

THE EQUITIZATION MANAGEMENT COMMITTEE OF HAU GIANG CENTER FOR ARCHITECTURE - PLANNING RECOMMENDS THE INVESTOR TO READ CAREFULLY ALL THE INFORMATION IN THIS DOCUMENT AND AUCTION REGULATIONS BEFORE APPLYING TO JOIN THE AUCTION.

INFORMATION DISCLOSURE

THE INITIAL PUBLIC OFFERING OF SHARES IN

HAU GIANG CENTER FOR ARCHITECTURE - PLANNING

AUCTION PERFORMING ORGANIZATION:



HOSE

HO CHI MINH CITY STOCK EXCHANGE

Address: No.16 Vo Van Kiet, District 1, HCMC

Phone: (028) 3821 7713 Fax: (028) 3821 7452

SHARE OFFERING ORGANIZATION :

HAU GIANG CENTER FOR ARCHITECTURE - PLANNING

Address: No.1, Xo Viet Nghe Tinh Street, Ward 5, Vi Thanh City, Hau Giang Province.

Phone: (0293) 3877 448

CONSULTING ORGANIZATION :



BETA SECURITIES INCORPORATION

Head office: Floor 4&5, Beta Building, 55 Nam Ky Khoi Nghia, District 1, HCMC

Phone: (028) 3914 2929 Fax: (028) 3914 3435

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INFORMATION ABOUT THE INITIAL SHARE OFFERING

1. Share offering organization

Organization name : **HAU GIANG CENTER FOR ARCHITECTURE PLANNING**
Address : No.1, Xo Viet Nghe Tinh Street, Ward 5, Vi Thanh City, Hau Giang Province
Phone : (0293) 3870 979
JSC Charter capital : **4,964,900,000 VND**
Share's par value : 10,000 VND
Number of share : 496,490 shares

In which:

Government's share holding : 102,580 shares, occupied 20.66% of charter capital

Share offering for labor in the company according to working period standard in Government area : 16,700 shares, occupied 3.36% of charter capital

Share offering for labor in the company according to long-term working commitment at the Joint Stock Company : 124,000 shares, occupied 24.98% of charter capital

Share offering in the public auction : 253,210, occupied 51% of charter capital

2. Share offering for the auction

Number of share offering in the auction : 253,210 shares, occupied 51% of charter capital

Type of share offering : Ordinary shares

Auction method : Public auction through HCMC Stock Exchange

Initial price for the auction : 10,000 VND/share

Number of maximum share registered to be purchased by each investor : 253,210 shares

3. Information disclosure about share purchasing registered organizations

Providing location of Information Disclosure, receiving registration to join the auction, receiving of deposits, distributing of participation sheet: According to regulations of share offering to the public by Hau Giang Center for Architecture - Planning issued by Ho Chi Minh City Stock Exchange.

I. LEGAL BASIS ABOUT THE AUCTION

- Decree No. 126/2017/ND-CP on November 16th, 2017 issued by the Government about Government organizations and One Member Limited Company with 100% investment by Government to change into Joint Stock Company;

- Circular No. 40/2018/TT-BTC on May 04th, 2018 issued by Ministry of Finance guiding about initial share offering and management of receipt from equitization of the Government organizations and One Member Limited Company with 100% investment by Government to change into Joint Stock Company;

- Decision No. 22/2015/QD-TTg on June 22nd, 2015 issued by Minister of Government about changing from Government organizations into Joint Stock Company;

- Circular No. 35/2016/TT-BLDTBXH on October 25th, 2016 issued by Ministry of Labor, War invalids and Social Affairs guiding to perform the policies for the labor when changing from Government organizations into Joint Stock Company according to Decision No. 22/2015/QD-TTg on June 2nd, 2015 issued by Minister of Government;

- Document No. 766/VPCP-DMDN on January 25th, 2017 issued by Government office about list of Government organizations in Hau Giang province changing into Joint Stock Company;

- Decision No. 31/2017/QD-CP issued by Minister of Government on July 17th, 2017 about criteria of sector list performing of change from Government organizations into Joint Stock Company;

- Plan No. 39/KH-UBND on April 05th, 2017 issued by Hau Giang People's Committee performing to change the Government organizations into Joint Stock Company for period 2017 – 2020;

- Decision No. 1394/QD-UBND on September 19th, 2018 issued by Hau Giang People's Committee about changing the Center for Architecture - Planning into Joint Stock Company;

- Decision No. 1495/QD-UBND on October 09th, 2018 issued by Hau Giang People's Committee on establishing Equitization Management Committee of Center for Architecture - Planning;

- Plan No. 4108/KH-UBND on November 29th, 2018 issued by Hau Giang People's Committee on the equitization of Center for Architecture - Planning;

- Decision No. 03/QD-BCDCPH on November 01st, 2018 issued by Equitization Management Committee of Center for Architecture - Planning on establishing the Assistant Team for the Equitization Management Committee of Center for Architecture - Planning;

- Document No. 4337/UBND – KT on December 27th, 2018, issued by Hau Giang People's Committee, about undertaking to select consultancy units, determining the value of Center for Architecture - Planning;

- Decision No. 1855/QD-UBND on October 28th, 2019 issued by Hau Giang People's Committee about approving the value of Center for Architecture - Planning as of December 31st, 2018 for equitization;

- Decision No. 2137/QĐ-UBND on December 11st, 2019 issued by Hau Giang People's Committee about approving the equitization plan of Center for Architecture - Planning;

- Other related legal documents.

II. PRINCIPALLY RESPONSIBLE PARTIES FOR THE CONTENTS OF INFORMATION DISCLOSURE.

1. Representative of Equitization Management Committee

- Mr. Nguyen Thanh Ha Position: Head of Committee.

This Information Disclosure prepared by equitization organization and consulting organization is approved by Equitization Management Committee of Hau Giang Center for Architecture - Planning.

2. Representative of Center

- Mr. Hua Chi Tam Position: Head of Center.

We are completely responsible about the assurance of the information and data in this Information Disclosure to be true, suitable with the reality, full and necessary for the investor to evaluate about properties, business operation, financial situation, result and prospect of the Center.

3. Representative of Consulting Organization – Beta Securities Incorporation

- Mr. Huynh Van Tot Position: General Director.

We assure that the analysis, evaluation and language selection in this Information Disclosure are performed reasonably and carefully based on the information and data provided by Center.

III. CONCEPTS AND ACRONYMS.

KVNN	:	Government Area
NĐT	:	Investor
TNHH	:	Limited Company
TSCĐ	:	Fixed assets
TSLĐ	:	Working capital
UBND	:	People's Committee
VĐL	:	Charter Capital
Center	:	Hau Giang Center for Architecture - Planning
XDCB	:	Construction in progress

IV. SITUATION AND CHARACTERISTICS OF OFFERING ORGANIZATION

1. Summary of formation and development process

Hau Giang Center for Architecture - Planning was established under Decision

No. 164/2004/QD-UBND on November 05th, 2004 of Hau Giang People's Committee and officially came into operation in March 2005, is a non-business unit with income, self-sufficient for all regular operating expenses.

On 11 May 2007, Hau Giang People's Committee issued Decision No. 782/QD-UBND on assigning the autonomy and financial responsibility to Hau Giang Center for Architecture - Planning.

On March 14th, 2008, Hau Giang People's Committee issued Decision No. 500/QD-UBND replacing Decision No. 164/2004/QD-UB on November 05th, 2004 and Decision 782/QD-UBND on November 11st, 2007, adding functions, duties and powers of Hau Giang Center for Architecture - Planning.

During operation process, Center has achieved many positive achievements, Center was awarded the following emulation titles by Hau Giang People's Committee and Hau Giang Construction Department:

- Certificates of the Provincial People's Committee 2005, 2007.
- Title of excellent labor of the Provincial People's Committee in 2006, 2007, 2015, 2018.
- Title of advanced labor of the Construction Department from 2005 to 2018.
- Certificate of Construction Department for having successfully completed the emulation task from 2015 to 2018.

These achievements are the efforts of the leaders, officials and technicians through the periods and collective officials and employees of the next generation, continue to inherit and promote better achievements gained to build Center of increasingly sustainable development.

2. Main types of business

According to Decision No. 500/QD-UBND on March 14th, 2008 of Hau Giang People's Committee on establishing Hau Giang Center for Architecture - Planning, Center is allowed to provide construction consultancy services in the capacity conditions of the unit, accordingly, the position, functions, tasks and powers of Center are specified as follows:

Position, function:

Hau Giang Center for Architecture - Planning is the public non-business, self-sufficient regular spending, under the management of Construction Department; has legal status, seal and may open a separate account at the State Treasury and Bank in accordance with current regulations.

Hau Giang Center for Architecture - Planning has scientific research function in the field of construction to advise the Director of Construction Department in state management of construction planning, works architecture and activities related to construction; is a public service agency of Hau Giang Construction Department.

Responsibility, rights:

- Construction technology - scientific research, architectural creation, planning principles and application of scientific advances in practice in practical conditions of Hau Giang province.

- To coordinate with Departments of Construction Department to advise the Director of Construction Department in making plans for construction industry management, urban development strategies and rural population quarters, architectural, landscape and environment management mechanisms, measures to handle and overcome consequences in construction activities and performing other tasks assigned by Director of Construction Department according to the functions, tasks and powers of Construction Department.

- It is permitted to practice construction activities in the units' capacity conditions according to the provisions of law.

- It is permitted to enter into labor contracts with employees, contracts to hire experts with individuals and joint-venture contracts with organizations having experiences and means of practice to perform functions and tasks of Center according to the provisions of law.

- To perform professional training programs, deploy legal documents, transfer science and technology in the field of construction to organizations and individuals at the request of Construction Department.

- To prepare construction planning: construction planning tasks; construction planning projects; urban design dossiers.

- To prepare socio-economic development planning; sector development planning.

- Construction survey: topographic survey, construction status survey and other survey works to serve construction activities.

- To prepare construction investment projects, prepare economic - technical reports for construction works; prepare environmental impact assessment report in construction activities.

- Management consultancy for construction investment projects; bidding consultancy: preparing bidding documents, evaluating bids; consulting design competition; legal advice on construction.

- To design and construct civil, industrial works, urban technical infrastructure and rural residential areas.

- Construction survey supervision, construction supervision.

- To investigate design documents and cost estimates, verify construction quality.

- To perform a number of other services to serve construction activities such as: photocopying, printing maps, drawings, design documents.

3. Agency

- Name of Agency: Hau Giang Construction Department.

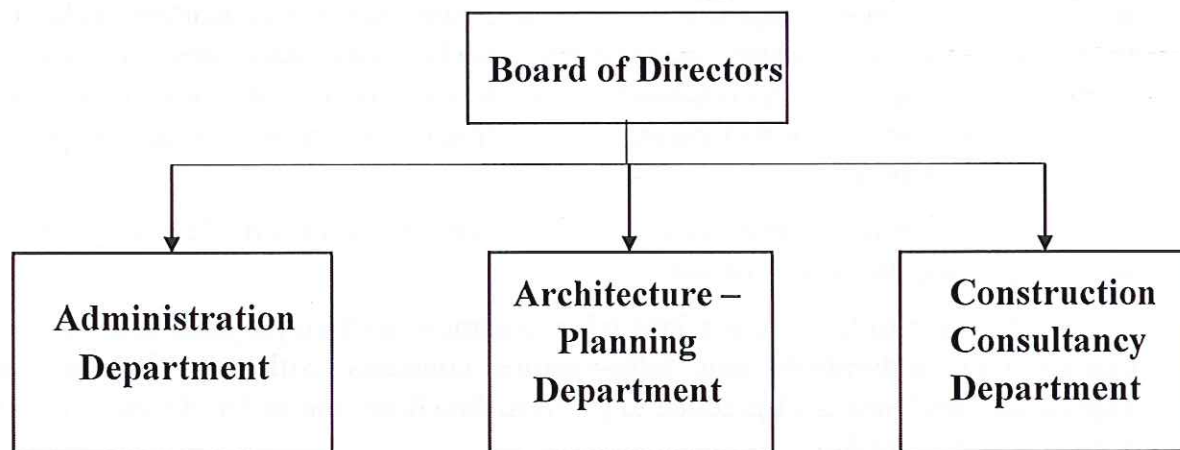
- Address: No. 1, Xo Viet Tinh Street, Ward 5, Vi Thanh City, Hau Giang

Province.

4. Organizational and management structure

4.1. Organizational chart

Organization chart of Hau Giang Center for Architecture - Planning:



(Source: Hau Giang Center for Architecture - Planning)

4.2. Function and detail responsibilities of each department:

a. Board of Directors:

- General administration and management of Hau Giang Center for Architecture - Planning's activities and assigned tasks in accordance with law.
- Be responsible to the Director of Construction Department for all activities of Center.

b. Administration Department:

- To advise and assist Center leaders to strictly comply with the regulations on financial and accounting regimes.
 - To perform information, periodic and irregular reports on the implementation of assigned tasks.
 - To manage finance, assets, payroll organization, implement salary regimes, policies on commendation, discipline and professional training for officials and employees under jurisdiction and perform other duties assigned by the Center Director
- ...

c. Construction Consultancy Department

- To advise and assist Center leaders in researching and applying scientific and technical advances in construction to effectively apply construction investment in the province.
- To organize the implementation of service activities, investment and construction consultancy, work quality inspection and perform other tasks assigned by the Center Director.

d. Architecture - Planning Department

- To advise and assist Center Leaders in researching scientific bases in developing long-term and short-term strategies and plans.

- Overall planning of urban - rural areas in the province.

- To research and apply domestic and foreign scientific and technical advances in architecture and construction planning to apply to construction planning, construction design, environment and landscape management, urban architecture, rural residential areas in the province.

- To prepare plannings on construction of urban centers, industrial parks and rural population quarters.

- To perform topographic survey to serve the construction planning.

- Evaluation of planning projects assigned by the Department Director.

- To research on architectural topics, housing models suitable to urban construction planning zones, specific constructions and high aesthetic requirements ... on the basis of applied research topics carried out by the Center and other tasks assigned by the Center Director.

5. Labor situation

At the value disclosure time of Center on October 28th, 2019, total number of labor and officers with name in the regular list of Center is 19 people, in which the structure is as below:

NO.	Criteria	Number (people)	Percentage (%)
I	Classify according to level	19	100
1	Over university level	1	5,263
2	University level	15	78,947
3	College, inter-school level	0	0
4	Other levels	3	15,790
II	Classify according to working contracts and labor contracts	19	100
1	Workers not signing working or labor contract	1	5,263
2	Undefined time working contract	17	89,474
3	Contract with terms from 12 to 36 months	1	5,263
4	Temporary or under 12 months contract	-	-
III	Classify according to gender	19	100

NO.	Criteria	Number (people)	Percentage (%)
1	Male	12	63,158
2	Female	7	36,842

(Source: Hau Giang Center for Architecture - Planning)

V. BUSINESS OPERATION ACTIVITIES

1. Business situation before equitization

1.1. Business operation activities through years

a. Main products and services:

⚡ Main products of Center include:

- Construction planning dossiers;
- Construction survey dossiers;
- Preparation of construction investment project dossiers, dossiers of construction drawing design, cost estimates, total cost estimates of civil, industrial, transportation and technical infrastructures;
- Verification of drawing design, verification of estimates, total construction estimate
- ...

⚡ Typical product images

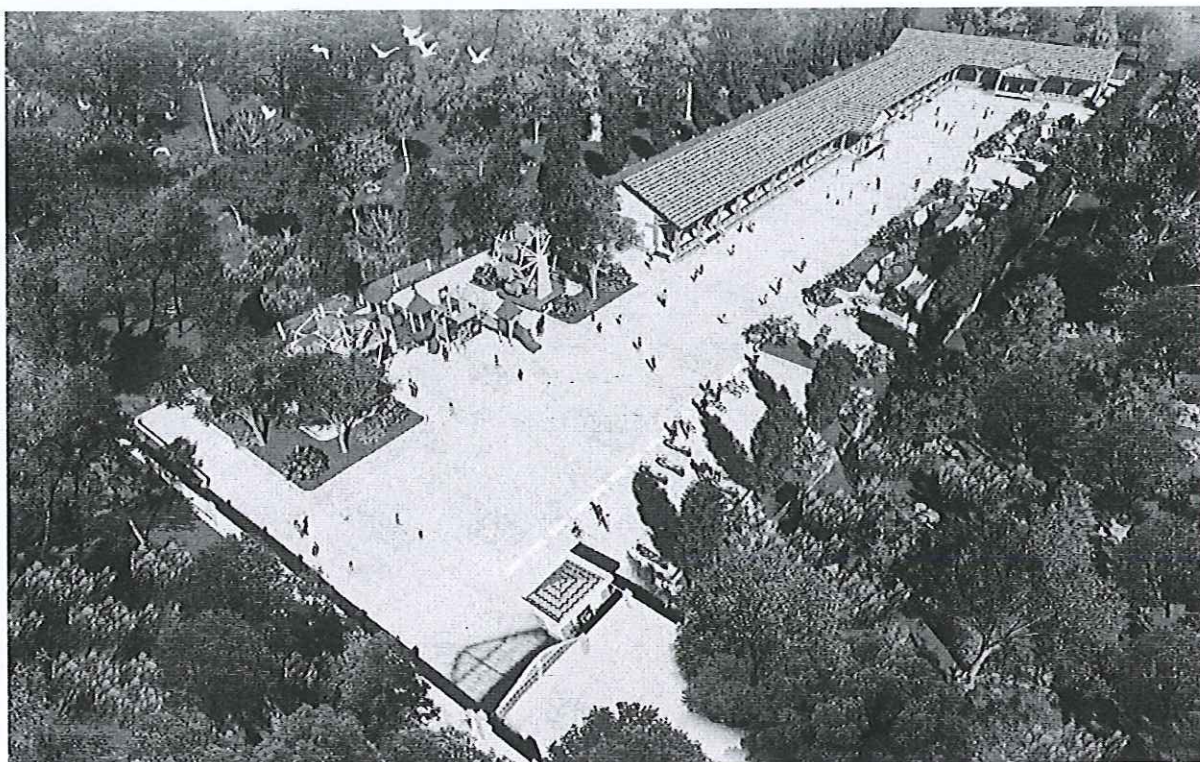
- Preparing construction investment project of Base Relic Area Can Tho Provincial Party Committee - being implemented (view 1).



➤ Preparing construction investment project of Base Relic Area Can Tho Provincial Party Committee - being implemented (view 2).



➤ Preparing the Economic-Technical Report on the construction of Disabled Children School in Ward IV, Vi Thanh City, Hau Giang Province.



b. Criterias of business production output:

Main business activities of Center from 2016 to 2018 are as follows:

No.	Criteria	Unit	2016	2017	2018
I	Production, business and service activities				
1	Revenue	VND	6.428.199.589	4.900.302.418	7.077.224.161
2	Expenditures	VND	2.443.916.987	2.188.536.592	2.255.345.121
3	Surplus/Deficit	VND	3.984.282.602	2.711.765.826	4.821.879.040
II	Other activities				
1	Other revenues	VND	43.053.074	114.729.282	176.499.970
III	Payment State budget (CIT)	VND	807.193.783	565.299.021	999.675.802

IV	Surplus/Deficit in the year	VND	3.220.141.893	2.261.196.087	3.998.703.208
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(Source: Hau Giang Center for Architecture - Planning)

1.2. Material source

a. Input factors serve the supply and stability of the input factors:

The center with the specific activity of designing should use qualified personnel to serve the needs of work, along with the use of specialized software programs for the design of products.

New and varied software are constantly being updated to make the needs of business better. Human resources are also regularly trained to improve working capacity.

b. Impacts of the input factors to revenue, profit:

The annual total personnel cost accounts for over 50% total cost of unit, so the personnel factor significantly affects the input cost structure and affects the change of unit's surplus (deficit). The change in the annual increase in the basic salary has an impact on increasing the input cost for unit.

1.3. Technology Level

Hau Giang Center for Architecture - Planning uses the most advanced system of equipment, application of consulting software and design to create high-quality products and services to meet the tastes of customers.

In addition, the Center has facilitated time and funding for officials and employees participating in programs, training classes, professional training courses to update new graphic software (SketchUp, Revit, Lumion, new software estimates ...) to support design work more accurately, help increase productivity and product quality, keep up with the development of technology. Officials are involved in programs related to the field of architecture and construction (VietBuild fairs, seminars on architecture, planning, green energy ...) in order to update new technology solutions improving design efficiency. The current human resources have grown significantly in terms of professional capacity and professional skills in construction consultancy.

1.4. Research and development situation for new products

With the business characteristics of the unit operating in the public interest sector, providing services based on orders or bidding for the State's service packages, at present, the unit mainly focuses on providing design consultancy business services, making construction design plans for public administrative units.

In recent years, the Center always aims to improve service quality, expand and seek new markets. Step by step research, improve the quality of products and services, improve and develop new products to meet customer needs.

1.5. Checking situation of product – service

The center has set up a set of technical process codes and quality requirements for

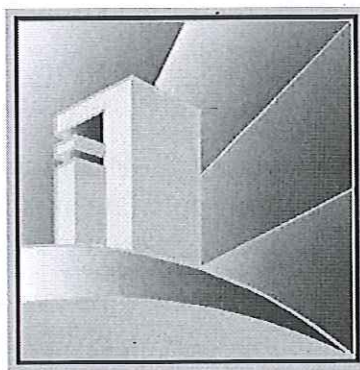
each service. The internal acceptance committee regularly checks the implementation of processes, regulations and concretizes the quality of service provided. On that basis, service products are reviewed, evaluated and verified before being handed over to customers.

1.6. Marketing activities

As a public non-business unit that scale is not yet strong, funding is limited so the unit has not focused on developing marketing activities. Activities of temporary advertising propaganda only through building good service quality thereby creating credibility and trust for customers and partners.

1.7. Commercial brand, patent and copyright registration

The center understands the contribution importance of brand value, and the trade mark is associated with the sustainable development of Center. However, up to now, Center has just built and disseminated the logo without registering a trademark to create a highlight of the brand identity. Patent and copyright activities have not yet arisen.



1.8. Big contract in performing or have been signed

No.	Customer	Contract content	Year of signing	Status
01	Construction Department	Preparing planning tasks, topographic survey and preparing detailed planning projects for urban construction of Nga Bay, Hau Giang province until 2025	2007	Finished
02	Urban Management Office of Tan Hiep Town	Preparing planning tasks, topographic surveys and preparing detailed planning projects for construction at 1/2000 scale of Central Area in Hiep Thanh Ward, Tan Hiep Town, HG Province	2006	Finished

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03	Southern Tourist Investment Joint Stock Company	Preparing planning tasks, current status survey and preparing detailed planning projects for construction at 1/2000 scale of Lung Ngoc Hoang eco-tourism area.	2012	Finished
04	Urban Management Office of Vi Thanh City	Preparing planning tasks, detailed planning projects for warehouse and storage industry complex in Tan Tien commune, Vi Thanh city, HG province.	2011	Finished
05	Urban Management Office of Nga Bay Town	Preparing planning tasks, current status survey and preparing detailed planning for central urban area of Nga Bay town serves the exploitation of land at Hung Vuong and Pham Hung roads in Nga Bay ward, Nga Bay town.	2014	Finished
06	Hau Giang Investment and Development Fund	Partial adjustment of Nga Bay Urban Planning project in Hau Giang province to implement the project of Nguyen Hue Urban Area, Nga Bay Town, Hau Giang Province.	2015	Finished
07	Hau Giang Investment and Development Fund	Surveying and measuring topographic map, preparing feasibility study report; Design of construction drawing and construction cost estimates: Nguyen Hue urban area, Nga Bay town.	2017	Finished
08	Urban Management Office of Long My Town	Preparing Urban Development Program of Long My Town, Hau Giang Province, until 2020, with a vision to 2030.	2018	Finished
09	Infrastructure Economic Office of Long My District	Preparing a scheme to recognize Vinh Vien urban as level-V urban.	2017	Finished
10	Office of Provincial People's Council	Project management consultant Head office of Hau Giang People's Council.	2009	Finished
11	Construction Investment Project Management Board of Phung Hiep District	Preparing technical and economic report of the project: District Hall of the Party Committee (400 seats) Phung Hiep.	2016	Finished

12	Construction Department	Preparing design of construction drawing Project: Headquarter of Hau Giang Construction Department	2008	Finished
13	Hau Giang Provincial Union	Current status survey, construction drawing design and cost estimates: HG Youth Center	2010	Finished
14	Hau Giang Project Management Board of Civil and Industrial Construction Works	Topographic survey, construction drawing design and total cost estimate of works: Working offices of associations with provincial characteristics.	2013	Finished
15	Hau Giang Project Management Board of Civil and Industrial Construction Works	Verification of construction drawing design and cost estimates of works: Repair of Headquarter, Provincial Party Committee Hall and ancillary items.	2019	Finished
16	Construction Investment Project Management Board of Chau Thanh A District	Supervising Chau Thanh A District Party Committee Head Office, item: main house block, leveling	2005	Finished

(Source: Hau Giang Center for Architecture - Planning)

1.9. Financial situation and business result within 3 years before equitization

Detailed data of financial situation is summarized in the following table:

Unit: VND

No.	Criteria	2016	2017	2018
1	Total revenue	6.471.252.663	5.015.031.700	7.253.724.131
2	Total expense	2.443.916.987	2.188.536.592	2.255.345.121
3	Profit after tax	3.220.141.893	2.261.196.087	3.998.703.208
4	Payment made to State	807.193.783	565.299.021	999.675.802
5	Receivables	421.237.888	969.143.000	5.476.221.187
	In which, overdue amount	-	-	-

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6	Payables (*)	16.828.000	70.813.000	1.454.605.134
	In which, overdue amount	-	-	-
7	Total average labor	23	20	20
8	Total salary fund	983.138.117	836.237.994	881.838.222
9	Average monthly salary/person	3.562.095	3.484.325	3.674.326

(Source: Hau Giang Center for Architecture - Planning)

2. Situation of Center at the value determination time of Center

2.1. Situation about assets

Situation of assets of Center at the value determination time on December 31st, 2018 is as follow:

Unit: VND

No.	Type of assets	Book value have been financially processed before determining unit values		Revaluted value	
		Cost	Residual value	Cost	Residual value
\	(1)	(2)	(4) = (3) - (2)	(6)	(8) = (6) * (7)
A	ASSETS IN USE	9.074.768.756	8.544.389.441	9.037.224.089	8.665.533.679
I	Assets	9.074.768.756	8.544.389.441	9.037.224.089	8.665.533.679
1	Fixed assets	592.122.422	61.743.107	554.576.967	182.886.557
1.1	Tangible fixed assets	559.242.422	56.430.607	521.696.967	173.898.057
1.2	Intangible fixed assets	32.880.000	5.312.500	32.880.000	8.988.500
2	Assets in progress	-	-	-	-
2.1	Construction in progress	-	-	-	-
3	Long-term financial investments	-	-	-	-
4	Other assets	-	-	-	-
5	Cash	3.006.425.147	3.006.425.147	3.006.425.935	3.006.425.935
5.1	Cash in hand	92.888.212	92.888.212	92.889.000	92.889.000
5.2	Bank deposits	2.913.536.935	2.913.536.935	2.913.536.935	2.913.536.935
5.3	Cash in transit	-	-	-	-
6	Short-term financial	-	-	-	-

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Hau Giang Center for Architecture - Planning

	<i>investments</i>				
7	Receivables	5.476.221.187	5.476.221.187	5.476.221.187	5.476.221.187
7.1	Receivables from customers	5.455.806.577	5.455.806.577	5.455.806.577	5.455.806.577
7.2	Other receivables	20.414.610	20.414.610	20.414.610	20.414.610
8	Inventory supplies, goods	-	-	-	-
8.1	<i>Inventory goods</i>	-	-	-	-
III	Goodwill	-	-	-	-
IV	Land use right value	-	-	-	-
B	ASSETS NOT IN USE	-	-	-	-
I	Long-term assets	-	-	-	-
II	Short-term assets	-	-	-	-
C	ASSETS WAITING FOR LIQUIDATION	-	-	-	-
I	Long-term assets	-	-	-	-
II	Short-term assets	-	-	-	-
D	ASSETS FORMED FROM BONUS & WELFARE FUNDS	-	-	-	-
	TOTAL ASSETS (A+B+C+D)	9.074.768.756	8.544.389.441	9.037.224.089	8.665.533.679

(Source: Value determination report of Hau Giang Center for Architecture - Planning)

2.2. Situation about financial liability

Situation about financial, liability at the value determination time on December 31st, 2018 is as follow:

Unit: VND

No	Items	Book value Book value have been financially processed before determining unit values	Revaluated value	Difference
I	Receivables	5.476.221.187	5.476.221.187	-
1	Receivables from customers	5.455.806.577	5.455.806.577	-

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Hau Giang Center for Architecture - Planning

2	Other receivables	20.414.610	20.414.610	-
II	Payables	1.454.605.134	1.454.605.134	-
1	Payables to the State	1.209.658.358	1.209.658.358	-
2	Payables to employees	68.287.247	68.287.247	-
3	Other payables	176.659.529	176.659.529	-

(Source: Value determination report of Hau Giang Center for Architecture - Planning)

2.3. Situation about land in use

None.

3. Factors affecting to business operation activities of Center in the reporting year

➤ Advantages

- Hau Giang Center for Architecture - Planning is receiving the attention and direction of Provincial Party Committee, People's Committee, and Board of Directors of Construction Department; the support of departments, district offices (towns and cities); The enthusiastic support of the Investor is the units, individuals and organizations in province and outside province.

- The determination to strive to rise, unite the entire Board of Directors, officials and employees of the Center.

- The young, dynamic and experienced staff, officers and employees are favorable conditions for the Center to grow more and more.

- Collective officers and employees have a good sense of compliance with the rules and regulations of Center and Construction Department. Fully aware of their duties, apply scientific knowledge, creativity, study hard, improve skills, overcome difficulties to successfully complete the assigned tasks.

➤ Disadvantages

- Debt collection, reconciliation and confirmation of debts still face many difficulties due to the poor coordination of some investors.

- The unit has not fully understood the regulations on the common wage scale, to build the salary for each job position in accordance with the capacity of each officer and employee to ensure compliance with regulations.

- The competition on service quality by business service units in the same industry in Hau Giang province.

4. Position of the company comparing to others in the same sectors

a. Position of the company in sector:

Since its establishment up to the present time, Hau Giang Center for Architecture - Planning is one of the leading capable and prestigious units in the province in the field of construction.

According to statistics and aggregation of Hau Giang Construction Department, in terms of class and operation fields of construction industry, Hau Giang Center for

Architecture - Planning is one of the most capable units in the whole province so far.

Unit's capacity of construction activities ranked III in 8 fields (Number of certificate of construction contract capacity: HAG-00001662): Topographic surveys within work construction investment projects; Construction planning; Architectural design, verification of construction architectural design; Structural design, verification of civil engineering structure design; Preparation and verification of investment projects on construction of civil works; Project management consultancy (Civil engineering); Supervision of construction and completion of civil works; Managing construction investment costs.

b. Development prospect of the sector:

Hau Giang province and Can Tho city are separated from the former (Can Tho) province, so Hau Giang has a great socio-economic development advantage; Especially in the field of technical and social infrastructure: schools, hospitals, industrial parks, industrial clusters, traffic; Housing projects, urban areas, trade and services in the province have great potential to attract investors. Rapid pace of urbanization in the future will be the foundation for growth of the construction industry. Therefore, this will be a favorable opportunity for Center for Architecture - Planning (*after equitization is Hau Giang Company Architecture Planning And Construction Investment*) to improve its capacity and affirm the brand.

c. Evaluation about the suitability of development orientation of the company with the orientation of the sector, Government policies and the general trend in the world.

The unit aims to overcome all difficulties, consolidate and upgrade existing facilities in accordance with the current business needs of the market. The unit also aims to maintain and develop business market share, improve existing production and business capacity. At the same time, the Center focuses on improving governance, paying special attention to investing in the application of science and technology in executive management, fostering professional knowledge and service awareness of officials and employees in order to increase service quality for customers.

Therefore, with proper understanding of its position and role, along with the policy of equitization, the Center will be more autonomous and dynamic in all business areas and will have many breakthrough plans in business and development. develop in line with the development potential of the industry and the State's policies.

5. Actual value of the company for equitization

Pursuant to Decision No. 2137/QĐ-UBND dated December 11st, 2019 of Hau Giang People's Committee, approving the equitization plan of Center and dossiers about value determination of unit, actual value of unit to equitize is presented in the following table:

SUMMARY OF VALUE DETERMINATION FOR THE UNIT

Unit: VND

N O.	ITEM	BOOK VALUE	REVALUATED VALUE	DIFFERENCE
\	(1)	(2)	(3)	(4)=(3)-(2)
A	ASSETS IN USE	8.544.389.441	8.665.533.679	121.144.238
I	Assets	8.544.389.441	8.665.533.679	121.144.238
1	Fixed assets	61.743.107	182.886.557	121.143.450
1.1	Tangible fixed assets	56.430.607	173.898.057	117.467.450
1.2	Intangible fixed assets	5.312.500	8.988.500	3.676.000
2	Construction in progress	-	-	-
3	Long-term financial investments	-	-	-
4	Cash	3.006.425.147	3.006.425.935	788
5	Short-term financial investments	-	-	-
6	Receivables	5.476.221.187	5.476.221.187	-
7	Inventory goods	-	-	-
8	Other assets	-	-	-
II	Goodwill	-	-	-
1	Brand value	-	-	-
2	Development potential value	-	-	-
III	Land use right	-	-	-
B	ASSETS FORMING FROM BONUS AND WELFARE FUND	-	-	-
	TOTAL ASSET VALUE OF THE UNIT	8.544.389.441	8.665.533.679	121.144.238
	Actual debt payable	1.454.605.134	1.454.605.134	-
	Income supplementary fund, provision for income stabilization	1.964.088.314	1.964.088.314	-
	Bonus fund	11.905.000	11.905.000	-
	Welfare fund	270.000.000	270.000.000	-
	TOTAL VALUE OF	4.843.790.993	4.964.935.231	121.144.238

GOVERNMENT CAPITAL INVESTMENT AT THE UNIT			
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Based on value determination result for Center approved by Hau Giang People's Committee:

- Actual value of Center is: **8,665,533,679 VND**
- Actual value of Government capital investment at the Center is: **4,964,935,231 VND**

VI. BUSINESS DEVELOPMENT ORIENTATION AFTER EQUITIZATION

1. Information about the company after equitization

1.1. Basic information

- Vietnamese name: Công ty Cổ phần Quy hoạch Kiến trúc và Đầu tư Xây dựng Hậu Giang.
- English name: Hau Giang Company Architecture Planning And Construction Investment.
- Abbreviated company name: HAU GIANG CAPACI.
- Head office: No. 1, Xo Viet Nghe Tinh Street, Ward 5, Vi Thanh City, Hau Giang Province.
- Phone: (0293) 3870 979.
- Email: hg.capaci@gmail.com.
- Website: [tp://www.haugiangcapaci.vn](http://www.haugiangcapaci.vn).

1.2. Legal status

After equitization, the Company will operate under status as Joint Stock Company, in which the **Government holds 20.66% of charter capital**, operating according to Corporate Law No. 68/2014/QH13 approved by Congress of Socialist Republic of Vietnam XIII, the 8th meeting period on November 26th, 2014, the Policy to organise the operation of the Joint Stock Company and other related regulations.

1.3. Business sector

The Company still continue to improve, development current sectors and also add some other sectors, including:

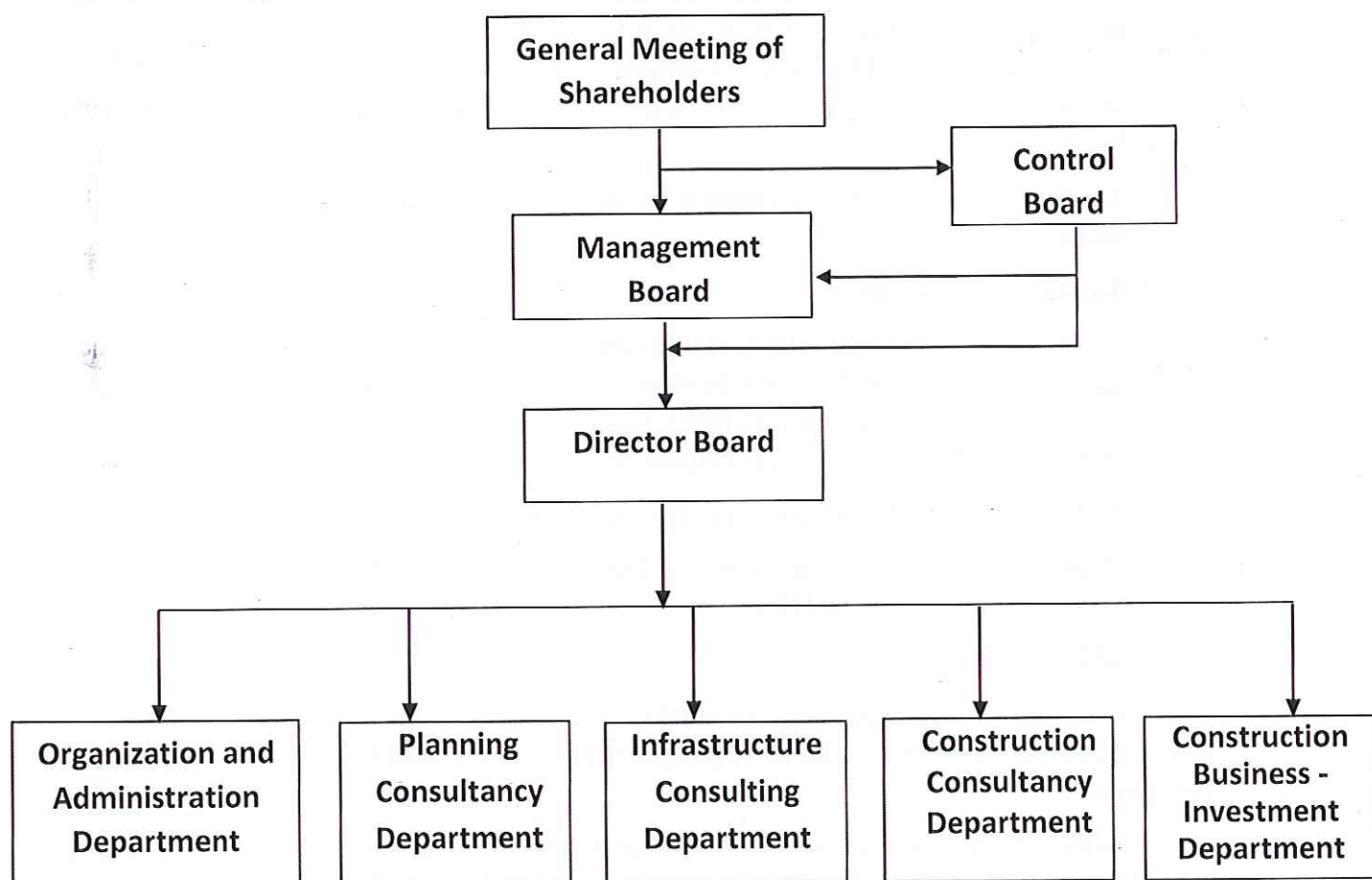
- Investment projects;
- Construction works;
- Trading in construction materials, interior and exterior equipment and works installation equipment;
- Deposit, trade, buy and sell real estate;
- Business and commercial services;

2. Organizational structure of Joint Stock Company

2.1. Joint Stock Company's organizational structure chart

Organizational structure of JSC is expected to be as following:

Organization chart of the joint stock company



(Source: Hau Giang Center for Architecture – Planning)

2.2. Function and responsibility of management and operation system of the Company

❖ Shareholders

Shareholder is the highest functional department of the Company, having right to decide for issues in the rights and obligations regulated by Law and Charter of the company.

❖ Management Board

Management Board is the management department in the Company, having right on behalf of the Company to decide the related issues to purposes, benefits of the Company, except those issues under right of Shareholder. Management Board always monitor the business activities, internal control and risk control for the Company.

Management Board of the Company is expected to include 3 people assigned by Shareholders.

❖ **Control Board**

Control Board is checking department, monitoring all operation activities of the Company according to regulations of Corporate Law No. 68/2015/QH13 on November 26th, 2014 issued by Congress of Socialist Republic of Vietnam.

Control Board reviews annual financial reports, review each detail issued related to financial activities when needed or according to decision of Shareholders or request from big shareholders. The Audit Committee reviews for the accuracy, truth and legalization of document, accounting books, financial reports and operation of internal control system.

Control Board of the Company is expected to have 3 people assigned by Shareholders.

❖ **Board of Directors**

Board of Directors includes General Director and Deputy General Director which is management department for daily business activities of the Company; under monitor of Management Board and responsibility in front of Management Board and Law for performance of assigned tasks and obligations.

❖ **Organization - Administration Department:**

- **Function:** To advise the Board of Directors on personnel work; administrative work; financial work; foreign affairs.

- **Mission:**

+ Personnel work: managing personnel records; performing recruitment; formulating policies and procedures related to employees; performing other work related to human resources.

+ Administrative work: advising on the formulation and issuance of documents (*regulations, decisions, instructions, contracts, working schedules, etc.*); Monitoring, inspecting and urging the implementation of signing contracts. Managing, storing full records, documents, papers ... in accordance with the company's regulations; Performing periodic and irregular reporting to the Board of Directors and the Management Board in accordance with the provisions of the company; Using and managing the facilities and equipment managed by the company effectively.

+ Financial work: management and implementation of procedures for negotiation and signing of contracts, collection of debts, salary regime for employees, management of other regular expenses for the operation of the business.

+ Foreign affairs: under the assignment of assignment of the Board of Directors.

❖ **Construction Business - Investment Department**

- **Function:** To advise the Board of Directors on construction design consultancy; construction supervision consultancy; verification of construction design documents consultancy, construction works and other contents related to construction.

- **Mission:**

+ Helping the Board of Directors to manage the company's activities in the business field.

+ Performing activities in the field of project investment: real estate deposit, trading, purchase and investment.

+ Business in construction materials, interior decoration materials.

+ Commercial - service business in accordance with the company's development plan and strategy.

+ Performing other duties as assigned by the Board of Directors.

❖ **Construction Consultancy Department**

- **Function:** To advise the Board of Directors on project investment work; trading construction materials, interior decoration materials; trading other fields in accordance with the company's development plan and strategy.

- **Mission:**

+ Consulting construction design: Research bases, scientific bases and solutions to apply in the field of construction design.

+ Consulting construction supervision: Research bases, scientific bases and construction solutions to carry out the construction supervision.

+ Consulting verification of construction design documents: Research bases, scientific bases, legal facilities to carry out the verification of construction design documents.

+ Construction: Research and application of scientific and technical advances on construction measures, the use of construction materials to effectively apply to the field of construction.

+ Performing other duties as assigned by the Board of Directors.

❖ **Planning Consultancy Department**

- **Function:** To advise the Board of Directors on construction planning consultancy; urban planning; architectural design works; preparation of construction investment projects and other contents related to planning and construction.

- **Mission:**

+ Consultancy preparing construction planning projects: Research bases, scientific bases, legal bases and planning solutions for making construction planning projects (*Regional planning; Urban planning; Special-function zone planning; Rural planning*).

+ Urban planning consultancy: Research bases, scientific bases, legal bases and planning solutions for making urban planning projects.

+ Architectural design consultancy: Research bases, scientific bases, solutions to apply in the field of architectural design, construction design.

+ Construction investment project formulation consultancy: Research bases, scientific bases, solutions for application in the field of construction investment.

construction project.

- + Consulting other fields related to construction planning.
- + Performing other duties as assigned by the Board of Directors.

❖ **Infrastructure Consulting Department**

- **Function:** To advise the Board of Directors on planning survey consultancy; construction survey; survey supervision; technical infrastructure design consultancy and other contents related to technical infrastructure in construction.

- **Mission:**

+ Planning survey consultancy; construction survey; survey supervision: Research bases, scientific bases and solutions to make measurements, set up current drawings.

+ Technical infrastructure design consultancy: Research bases, scientific bases and solutions for application in the field of technical infrastructure design, including: power supply systems, lighting systems, communication system; water supply system; drainage system, transportation system (*bridges, roads, ...*), technical preparation of construction land.

- + Consulting other fields related to technical infrastructure in construction.
- + Performing other duties as assigned by the Board of Directors.

3. Business plan for 3 year after equitization

3.1. Development strategies

Constantly improving product quality and taking advantage of the work of localities in the province to stabilize operations, stabilize revenue. Center will focus on strengthening and developing the contingent of officials and employees, both in quantity and quality; pay attention to recruiting highly qualified personnel, right people and right jobs; organize the effective management apparatus and improve the quality of consultancy, thereby developing the unit to grow stronger. Capacity building of units contributes to facilitating economic and social development of Hau Giang province.

3.2. Targets

- Stabilizing organizational structure, apparatus and head office working on the basis of existing facilities to maintain production and business activities and life for employees.

- Maintaining stability, gradually developing to fit the operating model of the joint stock company in a flexible and effective manner in business; restructuring the organizational model; save manpower, clearly assign responsibilities to each person; each section, on the other hand, encouraging the autonomy and dynamism of parts and individuals in the joint development of the Joint Stock Company.

- Converting the form of work to contract assignment associated with the responsibility and policy of commendation and reward according to the performance of the work performed.

- Developing the main criteria to evaluate employees as a basis for consideration of emulation and commendation.

- Completing well the obligations to the country, contributing to the socio-economic development of Hau Giang province.

3.3. Main criteria

Based on the organizational business system, operation scale of Center after equitization and foundation of current assets, Center gives expected economic KPI for the next 3 year as following:

Some plan criteria after equitization for period 2020 – 2022

No.	Item	Unit	2020	2021	2022
I	Total revenue	VND	5.056.356.865	5.309.174.708	5.574.633.443
2	Supply of goods and services	VND	4.556.356.865	4.784.174.708	5.023.383.443
3	Real estate business	VND	500.000.000	525.000.000	551.250.000
II	Total expenditure	VND	4.019.158.500	4.220.116.425	4.431.122.246
III	Profit before tax	VND	1.037.198.365	1.089.058.283	1.143.511.197
1	CIT (20%)	VND	207.439.673	217.811.656	228.702.239
IV	Profit after tax	VND	829.758.692	871.246.627	914.808.958
V	Total salary fund/month	VND	180.375.000	184.600.000	188.825.000
VI	Total employees	Person	22	23	24
VII	Average income	Million VND/month	8.198.863	8.026.086	7.867.708
VIII	Charter Capital	VND	4.964.900.000	4.964.900.000	4.964.900.000
IX	Percentage of profit after tax/Charter Capital	%	16,71%	17,55%	18,43%
X	Dividend percentage	%	8	9	10

(Source: Hau Giang Center for Architecture - Planning)

Note:

The actual charter capital over the years may be adjusted to increase depending on the capital mobilization needs to invest in the development of the company and comply with the provisions of the joint stock company charter and the Enterprise Law and applicable law provisions.

The percentage of ownership and the value of state capital in a joint stock company may change in accordance with the general regulations on state ownership in a joint stock company and general policies of the locality.

4. Land use solution

None.

5. Performance solutions

5.1. Solution about operation execution of the Joint Stock Company

- Developing organizational structure of the company with a joint stock company model including: General Meeting of Shareholders, Management Board, Control Board and the Board of Directors conform to the provisions of the Enterprise Law and the Securities Law (after the company trades on the stock exchange).

- Developing the organization and operation charter of the company in accordance with current law provisions and in line with the general development orientation set by shareholders.

- Promulgating regulations on professional activities, applying information technology in work management in order to optimize the managerial apparatus, improving management capacity and save operational costs.

- Organizing the recruitment, training and improvement of professional management qualifications for managers in each field.

5.2. Solution about improving business operation capacity

- Improving the application of information technology to production and business activities and strictly managing all activities of the unit and its subordinate divisions.

- Step by step perfecting the business management, setting up control processes on progress, quality, optimizing management costs.

- Good management of the company's human resources with the aim of improving labor efficiency.

5.3. Solution about the market

- Building a marketing department to perform the work: Market research, advertising, communication...

- Building a system of e-commerce websites, social networks, switchboards to promote the company's services and helping customers access and use the service conveniently and quickly.

5.4. Capital solutions

- Adjusting and building flexible business policies to optimize working capital. Applying service policies to recover working capital as quickly as possible, shorten receivables time to avoid capital appropriation.

- Flexible use of loans from financial institutions, investors, shareholders, officials and employees and other resources.

- Cooperating in the form of association, joint venture with partners having financial potential, partners who are customers, suppliers.

5.5. Solutions about developing investment

- Researching construction materials business to take advantage of existing and potential customers.

- Step by step investing in necessary machinery and equipment in stages to serve the work.

5.6. Workforce solutions

- Developing a process of evaluation, recruitment, training and incentive policies - discipline consistent with the model of a joint stock company and the development needs of the company.
- Assessment of management leadership and employees, to continue strengthening and consolidating the executive management apparatus in order to ensure a good leadership team and employees to have the ability to run the business activities of the whole company effectively.
- On the basis of the evaluation results, the company will perform mobilization and rotation the work of laborers and managers to suit the qualifications and create conditions to bring into full play their individual capabilities.
- Every year, training to improve the qualifications of workers and managers. Training to improve skills, improve management capacity, promote available potentials of employees.
- In order for employees to feel secure working for long term, the company will build a suitable compensation regime for officials, employees and pay more attention to qualified employees. In addition, the company always creates flexible mechanisms to motivate employees striving to become key employees of the company.
- Taking employees as an important factor in the development of the company, always upholding the training, retraining and recruiting a team of good and experienced staff in a number of important positions.

VII. SOLUTIONS AND LABOR POLICIES

According to the labor plan approved by Hau Giang People's Committee, specific labor data of the Center are as follows:

No.	Contents	Total	Note
I	Total employee at the equitization value disclosure	19	
1	Labor without signing labor contract	1	
2	Labor with labor contract	18	
	- Labor with undefined term labor contract	17	
	- Labor with labor contract with term from 12 to 36 months	1	
	- Temporary labor or labor contract with term under 12 months.	0	
3	Labor currently is on leave but still in list of the company workforce	0	
II	Number of inactive labor at the equitization value disclosure time	0	
1	Number of labor with full condition to be retired according to current regime	0	
2	Number of labor will terminate labor contract, in which:	0	
	- Expired labor contract	0	
	- Voluntarily terminate labor contract	0	
	- Terminate labor contract with other reasons according to legal regulations	0	
	- Number of labor without demand to use	0	
3	Number of labor not assigned to work at the equitization value disclosure time	0	
	- Number of redundant labor performing according to Decree No. 63/2015/ND-CP	0	
	- Number of labor in force to terminate the contract and getting severance allowance	0	
III	Number of labor to be transferred to Joint Stock Company	19	
1	Labor without signing labor contract	1	
2	Labor with labor contract	18	
3	Number of labor on leave with social insurance, in which:	0	
-	Sickness	0	
-	Maternity	0	

-	<i>Working accident, occupational disease</i>	0	
4	Number of labor on leave without salary	0	
5	Number of labor on temporary leave:	0	
-	<i>Military obligation</i>	0	
-	<i>Other civil obligations</i>	0	
-	<i>Temporary in detention</i>	0	
-	<i>Due to both parties' agreement (not over 03 months)</i>	0	

Labor structure continuing to turn into Joint Stock Company as following:

No.	Criteria	Quantity (People)	Percentage (%)
I	Classification according to level	19	100
1	Over university	1	5,263
2	University, College	15	78,947
3	Intermediate school	0	0
4	Unskilled labor	3	15,790
II	Classification according to type of contract	19	100
1	Not in case of signing labor contract	1	5,263
2	Undefined term labor contract	17	89,474
3	Contract from 12 to 36 months	1	5,263
4	Contract under 12 months	-	-
III	Classification according to gender	19	100
1	Male	12	63,158
2	Female	7	36,842

VIII. CHARTER CAPITAL AND OFFERING SHARE STRUCTURE

1. Charter capital

According to Decision No. 2137/QĐ-UBND on December 11st, 2019 issued by Hau Giang People's Committee approving the equitization plan of Center for Architecture - Planning, the Center's charter capital has been approved as follows:

- Charter capital: **4,964,900,000 VND.**
- Par value: 10,000 VND/share.
- Number of share with initial offering: **496,490** shares, in which:

2. Expected ownership structure in the JSC

No.	Shareholders	Quantity (shares)	Par value (VND)	Percentage/ Charter capital (%)
1	Government's shares	102,580	1,025,800,000	20.66
2	Preference shares sold to employee in the company according to actual working time in Government area	16,700	167,000,000	3.36
3	Preference shares sold to employee with commitment to work for Joint Stock Company	124,000	1,240,000,000	24.98
4	Public offering shares	253,210	2,532,100,000	51.00
	Total	496,490	4,964,900,000	100

3. Order for the auction and initial price

Perform the public auction at first, then perform selling to employee in the company.

Initial price for public auction: 10,000 VND/share. (According to Decision No. 2137/QĐ-UBND on December 11st, 2019 issued by Hau Giang People's Committee approving the equitization plan of Center for Architecture - Planning).

4. Method of selling and purchasing for shares

4.1. Legal basis:

- Decree No. 126/2017/ND-CP on November 16th, 2017 issued by Government about turning the Government company and One member Limited Company with 100% of charter capital hold by the Government into Joint Stock Company;
- Circular 40/2018/TT-BTC on May 04th, 2018 issued by Ministry of Finance guiding for the initial share offering and management, using receipt from the equitization of Government companies and One Member Limited Company with 100% of charter capital hold by Government turning into Joint Stock Company;
- Decision No. 22/2015/QD-TTg on June 22nd, 2015 issued by Minister of Finance about turning public company into Joint Stock Company;
- Circular No. 35/2016/TT-BLĐTBXH on Oct 25th, 2016 issued by Ministry of Labor, Invalids and Social Affairs guiding for performance of policies to labor when turning the public company into Joint Stock Company according to Decision 22/2015/QD-TTg on June 02nd, 2015 issued by Minister of Government;
- Decision No. 2137/QĐ-UBND on December 11st, 2019 issued by Hau Giang People's Committee, approving the equitization plan of Center for Architecture - Planning.

4.2. Method of selling for shares

a. Shares auctioned to the public

- Total offering shares in the auction : 253,210 shares, equivalent to 2,532,100,000 VND, occupied 51% of charter capital of JSC.
- Suggested initial price : 10,000 VND/share.
- Organisation performing share offering : Ho Chi Minh City Stock Exchange.
- Type of share : Ordinary shares, free to transfer.
- Auction method : Public auction at HCMC Stock Exchange.
- Auction time : According to "Auction regulations" issued by Ho Chi Minh Stock Exchange.
- Objects participating the auction : Individual investors, institutional investors in and outside of the country according to Item 1 and Item 2, Article 4, Decision No. 22/2015/QĐ-TTg on June 22nd, 2015 issued by Minister of Government.
- Deposit form : Perform according to "Auction regulations" issued by Ministry of Stock Exchange

b. Preference shares to employee in the company according to actual working time in Government area

- Number of employee at the value disclosure point : 19 people
- Number of employee purchasing according to actual working years in Government areas : 18 people
- Number of employees who are ineligible to buy based on actual working time in the State sector : 1 people
- Number of preference shares purchased according to actual working years in Government areas : 16,700 shares – equivalent to 167,000,000 VND according to par value, occupied 3.36% of charter capital in JSC
- Type of share : Ordinary shares
- Transfer limitation : 03 years since making payment to purchase preference shares
- Selling price : 6,000 VND/share
- Performance period : After completing public auction

c. Preference shares to employee with commitment to work for Joint Stock Company.

- Number of employee turning into working for Joint Stock Company : 19 people
- Number of employee registering to purchase shares according to commitment to work at Joint Stock Company : 17 people
- Total shares the employee registered to additionally purchase with committed years : 124,000 shares – equivalent to 1,240,000,000 VND counting based on par value, occupied 24.98% of charter capital of JSC
- Selling price : 10,000 VND/share
- Transfer limitation : Equal to the committed time to work for long term, minimum of 3 years and maximum of 10 years

- Expected time : After completing the public auction

d. Unsold shares handling.

Handling of unsold shares is performed according to regulations at point 37, Decree No. 126/2017/ND-CP of Government, regulating with details as following:

"Article 37. Handling of unsold shares

1. In case there is no investor applying to purchase the shares, the Management Board performs selling shares for employee and Trade Union in the company according to equitization plan approved, at the same time performs the procedures to turn into Joint Stock Company, number of unsold shares will be modified to the charter capital and performs divestment after the operation of the company under form as JSC.

2. In case there is one 01 investor applying to purchase shares, the Management Board performs agreement to sell shares to registered investor to purchase sell with selling price not under initial price with registered number of shares. If the investor does not purchase the shares, the Joint Stock Company performs according to regulation at Clause 1 of this Article.

3. In case after public auction, all the investors in the auction reject to purchase, the company equitization is performed according to regulation at Clause 1 of this Article.

4. In case a part of shares has been sold in the public auction, the remaining number of shares (including the rejected number of shares by investors) will be performed with order as below:

a) Management Board will continue to inform to investors participating in the public auction (not including winning investors in the public auction) to sell for these investors with registered volume and ordered selling price according to higher to lower selling price of the public auction until the last share needed to be sold.

b) If the shares are remained after agreement, Management Board continue to inform to winning investors in the public auction (not including winning investors yet reject to purchase) to sell for these investors with ordered selling price of each investor according to higher to lower selling price until the last share needed to be sold.

c) In case the quantity of shares not sold out as prescribed at Points a and b of this Clause, equitized enterprises shall comply with the provisions of Clause 1 of this Article."

4.3. Method of purchasing for shares

- **Shares publicly auctioned:** The method and deadline of purchasing for share comply with the "Auction Regulation" issued by the Ho Chi Minh Stock Exchange.
- **Preference shares to employee in the company according to actual working time in Government area and Preference shares to employee with commitment to work for Joint Stock Company:** In accordance with the provisions of Decree No. 126/2017/ND-CP of the Government on November 16th, 2017 and Circular No. 40/2018/TT-BTC dated May 4th, 2018 of the Ministry of Finance, the Equitization Management Committee of Center will specify the method and deadline of purchasing for share.

5. Expected risk for the auction

5.1. Economic risks

Substainability of the economy inside the country also outside of the country is the important and necessary condition for the performing of development goals of all the companies in general.

The positive signs of macroeconomic will help to decrease economic risks and the operation of the company will be more positive in the following time.

The unexpected fluctuation factors such as economy developing speed, inflation, interest rate, foreign exchange rate could affect to the general subjects in the market. The JSC is a subject so it could be affected positively or negatively by these unexpected fluctuations.

5.2. Legal risks

Vietnam's legal system and by laws are still in the process of being finalized, policy changes may occur and when they occur, they will more or less affect the business situation of Hau Giang Center for Architecture - Planning.

Risk about macroeconomic policies of the Government could be changed and leads to the development and expansion plan of the JSC. However, there could be seen that there are positive aspects from those changes because they create strict and scientific legal regulations, suitable with the law system and international regulations, which facilitates to attract investment from abroad investors as well as helps to facilitate domestic business operation activities.

5.3. Specific risks

Operation scale of Center is still limited, besides the increasingly fierce competition from other construction consultancy units in Hau Giang province are the factors that are causing difficulties for the development of Center. Risks from the Center's characteristics come from market share, customers, competitors. This risk may directly affect the business activities of the unit.

5.4. Auction risks

The initial public offering of Hau Giang Center Architecture - Planning will be significantly affected by the stock market situation as well as the development of domestic

economy. Unfavorable developments and information from the stock market and macro factors may affect investor sentiment as well as market absorption.

Besides, with the speed of accelerating the equitization process, state enterprises will hold 100% of charter capital and public non-business units in the period to 2020, Besides that, the policy of divesting state capital in enterprises has been drastically implemented, which led to a large volume of shares offered to the market, investors will have more choices and interest in investing. Initial public offering of Hau Giang Center Architecture - Planning to the public will be affected due to diluted investor interest.

5.5. Other risks

Business operations of the Company may be affected by other risks which are beyond the expectation and beyond the ability of human prevention such as natural disasters, fires, etc. These are unforeseen risks that are rarely encountered in reality, but when they occur, they often cause great losses of material and people as well as the Company's operations.

IX. RECEIPT FROM EQUITIZATION MANAGEMENT AND USE

1. Receipt from equitization management

Based on the actual Government capital at Center and percentage of Government capital at Center, expected plan to use receipt from equitization and transfer to the Supporting Management and Development Fund of the company, details as below (*Temporarily calculated according to assumption that all shares are sold to seniority employees are VND 6,000/share and number of shares auctioned publicly and sold to employees in the form of long-term commitment to work is equal to the starting price of VND 10,000/share*):

No.	Content	Amount (VND)
I	Receipt from equitization (a)	3,872,300,000
1	<i>Receipt from public offering</i>	2,532,100,000
2	<i>Receipt from preference offering to employee according to working years for Government areas</i>	100,200,000
3	<i>Receipt from preference share offering for employee according to long term working commitment</i>	1,240,000,000
II	Expenses for equitization (b)	534,000,000
1	Handling expenses for redundant labor	0
2	Direct expenses at the company	30,000,000
3	Consulting expenses for the external organization to perform determination of company value and equitization	130,000,000
4	Management and assistant team remuneration	324,000,000

5	Organization expenses for initial share offering and other related expenses	50,000,000
III	Total amount of money expected to be transferred to Supporting Management and Development Fund of the Company (c) = (a) – (b)	3,338,300,000

2. Equitization cost estimate.

According to Decision No. 1908/QĐ-UBND dated December 5th, 2018 of the Hau Giang People's Committee, approving the equitization cost estimate of the Center for Architecture - Planning, thereby the equitization cost estimate of Center are as follows:

No.	Items	Expected amount (VND)
1	Direct expenses at the company	30,000,000
2	Consulting expenses for the external organization to perform determination of company value and equitization	130,000,000
3	Management and assistant team remuneration	324,000,000
4	Organization expenses for initial share offering and other related expenses	50,000,000
Total		534,000,000

Note:

- Management and assistant team remuneration is paid according to actual occurrence according to current effective regulations.
- Organization expenses for initial share offering organization and other related expenses are performed according to regulation by Ministry of Finance.

X. COMMITMENT

The evaluation and selection of information and language in this Information Disclosure are performed reasonably and carefully based on data and equitization solutions approved by Hau Giang Center for Architecture - Planning. We provide information with purpose to help investor have proper and objective awareness before participating in the auction to purchase shares of Hau Giang Center for Architecture - Planning. We wish the investor to refer carefully this Information Disclosure before making decision to participate in the auction of shares in Hau Giang Center for Architecture - Planning.

Wish all investors a successful auction.

Thank you with best regards./.

Hau Giang, on December 16th, 2019

REPRESENTATIVE OF EQUITIZATION MANAGEMENT BOARD

HEAD OF BOARD

(Signed and Sealed)

Nguyen Thanh Ha

Hau Giang, on December 16th, 2019

**REPRESENTATIVE OF OFFERING ORGANIZATION
HAU GIANG CENTER FOR ARCHITECTURE – PLANNING**

HEAD OF CENTER

(Signed and Sealed)

Hua Chi Tam

Ho Chi Minh City, on December 16th, 2019

**REPRESENTATIVE OF CONSULTING ORGANIZATION
BETA SECURITIES INCORPORATION**

GENERAL DIRECTOR

(Signed and Sealed)

Huynh Van Tot

Công ty TNHH Phạm Lữ Gia xin xác nhận bản dịch *tiếng Anh* hoàn toàn đúng so với bản gốc *tiếng Việt* đã giao và chúng tôi không có trách nhiệm cho mục đích sử dụng của tập tài liệu này.

Pham Lu Gia Company Limited confirm English Translation quite right with original Vietnamese have assigned and we are not responsible for the purposes of this document.

TM. CÔNG TY
ON BEHALF OF THE COMPANY


MS. LỮ TRUNG DUNG

