

THE STEERING COMMITTEE FOR TRANSFORMATION OF PUBLIC NON-BUSINESS UNITS AND ROAD REPAIR & MANAGEMENT SECTION RECOMMENDS THAT THE INVESTORS CAREFULLY READ THE INFORMATION IN THIS DOCUMENT AND THE AUCTION REGULATIONS BEFORE

## INFORMATION DISCLOSURE INITIAL SHARE AUCTION OF THE ROAD REPAIR AND MANAGEMENT SECTION

*(According to Appendix No. 2 issued with the Circular No. 111/2020/TT-BTC dated December 29, 2020 guiding a number of contents on financial handling, determination of the value of public non-business units, and initial share sales and management and use of proceeds from transformation of public non-business units into joint stock companies)*

*This information disclosure and additional documents will be provided at:*

### TRANSFORMED PUBLIC NON-BUSINESS UNIT

#### ROAD REPAIR AND MANAGEMENT SECTION

Address: No. 14, Le Dai Hanh Street, Group 5, Hung Thanh Ward, Tuyen Quang City, Tuyen Quang Province, Vietnam

Tel: 0207 3814 468      Fax: 0207 3822 691

### THE STEERING COMMITTEE OF TRANSFORMATION OF PUBLIC NON-BUSINESS UNITS

#### THE DEPARTMENT OF FINANCE OF TUYEN QUANG PROVINCE

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Tuyen Quang, May 2024

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## **INFORMATION ON PUBLIC NON-BUSINESS UNIT TRANSFORMED INTO JOINT STOCK COMPANY**

### **1. Name, address, of the transformed public non-business unit:**

- Name in Vietnamese: **ROAD REPAIR AND MANAGEMENT SECTION**
- Head office: No. 14, Le Dai Hanh Street, Group 5, Hung Thanh Ward, Tuyen Quang City, Tuyen Quang Province, Vietnam
- Tel: 0207 3814 468
- Fax: 0207 3822 691
- Tax code: 5000232680
- Formation and Development Process

The Road Repair & Management Section was established under the Decision No. 27/2005/QD-UBND dated April 15, 2005 of the People's Committee of Tuyen Quang province. On the basis of separating 5 teams of 4, 5, 6, 7, 8 and 139 labor officials and employees of Tuyen Quang Road and Bridge Construction and Management Joint Stock Company.

In recent years, the unit's production activities have always developed, the value of output and revenue each year is higher than the previous year, creating enough jobs for workers, the lives of employees are increasingly improving, and all construction projects ensure quality, progress and aesthetics, creating trust for investors and customers.

- Functions and tasks of the Road Repair & Management Section

- **Functions**

The Road Repair & Management Section is a public non-business unit under the Department of Transport, with the function of performing road management tasks according to regulations of the Ministry of Transport on the National Highway system managed by the Central Government, building the local road system according to the province's decentralized management and undertake periodic repairs, medium repairs, and basic construction of medium-sized traffic works without requiring high technical skills.

The Road Repair & Management Section has legal status, its own seal and account, and is under the comprehensive and direct management of the Department of Transport; At the same time, subject to the professional guidance and inspection of relevant agencies and units under the Ministry of Transport.

- **Duties and rights**

- Organize the receipt, management and use of State budget capital and other legal capital sources to invest in the management, maintenance and repair of road traffic works in the province under the assigned responsibilities.

- Carry out periodic maintenance, repair, and maintenance work to ensure traffic on the roads assigned to the unit to manage; medium repair, basic construction of medium-sized traffic works, without high technical requirements; provide other services consistent with functions and tasks when permitted by the Provincial People's Committee.

- Assume the prime responsibility for and coordinate with local authorities, unions and mass media agencies in propaganda and mobilization of people to participate in protecting traffic works and protecting road safety corridors.

- Participate in the inspection, verification and acceptance of the quality of traffic works, and at the same time organize the reception, management and exploitation of traffic works when authorized.

- Manage the unit's apparatus, personnel, finance and assets according to the provisions of law.

- Perform other tasks assigned by the Director of the Department of Transport and according to current law provisions.

- **Operation Area**

The unit manages, maintains, and repairs regularly, ensuring traffic on national highways, provincial roads, and urban roads in Tuyen Quang province.

## **2. Fields and business lines:**

### **2.1 Fields**

- Periodic maintenance and repair of road traffic works

### **2.2 Business lines:**

- Carry out periodic maintenance and repair of road traffic works; medium repair, basic construction of medium-sized traffic works, without high technical requirements.

### **3. Products and services of public non-business units:**

- Periodic maintenance and repair of road traffic works

### **4. Total number of employees transferred to Joint Stock Company:**

The number of employees continuing to work after transformation of the Road Repair & Management Section into Joint Stock Company is 45 employees, specifically as follows:

No.	Criteria	Quantity (of people)	Rate (%)
	<b>Classification by qualification</b>	<b>45</b>	<b>100</b>
1	Higher education	0	0
2	University - College	21	46,67
3	Primary-Level, Intermediate-Level	0	0
4	Unskilled workers trained through technical and vocational schools	24	53,33
5	Number of unskilled workers	0	0

(Source: Road Repair & Management

Section)

### **5. Value of public non-business unit as of December 31, 2022:**

Pursuant to Decision No. 389/QD-UBND dated October 16, 2023 of the People's Committee of Tuyen Quang province on approving and announcing the value of public non-business units; The actual value of state capital in the Road Repair & Management Section as of January 1, 2023, is as follows:

Actual value of public non-business unit: VND **10,335,002,431** (*Ten billion, three hundred and thirty-five million two thousand, four hundred and thirty-one dong*)

In which:

- Total actual debt payable: VND 6,185,881,598;
- Bonus and welfare funds: VND 34,235,475
- Additional income fund: VND 84,051,130
- Actual value of state capital in public non-business units: VND **4,030,830,000** (*In words: Four billion thirty million eight hundred three thousand dong*)

**Table 1: Value of public non-business unit as of December 31, 2022**

*Division: VND*

No	Criteria	Figures of accounting entries	Re-determined Data	Difference
(1)	(2)	(3)	(4)	(5)=(4)-(3)
<b>A</b>	<b>ASSETS IN USE</b>	<b>9,061,596,168</b>	<b>10,335,002,431</b>	<b>1,273,406,264</b>
<b>I</b>	<b>Long-term assets</b>	<b>516,546,042</b>	<b>1,744,202,305</b>	<b>1,227,656,264</b>
1	Non-current receivables	-	-	
2	Fixed assets	516,546,042	1,744,202,305	1,227,656,264
-	Tangible fixed assets	516,546,042	1,744,202,305	1,227,656,264
	House, architectural objects	337,224,627	1,200,853,421	863,628,794
	Machinery and equipment	75,885,726	205,516,364	129,630,638
	Means of transport	103,435,689	337,832,521	234,396,832
3	Unfinished long-term assets	-	-	-
4	Long-term financial investment	-	-	-
5	Other non-current assets	-	-	-
<b>II</b>	<b>Current assets</b>	<b>8,545,050,126</b>	<b>8,590,800,126</b>	<b>45,750,000</b>
1	Cash and cash equivalents	113,871,217	113,871,217	-
-	Cash in hand	110,684,226	110,684,226	-
-	Deposit at bank	3,186,991	3,186,991	-
2	Receivables	5,805,265,223	5,851,015,23	45,750,000
-	Receivables of the customer	5,392,507,467	5,392,507,467	-
-	Prepayment for sellers	-	-	-
-	Other short-term receivables	412,757,756	458,507,756	45,750,000
3	Inventory	2,625,913,686	2,625,913,686	-
-	Raw materials, materials	-	-	-
-	Costs of unfinished business and production	2,625,913,686	2,625,913,686	-
<b>B</b>	<b>UNUSED ASSETS</b>	-	-	-

I	Fixed assets			-
-	House, architectural objects	-	-	-
C	<b>WAITING FOR LIQUIDATION</b>	-	-	-
I	Tangible fixed assets			
1	Machinery and equipment	27,390,999	27,390,999	-
-	Original cost	106,000,000	106,000,000	-
-	Accumulated depreciation (*)	78,609,001	78,609,001	-
D	<b>ASSETS FORMED FROM REWARD FUND AND WELFARE FUND</b>	-	-	-
E	<b>TOTAL ASSET VALUE OF NON-BUSINESS UNIT (A + B + C + D)</b> In which:	9,088,987,167	10,362,393,430	1,273,406,263
	<b>TOTAL ACTUAL VALUE OF NON-BUSINESS UNIT (Section A)</b>	9,061,596,168	10,335,002,431	1,273,406,263
E1	Actual debt payable	6,185,881,598	6,185,881,598	-
E2	Bonus and welfare fund	34,235,475	34,235,475	-
E3	Additional income fund	84,051,130	84,051,130	-
F	<b>TOTAL ACTUAL VALUE OF STATE CAPITAL IN NON-BUSINESS UNIT [A - (E1 + E2+E3)]</b>	2,757,427,965	4,030,834,228	1,273,406,263

(Source: Documents on determination of the value for transformation into Joint Stock Company)

## 6. Main assets of the Unit:

### 6.1 Land situation:

At the time of determining the value of the public non-business unit on December 31, 2022, the Road Repair & Management Section is managing and using the lands according to the following information:

**Table 2: Current status of land management and use of the Unit as of December 31, 2022**

No.	Addresses of buildings and land	Area (m2)	Origin of land use	Legal records	Purpose of use

No.	Addresses of buildings	Area (m2)	Origin of land use	Legal records	Purpose of use
1	Group 5 (old Group 7), Hung Thanh ward, Tuyen Quang city	2,400 m2 (In which: Property on land: 01 2-storey office building with construction area of 176.38 m2; 01 factory with construction area of 512 m2 (managed by the Road Repair & Management Section).	Lease land from the State with payment on annual basis	Lease land from the People's Committee of Tuyen Quang province at the Decision No. 300/QD-UBND dated September 13, 2017	Land for the headquarters of state public non-business agency
2	Hamlet 14, Kim Phu commune, Tuyen Quang city (old Yen Son district)	626.0 m2 (In which: Property on land: 01 2-storey flat-roof office building with construction area of 170m2, built before 2005 (managed by Department for Roads of Vietnam)	Recognition of land use rights such as land allocation without collection of land use fees	Certificate of land use right No. BM 769699, signed on December 20, 2013	Land for the headquarters of state public non-business agency
3	Quyet Thang residential group, Son Duong town	2,658.2 m2 (with 02 plots of land: Plot 29, with area of 580m2; Plot 36, with area of 2,078.2 m2) In which: Property on land: (+) 01 01-storey flat-roof office building, construction floor area of 175 m2 (managed by Department for Roads of Vietnam); (+) 01 grade-IV warehouse with corrugated iron roof (3 compartments), construction floor area of 60 m2 (managed by Department for Roads of Vietnam); (+) 01 grade-IV dormitory with corrugated iron roof (05 rooms), with area of 100 m2, currently inhabited by 05 households of retired workers.	Received handover from Tuyen Quang Road and Bridge Construction Joint Stock Company	Extract of land plot from cadastral file No. 211 11 01 65 dated October 2008 of the Center for Natural Resources and Environmental Engineering	Land for non-agricultural production establishments (SKC)

No.	Addresses of buildings	Area (m2)	Origin of land use	Legal records	Purpose of use
4	Cay Thi village, Phuc Ung commune, Son Duong district	2.234m2 (In which: Property on land: 01 2-storey flat-roof office building, with construction floor area of 170 m2 (managed by Department for Roads of Vietnam))	Received handover from Tuyen Quang Road and Bridge Construction Joint Stock Company	Extract of land plot from cadastral file No. 211 11 29 29 dated October 2008 of the Center for Natural Resources and Environmental Engineering	Land for non-agricultural production establishments (SKC)
5	Khuan Rang village, Phuc Ung commune, Son Duong district	5,780 m2	Received handover from Tuyen Quang Road and Bridge Construction Joint Stock Company	Land use declaration dated September 9, 1996 of the Road Management Section	Land for non-agricultural production establishments (SKC)
6	Chanh 1 village (old Chanh 1 hamlet), Thai Binh commune, Yen Son district	3.641m2 (In which: Property on land: 01 01-storey flat-roof office building, with construction floor area of 230 m2 (managed by Department for Roads of Vietnam))	Received handover from Tuyen Quang Road and Bridge Construction Joint Stock Company	Extract of land plot from cadastral file No. 211 09 51 20 dated October 2008 of the Center for Natural Resources and Environmental Engineering	Land for non-agricultural production establishments (SKC)
7	Cay Quan village, My Bang commune, Yen Son district	1,387 m2	Recognition of land use rights such as land allocation without collection of land use fees	Certificate of land use right No. BA 795834, signed on June 11, 2013	Land for the headquarters of state public non-business agency
8	Village 1 (old Khuan Uong Hamlet), Dao Vien commune,	1.334m2 (In which: Property on land: 01 1-storey flat-roof office building, construction floor area of 230 m2 (managed by	Recognition of land use rights such as land allocation without	Certificate of land use right No. BN 787368, signed on October 25,	Land for the headquarters of state public non-business agency

No.	Addresses of buildings	Area (m2)	Origin of land use	Legal records	Purpose of use
	Yen Son	Department for Roads of Vietnam)	collection of land use fees	2013	
	<b>Total</b>	<b>20,060.2 m2</b>			

(Source: Road Repair & Management Section)

Pursuant to the Decision No. 173/QĐ-UBND dated May 10, 2024 of Tuyen Quang Provincial People's Committee on approving the land use plan of the Road Repair & Management Section. After transforming into a joint stock company, the Unit will continue to manage and use 01 land establishment according to the current land use management status with a total area of 2,400 m2 (Purpose of land use: Commercial and service land), and at the same time, return to local management because there is no longer any need to use 07 land establishments with a total area of 17,660.2 m2. Specifically as follows:

**Table 3: Land area retained for use after transformation into Joint Stock Company**

No.	Address of land plot	Area (m <sup>2</sup> )	Origin of land use	Legal records	Form of land use	Purpose of use
1	Group 5 (old group 7) Hung Thanh Ward, Tuyen Quang City	2,400 m <sup>2</sup> (In which: Property on land: 01 2-storey office building with construction area of 176.38 m <sup>2</sup> ; 01 factory with construction area of 512 m <sup>2</sup> (managed by the Road Repair & Management Section).	Lease land from the State with payment on annual basis	Certificate of land use rights No. CR 739192, issued by the Provincial People's Committee on September 4, 2019 Lease land from the People's Committee of Tuyen Quang province at the Decision No.	Continue renting Expiry date: Until September 13, 2067; According to Land Lease Contract No. 78/HDTD dated December 21, 2022 between the Department of Natural Resources and Environment and the	Commercial - service land

No.	Address of land plot	Area (m <sup>2</sup> )	Origin of land use	Legal records	Form of land use	Purpose of use
				300/QD-UBND dated September 13, 2017	Road Management Section	
<b>Total:</b>		<b>2,400</b>				

(Source: *Tuyen Quang Road Repair & Management Section*)

**Table 4: Area of land returned to the locality**

No.	Addresses of buildings and land	Area (m <sup>2</sup> )	Origin of land use	Legal records
1	Hamlet 14, Kim Phu commune, Tuyen Quang city (old Yen Son district)	626.0 m <sup>2</sup> (In which: Property on land: 01 2-storey flat-roof office building with construction area of 170m <sup>2</sup> , built before 2005 (managed by Department for Roads of Vietnam))	Recognition of land use rights such as land allocation without collection of land use fees	Certificate of land use right No. BM 769699, signed on December 20, 2013
2	Quyet Thang residential group, Son Duong town	2,658.2 m <sup>2</sup> (with 02 plots of land: Plot 29, with area of 580m <sup>2</sup> ; Plot 36, with area of 2,078.2 m <sup>2</sup> ) In which: Property on land: (+) 01 01-storey flat-roof	Received handover from Tuyen Quang Road and Bridge Construction	Extract of land plot from cadastral file No. 211 11 01 65 dated October 2008 of the

		office building, construction floor area of 175 m <sup>2</sup> (managed by Department for Roads of Vietnam); (+) 01 grade-IV warehouse with corrugated iron roof (3 compartments), construction floor area of 60 m <sup>2</sup> (managed by Department for Roads of Vietnam); (+) 01 grade-IV dormitory with corrugated iron roof (05 rooms), with area of 100 m <sup>2</sup> , currently inhabited by 05 households of retired workers.	Joint Stock Company	Center for Natural Resources and Environmental Engineering
3	Cay Thi village, Phuc Ung commune, Son Duong district	2.234m <sup>2</sup> (In which: Property on land: 01 2-storey flat-roof office building, with construction floor area of 170 m <sup>2</sup> (managed by Department for Roads of Vietnam))	Received handover from Tuyen Quang Road and Bridge Construction Joint Stock Company	Extract of land plot from cadastral file No. 211 11 29 29 dated October 2008 of the Center for Natural Resources and Environmental Engineering
4	Khuan Rang village, Phuc Ung commune, Son Duong district	5,780 m <sup>2</sup>	Received handover from Tuyen Quang Road and Bridge Construction Joint Stock Company	Land use declaration dated September 9, 1996 of the Road Management Section
5	Chanh 1 village (old Chanh 1 hamlet), Thai Binh commune, Yen Son district	3.641m <sup>2</sup> (In which: Property on land: 01 01-storey flat-roof office building, with construction floor area of 230 m <sup>2</sup> (managed by Department for Roads of Vietnam))	Received handover from Tuyen Quang Road and Bridge Construction Joint Stock Company	Extract of land plot from cadastral file No. 211 09 51 20 dated October 2008 of the Center for Natural Resources and Environmental

				Engineering
6	Cay Quan village, My Bang commune, Yen Son district	1,387 m <sup>2</sup>	Recognition of land use rights such as land allocation without collection of land use fees	Certificate of land use right No. BA 795834, signed on June 11, 2013
7	Village 1 (old Khuan Uong Hamlet), Dao Vien commune, Yen Son	1.334m <sup>2</sup> (In which: Property on land: 01 1-storey flat-roof office building, construction floor area of 230 m <sup>2</sup> (managed by Department for Roads of Vietnam))	Recognition of land use rights such as land allocation without collection of land use fees	Certificate of land use right No. BN 787368, signed on October 25, 2013
<b>Total</b>		<b>17,660.2 m<sup>2</sup></b>		

(Source: Tuyen Quang Road Repair & Management Section

## 6.2 Situation of assets of the Unit:

Table 5: Situation of fixed assets as of December 31, 2022

Division: VND

No.	Asset Type	Book value		Re-evaluation Value	
		Original cost	Remaining Value	Original cost	Remaining Value
A	<b>FIXED ASSETS IN USE</b>	<b>2,862,512,970</b>	<b>516,546,042</b>	<b>4,447,022,746</b>	<b>1,744,202,305</b>
I	Tangible fixed assets	2,862,512,970	516,546,042	4,447,022,746	1,744,202,305
1	Houses, architectural objects	1,260,626,343	337,224,627	2,845,136,119	1,200,853,421
-	Section's office workplace	839,290,872	337,224,627	1,676,826,798	733,529,692
-	Workshop	421,335,471	-	1,168,309,321	467,323,728
2	Machinery and equipment	655,800,000	75,885,726	655,800,000	205,516,364
-	SAKAI roller	155,000,000	-	155,000,000	31,000,000
-	KOMASU excavator	281,818,182	42,694,726	281,818,182	90,181,818
-	Hand-push road painting machine	45,454,545	-	45,454,545	13,636,364
-	Asphalt watering	88,000,000	20,391,000	88,000,000	36,080,000

No.	Asset Type	Book value		Re-evaluation Value	
		Original cost	Remaining Value	Original cost	Remaining Value
	equipment				
-	Paint melter	72,727,273	-	72,727,273	21,818,182
-	Dust blower	12,800,000	12,800,000	12,800,000	12,800,000
3	Means of transport	946,086,627	103,435,689	946,086,627	337,832,521
-	ISUZU trucks. License plate number: 22M-00008	627,133,900	-	627,133,900	200,628,848
-	THACO trucks. License plate number: 22C-03500	318,952,727	103,435,689	318,952,727	137,149,673
<b>II</b>	<b>Intangible fixed assets</b>	-	-	-	-
<b>B</b>	<b>UNREQUIRED FIXED ASSETS</b>	-	-	-	-
1	House, architectural objects	-	-	-	-
<b>C</b>	<b>FIXED ASSETS AWAITING LIQUIDATION</b>	<b>106,000,000</b>	<b>27,390,999</b>	<b>106,000,000</b>	<b>27,390,999</b>
1	Machinery and equipment	106,000,000	27,390,999	106,000,000	27,390,999
-	Photocopier AR 2075	36,000,000	1,140,999	36,000,000	1,140,999
-	Photocopier RICOH 255	70,000,000	26,250,000	70,000,000	26,250,000
<b>D</b>	<b>ASSETS FORMED FROM REWARD FUND AND WELFARE FUND</b>	-	-	-	-
<b>TOTAL</b>		<b>2,968,512,970</b>	<b>543,937,041</b>	<b>4,553,022,746</b>	<b>1,771,593,304</b>

(Source: Documents on determination of the value of a public non-business unit for transformation into Joint Stock Company)

## 7. Business performance and results of production and business activities over the years before transformation into Joint Stock Company of the Unit:

### 7.1. Business operation situation:

#### a) Revenue of the unit

The Road Repair & Management Section implements a management model with the main force as professional workers and contract to roadside households. The unit assigns contracts to road repair teams according to the principle of contracting according to the goal of keeping the road type, ensuring clean sidewalks, clear sewers, smooth road

surfaces, clear visibility, and unencumbered road corridors. On that basis, the Teams assigned each contracted worker to carry out management, maintenance and periodic repairs as committed.

The main business lines of the Unit include: Carry out periodic maintenance and repair to ensure traffic on the roads assigned to the unit to manage; medium repair, basic construction of medium-sized traffic works, without high technical requirements.

The unit has constructed many road surface repair projects on the assigned management route, which has been highly appreciated by the Investor.

**Table 6: Revenue structure in the 2020-2022 period**

No.	Revenue	Year 2020		Year 2021		Year 2022	
		Value (million dong)	Proportion (%)	Value (million dong)	Proportion (%)	Value (million dong)	Proportion (%)
1	Periodic repair of local bridges, roads	1,893	16,21	2,725	24,5	3,603	25,02
-	Periodic repair of Provincial road 186	718	6,15	863	7,18	1,164	8,08
-	Periodic repair of Provincial road 185	704	6,02	684	6,16	758	5,26
-	Periodic repair of Provincial road 189	471	4,03	540	4,86	1,008	7,0
-	Replace and install BB for Provincial road 186	-	-	-	-	89	0,62
	Replace and install BB for Provincial road 185	-	-	249	2,24	179	1,24
	Replace and install BB for Provincial road 189	-	-	83	0,74	86	0,6
-	Replace and install BB for Provincial road 188	-	-	261	2,35	92	0,64
-	Periodic repair of Tinh Huc bridge approach road	-	-	41	0,37	227	1,58

<b>2</b>	<b>Construction of road bridges with traffic control on all routes</b>	<b>167</b>	<b>1,43</b>	<b>1,519</b>	<b>13,66</b>	<b>1,017</b>	<b>7,06</b>
-	Unexpected traffic control on Provincial road 185	85	0,73	708	6,37	195	1,35
-	Unexpected traffic control on Provincial road 189	82	0,70	373	3,36	350	2,43
-	Traffic control in step 1 phase 1 of National Road 37	-	-	-	-	21	0,15
-	Traffic control in step 1 phase 1 of National Road 2C	-	-	-	-	451	3,13
-	Traffic control for overcoming floods and storms on Provincial road 185	-	-	436	3,92	-	-
-	Repair of Nong Tien bridge electricity	-	-	-	-	-	-
<b>3</b>	<b>Other basic construction</b>	<b>9,149</b>	<b>78,35</b>	<b>6,388</b>	<b>57,49</b>	<b>8,969</b>	<b>62,28</b>
-	Rent house	207	1,77	180	1,62	82	0,57
-	Rent yard at driving training and testing center	85	0,73	83	0,75	69	0,48
-	Construction of box culvert on National Road 2C	-	-	-	-	301	2,09
-	Rent road painting machine	12	0,1	-	-	13	0,09
-	Paste reflective patches	-	-	-	-	13	0,09
-	Periodic repair of works for the work 232	3,764	32,23	4,826	43,44	7,400	51,08

-	Periodic repair of works for Na Hang Traffic Department	3,378	28,97	869	7,82	-	-
-	Handle black spots on National Highway 37	-	-	382	3,44	-	-
-	Rent roller	67	0,6	47	0,42	-	-
-	Adjust the mileposts of National Road 3B	96	0,8	-	-	-	-
-	Construction of bridge steps for National Road 37	143	1,2	-	-	-	-
-	Construction of bridge steps for National Road 279	232	1,99	-	-	-	-
-	Pavement repair for Provincial Road 188	848	7,3	-	-	-	-
-	Pavement repair for Provincial Road 185	318	2,7	-	-	-	-
-	Repair of expansion joints of An Hoa bridge	-	-	-	-	1,091	7,58
-	Unscheduled repair of National Road 279	-	-	-	-	-	-
-	Periodic repair of city road	-	-	-	-	-	-
<b>4</b>	<b>Bridge protection category</b>	<b>467</b>	<b>4,00</b>	<b>483</b>	<b>4,35</b>	<b>813</b>	<b>5,65</b>
-	Protect An Hoa and Kim Xuyen bridges	380	3,26	357	3,2	392	2,17
-	Protect Tinh Huc Bridge	-	-	51	0,46	253	1,76
-	Electricity lights for An Hoa, Kim Xuyen, Son Duong, Nong Tien bridges	87	0,75	58	0,52	64	0,44

-	Electricity lights for Tinh Huc bridge and the bridge access road	-	-	17	0,15	103	0,72
5	<b>Budget (Repair of electrical lights of An Hoa bridge)</b>			800			
6	<b>Interest of deposits</b>	0,732	0,06	1,07	0,009	0,518	0,004
	<b>Total</b>	<b>11,67 8</b>	<b>100</b>	<b>11,91 7</b>	<b>100</b>	<b>14,407, 5</b>	<b>100</b>

(Source: Road Repair & Management Section)

**b. Raw materials and stability of supply**

- Input factors for service provision:

For periodic maintenance, repair, construction and execution of traffic works, the main raw materials are construction materials. The supply of materials is still difficult, especially stones of all kinds have to be transported long distances, partly affecting construction costs and reducing profits.

In recent years, due to the trend of the country's economy being increasingly influenced by fluctuations in the world economy, continuous fluctuations in raw material prices, increase in the prices of electricity, gasoline, goods and services. However, the suppliers of the Unit have a long-term and reliable relationship, so the stability of the raw material source is relative.

- List of some main raw material suppliers for the Unit:

No	Supplier Name	Product s and raw material s provided
1	Northern Transport Development and Import Export Joint Stock Company	Asphalt
2	Tan Phat Investment and Construction Joint Stock Company	Asphalt concrete
3	Tuyen Quang Oil Company Limited	Petroleum
4	Cooperative of Transport, Mining and Production of Construction Materials No. 2	Stone types

### **Impact of raw material prices on revenue and profits:**

The main raw materials serving the Company's production activities are materials directly used in the process of implementing the unit's road repair activities. Raw material prices directly affect production costs. The increase in raw material prices leads to an increase in production costs, reduction of the unit's net profit. For the Road Repair and Management Section, the increases in the price of asphalt, asphalt and stone can increase project construction costs, affecting the bottom line.

#### **c. Costs of production:**

**Table 7: Proportion of costs of the Unit in the period of 2020 - 2022**

(Unit: VND)

No.	Criteria	Year 2020	Year 2021	Year 2022
1	Cost of sales	8,506,063,795	7,913,693,983	11,800,066,033
2	Corporate management expenses	3,101,661,909	2,958,706,480	2,497,179,808
3	Other costs	-	-	2,412,050
<b>Total</b>		<b>11,607,725,704</b>	<b>10,872,400,582</b>	<b>14,299,657,891</b>

(Source: Financial statements in 2020, 2021, 2022 of the Road Repair & Management Section)

In the three years of 2020-2022, the unit's cost structure will fluctuate significantly, which partly affects the unit's production and business activities. The unit's cost of goods sold in 2022 increased sharply compared to 2021. This fluctuation in cost of goods sold is affected by the increase in raw material prices. In addition, the unit's management costs in 2022 will decrease compared to 2021, due to the unit's success in optimizing costs related to the business operation process, cutting unnecessary costs.

#### **d. Technology level:**

The Unit's construction equipment mainly serves road maintenance and traffic assurance. Most of the equipment is provided and transferred so the efficiency of use is not high. When implementing construction projects, the Unit must outsource some machinery and equipment. The Unit's construction capacity is still limited and cannot meet current needs.

#### **dd. Status of research and development of new products:**

Currently, the Unit is not aiming to develop new products and services but only focuses on improving services to ensure the quality and efficiency of current business operations.

#### **e. Status of Product/service quality inspection**

Recognizing the importance of project quality to the image and reputation of a business, the Unit always focuses on strictly complying with regulations of the State and the Ministry of Transport on management to ensure work quality. The unit has built and

issued an internal quality management system, meeting the quality management requirements of the construction projects the Unit participates in.

**g. Marketing activities**

The Road Repair & Management Section is a revenue-generating public non-business unit, mainly performing maintenance and repair tasks assigned by superiors. Therefore, the Unit has not focused on market development, image introduction and marketing activities are almost non-existent. The reputation of the Road Repair & Management Section is built mainly due to the quality of services the Unit provides and experience over many years.

**h. Trademarks, patent and copyright registration**

Currently, the Road Repair & Management Section does not have a commercial brand certified by the authorities. However, during its operation, the Unit has been highly trusted by leaders, units in the industry and relevant agencies in many localities and customers.

**i. Ongoing and signed major contracts**

- Contract No.: 0305/2024/HD-TCXL. Work: Repair of traffic safety system in Section km211+00-Km280+200, National Road 3B, Tuyen Quang province, signed with Road Construction and Maintenance Company Limited 232

- Economic contract No. 35/HDKT dated April 1, 2024: Management and Periodic maintenance of National Road 37 from Km172+800-Km238+152, Tuyen Quang province (Implementation time in 2024) signed with Road Joint Stock Company 232

- Economic contract No. 36/HDKT dated April 1, 2024: Management and Periodic maintenance of National Road 2C from Km49+750-Km135+540, Tuyen Quang province (Implementation time in 2024) signed with Road Joint Stock Company 232

- Economic contract No. 37/HDKT dated April 1, 2024: Management and Periodic maintenance of National Road 2D from Km129+560-Km2151+560, Tuyen Quang province (Implementation time in 2024) signed with Road Joint Stock Company 232

- Economic contract No. 01/2024/HĐ-BDTX dated January 12, 2024: Regarding providing management and periodic maintenance services for Provincial road 189 route in 2024 (Section from Km20+00 - Km57+00, Ham Yen district, Tuyen Quang province) signed with the Management Board of Public Products and Services to use the state budget from regular expenditure sources in Ham Yen district.

**7.2. Financial situation and results of production and business activities in the 3 years before transformation:**

**Table 8: Financial situation and results of production and business activities in the period of 2020-2022**

No.	Criteria	Unit	Year 2020	Year 2021	Year 2022
1	Total assets	Million dong	5,041,27	5,947,85	10,362,4

2	Liabilities	Million dong	3,087,36	4,043,09	6,185,88
2.1	In which, overdue debt	Million dong	0	0	0
2.2	Unpaid liabilities	Million dong	0	0	0
3	Receivables with inability to pay	Million dong	0	0	0
4	Operational results				
4.1	Total revenue	Million dong	11,679,17	11,917,05	14,417,53
-	Revenue from administrative and business activities	Million dong	0	800,00	
-	Revenue from production, business and service activities	Million dong	11,678,44	11,115,98	14,407,01
-	Revenue from financial operations	Million dong	0,73	1,07	0,52
-	Other income	Million dong	0	0	10,00
4.2	Total cost	Million dong	11,607,72	11,672,4	14,299,65
-	Administrative and professional operating expenses	Million dong	0	800	0
-	Cost of production, business and service activities	Million dong	11,607,72	10,872,4	14,297,24
-	Financial expenses	Million dong	0	0	0
-	Other costs	Million dong	0	0	2,41
4.3	Surplus/deficit during the year	Million dong	71,44	244,65	117,88
5	Total number of employees	People	58	52	52
6	Total wage fund	Million dong	2,230,3	3,175,1	3,014,7
7	Average income per person/ month	Million dong	5,2	6,1	5,79

(Source: Financial statements in 2020, 2021, 2022 of the Road Repair & Management

### **7.3. Factors affecting the production and business activities of the Unit**

During its operation, the Unit is also influenced by many factors affecting the production and business process, specifically:

#### **- Advantages:**

The Road Repair & Management Section always receives periodic and timely attention and direction from superior leaders, especially the Department of Transport of Tuyen Quang province, with the collective efforts of the workers, solidarity, and striving to complete assigned tasks.

- The ideological situation of workers is stable, they believe in the Party's guidelines, and they well comply with the State's legal guidelines and policies. With the requirements of assigned tasks, employees always uphold the sense of responsibility in their work, and the Unit's collective is always united. Regularly receive political and ideological education and are fully cared for about policies and regimes, so employees can feel secure in their work and stick with the Unit.

- The Unit's leadership and key staff have professional qualifications, management capacity and extensive experience in the field of construction and installation of road works, management and use and maintenance of road infrastructure; has a team of scientific and technical staff and skilled technical workers.

- The unit has built a reputation in road maintenance work. All projects constructed by the Unit ensure progress and technical quality, creating trust with investors and external partners.

#### **- Disadvantages:**

Investment costs for periodic road repairs are low, and the working life and income of maintenance workers still face many difficulties.

- The Unit's management area stretches across remote communes of the province, so there are difficulties in managing production, the management and protection of road corridors is complicated because of uneven educational levels. Fund payments by investors are still slow, greatly affecting the production and business efficiency of the Unit.

- The Unit's operating model up to now has been to manage, use and maintain road infrastructure, ensuring traffic in the assigned area. All business activities focus on road maintenance; Human capacity, construction equipment, and construction experience to participate in bidding projects are very limited. Investment in improving capacity and building a reputable brand in the field of basic construction has not been focused on. This is a huge difficulty that needs to be built in a not short period of time.

- The Road Repair & Management Section operates in the field of road maintenance and management. This field is currently highly socialized, all businesses can participate, so competition is strong. In bidding for the maintenance of National Highways in Tuyen Quang province, the Unit is not allowed to participate, which is a huge obstacle to the development of production and business and the construction capacity of the Unit.

### **8. Position of the Unit compared to other units in the same sector**

**- Position of the Unit in the sector;**

The current road management and maintenance work is still the strength of the Unit, with many years of operating experience, always receiving the trust of the Provincial People's Committee and the people of Tuyen Quang province. Therefore, this is a favorable condition for the Unit compared to other businesses in the area.

**- Sector development prospects**

Vietnam's economy is currently integrating more and more deeply, people's lives are increasingly improving. In parallel with that, the road traffic system is also increasingly receiving investment attention, in order to meet its role as a driving force in promoting socio-economic development, ensuring national defense, and international integration. In recent years, road transport has played a key role when the proportion responsible for passenger transport accounts for 94.29% of the total volume of passenger transport and 77.47% of the total volume of freight transport, especially in regions with a high proportion of goods transported by road such as the Central Highlands, North Central Coast, South Central Coast, Northern Midlands and Mountains.

Recently, the Vietnam Road Administration submitted a maintenance plan to the Ministry of Transport with a budget of 11,829 billion VND, higher than the allocated nearly 10,500 billion VND. The issue of road maintenance is a necessary issue for the State for the economy and national defense as well as creating necessary conditions to attract foreign investors to participate in promoting the country's economy. In Decision No. 1454/QD-TTg of the Prime Minister approving the Road Network Development Plan for the period 2021-2030, with a vision to 2050, the expressway network is planned to have 41 routes, total length about 9,014 km long by 2050, of which, by 2030, strive to complete the construction of about 5,000 km of expressways.

Currently, the road system in Tuyen Quang province has had a remarkable development, basically meeting the infrastructure for socio-economic development and tourism with 563.77km of national highways and 451.43km of province roads, over 1,100km of district roads and over 303km of urban roads are invested and distributed evenly and reasonably throughout the province. Along with that, the Department of Transport also regularly updates and statistics the traffic infrastructure system in the province to serve management and development of maintenance plans.

Road maintenance work is not only the work of state-owned enterprises carried out by order method, this is the constraint for non-state enterprises and units. Currently, road maintenance management is an opportunity for equitized enterprises to participate in the bidding that are qualified in terms of equipment and machinery as well as good human resources. Therefore, the road traffic industry in general and road maintenance management in particular in the future will be an indispensable and focused industry in socio-economic development in our country.

**- Evaluation on the compatibility of the Unit's development orientation with industry orientation, State policies, and general trends in the world**

The unit achieved the goal of overcoming all difficulties, constantly consolidating

and upgrading existing facilities to suit the current business needs of the market. The unit also aims to maintain and develop business market share, improve existing capacity, and focus on improving management, especially focusing on investing in the application of science and technology in management and operations, fostering and improving the professional expertise and service awareness of the workforce.

Thus, the Unit has a correct view of its position and role as well as a development orientation consistent with the development potential of the industry and the State's policies.

**9. Investment plan and development strategy of the Unit after converting into a Joint Stock Company:**

**a. Some key information about the investment plan and development strategy of the Unit after transformation into a joint stock company**

**Objectives:**

- Build a stronger, more effective Joint Stock Company model on the basis of reasonable use of human resources;
- Improve corporate governance capacity, higher linkages in finance, technology and market.
- Build and develop good services, higher competitiveness.
- Build a management team and better skilled workers
- Develop and improve company performance. Promote the development of business activities, maximize the potential of machinery, equipment, and labor resources to improve productivity and quality.
- Improve existing production and business capacity and open many types of service businesses to stabilize the economy, create jobs and increase income for staff and workers. Continue to bring the business to stable and sustainable development
- Stabilize, rearrange the organizational structure, and redeploy labor to save management costs and improve labor productivity.

**Orientation:**

The unit provides basic directions for its development strategy after officially switching to operating under the joint stock company model as follows:

- Continue to maintain and develop traditional markets, gradually expanding production and business sectors.
- Grasp and participate in construction bidding packages as well as road maintenance and repair bidding packages in the province and across the country.
- Improve operational capacity, best meet the needs of partners. Through investment cooperation to improve management level.
- Focus on high-quality workforce, arrange and reorganize the streamlined apparatus, train new and retrain the workforce. Apply information technology to reasonable operations and management to improve the working environment to increase labor productivity.

**b. The system of main economic indicators of the production and business plan for the 3 consecutive years after transformation into a Joint Stock Company:**

**Table 9: Some basic planning targets after transforming into a joint stock company**

No	Criteria	Unit	Planning targets		
			Year 2024	Year 2025	Year 2026
1	Basic construction plan	Million dong	0	500	700
-	Basic construction investment plan	Million dong	0	0	200
-	Investment plan/purchase of equipment and machinery	Million dong	0	500	500
2	Charter capital	Million dong	4,000	4,000	4,000
3	Total number of employees	People	45	50	55
4	Total wage fund	Million dong	4,145,4	4,854	5,867,4
5	Average income of workers	million dong/person/month	7,35	8,09	8,89
6	Total revenue	Million dong	15,435	16,361	17,343
7	Total cost	Million dong	15,120	15,876	16,829
8	Realized profits	Million dong	315	485	514
9	Dividend rate	%	4%	5%	5%

*(Source: Road Repair & Management Section)*

**10. Charter capital and charter capital structure of the unit after transformation into a Joint Stock Company:**

**a. Charter capital:**

Pursuant to Decision No. 192/QD-UBND dated April 18, 2022 of the Provincial People's Committee on approving the list of transformation of public non-business units into joint stock companies for the period 2022-2025; Decision No. 389/QD-UBND dated October 16, 2023 of the People's Committee of Tuyen Quang province on announcing the value of public non-business units; Actual value of state capital at the Road Repair & Management Section as of January 1, 2023.

The actual value of state capital at the Unit is rounded to: VND 4,030,830,000 (In words: Four billion thirty million eight hundred thirty thousand dong)

Pursuant to:

Appraisal report on the value of the public non-business unit and the total value of the State capital in the unit approved by the Provincial People's Committee;

Direction of production and business plan of the Unit after converting to a Joint Stock Company;

Production and business management capacity of the Unit's management apparatus;  
Investment plan for construction of facilities, investment in machinery and equipment of the Unit after transformation;

Autonomy and cooperative relationships with partners and credit institutions related to mobilizing capital for business and investment activities.

The Road Repair & Management Section sets the expected charter capital as follows:

- Expected charter capital of joint stock company: **VND 4,000,000,000** (in words: Four billion dong)

- Par value per share: VND 10,000/ share.

- Total ordinary shares: 400,000 shares

**Table 10: Expected charter capital structure after transformation**

No.	Subjects	Number of shares	Value (VND)	Rate (%)
<b>I</b>	<b>Charter capital after transformation</b>	<b>400,000</b>	<b>4,000,000,000</b>	<b>100%</b>
1	Value of shares held by the State	196,000	1,960,000,000	49%
2	Value of Shares sold to employees in the Unit, including:	123,700	1,237,000,000	30.925%
2.1	The value of preferential shares sold to employees depends on the actual time working in the State sector	79,100	791,000,000	19.775%
2.2	The value of Shares sold to employees depends on the number of years committed to working at the Joint Stock Company	44,600	446,000,000	11.150%
3	Value of Trade Union Shares	0	0	0
4	Value of shares sold to strategic investors	0	0	0
5	Public auction shares for ordinary investors	80,300	803,000,000	20.075%

*(Source: Road Repair & Management Section)*

**b. Plan to increase or decrease charter capital after transforming into a joint stock company:**

None.

**11. Expected Risk:**

**a. Economic risks:**

Every economy always contains certain risks. These risks come from the volatility of fundamental factors in the economy: economic growth, inflation, interest rates, exchange rates. The Road Repair & Management Section is a subject participating in the economy, so it is not outside the influence and impact of changes in those factors.

**b. Legal risks:**

The Road Repair & Management Section is in the process of transforming from a public non-business unit to a joint stock company, so the unit's operations are governed by relevant documents during the transformation process. After transformation into a joint stock company, the Company will be governed by the Law on Enterprises, Securities Law and other specialized laws relating to the business activities of the Company.

The legal system of Vietnam is currently in the process of improvement, the application of the law provisions to the reality of business operations of the Company is still difficult, not timely and inconsistent. It is expected that these laws will continue to be adjusted to be more appropriate and strict in the coming time, thus also affecting the business operations of the Unit. The Unit can completely limit legal risks through their own understanding of the law or through professional consultations of law consulting units.

However, the positive side of these changes is to create an increasingly tight and scientific legal corridor in accordance with international legal and practice system, facilitating the attraction of foreign investment resources as well as making domestic production and business activities more convenient.

**c. Specific risks:**

Road maintenance is a periodic job, creating the main source of revenue, accounting for a large proportion of the Unit's revenue structure. The nature of the work is often small, scattered and unscheduled on all roads in the province managed by the Unit, so the use of machinery and equipment is daily, even all night when there are traffic unsafe incidents, traffic jams or traffic accidents that damage traffic works. The quality of construction works is greatly influenced by the quality of machinery and equipment and the knowledge and experience of workers.

**d. Risks of the offering:**

The State advocates massive withdrawal of capital from state-owned enterprises during this period, which clearly created competition between companies when the number of investors had to be divided among a large number of divesting companies in the market. Besides, due to operating in the public utility sector, the interest of investors in the Unit is not much.

**e. Other risks:**

In addition to the risks mentioned above, there are also some force majeure risk factors such as: natural disasters, fires, wars or dangerous epidemics on a large scale. These risks can affect and cause damage to property, people and the overall operations of the Unit.

**12. Share sale and payment method**

**a. Selling method**

**- For employees:**

- Selling preferential shares to employees based on actual working time in the State sector**

Pursuant to Points a and b, Clause 1, Article 37 of Decree 150/2020/NĐ-CP dated December 25, 2020 on converting public non-business units into joint stock companies

*1. Policy on selling shares to employees at transformed public non-business units:*

*a) Subjects buying shares at preferential prices include: Officials and employees working under labor contracts in public non-business units at the time of determining the value of the transformed public non-business unit;*

*b) The subjects specified in Point a, Clause 1 of this Article are allowed to buy a maximum of 100 shares for each year they actually work in the public sector (including the entire time worked at units/organizations). in the public sector) with a selling price equal to 60% of the value of 01 share calculated at par value (VND10,000/share);*

*c)....*

*d) The number of shares sold at preferential prices as prescribed in this Clause must be held by the employee and cannot be transferred within 03 years from the time of payment to purchase preferential shares;*

Based on that basis, the Unit develops a plan to purchase shares for employees working under labor contracts in public non-business units at the time of determining the value of the transformed public non-business unit according to the working hours in the State sector are as follows:

- Total number of employees at the time of : 52 people determining the value of the public non-business unit
- Total number of employees registered to : 50 people buy shares
- Total number of shares registered by : 79,100 shares, equivalent to VND 791,000,000 par value, accounted for 19.775% of Joint Stock Company's charter capital
- Selling price : 60% of the value of 01 share calculated according to par value (10,000 VND/share), equivalent to 6,000 VND/share
- Transfer restrictions : No transfer is allowed within 3 years from the time of payment to purchase preferred shares.
- Period of implementation: : After the plan on transformation of the public non-business unit is approved

  

- **Sell preferential shares to employees according to the time commitment to work at the joint stock company.**

Pursuant to the provisions of Clause 2, Article 37 of Decree 150/2020/NĐ-CP dated December 25, 2020 on converting public non-business units into joint stock companies

*"2. Officials and employees working under the labor contract of a public non-business unit at the time of determining the value of the transformed public non-business unit, are subject to the transformation public non-business unit to be used and have a long-term commitment to working for the joint stock company for at least 03 years (from the date the enterprise is first granted the Business Registration Certificate) will be able to buy additional shares according to the following regulations:*

*a) Purchase additionally at the rate of 200 shares/ 01 year of commitment to continue working in the enterprise but not exceeding 2,000 shares for each employee.*

*Particularly, laborers who are good experts and have high professional qualifications are allowed to buy additional shares at the rate of 800 shares/ 01 year of commitment to continue working in the enterprise but not exceeding 8,000 shares for each employee. The transformed public non-business unit, based on the specific characteristics of its industry and business field, develops criteria to identify good experts with high professional qualifications, approved at the unit's employee conference, public service organization before converting into a joint stock company and submitting to the agency for approval of the transformation plan for decision.*

*b) The selling price of shares for employees to purchase additional shares specified in Point a of this Clause is the fall-back price approved by the competent authority specified in Article 39 of this Decree in the equitization plan;*

*c) Each employee is only entitled to the right to buy additional shares according to the level determined in point a of this clause;*

*d) The number of additional shares employees can buy as prescribed in Point a, Clause 2 of this Article is determined according to the maximum commitment time to continue working until full retirement age for employees under normal working conditions, according to the provisions of the current Labor Code;*

*d) The number of additional shares purchased by employees as prescribed in Point a, Clause 2 of this Article will be transformed into common shares after the end of the commitment period..."*

The unit organized a conference for workers, officers, civil servants and public employees to disseminate to employees the policy of buying shares for employees. The plan for additional share purchase for employees to be employed by Unit and committing to work for a long time at joint stock companies.

**Situation of registration on additional share purchase by the time of commitment to work at joint stock company is as follows:**

Number of employees moved to joint stock company : 45 people

Number of employees registering to buy shares at the time of commitment to work at Joint Stock Company

Total number of shares registered by the employee to buy more according to the number of commitment years. : 44,600 shares, equivalent to VND 446,000,000 par value, accounted for 11.15% of Joint Stock Company's charter capital

Selling Price	: The Fall-back price is approved by the competent authority in the transfer plan;
Transfer restrictions	: No transfer is allowed during the commitment period
Expected time	: After the transformation plan is approved

A detailed list of the number of employees, the number of years of commitment and the number of shares to be purchased according to the year of commitment to work at the joint stock company is presented in detail in the Appendix attached to the Labor Plan.

Total shares purchased by employees according to regulations (purchased according to the actual working time in the State sector and purchased according to the committed time to work at joint stock companies) are: 123,700 shares, equivalent to VND 1,237,000,000 par value - accounting for 30.925% of joint stock company's charter capital.

- **For trade unions:** 0 shares
- **For strategic investors:** 0 share
- **For investors participating in the auction:**

Pursuant to the Decision No. 176/QD-UBND dated May 18, 2024 of the People's Committee of Tuyen Quang province on approving the Plan on transformation of the Road Repair and Management Section into Joint Stock Company.

Total shares auctioned	: <i>80,300 shares (corresponding to 803,000,000 VND, accounting for 20.075% of the expected charter capital of the Joint Stock Company)</i>
Fall-back price	: <b>VND 10,000/ share.</b>
Selling method	: Public auction for investors who are domestic and foreign individuals and organizations according to the provisions of law.
Consulting unit to develop auction documents	: <b>Royal International Securities Joint Stock Company</b> 12th Floor, CDC Building, No. 25 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung, Hanoi
Organize auctions	: <b>Royal International Securities Joint Stock Company</b> Address: 12th Floor, CDC Building, No. 25 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung, Hanoi
Auction duration	: Expected in the second quarter of 2024
Participants in the auction	: Individual investors, domestic and foreign institutional investors as prescribed in Article 6 of Decree 150/2020/ND-CP

Handling unsold shares and readjusting charter capital and charter capital structure according to the results of share sale as prescribed in Article 32 of Decree 150/2020/NĐ-CP:

*"Article 32. Handle the number of unsold shares and readjust the charter capital and charter capital structure according to the results of the share sale*

*1. Based on the plan to convert the public non-business unit approved by the competent authority, the Steering Committee will sell shares to employees and trade unions in the transformed public non-business unit. The number of shares that employees and trade unions refuse to buy under the transformation plan, the Steering Committee reports to the competent authority to approve the transformation plan specified in Article 39 of this Decree to add to the number of shares auctioned to the public.*

*2. Based on the results of the share auction, the Steering Committee reports to the competent authority specified in Article 39 of this Decree to readjust the charter capital and charter capital structure to ensure the following principles:*

*- In case a public non-business unit converts in the form of selling part of state capital combined with issuing additional shares but the issued shares are not sold out, the number of shares sold is determined as the number of additional shares issued according to the approved transformation plan. In case the total number of shares sold in the prescribed forms (including the number of shares sold to strategic investors) is greater than the number of additional shares issued according to the transformation plan, the increased difference is determined to be the shares of semi-state capital;*

*- The number of shares sold at incentives to employees is determined to be the number of shares sold with state capital.*

*3. In case no investor registers to buy shares, the Steering Committee will sell shares to employees and trade unions in the public non-business unit according to the approved transformation plan, and at the same time carry out other procedures in order to convert a public non-business unit into a joint stock company, the number of unsold shares is the basis for adjusting the charter capital and charter capital structure according to the provisions of Clause 2 of this Article.*

*4. In case there is only 01 investor registering to buy shares, the Steering Committee will make an agreement to sell shares to the investor who has registered to buy shares at a selling price not lower than the Fall-back price with the volume registered to buy properly. If the investor does not buy, the transformed public non-business unit shall comply with the provisions of Clause 3 of this Article.*

*5. In case after the public auction all winning investors in the public auction refuse to buy, the transformation of the public non-business unit shall be carried out according to the provisions of Clause 3 of this Article.*

*6. In case a part of the shares offered in the public auction has been sold, the remaining number of shares that have not been sold in the public auction (including the number of shares that investors have won but refuse to buy) is carried out in the following order:*

*a) The Steering Committee continues to notify investors who have participated in the valid auction (not including investors who have won the auction in the public*

*auction) to sell the agreement to these investors in accordance with the registered volume and bid price at the auction according to the principle of selecting the agreed price from the highest quoted price to the lowest announced auction price or lower for the sufficient number of shares remaining to be sold;*

*b) If all shares are not sold to investors after agreement, the Steering Committee will continue to notify winning investors in the public auction (excluding investors who won the auction but refused to buy) to agree to sell to these investors with the selling price being the bid price at the auction of each investor according to the principle of selecting the agreed price from the highest paid price to the lowest price of the announced auction or lower for the sufficient number of shares remaining to be sold;*

*c) In case the number of shares is not sold out as prescribed in Points a and b of this Clause, the transformed public non-business unit shall comply with the provisions in Clause 3 of this Article."*

**b. Payment method and payment term**

For successful auction investor: According to the Regulations on the initial public auction of shares of the Road Repair & Management Section.

**13. Plan to use the proceeds from the sale of shares**

Based on the actual value of the state capital in the unit and the ratio of state capital contribution to the joint stock company, the unit plans to use the proceeds from converting the unit into a joint stock company, temporarily calculated according to the plan assuming all the number of shares sold are sold out with a Fall-back price of 10,000 VND/share and the agreed selling price, the expected successful auction price is 10,000 VND/share. Details are as follows:

**Table 11: Plan to use the proceeds from the sale of shares**

Criteria	Note	Shares	Selling price	Value (VND)
Actual value of State capital in public non-business units	(1)			4,030. 834,228
Charter capital of joint stock company	(2)	400,000	10,000	4,000,000,000
State capital at joint stock companies	(3)	196,000	10,000	1,960,000,000
The value of the State capital sold off is calculated according to par value	(4)	204,000	10,000	2,040,000,000
The value of additional shares issued is calculated according to par value	(5)	0	0	0
The proceeds from converting the unit into a Joint Stock Company	(6)= (7)+(11)	-	-	1,723,600,000
Sell to employees	(7)=(8.1) +(8.2)			920,600,000
- Purchase of incentives according to the actual working time in the State sector	(8.1)	79,100	6,000	474,600,000
- Buy according to the time commitment to work at the Joint Stock	(8.2)	44,600	10,000	446,000,000

Company				
Sales to union	(9)	0	0	0
Sell to strategic partners	(10)	0	0	0
Expected first auction	(11)	80,300	10,000	803,000,000
The amount left in the Company	(12)	0		0
Share premium	(13)	0		0
The difference between the actual value of state capital and charter capital must be paid to the State	(14)=(1) -(2)			30. 834,228
Cost of converting the unit into a joint stock company	(15)			632,000,000
Expenses for settlement of redundant labor policies	(16)			0
Sources handle transformation costs	(17)=(18) )			632,000,000
- From proceeds from selling shares	(18)=(11) )			632,000,000
- From surplus				0
- From the enterprise arrangement support fund				0
Expected amount of money to be paid to the state budget	(19)			1,122,434,228

(Source: Road Repair & Management Section)

**14. Persons mainly responsible for the content of information about transformed public non-business units:**

**a. The steering committee of transformation of public non-business units**

**Mr. Ha Trung Kien** – Director of the Department of Finance, Standing Deputy Head of the Steering Committee for transformation of public non-business units.

**b. Road Repair & Management Section**

**Mr.: Vu Tien Son** - Director of Road Repair & Management Section

We take full responsibility for ensuring that the information and data in this Information Disclosure are completely truthful, in accordance with the facts and in accordance with the law on converting public non-business units into joint stock companies so that investors can evaluate the assets, operations, financial situation and results and development prospects of the Road Repair & Management Section. This Information Disclosure is for reference only. The Investors should refer to other relevant documents before deciding to register to buy shares./.

**REPRESENTATIVE OF  
TRANSFORMED PUBLIC NON-  
BUSINESS UNIT: TUYEN QUANG  
ROAD REPAIR AND MANAGEMENT  
SECTION  
DIRECTOR  
(Signed and sealed)**

**REPRESENTATIVE OF  
THE STEERING COMMITTEE FOR  
TRANSFORMATION OF PUBLIC  
NON-BUSINESS UNITS  
STANDING DEPUTY HEAD OF THE  
STEERING COMMITTEE  
DIRECTOR OF THE DEPARTMENT  
OF FINANCE  
(Signed and sealed)**

**Vu Tien Son**

**Ha Trung Kien**

**REPRESENTATIVE OF THE CONSULTING UNIT  
INTERNATIONAL ROYAL SECURITIES JOINT STOCK COMPANY  
DIRECTOR OF CORPORATE FINANCIAL CONSULTING DIVISION  
(Signed and sealed)**

**Hoang Van Bo**

Tôi, Đặng Thị Hiền Mai, CCCD số: 011300000005 do Cục cảnh sát quản lý hành chính về trật tự xã hội cấp ngày 02/03/2022; cam đoan dịch chính xác giấy tờ/ văn bản này từ tiếng Việt sang tiếng Anh.  
I, Dang Thi Hien Mai, ID Card no. 01130000005 issued on 02/03/2022 by Police Department for Administrative Management of Social Order, commit that I exactly translated the content of this document from Vietnamese to English.

Người dịch

Translator



Đặng Thị Hiền Mai

Dang Thi Hien Mai

### LỜI CHỨNG CỦA CÔNG CHỨNG VIÊN/ NOTARY TESTIMONY

Hôm nay, ngày 03 tháng 6 năm 2024 (Ngày mùng ba, tháng sáu, năm hai nghìn không trăm hai mươi tư)  
Today, dated 03/06/2024 (on the Third of June, the year of two thousand and twenty-four)

Tại Văn phòng Công chứng Nguyễn Huệ, địa chỉ tại số 165 Giảng Võ, phường Cát Linh, quận Đống Đa, thành phố Hà Nội.

at Nguyen Hue Notary Office – Address at: No. 165 Giang Vo, Cat Linh Ward, Dong Da District, Hanoi City.  
Tôi, - Công chứng viên, trong phạm vi trách nhiệm của mình theo quy định của pháp luật.  
I, **CÔNG CHỨNG VIÊN** - Public Notary, within the range of my responsibility as provided for by law.

### CHỨNG NHẬN/ CERTIFY THAT

Bản dịch này do bà Đặng Thị Hiền Mai, CCCD số: 01130000005 do Cục cảnh sát quản lý hành chính về trật tự xã hội cấp ngày 02/03/2022, là công tác viên phiên dịch của Văn phòng Công chứng Nguyễn Huệ, thành phố Hà Nội, đã dịch từ tiếng Việt sang tiếng Anh.

- This translation is made from Vietnamese to English by Mrs. Dang Thi Hien Mai, ID Card no. 01130000005 issued on 02/03/2022 by Police Department for Administrative Management of Social Order, is translation collaborator of Nguyen Hue Notary Office, Hanoi City.
- Chữ ký trong bản dịch đúng là chữ ký của bà Đặng Thị Hiền Mai
- The signature on the document is the signature of Mrs. Dang Thi Hien Mai
- 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, compliant with the law and not against social morality;
- Văn bản công chứng này được lập thành 05 bản chính, mỗi bản gồm 35 tờ, 35 trang, lưu 01 (một) bản tại Văn phòng Công chứng Nguyễn Huệ, thành phố Hà Nội.
- The notarized translation is made into 05 originals included 35 sheets, 35 pages, 01 (one) of which is kept in Nguyen Hue Notary Office, Hanoi City.

Số công chứng : **10748** Quyển số: 01 /2024 TP/CC-SCC/BD  
Notarization No.: Book No.: 01 /2024 TP/CC-SCC/BD

CÔNG CHỨNG VIÊN



CÔNG CHỨNG VIÊN  
**Trần Thị Huyền**