

THE STEERING COMMITTEE FOR EQUITISATION OF KON TUM WATER SUPPLY CO., LTD ADVISES THE INVESTOR TO CAREFULLY READ THE INFORMATION IN THIS DOCUMENT AND AUCTION REGULATIONS BEFORE REGISTERING FOR AUCTION.

**DISCLOSURE OF INFORMATION
SELLING STOCKS FOR THE FIRST TIME
KON TUM WATER SUPPLY CO., LTD**

EQUITISATION BUSINESS

KON TUM WATER SUPPLY CO., LTD

Address: No. 182, Tran Phu Street, Truong Chinh Ward, Kon Tum City, Kon Tum Province
Tel: (0260) 3862.246

ORGANIZATION OF AUCTION



HANOI STOCK EXCHANGE

Address: No. 2 Phan Chu Trinh - Hoan Kiem - Hanoi
Tel: (84-24) 3941 2626 Fax: (84-24) 3934 7818

CONSULTANCY ORGANIZATION:



Royal International Securities Corporation

Address: Floor 12, CDC Building, 25 Le Dai Hanh, Hai Ba Trung, Hanoi
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TABLE OF CONTENTS

LEGAL GROUNDS	6
I. NAME AND ADDRESS OF EQUITISATION ENTERPRISE.....	7
II. BUSINESS LINES.....	7
III. MAJOR PRODUCTS AND SERVICES.....	8
IV. TOTAL LABORS TRANSFERRED TO JOINT STOCK COMPANY.....	8
V. VALUE OF ENTERPRISES AT THE TIME OF DETERMINING VALUE OF ENTERPRISES.....	9
VI. MAJOR ASSETS OF ENTERPRISES	10
1. The land situation is in use	10
2. House, building materials	12
3. Devices and equipment.....	13
4. Means of transportation	18
VII. LIST OF PARENT COMPANY AND SUBSIDIARIES	18
VIII. BUSINESS PERFORMANCE AND RESULTS OF BUSINESS OPERATIONS IN 3 YEARS BEFORE THE EQUITY	18
1. Business performance.....	18
2. Financial situation and results of production and business activities in the 3 years before equitization	23
3. Factors affecting the production and business activities of the Company	24
IX. THE POSITION OF THE COMPANY WITH OTHER ENTERPRISES IN THE INDUSTRY.....	25
1. Company's position in the industry	25
2. Development prospects of the industry	26
3. Evaluation of the development orientation of the company with the direction of the industry, the policy of the State	27
X. INVESTMENT PLANS AND DEVELOPMENT STRATEGY OF ENTERPRISES AFTER EQUITIZATION	27
1. Development orientation of the company after equitization	27
2. Investment plan after equitization	28
3. The main economic indicator system of the production and business plan in the 3 consecutive years after the equitization.....	29

<i>(Source: Equitization plan of the Company)</i>	30
XI. CHARTER CAPITAL AND CHARTER CAPITAL STRUCTURE	30
1. Charter capital.....	30
2. Estimated capital structure.....	30
<i>(Source: Equitization plan of the Company)</i>	30
3. Plan to increase and decrease charter capital: No	30
XII. PROPOSED RISKS	30
1. Economic risk	30
2. Legal risk	31
3. Specific risk.....	31
4. Risks of the offer	32
5. Another risk.....	32
XIII.SALE OF PAYMENT AND PAYMENT	32
1. Method of sale	32
2. Payment method and payment term	35
XIV.PLAN OF USE OF COLLECTION FROM CHEMICALS	35
XV. THE PERSONS TAKE MAIN RESPONSIBILITY FOR THE CONTENTS OF INFORMATION	37
1. Steering Committee for equitization of Kon Tum Water Supply Co., Ltd	37
2. Kon Tum Water Supply Co., Ltd	37
3. Representatives of consultancy organizations.....	37

101
C
A
101

LIST OF TABLES

Table No. 1: Business lines of the company before equitization.....	7
Table No. 2: Labor structure transferred to Joint Stock Company	8
Table No. 3: Value of business as of 01/10/2017	9
Table No. 4: The land situation of enterprises are using	10
Table No. 5: Situation of houses, architectures at 01/10/2017	12
Table No. 6: Situation of machinery and equipment as of 01/10/2017	13
Table No. 7: Situation of transport means as of 31/12/2016	18
Table No. 8: Net revenue structure for 2015 to 2017	18
Table No. 9: Gross profit structure from 2015 to 2017	9
Table No. 10: Proportion of the costs of the Company from 2015 to 2017	20
Table No. 11: Financial situation and results of production and business activities.....	22
Table No. 12: Investment plan, construction after equitization	27
Table No. 13: Some basic plans after the share.....	28
Table No. 14: Structure of chartered capital after equitization.....	29
Table No. 15: Plan to use proceeds from the sale of shares	34

CONCEPTS AND ABBREVIATIONS

1. "*Company*": Kon Tum Water Supply Co., Ltd
2. "*Shares*": The charter capital is divided into many equal parts.
3. "*Stocks*": Securities certifying the legitimate rights and interests of the owners of a part of shares.
4. "*Shareholder* ": An organization or individual owning one or several shares and having registered the name in the shareholder register.
5. "Dividend": The net profit is paid for each share in cash or other assets from the remaining profit after the fulfillment of the financial obligations.
6. "*Charter capital*": All shares are contributed by the shareholders and are stipulated in the company charter.
7. The words or phrases used in this Disclosure are as follows:

JSC: Joint Stock Company/ Corporation

Limited Liability Company: One Member Limited Liability Company

DHĐCĐ: General Meeting of Shareholders.

HĐQT: Board of Directors

BKS: Control Board.

GD: Director

CBCNV: Employees and staffs

HĐLĐ: Labor contract

TSCĐ: Fixed assets

TSLĐ: Current assets

SGDCK: Stock Exchange

UBCKNN: State Securities Commission of Vietnam

UBND: People's Committee

CPH: Equitization.

DN: Enterprise.

GTDN: Value of business

LEGAL GROUNDS

- Pursuant to Civil Law No. 68/2014 / QH11 dated November 26, 2014 of the National Assembly of the Socialist Republic of Vietnam;
- Pursuant to the Government's Decree No. 126/2017/ND-CP dated November 16, 2017 on the transformation of State enterprises and one-member limited liability companies invested by State enterprises with 100% of charter capital into joint-stock companies;
- Pursuant to the Finance Ministry's Circular No. 40/2018 / TT-BTC of May 4, 2015 guiding the sale of shares for the first time and the management and use of proceeds from the equitization of State enterprises and one-member limited liability company which are invested by a State enterprise with 100% charter capital into a joint-stock company;
- Pursuant to the Prime Minister's Decision No. 58/2016 / QĐ-TTg of December 28, 2004, on the criteria for classification of State enterprises, State-owned enterprises and the list of State enterprises for the 2016-2020 period.
- Pursuant to the Decision No. 704 / QĐ-UBND dated 15/9/2015 of the People's Committee of Kon Tum Province on the equitization of Kon Tum Water Supply Co., Ltd;
- Pursuant to the Decision No. 703 / QĐ-UBND dated 15/9/2015 of the People's Committee of Kon Tum Province on the establishment of the Steering Committee for Equitization of Kon Tum Water Supply Co., Ltd;
- Pursuant to the Decision No. 103 / QĐ-BCĐ dated 29/9/2015 of the Steering Committee of the equitization of Kon Tum Water Supply Company Limited on the establishment of the Supporting Team of the Steering Committee for Equitization of Kon Tum Water Supply Co., Ltd;
- Pursuant to Decision No. 1447 / QĐ-UBND dated 29/12/2017 approving the value of Kon Tum Water Supply Co., Ltd for equitization;
- Decision No. 447 / QĐ-UBND dated 06/05/2016 of the People's Committee of Kon Tum Province approving the land use plan of Kon Tum Water Supply Co., Ltd when moving to joint-stock company;
- Official Letter No. 3057 / UBND-KT dated 14/11/2017 of the People's Committee of Kon Tum Province on the equitization of Kon Tum Water Supply Co., Ltd;
- Decision No. 145 / QĐ-BCĐ dated 18/6/2018 of the Steering Committee for Equitization of Kon Tum Water Supply Company Limited on the approval of the plan of selecting contractors for the package: Equitization consultancy of Kon Tum Water Supply Company Limited;
- Document No. 2182 / UBND-KT dated 3/8/2018 on the equitization of Kon Tum Water Supply Company Limited in the direction that the State owns 35% of charter capital in the company;
- Decision No. 2267 / UBND-KT dated 13/08/2018 of the People's Committee of Kon Tum Province on the initial time of offering shares of Kon Tum Water Supply Co., Ltd;

- Decision No. 869 / QĐ - UBND dated 17/08/2018 by Kon Tum Province People's Committee on approving equitization plan and transferring Kon Tum Water Supply Company Limited into Joint Stock Company .
- Document No. 2397 / UBND-KT dated 23/8/2018 on the authentication and correction of the document of the People's Committee of Kon Tum province relating to the equitisation of the Company

I. NAME AND ADDRESS OF EQUITISATION ENTERPRISE

- Vietnamese : KON TUM WATER SUPPLY CO., LTD
name
- Head office : No. 182, Tran Phu Street, Truong Chinh Ward, Kon Tum City,
Kon Tum Province
- English name: : Kontum Water Supply Company
- Phone : (0260) 3862.246
- Email : Capnuockontum@gmail.com
- The charter capital on enterprise registration certificate: 24,230,000,000 VND (*In words: Twenty four billion, two hundred thirty million VND*)

II. BUSINESS LINES

According to the Certificate of Business Registration No. 6100103828 issued by the Department of Planning and Investment of Kon Tum province for the first time on March 30, 1999, the fourth amendment dated November 24, 2015, the business lines registration of Company are as follows :

Table No. 1: Business lines of the company before equitization

No.:	Business line name	Business line code
1	Exploiting, processing and supplying clean water	3600 (main)
2	Producing non-alcoholic beverages, mineral water;	1104
3	Construction of other civil engineering works	4290
4	Installation of water supply, drainage, heating oven and air conditioning	4322
5	Agency, brokerage, auction Details: Agency	4610
6	Wholesale of other installing materials and equipments in construction	4663
7	Architectural activities and related technical consultancy Details: Investment consultancy, design of water supply and drainage, supervision of water supply, civil and industrial	7110

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No.:	Business line name	Business line code
	projects	
	Dedicated design activities Details: design of water supply and drainage works	7410
8	Wholesale of other installing materials and equipments in construction	4663
9	Retails of hardwares, paint, glass and other installation equipment in construction in specialized stores	7452
10	Purchase of machinery, electrical equipment	Lines do not match the code of the economic system of Vietnam

III. MAJOR PRODUCTS AND SERVICES

Being an enterprise operating in the field of providing public services, the business activities of the Company include the following main services:

- Production and supply of clean water, production of bottled water;
- Construction and installation of water supply;
- Acting as agents for purchase, sale, consignment of goods, electrical and water supplies;
- Investment consultancy, survey and supervision services for water supply and drainage, civil and industrial works, design consultancy for water supply;
- Operational area of the company: Kon Tum Water Supply Co., Ltd is the only company providing fresh water in Kon Tum province. The company produces and supplies clean water for the production and daily life activities of the conductor in Kon Tum City and neighboring districts and communes. In addition to the main activities of producing and supplying clean water, the Company also produces bottled water (20 liters), construction and installation of water supply for local people, organizations and companies in the province.

IV. TOTAL LABORS TRANSFERRED TO JOINT STOCK COMPANY

Based on the current situation of the current labor force of the enterprise, the demand for labor in the post-equitization period and the provisions of labor law to improve the production and business efficiency of the company, promote the capacity of the employees, the company plans to carry out the plan for rearranging labor as follows:

Table No. 2: Labor structure transferred to Joint Stock Company

Criteria	Quantity (person)	Density (%)
1. Classified by type of labor contract	71	100,00%
Not subject to sign labor contract	1	1,41%
Laborers working under the labor contract	70	98,59%
– <i>Indefinite-term labor contract</i>	60	84,51%
– <i>The labor contract determines the term of full 12 months to 36 months</i>	10	14,08%
2. Sort by level	71	100,00%
University and postgraduate	14	19,72%
College, Intermediate	3	4,23%
Technical workers	54	76,06%
3. Classified by gender	71	100,00%
Male	56	78,87%
Female	15	21,13%

V. VALUE OF ENTERPRISES AT THE TIME OF DETERMINING VALUE OF ENTERPRISES

The actual value of the enterprise as of 01/10/2017 according to the enterprise valuation results approved in Decision No. 1447 / QĐ-UBND dated 29/12/2017 by the Provincial People's Committee is: **VND 113,212,393,847** (In words: *One hundred and thirteen billion, two hundred and twelve million, three hundred and ninety three thousand, eight hundred and forty seven VND*).

In which:

- Payable debts: VND 29,910,393,111
- The actual value of the State capital portions according to the accounting book data after adjusted according to the enterprise valuation results: VND 83,302,000,736

Table No. 3: Value of business as of 01/10/2017

(UNIT: VND)

No.	Targets	Accounting data	Redefined data	Difference
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>(5)=(4)-(3)</i>
A	USED ASSETS	103,942,588,341	113,212,393,847	9,269,805,506
I	Fixed assets and long-term investment	79,832,588,708	88,872,894,312	9,040,305,604
1	Fixed assets	78,470,710,177	87,464,249,762	8,993,539,585

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No.	Targets	Accounting data	Redefined data	Difference
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>(5)=(4)-(3)</i>
2	Long-term financial investments	-	-	-
3	Construction cost in progress:	1,107,005,008	1,107,005,008	-
4	Long-term receivables	-	-	-
5	Long-term prepaid expenses	254,873,523	301,639,542	46,766,019
II	WORKING ASSETS AND SHORT-TERM INVESTMENTS	24,109,999,633	24,109,999,730	97
1	Cash and cash equivalents	9,657,733,610	9,657,733,707	97
2	Short-term financial investment	7,100,000,000	7,100,000,000	-
3	Receivables	2,442,943,178	2,442,943,178	-
4	Inventory	4,909,322,845	4,909,322,845	-
III	Value of business advantage of enterprise	-	229,499,805	229,499,805
B	ASSETS NOT USED	-	-	-
C	ASSETS WAITED FOR LIQUIDATION	-	-	-
D	Assets formed from economic-legal funds.	-	-	-
E	TOTAL VALUE OF ASSETS OF ENTERPRISES (A+B+C+D)	103,942,588,341	113,212,393,847	9,269,805,506
F	TOTAL REAL VALUE OF ENTERPRISES	103,942,588,341	113,212,393,847	9,269,805,506
F1	Payable debts	29,910,393,111	29,910,393,111	-
	TOTAL REAL VALUE OF STATE CAPITAL IN ENTERPRISES (E – F1)	74,032,195,230	83,302,000,736	9,269,805,506

(Source: Dossier for valuation of enterprises)

VI. MAJOR ASSETS OF ENTERPRISES

1. The land situation is in use

At present, Kon Tum Water Supply Company Limited is managing and using the land according to the following information:

Table No. 4: The land situation of enterprises are using

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No.	Address of house, land	Area (m ²)	Legal documents, origin of house	Land use status	Purpose of use
1	No. 182 Tran Phu Street, Truong Chinh Ward, Kon Tum City, Kon Tum Province	3,083.5	Decision No. 132 / QD-UB dated October 18, 1999 of the People's Committee of Kon Tum Province; - Land lease contract No. 05 / HDTD dated November 11, 1999	Land rent paid annually Land lease term of 50 years from 1/10/1999	The company's headquarter
2	Ure Road, Truong Chinh Ward, Kon Tum City, Kon Tum Province	7,899.6	Decision No. 181 / QD-UB dated 5/10/1997 of the People's Committee of Kon Tum Province; - Land lease contract No. 173 / HD-TD dated September 17, 1997	Land rent paid annually Land lease term of 50 years from 1/1/1996	Water treatment plant
3	No. 113 Dao Duy Tu Street, Truong Chinh Ward, Kon Tum City, Kon Tum Province	983.1	Decision No. 180 / QD-UB dated 5/10/1997 of the People's Committee of Kon Tum Province; - Land lease contract No. 155 / HD-TD dated September 17, 1997	Land rent paid annually Land lease term of 50 years from 1/1/1996	Pump Station I
4	No. 213 Tran Khanh Du Street, Duy Tan Ward, Kon Tum City, Kon Tum Province	1,037.5	Decision No. 990 / QD-UB dated 7/18/2004 of the People's Committee of Kon Tum Province;	Land rent paid annually Land lease term of 50	Water tower and Office 1 of the company

			- Land lease contract: Not yet	years from 18/7/2004	
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(Source: Kon Tum Water Supply Company Limited)

2. House, building materials

Table No. 5: Situation of houses, architectures at 01/10/2017

(UNIT: thousand VND)

No	Asset name	Unit	Quantity	Book value		Redefined value	
				Original price	Residual value	Original price	Residual value
1	2	3	4	6	7	8	9
1	Swimming pool 1000 m ³	m ³	1,000	1,154,570	346,371	1,154,570	346,371
2	Fence wall of pump station I	m	48	41,294	12,388	41,294	12,388
3	Storage tank and 2 valve pits (old)			1,192,760	357,828	1,192,760	357,828
3.1	Water tank 2	m ³	1000	-	-	1,154,570	346,371
3.2	Valve pit 1	m ⁴	7.5	-	-	7,306	2,192
3.3	Valve pit 2	m ⁵	31.7	-	-	30,884	9,265
4	Manufacture operation house and auxiliary facility			2,631,608	1,146,862.	2,631,608	1,136,794
4.1	Office houses	m ²	550.8	-	-	2,315,415	1,041,937
4.2	Garage	m ²	77	-	-	144,907	43,472
4.3	Guard house	m ²	9	-	-	26,971	8,091
4.4	Front fence	m	135	-	-	144,315	43,294
5	Material gathering yard	m ²	684	131,998	33,991	131,998	39,599
6	Bottled water workshop		201.6	737,466	337,812	737,466	368,733
6.1	House	m ²	201.6	-	-	683,817	341,908
6.2	Concrete floor	m ²	278	-	-	53,648	26,824
7	Fence of	m	263	274,184	138,426	274,184	137,092

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No	Asset name	Unit	Quantity	Book value		Redefined value	
				Original price	Residual value	Original price	Residual value
1	2	3	4	6	7	8	9
	treatment station						
8	Experimental house	m ²	54.6	185,200	88,637	185,200	92,600
Total				6,349,080	2,462,315	6,349,080	2,491,406

(Source: Dossier for valuation of enterprises)

3. *Devices and equipment*

Table No. 6: Situation of machinery and equipment as of 01/10/2017

(UNIT: thousand VND)

No	Asset name	Year of use	Unit	Quantity	Book value		Redefined value	
					Original price	Residual value	Original price	Residual value
1	2	3	4		6	7	8	9
1	Pump technology and water technology	1998	System	1	1,949,679	584,904	2,099,155	629,746
2	Pump station I technology	1998	System	1	1,778,230	533,469	1,914,560	574,368
3	Technology of filter settling treatment station	1998	System	1	1,848,783	554,635	1,990,523	597,157
4	Filter settling technology of phase 1	1998	System	1	109,439	32,831	117,829	35,349
5	Pump (new)	1998	psc	1	9,450	9,450	8,190	8,190
6	Distribution pipe 300 + 400	1998	System	1	3,594,476	718,895	3,090,080	679,817
7	Pipeline D100	1998	System	1	594,745	118,949	511,287	112,483
8	Pipeline D300 + D400	1998	System	1	4,676,811	935,362	4,020,536	884,518
9	Pipeline D100	1998	System	1	683,819	136,763	587,860	129,329

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No	Asset name	Year of use	Unit	Quantity	Book value		Redefined value	
					Original price	Residual value	Original price	Residual value
1	2	3	4		6	7	8	9
10	Pipeline D100 KaPaKoLong	1998	System	1	233,727	46,745	200,929	40,186
11	Pipeline D200	1998	System	1	633,140	126,628	544,294	108,859
12	Pipeline D150	1998	System	1	428,505	85,701	368,375	73,675
13	Clock verification system	2000	Set	1	200,000	40,000	150,000	30,000
14	Nguyen Thien Thuat water supply pipe	2002	System	1	432,032	151,211	407,766	132,524
15	Network for conveying and distributing raw water pipelines	2006	System	1	38,150,392	17,930,229	61,538,136	24,922,945
16	Procurement equipment No. 3 + 4	2007	Set	1	22,717,674	11,818,910.	32,610,493	14,674,721
17	Procurement equipment No. 2	2007	Set	1	8,981,950	4,672,875	12,893,301	5,801,986
18	Procurement equipment S2	2007	Set	1	10,681,935	5,557,295	15,333,576	6,900,109
19	Collection works, mixing tank of treatment group 5000 (package No. 1)	2007	HM	1	3,035,593	1,482,609	3,365,402	1,514,431
20	Air conditioning tower work of 3000-4000 processing station (package S2)	2007	HM	1	4,224,426	2,063,245	4,683,399	2,107,530
21	D150 pipeline of	2009	Syst	1	337,995	207,188	455,240	257,211

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No	Asset name	Year of use	Unit	Quantity	Book value		Redefined value	
					Original price	Residual value	Original price	Residual value
1	2	3	4		6	7	8	9
	Truong Chinh Ward		em					
22	Capacitor of power station I	2011	psc	1	65,000	8,418	50,000	10,000
23	D150 pipeline of Ngo May Ward	2012	System	1	1,402,971	1,045,673	2,590,473	1,554,283
24	D150 anti-shocking valve	2012	psc	1	65,864	6,477	24,737	9,895
25	D100 anti-shocking valve	2012	psc	1	41,891	4,119	33,728	13,491
26	Works of trade villages	2012	System	1	1,444,972	1,078,279	2,645,068	1,587,041
27	Water gauge of water pump stations	2013	psc	1	245,306	49,061	160,000	60,000
28	Horizontal-axis pump with separated head	2014	psc	1	45,045	18,018	40,000	18,000
29	Ha Huy Tap Network Open Project	2015	System	1	795,612	631,265	795,612	631,265
30	Water supply system of residential area in the north of Truong Chinh Ward	2011	System	1	569,619	410,125	342,997	185,218
31	Water supply system at the airport	2011	System	1	2,300,941	1,817,743	2,247,585	1,213,696
32	Level-III network water supply system	2005	System	1	800,210	240,063	595,728	119,146
33	Level-III network water supply system	2006	System	1	1,080,877	399,924	847,471	182,206

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No	Asset name	Year of use	Unit	Quantity	Book value		Redefined value	
					Original price	Residual value	Original price	Residual value
1	2	3	4		6	7	8	9
34	Level-III network water supply system	2007	System	1	1,665,636	732,880	1,329,004	332,251
35	Level-III network water supply system	2008	System	1	2,294,000	1,330,520	1,794,062	556,159
36	Level-III network water supply system	2009	System	1	1,999,142	1,299,441	1,564,791	578,973
37	Level-III network water supply system	2010	System	1	1,575,771	1,134,555	1,212,736	551,795
38	Level-III network water supply system	2011	System	1	2,454,509	1,939,062	1,870,120	1,009,865
39	Level-III network water supply system	2012	System	1	1,598,610	1,374,804	1,411,788	882,368
40	Level-III network water supply system	2013	System	1	2,371,969	2,134,772	2,371,969	1,684,098
41	Level-III network water supply system	2014	System	1	2,309,819	2,194,328	2,309,819	1,836,306
42	Level-III network water supply system (January -2015 to September - 2015)	2015	System	1	1,369,328	1,300,862	-	-
43	Level-III network water supply system (October 2015 to December 2015)	2015	System	1	50,643	30,385	-	-

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No	Asset name	Year of use	Unit	Quantity	Book value		Redefined value	
					Original price	Residual value	Original price	Residual value
1	2	3	4		6	7	8	9
44	Water supply system of Hoa Binh Industrial Zone and Le Loi Ward	2009	System	1	4,399,513	3,079,659	4,717,828	1,745,596
45	Installation of Tran Van Hai Street and Tran Phu Street	2016	HM	1	790,133	716,973	790,133	716,973
46	Installation of Dao Duy Tu Street (Nguyen Hue - Cao Thang section)	2017	HM	1	1,025,180	982,464	1,025,180	982,464
47	New Pump Station I (under the project to upgrade and expand the city. Kon Tum	2017	HM	1	1,918,624	1,865,328	1,918,623	1,865,328
48	Level III water supply network in 2016	2016	System	1	317,968	190,781	1,785,964	1,678,806
49	Level III water supply network in 2017		System	1	212,730	170,184	1,269,947	1,269,947
50	Adjusted according to tax finalization				-	23,297	-	-
51	Residential water supply system residential area northwest of the city. Kon Tum	2016	System	1	1,617,542	1,455,787	1,617,542	1,455,787
Total					142,132,226	63,654,231	184,253,836	82,946,091

(Source: Dossier for valuation of enterprises)

4. Means of transportation

Table No. 7: Situation of transport means as of 31/12/2016

(UNIT: VND)

No	Asset name	Unit	Year of use	Quantity	Book value		Redefined value	
					Original price	Residual value	Original price	Residual value
1	2	3	4		6	7	8	9
1	Mitsubishi Pajero (82K -1049)	Piece	1999	1	690,000	142,068	750,000	150,000
2	Ford Ranger pickup truck (82K -1618)	Piece	2004	1	619,000	185,700	780,000	195,000
3	Truck crane truck 2.5 tons (82B - 0461)	Vehicle	2006	1	980,000	189,789	980,000	196,000
TOTAL					2,289,000	517,557	2,510,000	541,000

(Source: Dossier for valuation of enterprises)

VII. LIST OF PARENT COMPANY AND SUBSIDIARIES : No

VIII. BUSINESS PERFORMANCE AND RESULTS OF BUSINESS OPERATIONS IN 3 YEARS BEFORE THE EQUITY

1. Business performance

a) Product output / value of services over the years

Table No. 8: Net revenue structure for 2015 to 2017

No.	Targets	2015		2016		25/03/2017-30/09/2018		2017	
		Value thousand VND	Proportion (%)	Value thousand VND	Proportion (%)	Value thousand VND	Proportion (%)	Value thousand VND	Proportion (%)
1	Gross revenue	21,462,513	100%	23,949,605	100%	17,942,025	100%	25,416,279	100%
1.1	Revenue from water supply	16,625,552	77,46%	17,808,086	74,35%	14,278,404	79,58%	18,779,376	73,89%
1.2	Installation revenue of pipes, gauges and related water supply projects	4,206,440	19,60%	5,544,963	23,15%	3,330,538	18,57%	6,237,834	24,54%
1.3	Revenue of tank	630,521	2,94%	596,556	2,49%	333,083	1,86%	399,069	1,57%

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No.	Targets	2015		2016		25/03/2017-30/09/2018		2017	
		Value thousand VND	Proportion (%)	Value thousand VND	Proportion (%)	Value thousand VND	Proportion (%)	Value thousand VND	Proportion (%)
	water (supply 20- liter water bottle)								

(Source: Audited Financial Statements of 2016, 2017 and 30/09/2017 of the Company)

The net revenue of the Company has been growing steadily from 2015 to 2017. Specifically, revenue will increase from VND 21,462,513 in 2015 to VND 23,949,605 in 2016 and VND 25,416,279 in 2017. Of which, net revenue from water supply activities (the main activity of the company) accounts for a large proportion (about 75% on average) in total net revenue. In addition, installation revenue and average revenue contributed a large proportion of total revenue (about 25%). Growth Net revenue of the company is partly due to the recovery of the state-owned economy and the company's good business plan, the development and expansion of new customers also facilitates the growth. Annual sales revenue of the company.

In addition to its core business of providing clean water, the company also produces and supplies bottled water (20-liters bottled water) to meet the needs of local people, organizations and agencies. to provide the services of construction and installation of water supply works in the area: installation of water supply pipes, gauges, reservoirs and related works.

The company's net revenue growth was partly due to the company's good business plan, and the development and expansion of new customers also facilitated the company's annual revenue growth.

b) *Materials*

❖ *Material source:*

With the main activities of supplying public services in Kon Tum province, the Company's activities include two main areas: producing and supplying clean water, producing bottled water; Construction and installation of water supply projects.

With the main activities of supplying public utility services, the company mainly performs its production and business tasks in Kon Tum province. Its activities include 2 main areas: Production and supply of clean water, production of bottled water; Construction and installation of water supply projects.

For clean water production and supply:

Business activities of the company mainly use natural water (underground water and surface water). In addition, the company also uses auxiliary materials for water

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

No.	Targets	2015		2016		01/01/2017-30/09/2017		2017	
		Value (Thousand VND)	%/DTT	Value (Thousand VND)	%/DTT	Value (Thousand VND)	%/DTT	Value (Thousand VND)	%/DTT
1.1	Profits from water business	4.714.149	21,96%	3.692.334	15,42%	3.822.109	21,30%	4.702.100	18,50%
1.2	Profits from the installation of pipelines, clocks and related water supply projects	83.352	0,39%	805.537	3,36%	554.835	3,09%	761.777	3,00%
1.3	Profits from the bottled water business (supply of tank of 20 liters of water)	(560.505)	-2,61%	(68.777)	-0,29%	(179.811)	-1,00%	(219.270)	-0,86%
	Total gross profit	4.236.996	19,74%	4.429.094	18,49%	4.197.133	23,39%	5.244.607	20,63%

(Source: Audited Financial Statements for 2016, 2017 and as of 30/09/2017 of the Company)

d) Cost of production

Table No. 10: Proportion of the costs of the Company from 2015 to 2017

No.	Items	2015		2016		01/01/2017-30/09/2017		2017	
		Value (thousand VND)	%/ DTT	Value (thousand VND)	%/ DTT	Value (thousand VND)	%/ DTT	Value (thousand VND)	%/ DTT
1	Cost of goods sold	17,225,517	80,26%	19,520,511	81,51%	13,744,892	76,61%	20,171,672	79,37%
3	Corporate management expenses	3,065,532	14,28%	3,270,637	13,66%	2,389,336	13,32%	3,516,915	13,84%
4	Financial expenses	62,497	0,29%	54,997	0,23%	24,187	0,13%	51,850	0,20%
5	Other costs	64,028	0,30%	17,866	0,07%	15,000	0,08%	17,478	0,07%
	Total cost	20,417,574	95,13%	22,864,011	95,47%	16,173,415	90,14%	23,757,915	93,48%

(Source: Audited Financial Statements of 2016, 2017 and at 30/09/2017 of the Company)

Looking at the company's operating expenses, the Company's total expenses have changed in value but the proportion of expenses / net revenue has not changed much, accounting for 93.5% to 95% net revenue. In particular, cost of goods sold accounted for a large proportion, on average over 80% of net sales, management costs accounted for about 14%. The high ratio of cost to net sales has a great impact on the company's production and business performance

e) Technology level

Recognizing the importance of services provided by the company, the company

actively adopts advanced technology equipment in the technical management of water supply system. In order to serve its operation continuously and without interruption, the Company has invested in advanced machinery and equipment, suitable for the needs of operation, this has contributed a large increase productivity, improved the performance of the company.

Not only focus on the supply, so that the production operation is optimized, in the past years, the company has always paid special attention to the prevention of loss, loss of water. By installing control systems for the operation of water supply networks such as: Installation of intelligent valves in each area to regulate the pressure, installation of electronic meters, ... has helped the management of the pipeline system, leak detection, avoidance of water losses become more effective.

f) Research and development of new products

With business characteristics of the business activity is mainly serve. Therefore, research and development of new products is not a target that the company attaches importance to. At present, the Company mainly focuses on researching measures to improve the quality of water supply services to customers, meeting the needs of both individual customers and institutional customers. .

g) Quality management system

Determining the quality of products and services is a vital issue so the Board of Directors and all staffs of the company always pay attention and seriously. The work flow of each pump station is managed and monitored through the Operation Log and Performance Report. Daily water quality control is carried out by the laboratory under the Department of Materials Engineering to control water quality. In addition, the water quality inspection of the Company at the Water Supply Plant is under the control and supervision of the Provincial Centers for Disease Control under the Kon Tum Department of Health.

It is expected that after completion of equitization, the Company will develop and apply management procedures, regulations and quality standards in accordance with relevant laws.

The network of water pipelines of the company is always checked and handled in time. Every month, employees and subordinates regularly inspect, replace, repair and maintenance of pipelines and water supply equipment.

h) Marketing system

The prestige of the company is built mainly thanks to the quality of services provided by the company. The company has not used many marketing tools to promote the image to the public. Currently, the company has no own website, not promote the

media in the neighborhood but mainly lack of products and activities through the collection of water, some mass media bear Small local tissue such as: radio stations, Kon Tum provincial television and local newspapers, and implement programs and policies under the direction of the provincial People's Committee.

The company determines the importance of marketing in the current market economy. Therefore, it is expected that after the equitization, the Company will make proper investment in this activity, giving appropriate marketing strategies for each period, contributing to the success of the Company in the organization. Implementation of business strategy.

i) *Trademark, patent registration and copyright*

As a state-owned enterprise, the company has not registered its logo, private label. It is expected that after the equitisation, the company will register trademark for its products and services .

j) Major contracts being implemented or signed: None

2. *Financial situation and results of production and business activities in the 3 years before equitization*

Table No. 11: Financial situation and results of production and business activities in period of 2015-2017

Targets	UNIT	2015	2016	2017
1. Total value of assets	Thousand VND	105,975,915	104,253,618	104,632,258
2. Equity by accounting books	Thousand VND	71,523,885	71,834,042	74,037,956
3. Short-term borrowings	Thousand VND	6,398,913	8,366,459	9,600,838
<i>In which: Overdue debts</i>	<i>Thousand VND</i>	<i>0</i>	<i>0</i>	<i>0</i>
4. Long-term borrowings	Thousand VND	28,053,117	24,053,117	20,993,464
<i>In which: Overdue debts</i>	<i>Thousand VND</i>	<i>0</i>	<i>0</i>	<i>0</i>
5. Total number of employees	Thousand VND	77	77	77
6. Gross salary fund	Thousand VND	8,778,000	9,332,400	9,648,017
7. Average income per	Thousand	9,500	10,100	10,442

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

Targets	UNIT	2015	2016	2017
person per month	VND			
8. Total revenue	Thousand VND	21,462,513	23,949,605	25,416,279
9. Total cost	Thousand VND	20,417,574	22,864,011	23,757,915
10. Profit before tax	Thousand VND	1,554,717	1,834,026	2,359,858
11. Profit after tax	Thousand VND	1,320,767	1,549,786	1,954,571
12. Rate of profit after tax/ average equity	%	2,70%	2,16%	2,68%

(Source: Audited Financial Statements 2016, 2017)

3. Factors affecting the production and business activities of the Company

a) Advantages:

Kon Tum Water Supply Co., Ltd always receives the attention and guidance of all levels and branches, thus creating favorable conditions for the company to develop and expand its production and business activities.

Clean water is essential for consumers. The quality of life is increasing, the society is growing and demand for clean water is increasing. The pace of development of Vietnam's economy is in the period of prosperity, the speed of urbanization of the country is getting faster and urban areas are growing in large numbers. In order to ensure the quality of life of the people, it is necessary to develop and expand the service sector to serve clean water business in order to develop in line with the urbanization process of the country. However, the infrastructure system is inadequate and inconsistent, especially water supply, drainage and water treatment systems, so the investment needs to build water supply and drainage projects in the future. hybrid is very large.

With the business model of sustainable development based on increasing value added for local people and the responsibility of the employees in the company, the company has always been received the steering and support from all levels of government and long-term commitment, building and development of all staffs of the company in the past years.

Qualified and skilled staffs with adequate means of transport to meet the requirements of work, ensuring the volume and quality of services provided as well as the capacity to participate in bidding Project on the management, exploitation and operation of water supply works in Kon Tum province.

Besides, the company always performs well the coordination with the local: Department of Finance, Department of Planning and Investment; The Department of Construction ... enlisted for the guidance of the higher level to timely take measures to organize implementation close to the actual situation in the company.

b) *Difficult*

On the impact of macro factors: The production and business conditions of the company are facing many difficulties and challenges due to the impact of the economic recession, the cost of raw materials, chemicals, electricity, etc., which is constantly increasing, leading to production costs. clean water; Especially due to climate change, the urbanization and craft villages develop spontaneously, seriously affecting the water supply for production and living for the people; Investment in water supply network expansion projects is difficult due to limited funding.

About facilities: Infrastructure of water supply is lacking and old, many degraded works are not upgraded and renovated every year. The investment in new construction, renovation of old works, investment in procurement of advanced equipment still faces many difficulties due to the company's budget is limited.

In addition, the business activities in the water business is both business and social security to ensure stable life in the province. Therefore, the sale price of clean water has not been adjusted in time, not fully reflecting the actual costs of production and circulation, while the price of raw materials is rising, the water price bracket is regulated by the State. The company is not allowed to adjust according to the actual situation, which directly affects the production and business efficiency of the Company. Besides, the company has difficulty with narrow market segment, business activities are not diversified so the expansion of the market is not easy.

IX. THE POSITION OF THE COMPANY WITH OTHER ENTERPRISES IN THE INDUSTRY

1. *Company's position in the industry*

Started in 1999, the company has over 19 years of experience in providing services of management, exploitation, production and business of clean water for living and production in the province of Kon Tum. Not only that, the company also provides bottled water products produced under strict quality control, ensuring to provide consumers with clean drinking water products in accordance with the standards of quality as prescribed.

However, due to the characteristics of the water companies are distributed in each province, with the main purpose is to provide clean water to meet the needs of production and living of people in the province. there. Therefore, the size of the company will grow according to population size and economic development of the province. Kon Tum is a

province located in the Central Highlands, the underdeveloped economy of the country. Compared with other water supply companies in other provinces, the company has average capital and technology level suitable with the economic development level and population size of Kon Tum province. .

2. *Development prospects of the industry*

Clean water is a service of goods, products produced by the people and economic sectors immediately. Due to the high monopoly and characteristics of the product, it has created many advantages for the company to conduct production activities to improve business efficiency.

The growth rate of the water sector is closely linked to the level of population growth and the speed of urbanization and industrialization of the country. In 2017, our population ranked 14th in the world, increased 1.07% over the previous year. Forecasts for 2018, a natural population increase forecast positive, is expected to average an increase of 2,600 people per day. Along with that, the economic growth rate recorded the change flourishes, GDP increased 6.81% compared to 2016. In the first 6 months of 2018, GDP is estimated to increase by 7.08% over the same period last year. With the economy growing, the demand for clean water will also increase.

On 22/12/2016, the Prime Minister issued a decision approving the orientation for development of urban water supply and industrial parks in Vietnam by 2025 with a vision to 2050. Accordingly, the targets and specific targets to 2020 are as follows:

- The rate of coverage of clean water supply services from urban water supply systems in urban centers of grade IV or higher shall be 95% and 80% for grade-V urban centers with a water supply norm of 120 liters / person / day and night. , water quality meets technical standards as prescribed; Industrial parks are adequately supplied with water according to pressure and flow requirements.

- The rate of urban water supply and drainage systems is 45%; The rate of loss of clean water collection is less than 18% for urban centers of grade IV or higher, less than 25% for grade-V urban centers; Water supply service is continuous, enough 24 hours a day for urban centers of grade IV or higher and water supply to suit the actual demand and conditions for urban centers of type V.

Target and specific targets to 2025:

- The coverage of clean water supply services from urban water supply systems shall reach 100%, with an average water supply norm of 120 liters / person / day and water quality up to the prescribed standards. Industrial parks are adequately supplied with water according to pressure and flow requirements.

- The rate of urban water supply systems shall be 75% for the establishment and

implementation of safe water supply plans; The rate of loss of clean water collection in urban areas is less than 15%; Continuous water supply service, 24 hours full pressure on the day.

Vision to 2050:

Meet all needs and ensure safe water supply for daily life and production of urban, residential and industrial areas.

Clean water is an indispensable commodity for human life, and all production and business activities of industries, as the economy grows, demands more and more clean water. The company operates mainly in the field of clean water supply, which is the area that the people, the Government and the world are interested in. At present, there are many donor organizations to develop clean water supply system for the society. Therefore, the development prospect of the company is great.

Kon Tum Water Supply Company Limited is the main supplier of fresh water in Kon Tum province. With the increasing demand of clean water in the province, the company has many opportunities to expand production, increase sales. In addition, with the orientation to focus on developing the traditional sector and having the strength of clean water business and constructing and designing water supply and drainage works ..., creating opportunities and potential for development. company in the future

3. Evaluation of the development orientation of the company with the direction of the industry, the policy of the State

Due to the characteristics of the service business and the current situation of the country and the world are attaching importance to the development and protection of the natural environment, Kon Tum Water Supply Company Limited has been active to seek and exploit new customers in the locality and proceed to invest in the construction of water supply systems for deep-lying and remote areas. In addition, the Company also plans to continue investing in machinery and equipment, build quality management system and improve the level of staff and employees to achieve high efficiency and limited service. maximizing risks, ensuring sustainable development.

The development orientation of the company is built in a way that is appropriate and in line with the view and direction of development of the sector, based on the results of understanding the market needs in the water supply sector as well as the main orientation. books of the State .

X. INVESTMENT PLANS AND DEVELOPMENT STRATEGY OF ENTERPRISES AFTER EQUITIZATION

1. Development orientation of the company after equitization

After completion of equitization, the company determines the maximum resources for its main business is the exploitation, production and supply of clean water, specifically:

- Focusing on investment for source development: Increase the efficiency and capacity of water treatment at the water supply plant to actively meet the demand of water use of existing customers and to supply water to customers in new areas.
- To concentrate investment in developing the water supply network: To invest in extending the coverage of the water supply system under the management of the company (water supply network, transmission, distribution and service network) in accordance with the water supply planning of Kon Tum province: Install more water meters, and lower the cost of installation equipment.
- Reduce loss rate: For enterprises operating in the field of water supply and production, it is extremely important to reduce the rate of loss and loss of water during transmission and supply. Therefore, the company always focuses on inspection, control, upgrading transmission system to reduce the loss rate.
- Expanding production and business activities: Strengthening the design capacity, constructing and installing specialized in parallel with the water supply sector (the main activity), the company continues to strengthen capacity, expand and expand market share in the field design, construction of water supply, increase sales in the field of design, construction; Development of business activities, other services (production of bottled water, capital construction) in order to diversify the business activities of the company.
- Enhancing management capacity: Strengthening the management, inspection and supervision in production and business activities to achieve high efficiency. Issuing regulations, operating regulations, internal management regulations, and building work-related mechanisms.

2. *Investment plan after equitization .*

Table No. 12: Investment plan, construction after equitization

(UNIT: thousand VND)

No.	Investment content	Expected investment cost			
		2018	2019	2020	2021
1	Investment plan for capital construction	27,632,524	10,000,000	10,000,000	10,000,000
-	Work: Upgrading and expanding Kon Tum city water supply system (3 packages of construction)	24,307,564	-	-	-

The Disclosure of information selling stocks for the first time of Kon Tum
Water Supply Co., Ltd

2018

	works: Filter settling complex; Water tank 1,000m ³ , pump house level 2; To renovate and expand the water supply network system.				
-	Work: The company's headquarter	3,324,960	-	-	-
-	Work: Upgrading and expanding Kon Tum city water supply system	-	10,000,000	10,000,000	10,000,000
2	Investment plan / procurement of equipment and machinery	2,090,027	-	-	-
-	Equipment at the pump station 1	1,389,766	-	-	-
-	Equipment and machinery at the water treatment plant	700,261	-	-	-

(Source: Equitization plan of the Company)

3. The main economic indicator system of the production and business plan in the 3 consecutive years after the equitization.

Table No. 13: Some basic plans after the share

(UNIT: thousand VND)

No.	Content	2018	2019	2020	2021
1	Charter capital	83,302,000	83,302,000	83,302,000	83,302,000
2	Total revenue	27,500,000	30,300,333	33,385,824	36,785,512
3	Total cost	25,050,000	27,339,103	29,837,388	32,563,970
4	Profit before tax (PBT)	2,450,000	2,961,230	3,548,436	4,221,542
5	Profit after CIP	1,960,000	2,309,759	2,767,780	3,292,803
-	<i>a, 10% of development investment fund;</i>	-	230,976	276,778	329,280
-	<i>Bonus and welfare</i>	-	115,488	138,389	164,640
-	<i>Dividend</i>	-	1,666,040	2,082,550	2,499,060
-	<i>Profit left to reinvest</i>	-	297,255	270,063	299,823
6	EAR / Chartered capital	-	2,77%	3,32%	3,95%
7	Dividend payout ratio (%)	-	2%	2,50%	3%
8	Average labor (person)	77	71	71	71
9	total payroll	9,648,017	9,914,620	10,931,010	12,051,593

10	Average income of employees (person / month)	10,442	11,637	12,830	14,145
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(Source: Equitization plan of the Company)

XI. CHARTER CAPITAL AND CHARTER CAPITAL STRUCTURE

1. Charter capital

- Charter capital: VND 83,302,000,000 (In words: Eighty three billion three hundred and two million)

- The par value of each share: 10.000 VND per stock

- Total number of shares 8,330,200 shares

2. Estimated capital structure

Table No. 14: Structure of chartered capital after equitization

No.	Object	Number of shares	Value in denomination (VND)	Rate of (%)
1	State capital Owner of capital: Kon Tum Provincial People's Committee	2,915,570	29,155,700,000	35%.
2	Sale incentives for employees	197,800	1,978,000,000	2.37%.
2.1	Stock preference shares for employees by number of years working in the state sector	122,300	1,223,000,000	1.47%.
2.2	Shares sold to laborers for additional purchase according to the number of years of commitment to work at joint-stock companies	75,500	755,000,000	0.91%.
3	The shares are sold to the Company	3,000	30,000,000	0.04%.
4	Initial public offering (IPO)	5,213,830	52,138,300,000	62.59%.
Total		8,330,200	83,302,000,000	100%.

(Source: Equitization plan of the Company)

3. Plan to increase and decrease charter capital: No

XII. PROPOSED RISKS

1. Economic risk

Joining the World Trade Organization (WTO) since 2007, the Vietnamese economy has experienced positive growth thanks to world economic policies and the expansion of exchanges and cooperation with many countries in the world. However, besides favorable conditions for the signing of trade agreements, competition has been on the rise, with foreign firms entering Vietnam increasingly challenging the domestic ones.

In 2017, Vietnam's macro economy is more stable and regains its high growth momentum. In 2017, gross domestic product (GDP) is estimated to increase by 6.81% compared to 2016; higher than the target of 6.7% and the growth rate is highest in the last 10 years. However, in addition to these positive signals, any economy contains certain

risks. Performance and business prospects posed the need for businesses to adapt in time to the volatility of the elements from the business environment. Economic risk is defined as the type of systemic risk resulting from macro factors, in which the fundamental factors affecting business operations are: i) economic growth and publishing; ii) inflation rate and iii) interest rate. Analyzing the macro environment of the economy in order to prevent the impact of risk factors on the growth strategy and ensure the operation of the business model.

2. *Legal risk*

Issuance or change of new policies and regulations related to the operation of the sector affects the Company. Although Viet Nam has tried to build up and formed an open legal environment in recent years, the legal corridor of our country has not been completely and completely stable, thus affecting the most. Determining the business efficiency of the company.

After equitization, the Company's operations have been subject to the Law on Enterprises and the Law on Securities. However, the legal system of Vietnam is not synchronous, is in the process of finishing the new Decree, Circular, guiding documents are not enough, the stock market is a new field. Businesses as well as investors are not really knowledgeable to perform properly. Therefore, if any change will affect the production and business activities and stock trading of the Company.

3. *Specific risk*

a) Risks from natural water extraction

– Natural water is the raw material for production of clean water exploited by the company from rivers and tributaries in the area. However, the upstream waters of the river, under the regulation of upstream hydroelectric dams, are unstable. Therefore, Kon Tum Water Supply Joint Stock Company may face risks from the natural condition of the changed water source. Changes in quality and raw water flow greatly affect the processing and production of clean water.

– Rapid industrialization and industrialization also entails the risk of high water pollution. The factories do not have proper wastewater treatment system, agricultural production uses a lot of chemicals such as fertilizer, pesticides, causing the risk of water pollution. In recent years, the weather has changed quite erratically, the dry season lasts, the source of clean water is contaminated by salinity, so it affects the raw water supply.

– In order to prevent such risks, the Company needs to focus more on the development of water treatment operations to ensure the quality of water supplied to customers.

b) Risk of water loss

- Due to the long pipeline system has been invested long time, at the time of population is sparse. Plumbing has been used for a long time, can carry the risk of failure, break pipes, ... causing water losses. In addition, as the pace of urbanization is rapidly developing, the high population density has made it difficult to manage, renovate and repair old piping systems in some areas. costly.
- Currently, the Company is applying and researching more advanced techniques in the management of water supply system to minimize water loss.
- The company mainly operates in the field of business of clean water serving mainly depends on people's consciousness.

4. Risks of the offer

After more than 25 years of existence and operation, the stock market in Vietnam has achieved certain successes as market size increases over the years. However, besides, there are many shortcomings such as market size is not matching with potential development, product is poor, knowledge of investors on the stock market is limited, the first private action mainly in the crowd, ...

With the current situation, Vietnam stock market is in the correction period due to the negative impact from the general economic decline. On the other hand, the psychology of investors is not really stable, is waiting for the positive action of the Government and positive signs from the economy, leading to the situation of trading of stocks on both The stock market and the OTC market are not very exciting. Therefore, the offering of shares to the public at this time will face some disadvantages and disadvantages. However, the positive response of the economy to recent government regulation policies and beliefs seem to have been somewhat reversed where investors can promise a more lucrative return. of the stock market next time.

The Company's shares have not been put into trading, therefore, liquidity is lower than that of companies operating in the same field with shares listed on the exchange. The stock offering of the Company will depend on the situation of the stock market listed at the time of the auction, the psychology of the investors as well as the attractiveness of the shares of the company.

5. Another risk

In addition to the above mentioned risk factors, there are risk factors due to natural phenomena such as natural disasters (storms, floods, droughts, epidemics and earthquakes). ..), war or fire ... These risks will cause many difficulties and have a great impact on the Company's business

XIII.SALE OF PAYMENT AND PAYMENT

1. Method of sale

1.1. Stock preferred for employees

a) Sale of shares to employees in accordance with the actual working time in the State sector

At the time of enterprise valuation (01/10/2017), the total number of employees named on the Company's regular list is 77 employees. Kon Tum Water Supply Company Limited has made a list of employees of the company at the time of determining the value of equitized enterprises which are purchased preferentially according to the actual working time in the state sector as follows:

- The total number of employees named in the list of : 77 labors employees of the company at the time of valuation of the enterprise
- The total number of employees is entitled to purchase : 77 labors. preferred shares according to the actual working time in the state sector
- The total number of employees is not allowed to buy or not : 00 labors. to buy preferential shares according to the actual working time in the state sector
- Total number of years in the public sector : 1,223 years
- Total number of shares registered for : 122,300 shares, equivalent to purchase according to actual working VND1,223,000,000 at face value, time in the state sector representing 1.47% of charter capital.
- Selling price : 12.700 VND per stock
- Transfer restrictions : 03 years from the time of payment of preferential shares.
- Time for sale of shares to employees : After the initial auction of the shares to the outside.

b) Sale of preferential shares to employees and managers of enterprises for a period of commitment to work in joint-stock companies:

- Purchased at the rate of 200 shares / 01 year commitment to continue working in the enterprise but not exceeding 2,000 shares for a worker.
- Particularly, laborers who are good specialists with high professional qualifications shall be entitled to buy additional 500 shares / 01 year of commitment to continue working in enterprises but not exceeding 5,000 shares for one laborer. . Equitized enterprises shall base themselves on the characteristics of their business lines and

business domains to formulate and decide on the criteria for the determination of expert specialists with high professional qualifications and must be unanimously adopted at conferences of persons the labor of the enterprise before equitization. "

- The Company has organized workers' conferences to disseminate preferential policies for laborers in accordance with the law on equitization and through the criteria of expert labor.

▪ Labor standards are good experts with professional qualifications, including:

+ Workers are the company president, director, deputy director, chief accountant, head / vice department of the company;

Non-laborers must meet the following criteria simultaneously:

+ Employees with a university degree or higher;

+ An employee who has worked in the Company for 3 years or more at the time of signing the labor contract;

▪ The registration of additional shares by the time commitment to work in joint stock company of employees is as follows:

- Number of laborers transferred to work in JSC : 71 people

- Number of employees registered to buy shares at the time commitment to work in JSC : 50 people

- Total number of shares of employees registered to buy additional number of years commitment : 75,500 shares, equivalent to par value of VND 755,000,000, accounting for 0.91% of charter capital

- Selling price : The starting price of the share auction is approved by the PPC.

- Transfer restrictions : Restrictions on transfer within committed time.

- Expected sale period : After the initial auction of the shares to the outside.

1.2. Shares sold to the union

At the time of valuation of the enterprise on 1/10/2017, the Company has a union fund. The number of shares registered by the company is as follows:

- Total number of shares of the company : 3,000 shares, equivalent to VND 30,000,000 at face value, representing

- 0.04% of charter capital
- Selling price : 10.000 VND per stock
 - Transfer restrictions : Restrictions on transfer within 3 years from the time the company moves to joint stock company.
 - Expected sale period : Immediately after the equitization plan is approved, the Company will proceed to collect the shares of the company's trade union.

1.3. Stock auctioned outside

Total number of shares sold out as follows:

- Total number of shares auctioned : 5,213,830 shares, par value of VND 52,138,300,000, accounting for 62.59% of the charter capital of the joint stock company.
- Suggested starting price : 12.700 VND per stock
- Auction advisory unit : Royal International Securities Corporation
- Auction Organizer : HANOI STOCK EXCHANGE
- Time of auction : According to the auction regulations issued by the Hanoi Stock Exchange.
- Subjects to participate in the auction : Individual investors, institutional investors in the country and abroad as prescribed by law .

2. Payment method and payment term

For employees: According to the Notice of Sale of Shares to Employees issued by Kon Tum Water Supply Company Limited.

For investors winning the auction: According to the auction regulations issued by the Hanoi Stock Exchange.

XIV. PLAN OF USE OF COLLECTION FROM CHEMICALS

Pursuant to the appraisal certificate No. 416.1 / CT-DCSC dated 30/7/2018 by the DATC Real Estate Consultancy - Asset Services JSC, the People's Committee of Kon Tum province has decided No. 2267 / UBND-KT dated 13/08/2018 on the starting price of the initial public offering of Kon Tum Water Supply Co., Ltd. Accordingly, the price of 01

11/4/2018

share of Kon Tum Water Supply Co., Ltd is 12,700 dong / share:

Table No. 15: Plan to use proceeds from the sale of shares

Targets	Note	Share	Selling price	Value (VND)
State capital on the accounting books after the readjustment	(1)			83,302,000,736
Charter capital of joint stock company	(2)	8,330,200		83,302,000,000
State capital in joint-stock companies		2,915,570		29,155,700,000
Proceeds from equitization	(3)			67,938,291,000
Sold to employees		197,800		1,692,650,000
- <i>Purchase incentives according to actual working time in the state sector</i>		122,300	6,000	733,800,000
- <i>Purchased by time commitment to work in joint stock company</i>		75,500	12,700	958,850,000
Sold to unions		3,000	10,000	30,000,000
First auction		5,213,830	12,700	66,215,641,000
Value of State capital difference with charter capital of joint-stock companies	(4 = 1 - 2)			736
Cost of equitization	(5)			813,000,000
Expenditures for redundant labor policy (*)	(6)			425,632,648
The money amounts shall be remitted into the Enterprise Restructure Support Fund of the State	(7) = (3) + (4) - (5) - (6)			66,699,659,088

(Source: Equitization plan of the Company)

(*) On 21/06/2018, the Department of Labor, War Invalids and Social Affairs of Kon Tum province issued the document No. 908 / SLDTBXH-LDTLBHX on the plan of using

labor and redundant labor when equitizing public Kon Tum Water Supply Limited Company, whereby the total number of redundant workers is 06 with total cost of VND 425,632,648 (*in words: Four hundred twenty five million six hundred thirty two thousand six hundred forty eight*). Funds are taken from the proceeds from the sale of shares for the first time; in case of insufficient funds, they shall be supplemented from the Enterprise Restructure and Development Support Fund.

XV. THE PERSONS TAKE MAIN RESPONSIBILITY FOR THE CONTENTS OF INFORMATION

1. *Steering Committee for equitization of Kon Tum Water Supply Co., Ltd*

Mr.: Nguyen Thanh Hung - Deputy Director of Department of Finance, Head of Equitization Steering Committee of Kon Tum Water Supply Co., Ltd

We commit that the information and data contained in this disclosure is true and appropriate to the business practice of the Equitisation Scheme approved by Kon Tum Provincial People's Committee.

2. *Kon Tum Water Supply Co., Ltd*

Mr. Dang Van Quang - Chairman of the Company

We are fully responsible for ensuring that the information and data contained in this Disclosure is true and complete in accordance with the law on equitisation. Investors can assess the assets, operations, financial status and results, prospects for development of Kon Tum Water Supply Co., Ltd.

3. *Representatives of consultancy organizations*

Mrs. Tran Thi Thu Huong - General Director

Royal International Securities Company ensures that the formulation and preparation of this Disclosure Statement is accurate, objective and accurate, based on information and data provided by Kon Tum Water Supply Co., Ltd.

All such information is provided in accordance with the current law in order to ensure the transparency, transparency and legitimate rights of investors but does not imply guarantee of securities value.

The information provided to investors with the aim to help investors see the business plan to invest objectively.

We would like to invite investors to thoroughly consult this information disclosure before making the decision to buy shares of Kon Tum Water Supply Co., Ltd.

Kon Tum, date month 2018

**REPRESENTATIVE OF THE STEERING COMMITTEE FOR EQUITISATION
OF
KON TUM WATER SUPPLY CO., LTD
THE HEAD
Deputy Director of the Department of Finance**

Nguyen Thanh Hung

**REPRESENTATIVE OF KON TUM WATER SUPPLY CO., LTD
Company president**

Dang Van Quang

Hanoi, date month 2018

**REPRESENTATIVE
Royal International Securities Corporation
General Director**

Tran Thi Thu Huong

LỜI CHỨNG CỦA CÔNG CHỨNG VIÊN
NOTARY TESTIMONY

Hôm nay, ngày 27 tháng 08 năm 2018, tại trụ sở Văn phòng Công chứng Trịnh Như Tố, TP Hà Nội
Today, August 27, 2018 at Trinh Nhu To Notary Office, Hanoi City.

Tôi là Công chứng viên Văn phòng Công chứng Trịnh Như Tố, Thành phố Hà Nội
I, the undersigned, Notary Public of Trinh Nhu To Notary Office, Hanoi City

CHỨNG NHẬN:
CERTIFY THAT:

- Bản dịch này do ông Vũ Văn Hiến, CMND số: 031758365, cấp ngày 18/11/2008 tại công an Hải Phòng, là cộng tác viên phiên dịch của Văn phòng Công chứng Trịnh Như Tố, Thành phố Hà Nội, đã dịch từ **tiếng Việt sang tiếng Anh**.
- This is translation from **Vietnamese to English** by Mr. Vu Van Hien, ID No. 031758365 issued on November 18, 2008 in Hai Phong public security, who is translation collaborator of Trinh Nhu To Notary Office, Hanoi City
- Chữ ký trong bản dịch đúng là chữ ký của ông Vũ Văn Hiến;
- Signature in the translation is the true and authentic signature of Mr. Vu Van Hien;
- Nội dung của bản dịch chính xác, không vi phạm pháp luật, không trái với đạo đức xã hội;
- The contents of the translation are correct and do not violate the law or social morality.
- Bản dịch gồm 08 tờ, trang, lưu một bản tại Văn phòng Công chứng Trịnh Như Tố, TP Hà Nội.
- The translation includes 08 sheets, pages, one of which is retained in Trinh Nhu To Notary Office, Hanoi City.

Số công chứng 08, Quyển số: 01 TP/CC-SCC/BD
Notarized No.: Book No.: 01 TP/CC-SCC/BD

Người dịch
Translation Collaborator



Vũ Văn Hiến

CÔNG CHỨNG VIÊN
NOTARY PUBLIC



CÔNG CHỨNG VIÊN
Trinh Nhu Tố