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Mejanni Hazem Hassan
Management Consultants Ltd.

22106

FINAL REPORT
PROJECT NO. DP/YEM/95/003 - CONTRACT NO. 97-029P

*VALUATION OF THE ASSETS OF
SAYUUN AGRICULTURE MACHINE STATION
AS OF JUNE 30, 1997*

KPMG MEJANNI HAZEM HASSAN
MANAGEMENT CONSULTANTS LTD.
P.O. BOX 10556
SANA'A, REPUBLIC OF YEMEN

October 19, 1998

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**UNITED NATIONS INDUSTRIAL
DEVELOPMENT ORGANIZATION**

P.O. Box 300, A-1400 Vienna
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<p>To: KPMG Mejavni Hazem Hassan 53 Zubairy St. Sana'a Republic of Yemen</p> <p>Facsimile No.: 009671 267 094</p>

Drafted by: L. Muthsam	Authorized by: M. Latrech
New Tel/Extension: 0043-1-21131/4837 and	New Facsimile No.: 43-1-21131/6815
Our reference: LM	Transmission No.: 455
Date: 4 December 1998	This is Page No. 1 of 1

SUBJECT: *Project No. DP/YEM/95/003, Contract No. 97/029P*
Management Buyout of the Sayun Agriculture Machine Station

Dear Mr. Johdi Mejanni,

We acknowledge receipt of one (1) copy of your Final Report which has been found acceptable by the UNIDO Services concerned.

We would like to advise that, in accordance with sub-paragraph 2.05 c) of the Contract, UNIDO should receive five (5) copies of the said Final Report. Therefore, you are hereby requested to send four (4) copies thereof for further distribution.

Please expedite the said documentation and fax us urgently date and mode of expedition.

Yours sincerely,

M. Latrech
Contracts Officer
Contracts Unit

Purchase and Contracts Section
General Services Branch
Field Operations and Administration Division

cc: Ms. Gregor



**Mejanni Hazem Hassan
Management Consultants Ltd.**

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October 19, 1998

**United Nations Industrial Development Organization
Purchase and Contracts Service
Operational Support Services
Division of Administration
Vienna International Centre
P.O. Box 300, A-1400
Vienna, Austria**

**Attn: Mr. M. Latrech
Contracts Officer**

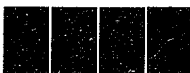
Dear Sirs:

***PROJECT NO. DPIYEM/95/003 - CONTRACT NO. 97/029P - SAYUUN AGRICULTURE
MACHINE STATION - FINAL REPORT***

Introduction

In accordance with the contract between KPMG Mejanni, Hazem Hassan Management Consultants Ltd. and the United Nations Industrial Development Organization (UNIDO), we have performed the following services specified in Annex (E) - Terms of Reference - Scope of Contracting Services - to the said contract:

- a. Valuation of the assets of Sayuun Agriculture Machine Station (SAMS/the Project).
- b. Determining a suitable equity structure for the new company upon incorporation, including authorized and issued capital stock, and the number of shareholders in the new company at inception.
- c. Preparing a draft Articles and Memorandum of Association for the new company in accordance with Yemeni Companies Law No. (22) of 1997 which replaced Law No. (34) of 1991.
- d. Preparing an opening balance sheet of the new company upon incorporation including a realistic estimate of working capital requirements



Member Firm of
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- f. Preparing a share register and instructing SAMS staff on continued maintenance
- g. Designing and printing of 500 certificates
- h. Concluding the legal formalities required to register the new company
- i. Preparing a draft agreement between the Government and the new company, embodying the conditions of transfer of shares and the obligations of each party

Regarding 'Scope of Contracting Services' - (e) - "Assisting the staff of SAMS in installing a commercially oriented accounting system prior to incorporation and supervising the operation for a period of six (6) months after incorporation" - this particular service can not be rendered per discussion and agreement with the management and the UNIDO consultant and Mrs. Vera McGregor of UNIDO Headquarters, in view of lack of funds. However, a quotation for a financial accounting package has been obtained and submitted to UNIDO. (See Attachment 9)

Basis of Information

We have visited the Project's site, station/plant and offices at the city of Sayuun, Hadramaut Governorate, and have been given access to the Project's operating, financial and other related information summarized as follows:

- Unaudited financial statements (FS) for the periods ended June 30, 1997 and December 31, 1995 and 1996.
- Audited (by the Central Organization for Control and Audit - COCA) FS for the years ended December 31, 1993 and 1994.
- Minutes of meetings of Board of Directors for 1993 to 1996.
- Trial balance and FS as of June 30 and July 31, 1997.
- 1994 and 1995 COCA reports.
- Confirmation of bank balances, accounts receivable and accounts payable.
- Historical and operational data.
- Management's opinion on the physical and technical condition of property, plant and equipment (PPE) items.
- Inventories and PPE count sheets as of June 30, 1997.

The above information has been supplemented by interviews and discussions with the Project management, together with information from third party sources.

Representations

We have obtained written representations from the Project management regarding the following:

- factual accuracy of the information included in our reports;
- adoption of accounting policies and procedures underlying the financial information; and,
- completeness of the information furnished to us.

Preliminary Section

The valuation was carried out by applying information, inquiry and analytical procedures or information-gathering work to obtain a realistic value of the Project's net assets at valuation date, June 30, 1997, with the ultimate objective of incorporating the Project into a new company for privatization purposes.

Based on the results of our review and other work performed, the estimated value of the net assets of Sayuun Agriculture Machine Station as of June 30, 1997 is YR 80,000,000. (See 'Computation of Adjusted Net Assets Value' on page (18) hereof.)

Billing Arrangements

In this regard, we are pleased to enclose our Invoice no. 6/98 dated September 25, 1998, for the third and final payment of the fees for this assignment, which we hope you will settle at your earliest convenience.

Restriction on Distribution of Reports

This report is issued solely for the use and information of the UNIDO and the Yemeni Privatization Technical Office (PTO) and is not to be distributed, quoted or referred to, in whole or in part, without our prior consent.

Yours very truly,


M. Zohdi Mejanni
Engagement Partner



cc. *Mr. Abdul Karim Al-Saeedi, Head of PTO*
Mr. Tissa Jayasinghe, Consultant, UNIDO

FINAL REPORT
PROJECT NO. DP/YEM/95/003 - CONTRACT NO. 97-029P

VALUATION OF THE ASSETS OF
SAYUUN AGRICULTURE MACHINE STATION
AS OF JUNE 30, 1997

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- (4) <i>Specimen Certificate of Stock</i>	(2)
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- (6) <i>Shareholding Stock Assignment Agreement Between the Government and Sayuun Agricultural & Industrial Equipment Company</i>	(4)
- (7) <i>Cabinet Resolution No. (20) of 1998 authorizing the transformation of Sayuun Agriculture Machine Station into Sayuun Agricultural & Industrial Equipment Company</i>	(9)
- (8) <i>Minutes of the First General Assembly of Shareholders of Sayuun Agricultural & Industrial Equipment Company</i>	(2)
- (9) <i>Quotation for Financial Accounting Package (Hardware and Software)</i>	(11)



VALUATION REPORT ON

SAYUUN AGRICULTURE MACHINE STATION AS OF JUNE 30, 1997

SYNOPSIS OF ABSTRACT

In keeping with the Government's policy of privatization of state-owned enterprises (SOEs) of a commercial nature by transferring the ownership and management of SOEs to the private sector, and effecting such transfer where appropriate through strategies and techniques including broad based ownership and due recognition of the principle of worker-ownership, it has been decided that Sayuun Agriculture Machine Station be privatized through a management-employee buyout (MEBO). In implementing the MEBO, the strategy would be the incorporation of a new private sector commercial company and all the shares therein would be allotted to the employees and managers to be eventually transferred to them in the future.

Applying the asset-based valuation basis, we used information, inquiry and analytical procedures or information-gathering work, to obtain a realistic value of the Project's net assets as of June 30, 1997, which is YR 80,000,000 (See 'Computation of Adjusted Net Assets Value' - on page (18) hereof.). Such value will represent the new company's share capital, if approved by the Council of Ministers.

VALUATION REPORT ON

SAYUUN AGRICULTURE MACHINE STATION JUNE 30, 1997

a. History and Development of Business

Sayuun Agriculture Machine Station (the Project) was established as the "Hadrami Pump Project" in 1948. The Project became the "Machinery Renting Station" with the passage of Law No. (14) of 1973 and its amendment by Law No. (52) of 1973 after which the Project came under the auspices of the Ministry of Agriculture in the former Peoples' Democratic Republic of Yemen.

After the unification of Yemen in 1990, a Ministerial Resolution No. (78) of 1992 sought to reorganize the Project by establishing a board of directors (BOD) for the Project which consisted of a general manager, a deputy general manager for finance and administration, a representative of the Ministry of Agriculture, and four representatives of the employees of the Project. The BOD was given full authority in operating the Project and running its daily activities.

In accordance with the aforementioned resolution, the Project was considered as an administrative and financial independent economic unit that operates as a public corporation under Law No. (35) of 1991 'Concerning Public Authorities, Corporations and Companies' and supervised by the Ministry of Agriculture office in Sayuun, where the Project is located.

The Project currently has only one branch in Al-Kotton city, down from four branches in the early 1990's.

The principal activities of the Project are best described in the sections and units that it operates which are:

- a. Maintenance and repair unit for agriculture machinery, equipment, vehicles, etc...
- b. Welding, cutting, and designing of steel products unit
- c. Lease of agriculture machinery and equipment unit
- d. Spare parts sales and storage unit.
- e. Fuel and gas station unit
- f. Turnery unit
- g. Management



The Project produces steel products such as doors, windows, liquid tanks, containers, agriculture tractor attachments, etc... in addition to some spare parts manufactured by the turnery unit.

Presently, the Project does not utilize technical equipment due to unavailability of resources. There are no computers being used in any unit/section and most of the existing office equipment is old.

The Project serves a big area in the Wadi Hadramout since there is no other entity that possesses such resources. The competition from the private sector started with the establishment of various facilities that provide similar services.

The Project is wholly owned by the Government represented by the Ministry of Agriculture. There are no loans obtained other than a loan from the Wadi Hadramout Development Project which is a Ministry of Agriculture project financed by the World Bank.



b. Detailed Valuation Procedures

The detailed tests and procedures that have been performed on the Project's assets, liabilities, income and expenses as at June 30, 1997 follow:

1. Cash

Cash as of June 30, 1997 consists of the following:

	<u>YR</u>
Cash on hand- YR	1,073,907
Central Bank of Yemen - Current A/C - YR	4,139,481
Central Bank of Yemen - Current A/C - US\$	1,197,735
Cheques under collection	68,802
National Bank of Yemen	5,692,273
Eastern Bank London Chartered - Stop - UK £	1,141
Central Bank of Yemen - deposit for asset replacement	<u>1,968,278</u>
	<u>14,141,617</u>

Review procedures done:

- Obtained cash count report done by the Project's management and agreed amount thereon with that in the financial statements.
- Reviewed the translation of foreign currency balance to Yemeni Rial using the prevailing rate at June 30, 1997.
- Obtained a certification and confirmation letters from the banks for all balances held as at June 30, 1997.
- Ensured the propriety of the bank reconciliation statement prepared as at June 30, 1997
- Analyzed the significant increase (113%) in cash from 1996 to 1997 and noted that such increase is attributable to the collection of trade receivables and postponement of purchases during the first months of 1997.

For foreign currency bank account, (Central Bank of Yemen - US\$ Current A/C) an adjustment is required as follows:

Amount recorded (US\$ 9,897.88 x YR 121.01)	YR	1,197,735
Should be (US\$ 9,897.88 X YR 129.75)		<u>1,284,250</u>
Amount of adjustment	YR	<u>86,515.</u>

Also, long outstanding (since 1990/1991) checks for collection amounting to YR 68,802 is expensed.

Refer to Adjustment Nos. (1 and 2) in Schedule (1) for 'Summary of Adjusting Journal Entries' and to 'c. Proforma Financial Statements' on Pages (15 and 16) hereof.

Adjusted balance of 'Cash' as of June 30, 1997 after effecting the above adjustments: YR 14,159,330

2. Accounts receivable

Accounts receivable as of June 30, 1997 consists of the following:

	<u>YR</u>
Debtors - individuals	2,221,105
Debtors - government	6,041,517
Government account - Items stolen during civil unrest in 1994	3,013,684
Less: Allowance for bad debts	<u>(108,306)</u>
	<u>11,168,000</u>

Review procedures done:

- Obtained detailed schedule of 'Accounts receivable' and agreed totals with the financial statements
- Obtained the study on doubtful accounts as at June 30, 1997 prepared by the Project's management and performed review procedures to ensure the reasonableness of the allowance for doubtful accounts.
- Obtained confirmations received by the Project, compared them with the balances indicated per books and investigated any material differences.
- For significant balances that were not confirmed, reviewed the breakdown of the balance and inspected the supporting documents.

Our review revealed that debtors' accounts specifically identified as doubtful amounted to YR 1,931,417 (YR 266,557 - Individual debtors and YR 1,664,860 - Government debtors). However, since the amount of YR 108,306 has previously been provided, the required allowance would only be YR 1,823,111 (YR 1,931,417 - 108,306).



Also based on our review of the Project's collection experience and history, a general provision is made for the following Individual and Government debtors' accounts:

<u>Year</u>	<u>Balance</u> <u>YR</u>	<u>Provision Rate</u>	<u>Amount</u> <u>YR</u>
1995	609,251	100%	609,251
1996	605,102	15%	<u>90,765</u>
			<u>700,016</u>

The Government account relating to the cost of items (inventory and property and equipment) stolen during the civil unrest of YR 3,013,684 is written off since there is no available evidence or supporting document proving that the amount would be reimbursed by the Government.

Refer to Adjustment Nos. (3 to 5) in Schedule (1) for 'Summary of Adjusting Journal Entries' and to 'c. Proforma Financial Statements' on Pages (15 and 16) hereof.

Adjusted balance of 'Accounts receivable' after effecting the above adjustments: YR 5,631,188

3. Inventories

Inventories as of June 30, 1997 consist of the following:

	<u>YR</u>
Spare parts, lubricants and fuel	45,519,493
Stationery	433,874
Junk	2,536
Unfinished products	3,276
Finished products	<u>568,887</u>
	<u>46,528,066</u>

Review procedures done:

- Observed the physical inventory count and made test counts.
- Obtained copy of the costed inventory count sheets.
- Ensured the accuracy of physical count by comparing quantities shown on the count sheets with the test counts and with the stockcards.
- Ensured proper costing of inventory items by reviewing the supporting invoices of selected items.



- Reviewed the reconciliation of inventory quantities per physical count and stockcards prepared as of June 30, 1997. Noted no material reconciling items/differences.
- Reviewed the physical condition and inquired about the extent of obsolescence of inventory items in order to determine the most reasonable rate to be used in computing the allowance for inventory obsolescence/slow moving items.
- Inquired about spare parts that may have been rendered obsolete/unusable because the related machine/equipment is not being used (by the Project or by others) or obsolete.

Our review revealed that a provision for inventory obsolescence/slow moving items should be made as follows:

Year of Last Movement	Inventory Value		Obsolescence Rate		Total Required Allowance (YR)
	Spare Parts (SP) (YR)	Raw Materials (RM) (YR)	SP	RM	
1991 and earlier	3,050,034	86,375	100%	100%	3,136,409
1992	630,055	21,213	80	30	510,408
1993	189,524	101,774	70	25	158,111
1994	305,960	56,866	60	20	194,949
1995	815,552	74,903	50	15	419,011
1996/1997	8,853,643	21,534,660	40	10	5,694,923
					<u>10,113,811</u>

In addition, we noted that Komatsu spare parts bought in 1994 and received in 1997 amounting to YR 9,798,933 are obsolete.

Refer to Adjustment Nos. (6 and 7) in Schedule (1) for 'Summary of Adjusting Journal Entries' and to 'c. Proforma Financial Statements' on Pages (15 and 16) hereof.

Adjusted balance of 'Inventories' after effecting the above adjustments:

YR 26,615,322

4. Deposits

Deposits as of June 30, 1997 consists of the following:

	YR
Electricity	1,300
Gas cylinders	<u>602,200</u>
	<u>603,500</u>

Review procedures done:

- Obtained copy of the physical count of gas cylinders as of June 23, 1997.
- Compared the quantity per the supporting document with the actual physical count per the count sheets.

No adjustment arose from the review so the above amount also represents the adjusted balance of 'Deposits'. Refer to 'c. Proforma Financial Statements' on Pages (15 and 16) hereof.

5. Other debit balances

Other debit balances as of June 30, 1997 consists of the following:

	YR
Accrued revenue	1,711,250
Advances	913,121
	2,624,371

Review procedure done:

- Reviewed material balances to ensure propriety and determine that there are no amounts that should be expensed.

The review revealed that an amount of YR 110,540 included in 'Accrued revenue' appears to have been collected but not properly recorded, hence, should be adjusted.

Refer to Adjustment No. (8) in Schedule (1) for 'Summary of Adjusting Journal Entries' and to 'c. Proforma Financial Statements' on Pages (15 and 16) hereof.

Adjusted balance of 'Other debit balances' after effecting the above adjustment: YR 2,513,831

6. Property, plant and equipment

Property, plant and equipment (PPE) as of June 30, 1997 consists of:

	YR
Buildings, construction works and roads	7,761,516
Machinery and equipment	8,984,142
Vehicles	1,354,738
Furniture, office equipment, and tools	3,076,345
Less: Accumulated depreciation	(7,852,738)
	13,324,003

Review procedures done:

- Observed the physical count and made test counts.
- Obtained copy of count sheets of PPE.
- Ensured the accuracy of the count sheets by comparing quantities thereon to the test counts and to the fixed assets register.
- Reviewed supporting invoices of selected items to ensure proper valuation of count sheets.
- Obtained the opinion of the Project engineers regarding the physical condition of PPE.
- Agreed total value of assets per count sheets with the summaries by type and with the financial statements.
- Reviewed the reasonableness of depreciation rate and consistency of depreciation method used.
- Contracted the services of specialists/independent appraiser to determine the appraised (market) value of PPE.

The review of PPE disclosed the following items which require adjustment:

- a. Portion of 'Buildings' destroyed by the elements with cost of YR 108,791 and accumulated depreciation of YR 82,500
- b. Erroneous recording of depreciation relating to 'Buildings' per JV No. 780 dated January 1, 1990 of YR 83,200.
- c. Junk 'Machinery and equipment' items with cost of YR 2,287,676 and accumulated depreciation of YR 1,202,320.

Refer to Adjustment Nos. (9 to 11) in Schedule (1) for 'Summary of Adjusting Journal Entries'.

As proposed and requested by us, the PTO assisted us on the assignment of two (2) independent appraisers from the Ministry of Constructions, Housing and Urban Planning (MCHUP) and Ministry of Agriculture to perform the inspection and revaluation of the 'Buildings, construction works and roads' and 'Machinery and equipment' and 'Vehicles', respectively. The following procedures were used by the independent appraiser for 'Buildings, construction works and roads':

- a. Determination of the type of buildings, construction works and roads subject to revaluation and their physical condition.
- b. Inquiry from various local contractors about the current market price of similar types of buildings, construction works, etc...

- c. Computation of the appraised value taking into consideration the estimated remaining useful life of each item.

Similarly, the 'Machinery and equipment' and 'Vehicles' were revalued based on the following:

- Inspecting physical and technical condition of each unit subject to revaluation.
- Inquiring about the market value of similar machines/equipment available in the local market.
- Estimating the remaining useful life of each unit.
- Obtaining the appraised value of each machine/equipment based on (a), (b) and (c) above.

Accordingly, the appraised value of the 'Buildings, construction works and roads', 'Machinery and equipment' and 'Vehicles' was determined as follows:

<u>Asset Type</u>	<u>Appraised Value</u> <u>YR</u>	<u>Net Book Value</u> <u>YR</u>	<u>Revaluation Increment</u> <u>YR</u>
Buildings	31,658,070	(3,309,362)	28,348,708
Machinery and equipment	38,491,536	(5,426,402)	33,065,134
Vehicles	<u>6,963,000</u>	<u>(725,597)</u>	<u>6,237,403</u>
	<u>77,112,606</u>	<u>(9,461,361)</u>	<u>67,651,245</u>

The land on which the 'Buildings, construction works and roads' were constructed would be leased by the new Company from the Government in the future (since such land is owned by the Government).

Refer to Adjustment No. (12) in Schedule (1) for 'Summary of Adjusting Journal Entries' and to 'c. Proforma Financial Statements' on Pages (15 and 16) hereof.

Adjusted balance of PPE after effecting the above adjustments:

	<u>YR</u>
<i>Buildings</i>	<i>31,658,070</i>
<i>Machinery and equipment</i>	<i>38,491,536</i>
<i>Vehicles</i>	<i>6,963,000</i>
<i>Furniture, office equipment and tools</i>	<i><u>2,750,996</u></i>
	<u>79,863,602</u>

7. Current liabilities

Current liabilities as of June 30, 1997 consists of the following:

	<u>YR</u>
- Accounts payable	
Individuals	574,138
Government and private companies	463,133
Agriculture Services General Corp.	8,898,579
Advances from others	1,587,502
Agriculture Development Fund	<u>6,119,169</u>
	<u>17,642,521</u>
- Accruals	
Salary tax payable	6,242,322
Accrued expenses	<u>33,666</u>
	<u>6,275,988</u>
- Other payables	
Employee housing installments payable to Housing Bank	2,504
Employee housing installments payable to the MCHUP	10,626
Employee fund installments	4,600
Graduated stamp tax	9,273
Fixed stamp tax	642
Zakat on capital	64,750
Bosnia and Hersek fund	26,077
War injuries fund	42,637
Retirement fund - employees' share	11,017
Retirement fund - employer's share	11,017
Others	<u>11,122</u>
	<u>194,265</u>
	<u>24,112,774</u>

Review procedures done:

- Obtained detailed schedule of 'Current liabilities' and agreed totals with the Project's financial statements.
- Reviewed material balances to ensure propriety and determine that there are no amounts that should be recorded as revenue.

The review of significant 'Accounts payable' and 'Accrued expenses' balances disclosed the following findings which require adjustment:

- a. Agriculture Services General Corp. - the confirmation of balance received from the creditor revealed a discrepancy as follows:

Amount per Project records	YR	8,898,579
Amount confirmed		<u>(7,061,968)</u>
Difference	YR	<u>1,836,611</u>

- b. Salary tax payable - the amount of YR 6,242,322 represents accumulated unpaid salary tax since 1990. Because of lack of funds, the Project had been unable to remit the amount to the tax authority.

An agreement signed with the tax authority gave the Project the privilege to settle the liability by paying YR 150,000 per quarter until the whole amount is fully paid. Also such agreement called for the monthly and timely remittance of the 1996 and 1997 salary tax liability. Since the settlement of the prior years' salary tax liability would take about 10 years (at YR 150,000/quarter or YR 600,000/year), an 18% penalty and surcharges could be imposed by the tax authority. Therefore, the following computations are in order:

Total amount of unpaid salary tax	YR	6,242,322
Penalty rate		<u>18%</u>
	YR	<u>1,123,618</u>

- c. Income tax payable and other future liabilities - although the Project is subject to income tax, it had not been able to pay the tax due on net income because of liquidity problem. An analysis of income tax due from 1990 up to 1996 is shown in Schedule (2) - Computation of Net Loss Carry-over and Income Tax Payable. (Note: Since the Project's financial statements show accumulated losses during the previous years, we recognize the tax liability only starting 1990.) Such analysis indicates that the income tax payable for 1995 and 1996 is YR 2,546,757 and YR 2,266,416 respectively, or a total of YR 4,813,173.

Also as provided under Article No. (35) of Law No. (35) of 1991 as amended by Law No. (7) of 1997 'Concerning Public Utilities, Corporations and Companies', the Government's share (65%) of the after tax net income of the Project is provided for as follows:

1995	YR	3,074,300
1996		<u>2,735,888</u>
	YR	<u>5,810,188</u>

Further, although no formal tax review and assessment has been made yet, a general accrual for estimated taxes, other future liabilities and surcharges of YR 5,019,514 is accrued in addition to the abovementioned estimated penalty.

Refer to Adjustment Nos. (13 to 17) in Schedule (1) for 'Summary of Adjusting Journal Entries' and to 'c. Proforma Financial Statements' on Pages (15 and 16) hereof.

Adjusted balance of 'Current liabilities' after effecting the above adjustments: YR 39,042,656

8. Loan payable

The non-interest bearing loan obtained from the Wadi Hadramout Development Project represents the invoice cost of agricultural spare parts received and financed from a World Bank loan. The total amount of the loan is YR 13,889,719, out of which the total value of spare parts received as of June 30, 1997 was only YR 10,344,117. The balance of YR 3,545,602 was received in September 1997.

The loan is payable in four (4) equal semi-annual installments of YR 3,472,430 starting December 30, 1997.

Review procedures done:

- Inspected supporting documents (supplier's invoice, loan agreement - LA, etc...) of loan and matched total with the Project's financial statements.
- Reviewed the terms of the LA for any financial statement impact.

No adjustment arose from the review so the above amount also represents the adjusted balance of 'Loan payable'. Refer to 'c. Proforma Financial Statements on Pages (15 and 16) hereof.

As of the date of this report, no repayment of this loan has been made. Repayment of two installments, totalling approximately YR 6,945,000 is provided for in the Estimated Working Capital Requirements for 1999, shown on page 20.

9. Income and expense accounts

The Project's revenue consists mainly of sales of spare parts, raw materials and steel products (doors, windows, liquid tanks, containers, tractor attachments, etc...), machine rental and gas station sales. Costs and expenses include cost of sales and general and administrative expenses.



Review procedures done:

- Performed analytical review of revenue and expenses for the periods ended June 30, 1997 and December 31, 1995 and 1996.
- Obtained satisfactory explanations for material and/or unusual fluctuations in revenue and expense accounts. Noted that fluctuations in the Project's revenue were caused mainly by increasing competition from local traders, administrative problems in the technical department, inadequate maintenance of machinery and lack of funds required to replace old machinery and equipment.
- Compared the movements in certain income and expense accounts with the related balance sheet accounts and obtained reasons for material discrepancy, if any.

No adjustment arose from the review of income and expense accounts except those relating to balance sheet accounts as previously mentioned. Refer to 'c. Proforma Financial Statements' on Pages (15 and 16) hereof.

c. **Proforma Financial Statements**

SAYUUN AGRICULTURE MACHINE STATION

**BALANCE SHEET
JUNE 30, 1997**

	<u>Per books (YR)</u>	<u>Adjustments (YR)</u>	<u>Final (YR)</u>
ASSETS			
CURRENT ASSETS			
Cash	14,141,617	17,713	14,159,330
Accounts receivable (net)	11,168,000	(5,536,812)	5,631,188
Inventories	46,528,066	(19,912,744)	26,615,322
Deposits	603,500	-	603,500
Other debit balances	<u>2,624,371</u>	<u>(110,540)</u>	<u>2,513,831</u>
	<u>75,065,554</u>	<u>(25,542,383)</u>	<u>49,523,171</u>
PROPERTY, PLANT AND EQUIPMENT, at appraised value			
Less: Accumulated depreciation	21,176,741	65,171,579	86,348,320
	<u>(7,852,738)</u>	<u>1,368,020</u>	<u>(6,484,718)</u>
	<u>13,324,003</u>	<u>66,539,599</u>	<u>79,863,602</u>
	<u>88,389,557</u>	<u>40,997,216</u>	<u>129,386,773</u>
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Accounts payable	17,642,521	(1,836,611)	15,805,910
Income tax payable	-	4,813,173	4,813,173
Salary tax payable	6,242,322	-	6,242,322
Accrued expenses, provision and estimated liabilities	33,666	11,953,320	11,986,986
Other payables	<u>194,265</u>	<u>-</u>	<u>194,265</u>
	<u>24,112,774</u>	<u>14,929,882</u>	<u>39,042,656</u>
LOAN PAYABLE	<u>10,344,117</u>	<u>-</u>	<u>10,344,117</u>
EQUITY			
Authorized capital	17,121,249	-	17,121,249
General reserve	13,940,483	(10,623,361)	3,317,122
Reserve for PPE replacement	1,075,819	-	1,075,819
Retained earnings (deficit)	21,795,115	(30,960,550)	(9,165,435)
Revaluation increment	<u>-</u>	<u>67,651,245</u>	<u>67,651,245</u>
	<u>53,932,666</u>	<u>26,067,334</u>	<u>80,000,000</u>
	<u>88,389,557</u>	<u>40,997,216</u>	<u>129,386,773</u>

SAYUUN AGRICULTURE MACHINE STATION

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE SIX MONTHS ENDED JUNE 30, 1997

	Per books (YR)	Adjustments (YR)	Final (YR)
REVENUE			
Sales of parts and raw materials	35,483,888	-	35,483,888
Technical department	11,415,950	-	11,415,950
Machine rentals	5,616,880	-	5,616,880
Gas station	1,949,120	-	1,949,120
	<u>54,465,838</u>	<u>-</u>	<u>54,465,838</u>
DIRECT COST			
Cost of sales	30,036,889	-	30,036,889
Technical department	13,413,955	-	13,413,955
Machine rentals	3,600,406	-	3,600,406
Gas station	1,505,055	-	1,505,055
	<u>48,556,305</u>	<u>-</u>	<u>48,556,305</u>
GROSS PROFIT	<u>5,909,533</u>	<u>-</u>	<u>5,909,533</u>
LESS: EXPENSES			
General and administrative expenses	(4,260,316)	1,854,324	(2,405,992)
Loss on write-off of PP & E	-	(1,111,647)	(1,111,647)
Loss on write-off of inventory	-	(9,798,933)	(9,798,933)
Provision for slow-moving/obsolete inventory	-	(10,113,811)	(10,113,811)
Provision for tax and other liabilities	-	(6,143,132)	(6,143,132)
Bad debts expense	-	(3,013,684)	(3,013,684)
Provision for doubtful debts	-	(2,523,127)	(2,523,127)
Depreciation expense	(347,517)	-	(347,517)
Other costs and expenses, net	305,665	(110,540)	195,125
	<u>(4,302,168)</u>	<u>(30,960,550)</u>	<u>(35,262,718)</u>
NET INCOME (LOSS) FOR THE PERIOD	1,607,365	(30,960,550)	(29,353,185)
RETAINED EARNINGS			
Beginning of period	<u>20,187,750</u>	<u>-</u>	<u>20,187,750</u>
End of period	<u>21,795,115</u>	<u>(30,960,550)</u>	<u>(9,165,435)</u>

SAYUUN AGRICULTURAL AND INDUSTRIAL EQUIPMENT COMPANY EQUITY STRUCTURE

The privatization of Sayuun Agriculture Machine Station (SAMS) is a testimony, a solid proof of the Government's program to transfer the ownership and management of certain state-owned commercial enterprises to the private sector through strategies and techniques including broad-based ownership and consideration for the principle of worker-ownership. Indeed, the privatization policy is designed to achieve economic goals and the social goal of people-participation in the Government's privatization program.

Therefore, SAMS is planned to be privatized and converted into a new company whose shares of stock are allotted to the employees through a management-employee buyout scheme, for eventual transfer to such employees in the future.

Considering the foregoing premises, the proposed suitable equity structure of the new company is as follows:

- i. Authorized capital - Yemeni Rial Eighty Million (YR 80,000,000) - See 'Computation of Adjusted Net Assets Value' on Page (18) hereof.
- ii. Number of shares - One Hundred Sixty Thousand (160,000) shares
- iii. Par value per share - Yemeni Rial Five Hundred (YR 500)
- iv. Subscribed, issued and outstanding shares - One Hundred Sixty Thousand (160,000) shares
- v. Number of shareholders at incorporation - Two (2) as founders of the public company to be nominated by the Government as indicated in the proposed Articles of Association attached hereto

After UNIDO and the PTO studied and approved this equity structure, the Cabinet resolved the transformation of Sayuun Agriculture Machine Station into Sayuun Agricultural and Industrial Equipment Company (a Yemeni Public Stock Company). This was promulgated by Cabinet Resolution No. 20 of 1998, and the Deputy Prime Minister's Resolution, shown in Attachment 7.

SAYUUN AGRICULTURE MACHINE STATION

COMPUTATION OF ADJUSTED NET ASSETS VALUE
JUNE 30, 1997

	<u>(YR)</u>	<u>(YR)</u>
CURRENT ASSETS		
Cash	14,159,330	
Accounts receivable, net	5,631,188	
Inventories	26,615,322	
Deposits	603,500	
Other debit balances	<u>2,513,831</u>	49,523,171
PROPERTY, PLANT AND EQUIPMENT, net		<u>79,863,602</u>
TOTAL ASSETS		129,386,773
LESS: TOTAL LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	15,805,910	
Income tax payable	4,813,173	
Salary tax payable	6,242,322	
Accrued expenses, provision and estimated liabilities	11,986,986	
Other payables	<u>194,265</u>	(39,042,656)
LOAN PAYABLE		<u>(10,344,117)</u>
ADJUSTED NET ASSETS VALUE		<u>80,000,000</u>
<i>REPRESENTED BY:</i>		
Authorized capital	17,121,249	-
Reserves (General and PPE replacement)	4,392,941	
Revaluation increment	67,651,245	
Retained earnings (Deficit)	<u>(9,165,435)</u>	<u>80,000,000</u>

NOTES:

The above amounts represent the final balances shown in the Project's "Balance Sheet" as of June 30, 1997 (Page 15 hereof).



SAYUUN AGRICULTURAL & INDUSTRIAL EQUIPMENT COMPANY

BALANCE SHEET
JULY 1, 1997

	<u>YR</u>
ASSETS	
CURRENT ASSETS	
Cash	14,159,330
Accounts receivable (net)	5,631,188
Inventories	26,615,322
Deposits	603,500
Other debit balances	<u>2,513,831</u>
	<u>49,523,171</u>
PROPERTY, PLANT AND EQUIPMENT, at appraised value	86,348,320
Less: Accumulated depreciation	<u>(6,484,718)</u>
	<u>79,863,602</u>
	<u>129,386,773</u>
 LIABILITIES AND SHAREHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	15,805,910
Income tax payable	4,813,173
Salary tax payable	6,242,322
Accrued expenses, provision and estimated liabilities	11,986,986
Other payables	<u>194,265</u>
	<u>39,042,656</u>
LOAN PAYABLE	<u>10,344,117</u>
SHAREHOLDERS' EQUITY	
Authorized capital	<u>80,000,000</u>
	<u>129,386,773</u>

Note : See page 20 for the 'Estimated Working Capital Requirements'.

SAYUUN AGRICULTURAL & INDUSTRIAL EQUIPMENT COMPANY

**ESTIMATED WORKING CAPITAL REQUIRED
THROUGH DECEMBER 31, 1999**

	1999 (projected) YR	1998 (projected) YR
CASH PROVIDED BY OPERATING ACTIVITIES		
Net income before interest & fixed asset sales	10,500,000	5,630,000
Plus: depreciation	<u>6,500,000</u>	<u>-</u>
CASH PROVIDED BY OPERATIONS	<u>17,000,000</u>	<u>5,630,000</u>
(Increase)/decrease in:		
Accounts receivable	(2,440,000)	(6,880,000)
Accounts payable	930,000	870,000
Inventories	<u>(5,570,000)</u>	<u>6,210,000</u>
CASH (USED TO INCREASE) PROVIDED BY DECREASED WORKING CAPITAL	<u>(7,080,000)</u>	<u>200,000</u>
Interest paid	<u>-</u>	<u>-</u>
CASH PROVIDED BY OPERATING ACTIVITIES	<u>9,920,000</u>	<u>5,830,000</u>
CASH USED IN INVESTING ACTIVITIES		
Purchase of replacement fixed assets	(38,000,000)	(3,940,000)
Proceeds on disposal of fixed assets	<u>5,000,000</u>	<u>-</u>
	<u>(33,000,000)</u>	<u>(3,940,000)</u>
CASH EFFECTS OF FINANCING ACTIVITIES		
Repayment of existing loan payable	(6,945,000)	-
Installment payable under assignment agreement	(5,000,000)	-
Dividends payable to shareholders	<u>(1,575,000)</u>	<u>-</u>
Decrease/(increase) in cash on hand	<u>10,000,000</u>	<u>(1,890,000)</u>
ESTIMATED FINANCING REQUIRED	<u>26,600,000</u>	<u>-</u>



REGISTRATION OF THE NEW COMPANY - SAYUUN AGRICULTURAL & INDUSTRIAL EQUIPMENT COMPANY

The privatized Company proposed to be called 'Sayuun Agricultural & Industrial Equipment Company' was originally registered on July 26, 1998 under the name of the Deputy Minister of Agriculture and Irrigation, Mr. Farid Ahmed Saeed Mojawar, in his capacity as the Company's General Manager, with registration No. (2433/151) in the Sana'a Commercial Register.

The Registration was amended on September 8, 1998, under the name of an Employee Representative, Mr. Salem Omer Abdul-Rahman Arfan, as the Company's new General Manager who was elected by the General Assembly at the meeting held on August 5, 1998, after the Assignment Agreement was signed with the Yemen Government to represent the employees of the Sayuun Agricultural and Industrial Equipment Company in terms of the abovementioned Assignment Agreement, shown in Attachment 6. This registration was published in the Sana'a Commercial Register under the same registration No. (2433/151).

Photocopies of both the original and amended certificates of registration of the Company are shown as Attachment 5.



FIRST GENERAL ASSEMBLY OF SHAREHOLDERS OF SAYUUN AGRICULTURAL & INDUSTRIAL EQUIPMENT COMPANY

The first ordinary meeting of the General Assembly of Shareholders of Sayuun Agricultural and Industrial Equipment Company was held on August 5, 1998, at the Ministry of Agriculture in Sana'a. Both shareholders of record, Deputy Minister Mr. Farid Ahmed Saeed Mojawar, and Assistant Deputy Minister Mr. Abdul-Malik Ahmed Ahmed Al-Arashi attended the meeting, representing 100% of the shares of the Company to decide the following matters on the agenda:

- (1) Reading out of the Cabinet Resolution establishing Sayuun Agricultural and Industrial Equipment Company,
- (2) Appointment of the Board of Directors for the Company,
- (3) Appointment of the Auditors of the Company, and
- (4) Approval of the expenditures for the Company Formation.

The minutes of this meeting are shown as Attachment 8.



Schedule (1)

Page 1 of 3

SAYUUN AGRICULTURE MACHINE STATION

JUNE 30, 1997

SUMMARY OF ADJUSTING JOURNAL ENTRIES

<u>AJE No.</u>	<u>Particulars</u>	<u>Dr. YR</u>	<u>Cr. YR</u>
1.	Cash - CBY US\$ CA G & A expenses (To restate the CA US\$ balance as of June 30, 1997 /: US\$ 9,897.88 x 129.75) - YR 1,197,735))	86,515	86,515
2.	G & A expenses Cash-checks under collection (To write-off checks not collected since 1990/1991)	68,802	68,802
3.	Provision for doubtful debts Allowance for bad debts (To provide additional provision for doubtful debts)	1,823,111	1,823,111
4.	Provision for doubtful debts Allowance for bad debts (To record provision for the receivable balances as of December 31, 1995 / 1996 (YR 609,251 + YR 90,765)	700,016	700,016
5.	Bad debts expense Accounts receivable - Government (To write-off receivables from the Government relating to the items stolen in 1994)	3,013,684	3,013,684
6.	Provision for slow-moving/obsolete inventory Allowance for slow moving/obsolete inventory (To recognize provision for slow moving/obsolete inventory)	10,113,811	10,113,811

Schedule (1)

Page 2 of 3

SAYUUN AGRICULTURE MACHINE STATION

JUNE 30, 1997

SUMMARY OF ADJUSTING JOURNAL ENTRIES

AJE No.	Particulars	<u>Dr. YR</u>	<u>Cr. YR</u>
7.	Loss on write-off of inventories Raw materials, spare parts and lubricants inventory (To write-off obsolete Komatsu spare parts)	9,798,933	9,798,933
8.	Other expenses Accrued revenue (To write-off accrued revenue as of December 31, 1995; amount collected in 1996/97 and credited to revenue)	110,540	110,540
9.	Accumulated depreciation (buildings) G & A expenses - Loss on write-off of PPE Property, plant and equipment (buildings) (To write-off NBV of buildings destroyed by the elements)	82,500 26,291	108,791
10.	Accumulated depreciation (buildings) Property, plant and equipment (buildings) (To correct JV # 780 dated 1/1/90)	83,200	83,200
11.	Accumulated depreciation G & A expenses - Loss on write-off of PPE Property, plant and equipment (machinery) (To write-off NBV of items identified as junk)	1,202,320 1,085,356	2,287,676
12.	Buildings, construction works and roads Machinery and equipment Vehicles Revaluation increment (To record increment arising from revaluation of PPE)	28,348,708 33,065,134 6,237,403	67,651,245

SAYUUN AGRICULTURE MACHINE STATION
JUNE 30, 1997
SUMMARY OF ADJUSTING JOURNAL ENTRIES

	<u>Particulars</u>	<u>Dr.</u> <u>YR</u>	<u>Cr.</u> <u>YR</u>
13.	Accounts payable - Agriculture Services General Corp. G & A expenses (To record difference between book balance and amount confirmed by creditor)	1,836,611	1,836,611
14.	G & A expenses-provision for tax liability Accrued expenses (To record provision for penalty on salary tax)	1,123,618	1,123,618
15.	General reserve Income tax payable (To record income tax liability for 1995 and 1996)	4,813,173	4,813,173
16.	General reserve Accrued expenses - Government profit share (To accrue the 65% Government share in the net income for 1995 and 1996)	5,810,188	5,810,188
17.	G & A expenses-provision for tax liability Accrued expenses (To record provision for estimated compromise surcharges for unpaid income tax and other liabilities)	5,019,514	5,019,514

Schedule (2)

SAYUUN AGRICULTURE MACHINE STATION

COMPUTATION OF NET LOSSES CARRIED FORWARD AND INCOME TAX PAYABLE
JUNE 30,1997

Year	NET		CARRIED FORWARD TO					BALANCE OF LOSS	TAXABLE INCOME	
	PROFIT	(LOSS)	1991	1992	1993	1994	1995			1996
1990		6,072,660	-	(413,301)	-	(1,584,070)			(4,075,289)	-
1991		7,340,073		-	-	-	(7,340,073)		-	-
1992	413,301								-	-
1993		682,465				-	(682,465)		-	-
1994	1,584,070								-	-
1995	15,298,988									7,276,449
1996	6,475,474									6,475,474
			-	(413,301)	-	(1,584,070)	(8,022,539)	-	(4,075,289)	13,751,923

ALLOCATION OF NET INCOME:

	TOTAL	1995	1996
Income before tax	13,751,923	7,276,449	6,475,474
Income tax (at 35%)	* (4,813,173)	(2,546,757)	(2,266,416)
Net income for the year	8,938,750	4,729,692	4,209,058
Government share (65%)	** (5,810,188)	(3,074,300)	(2,735,888)

* Profit tax computed is accounted for per adjusting entry No. (15) included in Schedule No. (1) attached hereto.

** Government share of net profits is credited to accrued expenses, provision and other liabilities account per adjusting entry No. (16) included in Schedule No. (1) attached hereto.



ARTICLES OF ASSOCIATION OF
SAYUUN AGRICULTURAL &
INDUSTRIAL EQUIPMENT COMPANY

(a Yemeni Joint Stock Company)

CHAPTER ONE

Foundation of the Company

Article 1 : Pursuant to the provisions of Republican Decree No. (35) of 1991 "Concerning Public Authorities, Corporations and Companies", as amended by Law No. (7) of 1997; and pursuant to Law No. (22) of 1997 - "Commercial Companies Law" and based on the Resolution of the Council of Ministers No. (20) of 1998 issued March 21, 1998, as amended on July 4, 1998, concerning the revaluation of Sayuun Agriculture Machine Station (SAMS), a Company - *which to achieve the goals planned by the Government will succeed and carry on the business of SAMS established in 1948 as the Hadrami Pump Project which was reorganized by Ministerial Resolution No. (78) of 1992; succeed to the ownership of all property, movable and immovable, owned and used by the said SAMS; succeed to all the rights privileges and interests arising in or out of such property of the said SAMS; succeed to all the liabilities of the said SAMS; offer employment to all persons permanently employed in the SAMS at the date of incorporation of the Company; succeed to all contracts and agreements entered into for the purposes of the business of the said SAMS and; succeed to all actions and proceedings instituted by or against the SAMS - is established between the following founders in accordance with these Articles of Association :*

Mr. Farid Ahmed Saeed Mojawar
Deputy Minister of Agriculture and Irrigation

Mr. Abdul-Malik Ahmed Ahmed Al-Arashi
Assistant Deputy Minister of Agriculture and Irrigation

Article 2 : The name of the Company is:

*"Sayuun Agricultural & Industrial Equipment Company"
(a Yemeni Joint Stock Company.)*

Article 3 : The objectives of the Company are to:

- a. Lease agricultural and industrial vehicles, equipment and machinery from and to third parties.

- b. Provide fuel, oil and grease station services and related service centers.
- c. Provide the agricultural cooperative societies, companies and farmers with their needs for agricultural and industrial vehicles, equipment, machines and spare parts as well as service maintenance.
- d. Establish mechanical and electrical technical workshops for manufacturing spare parts for agricultural and industrial machinery and equipment.
- e. Trade in and import agricultural and industrial vehicles and machinery, related spare parts, all kinds of industrial steel and equipment for industrial workshop.
- f. Represent companies manufacturing agricultural and industrial vehicles, equipment, machinery, accept their agency and grant agency to third parties which further the Company's objectives.
- g. Invest the available funds in buying, owning or leasing fixed and current assets including commercial stocks, bonds or any other similar instruments or securities and exchange them, receive revenue therefrom and dispose of them for any transaction which furthers the Company's objectives as well as augment the Company's investment and revenues.
- h. Work as a contractor with third parties for land survey and rehabilitation works, construct water channels, maintain water floodways, construct and pave roads, manufacture hangars and tractor equipment and related accessories; also sign contracts with sub-contractors for the partial execution of the abovementioned works.
- i. Perform all related transactions, sign contracts with third parties and run the business in a manner that will enable the Company to achieve its objectives. This includes coordinating or cooperating with companies or utilities which practice similar activities, merging with and/or buying a company as a subsidiary and participating with third parties when it is advantageous to the Company.

Article 4 : The address of the head office of the Company will be in the city of Sayuun, Hadramaut Governorate, Republic of Yemen. The Board of Directors may establish branches, offices or agencies for the Company in Yemen or abroad when it is advantageous to the Company.

Article 5 : The life of the company is unlimited. The Company shall start its activity upon the issuance of a Ministerial Decree licensing its incorporation and after its registration in the commercial register.

CHAPTER TWO

The Capital of the Company; Shares and Bonds

Article 6 : The capital of the Company is Yemeni Rials Eighty Million (YR 80,000,000) divided into One Hundred Sixty Thousand (160,000) shares, with a par value of Yemeni Rials Five Hundred (YR 500) per share.

Article 7 : The capital stock of the Company has been fully subscribed by the founders as follows:

	<u>No. of Shares</u>	<u>Nominal Value</u>
1. Farid Ahmed Saeed Mojawar	80,000	40,000,000
2. Abdul-Malik Ahmed Ahmed Al-Arashi	<u>80,000</u>	<u>40,000,000</u>
Total	<u>160,000</u>	<u>80,000,000</u>

Article 8 : The founders' subscription has been settled in kind through the net assets of Sayuun Agriculture Machine Station in the city of Sayuun, Hadramout Governorate, which were valued as of June 30, 1997 and approved by the Council of Ministers Resolution No.(20) of 1998.

Article 9 : All the Company's shares are nominal. A shareholders may apply to convert his shareholding to bearer shares after twelve (12) months from the date of the Company's incorporation.

Article 10 : Stocks certificates will be issued from a book with counterfoils and with serial numbers. They will be signed by two (2) members of the Board of Directors and should bear the Company's seal. The certificate must, in particular, contain the date of issue of the Ministerial Decree licensing the foundation of the Company, the date of publication of the Decree in the Official Gazette, the amount of the Company's share capital, the number of issued stocks, the purposes, head office location and duration of the Company and the date of the General Assembly meeting. The stock certificate should have dividend coupons with the same serial number as the stock certificate.

- Article 11 : a. The ownership of shares can be transferred by recording the transfer in the Company's share register after presentation of an application signed by the parties to the transfer. The same procedure will be followed when the shares are transferred through inheritance or upon the death of a shareholder. The Company has the right to require authentication of the signatures of the parties to the transfer and the proof of their eligibility in the manner prescribed by law.
- b. The transfer of stock ownership is allowed only after publishing the Company's financial statements (balance sheet, statements of income and cash flows) for the first financial year.
- c. The Board of Directors may decline to recognize any instrument of transfer unless such instrument is accompanied by the certificate of the shares to which it relates, and shows the full payment of the selling price of the sold shares, and confirms the same in the share register.
- Article 12 : A shareholder is liable for the Company's obligations up to the value of his shares.
- Article 13 : The ownership of the shares shall automatically mean that the shareholder accepts the Company's Articles of Association and the General Assembly resolutions.
- Article 14 : Each share of stock is indivisible.
- Article 15 : A shareholder's heirs or creditors have no right or any justification whatsoever to apply for the attachment of the Company's books of account or its property or to apply for its division or sale because it is indivisible.
- Article 16 : Each share entitles the owner to a right of ownership in a portion of the Company's assets and dividends under distribution when the Company is liquidated. Also, a shareholder has the right to attend and participate in the General Assembly meetings and discussions, vote on the decisions adopted, dispose and act within the conditions stipulated in these Articles and the existing Commercial Companies Law.
- Article 17 : The stock dividends and the proportionate share in the Company's assets upon liquidation shall be paid to the shareholder. If the shares are nominal, the last owner of the shares whose name is recorded in the Company's stock register is the only person who is entitled to receive dividends thereon or to receive his proportionate share in the Company's assets.
- Article 18 : It is not permissible for the Company to issue loan bonds unless the share capital is paid in full and after the General Assembly's consent, in accordance with the relevant conditions and provisions of the existing Commercial Companies Law . The General Assembly may assign power to the Board of Directors to determine the loan amount and conditions. In all circumstances, the loan bonds should be issued in equal value and are indivisible and disposable.



CHAPTER THREE

The Company's Management

Article 19 : The management of the Company shall be undertaken by a Board of Directors consisting of seven (7) members elected through secret balloting by the Company's General Assembly from among the shareholders.

However, the names of the first Board of Directors shall be determined in writing by the founders of the Company within one month from the date of the Company's incorporation.

Article 20 : The members of the Board of Directors shall serve for a period of three (3) years which is renewable, provided however that at the first ordinary General Assembly meeting, all members of the first Board of Directors shall retire from office.

Article 21 : If one of the seats of the Board of Directors are vacant, the Board may designate a replacement from the shareholders who are qualified. Such a replacement should be presented to the General Assembly in its first meeting to be approved, or another person will be elected. In all circumstances the member designated or elected will complete the term of the member he replaced.

If one third of the seats of the Board of Directors is vacant, a General Assembly meeting must be immediately called to fill the vacant seats unless the meeting of the General Assembly is scheduled within a period not exceeding thirty (30) days from the date the vacancy occurs.

Article 22 : The Board of Directors shall appoint a Deputy Chairman from among its members to replace the Chairman during his leave of absence, and a Board Secretary.

Article 23 : The Board of Directors will hold its meetings at the Company's head office whenever it is in the interest of the Company to hold such meetings. The Chairman of the Board will invite the members to attend the meetings. In certain circumstances a meeting will be held if at least three (3) members request such a meeting. The Board shall meet at least ten (10) times each financial year. The Board of Directors' meetings may be held in any place or city in Yemen other than the Company's head office, if justified.

Article 24 : a. The meeting of the Board of Directors shall not be valid if not attended by the majority of its members, provided that the attendees are four (4) as a minimum. A member of the Board can not vote through a proxy during a meeting by appointing another Board member. Also, it is not permissible for a member to vote in absentia.



- b. The minutes of Board meetings shall be kept in writing in a special book, after they are signed by all members attending the meetings and the Board Secretary. The minutes shall include the discussions and the dissenting opinion of the members.

Article 25 : The resolutions of the Board of Directors will be adopted by a majority of votes of those present. In case of a tie, the Chairman will break the tie.

Article 26 : The Board of Directors has the full power required to undertake the Company's business objectives. This does not include the activities which the existing law and these Articles of Association reserve for the General Assembly. The Board shall comply with the General Assembly directives and resolutions; do what is necessary to achieve the Company's objectives and growth; safeguard the funds and assets; and ensure growth in revenues. In this regard the Board may adopt the required by-laws and regulations for the Company's operation.

Article 27 : a. Unless approved by the General Assembly, the Board of Directors is not permitted to sign loan agreements concerning loans that are due after more than three (3) years, to sell the Company's real estate, to mortgage the Company's real estate property or to sell trading showrooms of the Company. Under no circumstances is the Company allowed to obtain loans secured by its capital.

- b. Unless approved by the General Assembly, it is not permissible for the Company's members of the Board or any manager to sign with the Company any business contract or to do any kind of business in which they have personal interest.

- c. The members of the Board or any manager should inform the Board of Directors by reporting in its minutes of meetings of any personal interest they may have in the Company's contracts or business. If there is any personal interest, the member has no right to participate in the voting or deliberation of the Board pertaining to that contract or business.

Article 28 : a. If approved by the Board of Directors or its Chairman when it is within the Company's objectives, all Company activities and transaction are the full responsibility of the Company.

- b. The members of the Board of Directors are fully responsible to the Company and to the shareholders if they mismanage the Company's operations or act against the laws or the Company's Articles of Association. Their responsibility for damage or loss reimbursement shall be defined in accordance with Articles 152 and 153 of the existing Commercial Companies Law.

Article 29 a. Excluding the members of the Board who represent a legal entity or person, each Board member should be an owner of at least two percent (2%) of the Company's capital stock. The stock ownership of the Chairman of the Board should be double that of a member's percentage.

- b. Within one month from election of the members of the Board of Directors, the concerned member should deposit his stock ownership with one of the banks as a security for the Board's responsibility. Such stock shall continue to be deposited during the period of membership. If the abovementioned security is not deposited, the member's election is considered invalid.
- c. In the first meeting of the Board, every member of the Board and manager is requested to present a declaration of ownership of the Company's stocks or bonds issued in his name, his wife's or children's names and of any changes in the ownership as indicated in Article (145) of the Commercial Companies Law.

Article 30 : The remuneration of the members of the Board of Directors shall be resolved by the General Assembly at a maximum of ten percent (10%) of the Company's annual net income, after recording all liabilities and reserves identified in Article (191) of the Commercial Companies Law and within the limits identified in the related Executive Regulations. The members' compensation shall be of equal amounts.

Article 31 : Before the meeting of the General Assembly, the Board of Directors shall distribute to the stockholders copies of the Board's annual report, a statement on each member's salary and benefits received from the Company during the financial period, benefits in kind and remuneration proposed to be paid to the members who participated in the Company's publicity, business or contracts if related to any member's interest, and all donations made and the justification therefor.

Article 32 : The Chairman or his Deputy may be assigned as the Company's General Manager. The Board may appoint one or more managers who are not Board members and delegate to them powers to sign on behalf of the Company, solely or jointly. The Board may refer cases to committees assigned by the Board members and receive reports therefrom. The Board may appoint one of the Board members or a third person to take a certain action and/or grant the related authority therefor. In all cases, the Board may cancel the formation of committees or stop the assignment of deputies.

Article 33 : The Chairman of the Board shall manage the Company's daily affairs and, in particular, do the following:

- a. As agreed with the Board, invite the General Assembly for a meeting, prepare its agenda and implement all its decisions.
- b. Call the Company's Board for its meetings, notify it about the agenda and implement its decisions.
- c. Represent the Company before the judiciary or assign his representative for the purpose.



- d. As stipulated in the existing law and in these Articles, sign on behalf of the Company and assign one of the Board members or Company's staff to sign on his behalf for certain powers and for a limited period as he may deem proper.
- e. Manage the Company in accordance with its objectives, plan and work programs.
- f. Propose or appoint a General Manager of the Company and define his powers and responsibilities for the Board's approval.
- g. Propose to establish and close the Company's branches, appoint its managers and define their powers and responsibilities.
- h. Appoint the Company's department managers, experts and consultants, define their powers and the termination or renewal of their contracts.
- i. Appoint the Company's agents or representatives within or outside the Republic of Yemen and sign the related contracts with them.
- j. Supervise the maintenance of the Company's books of accounts, the preparation of final accounts and balance sheet as of the end of each financial year, showing the Company's activities and the results of its operations, and publish the same within one month before the General Assembly meeting.
- k. Suggest the Company's draft annual plan, loan bond issues, investment projects, reconciliation and settlement of debts, draft proposals for the Company's operational plans, rates of commissions, and interest and compensations, and organizational structure and administrative regulations, to the Company's Board.
- l. Form committees, whether from the Board members or others, and define their work programs and responsibilities.
- m. Appoint the company's staff and define their salaries and allowances, their job description as identified in the Company's organizational structure and by-laws and renew or terminate their contracts, which should all be in accordance with the Company's operational requirements, plans and budgets.
- n. Sign contracts for sale, mortgage, leasing, or rental of fixed assets, or purchasing, as defined within the Board's decisions.
- o. Provide for the safe custody of the Company's seal, which shall be used only for the Company's business and affairs.
- p. Take all the required actions to manage the Company according to its objectives, its administrative policies and procedures, its plans and budgets within the limit of the existing laws, the Board decisions and stipulations in these Articles.

CHAPTER FOUR

General Assemblies

- Article 34 : The General Assembly meeting shall represent all shareholders of the Company. Such a meeting should be attended by representatives from both the Ministry of Supply and Trade and the Board as indicated in Article (156) of the existing Companies Law.
- Article 35 : a. A shareholder has the right to attend the General Assembly meeting in person and as a representative of another shareholder if assigned by a proxy.
- b. Attending the General Assembly by proxy requires that the attendees be shareholders and the proxy assignment for each meeting be in writing.
- c. It is not permissible for a shareholder to appoint a Board member to be a proxy for him in attending the General Assembly meetings. No shareholder, other than legal persons, in his capacity as a proxy holder, may have votes exceeding five percent (5%) of the number of Company's shares.
- Article 36 : a. The invitation for the General Assembly meeting should be published in at least one official daily newspaper, fifteen (15) days before the date of the meeting. The notice shall include the meeting agenda. However, it is permissible not to publish the notice if it is sent to shareholders through direct registered mail. A copy of the invitation is to be sent to the Ministry of Supply and Trade ten (10) days before the meeting date.
- b. For each General Assembly meeting, the Ministry of Supply and Trade shall countersign the General Assembly attendance record which shows the names of the members who attended the meeting and the number of their votes in person or by proxy, and attest to their signatures next to their names on the minutes of the meeting.
- c. The meeting shall be presided over by the Chairman or by his deputy.
- d. An adequate summary of the discussions during the meeting shall be recorded. This should include the General Assembly discussions, decisions taken, and the number of votes representing the shares, which agreed or disagreed with the decisions, and the matters which the shareholders present wanted to be recorded. The minutes should be signed by the presiding Chairman, the secretary and the tellers.
- e. The minutes of the meeting should be recorded in a special record to be maintained for this purpose. The Chairman, the secretary, the teller and the external auditors should sign the minutes.

- Article 37 : a. In accordance with the existing laws and these Articles, each shareholder shall have a number of votes in the General Assembly equal to the number of shares he holds.
- b. If the General Assembly meeting is held for the purpose of electing or suspending a Board member or filing a breach of responsibility court case against any member, the voting shall be done through secret balloting. The same procedures apply if requested by the Chairman of the meeting or by ten percent (10%) of the number of shareholders. Otherwise, the voting will be conducted by raising hands and the number of shares owned by those raising their hands shall be counted by the secretary and the teller of the meeting.

First: The Ordinary General Assembly

- Article 38 : The Chairman of the Board of Directors' invitation for the General Assembly meeting shall specify the meeting date, time and location. The meeting shall be held at least annually during the first four (4) months following the end of each financial year of the Company. Such a meeting shall be convened in particular to hear the Board's report on the Company's operations, financial position, balance sheet and income statement, for consideration and approval after hearing the external auditors' report, as well as discussion and approval of the Board proposals for dividends or for electing Board members or to consider when required, their suspension, and the election of the external auditors and their fees.
- Article 39 : Whenever necessary, the Board of Directors should decide to call General Assembly meetings. The Board is empowered to call a General Assembly Meeting if requested by the Company's external auditors or by shareholders representing ten percent (10%) of the Company's outstanding capital stock provided they have serious reasons for requesting the meeting.
- Article 40 : At least one (1) week before the General Assembly meeting date, a record in the Company's office shall be maintained for recording the shareholders' names who will attend the meeting and the number of stocks in person and by proxy. For voting, a shareholder has no right to hold more than twenty percent (20%) of the Company's share capital.
- Article 41 : An identification card signed by a member of the Board shall be provided to the shareholders who will attend the meeting as an entry pass to the meeting venue. The card shall indicate the eligible number of shares and may be used for the second meeting of the General Assembly; the holder is not allowed to change any information shown in the card.

- Article 42 : If the General Assembly is not invited to convene after one (1) month from the date defined in these Articles, or upon the request of the external auditors, or a number of shareholders representing ten percent (10%) of the Company's capital, when necessary the Ministry of Supply and Trade may invite the Assembly to a meeting. All expenses during the meeting shall be borne by the Company.
- Article 43 : The General Assembly meetings shall be presided by the Chairman of the Board or in his absence, by the Deputy Chairman or by whoever the Board may appoint. The General Assembly should appoint a secretary and teller for the meeting. If a subject involving the Chairman's person will be discussed during the meeting, a replacement to preside over the meeting should be chosen from the shareholders present.
- Article 44 : A General Assembly meeting is valid if attended by the majority of the Company's shareholders in person or by proxy. If the minimum limit is not met, a second meeting shall be called thirty (30) days after the first meeting date. The General Assembly decisions shall be considered valid if adopted by the majority of the stockholders present during the second meeting.
- Article 45 : The General Assembly can not discuss any matters other than those included in the agenda. In case there is notification to the Assembly about new urgent matters or if requested by a minimum of five percent (5%) of shareholders to consider certain matters, the General Assembly may decide on the same after confirming the minimum percentage.
- Article 46 : The first meeting of the General Assembly should be convened during the month following the date of the Ministerial Decree issued by the Minister of Supply and Trade. The Company's founders should be invited in writing and the advice should include the agenda of the meeting and, in particular, the following:
- a. The Ministerial Decree incorporating the Company.
 - b. Election of the Company's Board of Directors.
 - c. Appointment of the Company's first external auditors and setting their fee.
 - d. Approval of the Company's formation expenses.
- Article 47 : The Minister of Supply and Trade decree incorporating the Company and its Articles of Association shall be published in the Official Gazette.
- Article 48 : The first Board of Directors of the Company should prepare the Company's Incorporation declaration and the commercial registration by applying to the Ministry of Supply and Trade's Department of Companies and providing copies of the Company's Memorandum and Articles of Association in accordance with the requirements of the Law.

Article 49 : The General Assembly decisions adopted in accordance with the Company's Articles of Association will be binding to all shareholders, whether or not they attended the meeting when such decisions were adopted, or they voted for or against the decisions. The Board of Directors is obliged to implement such decisions provided they are not in conflict with any law or with the Company's Articles of Association.

Second: The Extraordinary General Assembly

Article 50 : a. An Extraordinary General Assembly meeting may be called to decide on the following: *i.* amendment of the Articles of Association; *ii.* amendment of the share capital; *iii.* the Company's merger; and; *iv.* dissolution of the Company.

b. The Extraordinary General Assembly may consider and decide on matters relating to the ordinary General Assembly meeting.

c. The Extraordinary General Assembly is not allowed to decide on amending the Company's Articles of Association concerning either the Extraordinary General Assembly, additional financial obligations on behalf of the Company's shareholders, transfer of the Company's office from the Republic of Yemen to a foreign country, or amendment of the Company's main objective.

Article 51 : The provisions relating to the ordinary General Assembly will apply to the Extraordinary General Assembly after considering the following:

1. The Extraordinary General Assembly meeting shall be convened only after the issuance of the Board of Directors' decision.

2. The Board of Directors should call the Extraordinary General Assembly meeting if requested by twenty-five percent (25%) of the Company's shareholders and for serious reasons.

3. The Ministry of Supply and Trade may call for an Extraordinary General Assembly meeting if so requested by the shareholders, when the Board of Directors has not called the meeting within fifteen (15) days of their request.

4. The contents of the agenda of the meeting must be included in the notice and no further matters may be discussed in the meeting.

5. The Extraordinary General Assembly meeting shall be valid if attended by shareholders, representing at least two thirds (2/3) of the Company's share capital. If such quorum is not met, a second meeting is to be convened thirty days (30) after the first meeting date. The second meeting shall be valid if attended by shareholders representing at least one third of the company's share capital.

6. The extraordinary General Assembly meetings' decisions shall be valid if approved by two-thirds (2/3) of the shareholders present. If the decision relates to increasing or decreasing the share capital, or the dissolution of the Company or its merger, then three fourths (3/4) of the shareholders present is required.

CHAPTER FIVE

Amendment of the Company's Articles of Association and Increase or Decrease in the Share Capital

First: Amendment of the Articles

- Article 52 : a. The Extraordinary General Assembly decisions pertaining to the amendment of the Company's Articles of Association, its dissolution or its merger are subject to the Minister of Supply and Trade's approval and decree.
- b. The Board of Directors shall apply to the Minister of Supply and Trade for approval of the amendment and provide a copy of the Extraordinary General Assembly minutes of meeting as well as all relevant papers and documents within five (5) days of the date of the abovementioned decision.
- c. Both the Minister's decree approving the amendment and the Extraordinary General Assembly decision for amendment are to be published in the Official Gazette.
- d. The Board of Directors shall declare the amendment of the Company's Articles in the Commercial Register as required by Law.

Second: Increase in Capital

- Article 53 : a. The Extraordinary General Assembly decision on capital increase shall not be issued before the original capital is fully paid up.
- b. The Extraordinary General Assembly decision should identify the method to be followed in increasing the capital, the amount of increase and the issue price of the new shares. Such a matter can not be delegated to the Board of Directors.
- c. The nominal value of the new shares shall be the same as the nominal value of the original shares. The shareholders' Assembly may decide on the amount of the issue premium above the shares' nominal value. Such a premium shall be credited to the legal reserve even if it exceeds more than half of the capital.
- Article 54 : a. The original shareholders have the first right of subscribing to the new shares.
- b. The increase in share capital is exempt from complying with paragraph (B) of Article (11) of these Articles of Association.

- c. Notice of the issue of new shares for subscription will be published in one of the daily newspapers. The notice will include the first right of the original shareholders, the opening and closing dates of the subscription, and the sale price of the new shares.
- d. In the event of an offer of the new shares for general subscription, a notice of subscription shall be issued showing the Company's previously paid up capital, the amount of increase in the capital of the Company, the number of the new shares and their price, the issuance premium, the reasons for the capital increase and the General Assembly decision on the increase in capital, the Minister of Supply and Trade decree approving the increase, the average dividends for the last three years preceding the capital increase, the Company's external auditors' report and the Chairman of the Board's report ensuring the correctness of the information in the statement.

- Article 55 :
- a. The new shares shall be distributed first to the original shareholders according to their applications. If the applications exceed the number of issued shares, the shares will be distributed to them proportionally to the number of shares they own.
 - b. If the shares issued for general subscription exceed the number requested by the original shareholders, the remaining new shares will be issued for general subscription following the rules described in Articles (69) to (81) of the Commercial Companies Law.

Third: Decrease in Capital

- Article 56 :
- a. The decrease in the authorized capital of the Company is allowed if decided by the Extraordinary General Assembly and approved by the Minister, if the original capital of the Company is excessive for its needs, or if in view of accumulated losses, it is necessary to reduce the authorized capital to the actual value, provided that the capital is not reduced below the legal capital prescribed for joint stock companies.
 - b. The extraordinary General Assembly decision on capital reduction shall not be valid before:
 - 1. Hearing the Company's external auditors' report on the reasons for the reduction, the Company's liabilities and the effect of the reduction on these liabilities.
 - 2. Ensuring that the capital reduction will not weaken the Company's ability to meet all its financial obligations.
 - 3. Presenting the method by which the capital reduction will be achieved, either by reducing the nominal value of the shares or by canceling or buying back a number of shares as indicated in Articles (207) to (211) of the existing Companies Law.



- Article 57 : a. The Board of Directors will publish at Company expense the Extraordinary General Assembly decision on capital reduction in one of the daily newspapers and inform in writing all the Company's creditors whose addresses are known to the Company. Thereafter, the Minister's Decree on the capital decrease will be issued.
- b. The creditors must present to the Company the documents establishing their claims within sixty (60) days of the date of the notice in the official daily newspapers, so that the Company may settle its current liabilities, and provide adequate guarantees for the settlement of the long term liabilities.
- c. The Extraordinary General Assembly's decision on capital reduction shall not be valid if the abovementioned procedures are not followed and the Minister's decree on the reduction is not issued.
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CHAPTER SIX

State Control and Company's External Audit

- Article 58 :
- a. The Company shall be subject to State control through the Ministry of Supply and Trade.
 - b. The Company shall provide the Ministry of Supply and Trade with a copy of the invitation to the General Assembly meeting, to send its representative to attend the meetings.
 - c. The Chairman of the Board is obliged to provide copies of the following documents to the Ministry of Supply and Trade every financial year:
 - 1. A list of the names of the Board Members and the General Manager, their nationalities, ages, names of their children, names of their wives and the number of shares and bonds they own.
 - 2. The Company's external auditors' name, fees, and the declaration of ownership of the Company's shares or bonds by himself, his wife, and his underage children.
 - 3. At least one month before the date of the General Assembly meeting, the annual financial statements of the Company (balance sheet, statements of income and cash flows), the Board of Directors' report, the external auditors' report and the sp. declarations mentioned in Article (31) of these Articles of Association.
 - 4. Within fifteen (15) days of the end of every meeting of the Board and of the General Assembly, the minutes of the meeting and decisions taken.
 - d. The Ministry's representative shall sign copies of the minutes of meetings of the General Assembly and present his report to the Ministry accompanied with either a copy of the minutes of the meeting or a summary thereof.
- Article 59 :
- a. From the Ministry's list of chartered accountants, the Company's General Assembly shall appoint or renew and define fees of the external auditors of the Company who shall be assigned to audit the Company's accounts, report on their fairness and agreement with the actual financial position of the Company and with the existing laws and regulations as evidenced by the documents and information provided to him. The external auditors shall be held responsible for the contents of their report, and compensation to the Company for damages incurred caused by mistakes they commit in performing their work. The Companies Law regulates external auditors' competence and responsibilities in Articles (176) to (183).
 - b. It is not permissible for the General Assembly to approve the Board's annual report, the Company's annual financial statements, and the release of responsibility of the Board of Directors before hearing the external auditors' report.

CHAPTER SEVEN

The Company's Financial Matters

- Article 60 : The financial year of the Company starts on the first day of January and ends on the thirty-first day of December of each calendar year. However, the Company's first financial year includes the period from July 1, 1997, the date of the revaluation of the Company shown in Article 1 of these Articles, until December 31 of the year of Incorporation of the Company and its declaration in the commercial register.
- Article 61 : a. For each financial year, the Board of Directors shall prepare a report on the Company's activities, and economic and financial position accompanied by the financial statements of the Company for that year (balance sheet and income statement) within the period of time allowed to hold the General Assembly, within at most four months from the end of the financial year, for consideration and decision.
- b. The Board of Directors shall publish the Company's financial statements, an adequate summary of their report and the complete external auditors' report in an official Arabic daily newspaper in the location of the Company's office at least fifteen (15) days before the date of the General Assembly meeting.
- Article 62 : The Company's annual net income realised in a financial year is the amount remaining in the profit and loss accounts after taking into consideration all expenses and revenues belonging to the financial year, prepaid income and expenses, and all provisions required for future obligations relating to the current financial year, including provisions for expected or probable liabilities, labour obligations and taxes due.
- Article 63 : a. An amount equal to ten percent (10%) of the net income will be set aside as a legal reserve. The General Assembly may decide on the suspension of such deductions from the net income when the accumulated amount equals half of the Company's capital.
- b. The legal reserve may be utilized to offset the Company's accumulated losses, purchase new machines and to increase the capital. If the legal reserve amount exceeds half of the Company's capital, the General Assembly may decide on distributing the surplus as dividends in the years when there is no income realised.
- c. The Company shall be obliged to continue making the provision to restore the used portion of the legal reserve when the profits of the following years permit. This includes reserves used in settlement of the consideration due to the representative of the Government of Yemen for the transfer of shares to the employees of the Company.

- d. The ordinary General Assembly may annually set aside 25% of its net income as a maximum to form a general reserve to be used to benefit the Company as may be proposed by the Board of Directors and decided upon by the General Assembly.
- e. As decided by the General Assembly, for the Board of Directors' annual remuneration an amount from net income, after deducting the reserves, shall be set aside, subject to the limit defined by existing laws.
- f. The remaining balance of net income will be distributed as dividends to shareholders proportionate to their shares excluding the portion of the profits which shall be carried forward to the next financial year or years for distribution as dividends when the General Assembly may deem appropriate.

Article 64 : Regardless of the provision in Article (63) above, starting from the inception of the Company up to the year when the value of the shares transferred to the Company's employees by the founders mentioned in Article (1) of these Articles is settled in full, in accordance with what is resolved by the Cabinet all amounts set aside as legal or general reserves shall be completely utilized and later paid to the founders within one month from the date of the annual General Assembly meeting during which the annual financial statements of the Company were approved.

Article 65 : The Board of Directors must call the extraordinary General Assembly for a meeting to consider the dissolution of the Company when the Company's accumulated losses reaches more than half of the Company's capital and it has no reserve sufficient to cover such losses.



CHAPTER EIGHT

Dissolution and Liquidation of the Company, and General Provisions

- Article 66** : The Company is considered dissolved by the issuance of the Extraordinary General Assembly decision on its dissolution, which may be in any of the following situations:
- a. If there is a merger with another company.
 - b. If there are no sufficient reserves to cover the Company's losses, which exceed more than half of the Company's capital.
 - c. Upon the issuance of a judicial Decree dissolving the Company.
- Article 67** : The dissolution decree and liquidation shall be recorded in the commercial register.
- Article 68** : The Company's liquidation shall be undertaken according to the legal procedures stipulated Articles (214) to (221) of the Commercial Companies Law.
- Article 69** :
- a. The Company's liquidators shall be appointed by recommendation of the Extraordinary General Assembly. If it does not reach a decision, the appointment shall be undertaken by either the Minister of Supply and Trade or by the competent commercial court.
 - b. During the liquidation period, the Company's external auditors shall continue carrying on their duties.
- Article 70** : For Company's matters and concerns that are not provided for in these Articles, the provisions of the Commercial Companies Law shall apply.

Name of the founders:

Signature:

1. Farid Ahmed Saeed Mojawar

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2. Abdul-Malik Ahmed Ahmed Al-Arashi

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In the name of God, the Beneficent, the Merciful

Sayuun Agricultural & Industrial Equipment Company
Yemeni Stocks Company
Sayuun - C.R. 2433/151
Tel.: (05) 403 324
Fax: (05) 403 329

ADMINISTRATIVE ORDER NO. (1) OF 1998

Chairman of the Board

- After reviewing the company's articles of association, and
- Based on the approval of the company's Board of Directors in its meeting held on 07/09/1998 of the executive regulations of the shares register, and
- In view of the necessities of general interest

It was resolved to:

Article (1): A. A special register for Company's capital shares is to be established, where Company's capital stocks data are to be registered, indicating type, number, book value and all actions performed regarding ownership thereof. The said register shall be considered as the sole reference for company's stocks registration and as an evidence before other parties to prove shares ownership and liabilities of others towards such ownership.

B. Register pages are to be suitably numbered in serial. Such numbers shall be considered as a reference of the company's shareholders. All register's pages shall be endorsed with the company's stamp and duly signed by the Secretary and the Chairman of the Board.

C. Each entry made to that register shall be authenticated by the signature of the Chairman of the Board immediately upon recording of such entry, regardless of the nature of data entered. Entries recorded shall be given serial numbers which shall be placed on each page of the register in front of the registered entry, as well as on the applications or supporting documents that were approved by the Chairman of the Board to be considered as such. All these documents shall be placed in a special file in accordance with the order of actions.

Article (2): The Secretary of the Board of Directors shall be entrusted with the task of keeping, documenting entries, and registration of the company's shareholders shares referred to in article (1) of the companies article of association and the rule of article (99) of the companies law. The Secretary of the Board of Directors shall be also entrusted with preparation, issuance, receipt, and delivery of stocks certificates or deeds to their rightful owners, as well as receipt of register entry and actions after the approval of the Chairman of the Board, or otherwise rejection and returning thereof to their owners on the legal basis and justifications specified in writing and endorsed by the signature of the Chairman of the Board in accordance with the presentation of the Secretary of the Board of Directors.

- Article (3) :* A separate page of the shares register is to be assigned for each shareholder, and entries shall be done therein for the name of the stockholder, address, profession, nature and nominal value of shares, their numbers, and the remaining amount to be remitted against their value, if applicable. A space shall be assigned in such page for transfer of stocks activities, and another space for legal entries related to stocks, as well as a space for related profits coupons and dates of remittance thereof.
- Article (4) :* All company's shares are nominal shares whose value are remitted in kind and in full. Stocks owners are entitled to demand from company's management to transfer their shares in part or in full to stocks for holder. In this case, nominal stocks are to be invalidated and numbers thereof are to be deleted off the register page, where the same numbers shall be given to the stocks for holder and registered in the register page assigned for stocks for holder.
- Article (5) :* All capital shares are subject for transfer. Such transfer shall be performed legally through action entry in the shares register referred to in Article (11) aforementioned and by indicating the essence of action on the shareholding certificate of the stock. No pleading of action by the company or others is accepted except as from the date of booking the entry of the above in the shares register. As for the stocks for holder, they are entitled to be exchanged upon transfer of title thereof from one person to another.
- Article (6) :* The title of nominal stocks is transferable in the way of heritage or will in accordance with a judicial rule and based on the related judicial document legally authenticated, original copy of which shall be reserved in the custody of the company with the application of title transfer prior to the entry thereof into the shares register, through written instructions by the Chairman of the Board. Certificate or deed of stock shall be endorsed indicating its title transfer.
- Article (7) :* Despite the cases of stocks exchange and transfer of titles thereof for the purpose of depositing thereof as a security to the management or as an entitlement to the deceased shareholder inheritance, no exchange of stocks is allowed prior to full compensation of shareholders entitlements indicated in Article (3) of the Company's Share Assignment Agreement signed on August 11, 1998 between the government of the Republic of Yemen and company's workers.
- Article (8) :* All judicial rulings notified to the company's management regarding putting shares and it's profits under custody for the benefit of shareholder's creditors, are deemed obligatory to the company's management and shall be recorded in the share register on basis of the said rulings, and shall not be removed unless on basis of similar judicial ruling.
- Article (9) :* The only legal reference for recording in the shares register or to dispose of the shares or organize rights entitlement thereof is the company's article of association and the prevailing Yemeni Companies Law, as well as Chairman of the Board's instructions not contradictory therewith.

Issue at the Company's headquarters in the city of Sayuun and is deemed valid as from the date of issuance.

Sayuun on September 7, 1998

Chairman of the Board

Translation into English language of the attached Arabic text.

Sayuun Agricultural & Industrial Equipment Company
(A Yemeni Public Stock Company)

Head Office: Sayuun, Republic of Yemen
Declared Share Capital: YR 80,000,000; Issued Shares: 160,000

STOCK CERTIFICATE

No. of Shares.....

Name of shareholder: Nominal share value
No. of shares From: To:

Sayuun Agricultural & Industrial Equipment Company (A Yemeni Public Stock Co.) is incorporated in Sayuun City in the year 1998 by the Prime Minister Resolution No. (20) for 1998 issued on March 21, 1998, as amended. The declared fully paid share capital of the Company is Yemeni Rials Eighty Million only (YR 80,000,000) distributed into One Hundred Sixty Thousand Shares (160,000). The value of each Share is Yemeni Rials Five Hundred only (YR 500). The incorporation of the Company was declared in the Commercial Register under No. (2433/151) on July 26, 1998.

Sayuun Agricultural & Industrial Equipment Company (A Yemeni Public Stock Co.) certifies that the shareholder whose name appears above is the owner of the shares indicated above and is the owner who is legally entitled to assign his shares to third party(ies) according to the existing laws and regulations of the Republic of Yemen and in accordance with the Sayuun Agricultural & Industrial Equipment Company's Articles of Association as well as the provisions of the Shareholding Stock Assignment Agreement signed between the Government of the Republic of Yemen and the Company's staff, the agreement which was approved by the Deputy Prime Minister as referred to him by the Minister of Agriculture and Irrigation letter addressed to the Presidency of the Council of Ministers Reference No. 3800 dated August 11, 1998.

Issued on August 22, 1998 in accordance with Article (96) of the existing Yemeni Company Law and in conformity with the Company's share register and the legal Company's documents.

General Manager
Farid Ahmed Saeed Mojawar

Chairman of the Board
Salem Saeed Ahmed Koumsy

Translation into English language of the attached Arabic language text.

شركة سبيون للمعدات الزراعية والصناعية (ش.م.ي)

المركز الرئيسي - سبيون - رأس المال المصرح به (80,000,000) ريال يمني - الأسهم المدفوعة (160,000) سهم

شهادة مساهمة

رقم الشهادة.....

إسم المساهم : لا غير
عدد الأسهم : ()
قيمة السهم الاسمية : لا غير
إلى رقم : إلى رقم :

تأسست شركة سبيون للمعدات الزراعية والصناعية (شركة مساهمة يمنية) في مدينة سبيون سنة 1998 بقرار رئيس مجلس الوزراء رقم (20) لعام 1998 الصادر بتاريخ 21 مارس 1998 وتعديلاته وبرأس مال مصرح به ومدفوع بالكامل قدره ثمانين مليون ريال يمني موزع على (160,000) سهم فقط مائة وستون ألف سهم قيمة كل سهم (500) فقط خمسمائة ريال يمني ، وقد جرى شهر الشركة بالسجل التجاري تحت رقم (2433 / 151) بتاريخ 26 / 7 / 1998 .

وتشهد شركة سبيون للمعدات الزراعية والصناعية (ش.م.ي) بأن المساهم الموضح اسمه أعلاه المالك للأسهم المحدد عددها وأرقامها أعلاه هو صاحب الحق في التصرف بها طبقاً للقوانين والأنظمة المعمول بها في الجمهورية اليمنية وفقاً للنظام الأساسي لشركة سبيون للمعدات الزراعية والصناعية (ش.م.ي) .. وبناء على أحكام عقد التنازل عن ملكية الأسهم الجاري بين الحكومة وعمال الشركة والمصادق عليه من نائب رئيس مجلس الوزراء استناداً لإحالة وزير الزراعة والرعي بكتابه إلى رئاسة مجلس الوزراء رقم (3800) بتاريخ 11 / 8 / 1998.

رئيس مجلس الإدارة
سلام سعيد أحمد قصصي

المدير العام
فريد أحمد سعيد مجور

حررت في 22 أغسطس 1998 استناداً لحكم المدة (96)
من قانون الشركات اليمني النافذ وهي مطابقة في
بيانها لسجل الأسهم ووثائق ومستندات الشركة.

**SAYUUN AGRICULTURAL & INDUSTRIAL
EQUIPMENT COMPANY**
(A Yemeni Public Stock Company)

SHAREHOLDING STOCK ASSIGNMENT AGREEMENT

Between the following:

First Party : The Government of the Republic of Yemen
Represented by:
- Mr. Farid Ahmed Saeed Mojawar
Deputy Minister
Ministry of Agriculture and Irrigation

- Mr. Abdul-Malik Ahmed Al-Arashi
Assistant Deputy Minister
Ministry of Agriculture and Irrigation

Second Party : Sayuun Agricultural & Industrial Equipment Company
(A Yemeni Public Stock Company)
Represented by:
Mr. Salem Saeed Ahmed Koumsy
Chairman of the Board

Third Party :
Messrs.:
- Salem Saeed Ahmed Koumsy
- Salem Omer Abdul-Rahman Arfan
- Radwan Abdul-Rahman Ahmed Jaber
- Abdulla Omer Salem Saber

In their personal capacities and as representatives empowered by the employees of the presently, Sayuun Agricultural & Industrial Equipment Company (A Yemeni Public Stock Co.) and previously, Sayuun Agriculture Machine Station.

PREAMBLE

Pursuant to the Memorandum of Understanding executed on December 3, 1996 between the Government of the Republic of Yemen and the Third Party so authorized to negotiate on behalf of the employees of the Sayuun Agriculture Machine Station, and according to the Prime Minister's Resolution No. (20) of 1998 and the related amending resolutions, upon whose provisions Sayuun Agricultural & Industrial Equipment Company was incorporated and licensed (as a Public Stock Co.), of which the capital of Yemeni Rials Eighty Million Only (YR 80,000,000) was divided into One Hundred Sixty Thousand shares only (160,000), the value of each share was Yemeni Rials Five Hundred Only (YR 500), wholly registered equally in the name of Mr. Farid Ahmed Saeed Mojawar, the Deputy Minister of the Ministry of Agriculture and

Irrigation and Mr. Abdul-Malik Ahmed Ahmed Al-Arashi, the Assistant Deputy Minister of the same Ministry;

And as it was agreed on December 2, 1996 between the First and the Third Party to transfer the entire shares of the Company's capital to the names of the employees of the Company pursuant to the policy of the Government intended to implement the Yemeni Privatization Programme through the method of assignment of the above shares to the employees in accordance with the principle to administer justice and equality among them without discrimination,

And since the legal incorporation of Sayuun Agricultural & Industrial Equipment Company has been completed and published under the Commercial Register No. 2433-151.

Therefore, the Parties have agreed as follows:

1. The Preamble shall be considered as an indispensable part of this agreement, to be read along with the items hereunder:
2. The First Party shall assign to the Third Party the title of the whole shares of the capital of Sayuun Agricultural & Industrial Equipment Company (A Yemeni Public Stock Co.), consisting of One Hundred Sixty Thousand (160,000) shares, the par value of each share is as stated in the Articles of Association of the Company, of Yemeni Rials Five Hundred Only (YR 500). Such shares represent the entire capital of the Company which amounts to Yemeni Rials Eighty Million only (YR 80,000,000), and were registered jointly in the name of the Deputy Minister and the Assistant Deputy Minister of the Ministry of Agriculture and Irrigation. The same shares shall be assigned in whole equally to the name of Sayuun Agricultural & Industrial Equipment Company's employees.
3. The assigned nominal shares referred to in item (2) above shall be kept attached to and in the custody of the Central Bank of Yemen (CBY), Hadramout Branch safe as security. The shares shall not be transferred unless the First Party and the Second Party notify the CBY that the full settlement of the value thereof has been made.
4. The First Party offers and the Third Party accepts that the cash consideration of the assignment stated in item (2) above shall be Yemeni Rials Eighty Million only (YR 80,000,000) to be distributed to all the assignee employees of the Company pro-rata to the number of the shares assigned to each one of them, as indicated in the list of employees' names of the Company attached herewith.

5. The Second Party and the Third Party undertake to effect payment of the cash consideration for the assignment on annual installments, the value of each installment of which is Yemeni Rials Five Million only (YR 5,000,000) or twenty five percent (25%) of the Company's net profits/dividends whichever is higher. Each installment shall be payable on the 30th of April of every Calendar Year with effect from the year 2000. In case of delay in payment as scheduled for each due installment, default interests shall be imposed for the delayed period effective from the due date until the settlement date at the rate applied by commercial banks for short term credits. The interests shall have to be paid together with the delayed installment(s) to CBY.

6. Subject to the rights of the Company's shareholders stipulated in the Articles of Association, the Third Party shall be committed to maintain its own shares in its name and within its exclusive ownership to pay the consideration amount of the assignment stated in item (4) above. In addition, the Third Party shall abide by the Board of Directors' decisions which provide that shares can not be registered as bearer shares, or that the shares can not be assigned to a third party during the period of the repayment of the cash consideration in return for the aforementioned assignment.

7. The First Party is required to convene and attend the Ordinary General Assembly of the Company within one month from the date this Agreement is signed to elect the new Board of Directors from the Company's new shareholders.

8. The First Party shall undertake to provide the Company with all the privileges and exemptions under the Investment Law, and support the rights of the Company for the settlement of disputes with other parties through the arbitration referred to in Law No. (35) of 1991 as amended by Law No. (7) of 1997. Also, the First Party shall assist the Company to secure exemption from submission of bonds and guarantees to the different ministries, state authorities and institutions with respect to the tenders in which the Company will be a bidder, and to the contracts performed by the Company during the period until the consideration amount referred to in item (4) above is fully paid.

9. The First Party shall render assistance for the conclusion of the lease contract of the land which is utilized by the Company for the performance of its business, for a period of thirty (30) years against a subsidized nominal fixed rent for the investment enterprises in the remote areas of the Republic of Yemen.

10. All employees of the Sayuun Agriculture Machine Station as of June 30, 1997 shall continue with their duties with full rights and responsibilities which remain in force, as employees in Sayuun Agricultural & Industrial Equipment Company (A Yemeni Public Stock Co.). The First Party will ensure that all employees will continue their services with the same fixed privileges and rights unless any disciplinary measure is taken against any of them, thus suspending the continuity of their service, or unless the employee in question has declared his desire to quit and terminate his services with the Company on a date subsequent to June 30, 1997.
11. In no case shall the conditions and provisions specified herein be altered or amended unless made by a written instrument, whereupon both parties are obliged to implement the same as soon as this contract is signed.
12. Both parties shall acknowledge and declare that this contract contains all their mutual agreements and intentions with regard to the assignment of the shares of Sayuun Agricultural & Industrial Equipment Company, the cash consideration for such assignment, and the scheduled dates and conditions of payment. In addition, the parties declare that no representations, promises, conditions, guarantees, warranties, or obligations, whether written, verbal, or implicit other than this contract, can form a part or form of a rule for the transfer of the shares through assignment and repayment of the cash consideration.

This contract is drafted in three originals, being signed by parties in the place and on the date indicated hereunder, in addition to the signatures made on the statement related to the distribution of the shares to the employees of the Company above-mentioned under item (4) of this contract.

Allah Bless All.

Sana'a on Tuesday August 11, 1998

First Party Signature

Second Party Signature

Third Party Signature

and stamp of the Ministry
of Agriculture & Irrigation

Approved by : H.E. Abdulkader Bajammal
Deputy Prime Minister &
Minister of Foreign Affairs

Ministry Stamp

Republic of Yemen
Ministry of Legal Affairs and Parliament Affairs

PRIME MINISTER'S RESOLUTION NO. 20 OF 1998 REGARDING THE
CONVERSION OF SAYUUN AGRICULTURE MACHINE STATION INTO A
YEMENI PUBLIC STOCK COMPANY.

Prime Minister:

After reviewing the Law No. (35) of 1991 regarding public authorities, corporations, and companies, and amendments thereof, and

The Law No. (22) of 1997 regarding commercial companies, and

The Law No. (8) of 1995 regarding organizational and executive procedures of privatization, and

The Cabinet of Ministers' resolution No. (321) regarding the Memorandum of Understanding signed between the Ministry of Agriculture and the Technical Office for Privatization, and the persons authorized to negotiate on behalf of the employees of Sayuun Agriculture Machine Station, and

The Republican Decree No. (135) of 1997 regarding the formation and nomination of the government, and

After the approval of Cabinet of Ministers,

It was resolved as follows:

"Decided"

- Article (1)* Sayuun Agriculture Machine Station shall be converted into a Yemeni Public Stock Company whose shares are equally held by its employees.
- Article (2)* The value of assets stipulated in the Assets Valuation document, excluding lands is estimated at YR 80,000,000 (Yemeni Rials eighty million only) divided into 160,000 (one hundred and sixty thousand) ordinary shares with a value of YR 500 (Yemeni Rials five hundred) each.
- Article (3)* Sayuun Agricultural and Industrial Equipment Company shall be established as a Yemeni Public Stock company, whose Articles of Association shall be adopted in accordance with Commercial Companies Law No. (22) of 1997.
- Article (4)* Lands occupied by the Station shall be considered as Government owned and be leased to the Company in accordance with a thirty years renewable lease contract.

- Article (5)* The Company's shares shall be registered under the name of the Governor of the Central Bank of Yemen and his Deputy and shall be deposited with the bank's branch in Sayuun until their transfer equally to the employees' according to their entitlements.
- Article (6)* 25% of the Company's annual profits shall be allotted to pay for the shares' value. This shall be stated in the Company's Memorandum and Articles of Association.
- Article (7)* This Resolution is considered valid as from the date of issuance and shall be published in the Official Gazette.

Issued at the Cabinet of Ministers
On Dhu Al-Quada 23, 1418 AH
corresponding to the 21st of March 1998

Dr. Faraj Bin Ghanim
Prime Minister

Republic of Yemen
Chairmanship of Cabinet of Ministers

PRIME MINISTER'S RESOLUTION REGARDING AMENDMENT OF THE
RESOLUTION OF THE PRIME MINISTER NO. (20) OF 1998 CONCERNING THE
CONVERSION OF SAYUUN AGRICULTURE EQUIPMENT STATION INTO A
YEMENI PUBLIC STOCK COMPANY

Prime Minister:

After reviewing the Law No. 35 of 1991 regarding public authorities, corporations, and companies, and amendments thereof, and

After reviewing the Law No. (22) of 1997 regarding commercial companies, and

The law No.(8) of 1995 regarding organizational and executive procedures of privatization, and

The Cabinet of Ministers Resolution No. (321) regarding the Memorandum of Understanding signed between the Ministry of Agriculture and the Technical Office for Privatization, and the persons authorized to negotiate on behalf of the employees of Sayuun Agriculture Machine Station, and

The Republican Decree No. (135) of 1997 regarding the formation and nomination of the government, and

After the approval of the Cabinet of Ministers,

"Decided"

Article (1) Article (5) of Prime Minister's resolution No. (20) shall be amended and read as follows:

"The Company's shares shall be registered under the name of the Governor of the Ministry of Agriculture and Irrigation and the Deputy Minister for Agricultural Affairs and shall be deposited with the bank's branch in Sayuun until its transfer equally to the employees according to their entitlements."

Article (2) This resolution is considered valid as from the date of issuance and shall be published in the official gazette.

Issued at the Cabinet of Ministers
On Rabea Al-Awwal 10, 1418 AH
Corresponding to the 4th of July 1998

Abdul-Qadir Bajamal
Deputy Prime Minister
Minister of Foreign Affairs

كشك بالعاملين بمدونة تأجير الآليات الزراعية (سبتمبر) في ٣ / ٦ / ١٩٩٧م

الترنم	الاسم	الوظيفة	المجموعة والفئة	تاريخ التعيين	ملاحظات
١	سالم سعيد قحصي	مدير عام	الأولى ج	١٩٧٤ / ٦ / ١م	
٢	عززي إسماعيل العيدروس	كبير اختصاصي	الأولى ج	١٩٦٤ / ١٠ / ١م	
٣	سالم عمر عرقان	مدير الدائرة المالية	الثانية ج	١٩٨٢ / ١٠ / ١م	
٤	عبد الله سعيد الجابري	رئيس الرقابة المالية	الثانية أ	٧٤ / ١ / ١م	
٥	عبد الله عمر صابر	رئيس شئون الموظفين	الثانية ب	٧٥ / ١ / ٢٠م	
٦	عرفان مبارك با رمادة	مشرف مشتريات	الثانية ب	٧٦ / ١٠ / ٣م	
٧	محمد محسن الكثري	مشرف مخازن	الثانية ب	٧٥ / ٤ / ١م	
٨	حسين علي با حديد	مشرف حسابات	الثانية ب	٧٨ / ١ / ١م	
٩	عاشور صالح كعويلة	مشرف مخازن	الثانية ب	٧٣ / ١٢ / ١م	
١٠	غانم سالم العامري	مشرف حسابات	الثانية ب	٨١ / ١ / ١م	
١١	محمد أحمد بن شهاب	مشرف مخازن	الثانية ب	٧٤ / ٨ / ١م	
١٢	علي عبد الله با سلامة	مشرف مخازن	الثانية ج	٧٩ / ٤ / ١م	
١٣	حسن محمد الجفري	مشرف حسابات	الثانية ج	٨٥ / ٦ / ٢٩م	
١٤	كرامة نبخوت العامري	مشرف حسابات	الثانية ج	٧٥ / ٢ / ١م	
١٥	كرامة عبيد خميس	مشرف إداري	الثانية ج	٨٧ / ١ / ٢٦م	
١٦	أحمد عبد الله بن سعد	مشرف مخازن	الثانية ج	٧٨ / ١ / ١٥م	
١٧	علي عبد الشيخ لحرمر	مشرف مخازن	الثانية ج	٨٧ / ١٠ / ٢٨م	
١٨	كرامة عوض بن سعد	مشرف حسابات	الثانية ج	٨٨ / ٢ / ١م	
١٩	عبد الله أحمد با زغيفان	مشرف حسابات	الثانية ج	٨٨ / ٣ / ١٥م	
٢٠	شفيق أحمد السقاف	مشرف حسابات	الثانية ج	٨٨ / ١١ / ١٧م	
٢١	فرج عبد فرج القوري	مشرف حسابات	الثانية ج	٨٨ / ٤ / ١م	
٢٢	زين محمد با حرمي	مشرف حسابات	الثالثة ج	٨٨ / ١ / ٢١م	
٢٣	أحمد عبد الرحيم بن سعد	ملاحظ خزنة	الثالثة أ	٨٢ / ٤ / ١م	
٢٤	رشيد عبد الصومالي	ملاحظ حسابات	الثالثة أ	٨٩ / ٥ / ١٥م	
٢٥	صالح سالم بريك	ملاحظ حسابات	الثالثة أ	٨٩ / ٢ / ١٣م	
٢٦	ببارة عوض حماد	كاتب	الثالثة ب	٨٩ / ١٠ / ١٧م	
٢٧	عرفان بريك سلمان	معاون خدمة	الرابعة أ	٧٦ / ١٠ / ٣م	
٢٨	محفوظ سعيد موسى	معاون خدمة	الرابعة أ	٨٥ / ٣ / ٧م	
٢٩	عبد الجبار عبد الشيخ المهدي	مشرف حركة	الثانية ب	٧٣ / ٥ / ١م	

كشوف بالعاملين بمهطفة تأجير الآليات الزراعية (سينون) في ٣ / ٦ / ١٩٩٧م

الرقم	الاسم	الوظيفة	المجموعة والمنة	تاريخ التعيين	ملاحظات
٣٠	يسر سعيد مسفر	سائق آلية	الثالثة ب	٦٨/٣/١٢م	
٣١	علي سعيد فهمان	سائق آلية	الثالثة ج	٧٢/٩/١٦م	
٣٢	أحمد سالم برك	سائق آلية	الثالثة ج	٧٤/٨/١م	
٣٣	أحمد عبد الله بن خبران	سائق آلية	الثالثة ج	٧٤/٤/١م	
٣٤	رجب سعيد حميد	سائق آلية	الثالثة ج	٧٢/٢/١٠م	
٣٥	عبد المعين صالح إدريس	سائق آلية	الثانية ج	٧٦/٣/١م	
٣٦	عبد سالمين فرج الله	سائق سيارة	الثانية ج	٧٥/١٠/٩م	
٣٧	مبارك نصر مبارك	سائق آلية	الثانية ج	٨١/٣/٢م	
٣٨	سليم محمد با حشران	سائق آلية	الثالثة أ	٨٤/١/١٢م	
٣٩	صالح رمضان إدريس	سائق آلية	الثالثة أ	٨٣/٨/١م	
٤٠	صالح فرج بلسود	سائق آلية	الثالثة ب	٨٨/١١/١م	
٤١	عاشور سالم برك	سائق آلية	الثالثة ب	٨٧/٩/١٩م	
٤٢	أحمد سالم عسيلة	سائق آلية	الثالثة ب	٨٧/٩/١٩م	
٤٣	خالد ناصر الحداد	سائق آلية	الثالثة ب	٨٧/٦/١م	
٤٤	عبد الله أحمد با شظليونان	فني لحام	الثالثة ب	٨٨/٢/٨م	
٤٥	علي سالم حميد عاشور	فني لحام	الثانية ب	٧٤/٤/١م	
٤٦	كرامة صالح با سالم	فني لحام	الثانية ب	٧٤/٥/١م	
٤٧	محمد ابو بكر بن قاضي	فني لحام	الثانية ج	٧٩/١٠/٢١م	
٤٨	سالم محفوظ محبوب	فني لحام	الثانية ج	٨٣/١/١م	
٤٩	سعيد عوض يا صبيح	فني لحام	الثانية ج	٨١/٦/١م	
٥٠	سالم علي العامري	فني لحام	الثانية ج	٨٠/١٢/١م	
٥١	كرامة عوض بريشان	فني لحام	الثانية ج	٨٧/١١/٤م	
٥٢	صالح أحمد با عوافي	فني لحام	الثانية ج	٨٦/٣/٦م	
٥٣	جيلاتي علي الحبشي	فني لحام	الثالثة أ	٨١/١٢/٢٤م	
٥٤	زكي أحمد فرج	فني لحام	الثالثة أ	٨٨/٢/٨م	
٥٥	عمر أحمد با بهير	فني لحام	الثالثة أ	٨٦/١١/٢٦م	
٥٦	علي هادي با يعشوت	فني لحام	الثالثة أ	٨٧/٢/١م	
٥٧	عبد الكريم بخيث العامري	استثماري أخصائي	الأولى ب	٦٤/٩/١م	
٥٨	خالد حسين الكشميري	فني خراطة	الثانية أ	٧٠/١٠/١م	

كشك بالعاملين بمحطة تأجير الآليات الزراعية (سبتمبر) فني ٣ / ٦ / ١٩٩٧م

الرقم	الاسم	الوظيفة	المجموعة والفئة	تاريخ التعيين	ملاحظات
٥٩	سالم عبد الخير ياقوت	فني خراطة	الثانية أ	٧٠/١/١م	
٦٠	أحمد عوض عاشور	فني خراطة	الثانية ب	٧٦/١/١م	
٦١	سعيد خميس با رمادة	فني خراطة	الثانية ب	٧٥/٥/١م	
٦٢	رجب عوض قروان	فني خراطة	الثانية ب	٧٢/١/١م	
٦٣	هادي سعيد با رمادة	فني خراطة	الثانية ب	٧٣/٤/١٥م	
٦٤	يسلم جمعان بن وليد	فني خراطة	الثانية ب	٧٣/٥/١م	
٦٥	خميس عوض عاشور	فني خراطة	الثانية ب	٧٦/١/١م	
٦٦	عبد الله سعيد با شادي	فني خراطة	الثانية ب	٨٢/٤/١م	
٦٧	جمعان دويل محفوظ	فني خراطة	الثانية ب	٨١/٣/٢م	
٦٨	سعيد أحمد جبلي	فني خراطة	الثانية ب	٧٤/١٢/١م	
٦٩	محمود يسلم محفوظ	فني خراطة	الثانية ج	٧٩/٩/١م	
٧٠	خالد محمد السقايف	فني خراطة	الثانية ج	٨٢/١٢/١٩م	
٧١	رمضان مبارك عبدي الإله	فني خراطة	الثانية ج	٨٨/٩/٣م	
٧٢	عوض خميس بامعيد	فني خراطة	الثانية ج	٨٧/١/١٥م	
٧٣	عبيد عبد الشيخ با غزال	فني خراطة	الثانية ج	٨٧/٧/١م	
٧٤	خالد أحمد با سعيدة	فني خراطة	الثانية ج	٨٨/٣/٢٣م	
٧٥	أنور عبد العزيز وتاب	فني خراطة	الثانية ج	٨٨/١/١٥م	
٧٦	عمار سالم الحامد	فني خراطة	الثانية ج	٨٤/٢/٢٤م	
٧٧	خميس سالم يربوع	فني خراطة	الثالثة أ	٨٩/٥/٩م	
٧٨	شوق عبد الله العادري	فني خراطة	الثالثة أ	٨٦/٩/٢٥م	
٧٩	محمد عوض بن جبران	فني خراطة	الثالثة أ	٨٦/١٠/٢٥م	
٨٠	فوزي عبد المعين عسيلة	فني خراطة	الثالثة ب	٨٨/٢/١٥م	
٨١	بخيت كرامة الكربي	مغارين خدمة	الرابعة أ	٧٢/٨/١٣م	
٨٢	صالح هادي با زغيفان	فني لحام	الثانية ب	٧٣/٩/١م	
٨٣	رجب أحمد مرسال	فني لحام	الثانية ب	٧٤/١١/١م	
٨٤	مبارك عوض با جردانة	فني لحام	الثانية ب	٧٤/٤/١م	
٨٥	صالح عبيد عليان	فني لحام	الثانية ب	٧٣/١٢/١م	
٨٦	حسين أحمد الحامد	فني لحام	الثانية ب	٨٢/٢/٥م	
٨٧	عوض مبارك بشير	فني لحام	الثالثة ج	٧٩/٥/١م	

كشك بالعاملين بمهنة تأجير الآليات الزراعية (سيون) في ٣ / ٦ / ١٩٩٧م

الرقم	الاسم	الوظيفة	المجموعة والفئة	تاريخ التعيين	ملاحظات
٨٨	عبد الله بدوي توفيق	فني لحام	الثالثة ج	٨٢/١١/٢٠م	
٨٩	عبضة محمد بكيران	فني لحام	الثالثة ج	٨١/١/١٧م	
٩٠	رمضان سعد الله بو مصري	فني لحام	الثالثة ج	٨١/٦/٢٨م	
٩١	هادي برك بلال	فني لحام	الثالثة ج	٨٢/١١/٢م	
٩٢	حيدر علي محروص	فني لحام	الثالثة ج	٨٥/٩/٢٤م	
٩٣	علي عبد بكري	فني لحام	الثالثة أ	٧٨/٥/١م	
٩٤	محمد محسن العامري	فني لحام	الثالثة أ	٨٢/٨/٢٩م	
٩٥	برك خميس بن سويد	فني لحام	الثالثة أ	٨٨/٢/٨م	
٩٦	خميس سعد الله عبيد	فني لحام	الثالثة أ	٨٨/٢/٨م	
٩٧	يوسف ناصر بن ناصر	فني لحام	الثالثة ب	٨٦/١٢/٢٤م	
٩٨	حميد برك عليان	فني لحام	الثالثة ب	٨٦/١١/٧م	
٩٩	سعد عبيد سكران	فني لحام	الثالثة ب	٨٧/١١/٢١م	
١٠٠	نبيل خميس نصر	فني لحام	الثالثة ب	٨٨/١١/١م	
١٠١	سليمان عمر التميمي	مدير الدائرة الفنية	الأولى ج	٦٧/١٢/١م	
١٠٢	نصر سعد الله بلال	فني ميكانيك	الثانية أ	٦٤/٣/١م	
١٠٣	سالم همام مبارك	فني ميكانيك	الثانية ب	٧٤/٧/١م	
١٠٤	رمضان سالم بن عبادة	فني ميكانيك	الثانية ب	٧١/١/١٥م	
١٠٥	عرفان كرامة قهمان	فني ميكانيك	الثانية ب	٧٣/٨/١م	
١٠٦	رجب سالم بريك	فني ميكانيك	الثانية ب	٦٨/٩/١م	
١٠٧	برك جمعان صويلح	فني ميكانيك	الثانية ب	٧١/١٠/٩م	
١٠٨	عبد الهادي صالح العلوي	فني ميكانيك	الثانية ب	٧١/٩/١م	
١٠٩	علي عبد الله الحداد	فني ميكانيك	الثانية ب	٧٥/٤/١م	
١١٠	سالم سعيد صرور	فني ميكانيك	الثانية ب	٧٣/٤/١٥م	
١١١	سالم عبد بكري	فني ميكانيك	الثانية ب	٧٤/١/١م	
١١٢	سعيد خميس محدقة	فني ميكانيك	الثانية ب	٧٣/٤/١م	
١١٣	عمر محفوظ عباد	فني ميكانيك	الثانية ب	٧٣/١/٢٨م	
١١٤	علي صالح العامري	فني ميكانيك	الثانية ب	٧٢/١١/١م	
١١٥	رضوان عبد الرحمن با عباد	فني ميكانيك	الثانية ب	٨٢/٤/١م	
١١٦	خير الله ربيع بن جرهر	فني ميكانيك	الثانية ب	٧٤/٤/١م	

كشك بالعاملين بهدطة تأجير الآليات الزراعية (سئون) في ٣ / ٦ / ١٩٩٧م

الرقم	الاسم	الوظيفة	المجموعة والشنة	تاريخ التعيين	ملاحظات
١١٧	أحمد حسن با جبير	فني ميكانيكي	الثانية ب	٧٤/٤/١م	
١١٨	يحي جمعان صوبلح	فني ميكانيكي	الثانية ب	٧٤/١١/١م	
١١٩	علي سالم أحمد	فني ميكانيكي	الثانية ب	٧٣/٩/١م	
١٢٠	سعيد سالم با مؤمن	فني ميكانيكي	الثانية ب	٦٥/٩/١م	
١٢١	سعيد محمد جبير	فني ميكانيكي	الثانية ب	٨٢/٤/١م	
١٢٢	صالح عبد باظريس	فني ميكانيكي	الثانية ب	٨٢/٤/١م	
١٢٣	عوض منصور سالمين	فني ميكانيكي	الثانية ج	٧٤/٤/١م	
١٢٤	علي ربيع مفلح	فني ميكانيكي	الثانية ج	٨٢/٨/٨م	
١٢٥	صالح رجب برتاوي	فني ميكانيكي	الثانية ج	٧٧/١٢/١م	
١٢٦	سالم عبد خير الله عبد الخير	فني ميكانيكي	الثانية ج	٨٢/٨/٨م	
١٢٧	فرج أحمد با زهير	فني ميكانيكي	الثانية ج	٨٢/١٢/٥م	
١٢٨	كرامة هادي با جبير	فني ميكانيكي	الثانية ج	٨٢/١٢/١م	
١٢٩	يسلم جمعان الهجري	فني ميكانيكي	الثانية ج	٧٩/٦/١م	
١٣٠	عبود عوض با حارثة	فني ميكانيكي	الثانية ج	٨٦/١١/٢٢م	
١٣١	جمال جمعان طاحس	فني ميكانيكي	الثانية ج	٨٨/٢/٦م	
١٣٢	صالح سالمين فرج الله	فني ميكانيكي	الثالثة أ	٧٤/٨/١م	
١٣٣	صالح أحمد الهجري	فني ميكانيكي	الثالثة أ	٨٢/٩/٢٢م	
١٣٤	أمين هادي با جبير	فني ميكانيكي	الثالثة أ	٨٢/٩/١م	
١٣٥	حامد حسين المشهور	فني ميكانيكي	الثالثة أ	٨٤/١٠/١م	
١٣٦	هود هادي العيجم	فني ميكانيكي	الثالثة أ	٨٩/٥/٩م	
١٣٧	أحمد عبد الله المنور	فني ميكانيكي	الثالثة أ	٨٨/١٠/١٩م	
١٣٨	سالم محمد با غشير	قتي لحام	الثالثة أ	٨٠/٣/١م	
١٣٩	أحمد كرامة الصيعري	سائق سيرة	الثالثة ب	٨٥/٧/٦م	
١٤٠	عوض صالح السلمي	فني ميكانيكي	الثالثة ب	٨٨/٩/١١م	
١٤١	شوفي عبيد الزبيري	أمين مخازن	الثالثة ب	٨٨/٣/١م	
١٤٢	عادل أمان الحبشي	فني ميكانيكي	الثالثة ب	٨٧/٨/١م	
١٤٣	علي حسين السقاف	فني ميكانيكي	الثالثة ب	٨٨/٢/١٨م	
١٤٤	أحمد سعيد با جبير	أمين خزن	الثانية ج	٧٣/١/٦م	
١٤٥	رمضان أحمد عباد	سائق سيارة	الثانية ج	٧٣/٢/١م	

كشك بالعاملين بمحطة تأجير الآليات الزراعية (سينون) في ٣ / ٦ / ١٩٩٧م

الرقم	الاسم	الوظيفة	المجموعة والشعبة	تاريخ التعيين	ملاحظات
١٤٦	سعيد يسلم دمتان	مدير فرع القطن	الثانية ب	٧٤/١/١م	
١٤٧	سالم خميس با شعويث	مشرف مخازن	الثانية ب	٨٣/٨/١م	
١٤٨	سالم عمر با زقامة	مشرف حسابات	الثانية ج	٨٧/١/٢١م	
١٤٩	علي سعيد عليو	فني ميكانيك	الثانية ب	٧٣/١/١م	
١٥٠	يسلم سالم بن شملة	فني ميكانيك	الثانية ب	٧٣/١/١م	
١٥١	خميس سالم بن شملة	فني ميكانيك	الثانية ج	٧٥/٦/١م	
١٥٢	محمد عامر بن اسحاق	فني لحام	الثانية ج	٧٣/٢/١٦م	
١٥٣	أنور مبارك علي الحاج	فني خراطة	الثانية ج	٨٢/٨/٢٠م	
١٥٤	عارف محفوظ بن طاهر	فني خراطة	الثانية ج	٨٤/١١/١م	
١٥٥	فرج توفيق جمعان	فني ميكانيك	الثانية ج	٨٧/١١/١م	
١٥٦	مبروك صالح با فرج	فني ميكانيك	الثالثة أ	٨١/١٠/١م	
١٥٧	عبد الله صالح هجلان	فني لحام	الثالثة ج	٨٧/٨/١٨م	
١٥٨	سالم عوض بن حميدان	معاون خدمة	الرابعة أ	٨١/٩/١م	
١٥٩	سالم احمد جوف	سائق آلية	الثانية ج	٨١/١١/١م	
١٦٠	خالد صالح المنصوري	سائق آلية	الثالثة أ	٨٣/٥/٢٣م	

In the Name of God, the Beneficent, the Merciful

MINUTES OF THE FIRST GENERAL ASSEMBLY MEETING OF THE SAYUUN
AGRICULTURAL AND INDUSTRIAL EQUIPMENT COMPANY

The General Assembly of the Company's Shareholders held its first regular meeting at 9:00 a.m. on Wednesday, the 5th of August, 1998 at the premises of the Ministry of Agriculture and Irrigation in Sana'a, in accordance with the rules of Article (46) of the Company's Articles of Association, to discuss the following agenda:

1. Review of the Prime Ministers Resolution No. (20) of the year 1998 and amendments thereof regarding conversion of Sayuun Agriculture Machine Station into a Yemeni Public Stock Company, as well as the procedures of the Company's proclamation and its commercial registration under No. 2433/151, and based on the Articles of Association.
2. Appointment of the Board of Directors of the company.
3. Appointment of the first Auditors of the Company.
4. Approval of company's formation expenses.
5. Whatever other matters might arise.

The meeting was attended by the following shareholders:

<u>Name</u>	<u>No. of Shares</u>
1. Farid Ahmed Saeed Mojawar	80,000
2. Abdul-Malik Ahmed Ahmed Al-Arashi	80,000

After discussion, the following were unanimously approved:

1. Prime Minister's resolution No. (20) of the year 1998 and amendments thereof regarding conversion of Sayuun Agriculture Machine Station into a Yemeni Public Stock Company, as well as the procedures of company's proclamation and its commercial registration under No. 2433/151 were reviewed.
2. The First Board of Directors was appointed as follows:
 - 1) Salem Saeed Ahmed Qamsi Chairman
 - 2) Salem Omer Arfan Barajaa Member
 - 3) Radhwan Abdul-Rahman Ba'abbad Member
 - 4) Abdullah Omer Saber Member
 - 5) Khalid Hussein Al-Kathiri Member
 - 6) Farid Ahmed Saeed Mojawar Member
 - 7) Abdul Malik Ahmed Ahmed Al-Arashi Member

3. Appointment of Messrs. Mejanni, Hazem Hassan as the Company's Auditors for the years 1997/98.
4. The approval of the Company's formation expenses was postponed to the next meeting of the General Assembly of Shareholders.

As no other matter arose, the meeting ended at 10:00 a.m., and these minutes were prepared and signed by all shareholders.

Farid Ahmed Saeed Mojawar
Deputy Minister
of Agriculture & Irrigation

Abdul Malik Ahmed Ahmed Al-Arashi
Assistant Deputy Minister
of Agriculture & Irrigation

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

**YEMEN SOFT Ltd.**Software Development & Consultancy
Sana'a Republic of Yemenيمن سوفت المحدودة
للأنظمة والإستشارات
الجمهورية اليمنية - صنعاء

Ref.

المرجع :

Date

التاريخ :

To: Saion rental station
From: Yemen Soft
Subject: Price Quotation
Date: 13-11-97

Dear Sir,

It is with our pleasure to introduce you our quotation for installation of the PC network and supporting software (please find attached specifications).

Quotation for the Software

No.	Description	Price
1	General Ledger	3000
2	Inventory Management	2000
3	Fixed assets	2000
4	Payroll	3000

- Job maintenance and project costing, the price is 10000\$
- Program will developed according to your requirements



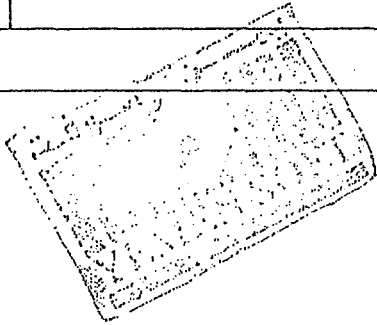
ص.ب (11126) - هاتف : (247892) - فاكس : (269218) - شارع حدة

P. O. Box : (11126) - Tel : (247892) - Fax : (269218)

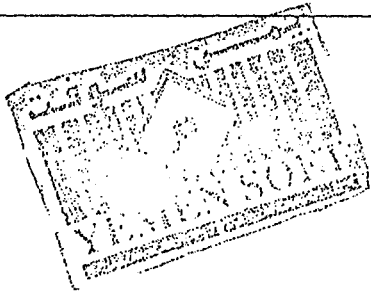
E - mail : ys2000 @ y.net . ye

Hardware Quotation

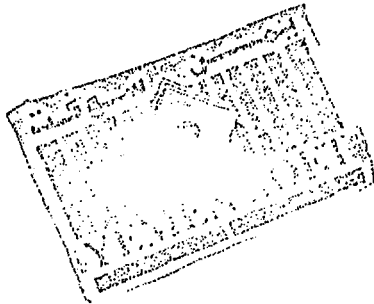
	Disc.	No.	Unit Price	Total Price
1	File sever	1	2100	2100
2	Workstations	3	1900	5700
3	Laser Printer Hp6L	1	1000	1000
4	UPS	1	900	900
5	Network Accessories	---	1500	1500
6	Network installation	---	1000	1000
Total				12200



Item	Qty	Description	Unit Price \$USD	Total Price \$USD
1	1	Server Compaq Deskpro 2000DT 5200 Model 1600 -Processor : 200 Mhz MMX intel Pentium Upgradable to future Pentium processor. -Cache Memory: 256 KB Cash Two-way set associative cache memory. -Memory : 32 MB RAM expandable to 136 MB. -Monitor : Compaq 15" SVGA Colour Monitor -Storage : 1.62 GB Hard Disk . - Hard Disk controller : PCI Local Bus IDE Controller . -Ethernet Card : Ethernet PCI Network Adapter . - Diskette Drive : 3.5" 1.44 MB Disk Drive . - Warranty : 3 Years for the CPU & one year for the monitor .	2100	2100



Item	Qty	Description	Unit Price \$USD	Total Price \$USD
2	3	<p><u>Workstation</u> Compaq Deskpro 2000 DT 5166 Model 2100 -Processor: 166 MHz MMX Intel Pentium Upgradable to future Pentium processor. -Cache Memory: 256 KB Cash Two way set associative cache memory. -Memory: 32 MB RAM expandable to 136 MB. -Monitor: Compaq 15" SVGA Colour Monitor. -Storage: 2.1 GB Hard Disk. -Hard Disk controller: PCI Local Bus IDE Drive. -Ethernet Card: Ethernet PCI Network Adapter. -Slots: 5 expansion slots / 4 drive bays. -Keyboard: Compaq Enhanced A/E Keyboard. -Interfaces: Serial, ECP (Enhanced Capabilities Port), and keyboard pointing device, monitor. -Asete Control: Facilitating and simplifying inventory and tracking (serial number identification availability via Compaq Insight Manager or third party SNMP-compliant products, optional Compaq Asete Control Monitors). -Fault Management: Combination of fault prevention and rapid recovery features (IntelliSafe Hard Dives, Environmental fault prevention tracking, Network interface fault prevention, Proactive tape Backup, Flash ROM BIOS, Acurate Contact Information). -Pre-installed Software: MS-DOS 6.2 & Microsoft Windows 3.1 or windows 95; Network Setup utility, diagnostics, Desktop management Software (Includes Compaq Diagonsting for Windows), Compaq Welcome Center, Control and Learning Center (includes on-line documentation). -Warranty: 3 Years for the CPU & one year for the monitor.</p>	1900	5700



YEMENSOFT FINANCIAL ACCOUNTING

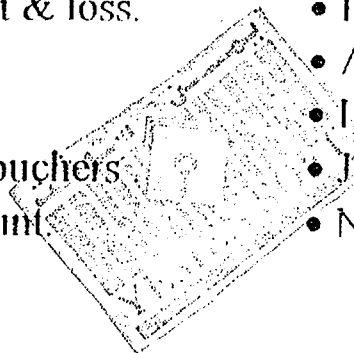
Yemensoft Financial Accounting package consists of four parts ; the General ledger, inventory , purchasing and sales. The General ledger is an integrated part of the financial accounting System and can be run stand alone. The features and reports of the G.L. are described as follows :

General Ledger Module Features include

- Reprint reports for any period last year or this year.
- System allows for sub accounts.
- Facility up to 12 periods.
- Journals can be posted to any period this year.
- Fully integrated to other modules , or can run stand alone.
- Account number and names can be printed on financial reports.
- Trail balance allows option to consolidate sub accounts.
- Ability to search for G.L. account by description.
- Works under MS Windows 3.11.
- Arabic/English.
- Multi currency.
- Multi users.

General Ledger Reports

- | | |
|-----------------------------|-------------------------------------|
| • Trail balance listing . | • Balance sheet. |
| • Other ledger reports. | • Standard profit and loss reports. |
| • Chart of account listing. | • Budget listing. |
| • Periodic profit & loss. | • Posted vouchers. |
| • Credit notes. | • Account statement. |
| • Cost center. | • Debit notes. |
| • Non posted vouchers | • Journals. |
| • Chart of account | • Non closed accounts. |



- Balance deviation .
- Open balances.

How The General Ledger Helps

- The general ledger is important in that it brings together all the subsidiary ledger , and ensures that the system is balance.
- Provides the profit and loss statement of the company , together with an analysis of the form of balance sheet.
- Provides comparison with the budget figures.
- Highlights difference to budget for revenue and expenditure account , so further analysis can be done.

General Inventory Reports

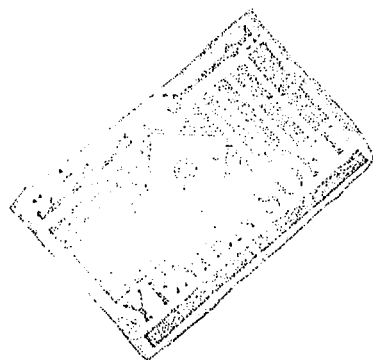
- Groups details.
- Item passing reorder level.
- Price details.
- Item supply details.
- Item movement.
- Vendor details.
- Bin details.
- Item details.
- Good transfer notes.
- Warehouses.

General Purchase Reports

- Purchase orders.
- Item cost.
- Purchase request
- Purchase invoices.
- Purchase return invoices.
- Goods received
- Goods received.

General Sales Reports

- Customer details .
- Sale invoices
- Quotations
- Regions.
- Orders
- Sales return bills.
- Good return notes.



The Company:

Yemensoft company is specialized in software development & consultancy. It was established in 1993. The company is committed to be a leading software provider for both business and public sectors in Yemen.

In 1994, Yemensoft went through a major re-organization. It was restructured into five major departments. Management department, Sales and Marketing department, Systems Analysis & Design department, System Development department, and Technical Support and Training department.

Marketing Share of the company:

Over the last four years Yemensoft has developed a large customer base and have provided them with different requirements of software and special services (see the attached list of our client names). The marketing department is contentously promoting all systems produced by the company. The list of systems developed upto now includes:

1 - Financial accounting, which consist of the following:

- General ledger.
- Inventory management.
- Sales and purchasing.
- Payroll.
- Fixed assets.

2 - Hotel management system.

3 - Hospital management system.

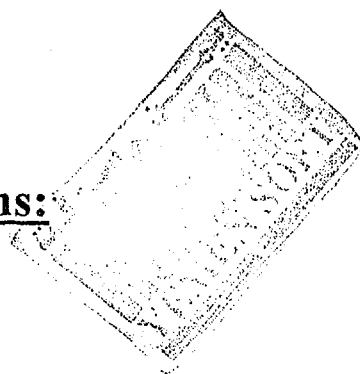
4 - University management system.

5 - School management system.

6 - Telephony application for call centers.

General features of Yemensoft Systems:

- Easy to use.
- Arabic / English user interface.
- Full Security.
- Integrated packages.
- Developed under MS- Windows 3.11/95/NT environments.



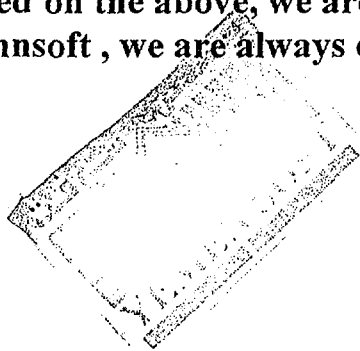
Why Yemensoft?

YemenSoft always cares to provide its customers with all the support and services they require , and considers that as one of its main goal. As customers deal with our company , they will find that we truly verify these consideration by:

- 1- Taking care of our customer requirement and verifying them through adapting our program according to their desire.
- 2- Providing fast services when required .
- 3- Providing a periodical maintenance to our product.
- 4- Using up-to-date and most efficient and powerful languages in developing all of our program.
- 5- Doing all of our programs under the latest versions of MS Windows.
- 6- Using highly qualified programmers and system analysts .
- 7- Thorough understanding of the customer and market needs.
- 8-Giving a guarantee of maintenance and its continuation according to an agreement to be signed with the customer.

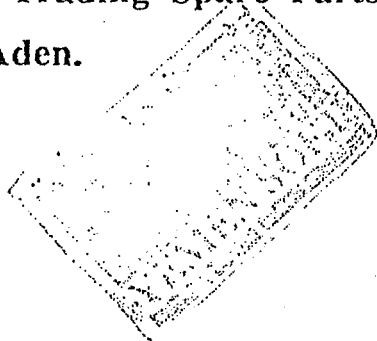
Finally, we can say that Yemensoft company can be distinguished itself from others developers by its special technical support services that are tailored to customer needs.

Based on the above, we are sure that our customers will say that with Yemnssoft , we are always one step ahead....



YEMEN SOFT'S CLIENT

- 1- Al-Ghannami Chloride Batterie-Taiz.
- 2- Al-Ghannami Chloride Batterie-Hodeidah.
- 3-Al-alimi Brothers -Sana'a.
- 4-Al-alimi Brothers -Hodeidah.
- 5-Faculty of Medicine & Health Sciences
- 6- Marib Poultry Company.
- 7- ZITCO
- 8- Al- Rayed for Trading & Investement.
- 9- Yaman for General Construction.
- 10- Al-nour Company.
- 11- Plaza Suites Hotele.
- 12-Hodeidah Cold Store- Sana'a.
- 13-Hodeidah Cold Store-Hodeidah.
- 14- Al-maymoni Est. for Trading & Industry.
- 15- Al-kholaqi Show Room-Sana'a.
- 16- Al-mansoob for Trading -Ibb.
- 17- D.A. Education Projects.
- 18- Rada Water Supply & Sanitation Project.
- 19- Health Sector Developement Project.
- 20- Al-rohanee Marble Factory.
- 21-Yemen Italian Aluminium Company. LTD.
- 22- Dhamaran General Trading.
- 23-International Communction Centre-Taiz.
- 24- Al-mukbely for Trading Spare Parts.
- 25- Canada Dray- Aden.
- 26- MOBIL



YEMEN SOFT'S CLIENT

- 27- Garalla Corporation.
- 28- Al-hahda for Sanitary ware.
- 29- Faculty of Engineer.
- 30- University of Science and Technology.
- 31- Ministry of Auqaff.
- 32-Al-nhda School.
- 33- Osan School.
- 34- Al-Tahreer Int.Telecommunication Centre.- Taiz.
- 35- Hadah Int.Telecommuncation Centre.
- 36- Cresent Hotele -Aden.
- 37- The Private Typical Hospital.
- 38-Al-ghnnamiTrading Company - Sana'a.
- 39-Vice-Preседentof Sana'a University for High Studies&Scsientfic Research
- 40- Seeds Potato Production Centre.
- 41- International Expert /Term Leader Dhamar Regional Service Progect.
- 42 - Alorafi for Trading.
- 43- Sponge Factory.
- 44- Al-hadah Exchange.
- 45- TeleYemen.
- 46- Al-kurami Exchange.
- 47- Al-harameen for Spare Parts.
- 48 - Al-kamel Trading Company.
- 49- Al-arabi Int.Telecommunication Centre.
- 50- Sana'a University.
- 51- Al-rawhani Group.
- 52- A.R.S.
- 53- Mohdar Corporation.

