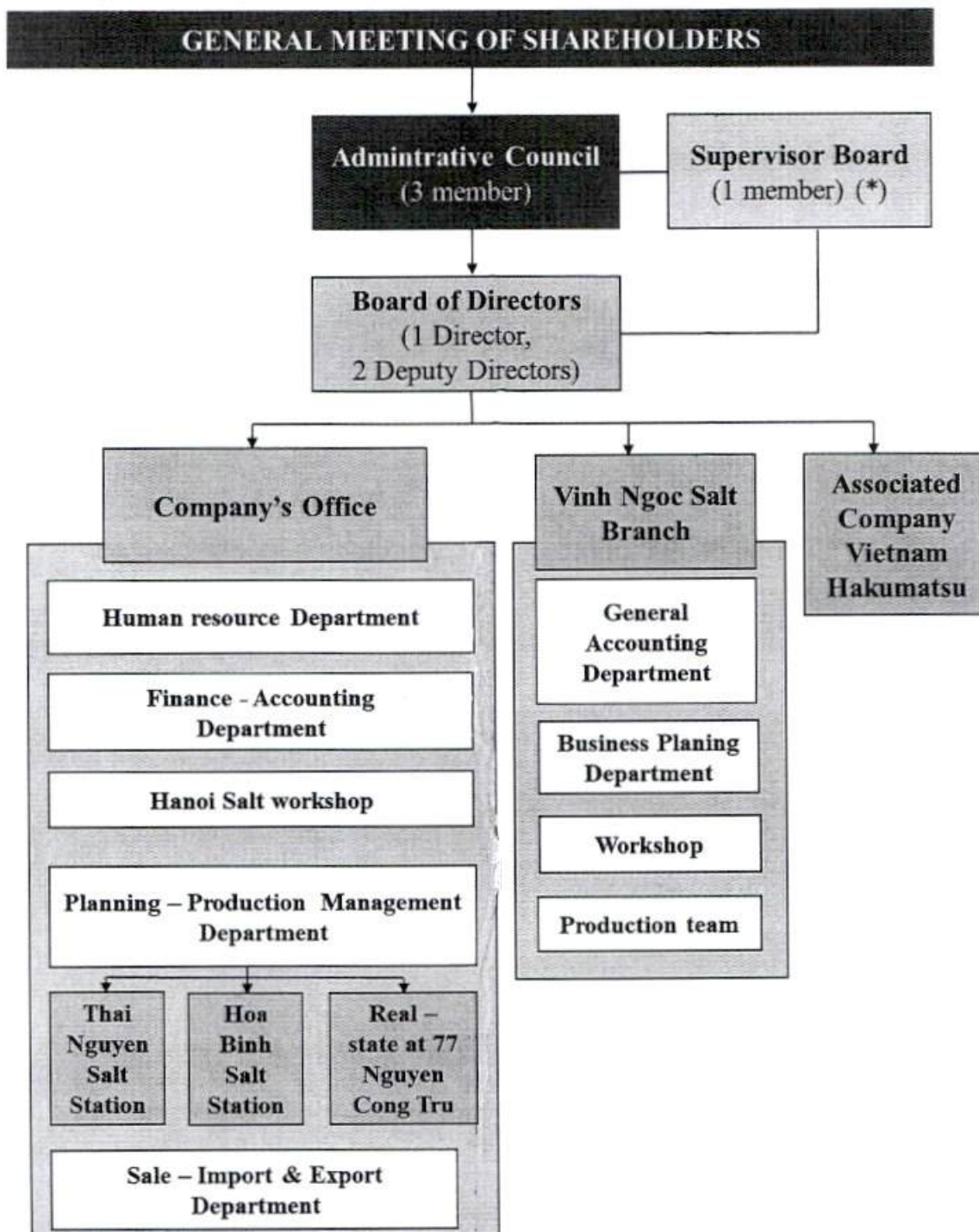


Table 17: Major adjustment points in organization structure

No.	Description of Recommendations	Status and explanation of Recommendations
1	Dissolution of Hanoi Salt Branch, merging the Workshop of Hanoi Salt Branch (former) into the Company's Office.	
	<ul style="list-style-type: none"> - Dissolution of Hanoi Salt Branch, merging the Workshop of the (former) Hanoi branch into the Company's Office, and transformed into Hanoi Salt Factory to streamline, minimize duplication and cumbersome of current structure. 	<ul style="list-style-type: none"> - Currently, the Hanoi branch and the Company's office have the same business area in Hanoi and trade several same product lines, but Hanoi branch is an independent accounting unit, with separate production and business activities, organizational activities. - Hanoi Salt Branch currently has 19 employees, including 8 indirect employees, in charge of sales and administration. The indirect personnel apparatus, when maintaining the Hanoi Branch, was an independent system with the Company's Office, cumbersome and overlapping. - Therefore, the Hanoi branch should be dissolved, the workshop of the former Hanoi branch will then merge with the Company's Office to cut indirect personnel costs and increase management efficiency. - After the dissolution and merger, the Organizing Administrative Office of Hanoi branch will be removed. All recruitment and evaluation activities will be responsible for the Administrative Organization Department of the Office of the Company - The Production Planning Division at the Hanoi branch will also be removed. All production planning work will be done by the Planning - Production Management department of Company's Office. - All existing business activities of Hanoi Salt Branch will be carried out by the Sales Department of the Company's Office.
2	Specializing the function of production and storage in Hanoi Salt Factory	
2.1	<ul style="list-style-type: none"> - Focusing the production of Company's 	<ul style="list-style-type: none"> - The Production Management Department of the Company's Office is directly involved in the



	<p>Office and the former Hanoi Branch to the Hanoi Salt Factory.</p>	<p>production (bath salts, foot bath salts, chili salt, olives salt). These production activities are carried out at the factory in Gia Lam, under the management of the Hanoi branch.</p> <ul style="list-style-type: none">- Currently, the production activities at the Hanoi branch and at the Company's Office are being carried out fragmented, small, lack of linkage. Both units produce at the factory of the Hanoi branch in Gia Lam, using some machines in the production process, but are managed by two separate systems.- After the dissolution and merger, Hanoi Salt Factory will only focus on the task of producing goods and managing warehouses for both the Company Office and the former Hanoi Branch.- The Hanoi factory will be managed by the Company's Office, so the Hanoi factory will have a role equivalent to the role of the other departments at the Company's Office.- Although recruitment, insurance,...of Hanoi Salt Factory has been performed by Human Resources Department, the Foreman and Vice Foreman will still be responsible for the staff salary calculation of the factory.- Several benefits of centralizing production:<ul style="list-style-type: none">+ Improving production efficiency by using facilities, labor resources and warehouse system, from there towards the production of large orders.+ Improving management efficiency when centralizing on one focal point.+ Synchronizing product quality, supporting specialized output quality control.
2.2	<p>- Transferring the Hoa Binh and Thai Nguyen salt stations to the Planning and Production Management Division at the Company's office.</p>	<p>- Currently, Hoa Binh and Thai Nguyen salt stations are under the management of the (former) Planning Department at the Company's office, and are mainly in charge of production, and processing of goods as well as storage warehouses.</p> <p>- Therefore, the salt stations are recommended to move under the management of the Department of</p>

		<p>Production Planning and Management to centralize the production apparatus as well as the logistics system in the North of the company under one storage management focal point.</p> <ul style="list-style-type: none"> - After the adjustment, the salt stations will be responsible for commodity production and storage, and distribution of goods at the request of the Production Management and Planning Department of Company's Office.
2.3	<p>- Adjust the functions & duties of the Planning and Production Department in the direction of specialized in production management.</p>	<ul style="list-style-type: none"> - Currently, the company's production activities in the North are scattered. Both the Company Office, the Hanoi branch, and the 2 salt stations are engaged in production. However, these production activities are not planned synchronously, there is no unified focal point to be responsible for management. This makes the Company difficult to synchronize production activities, optimize available resources. - With the orientation of centralizing production to the Office, the Company needs to have a focal point responsible for building synchronous production plans for all production units, including the Hanoi Factory, Hoa Binh Salt Station and Thai Nguyen Salt Station. Therefore, the Production Planning and Management Department will be responsible for developing a production plan, assessing the quality of input and output products of the Hanoi Factory. - In addition, the Planning and Production Department will also support the Hanoi Factory in dispatching workers for loading and unloading goods and logistics related jobs. - The Planning and Production Department will not directly participate in the operation of the Hanoi Salt Factory, but it is only responsible for providing production plans and quality assessment of salt products. - This adjustment helps increase the consistency and synchronization in the company's production activities,

		creating favorable conditions for production planning as well as the assessment and management of production efficiency.
3	Specializing in business functions of the Company's office	
3.1	<p>- Merged the Planning Department, Marketing department of the Company Office and the Sales functions of the former Hanoi Branch into Sales - Import and Export Department.</p>	<p>- The Company's business system is being dispersed, lacks concentration, there is no clear division of the market, thereby causing overlaps and reducing business efficiency.</p> <p>- In the first 9 months of 2019, there were 8 items being sold by both the Planning Department and the Market Department, with a total output of 1,236 tons, accounting for 9.6% of the company's total sales volume. In addition, among these items, there are 2 items with a large gross profit margin, at approximately 10%.</p> <p>- Business operations are being dispersed across departments as follows:</p> <p>+ Planning Department: Mainly focuses on Northern provinces and involves in Hanoi area.</p> <p>+ Market Department: Mainly focuses on Hanoi area, and involves in the Northern provinces.</p> <p>+ Hanoi Salt Branch: Mainly focused on Hanoi area.</p> <p>- The Sale – Import & Export Department will be established through the merge of Planning Department, Market Department at the Company's Office and the Sales – Import & Export function of the former Hanoi Branch.</p> <p>- Sales Department - Import and Export was established with the aim of specializing the business duties of the Company. Specifically:</p> <p>+ Restructuring, completing, synchronizing old distribution channels, and adding new ones.</p> <p>+ Gathering orders to help sell large quantities, increase the ability to negotiate with customers and optimize shipping costs.</p>



		<p>+ Developing a synchronous, flexible, and competitive pricing policy.</p> <p>+ Developing customer care programs, after-sales service.</p> <p>- After the merger, the business activities of the old Hanoi Branch will be taken over by the Sales – Import & Export department.</p> <p>- After merging, for domestic business, the Sales – Import & Export department may consider implementing business models as follows:</p> <p>+ Business model by region: This department will clearly divide the business area for the staffs in the department (for example: Hanoi area and Northern provinces area). Each employee will oversee one of business areas and not participate in another's area.</p> <p>+ Product business model: This department will clearly divide the product segments for the staffs in the department (For example: Raw Material Salt and Finished Salt). Each employee will oversee product segment and not participate in the other's product.</p>
3.2	Merging Import and Export department into Sales department.	<p>- With the orientation of minimizing payrolls after equitization, the Company merges the Import-Export Department and the Sales Department into the Sales-Import & Export department to minimize the positions of Head of Department, Deputy Head of Public Office.</p> <p>- Easily mobilizing personnel for importing and exporting activities, conducting business between domestic and international markets.</p> <p>- Currently, the Company only has the Head of Import and Export Department capable of proficient use of foreign languages to exchange with foreign partners. Therefore, in the future, the Company needs to have a plan to recruit or train new personnel with foreign language knowledge to participate in import and export activities.</p>
3.3	- Specialize in purchasing function under the	- Currently, the Company's purchasing activities are not being carried out synchronously and uniformly.



	supervision of Sales - Import and Export department.	<p>When there is a need to purchase goods or find outsourcing agents, the Planning Department and the Marketing Department will automatically find partners. In addition, the purchase of goods and raw materials at Hanoi branch is also done completely independently from the Company's Office.</p> <ul style="list-style-type: none">- Therefore, the Company will centralize purchasing activities to increase the Company's purchasing position, the purchasing power and ensure purchasing activities are synchronous and unified.- In addition, placing the purchase function under the supervision of the Sales - Import and Export Department will ensure the quality of the purchase, minimizing conflicts and differences arising in purchasing and selling activities.- The staffs of the Sales - Import and Export Department will also be responsible for sourcing raw materials, purchasing goods, finding partners to process products.
4	Building and developing Marketing functions	
	<ul style="list-style-type: none">- Establishing the Marketing function at the Company's Office for brand communication, market expansion and product marketing.	<ul style="list-style-type: none">- Currently, the Company does not have any departments in charge of communication, improving brand value, brand awareness enhancement, preparing sales documents to support the Sales department.- The lack of marketing personnel makes it difficult for the Company to expand into new markets as well as improve brand awareness.- To ensure the development requirements after equitization, the Company is recommended to establish a Marketing Department in charge of communication.- Marketing function will take over the following tasks:<ul style="list-style-type: none">+ Survey and research salt market in Vietnam and around the world.

		<ul style="list-style-type: none"> + Building brand identity for the company's products (Logo, packaging...). + Organizing communication campaigns through advertising channels, improve brand awareness. + Website management. + Preparing documents, supporting Sales department. - In addition, the Marketing function will concurrently perform other tasks such as ensuring food hygiene and safety, pharmaceutical and cosmetic standards, managing codes and barcodes of goods, product packaging. - During the initial period after equitization, if the Company does not have sufficient conditions and human resources to set up its independent Marketing Department, the Marketing function can be built and developed as a division of the Sales Department. Later, when the Company is more stable and operating more efficiently, building the Marketing function into separate departments and divisions should be a priority in the long-term development plan of the Company.
5	Dissolution of the Project Management Board at the Company Office due to no longer need to operate	
	<ul style="list-style-type: none"> - Dissolution of the Project Management Board at the Company's Office due to no longer need to operate. 	<ul style="list-style-type: none"> - Currently, it managed only one project which started in 2009, has been completed, handed over and is in the process of approving the settlement. - After the completion and settlement approval of project, the Company is not expected to deploy any other projects. - Therefore, the Company will recommend removing the Project Management Board and transferring its existing staffs to other departments. - In the future, when the Company has new projects and needs personnel to perform project management, the Company may consider setting up a Project



		Management Board on a seasonal basis by utilizing resources from available departments. After the end of the project life cycle, these personnel can resume work in their respective departments.
6	The Administrative and Finance Department was merged into the General Accounting Department at Vinh Ngoc Salt branch	
	- Merging Administration and Finance Department at Vinh Ngoc Salt branch to reduce payroll.	<p>- Currently, according to the assessment of the Board of Directors, the workload of the Administrative Organization Department at Vinh Ngoc Salt Branch is not much, mainly related to insurance work. It is judged not necessary to have up to 3 personnel performing this work.</p> <p>- With the orientation of streamlining payrolls after equitization, Vinh Ngoc Salt Branch is recommended to merge the Administrative Organization and Finance Department into General Accounting Department to minimize the positions of Head and Deputy Manager.</p> <p>- In addition, the merger of two departments will help the company easily mobilize personnel in the same department.</p>
7	Transferring Quynh Yen production workshop of the Company's Office to Vinh Ngoc Branch (*)	
	- Transferring the management of Quynh Yen workshop to Vinh Ngoc Branch so that the workshop can implement the production plan as requested and directed by Vinh Ngoc Salt Branch.	<p>- Currently, Quynh Yen factory is being responsible for work assignment and management by the Planning and Production Management Department of the Company's Office.</p> <p>- However, geographically, the Production Planning and Management Department is in Hanoi, while the Quynh Yen factory is in Nghe An. This causes difficulties in monitoring and evaluating work status at the workshop.</p> <p>- In fact, every time Vinh Ngoc Salt Branch has a need to take advantage of the warehouse or the employees of the Quynh Yen factory, the branch must consult the Company's Office. Meanwhile, Quynh Yen factory</p>

	<p>has a geographical location opposite Vinh Ngoc Salt branch.</p> <ul style="list-style-type: none"> - Therefore, if we let Vinh Ngoc Salt Branch directly manage Quynh Yen factory, it will create more favorable conditions for management, control as well as utilization of labor, machinery, warehouse,... - After transferring, the Production Management and Planning Department of the Company's Office will no longer manage the Quynh Yen Workshop. When the Company Office has a request to produce for export, it will send the request to the Vinh Ngoc Salt branch. The branch will arrange labor, prepare input materials, and assign work to Quynh Yen factory. - Quynh Yen Manufacturing workshop and Hoang Mai workshop will be merged and called Processing workshop.
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1.3.1. Functions and duties of positions at the Company Office

- Functions and duties of the departments at the Company Office are clearly defined in the Company's charter. Basic functions and tasks are performed as follows:

a. General Meeting of Shareholders

- The General Meeting of Shareholders includes all shareholders with voting rights, is the highest decision-making body of the Company.

b. Administrative Council

- The Administrative Council is the direct management body of the Company, elected by the General Meeting of Shareholders. The Administrative Council organizes the implementation of the rights and obligations assigned by the General Meeting of Shareholders in the Company Charter and the provisions of law; has the right on behalf of the Company to perform the rights and obligations of the Company, except for matters of the General Meeting of Shareholders.

c. Supervisory Board

- Supervisory Board evaluates annual financial statements, examines each specific issue related to financial activities when it deems it necessary or according to the decision of the General Meeting of Shareholders or at the request of major shareholders.

- The Supervisory Board reports to the General Meeting of Shareholders on the accuracy, truthfulness and legality of documents, accounting books, financial statements, and operation of the internal control system.

- Supervisors in the Supervisory Board must fully satisfy the criteria and conditions specified in Clause 1, Article 164 of the Law on Enterprises, the company's charter and not fall into the following cases:

- + Working in the accounting and finance department of the company.
- + Being a member or employee of an independent auditing company auditing financial statements of the Company in the previous 3 years.
- + A controller must be an auditor or an accountant.
- + Head of Supervisory Board must be a professional accountant or auditor and must work full-time at the company.

d. Director

- Director is the legal representative; The Visalco CEO runs daily business, is under the supervision of the Board of Directors and is responsible to the Board of Directors and the law for the implementation of assigned rights and duties.

e. Deputy Director

- The Deputy Executive Directors of the Company as assigned and authorized by the Director; is responsible to the Director and the law for the implementation of assigned rights and duties.

f. Chief accountant

- The Chief Accountant is proposed by the Director and approved by the Board of Directors. The Chief Accountant assists the Director in organizing the implementation of the financial and accounting activities of the Company in accordance with the provisions of the law on finance and accounting.

g. Finance – Accounting Department

- Performing professional work in accordance with Vietnam regulations on financial and accounting standards.

- Recording, tracking, reflecting the movement of business capital of the Company. Advising the Board of Directors on the accounting regime, low collection of information processing related to economic transactions arising in the Company. Keep accounting and business data confidential in the Company.

- Guiding, monitoring, urging, inspecting, and proposing measures to well perform accounting and accounting. Preparing the financial statements quarterly and annually in accordance with the provisions of the Law and the Charter of the Company.

- Checking the legality, reasonableness, and validity of all types of documents, complete procedures before submitting them to the leader for approval. Performing the correct and complete recording and accounting of arising economic transactions in accordance with the Financial Regulations of the Company and the provisions of the Law.
- Providing leaders with data in time, overviewing the financial situation as well as financial results of each business operation.
- Supervising the management of assets and cash flow in accordance with the regulations of the law and the Company, especially for fixed assets, commodities, cash and liabilities.
- Developing internal financial regulations, budgeting norms for the Company and coordinating with departments and divisions to build separate budgets for departments.
- Developing a management report to submit to the Director, advise the General Director in the field of management of the Company's financial and accounting activities and perform other duties as assigned by the Director.
- Coordinating with departments in the Company to monitor, urging and recovering customers' debts in to ensure efficient use of the Company's capital resources.
- Disclosure of the Company's financial statements.

h. Human Resources Department

- Advising the Director on the plan to consolidate the organization, the management apparatus in a neat and effective manner in accordance with the development requirements of the Company.
- Training, recruitment, planning, promoting, and appointing of staff. Based on the labor plan, presiding, and coordinating with the Finance - Accounting Department to build the salary and the total salary fund of the Company.
- Implementing the policies and regimes of employees: Labor, salary, social insurance, health insurance ... of the Company according to the provisions of the Labor Code and current law.
- Advising the Director to build, amend and supplement the Regulations, the Charter of the organization and operation of the Company.
- Implementation of Party Affairs.
- Performing duties related to shareholder relations such as disclosing information of the Company on the stock market, ...
- Performing duties related to secretary of the Board of Directors.
- Standing Committee of the Company's salary increase.
- Managing records of officials and employees of the Company.



- Receiving, advising, and handing according to the authority complaints, complaints, and denunciations. Receiving inspection teams (if any) and coordinating with relevant departments to prepare necessary documents as required by the inspection team.
 - Standing Committee of Emulation, Reward and Discipline.
 - Drafting and submitting to the leaders for approval the working regulations of the Company and monitoring and speeding up the implementation of the Rules.
 - Arranging working place arrangements for departments, scientific companies, reasonable. Performing regular maintenance and repair. Managing assets of the Company Office, repair and replace damaged equipment in a timely manner.
 - Building, inspecting, purchasing, and guiding the implementation of the regulations and norms of the Company on assets and office equipment.
 - Procurement and distribution of stationery.
 - Archive documents, documents, administrative books and seals, confirm the copy of documents in the Company.
 - Reception, reception, organization of meetings and conferences of the Company.
 - Carrying out the work of internal protection, security and order, national defense, accidents, storms, floods, natural disasters, safety and hygiene, labor, fire prevention and fighting of the Company. Homework, labor.
 - Visiting, funeral, marriage, sickness work with the family and employees' families and foreign relations.
 - Monitoring and managing the collective kitchen of the Company.
 - Responsible for coordinating with the Company's Trade Union to take care of life for workers on holidays, New Year, annual visit, and tourism.
- i. Planning - Production Management Department**
- Developing a master production plan for Hanoi factory and inspecting and supervising the construction of detailed production plan of Hanoi factory related to schedule of machine operation, production volume. and mobilizing workers, ...
 - Quality control of input and output products; building quality standards: registration of product quality; Track and check the implementation of product standards.
 - Checking and supervising the quality of goods, materials imported, exported, and in stock at the Hanoi Factory; Statistics reports on import and export, inventory of goods, materials, machinery, and equipment of Hanoi Factory.
 - Tracking, urging, inspecting, and proposing solutions to adjust to the implementation of production and business plans.



- Safety, labors, and environmental sanitation management in production facilities.
- Checking and supervising the procurement of materials, machinery and replacement equipment according to the plan of repairing and maintaining production machinery of Hanoi factory; Establishing consumption estimates of raw materials and materials in production.
- Managing logistics system, transport goods between warehouses, supply chain management from purchasing, storage, and exporting; transport vehicles, ensuring the transportation and distribution of goods on schedule.
- At the end of the month, this department make a report related to the production situation arising in the month or quarter and send it to the Finance and Accounting Department.
- Management, exploitation and supervision of business activities, cooperation and investment in the assets attached to the land of the Company.

j. Sale – Import & Export Department

Import and export business:

- Performing logistics in import and export of goods such as customs clearance, opening customs declarations, ... of the Company.
- Organizing the purchase and supply of materials, exploiting the sources of goods, selling products, and expanding the market as assigned by the Director.
- Drafting sales contracts according to the tasks assigned by the Director. Coordinate with the accounting department to recover the sale proceeds.
- Transacting with domestic and foreign customers, developing import and export business plans, and carrying out import and export procedures for goods.
- Advising the Director of the Company on international policies and practices related to production and business activities in the field of import and export to suit the development requirements of the Company.
- Helping the Director to receive guests, negotiate, transact, and sign contracts with foreign customers.
- Introducing and offering products of the Company at fairs and exhibitions, survey the market, exchange professional knowledge, collecting information to expand markets and new products.

Domestic business:

- To advise and formulate a business plan for salt-based and salt-based products (hereinafter referred to as all salt products) to submit to competent authorities for approval before implementing market demand effectively.



- Continuing to carry out the task of trading salt products in the market according to the plan assigned by the Director of the company to ensure that the output, turnover, categories of products and profits are growing.
- Conducting a comprehensive salt product research: model, type, output, price, distribution channel ... for each customer and specific market area.
- Preparing and submitting to the Director of the Company monthly, quarterly, annual plans, details of output, sales, capital, expenses, profits... for each salt product. Options and solutions needed for the approved plan.
- Proposing and participating in the work of improving product quality, producing new products to meet market demand.
- Organizing activities of purchasing goods and raw materials, searching for suppliers with suitable quality and competitive prices; identifying and calculating purchase needs, ensuring goods for production and business activities.
- Organizing a suitable and effective sales network and distribution channel for each type of product and market area, from production - transportation - storage - customers.
- Directly managing salt production and business activities of Thai Nguyen salt station and Hoa Binh salt station.
- Developing flexible price policy and customer care programs.
- Strictly managing goods and money according to the specific regulations of the Company.
- Building the norms of selling expenses: transportation, wages, staff salaries, bonuses, wastage rate, sales discount for each type of product, agent level ... Well done Approved norms ensure increasingly advanced.
- Research and apply new and more effective sales methods.
- Managing cars and means of transporting goods to ensure timely and efficient delivery.

Marketing activities:

- Surveying and researching salt market in Vietnam and around the world.
- Building brand identity for the company's products (Logo, packaging, ...).
- Organizing communication campaigns through advertising channels, improve brand awareness.
- Website management.
- Preparing documents, support Sales department.
- Ensuring food hygiene and safety, pharmaceutical and cosmetic standards, managing codes and barcodes of goods, product packaging.

k. Factory

- Organizing production, processing, processing and storage for all items of the Company Office.
- Monitoring and planning the repair and maintenance of production machinery.
- Checking, supervising, and guiding the process of technology in the production process.
- Ensuring food safety and hygiene, labor safety, industrial hygiene, and fire and explosion prevention and fighting.
- Proposing and coordinating with the Planning - Production Management Department to develop detailed production plans for Hanoi factory such as transferring workers, ...
- Advising the Director and the Company on production plans, changing machinery technology, repairing machines and equipment.

1.3.2. Functions and duties of positions at Vinh Ngoc Salt Branch

Functions and duties of departments at the Company's Office are clearly defined in the Company's charter. Basic functions and tasks are performed as follows:

a. General Accounting Department

Accounting work:

- Implementing financial regimes, policies, accounting, statistics, reporting in service of the branch's financial and accounting work.
- Performing general accounting, payment accounting, warehouse accounting, debt accounting.
- Supervising and inspecting the revenue and expenditure of the departments.
- Preparing the cost estimate and preparing the financial settlement report, synthesizing the financial settlement report and other financial statements of the Branch in accordance with regulations and submit it to the Director for approval.
- To organize the accounting according to the completed accounting regime on schedule and in compliance with the provisions of law.
- Performing social insurance, salary, bonus.

General administrative work:

- Carrying out the work of labor organization, clerical, record keeping for the branch.
- Managing social insurance numbers, health insurance cards of employees.
- Implementing training, recruiting new employees and retirement for employees at the Branch.

- Managing seals, assets, and administrative supplies of the Branch.
- Carrying out Party operations in the locality.
- Reception, reception, organization of meetings and conferences of the Branch.
- Carrying out the work of internal protection, order security, national defense, accidents, storms, floods, natural disasters and safety, labor, fire prevention and fighting of the Company and Homework, labor.
- Monitoring and management of the Branch's collective kitchen.

b. Business planning department

- Advising, making a business plan for salt products, carrying out the task of trading salt products according to the assigned plan to ensure the growth of output, turnover, categories of products and profits.
- Organizing a suitable and effective sales network and distribution channel for each type of product and market area, from production - transportation - storage - customers.
- Preparing and submitting to the Director of the Company monthly, quarterly and annual plans, detailing output, sales, capital, expenses, profits ... for each salt product. Options and solutions needed for implementation. Implement the approved plan.
- Building sales cost norms: transportation, wages, staff salaries, bonuses, loss rate, sales discount for each product, agent level ... Well done Approved norms ensure increasingly advanced.
- Managing the logistics system of the Branch, transfer goods between warehouses, manage the supply chain from production, storage, and shipment; transport vehicles, ensuring the transportation and distribution of goods on schedule.
- Monitoring and checking the quality of input and output products.

2. Form of equitization

2.1. Equitization targets

- According to the policy of the parent company – Vietnam Northern Food Corporation, Vietnam Salt company limited carried out equitization in order to transform the 100% capital state-owned enterprise into a joint stock company;
- After equitization, the company must still play the role of economic development, sustainable growth in association with social security;
- Equitization of the Company in order to diversify ownership, attract other economic sectors to participate in order to renovate the corporate governance method towards a streamlined and specialized direction, improve financial capacity, expand the product consumption market in order to improve the efficiency of production and business of the enterprise;

- Strengthen the management, use of capital, investment capacity of production and business of the Company;
- Enhance the role of true ownership, attach responsibilities, jobs and interests of shareholders, create a driving force to promote management, step by step renovate technology, develop scale, improve financial capacity, business production capacity to improve operational efficiency;
- Conduct publicity and transparency according to market principles; associated with capital market and stock market development.

2.2. Equitization requirements

- Ensuring the stable development of Visalco after equitization;
- Ensuring safety, not causing big fluctuations in production and business activities of the Company;
- Ensuring the harmony of the interests of the Government, enterprises, shareholders and employees;
- Conduct publicly and transparently according to market principles; associated with capital market and stock market development.

2.3. Form of equitization

- The charter capital of the Company after being transformed into a joint stock company is built on the following bases:

Based on the results of the enterprise value determination determined by the valuation consultant (based on the financial statements implemented by Vaco Auditing Company limited on September 30, 2019), the actual value of capital the State according book value to determine the charter capital scale is VND28,399 billion; production and business plan after equitization; Total need for charter capital of the Company is determined to be VND63.7 billion. The basis for determining charter capital needs is as follows:

Table 18: Total capital needs of Visalco after equitization

Đơn vị tính: VNĐ

No.	Content	Amount of money	Note
A	FIXED ASSETS ON THE RESULTS OF DETERMINATION OF ENTERPRISE VALUE	17,013,714,793	Figures are based on the firm's book value.
B	NEED FOR GOODS (RAW MATERIALS & FINISHED PRODUCTS) (*)	34,400,000,000	



No.	Content	Amount of money	Note
1	Commodity capital for Hanoi factory	5,000,000,000	Salt reserve is about 2,500 tons at the factory in Hanoi
2	Commodity capital for Thai Nguyen Salt Station	5,000,000,000	Salt reserve is about 2,500 tons at Thai Nguyen salt station
3	Commodity capital for Hoa Binh salt station	1,400,000,000	Salt reserve is about 700 tons at Hoa Binh salt station
4	Commodity capital for Vinh Ngoc Salt Branch and Processing Workshop	17,000,000,000	Salt reserve is about 8,500 tons at Vinh Ngoc Salt branch
5	Mining salt in the South	6,000,000,000	The amount of salt in the South of Vietnam is 3,000 tons used for commercial business activities of the Company
C	CAPITAL NEEDS FOR OTHER PROJECTS	8,000,000,000	
1	Capital invested in salt production line for Hanoi Factory	1,500,000,000	The capital is intended to upgrade and maintain the existing salt production line; improve and repair facilities to improve production efficiency and product quality
2	Capital invested in salt production line for Vinh Ngoc Salt Branch	1,500,000,000	
3	Other receivables	5,000,000,000	Capital includes proceeds from the sale of products, goods, services to customers but unpaid money, or other financial investments.
D	CAPITAL NEEDS FOR OTHER BUSINESS ACTIVITIES	4,277,488,925	Funds are intended to develop new products; market development; marketing development; packaging costs; Sales channel expansion.
E	TOTAL CAPITAL NEEDS FOR BUSINESS ACTIVITIES	63,691,203,718	
	TOTAL CAPITAL NEEDS FOR ROUNDING BUSINESS ACTIVITIES	63,691,200,000	

(*) is the amount of commodity capital to fill the reserves of the existing warehouses to serve production and business activities after equitization. The unit price of 2,000 VND / kg of salt is used to calculate the capital requirement based on market research and consultation of the unit.

Table 19: Capital structure of Visalco after equitization

TT	Capital contributors	Value (VND)
1	State capital	28,399,282,417
2	Additional issuing shares	15,291,921,301
3	Liability	20,000,000,000
4	Total capital	63,691,203,718
	Total capital (rounded)	63,691,200,000

- Based on equity capital need of the Company after equitization to meet the business and production plan is higher than the existing book value of State capital on September 30, 2019 (VND 28.399 billion, the proposed form of equitization is to combine maintaining existing state capital in the enterprise (VND 28.399 billion) and issuing additional shares to increase charter capital (VND 15.3 billion), as defined in Clause 1, Article 5 of the Government's Decree 126/2017/ND-CP dated November 16, 2017 on the transformation of state-owned enterprises and single-member limited liability companies which the State invests 100% of the charter capital into joint stock companies to ensure the post-equitization target The State holds 65% of the charter capital of the Company.

- The deficit (20 billion VND) is expected to be offset by bank loans.

3. Plan of production and business activities from 2021-2023

Some key information on investment plans and business development strategies after equitization are provided as follows:

3.1. Business strategy

3.1.1. General orientation for the Company

- Restructuring, rearranging organizational chart, streamlining staff indirectly and specialized in business operations.
- Orient production and business models according to the market mechanism, compete on product quality, designs, packages, and service quality with other enterprises in the market.
- Applying a modern technology system to corporate governance. Invest in management software to improve the efficiency of production, business and accounting in order to strictly manage goods, capital and expenses.
- Developing a clear and specific set of performance assessment indicators for all employees, especially sales and production workers. Applying the salary calculation system according to the business efficiency criteria for all employees.



- Promote and increase the scientific and technical content of products, increase the added value in the value chain of products. Increase the processing content of salt products to improve business efficiency.

- Actively integrate into the world, actively participate in professional organizations and associations to raise brands and expand markets. Focusing on the development of market activities, promoting the promotion to introduce brands and products of Visalco.

- Fully exploit all potentials and properties of real estate to increase revenue to offset costs; Thoroughly save costs to improve efficiency.

3.1.2. Orientation for the Company Office

Improving sales performance through:

- Reorganizing product distribution channels, consolidating existing distribution channels, and expanding the distribution network with new distribution channels (online channels, ...).

- Developing flexible pricing policy, competitive market mechanism.

- Improving the quality of customer service and customer care.

- Focusing on improving designs, beautiful and eye-catching packaging and developing products with high applicability.

- To restructure products in the direction of increasing the proportion of high-margin products, minimizing, and eliminating low-margin products. Diversifying the company's product structure through promoting the production of broth products, spices, spa salts, bath salts.

3.1.3. Orientation for Vinh Ngoc Salt Branch

- Strengthen management of Vinh Ngoc Salt Branch. This branch will be deeply assigned by the Company Office, have more autonomy and self-responsibility for the production and business activities of the branch.

- Making in-depth investment in modern equipment and technology to produce high-quality salt products, build separate brands for sale to the high-end market segment and for export to Japan and the US markets.

3.2. Targets and plans for the period of 2020 - 2023

- To build up a strong development joint stock company in the fields of: trading and producing salt products for domestic and export markets; real estate leasing business cooperation; ...

- By 2021, after equitization, the Company is forecasted to achieve revenue of VND 99 billion and pre-tax profit at VND 870 million. In 2022, the average revenue growth rate will reach 5.05%, and increase to 7.40% in 2023. In 2023, after 3 years of operation, the total revenue of the Company is forecasted to reach over VND 110 billion; Profit before tax is about VND1 billion.

- Revenue from exporting are expected to increase about 14% in 2021 and will be stable in the following years with a growth rate of about 6.5%. In addition, in 2021 revenue from domestic products has a significant decrease due to the impact of the equitization of the

Company, but this segment is expected to increase again from 2022 onwards with a revenue of approximately VND 94.7 billion.

- The company is expected to reduce the proportion of revenue related to rice wholesaling and focus on its core business of salt exploitation and wholesale. The proportion of rice revenue maintained about 40-50 billion per year, equivalent to about more than 40% of the total revenue of the business.

- The Company's business cooperation activities based on the available real estate of the Company are also forecasted to bring a stable and sustainable revenue source at VND 1.8 billion in 2023.

Table 20: System of main economic target plans from 2021 to 2023

Target	Unit	2021	2022	2023
1. Construction investment plan	Billion VND	-	-	-
2. Charter capital	Billion VND	43.691	43.691	43.691
3. Total number of employees	Person	149	149	149
4. Total salary fund	Billion VND	10.050	10.050	10.221
5. Average income per person / month	Million VND	5.62	5.62	5.716
6. Total revenue	Billion VND	99	104	110.7
7. Total cost	Billion VND	98.13	103.07	109.7
8. Profit before tax	Billion VND	0.87	0.93	1.0
9. Profit after tax	Billion VND	0.87	0.93	1.0
10. Dividend rate	VND	-	-	-

3.3. Solutions to implement

3.3.1. General solutions

a. Financial accounting work

- Actively and promptly in capital rotation, ensuring capital in the temporary storage of raw materials during the year, buying and storing when the salt price is low, in the harvest season; sold when the crop fails, the salt price is high.
- Strengthening the inspection and supervision of the branch's finances according to the plan or extraordinarily.
- Applying a comprehensive management software system, throughout from the Company Office to Vinh Ngoc Salt Branch, ensuring effective and smooth cooperation in reporting and financial management.
- Issuing a comprehensive product code list within the Company to support revenue recognition, cost aggregation and effective profit assessment.

b. Market work

- Strengthening surveys, researching, exploring and expanding markets, including traditional markets and new potential markets.
- Organizing delegations to visit, survey and explore foreign markets.
- Recruiting suitable personnel to carry out marketing activities, building a budget and plan to promote the Company's brand and products on a monthly and quarterly basis.

c. Scientific engineering and training

- To increase the scientific and technical content of new products through the research and development of high-quality salt products that are beneficial to the health of consumers.
- Actively developing plans for training and retraining staff and planning staff to meet immediate and long-term human resource needs.

d. Law observance and saving practice

- Strictly obeying the regulations and laws of the State.
- Continuing to comply with the Government's regulations and the Company's policies on reducing management costs, reducing product costs.

3.3.2. Specific solutions

a. Technical solutions

- Hanoi Salt Production Factory:
 - + To invest in a synchronous production and processing line of ground salt, dried salt, automatic bagging, iodized salt, water treatment salt, and salt for the food industry.
 - + Developing clear development plans and strategies and assign responsible employees to improve work efficiency.

- Vinh Ngoc Salt Branch:
 - + Investing in technology to produce clean salt, investing in a sedimentation system, removing impurities, continuing to apply salt production, conducting salt washing experiment in the field.
 - + Improving the salt crystallization process to create large particle sizes to meet different consumption needs.
 - + Vinh Ngoc Salt Branch is recommended to continue maintaining high quality salt products, specifically as follows:
 - * High quality salt: 2,500 tons, of which 1,200 tons is exported.
 - * High-grade salt domestic market segment: 200 tons.
 - * Middle level salt: 3,800 - 4,500 tons.
 - + Developing clear development plans and strategies and assign responsible employees to improve work efficiency.

b. Market solutions

- Building Northern salt brand with moderate salinity, adequate mineral content, suitable for eating and processing food needs. The current Northern Salt products must be invested in improving the quality and effectively implementing the promotion and marketing. Continuing to order good quality North salt in Nghe An and Nam Dinh to introduce products to consumer needs.
- Strengthening marketing and building markets in all key business locations. Recruiting and organizing personnel to design, building brands, and selling high-end salt products.
- To consolidate and expand sales channels such as agency sales, consignment at markets, and wholesale to traders in provinces. Applying the form of selling via internet, internet, and application on smartphones. To attach importance to improving the design and packaging, fully demonstrating the quality and origin of all salts.
- Applying standard production management processes and strict supervision to stabilize the salt quality for Japanese and US exports, enhance the introduction and promotion of Vietnamese salt to increase the export quantity. import.
- Conducting market forecasts to flexibly adjust product categories to suit market needs and have high added value to increase revenue and efficiency.

c. Human resource solution

- Recruiting managerial and high-tech workers for positions that are lacking, with appropriate remuneration policies to attract high quality workers, especially professional sale staffs.



4. Land use plan of the Company after equitization

Table 21: Land use plan of the Company after equitization

No	Location	Management area (m ²) (*)		Legal records	Purpose of land use after equitization	Form of land use and management after equitization
		Land	Housing			
I	Hanoi (Official letter No. 4578/UBND-KT dated September 18, 2020 of the People's Committee of Ha Noi city on the land use plan after equitization of Vietnam national Salt company limited in Ha Noi)					
1	No. 05-07 Hang Ga Street, Hang Bo Ward, Hoan Kiem District, Ha Noi	389.2		Lease Contract No. 139/XNHHK/HDTNCD (rental of houses and land of Hanoi Housing Business Management Company Limited); The lease term is until December 31, 2016. Official Letter No. 171 / TCTM dated 20/6/1992 of the Ministry of Finance confirming the additional built-up area by equity capital; Official Letter No. 127 / TCTM dated 21/5/1992 of the Ministry of Trade and Tourism confirming the additional built-up area by own capital;	Signed the lease contract of Hanoi Housing Development and Management Company Limited	Renting
2	No. 77 Nguyen Cong Tru, Hai Ba Trung District, Ha Noi	91.0	550.24	Certificate of land use rights number AD 493838 dated December 28, 2006; Expiry date: 40 years from 01/01/1999. Construction License No.431/GPXD dated 28/9/2005; Contract No. 60/VISALCO-CPHBT dated 10/3/2008 transfer the right to use land and assets attached to the land; Official Letter No. 430/TCDN-NV3 dated November 28, 2007 of the Department of Corporate Finance;	Continuing to use it to serve production and business activities of enterprises, in accordance with the planning of Hanoi city	Rent payment every year



No	Location	Management area (m ²) (*)		Legal records	Purpose of land use after equitization	Form of land use and management after equitization
		Land	Housing			
				Official Letter No. 2847/BNN-ĐMDN dated October 16, 2007 of the Ministry of Agriculture and Rural Development; Official Dispatch No. 823/UBND-KH & DT dated February 1, 2008 of People's Committee of Hanoi city.		
3	Group 2, Bo De Ward, Long Bien District, Ha Noi	3,341.5	2,167.7	Construction License 145/GP-UBXDCB Hanoi City dated August 4, 1984; Land parcel record dated 11/22/2005; Cadastral map No. 05.950 HT dated 22/11/2005; Red line A-B on 17/12/2006.	Continue to use it to serve production and business activities of enterprises, in accordance with the planning of Hanoi city	Rent payment every year
II	Thai Nguyen (Official letter No. 1638/UBND-KT dated May 8, 2020 of the People's Committee of Thai Nguyen province on the land use plan after equitization of Vietnam national Salt company limited in Thai Nguyen)					
4	Group 16, Quan Trieu Ward, Thai Nguyen City, Thai Nguyen Province	2,538	1,050	Certificate of land use rights No. BG 553136 issued by Thai Nguyen Provincial People's Committee on June 11, 2012, land plot number 854, map sheet number 10, Quan Trieu ward, Thai Nguyen city.	Continuing to keep using the Station Office, business locations and salt storage	Rent payment every year
III	Hoa Binh (Official letter No. 145/UBND-TCTM dated February 7, 2020 of the People's Committee of Hoa Binh province on the land use plan after equitization of Vietnam national Salt company limited in Hoa Binh)					
5	No. 2, Group 16, Ngo Quyen Street, Phuong Lam Ward, Hoa Binh Province	652.8	651.4	Certificate of land use rights No. AD 973262 dated 9/11/2007 by the People's Committee of Hoa Binh province. Expiry date until December 2020.	Continuing to keep to use as station offices, business locations and salt storage, serving production and business	Rent payment every year
IV	Nghe An (Official letter No. 4179/UBND-KT dated July 1, 2020 of the People's Committee of Nghe An province on the land use plan after equitization of Vietnam national Salt company limited in Nghe An)					



No	Location	Management area (m ²) (*)		Legal records	Purpose of land use after equitization	Form of land use and management after equitization
		Land	Housing			
6	Quynh Yen Commune, Quynh Luu District, Nghe An Province	7,976	473.0	Certificate of land use rights No. AI 189903 dated September 10, 2007 issued by the People's Committee of Nghe An province. The expiry date is until July 17, 2047.	Non-agricultural production and business land, continue to be used	Rent payment every year
7	Quynh Thien Ward, Hoang Mai Town, Nghe An Province	1,708	937.0	Certificate of land use rights No. AI 189503 dated 25/8/2008 by the People's Committee of Nghe An province. The expiry date is until July 4, 2048.	Non-agricultural production and business land, continue to be used	Rent payment every year
8	An Hoa Commune, Quynh Luu District, Nghe An Province	176,225.9	0	1. Minutes of field inspection dated June 17, 2020 between Land Registration Office of Nghe An province, People's Committee of Mai Hung ward and Vinh Ngoc salt branch; The current state land measurement results confirmed by the Nghe An Provincial Land Registration Office on June 22, 2020 were: 176,225.9 m ² 2. The master plan of Ngoc Huy salt field was approved by the People's Committee of Nghe An province in 2008.	Continuing to keep for use as salt storage and auxiliary items for salt production	Rent payment every year
9	Quynh Phuong Ward, Hoang Mai Town, Nghe An Province	270,680.5	250.0	1. Minutes of the field inspection dated June 17, 2020 between the Land Registration Office of Nghe An province, the People's Committee of Quynh Phuong ward and the Vinh Salt Branch; The current state land measurement results confirmed by the Nghe An Provincial Land Registration Office on June 22, 2020 were: 270,680.5 m ²	Continue to keep for use as salt storage and auxiliary items for salt production	Rent payment every year



No	Location	Management area (m ²) (*)		Legal records	Purpose of land use after equitization	Form of land use and management after equitization
		Land	Housing			
				2. The detailed plan of Ngoc Huy salt field was confirmed by the People's Committee of Quynh Luu district in 2008		
10	Mai Hung Ward, Hoang Mai Town, Nghe An Province	241,370.5	364.0	1. The field inspection report dated June 17, 2020 between the Land Registration Office of Nghe An province, the People's Committee of Mai Hung ward and Vinh Ngoc salt branch; The current state land measurement results confirmed by the Nghe An Provincial Land Registration Office on June 22, 2020 were: 241,370.5 m ² 2. The master plan of Ngoc Huy salt field was approved by the People's Committee of Nghe An province in 2008.	Continue to keep for use as salt storage and auxiliary items for salt production	Rent payment every year
11	Quynh Thuan Commune, Quynh Luu District, Nghe An Province	144,249.9	1,458.0	1. Minutes of field inspection dated June 18, 2020 between the Land Registration Office of Nghe An province, the People's Committee of Quynh Thuan commune and the Vinh Ngoc salt branch; The current state land measurement results confirmed by the Nghe An Provincial Land Registration Office on June 22, 2020 were: 144,249.9 m ² . 2. The detailed planning map of Vinh Yen salt field was approved by the People's Committee of Quynh Luu district in 2008.	Continue to keep for use as salt storage and auxiliary items for salt production	Rent payment every year
12	Quynh Yen Commune, Quynh Luu District, Nghe An Province	723,808	2.131.0	1. Minutes of the field inspection dated June 17, 2020 between the Land Registration Office of Nghe An province, the People's Committee of Quynh Yen commune and Vinh Ngoc salt branch; The current state land measurement confirmed by the Land Registration	Continue to keep for use as salt storage and auxiliary items for salt production	Rent payment every year



No	Location	Management area (m ²) (*)		Legal records	Purpose of land use after equitization	Form of land use and management after equitization
		Land	Housing			
				Office of Nghe An province on June 22, 2020 were: 723,808 m ² . 2. The detailed planning map of Quynh Yen salt field was approved by the People's Committee of Quynh Luu district in 2008.		
	Total	1,573,031.3				

Source: Equitization plan of Vietnam Salt One Member Limited Liability Company and Written approval of land use plan of local People's Committees

Note: (): The data on the land and housing management area in the Equitization Plan of Vietnam Salt Company Limited is the actual area of land used according to the written approvals of land use projects of the People's Committees of localities.*

IV. CHARTER CAPITAL, CHARTER CAPITAL STRUCTURE, DEPARTURE PRICE AND ISSUE METHOD

1. Structure of charter capital

Based on the actual production and business situation, according to the enterprise valuation result, to carry out normal business and ensure the interests of shareholders, as well as managing and developing capital for production and business activities for Visalco's Charter Capital after equitization with the following structure:

- Authorized capital : VND 43,691,200,000 (Forty-three billion, six hundred ninety-one million, two hundred thousand dong)
- Face value per share : VND 10,000
- Number of shares : 4,369,120 shares
- Type of stock : Common stock

The charter capital structure of the Company that was originally approved in Decision No. 318/QĐ-TCTLTMB-HDTV dated November 20, 2020 of Vietnam Northern Food Corporation is as follows:

Table 22: Structure of the charter capital of Visalco after equitization

No.	List of shareholders	Number of shares	Values follow denominations	Percentage
1	State's ownership	2,839,928	28,399,280,000	65%
2	Offered shares for employees	264,200	2,642,000,000	6.0%
2.1	Employees can be purchased at a preferential price (at the rate of 100 shares /year)	246,500	2,465,000,000	5.6%
2.2	Eligible employees commit to buy additional preference shares (at the rate of 200 shares / year)	17,700	177,000,000	0.4%
3	Initial public offering shares	1,264,992	12,649,920,000	29.0%
	Total	4,369,120	43,691,200,000	100%



Dispatch Decree No. 140/2020/ND-CP dated November 30, 2020 by the Government on the amendments to the Government's Decree No.126/2017/ND-CP dated November 16, 2017 on conversion of state-owned enterprises and wholly state-owned single-member limited liability companies into joint-stock companies, the Government's Decree No 91/2015/ND-CP dated October 13, 2015 on state capital investment in enterprises, use and management of capital and assets in enterprises, and the Government's Decree No.32/2018/ND-CP dated March 08, 2018 providing amendments to decree No 91/2015/ND-CP;

Vietnam Northern Food Corporation issued Decision No. 353/QD-TCTLTMB-HDTV dated December 25, 2020 approving the amendment and supplementation of the equitization plan of Vietnam Salt One Member Limited Company. The Corporation has added the regulations on the order of selling shares as prescribed in Decree 140/2020 / ND-CP dated November 30, 2020, as follows: " Order of selling shares: Selling shares the share for employees in the company before the public auction, the Equitization Steering Committee reports the Vietnam Northern Food Corporation to add to the number of publicly shares auctioned";

Vietnam Salt Company Limited has sold shares to employees and the Equitization Steering Committee has reported the results of the sale of shares to the Corporation. The Corporation has issued Decision No. 08/QD-TCTLTMB-HDTV dated January 14, 2021 on the adjustment of the number of shares publicly offered to the public in the equitization plan of Vietnam Salt One Member Limited Company.

Visalco's charter capital structure is adjusted as follows:

1.1 The State's ownership (Vietnam Northern Food Corporation): 2,839,928 shares, accounting for 65% of the charter capital.

1.2 Offered shares for employees: 249,800 shares, accounting for 5.72% of charter capital.

1.3 Initial public offering shares: 1,279,392 shares, accounting for 29.28% of charter capital.

After officially converting to a joint stock company, based on business operations and actual situation, the Board of Directors of the Company will consider the increase (decrease) of charter capital activities to submit to the General Meeting of Shareholders of the Company

V. RISK FACTORS

1. Economic risks

Any economy always contains certain risks, because of fluctuations in macroeconomic variables such as growth rate, inflation, interest rates, exchange rates ... Visalco is an entity participating in the economy, so the Company's business activities will also be affected directly or indirectly from the change of those factors.

Risk of capital costs: To serve business and investment, almost all businesses must use loans. Therefore, the interest rate (which is the cost of capital) becomes the part that directly affects the results of production, business, and investment activities of enterprises. When planning business and investment projects, loan interest is estimated. However, there are many factors beyond the control of the business affecting interest rates, especially when inflation occurs. The fluctuation of loan interest rates will affect business efficiency and investment of businesses.

Risks of market purchasing power: The difficult economic situation that reduced the demand of the market to buy also had a great impact on the production and business activities of enterprises. These risks are usually not lasting long, so it is necessary to have appropriate stimulus measures to ensure the source of the goods.

Exchange rate risk: With foreign currency loans or contracts, when the exchange rate increases, the exchange rate loss can significantly reduce, or even eliminate the entire profit obtained in business. Therefore, it is necessary to evaluate and quantify possible costs, including exchange rate differences, to compare with the benefits to avoid being passive when exchange rates change.

To minimize the impact of economic risks, the Company needs to focus on improving the management system, improving service quality, and focusing on cost management.

2. Legal risks

After completing the equitization, all business activities of the Company are affected by the provisions of law such as: Enterprise Law, Commercial Law, Securities Law, tax laws ... and related instruction documents.

Currently, the system of legal documents of our country has been gradually improved and always changed to suit the development trend of the economy and society. However, this document system must continue to adjust and supplement to suit the actual situation. Therefore, it is essential to improve the stability of the Government's legal policies, especially when the Vietnamese economy is step by step in harmony with the movement and continuous development of the world economy.

To limit the impact of risks related to the law, the Company should always proactively and regularly update the law, learn, and research about the changes of the law and promptly inform all officers and employees of the Company.

3. Cash flow balance risks

The balance of the cash flow of the enterprise's revenue and expenditure is extremely important. An imbalance in cash flow can occur when the amount of money in the enterprise is smaller than the amount spent. This has greatly affected the reputation of the business by failing to pay for materials and labor, failing to pay due debts in a timely manner, leading to lawsuits

Cash flow imbalances are divided into: temporary imbalance and long-term imbalance. It can be said that in any business, there is a temporary imbalance due to the unplanned recovery of receivable debts; the capital contribution is not fulfilled as committed ... a temporary imbalance in the cash flow can be overcome by many measures and the consequences are often not great. However, according to the audited financial statements of 2020 of the Company, as of December 31, 2020, the Company has many accounts receivable that have set up provisions up to VND 17,593,674,053 and short-term borrowings with principal is VND 23,587,843,072, the Company does not keep records, has no confirmation of the balance, has not estimated obligations that may arise for these loans. Therefore, the Company has many potential factors that pose risks to its cash flow balance.

Long-term imbalance occurs due to important reasons such as: the fixed cost in the total costs of the enterprise is too large due to the decline in revenue or insufficient to cover recurrent costs, the results of real estate activities. loss business; working capital shortage; bad debts increase... A long-term cash flow imbalance can make the business go bankrupt.

4. Industry risks

The salt field is one of the areas that is highly dependent on the fluctuations of the weather. The phenomenon of rain, flood, natural disasters, ... taking place will affect the salt exploitation and collection of enterprises.

5. Risks of stock offering

Vietnam's stock market is not vigorous yet; in addition, the schedule of divestment and equitization of State-owned enterprises is quite large throughout 2021 will be a big challenge for the Company in selling out the number of shares offered to the public...

6. Other risk

Other risks such as risks of natural disasters, fires, wars, political and social upheavals... are force majeure risks that all affect the food industry in general and businesses.



VI. OFFERING METHOD AND SHARES PURCHASE PAYMENT

1. Offering method

1.1 Share offered to employees

Based on the equitization plan of Vietnam Salt One Member Limited Company, the total number of shares offered to employees by the Company under preferential policies in the equitized enterprise is 264,200 shares, equivalent to 6.0% charter capital, as follows:

a. Offering to employees who are eligible to buy preferential shares

Buy shares at preferential prices according to the number of years working in the Government sector:

Total number of employees eligible to purchase : 195 people

Total number of shares to be purchased at preference : 246,500 shares, accounting for 5.6% of charter capital

Selling price : 6,000 VND/ share (60% value of 01 share at par value of VND10,000/ share)

Time : The shares offering to employees has been completed in December, 2020

b. Offering to employees with long-term work commitment to work

- Purchase conditions:

+ Age: Male from 57 years old and under Female from 52 years old;

+ The employee is named in the regular list of the Company at the time of publishing the enterprise value of equitization;

+ The employee is the subject of the unit that needs to be used;

+ Having a long-term commitment to work for the enterprise for at least 03 years (from the date the Company is granted the first enterprise registration certificate after equitization).

- Number of shares registered to buy: Each employee is only entitled to buy additional preferred shares **in one of the two** following cases:

+ Buying more at the rate of 200 shares/01 year and committing to continue working in the Company but not exceeding 2,000 shares per person.

+ Particularly, the subjects are *excellent experts, with high professional qualifications and skills working* in the Company, who are allowed to buy more at the rate

of 500 shares/01 year of commitment to continue working in the Company but not exceeding 5,000 shares for one person (this situation does not arise at the Company)

- Purchase price: VND 21,300/share

Synthesize additional shares offered for employees who are committed to work:

✓ Total number of shares registered to buy at the rate of 200 shares / committed year	17,700 shares, accounting 0.4% charter capital
✓ Purchase price	VND 21,300 /share
✓ Time	The shares offering to employees has been completed in December, 2020

The results of the offering of preferential shares to employees upon the equitization of Salt Vietnam One Member Limited Company, are as follows:

- Total number of shares successfully sold to employees: **249,800** shares, reaching **94.55%** of the number of shares offered according to the plan.
- Number of shares held by employees: **5.72%** of charter capital.

1.2 Shares offered to public through auction

1.2.1 Number of shares for auction:

- According to Decision No. 08 / QD-TCTLTMB-HDTV dated January 14, 2021 on the adjustment of the number of shares publicly offered to the public at the Equitization Plan of Vietnam Salt One Member Limited Company, the number of shares The part of the Company offered to outside investors through public auction: 1,279,392 shares, accounting for 29.28% of charter capital.

1.2.2: Starting price: VND21,300/share.

1.2.3: Share auction organizer: Hanoi Stock Exchange

1.2.4: Auction time: As stipulated in the Regulation on auction of IPO shares of Vietnam Salt One Member Limited Company issued by Hanoi Stock Exchange

1.2.5: Subjects participating in the auction: individual investors, institutional investors in Vietnam.

- According to Article 2.3 and Appendix 03 of Circular 34/2013/TT-BCT dated December 24, 2013 announcing the roadmap for goods purchase and sale and activities directly related to the purchase and sale of goods by foreign-invested enterprises in Vietnam, foreign-invested enterprises in Vietnam are not allowed to exercise the right to distribute rice... Currently, the company is registered as "Wholesale of rice". Therefore, the holding rate for foreign investors in Visalco in accordance with current regulations is 0%.



- The further offering of unsold shares (if any) during the equitization process will be conducted in accordance with relevant laws.

2. Payment method and payment term

- For employees buying preferential shares: Follow the notice of shares offering to employees issued by Visalco.

- For investors who won the auction: According to the Auction Regulation issued by the Hanoi Stock Exchange.

3. Plan to use the proceeds from equitization

According to the Equitization Plan, the plan to use the proceeds from equitization of the Company is expected as follows:

Table 23: Plan to use the proceeds from the issuance

Unit: VND

No.	Content	Amount
1	Actual value of the State capital in the enterprise according to the accounting books	28,399,282,417
2	The charter capital of the Company	43,691,200,000
2.1	<i>State capital</i>	<i>28,399,280,000</i>
2.2	<i>Investment capital of employees</i>	<i>3,338,820,000</i>
2.3	<i>Investment capital of other shareholders (public auction)</i>	<i>11,953,100,000</i>
3	The starting price is expected to sell	21,300
4	Proceeds from selling shares	28,800,339,600
4.1	<i>Capital purchased by employees by working years</i>	<i>1,479,000,000</i>
4.2	<i>Capital of employees committed to buy more</i>	<i>377,010,000</i>
4.3	<i>Investment capital of other shareholders (public auction)</i>	<i>26,944,329,600</i>
5	Total par value of additional shares issued (5 = 2.2+2.3)	15,291,920,000
6	The difference between the proceeds from the shares offering and the par value of sold shares (6=4-5)	13,508,419,600
7	The capital surplus left to the enterprise is proportional to the ratio of additional shares/charter capital	4,638,068,093



TT	Nội dung	Amount
8	Equitization costs	1,390,986,000
9	Redundant labor support costs	1,594,188,677
10	Value of state capital invested in the Company (2.1)	28,399,280,000
11	Total amount paid to the Enterprise Arrangement and Development Fund (1+6-7-8-9-10)	5,885,176,830

VII. PLAN OF SECURITIES DEPOSITORY REGISTRATION, TRANSACTION REGISTRATION ON UPCOM

Complying with the provisions of Article 11 of Decree 126/2017/NĐ-CP; Circular No. 40/2018/TT-BTC and Decree 140/2020/NĐ-CP, the Company will simultaneously register to securities depository and register to transact shares on the Stock Exchange. Within a maximum period of 90 days from the end of the public offering, the Company will complete the procedures for stock depository registration at the Vietnam Securities Depository and register for transacting on the Upcom transaction system.

VIII. PERSONS RESPONSIBLE FOR THE INFORMATION ABOUT THE EQUITIZED COMPANY

1. REPRESENTATIVE OF EQUITIZATION STEERING COMMITTEE

- **Mr. Pham Thanh Bang** Position: Deputy General Director of Vietnam Northern Food Corporation - Head of the Department;

We take full responsibility for ensuring that the information and data in this Prospectus are complete, accurate, truthful, and consistent with the reality of the business in the Valuation Profile. The equitization plan has been approved by the Northern Food Corporation.

2. REPRESENTATIVE OF VIETNAM NATIONAL SALT COMPANY LIMITED

- **Mr Vu Trung Khien** Position: Director of Vietnam Salt Company Limited

We take full responsibility for ensuring that the information and data in this Prospectus are complete, accurate and truthful in accordance with the law on equitization so that investors can assess the assets, operations, financial status, results and prospects of Vietnam Salt Company Limited.

3. REPRESENTATIVE OF CONSULTANCY COMPANY

- **Ms. Nguyen Thi Thanh Thuy** Position: Deputy General Director of Bao Viet Securities Joint Stock Company

(Under Authorization No. 01/2021/UQ-BVSC dated January 4, 2021 of the General Director)

This Disclosure of information is a part of the initial share auction for Vietnam Northern Food Corporation at Vietnam Salt Company Limited prepared by Bao Viet Securities Joint Stock Company based on the Consultancy Contract with Vietnam Salt Company Limited. This Disclosure of Information has the following notes, conditions, and limitations:

The analysis, evaluation, and selection of words in this Prospectus are based on information, figures and documents provided by Vietnam Salt Company Limited, as well as from other sources. We are deemed to be reliable and all contents in this Prospectus have been confirmed by the Equitization Steering Committee and Vietnam Salt Company Limited. BVSC is not responsible for the completeness, accuracy and truthfulness of the information, data and documents provided by Vietnam Salt One Member Limited Company and collected by BVSC. Financial statements collected and used in this Information Prospectus include:

- Financial statements of Vietnam Salt Company Limited in 2018, 2019 and 2020,



audited by VACO Auditing Company Limited.

We assume that Salt Vietnam Company Limited fully complies with the laws and internal regulations on business activities;

Bao Viet Securities Joint Stock Company, employees of Bao Viet Securities Joint Stock Company (including staff implementing this disclosure of information) may be performing brokerage services, investment advisory services, consulting on registration for auction participation or other services to the extent permitted by law relating to the initial public offering of Vietnam Salt Company Limited. Investors should consider and evaluate the possibility of conflicts of interest when using this Information Prospectus.

This disclosure of information is only valid for reference, investors participating in the share purchase are responsible for researching and evaluating information about the enterprise, current law provisions and self-responsibility for your investment decisions.



Hanoi, March 5, 2021

**REPRESENTATIVES OF THE EQUITIZATION BOARD
VIETNAM NORTHERN FOOD CORPORATION**

HEAD OF COMMITTEE



Phạm Thanh Bang

**REPRESENTATIVE OF VIETNAM SALT COMPANY LIMITED
DIRECTOR**



Vu Trung Khien

**REPRESENTATIVE OF CONSULTANCY COMPANY
BAO VIET SECURITIES JOINT STOCK COMPANY
DEPUTY GENERAL DIRECTOR**



Nguyen Thi Thanh Thuy