


INFORMATION FOR STRATEGIC INVESTORS

1. General information

1.1. General information of the equitized corporation

Vietnamese name	:	CONG TY TNHH MTV - TONG CONG TY PHAT DIEN 3
English name	:	POWER GENERATION CORPORATION 3
Transaction name	:	POWER GENERATION CORPORATION 3
Abbreviated name	:	EVNGENCO 3
Head office	:	Phu My 1 industrial zone, Phy My town, Tan Thanh district, Ba Ria – Vung Tau province, Vietnam
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Logo	:	

EVNGENCO 3

Certificate of business registration	:	3502208399 first issued by the Department of Planning and Investment of Ba Ria – Vung Tau province on 26/11/2012, 3th amendment dated 27/02/2017
Charter capital according to Certificate of business registration No. 3502208399 first issued on 26/11/2012, 3rd amendment dated 27/02/2017 by Department of Planning and Investment of Ba Ria – Vung Tau province	:	12,618,000,000,000 VND (in word: twelve thousand, six hundred and eighteen billion Vietnam Dong)
Shareholder equity as in the audited financial statement 2016 (the Parent Company)	:	10,561,944,694,725 VND (in word: ten thousand, five hundred and sixty one billion, nine hundred and forty four million, six hundred and ninety four thousand, seven hundred and twenty five Vietnam Dong)

1.2. Business activities

EVNGENCO 3's business activities are as follows:

No.	Industry
1	Power generation, transmission and distribution. Details: power generation; manufacturing and trading power machine.
2	Repair of electrical equipment. Details: repair, maintenance, overhaul, upgrade, renovation of electrical equipment, electricity construction.
3	Repair of machinery and equipment. Detail: Repair, maintenance mechanics.
4	Technical examination and analysis. Details: experiments, calibration, automation control of power production line, electrical experiments.
5	Architectural activities and related technical consultancy. Details: consultancy of production preparation for power plants; conducting construction investment plans; project management consultancy; investment management of construction works; supervise the construction of civil-industrial works; design of civil and industrial structure construction.
6	Other education are not classified. Details: training and development of human resources in operation management, maintenance and repair of power plant equipment (Enterprises are only allowed to operate when the Department of Labor, War Invalids and Social Affairs certificate eligible).
7	Other specialized sales are not classified. Details: trading fuel, raw materials, electrical materials and equipment.
8	Constructing other civil construction. Details: Construction and installation of constructions, including construction of civil engineering.
9	Construction of houses.
10	Other specialized construction activities.
11	Exploitation and collection of lignite.
12	Exploitation and collection of peat.
13	Exploitation and collection of hard coal.

14	Exploitation of natural gas.
15	Exploitation of crude oil.
16	Production of refined petroleum products. Details: processing crude oil.
17	Producing iron, steel, cast iron.
18	Trading in solid, liquid, gas fuel and related products.
19	Production of building materials from clay.
20	Production of cement, lime and plaster.
21	Manufacture of refractory products.
22	Wholesale fabrics, readymade garments, shoes. Detail: trading labor protection equipment.
23	Real estate, land use rights of owners, renting business. Detail: land and house renting.
24	Management and operation of electricity production lines, electricity constructions; exploiting and processing raw materials for electricity production; manufacture of glass-insulating materials; production of insulation and insulation materials.
25	Exploiting, processing and supplying water.

1.3. Main products and services

Main product of EVNGENCO 3 is power generation.

1.4. Development history

EVNGENCO 3 was established under Decision No. 3025/QĐ-BCT dated 01/06/2012 by Ministry of Industry and Trade and Certificate of business registration No. 3502208399 first issued by the Department of Planning and Investment of Ba Ria – Vung Tau province on 26/11/2012, 3rd amendment dated 27/02/2017, on the basis of the reorganization of Phu My Thermal Power One-member Limited Company, accounting dependent power generation units, power project management boards and the receipt of the right to represent state capital owners at a number of power generation companies under EVN which are operating under the Enterprise Law.

The milestones in the development history of EVNGENCO 3 are as follows:

- 2013: establish (1) Vinh Tan Thermal Power Company, (2) Project Management Committee of Thai Binh Thermal Power Project

- 2014: establish internal supervision board of EVNGENCO 3; hand over Hydropower 1 Project Management Committee and Huoi quang – Ban Chat Hydropower Company to EVN.
- 2015: establish Mong Duong Thermal Power Company (co Project Management Committee of Thermal 1); receive Thu Duc Thermal Power One Member Limited Liability Company from EVNGENCO 2; transfer the developer of Vinh Tan 4 Project to EVN from 1/2/2015.
- 2016: establish (1) Power Service Company, (2) Phu My Thermal Power Company, (3) Safety Division (spin off from Technical – Production Division).
- 2017: establish Thai Binh Thermal Power Company (co Project Management Committee of Thai Binh Project); change the name of Investment – Construction Division to Construction Investment Management Division; change the name to Internal Supervision Division to Internal Audit and Finance Supervision Division; dissolve International Relation Division.

1.5. Management and organization structure

EVNGENCO 3 - the Parent Company is a one member limited liability company, operates in the form of parent company - subsidiary, 100% owned by EVN, being established on the basis of the reorganization of Phu My Thermal Power One-member Limited Company, accounting dependent power generation units, power project management boards and the receipt of the right to represent state capital owners at a number of power generation companies under EVN.

EVNGENCO 3 operates under the Law on Enterprises, has legal status, company seal, logo, organization and operation charter, branches and representative offices in accordance with the laws, is able to open account in State Treasury and banks; directly carries out business activities and invests capital in subsidiaries and associates.

Management structure of EVNGENCO 3 consists of: Chairman of EVNGENCO 3; CEO; Supervisors; Deputy General Directors; Chief Accountant and Advisory Team, which are as follows:

- Board of Management consists of: Chairman; CEO; 05 Deputy General Director in charge of: Economics - Finance, Engineering - Manufacturing, Investment - Construction, Business - Power Market, Repair and Technology.
- Twelve functional departments, comprise of: Human Resources & Organization; Administration – Inspectorate and Security; Legal; Finance and accounting, Planning; Technical - Production; Bidding Management; Construction Investment Management; Trading – Power Market; Safety; General; Internal Audit and Financial Supervision Department.

Chart 1: Organization structure of EVNGENCO 3 at 30/9/2017

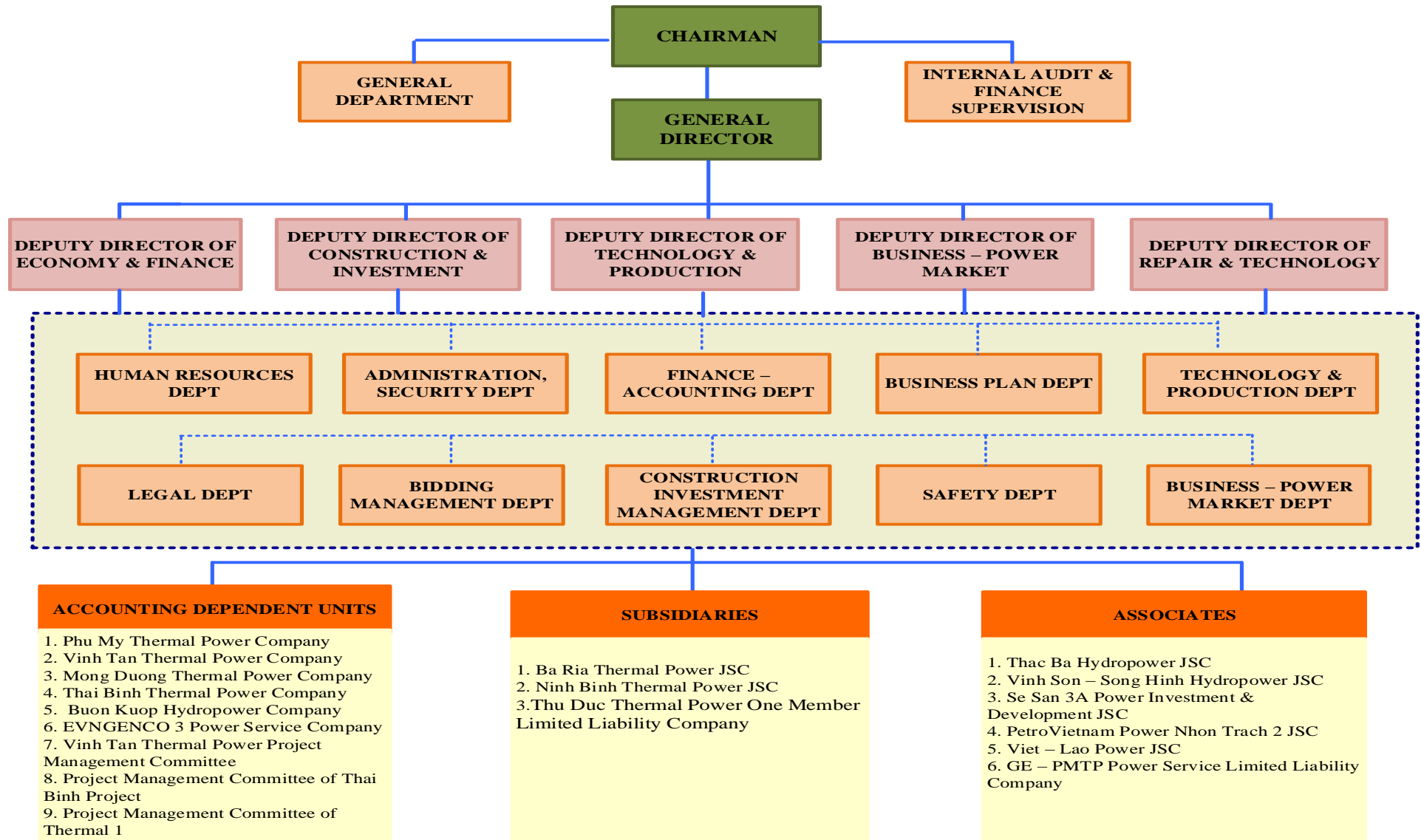


Table 1: List of EVNGENCO 3's dependent units at 30/09/2017

No.	Dependent unit	Capacity (MW)	Note
1	Phu My Thermal Power Company	2,540	Operation management of 4 thermal power plants: Phu My 1, Phu My 4, Phu My 2.1 and Phu My 2.1MR.
2	Buon Kuop Hydropower Company	586	Operation management of 3 power plants: Buon Kuop, Buon Tua Srah, Srepok 3.
3	Vinh Tan Thermal Power Company	1,244	Operation management of Vinh Tan 2 power plant.
4	Mong Duong Thermal Power Company co Project Management Committee of Thermal 1	1,080	Operation management of Mong Duong 1 power plant co Project Management Committee of Thermal 1 Project. Project Management Committee of Thermal 1 Project is expected to be dissolved after completion of the finalization of Mong Duong 1 Thermal Power Project if there is no new investment project.
5	Thai Binh Thermal Power Company co Project Management Committee of Thai Binh Project	-	Operate management of Thai Binh 1 power plant co Project Management Committee of Thai Binh 1 Thermal project. Project Management Committee of Thai Binh 1 Thermal project is expected to be dissolved after completion of the finalization of Thai Binh Thermal Power Project if there is no new investment project.
6	EVNGENCO 3 Power Service Company	-	Provides repair services for power plants.
7	Vinh Tan Thermal Power Project Management Committee	-	Project management of Vinh Tan 2 thermal power plant; Vinh Tan Power Center and infrastructure; representative of the Project Management Consultant (EVNGENCO 3) to implement project management of Vinh Tan 4 and Extended Vinh Tan 4 thermal power project management for EVN.

Source: EVNGENCO 3

Table 2: List of EVNGENCO 3's subsidiaries at 30/09/2017

No.	Company	Capacity (MB)	Charter capital (Mil VND)	Capital of EVNGENCO 3 (Mil VND)	% ownership of EVNGENCO 3 (%)	Main businesses
1	Ba Ria Thermal Power JSC	390	604,856	481,236	79.56	Power generation
2	Ninh Binh Thermal Power JSC	100	128,655	70,454	54.76	Power generation
3	Thu Duc Thermal Power One Member Limited Liability Company	240	100,000	118,810 (*)	100	Power generation

Note: () according to the financial statement of the third quarter of 2017 of Thu Duc Thermal Power One Member Limited Liability Company.*

According to Decision 2100/QĐ-TTg of Prime Minister and Official Letter No. 33 dated 03/01/2018 by Ministry of Industry and Trade, Thu Duc is transferred to EVN

Source: EVNGENCO 3

Table 3: List of EVNGENCO 3's affiliates at 30/06/2017

No.	Company	Capacity (MB)	Charter capital (Mil VND)	Capital of EVNGENCO 3 (Mil VND)	% ownership of EVNGENCO 3 (%)	Main businesses
1	Thac Ba Hydropower JSC	120	635,000	190,500	30	Power generation
2	Vinh Son – Song Hinh Hydropower JSC	136	2,062,412	630,169	30.55	Power generation
3	Se San 3A Power Investment & Development JSC	108	280,000	84,000	30	Power generation
4	PetroVietnam Power Nhon	750	2.878.760	64,000	2.5	Power generation

	Trach 2 JSC					
5	Viet – Lao Power JSC	651	3,250,000	19,600	0.60	Power generation
6	GE – PMTP Power Service Limited Liability Company	-	496,424	74,464	15	Power services

Source: EVNGENCO 3

1.6. The actual enterprise value and the actual state capital value in the enterprise

According to:

- Decision No. 9494/QD-BCT dated 22/10/2014 of the Minister of Industry and Trade on the equitization of EVNGENCO 3 - the Parent Company, specifying: The time of enterprise valuation is at 0h00' on 1/1/2015;
- Audit Report No. 341/KTNN-TH dated 15/8/2017 of the State Audit;
- Decision No. 3396/QD-BCT dated 31/8/2017 of the Ministry of Industry and Trade on the valuation of EVNGENCO 3 - the Parent Company under EVN for equitization.
- Decision No. 2100/QD-TTg dated 27/12/2017 by Prime Minister on Approval of Equitization Plan of Power Generation corporation – the Parent Company (under EVN).

The actual value of EVNGENCO 3 is VND 92,941,120,044,597 and the actual state capital value in the enterprise is VND 26,108,306,174,814 at 0h00' on 01/01/2015.

1.7. Financial performance and business results of EVNGENCO 3 – the Parent Company

Table 4: Financial performance and business results 2014 – 3Q2017

No.	Item	Unit	2014	2015	2016	3Q2017
1	Total assets	Billion VND	80,895	82,286	83,397	82,995
2	Book value of state capital	Billion VND	10,617	10,743	10,791	10,791
3	Short-term debt	Billion VND	7,284	3,291	3,289	553
4	Long-term debt	Billion VND	54,655	64,444	65,354	65,855
5	Total employees (on average)	Person	991	1,213	1,705	1,713
6	Total payroll (billion VND)	Billion VND	241.758	294.673	416.726	358.649
7	Average income (person/month)	'000 VND	20,329	20,244	20,367	17,447
8	Main products					

No.	Item	Unit	2014	2015	2016	3Q2017
	<i>Manufacturing electricity</i>	<i>Million kWh</i>	20,344	25,133	30,509	23,419
	<i>Commercial electricity</i>	<i>Million kWh</i>	19,990	24,395	29,186	22,377
9	Total revenue	Billion VND	24,463	25,749	33,812	27,028
10	Total costs	Billion VND	24,233	25,644	33,663	26,662
11	Profit before tax	Billion VND	230.3	104.8	149.1	366.3
12	Profit after tax	Billion VND	191.3	104.3	147.8	320.8
13	Profit after tax/state capital	%	1.8	0.97	1.37	2.97
14	Current ratio	Time	0.56	1.18	1.66	3.03
15	Debts/equity	Time	7.25	10.08	10.24	7.15

Source: EVNGENCO 3

1.8. Charter capital structure

Table 5: Charter capital structure of EVNGENCO 3 post equitization

No.	Shareholders	Number of shares (share)	Value (VND)	%
1	EVN	1.061.300.000	10.613.000.000.000	51,00%
2	Employees	3.424.100	34.241.000.000	0,1645%
2.1	Employees who purchase shares at preferable price	1.544.300	15.443.000.000	0,0742%
2.2	Employees who purchase shares based on long-term working commitment and to experts	1.879.800	18.798.000.000	0,0903%
3	Strategic investors	749.124.000	7.491.240.000.000	36,00%
4	Investors of the IPO	267.051.900	2.670.519.000.000	12,8355%
	Total	2.080.900.000	20.809.000.000.000	100%

Source: equitization plan of EVNGENCO 3

Since 2020, in case EVN, EVNGENCO 3 restructure and negotiate successfully the Company's borrowings with the financial institutions currently granting loans to EVNGENCO 3, EVN will consider to divest its holdings in EVNGENCO 3 to below 50%.

1.9. Land use plan post – equitization

On 23/8/2017, EVN issued the Official Letter No. 3899/EVN-KH to report to the Ministry of Finance on the land use plan when equitization of EVNGENCO3. The land use plan for equitization of EVNGENCO 3 is as follows:

Table 6: The land use plan for equitization of EVNGENCO 3

No.	Managed by	Area (m ²)	Land use method	Duration
1	EVNGENCO 3	1,057,520.5	Land lease, land allocation, land use rights transfer	50 years, long - term
2	Buon Kuop Hydropower Company	2,323,656.9	Land lease, land allocation	50 years, 70 years
3	Vinh Tan Thermal Power Project Management Committee/ Vinh Tan Thermal Power Company	3,712,845.4	Land lease, land allocation	50 years, 70 years
4	Project Management Committee of Thermal 1/ Mong Duong Thermal Power Company	4,044,500	Land lease with annual fee payment	25 years

Source: EVNGENCO 3

Note: The land area of Buon Kuop Hydropower does not include the land area of the reservoir, because the current law on land does not stipulate the allocation / lease of land area of the reservoir to the power plant operators, thus, EVN does not apply the land area of the reservoir into the land use plan when equitization of EVNGENCO3.

1.10. SWOT analysis

Strength

All of power plants of EVNGENCO 3 were put into operation. Most of them are located in the South where there is a lack of electricity generation, therefore electricity must be transmitted from power plants in the North via 500 kV grid stations. Hence, investing in EVNGENCO3 which has a portfolio of plants accounting for 14,05% of installed capacity of the entire industry enables potential investors to avoid the risks arising from the construction process of the plants. As well as this, investors have sufficient financial information and data to assess the operational efficiency and effectiveness of plants.

Another advantage of EVNGENCO 3 is that its large shareholder is EVN which has a long history in managing the operation of the the national electricity grid and has the strong financial health to support its subsidiaries and associates. In the first several years of operation in the form of the joint stock company and especially at the time of, EVNGENCO 3 could receive the support of EVN in the management, operation and financial aspects.

On top of that, the Company's staff have a high professional capabilities and are highly experienced in managing and operating power plants.

EVNGENCO 3 also has the reasonable credit policy and usually review the its financial position in order to determine whether the Company is exposed to credit risks. Currently, EVNGENCO 3 has no material exposure to credit risk because most of its account receivables are from companies of EVN.

Weaknesses

The major source of energy for the operation of power plants of EVNGENCO 3 mainly comes from the fossil fuel (accounting for 89% of the amount of material consumed). Fossil fuel – fired power plants have not been developed by the developed countries recently due to the environmental problems, therefore investors may hesitate to invest in the Company.

The financial health of EVNGENCO 3 is still not strong. EVNGENCO 3 has not sufficient fund to finance its working capital and new projects. Besides, with the large-scale business operation, the efficiency ratios of EVNGENCO 3 have been subpar recently.

Besides, its business operation is heavily influenced by macroeconomic factors and the weather. One of the main factors is the fluctuation in exchange rate and interest rate. With the debt/equity ratio being high (most of debt are granted by foreign partners), paying foreign currency debt (mostly denominated in JPY, USD) affects strongly its business operation. Besides, the weather is also the critical factor affecting the efficiency of the operation of EVNGENCO 3.

The potential development of EVNGENCO 3 depend on the electricity selling price. There is no projects of constructing new power plants and existing power plants are totally exploited, and the cost cutting initiatives are implemented strictly in recent years, the development potential of EVNGENCO 3 depend heavily on the electricity selling price.

Opportunities

The fact that the competitive electricity market is going to be under operation will be the good chance for EVNGENCO 3 to exploit the change in the mechanism of setting the electricity price after 2019.

The new project's opportunities. Currently, EVNGENCO 3 has studied the new projects to be invest in the periods of 2018-2022. If the projects will be constructed efficiently, EVNGENCO 3 will have a growth potential after 2025.

EVNGENCO 3 has exposure to interest rate risk arising from floating-rate debt. This risk is managed by keeping the reasonable proportion of fixed-rate debt and assesing the capital market to get the low interest rate borrowings.

Currently, EVNGENCO 3 is coordinating with the interested parties to adjust the selling price for the electricity generated by Vinh Tan 2 Thermal Power Plant according to the total investment value approved. After this adjustment, its business operation will improve.

Challenges

The operation of the fossil fuel – fired power plants are heavily affected by the fluctuation in the price of fossil fuel. Basically, The change in the price of te material is reflected in the electricity selling price of EVNGENCO 3, however, in the long term, depending on the source of the material and the introduction of the competitive electricity market, EVNGENCO 3 might face the material problem.

EVNGENCO 3 has to compete with other huge electricity generators . The introduction of the competitive electricity market and the competition from the huge electricity generators such as EVNGENCO 1, EVNGENCO 2, PVN together with the huge demand for electricity consumption in the South, EVNGENCO 3 have to compete with other players in terms of the electricity selling price.

The increasing change in the technology in the energy sector makes development strategy determination, risk control and the plan establishment very difficult and this may be out of the control of EVNGENCO 3, therefore support from the government policy to tackle with this problem is essential..

Its business operation is heavily affected by macroeconomic factors such as the economy growth, inflation, interest rates, exchange rates and government policies.

1.11. The projects of EVNGENCO 3

Table 7: The existing projects

No.	Project name	Capacity (MW)	Total investment value (Bil VND)	The starting time of operation
1	Vinh Tan 4 thermal power plant project	2x600	40,598	Turbine 2: 12/2017 Turbine 1: 06/2018
2	The extension of the Vinh Tan 4 thermal power plant project	1x600	23,927	12/2019
3	Thai Binh 1 thermal power plant project	2x300	26,595	Turbine 1: 01/2018 Turbine 2: 04/2018

New projects which has been studied and implemented investment procedures:

- + Implementing the invesment procedures of the solar power plants located in Binh Thuan, Ninh Thuan and Dak Lak provinces.
- + Implementing the construction of Long Son Gas and Electricity Center (utilizes LNG)
- + Implementing the construction of the Ba Ria II power plant.

The Company is considering investing several new projects in the periods of 2018-2027 as follows:

Table 8: Investment plan of power plants

No.	Project name	Capacity (MW)	Total investment value (Bil VND)	Time
1	Vinh Tan - Binh Thuan solar power plant project	35	1,082	2018÷2020

2	Srepok 3 solar power plant project	50	1,840	2018÷2020
3	Ninh Phuoc 7 - Ninh Thuan solar power plant project	50	1,397	2018÷2020
4	LNG Long Son 1 power plant project	1,200	24,293	2020÷2025
Total		1,335	28,612	

Source: The EVNGENCO 3 equitization plan

Besides, EVNGENCO 3 might consider investing new several solar power plant projects such as: Buon Kuop and Buon Tua Srah, solar power plant located in Ninh Thuan and Binh Thuan provinces, 1,000-MW power plant at Tan Phuoc Electricity Center.

1.12. EVNGENCO 3's divestment plan 3 years post equitization

Pursuant to the Decision No. 58/2016/QD-TTg and the restructuring plan of EVNGENCO 3 approved by EVN, the capital contribution rate post equitization in the following companies is as follows:

Table 9: Subsidiaries, associates

No.	Company	Charter capital (million Vnd)	Ownership (%)	Owned number of shares	Contribution value (million VND)
Subsidiaries					
1	Ba Ria Thermal Power JSC	604,856	79,56	48,123,557	481,236
2	Ninh Binh Thermal Power JSC	128,655	54.76	7,045,440	70,454
Associates					
1	Thac Ba Hydropower JSC	635,000	30.00	19,050,000	190,500
2	Vinh Son – Song Hinh Hydropower JSC	2,062,412	30.55	63,016,948	517,058
3	Se San 3A Power Investment & Development JSC	280,000	30.00	8,400,000	84,000
4	PetroVietnam Power Nhon Trach 2 JSC	2,878,260	2.50	7,104,000	64,000
5	Viet – Lao Power JSC	3,250,000	0.60	1,960,000	19,600
6	GE – PMTP Power Service Limited Liability Company	496,424	15.00	-	74,464

Develop divestment plan in the companies that the Corporation holds less than 10% of chartered capital after completing equitization of EVNGENCO 3 in order to focus on investment in new

power sources under EVNGENCO 3 restructuring plan which are PetroVietnam Power Nhon Trach 2 JSC (7,104,000 shares) and Viet – Lao Power JSC (1,960,000 shares).

Source: Equitization plan of EVNGENCO 3

1.13. Business plan

**Table 10: Business plan of EVNGENCO 3 –
The Parent Company for the period of 2018-2020**

No.	Item	Unit	2018	2019	2020
1	Charter capital	Billion VND	20,809,000	20,809,000	20,809,000
2	Number of employees	Person	1,907	1,907	1,907
3	Total salary budget	Billion VND/year	562.693	619.774	683.061
4	Average income of employees	Million VND/ month	24.589	27.083	29.818
5	Total revenue	Billion VND	38,033,087	37,877,538	38,075,500
6	Total costs	Billion VND	37,035,361	36,450,043	36,571,296
7	Net profit	Billion VND	828,729	1,172,544	1,233,911
8	Dividend payout ratio	%/year	3.6	5.3	5.0

Source: EVNGENCO 3

2. Share offering to strategic investors

2.1. Purpose for choosing strategic investors

One of the most important targets of EVNGENCO 3's equitisation is to transform 100% State owned ownership into multi-ownership form, making a critical change in the way of management, step by step investing to enhance technology innovation, developing scale, improving financial capacity, production and business capacity, enhancing business efficiency and competitiveness.

With the above objective, in addition to mobilizing capital through public auction, attracting investment from strategic investors and large financial investors in the equitization is an important solution to improve the financial capacity, renovate management and improve the production capacity and competitiveness of EVNGENCO 3 after being transformed into a joint stock company.

2.2. Criteria for selection of strategic investors

Pursuant to the Official Letter No. 33/BCT-TC dated 03/01/2018 by Ministry of Industry and Trade on implement of Decision No.2100/QDD-TTg by Prime Minister on equitization of EVNGENCO 3; criteria for choosing strategic investors is as follows:

- Having full legal status as regulated by law;
- Having strong financial capability and having business results for the last 3 years up to the time of registering to buy shares with profit and no accumulated loss;

- Priority Investors are organizations or joint ventures experienced in the field of energy or technology related to power generation (management, operation of power plants, coal supply, LNG supply, maintenance, EPC, OEM, etc.) or investors with strong financial capacity and are able to support EVNGENCO 3 in arranging investment capital for power projects in in future.
- Priority is given to investors who have a plan to support the Corporation post equitization in the transfer of new technology; human resource training; improving financial capacity; corporate governance and material supply.
- Having written commitments when registering to become strategic investors of the equitized enterprises on the following contents:
 - + To continue maintaining and developing power production and brand names of the equitized enterprise for at least 3 (three) years from the time of becoming strategic shareholders.
 - + To commit not to transfer purchased shares for a minimum period of 05 (five) years from the date the Joint-stock Company is granted the first business registration certificate operating under the Enterprise Law.
 - + Strategic investors have obligation to indemnify when violating signed commitments with the indemnity level determined according to the actual damage.
 - + The Government will have the right for the use of the entire shares purchased by strategic investors when the investors violate the signed commitments.

2.3. Plan for share offering to strategic investors

a) Target investors:

Target investors are investors who meet criteria for selection of strategic investors approved by competent authorities.

b) Share offering method and selling price:

+ Regarding the selling method:

The sale of the share for the strategic investors is conducted via the direct negotiation or the auction.

The sale will be conducted via the direct negotiation in the following case:

in case there are no more than 03 strategic investors who register to subscribe the sale and the total number of shares subscribed by them is no more than the number of shares allowed to sell for the strategic investors.

The sale of the share for the strategic investors will be conducted via the auction in the following cases:

In case there are no more than 03 strategic investors who register to subscribe the sale and the total number of shares subscribed by them is larger than the number of shares allowed to sell for the strategic investors or in case there are more than 03 strategic investors who register to subscribe the sale.

In this case, the auction will be conducted at the Hochiminh Stock Exchange.

+ **Regarding the selling price**

The selling price of the shares sold for the strategic investor is determined according to Decree No. 126/2017/ND-CP dated 16/11/2017 by the Government on the transformation of State enterprises and one-member limited liability companies which state enterprises invest 100% of charter capital into joint stock companies, the selling price shall comply with the provisions of the Decree No. 126/2017/ND-CP dated 16/11/2017 by the Government. Particularly, the selling price is not less than the average successful bidding price of the IPO (the IPO is forecast to be conducted in 09/02/2018).

c) Number of offered shares

The number of shares offered to strategic investors is 749,124,000 shares, total par value is 7,491,240,000,000 VND, equivalent to 36% of charter capital which allows strategic investors have veto rights after transforming to joint stock company as stipulated in Enterprise Law.

d) Payment method and payment deadline

Strategic investors make the payment for the purchased shares according to provisions of share purchase agreements between the parties.

e) Process for choosing strategic investors

The process of selling share for strategic investors is described in the Appendix 03 below.