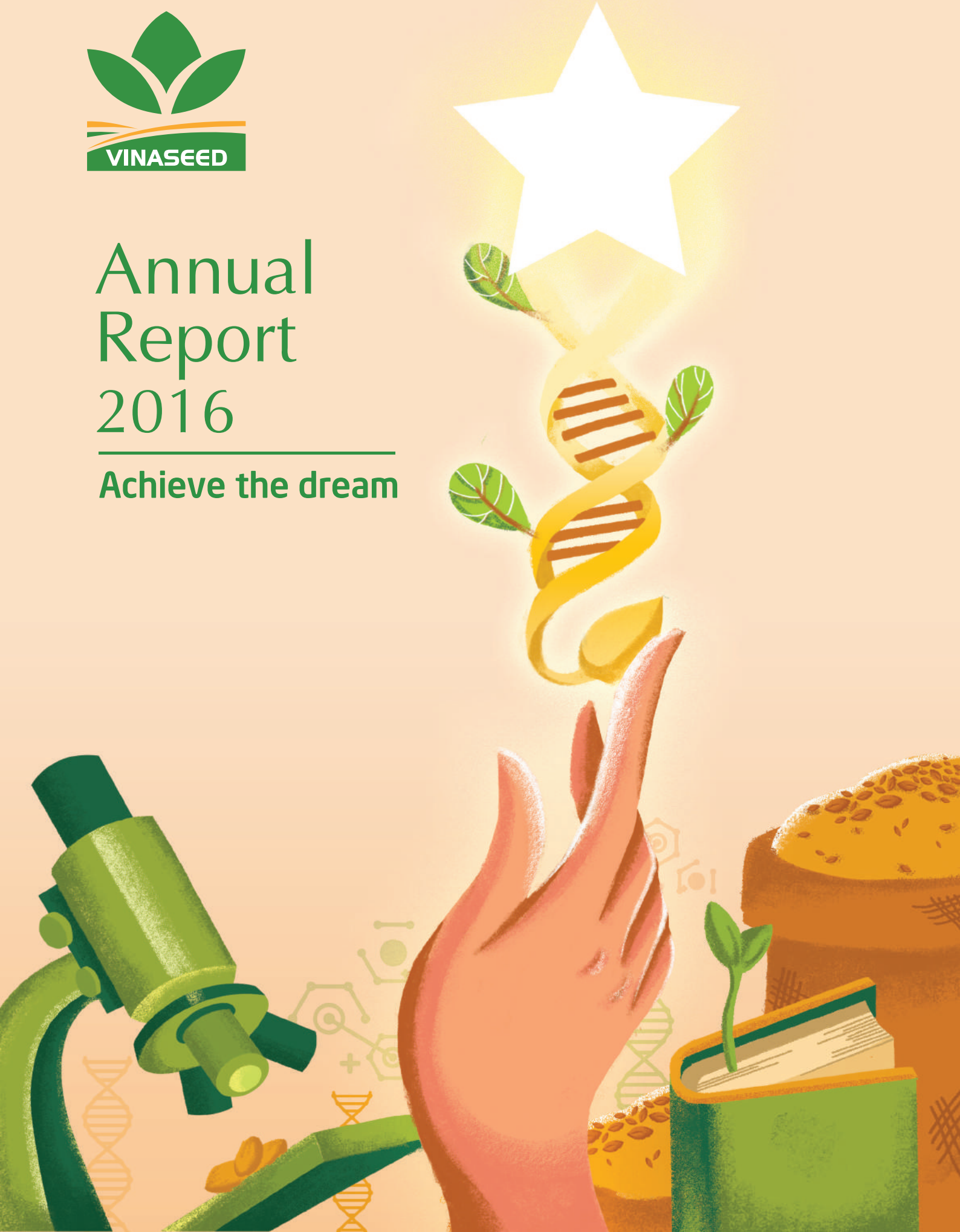




Annual Report 2016

Achieve the dream





**Achieve the dream,
Vinaseed had become
a seed company with biggest
market share and business
scale nationwide.**





CONTENTS

CHAIRWOMAN'S MESSAGE	06
COMPANY OVERVIEW	08
DEVELOPMENT STRATEGY	55
2016 BUSSINESS REPORT	58
CORPORATE GOVERNANCE REPORT	104
SUSTAINABLE DEVELOPMENT REPORT	120
2016 FINANCIAL REPORT	146
2017 BUSINESS PLAN	192
OTHER INFORMATION	198

CHAIRWOMAN'S MESSAGE

Dear fellow shareholders!

In 2016, Vietnam's agriculture continues to face formidable difficulties. Climate change has taken place on a large scale in a fierce manner with a record of extreme coldness in 14 Northern provinces over the past 60 years, not to mention droughts and salt water intrusion in the South Central Coast and the Mekong Delta, especially 5 catastrophic floods in late 2016 in the Central and Central Highlands with total losses in the agricultural sector amounting to 39,000 trillion VND. Harsh natural disasters and environmental incidents in the four Central provinces severely affected agricultural production, the growth rate of this industry was just 1.2%, which is equal to 40% of the average growth rate. Overall GDP growth has been continuously decreasing over the years, and it is only 0.22% by 2016.

The country's rice output is reduced by 1.4 million tons compared to 2015. Rice exports reached 4.7 million tons, which is a decrease of 29% over the same period (2015: 6.6 million tons).

However, Vinaseed was still a boat that was always upstream. 2016 the year ending 2011 - 2016 period has witnessed impressive achievements in production and business: revenue reached 1330 billion by 104.2% of the plan, up 6.6% of the development over the same period. After-tax profit of the parent company is 175 billion VND equals to 100% of the plan, up 23.7% of the development over the same period. EPS reached 11,462 VND/share, the company is consistently in TOP 50 companies with the most effective growth and business performance in Vietnam from 2012 to 2016, TOP 500 large enterprises in Vietnam (VNR500 - 2016) and one of the 3 most outstanding companies among the 350 post-equalization companies. The company has a map of Vietnam's rice technology in the top 10 scientific and technological events in 2016. The year marks a big step forward its restoration and restructuring by rapidly expanding the scale of business, developing new hi-tech agriculture, Vinaseed as the leading unit of the Vietnamese plant breeding industry, realizing the dream that Vinaseed has been chasing for over the past 10 years.

Dear fellow shareholders!

2017 - the hinge year implementing the accelerated strategy 2017 -2021, which is based on the sound foundation of the achievements fulfilled in the term 2012 - 2016, with a potential market with powerful and strong commitments from a government, with a carefully-planned corporate development strategy. Vinaseed will firmly step forward to be a pioneer in the application of high-tech agricultural production. This will make a huge contribution to the restructuring of Vietnamese agriculture, bringing about economic effects and social values wherever the company sets its foot in. Vinaseed is committed to the successful completion of all economic and financial goals with investors, to



the implementation of sustainable development economically, socially and environmentally.

In 2017, Vinaseed will continue to innovate comprehensively its organization as well as administration, focus on expanding international cooperation, make full use of every opportunity of the industry, invest in R & D and transferring technology, create new values and continue to expand business market share. Also, the company will attempt to build its employees who are highly qualified, self-disciplined, adaptive and eager to generate a culturally attached environment which is a catalyst for its sustainable development.

Finally, we would like to express our appreciation for the effort of Vinaseed personnel, the people who have worked with great passion and endless desire for achievements. These are the people who always improve and perfect themselves. We greatly appreciate the trust and support of investors in our operation. We are grateful for the faith and companionship of our customers, which watered the vigorous Vinaseed as it is now. We pledge to always commit our full effort to develop the company. We are confident that 2017 will be another successful year for Vinaseed.

Chairwoman

TRAN KIM LIEN

ESTABLISHED IN 1968, VINASEED HAS NOW BECOME VIETNAM'S LARGEST SEED COMPANY IN SCALE WITH THE LONGEST HISTORY

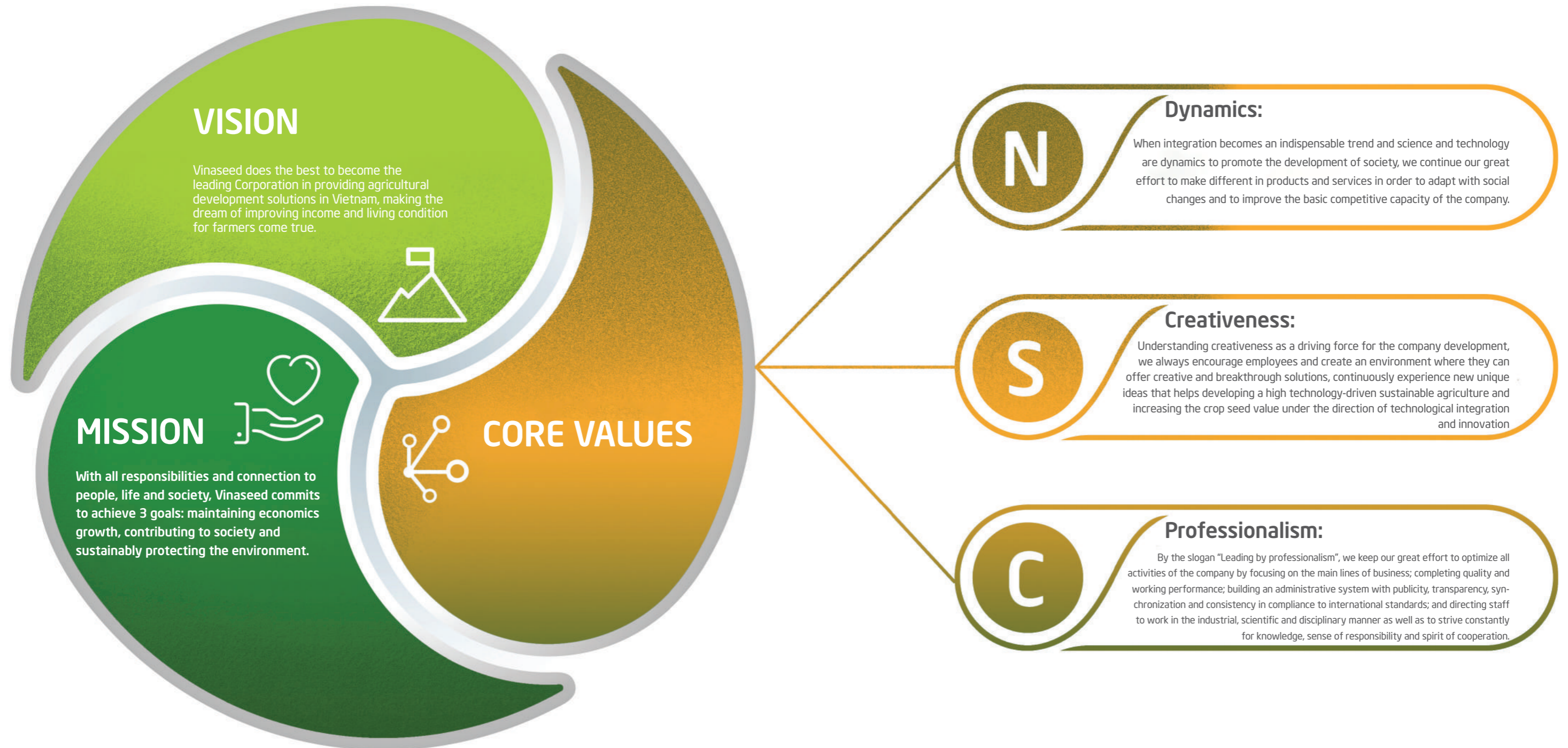


COMPANY OVERVIEW (NSC)

VISION, MISSION AND CORE VALUES	10
CORE BUSINESS	12
DEVELOPMENT GOALS	16
ORGANIZATIONAL STRUCTURE AND KEY PERSONNEL	18
PORTFOLIO OF CORE PRODUCTS	28
OPERATION AND DISTRIBUTION NETWORK	30
2016 - MARKING A 5- YEAR PERIOD	36



VISION, MISSION AND CORE VALUES



MAIN BUSINESS AREAS

Researching, selecting, producing and trading seed.



Transferring high-tech agricultural technical services and importing agricultural and forestry seeds.

Producing, trading, importing and exporting agricultural products and materials.



ORIENTATIONS FOR DEVELOPMENT IN THE PERIOD FROM 2017 TO 2021

Focusing on core industries such as seed production and trading.



Trading in agro-products in the value chain and developing high-tech agriculture.



Trading in agricultural materials



Transferring technology and sustainable farming solution



DEVELOPMENT OBJECTIVES

FUTURE OBJECTIVES

In order to catch up with global trend, as well as to understand the domestic consumption behavior, Vinaseed targets on developing high quality product lines that are highly adaptive to global climate change. We believe that modern .

Technology and intellectual power play a key role in maintaining a competitive advantage, so intensive human resource development and technology are always priorities in our strategic planning process.

BUSINESS GOALS TO 2021

Business goals

- **Maintaining the rate of after-tax profit as 20% per year.**
- **Reaching the growth rate of market share, output, and revenue of copyright products up to 16% per year.**
- **Maintaining the position of being a leading seed company in Vietnam.**



Market goals

- By 2021: striving to occupy 30% of the market share of plant seeds nationwide. Of which the focus remains on the Red River Delta (43%), gradually dominating the Northern Midlands and Mountains (30% - 35%) and expanding its market share in the North Central region and Central Coastal Region (25%), Mekong Delta market: 15% - 20%, and other market areas: 10%..
- In addition, the southern market areas, Laos, Cambodia, Myanmar, southern China such as Guangxi, Guangdong and Yunnan are also target markets identified as important contributors to the expansion of the business scale (including seed and agricultural products), and the output growth in the next five years from 2017 to 2021

Positioning targeted products

Profound changes in the structure of consumed products, upturn in copyrighted products with highly economic value, and a gradual reduction in the popular product lines are all to make a huge contribution to enhancing business efficiency, lowering the pressure on infrastructure development. Orientations for product development in the 2016-2020 period come as follows:

By 2021:

- In the field of plant varieties: Focusing on the development of high quality products which adapt to climate change (drought, salt tolerance, etc.).
- In the field of agricultural products: focusing on the development of brand name, high-tech agricultural and organic products which are to meet the prime domestic market demand and export-oriented.



KEY PERSONNEL

HỘI ĐỒNG QUẢN TRỊ NHIỆM KỲ 2012 - 2016



Ms. Tran Kim Lien

Chairwoman cum Chief Executive Officer



Ms. Le Thi Le Hang

Vice Chairwoman



Ms. Nguyen Thi Tra My

Member



Mr. Tran Dinh Long

Member



Mr. Nguyen Khắc Hải

Member



Mr. Do Ba Vong

Member, Deputy CEO

Qualifications Bachelor of Economy, Bachelor of Laws

Master of Finance.

Master of Business Administration

Professor, Graduate Institute, Doctor of Science.

Master of Laws, Bachelor of Business Administration

Agronomy Engineer

Political level Senior

Career Overview

1980 - 1982: Lecturer of the National Economics University in Hanoi

1982 - 1995: Assistant to Director of Dong Giao Farm

1995 - 1996: Head of Sales Department, Dong Giao Industrial Agriculture Enterprise

1996 - 1997: Deputy Director of Dong Giao Industrial Agriculture Enterprise

1997 - 1998: Deputy Director of Dong Giao Food Exporting Company

1998 - 2000: Deputy Director of Import & Export company - Vietnam Vegetable Corporation

2000 - 2004: Deputy Director of Vietnam National Seed 1 JSC

2015 - present: Vice Chairwoman of Southern Seed JSC (SSC)

2004 - present: Chairwoman cum Chief Executive Officer of Vietnam National Seed JSC

1999 - 2007: Senior Analyst at WPStewart Fund Management Company, New York, USA

2007 - 2010: Head of Analysis and Investment Advisor Department Assistant to Chairman of Saigon Securities Inc

2010 - present: CEO of SSI Asset Management (SSIAM), Assistant to Chairman of Saigon Securities Inc., Board member of An Phu Irradiation JSC.; Board Member of Binh Thanh Imp-Exp production and trade JSC.; Board Member of Long An Food processing export JSC.

2012 - present: Vice chairwoman of Vietnam National Seed JSC

2015 - present: Chairwoman of Southern Seed JSC (SSC)

1993 - 1995: Assistant to CEO at International Business Advisor company

1995 - 2012: Chief Financial Officer and Deputy CEO of Biomin Vietnam

2007 - present: Chairman and CEO of CSC Vietnam

2012 - present: Senior Advisor of Biomin Vietnam

2013 - present: Board Member of Vietnam National Seed JSC

2013 - present: Vice Chairwoman of the PAN Group JSC

2016 - present: Chairwoman of PAN Farm JSC, Chairwoman of PAN Saladbowl JSC

1967 - 1968: Lecturer in Agricultural University I - Hanoi

1968 - 1981: Lecturer in Agricultural University II - Hanoi

1981 - 1983: Internship in Russia

1983 - 1993: Director, Vietnam Russia Seed center

1993 - 2002: Deputy Head of Vietnam Agricultural Science Institute

2002 - 2003: Director of Beans experimental center - Vietnam Agricultural Science Institute

2003 - present: Chairman of Vietnam Seed Trade Association; Vice Chairman of Scientific Council of Agricultural Science Institute of Vietnam; Members of National Steering Committee of Vietnam Global Environment Fund GEF-UNDP; Member of Science and Technology council of Field Crops Research Institute ; Agriculture and Forestry Science Institute in Northern Mountains; National Research Vegetables Institute; Plant Resources Center; Member of Vietnam Fatherland Front

2004 - present: Board Member of Vietnam National Seed JSC.

2001 - 2004: Senior executive of Legal Department, Bank for Foreign Trade of Vietnam

2007 - 2010: Member of Establishing SSI Asset Management Limited Company Project - Saigon Securities Inc., Director of Law and Risk Management department, SSI AM

2010 - 11/2016: Deputy General Director of SSI Asset Management

2012 - present: Board Member of Vietnam National Seed JSC

1993 - 1994: Deputy Director of Chau Giang - Hung Yen National Seed Farm

1994 - 2001: Director of Chau Giang - Hung Yen National Seed Farm

2001 - 2004: Director of Dong Van - Ha Nam National Seed Farm

2004 - present: Deputy CEO of Vietnam National Seed JSC.

BOARD OF DIRECTORS' SUBCOMMITTEES

Subcommittee of Science and Technology::

Human resources:

Mr. Tran Dinh Long - Head of Subcommittee

Mr. Do Ba Vong - Member.

Subcommittee mandate:

- Developing a strategy for scientific and technological research, monitoring the implementation of the strategy and making adjustments if necessary.
- Collecting information on scientific and technological advances in the domestic and international agriculture on the basis of directing research work to the company.
- Offering advice on the purchase, valuation of scientific research rights in the transfer process.
- Providing advice on hiring co-experts.
- Engage in scientific and technological activities within the company to identify the results of research.

Subcommittee of Investment:

Human resources:

Ms. Le Thi Le Hang - Head of Subcommittee

Ms. Nguyen Thi Tra My - Member

Mr. Nguyen Khac Hai - Member

Subcommittee mandate:

- Formulating investment strategies, construction and M & A.
- Participating in the appraisal, management consultancy, supervision of the implementation of investment projects (projects under the approval of the BOM), purchase and sale contracts, loans, loans and other Investment plans under the authority of BOM in accordance with the law.
- The Subcommittee is entitled to request information, documents related to the entire investment activities of the company to ensure that the subcommittee completes the task.

Subcommittee of Management and Personnel, Legislation:

Human resources:

Mr. Nguyen Khac Hai - Head of Subcommittee

Ms. Le Thi Le Hang - Member

Ms. Nguyen Thi Tra My - Member.

Subcommittee mandate:

- Developing a plan to restructure the company's operation to suit each stage, organizational structure and consultancy for building corporate governance system.
- Considering the proposal of using managed fund to reward or punish Board of Management members, and senior managers of the company.

Ms. Tran Kim Lien - Chairwoman is in charge of the overall responsibility.

Heads of subcommittees are responsible for developing plans and reporting at Board Meetings in the area of charge.

SUBCOMMITTEES' ACTIVITIES IN 2016

Subcommittee of Administration and Human Resources, Legislation

- Participating, supporting the organization of the 2016 Annual General Meeting of Shareholders.
- Participating in the restructuring plan of subsidiaries (Southern Seed JSC SSC, Quang Nam Seed Joint Stock Company).
- Providing legal advice on investment activities, disclosure, risk management.

Subcommittee of Investment

- Participating in the development of the company's development strategy for 2016-2021.
- Supervising and supporting the implementation of investment projects, construction.

Subcommittee of Science and Technology

- Assisting in consulting, investing, developing human resources for research of the company.
- Searching, introducing partners for research and development of the company.



BOARD OF SUPERVISORS FOR 2012 - 2016 TERM



Mr. Nguyen Khanh Quynh
Head of Board of Supervisors.



Mr. Do Tien Sy
Member.



Mr. Nguyen Tuan Anh
Member.

Qualifications	Master of Business Administration	Master of Economics	Bachelor of Economics
Political level			
Career Overview	<p>2001 - 2002: Sales agent of Sunhouse Group JSC</p> <p>2002 - 2004: In charge of purchasing exporting agricultural products in Southern Vietnam - OLAM Limited Company</p> <p>2004 - 2006: Senior Executive of Import Export Trading - Mizuho Corporate Bank, Hanoi Branch.</p> <p>2008 - 2010: Investment Analyst of SSI Asset Management (SSIAM)</p> <p>2010 - 2014: Deputy Director of Investment - SSI Asset Management Ltd (SSIAM)</p> <p>2014 - present: Director of Investment - SSI Asset Management Ltd (SSIAM)</p>	<p>2000 - 7/2000: Deputy Director of National Seed Farm Ba Vi</p> <p>8/2000 to 3/2001: Deputy head of Business Department, Vietnam National Seed 1 JSC</p> <p>2001 - 2004: Head of Business Department, Vietnam National Seed 1 JSC</p> <p>2004 - 2010: Board Member, Head of Import- Export Department of Vietnam National Seed JSC</p> <p>2010 - 2012: Board Member, Head of the Union, Sales Director of Vietnam National Seed JSC</p> <p>2012 - 2016: Member of Supervisory Board, Head of the Union, Sales Director of Vietnam National Seed JSC</p> <p>2016 - present: Board of Supervisors member, President of Union, CEO of Quang Nam National Seed JSC</p>	<p>2005 - 2007: Auditor at A&C Auditing Vietnam Ltd.</p> <p>2007 - 2010: Auditor at Ernst & Young Auditing Vietnam Ltd</p> <p>2010 - 2013: Head of Supervisory Department - Supervisory & Managing for Financial Investment Project Vinaconex JSC</p> <p>2013 - 2014: Senior Finance Analyst at The PAN Group</p> <p>2014 - 2015: CFO at The PAN Group</p>



BOARD OF MANAGEMENT



Ms. Tran Kim Lien
CEO



Mr. Do Ba Vong
Deputy CEO



Mr. Pham Ngoc Ly
Deputy CEO



Mr. Nguyen Hai Tho
Deputy CEO

Trình độ chuyên môn

Bachelor of Economy, Bachelor of Laws

Agronomy Engineer

Master of Finance and Accounting

Agricultural Engineer

Trình độ chính trị

Senior

Quá trình công tác

1980 - 1982: Lecturer of the National Economics University in Hanoi

1982 - 1995: Assistant to Director of Dong Giao farm

1995 - 1996: Head of Business Department, Dong Giao Industrial Agriculture Enterprise

1996 - 1997: Deputy Director of Dong Giao Industrial Agriculture enterprise

1997 - 1998: Deputy Director of Dong Giao Food exporting company

1998 - 2000: Deputy Director of Import & Export company - Vietnam Vegetable Corporation

2000 - 2004: Deputy Director of Vietnam National Seed JSC

2015 - Present: Vice Chairwoman of Southern Seed JSC (SSC)

2004 - Present: Chairwoman cum Chief Executive Officer of Vietnam National Seed JSC.

1993 - 1994: Deputy Director of Chau Giang - Hung Yen National Seed Farm

1994 - 2001: Director of Chau Giang - Hung Yen National Seed Farm

2001 - 2004: Director of Dong Van - Ha Nam National Seed Farm

2004 - present: Deputy CEO of Vietnam National Seed JSC

1981 - 1985: Officer of Accounting & Finance Department - Ministry of Agriculture and Rural Development

1985 - 1992: Chief Accountant of Supplying Material & Transport Enterprise

1992 - 2003: Officer of Vietnam National Seed 1 JSC

2003 - 2010: Chief Accountant, Head of Finance & Accounting - Vietnam National Seed JSC

2004 - 2015: Board Member of Vietnam National Seed JSC

2010 - Present: Deputy CEO of Vietnam National Seed JSC

1984 - 1996: Directing Officer of National Seed Farm Thuong Tin, Ha Noi

1996 - 2003: Deputy Director of National Seed Farm Thuong Tin, Ha Noi

2004 - 2007: Deputy head of Business Department, Vietnam National Seed at Dong Quang, Ba Vi, Ha Noi

2007 - 2010: Head of Product Development Department, Vietnam National Seed at Dong Quang, Ba Vi, Ha Noi

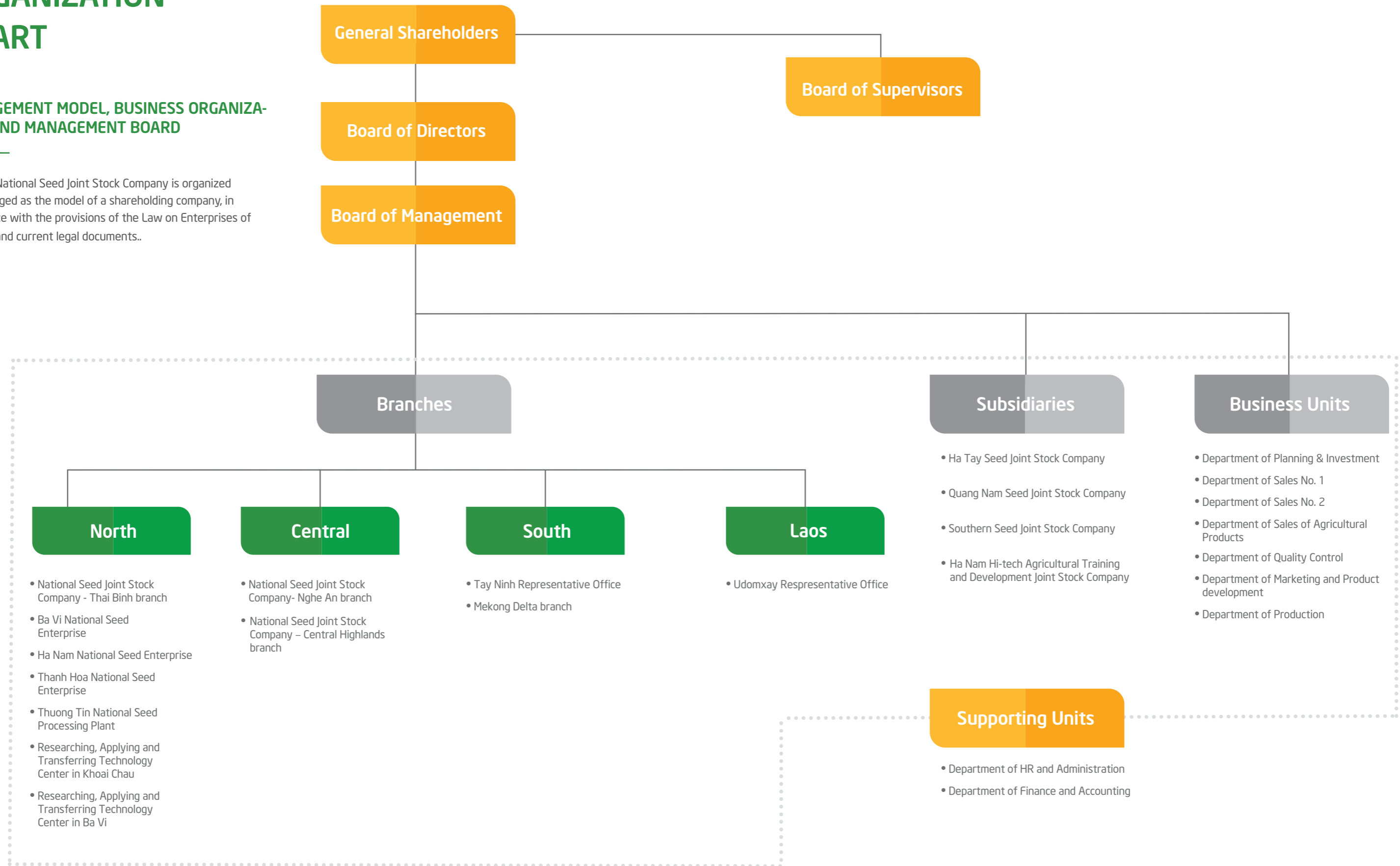
2010 - 2011: Director of Ba Vi Enterprise

2011 - present: Deputy Director of Vietnam National Seed JSC, Director of Ba Vi Enterprise

ORGANIZATION CHART

MANAGEMENT MODEL, BUSINESS ORGANIZATION AND MANAGEMENT BOARD

Vietnam National Seed Joint Stock Company is organized and managed as the model of a shareholding company, in accordance with the provisions of the Law on Enterprises of Vietnam and current legal documents..



PORTFOLIO OF CORE PRODUCTS

Modeling of key strategic products of the company:

SEED PRODUCTS

Annually, the company supplies over 50,000 tons of plant seeds of all kinds, which is equivalent to more than 1 million hectares. The structure will come as follows:



Details:

Rice seeds

Pure rice variety:

- Quality purebred rice varieties: Thom RVT, Dai Thom 8, Tran Chau Huong, VS1, T10,...
- High-yielding rice varieties: Thien Khe 8, Khang Dan DB, OM6976, Kim Cuong 111,...
- Specialty purebred rice varieties: Nep vang DB, Japonica DS1, J03, ...

Hybrid rice variety:

Hybrid rice variety in two lines: HC1, TH3-4, HYT108, KC06-1, HR182 ...
Hybrid rice variety 3 lines: Thuy Huong 308, CNR6206, 86b, Xuyen Huong 506, Phong Uu 36 ...

Corn seeds

Corn variety for animal feed: F1 HN45 hybrid corn, NSC87, LVN10, LVN4, ...

Corn food:

Hybrid corn F1 HN88, HN68, HN90, HN92, CX207, Glutinous corn HN66, ...
Sugar Hybrid corn LVN20, ...
Corn vegetable varieties: HN268, ...

Vegetable seeds

Calabash group: hybrid Pumpkin F1 with Goldstar 998, Super Goldstar 999, Koshi, Blue Hybrid F1 Fuji 868, F1 hybrid Tara 888
Pepper Group: Chilly Deli 686, Heat-resistant Tomato, ...
Leaf Vegetables: Sakata Cabbage, Green Lettuce, amaranth HN666, Chinese Broccoli HN888, ...
Bean Group: Mung bean DX208, Phaseolus vulgaris, Refined Cowpea HN338, ...

Melon seeds

Yellow melon varieties, hybrid watermelon, watermelon types..

AGRICULTURAL PRODUCTS

Specialty Rice: RVT Jasmine Rice, Pearl Perfume, Japanese Japoni, yellow flowers

Functional-food rice: Purple rice, Phuc Tho dragon blood rice, Phuc Tho black rice, brown rice, ...

Beans: Green peas, soybeans, peanuts..

Quality melon, other types: Yellow melon, watermelon. Tomatoes of all kinds, baby cucumber, pumpkin, ..



AGRICULTURAL MATERIAL

Microbiological products, organic fertilizers.

SERVICES OF SCIENCE AND HIGH TECHNOLOGY IN AGRICULTURE

Providing the transfer of technical services of high technology agriculture, vocational training in production areas of the company.



SUBSIDIARIES AND AFFILIATES AND OPERATION NETWORK

BRANCHES



BRANCHES

1. Head Office:

Address: No.1 Luong Dinh Cua street, Phuong Mai ward, Dong Da district, Hanoi.

Tel: 04.38523294 - Fax: 04.3852 7996

2. Ba Vi National Seed Enterprise

Address: Dong Quang commune, Ba Vi ward, Hanoi.

Tel: 034.3863091 - Fax: 034.3864185

3. National Seed Enterprise - Ha Nam branch

Address: Dong Van town, Duy Tien ward, Ha Nam province.

Tel: 0351.3835463 - Fax: 0351.3835061

4. National Seed Enterprise - Thanh Hoa branch

Address: Dinh Tuong commune, Yen Dinh ward, Thanh Hoa province.

Tel/Fax: 037.3869251

5. National Seed Joint Stock Company - Thai Binh branch

Address: Dong Hop commune, Dong Hung ward, Thai Binh province

Tel: 036.3851256 - Fax: 036.3550684

6. National Seed Joint Stock Company - Nghe An branch

Address: 11 Tran Nhat Duat, Doi Cung ward, Vinh city, Nghe An province.

Tel: 038.3531822 - Fax: 038.3844937

7. National Seed Joint Stock Company - Central Highland branch

Address: Group 4, Eatu Commune, Buon Ma Thuot City, Dak Lak Province..

Tel: 0500.3873816 - Fax: 0500.3873817

8. National Seed Joint Stock Company - Mekong Delta branch

Address: My Thi B Hamlet, My An Commune, Thap Muoi District, Dong Thap Province.

Tel: 067.3828969 - Fax: 067.3822998

9. Researching, Applying and Transferring Technology Center in Ba Vi

Address: Dong Quang commune, Ba Vi ward, Hanoi

Tel/Fax: 04.66736717

10. Khoai Chau Experiment Station

Address: Tan Dan ward, Khoai Chau district, Hung Yen province

Tel/Fax: 0321.391034

11. Thuong Tin National Seed Processing Plant

Address: 350 Tran Phu, Thuong Tin Commune, Hanoi

Tel/Fax: 034.3853239

12. Tay Ninh Representative Office

Address: Hamlet 1, Commune 4, Bau Don ward, Go Dau district, Tay Ninh province

Tel: 066.3857379

13. Udomxay Respresentative Office, Laos

Address: Udomxay Province, Lao People's Democratic Republic.

Tel/Fax: 0085.6812 12554.

SUBSIDIARIES

14. Ha Tay Seed Joint Stock Company

Address: Phu Lam ward, Ha Dong district, Hanoi.

Tel: 043.3535401 - Fax: 043.353035

Producing and trading plant seeds.

15. Quang Nam National Seed Joint Stock Company

Address: Km943, National road 1A, Dien Thang Bac, Dien Ban, Quang Nam

Tel: 0510.3869455 - Fax: 0510.3869253

Producing and trading in agricultural and forestry plant seeds.

16. Southern Seed Joint Stock Company (Stock code: SSC)

Address: 282 Le Van Sy, Wart 1, Tan Binh District, Ho Chi Minh City.

Tel: 083.8442414 - Fax: 083.8442387.

Producing and trading in plant seeds.

17. Ha Nam Hi-Tech Agriculture Invest ment and Development Joint Stock Company

Address: Nhan Khang commune, Ly Nhan district, Ha Nam province.

Producing, trading and transferring technology of producing high-quality melon and vegetables and fruits according to the model of hi-tech agriculture

RESOURCES ARE STRATEGIC FOUNDATION.

Resources for research facilities

Unit	Area (hectare)
Ba Vi Research Center	56.5
Khoai Chau Biotechnology Center	9
Thanh Hoa Branch	26
Central Highland Branch	14.4
Lam Ha Breeding Farm	38
Southern Research Center	78
Flower Research Center	28
Co Do Breeding Farm	336
Lai Cay Experimental Camp	1.5
Cu Chi Experimental Camp	4
Total	592



Department of Biotechnology - TTNC



Khoai Chau Experimental Farm

Resources for processing, packaging, warehousing



Ha Nam National Industrial Seed Processing Center

Includes 12 packaging processing units

Storage capacity: 15,500 m²
Processing area: 36,000 m²



Processing capacity: 70,000 tons/year
Packing capacity: 50,000 tons/year



The net house system - Khoai Chau Biotechnology Center



Stock seed storage (capacity up to 700 tons)



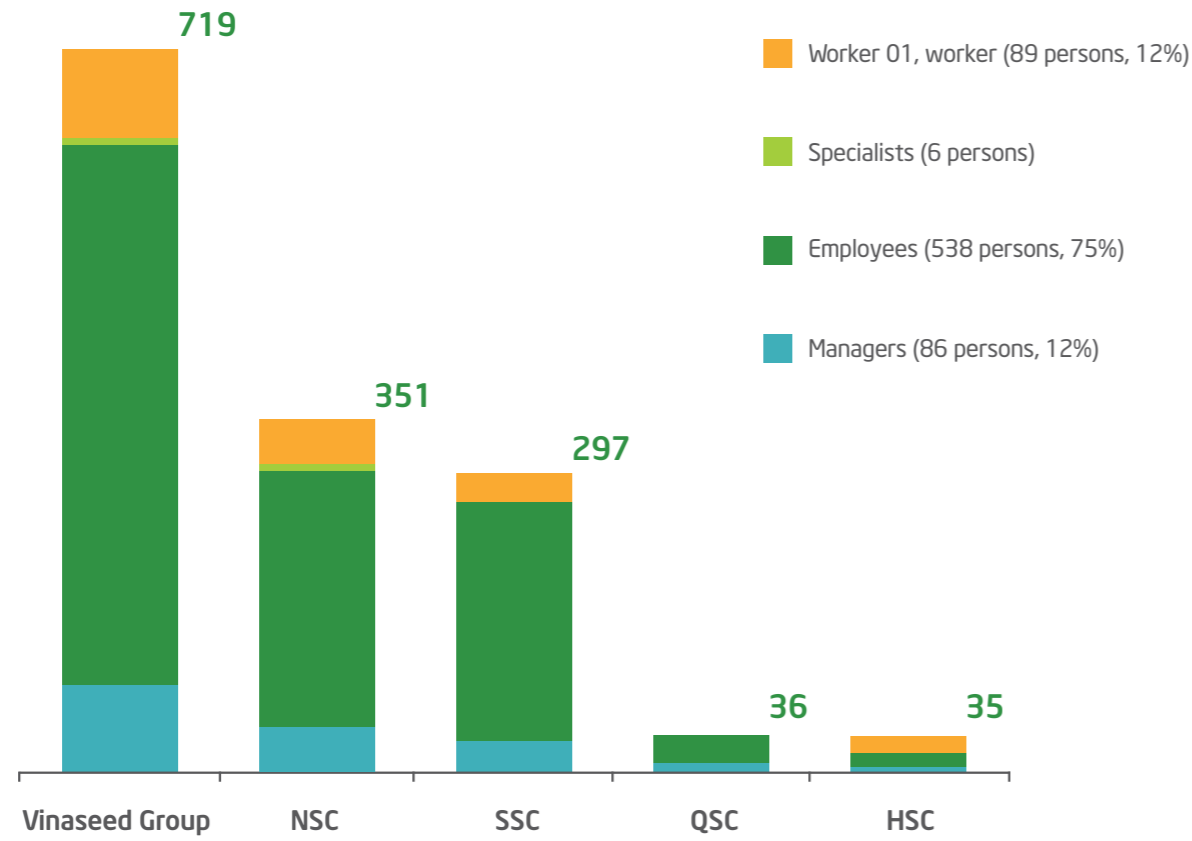
Ba Vi National Seed Plant



Thai Binh Processing Factory

Human Resources

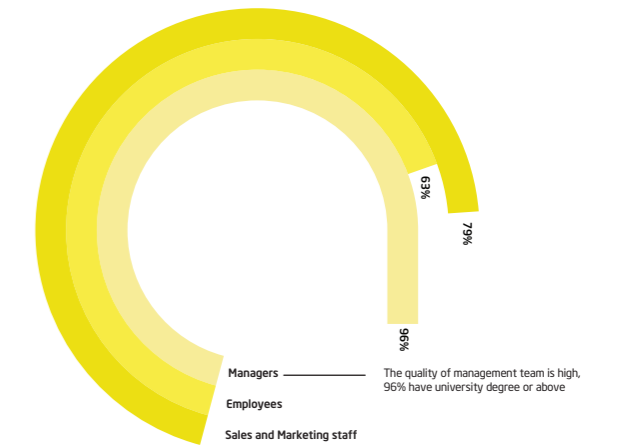
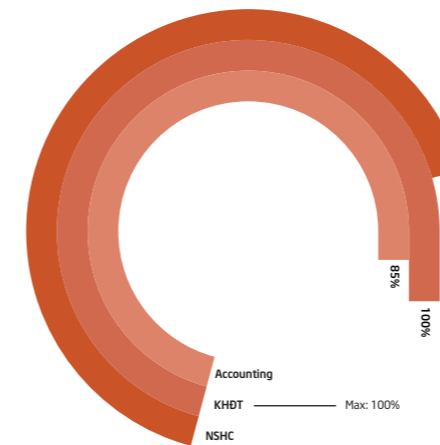
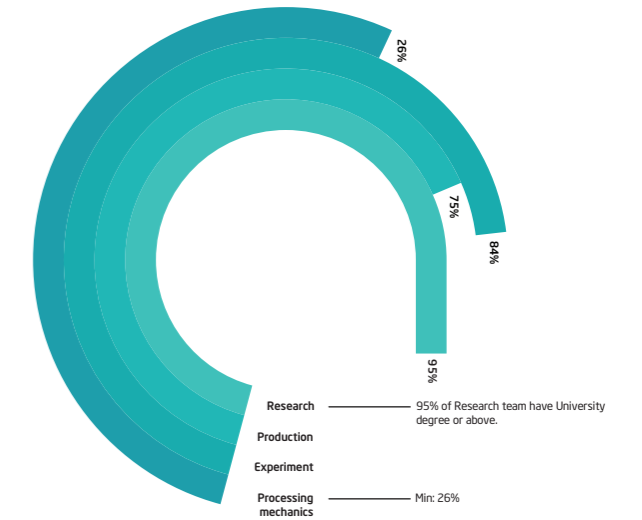
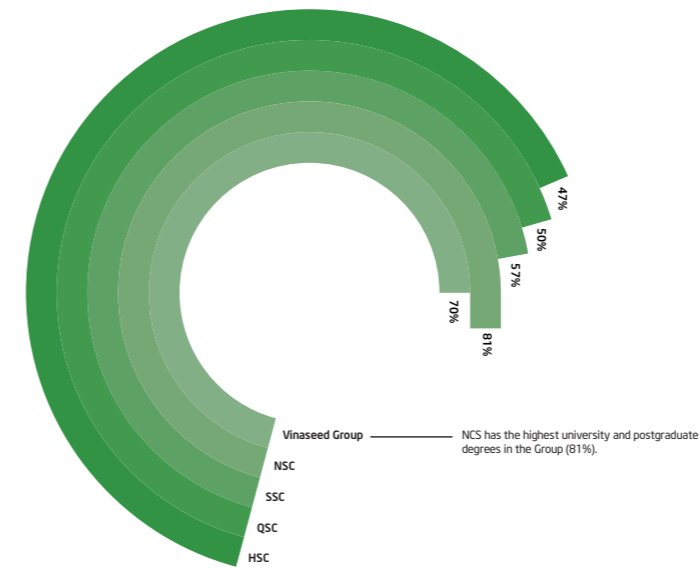
Cơ cấu nhân sự



The number of employees with university and post-graduate level accounts for 70% of the total number of employees.

TARGETS	VINASEED GROUP	NSC	SSC	QSC	HSC
Total	719	351	297	36	35
Managers (86 persons, 12%)	86	44	30	8	4
% Managers	12%	13%	10%	22%	11%
Employees (538 persons, 75%)	538	256	239	28	15
Specialists (6 persons)	6	6	0	0	0
Worker 01, worker (89 persons, 12%)	89	45	28	0	16

Human resource quality



2016 - MARKING A 5-YEAR PERIOD

MILESTONES IN THE PERIOD 2012 - 2016

Achieve the dream, Vinaseed has become a leading provider of solutions for sustainable agricultural development in Vietnam..

270% ↑ Revenue
1330 Bil. VND

310% ↑ Profit
192 Bil. VND

510% ↑ Owner's equity
1085 Bil. VND

13 13 units, 04 subsidiaries (an increase of 02 units & 03 subsidiaries compared to 2011)

2012

- Adopting the company's development strategy for the period 2012-2016, and vision for 2020 (Resolution of the Annual General Meeting of Shareholders on March 19th, 2012).
- Issuance of charter capital increased from VND 82,561,610,000 to VND 100,298,380,000 (Resolution of the Annual General Meeting of Shareholders on March 19th, 2012).
- Inaugurating Thai Binh Plant Variety Processing and Preservation Factory. Construction area: 1690m², drying system, processing, packing capacity 5,000 tons / year, and total investment capital 14.27 billion.
- Establishing Ba Vi Central Research, Application and Technology Transfer Center.
- Restructuring Ha Tay Plant Variety Joint Stock Company.

2013

- Investing to raise the ownership ratio of Quang Nam Agro-forestry Seed JSC from 32.2% to 60.24% (becoming a subsidiary of NSC).
- Developing business lines of vegetable seeds and sticky rice.
- Being voted by Forbes Asia as one of the 200 companies with the best sales under \$ 1 billion in Asia in 2013.

2014

- Issuing chartered capital increased from VND 100,298,380,000 to VND152, 950,000,000
- Investing in M & A of Southern Seed Joint Stock Company: 40.16%; Thai Binh Seed Joint Stock Company: 6.24%, raising the ownership ratio of Quang Nam Agro-Forestry Seed JSC: 85.8% of charter capital.

2015

- The company received the second-class Labor Medal awarded by the President for outstanding contribution to the cause of socio-economic development of the country in the period of 2012 - 2015.
- The head office was inaugurated at 01 Luong Dinh Cua, Phuong Mai, Dong Da, Hanoi. Area of construction land: 326m², construction area: 1820m², 7 floors and 1 basement, Total investment capital: 24.4 billion VND.
- Inauguration of Ha Nam Plant Variety Processing and Preservation Factory. Area: 30,420m², processing capacity: 10,000 tons for seed and 18,000 tons / year for rice, storage capacity: 10,000 tons. Total investment 105.5 billion.
- Investment in M & A raised the ownership ratio in Quang Nam Agro-Forestry Seed JSC: 90.02%, Southern Seed Joint Stock Company: 61.49% (becoming a subsidiary of NSC).
- Restructuring the Southern Seed Joint Stock Company - phase 1.

2016

- Inauguration of Khoai Chau Biotechnology Department.
- Opening of Tay Nguyen branch. The company entered the Mekong Delta, opening the Mekong Delta branch.
- Unified the central market, merging Central and Central Highlands and Quang Nam Agro-Forestry Breeding Joint Stock Company, restructuring the organization, management and renaming it into Joint Stock Company. Quang Nam Central Plant.
- Establishment of Ha Nam Hi-Tech Agriculture Development and Investment Joint Stock Company - The objective of developing hi-tech agriculture.
- Restructuring South Seed JSC - comprehensive phase 2.
- Being recognized as one of the three most representative enterprises among 350 post-equitization enterprises reported by the Steering Committee for Enterprise Development and the Ministry of Finance.

EVALUATION OF THE IMPLEMENTATION OF THE RESOLUTION OF THE 2016 SHAREHOLDERS MEETING

Evaluating the achievement of the Business Goals of 2016

In 2016, the Board of Directors and the Board of Management have focused drastically, regularly on supervising business and investment activities in the spirit of initiative, creativity, and being willing to take advantage of opportunities, overcome all difficulties to complete the tasks assigned by the General Meeting of Shareholders..

Business results of parent company in 2016:

CONTENT	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/PLAN	ACTUAL 2016/2015
Revenue	Mil. VND	805,000	821,997	772,940	102.1%	106.3%
After-tax profit	Mil. VND	175,000	187,186	156,503	106.9%	119.6%
Cash dividend	VND/share	30% (DK)	30%	100%	100%	100%

Business results of the parent company in 2016 exceeded the plan. Sales reached: 821.9 billion VND, exceeding 2.1% over the plan, up to 6.3% over the same period. After-tax profit reached 187.1 billion VND, exceeding 6.9% of the plan, up to 19.6% over the same period.

Business results in 2016 - consolidated:

CONTENT	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/PLAN	ACTUAL 2016/2015
Revenue	Mil. VND	1,277,000	1,330,783	1,248,622	104.2%	106.6%
After-tax profit	Mil. VND	200,000	192,460	157,108	96.2%	122.5%
After-tax profit of parent company	Mil. VND	175,000	175,205	141,629	100.1%	123.7%
EPS	VND/share	11,446	11,462	8,124	100.1%	141.1%

The business of merged Companies in 2016 achieved good results. Turnover: 1330 billion, exceeding 4.2% of the plan and 6.6% growth over the same period. After-tax profit of shareholders of parent company reached 175.2 billion, equaling 100.1% of the plan and 23.7% growth of the same period..

Results of construction investment in 2016

In 2016, the total cost of financial and construction investment was 10,657,278 VND.

Projects' names	Estimation (Thous. VND)	Disbursement (Thous. VND)	% Completion
I- CAPITAL CONSTRUCTION INVESTMENT			
1. Project operator Nghe An branch (3-storey house, Floor area: 428m2)	2,742,464	2,285,900	100%
2. Khoai Chau warehouse project	941,539	878,317	100%
3. Repairing and renovating Thuong Tin factory (Repair of work houses, warehouses, gates)	361,880	361,880	100%
4. Repairing, renovating Thai Binh warehouse	493,063	474,581	100%
5. Repairing, renovating Ba Vi warehouse	404,481	361,200	100%
6. Repairing, renovating Central Highlands branch	731,745	731,745	100%
7. Dining hall at Ha Nam branch	427,815	427,815	100%
II- MACHINERY, EQUIPMENT, MEANS OF TRANSPORTATION	4,880,540	4,880,540	100%
III- OTHER (meeting table, accounting software)	255,300	25,300	100%
Total	11,238,827	10,657,278	

Major capital construction activities will be carried out in accordance with the procedures stipulated in the Law on Bidding, the procurement of equipment for competitive offers, the hire of independent supervision consultants, the construction of works to ensure the progress and quality.

Investment report of Ha Nam Hi-Tech Agriculture Development and Investment Joint Stock Company and the establishment of branches in the Central Highlands and Mekong Delta:

Establishment Ha Nam Hi-tech Agricultural Investment & Development Joint Stock Company:

Implementing the company's development strategy up to 2020, its 2025's vision is to become a leading provider of sustainable agricultural development solutions in Vietnam. The company focuses on developing and expanding branches with high-tech science, combining investment and research and development along the value chain, including high-grade agricultural products and vegetables. On 04/10/2016, Ha Nam Hi-Tech Agriculture Development and Investment Joint Stock Company was established on the basis of the model of accumulation of land for production of high quality crops in Nhan Khang commune, Ly People, Ha Nam Province.

- Chartered capital: VND 50,000,000,000. Of which, NSC contributed 35.8 billion dong, accounting for 95% of charter capital.
- Main business lines: Producing, trading and transferring advanced technology of vegetables and fruits and vegetables in line with high technology agriculture model..
- Operation objectives:
 - Establishing high tech agricultural center, supplying high-quality melon and vegetable products for domestic consumption and export.
 - Researching the application, training and transfer of agricultural technical services and expansion of production links with farmers in the Red River delta to participate in the value chain on the basis of the company's trademark.
 - Become a model of modern agricultural production that promotes the process of restructure Vietnam agriculture from traditional agriculture to commodity production with high technology application.
- Size of area: 21.59 ha is included in the master plan of hi-tech agricultural area of Ha Nam province under the model of accumulation of land for production of high quality crops in Nhan Khang commune, Ly Nhan district, Ha Nam province hired by the Ha Nam provincial People's Committee for 20 years (from 01/01/2017):
 - The office area for operating, training and technology transfer, processing plants, modern preservation cold storage, ensuring safe food and fresh agricultural products according to GlobalGAP standard based on the application and transfer of technology Japan.
 - Production area: 21.37 ha. In particular, the greenhouse system automatically adjusts the diet and temperature to create ideal production environment throughout the year according to Israeli and Japanese technology: 17 hectares.



Progress: The company officially came into operation on 04/10/2016, which has been licensed by Ha Nam province. It also has signed land lease contract with the province and is currently building the net house system. It is expected to deliver the product right in 2017:

- Providing high quality fruit and vegetable products, the focus is on melon. This place will become the largest cucumber production unit in the North, serving domestic consumption and export, meeting the stringent standards in the fastidious markets such as Japan, EU and USA, with the revenue scale VND 4 billion / ha / year with profit / revenue ratio 35-40%.
- This will be the model of production linkage with farmers participating in the value chain (investment lender, technology transfer and product purchase). Currently the company has bred high quality yellow and melon varieties successfully in Vietnam at a price that can completely replace imported products from China.
- Training and transferring hi-tech agricultural techniques and creating new jobs for over 200 local laborers.

Establishment of Central Highlands branch:

Implementing the Central Highlands Market Development Strategy, the north-south connection of the Company, the Tay Nguyen Branch was established, which is in Vinaseed's production and business base. The branch development objective is to become one of the most important units of Vinaseed, the center for producing, processing and trading of large and modern plant varieties in the Central Highlands.

Orientations for development of Central Highlands branch:

- Becoming a unit of research, transfer, production and trading of large seedlings with potential in science, technology, finance and management to help the Central Highlands provinces restructure agricultural production, raise capacity.
- Organizing, vocational training, transferring new agricultural science and technology to farmers, supplying high yield, high quality seedlings, adapting to global climate change conditions and applying green production process which is safe for society.
- Establishing a branch to become the largest seed processing center in the Central Highlands region to supply seeds for the whole country and export, to plan the production of raw materials in a centralized way.

Establishment of branches in the Mekong Delta:

To expand the production area and the market of seed and agricultural products (rice) of the company, to implement the strategy of developing business network, and occupy the market and production areas, the Mekong Delta branch was officially established on 02/12/2016, in My Thi B hamlet, My An commune, Thap Muoi, Dong Thap:

- Testing, demonstrating and transferring scientific and technological advances in research and breeding to create high yield, good quality rice varieties, especially which are adaptive to climate change.
- Planning a sustainable farming and seed production network on the basis of land accumulation which is closely linked with organizations and individuals with large land areas.
- Serving the needs of Mekong Delta farmers with quality seedlings (RVT, DS1, J03, sticky rice, hybrid HR182, KC06-1, HN88, HN68, CX247, HN66,), with good characteristics, alum, salt tolerance in accordance with the region.

Incorporation of Central Seed and Central Highlands Seed Joint Stock Company into Quang nam Fertilizer Seed JSC, renaming Quang Nam Seed Joint Stock Company:

In order to unify the management of the South Central Coast market, to promote the strength of the market, products, advantages of material facilities and human resources of the central and Tay Nguyen branches and Quang Nam Agroforestry Seed JSC, on 12/01/2016, the Board of Directors issued Resolution No. 06 to approve the QSC restructuring plan:

- Dissolving branch of Central Seed Company and Central Highlands Central to consolidate personnel and market into a joint stock company.
- Being renamed Quang Nam Seed Joint Stock Company.
- Appointing NSC personnel to key positions at the company to ensure the effective management and successful implementation of the Company Restructuring Plan under the NSC governance model.
- Implementing the NSC's management system, arranging appropriate personnel, and evaluating staff according to the objectives and principles of distribution according to the results of labor.

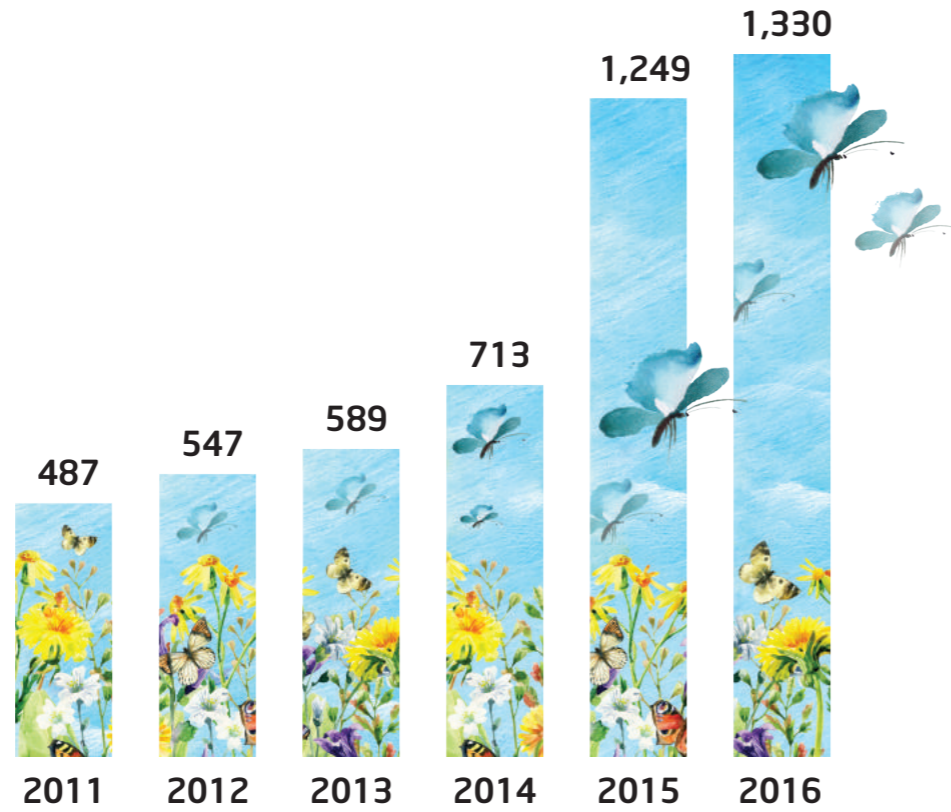
Overall evaluation of the company's performance in 2016:

2016 is a particularly difficult year for Vietnam's agriculture sector: It has been as a year of the coldest and most deadly cold winter over the past 60 years in 14 mountainous provinces in the North, the extreme drought in the South Central and Central Highlands, along with drought and saline intrusion (100 years) in the Mekong Delta. These have caused severe damage to agricultural production. Despite the difficulties in production and business conditions, the company has fulfilled the tasks assigned by the General Assembly of Shareholders:

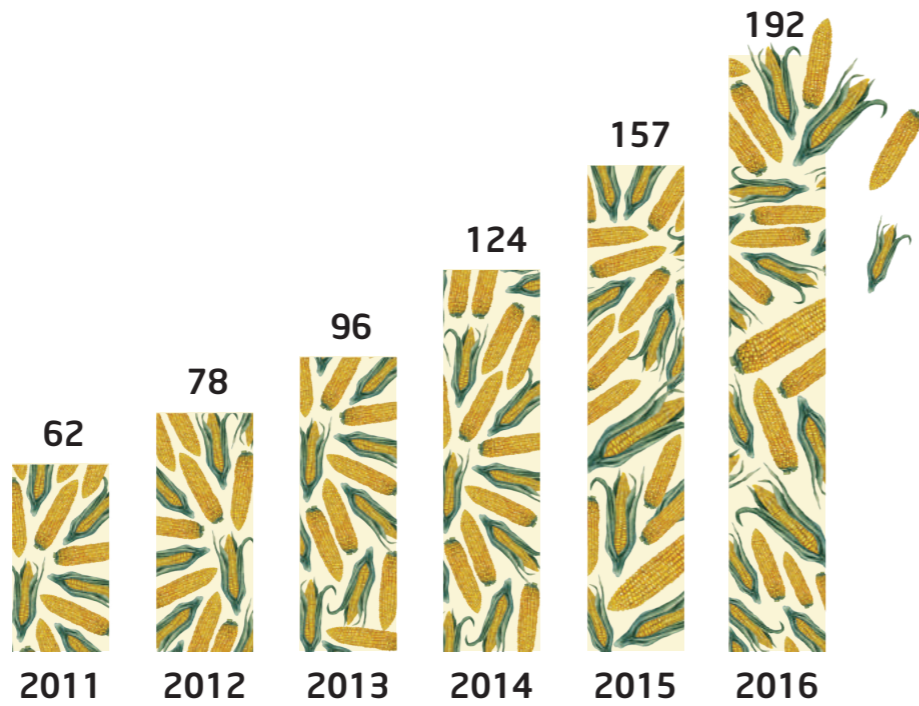
- Business results: Turnover was 1,330 billion VND, equaling 104.2% of the plan, exceeding 6.6% of the same period. Profit after tax of parent company reached 175.2 billion VND, equaling 100.1% of the plan, equaling 123.7% of the same period of 2015.
- Production: In 2016, the company has planned ecological areas of stable, focused and distributed production. It also developed large-scale production areas in the Mekong Delta to meet the needs of breeding and agricultural products in time. Production output hit a record 58% growth in the same period, contributing to the company's business efficiency. The capital construction investment was implemented in accordance with the resolutions of the General Meeting of Shareholders, of Board of Directors and the provisions of law.
- Corporate governance activities.
 - The financial management works well, the company ensures timely balance of capital for production and business of the company, no bad debt.
 - To strengthen the organizational apparatus and personnel of the whole company (set up biotechnology office under Khoai Chau Research Center, develop hi-tech agriculture to set up Ha Nam Hi-tech Agriculture Investment and Development, unified Central and Central Highlands branches with QSC, QSC restructuring renamed as Quang Nam National Seed JSC, connecting north and south, opening Central Highland branch, established the Mekong Delta branch located in Dong Thap, strengthened the organization of the Ha Nam factory staff, the Investment Planning Section, the Human Resources Department, the Agricultural Sales Department.
 - Complete the regulations on organization of international agreements, finalizing and consolidating the regulations on salary, regulations on evaluation of staff, building the system of salary payment, perfecting the system of job assignment forms, Vinaseed - the talented seed of the Vinaseed Compassion Fund, promulgated regulations on welcoming guests to work at the company. Strict control of the implementation of company regulations.
 - Training activities: In 2016, NSC has implemented 19 training programs, totaling 513 training sessions.

RESULTS OF BUSINESS ACTIVITIES 2012 - 2016

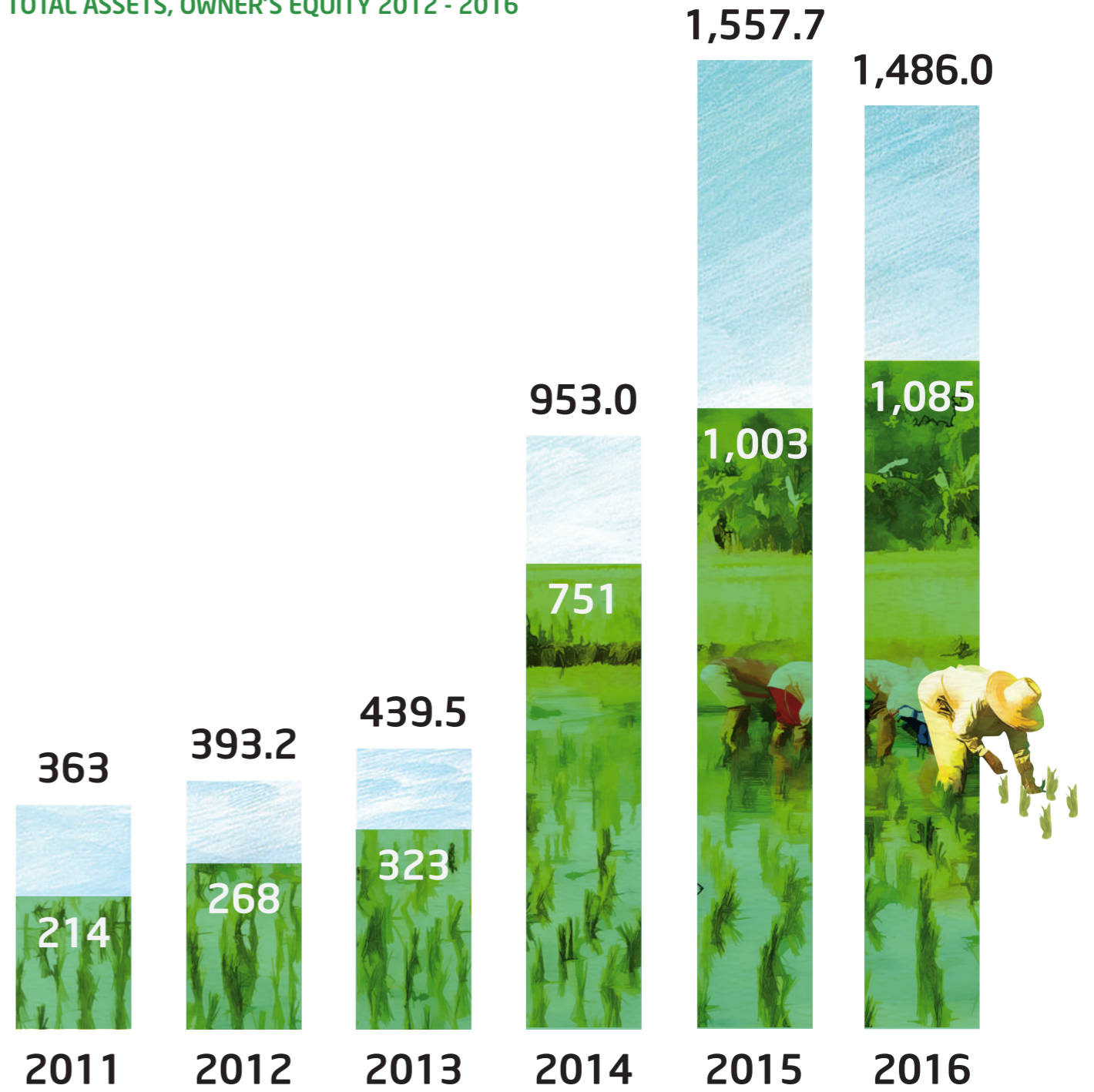
REVENUE 2012 - 2016



PROFIT 2012 - 2016



TOTAL ASSETS, OWNER'S EQUITY 2012 - 2016



INDICATORS	2011		2012		2013		2014		2015		2016		2016/2011 (Times)	Average growth rate / year
	PLANNED	ACTUAL	PLANNED	ACTUAL	ACTU- AL	PLANNED	ACTUAL	PLANNED	ACTUAL	PLANNED	ACTUAL			
Revenue	487	525	547	598	598	650	713	1,200	1,249	1,277	1,330	2.7	24.5%	
After - tax profit	62	73	78	96	96	115	124	170	157	200	192	3.1	25.3%	
After -tax profit of parent company's shareholders	61	78	78	95	95	123	123	142	142	175	175.2	4.1	19.6%	
Total assets	363	393	393	440	440	953	953	1,558	1,558	1,486	1,486	5.06	39.2%	
Equity	214	268	268	323	323	751	751	1,003	1,003	1,085	1,085	5.06	44.0%	
Charter capital	83	100	100	100	100	153	153	153	153	153	153	1.9	14.8%	

Evaluation of the implementation of the strategy over the period 2012 - 2016:

During the term of 2012 - 2016, the Board of Management successfully accomplished the stated strategy:

Indicators	Unit	Strategy (2012 - 2016)	Actual	% Actual/Strategy
Revenue	bil. VND	1,016	1,330	131%
Profit	bil. VND	183	192	105%
Total assets	bil. VND	882.9	1,486	168%
Equity	bil. VND	553.1	1,085	196%

Performance indicators 2012 - 2016:

INDICATORS	Unit	2011	2012	2013	2014	2015	2016
ROA	%	17.0%	19.9%	21.9%	13.0%	10.1%	12.9%
ROE	%	29.0%	29.2%	30.0%	16.5%	15.7%	17.7%
EBIT	bil. VND	64.2	80.1	99.1	126.8	187.0	226.5
Depreciation	bil. VND	6.3	9.0	9.9	10.4	20.2	32.2
EBITDA	bil. VND	70.4	89.1	109.0	137.2	207.2	258.7
EPS	VND/Share	7,331	7,737	9,518	8,293	8,124	11,462
Dividend rate	%	30.0%	50.0%	30.0%	30.0%	30.0%	30% (dk)
Including:							
- By cash	%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
- By stock	%		20.0%				



SCIENTIFIC AND TECHNOLOGICAL RESEARCH AND APPLICATION 2012 - 2016:

The Central Seed Joint Stock Company operates in the field of science and technology, its business objects are scientific and technological products. According to its development strategy, the company should pay special attention and focus on research and development, which is considered as a driving force, a catalyst and a condition for sustainable development.

During the period 2012 - 2016, the Company has boldly invested in the research and application of transfer and rapid commercialization of technological advances in production and business, in cooperation with domestic and foreign research institutions. A group of leading scientists of plant seeds involved in the research has been built up as a strong team of nearly 300 experts, qualitative researchers, producers and quality managers (accounting for nearly 50% of total company labor). The company possesses abundant gene sources, successfully develops new sets of high value products, with 27 new plant varieties (pure rice lines, sticky corn being the market leader), which contributes to increasing the proportion of copyright products to 66.0%, equal to 245% compared to 2011 (27%). The Ministry of Agriculture and Rural Development has put these new varieties, which are highly productive, adaptive and export-oriented, into the list of national seedlings which are to bring high value surplus for businesses and farmers. Details come as follow:

From the achievements in the field of research and application of technology, the company received many incentives of the State (in 2011, the company was recognized as the first science and technology enterprise in the Vietnamese plant breeding industry, and since then, the company has met the revenue conditions so it can exempted from corporate income tax over the years:

Total exempt tax 2012 - 2016: 113,902,380,683 VND.

All of the exempted tax amounts are added to the Company's development investment fund for reinvestment in scientific and technological research and application.

2012	<ul style="list-style-type: none"> • Developing 03 quality pure rice varieties: RVT, VS1, TC.Huong • Choosing to create successfully hybrid corn: HN68, HN90. • Choosing to create two hybrid tomato combinations
2013	<ul style="list-style-type: none"> • Transferring exclusively 3 hybrid rice varieties: Thuy Huong 308, CNR6206, Xuyen huong 506 and 01 variety of pure gold rice .
2014	<ul style="list-style-type: none"> • Transferring successfully net melon production technology and high quality yellow melon. • Developing successfully Thien uu 8 rice variety.
2015	<ul style="list-style-type: none"> • Mastering breeding technology with biotechnology element • Developing the hybrid maize HN66, hybrid corn. Selecting one net melon combination. • Transferring successfully 06 hybrid vegetables.
2016	<ul style="list-style-type: none"> • Choosing to produce 02 varieties of corn (NSC14-13 and NSC15-48), 01 maize HN92 and 1 hybrid rice HC14-3). • Trying to produce purebred rice seed, Thao Huong hybrids. • Developing successfully sticky corn HN66. • Developing successfully the RVT rice variety in the Mekong Delta.



INVESTMENT AND BASIC CONSTRUCTION ACTIVITIES 2012 - 2016

Total capital and basic construction investment 2012-2016:

743,919 billion VND

Basic construction and equipment procurement:

191,07 billion VND.

In the period 2012 - 2016, the company has focused on upgrading and modernizing the system of material and technical bases for preserving, processing and packaging goods, improving productivity and quality. The scale of business and expansion of the company is significant

Of which, five key projects with a total investment of 150.9 billion dong. Including:

Ha Nam Seed Processing Plant Project:

Area: 30,420 m².

Processing capacity: 10,000 tons/year for seeds and 18,000 tons/year for rice, storage capacity: 10,000 tons.

Total investment: 105.5 billion VND.

Time of completion: 2015.

Head office at 01 Luong Dinh Cua:

Construction land area: 326m²

Construction area: 1820m²

07 floors and 01 basement

Total investment: 24.4 billion VND

Time of completion: 2014.

Thai Binh National Central Seed Processing Plant:

Construction area: 1690m²

Processing system capacity: 5000 tons/year

Total investment capital: 14.27 billion VND

Time of completion: 2012.



Khoai Chau National Seed Researching, Applying and Transferring Center:

Including a two-storey house, investment in research and development equipment, field infrastructure, yard, field canal, warehouse.

Total investment: 4.03 billion VND.

Time of completion: 2016.

Operator building of Vietnam National Seed Joint Stock Company - Nghe An branch:

Construction area: 428m², 3 floors

Total investment: 2.74 billion VND

Time of completion: 2016.

M&A investment activities:

Investing in M&A of companies in the industry:

The company has successfully implemented the M & A Strategy of companies in the industry.

Total investment in M&A: **552.8 billion VND.**

Including:

INVESTMENT IN M&A	OWNED RATE				TOTAL M&A INVESTMENT (2012 - 2016)
	2011	2013	2014	2015	
QSC	32.20%	60.24%	84.17%	90.02%	6,823,788,000
TSC			6.24%	10.03%	13,333,640,000
SSC			40.16%	61.49%	532,690,635,880
HSC	53.80%	53.80%	53.80%	53.80%	
TOTAL					552,848,063,880

Issuance of capital increase:

Process of capital increase 2012 - 2016:

Year	Chartered capital after the increase (VND)	Form of capital increase	Legal basis of capital increase
2011	82,561,610,000		
2012	100,298,380,000	Issue shares to existing shareholders, reward shares ESOP 2011	Resolution of the Annual General Meeting of Shareholders on March 19th, 2012
2014	152,950,000,000	Issuance of shares to existing shareholders of the ESOP Program 2014	Resolution of the extraordinary General Meeting of Shareholders on December 21, 2013

Particularly in 2014, implementing Resolution 35 / NQ-DHHCBT of the Extraordinary General Meeting of Shareholders 21/12/2013, the company has successfully issued shares to increase chartered capital from VND100.3 billion to VND152.95 billion, bringing a net profit of VND329.2 billion for the expansion of the company.

The company has used the capital mobilized for the right purpose. The investment activities follow the procedures in accordance with the law of bidding.

BUSINESS ADMINISTRATION FOR THE PERIOD 2012 - 2016

- Focusing on restructuring the organization and management system. Finalizing the governance system towards transparency, publicity.
- Developing a comprehensive system of working regulations and procedures, in particular with respect to performance, targeted management, job allocation and clear responsibilities.
- Checking and monitoring closely the implementation of the regulation. Disciplining management, transparency, the promotion of concentrated power resources.
- Concentrating on training to improve the quality of human resources, building up a young, capable, enthusiastic and disciplined labor force and training the next staff to meet future requirements.



GENERAL EVALUATION OF THE BOARD OF DIRECTORS FOR THE 2012 - 2016 TERM

The BOD has operated in accordance with the law:

Successfully holding the Annual General Meeting of Shareholders, Extraordinary General Meeting of Shareholders, collecting shareholders' written opinions in accordance with the Law on Enterprises and the Charter.

Strictly implementing the Resolutions of shareholders, during the term of 2012 - 2016, the Board held 25 meetings, 19 consultations in writing and issued 44 resolutions to concretize the General Meeting of Shareholders. The management of the company perform the function of strategic direction, direct and supervise the activities of the Board of Management during the implementation of the resolutions of shareholders.

The Board of Directors has set up an internal management regulation that clearly defines the tasks and mechanisms for coordination between the BOD and the SB. The regulation fully follows the principles on management reports and clearly assigns tasks to each member. Establishment of subcommittees such as Subcommittee on Investment, Subcommittee of Administration, Personnel and Legislation, Sub-committee of Science and Technology. The coordination between the BOD and the SB is very effective. Supervisory Board Members have a high level of professional responsibility and expertise, particularly in finance, accounting and auditing, so they have promptly given their opinions, suggestions to the Board of Directors to manage and take initiatives in settling issues related to the interests of investors and the responsibility of the executive officers.

Board Members are honest, diligent and do not seek their own interests.

The Board of Directors has established and decided long-term, medium-term and annual development strategies of the company, investment projects and solutions for developing the market properly:

Over the course of five years from 2012 to 2016, despite the difficult economic situation in Vietnam, agricultural GDP growth (2012 - 2016) was low, reaching only 2.14% per year, only equal to 40%, the average growth rate of the economy, the price of agricultural products has been continuously decreasing while the price of input materials has increased, the pressure of competition from foreign companies with financial potential, science and technology, the company has strived to accomplish the objectives set forth in the Shareholders' Meeting Resolution, successfully implemented the Company Development Strategy, maintaining high growth rate, sustainability, facilities and regulations. The company's operations are constantly expanding, the company's position is increasing, increasing the accumulated value, ensuring the benefits and high efficiency for investors.

- Turnover: 1,330 billion VND, equaling 131% of the strategic target. An increase by 2.7 times after 5 years (2011: 487 billion), with the average growth rate of 24.5% / year.
- Profit: 192 billion, equaling 105% of the strategic objectives. An increase by 3.1 times after 5 years (in 2011: 62 billion), with an average growth rate of 25.3% per year.
- Equity: VND1,085 billion, equaling to 196% of the target. Five times higher over five years (2011: 214 billion), with an average growth rate of 44% per year.
- The interests of investors are guaranteed.



With the achievements fulfilled in five years (2012 - 2016), the company is honored by the State, domestic and foreign organizations:

- Awarded with Second-class Labor Medal by the President
- TOP 200 companies under 1 billion USD in sales in Asia
- TOP 50 Best Growth Companies in Vietnam 2010 - 2015. TOP 50 Best Companies in Vietnam in 2012 - 2016. TOP 500 Fastest Growing Companies in Vietnam 2012, 2013, 2014 2016 (FAST 500)
- TOP 500 largest enterprises in Vietnam (VNR500 - 2016)
- Vietnam Gold Star Award - TOP 100 typical businesses of Vietnam (2013, 2015)
- Vietnam Gold Cup in 2016 (Vinaseed ranked third)
- One of the three best companies in 350 post-equalization enterprises reported by the Steering Committee for Enterprise Renovation and Development and the Ministry of Finance
- Being a research unit (technology chart in rice industry of Vietnam) - one of the top 10 scientific and technological events in 2016
- And many other noble awards.



EXPERTISED IN RESEARCHING, SELECTING AND PRODUCING SEEDS



DEVELOPMENT STRATEGY

STRATEGIC ACTIVITIES 56



STRATEGIC ACTIVITIES

Focusing on corporate governance, human resources development for the new developmental scale of the company

Consolidating, organizing the managerial apparatus, arranging and training human resources, and recruiting extra personnel to meet the requirements of expanding the size of the company.

Building, upgrading the advanced management system, transparency and special attention to risk management for the company.

Investing in the upgrading of facilities and working conditions, formulating policies of good for the contingent of experts, researchers, mid-level and near-construction staffs, and building a sustainable development platform for business.

Continuing to invest and cooperate with target companies of the same industry and companies in the same production value chain to maximize the advantages of facilities, human resources and market

Business in the direction of increasing the value of plant seeds, focusing on developing products with high science and technology content, large surplus value, combining with the development of product value chains. Seed business will be coupled with the transfer of public science services that can be effectively applied to mass production, which are low cost but still ensure the sustainability factor and high economic efficiency for farmers.





APPLYING HIGH-TECHNOLOGY IN PRODUCING AND TRADING ORGANIC AGRICULTURAL PRODUCTS

BUSINESS REPORT 2016

OVERALL ASSESSMENT 2016	60
OVERVIEW OF ACTIVITIES' RESULTS AND BUSINESS OUTCOMES IN 2016	61
FINANCIAL HIGHLIGHTS	62
ACTIVITIES OF THE BOARD OF DIRECTORS IN 2016	65



OVERALL ASSESSMENT OF 2016

ADVANTAGES:

Agriculture exports hit a record of 32.1 billion USD.

In the context of fierce competition in the domestic and international markets, the instability of the economy poses potential risks, but agriculture is still considered a leading spearhead in economic development. With the Government's preferential policies and a firm foundation, Vinaseed has the opportunity to reach out to the sea, assert its position domestically and internationally.

Facilities for production and business has been strengthened. The leadership of the Board of Directors of the company is highly valued.

The company has a strong product line, affirming its position and position in the market along with the establishment of the Mekong Delta branch (while the SSC has not yet been able to meet) to implement the southward entry strategy into the Mekong Delta region which is the largest granary in the country with more than 4.2 million hectares, accounting for 48% of the total agricultural land with demand for commodities of about 500 thousand tons.

This is an extremely large and potential market for the company.

CHALLENGES:

2016 is a particularly difficult year for Vietnam's agriculture sector. It has been as a year of "the coldest and most deadly cold winter over the past 60 years in 14 mountainous provinces in the North, the extreme drought in the South Central and Central Highlands, along with drought and saline intrusion (100 years) in the Mekong Delta. These have caused severe damage to agricultural production. The total loss of natural disasters in 2016 is estimated at 39 trillion dong. Extreme disasters along with environmental incidents in four central provinces show that 2016 is an extremely difficult year for Vietnam's agricultural production. Details will come as follows:

- The country's total rice production reached 43.6 million tons, a decrease of 1.4 million tons over the same period.
- The area of rice cultivation was only 7.8 million ha, decreasing 39.6 thousand ha over the same period.
- The yield of rice reached 56 quintals / ha, decreasing 1.6 / ha over the same period.
- Rice exports reached 4.7 million tons, a decrease of 29% over the same period.
- According to statistics: GDP growth rate is 6.21% in 2016, decreasing over the same period (6.68%) and not reaching the plan. The GDP contribution of agro-forestry-fishery sector has been decreasing gradually over the years and by 2016 only 0.22%.

The size of the company is growing, diversified and nationwide, leading to a shortage of qualified mid-level human resources.

OVERVIEW OF ACTIVITIES' RESULTS AND BUSINESS OUTCOMES IN 2016

GENERAL ASSESSMENT OF THE RESULTS OF THE COMPANY IN 2016:

In 2016, production and business encountered many difficulties, but with the right direction, regular and close monitoring of the BOD in the implementation of the resolution of the General Assembly of Shareholders, the company has fulfilled the tasks assigned by the General Assembly of Shareholders:

- **Business results:** Turnover was 1330 billion VND, equaling 104.2% of the plan, exceeding 6.6% of the same period. After-tax profit of the parent company reached 175.2 billion VND, equaling 100.1% of the plan, equaling 123.7% of the same period of 2015. The growth of EBIT, EBIT DA, ROA, ROE, and EPS is, on average, 20% per year.
- **Production:** The company has developed the strategic orientation of sustainable development. In 2016, it has planned the ecological areas of stable, focused and distributed production and developed large-scale production areas in the Mekong Delta to meet the needs of breeding and agricultural products in time. Production output hit a record 58% growth in the same period, contributing to the company's business efficiency.
- The capital construction investment has been implemented in accordance with the resolutions of the General Meeting of Shareholders, resolutions of the Board of Directors and the provisions of law.
- **Corporate governance:**
- Financial management works well, the company ensures the balance of capital for production and business of the company in a timely manner.
- Finalizing the regulation on organizing the implementation of international agreements, perfecting and consolidating the regulations on salaries, regulations on evaluation of staff, building the social insurance system, completing the system of job assignment forms, Vinaseed - the talented seed of the Vinaseed Compassion Fund, promulgating regulations on welcoming guests to work at the company.
- Training: In 2016, NSC has implemented 19 training programs, totaling 513 training sessions.

FINANCIAL HIGHLIGHTS

RESULTS OF THE YEAR 2016 - HOLDING COMPANY

In 2016, the holding company has successfully fulfilled its tasks in terms of scale and business efficiency, maintaining high growth rate, specifically:

Business results in 2016 of holding company:

TARGETS	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	PLAN/ACTUAL 2016	ACTUAL 2016/2015
REVENUE	Mil. VND	805,000	821,997	772,940	102.1%	106.3%
PRICE DIFFERENCE	Mil. VND		331,816	306,679		108.3%
AFTER-TAX PROFIT	Mil. VND	175,000	187,186	156,503	106.9%	119.6%
ROS (LN/DT)	%	21.7%	22.8%	20.2%	105.0%	112.9%
EBIT	Mil. VND		204,493	170,024		120.3%
EBITDA	Mil. VND		222,102	180,762		122.9%
ROA	%		15.0%	13.0%		115.4%
ROE	%		20.0%	18.9%		105.8%

The company has successfully developed strong products and there is a positive difference in quality to bring high economic value (rice varieties: Thien Uu 8, Thom RVT, Kim Cuong 111, Dai Thom 8, ..., Hybrid-bred corn HN88, HN68, product lines of hybrid fruits, ...). The structure of scientific and technological products is over 85%. Therefore, the company still enjoys the preferential policies of the State for scientific and technological enterprises (**profit from tax exemption and reduction: 21.18 billion VND for holding company**).

The company has developed high-tech products. Although revenue increased only 6.3% over the same period, profit after tax increased 19.6% over the same period of 2015.

Holding company payment ratio:

TARGETS	UNIT	ACTUAL 2016	ACTUAL 2015	2016/2015
Ability to pay cash	Times	0.44	0.12	366.7%
Ability to pay currently	Times	1.56	1.37	113.8%
Ability to pay quickly	Times	0.87	0.78	111.5%
Ability to pay immediately	Times	0.44	0.12	366.7%

In 2016, the NSC's solvency ratio is 0.87, indicating its ability to pay any outstanding debt.

RESULTS OF THE YEAR 2016 - CONSOLIDATED

Business results 2016 - consolidated:

TARGETS	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	PLAN/ACTUAL 2016	ACTUAL 2016/2015
Revenue	Mil. VND	1,277,000	1,330,783	1,248,622	104.2%	106.6%
Price difference	Mil. VND		499,065	455,111		109.7%
Profit after tax	Mil. VND	200,000	192,460	157,108	96.2%	122.5%
Profit after tax of shareholders of holding company		175,000	175,205	141,629	100.1%	123.7%
Net profit after tax of holding company	%	13%	13%	11.3%	100.0%	115.0%
EBIT	Mil. VND		226,484	186,954		121.1%
EBITDA	Mil. VND		258,668	207,176		124.9%
ROA	%		12.9%	10.1%		127.7%
ROE	%		17.7%	15.7%		112.7%
EPS	VND/Share		11,462	8,124		141.1%
Cash dividend	%	30%	30%	30%	100.0%	100.0%
Interest expenses	Mil. VND		12,393	8,549		145.0%

Growth rate - consolidated

GROWTH RATE	2016/2015
Revenue	106.6%
Gross profit	109.7%
Gross profit after tax	122.5%
Gross profit after tax of holding company	123.7%
Growth Equity	108.3%

Effective asset management of incorporated company

TARGETS	UNIT	ACTUAL 2016	ACTUAL 2015	2016/2015
Total assets	Mil. VND	1,486,530	1,557,689	95.4%
Equity	Mil. VND	1,085,675	1,002,650	108.3%
Inventory turnover (GV/HTK)	Turn	2.42	1.88	128.7%
Account receivable turnover (DT/(KPT))	Turn	4.93	3.86	127.7%
Asset turnover (DT/TTS)	Turn	0.90	0.80	112.5%

Ratio of composite payment:

TARGETS	UNIT	ACTUAL 2016	ACTUAL 2015	2016/2015
Ability to pay cash	Times	0.50	0.15	333.3%
Ability to pay currently	Times	2.24	1.79	125.1%
Ability to pay quickly	Times	1.27	0.84	151.2%
Ability to pay immediately	Times	0.50	0.15	333.3%

All consolidated payment indicators in 2016 are better than 2015.

BOARD OF DIRECTORS' ACTIVITIES 2016

ORGANIZING MEETINGS OF THE BOARD OF DIRECTORS IN 2016

Number of BOD meetings: 4 direct sessions.

TT	MEMBERS OF BOD	POSITION	STARTING DAY	ATTEN-DANCE	PERCENTAGE
1	Ms. Tran Kim Lien	Chairwoman & CEO	19/3/2012	4/4	100%
2	Ms. Le Thi Le Hang	Vice Chairwoman	19/3/2012	4/4	100%
3	Mr. Do Ba Vong	Member & Deputy CEO	19/3/2012	4/4	100%
4	Mr. Nguyen Khac Hai	Member	19/3/2012	4/4	100%
5	Mr. Tran Dinh Long	Member	19/3/2012	4/4	100%
6	Ms. Nguyen Thi Tra My	Member	21/3/2013	4/4	100%

All BOD meetings were attended and commented by members of Board of Supervisors and Board of Management.

Written comments: 5 times.

Resolutions issued: 9 resolutions on strategic issues in production, business, investment and construction under the authority of the Board. Resolutions of the BOD are disclosed publicly and transparently in accordance with the regulations on content and time limits in various forms:

- Sending the hard copy report to the State Securities Commission, Ho Chi Minh City Stock Exchange..
- Posting in State Securities Commission and Ho Chi Minh Stock Exchange.
- Publishing on the company's website.

RESOLUTIONS ISSUED IN 2016

NO.	RESOLUTION NUMBER	DATE	CONTENT
1	06/NQ-CTG-HĐQT	12/01/2016	<ul style="list-style-type: none"> - Approving the report on business and investment activities, capital construction in 2015, business, investment and construction plans in 2016. - Approving the restructuring plan of Quang Nam Agro-Forestry Breeding Joint Stock Company, unifying its staff to join the Board of Directors and the Inspection Committee of Quang Nam Agro-Forestry Breeding Joint Stock Company in the coming term. - Other content.
2	12/NQ-CTG-HĐQT	29/02/2016	<ul style="list-style-type: none"> - Confirming the time, place and content of the annual meeting in 2016. - Confirming the plan to distribute profits in 2015 for submission to the Annual General Meeting of Shareholders in 2016. - Confirming the report on payment of business salary, remuneration, and bonus for the Board of Directors, Board of Supervisors in 2015 and the plan for payment in 2016 for submission to the Annual General Meeting of Shareholders for 2016. - Passing the Statement of mandate to select auditing company for financial year 2016 and to submit to the Annual General Meeting of Shareholders 2016. - Approving to submit to the Annual General Meeting of Shareholders for the year 2016 Report to the Chairman cum General Director. - Approving the plan to increase the ownership stake in Southern Seed Joint Stock Company.
3	15/NQ-CTG-HĐQT	21/03/2016	<ul style="list-style-type: none"> - The Board agreed to dissolve the Central and Central Highlands branches to restructure the company under the model of NSC Group, the time of dissolution began from 01/4/2016.
4	16/BB-CTG-HĐQT	22/03/2016	The Board certified the bank's short-term credit facility.
5	23/NQ-CTG-HĐQT	20/06/2016	<ul style="list-style-type: none"> - Confirming to pay the second dividend in 2015 to existing shareholders in cash.
6	26/NQ-CTG-HĐQT	19/07/2016	<ul style="list-style-type: none"> - Passing the report on business results, construction investment in the second quarter and the first 6 months of 2016. - Adopting report on management of listed companies in the first 6 months of 2016. - Approving the bonus plan to be completed in excess of the 2015 plan. - Assigning the sub-committee to develop financial plan to ensure the company's benefits.
7	39/NQ-CTG-HĐQT	23/09/2016	<ul style="list-style-type: none"> - Confirming the establishment of Ha Nam CNC Farm Investment and Development Joint Stock Company. - Confirming the establishment of a branch of Tay Nguyen Central Seed JSC.
8	46/NQ-CTG-HĐQT	07/10/2016	<ul style="list-style-type: none"> - Validating the report on business results, construction investment in the third quarter and the first 9 months of 2016. - Certifying the plan to establish a branch of the Mekong Delta company located in Dong Thap. - Approving the investment policy and organizing the implementation to ensure efficiency for NSC investors.
9	51/NQ-CTG-HĐQT	21/12/2016	<ul style="list-style-type: none"> - Upholding the first dividend payment in 2016 for existing shareholders of NSC.



COORDINATION BETWEEN BOARD OF DIRECTORS AND BOARD OF SUPERVISORS, BOARD OF MANAGEMENT

In 2016, the Board of Supervisors witnessed close coordination from the BOD and the BOM. Details as follows:

- Meetings of the BOD were attended by the Board of Supervisors. The Board of Supervisors jointly analyzed, evaluated, and promptly made responsible recommendations to the company.
- The Executive Board has arranged favorable working conditions to provide full, clear and timely reports for the Supervisory Board to fulfill its control duties.

Board of Directors' supervisory activities to Board of Management:

The Board of Directors has guided and carried out regular and quarterly supervision to ensure that the Company's operations are in the right development direction and comply with the provisions of law:

- Directing and supervising the implementation of resolutions of the General Assembly of Shareholders, BOM resolution.
- Directing and supervising investment projects, urging the Board of Directors in implementing the business plan, investment in capital construction in 2016 according to Annual General Meeting of Shareholders.
- Organizing the implementation of strict financial reporting in 2015, 2016 annual report, quarterly financial statements, semi-annual, quarter III and 2016. Resolutions of the General Meeting of Shareholders, the Board of Directors and related information are publicly and promptly disclosed on the IDS software of the SSC and sent to the SSC, Ho Chi Minh City Stock Exchange, as posted on the company's website.

Board of Directors evaluate Board of Management's activities in 2016 as follows:

- The Board of Directors has carried out the duties in accordance with the function and authority to fully implement the resolutions of the Board of Directors and resolutions of the General Meeting of Shareholders.
- Financial management works well, balancing capital for investment and production, the company has no bad debt. The financial statements in 2015 and semi-annual financial reports for the first 6 months of 2016 have been prepared on schedule, completed and accurate according to the accounting standards.
- Disciplines of the company are maintained and are constantly improved.
- The company has strictly implemented regulations on disclosure of information.
- Company's prestige and status are increasingly enhanced.

Corporate governance training:

Currently, the company has 03 corporate governance certificates. In 2016, the company attended the training course on listing regulations, disclosure regulations of SSC and Ho Chi Minh Stock Exchange.

Management training certificate:

- Mr. Nguyen Khac Hai - Member of the BOD
- Mr. Nguyen Quang Truong - Director of Planning and Investment
- Mr. Pham Trung Dung - Secretary of BOD

ACTIVITIES OF THE BOARD OF DIRECTORS' SUBCOMMITTEE IN 2016

Subcommittee of Management, Human Resources and Law:

- Participating, supporting the organization of the 2016 Annual General Meeting of Shareholders.
- Offering legal advice on investment activities, disclosure, risk management.
- Participating in the restructuring plan of subsidiaries (Southern Seed JSC SSC, Quang Nam Seed Joint Stock Company).
- Giving advice on company compensation mechanism.

Subcommittee of Investment:

- Participating in the development of corporate development strategy 2016-2020, vision 2025.
- Supervising and supporting the implementation of investment projects, construction.

Subcommittee of Science and Technology:

- Assisting in consulting, investing, procurement of equipment and developing human resources for research of the company.
- Searching, introducing partners for research and development.



THE EVALUATION OF IMPLEMENTATING THE RESOLUTIONS FROM 2016 SHAREHOLDERS MEETING.

The evaluation of achieving Business goals of 2016

In 2016, the Board of Directors and the Board of Management have focused drastically, regularly supervised business and investment activities in the spirit of initiative, creativity to take advantage of opportunities, to overcome all difficulties and to complete the tasks assigned by the General Meeting of Shareholders.

Business results of holding company in 2016:

NO.	CONTENT	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/PLAN	ACTUAL 2016/2015
1	Revenue	Mil. VND	805,000	821,997	772,940	102.1%	106.3%
2	Profit after tax	Mil. VND	175,000	187,186	156,503	106.9%	119.6%
3	Cash dividend	VND/share	30%	30% (DK)	30%	100%	100%

Business results of the parent company in 2016 exceeded the plan. Revenue reached 821.9 billion, exceeding 2.1% over the plan. Profit after tax reached 187.1 billion, exceeding 6.9% of the plan, up 19.6% over the same period.

Business results in 2016 - Consolidated:

Content	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/PLAN	ACTUAL 2016/2015
Revenue	Mil. VND	1,277,000	1,330,783	1,248,622	104.2%	106.6%
Profit after tax	Mil. VND	200,000	192,460	157,108	96.2%	122.5%
Profit after tax of holding company	Mil. VND	175,000	175,205	141,629	100.1%	123.7%
EPS	VND/share	11,446	11,462	8,124	100.1%	141.1%

Business of merged company in 2016 achieved good results. Turnover was 1330 billion, exceeding 4.2% of the plan and 6.6% growth over the same period. Profit after tax of shareholders of parent company reached 175.2 billion, equaling 100.1% of the plan and 23.7% growth of the same period.

Results of construction investment in 2016:

In 2016, the total cost of financial and construction investment was 10,657,278 VND.

Projects' name	Estimation (Thous. VND)	Disbursement (Thous. VND)	% Completion
I- CAPITAL CONSTRUCTION INVESTMENT			
1. Vinh Industrial Project (3-storey house, floor area: 428m ²)	2,742,464	2,285,900	100%
2. Khoai Chau warehouse project	941,539	878,317	100%
3. Reparation and renovation of Thuong Tin Factory (repairing office, warehouse, gate)	361,880	361,880	100%
4. Reparation and renovation of Thai Binh warehouse	493,063	474,581	100%
5. Reparation and renovation of Ba Vi warehouse	404,481	361,200	100%
6. Reparation and renovation of the Central Highlands branch	731,745	731,745	100%
7. Canteen, lunch break Ha Nam branch	427,815	427,815	100%
II- MACHINES, EQUIPMENT, MEANS OF TRANSPORT	4,880,540	4,880,540	100%
III- OTHER (meeting table, accounting software ...)	255,300	255,300	100%
TOTAL	11,238,827	10,657,278	

Major capital construction activities will be carried out in accordance with the procedures stipulated in the Law on Bidding, the procurement of equipment for competitive offers, the hire of independent supervision consultants, the construction of works to ensure the progress and quality.

Investment reports Ha Nam Hi-Tech Agriculture Development and Investment Joint Stock Company, establishing branches in the Central Highlands and Mekong Delta.:

Establishment of Ha Nam Hi-Tech Agriculture Development and Investment Joint Stock Company:

Implementing the company's development strategy up to 2020 with a vision of become a leading provider of sustainable agricultural development solutions in Vietnam in 2015, the company focuses on developing and expanding branches. With high-tech science, combining investment and research and development along the value chain, including high-class agricultural products and vegetables. On 04/10/2016, Ha Nam Hi-Tech Agriculture Development and Investment Joint Stock Company was established on the basis of the model of accumulation of land for production of high quality crops in Nhan Khang commune, Ly Nhan, Ha Nam Province:

Charter capital: 50,000,000,000 VND. Of which, NSC contributed 35.8 billion dong, accounting for 95% of charter capital.

Main business lines: Producing, trading and transferring technology of pickled vegetables and fruits of high quality agricultural products according to high technology agriculture model.

Target activity:

- Establishing modern hi-tech agriculture center, which is specialized in research, application, demonstration, transfer hi-tech agricultural technology, supplying the production line with high quality melon and vegetables for domestic consumption and export.
- Researching application, training, transfer of technical services.
- Becoming a model of modern agricultural production and effectively contributing to promote the process of restructuring Vietnamese agriculture from traditional agriculture to high-tech applied goods.

Area size: 21.59 ha in the master plan of hi-tech agricultural area of Ha Nam province under the model of accumulation of land for production of high quality crops in Nhan Khang commune, Ly Nhan district, Ha Nam province was hired by the Ha Nam provincial People's Committee for 20 years (from 01/01/2017):

- The office area for operating, training and technology transfer, processing plants, modern preservation cold storage, ensuring safe food and fresh agricultural products according to GlobalGAP standard based on the application and transfer of technology Japan.
- Production area: 21.37 ha. In particular, the greenhouse system automatically adjusts the diet and temperature to create ideal production environment throughout the year according to Israeli and Japanese technology: 17 hectares.

Progress: The company officially came into operation on October 4, 2016, has been licensed Ha Nam province investment, has signed the land lease contract with the province, is currently im-

plementing the system construction. The net house. Expected to deliver the product right in 2017:

- Providing high quality fruits and vegetables, the focus is on melon. This place will become the largest cucumber production unit in the North, serving domestic consumption and export, meeting the stringent standards in the fastidious markets such as Japan, EU and USA, with the revenue scale 4 billion VND / ha. A year with profit / turnover ratio 35-40%.
- This will be the production models with farmers participating in the chain of trust. Currently, multi-hybrid companies are producing high quality Vietnamese pickled cucumbers in Vietnam, which can compete to substitute products imported from China.
- Training and transferring high-tech agricultural techniques, creating new jobs for more than 200 local laborers.

Establishment of Central Highlands branch:

Implementing the Central Highlands Market Development Strategy, the north-south connection of the Company, the Tay Nguyen Branch was established in accordance with Vinaseed's production and business base. The branch development objective has become one of the most important units of Vinaseed.

Orientation for development of Central Highlands branch:

- Becoming a research, transfer, production, business with large plant varieties, which are potential in science and technology.
- Organizing the development of demonstration of models and transferring hi tech to farmers.
- Building a branch into a large seed processing center and create jobs for locals.

Establishment of branches in the Mekong Delta:

To expand the production area and the market of seed and agricultural products (rice) of the company, The Mekong Delta branch was officially established on 02/12/2016, in My Thi B hamlet, My An commune, Thap Muoi, Dong Thap:

- Testing, demonstrating and transferring scientific and technological advances in research and breeding to create high yield, good quality rice varieties which are adaptive to climate change.
- Planning a sustainable farming and seed production network on the basis of land accumulation, which is closely linked with organizations and individuals with large land areas to form commodity production areas.
- Serving the needs of Mekong Delta farmers with quality seedlings (RVT, 8th Cavalry, DS1, J03, sticky rice, hybrid HR182, KC06-1, HN88, HN68, CX247, HN66, , ...), with good characteristics, and salt tolerance in accordance with the region.

The company was incorporated with the Central Seed and Central Highlands Seed Joint Stock Company into Quang Nam Agroforestry Seed JSC and renamed as Quang Nam Seed Joint Stock Company:

In order to unify the management of the South Central Coast market, to promote the strength of the market, products, advantages of material facilities and human resources of the central and Tay Nguyen branches and Quang Nam Agroforestry Seed JSC, On 12/01/2016, the Board of Directors issued Resolution No. 06 approving the QSC restructuring plan:

- Disbanding branches of Central Seed Company and Central Highlands to merge personnel and market into Quang Nam Fertilizer Plant Joint Stock Company and changing its name into Quang Nam Seed Joint Stock Company.
- Appointing NSC personnel to key positions at the company to ensure the effective management and successful implementation of the Company Restructuring Plan under the NSC governance model.
- Implementing the NSC's management system, arranging appropriate personnel, planning the management and evaluation of staff in line with the objectives and principles of distribution regarding the results of labor.

Overall evaluation of the company's performance in 2016:

2016 is a particularly difficult year for Vietnam's agriculture sector: It has been as a year of "the coldest and most deadly cold winter over the past 60 years in 14 mountainous provinces in the North, the extreme drought in the South Central and Central Highlands, along with drought and saline intrusion (100 years) in the Mekong Delta. These have caused severe damage to agricultural production such as counterfeit goods in the North, copyright infringement in the South. Despite the difficulties in production and business conditions, with the regular and close supervision of the BOD, the Company has fulfilled the tasks assigned by the General Assembly of Shareholders:

Business results: Turnover was 1330 billion VND, equaling 104.2% of the plan, exceeding 6.6% of the same period. Profit after tax of parent company reached 175.2 billion dong, equaling 100.1% of the plan, equaling 123.7% of the same period of 2015.

In terms of production activities: The company has developed the strategic orientation of sustainable development. In 2016, the company has planned the ecological production area which is stable, focused and developed. Large scale production areas in the Mekong Delta are to meet the needs of breeding and agricultural products in time. Production output hit a record 58% growth in the same period, contributing to the company's business efficiency.

The capital construction investment was implemented in accordance with the resolutions of the General Meeting of Shareholders, resolutions of the Board of Directors and the provisions of law.

Corporate governance activities:

- Financial management works well, the company ensures balance of capital for production and business of the company in a timely manner.
- To strengthen the organizational apparatus and personnel of the whole company (establishment of biotechnology office under Khoai Chau Research Center, development of hi-tech agriculture to set up Ha Nam Agricultural Investment and Development JSC, unified Central and Central Highlands with QSC, QSC restructuring renamed as Quang Nam National Seed JSC, connecting north and south, opening Central Highlands branch, entering the Mekong Delta. Establishment of the Mekong Delta branch located in Dong Thap, strengthening the organization of the Ha Nam factory staff, the Investment Planning Division, the Human Resources Department, the Agricultural Business Department, etc.).
- Finalizing the regulation on organizing the implementation of international agreements, perfecting and consolidating the regulations on salaries, regulations on evaluation of staff, building the social insurance system, completing the system of job assignment forms.
- Training activities: In 2016, NSC has implemented 19 training programs, totaling 513 training sessions.



ACTIVITIES OF THE BOARD OF DIRECTORS 2012 - 2016

MILESTONES IN 2012-2016

2012:

Validating the company's development strategy for the period 2012 - 2016, with the vision of 2020 (Annual General Meeting of Shareholders 19/03/2012).

Issuing charter capital from 82,561,610,000 VND up to 100,298,380,000 VND (Annual General Meeting of Shareholders Resolution 19/03/2012).

Inaugurating processing plant and preserving plant in Thai Binh province. Construction area: 1690m², packed capacity of 5,000 tons / year. Total investment capital was 14.27 billion.

Establishing Center for Research, Application and Seed Breeding in Ba Vi.

Restructuring Ha Tay Plant Variety Joint Stock Company.

2013:

Investing in raising the ownership ratio of Agro-forestry Seed JSC Quang Nam from 32.2% to 60.24% (becoming a subsidiary of NSC).

Developing the business lines of vegetable seeds and hybrid sticky corn.

Being awarded as one of best 200 companies with revenues under \$ 1 billion in Asia in 2013 by Forbes Asia.

2014:

Issuing chartered capital with an increase from 100,298,380,00 VND to 152,950,000,000 VND (Resolution of the General Meeting of Shareholders on 21/12/2013).

Investing in M & A of Southern Seed JSC: 40,16% Joint Stock Company of Thai Binh Seed Corporation 6.24%, raising the ownership ratio of Quang Nam Agro-Forestry Seed JSC: 85.8% of charter capital.

Opening agricultural business.

2015:

The company was awarded with the Second-class Medal by the President.

Inaugurating the company headquarters at 01 Luong Dinh Cua, Phuong Mai, Dong Da, Hanoi. Area of construction land was 326m², area with 7 floors and 1 basement, total investment was 24.4 billion VND.

Inaugurating plant for processing and preserving seeds in Ha Nam. Area was 30,420m², processing capacity was 10,000 Ton for seed and 18,000 tons/year for rice, total investment was 105.5 billion VND.

M & A's increasing the ownership ratio of JSC Agroforestry Quang Nam was 90.02%, Seed Joint Stock Company Southern was 61.49% (becoming subsidiary of NSC).

Restructuring Southern Seed JSC - state 1.

2016:

Inaugurating Khoai Chau Biotechnology Department.

Opening Central Highland branch.

Restructuring personnel organization and being named after Quang Nam Seed Joint Stock Company.

Establishing the Agriculture Investment and Development Joint Stock Company.

Restructuring comprehensively South Seed JSC - Phase 2.

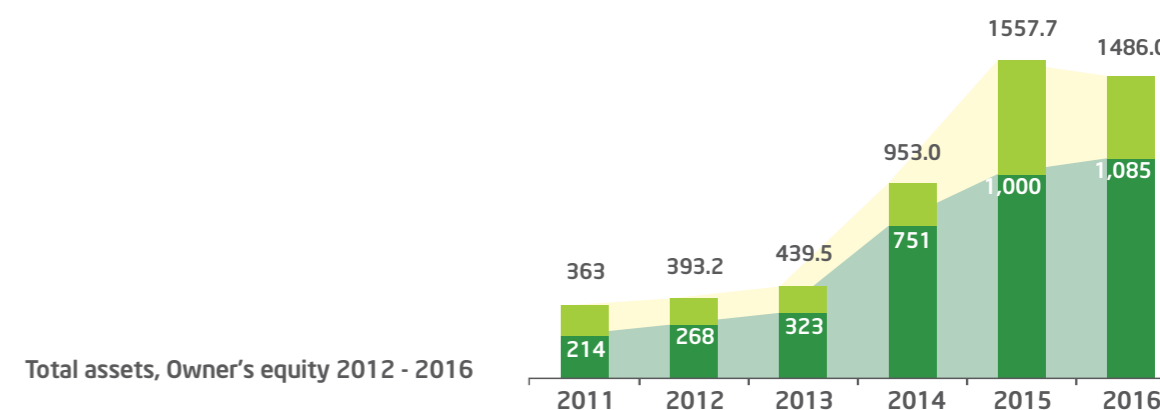
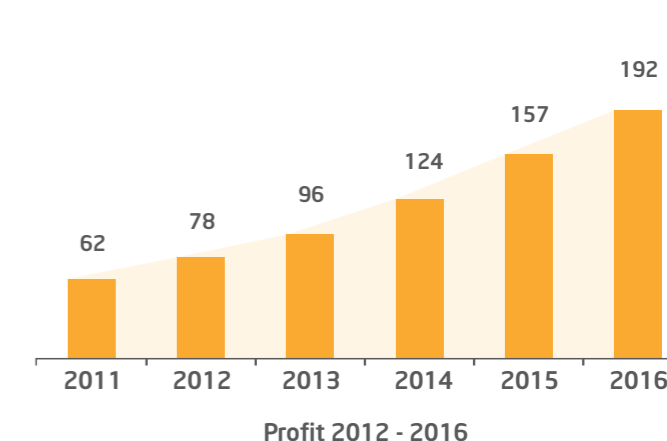
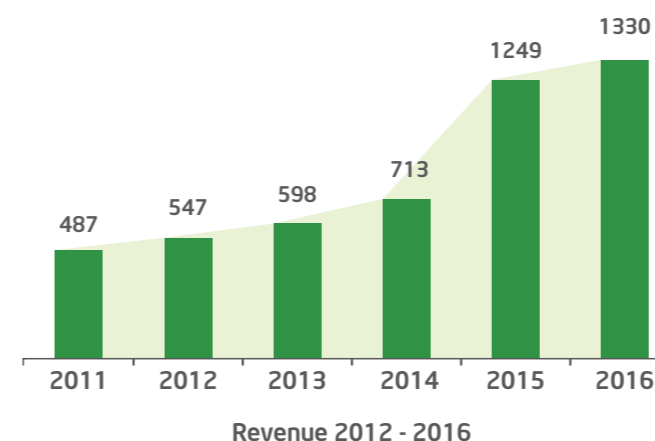
Being recognized as one of the three most typical businesses of the 350 enterprises after equalization, according to the report of the Ministry of Finance.

BUSINESS RESULTS 2012 - 2016

Indicators of growth in scale for the period 2012 - 2016:

(Unit: Bil. VND)

TARGETS	2011	2012		2013		2014		2015		2016		2016/2011 (Time)	Average growth/year (%)
		Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual		
Revenue	487	525	547	598	598	650	713	1,200	1,249	1,277	1,330	2.7	24.5%
Profit after tax	62	73	78	96	96	115	124	170	157	200	192	3.1	25.3%
Profit after tax of parent company's shareholders	61		78		95		123		142	175	175.2		19.6%
Total assets	363		393		440		953		1,558		1,486	4.1	39.2%
Equity	214		268		323		751		1,003		1,085	5.06	44.0%
Charter capital	83		100		100		153		153		153	1.9	14.8%



Assessment of Performing Strategic Objectives 2012-2016:

During the term of 2012 - 2016, the Board of Management successfully accomplished the stated strategy:

TARGETS	UNIT	PLAN (2012 - 2016)	COMPLETION	% ACTUAL/PLAN
Revenue	Bil. VND	1,016	1,330	131%
Profit	Bil. VND	183	192	105%
Total assets	Bil. VND	882.9	1,486	168%
Equity	Bil. VND	553.1	1,085	196%

Performance indicators 2012 - 2016:

TARGETS	UNIT	2011	2012	2013	2014	2015	2016
ROA	%	17.0%	19.9%	21.9%	13.0%	10.1%	12.9%
ROE	%	29.0%	29.2%	30.0%	16.5%	15.7%	17.7%
EBIT	Bil. VND	64.2	80.1	99.1	126.8	187.0	226.5
Depreciation	Bil. VND	6.3	9.0	9.9	10.4	20.2	32.2
EBITDA	Bil. VND	70.4	89.1	109.0	137.2	207.2	258.7
EPS	VND/Share	7,331	7,737	9,518	8,293	8,124	11,462
Dividend rate	%	30.0%	50.0%	30.0%	30.0%	30.0%	30% (dk)
Including:							
- By money	%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
- By shares	%		20.0%				

SCIENTIFIC AND TECHNOLOGICAL RESEARCH AND APPLICATION 2012 - 2016:

The Central Seed Joint Stock Company operates in the field of science and technology, business objects are scientific and technological products, the company should pay special attention and focus on research and development, which are considered as a driving force for sustainable development.

During the period 2012 - 2016, the Company has boldly invested in the research and application of transfer and rapid commercialization of technological advances in production and business, in cooperation with domestic and foreign research institutions. A group of leading scientists of plant seeds involved in the research has been built up as a strong team of nearly 300 experts, qualitative researchers, producers and quality managers (accounting for nearly 50% of total company labor). The company possesses abundant gene sources, successfully develops new sets of high value products, with 27 new plant varieties (pure rice lines, sticky corn being the market leader), which contributes to increasing the proportion of copyright products to 66.0%, equal to 245% compared to 2011 (27%). The Ministry of Agriculture and Rural Development has put these new varieties, which are highly productive, adaptive and export-oriented, into the list of national seedlings which are to bring high value surplus for businesses and farmers. Details come as follows:

2012:

- Developing 03 quality pure rice varieties: RVT, VS1, TC.Huong.
- Choosing to create successfully hybrid corn: HN68, HN90.
- Choosing to create two hybrid tomato combinations.

2013:

- Transferring exclusively 3 hybrid rice varieties: Thuy Huong 308, CNR6206, Xuyen huong 506 and 01 variety of pure gold rice.

2014:

- Transferring successfully net melon production technology and high quality yellow melon.
- Developing successfully Thien uu 8 rice variety.

2015:

- Mastering breeding technology with biotechnology element.
- Developing the hybrid maize HN66, hybrid corn.
- Selecting one net melon combination.
- Transferring successfully 06 hybrid vegetables.

2016:

- Choosing to produce 02 varieties of corn (NSC14-13 and NSC15-48), 01 maize HN92 and 1 hybrid rice HC14-3).
- Trying to produce purebred rice seed, Thao Huong hybrids.
- Developing successfully sticky corn HN66.
- Developing successfully the RVT rice variety in the Mekong Delta.

From the achievements in the field of research and application of technology, the company received many incentives of the State (in 2011, the company was recognized as the first science and technology enterprise in the Vietnamese plant breeding industry, and since then, the company has met the revenue conditions so it can be exempted from corporate income tax over the years:

Total exempt tax 2012 - 2016: **113,902,380,683 VND.**

All of the exempted tax amounts are added to the Company's development investment fund for reinvestment in scientific and technological research and application.



INVESTMENT AND BASIC CONSTRUCTION ACTIVITIES 2012 - 2016

Total capital and construction investment in 2012-2016: 743.91 billion VND. Including:

Basic construction and equipment procurement: 191.07 billion VND.

In the period 2012 - 2016, the company has focused on upgrading and modernizing the system of material and technical bases for preserving, processing and packaging goods, improving productivity and quality. The scale of business and expansion of the company is significant:

Of which, five key projects with a total investment of **150.9 billion VND.** Including:

Ha Nam Plant Variety Plant Project:

- Area: 30,420 m².
- Processing capacity: 10,000 tons/year for seeds and 18,000 tons/year for rice, storage capacity: 10,000 tons.
- Total investment: 105.5 billion dong.
- Completion time: 2015.

Head office at 01 Luong Dinh Cua:

- Construction land area: 326m²
- Construction area: 1820m²
- 07 floors and 01 basement.
- Total investment: 24.4 billion VND.
- Completion time: 2014.

Thai Binh Central Plant Variety Factory:

- Construction area: 1690m²
- Processing system capacity: 5000 tons/year.
- Total investment capital: 14.27 billion VND.
- Completion time: 2012.

Khoai Chau Central Seed Breeding Center of applied research:

- Including a two-storey house, investment in research and development equipment, field infrastructure, yard, field canal, warehouse.
- Total investment: 4.03 billion VND.
- Completion: 2016.

The operator of National Seed Joint Stock Company - Nghe An branch:

- Construction area: 428m², 3 floors.
- Total investment: 2.74 billion VND.
- Completion time: 2016.

M&A investment activities:

Investing in M&A of companies in the industry:

The company has successfully implemented the M & A Strategy of companies in the industry. **Total investment in M&A: 552.8 billion VND.** Including:

INVESTMENT IN M&A	PROPERTY RATE				TOTAL M&A INVESTMENT (2012 - 2016)
	2011	2013	2014	2015	
QSC	32.20%	60.24%	84.17%	90.02%	6,823,788,000
TSC			6.24%	10.03%	13,333,640,000
SSC			40.16%	61.49%	532,690,635,880
HSC	53.80%	53.80%	53.80%	53.80%	
TOTAL					552,848,063,880

Issuance of capital increase:

Process of capital increase 2012 - 2016:

Year	CHARTERED CAPITAL AFTER THE INCREASE (VND)	FORM OF CAPITAL INCREASE	LEGAL BASIS OF CAPITAL INCREASE
2011	82,561,610,000		
2012	100,298,380,000	Issue shares to existing shareholders, reward shares ESOP 2011	Resolution of the Annual General Meeting of Shareholders on March 19th, 2012
2014	152,950,000,000	Issuance of shares to existing shareholders of the ESOP Program 2014	Resolution of the extraordinary General Meeting of Shareholders on December 21st, 2013

Particularly in 2014, implementing Resolution 35, the company has successfully issued shares to increase chartered capital from VND100.3 billion to VND152.95 billion, bringing a net profit of VND329.2 billion for the expansion of the company.

The company has used the capital mobilized for the right purpose. The investment activities follow the procedures in accordance with the law of bidding.



BUSINESS ADMINISTRATION FOR THE PERIOD 2012 - 2016

DEVELOPING THE STRENGTH FROM THE CORPORATE CULTURE:

Building up a corporate culture which is compliance, responsibility, collaboration, listening, sharing, creativity, trust, pride, passionate dedication of employees who are more than willing to work towards the interests of the company.

IMPLEMENTING LEGAL PRACTICES:

Promulgating and regularly improving the system of management regulations, working procedures. Systematizing the legal documents by the development of legal maps related to the company's operations.

Targeting management, job assignment, and clear accountability to closely supervise company's regulations..

MANAGING ORGANISATION AND HUMAN RESOURCES:

Focusing on training to improve the quality of human resources, building up a young, capable and enthusiastic workforce with good corporate sense and good discipline.

Launching a creative movement that proposes useful initiatives and solutions to enhance governance, risk prevention and productivity.

KEY BUSINESS ACTIVITIES 2012 - 2016:

2012:	<ul style="list-style-type: none"> Developing new salary regulations. Establishing internal audit committee. Upgrading the information management system to unify the common data source throughout the company. Restructuring HSC. 	<ul style="list-style-type: none"> Redistributing market units throughout the company, innovating how to do business. Strengthening the Central and Central Highlands and QSC. Upgrading the organizational structure of the administrative regulations and apparatus.
2013:	<ul style="list-style-type: none"> Completing the company charter, internal management regulation under the new Circular (121) Strengthening the adjacent human resources, promoting the Deputy Director of the unit. Establishing Sales Department 2, Investment Committee, Ba Vi Vegetable Department. 	<ul style="list-style-type: none"> Strengthening the entire human resource organization. Promulgating the Ministry of Sustainable Development Policy. Systematizing laws related to business operations. Establishing Vinaseed Compassion Fund.
2014:	<ul style="list-style-type: none"> Reorganizing the production department of the company. Reorganizing the company market. 	<ul style="list-style-type: none"> Establishing NSC Central Highlands, NSC Mekong Delta, High tech Ha Nam. Restructure SSC, QSC phase 2.

GENERAL EVALUATION OF THE BOARD OF DIRECTORS 2012 - 2016

BOD has operated in accordance with the law:

They have successfully held the Annual General Meeting of Shareholders, Unusual General Meeting of Shareholders, to collect shareholders' written opinions in accordance with the Law on Enterprises and the Charter.

They strictly implement the Resolutions during the term of 2012 - 2016, the Board has held 25 meetings, 19 consultations to concretize the General Meeting of Shareholders. The management of the company has well performed the function of strategic direction to direct and supervise the activities of the Board of Management.

The Board of Directors has set up an internal management regulation that clearly defines the tasks and mechanisms and clearly assigns tasks to each member. Establishment of subcommittees such as Subcommittee on Investment, Subcommittee of Administration, Personnel and Legislation, Subcommittee of Science and Technology is very effective. Supervisory Board Members have a high level of professional responsibility and expertise, particularly in finance, accounting and auditing, so they have promptly given their opinions, suggestions to the Board of Directors to manage and take initiative in settling issues related to the interests of investors and the responsibility of the executive officers.

Board Members are honest, diligent and do not seek their own interests.

The Board of Directors has established and decided long-term, medium-term and annual development strategies of the company, investment projects and solutions for developing the market properly. Over the course of five years from 2012 to 2016, despite the difficult economic situation in Vietnam, agricultural GDP growth (2012 - 2016) was low, reaching only 2.14% per year, only equal to 40%, the average growth rate of the economy, the price of agricultural products has been continuously decreasing while the price of input materials has increased, the pressure of competition from foreign companies with financial potential, science and technology, the company has strived to accomplish the objectives set forth in the Shareholders' Meeting Resolution, successfully implemented the Company Development Strategy, maintaining high growth rate, sustainability, facilities and regulations. The company's operations are constantly expanding, the company's position is increasing, increasing the accumulated value, ensuring the benefits and high efficiency for investors.

- **Turnover: 1,330 billion VND, equaling 131% of the strategic target.** An increase by 2.7 times after 5 years (2011: 487 billion), with the average growth rate of 24.5% / year.
- **Profit: 192 billion, equaling 105% of the strategic objectives.** An increase by 3.1 times after 5 years (in 2011: 62 billion), with an average growth rate of 25.3% per year.
- **Total assets: 1,486 billion, 168% of the target.** An increase by 4.1 times after 5 years (2011: 363 billion), with an average growth rate of 39.2%.
- **Equity: VND1, 085 billion, equaling to 196% of the target.** Five times higher over five years (2011: 214 billion), with an average growth rate of 44% per year.
- **The interests of investors are guaranteed.**

With the achievements fulfilled in five years (2012 - 2016), the company is honored by the State and domestic and foreign organizations:

- Awarded with Second-class Labor Medal by the President.
- TOP 200 companies with less than \$ 1 billion in sales in Asia
- TOP 50 Best Growth Companies in Vietnam 2010 - 2015. TOP 50 Best Companies in Vietnam in 2012 - 2016.
- TOP 500 Fastest Growing Companies in Vietnam 2012, 2013, 2014 2016 (FAST 500). TOP 500 largest enterprises in Vietnam (VNR500 - 2016).
- Vietnam Gold Star Award - TOP 100 typical businesses of Vietnam (2013, 2015).
- Vietnam Gold Cup in 2016 (Vinaseed ranked third).
- One of the three best companies in 350 post-equalization enterprises reported by the Steering Committee for Enterprise Renovation and Development and the Ministry of Finance.
- Being a research unit (technology chart in rice industry of Vietnam) - one of the top 10 scientific and technological events in 2016.
- And many other noble awards.

DEVELOPMENTAL STRATEGY FOR THE 2017-2021 PERIOD

FACTORS AFFECTING THE STRATEGY FOR DEVELOPMENT OF THE COMPANY 2017 - 2021

Opportunity:

International: integration which is deepening and broadening over the global market has enhanced the speed of development of science and technology, especially breeding technology, so the market demand is increasing.

Macro policy: the state represents itself as being supportive of agricultural production in Vietnam, which is shown by a series of macro policies such as land policy, science and technology promotion policies, especially credit policies, promotion.

Advantages from the company:

- Advanced management system with international standards, young manpower with good morale and attitude, self-control, professional skill and the ability to adapt well.
- A wide, diverse, multi-unit distribution channel system, fast response capability.

Challenge:

Competitive pressures due to global integration, the global economy demands a renewal of the CSVC system and resources.

Climate change is faster than we have expected, so research has not updated enough.

The quality of human resources does not fit the growth scale, especially the core staff to meet the expansion of the company.

New field of business - agro-product business which is challenging as many strong competitors in products and markets.

STRATEGIC OBJECTIVES 2017 - 2021

VISION: Vinaseed strives to be the leading provider of sustainable agricultural development solutions in Vietnam, realizing the dream of improving the incomes and living conditions of Vietnamese farmers.

OBJECTIVES

Orientations for the development of the period 2017 - 2021:

- Focusing on developing the core professions that produce and trade in plant seeds.
- Trading in agro-products in the value chain and developing high-tech agriculture.
- Trading in agricultural materials.
Transferring technology and providing sustainable farming solutions.

Targets for 2021:

Target for 2021 - Incorporated Company

- Maintaining an after-tax profit growth rate of 20% per year.
- Reaching the growth rate of market share, output, and revenue of copyright products at 16% / year.
- Holding the firm position of Vietnam's leading plant breeding company.

Best regards!

ON BEHALF OF THE BOARD OF DIRECTORS
CHAIRWOMAN



TRAN KIM LIEN

REPORT OF THE BOARD OF MANAGERS OF VIETNAM NATIONAL SEED JSC. IN 2016

SITUATION

Advantage:

The company has a strong product portfolio, confirming its position in the market.

Facilities for production and business has been strengthened.

Internal company united, sticking, trust the leadership of the Board of Directors of the company.

Difficulty:

2016 is a particularly difficult year for Vietnam's agriculture sector: It has been as a year of "the coldest and most deadly cold winter over the past 60 years in 14 mountainous provinces in the North, the extreme drought in the South Central and Central Highlands, along with drought and saline intrusion (100 years) in the Mekong Delta. These have caused severe damage to agricultural production. Details come as follows:

The country's rice production reached 43.6 million ton, down 1.4 million over the same period.

The area of rice cultivation was only 7.8 million ha, decreasing 39.6 thousand ha over the same period.

The yield of rice reached 56 quintals / ha, decreased 1.6 quintals / ha over the same period.

Rice exports reached 4.7 million tons, down 29% over the same period.

According to statistics: GDP growth rate reached 6.21% in 2016, which declines compared to the same period (6.68%) and does not reach the plan. The GDP contribution of agro-forestry-fishery sector has been decreasing gradually over the years.

Counterfeiting in the north, piracy in the south.

The size of the company is growing, diversified and nationwide, leading to a shortage of qualified mid-level human resources.

BUSINESS RESULTS IN 2016

RESULTS OF THE YEAR 2016 - HOLDING COMPANY

In 2016, the parent company successfully fulfilled its tasks in terms of scale and business efficiency, maintaining high growth rate, specifically:

Business results in 2016 of holding company:

TARGETS	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/ PLAN 2016	ACTUAL 2016/2015
REVENUE	Mil. VND	805,000	821,997	772,940	102.1%	106.3%
PRICE DIFFERENCE	Mil. VND		331,816	306,679		108.3%
PROFIT AFTER TAX	Mil. VND	175,000	187,186	156,503	106.9%	119.6%
ROS (LN/DT)	%	21.7%	22.8%	20.2%	105.0%	112.9%
EBIT	Mil. VND		204,493	170,024		120.3%
EBITDA	Mil. VND		222,102	180,762		122.9%
ROA	%		15.0%	13.0%		115.4%
ROE	%		20.0%	18.9%		105.8%
Cash dividend	%	30%	30% (dk)	30%	100.0%	100.0%

The company has successfully developed a strong product, there is a positive difference in quality to bring high economic value. The structure of science and technology products reaches over 80% so the company still enjoys the preferential policies of the state for science and technology enterprises (**profit from tax reduction and exemption was 21.18 billion dong for parent company**).

The company has developed high-tech products, so despite the revenue increase only 6.3% over the same period, profit after tax increased 19.6% over the same period of 2015.

Payment ratio of holding company::

TARGETS	UNIT	Actual 2016	Actual 2015	2016/2015
Ability to pay cash	Time	0.44	0.12	366.7%
Ability to pay curently	Time	1.56	1.37	113.8%
Ability to pay quickly	Time	0.87	0.78	111.5%
Ability to pay immediately	Time	0.44	0.12	366.7%

In 2016, the NSC's solvency ratio is 0.87, indicating its ability to pay any outstanding debt.



Production activities:

Although the condition of production in 2016 meets many difficulties, response is timely to ensure sufficient structure, quantity and quality of goods for business. Particularly, the structure of transshipment and copyright products have gone through dramatic growth:

TARGETS	UNIT	PRODUCTION RESULTS IN 2016		
		TH	CK	Actual 2016/2015
SIZE	Hectares	9,465	8,268	114%
QUANTITY	Ton	33,507	23,512	143%
Of which: hybrid seeds	Ton	2,274	2,133	106.6%

- Total production reached 33,507 tons, which is an increase by 43% over the same period.
- The average production output is 1,195 tons / year, which is an increase by 6% in the same period.
- The company produces 2,274 tons of hybrid seeds.
- Successfully expands a stable, concentrated areas in the Mekong Delta, which contributes to meeting the needs of rice and commerce.

Results of research and technology transfer activities in 2016:

Being officially recognized by the Ministry of Agriculture and Rural Development for hybrid varieties HN90 opened up great business opportunities for the company in 2016.

Results of technology research and transfer activities:

- Officially recognized by the Ministry of Agriculture and Rural Development for hybrid varieties HN90, official recognition of high quality purebred rice varieties Thom RVT in the Mekong Delta, opening up great business opportunities for the company in 2016.
- Recognition of trial production of purple sticky rice (HN66), Proto Huong purebred rice and Nam Tran rice hybrids (Thao uu 11).
- About breeding activities:
 - Selection of 02 promising crossbred corn varieties: NSC14-13 and NSC 15-48, 01 hybrid rice HC14-3.
 - Fully mastering the breeding technology by molecular biotechnology.
 - Mastering the technology of producing melon and yellow melon in the model of hi-tech agriculture.

Results of capital construction investment in 2016:

In 2016, the total cost of financial investment, construction investment was 10,657,278 VND.

PROJECTS' NAMES	ESTIMATION	DISBURSEMENT	% COMPLETION
I- INVESTMENT OF BASIC CONSTRUCTION			
1. Vinh Industrial Management Project (3-storey house, Floor area: 428m2)	2,742,464	2,285,900	100%
2. Khoai Chau warehouse project	941,539	878,317	100%
3. Thuong Tin reparation and renovation (warehouse, gate)	361,880	361,880	100%
4. Thai Binh reparation and renovation of warehouse	493,063	474,581	100%
5. Ba Vi reparation and renovation of warehouse	404,481	361,200	100%
6. The Central Highlands reparation and renovation	731,745	731,745	100%
7. Ha Nam reparation and renovation canteen	427,815	427,815	100%
II- MACHINERY, EQUIPMENT AND MEANS OF TRANSPORTATION	4,880,540	4,880,540	100%
III- OTHER (meeting table, accounting software, ...)	255,300	255,300	100%
TOTAL	11,238,827	10,657,278	

Major capital construction activities was carried out in accordance with the procedures stipulated in the Law on Bidding, to ensure the progress and quality.

Corporate governance:

- Financial management works well, the company ensures the balance of capital for production and business of the company in a timely manner.
- Finalizing the regulation on organizing the implementation of international agreements, perfecting and consolidating the regulations on salaries, regulations on evaluation of staff, building the social insurance system, completing the system of job assignment forms, Vinaseed - the talented seed of the Vinaseed Compassion Fund, promulgating regulations on welcoming guests to work at the company.
- Training: In 2016, recruited 43 more workers with the aim to satisfy the expansion of the company, implemented 19 training programs with total of 513 officers participated.
- Complete the regulations on organization of international registration, finalization and consolidation of the regulations on salary, regulations on evaluation of staff, building the system of salary payment, perfecting the system of job assignment forms, promulgating the regulation on awarding scholarships. Vinaseed - incubated the talent of the Vinaseed Compassion Fund, promulgated regulations on welcoming guests to work in the company. Strict control of the implementation of company regulations.
- Risk management: In 2016, the company does not let any risk happen.
- International cooperation: In 2016, the company welcomed more than 30 international delegations to visit and work in the company, such as IFC, Sojitz, ...

Community Activities:

Charity programs: Vinaseed Compassion Fund (10 billion VND) from staff's contribution. Activities are listed as follows:

- Mid-Autumn festival (Mid-Autumn Festival - loving connection) for poor and disabled children in Ngoc Lam commune, Thanh Chuong district, Nghe An province and Hanoi.

- On the occasion of Lunar New Year in 2016, the company organized the program "Tra qua Tet, tang xuan vui" in Yen Bai, Thanh Hoa, Nghe An, Ha Tinh, Quang Nam, they handed 700 presents to underprivileged families.
- The youth union of the company organized street environmental movement in coordination with Youth Union of Minh Quang (Hanoi) organization.
- On 14/9/2016: In addition to continuing to award scholarships to 10 poor children in Ha Nam (the company has implemented this program since 2015) the company continues to award 19 scholarships Vinaseed - For the poor children with good academic results in Thanh Chuong district, Nghe An province with the support amount of 6 million VND / year. Once the children graduate, they will be welcome to work at the company.
- 10/2016: Vinaseed Charity Foundation has spent VND200 million to equip seats at Hospitals in Thanh Hoa.
- 22/10/2016: Supporting people in Ha Tinh's flood: 20 tons of rice with the value of 280 million VND.
- On the occasion of Lunar New Year in 2017: the company has two programs of Lunar New Year: 560 gifts, each of which is valued at 500,000 VND.
- In Thanh Hoa: 250 gifts in Thach Long and Cong Chinh communes.
- In Dien Bien: 200 gifts in Muong Phang and Pa Khoang communes.
- Hanoi: 110 gifts to poor communes in Hanoi such as Minh Quang, Van Hoa and Phuong Lien.

Other projects, programs and activities related to environmental protection were implemented by the company in 2016:

- Activity: "1 for 1" for the environment: The Company coordinated with the local farmers to change products between waste and company's products, thus creating a clean and beautiful environment.
- The activity of cleaning the streets is implemented continuously every year.
- Also, the Company research some projects to study drought, flood, salinity, pest and disease resistant varieties to save land resources and to limit the use of pesticides and fertilizers.
- Hi-tech agriculture projects (in Ha Nam and Khoai Chau) organize production in the direction of clean and organic agriculture without the use of chemical fertilizers and pesticides to ensure the sustainable agricultural development, environmental protection and public health.

Overall evaluation of the parent company's performance:

In 2016, although the agricultural sector faced many difficulties, the parent company NSC successfully completed the tasks assigned by the General Meeting of Shareholders, maintaining a high and sustainable growth rate, after-tax profit reached 187 billion , over 7% of the plan and 20% growth over the same period, the number of member units increased by 02 units and 01 subsidiary, the company's status is growing stronger, ensuring benefits and high efficiency for Investors and workers' lives are improved.

BUSINESS RESULTS 2016 - INCORPORATED COMPANY

BUSINESS RESULTS 2016 :

TARGETS	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/ PLAN 2016	ACTUAL 2016/2015
Revenue	Mil. VND	1,277,000	1,330,783	1,248,622	104.2%	106.6%
Price difference	Mil. VND		499,065	455,111		109.7%
Profit after tax	Mil. VND	200,000	192,460	157,108	96.2%	122.5%
After-tax profit of shareholders of parent company		175,000	175,205	141,629	100.1%	123.7%
Net profit after tax of parent company	%	13%	13%	11.3%	100.0%	115.0%
EBIT	Mil. VND		226,484	186,954		121.1%
EBITDA	Mil. VND		258,668	207,176		124.9%
ROA	%		12.9%	10.1%		127.7%
ROE	%		17.7%	15.7%		112.7%
EPS	VND/Share		11,462	8,124		141.1%
Cash dividend	%	30%	30%	30%	100.0%	100.0%
Interest expenses	Mil. VND		12,393	8,549		145.0%

The company successfully completed the business plan in 2016. Its revenue achieved 104.2% of the plan, an increase by 6.6% over the same period. Profit after tax of shareholders of parent company reached 100.1% of the plan, an increase by 23.7% over the same period and financial ratios such as EBIT, EBITDA, ROA, ROE and EPS all grew at a relatively high rate.

Incorporated company's growth rate:

GROWTH	2016/2015
Revenue	106.6%
Gross profit	109.7%
Profit after tax	122.5%
Profit after tax of parent company	123.7%
Growth Equity	108.3%

The effectiveness of asset management:

TARGETS	UNIT	ACTUAL 2016	ACTUAL 2015	2016/2015
Total assets	Mil. VND	1,486,530	1,557,689	95.4%
Equity	Mil. VND	1,085,675	1,002,650	108.3%
Inventory turnover	Turn	2.42	1.88	128.7%
Account receivable turnover	Turn	4.93	3.86	127.7%
Asset Turnover	Turn	0.90	0.80	112.5%

Payment ratio:

TARGETS	UNIT	ACTUAL 2016	ACTUAL 2015	2016/2015
Total assets	Mil. VND	1,486,530	1,557,689	95.4%
Equity	Mil. VND	1,085,675	1,002,650	108.3%
Inventory turnover	Turn	2.42	1.88	128.7%
Account receivable turnover	Turn	4.93	3.86	127.7%
Asset turnover	Turn	0.90	0.80	112.5%

Incorporated corporate payment ratios in 2016 are very good over the same period.

Operation of subsidiaries:

Business results of Ha Tay Seed JSC:

TARGETS	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/ PLAN 2016(%)	ACTUAL 2016/2015 (%)
Sales volume	Ton	1,100	1,133	1,003	103.0%	113.0%
Revenue	Mil. VND	27,000	28,774	24,883	106.6%	115.6%
Price difference	Mil. VND	9,000	9,911	8,206	110.1%	120.8%
Profit after tax	Mil. VND	2,800	2,927	2,628	104.5%	111.4%
Total assets	Mil. VND		16,738	14,617		114.5%
Equity	Mil. VND		12,457	11,231		110.9%
Charter capital	Mil. VND	5,689	5,689	5,689		100.0%

Business results of Quang Nam Seed JSC:

TARGETS	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/ PLAN 2016 (%)	ACTUAL 2016/2015 (%)
Sales volume	Ton	4,310	4,718	1,514	109%	312%
Revenue	Mil. VND	89,000	99,664	31,319	112%	318%
Price difference	Mil. VND	22,000	23,283	9,145	106%	255%
Profit after tax	Mil. VND	6,160	8,245	2,078	134%	397%
Total assets	Mil. VND		36,432	15,325		238%
Equity	Mil. VND		16,684	9,049		184%
Charter capital	Mil. VND	5,000	5,000	5,000		100%

Business results of Southern Seed JSC:

TARGETS	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/ PLAN 2016 (%)	ACTUAL 2016/2015 (%)
Sales volume	Ton	17,364	17,612	15,508	101.4%	88.1%
Revenue	Mil. VND	469,468	436,958	507,373	93.1%	116.1%
Price difference	Mil. VND	151,757	127,633	148,097	84.1%	116.0%
Profit before tax	Mil. VND	70,070	45,204	57,686	64.5%	127.6%
Profit after tax	Mil. VND	65,523	36,158	45,142	55.2%	124.6%
Total assets	Mil. VND	439,695	395,056	497,357	89.9%	125.9%
Equity	Mil. VND	387,304	346,702	357,174	89.5%	103.0%
Charter capital	Mil. VND	149,924	149,924	149,924	100.0%	100.0%

GENERAL ASSESSMENT:

In 2016, the company successfully fulfilled the tasks in terms of scale and efficiency, maintaining high growth rate:

- Incorporated sales reached VND1,330 billion, equal to 104.2% of the plan and a growth of 6.6% over the same period.
- Profit after tax of shareholders of parent company reached VND 175.2 billion, equal to 100.1% of the plan, which is an increase by 23.7% over the same period.
- The company has successfully developed new varieties of high economic value, increasingly confirmed in terms of quality, contributing to the restructuring of products, bringing high economic efficiency for the company.
- Business administration is increasingly professional.
- The scale and position of the company is growing and gaining trust from customers and partners.

In addition to these achievements, the Company's operations still have some outstanding issues such as the business results of its SSC subsidiary have had a great impact on the incorporated results. However, the restructure of SSC in 2016 promises good business results in 2017.

PLAN FOR 2017

Difficulties in 2017:

Climate change and extreme weather events will continue to have a serious impact on 2017 agriculture, not to mention the negative consequences of climate change since 2016, such as droughts, salty water, the area of agricultural production in 2017 continues to narrow, and encounters many difficulties.

Demand for Vietnam's key agricultural export markets will remain low in 2017. Prices of agricultural commodities remain low while input prices continue to rise, affecting directly to domestic agricultural production.

Business Plan in 2017 for parent company:

TARGETS	2017
Revenue	901
Profit after tax	189
Cash dividend	30%

Business Plan in 2017 for incorporated companies:

TARGETS	2016	2017	2017/2016(%)
Revenue	1,330	1,514	113.8%
Profit after tax	192	228.5	119%
Profit after tax of parent company's shareholders	175.2	194.6	111%



SUBSIDIARIES INFORMATION

The content above changes only from Chartered Capital (as at 31/12/2015) to Chartered Capital (as at 31/12/2016)

Financial situation in 2016:

HA TAY SEED JOINT STOCK COMPANY

Company information

Trading name: Ha Tay Seed Joint Stock Company

Business Registration Certificate No. 0500437239 issued by the Hanoi Department of Planning and Investment on 15/11/2010 (9th version).

Address: Ba La, Phu Lam Ward, Ha Dong District, Hanoi.

Tel: (043) 3 530 655 / **Fax:** (043) 3 535 421

Chartered capital (at 31/12/2013) is 5,688,900,000 VND.

Company history:

1996: Ha Tay Seed Company was established following Decision No. 997/QD/UB on 17/12/1996 issued by the People's Committee of Ha Tay Province (merged with sericulture Company).

2003: Ha Tay Seed Company was equitized following Decision No. 272/QD-UB on 11/3/2003 issued by the People's Committee of Ha Tay Province with name changed to Ha Tay Seed Company JSC.

Ngành nghề kinh doanh

Production, trade, import and export of seed, agricultural products and materials (vegetable seed, agricultural machinery, fertilizer)

Production, trade, import and export of animal feed

Trade in machines and equipment

General Trade Services

Domestic Travel

Eco-tourism and other tourism services

Freight Services

TARGETS	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/PLAN 2016 (%)	ACTUAL 2016/2015 (%)
Sales Volume	Ton	1,100	1,133	1,003	103.0%	113.0%
Revenue	Mil. VND	27,000	28,774	24,883	106.6%	115.6%
Net Profit	Mil. VND	9,000	9,911	8,206	110.1%	120.8%
Gross profit	Mil. VND	3,500	3,664	3,378	104.7%	108.5%
Profit after Tax	Mil. VND	2,800	2,927	2,628	104.5%	111.4%
Total Asset	Mil. VND		16,738	14,617		114.5%
Total Equity	Mil. VND		12,457	11,231		110.9%
Charter Capital	Mil. VND		5,689	5,689		100.0%



QUANG NAM NATIONAL SEED JOINT STOCK COMPANY

Company information

Trading name: Quang Nam National Seed Joint Stock Company

Certificate of business registration codes Corporation 4000107543 issued by the Business Registration - Department of Planning and Investment dated 17/02/2006 in Quang Nam Province, change registration 2nd Day 06/9 / in 2013.

Address: Km 943 1A Highway, Dien Thang Bac Commune, Dien Ban District, Quang Nam Province.

Tel: 0510.3869455 / **Fax:** 0510.3869253

E-mail: giongquangnam@gmail.com

Chartered capital (31/12/2013): 5,000,000,000 VND.

NSC, the major shareholder of QSC, is now in the process of increasing ownership from 60.24% to 85.8%

Company History:

2002: Quang Nam Seed Agriculture and Forestry Company was established following Decision 479/2002/QD-UB dated on 21/02/2002 issued by the Quang Nam People's Committee, merging the Chien Dan Farm (established in 1979) with the Binh Trung Seed Agriculture Experimental Farm (under the Quang Nam Seed Agriculture and Forestry Experimental Center) and the Center National Seed Farm (under the NSC).

2005: Quang Nam Seed Agriculture and Forestry JSC was equitized following Decision No. 3595/QD-UB on 26/09/2005 by the People's Committee of Quang Nam Province.

2006: Restructured, renamed to Quang Nam National Seed Joint Stock Company.

Business area

Research and production of agricultural and forestry seed

Trade in agricultural and forestry seed

Trade in agricultural materials, wholesale and retail

Process agricultural products

Subsidiaries

Chien Dan Agriculture and Forestry Seed Enterprise,
Dan Tam Commune, Phu Ninh District, Quang Nam Province.

Binh Trung Agricultural Seed Enterprise,
Binh Trung Commune, Thang Binh District, Quang Nam Province.

TARGET	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/PLAN 2016 (%)	ACTUAL 2016/2015 (%)
Sales Volume	Ton	4,310	4,718	1,514	109%	312%
Revenue	Mil. VND	89,000	99,664	31,319	112%	318%
Net Profit	Mil. VND	22,000	23,283	9,145	106%	255%
Gross profit	Mil. VND	7,700	10,445	2,686	136%	389%
Profit after Tax	Mil. VND	6,160	8,245	2,078	134%	397%
Total Asset	Mil. VND		36,432	15,325		238%
Total Equity	Mil. VND		16,684	9,049		184%
Charter Capital	Mil. VND		5,000	5,000		100%



SOUTHERN SEED JOINT STOCK COMPANY

Company information

Trading name: Southern Seed Joint Stock Company (SSC)

Business registration No.: 0302634683, issued 1st time on 24/06/2002, reissued 8th time on 09/01/2017.

Address: 282 Le Van Sy, Ward 1, Tan Binh District, Ho Chi Minh City, Vietnam

Telephone: 08.38442414 - **Fax:** 08.38442387 - **Website:** <http://www.ssc.com.vn>

Charter capital (as of 31/12/2015): 149,923,670,000 VND.

Company establishment and development

1976	The company was established with head office located at 282 Le Van Sy, Ward 1, Tan Binh District, Ho Chi Minh City
1978	Consolidation to become Branch I
1981	Change to Seed Company I (directly under the National Seed Company)
1989	Establishment of National Seed Company 2
1993	Renamed as Southern Seed Company
2002	Equitized into Southern Seed Joint Stock Company with chartered capital of 60 billion VND
2005	Shares of SSC officially listed at Ho Chi Minh City Securities Trading Center
2007	Increase charter capital to 100 billion VND
2010	Issuance of additional 4,499,427 bonus shares to existing shareholders. The chartered capital was 149,923,670,000 VND
2012	The company is recognized as Enterprise of Science and Technology. Establishing Cambodia branch and Central branch
2013	Establishing representative office in Laos and Branch of Vegetable Seed Center - SSC
2014	Tra Vinh Processing Factory came into operation, establishing the Vegetable Seed Center
2015	Establishing Marketing Department, merging Vegetable Seed Center into Southern Seed Research Center.
2016	Establishing Tan Hiep and Tra Vinh Branch on the basis of Tra Vinh Processing Plant

Subsidiaries

Nam An Seed Joint Stock Company

Head office address: Dien Thinh, Dien Chau, Nghe An

Chartered capital: 6,000,000,000 VND - SSC owns 70% chartered capital,

Southern Mechanical Seed Joint Stock Company

Head office address: 282 Le Van Sy, Ward 1, Tan Binh district, Ho Chi Minh City

Business:

Production of agricultural and forestry machines.

Reparation, maintenance and installation of machinery and equipment.

Installation of machinery and industrial equipment.

Industrial construction, civil construction.

Chartered capital: 4,000,000,000 VND - SSC owns 83.74% of charter capital.

Financial situation in 2016:

TARGET	UNIT	PLAN 2016	ACTUAL 2016	ACTUAL 2015	ACTUAL/PLAN 2016 (%)	ACTUAL 2016/2015 (%)
Sales Volume	Ton	17,364	17,612	15,508	101.4%	88.1%
Revenue	Mil. VND	469,468	436,958	507,373	93.1%	116.1%
Net Profit	Mil. VND	151,757	127,633	148,097	84.1%	116.0%
Gross profit	Mil. VND	70,070	45,204	57,686	64.5%	127.6%
Profit after Tax	Mil. VND	65,523	36,158	45,142	55.2%	124.6%
Total Asset	Mil. VND	439,695	395,056	497,357	89.9%	125.9%
Total Equity	Mil. VND	387,304	346,702	357,174	89.5%	103.0%
Charter Capital	Mil. VND	149,924	149,924	149,924	100.0%	100.0%



HA NAM HI-TECH AGRICULTURAL DEVELOPMENT AND INVESTMENT JOINT STOCK COMPANY

Business information

Trading name: Ha Nam Hi-Tech Agriculture Development and Investment Joint Stock Company

Short name: Hightech Ha Nam

Certificate of Business Registration No.: 0700778275 by Department of Planning and Investment of Ha Nam province on 04/10/2016.

Address: Hamlet 2, Nhan Khang Commune, Ly Nhan District, Ha Nam Province.

Chartered capital (as at 31/12/2016): VND 50,000,000,000. (In words: Fifty billion)..

Main business sectors:

Producing, trading and transferring technologies of producing melon and high quality agricultural products and vegetables according to the model of agricultural production.

The company officially came into operation on 01/01/2017.



CHARTER CAPITAL HIGHTECH HA NAM (31/12/2016)
50 billion VND



HIGH-TECHNOLOGY IN RESEARCHING ACTIVITIES

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS' ACTIVITIES REPORT	106
BOARD OF SUPERVISORS' REPORT	114
RISK MANAGEMENT REPORT	118



BOARD OF DIRECTORS' ACTIVITIES REPORT

BOARD OF DIRECTORS FOR THE 2012 - 2016 TERM

Members of board of directors 2012 - 2016 term are as followed:

TT	MEMBERS OF BOARD OF DIRECTORS	POSITION
1	Ms. Tran Kim Lien	Chairwoman & CEO
2	Ms. Le Thi Le Hang	Vice Chairwoman
3	Mr. Do Ba Vong	Board Member & Deputy CEO
4	Mr. Nguyen Khac Hai	Board Member
5	Ms. Nguyen Thi Tra My	Board Member
6	Mr. Tran Dinh Long	Board Member

Mr. Michael Louis Rosen resigned from the board's activities due to personal reasons and left the position of Board Member since 01/01/2016 (On 30/12/2015, the company announced Mr. Michael Louis Rosen's resignation on the website of State Security Commission of Vietnam, Ho Chi Minh City Stock Exchange and the company)

Non-managing members:

NO.	MEMBERS OF BOARD OF DIRECTORS	POSITION
1	Ms. Le Thi Le Hang	Vice Chairwoman
2	Mr. Nguyen Khac Hai	Board Member
3	Ms. Nguyen Thi Tra My	Board Member
4	Mr. Tran Dinh Long	Board Member

BOARD OF MANAGEMENT

Members of Board of Management:

NO.	BAN CEO	POSITION
1	Ms. Tran Kim Lien	CEO
3	Mr. Do Ba Vong	Deputy CEO for Department of Science, Technology, Production and Quality
4	Mr. Pham Ngoc Ly	Deputy CEO for Internal administration and Investment
5	Mr. Nguyen Hai Tho	Deputy CEO for Marketing and Product development, CEO of Ba Vi Enterprise



BOARD OF DIRECTORS MEETING IN 2016

Number of meetings: 4 direct meetings

NO.	MEMBERS OF BOARD OF DIRECTORS	POSITION	APPOINTED DATE	NUMBER OF MEETINGS ATTENDED	RATE
1	Ms. Tran Kim Lien	Chairwoman & CEO	19/03/2012	4/4	100%
2	Ms. Le Thi Le Hang	Vice Chairwoman	19/03/2012	4/4	100%
3	Mr. Do Ba Vong	Board Member & Deputy CEO	19/03/2012	4/4	100%
4	Mr. Nguyen Khac Hai	Board Member	19/03/2012	4/4	100%
5	Mr. Tran Dinh Long	Board Member	19/03/2012	4/4	100%
6	Ms. Nguyen Thi Tra My	Board Member	21/03/2013	4/4	100%

All of Board of Directors meeting are attended by the members of the Board of Supervisors and Board of Management.

Number of times requesting for official documents: 5 times.

Resolutions issued

9 resolutions on strategic matters regarding production, distribution, investment, basic construction under BOD authority. BOD resolutions are publicly and transparently disclosed in accordance with all regulations on content and determined date under these formats:

- Hard copy of report to State Securities Commission, Ho Chi Minh City Stock Exchange.
- Published on information disclosing software platform of State Securities Commission and Hochiminh Stock Exchange.
- Published on company website.

RESOLUTIONS PUBLISHED IN 2016

No.	RESOLUTION NUMBER	DATE	MATTER
1	06/NQ-CTG-HDQT	12/01/2016	Approving Report on Production, Business, and Basic Construction investment in 2015 and Plan for 2016. Approval of restructure plan of Quang Nam Seed joint-stock Company, discuss on members in the BOD, BOS in the next term. Other matters.
2	12/NQ-CTG-HDQT	29/02/2016	Agreement on time, location and content of the Annual general meeting 2016. Agreement on earning distribution plan in the annual general meeting. Agreement on salary, compensation, bonus for BOD and BOS in 2015 and the expected Pay Plan 2016 to submit in the annual general meeting. Agreement on the selection of audit company in 2016 to submit in the annual general meeting. Agreement on the submission of Request of Chairwoman and CEO in the annual general meeting. Agreement on the investment plan, increasing ownership in Southern Seed Joint Stock Company.
3	15/NQ-CTG-HDQT	21/03/2016	Agreement on the dissolve of the Central Coast and Tay Nguyen branches to restructure the company in the model of NSC corporation, the time of dissolve is 01/4/2016.
4	16/BB-CTG-HDQT	22/03/2016	Approving the short-term bank credit limit of the company.
5	23/NQ-CTG-HDQT	20/06/2016	Approving the payment of the 2nd dividend pay in 2015 for present stockholders in cash (payment rate of 20%, equivalent to 2000 VND per share).
6	26/NQ-CTG-HDQT	19/07/2016	Approving Report on Production, Business, and Basic Construction investment in Q2, Plan for the first 6 months of 2016 and last 6 months of 2016. Approving the company management report for the first 6 months of 2016. Approving bonus for finishing plan and exceeding plan in 2016. Delegating the establishment of financial plan submitted in the annual general meeting to the investment committee.
7	39/NQ-CTG-HDQT	23/09/2016	Approving the establishment of Ha Nam High Tech Agricultural Development and Investment JOL. Approving the establishment of Tay Nguyen National Seed Joint-stock Company.
8	46/NQ-CTG-HDQT	07/10/2016	Approving Report on Production, Business, and Basic Construction investment in Q3 and 9 months of 2016, Plan for Q4/2016. Approving plan of establishing company branch in Mekong Delta, located in Dong Thap. Approving investment policy and authorizing CEO and The investment committee to organize plan to create profit for investors.
9	51/NQ-CTG-HDQT	21/12/2016	Approving advance payment of 1st dividends payment with cash in 2016.

COLLABORATION BETWEEN BOD, BOS AND BOM

In 2016, the Board of Supervisors have closely collaborated with BOD and Board of Managements. In details:

- BOD meeting, end of the year meeting are all participated by the Board of Supervisors. Through meeting with BOD, the Board of Supervisors has analyzed, review and timely proposed recommendations for the company.
- Board of Management has allocated human capacity, favorable conditions; provided sufficient, clear and timely report so that the Board of Supervisors can conduct its tasks.

Monitoring activities of BOD to Board of Management:

Board of Directors has conducted regular monitoring activities quarterly to ensure the operation of the company is in compliance with the Laws, Charters and internal operation regulations:

- Directed and supervised the implementation of resolution of the annual general meeting and BOD.
- Directed and supervised the investment of projects, business plan implementation and basic construction investment in 2016.
- Directed the implementation of financial report process in 2015, annual report 2016, financial report of Q1, middle of the year, Q3 and 2016. Regular or irregular business management report at the request of the Ho Chi Minh city Stock Exchange, ensure the clarity of information provided, respecting the stakeholders' interest. Resolution of BOD, the annual general meeting is publicized timely on the website of State Security Commission of Vietnam, the HCM City Stock Exchange and the company's website in accordance with regulation of State Security Commission and HCM City Stock Exchange.

BOD and Board of Supervisors have evaluated the performance of Board of Management in 2016 as follows:

- BOM has fulfilled all duties with proper function, jurisdiction under the Regulations on company's internal management and completed all Board of Management's resolutions, Shareholders' resolutions. BOM has directed the company to conduct missions, plans of the annual general meeting 2016. Operated in alignment with the development strategy of the company.
- The financial management process was performed well, balance capital for production and business are balanced and no bad debts. Financial reports for 2015, quarterly and semi-annually of 2016, 9 months financial reports for 2016 were established on schedule, completed and correct to the accounting standards.
- The company's discipline was maintained and constantly improved, the management and administration process was professionally and transparently conducted. Management regulations system was standardized and updated properly.
- Full compliance in providing information. Strict compliance of regular or irregular reports on production, business, investment and construction of the company. Reports are detailed, accurate and provided adequate information to the Board of Director and Board of Supervisors.
- The prestige and position the company has been increasingly enhanced.

Training on business management:

The company has 3 certifications on business management. In 2016, the company fully attended training on sticker policy, regulations on publicizing information of the State Security Commission and HCM City Stock Exchange.

Certifications on business management:

- Mr. Nguyen Khac Hai - Board Member
- Mr. Nguyen Quang Truong - Director of Planning and Investment.
- Mr. Pham Trung Dung - Board's Secretary

ACTIVITIES OF SUBCOMMITTEES IN 2016

Management, Human Resources and Legal Subcommittee:

- Participated and support organizing 2016 Annual General Meeting of Shareholders.
- Legal advice in the financial investment activities, information disclosure, risk management.
- Participated in building restructure plan of subsidiaries (Southern Seed Joint-stock Company, Quang Nam National Seed Joint-stock company).
- Advice on bonus and salary of the company.

Investment Subcommittee:

- Participated in building development strategy of the company in 2016-2020, with a view of 2025.
- Supervised and supported the process of implementing construction projects, investment projects.

Scientific and Technical Subcommittee:

- Support in investment advice to purchase equipment and development human resources for company's research.
- Search and introduce partners for researching and developing the company.

OVERVIEW OF THE BOARD OF DIRECTOR'S ACTIVITIES 2012 - 2016

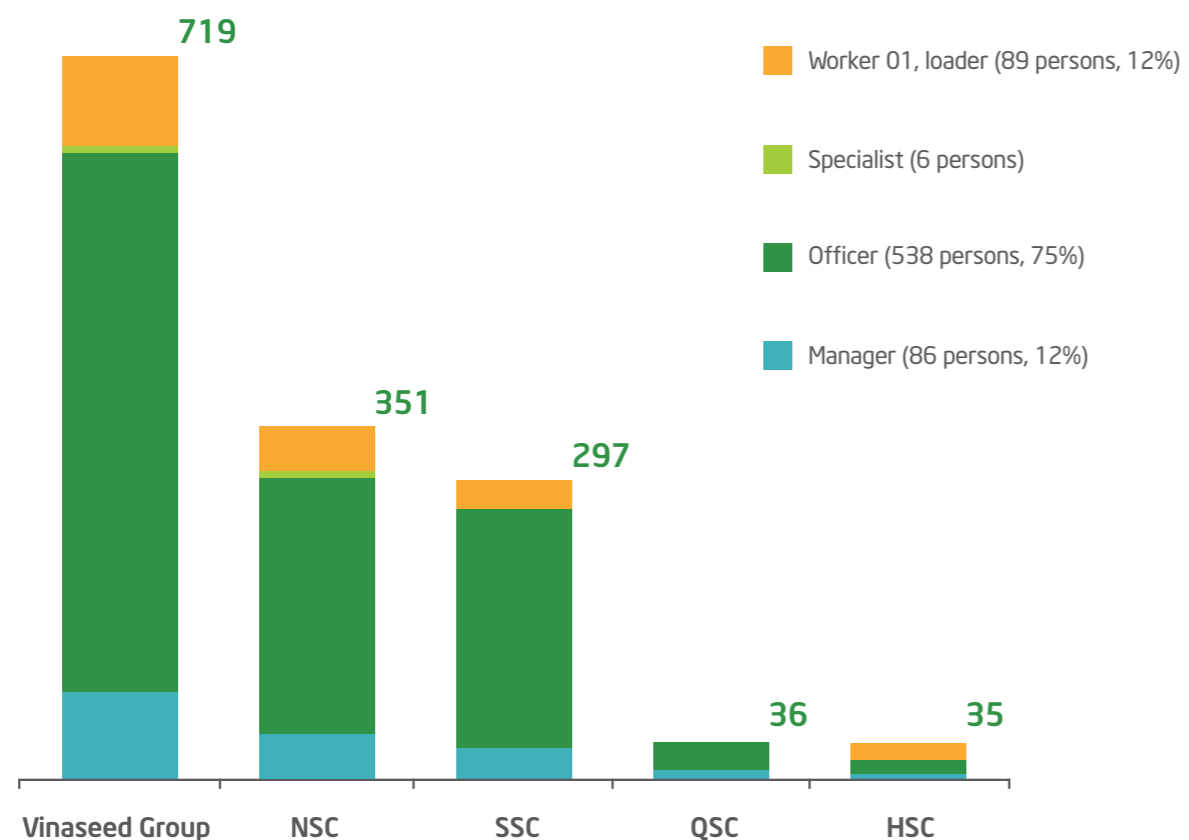
- The BOD has fully complied with laws:
 - BOD has successfully organized annual general meeting, irregular general meeting, requested for stockholders' opinion in accordance with Business Law and Regulations.
 - Strict implementation of Resolution of the annual general meeting. In 2012-2016 term, the BOD has organized 25 meetings, 19 requests by document and issued 44 Resolutions to implement the Resolutions of the annual general meeting, serving its role as the management body of the company, well conducted its strategic function, direction and supervision of the activities BOM in the implementation of Resolution of the annual general meeting.
- BOD has built internal control regulations, clearly defining missions and collaboration mechanism between BOD and BOS, fully implemented regulation on management report, clearly delegated responsibility to every member on the basis of establishing Investment Subcommittee, Scientific and Technical Subcommittee and Management, Human Resources and Legal Subcommittee. The collaboration between BOD and BOS is highly effective. The members of BOS are highly responsible and specialized in finance, accounting, audit, thus timely advised and proposed opinion to BOD, the management system and actively solved derived problem regarding interest of investors and responsibility of managing employees.
- The members of BOD are honest, diligent and focused on the company's interest only.
- BOD has built and decided on long-term, mid-term and annual development strategy of the company, investment projects and market development solutions: In 5 year from 2012-2016, though the economy of Vietnam has had many difficulties, growth of Agricultural GDP (2012-2016) is low with the average of 2,14% per year, equivalent to 40% of the average economic growth, the price of agricultural products constantly decreases while cost of materials rises, heavy competition from foreign businesses with high financial, scientific and technological capacity comes into Vietnam, the company has strived to accomplish the objective of the annual general meeting, successfully implemented the development strategy, maintained a high, sustainable growth; expanded the company's scale of operation and facilities, increased value, ensuring interest for investors and gaining the trust of investors.

DATA ON COMPENSATION FOR BOD, BOS TO 31/12/2016:

DESCRIPTION	PLANNED	AUDITED	PAID	BALANCE
BOD Compensation	1,200,000,000	1,200,000,000	918,000,000	282,000,000
Tran Kim Lien - Chairwoman		200,000,000	153,000,000	47,000,000
Le Thi Le Hang - Vice Chairwoman		200,000,000	153,000,000	47,000,000
Nguyen Khac Hai - Board Member		200,000,000	153,000,000	47,000,000
Nguyen Thi Tra My - Board Member		200,000,000	153,000,000	47,000,000
Tran Dinh Long - Board Member		200,000,000	153,000,000	47,000,000
Do Ba Vong - Board Member		200,000,000	153,000,000	47,000,000
BOS Compensation	250,000,000	250,000,000	189,000,000	61,000,000
Nguyen Khanh Quynh - Manager of BOS		83,333,333	63,000,000	20,333,333
Do Tien Sy - Member of BOS		83,333,333	63,000,000	20,333,333
Nguyen Tuan Anh - Member of BOS		83,333,333	63,000,000	20,333,333

NUMBER OF EMPLOYEES AND LABOR POLICY:

DESCRIPTION	VINASEED GROUP	NSC	SSC	QSC	HSC
Total workers	719	351	297	36	35
Managers (86 persons, 12%)	86	44	30	8	4
% Manager	12%	13%	10%	22%	11%
Employees (538 persons, 75%)	538	256	239	28	15
Specialists (6 persons)	6	6			
Workers (89 persons, 12%)	89	45	28		16



Workers with Bachelor degree or above are accounted for 70% of total workers

Labor welfare:

- Full implementation of the salary and bonus regulations with equality, based on work performance. The average income of employees is 12,500,000 VND per month.
- Creating a comfortable and safe work environment for employees and staffs.
- Creating training and development opportunity for every member of the company.
- Encouragement of creativity
- Respect for personal differences and commitment to not use these aspects in assessing work performance. Forbidding remarks of these matters in work place.

Other welfare:

- Life insurance (paid by the company)
- Healthcare insurance (paid by the company)
- Annual capacity building program.
- Domestic and international training.
- Safety equipment issued annually based on positions, job requirements.
- Holiday bonus: New year Eve, 10/3, 1/5, 30/4. Independence day, Birthday, 8/3, 20/10.
- Shift meal.
- Sickness welfare
- Other welfare.
- Support for employees and staffs facing difficulties in life.

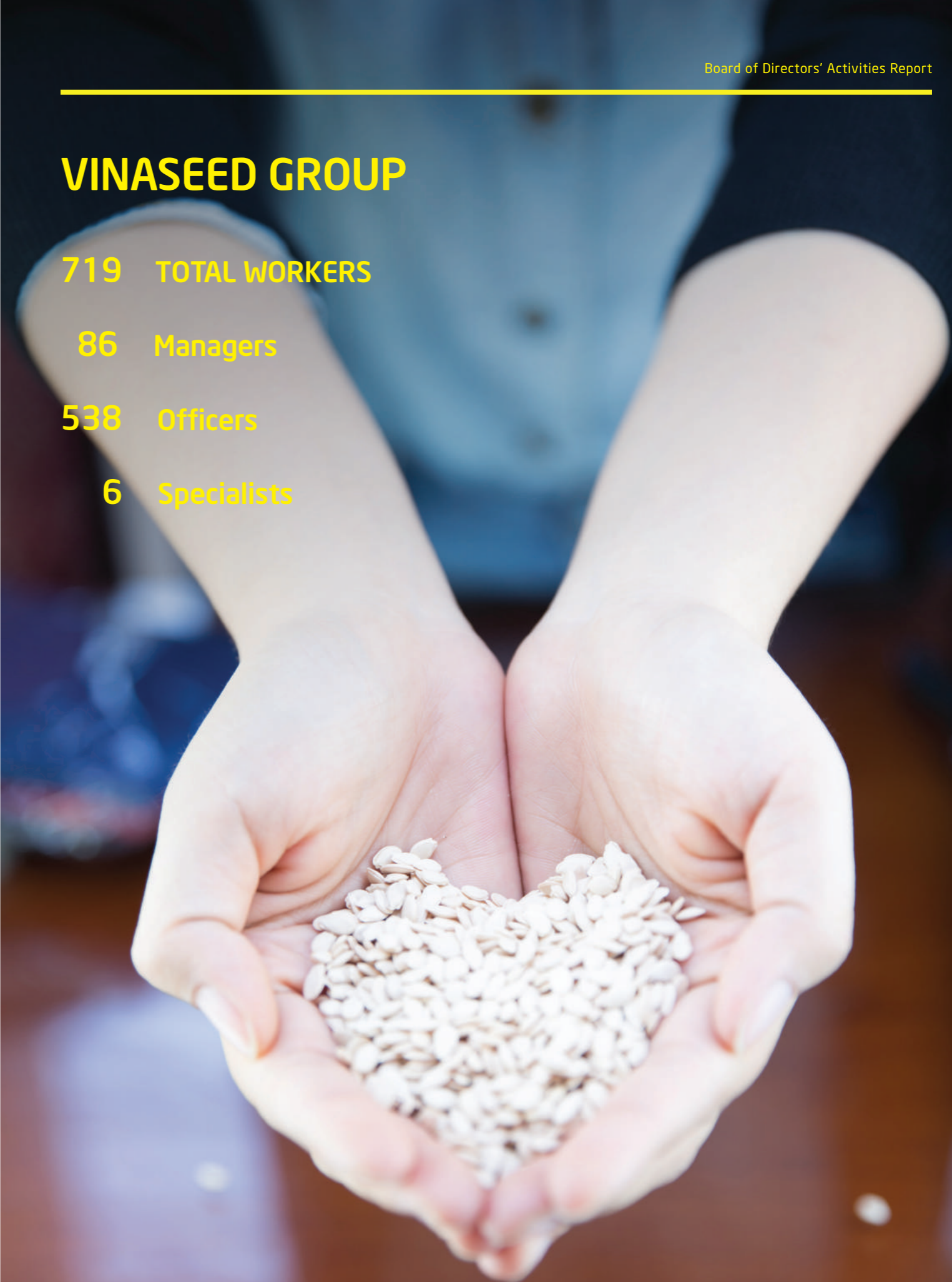
VINASEED GROUP

719 TOTAL WORKERS

86 Managers

538 Officers

6 Specialists



BOARD OF SUPERVISORS' REPORT FOR 2016 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Based on:

- Enterprise Law of the Socialist Republic of Vietnam
- Charter of Vietnam National Seed Joint Stock Company concerning jurisdiction and responsibilities of the Board of Supervisors.
- Resolution of 2016 Annual General Meeting of Shareholders

The Board of Supervisors would like to present to Shareholders' Meeting the inspection and supervision process of the activities, the implementation process of company's regulation in 2015 as follows:

BOARD OF SUPERVISORS' ACTIVITIES

Conducting the missions of Board of Supervisors as regulated in the company's charter, in 2016 the Board of Supervisors has organized meetings and inspection of the company's business activities, supervised the implementation of regulations in managing business activities of the company. The activities of the Board of Supervisors are as below"

- Supervised, inspected the implementation of Resolutions of the annual general meeting, the BOD's resolutions and the accuracy of the implementation process.
- Supervised the publication of information in accordance with laws.
- Inspected the regular report created by the Board of Management, review quarterly, midyear and yearly financial reports to assess the honesty and reasonableness of financial date. Moreover, cooperated with the independent auditor to review effect of material misstatement to the Financial statements.
- Review financial statements of subsidiaries, affiliates and long-term funded companies to propose solutions to increase efficiency of investment.
- Review the company's compliance of laws, including tax obligation, public insurance and other financial obligations.
- In 2016, Board of Supervisors has not received any request for irregular inspection of the company's activities.

BUSSINESS PLAN EXECUTION

Evaluation of the business plan execution, revenue, profir and EPS in 2016 are as below:

2016 Business Result - Holding Company:

NO.	DESCRIPTION	UNIT	PLAN	ACTUAL	ACTUAL 2015	ACTUAL/ PLAN	ACTUAL 2016/1025
1	Revenue	Mil. VND	805,000	821,997	772,940	102.1%	106.3%
2	profit after tax	Mil. VND	175,000	187,186	156,503	107%	119.6%

2016 Business Result - Consolidated:

DESCRIPTION	UNIT	PLAN	ACTUAL	ACTUAL 2015	ACTUAL/ PLAN	ACTUAL 2016/2015
Revenue	Mil. VND	1,277,000	1,330,783	1,248,623	104.2%	106.6%
Profit after tax	Mil. VND	200,000	192,460	157,108	96.2%	122.5%
Dividend pay	Mil. VND	175,000	175,205	141,629	100.1%	123.7%
EPS	VND/ Share	11,446	11,462	8,124	100.1%	141.1%

- Holding Company (NSC) has exceedingly completed of the targets in Shareholder Plan 2016, revenues increased nearly 2% over the targets. Profit growth is 6,3% compared to 2015, exceeded 7% of the profit target. Business growth of 19,6% compared to 2015.
- The consolidated business result is completed 100,1% over the profit target, increasing by 23,7% compared to 2015. Consolidated revenue exceeded 4,2% compared to target and increase 6,6% compared to the previous year. Profit after tax is only completed 96,2% compared to the target, though increase 22,5% compared to the previous year, mostly because the business performance of SSC subsidiary has not met the targeted plan.

FINANCIAL REPORT AND ACCOUNTING SYSTEM

The Financial Report is prepared according to accounting standards, Vietnam's corporate accounting regime and related legal provisions:

- Midyear and yearly financial statements of 2016 are audited by the independent auditor of Ernst & Young Vietnam Limited.
- The 2016 financial statements fully represent the financial position of the company on December 31, 2016, business activities results and cash flow ended in accordance with Vietnamese Accounting Standards, accounting regime for regulations relating to financial reporting. Accounting data publicized is without sudden change when comparing the quarterly unaudited data and audited data by Ernst & Young Vietnam

The company fully complies with the regulations on information disclosure, auditing and implementing the revision of Financial Report according to the provisions of the securities laws and listed companies.

The accounting program of the Company are still lacking in some functions regarding managment accounting, such as monitoring inventories for each shipment, time of receipt, duration in stock and the state of quality. Moreover the monitoring and specific calculation of discounts to customers are not supported by the program to reduce mistake and time.

THE IMPLEMENTATION OF RESOLUTIONS OF ANNUAL GENERAL MEETING AND BOD

Basically completed plans for the 2016 production targets set by the Annual General Meeting of Shareholders and the Board of Management, except for indicators on consolidated profit after tax including interest of minority shareholders in the holding company.

Management, information publication and information exchange between BOD, BOM and BOS are fully conducted according to company's Charter and regulations of State Security Commission for listed company.

COLLABORATION BETWEEN AUDIT COMMITTEE AND BOARD OF DIRECTOR AND BOARD OF MAN- AGEMENT

In 2016, the Board of Supervisors has received collaboration from Board of Director and Board of Management and departments in the company, adequately provided with information on reviewed matters.

Documents of meetings and resolution of BOD are provided adequately and timely to the Board of Supervisors in accordance with regulations.

Board of Supervisorss has advised on the business management activities of the Board of Director and Board of Management, jointly solved derived issues.

THE IMPLEMENTATION OF COMPANY'S REGULATION IN ALL UNITS

The company's units, branches and offices have strict implemented and complied with the issued regulations and procedures of the company on production, processing, sales, transportation and other activities. However, there are some returned shipments of goods at the end of the sale season not accounted in the inventories, which may cause difficulties in monitoring the actual inventories.

Due to the current seed market's business practice, many big agencies still pay in cash and the company still has to recover receivables in cash, leading to the backlog of cash in treasury exceeding company's regulations in some branches and units..

Indicators on diminishment in drying, processing and preservation in most units and branches all exceed the limit issued by the company in May 2016. According to opinions from many units, the regulated limit does not correspond with actual situation

CONCLUSIONS AND RECOMMENDATIONS

In 2016, the Board of Management and BOD have completed targets and primary goal set by the Annual Shareholders' Meeting maintained good growth in the main manufacturing business of the company. Board of Management and BOD have operated with proper function, fulfilled all assigned tasks under the provisions of corporate law, company regulations and resolutions proposed by Shareholders' Meeting.

Board of Supervisors proposed to leaders of the company for the addition of management function in the accounting program system to monitor inventories, update the time of goods' return and support accountants in calculating discount to customers based on the company' regulations. Moreover, the company need to find solutions to minimize transactions in cash (with customers) to minimize derivable risks.

Sincerell

On behalf of Board of Supervisors

Nguyen Khanh Quynh



NSC

2% ↑ Planned revenue increased 6.3% compare to 2015

7% ↑ Planned profit increased 19.6% compare to 2015

RISK MANAGEMENT REPORT

Confronted with market fluctuations, Vinaseed focuses on preventing potential risk in business. Vinaseed systematically complies with laws and regulation to ensure compliance, honesty and capability of employees, improve workflow and enhance the operational efficiency of the company. Vinaseed also has identified and seeks resolution for all risks that may arise.



CREDIT RISK

This type of risk usually refers to the act of default or failure to make timely payment by a client of Vinaseed.

To prevent the risk, Vinaseed keeps a list of its customers, grouping them into risk categories. For customer in the 'poor reliability' category, we require Act of Security payment, which requires either full payment upon delivery or collateral (e.g. certificate of land use rights or other valuable papers, etc.). Additionally, credit risks may affect investing deposits. Vinaseed actively prevents this by making their deposits at a bank with good credit rating such as Vietinbank, Agribank and MB.

LIQUIDITY RISK

This kind of risk refers to the inability of the company to convert assets to money or lack of assets to perform its payment obligations to customers.

This is kind of risk is considered to be low for Vinaseed because the company carries out efficient capital management and has not had a liquidity problem since 2004

OPERATIONAL RISK

Operational risk causing damage due to inaccurate function of processes or systems of a company and/or objective external events.

As a nation-wide group of 14 enterprises, branches and associated companies, operational risk are always present in every activity and transaction of Vinaseed. Primary operational risk includes Legislation compliance risk, Human Resource Management risk, Systems and Information Security risk.

- Legislation compliance risk refers to the failure in complying with legislative acts, laws or contractual agreements, or risk related to dispute.
- Human resource management risk refers to company personnel skill mismatch or a lack of key personnel in the Workforce, or unsuitable workforce's skill.
- Functional risk refers to workflow errors, abuse of power, internal fraud, external theft, or inefficient management by a third party
- System and information security risk refers to information leakage or loss by a company, misinformation or loss of system information and unsuitable system.

Supervisory commission consists of the deputy director and four regular members who carry out unscheduled inspections of performance of the whole company and its branches. In order to minimize operational risk, Vinaseed have been continuously building and updating task descriptions and processes for every working position in the company.

LEGAL RISK

Business activities of the National Seed Corporation are governed primarily the Enterprise Law, Securities Law, tax laws and other regulations and legal decrees of Vietnam.

Currently, the Vietnamese legal framework and legislation are in the process of being built and changed, and this has not kept pace with economic growth. Therefore, any legal change, interpretation or instruction could have unexpected consequences and have an adverse effect on the business activities of the company.

Although Vinaseed has not encountered undue difficulties in this area, legal risk prevention has always been our top priority. In 2013, we established a legal department which is to obtain to review and update legal documents to be active in all operations.

DISTINCTIVE RISK

Market risk

Market risk occurs at the loss of available markets or the inability to penetrate into target markets due to external conditions or uncompetitive products and policies.

In fact, although seed and plant quality is an important part of national agriculture, the field of plant breeding has existed for only 20 years in Vietnam as farmers begin to purchase seed of high capacity, quality and resistance instead of merely keeping the seeds from previous seasons and avoid the expenditure on new seed.

To prevent risk in investment, Vinaseed frequently conducts surveys to assess and analyze market demand, focusing on research and technology transfer on short-term breeds with high yield and better resistance, such as RVT and HN88, that have been positively received and appreciated. In addition, Vinaseed suggests discount methods and offers free technical training to farmers in order to help improve their planting efficiency.

Weather risk

Weather is an important risk factor that affects our manufacturing operations as well as farmers' cultivation, thereby impacting the company's seed quality and consumption.

Our production is concentrated in Tay Nguyen and Central Vietnam, places with increasingly harsh weather. The frequent storms and drought in these areas have had an adverse impact on Vinaseed product quality and capacity.

To cope with this risk, we have expanded production to other areas in order to ensure good supply. Simultaneously, Vinaseed has also built warehouses to protect products in times of natural disasters. Vinaseed also conducted research to develop products that can withstand drought, cold weather and insects in different ecological zones.

Farmland area risk

Farmland is an important resource for national socioeconomic development, especially in ensuring food security and sustainable livelihoods. However, the farmland area of Vietnam is highly fragmented and scattered due to the peculiar conditions of terrain, population density, land distribution and cultural and historical factors. On average, each household owns 5-7 different

plots; and the distance between the farmers' home and his fields is 4.7 kilometers

(according to a report on household resources done by the Institute of Policy and Strategy for agriculture and rural development in 2010).

In addition, the process of urbanization and industrialization is diminishing the farmland area of Vietnam. At a Workshop on land use planning and long-term strategy building for land resources management for Vietnam held on 10/1/2013, according to the VUPDA, at the current rate of urbanization, the farmland area will be increasingly narrowed. B 2015, Vietnam would have 870 urban areas, with this rising to 1000 by 2025, which will remove 335,000 and 400,000 ha from farm production, respectively. In addition, if there is a sea level rises 75cm by 2100, 18.8% of the Mekong Delta or 758,000 ha of farmland will be under sea water.

The above-mentioned factors have a direct impact on the development of agriculture in general and plant breeding in particular.

To cope with these risks, we cooperate with local authorities to restructure plant breeding as well as the plant breeding land area in order to increase income for farmers. In addition, we cooperate with food companies to build a rice value chain, helping farmers find outlets for their products.

Investment risk

To minimize investment risk, Vinaseed have established an Investment commission of the Board of directors in charge of evaluating the effectiveness of the company's investment activities. The company also holds frequent training courses for its staff members to raise the quality of its human resources, ensuring the ability of the Company to meet its expansion needs.

Other risks

In addition to those things mentioned above, there are a number of other risks of force majeure such as natural disasters, war and large-scale epidemics. Although these are rare, when they do occur, they will have serious consequences, directly impacting the business operations and development of the Company.





THOROUGHLY TRAINING AND TRANSFERING TECHNOLOGY TO FARMERS

SUSTAINABLE DEVELOPMENT REPORT

CHAIRWOMAN AND CEO'S MESSAGE ON SUSTAINABLE DEVELOPMENT	122
OVERVIEW ON SUSTAINABLE DEVELOPMENT	124
SUSTAINABLE DEVELOPMENT STRATEGIES AND METHODS	127
SUSTAINABLE DEVELOPMENT REPORT	130



CHAIRWOMAN AND CEO'S MESSAGE ON SUSTAINABLE DEVELOPMENT



Instill in every activity of the corporate, each product with natural origin branded and human hearted Vinaseed, sustainable development strategy realized by the practical action is spreading good thing. Beautiful and long-lasting, typical of which is the focus towards the value of life in society through the visually healthy products and the power of knowledge for future generations to write..

Being one of the most vulnerable region to global climate change, Vietnam has been dealing with multiple impact of climate change, including droughts, floods and storms that keeps getting harder and harder to predict, rise in sea level, unprecedented rainfall level and saltwater intrusion.

Despite of Vietnam recent economic development and fighting poverty for two decades, however, these foundational achievements is threatened by the impact of climate change and could be reverse if the worst scenario happened.

According to scientist statistics, if climate change continues at this rate, by the end of the 21st century, Vietnam will lose 12.2% of its land - home of 23% population, losing one of the world largest plantation of rice because of floods and sea water intrusion, causing food insecurity on a global scale.

With our vision set on improving Vietnamese farmers' life in modern day economic environment, we acknowledged the crucial importance of Science and intellectual competence to improving competitive advantage of Vietnamese Agricultural products as well as countering the challenge from changing environment. As a result, our scientists work day-and-night in laboratories and research facilities, in search for solutions to counter negative effect of change in climate, including diminishing plantation area, decreasing productivity, poor crops because of unfavorable weather.

Our Sustainable Development Report is made according to the generally agreed terms of reference by Global Reporting Initiative (GRI) and The Sustainability Development Reporting Manual by IFC to fully state every aspect of our sustainable development business model could likely influence the wellbeing of, namely, the Economy - Society - the Environment and other stakeholders'.

Sustainability is among top priorities in Vinaseed's mindset throughout the Board Members to our employees and executive, in every facilities and subsidiaries.

OVERVIEW ON SUSTAINABLE DEVELOPMENT

Like a refreshing wind carrying the seed of life to a new horizon, spreading the scent of flowers that ease our minds, Vinaseed's sustainable development strategy is considered a lifeline capable of circulating this endless vigor. Engraved in every activities of the business, every natural product bearing the brand and passion of Vinaseed, the sustainable development strategy is realized by practical actions with the circulation of goodness and sustainability, notably the focus on the society's life value through healthy products and the power of knowledge of the next generation.



IMPORTANT STRATEGIES AND METHODS OF ENSURING SUSTAINABLE DEVELOPMENT

Sustainable Development is integrated in the set of standards, procedures and managerial conducts, here at Vinaseed

Standards: Every branches, departments and projects under the supervisory of Vinaseed must follow strict General Operational Protocol, Code of Conduct and Health Standards, Safe, Secure and Environment-Friendly.

Procedure: Vinaseed always examined closely every aspect of the ecosystem as well as social factors that can be influenced by our business operation before making any investment decision as well as planning for new projects. Sustainability development is a determinant factor once considering internal rewards for staffs.

Managerial: To ensure the efficiency of our sustainable development initiative, besides managerial responsibility and the Board directing activities, every individual in Vinaseed community is a helping hand to ensure the delivery of such initiatives:

- **The Board of Directors:** Issuing sustainable development strategy to be implemented company-wide.
- **Executive Committee:** Solving the issue of sustainable development in activities of the business by building specific goals for each departments, branches, partner enterprises.
- **Branches, member enterprises:** Implementing the sustainable development strategy in its own activities. Member enterprise: establish objectives, implement, monitor result of units and report to the main company.
- **Departments:** Implementing activities toward sustainable development according to yearly plan and quota.

Vinaseed has established the Sustainable Development and Risk Mitigation Committee and in 2016, issued the Company's Policies on sustainable development.

INITIATIVES FOR IMPROVEMENTS OF SUSTAINABLE BUSINESS PRACTICE

In recent years, Vinaseed has successfully maintained a record-high and consistent growth rate around 25 to 30 percent per annum; dividend paid around 30 per cent in cash, actively reporting information in a transparent manner to protect shareholders' rights and interest.

With a healthy and constant growth over recent years combined with investment strategy aiming to further expand the business,

Vinaseed has been receiving multiple recognitions from Vietnamese Governments and business community for its outstanding achievements in business operation, including the award for :

- Labour Order, Second-class awarded by the President.
- TOP 200 Best Asia companies with revenue under 1 billion USD.
- TOP 50 Vietnam Best Growth Companies 2010 - 2015. TOP 50 Vietnam Best business performance companies 2012 2016. TOP 500 Vietnam fastest growing firms in 2012, 2013, 2014 2016 (FAST 500).
- TOP 500 Biggest businesses in Vietnam (VNR500 - 2016).
- Vietland Golden Star Award - TOP 100 Vietnam typical enterprises (2013, 2015)
- Third place in Vietnam's Brand Golden Cup 2016.
- One of the three most exemplary companies in 350 companies after equitization according to the Ministry of Finance.
- One of the 10 notable national scientific-technological event in 2016 with the technology map of rice industry in Vietnam.

Not only recording profitable and constant growth in business, Vinaseed is proud of its contribution to the development of Vietnamese Society via maintaining National food security, as well as improving the life of Vietnamese Agricultural workers. Specifically:

- Developing sustainable material zone: In 2015, we have successfully locate viable area for mass production in Mekong Delta, ensuring seed supply and rice production for export business.
- Providing 1 million hectares of high quality seed that is tailored to better resist harmful pests and changing weather, improving crop performance that reduce uncertainty for growers, thus improving their income.
- Developing human capital, focusing on improving research capacity, establishing high technology research and production facilities in rural area, in order to gradually change the mindset of Agricultural workers toward a modernized Agriculture.
- Consolidating stakeholders' relationship toward maximizing the value of Vinaseed through effective business practice, with shareholders' interest integrated in all of our strategy. Furthermore, we strive for maximizing profitability and maintaining regular dividend paid throughout the recent period to the next, actively reporting information in a transparent and righteous manner, on each of various communication channels that is relevant.

SUSTAINABLE DEVELOPMENT STRATEGIES AND METHODS

OVERVIEW ON THE COMPANY'S POSITION IN THE FIELD OF SUSTAINABLE DEVELOPMENT:

Vinaseed is a largest company in the cultivar industry of Vietnam, playing an important role in the sustainable development of Vietnam's agriculture with the foundation of human resources and technology, pioneering the field of high-tech agriculture.

Vinaseed is the first science and technology enterprise in the cultivar industry of Vietnam, pioneering in researching, implementing and transferring science and technology, providing new technological solutions, products in alignment with consumers' demand.

Transparent management level in accordance with international standard, with a vast partnership network nationally and internationally.

Invested in the agriculture industry and the people, with highly specialized human resources, and effort in transferring technical and knowledge advancement to the farmers, for the development of agriculture and rural areas of Vietnam.

Development strategy

Vision

Vinaseed aims to become the leading company in the field of providing sustainable agriculture development solutions in Vietnam, raising Vietnamese farmers' standard of living and quality of life.

Sustainable development orientation

Accomplishing 3 objectives: sustainably maintain economic development, develop society and preserve the environment.

To accomplish sustainable development orientation and objectives, Vinaseed aims to:

- On business management: This is a core factor for the business to sustainably develop in the long term, establishing and consolidating the trust of customers, investors and stockholders: Exercise business management in accordance with international standard: Publicity and transparency in business's operation. Ensure stockholders' right, equal treatment of investors and hold responsible for accounting and maintaining operational structure effectively.



Constantly improve and innovate to adapt to changing demand.

- On economics: Maintain a stable growth rate, an average profit growth after tax of 20% a year. Comply fully and timely with the government's business laws and regulations. Effectively manage administrative expenses.
- On social aspects: Develop high valued and high quality products. Implement a green and safe production process, contributing to raising the community's quality of life. Constantly elevate employees' standard of living and morale, thereby establishing a professional and efficient work environment. Train and develop highly ambitious, passionate and disciplined staff team. Establish the Vinaseed charity fund to exercise social responsibility.
- On the environment: Focus on researching and developing products with pest resistance and adaptability to global climate change. Implement organic production process and Integrated Pest Management. Save electricity, water and utilize clean energy source and environmental-friendly materials to reduce greenhouse effect. Build a clean work environment and preserve the surrounding environment.

PRINCIPLES BEHIND SUSTAINABLE DEVELOPMENT AND THE PARTICIPATION OF STAKEHOLDERS

Vinaseed - Vietnam National Seed Joint Stock Company is a scientific and technological corporate engaged in research, breeding, production and business of crop seed, and service transfer for agro-forestry techniques. From a unit under The Ministry of Agriculture and Rural Development established in 1968, through many development phases, we have gradually grown and realized our ambition of developing company and the agriculture industry of Vietnam.

In our business, Vinaseed always integrate our responsibility with the stakeholders. Vinaseed publishes its principles and community commitment to demonstrate our commitment to:

Customers:

With the Customer-centered point of view, Vinaseed always promotes research activities to develop the optimal products, meeting the maximum demands of Customers.

Shareholders:

Vinaseed commitment is to fully implement rights of the Investors according to the current regulations of law as well as to comply with the relevant rules and regulations. We are aware of the requirement to provide information to shareholders and investors fully, transparently, promptly and continuously, and implement many solutions to meet communications to shareholders.

Business partners:

Vinaseed always respects all business Partners and expects to preserve this sustainable relationship as well based on the harmony of stakeholders' benefits.

Employees:

Vinaseed highly appreciates the human factor and regards it as the leading factor in the company success. Hence, the company policy is building an active professional working environment to facilitate the development of all employees, and ensuring competitive equitable treatment regulations for all employees in the company:

- The company commit to provide convenient and safe work environment for all employees in the company.
- Fully provide salary, bonus, state insurance, medical insurance and other welfare for the employees.
- The company creates opportunity to training, promotion equally to all employees and staffs. The company ensure a work environment free of sexism, discrimination of religion, family status, age and looks and do not utilize such discrimination in assessing work effectiveness nor allow employees to remark on such matters in our work space.

Government:

Vinaseed commits to comply with the law for transparent, public and effective business and to fully implement duty to the State budget.

Community:

Vinaseed voluntarily exercises social contributions with passion and responsibility for the community development. This is realized through:

- Every year the company commits to support the company with social welfare and heavily invest our time and resources in this matter. This is a meaningful social activity, demonstrating our responsibility to the community.
- Not only through materialistic contribution, but also with training activities, free technology transfers for the people: The company commits to provide free job training for our material production zone, and establish seed production rural village, creating stable employment and income for the farmers.
- The company do not use products and services from providers exploiting child labor.

Environment:

Vinaseed is clearly aware that environmental protection is to ensure the sustainable development of the corporate. This responsibility is demonstrated through:

- Creating a clean and green work environment.

- Preserve the surrounding environment and urban area.
- Taking direction to develop green products, products with pest resistance, capable of growing in unfavorable land and weather. The sustainable organic production process utilizes small amount chemical fertilizers, pesticide combined with collective, centralized, water-economy cultivation process will minimize environmental impacts in production and create clean and safe products for the consumers.
- Energy preservation:
 - Maximize natural light and ventilation in designing workspaces, workshops.
 - Changing packaging (primarily using reusable packaging), utilizing clean energy source, preserve energy in seed drying and production process.
 - Utilize organic production process, collective cultivation process, Integrated Pest Management with minimal chemical fertilizer, pesticide, irrigation economy to reduce environmental impacts and create clean and safe products for the consumers. Our staffs and employees excuse water and electricity saving in the work environment: Before leaving the workspace in lunch time and checkout, employees are required to turn off electrical devices in the room (computers, lights, air conditioners are required to be turn off 15 minutes before checkout time...).

SUSTAINABLE DEVELOPMENT REPORT

MANAGEMENT

Business management:

Vietnam National Seed Joint Stock Company establish general moral codes and codes of conduct to be implemented in the business and by providers, contractor in professional relationship with the Company, in alignment with the Vinaseed's commitment and missions.

Business ethics in trade relation with providers:

- Honest trade relations:

Vinaseed ensure equal treatment of all potential providers. The decision of provider is conducted through objective criteria such as price, quality, provision punctuality, credit, experience of the providers, as well as the capacity to adapt to changes, risks that can arise in the implementation of the contract.

Vinaseed forbid all employees to receive commissions, bribery of all forms from the providers. Providers receiving any request or pretence from Vinaseed employees can report to the Board of Director for timely intervention.

Providers must provide full, accurate, timely information on the quality, progress of the required products and services. The company forbids any dishonest information leading to incorrectness in the decision of Vinaseed's providers.

- Vinaseed demands providers to protect human rights and respect workers. These includes:
- Providers are not allowed to use forced labour, or child labour by any means in their business, except for cases tolerated by Vietnam's laws.
- Providers will respect the difference between employees and uphold equal treatment of their employees, at the same time not assessing employees' performance based on their ethnic, religion, sex, age, appearance and family status.

Convenient and safe work environment:

- Vinaseed commits to abide Vietnam regulations and laws on environment and work environment for its employees.
- Vinaseed undertake measures to prevent health hazard in short and long term. Vinaseed's standards on worker health and safety are as followed:
- Regarding tasks heavily exposed to adverse work environment, fire, explosion or accident: Workers must be adequately

equipped with safety gears, trained in labour safety and explosion procedure.

- Mandatory monitor department will closely regulate any chemical hazard risk that must be controlled, regularly perform maintenance, replacement of equipment to ensure maximum safety for workers.
- Provide insurance, regular medical check-up to timely detect disease, perform regular transfer for workers frequently exposed to adverse work environment.
- Establish measures to resolve emergency, prioritising minimum human and environmental damage.

Employees' salary and welfare:

Vinaseed fully exercises our responsibility for our workers' salary, bonus and welfare above the Vietnam minimum wage law. Under no circumstances will Vinaseed withhold workers' salary.

Compliance with laws:

Fully respect and abide Vietnam laws and regulations, do not participate in political, social and other activities forbidden by Vietnam laws.

Ensurance of product's and service's quality

- Fully exercise agreements with customers on product's quality, provision progress and other relevant matters and will hold complete responsibility for the provided products and services.
- Constantly seek solutions and innovation to increase product's and service's quality.

Environment preservation:

- Closely comply with Vietnam environment laws.
- Management and treatment of harmful chemicals in storage and use before discharging into environment.
- Preserve energy in production process, prioritize the use of clean energy, reusable materials to minimize toxic waste discharged into the environment.
- Absolutely do not utilize forestry products violating laws and regulations on forest preservation.



Data on environment: data from 01/01/2016 to 12/31/2016, or data on 31/12/2016

NO. CONTENT DETAIL RESULT DATA (2016) ADDITIONAL DESCRIPTION

1. Maximum utilization and recycling of energy sources: utilize by-products in the production process to provide fuel for dryer replacing coal and other fume-producing energy sources (the dryer system utilize recycled fuel from corn cob and rice husk which are by-products of the seed production process)
2. In the design of factories, work offices and equipment installation, the company pays special attention to natural lighting and ventilation and chooses modern technology to save energy and material (focusing on natural lighting and ventilation, energy-saving equipment: LED, highly efficient modern machinery, regularly performed maintenance and replacement to maintain smooth operation of the machinery system), Focus on trees, landscape and the work environment,
3. Regular innovation of machinery and equipment to increase efficiency and reduce waste in the production process, preservation and transportation,
4. Research and produce new products capable of adapting to global climate change, unfavorable conditions using modern agricultural technology like greenhouse, economical irrigation system, SRI method of cultivation to save energy, soil, water and reduce the use of pesticide,
5. Operation of highly energy-demanding machinery and equipment outside rush hour,
6. Modification of packaging, shifting to the use of recyclable, easily disposable, reusable and harmless materials,

Description of saving, recycling, material utilizing program performed in by the company

Packaging
 Accessory production materials : Nylon, paper, carton, metal, plastic, cloth
 Tools, components, other devices

Management of packaging use of units, encouragement to save

Amount of energy used (main company and branches only, not including affiliated companies and member enterprises)	Electricity (kwh)	838,998
	Gas (kg)	
	Gasoline (litter)	8,744
	Oil (litter)	
	Coal (kg)	29,580
	Others: (wood, husk...)- kg	605,097

3 Total output in the reported phase (2016) Total output: 50,000 tons

4 Amount of harvested water (cubic meter) includes all natural or artificial sources like tap water, river, well, canal, trench, rain water. 40 million cubic meters per year

Mainly used in the production of 30,000 tons of seed and food (equivalent to 10,00 hectares of plant) including natural rain water and river flowing through the irrigation system. The consumed amount increase by 5% compared to the same stage last year due to 15% increase in the scale of production, thus water efficiency has increased and demand for water per hectare decrease due to the implementation of modern cultivation method (SRI, VietGAP standard)

5 Latest results from monitoring of fume emission into the environment (from furnace's chimney), with test date and location clearly stated.

Source of emission and basic characteristics (dust, NOx, Sox, Pb, CO, temperature, flow rate and phenol)

Temperature: 42 degrees Celsius
 Flow rate: 1036 m³/h
 Phenol: 0 KPH

Dust: 6.4 mg/Nm³
 NOx: < 10 mg/Nm³
 SO2: < 1 mg/Nm³
 CO: 200 mg/Nm³
 Taken on November 15th in Ha Nam

6 Latest results from monitoring of surrounding atmosphere, with test date and location clearly stated.

Basic characteristics (Dust, NOx, SOx, CO, temperature)

Temperature: 33 độ C
 Flow rate: 1029 m³/h
 Noise level: 60 dBA

Dust: 54 mg/m³
 NOx: 20 mg/m³
 SO2: 13 mg/m³
 CO: 100 mg/m³
 Pb KPH
 Taken on November 15th in Ha Nam

8 Total waste water amount from production of company's establishment with considerable activities

The company production releases minimum amount of waste water, mainly negligible office waste water

<p>9</p> <p>Waste water quality in company's establishment with considerable activities (according to lastest monitoring)</p>	<p>Basic characteristics (pH, BOD, COD, Coliform, TSS...)</p> <p>pH: 6.8 BOD5 (mg/l): 22 COD (mg/l): 101 Solid waste (mg/l): 20 Total Nitrogen (mg/l): 6.1 Total Phosphorus (mg/l): 3.2 Oil (mg/l): 0 Mineral oil (mg/l): 0 Chlorine (mg/l): not found Ammonia (mg/l) : 0.012 Coliform (MNP/100ml) : 1.7 x 1000 Temperature (Celsius): 28.2</p>	<p>Mainly domestic waste water, discharged through system of industrial site, urban site</p>
<p>10</p> <p>Other methods to reduce/control waste water discharged to the environment (if any)</p>	<p>Waste in the production process is mainly by-product in the processing and packaging (corn cob, husk), partly turned into fuel for dryers, and mostly sold as fertilizer and animal food, thus doesn't cause environmental impact.</p>	<p>Employment of waste collecting company; Reusing husk to produce fertilizer for agricultural production Utilization of reusable packaging, shifting to self-disposable, recyclable packaging with minimum impact to the environment, avoiding the use of resources such as wood, coal,...</p>
<p>11</p> <p>Total amount of solid waste discharged into the environment (ton)</p>	<p>Employment of waste collecting company, reusing husk to produce fertilizer</p>	<p>Employment of waste collecting company; Reusing husk to produce fertilizer for agricultural production Utilization of reusable packaging, shifting to self-disposable, recyclable packaging with minimum impact to the environment, avoiding the use of resources such as wood, coal,...</p>
<p>12</p> <p>Other methods to reduce/control solid waste discharged to the environment (if any)</p>	<p>Employment of waste collecting company, reusing husk to produce fertilizer</p>	<p>Employment of waste collecting company; Reusing husk to produce fertilizer for agricultural production Utilization of reusable packaging, shifting to self-disposable, recyclable packaging with minimum impact to the environment, avoiding the use of resources such as wood, coal,...</p>
<p>13</p> <p>Projects, programs and other activities on environmental protection implemented by the company in 2016 and upcoming projects</p>	<p>One for one for the environment: The company co-operate with the locals and farmers to organize garbage collection in exchange for company's products, cleansing the environment Street cleaning activities of the company's and the local Youth Union are conducted annually. Company's research projects on drought-resistant, flood-resistant, saline-resistant and pest-resistant seed to preserve soil, restricted use of pesticide, fertilizer. High tech agriculture projects (Ha Nam, Khoai Chau) organize production of clean, organic cultivation, free of fertilizer and pesticide to ensure sustainable agricultural development and protection of environment and public health.</p>	<p>One for one for the environment: The company co-operate with the locals and farmers to organize garbage collection in exchange for company's products, cleansing the environment Street cleaning activities of the company's and the local Youth Union are conducted annually. Company's research projects on drought-resistant, flood-resistant, saline-resistant and pest-resistant seed to preserve soil, restricted use of pesticide, fertilizer. High tech agriculture projects (Ha Nam, Khoai Chau) organize production of clean, organic cultivation, free of fertilizer and pesticide to ensure sustainable agricultural development and protection of environment and public health.</p>
<p>14</p> <p>Capital expenditure for environmental protection activities</p>	<p>17 billion VND</p>	<p>- Investing on vacuum system in factories, ventilation system and solar water heating system in office buildings. - Derived expenses due to change in packaging, material and technology.</p>
<p>15</p> <p>Environmental protection results, achievements of the company</p>	<p>Award for businesses with good contribution to public welfare, environmental protection and community development responsibility in 2016</p>	<p>Award for businesses with good contribution to public welfare, environmental protection and community development responsibility in 2016</p>

Data table on human resources in 2016: Data from 01/01/2016 to 12/31/2016, or on 12/31/2016 (including subsidiaries)

No.	Content	Detail	Statistics
1	Total number of employees		720
2	Male/female ratio		70%/30%
3	Age structure	Under 25	20%
		25 - 35	45%
		35 - 45	30%
		Over 45	5%
4	Total number of new employees		59
5	Total number of resigned employees		14
6	Education level structure	Master or above	7%
		Bachelor	67%
		Trade school	10%
		High school and other unskilled labor	17%
7	Training result in 2016	Number of training courses conducted	Number of training courses conducted: 30 courses (NSC: 19 courses, SSC: 11 course) Total attendances: 758 attendances
8	Number of claims from employee	Duration of each training	0%
9	Number of claims from community	Number of employees participating in training courses	0%
10	Number of claims from customer		0%
11	Average yearly salary of employees		144,000,000 VND/year

12 Labor's welfare

- Life insurance
- Healthcare insurance
- Capacity building programs
- Domestic and international training programs.
- Yearly issued bonus according to positions, job requirements.
- Holiday bonus: Tet festival, New year eve, Labor Day, Independence Day, Birthday, woman Day.
- Daily meal.
- Sick leave.
- Support for employees facing difficulty.

13 Total number of employees in Labor Safety Committee to manage and monitor health and safety program for workers

52 employees. (The company has a Labor Safety Committee, Emergency Responding Committee and firefighting team in the office and member units)

14	Total number of fatal incident	0
15	Total number of injury incident resulting in leaves	0
16	Total number of leaves due to accident	0
17	Total number of fines regarding labor, social issue	0
18	Amount of other fines applying to each incident	0
19	Number of food safety violating incidents of products in circulation	0
20	Number of product recall due too poor quality	0
21	Total amount of fines regarding food quality and safety or other relating fines	0

22	Total number of violation incident regarding misinformation on packaging	0
23	Amount of other fines applying to each incident	0
24	Total number of incident regarding the sale of forbidden or disputed products	0
25	Amount of fines and other fines applying to each incident	0
26	Total number of violation incident regarding promotion and advertising	0
27	Amount of fines and other fines applying to each incident	0
28	Percentage of products surveyed for customers' satisfaction to total number of products in circulation	75%
29	Total number of claims with evidence regarding violation of customers' privacy and loss of customers' data	0



MANAGEMENT AND IMPROVEMENT OF HUMAN CAPACITY:

Social responsibility in our business culture:

What makes us proud on our whole journey of innovation and development is a corporate culture of cooperation to success.

Everything Vinaseed and our scientists represent is based on the belief of a brighter future and a tireless devotion for better products and services.

Wherever we operate in, we always cared and fulfil a responsibility for the surround community and for building our beautiful and prosperous society. As a seed production company, not only we develop the seeds of prosperity but also incubate the seeds for lives, begin from our beloved staffs, with encouragement for training courses that improves skills and knowledge. Moreover, Vinaseed's employees always uphold high standards in professional business practice and ethics, devotion in work, passion in life and a love for our society, and high value of responsibility in each and every action and decision, so that every member of the Vinaseed family will come to the society as a refreshing breeze, spreading positivity in life.

Moreover, not stopping at improving Vinaseed competence and ethics of each individual, we consider that developing human capacity is the core of our sustainable development strategy of Vinaseed, consisting of strategic human resource development activities to build a highly qualified human capacity in research and production activities of the company, update on new knowledge for every important chain and stakeholder in Vinaseed, contributing to raising farmers' standard of living and quality of life. Furthermore, in the future, we will further strengthen our communication activities to raise awareness about protecting environment, technology and its contribution to sustainable development in agriculture, thus inspire social responsibility of the whole community.

"For the sake of ten years, we must plant trees, for the sake of 100 years, we should cultivate people."

Each individual will directly influence the prosperity of that community, as well as indirectly influence the growing potential of the subsequent generations. Because of it, our vision is set on improving human capacity as first priority in our sustainable de-

velopment strategy through developing social awareness, positive traits as a timeless and effective asset, increasing knowledge of the society, thus inspiring and increase awareness on the meaning and role of sustainable development mindset to the next generation, the people that will continue the development of future Vietnam. That's the sustainable dream of Vinaseed to be a refreshing wind in life, to inspire and to plant lively seeds for today and tomorrow.

With our determination in building a sustainable company for hundreds years to come, we strive to create a more professional work environment that encourage creativity, responsibility and consolidate connection of employees to the company and to the meaningful value brought to the society, in order to continue to deliver more benefits to the community, consumers and each of Vinaseed family members.

Ethic standards of Vinaseed's employees:

- **Conformity:** Every member of the company must conform to laws and company's regulations voluntarily and consider them mandatory standard for every member of VINASEED.
- **Protection of the company's reputation and benefit:** Members of the company must not have behavior or speech that compromises the reputation of the company. Every member of the company must work for the good of the whole company, not for personal benefit nor fractional benefit of department.
- **Sense of responsibility and cooperation:** Members of the company must value personal sense of responsibility and cooperation in work.
- **Attention and encouragement of creativity:** Members of the company must respect and listen to others' contribution, suggestion, constantly form creative solutions and implement new ideas and approaches.
- **Respect for privacy:** The company respects the privacy of every member of the company, forbids any discussion regarding the private life of individuals that may compromise colleagues' reputation.

Interpersonal conduct in the company



Health safety and working condition:

Vinaseed's core value is its human capacity. Vinaseed considers workers' safety and health issue a foremost priority. The company commits to its policy regarding workers' health and job safety, details of which are as followed:

- **Complies with labor laws and regulations regarding occupational health and safety.** Actively prevent and control any risk to occupational health and safety.
- **Labor safety is the responsibility of all members of the company,** regulations regarding occupational health and safety are mandatory for every staffs and employees.
- **The company commits to create a safe and comfortable work environment for the workers.** Vinaseed pays attention to the adequate equipment of necessary safety gear, creation of safe production plan, regular maintenance and replacement of production machinery to ensure stable operation and prevent risk to the wellbeing of workers.
- **Organizes training for every staffs and employees on**

labor safety, machine, equipment, transportation operation process; increases awareness on preserving occupational health and safety.

Regularly inspects, oversights any unsafe element, timely modify regulation, takes actions to maximize the safety of every worker. No worker of Vinaseed has to work in an unsafe work environment.

Vinaseed commits to provide social insurance for workers, in which 100% of the cost are covered by the company. This is a demonstration of the company's attention to the health and welfare of the workers. The objective of this program is to reduce risk and provide medical care for every work so that they can have the best condition to work and contribute the the development of the company.

Implement the occupational health and safety management systems OHSAS:

The occupational health and safety management systems:



- Vinaseed constantly improves the occupational health and safety management system based on evaluation result, analyzation to ensure the system operate most effectively, minimize risk to occupational health and safety of workers.
- This occupational safety policy will be well understood and implemented by all employees.

Environmental protection activities:

As a business operating in the field of agriculture, Vinaseed is always clearly aware of the impact of the environment to human life and the performance of business activities. In business as well as social activities, Vinaseed focuses on its responsivity to the environment, demonstrated through the preservation of workplace's and surrounding community's environment with closely scrutinized production management standards, economical use of green material, reusable material in preservation, processing and packaging.

Vinaseed has attempted and succeed in developing green products, pest resistant and highly resistant products in unfavorable condition and weather. The sustainable organic production process which use minimum amount of chemical fertilizer, pesticide combined with centralized, water-economical cultivation process will reduce production's impact to the environment and create safe products for consumers' health.

Clearly identified the company's social responsibility of research and business, Vinaseed always strives to develop green products with pest-resistance and high adaptability to the complication of climate change. At the same time, the company always sets a goal to increase yield capacity of seed, contribute to the restructure of the agriculture industry, building an organic agriculture in Vietnam, transform the habit of using pesticides or growth stimulant chemicals that may harm the health of consumers.

Other projects, programs, activities regarding environmental protection implemented by the company in 2016:

- One for one for the environment: The company co-operate with the locals and farmers to organize garbage collection in exchange for company's products, cleansing the environment.
- Street cleaning activities of the company's and the local Youth Union are conducted annually.
- Company's research projects on drought-resistant, flood-resistant, saline-resistant and pest-resistant seed to preserve soil, restricted use of pesticide, fertilizer.
- High tech agriculture projects (Ha Nam, Khoai Chau) organize production of clean, organic cultivation, free of fertilizer and pesticide to ensure sustainable agricultural development and protection of environment and public health.

Community activities: focusing on contributing to the core value of society: people's education and charity - remarkable community of the year

In 10/2015, Vinaseed Compassionate Heart Fund was founded by voluntary contribution of the company' staffs and employees (funding of 1 billion VND) to realize the commitment in the sus-

tainable development strategy of the company, in which Vinaseed staff pledge to carry out social responsibility commitment with all their hearts and minds.

In 2016 the Fund has organized many practical and meaningful programs:

- Organized Mid-Autumn Festival for poor children in Ngoc Lam, Thanh Chuong, Nghe An and disabled children in Hanoi and Nghe An.
- To celebrate lunar new year of 2016, the company organized the Tet present giving program in Yen Bai, Thanh Hoa, Nghe An, Ha Tinh and Quang Nam, giving 700 presents to families with difficultly, each worth 500,000VND.
- The company's Youth Union cooperated with the local Youth Union of Quang Linh, Quang Xuong, Thanh Hoa and Minh Quang, Hanoi to host the street cleaning movement.
- On 9/14/2016, continued to provide scholarship to 10 poor students with exceptional achievement in Ha Nam and 19 Vinaseed scholarship to poor children with exceptional study in Nghe An with the amount of 6 million VND each every year until college graduation and promise of employment in the company.
- 10/2016: Vinaseed Compassionate Heart Fund funded 200 million VND to provide seats for hospitals in Thanh Hoa.
- Ngày 10/22/2016: supported flood victims of Ha Tinh with 20 tons of rice worth 280 million VND.
- To celebrate lunar new year of 2017, the company conduct the program New Year with Love: 560 gifts, each worth 500.000 VND.
- In Thanh Hoa: 250 gifts in the villages of Thạch Long và Công Chính.
- In Dien Bien: 200 gifts in the villages of Muong Phang và Pa Khoang.
- Hanoi: 110 xuất gifts in poor villages of Hanoi like Minh Quang, Van Hoa and Phuong Lien.

Projects, programs and activities regarding improvement of society implemented by the company in 2016:

The company cooperate with ministries and local administration to implement projects, programs on developing new rural area, hunger eradication programs. The company chaired 4 projects in 2016:

Selection and development of rice seed with high yield capacity and quality in Northern provinces, Central and South Coast- the project owned by The Ministry of Science and Technology.

Income raise model project through connection of production organization, processing and consumption of the crossbreed rice F1 and high-quality rice for domestic use and exports, focusing on 4 villages of new rural areas: Đình Hòa (Yên Định, Thanh Hoa); Yên Khang (Y Yên, Nam Định); Nguyễn Xá (Vũ Thu, Thái Bình); Quang Hưng (Tứ Kỳ, Hải Dương) - the project owned by Ministry of Agriculture and Rural Development.

Project: Assessment of status quo, technological capacity and technological innovation demand in selection of rice seed and rice production in Vietnam - project under Ministry of Science and Technology, one of the 10 outstanding scientific-technological events in Vietnam 2016.

Investment for the construction project of Hi-tech Agricultural Production Site with the scale of 21.9 hectares with the objec-

tive of becoming an exemplary model in hi-tech agricultural development in the Northern Vietnam, contributing to restructuring agriculture in Vietnam.

Through the integration of growers in seed production for Vina-seed, farmers are trained; with technology transition so that they can build a self-reliant model, have income, changing in business operation from household to regional scale, forming high technology Agricultural villages. The difference in the Vina-seed's sustainable development strategy, besides charity activities, is the wish to accompany farmers in life, by giving them the power of knowledge and science - the greatest tool and source of power in the age of global integration.





CONSOLIDATED FINANCIAL REPORT

OVERVIEW	148
BOARD OF DIRECTORS' REPORT	150
INDEPENDENT AUDIT REPORT	151
CONSOLIDATED BALANCE SHEET	152
CONSOLIDATED BUSINESS PERFORMANCE REPORT	156
CONSOLIDATED CASH FLOW STATEMENT	158
EXPLANATION OF CONSOLIDATED FINANCIAL REPORT	160

TRAINING AND NURTURING HUMAN RESOURCES FOR THE AGRICULTURAL INDUSTRY



BOARD OF DIRECTORS

Board of Director's members are listed below:



Ms. Tran Kim Lien
Chairwoman and CEO



Ms. Le Thi Le Hang
Vice Chairwoman



Ms. Nguyen Thi Tra My
Board Member



Mr. Tran Dinh Long
Board Member



Mr. Nguyen Khac Hai
Board Member



Mr. Do Ba Vong
Board Member and
Deputy CEO

BOARD OF SUPERVISORS

Supervisory Board's members are listed as below:



Mr. Nguyen Khanh Quynh
Head of BOS



Mr. Do Tien Sy
Member



Mr. Nguyen Tuan Anh
Member

BOARD OF MANAGER

Board of Manager's members are listed below:



Ms. Tran Kim Lien
CEO



Mr. Pham Ngoc Ly
Deputy CEO



Mr. Nguyen Hai Tho
Deputy CEO



Mr. Do Ba Vong
Deputy CEO

LEGAL REPRESENTATIVE

Vietnam National Seed Company's Legal representative for the year of 2016 and on the day of this financial report was created is Ms. Tran Kim Lien - Chairwoman & CEO of Vietnam National Seed Company.

AUDIT FIRM

Ernst & Young Vietnam Limited is the auditing firm for Vietnam National Seed Company in 2016.

BOARD OF DIRECTOR'S REPORT

Board of Directors of Vietnam National Seed Joint Stock Company presents this report and the consolidated financial report of the company and subsidiaries for the fiscal year ended December 31, 2016.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL REPORT

Board of Directors is responsible for ensuring the consolidated financial report for the fiscal year gives a true and fair view of the consolidated financial position, results of operations and consolidated cash flows of the company and subsidiaries throughout the year. In preparation process for this consolidated financial report, Board of Directors must:

- Select suitable accounting policies and apply those policies in a consistent manner;
- Make reasonable and prudent judgments and estimation;
- State clearly whether applicable accounting standards of the company and the subsidiaries have been followed and all significant deviations compared to these standards were presented and explained in consolidated financial report; and
- Making consolidated financial report on the continuous basis of operation unless it is presumed that the company will not continue to operate.

Board of Directors is responsible for ensuring that proper accounting records are kept to reflect the consolidated financial position of the company and subsidiaries, with reasonable accuracy, at any time period and ensure that the accounting records comply with accounting regulations. Board of Directors is also responsible for safeguarding the assets of the company and subsidiaries and therefore must take appropriate actions to prevent and detect fraud and other irregularities.

Board of Directors has committed to comply with the above requirements in preparing the consolidated financial report.

DISCLOSURE OF THE BOARD OF DIRECTORS

According to Board of Director's opinion, the consolidated financial report gives a true and reasonable reflect on the financial position of the Company and the subsidiaries at December 31, 2016, results of consolidated operations and cash flows for the fiscal year ended on the same day, followed Vietnam's accounting standards, corporate accounting regime and the legal provisions related to the preparation and presentation of consolidated financial report.

On Behalf of Board of Director



Tran Kim Lien
CEO

Hà Nội
March 27, 2017

Independent Auditor's Report

To Shareholders of Vietnam National Seed Joint Stock Company

We have audited the consolidated financial statements of Vietnam National Seed Joint Stock Company (herein called as the "Company") and subsidiaries, which are created on February 28, 2017 and presented from page 6 to page 45, comprising of the consolidated balance sheet on December 31, 2016 and the consolidated statement of income and consolidated statement of cash flows for the year 2016, and other explanatory information.

RESPONSIBILITY OF THE BOARD OF MANAGER

The Board of Manager is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as management determines as necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether The consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including The assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, in making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the accompanying consolidated financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its year then ended in accordance with Vietnamese Accounting Standards, accounting regime for regulations relating to financial reporting.

Ernst & Young Vietnam Limited

Tran Phu Son
Deputy CEO

Certificate of Practice No: 0637-2013-004-1

Trinh Xuan Hoa
Auditor

Certificate of Practice No: 0754-2013-004-1

THE CONSOLIDATED FINANCIAL STATEMENTS

CODE	ITEMS	NOTES	ENDING BALANCE	BEGINNING BALANCE
100	A. CURRENT ASSETS		802,640,135,667	824,451,227,708
110	I. Cash and cash equivalents	5	177,548,165,322	68,677,496,884
111	1. Cash		156,499,159,717	61,477,496,884
112	2. Cash equivalents		21,049,005,605	7,200,000,000
120	II. Short-term investment	6	1,178,270,000	2,439,993,900
121	1. Short-term stock investment		1,178,270,000	3,944,000,000
122	2. Provision for short-term stock investment		-	(1,504,006,100)
130	III. Current account receivables		269,943,463,267	322,675,824,354
131	1. Trade receivables	7.1	196,438,173,625	280,417,301,904
132	2. Advances to suppliers	7.2	41,690,358,184	15,443,261,834
135	3. Loan receivables		200,000,000	200,000,000
136	4. Other receivables	8	36,692,398,109	31,271,791,017
137	5. Provision for doubtful debts	7.1	(5,330,934,860)	(4,700,561,527)
139	6. Shortage of assets awaiting resolution		253,468,209	44,031,126
140	IV. Inventories	10	344,275,927,522	421,582,083,846
141	1. Inventories		347,520,644,620	436,293,689,579
149	2. Provision for obsolete inventories		(3,244,717,098)	(14,711,605,733)
150	V. Other current assets		9,694,309,556	9,075,828,724
151	1. Short-term prepaid expenses	11	6,492,786,105	5,266,777,645
152	2. Value-added tax deductible		3,177,405,967	3,540,968,136
153	3. Tax and other receivables from the State		24,117,484	268,082,943

CODE	ITEMS	NOTES	ENDING BALANCE	BEGINNING BALANCE
200	B. NON-CURRENT ASSETS		683,890,214,289	733,237,865,999
220	I. Fixed assets		436,003,538,712	459,469,789,619
221	1. Tangible fixed assets	12	224,359,917,589	243,947,201,429
222	- Cost		376,088,347,491	368,902,286,257
223	- Accumulated depreciation		(151,728,429,902)	(124,955,084,828)
227	2. ITEMS cố định vô hình	13	211,643,621,123	215,522,588,190
228	- Nguyên giá		228,095,541,187	227,714,541,187
229	- Giá trị hao mòn lũy kế		(16,451,920,064)	(12,191,952,997)
240	II. Construction in progress		14,557,490,626	14,258,332,636
242	1. Construction in progress	14	14,557,490,626	14,258,332,636
250	III. Long-term investment	15	13,333,640,000	13,333,640,000
253	1. Investments in equity of other entities		13,333,640,000	13,333,640,000
260	IV. Other long-term assets		219,995,544,951	246,176,103,744
261	1. Long-term prepaid expenses	11	11,784,204,532	12,339,663,924
262	2. Deferred tax assets	31.3	4,173,898,471	3,676,249,636
269	3. Goodwil	16	204,037,441,948	230,160,190,184
270	TOTAL ASSETS		1,486,530,349,956	1,557,689,093,707

CODE	ITEMS	NOTES	ENDING BALANCE	BEGINNING BALANCE
300	C. LIABILITIES		400,854,685,081	555,038,275,228
310	I. Current liabilities		358,186,726,381	461,746,815,948
311	1. Trade payables	17.1	83,679,436,281	110,387,430,055
312	2. Advances from customers	17.2	45,500,445,324	33,006,609,796
313	3. Statutory obligations	18	14,497,207,243	6,990,818,770
314	4. Payables to employees		30,954,602,764	39,746,623,994
315	5. Accrued expenses	19	5,160,036,059	5,857,656,472
318	6. Short-term unrealized revenue		70,730,000	69,739,000
319	7. Other payables	20	38,003,779,691	19,953,032,874
320	8. Short-term loans	21	123,225,506,839	217,236,158,460
322	9. Bonus and welfare funds		17,094,982,180	28,498,746,527
330	II. Non-current liabilities		42,667,958,700	93,291,459,280
337	1. Other long-term liabilities		1,048,438,705	1,296,541,095
338	2. Long-term liabilities	21	7,762,735,950	57,888,237,200
341	3. Deferred tax liabilities	31.3	33,856,784,045	34,106,680,985
400	D. OWNERS' EQUITY		1,085,675,664,875	1,002,650,818,479
410	I. Capital	22.1	1,085,675,664,875	1,002,650,818,479
411	1. Share capital	22.1	152,950,000,000	152,950,000,000
411a	- Common shares with voting rights		152,950,000,000	152,950,000,000
411b	- Preference shares		-	-
412	2. Share premium	22.1	331,245,527,850	331,245,527,850
415	3. Treasury stock	22.1	(40,000,000)	(20,000,000)
418	4. Investment and development fund	22.1	266,787,107,432	197,714,342,649
421	5. Undistributed earnings	22.1	139,897,046,908	123,365,732,124
421a	- Accumulated undistributed profit after tax at beginning of year		(11,645,545,478)	(2,655,850,566)
421b	- Undistributed net profit after tax		151,542,592,386	126,021,582,690
429	6. Minority interests	24	194,835,982,685	197,395,215,856
440	TOTAL EQUITY		1,486,530,349,956	1,557,689,093,707

Prepare by
Nguyen Thi Nhu Quynh

Chief Accountant
Phan The Ty



CEO
Tran Kim Lien



CONSOLIDATED BUSINESS PERFORMANCE REPORT

CODE	ITEMS	NOTES	THIS YEAR	LAST YEAR
01	1. Revenues from sale of goods and rendering of services	25.1	1,436,841,654,222	1,363,108,587,364
02	2. Deductions	25.1	106,058,470,882	114,485,723,976
10	3. Net revenues from sale of goods and rendering of services [10 = 01 - 02]	25.1	1,330,783,183,340	1,248,622,863,388
11	4. Costs of goods sold and services rendered	26	831,717,833,009	793,511,180,555
20	5. Gross profit from sale of goods and rendering of services [20 = 10 - 11]		499,065,350,331	455,111,682,833
21	6. Financial income	25.2	6,744,144,436	5,669,603,794
22	7. Financial expenses	27	18,437,873,614	30,302,280,080
23	In which: Interest expense		12,393,621,843	8,549,203,181
24	8. Shares of profit (loss) of associates		-	4,049,884,036
25	9. Selling expenses	28	125,687,363,607	123,865,568,497
26	10. General and administrative expenses	28	148,638,915,165	142,100,088,577
30	11. Operating profit [30 = 20 + 21 - 22 + 24 - 25 - 26]		213,045,342,381	168,563,233,509
31	12. Other income	29	2,397,292,991	12,904,738,400
32	13. Other expense	30	1,351,270,521	3,062,065,758
40	14. Other profit [40 = 31 - 32]		1,046,022,470	9,842,672,642
50	15. Profit before tax [50 = 30 + 40]		214,091,364,851	178,405,906,151
51	16. Current corporate income tax	31.2	22,378,552,469	23,419,262,750

CODE	ITEMS	NOTES	This year	Last year
52	17. Deferred income tax expense	31.3	747,545,775	2,121,806,242
60	18. Profit after tax [60 = 50 - 51 + 52]		192,460,358,157	157,108,449,643
61	19. Net profit after tax		175,205,884,388	141,629,960,690
62	20. Minority interest	24	17,254,473,769	15,478,488,953
70	21. Basic earning per share	33	11,462	8,124
71	22. Diluted earning per share	33	11,462	8,124

Prepare by
Nguyen Thi Nhu Quynh

Chief Accountant
Phan The Ty



CEO
Tran Kim Lien

CONSOLIDATED CASH FLOW STATEMENT

CODE	ITEMS	NOTES	This year	Last year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Gains from sales of goods, service provisions and other gains		1,403,564,114,568	1,165,377,002,753
02	Payments to suppliers		(792,544,848,535)	(789,597,093,050)
03	Payments to employees		(140,823,710,858)	(112,657,216,444)
04	Loan interests already paid		(12,197,466,595)	(8,012,447,914)
05	Payments for corporate income tax	18	(18,282,522,405)	(29,763,868,532)
06	Other gains		54,313,047,972	98,420,585,565
07	Other disbursements		(161,213,725,250)	(190,715,223,689)
20	Net cash flows from operating activities		332,814,888,897	133,051,738,689
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchase and construction of fixed assets		(41,469,580,913)	(101,353,899,676)
22	Gains from disposals of fixed assets		4,807,272	205,990,909
24	Recovery of loans given		-	1,413,953,964
25	Investments in other entities (minus proceeds from those entities)		-	(175,794,735,198)
27	Proceeds from interest income, dividend and profit distribution		4,357,029,074	4,589,462,292
30	Net cash flows used in investing activities		(37,107,744,567)	(270,939,227,709)
III. CASH FLOWS FROM FINANCING ACTIVITIES				
32	Repurchase of stock		(20,000,000)	(20,000,000)
33	Short and long term loans received		261,577,620,962	470,184,970,404
34	Principal debt repayment		(405,713,773,833)	(301,445,377,308)
36	Interest and dividends received		(42,636,006,500)	(61,173,378,000)
40	Net cash flows from financing activities		(186,792,159,371)	107,546,215,096

CODE	ITEMS	NOTES	This year	Last year
50	Net change in cash and cash equivalents		108,914,984,959	(30,341,273,924)
60	Cash and cash equivalents at beginning of year		68,677,496,884	99,023,212,818
61	Impact of exchange rate fluctuation		(44,316,521)	(4,442,010)
70	Cash and cash equivalents at end of year	5	177,548,165,322	68,677,496,884



Prepare by
Nguyen Thi Nhu Quynh

Ngày tháng 3 năm 2017



Chief Accountant
Phan The Ty



CEO
Tran Kim Lien

EXPLANATION TO THE CONSOLIDATED FINANCIAL REPORT

COMPANY INFORMATION

Vietnam National Seed Joint Stock Company is converted from Vietnam National Seed Company I under Decision No. 5029/QD/BNN-TCCB issued November 10, 2003 by the Ministry of Agriculture and Rural Development; and Registration Certificate No. 0103003628 issued by the Department of Enterprise Planning and Investment of Hanoi for the first time on February 6, 2004. The company has also received the adjusted business registration certificate with the 11th adjustment issued by the Department of Planning and Investment of Hanoi on November 4, 2014.

The principal activities of the company are cultivation and trade sales, direct import and export of plants and plant materials; sourcing, processing, packaging and preserving seed and materials for plants.

The general cycle of seed production and business activities is under 12 months.

The company is headquartered at No. 1 Luong Dinh Cua Street, Phuong Mai Ward, Dong Da District, Hanoi, Vietnam, with other following units:

Subsidiaries	Address
Vietnam National Seed Joint Stock Company - Thanh Hoa branch	Yen Dinh District, Thanh Hoa
Vietnam National Seed Joint Stock Company - Thai Binh branch	Dong Hung District, Thai Binh
Vietnam National Seed Joint Stock Company - Central branch	Vinh City, Nghe An
National Seed Enterprise in Ba Vi	Ba Vi District, Hanoi
Vietnam National Seed Joint Stock Company - Ha Nam branch	Duy Tien District, Ha Nam
Thuong Tin Seeds Processing Plant	Thuong Tin District, Hanoi
Khoai Chau Experiment Station for Researching, Applying and Biology Technology Transferring	Khoai Chau District, Hung Yen
National Experiment Station for Researching, Applying and Biology Technology Transferring	Ba Vi District, Hanoi
Vietnam National Seed Joint Stock Company - Central Highlands branch	Tay Nguyen City, Dak Lak
Vietnam National Seed Joint Stock Company - Mekong Delta branch	Thap Muoi District, Dong Thap

The total number of employees of the main company and subsidiaries is 668 employees (on December 12, 2015: 829 employees).

Structure

On December 12, 2016, the company has 6 subsidiaries. The detailed information and capital ratio of the company in each subsidiaries are as below:

STT	COMPANY NAME	CAPITAL RATIO	VOTING RIGHT	ADDRESS	MAIN ACTIVITIES
1	Ha Tay Seed Joint Stock Company	53.80%	53.80%	Phu Lam ward, Ha Dong district, Hanoi	Production and sale of seed, warehouse and transportation service
2	Quang Nam Seed Joint Stock Company	90.02%	90.02%	Dien Thang Bac village, Dien Ban town, Quang Nam province	Providing cultivation service, sale of agricultural and forestry products, materials and live animals, production of sale of agricultural and forestry products, sale and purchase of materials for agriculture
3	Southern Seed Joint Stock Company	61.49%	61.49%	Tan Binh district, Ho Chi Minh City	Research, production, sale, export and import of seed
4	Nam An Seed Joint Stock Company (*)	43%	70%	Dien Chau, Nghe An	Sale and purchase of seed, agricultural material, machinery; provision of drying service; and production of food
5	Southern Mechanic and Seed Joint Stock Company (*)	51%	83,74%	Tan Binh district, Ho Chi Minh City	Production of machinery in agriculture and forestry, food and drink processing machinery; repair, maintenance and installation of machinery and equipment.
6	Ha Nam High Tech Agricultural Development And Investment Joint Stock Company (Explanation 4)	71.60%	71.60%	Ly Nhan, Ha Nam province	Production and sale of high-grade vegetable for domestic use and exports, research, training and transfer of high tech agricultural technology

(*) The company hold control of these subsidiaries through another subsidiary, the Southern Seed Company. On December 31, 2016, Southern Mechanic and Seed Joint Stock Company has ceased operation and in the process of filing for bankrupt.

REFERENCE

Applied accounting standards

The consolidated financial statements of the company and subsidiaries are presented in VND in accordance with Vietnam business accounting regime and Vietnam's accounting standards issued by the Ministry of Finance in pursuance to:

- Decision number 149/2001/QĐ-BTC on December 31, 2001 on the issue of 4 Vietnam accounting standards;
- Decision number 165/2002/QĐ-BTC on December 31, 2002 on the issue of 6 Vietnam accounting standards;
- Decision number 234/2003/QĐ-BTC on December 31, 2003 on the issue of 6 Vietnam accounting standards;
- Decision number 12/2005/QĐ-BTC on February 15, 2005 on the issue of 6 Vietnam accounting standards
- Decision number 100/2005/QĐ-BTC on December 28, 2005 on the issue of 4 Vietnam accounting standards;

According to it, the consolidated financial statements are presented and the use this report is not intended for individuals not aware of procedures, regulations and practices of accounting in Vietnam. Moreover, the consolidated financial statements are not presented based on regulations and practices of accounting widely accepted in countries and sovereigns outside Vietnam.

Implemented method of documenting books of account

The implemented method of documenting books of account by the company and subsidiaries is journal.

Accounting period

The accounting period of the company implemented for the creation of the consolidated financial statements starts on January 1st and ends on December 31.

Currency in accounting

The consolidated financial statements are presented in VND.

Consolidation basis

The consolidated financial statements include financial statements by the company and subsidiaries for the fiscal year ending on December 31, 2016.

Subsidiaries are combined on the date of purchase, which is the date the company takes control of the subsidiaries and continued to be combined until the date which the company loses control of the subsidiaries.

The financial statements of the company and subsidiaries used for consolidation are created for the same accounting period, and implemented the same accounting policies.

The balance of items on the balance sheet of the main company and subsidiaries, income and expenditure, internal profit and loss derived from such transactions are completely excluded.

The interest of minority stockholders is the interest from profit or loss and in the subsidiaries' net asset not owned by the company and presented separately on the Consolidated Business Performance Report and separated from the stockholder's share section in the owners' equity section of the consolidated balance sheet.

Effect of change in capital share of subsidiaries without changing the control right are accounted in the undistributed profit after tax.

SUMMARY OF MAIN ACCOUNTING POLICIES

Change in accounting policies and explanation

The accounting policies used to create the consolidated financial statements are implemented in alignment with policies used to create the consolidated financial statements of the fiscal year ending on December 31, 2015.

Cash and cash equivalents

Cash and cash equivalents include cash in fund, deposit money, short term investments with duration of below 3 months, have high liquidity and can easily be converted into cash with minimum risk.

Inventories

Inventories are documented with a lowered price between the cost of transportation to current location and net value.

Net value is the estimated price of the inventories in ordinary business condition minus the estimated sales expenses.

The company and subsidiaries implement frequent enumeration to account for inventories with the value determined based on:

Material and products	Weighted average cost of purchase.
Finished products and production cost, unfinished sale	Material and direct labour cost plus relevant production cost using the weighted average method.

Provision for obsolete inventories

Provision for obsolete inventories is deducted for the expected value of damage due to decrease in value (promotion, damage, loss of quality, obsolescence) that may happen to materials, finished products, inventories owned by the company and subsidiaries based on reasonable evidence of the decrease in value on the end date of accounting period.

The increase or decrease in provision for obsolete inventories is accounted in the costs of goods sold and services rendered in the Consolidated Business Performance Report.

Account receivables

Account receivables must be presented on the consolidated financial statements according to the noted value of receivables from customers and other receivables after deduction of provision for bad debts.

Provision for bad debts presents the receivables that the company and subsidiaries can't recover until the end date of accounting period. Increase or decrease in the provision account is accounted in General and administrative expenses on the consolidated business performance report.

SUMMARY OF MAIN ACCOUNTING POLICIES (CONTINUE)

Tangible fixed assets

Tangible fixed assets is calculated by fixed asset cost minus accumulated depreciation.

Tangible fixed assets cost includes the purchase cost and other cost relating to bringing assets into operation.

Procurement, upgrade and replacement of tangible fixed assets is accounted in the consolidated business performance report.

When tangible fixed assets are sold, the profit or loss is accounted in the consolidated business performance report.

Intangible fixed assets

Intangible fixed assets are calculated by fixed cost minus accumulated depreciation.

Intangible fixed assets cost includes purchase cost and other cost relating to bringing assets into operation.

Upgrade and replacement of Tangible fixed assets is accounted in the consolidated business performance report.

When intangible fixed assets are sold, the profit or loss is accounted in the consolidated business performance report.

Right of land use

Right of land use includes long-term land use right issued with right of land use certification and considered intangible fixed assets in accordance with Circular 45/2013/TT-BTC issued by the Ministry of Finance on April 25, 2013 with guidance on management, use and depreciation policies.

Copyright

Copyright of corn and rice seed is accounted according to the purchase cost of seed not researched and developed by the company. Noted by the straight-line method in the shorter time between estimated use duration and copyright duration.

Depreciation

Depreciation of tangible fixed assets and intangible fixed assets is accounted using straight-line method in the usable duration of the asset as followed:

Building	10 - 25 years
Management equipment and tool	5 - 6 years
Transportation	6 - 10 years
Machinery and equipment	5 - 7 years
Computer software	5 years
Copyright	2 - 5 years
Limited land use right	10 - 49 years

Undepreciated long term land use right.

SUMMARY OF MAIN ACCOUNTING POLICIES (CONTINUE)

Loan expense

Loan expense includes loan interest and other expense derived relating to loans of the company and subsidiaries. Loan expense is accounted as derived expenses in the year except capitalized amount as noted below.

Loan expense directly related to the procurement, building and formation of an asset needs time to be put in determined use or capitalised for the fixed cost of that asset.

Prepaid expenses

Prepaid expenses include short-term prepaid expenses and long-term prepaid expenses on the consolidated balance sheet and sorted in the advance duration or the duration in which other economic benefits are derived from these advances.

Business consolidation and good will

Business consolidation is accounted based on the purchase rate method. The business consolidation cost includes the value on the date of trade, payables derived or admitted and capital instruments issued in exchange for control right and other expense directly related to the business consolidation. And capital issued by the buyers in exchange for control right and other directly related cost. Asset, payables that may be determined and contingencies that may be taken on in the process of business consolidation are noted according to a reasonable value on the date of consolidation.

Goodwill derived from business consolidation noted by the original value, is the differential between the consolidation cost and owned capital of the buyers, payables that may be determined and contingencies. If the consolidation cost is lower than the reasonable value of the net assets of the company bought, that differential will be noted in the consolidated business performance report. After initial notation, goodwill is calculated by fixed cost minus the accumulated allocated value. Goodwill is allocated based on straight-line method with the utilising term of 10 years.

Investments

Trading securities and investments in equity of other entities

Trading securities and investments in equity of other entities is noted by the original value.

Provision in value drop of trading securities and investments in equity of other entities

Provision is created for the value drop of trading securities and investments in equity of other entities on the end date of accounting period in accordance with guidance of Circular number 228/2009/TT - BTC issued by Ministry of Finance on December 7, 2009 and Circular number 89/2013/TT - BTC issued by Ministry of Finance on June 26, 2013. Increase or decrease in the balance of the provision account is accounted in the financial expenses in the consolidated business performance report.

Investment held until the date of maturity

Investment held until the date of maturity is noted by the original price. Investment held until the date of maturity is noted by the purchase value. After that, these investments are noted by the recoverable value. Decrease in the value of investments if derived is accounted in the financial expenses in individual business performance report and directly decrease the investment's value.

SUMMARY OF MAIN ACCOUNTING POLICIES (CONTINUE)

Liabilities and accrual expenses

Liabilities and accrual expenses is noted by the payables in the future related to goods and services received whether bill is issued or not.

Payable redundancy payments

Payable redundancy payments for employees is accrued at the end of each accounting period for every employees working in the company for more than 12 months till the day of balance sheet's creation with the value of half the average monthly salary for each year of employment to December 31,2008 according to labour laws and other related legal documents. The average salary calculated for redundancy payments will be adjusted at the end of each fiscal year according to the average salary of the last 6 months to the date of report' creation. Increase or decrease of this accrual doesn't include the actual payment for employees noted in the consolidated business performance report.

Redundancy payments for employees are used to pay redundancy payments for workers after the termination of labour contract in accordance with Clause 48 of Labour Law.

Other transations using foreign curenecy

Derived transactions using foreign curenecy different from the accounted curenecy of the company and subsidiaries are accounted using the exchange rate of the date of transaction, based on these policies:

The derived transactions must be accounted using the exchange rate of the commercial bank designated by the company and subsidiaries for the customer's payment.

Trades that derive payables are accounted by the exchange rate of the commercial bank that the trades are expected to take place;



Procurement transactions and expenses paid in foreign currency (not through in payables account) are accounted based on the exchange rate of the commercial bank that these transactions take place.

On the end date of accounting period, foreign currency items are reassessed according to actual exchange rate on the creation day of the balance sheet based on these rules:

Monetary items are categorized as assets accounted based on the exchange rate of commercial bank that transactions of the company and subsidiaries regularly take place, and

Monetary items categorized as payables are accounted based on the exchange rate of commercial bank that transactions of the company and subsidiaries regularly take place..

All difference of exchange rate derived in the year and difference due to reassessment of foreign currency balance are accounted in the consolidated business performance report.

Treasury stock

Purchased by the company (investment fund stock) is noted by the original value minus owner's equity. Profit/loss derived from these stocks is not noted. Equity instruments repurchased by the company (treasury stock) are accounted based on historical cost and are subtracted into owners' equity. The company does not recognize profit/loss when selling, buying, issuing and terminating its equity instruments.

Earning share

Net profit after income tax (not including profit from small trade) may be divided between investors/stockholders with the approval of the general annual meeting and after creation of provision fund in accordance with regulations of the company and subsidiaries and Vietnam's laws.

The company and subsidiaries created a provision fund from net profit after income tax at the request of the annual general meeting and approved by stockholders at the annual general meeting.

Investment and development fund

This fund is established to expand operation and investment of the company and subsidiaries.

Bonus and welfare fund

Bonus and welfare fund is created to reward employees and increase overall benefit and employee's welfare, and presented as a payables on the consolidated balance sheet.

Revenue documented

Revenue is documented when the company and subsidiaries may receive conclusive economic interest. Revenue is defined by the reasonable value of received items and receivables minus discount and returned goods. The following detailed conditions must be met when documenting revenue:

Goods sale revenue

Goods sale revenue is documented when substantial risks and ownership of goods have been transferred to buyers, usually at the time of goods delivery.

Services rendered revenue

Services rendered revenue is documented when the service is conducted and finished.

Dividend

Doanh thu được ghi nhận khi quyền được nhận khoản thanh toán cổ tức của Công ty và các công ty con được xác lập. Revenue is documented at the time of establishing the company's and subsidiaries' right to receive dividend..

Interest

Interest is documented when derived interest on accumulated basis (including interest from assets) minus the unsecured ability to recover interest.

Tax

Current income tax

Property tax and income tax paid for the current year and preceding years are calculated by the expected amount of recoverable from or payable to the tax Board of Directories, based on effective tax rate and tax laws to the end date of accounting period.

Current income tax is presented in the consolidated business performance report with exception of derived income tax related to items accounted in owners' equity, in this case, current income tax is also directly accounted in owners' equity.

The current property tax and income tax of company and subsidiaries are only offset when the company and subsidiaries have legally entitled to offset of current property tax with payable current income tax and the company intends to pay payable current income tax and current income tax on net basis.



SUMMARY OF MAIN ACCOUNTING POLICIES (CONTINUE)

Deferred income tax

Deferred income tax is defined by temporary difference at the end date of accounting period between the basis for calculating income tax of assets and payables, and their value in the accounting book, for the intents of creating consolidated financial statements.

Payable deferred income tax is documented for all temporary differences under taxation, except:

- Payable deferred income tax derived since the initial documentation of an assets or payables from a transaction which has no effect on the profit and profit under income tax or loss under income tax at the time of transaction;
- Temporary differences under tax related to investments in subsidiaries, affiliates and associated investments when the company and subsidiaries are capable of controlling reversal time of temporary differences and certain that temporary differences will not be reversed in the foreseeable future.

Deferred property tax is to be documented for all temporary differences deducted, the deducted value moved to the next year for loss under tax and tax preferences not used when certain in the future there will be profit under tax to use these temporary differences deducted, loss under tax ad unused tax preferences, except:

- Deferred property tax derived since the initial documentation of an assets or payables from a transaction which has no effect on the profit and profit under income tax or loss under income tax at the time of transaction;
- Regarding temporary differences deducted that derive from investments in subsidiaries and branches, the deferred property tax is documented when certain that the temporary dif-

ferences will be reversed in the foreseeable future and there will be profit under tax to use these temporary differences.

Book value of a deferred property tax must be reviewed at the end date of accounting period and be decreased to ensure sufficient value of profit under tax allowing interest of a part of all deferred property tax to be used. Deferred property tax not documented will be reviewed at the end date of accounting period and documented when certain there is sufficient value of profit under tax in the future to use these undocumented deferred property tax.

Deferred property tax and deferred income tax are defined based on the expected tax rate applied to the accounting period when recovered assets or payables are cleared, based on tax rate and tax laws effective on the end date of accounting period.

Deferred property tax is documented in the consolidated business performance except for derived income tax related to items accounted in owners' equity, or in this case, deferred income tax is also accounted directly in owners' equity.

The current property tax and income tax of company and subsidiaries are only offset when the company and subsidiaries have legally entitled to offset of current property tax with payable current income tax and deferred property tax and deferred income tax related to corporate income tax managed by the same tax Board of Directories:

- For the same taxed units, and
The company ad subsidiaries intend to pay current income tax and property tax on net basis or recover assets alongside clearing payables for each year in the future when essential items of the deferred income tax or property tax is cleared or recovered.

ESTABLISHMENT OF NEW COMPANY

Establishment of Ha Nam High Tech Agricultural Development And Investment Joint Stock Company

In accordance with Resolution number 39/NQ-HĐQT-CTG on September 23, 2016, the Board of Directors has agreed the establishment of Ha Nam High Tech Agricultural Development And Investment JOI with registered charter capital of 50 billion VND. The company will be one of the founding stockholders and hold 71,6% of this company's capital.

Ha Nam High Tech Agricultural Development And Investment Joint Stock Company is established with the Business registration number 0700778275 issued by the People's Committee of Ha Nam province on October 4, 2016 with the main business activities of production and sale of high-grade vegetables for domestic use and exports, produced by high-tech production model. Since the date of establishment to December 31, 2016, Ha Nam High Tech Agricultural Development And Investment Joint Stock Company has not conducted the mentioned business activities.

On December 31, 2016, Ha Nam High Tech Agricultural Development and Investment Joint Stock Company is funded with 17,791,926,400 VND and 18,008,073,600 VND.



CASH AND CASH EQUIVALENTS

Currency: VND

	END OF THE YEAR	BEGINNING OF THE YEAR
Cash	10,381,161,036	5,500,036,955
Deposits	146,117,998,681	55,977,459,929
Cash equivalents (*)	21,049,005,605	7,200,000,000
TOTAL	177,548,165,322	68,677,496,884

(*) Cash equivalents on December 31, 2016 include deposits bank with term under 3 months and interest rate of 5.2%/year (on December 31, 2015, interest rate is 4% to 5.5% a year).

SHORT-TERM INVESTMENT

Currency: VND

	END OF THE YEAR			BEGINNING OF THE YEAR		
	Original cost	Provision	Reasonable value	Original cost	Provision	Reasonable value
Trading securities: - Stocks of The Vegetexco Port Joint - Stock Company	1,178,270,000	-	1,226,856,400	3,944,000,000	(1,504,006,100)	2,439,993,900
	1,178,270,000	-	1,226,856,400	3,944,000,000	(1,504,006,100)	2,439,993,900
TOTAL	1,178,270,000	-	1,226,856,400	3,944,000,000	(1,504,006,100)	2,439,993,900

TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS**Trade receivables**

Currency: VND

	END OF THE YEAR	BEGINNING OF THE YEAR
Department of Crop Production - Ministry of Agriculture and Rural Development	46,208,800,000	97,182,275,000
Dien Bien Seed Joint-Stock Company	9,808,800,000	-
Other trade receivables	140,291,821,125	183,235,026,904
Receivables from stakeholders (Explanation No,32)	128,752,500	-
TOTAL	196,438,173,625	280,417,301,904
Provision for doubtful debts	(5,330,934,860)	(4,700,561,527)

ADVANCES TO SUPPLIERS

Currency: VND

	END OF THE YEAR	BEGINNING OF THE YEAR
Advances to contractors and suppliers	8,898,960,000	236,984,000
An Phu Hung Joint-Stock Company	3,500,000,000	-
Performance Motors Vietnam Joint-Stock Company	3,313,000,000	-
Advances to other construction contractors	2,085,960,000	236,984,000
Advances to other suppliers	32,791,398,184	15,206,277,834
Tran Van Thuan	899,568,672	1,879,051,634
My Duc Cooperative	-	1,270,242,902
Advances to other suppliers	31,891,829,512	12,056,983,298
TOTAL	41,690,358,184	15,443,261,834

OTHER RECEIVABLES

Currency: VND

	END OF THE YEAR	BEGINNING OF THE YEAR
Stock investments (*)	12,715,380,000	12,715,380,000
Advances for operational expense to employees	10,767,567,911	4,718,822,869
Deposit	1,135,081,230	2,857,552,000
Project's receivables	3,623,894,139	2,808,788,509
Quality testing expense receivable from Department of Crop Production	-	1,994,579,502
Other receivables	8,450,537,829	6,176,668,137
TOTAL	36,692,398,109	31,271,791,017

BAD DEBTS

Currency: VND

DEBTORS	END OF THE YEAR		BEGINNING OF THE YEAR	
	Original cost	Recoverable value	Original cost	Recoverable value
Dak Nong Trading and Service Company	654,711,000	-	654,711,000	-
Other customers	4,676,223,860	-	4,045,850,527	-
TOTAL	5,330,934,860	-	4,700,561,527	-

INVENTORIES

Currency: VND

	END OF THE YEAR		BEGINNING OF THE YEAR	
	Original cost	Provision	Original cost	Provision
Finished products	242,966,628,124	(2,717,657,429)	323,479,478,147	(4,505,144,828)
Goods	40,099,416,907	-	60,590,564,549	(7,254,664,065)
Materials, raw materials	49,840,723,705	(527,059,669)	36,161,512,204	(2,951,796,840)
Work in progress	12,834,112,354	-	14,281,370,859	-
Tools, instruments	1,779,763,530	-	1,778,766,386	-
Purchased goods in transit	-	-	1,172,195	-
Goods in transit for sale	-	-	825,239	-
TOTAL	347,520,644,620	(3,244,717,098)	436,293,689,579	(14,711,605,733)

Details of change in provision for devaluation of stocks:

Currency: VND

	THIS YEAR	LAST YEAR
Beginning of the year	14,711,605,733	3,671,367,977
Increase due to consolidation	-	3,980,479,886
Provision created in the year (*)	4,569,531,935	14,229,155,339
Use and reversal in the year	(16,036,420,570)	(7,169,397,469)
End of the year	3,244,717,098	14,711,605,733

(*) In the year, the company and subsidiaries have created provision for devaluation of stocks for corn and rice seeds not meeting the quality standard.

PREPAID EXPENSES

Currency: VND

	END OF THE YEAR	BEGINNING OF THE YEAR
	Short-term	
Repair expenses	397,655,618	623,704,875
Tools, instruments	5,595,844,877	4,605,028,663
Others	499,285,610	38,044,107
TOTAL	6,492,786,105	5,266,777,645
Long-term		
Seed research expenses	4,333,704,571	6,110,345,871
Repair expenses	3,538,866,251	2,339,920,649
Lease expenses	-	1,017,114,294
Tools, instruments	1,132,840,276	479,073,416
Others	2,778,793,434	2,393,209,694
TOTAL	11,784,204,532	12,339,663,924

TANGIBLE FIXED ASSETS

Currency: VND

	BUILDING	MACHINERY AND EQUIPMENT	TRANSPORTATION	MANAGEMENT EQUIPMENT	OTHER FIXED ASSETS	TOTAL
Historical costs:						
Beginning of the year	215,515,457,702	113,732,996,096	35,485,666,402	4,008,166,057	160,000,000	368,902,286,257
Purchase in the year	648,996,750	1,241,530,000	1,702,538,747	705,173,800	-	4,298,239,297
Finished capital construction	4,134,168,684	-	-	-	-	4,134,168,684
Liquidation	-	-	(1,111,242,247)	(135,104,500)	-	(1,246,346,747)
End of the year	220,298,623,136	114,974,526,096	36,076,962,902	4,578,235,357	160,000,000	376,088,347,491
In which: Depreciated	30,358,166,509	20,285,411,180	8,559,789,054	1,100,518,792	160,000,000	60,463,885,535
Accumulated depreciation value:						
Beginning of the year	62,385,683,615	40,187,157,256	20,230,453,953	1,991,790,004	160,000,000	124,955,084,828
Depreciation in the year	12,169,715,739	12,399,691,189	2,501,375,964	734,236,734	-	27,805,019,626
Liquidation	-	-	(1,002,561,568)	(29,112,984)	-	(1,031,674,552)
End of the year	74,555,399,354	52,586,848,445	21,729,268,349	2,696,913,754	160,000,000	151,728,429,902
Remaining value:						
Beginning of the year	153,129,774,087	73,545,838,840	15,255,212,449	2,016,376,053	-	243,947,201,429
End of the year	145,743,223,782	62,387,677,651	14,347,694,553	1,881,321,603	-	224,359,917,589

The company utilizes all buildings, machinery, equipment in the seed processing and preservation factory and rice factory in Dong Van town, Duy Tien district, Ha Nam province as mortgage for long-term loan as presented in Explanation No. 2.1.2.

INTANGIBLE FIXED ASSETS

Currency: VND

	LONG-TERM LAND USE RIGHT	LIMITED LAND USE RIGHT	COMPUTER SOFTWARE	COPYRIGHT	TOTAL
Historical costs:					
Beginning of the year	156,014,620,089	58,502,682,274	1,435,638,824	11,761,600,000	227,714,541,187
New purchase in the year	-	-	501,000,000	-	501,000,000
Other reductions	-	(120,000,000)	-	-	(120,000,000)
End of the year	156,014,620,089	58,382,682,274	1,936,638,824	11,761,600,000	228,095,541,187
In which:					
Completely depreciated	-	-	213,863,824	2,600,000,000	2,813,863,824
Accumulated depreciation value:					
Beginning of the year	-	5,430,473,048	379,421,612	6,382,058,337	12,191,952,997
Depreciation in the year	-	2,331,129,553	291,525,004	1,757,312,510	4,379,967,067
Other reductions	-	(120,000,000)	-	-	(120,000,000)
End of the year	-	7,641,602,601	670,946,616	8,139,370,847	16,451,920,064
Remaining value:					
Beginning of the year	156,014,620,089	53,072,209,226	1,056,217,212	5,379,541,663	215,522,588,190
End of the year	156,014,620,089	50,741,079,673	1,265,692,208	3,622,229,153	211,643,621,123

CONSTRUCTION IN PROGRESS

Currency: VND

	END OF THE YEAR	BEGINNING OF THE YEAR
Project Cu Chi	11,103,862,672	11,103,862,672
Project Phuong Mai - buildings	2,113,446,664	2,113,446,664
Project Son La	800,000,000	800,000,000
Other construction	540,181,290	241,023,300
TOTAL	14,557,490,626	14,258,332,636

LONG-TERM INVESTMENTS

Currency: VND

	END OF THE YEAR			BEGINNING OF THE YEAR		
	Original cost (VND)	Provision	Reason- able value (VND)	Original cost (VND)	Provision	Reasonable value (VND)
Investments in equity of other entities						
- Thai Binh Seed Joint-stock Company (*)	13,333,640,000	-	-	13,333,640,000	-	-
TOTAL	13,333,640,000	-	-	13,333,640,000	-	-

(*) The company was unable to collect necessary information and conduct valuation of this company's stocks as this company's stocks have not been posted on the stock exchange.

On December 31, 2016, the company owned 10.03% of the Thai Binh Seed Joint Stock Company's equity.

GOODWILL

Currency: VND

	Goodwill from consol- idating Ha Tay Seed Joint-stock Company	Goodwill from consol- idating Quang Nam National Seed Joint-stock Company	Goodwill from consoli- dating Southern Seed Joint-stock Company and its subsidiaries	TOTAL
Historical cost:				
Beginning of the year	26,557,087,281	1,911,006,045	232,759,389,035	261,227,482,361
End of the year	26,557,087,281	1,911,006,045	232,759,389,035	261,227,482,361
Accumulated allocated value:				
Beginning of the year	13,278,543,641	331,794,358	17,456,954,178	31,067,292,177
Allocation in the year	2,655,708,728	191,100,605	23,275,938,903	26,122,748,236
End of the year	15,934,252,369	522,894,963	40,732,893,081	57,190,040,413
Remaining value:				
Beginning of the year	13,278,543,640	1,579,211,687	215,302,434,857	230,160,190,184
End of the year	10,622,834,912	1,388,111,082	192,026,495,954	204,037,441,948

TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

Trade payables

Currency: VND

	END OF THE YEAR		BEGINNING OF THE YEAR	
	VALUE	PAYABLES	VALUE	PAYABLES
Payables to construction contractors	1,843,768,207	1,843,768,207	12,533,337,529	12,533,337,529
Payables to suppliers	81,835,668,074	81,835,668,074	97,854,092,526	97,854,092,526
Van Xuyen Seed Ltd. - China	27,306,662,831	27,306,662,831	41,701,362,241	41,701,362,241
Sichuan Longping High-tech Ltd.	4,867,181,892	4,867,181,892	8,864,583,300	8,864,583,300
Sichuan Nongda High-tech Ltd.	2,274,610,950	2,274,610,950	4,676,225,297	4,676,225,297
Thnh Du Seed Ltd. - China	-	-	10,652,610,112	10,652,610,112
Duyen Hai Ltd.- Enterprise 19	-	-	9,543,663,000	10,000,973,000
Other payables	47,387,212,401	47,387,212,401	22,415,648,576	21,958,338,576
TOTAL	83,679,436,281	83,679,436,281	110,387,430,055	110,387,430,055

Advances From Customers

Currency: VND

	END OF THE YEAR	BEGINNING OF THE YEAR
Nghe An Seed Joint-stock Company	5,000,000,000	-
Other advances	40,500,445,324	33,006,609,796
TOTAL	45,500,445,324	33,006,609,796

TAX AND OTHER PAYABLES TO THE STATE

Currency: VND

	BEGINNING OF THE YEAR	PAYABLES IN THE YEAR	PAID AMOUNT IN THE YEAR	END OF THE YEAR
VAT	789,659,575	708,198,172	(1,023,632,251)	474,225,496
Business income tax	4,439,373,131	22,689,846,085	(18,282,522,405)	8,846,696,811
Personal income tax	1,711,786,064	14,574,182,915	(11,554,915,202)	4,731,053,777
Other taxes	50,000,000	1,712,406,529	(1,317,175,370)	445,231,159
TOTAL	6,990,818,770	39,684,633,701	(32,178,245,228)	14,497,207,243

ACCRUED EXPENSES

Currency: VND

	END OF THE YEAR	BEGINNING OF THE YEAR
Transportation expenses	-	1,180,569,352
Discount	209,420,848	692,136,586
Loan interest	755,712,054	467,416,705
Copyright purchase expenses	2,636,090,229	-
Other accrued expenses	1,558,812,928	3,517,533,829
TOTAL	5,160,036,059	5,857,656,472

OTHER PAYABLES

Currency: VND

	END OF THE YEAR	BEGINNING OF THE YEAR
Dividends	24,914,945,310	1,610,575,710
Provision for redundancy payments	3,132,871,290	3,377,373,685
Land compensation -Project Dong Van	2,847,000,000	2,847,000,000
Advances from VBCF Fund	1,416,604,000	1,416,604,000
Supported fund to buy seed to produce cross bred seed	984,550,275	984,550,275
Payables to production quota unit	995,207,262	992,877,512
Public, medical, redundancy insurance	513,215,325	264,542,874
Board of Director's compensation	272,164,610	470,421,656
Union's expenses	103,207,795	257,250,068
Other payables - rice projects	43,074,900	2,748,814,790
Other payables	2,780,938,924	4,983,022,304
TOTAL	38,003,779,691	19,953,032,874
In which:		
Payables to stakeholders (Explanation No.32)	17,193,969,000	-
Other payables	20,809,810,691	19,953,032,874

LIABILITIES

Currency: VND

	BEGINNING OF THE YEAR		IN THE YEAR		END OF THE YEAR	
	VALUE	PAYABLE VALUE	INCREASE	DECREASE	VALUE	PAYABLE VALUE
Current liabilities	217,236,158,460	217,236,158,460	311,703,122,212	(405,713,773,833)	123,225,506,839	123,225,506,839
Short-term bank loans	215,745,103,710	215,745,103,710	252,033,957,962	(379,872,441,708)	87,906,619,964	87,906,619,964
Short-term bank loans to the date of payment	1,491,054,750	1,491,054,750	59,669,164,250	(25,841,332,125)	35,318,886,875	35,318,886,875
Non-current liabilities	57,888,237,200	57,888,237,200	9,543,663,000	(59,669,164,250)	7,762,735,950	7,762,735,950
Long-term bank liabilities	57,888,237,200	57,888,237,200	9,543,663,000	(59,669,164,250)	7,762,735,950	7,762,735,950
TOTAL	275,124,395,660	275,124,395,660	321,246,785,212	(465,382,938,083)	130,988,242,789	130,988,242,789

Short-term bank loans

Details of short-term bank loans is as below:

BANK'S NAME	END OF THE YEAR (VND)	TERM	SECURE METHOD
Vietnam Joint Stock Commercial Bank for Industry and Trade - Hoang Mai branch	10,929,060,000	Credit limit is 150 billion VND. Term is no longer than 6 months. Interest is paid on the 25th of each month. The contract is valid until April 30, 2017	No
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thăng Long branch	66,672,791,100	Credit limit is 200 billion VND. Term is no more than 10 months. Interest is paid on the 26th of each month. Loan agreement lasts for 12 months until May 10, 2017	No
Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Sai Gon branch	6,472,543,764	Interest is paid on the 25th of each month. Loan agreement is effective until January 26, 2017	No
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ki Dong branch	3,832,225,100	Interest is paid on the 25th of each month. Loan agreement is effective until May 16, 2017	No
TOTAL			

Long-term bank liabilities

Details of Long-term bank liabilities is as below:

Bank's name	December 31, 2016 (VND)	Term	Secure method
Vietnam Joint Stock Commercial Bank for Industry and Trade - Hoang Mai branch	38,762,735,950	Credit limit is 77 billion VND. Principal is paid after 24 months from the first disbursement date on February 14, 2015 and in accordance with contract's annexes created after the grace period. Term is 36 months from the first disbursement date. Interest is paid on the 25th of each month.	All assets of the Project investing on seed processing and preservation factory at Dong Van town, Duy Tien district, Ha Nam province.
Shinhan Bank Vietnam Limited - Hanoi branch	4,318,886,875	Credit limit is 72 billion VND. Maturity date is January 22, 2018. Principal is paid once every 3 months after the grace period of 1 year from the first disbursement date of January 22, 2015. Interest is paid once every 3 months on the first year and every month from the 2 nd year.	Mortgage is the assets created by the borrowed capital for the project investing on seed processing and preservation factory at Dong Van town, Duy Tien district, Ha Nam province.
TOTAL	43,081,622,825		
<i>In which:</i>			
Current portion of long-term liabilities	35,318,886,875		
Long-term liabilities	7,762,735,950		

OWNERS' EQUITY

Change in owners' equity

Currency: VND

	SHARE CAPITAL	SHARE PREMIUM	TREASURY STOCK	INVESTMENT AND DEVELOPMENT FUND	UNDISTRIBUTED EARNINGS	TOTAL
Last year						
Balance at the beginning of the year	152,950,000,000	331,245,527,850	-	140,933,342,530	119,816,800,045	744,945,670,425
Net profit	-	-	-	-	141,629,960,690	141,629,960,690
Fund	-	-	-	61,493,507,231	(61,493,507,231)	-
Bonus and welfare fund	-	-	-	-	(14,572,295,863)	(14,572,295,863)
Repurchase of fund's stocks	-	-	(20,000,000)	-	-	(20,000,000)
Dividend of 2014's profit	-	-	-	-	(45,885,000,000)	(45,885,000,000)
Dividend of 2015's profit	-	-	-	-	(15,288,378,000)	(15,288,378,000)
Payment for Board of Director and Control Committee	-	-	-	-	(680,812,500)	(680,812,500)
Fund's utilisation	-	-	-	(4,712,507,112)	-	(4,712,507,112)
Increase due to change in ownership ratio of subsidiaries	-	-	-	-	130,560,075	130,560,075
Other reductions	-	-	-	-	(291,595,092)	(291,595,092)
Balance at the end of the year	152,950,000,000	331,245,527,850	(20,000,000)	197,714,342,649	123,365,732,124	805,255,602,623

Change in owners' equity

Currency: VND

	SHARE CAPITAL	SHARE PREMIUM	TREASURY STOCK	INVESTMENT AND DEVELOPMENT FUND	UNDISTRIBUTED EARNINGS	TOTAL
This year						
Balance at the beginning of the year	152,950,000,000	331,245,527,850	(20,000,000)	197,714,342,649	123,365,732,124	805,255,602,623
Net profit	-	-	-	-	175,205,884,388	175,205,884,388
Repurchase of fund's stocks	-	-	(20,000,000)	-	-	(20,000,000)
Fund (*)	-	-	-	86,300,576,516	(86,300,576,516)	-
Bonus and welfare fund	-	-	-	-	(17,385,511,472)	(17,385,511,472)
Dividend of 2015's profit	-	-	-	-	(30,567,056,000)	(30,567,056,000)
Dividend of 2016's profit (**)	-	-	-	-	(22,925,292,000)	(22,925,292,000)
Payment for Board of Director and Control Committee	-	-	-	-	(1,184,840,000)	(1,184,840,000)
Fund's utilisation (***)	-	-	-	(17,227,811,733)	-	(17,227,811,733)
Other reductions	-	-	-	-	(311,293,616)	(311,293,616)
Balance at the end of the year	152,950,000,000	331,245,527,850	(40,000,000)	266,787,107,432	139,897,046,908	890,839,682,190

(*) The creation of fund and distribution of dividend from 2015's profit are conducted in accordance with Resolution number 19/NQ-ĐHCĐ2016 of the Annual general meeting of the main company on April 15, 2016, Resolution number 11/NQ-HĐQT on October 4, 2016 of the Southern Seed Joint-Stock Company, Resolution number 10/NQ-HĐQT on June 16, 2016 of Ha tay Seed Joint-Stock Company and Resolution number 08/NQ-HĐQT on March 2, 2016 of The Quang Nam National Seed Joint-Stock Company.

(**) The company has temporarily distributed dividend of 2016 according to Resolution number 51/NQ-HĐQT-CTG of the Board of Manager on December 21, 2016.

(***) The company and subsidiaries utilize part of the investment and development fund for the research and trial activities of the company.

Details of the owners' share capital

Currency: VND

	END OF THE YEAR			BEGINNING OF THE YEAR		
	Total	Common shares	Preference shares	Total	Common shares	Preference shares
Share capital	152,950,000,000	152,950,000,000	-	152,950,000,000	152,950,000,000	-
Share capital of PAN FARM joint-stock company	114,712,500,000	114,712,500,000	-	-	-	-
Share capital of PAN company joint-stock company	-	-	-	114,712,500,000	114,712,500,000	-
Other share capital	38,237,500,000	38,237,500,000	-	38,237,500,000	38,237,500,000	-
Share premium	331,245,527,850	331,245,527,850	-	331,245,527,850	331,245,527,850	-
TOTAL	484,195,527,850	484,195,527,850	-	484,195,527,850	484,195,527,850	-

Trades of capital with owners and distribution of dividend and profit

Currency: VND

	This year	Last year
Capital share		
Beginning of the year	152,950,000,000	152,950,000,000
Increase in the year	-	-
End of the year	152,950,000,000	152,950,000,000
Announced dividend, profit	53,492,348,000	61,173,378,000
Dividend of 2016: 1.500 VND/share	22,925,292,000	-
Dividend of 2015, second distribution: 2.000 VND/share	30,567,056,000	-
Dividend of 2015, first distribution: 1.000 VND/share	-	15,288,378,000
Dividend of 2014: 3.000 VND/share	-	45,885,000,000
Paid dividend, profit	30,567,056,000	61,173,378,000
Dividend of 2015	30,567,056,000	15,288,378,000
Dividend of 2014	-	45,885,000,000

Stocks

	END OF THE YEAR	BEGINNING OF THE YEAR
Number of share registered to issue	15,295,000	15,295,000
Number of shares bought		
Common shares	15,295,000	15,295,000
Preference shares	-	-
Number of shares repurchased (treasury stock)		
Common shares	11,472	6,622
Preference shares	-	-
Number of shares in circulation		
Common shares	15,283,528	15,288,378
Preference shares	-	-

Value of shares in circulation: 10.000 VND/share (December 31, 2015: 10.000 VND/ share)

OFF-BALANCE SHEET ITEMS

Currency: VND

ITEMS	END OF THE YEAR	BEGINNING OF THE YEAR
Assets held under trust for third party (VND)	762,740,055	762,740,055
Goods held under trust for third party (VND) (*)	62,222,500,000	75,523,190,000
Foreign currency:		
- United States Dollar (USD)	12,437	47,556
- Euro (EUR)	1	1
- Renminbi (CNY)	97,473	100,997
- Lao kip (LAK)	1,000,000	1,000,000
Resolved bad debts	3,300,578,518	3,300,578,518

(*) This is the goods of Department of Cultivation - Ministry of Agriculture and Rural Development that the company keep under the sale contract of corn, rice seed number 04 HDMB/ MBDTQG on November 11, 2016 and corn, rice seed preservation contract for national reserves number 04 HDBQ/ MBDTQG on November 11, 2016.

MINORITY INTERESTS

Currency: VND

	This year	Last year
Beginning of the year	197,395,215,856	5,725,594,310
Earning of minority stockholders in the year	17,254,473,769	15,478,488,953
Announced dividend	(12,493,847,000)	(17,766,063,000)
Investment and development fund's utilisation	(4,875,494,426)	-
Extraction for bonus and welfare fund	(1,578,748,678)	(948,879,136)
Effect of depreciation due to reassessment of reasonable value of assets	(782,456,836)	(565,965,275)
Payment for Board of Director	(83,160,000)	(103,746,045)
Increase due to converting from member companies to subsidiaries	-	199,012,360,241
Decrease in share of minority stockholders in subsidiaries of NSC	-	(2,907,414,117)
Decrease due to the main company purchasing more shares in subsidiaries	-	(529,160,075)
End of the year	194,835,982,685	197,395,215,856

REVENUE

Goods and services sale

Currency: VND

	THIS YEAR	LAST YEAR
Gross revenue	1,436,841,654,222	1,363,108,587,364
<i>In which:</i>		
- Goods and finished products sale	1,430,660,576,226	1,360,007,468,501
- Services sale	6,181,077,996	3,101,118,863
Revenue reductions:	106,058,470,882	114,485,723,976
- Trade discount	32,643,464,252	25,032,331,453
- Returned goods	70,929,619,110	88,510,481,423
- Goods discount	2,485,387,520	942,911,100
Net revenue	1,330,783,183,340	1,248,622,863,388
<i>In which:</i>		
- Goods and finished products sale	1,324,602,105,344	1,245,521,744,525
- Services sale	6,181,077,996	3,101,118,863
<i>In which:</i>		
- Revenue from sales and services provision for third party	1,322,917,325,857	1,244,993,883,605
- Revenue from sales and services provision for stakeholders (Explanation No,32)	7,865,857,483	3,628,979,783

Financial income

Currency: VND

	THIS YEAR	LAST YEAR
Deposit's interest	1,577,511,970	1,709,128,556
Interest from exchange rate differences	3,072,466,966	1,012,127,670
Distributed dividend	2,094,165,500	2,947,527,600
Other financial income	-	819,968
TOTAL	6,744,144,436	5,669,603,794

COSTS OF GOODS SOLD AND SERVICES RENDERED

Currency: VND

	THIS YEAR	LAST YEAR
Costs of goods, finished products sold and services rendered	833,229,865,816	786,451,422,685
(Reversal of provision)/ Provision for obsolete inventories	(1,512,032,807)	7,059,757,870
TOTAL	831,717,833,009	793,511,180,555

FINANCIAL EXPENSES

Currency: VND

	THIS YEAR	LAST YEAR
Loss due to reassessment of SSC's share held by the company before the date of seizing control	-	15,884,948,396
Interest Expense	12,393,621,843	8,549,203,181
Settlement discount	6,872,210,671	4,496,406,610
Loss due to exchange rate differences	317,317,200	1,425,055,093
Loss from liquidation of short-term stock investment	358,730,000	-
Reversal of discount for short-term investment	(1,504,006,100)	(53,333,200)
TOTAL	18,437,873,614	30,302,280,080

SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

Currency: VND

	THIS YEAR	LAST YEAR
Selling expenses	125,687,363,607	123,865,568,497
- Salary and labor cost	34,599,712,877	35,292,048,457
- Transportation cost	34,370,687,181	29,463,457,325
- Depreciation	7,181,063,248	8,783,449,558
- Other selling expenses	49,535,900,301	50,326,613,157
General and administrative expenses	148,638,915,165	142,100,088,577
- Salary and labor cost	76,907,795,168	72,211,508,992
- Allocation of goodwill in the year	26,122,748,236	20,303,763,510
- Other general and administrative expenses	45,608,371,761	49,584,816,075
TOTAL	274,326,278,772	265,965,657,074

OTHER INCOME AND EXPENSES

Currency: VND

	THIS YEAR	LAST YEAR
Other income	2,397,292,991	12,904,738,400
Funding from VCBF fund	-	4,719,171,000
Income from compensation	398,145,455	4,489,361,886
Reversal of interest paid to the state	-	1,266,901,020
Income from storehouse rental	393,696,938	615,690,000
Profit from liquidation of fixed assets	127,807,272	205,990,909
Other income	1,477,643,326	1,607,623,585
Other expenses	1,351,270,521	3,062,065,758
Interest from late tax pay	363,622,473	1,872,125,460
Other expenses	987,648,048	1,189,940,298
NET VALUE	1,046,022,470	9,842,672,642

PRODUCTION AND BUSINESS EXPENSES SORTED BY CATEGORY

Currency: VND

	THIS YEAR	LAST YEAR
Material cost	919,744,274,487	996,208,808,576
Labor cost	146,654,973,805	136,059,269,122
Depreciation	58,307,734,929	40,526,572,636
Outsourced services cost	60,052,824,090	68,786,599,018
Other expenses	23,735,560,641	7,866,476,784
TOTAL	1,208,495,367,952	1,249,447,726,136

CORPORATE INCOME TAX

In accordance with Certification number 03/DNKHCN issued by the Department of Science and Technology of Hanoi on March 1, 2011, the company is considered a science and technology corporate, and as such is exempted from corporate income tax similar to businesses newly established from investment projects in the field of high-tech, scientific research and technological development under these conditions: revenue from products, goods from scientific and technological activities is over 30% of the revenue in the first year, 50% of the revenue in the second year and 70% of the revenue from the third year onward. In details:

- i. The company benefits from corporate income tax of 10% in the first 15 years since the gain of revenue from scientific and technological activities
- ii. The company is exempted from corporate income tax in 4 years from 2011 and benefits from 50% reduced corporate income tax for the next 9 years, and
- iii. (iii) Tax for income from other business activities is 20%.

Corporate income tax for subsidiaries is 20% of taxable income.

Tax reports of the company and subsidiaries are under inspection of the tax Board of Directories. Because the appliance of laws and regulations on tax for different trades can be explained in different ways, the tax value presented on the consolidated financial statements can be modified based on the final decision of the tax Board of Directories.

Chi phí thuế TNDN hiện hành

Currency: VND

	This year	Last year
Current corporate income tax	22,225,426,781	24,100,030,770
Modified corporate income tax deficiency / last year's excess	153,125,688	(680,768,020)
Deferred corporate income tax	(747,545,775)	(2,121,806,242)
TOTAL	21,631,006,694	21,297,456,508

Current corporate income tax

Currency: VND

	This year	Last year
Profit before tax	214,091,364,851	178,405,906,151
Corporate income tax applied to the company and subsidiaries:		
- Scientific and technological activities: 5%	8,916,704,671	7,649,577,124
- Other activities: 20%	7,151,454,285	5,591,160,007
Increase adjustments:		
Derived expense due to reassessment of reasonable value of investments in joint-venture	-	3,494,688,647
Reversal of provision for long-term financial investments	5,689,042	87,047,248
Adjustments for the consolidation of financial statements	5,224,549,647	5,577,653,237
Invalid expenses	258,918,853	631,096,107
Unrealised loss due to difference of exchange rate	245,434	222,101
Adjustments for corporate income tax's shortage	153,125,686	-
Other increase	25,027,352	-
Decrease adjustments:		
Received dividend	(104,708,276)	(147,376,380)
Profit from joint-venture	-	(890,974,488)
Adjustments for corporate income tax's surplus in the last year	-	(680,768,020)
Other decrease	-	(14,869,075)
Corporate income tax	21,631,006,694	21,297,456,508

Current corporate income tax

The company and subsidiaries has documented some payable deferred corporate income taxes and property tax deferred and fluctuation in this year and the last year as below:

Currency: VND

	CONSOLIDATED BALANCE SHEET		CONSOLIDATED BUSINESS PERFORMANCE REPORT	
	December 31, 2016	December 31, 2015	This year	Last year
Property tax deferred				
Payable expenses	3,804,422,857	3,365,405,629	439,017,228	1,785,853,200
Provision for redundancy payments	166,574,908	215,475,387	(48,900,479)	80,491,989
Unrealized profit	182,238,133	74,706,047	107,532,086	74,706,047
Sale of internal assets	20,662,573	20,662,573	-	-
	4,173,898,471	3,676,249,636	497,648,835	1,941,051,236
Deferred corporate income taxes				
Differential due to reassessment of subsidiaries' assets on the day of consolidation	33,856,784,045	34,106,680,985	249,896,940	180,755,006
	33,856,784,045	34,106,680,985	249,896,940	180,755,006
Deferred corporate income taxes accounted in the consolidated business performance report			747,545,775	2,121,806,242

TRADE WITH STAKEHOLDERS

Primary trade with stakeholders are as below:

Currency: VND

STAKEHOLDERS	RELATION	TRADE	THIS YEAR	LAST YEAR
PAN Company Joint-stock Company	Holding company (from October 17, 2016 backwards)	Sale of goods, materials, finished products	58,434,400	9,595,240
		Dividend pay	22,932,567,000	-
		Short-term loans	-	120,000,000,000
		Payment of short-term loans	-	120,000,000,000
PAN Food Joint-stock Company	Company in the same company	Sale of goods, materials, finished products	7,807,423,083	3,619,384,543
		Receiving advances for goods	-	790,000,000
PAN FARM Joint-stock Company	Holding company	Temporary pay of dividend in 2016	17,193,969,000	-

Terms and conditions of trade with stakeholders:

The company makes loans to stakeholders, as well as buys goods and services from stakeholders as agreed in the contract.

Balance of receivables and payables on December 31, 2016 have no secure, no interest rate and will be paid in cash. For the fiscal year ending on December 31, 2016, the company has not created any provision for bad debts regarding stakeholders' debts to the company (on December 31, 2016, the provision account balance is zero). This assessment is conducted every year through the review of financial status of stakeholders.

On December 31, 2016 and December 31, 2015, the receivables and payables concerning stakeholders are as below:

Currency: VND

STAKEHOLDERS	RELATION	TRADE	END OF THE YEAR	BEGINNING OF THE YEAR
Trade receivables (Explanation Number 7.1)				
PAN Food Joint-stock Company	Company in the same company	Goods sale	128,752,500	-
			128,752,500	-
Other payables (Explanation Number 20)				
PAN FARM Joint-stock Company	Holding company	Temporary pay of dividend in 2016	17,193,969,000	-
			17,193,969,000	-

Trades with other stakeholders

Currency: VND

	This year	Last year
Salary and Bonus	11,662,577,805	8,536,588,922
	11,662,577,805	8,536,588,922

EARNINGS PER SHARE

Basic earnings per share are calculated by profit or loss after tax distributed to the number of holders of common shares of the company (after reduction) divided by weighted average of number of common shares in circulation.

Diluted earnings per share are calculated by dividing profit or loss after tax distributed to the number of holders of common shares of the company (after adjustments for dividend of preferred share and extraction for bonus, welfare fund) by the weighted average of number of common shares in circulation and the weighted average of number of common shares issued in case all potential common shares with reduction effect are turned into common shares.

The company uses the following information to calculate Basic earnings and Diluted earnings per share.

Currency: VND

	This year	Last year
Profit after income tax	175,205,884,388	141,629,960,690
Extraction for bonus, welfare fund (*)	-	(17,385,511,472)
Profit after tax distributed to stockholders of common shares of the holding company	175,205,884,388	124,244,449,218
Weighted average of number of common shares (not including treasury stocks) used to calculate basic earnings per share	15,285,667	15,293,803
Weighted average of number of common shares (not including treasury stocks) adjusted to calculate basic earnings per share	15,285,667	15,293,803
Earnings per share		
- Basic earnings	11,462	8,124
- Diluted earnings	11,462	8,124

There is no trade of common shares nor potential common shares occurred since the end date of accounting period to the date of completing the consolidated financial statements.

(*) The profit used to calculate earnings per share is explained in the consolidated financial statements of 2015. The adjustments decrease corresponding with the extraction for bonus and welfare fund from the holding company are calculated from the profit of 2015 in accordance with Regulation number 19/NQ-ĐHĐCĐ2016 on April 15, 2016.

Profit used to calculate earnings per share in 2016 is not adjusted to extraction for bonus and welfare fund because there has not been any regulation of Annual general meeting regarding fund creation issued.

REGIONAL INFORMATION

Business activities of the company and subsidiaries are the production, sale and provision of seed products and services. Moreover, business activities of the company and subsidiaries are conducted on Vietnam's domain. As such, the company and subsidiaries have not created regional report for business category and geographical category.

COMMITMENTS AND CONTINGENCIES

Commitments regarding land lease cost

The company and subsidiaries are presently leasing land with land lease contract. On the end date of the accounting period, payable land lease cost in the future according to the contract are presented as below:

Currency: VND

	END OF THE YEAR	BEGINNING
Up to 1 year	536,911,302	536,911,302
1 - 5 years	2,147,645,208	2,147,645,208
Over 5 years	17,718,072,966	18,254,984,268
TOTAL	20,402,629,476	20,939,540,778

DERIVED EVENTS AFTER THE END DATE OF ACCOUNTING PERIOD

There has not been any notable event occurred after the end date of accounting period that needs adjusting or explaining in the consolidated financial statements.

Prepare by
Nguyen Thi Nhu Quynh

March..... 2017

Chief Accountant
Phan The Ty



CEO
Tran Kim Lien



MAKING MORE DREAMS COME TRUE FOR VIETNAM'S AGRICULTURAL INDUSTRY

BUSINESS PLAN 2017

MARKET POTENTIAL 2017	194
BUSINESS PLAN 2017	195



CHALLENGES IN 2017

Climate change, adverse weather will continue to seriously affect agricultural production in 2017, not mentioning negative effect of climate change in 2016 such as drought, soil salinity, narrowing cultivation land and many other difficulties.

Demand in primary export market of Vietnam agriculture is still low as of 2017. Price of agricultural goods is still low while materials' price continues to rise, directly affecting agricultural production in the country.



BUSINESS PLAN 2017:

Business plan of holding company for 2017:

TARGETS	2016	2017	2017/2016(%)
Revenue	821	900	110%
Profit after tax	187	189	101%

Consolidated business plan 2017:

TARGETS	2016	2017	2017/2016(%)
Revenue	1,330	1,514	113.8%
Profit after tax	192	228.5	119%
Earnings after tax of holding company	175.2	194.6	111%
EBITDA	258.7	310	119%
ROA	12.9%	13.3	103%
ROE	17.7%	17.9	101%
EPS	11,462	14,773	129%
Cash dividend	30%	30%	100%

Product development direction:

Rice: focusing on seed with high quality, adaptability to climate change, submerge, drought, etc

Purebred rice: Thom RVT, Thien Uu 8, Du Huong, Dai Thom, Kim Cuong 111, Nep thom.

Cross-bred rice: Nam Uu 209, KC 06-1, CNR 6206

Corn: Focusing on corn with the intention of dominating corn market in Vietnam: HN88, HN68, HN90, HN66, CX247, HN268.

Vegetable: Focusing on tropical cross-bred vegetables: Gold Start 98 Pumpkin, Super Goldstar 999, bitter gourd, watermelon.

Agricultural product: including branded rice and melon, focusing on domestic market and exports

Plans to ensure sustainable development:**Business management: :**

- Consolidating management's structure to meet business demand in new phase, continuing to develop regulation system, core process. Increasing training activities of human capacity.
- Increasing inspection, internal control activities to prevent potential risk in production and business.
- Improving, establishing bonus plan, paying salary based on work performance and attracting talent, sustainably develop the company.
- Consolidating management activities in subsidiaries, promoting advantages of market, facilities and human capacity of the company.

Focusing on investment for research and development, implementing science and technology in biological technology to improve competitiveness of the company, in order to create highly efficient and high quality products, meeting diverse demand of the market.

Improve quality control for products and services::

- Invest in facilities, equipment to increase seed processing, preservation capacity to become more active in material source and quality of seed..
- Improve productivity to meet business demand by developing large production area in the Mekong Delta, reorganize centered production area in agriculture-centric region, dispersing production zone to decrease risk of natural disaster. Focus resources to meet demand especially for seed and seed monopoly structure. Establish encouragement for large production zone with high technical capacity..
- Increase the quality of packaging, advertisement..

Developing market and distribution channel system::

- Focus on developing new potential market like Tay Nguyen, Mekong Delta..
- Expand and perfect the distribution system, establishing policies to attract sale agency to participate in the company's distribution channels, policies to encourage developing new markets, new products. Consistently develop relationship with customers, expand network with partners, authority, creating a favorable condition for seed distribution..
- Perfect the process and system for analyzing, assessing and forecasting the market..
- Organize distribution channel of agricultural products through socializing resources to increase productivity of distribution activities..





OTHER INFORMATION

SHAREHOLDER AND MANAGEMENT LEVEL INFORMATION 200

CORPORATE INFORMATION 206

SHAREHOLDER AND MANAGEMENT LEVEL INFORMATION

STOCK AND SHAREHOLDER INFORMATION

Stock information:

The first day trading:	21/12/2006
Type of shares:	Common shares
Price:	10,000 VND per share
Number of shares on 31/12/2016:	15,295,000 shares.

Shares of Vietnam National Seed Joint Stock Company are listed in Ho Chi Minh City Stock Exchange - HOSE with stock code: NSC..

Stock:

Charter capital (on 31/12/2016): 152,950,000,000 VND.

Price per share: 10,000 VND..

Number of listed shares: 15,295,000 shares. .

Number of shares in circulation: 15,283,528 shares..

Number of treasury stock on 31/12/2016 is 11,472 shares. .



Members and structure of Board of Director, Supervisory Board, Board of Manager:

NAME	POSITION	ADDRESS	TYPE OF ID	ID NUMBER	DATE OF ISSUE	PLACE OF ISSUE	NUMBER OF SHARES OWNED	DATE OF DESIGNATION	PHONE NUMBER	NATIONALITY	NOTES
BOARD OF DIRECTOR											
Ms. Tran Kim Lien	Chairwoman, CEO	Vietnam National Seed Joint Stock Company	Citizen ID	037158000014	04/08/2016	Department of Citizen Registration	32,273	19/3/2012	043.8523294	Vietnam	
Ms. Le Thi Le Hang	Vice Chairwoman	P7, T20, E5, Ciputra, Hanoi	Citizen ID	001175000490	10/07/2013	Hanoi	4,000	19/3/2012	0913698686	Vietnam	Non-managing member
Ms. Nguyen Thi Tra My	Board Member	154E, Thuy Khue, Tay Ho, Hanoi	Citizen ID	0111816418	20/9/2006	Hanoi	4,000	21/3/2013	0913237188	Vietnam	Non-managing member
Mr. Nguyen Khac Hai	Board Member	N3, Lang Ha, Hanoi	Citizen ID	0111938548	17/01/2013	Hanoi	4,000	19/3/2012	0936442369	Vietnam	Non-managing member
Mr. Tran Dinh Long	Board Member	20 - 283 Doi Can, Ba Dinh, Hanoi	Citizen ID	0111741068	19/9/2006	Hanoi	24,016	19/3/2012	0903288088	Vietnam	Non-managing member
Mr. Do Ba Vong	Board Member, Deputy CEO	Vietnam National Seed Joint Stock Company	Citizen ID	145425109	06/10/2006	Hung Yen	22,089	19/3/2012	043.8523294	Vietnam	
SUPERVISORY BOARD											
Mr. Nguyen Khanh Quynh	Chief of Supervisory Board	P1007, 3B, 45 Phuong Liet, Thanh Xuan, Hanoi	Citizen ID	182248350	15/3/2004	Hanoi	4,000	19/3/2012	0945207277	Vietnam	Non-managing member
Mr. Nguyen Tuan Anh	Member of Supervisory Board	Kien Hung, Ha Dong, Hanoi	Citizen ID	1211479256	6/10/2012	Bac Giang	0	22/4/2015	0902486070	Vietnam	Non-managing member

NAME	POSITION	ADDRESS	TYPE OF ID	ID NUMBER	DATE OF ISSUE	PLACE OF ISSUE	NUMBER OF SHARES OWNED	DATE OF DESIGNATION	PHONE NUMBER	NATIONALITY	NOTES
Mr. Do Tien Sy	Member of Supervisory Board	Vietnam National Seed Joint Stock Company	Citizen ID	010450144	17/01/2008	Hanoi	29,812	19/3/2012	043.8523294	Vietnam	
BOARD OF MANAGER											
Ms. Tran Kim Lien	Chairwoman, CEO	Vietnam National Seed Joint Stock Company	Citizen ID	037158000014	04/08/2016	Department of Citizen Registration	32,273	19/3/2012	043.8523294	Vietnam	
Mr. Do Ba Vong	Board Member, Deputy CEO	Vietnam National Seed Joint Stock Company	Citizen ID	145425109	06/10/2006	Hung Yen	22,089	19/3/2012	043.8523294	Vietnam	
Mr. Pham Ngoc Ly	Deputy CEO	Vietnam National Seed Joint Stock Company	Citizen ID	0111600404	11/01/2011	Hanoi	21,820	01/3/2010	043.8523294	Vietnam	
Mr. Nguyen Hai Tho	Deputy CEO	Vietnam National Seed Joint Stock Company	Citizen ID	111321028	04/05/2008	Hanoi	17,165	01/3/2011	043.8523294	Vietnam	
Mr. Nguyen Quang Trung	Deputy CEO	Vietnam National Seed Joint Stock Company	Citizen ID	037088000055	10/03/2015	Department of Citizen Registration	4,000	01/4/2017	043.8523294	Vietnam	Appointed on 01/04/2017
Mr. Pham Trung Dung	Deputy CEO	Vietnam National Seed Joint Stock Company	Citizen ID	030996396	20/05/2009	Hai Phong	6,516	01/4/2017	043.8523294	Vietnam	Appointed on 01/04/2017
CHIEF ACCOUNTANT											
Mr. Phan The Ty	Chief Accountant	Vietnam National Seed Joint Stock Company	CMND	013564127	09/6/2012	Hanoi	13,652	01/3/2011	043.8523294	Vietnam	

(Updated in accordance with the list of shareholders finalized by Vietnam Securities Depository)

STATISTICS ON SHAREHOLDERS

Data on 28/03/2017 in accordance with the list of shareholders finalized on 23/03/2017 by Vietnam Securities Depository. Shareholder structure of the Company is as below:

SUBJECT	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	PERCENTAGE OF CHARTER CAPITAL
I. Domestic shareholders	873	12,937,342	84.59%
1. Organizations	46	11,728,560	76.68%
2. Individuals	827	1,208,782	7.90%
II. International shareholders	102	2,357,658	15.41%
1. Organizations	16	2,176,529	14.23%
2. Individuals	86	181,129	1.18%
Total	975	15,295,000	100%
1. Organizations	62	13,905,089	90.91%
2. Individuals	913	1,389,911	9.09%

Internal and shareholders transactions of company's shares in 2016

NO.	SHAREHOLDER	RELATIONSHIP	NUMBER OF SHARES OWNED AT THE BEGINNING OF THE YEAR		NUMBER OF SHARES OWNED AT THE END OF THE YEAR		REASON FOR CHANGES
			SHARE	%	SHARE	%	
I	ORGANIZATION						
1	PAN Corporation JSC.	Major shareholder	11,471,250	75.0%	0	0.0%	Transfer to subsidiary
2	PAN FARM JSC.	Major shareholder	0	0.0%	11,471,250	75.0%	Receive capital from holding company
3	Mathews Emerging Asia Fund (Foreign investor group: Mathews Asia Dividend Fund, Mathews Pacific Tiger Fund, Mathews Asia Growth And Income Fund, Mathews Asia Growth Fund, Mathews Asia Science and Technology Fund, Mathews Emerging Asia Fund, Mathews Asia Strategic Income Fund)	Major shareholder	660,195	4.3%	979,585	6.4%	Purchase stock
3	Foreign investor group (PXP Vietnam Emerging Equity Fund Limited, PXP Vietnam Smaller Companies Fund Limited and Greystanes Limited)	Foreign investors, Major shareholder	828,955	5.43%	228,955	1.5%	Sell all 600,000 shares owned by Greystanes Limited
II	INDIVIDUAL						
1	Do Ba Vong - Member of Board of Director, Deputy CEO	Internal shareholders	36,639	0.24%	22,089	0.14%	Sell stock
2	Nguyen Hai Tho - Deputy CEO	Internal shareholders	23,165	0.15%	17,165	0.11%	Sell stock

Shareholders of Mathews Emerging Asia Fund (Foreign investor group with major shareholders of Mathews Asia Dividend Fund, Mathews Pacific Tiger Fund, Mathews Asia Growth and Income Fund, Mathews Asia Growth Fund, Mathews Asia Science and Technology Fund, Mathews Emerging Asia Fund, Mathews Asia Strategic Income Fund) on 19/02/2016 increased ownership in NSC from 660,195 shares (4.3%) to 979,585 shares (6.4%), became a major shareholder. On 30/12/2016, Greystanes Limited Fund (Foreign investor group with major shareholders of PXP Vietnam Emerging Equity Fund Limited, PXP Vietnam Smaller Companies Fund Limited and Greystanes Limited) sold it shares, decreasing its ownership from 828,955 shares (5.43%) to 228,955 shares (1.5%) and no longer is a major shareholder. PAN Corporation JSC. on 12/10/2016 transfer its shares to subsidiary, decreasing its ownership from 11,471,250 shares (75.0%) to 0 shares (0.0%) and no longer is a major shareholder. PAN FARM JSC. on 12/10/2016 received shares from the holding company, increasing its ownership in NSC from 0 shares (0.0%) to 11,471,250 shares (75.0%), became a major shareholder.

CORPORATE INFORMATION



OVERVIEW:

Vietnamese name: **CÔNG TY CỔ PHẦN GIỐNG CÂY TRỒNG TRUNG ƯƠNG**

English name: **VIETNAM NATIONAL SEED JOINT STOCK COMPANY**

Abbreviation: **NSC**

Business registration number: **0101449271** issued by Hanoi City Department of Planning and Investment issued on 06/02/2004, renewed for the 11th time on 04/11/2014.

Charter capital (on 31/12/2015): **152,950,000,000 VND** (One hundred fifty-two billion nine hundred fifty million VND).

Total equity (on 31/12/2016): **1,085,675,664,875 VND** (One trillion eighty-five billion six hundred seventy-five million six hundred sixty-four thousand eight hundred seventy-five VND).

Address: **No.1 Luong Dinh Cua Street, Phuong Mai ward, Dong Da district, Hanoi..**

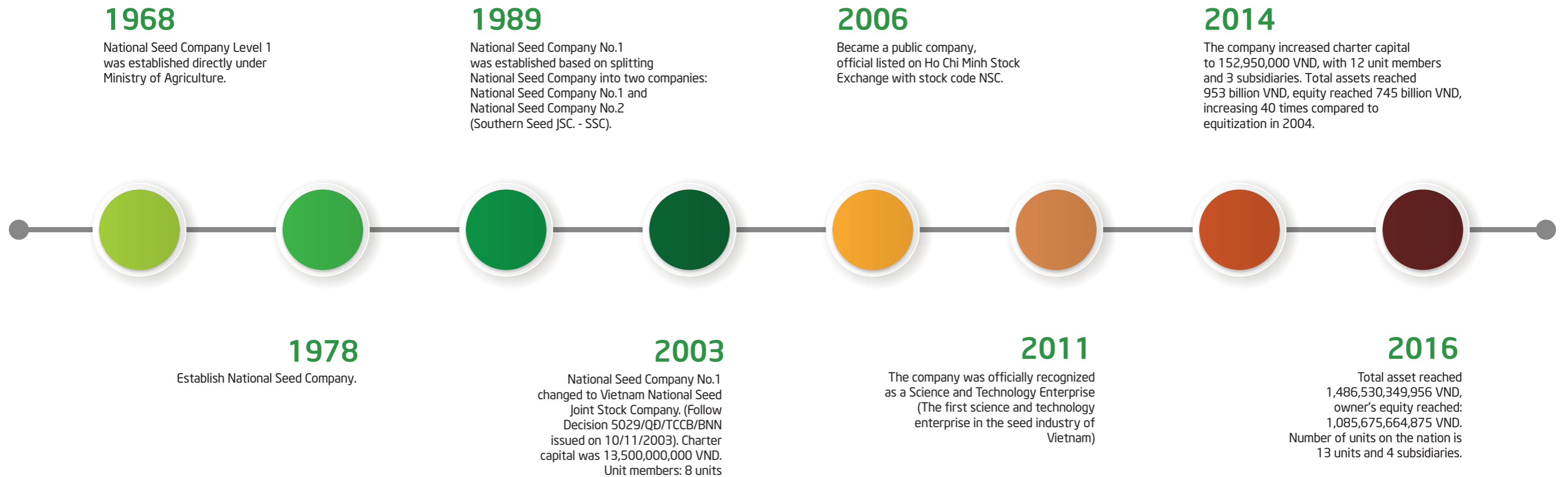
Tel: **(84) 4 38523294** - Fax: **(84) 4 38527996**

Website: **www.vinaseed.com.vn.**

Stock code: **NSC..**



FORMATION AND DEVELOPMENT TIMELINE



OUTSTANDING ACHIEVEMENTS

OUTSTANDING AWARDS IN 2016:

1. Award from Minister of Ministry of Agriculture and Rural Development in 2016..
2. Award from Hanoi Department of Tax in 2016.
3. TOP 50 Vietnam best business performance companies awarded by Nhip cau Dau tu Magazine. This is the 4th consecutive year Vinaseed has received this award, proving its advancement by placing 11th in TOP and become the 2nd business on 16 businesses in the country due to fast and sustainable development.
4. TOP 500 businesses in Vietnam (VNR500 - 2016) based on independent review in accordance with international standards conducted by Vietnam Report in cooperation with Vietnamnet.
5. Golden Cup awards for Prestigious Securities Trademarks (3rd place) for the 2016 awarded by Science and Technology Union in Vietnam in collaboration with Thuong hieu Viet Magazine.
6. Top 3 outstanding company in 350 businesses after equitization (according to Ministry of Finance).
7. One of the 10 notable national scientific-technological event in 2016 with the technology map of rice industry in Vietnam.

AWARD IN PRECEDING YEARS:

1. The Second-Class Labor Award granted by President of the Social Republic of Vietnam, for the outstanding achievements and contribution to Socialism development and National defense during the period 2004 - 2014.
2. The Third-Class Labor Award granted by President of the Social Republic of Vietnam, for the outstanding achievements and contribution to Socialist development and National defense during the period 2004 - 2008.
3. Excellent Emulation Flag by the Vietnamese Government for the outstanding achievements in 2011, 2014.
4. Certification of Merit granted by the Prime Minister of Vietnam for achievements in the period 2004 - 2006.
5. Certificate of Merit awarded by Minister of Agriculture and Rural development of Vietnam, Minister of Finance of Vietnam.
6. Selected by Forbes Asia as one of Asia' TOP 200 best companies with revenue under 1 billion USD in 2013.
7. One of Vietnam's TOP 500 businesses with the fastest growth rates in 2012 and 2013 (Fast 500). The award is conducted by Vietnam Report and Vietnamnet..
8. TOP 50 Best Listed Companies in Vietnam ranked by Forbes Vietnam to recognize businesses with high and sustainable growth in revenue and profits, return on capital and earnings per share, generating more jobs and contributing positive to the national development and social value.
9. TOP 50 Vietnam Best Growth Companies - Top best performing companies in Vietnam from 2010 - 2015, best growing business in 2010 - 2015, a role model for the success of Vietnam business community after joining WTO..



10. In the TOP 50 most efficient corporations in Vietnam, conducted by Nhip cau Dau tu Magazine. Vietnam Gold Star Award - TOP 100 Vietnamese trademarks founded by the Youth Union and the Young Entrepreneurs Association in 2013, 2014, 2015 due to business achievement and social contribution recognized by Vietnam business community.
11. The International Economic Integration Award in 2010 - Top 20 outstanding businesses, granted by Vietnam National Committee for International Economic Cooperation Office, Ministry of Industry & Commerce, Central Committee of Emulation and Rewards.
12. ASIAN famous trademark in 2013, granted by Ministry of Information, Culture and Tourism of Laos, Ministry of Industry & Commerce of Laos, Ministry of Industry & Commerce of Vietnam, Voice of Vietnam and Vietnam - Lao - Cambodia Association For Economic Cooperation Development.
13. Outstanding Social contribution and community development 2015 award conducted by Ministry of Planning and Investment.
14. Cultural Business Award, granted by The Ministry of Culture sports & Tourism of Vietnam in 2009.
15. One of the top 20 outstanding companies in Vietnam's stock exchange market in 2009, selected by the State Bank of Vietnam and the U.S. credit information firm Dun & Bradstreet (D&B).
16. Golden Cup awards for Prestigious Securities Trademarks for the period 2007 - 2012.
17. The Business Operating for Farmers award 2015 - 2nd place in Top 100 business, conducted by Ministry of Agriculture and Rural Development.
18. Friend of Vietnamese Farmer Awards from 2005 - 2007, granted by the Ministry of Agriculture and Rural Development of Vietnam.
19. The Vietnam Golden Rice Award in 2007, 2008, 2009, 2010, granted by the Ministry of Agriculture and Rural Development of Vietnam. The first Vietnam Golden Rice Award in 2013, granted by the Ministry of Agriculture and Rural development of Vietnam.
20. TOP 30 companies with the best annual report in 2014, 2015 (Vietnam Annual report award 2014, 2015) selected by Ho Chi Minh Stock Exchange. This is the first time Vinaseed attends the award, however, it is highly recognized by transparent content, high aspiration and humanity in impressive design, as well as consistency in presentation.
21. And many other honorable awards.



Dividend pay history

YEAR	DIVIDEND PAY RATE	DIVIDEND IN CASH	DIVIDEND IN SHARES	NOTES
2006	19%	19%		
2007	39%	19%	20%	
2008	22%	15%	7%	
2009	50%	18%	32%	
2010	30%	30%		
2011	30%	30%		
2012	50%	30%	20%	
2013	30%	30%		
2014	30%	30%		
2015	30%	30%		



Charter capital increase history

YEAR	CHARTER CAPITAL AFTER INCREASE (VND)	INCREASE METHOD	LEGAL BASIS
2004	13,500,000,000	Equitization	Decision 5029/QĐ-BNN-TCCB on 10/11/2003 of Ministry of Agriculture and Rural Development
2006	22,120,100,000	Internal issue to present shareholders, Board of Director, Board of Supervisor, Management, employees and strategic investors	Minute of Annual General Meeting of Shareholders on 25/03/2006
2006	30,000,000,000	Issue to present shareholders and employees	Minute of Irregular General Meeting of Shareholders on 30/06/2006
2007	36,000,000,000	Issue of common shares to present shareholders, dividend pay by shares and additional issue of stock	Resolution of Annual General Meeting of Shareholders on 07/04/2007
2008	57,659,500,000	Issue to shareholders, employees and strategic shareholders	Resolution of Annual General Meeting of Shareholders on 07/04/2007
2009	80,141,610,000	Issue of common shares, dividend pay to present shareholders	Resolution of Annual General Meeting of Shareholders on 14/03/2009
2010	81,141,610,000	Issue of bonus shares in the ESOP 2009 program to employees	Resolution of Annual General Meeting of Shareholders on 21/03/2010
2011	82,561,610,000	Issue of bonus shares in the ESOP 2010 program to employees	Resolution of Annual General Meeting of Shareholders on 20/03/2011
2012	100,298,380,000	Issue of common shares to pay dividend to present shareholders, reward ESOP 2011 program to employees	Resolution of Annual General Meeting of Shareholders on 19/03/2012
2014	152,950,000,000	Issue of common shares to pay dividend to present shareholders, ESOP 2014 program for employees	Resolution of Irregular General Meeting of Shareholders on 19/03/2012

(*) BREAKING DAWN IMAGE AT NATIONAL CENTER FOR RESEARCHING, APPLYING AND TRANSFERING SEEDS - KHOAI CHAU, HUNG YEN





www.vinaseed.com

Trụ sở chính: Số 1 Lương Định Của, Phương Mai, Đống Đa, Hà Nội

Điện thoại: +84 4 3852 3294 - Fax: +84 4 3852 7996