

The Equitization Steering Committee of Yen Thanh Water Management unit and Yen Thanh Water Management unit recommend that investors should carefully read the information in the Information on Equitized Enterprise and Auction Regulation before registering to participate in the auction

## INFORMATION ON EQUITIZED ENTERPRISE

### YEN THANH TOWN WATER PLANT MANAGEMENT UNIT

Information about the equitized enterprise will be provided at:

#### AUCTION IMPLEMENTATION ORGANIZATION

##### HANOI STOCK EXCHANGE



Registered address: No. 02 Phan Chu Trinh, Hoan Kiem District, Hanoi City

Tel : (024) 39412626; Fax: (024) 39347818

#### ISSUE ORGANIZATION

##### YEN THANH TOWN WATER PLANT MANAGEMENT UNIT

Address: Block 3, Yen Thanh Town, Yen Thanh district, Nghe An province

Tel : (0238) 3895-030

#### CONSULTANCY ORGANIZATION

##### APEC SECURITIES JOINT STOCK COMPANY



Registered address: 3<sup>rd</sup> floor, Grandplaza Building, No. 117 Tran Duy Hung, Trung Hoa ward, Cau Giay district, Hanoi

Tel : 024 3573 0200 - Fax: (024) 3577 1966

*Nghe An, 2018*



**TABLE OF CONTENTS**

PART I: LEGAL BASIS OF THE AUCTION..... 3

PART II: SITUATION OF THE COMPANY BEFORE EQUITIZATION ..... 4

1. Information about equitization unit ..... 4

1.1. General information ..... 4

1.2. Establishment and development process ..... 4

1.3. Organizational structure of the unit ..... 4

2. Business sectors ..... 6

3. Key products and services ..... 7

4. Employees continue to move to joint stock company ..... 7

5. Results of determining the value of enterprises and the value of State capital ..... 9

5.1. Results of determining the value of enterprise and the value of State capital ..... 9

5.2. Problems to continue handling ..... 12

6. Main assets of the enterprise ..... 12

6.1. Situation of assets ..... 12

6.2. Land ..... 14

6.2.1. Existing situation of land before equitization ..... 14

6.2.2. Land use plan after equitization ..... 14

7. List of parent companies and subsidiaries ..... 14

7.1. Owner ..... 14

7.2. List of Subsidiaries and Associated Companies, Joint Ventures ..... 15

8. Situation of business operations and business and production results in 3 years before equitization ..... 15

8.1. Situation of production and business activities ..... 15

8.2. Financial situation and results of production and business activities before equitization ..... 19

8.3. Materials ..... 20

8.4. Technology level ..... 21

8.5. Situation of product / service quality inspection ..... 23

8.6. Marketing activities ..... 23

8.7. Trademark, patent registration and copyright ..... 23

8.8. Key contracts signed and implemented ..... 24

8.9. Debt Situation ..... 24

9. Factors affecting production and business activities of the Company ..... 25

9.1. Advantages ..... 25

9.2. Difficulties ..... 26

10. Company position compared to other enterprises in the same industry .....	26
PART III: INVESTMENT METHOD AND DEVELOPMENT STRATEGY OF THE ENTERPRISE AFTER EQUITIZATION .....	28
1. General information of the enterprise after equitization.....	28
1.1. General information .....	28
1.2. Proposed business sectors after equitization.....	28
1.3. Organization structure .....	29
1.4. Charter capital and structure of charter capital of joint stock company .....	33
1.4.1. Charter capital .....	33
1.4.2. Structure of charter capital.....	33
2. Investment plan and development strategy of the Company after equitization.....	33
2.1. Main targets for the period of 2019 - 2021 .....	33
2.2. Implementation Methods.....	35
PART IV: ESTIMATED RISKS .....	41
1. Economic risks.....	41
2. Risks on law .....	42
3. Typical risks.....	43
4. Risk of share offering .....	43
5. Other risks .....	44
PART V: INFORMATION ON SHARE OFFERING.....	45
1. Auction method.....	45
1.1. Method of share offering .....	45
1.2. Participants and number of shares registered to buy.....	45
2. Method for selling to the employees .....	46
2.1. Selling preferential shares to the employees .....	46
2.2. The employees register to buy the shares according to the commitment to long-term employment at the joint stock company .....	46
3. The plan for using money collected from shares selling .....	47
PART VI: PERSONS WITH MAIN RESPONSIBILITIES TO CONTENTS OF THE INFORMATION ON THE EQUITIZED ENTERPRISE .....	48
I. Persons with main responsibilities.....	48
1. Steering Committee of Yen Thanh Water Plant Management Unit Equitization .....	48
2. Representative of Yen Thanh Town Water Plant Management Unit .....	48
3. Consultant.....	49
II. Commitments.....	49

**PART I: LEGAL BASIS OF THE AUCTION**

- Decree No. 126/2017/ND-CP dated November 16, 2017 on transferring State-owned enterprises and 100% State-owned one-member limited liability companies into joint stock companies.
- Decision No. 22/2015 / QD-TTg dated June 22, 2015 of the Prime Minister on transforming public non-business units into joint stock companies;
- Circular No. 35/2016 / TT-BLĐTĐBXH dated October 25, 2016 on guiding the implementation of policies towards employees when transforming state career units into joint-stock companies under Decision No. 22 / 2015 / QD-TTG on June 22, 2015 of the Prime Minister.
- Circular No. 41/2018 / TT-BTC dated May 4, 2018 of the Ministry of Finance guiding some contents on financial handling and valuation of enterprises when transferring state-owned enterprises and 100% state-owned one-member limited liability companies into a joint stock company;
- Circular No. 40/2018 / TT-BTC dated May 4, 2018 of the Ministry of Finance guiding the first-time sale of shares and management and use of proceeds collected from equitization of state-owned enterprises and 100% state-owned one member limited liability companies into joint-stock companies;
- Pursuant to Official Letter No. 5152 / VPCP - DMSn dated 06/7/2015 of the Government Office on rearranging Yen Thanh Water Plant Management unit;
- Pursuant to Decision 2817 / QD-UBND dated June 28, 2017 of People's Committee of Nghe An Province on transforming Yen Thanh Water Plant Management unit into a joint stock company;
- Pursuant to Decision No. 4314 / QD-UBND dated September 20, 2017 of People's Committee of Nghe An Province on the establishment of the Equitization Steering Committee of Yen Thanh Water Plant Management unit;
- Pursuant to Decision No. 4920 / QD-UBND dated November 6, 2018 of People's Committee of Nghe An Province on approving the value to equitize Yen Thanh Water Plant Management unit;

- Pursuant to Decision No. 5470 / QD-UBND dated 12/12/2018 of 1 People's Committee of Nghe An Province on approving the equitization plan of Yen Thanh Town Plant Management unit;
- Other related documents.

## **PART II: SITUATION OF THE COMPANY BEFORE EQUITIZATION**

### **1. Information about equitization unit**

#### **1.1. General information**

Company Name	: YEN THANH TOWN WATER PLANT MANAGEMENT UNIT
Registered address	: Block 3, Yen Thanh Town, Yen Thanh district, Nghe An province
Decision on establishment	: Established according to Decision No. 5176/QĐ-UBND by the People's Committee of Nghe An Province on 21/12/2007
Tel	: (0238) 3895-030
Tax Code	: 2901734176
Type of company	: Public career unit with revenues, fully self-financing, under the People's Committee of Yen Thanh District

#### **1.2. Establishment and development process**

Yen Thanh Town Water Plant Management Unit was established in 2007, according to Decision No. 5176 / QD-UBND dated December 21, 2007 of People's Committee of Nghe An Province, a public career unit under the People's Committee of Yen Thanh District, under the type of career unit with revenues, fully self-financing. After more than 10 years of establishment and development, Yen Thanh town water plant has always completed the task of handling and supplying clean water to people, agencies and units located in Yen Thanh town, Nghe An province.

#### **1.3. Organizational structure of the unit**

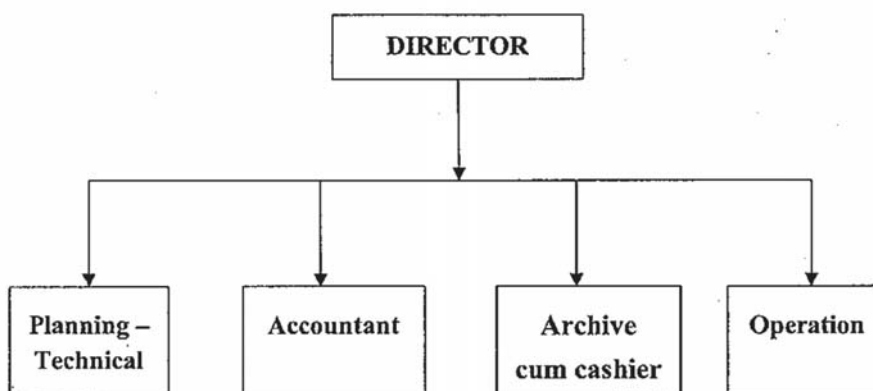
##### **a. Organization of management mechanism**

The management mechanism of the Unit is organized as follows:

- Board of Director: Director: 01 person
- Personnel:
  - Planning – Technical
  - Accounting
  - Archive staff cum cashier
  - Plant operation personnel

**b. Organization Chart:**

**Figure 1: Organization Chart**



**Functions and tasks of departments**

❖ **Director**

The director is a person with the highest management of the unit, is responsible for deciding the business plan, union activities, labor plans, etc. on the basis of advices from the departments. The director is the representative of the Unit in civil transactions.

The director is a person with the highest management of the unit before the People's Committee of Yen Thanh District and the Law on all activities of the Management Unit, under the direct guidance of the People's Committee of Yen Thanh District.

❖ **Accounting Department**

Responsible for financial, accounting, asset management, payment and settlement of economic contracts, cash management, budget collection and remittance, spending etc.

Managing the salary fund and payment of salary to employees, implementing insurance policies for employees.

Coordinating with trade unions and youth unions to take care of material and spiritual life and other regimes for officials and employees in the whole unit.

❖ **Archives and Cashier**

Having the function of inspecting and urging the departments in the unit to strictly implement the internal rules and regulations, acting as a contact point for all information of the Manager:

- Managing incoming documents, outgoing documents, correspondences, degrees, certificates, company stamp and using the company stamp in accordance with regulations of clerical and archival work.
- Organizing the conferences of the unit, preparing the programs, contents, materials for conferences and meetings of the unit.
- Coordinating with accountants to manage the budget of the unit

❖ **Technical and Planning Department**

Developing annual production plan of the company, planning to expand the water supply system to new areas.

Operating water treatment plants, inspecting, maintaining, repairing machines, water supply system, limiting water loss.

Carrying out researches on water treatment process, innovating treatment technology, improving the capacity of water supply of the Plant.

❖ **Plant Operation Room**

The employees who sign labor contracts are directly responsible for operation, maintenance, maintenance and factories.

Managing process of handling, checking water quality of input and output water.

Repairing damages in the plumbing system when arising.

Upgrading the treatment system, plant capacity, etc.

**2. Business sectors**

Yen Thanh town water plant management unit was established under Decision No. 5176 / QD-UBND of People's Committee of Nghe An Province dated December 21, 2007. The functions and tasks of Yen Thanh Town Water Plant Management Unit include:

- Managing, maintaining, repairing the pipeline systems; Treatment and supply of clean water to people, agencies and units located in Yen Thanh town and neighboring communes of Tang Thanh, Hoa Thanh, Xuan Thanh and Van Thanh with long-term stability;
- Reinvesting in construction, upgrading, increasing capacity of the plant, expanding the scope of water supply;
- Periodically inspecting and repairing the damaged equipment;
- Organizing the examination and evaluation of water quality and efficiency;
- Collecting fees for water users;
- Performing other tasks assigned by People's Committee of Yen Thanh District.

### **3. Key products and services**

Producing and supplying water in Yen Thanh town with a water supply capacity of 2,000 m<sup>3</sup> / day. Supply for more than 6200 households in the town.

### **4. Employees continue to move to joint stock company**

The total number of employees named in the list of full-time employees of the converted career unit at the time of defining the value of the career unit - June 30, 2018 is: 21 persons including 8 women.

The total number of employees named in the list of full-time employees of the converted career unit at the time of announcing the value of the career unit - on November 6, 2018: 22 persons including 9 women.

According to Decision No. 5470 / QD-UBND dated 12/12/2018 of People's Committee of Nghe An Province on approving the equitization plan of Yen Thanh Town Water Plant Management Unit, the number of employees continuing to be employed at the joint stock company: 21 persons including 9 women. However, in 2018, the unit recruited one more employee.



Based on the plan of management organization, the need to maintain and expand production and business activities after equitization, the unit expects to arrange employees to continue working at the joint stock company as follows:

**Table 1: Planned arrangement of employees after equitization**

No.	Department and title	Number of employee
<b>1</b>	<b>Board of Directors</b>	
	- Chairman cum director	01
	- Deputy Director	01
	- Chief Accountant	01
	- Head of Board of Controllers	01
<b>2</b>	<b>Departments</b>	
	- Department of Finance and Accounting	04
	- Planning – Technical Department	09
	- Sales Department	05
	<b>Total</b>	<b>22</b>

*(Source: Yen Thanh Town Water Plant Management Board)*

**Table 2: The planned structure of employees after equitization**

No.	Criteria	Total number of persons	Ratio
<b>I</b>	<b>Classified by qualifications</b>		
1	University	9	40.91%
2	College	5	22.73%
3	Intermediary school	2	9.09%
4	3/7Workers	6	27.27%
<b>II</b>	<b>Classified by contract method</b>		
1	Labor contract with indefinite term	21	95.36%
2	Labor contract with term from 1 to 3 years	1	4.55%
3	Employees according to season and particular work under 12 months	0	0%

4	Suspension of labor contract for military obligations	0	0%
<b>III</b>	<b>Classified by gender</b>		
1	Male	13	59.09%
2	Female	9	40.91%
	<b>Total</b>	<b>22</b>	<b>100%</b>

*(Source: Method for employee arrangement)*

**Policy on employees:**

Employees who continue to work at the company are entitled to buy shares at preferential prices as stipulated in Article 21 of Decision 22/2015 / QD-TTG dated June 22, 2015, become shareholders of the company and enjoy the shareholders' rights and benefits in accordance with enterprise law. In addition, employees who continue to work at the joint stock company after equitization enjoy the following policies:

- Being arranged to work at joint stock company according to qualifications and work capacity.
- Enjoying monthly salary: Based on the provisions of the State, the company establishes the salary fund and register with the competent authority before implementation. The salary payment is based on the salary regulations (prepared on the basis of the work performance and complexity of the work) approved by the General Meeting of Shareholders.
- Being paid by the Company to pay social insurance, health insurance and unemployment insurance to employees according to regulations.
- Enjoying the bonus regime: According to the regulations of the State and the Company's Regulations. The specific plan of salary and bonus of the Company will be decided by the Management Board based on the proposal of the Board of Directors.

**5. Results of determining the value of enterprises and the value of State capital**

**5.1. Results of determining the value of enterprise and the value of State capital**

Pursuant to Decision No. 4920 / QD-UBND dated November 6, 2018 of People's Committee of Nghe An Province on approving the value to equitize Yen Thanh Water Plant Management Board, the actual value of the Unit and actual value of the State capital in Unit at 0:00 on 01/07/2018, are as follows:

- Actual value of the Unit after re-evaluation: VND 29,995,667,308
- Actual value of State capital after re-evaluation: VND 29,844,922,235

Details of the unit value determination are as follows:

No.	Criteria	According to the accounting books	Re evaluation value	Difference
	(1)	(2)	(3)	(4)=(3)-(2)
<b>A</b>	<b>CURRENT ASSETS</b>	23,148,076,732	29,995,667,308	6,847,590,576
<b>I</b>	<b>Long-term assets</b>	<b>21,634,075,471</b>	<b>28,481,666,945</b>	<b>6,847,591,474</b>
<b>1</b>	<b>Long-term receivables</b>			
<b>2</b>	<b>Fixed assets</b>	<b>21,519,779,323</b>	<b>28,352,514,924</b>	<b>6,832,735,601</b>
-	Tangible fixed assets	21,519,779,323	28,352,514,924	6,832,735,601
	<i>House, architectural objects</i>	<i>10,576,186,670</i>	<i>12,732,614,224</i>	<i>2,156,454,554</i>
	<i>Devices</i>	<i>658,564,142</i>	<i>580,628,521</i>	<i>-77,935,621</i>
	<i>Means of transportation</i>	<i>10,207,103,450</i>	<i>14,956,263,239</i>	<i>4,749,159,789</i>
	<i>Management Equipment, tools</i>	<i>38,349,500</i>	<i>41,544,000</i>	<i>3,194,500</i>
	<i>Perennial plants, animals working for products</i>	<i>39,575,561</i>	<i>41,437,940</i>	<i>1,862,379</i>
<b>3</b>	<b>Other long-term assets</b>	<b>114,296,148</b>	<b>129,152,021</b>	<b>14,855,873</b>
	Tools	114,296,148	129,152,021	14,855,873
<b>II</b>	<b>Short-term assets</b>	<b>1,514,001,261</b>	<b>1,514,000,363</b>	<b>-898</b>
<b>1</b>	<b>Money and cash equivalents</b>	<b>384,964,062</b>	<b>384,693,164</b>	<b>-898</b>
-	Cash in cashier fund	166,174,898	166,174,000	-898
-	Bank deposits	218,519,164	218,519,164	-
<b>2</b>	<b>Short-term financial assets</b>			
<b>3</b>	<b>Receivables</b>	<b>453,446,556</b>	<b>453,446,556</b>	<b>-</b>
<b>4</b>	<b>Inventory</b>	<b>373,092,449</b>	<b>373,092,449</b>	<b>-</b>
<b>5</b>	<b>Other current assets</b>			
<b>6</b>	<b>Unfinished construction</b>	<b>302,768,194</b>	<b>302,768,194</b>	<b>-</b>
<b>III</b>	<b>Value of business advantages of enterprises</b>			

<b>B</b>	<b>ASSETS DO NOT NEED TO USE</b>	-	-	-
<b>I</b>	<b>Fixed assets</b>	-	-	-
-	House, architectural objects	-	-	-
-	Devices	-	-	-
<b>C</b>	<b>ASSETS WAITING FOR LIQUIDATION</b>	-	-	-
<b>I</b>	<b>Fixed assets</b>	-	-	-
-	House, architectural objects	-	-	-
-	Devices	-	-	-
-	Means of transportation	-	-	-
<b>II</b>	<b>Inventory</b>	-	-	-
-	Raw materials, materials	-	-	-
<b>D</b>	<b>ASSETS HANDED OVER TO THE LOCAL GOVERNMENT</b>	-	-	-
<b>E</b>	<b>ASSETS FORMED FROM REWARD AND BONUS FUND AND OTHER WELFAIR FUNDS</b>			
<b>F</b>	<b>TOTAL ASSETS OF THE ENTERPRISE (A+B+C+D)</b>	<b>23,148,076,732</b>	<b>29,995,667,308</b>	<b>6,847,590,576</b>
	Of which:			
	<b>TOTAL ACTUAL VALUE OF ENTERPRISE (item A)</b>	<b>23,148,076,732</b>	<b>29,995,667,308</b>	<b>6,847,590,576</b>
F1	Actual debt payable	150,745,073	150,745,073	-
F2	Career funding			-
	<b>TOTAL ACTUAL VALUE OF THE STATE CAPITAL IN THE UNIT</b>	<b>22,997,331,659</b>	<b>29,844,922,235</b>	<b>6,847,590,576</b>

*(Source: Re-evaluation report results on 30/6/2018)*

## **5.2. Problems to continue handling**

At the time of valuation of the unit, Yen Thanh Town Water Plant Management Unit provides documents on machinery and equipment, houses and structures that are the value of assets on the accounting books and minutes of acceptance of final accounts and minutes of handover of assets, capital invested by People's Committee Yen of Thanh District to the receiving unit (lack of estimate, detailed drawings of each item, construction route).

Currently, Yen Thanh Town Water Plant Management Unit is implementing to complete the documents of increasing the value of fixed assets under the Renovation project to increase the capacity of Yen Thanh water supply plant from 2,000m<sup>3</sup> / day to 5,000m<sup>3</sup> / day. The project has not been included in the books of the unit by Yen Thanh Town Water Management Unit and included in the valuation value at 0:00 on July 1, 2018. According to Decision No. 4889 / QD-UBND dated October 27, 2015 approving the construction drawing design and cost estimates of the renovation project to increase the capacity of Yen Thanh Water Supply Plant from 2,000 m<sup>3</sup> / day to 5,000 m<sup>3</sup> / day:

- Investor: People's Committee of Yen Thanh district.
- Capital source: Yen Thanh district budget, mobilizing contributed capital of beneficiaries, integrating investment equity sources (credit capital ...) and mobilizing other lawful sources to complete construction.
- Construction site: Yen Thanh town and its neighboring areas including communes of Tang Thanh, Xuan Thanh, Van Thanh, Hoa Thanh and Bac Thanh.
- Total estimated value: VND 30,112,338,000.
- Implementation schedule: Currently, the project has completed about 70%. The remaining items are continuing to be completed.

Yen Thanh district will coordinate with Yen Thanh Town Water Plant Management Unit to carry out the project settlement and handover to joint stock company, and is expected to account for the increase of state capital at the time of official transformation into joint stock company.

## **6. Main assets of the enterprise**

### **6.1. Situation of assets**

According to the valuation results at the valuation certificate No. 594 / CT-VALUINCO dated October 15, 2018 of International Valuation and Investment Consultancy J.S.Co.

(Valuenco), the asset value of the Yen Thanh town water supply plant management unit as of 30/6/2018 as follows:

**Table 6: Asset situation according to re-evaluation value on 30/6/2018**

*Unit: VND*

No.	Criteria	Accounting Value	Re-evaluation Value	Difference
1	Current tangible fixed assets	21,519,779,323	28,352,514,924	6,832,735,601
1,1	House, building materials	10,576,186,670	12,732,641,224	2,156,454,554
1,2	Devices	658,564,142	580,628,521	(77,935,621)
1,3	Transport means of transport	10,207,103,450	14,956,263,239	4,749,159,789
1,4	Equipment, management tools	38,349,500	41,544,000	3,194,500
1,5	Perennial plants and animals to produce the products	39,575,561	41,437,940	1,862,379
2	Other fixed assets	-	-	
	<b>Total assets</b>	<b>21,519,779,323</b>	<b>28,352,514,924</b>	<b>6,832,735,601</b>

*(Source: Report on price appraisal results on 30/6/2018)*

Since 2009, Yen Thanh town water plant has built construction works for production and business activities such as a 5,000m<sup>3</sup> water reservoir, a system of intake tanks, water storage tank, filter tank, protection fence system, primary + secondary pumping station system and filter washing system with the area up to 119m<sup>2</sup>. In addition, there are houses: chemical house and warehouse (110.96m<sup>2</sup>), executive house (140m<sup>2</sup>), ice production storage warehouse (60m<sup>2</sup>) and auxiliary buildings such as guardian house, kitchen, warehouse, etc. These works are all in good condition. In particular, the plant renovated the water intake tank in 2017 to ensure the quality of water supplied to consumers.

Regarding transmission equipment, the plant has invested and installed many important systems, ensuring efficient operation of the plant. Typical examples are the 35KV line system, installation of electrical systems for water treatment zone, technical

pipelines, internal drainage, pipeline network lines 1, 2 and services. For each service area (Yen Thanh town, Tang Thanh commune, Xuan Thanh commune), the plant has installed its own service and technology network for each area and for each purpose (domestic water, production water). In addition, in 2016, the plant has built and installed additional water supply systems for the industrial park, meeting hall and Phan Dang Luu secondary school.

## **6.2. Land**

### **6.2.1. Existing situation of land before equitization**

Currently, Yen Thanh Town Water Plant Management Unit uses a plot of land with an area of 17,270 m<sup>2</sup>, located at: Block 3, Yen Thanh Town, Yen Thanh District, Nghe An Province.

Legal status before equitization: The unit is lent by Yen Thanh district for use, without land handover documents. The whole area has not been granted with the land use right certificate.

Status of use: Clean water production and supply plant; Executive office.

The above-mentioned land areas have not been re-measured and marked for defining boundaries.

### **6.2.2. Land use plan after equitization**

According to Official Letter No. 4866 / UBND-TM dated July 5, 2018 of People's Committee of Nghe An Province, the land use plan after equitization for the land plot which is currently under the management of Yen Thanh Town Water Plant Management Unit is as follows:

- Area of used land: 17,270m<sup>2</sup>
- Land use purpose: Land for non-agricultural production facilities
- Form of land use: the State leases land with annual rent payment.
- Land lease term: 50 years from the date of land lease by the Provincial People's Committee.

## **7. List of parent companies and subsidiaries**

### **7.1. Owner**

People's Committee of Nghe An Province is the representative of state capital owner in the Unit.

The representative of the State Capital in the unit is Mr. Phan Duy Thanh - Director of Yen Thanh Town Water Plant Management Unit.

## **7.2. List of Subsidiaries and Associated Companies, Joint Ventures**

Not available

## **8. Situation of business operations and business and production results in 3 years before equitization**

### **8.1. Situation of production and business activities**

With the functions and tasks assigned, in the past 10 years, Yen Thanh Town Water Plant has made efforts to complete, with a capacity of 2,000 m<sup>3</sup> / day of water supply.

Currently, Yen Thanh Water Plant supplies clean water in Yen Thanh Town and some surrounding areas of Tang Thanh, Hoa Thanh, Xuan Thanh and Van Thanh communes.

The number of households and agencies that are customers of the plant has increased over the years, from 5530 households in 2015 to more than 6,425 households in 2018. Thus, the volume of water consumption has also increased significantly, about 20% after over 3 years.

On June 28, 2017, People's Committee of Nghe An Province issued Decision No. 2817 / QD-UBND on transforming Yen Thanh Water Plant Management Unit into a joint stock company on July 1, 2017. Therefore, the audited financial statement 2017 of the Unit is divided into 02 periods from January 1, 2017 to June 30, 2017 and from July 1, 2017 to December 31, 2017. However, the valuation of enterprises is not in time as prescribed, therefore, the Unit has re-determined the value of the enterprise as of July 1, 2018 for equitization.

**Table 1: Quantity of customers increased through years**

<b>Criteria</b>	<b>Year 2016</b>	<b>Year 2017</b>	<b>Year 2018</b>
Number of customers (households)	5,903	6,097	6,425
Water consumption volume (m <sup>3</sup> )	600,811	646,031	713,745
Annual capacity (m <sup>3</sup> / day and night)	2,000	2,000	2,000



Besides the above advantages, the water loss rate is still high, about 30%. The cause is outdated pipeline. The renovation of this pipeline is very complicated, expensive. It is almost impossible to improve the whole pipeline, but only repair leaked pipeline sections. The second reason is due to widespread road excavation, construction of construction works also causes water pipeline to break. The third reason is clean water stealing situation. Currently, the most common way of stealing water is to drill directly into the pipeline network, install separate pipes to use water without water meters. This situation not only causes water loss but also harms the main pipeline, which can break leading to water leakage etc.

**Table 2: Income from business and service activities in the period of 2016 - 6 months / 2018**

*Unit: Million dong*

No.	Criteria	2016	1/1/2017 – 30/6/2017	1/7/2017 – 31/12/2017	1/1/2018 – 30/6/2018
1	Revenues from production and business activities and services	4,468,257,283	2,021,938,429	2,138,341,323	2,323,803,050
1,1	Revenue from financial activities	37,653,400	1,388,500	1,514,700	143,900
1,2	Revenue from construction and installation services	484,462,727		276,133,187	
1,3	Revenue from new installations and repair of households	641,679,908	270,845,929		307,178,192
1,4	Revenue from	3,304,461,248	1,749,704,000	1,860,693,436	2,016,480,958

	<i>water fee</i>				
2	Other income	443,294,000	96,443,773	15,838,634	4,197,549
<b>Total revenues</b>		<b>4,911,551,283</b>	<b>2,118,382,202</b>	<b>2,154,179,957</b>	<b>2,328,000,599</b>

(Source: Audited financial statement 2016, audited financial statement for the period of 1/1 / 2017-30 / 6/2017, audited financial statement for the period of 1/7 / 2017-31 / 12/2017 and audited financial statement for period 1 / 1 / 2018-30 / 6/2018)

The plant's revenue comes from the following activities: supplying water to households, agencies in the area, providing construction and installation services, financial activities and new installation and repair of households in which, revenue from clean water supply accounts for the largest proportion and grows over the years.

**Table 3: Expenditure in the period 2016 – 6 months/2018**

Unit: VND

No.	Criteria	2016	1/1/2017 – 30/6/2017	1/7/2017 – 31/12/2017	1/1/2018 – 30/6/2018
1	Expenditure for production, business, service activities	4,073,668,244	2,135,291,277	2,657,223,573	1,431,447,025
2	Management Cost	518,989,682	236,010,155	563,837,997	894,356,025
3	Operation Cost	210,208,000			
<b>Total expenditure</b>		<b>4.802.865.926</b>	<b>2,371,301,432</b>	<b>3,221,061,570</b>	<b>2,325,803,050</b>

(Source: Audited financial statement 2016, audited financial statement for the period of 1/1 / 2017-30 / 6/2017, audited financial statement for the period of 1/7 / 2017-31 / 12/2017 and audited financial statement for period 1 / 1 / 2018-30 / 6/2018)

Situation on annual expenditures m

**Table 4: Expenditures for period 2016 – 6 months /2018**

*Unit: VND*

No.	Criteria	2016	1/1/2017 – 30/6/2017	1/7/2017 – 31/12/2017	1/1/2018 – 30/6/2018
1	Total expenditure in this period	6,258,326,883	3,768,667,606	3,689,803,398	3,197,902,630
	<i>Expenditure unused from the pervious period to moved to</i>	<i>1,456,473,310</i>	<i>1,169,549,816</i>	<i>1,202,622,201</i>	<i>796,024,332</i>
	<i>State budget</i>	<i>653,502,000</i>	<i>70,000,000</i>	<i>-</i>	<i>-</i>
	<i>Other sources</i>	<i>4,473,645,573</i>	<i>2,529,117,790</i>	<i>2,487,181,197</i>	<i>2,401,878,298</i>
2	Used expenditure	5,088,777,067	2,566,045,405	2,893,779,066	2,813,208,568
3	Unused costs moved to next period	1,169,549,816	1,202,622,201	796,024,332	384,694,062

*(Source: Audited financial statement 2016, audited financial statement for the period of 1/1/2017-30/6/2017, audited financial statement for the period of 1/7/2017-31/12/2017 and audited financial statement for period 1/1/2018-30/6/2018)*

+ Funds used by Yen Thanh Town Water Plant Management Unit include:

- Paid from the State Budget annually to support the Unit, pays salaries to 3 officials and managers including: Director, Head of Organization Planning Department and Chief Accountant.

- Paid from the State Budget annually from the collected fee: this is part of the infrastructure fee collected from households and agencies when installing new water supply pipes, the unit is entitled to retain a part to upgrade and repair the plant, pipeline and offset the costs for other construction works. The fee is 1 million VND / household contributed by the people. The remaining amount is paid by the Plant to the district budget to pay to the contractor.

- Other sources are revenues from the main business activities of the company - collecting water use fees from households and agencies

+ Fund for regular operating expenditures is taken from the State Budget in order to allocate and meet the spending needs associated with the implementation of regular tasks of the state on socio-economic management.

Regarding expenditures, the management activity accounts for the largest proportion. Expenditure on basic investment is unstable due to dependence on construction demand and deployment in the province. These facts show that the Unit has made certain efforts in controlling costs.

Regular expenditures for state management in the areas of coordination and support for more effective socio-economic activities include salaries, allowances, bonuses, collective welfare, contributions (costs for trade union, insurance), personal payments (meals, allowances, supports), payment of public services, office supplies, contact information, per diem, rent and repair of assets to serve for professional work and maintenance, of infrastructure works are from regular expenditure fundi, professional operation costs, ... .. These operating expenses account for a large part of total expenditures used.

Expenditure for capital construction include construction expenses (for construction of works, work items, destruction and dismantling of old architectures, etc.) other expenses (project management, construction consultancy etc....)

### **8.3 Financial situation and results of production and business activities before equitization**

Criteria	2016	1/1/2017 – 30/6/2017	1/7/2017 – 31/12/2017	1/1/2018 – 30/6/2018
1. Total asset value	21,819,897,829	27,862,801,147	24,974,864,311	23,148,076,732
2. State capital according to accounting books	21,262,517,876	27,777,568,402	24,511,980,311	22,997,331,659
3. Short-term debt	-	-	-	-
In which, overdue debt	-	-	-	-
4. Long-term debt	-	-	-	-
In which, overdue debt	-	-	-	-
5. Bad debts	-	-	-	-
6. Total number of employees (including probationary contracts)	25	26	25	26

**Yen Thanh Town Water Supply Plant Project Management unit**

7. Total salary fund	1,658,615,7525	826,918,663	831,697,089	985,000,499
8. Average income per person / month	5,528,719	5,300,761	5,544,647	6,314,106
9. Total revenue	4,911,551,283	2,118,382,202	2,154,179,957	2,328,000,599
10. Total expenditure	4,802,865,926	2,371,301,432	3,221,061,570	2,325,803,050
11. Profit	108,685,357	-252,919,230	-1,066,881,613	2,197,549
12. Profit after tax	108,685,357	-252,919,230	-1,066,881,613	2,197,549
13. Rate of profit after tax / state capital	0.5%	-	-	0.01%

*(Source: Audited financial statement 2016, audited financial statement for the period of 1/1/2017-30/6/2017, audited financial statement for the period of 1/7/2017-31 / 12/2017 and audited financial statement for period 1 /1/2018-30 /6/2018)*

## **8.2. Materials**

With the main business of the supply of clean water, the most important and indispensable input element of the unit is surface water. Other materials include water supply systems, water pipes.

### **❖ Material resources:**

Raw materials and inputs:

- Raw water is taken from N8 canal system flowing from Bara Do Luong under Northern Nghe An irrigation system, to raw sedimentation lake, then pumped to treatment system.
- Sedimentation agent of PoliAluminChlorite (PAC)
- Javen disinfectant (NaClO; NaCl)
- Power consumption for water pumping and treatment
- Labor

### **❖ Stability of these supply resources**

In general, Nghe An has abundant surface water reserves, including rivers, streams, lakes, dams, canals etc. Surface water is supplied mainly from rainwater (in the rainy season) and partially from underground water. In particular, Nghe An province has a high average rainfall compared to other provinces in the region. Annual rainfall ranges from 1,200 - 2,000mm / year, averaging about 1,690mm. The rainy season usually lasts for 5 months (from April to October) with rainfall accounting for about 80% of the total annual

rainfall, especially focusing on September and October (these two months alone account for 40 - 60% of total annual rainfall). The quality of rainwater is evaluated well, meeting the water quality standards for domestic use. Exploitation and utilization of rainwater are very significant for small-scale water supply, households and remote areas.

However, at present, surface water environment in Nghe An province is affected by many waste sources such as domestic waste, industrial zone, agricultural, mining, aquaculture activities etc. Together with the process of industrialization and exploitation of forest land which is not under plan, climate change, water sources are gradually reduced, the hydrological system is depleted as well as the trend of pollution of surface water sources is increasing.

❖ **Effect of raw material prices on revenue and profit**

Currently the unit has not been sold at the price prescribed by the Provincial People's Committee but is selling at the price prescribed by the People's Committee of Yen Thanh District so the revenue of the plant is low because it has not been calculated properly enough to constitute the components of the product price. The unit's water price is currently VND 6,100 / m<sup>3</sup> (including VAT), which is considered to be low. It is expected that water price will be adjusted in line with the general price situation, as well as the trend of adjusting water price nationwide.

In order to supply water to consumers, the water supply system is extremely important. This system determines the scope of water supply as well as water quality to consumers. Currently, the network of water supply pipes in Yen Thanh town in particular and Nghe An province in general has been relatively completed. However, some points which experienced many investment periods are downgraded, leaked and resulted in high water loss rate.

The unit has a team of young and highly qualified employees who are willing to work for a long time in the unit. The unit focuses on recruiting and has appropriate remuneration policies to both attract the talents and suit the current regulations.

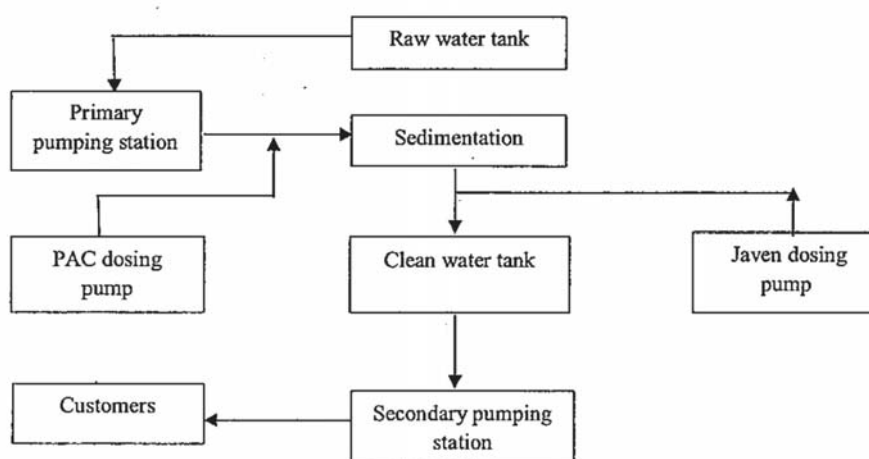
**8.3. Technology level**

The plant's clean water production technology is the traditional technology: raw water is pumped by the primary pumping system to the combination tank where water is mixed with settling supporting agent, the suspended particles are formed into particles with larger and heavier size and settled down to the bottom of the composite tank to be discharged outside. After sedimentation process, water is transferred through quartz sand

tank to filter, the filtered water is transferred to clean water tank after mixing with a suitable amount of Javen to ensure the chlorine concentration from 0.3 to 0.5 micrograms / m<sup>3</sup>. Finally, water is pumped to serve customers through the secondary pumping system located at the pump station.

This is a traditional technology that is no longer suitable for the current period because of construction area, labor cost and product quality are not optimal.

This is traditional technology which is no more suitable with the current situation because it requires larger area of land and more workers while the quality of the product is not yet optimized.



#### 8.4. Situation of product / service quality inspection

Clean water is a specific product that directly affects the health of users. Therefore, the unit pays great attention to the process of monitoring and checking the quality of output water. The output water source is tested and inspected by commercial staff for testing commercial water samples such as checking turbidity, excess chlorine, color and taste. This inspection is conducted regularly and daily at the plant before water is supplied to customers. Other biochemical indicators are sampled for quality inspection at Nghe An provincial measurement center. In addition, each year, the provincial preventive health center takes samples for assessment and notifies the results so that the Plant knows and adjusts accordingly to ensure the quality of water supplied to customers.

#### 8.5. Marketing activities

Yen Thanh Town Water Plant Management Unit builds reputation based on the quality of services provided and experience for many years. The company has not used tools such as newspaper, advertisement, etc. to promote the company's agricultural products and images.

#### 8.6. Trademark, patent registration and copyright

Currently, Yen Thanh Town Water Plant Management Unit has not registered trademark or copyright or patent.



**8.7. Key contracts signed and implemented**

No.	Name of the works	Implementation Time	Partner	Value (VND)	Scope of implementation
1	Hoa Thanh Water Supply Project	2016	Hoa Thanh commune	178,685,000	Installing the domestic water supply system to households in project area in Hoa Thanh commune
2	Yen Thanh Hospital Project	2011	Yen Thanh District General Hospital	81,209,000	Improving and upgrading the domestic water supply system for Yen Thanh District General Hospital

**8.8. Debt Situation**

**Table 3: Debt Situation as of 30/6/2018**

*Unit: VND*

No.	Criteria	Value in accounting book	Re-evaluated value
<b>A</b>	<b>Receivables</b>	<b>453.446.556</b>	<b>453.446.556</b>
I	Receivables	295.786.424	295.786.424
1	Receivables from water customers	26.113.424	26.113.424
2	Receivables from customers to repair, install new clean water system	9.779.000	9.779.000
3	Receivable from construction works	259.894.000	259.894.000
II	Advance payment to seller	30.000.000	30.000.000
III	Other receivables	127.660.132	127.660.132
<b>B</b>	<b>Payables</b>	<b>150.745.073</b>	<b>150.745.073</b>

1	Payables to suppliers of electricity, materials, equipment	126.745.073	126.745.073
2	Other payables	20.000.000	20.000.000
3	Advance payment from buyets	4.000.000	4.000.000
4	Payables according to salary	-	-
5	Payables to the state	-	-
6	Payables to civil servants and officials	-	-
7	Payables to other objects	-	-

(Source: The minutes of defining the enterprise value as of 30/06/2018)

Receivables of the plant mainly come from the water supply system construction and installation for hospitals, schools, halls and industrial parks in the area. As of June 30, 2018, the remaining receivables are in 2 projects: Hoa Thanh water supply project and Yen Thanh hospital project. Besides, the plant also has receivables for households using domestic water. Regarding the payables for debts of the plant, it is mainly the payables for suppliers of electricity, supplies and equipment, water construction and water installation and construction contractors.

## 9. Factors affecting production and business activities of the Company

### 9.1. Advantages

#### a. State Policy

Yen Thanh town water plant has received the attention of Yen Thanh district government. The District People's Committee has created favorable conditions for the Unit to develop the water distribution system, allowed the unit to retain partially the investment infrastructure fee (fee collected for the initial infrastructure invested by the District People's Committee) for maintenance, repair and upgrading of the plant, and has also received the support from the state budget for 3 officials and managers at the enterprise.

#### b. Human resource assets

The unit has a team of highly qualified professionally trained staff who are mastering the process of water production and supply in the province.

The employees of the Unit has the average working age who are dynamic, creative and innovative, is the driving force for the development of the unit before equitization and the stock company after equitization.

**c. Infrastructure:**

Yen Thanh town water plant was invested and built by People's Committee of Yen Thanh district, including a water plant and a main water pipeline system that leads water from the plant to the residential areas for distribution. Every year, the District People's Committee uses a part of the money collected from pipeline installation and use for the Management Unit to maintain and upgrade the infrastructure, pipelines and construction of new construction works in service of business activities.

**d. Market:**

Because clean water is an essential need for the lives of people, organizations and agencies. Therefore the market is always available for the product of the Unit.

**9.2. Difficulties**

- High water loss rate: 30%. In the process of operating the plant, the construction of transport works, construction projects has broken the pipeline, causing the water loss, cost of labor and materials for repair.
- Water treatment technology is still outdated, not suitable for the current period because it has both required large land occupation area while consumed a lot of labor and product quality is not optimal.
- Currently, the unit has not been sold water at the price prescribed by the PPC but is selling at the price prescribed by the Yen Thanh District People's Committee so the revenue of the plant is low because it has not been calculated properly for the components of the unit prices of the product.
- Although the operation area of the unit is large, the potential for market development is still high, due to the limited financial resources to develop the water pipeline system, the water plant capacity is still low. Although there has been an upgrade project, the funding source for this project is still limited which results in the construction of the works is unfinished and the works has not yet been put into operation and use. Therefore, the unit has not fully utilized its potential to exploit the market.

**10. Company position compared to other enterprises in the same industry**

❖ **Position of the company in the industry**

With the special feature of the water industry, which is currently less competitive due to the monopoly and regional distribution, this is not too big a risk for the position of the plant in the district. However, if the unit does not operate effectively after equitization, it is difficult to compete with other companies in the industry.

❖ **Industry development prospects**

Yen Thanh town borders communes of Tang Thanh, Van Thanh, Hoa Thanh and Xuan Thanh; Overall, Yen Thanh district has an area of 549.9 km<sup>2</sup>, an average population of about 302,500 people (according to data in 2017). At present, Yen Thanh Town Water Plant only supplies clean water to a small area of Yen Thanh district, the potential to expand the water supply network is still very large.

❖ **Evaluation on the suitability of the company's development orientation with the orientation of the industry, the State's policies, and the general trend in the world.**

The development of the clean water industry depends very much on the size, population distribution and living standards in the operating area. The revenue of the clean water supply enterprise is higher when the operation area and the pollution is bigger. When the residential areas are more concentrated, the cost for installing the pipelines, costs for inspection, repair and maintenance of the pipeline is smaller.

Yen Thanh town has an area of 2.63 km<sup>2</sup> which holds the leading position in the development of Yen Thanh district. Established on June 6, 1986, Yen Thanh Town has been constantly developing in all aspects, the economy has moved in the right direction, the growth rate reaches over 12% / year, the per capita income reaches above 30 million VND / person / year, the poverty rate is only 3% (according to data in 2017). Over the past years, Yen Thanh Town has mobilized thousands of billion dong to invest in urban infrastructure. Promoting the achieved results, the Party Committee and the people of Yen Thanh Town are determined to develop the town to become an urban civilized town in 2019.

**PART III: INVESTMENT METHOD AND DEVELOPMENT STRATEGY OF  
THE ENTERPRISE AFTER EQUITIZATION**

**1. General information of the enterprise after equitization**

**1.1. General information**

Company Name : **CÔNG TY CỔ PHẦN CẤP NƯỚC YÊN THÀNH**  
Transaction Name in English : **YEN THANH WATER SUPPLY JOINT STOCK COMPANY**  
Abbreviated Name : **YENTHANHWACO**  
Registered address : **Block 3, Yen Thanh Town, Yen Thanh district, Nghe An province**  
Tel : **(02383) 895-030**  
Proposed charter capital : **VND29,844,920,000 (Twenty nine billion, eight hundred forty four million, nine hundred and twenty thousand Vietnamese dongs only)**

**1.2. Proposed business sectors after equitization**

No.	Business name	Business Code
1	Exploiting, processing and supplying water	3600 (main)
2	Drainage and wastewater treatment	3700
3	Wholesale of other construction materials and equipment Details: Wholesale of water supply and drainage supplies and equipment	46639
4	Construction of other civil engineering works Details: Construction of dams and spillways	4290
5	Construction of public works Details: Construction of water supply and drainage works; domestic water treatment, civil and industrial waste water works, canal and ditch works	4220
6	Retailing other installation equipment in construction in specialized stores	47529

	Details: Retailing supplies and equipment for water supply and drainage	
7	Architectural activities and related technical consultancy Details: Geological and water resource exploration activities	7110
8	Research and development of natural and technical science experiments: Details: Research on technology and water treatment techniques	7210
9	Consultancy for design and construction of the works	

### **1.3. Organization structure**

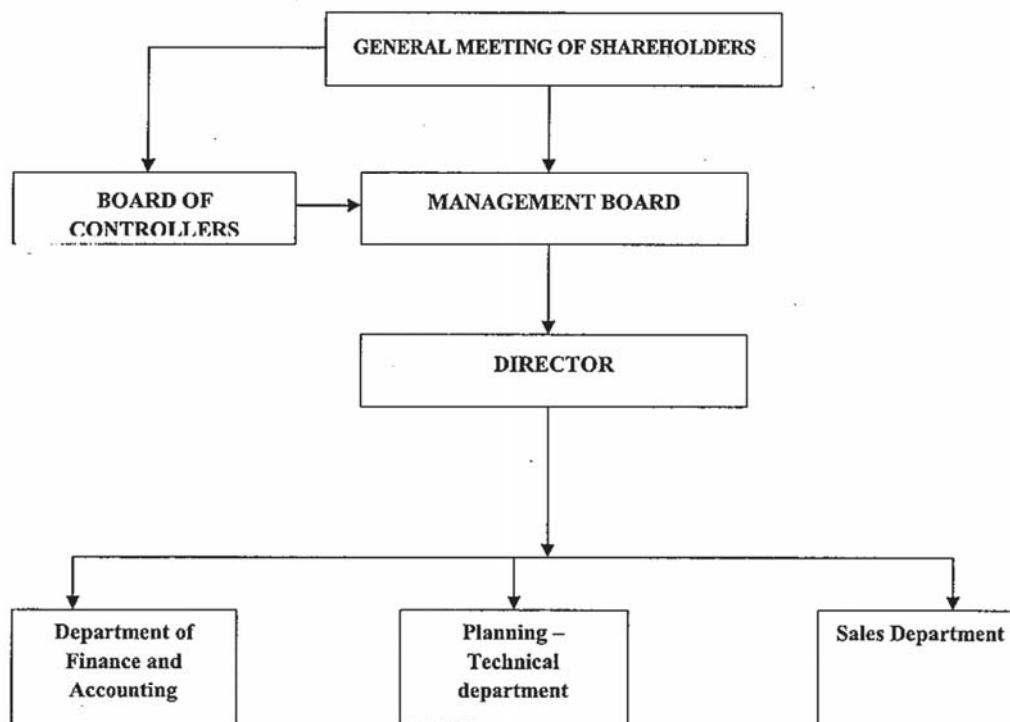
#### **a. Organization of management personnel**

- (1) Expected number of members of the Management Board: 03 persons (1 chairman, 2 members)
- (2) Board of Controllers: 3 persons
- (3) Board of Directors:
  - + Director: 1 person (Chairman of the Board of Directors may cum Director in case of state capital holding less than 50% after equitization)
  - + Deputy Director: 1 person.
- (4) Chief accountant: 1 person
- (5) Departments: Each department has 1 manager. In which, Manager of Finance and Accounting Department is also the Chief Accountant.

#### **b. Organization chart**

Enterprises after equitization will be organized according to the model of a joint stock company, ensuring compliance with the provisions of the Enterprise Law No. 68/2014/QH13 and suiting the actual management activities, business model of the Company. On that basis, the organizational structure of Yen Thanh Water Supply Joint Stock Company is built as follows:

Figure 1: Organization Chart of the joint stock company after equitization



#### Functions and duties of management team and departments

##### ❖ General Meeting of Shareholders

The General Meeting of Shareholders includes all shareholders owning shares of the Company, having voting rights corresponding to the number of shares held which is the highest decision-making body of the joint stock company. The General Meeting of Shareholders has the rights to decide on important issues of a shareholding company (such as approving the Charter of organization and operation, annual and long-term business strategies of the company, making decisions through annual financial statements, profit distribution, election of management board, board of controllers of the company, decision on the number and type of shares issued, etc.). The powers of the General Meeting of Shareholders are stipulated in Enterprise Law and Company Charter.

##### ❖ Management Board

The Management Board is the management body of the company, including members elected by the General Meeting of Shareholders, the number of members of the

Board is regulated by the Charter of the Company. The Management Board is responsible for concretizing the decision of the General Meeting of Shareholders, has the right to make decisions on matters within its authority or issues authorized by the General Meeting of Shareholders.

The Management Board appoints important positions of the company, according to the provisions of the Charter on Organization and Operation, concretizes the annual production and business plans, directs the Board of Directors to implement the business and administration tasks from time to time.

The Management Board elects one of the members to take the position of Chairman of the Board.

❖ **Board of Controllers**

Board of Controllers is elected and operates independently by the General Meeting of Shareholders, on behalf of the General Meeting of Shareholders to supervise the activities of the Management Board and the Board of Directors in the management and administration of the Company. Annually, the Board of Controllers must report its operation to the General Meeting of Shareholders. The specific rights and obligations of the Board of Controllers are clearly defined in the Enterprise Law and the Company Charter on Organization & Operation.

❖ **Board of Directors**

The Board of Directors of the company includes the Director and Deputy Directors. The Board of Directors is under the management and direction of the Management Board, is responsible for implementing the Resolutions of the Management Board, directing the operation of the plant, providing products, sales and techniques, construction, maintenance, finance - accounting.

From time to time, the Management Board may decide whether or not to have the position of Deputy General Director. If yes, the deputy directors will be in charge of specific departments, make decisions in the authorized jurisdiction, stipulated in the internal management regulations of the company, and report to the Director and the Management Board.

Annually, the Board of Directors is responsible for synthesizing business and production results, making business plans for the following year, reporting to the Management Board and the General Meeting of Shareholders.



❖ **Finance - Accounting Department**

The Finance - Accounting Department is responsible for performing accounting, budget management, capital mobilization, implementation of collection and spending procedures; effectively manages and uses the capital, preserves and develops the company's capital; Supervises the debt situation, debt recovery organization, supervision of payment of economic contracts.

Strictly conform to the State accounting regime. In addition, the Finance - Accounting Department is responsible for advising the Board of Directors on the organization of accounting in accordance with the production and business organization of the Company, in accordance with the need to renovate the management mechanism.

In addition, the Finance - Accounting Department concurrently performs administrative and personnel tasks such as: recruiting, training labor, signing labor contracts, implementing labor policies according to the regulations of State, carrying out the reception of guests for conferences, documents, document printing; management of office equipment, coordination, preservation and repair etc. of houses of different types, equipment for working in the company office.

❖ **Planning - Technical Department**

The Planning - Technical Department has the following functions and tasks:

Develop an annual production plan of the company, plan to expand the water supply system to new areas.

Operate the water treatment plants, inspect, maintain and repair water supply machines and systems and limit the water loss.

Research the water treatment process, innovate treatment technology, improve the capacity of water supply of the Plant.

❖ **Sales Department**

Implement the annual plan targets of business turnover, have the task of developing customers (neighboring areas).

Directly collect water use fees at the households and agencies using water of the Company according to the data of water consumption.

Carry out statistics of output and revenue aiming at management; at the same time actively seek and expand the number of customers.

#### 1.4. Charter capital and structure of charter capital of joint stock company

##### 1.4.1. Charter capital

- The charter capital of Yen Thanh Water Supply Joint Stock Company is expected to be **VND 29,844,920,000** after equitization (Twenty-nine billion, eight hundred forty four million, nine hundred and twenty thousand Vietnamese dong).
- The number of shares issued for the first time is **VND2,984,492** shares with par value of **VND 10,000 / share**.

##### 1.4.2. Structure of charter capital

Table 11: Planned structure of shares

No.	Object	Number of shares	Value	Ratio %
1	State	0	0	0%
2	Sold to the employees	56,200	562,000,000	1.88
2.1	The employees by the number of working years in the state-owned sector	17,200	172,000,000	0.58
2.2	The employees commit to work for a long time	39,000	390,000,000	1.31
3	Auction for external shareholders	2,928,292	29,282,920,000	98.12
	Total	2,984,492	29,844,920,000	100.00

#### 2. Investment plan and development strategy of the Company after equitization

##### 2.1. Main targets for the period of 2019 - 2021

***Yen Thanh Town Water Supply Plant Project Management unit***

---

In 2018, the production and business results are estimated as follows:

No.	Criteria	Unit	Estimated in 2018
1	The number of customers signing the water use contract	Household with connection	6425
2	Output of tapped water	m <sup>3</sup>	713,745
3	Total revenue	VND	4,807,266,076
	<i>Sale revenue</i>	<i>VND</i>	<i>4,146,833,658</i>
	<i>Revenue from installation and repair</i>	<i>VND</i>	<i>660,432,418</i>
4	Rate of loss	%	23
5	Total expenditure	VND	4,805,309,076
6	Before tax profit	VND	1,957,000
7	After tax profit	VND	1,957,000
8	Total number of employees	VND	26
9	Total salary fund	VND	1,969,968,000
10	Average income	VND/ day/ month	6,314,000

*(Source: Yen Thanh Water Plant Management Unit)*

Based on the business results of the company before equitization, together with assessing the potential of increasing water sales by expanding the water supply network in the future, and the component on upgrading the capacity of the Plant Yen Thanh water supply from 2,000m<sup>3</sup> / day to 5,000m<sup>3</sup> / day, the Management Unit proposes the production and business plan for 3 years after after equitization as follows:

**Table 13: Expected production and business plan after equitization**

No.	Criteria	Unit	2019	2020	2021
1	Basic construction investment plan (*)	VND	-	-	-
2	Charter capital	VND	29,844,920,000	29,844,920,000	29,844,920,000
3	Total number of employees	Person	26	28	30
4	Total salary fund	VND	1,996,800,000	2,184,000,000	2,412,000,000
5	Average income	VND/person/month	6,400,000	6,500,000	6,700,000
6	Number of customers signing contracts to use water	Connection households	6300	6500	6800
7	Output of tapped water	m <sup>3</sup>	650,000	700,000	750,000
8	Total revenue	VND	5,500,000,000	6,200,000,000	7,000,000,000
	Sales of water	VND	5,000,000,000	5,700,000,000	6,500,000,000
	Revenue from construction and repair	VND	500,000,000	500,000,000	500,000,000
9	Loss rate	%	22	20	18
10	Total expenditure	VND	5,350,000,000	6,000,000,000	6,500,000,000
11	Profit before tax	VND	150,000,000	200,000,000	500,000,000
12	Profit after tax	VND	120,000,000	160,000,000	400,000,000
13	Dividend rate	%	0%	0%	5%

*(Source: Yen Thanh Town Water Plant Management Board)*

(\*) The basic construction investment plan depends on the demand for construction of the works directed by the District. So the company has no specific plan for the next years.

## 2.2. Implementation Methods

To achieve this profit and revenue plan, the Management Board proposes many solutions to implement as follows:

❖ **Solutions on market**

- *Regarding clean water production and supply:*

Continue to consolidate and maintain the existing markets and areas and expand the relationship with partners and customers. The Unit needs to establish relationships with customers to increase the Company's reputation after equitization in the market, creating favorable conditions for market expansion. The Accounting and Administration Department of the Company arranges full-time staff to do market research, analysis, market demand planning to advise the leaders of the Company.

Invest and upgrade facilities from infrastructure to information technology to improve service quality, competitiveness and operational efficiency. At the same time, invest water supply systems, networks, meters, etc.

- *Regarding construction and installation of water supply and drainage works*

Continue to maintain good relationships with existing customers. In addition, develop new policies to attract potential customers.

Actively seek, expand customer network including individual customers and organization customers, search for suitable packages with the capacity of the company.

❖ **Solutions on marketing**

The company will focus on building a new image, creating more attraction for customers, thereby creating the premise to develop more image promotion measures. First of all, the Company will set up its own Website and Email domain name system to improve efficiency in the operation process.

Besides, the company will develop other promotion channels such as leaflets, announcements, internet, newspapers, mass media. The promotion contents will include the introduction of the company and the services provided.

❖ **Solutions for technology investment and development**

Continue to invest and improve the modern and advanced machinery and equipment system. The company needs to pay much attention to the development of modern technology innovation strategies to improve labor productivity, number of customers and competitiveness to meet the increasing demand in the market.

Apply information technology to the management and operation of the plant. Enterprise are currently operating in the business and production environment which is complex and changing. Given the opportunities and challenges of the market, the

company after equitization needs to build an information system to meet the new model of a joint stock company quickly to make timely decisions in the production and business process.

❖ **Solutions for Water Loss Rate Control**

Strengthen management of water loss and water fee loss system; Install meters and valves at branch routes; Regularly check water users to prevent stealing; Install water meters according to customer needs when the system upgrading is completed; Quickly and promptly handle incidents in order to prevent losses when being detected or notified.

❖ **Solutions on capital**

Implement financial restructuring solutions of the Company, speed up the collection of money, actively mobilize the working capital for production and limit credit loans.

Expand the relationships with financial institutions and related partners in the industry and pay attention to the development of the industry, seek partners with lending rates that best fit the company's operating conditions.

Based on the business and production objectives after equitization, the Company also offers solutions to mobilize loans from banks, increase charter capital through issuing additional shares to invest and deploy new projects. Borrow capital from organizations and individuals with interest rates suitable to the economic and business situation of the company. Base on current capital and assets to continue maintaining and developing the enterprise, it is necessary to continue investment, in which the allocation of investment capital is as follows: 70% of the capital to implement construction projects on installation of water supply and drainage works, 05% of capital for investment in means and equipment serving the management; 20% of the capital to invest, upgrade the current water supply network and 05% of the remaining capital to invest in scientific research, engineering and education.

In terms of capital management, after equitization, the Unit arranges a reasonable capital structure to take full advantage of the existing capital, make a capital investment plan that needs to be focused. The unit uses professional measures to quickly increase the capital turnover, enhance the recovery of the capital that is being appropriated to reduce the loans. In addition to funding from credit institutions, the Company also intends to seek funding from urban development investment funds and investors. With the advantage of the operation process, the unit helps to build a solid development foundation.

After becoming a joint stock company, the enterprise is completely financially autonomous. To ensure maintaining and promoting the production and business activities, the joint stock company uses the funding from two sources: investment capital of the owner (equity) and credit loans.

Ngoài ra, khi hoạt động dưới hình thức công ty cổ phần, công ty có nhiều lựa chọn về hình thức hợp tác đầu tư với các thành phần kinh tế khác trong nền kinh tế như: hình thức đầu tư góp vốn vào công ty con, công ty liên kết, công ty hợp danh, công ty liên doanh. Việc sử dụng phương án đầu tư phải phù hợp với kế hoạch tài chính trong từng thời kỳ.

Investment capital of the owner is the initial capital contribution, sources of forming assets from career unit. In addition, the company can mobilize more owner's equity from the issuance of new shares, use of kept profit.

To meet the needs of working capital, large construction investment capital, the joint stock company can raise capital through credit channel - bank loans. Bank credit channel is the capital mobilization channel.

In addition, when operating in the form of a joint stock company, the company has a lot of options on the form of investment cooperation with other economic sectors in the economy, such as investment in capital contribution to subsidiaries, affiliated companies, partnerships, joint ventures. The use of investment plans must be consistent with the financial plan in each period.

#### **Solutions on labor**

- *Policy on Labor & training for labor resources development:*

Ensure sufficient quantity and quality of labor in accordance with the organization scale of the joint stock company from time to time;

Continuously improve the professional qualifications of the technical staff and management staff by specific measures: Sending to attend training courses to improve professional qualifications;

Organize trainings and improve skills of technical workers in the following forms: on-the-job training and sending to vocational training schools;

Develop standards of professional staff associated with titles for labor recruitment and arrangement;

Provide adequate remuneration policies to attract highly qualified managers; There is a commendation and reward regime for individuals and collectives who have achievements in saving, fighting against corruption and wastefulness;

Review existing human resources, arrange reasonable labor, have plans to recruit skilled workers to meet the business requirements in the coming period.

- *Salary policy*

Develop salary unit price on the basis of reasonable labor norms;

Pay salary in accordance with the specific productivity of each person; Assign specific salary to each division, department according to the assigned tasks;

Have a reward regime in time for collectives and individuals with production improvement initiatives to bring economic efficiency to joint-stock company;

Fully implement the benefits for employees: Paying social insurance, health insurance, salary and annual leave etc.

**Solutions on investment**

In recent years, the level of urbanization of Nghe An has been developing very fast, many high-rise buildings have been constructed, industrial zones have developed along with the rapid increase of population, leading to the increasing demand for water use. Being aware of that, the company always pays attention to investment projects on development of water sources and water supply networks to meet the demand of water use in Yen Thanh town in particular and neighboring areas in general.

Plan for the period of 2019-2021 is to invest in developing the water supply system in accordance with the orientation and strategy of the province, in order to continue to raise the level of water supply service, expand the scope of water supply in association with improving efficiency of production and business activity and sustainable development. At the same time, develop plans to use and mobilize investment capital for water supply system development projects and agree on principles of capital mobilization and identification of investors of the Company.

In addition, continue to study and propose to complete the water supply system plan to meet the demand for clean water use of the town on the basis of the regional water supply, contributing to the socio-economic development of Yen Thanh Town.

In addition, the Company can research and develop the supply of sanitary equipment and systems.



From 2021 onwards, the company plans to invest, develop a system of bottled water production machine, expand business areas, meet the needs of the market and increase profits for the company.

❖ **Solutions on management**

The joint-stock company will apply a new management model, in which departments are assigned with specific tasks, ensuring the coordination of performing tasks among departments quickly and closely.

The change of organizational and administrative model is one of the key changing factors from a career service unit to a joint stock company, changing the core in leadership practices and working styles. In the early time of operating the new model, the Board of Directors of the company should uphold the sense of responsibility, actively inspect, guide and closely direct the departments, aiming at an effective unified internal management process.

❖ **Solutions on personnel organization**

In order to improve the qualifications of employees in the company, to meet the task requirements in the new situation, improve the competitiveness of the company after conversion compared to other companies in the same industry , the company has the following personnel organization plan:

- Organize training for leaders in corporate governance and organization for the manager and staff of Planning and Technical Department to attend the trainings at large water supply enterprises in the province and the whole country, study about production technology and water supply.

- Organize training and send the accounting department staff to study, supplement and improve the final account, accounting and general accounting operations, issue financial statements according to the enterprise accounting standards, in accordance with the current legal instructions.

- Provide training for all officials and employees in the company on rules, working regulations, salary and bonus regulations; develop criteria for evaluating labor productivity and having corresponding incentive rewards.

- For positions lacking high qualified human resources and in accordance with the demand of joint stock company, the company will recruit new personnel with appropriate remuneration policies to attract talents and encourage long-time attachment with the company.

## **PART IV: ESTIMATED RISKS**

### **1. Economic risks**

#### **❖ Risks on economic growth rate**

Economic growth is one of the important factors affecting the growth rate of most sectors and industries of the economy. Economic growth in general will increase the demand for social consumption, promote the increase of industrial output and help enterprises expand the market of their products.

As of the end of 2018, Vietnam's GDP reached 7.08%, the highest growth rate since 2008 onwards. Economic growth in 2018 is expected to reach the highest level in 10 years while credit growth is modest compared to previous years. Prospects for economic growth in 2019 are forecast to be positive with an increase of about 7% and the consumer price index (CPI) may be lower than 3.6%. GDP growth in 2019 is forecasted to reach 7%. Besides the internal potential, Vietnam's economy can be supported by international factors, which are benefiting from the trend of shifting production due to the impact of trade war and the prospects of new agreements such as CPTPP and other free trade agreements.

The economic growth rate directly affects the production and business results of the Company due to increasing water demand for production and domestic activities.

#### **❖ Risks on inflation**

Inflation often occurs because of two main reasons: cost-push or cost-pull. Total demand increases due to the increase in household consumption, government spending, investment and net change from import and export activities.

Inflation index affects business activities of the Company through input costs, especially labor costs. Although inflation has been controlled recently, under the impact of inflation, the input costs for business activities such as equipment costs, output prices etc. tend to increase that partly affects the business results of the Company.

The average CPI in 2018 increased by 3.54% compared to the average CPI of 2017, lower than the target set by the National Assembly. CPI in December 2018 increased 2.98% compared to December 2017, the average monthly increase was 0.25%. Overall inflation has a higher increase than basic inflation, which reflects price fluctuations mainly from the increase in prices of food, foodstuffs, gasoline and price control factors by adjusting prices of health and education services.

#### **❖ Risks on interest rate**

Interest rate risk occurs when an enterprise needs to use loans from banks which leads to increase in borrowing costs affecting the profitability of the enterprise.

In the course of business operations, the unit can mobilize loans and bear interest rates, then, only a small fluctuation in interest rates in the operating strategy of the State's monetary policy may also affect the financial cost and profitability of the Unit.

In 2018, inflation is forecasted to be at 4%, the highest level since 2014. Currently, the interest discount rate is only 4.25% / year, down from 4.5% / year in July 2017 while the 6-12 month term deposit interest rate in the market fluctuates around 6.5% / year.

Because internal and external economic risks such as tighter monetary policy, escalation of trade tension, high increase of domestic inflation etc., it is forecasted that the domestic interest rate will be increased from 2019. In relation to external risks, tighter monetary policy is directly increasing borrowing costs on a global scale after a decade of easing. While related to internal risks, high inflation is directly putting pressure on interest rates.

Credit structure continues to change in a positive direction with a focus on production and business activities, especially in priority areas, major and key projects according to the Government's guidelines.

❖ **Risks on exchange rate**

This is a risk that occurs when economic transactions are conducted in foreign currency and the exchange rate fluctuates in a way that is detrimental to the enterprise.

As an enterprise operating in the field of clean water production and providing services related to domestic clean water, there are no import and export activities so the fluctuations in exchange rates affect inconsiderably revenue and profit of the Unit after equitization.

**2. Risks on law**

Currently, the legal system of Vietnam is in the process of revising and improving, the failure in appropriate and timely application will create legal risks for the business activities of the Company. However, with the general development trend of the economy, the Government is also gradually completing the legal system in the direction of simplicity, transparency and stability according to international practices. It can be seen that the positive change from these changes is to create an increasingly strict and scientific legal corridor in line with the international legal system that facilitates the attraction of foreign investment capital as well as supports domestic production and business activities to proceed more smoothly.

The ability to manage and control business operations is one of the important factors contributing to limiting legal risks. Along with the development process, the Company will continue to have mechanisms to monitor, update and adjust to have the best adaptation to the change of the legal environment. However, it can be seen that along with the development trend of the economy, the legal system will also be more and more complete, the administrative procedures are also more open which create conditions for enterprises to operate more flexibly.

After equitization, the Unit becomes a joint stock company, therefore the Unit be governed by the Enterprise Law and its guiding documents. However, because the legal system is under finalization, the stability is not high, so the change in policies is always possible, which may affect more or less the activities of the enterprise.

### **3. Typical risks**

Operating in the field of clean water supply, the unit's typical risk is the risk of water resources and water loss.

Water resources are natural inputs, depending heavily on climate and environmental factors. The lack of water or water pollution will lead to two major problems: (1) The water production capacity reduces, the processing capacity of the plant is not optimized which may lead to a shortage of water to supply customers; (2) The cost of water treatment increases, the quality of finished water is negatively affected.

Finished water is led in the piping system to the households and agencies for using, so during the water transmission process, there will be water loss due to leakage.

The pipeline system is designed to be installed underground, so when an incident occurs, it will be very difficult to repair. The construction of rural transport infrastructure projects in the Plant's water supply area, the route transition and site clearance of the projects (for example, in 2017, there are projects including Road to Cham Pagoda, Hop Thanh-Hospital Traffic Road, Town-Son Thanh 534 Road) which can cause serious damage to the water pipeline system of the Unit.

### **4. Risk of share offering**

The initial public offering of Yen Thanh Water Plant Management Board is greatly influenced by the stock market situation at the time of offering and the developments of the macro economy. Unfavorable factors and information about the stock market and macro economy will affect investors' psychology and market absorption. Besides, due to

operating in the field of clean water supply with small capital scale, the interest of investors to the Company is limited.

**5. Other risks**

In addition to the risk factors mentioned above, there are some risk factors of force majeure such as storms, floods, droughts, pollution, etc. Central Vietnam is a region often hit by storms every year which is often accompanied by heavy rains, floods with high impact level, when it happens, it will lead to losses such as damage to water plant, damage to water pipeline, pollution of input water sources, ... Conversely, when drought occurs, it causes a shortage of water supply.

**PART V: INFORMATION ON SHARE OFFERING**

**1. Auction method**

**1.1. Method of share offering**

- Charter capital of the company after  
equitization : VND29,844,920,000
- Number of shares auctioned publicly : 2,928,292 shares (equivalent to 98.12%  
of charter capital)
- Classes of shares : Ordinary shares
- Face value : VND10,000/share
- Starting price : VND10,000/share
- Time to register for auction, receive deposit  
payment : According to the Regulation on initial  
public offering of shares of Yen Thanh  
Town Water Supply Plant
- Time to hold the auction : According to the Regulation on initial  
public offering of shares of Yen Thanh  
Town Water Supply Plant
- Place of auction : Hanoi Stock Exchange
- Payment method and time : According to the Regulation on initial  
public offering of shares of Yen Thanh  
Town Water Supply Plant

**1.2. Participants and number of shares registered to buy**

- Participants : Domestic and foreign organizations and  
individuals who meet the conditions prescribed  
by the Regulation on initial public offering of  
shares of Yen Thanh Town Water Supply  
Plant
- The minimum number of shares that  
investors are allowed to buy : 100 shares
- The maximum number of shares : 2,928,292 shares

that investors are allowed to buy

- Method of deposit : Equaling to 10% of the share value registered to buy according to the initial price
- Limit on the shareholding ratio to the foreign investors 100%  
Currently, the Company's business sectors do not limit to the shareholding rate to foreign investors.  
Currently the draft charter of the Company has no provision on limiting the shareholding ratio held by foreign investors

## **2. Method for selling to the employees**

### **2.1. Selling preferential shares to the employees**

The actual total number : 17,200 shares – accounting for 0.58% of charter capital.  
of shares registered for  
preferential buying.

Type of share : Ordinary shares with no transfer limitations

Selling price of : According to Clause 1, Article 21, Decision No.  
preferential shares 22/2015/QĐ-TTg dated 22/6/2015, in this case, the  
preferential selling price for the employee is 60% of the  
lowest successful auction price (public auction).

Proposed selling price : Selling after organizing the public auction

### **2.2. The employees register to buy the shares according to the commitment to long-term employment at the joint stock company**

Total number of shares : 39,000 shares (equaling to 1.31% of charter capital)  
registered to buy  
according to the  
commitment on long-term  
employment:

- Type of shares : Shares with transfer limitations in the commitment time.
- Committed share selling price : According to clause 2, Article 21, Decision No. 22/2015/QĐ-TTg dated 22/6/2015, in this case, the preferential selling price to the employees equals to the lowest successful auction price (public auction).
- Proposed selling price : Selling after organizing public auction

### 3. The plan for using money collected from shares selling

The use of money collected from transforming from the public career unit in this case is regulated at Clause 1, Article 18 of Decision No. 22/2015/QĐ-TTg dated 27/9/2016 by the Prime Minister.

With the assumption that the shares selling is implemented successfully according to the approved equitization plan, the successful auction price is VND10,000/share. The amount of money collected is handled as follows:

**Table 4: Plan for using money collected from equitization**

No.	Item	Value (VND)
1	State capital after re-evaluation	29,844,922,235
2	Charter capital of the joint stock company (rounded)	29,844,920,000
3	Refunding the state budget after rounding the state capital	2,235
4	Capital continues being hold by the state at the joint stock company	0
5	Total amount collected from selling shares	29,776,120,000
	- From selling preferential shares 60% to the employees	103,200,000
	- From selling to the employees who commit to work for long time at the company	390,000,000
	- From selling to strategic investors	0
	- From selling through public auction	29,282,920,000
6	Equitization cost implemented by the Unit	320,100,000
7	Cost for allowance to the redundant labor	0
8	Total amount refunded to the state budget (8)=(5) + (3) - (6) - (7)	29,456,022,235

*(Source: Yen Thanh Town Water Plant Management Unit)*



**PART VI: PERSONS WITH MAIN RESPONSIBILITIES TO CONTENTS OF  
THE INFORMATION ON THE EQUITIZED ENTERPRISE**

**I. Persons with main responsibilities**

**1. Steering Committee of Yen Thanh Water Plant Management Unit Equitization**

Steering Committee of Yen Thanh Water Plant Management Unit Equitization is established according to Decision No. 4314/QĐ-UBND dated 20/9/2017 by People's Committee of Nghe An Province on establishing the Steering Committee of Yen Thanh Water Plant Management Unit Equitization with the following members:

- |    |                         |  |          |
|----|-------------------------|--|----------|
| 1. | Mr. Nguyen Ngoc Duc     | Deputy Director of Department of Finance                                 | Director |
| 2. | Mr. Vo Hong Duong       | Deputy Office Manager of Province People's Committee                     | Member   |
| 3. | Mr. Nguyen Truong Giang | Deputy Director of Department of Construction                            | Member   |
| 4. | Mr. Vo Van Ngoc         | Deputy Director of Department of Natural Resources and Environment       | Member   |
| 5. | Ms. Ho Ti Chau Loan     | Deputy Director of Department of Labor, War Invalids and Social Welfares | Member   |
| 6. | Mr. Le Dinh Ly          | Deputy Director of Department of Internal Affairs                        | Member   |
| 7. | Mr. Nguyen Hong Hai     | Deputy Director of Nghe An Taxation Department                           | Member   |
| 8. | Mr, Nguyen Thanh Ha     | Vice Chairman of People's Committee of Yen Thanh District                | Member   |
| 9. | Mr. Phan Duy Thanh      | Director of Yen Thanh Water Plant Management Unit                        | Member   |

The information on theequitized enterprise has been approved by the Equitization Steering Committee and is consistent with the actual situation of our assets, financial situation, business results and prospects of Yen Thanh Town Water Plant Management Unit.

**2. Representative of Yen Thanh Town Water Plant Management Unit**

Mr. Phan Duy Thanh - Director

We ensure that the information and data provided in this Equitization Information Sheet are objective, truthful and consistent with the actual situations so that investors can assess assets, financial situation, and business results and prospects of Yen Thanh Town

Water Plant Management Unit before registering to participate in the auction to buy shares.

**3. Consultant**

**APEC SECURITIES JOINT STOCK COMPANY**

The information on this equitized enterprise is part of the initial public offering registration documents submitted by APEC Securities Joint Stock Company based on the consultancy contract signed with Yen Thanh Town Water Plant Management Unit.

We ensure that the analysis, evaluation and selection of the words on this Equitized Enterprise Information Sheet have been carried out in a reasonable and careful manner based on the information and data provided by Yen Thanh Town Water Plant Management Unit.

**II. Commitments**

The evaluation and selection of information and words in this information sheet on equitized enterprise are carried out in a reasonable and cautious manner based on information and data provided by Yen Thanh Town Water Plant Management Unit. We provide information with the aim of helping investors to evaluate the enterprise that you are planning to invest in objectively and wisely before participating in the auction to buy shares of Yen Thanh Town Water Plant Management Unit.

In the event of an unusual event affecting the value of the enterprise, altering the information in the information sheet, we commit to promptly notify the concerned parties to ensure the legitimate interests of objects who use the information.

We highly recommend the investors to consult carefully the information on this equitized enterprise information sheet before deciding to buy shares of Yen Thanh Town Water Plant Management Unit.

Thank you very much!

*Nghe An, 28 February 2019*

**REPRESENTATIVE OF EQUITIZATION  
STEERING COMMITTEE**  
(Signed & Sealed)  
Nguyen Ngoc Duc

**REPRESENTATIVE OF THE EQUITIZED UNIT  
YEN THANH WATER PLANT MANAGEMENT  
UNIT**  
(Signed & Sealed)  
Phan Duy Thanh

**REPRESENTATIVE OF THE CONSULTANT  
APEC SECURITIES JOINT STOCK COMPANY**

( Signed & Sealed)  
Vice General Director  
Nguyen Quang Huy



**LỜI CHỨNG CỦA CÔNG CHỨNG VIÊN**  
**NOTARY TESTIMONY**

Hôm nay, ngày 04 tháng 03 năm 2019, tại trụ sở Văn phòng Công chứng Trương Thị Nga, A4 - TT19 Khu đô thị Văn Quán, Yên Phúc, phường Phúc La, quận Hà Đông, thành phố Hà Nội.

Today, March 04<sup>th</sup>, 2019 at Trương Thị Nga Notary Office, A4 – TT19 Van Quan urban area, Yen Phuc, Phuc La Ward, Ha Dong District, Hanoi City

Tôi là Công chứng viên Văn phòng Công chứng Trương Thị Nga, số A4 - TT19 Khu đô thị Văn Quán, Yên Phúc, phường Phúc La, quận Hà Đông, thành phố Hà Nội.

I, the undersigned, Notary Public of Trương Thị Nga Notary Office, A4 – TT19 Van Quan urban area, Yen Phuc, Phuc La Ward, Ha Dong District, Hanoi City.

**CHỨNG NHẬN:**

**CERTIFY THAT:**

- Bản dịch này do bà Lê Thị Chà, CMND số: 012392795 cấp ngày 23/12/2009 tại công an Hà Nội, là cộng tác viên phiên dịch của Văn phòng Công chứng Trương Thị Nga, A4 - TT19 Khu đô thị Văn Quán, Yên Phúc, phường Phúc La, quận Hà Đông, thành phố Hà Nội, đã dịch từ tiếng Việt sang tiếng Anh.
- This is translation from **Vietnamese to English** by Mrs. Le Thi Cha, ID No. 012392795 issued on 23/12/2009 in Hanoi, who is translation collaborator of Trương Thị Nga Notary Office, A4 – TT19 Van Quan urban area, Yen Phuc, Phuc La Ward, Ha Dong District, Hanoi City.
- Chữ ký trong bản dịch đúng là chữ ký của bà Lê Thị Chà;
- Signature in the translation is the true and authentic signature of Mrs. Lê thị Chà;
- Nội dung của bản dịch chính xác, không vi phạm pháp luật, không trái với đạo đức xã hội;
- The contents of the translation are correct and do not violate the law or social morality.
- Bản dịch gồm tờ, trang, lưu một bản tại Văn phòng Công chứng Trương Thị Nga, A4 - TT19 Khu đô thị Văn Quán, Yên Phúc, phường Phúc La, quận Hà Đông, thành phố Hà Nội.
- The translation includes sheets, pages, one of which is retained in Trương Thị Nga Notary Office, A4 – TT19 Van Quan urban area, Yen Phuc, Phuc La Ward, Ha Dong District, Hanoi City.

Số công chứng: ; Quyển số: 01 -TP/CC-SCC/BD  
Notarized No. 5100 Book No.: 01 -TP/CC-SCC/BD

Người dịch

Translation Collaborator

*Ch*

Lê Thị Chà

**CÔNG CHỨNG VIÊN**  
**NOTARY PUBLIC**



**CÔNG CHỨNG VIÊN**  
*Trương Thị Nga*