

THE EQUITIZATION STEERING COMMITTEE OF TAN CANG CONSTRUCTION ONE-MEMBER COMPANY LIMITED RECOMMEND THAT INVESTORS CAREFULLY STUDY THE CONTENTS OF THIS DOCUMENT AND AUCTION REGULATIONS PRIOR TO ANY DECISION OF AUCTION PARTICIPATION.



INFORMATION DISCLOSURE

FIRST PUBLIC SHARE AUCTION OF TAN CANG CONSTRUCTION COMPANY LIMITED

Auction organization



HO CHI MINH CITY STOCK EXCHANGE

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Director

BUI VAN ANH

THE INFORMATION DISCLOSURE AND DOCUMENTS WILL BE PROVIDED AT THE ISSUING PARTY, ADVISORY PARTY AND AUCTION AGENTS ACCORDING TO THE REGULATIONS OF AUCTION ORGANIZATION.

CHỨNG THỰC BẢN THÔNG TIN VÀ CÁC TÀI LIỆU THÔNG TIN VÀ VĂN BẢN SẼ ĐƯỢC CUNG CẤP TẠI ĐƠN VỊ PHÁT HÀNH, ĐƠN VỊ TƯ VẤN VÀ CÁC ĐẠI LÝ AUCTION THEO QUY ĐỊNH CỦA TỔ CHỨC AUCTION. Công ty TNHH Truyền thông Tomato Việt Nam xác nhận bản dịch chính xác với bản gốc. Tomato Media Viet Nam Company Limited confirm the translation accurately with the original.

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TERMS AND ABBREVIATIONS

- ❖ Share auction : A form of selling shares of publicly equitized state-owned enterprises to investors with price competition, here specifically shares of the Public Construction Company Limited. submit to Tan Cang.
- ❖ Investor : Domestic and foreign economic organizations and individuals according to the provisions of Decree No. 126/2017/ND-CP dated November 16, 2017 of the Government on transferring state-owned enterprises and limited companies. MTV is invested by state-owned enterprises with 100% of charter capital into a joint stock company.
- ❖ Equitization Steering Committee : Equitization Steering Committee of Tan Cang Construction Company Limited.
- ❖ Company : Tan Cang Construction Company Limited.
- ❖ TVSI : Tan Viet Securities Joint Stock Company.
- ❖ Employees : Officials and employees.
- ❖ GMS : General Meeting of Shareholders.
- ❖ BOD : Board of Directors.
- ❖ NR : Net revenue.
- ❖ PAT : Profit after tax.
- ❖ SE : Shareholder equity.
- ❖ LIAB : Liabilities.
- ❖ BR : Business registration.
- ❖ EV : Enterprise value.
- ❖ IT : Information Technology.
- ❖ FS : Financial statements.

PREFACE

This information disclosure document is for the purpose of disclosing information for the initial public auction of shares, which is a content of the equitization process of Tan Cang Construction Company Limited.

As the Information Disclosure Organization and an Organization with State capital transferred according to this Information Disclosure, Tan Cang Construction Company Limited recommends investors to refer to the information provided in (i) this Information Disclosure, (ii) the Share Auction Registration Form and (iii) the Auction Regulations issued by the Auction Organization prior to any investment decision. Tan Cang Construction Company Limited has not authorized any organization/individual to provide investors with the information presented in this Information Disclosure. Investors should not refer to any information or statements not presented in the documents listed above. In addition, if investors have doubts about any content or information presented in this Information Disclosure, they should consult Tan Cang Construction Company Limited as well as independent advisory organizations.

Tan Cang Construction Company Limited is an enterprise whose 100% of charter capital is owned by Saigon Newport Corporation and is in the process of equitization in the form of selling a part of the Corporation's capital at Tan Cang Construction Company Limited and maintaining its charter capital.

Tan Cang Construction Joint Stock Company established after equitization will inherit the legal rights, obligations and interests of the current Tan Cang Construction Company Limited in accordance with the law. Tan Cang Construction Joint Stock Company will have the legal status in accordance with the law of Vietnam from the date of issuance of the certificate of business registration, with its own seal, the right to open an account in accordance with the provisions of the law and the right to organize and operate in accordance with the company's charter and current legal regulations.

The offering of shares held by Saigon Newport Corporation in the form of an initial public auction according to this Information Disclosure is part of the equitization process of Tan Cang Construction Company Limited, contributing to the formation of Tan Cang Construction Joint Stock Company. Investors who purchase shares under this Information Disclosure will become shareholders of Tan Cang Construction Joint Stock Company and have full rights and obligations of shareholders in accordance with the Charter of organization and operation of the company and the provisions of law.

**PART 1. SUMMARY OF INFORMATION REGARDING SHARE
AUCTION OF TAN CANG CONSTRUCTION COMPANY
LIMITED**

I. Legal basis of the auction

1. Legal basis for equitization of State-owned enterprises

- Enterprise Law No. 59/2020/QH14 dated June 17, 2020 and guiding legal documents;
- Decree No. 126/2017/ND-CP dated November 16, 2017 of the Government on transforming state-owned enterprises and one-member limited liability companies with 100% charter capital held by state-owned enterprises into joint-stock companies;
- Decree No. 140/2020/ND-CP dated November 30, 2020 of the Government amending and supplementing a number of articles of the Government's Decree No. 126/2017/ND-CP dated November 16, 2017 on transforming state-owned enterprises and one-member limited liability companies with 100% charter capital held by state-owned enterprises into joint-stock companies;
- Decree No. 91/2015/ND-CP dated October 13, 2015 of the Government on state capital investment in enterprises and management and use of capital and assets in enterprises and Decree No. 32/2018/ND-CP dated March 8, 2018 of the Government amending and supplementing a number of articles of Decree No. 91/2015/ND-CP;
- Decree No. 148/2021/ND-CP dated December 31, 2021 on management and use of revenues from conversion of enterprise ownership, public non-business units, revenues from transfer of state capital and difference of shareholder equity over the charter capital of the enterprise;
- Decree No. 63/2015/ND-CP dated July 22, 2015 of the Government stipulating policies for redundant employees when reorganizing State-owned one-member limited liability companies;
- Decree No. 21/2009/ND-CP dated February 23, 2009 of the Government detailing and guiding the implementation of a number of articles of the Law on Officers of the Vietnam People's Army on regimes and policies for military officers after serving in the army; officers dying during active duty; active duty officers converted to professional soldiers or defense civil servants;

- Decree No. 151/2016/ND-CP dated 11/11/2016 of the Government detailing and guiding the implementation of a number of articles on regimes and policies of the Law on professional soldiers, workers and public national defense;
- Joint Circular No. 36/2009/TTLT-BQP-BNV-BLDTBXH-BTC dated July 21, 2009 guiding the implementation of a number of articles of Decree 21/2009/ND-CP dated February 23, 2009 of the Government detailing and guiding the implementation of a number of articles of the Law on Officers of the Vietnam People's Army on regimes and policies for military officers after serving in the army; officers dying during active duty; active duty officers converted to professional soldiers or defense civil servants;
- Circular No. 44/2015/TT-BLDTBXH dated October 22, 2015 of the Ministry of Labor, War Invalids and Social Affairs guiding the implementation of a number of articles of Decree No. 63/2015/ND-CP dated July 22/ 2015 of the Government stipulating policies for redundant employees when reorganizing State-owned one-member limited liability companies;
- Circular No. 154/2016/TT-BQP dated October 12, 2016 of the Ministry of National Defense guiding the implementation of policies for redundant employees when reorganizing State-owned one-member limited liability companies under the Ministry of Defense;
- Circular No. 07/2018/TT-BLDTBXH dated August 1, 2018 of the Ministry of Labor, War Invalids and Social Affairs guiding the development of labor use plans and implementation of policies for employees upon equitization Decree No. 126/2017/ND-CP dated November 16, 2017 of the Government on transfer of state-owned enterprises and one-member limited liability companies with 100% charter capital held by state-owned enterprises into joint stock companies;
- Circular No. 139/2018/TT-BQP dated August 30, 2018 of the Ministry of National Defense guiding the use and implementation of a number of regimes and policies for subjects working at military enterprises which implement equitization or dissolution, bankruptcy; joint stock companies divesting state capital and joint stock companies managed by the Ministry of National Defense with capital contributed by the State;
- Circular No. 155/2019/TT-BQP dated October 15, 2019 of the Ministry of Defense guiding the transfer of state-owned enterprises and one-member limited liability companies with 100% charter capital held by state-owned enterprises under the Ministry of National Defense into joint stock companies;

– Circular No. 32/2021/TT-BTC dated May 17, 2021 of the Ministry of Finance guiding the initial offering of shares and the management and use of proceeds from equitization of state-owned enterprises and one-member limited liability companies with 100% charter capital held by state-owned enterprises into joint-stock companies;

– Circular No. 46/2021/TT-BTC dated June 23, 2021 of the Ministry of Finance guiding a number of contents on financial handling and enterprise valuation when transferring state-owned enterprises and one-member limited liability companies with 100% charter capital held by State-owned enterprises into joint-stock companies.

2. Legal basis for equitization of Tan Cang Construction Company Limited

– Decision No. 707/QD-TTg dated May 25, 2017 of the Prime Minister approving the Scheme “Restructuring state-owned enterprises, focusing on economic groups and state corporations in the period 2016 – 2020”;

– Document No. 80/TTg-DMDN dated July 4, 2017 of the Prime Minister approving the Scheme on restructuring, renovating and improving the efficiency of military enterprises until 2020;

– Notice No. 951-TB/VPQU dated October 12, 2017 of the Central Military Commission Office on the conclusions of the Central Military Commission Standing Committee on the organizational model of military enterprises;

– Implementation of the Conclusions of the Central Military Commission Standing Committee in the Conclusion Notice No. 795-TB/VPQU dated July 22, 2018 of the Central Military Commission Office on the implementation of the Scheme on restructuring, renovating and improving the efficiency of military enterprises; the situation of management and use of land for defense and economic activities; the construction of economic - defense zones;

– Document No. 9461/BQP-Kte dated August 27, 2018 of the Ministry of National Defense on the implementation of restructuring military enterprises.

– Decision No. 604/QD-BQP dated February 25, 2020 of the Ministry of Defense on the equitization of Tan Cang Construction Company Limited under Saigon Newport Corporation;

– Decision No. 1700/QD-HDTV dated May 22, 2020 of the Board of Members of Saigon Newport Corporation on the establishment of the Equitization Steering Committee of Tan Cang Construction Company Limited;

- Decision No. 1731/QD-BCD dated June 1, 2020 of the Head of the Equitization Steering Committee of Tan Cang Construction Company Limited on the establishment of an assistance team for the equitization of Tan Cang Construction Company Limited;
- Decision No. 1724/QD-BQP dated June 11, 2021 of the Ministry of National Defense on adjusting the time of enterprise valuation of Tan Cang Construction Company Limited under Saigon Newport Corporation;
- Decision No. 493/QD-HDTV dated 21/02/2022 of the Board of Members of Saigon Newport Corporation approving the enterprise value for equitization of Tan Cang Construction Company Limited;
- Decision No. 494/QD-HDTV dated February 21, 2022 of the Board of Members of Saigon Newport Corporation on the approval the cost estimate for equitization of Tan Cang Construction Company Limited;
- Decision No. 495/QD-HDTV dated February 21, 2022 of the Board of Members of Saigon Newport Corporation on the plan of labor use after the equitization of Tan Cang Construction Company Limited;
- Pursuant to Decision No. 1112/QD-TCg dated April 19, 2022 of the President of Saigon Newport Corporation on consolidating the Equitization Steering Committee of Tan Cang Construction Company Limited;
- Pursuant to the Decision No. 1114/QD-BCD dated April 19, 2022 of the Head of the Equitization Steering Committee of Tan Cang Construction Company Limited on consolidating the equitization assistance team of Tan Cang Construction Company Limited;
- Audited financial statements for 2019, 2020 and 2021 of Tan Cang Construction Company Limited audited by Hanoi Branch of A&C Auditing and Consulting Company Limited;
- Valuation certificate No. 14.2022/CT TGG GLOBAL CPAS dated May 3, 2022 of GLOBAL CPAS Co., Ltd on determination of starting price;
- Minutes and Resolution of the Extraordinary Workers' Meeting on May 3, 2022 of Tan Cang Construction Company Limited on the approval of the enterprise equitization plan;
- Decision No. 1411/QD-TCg dated May 18, 2022 of the President of Saigon Newport Corporation approving the equitization plan of Tan Cang Construction Company Limited;

- Decision No. 1808/QD-TCg dated June 23, 2022 of the Chairman of Saigon Newport Corporation on adjusting the number of shares publicly offered to the public in the Equitization Plan of Tan Cang Construction Company Limited;

- And other relevant documents.

II. AUCTION INFORMATION

- Number of shares to be auctioned : 3,279,800 shares.
- Type of shares : Common shares.
- Par value : 10,000 VND/share.
- Starting price : 15,322 VND/share.
- Minimum number of shares one investor can register to purchase : 100 shares.
- Auction method : Public auction at Ho Chi Minh City Stock Exchange.
- Participants : Domestic and foreign investors including organizations and individuals (including employees in equitized enterprises) as prescribed by law.
- Venue of Auction Announcement : At auction agents announced in the Auction Regulations. The information disclosure is posted on the website: <http://www.hsx.vn>; <http://tvsj.com.vn>; <http://saigonnewport.com.vn> and websites of auction agents.
- Place of auction participation registration : At the auction agents announced in the Auction Regulations.
- Time to submit application for participation, pay deposit and receive Auction Voucher : According to the Regulations on the initial auction of shares of Tan Cang Construction Company Limited.
- Regulation on deposit payment : Deposit equivalent to 10% of the total value of shares registered to purchase based on the starting price.
- Time for agents to receive auction tickets : According to the regulations in the Regulations on the initial auction of

- shares of Tan Cang Construction One Member Limited Liability Company.
- Auction venue : Ho Chi Minh City Stock Exchange, address: No. 16 Vo Van Kiet, District 1, Ho Chi Minh City.
 - Payment method, time limit for payment for shares and receipt of deposit due to not being able to buy shares : According to the Regulations on initial share auction of Tan Cang Construction One Member Co., Ltd.

III. PARTIES RELATED TO THE SHARE AUCTION

1. State capital owner's representative

Saigon Newport Corporation One Member Company Limited

Head office: 722 Dien Bien Phu, Ward 22, Binh Thanh District, Ho Chi Minh City.

Tel:

Website: <https://saigonnewport.com.vn>.

2. Equitized enterprise

Tan Cang Construction One Member Co., Ltd

Head office address: 1295B, Nguyen Thi Dinh, Cat Lai Ward, Thu Duc City, Ho Chi Minh City, Vietnam.

Tel: 028.2253.7386 - Fax: 028.2253.7386.

3. Financial audition organization

A&C Auditing and Consulting Co., Ltd – Hanoi Branch

Address: 40 Giang Vo, Cat Linh Ward, Dong Da District, Hanoi.

Tel: 024 3736 7879

4. Enterprise valuation organization

Viet Appraisal and Consulting Co., Ltd in Hanoi Branch

Address: 40 Giang Vo, Cat Linh Ward, Dong Da District, Hanoi City.

Tel: 024 3736 7879

5. Starting price determination organization

GLOBAL CPAS . Co., Ltd

Address: No. 12, Lane 62, Cu Chinh Lan Street, Khuong Mai Ward, Thanh Xuan District, Hanoi City.

Tel:

6. IPO consultancy organization

Tan Viet Securities Joint Stock Company

Address: 6th Floor, No. 79 Ly Thuong Kiet, Hoan Kiem District, Hanoi City.

Tel: 024 3728 0921 - Fax: 024 3728 0920

Website: <https://tvsi.com.vn>

PART 2. INFORMATION ABOUT EQUITIZED ENTERPRISE

I. GENERAL INFORMATION ABOUT EQUITIZED ENTERPRISE

1. About the enterprise

1.1. General information

- ❖ Enterprise name : CÔNG TY TNHH MTV XÂY DỰNG CÔNG TRÌNH TÂN CẢNG
- ❖ English name : TAN CANG CONSTRUCTION COMPANY LIMITED
- ❖ Managing entity : Sai Gon New Port One Member Company Limited
- ❖ Address : 1295B, Nguyen Thi Dinh, Cat Lai Ward, Thu Duc City, Ho Chi Minh City, Vietnam.
- ❖ Tel : 028.2253.7386 Fax: 028.2253.7386
- ❖ Tax number : 0304941312
- ❖ Charter capital : 90,000,000,000 VND.
- ❖ Actual contributed capital as of March 31, 2021: 90,000,000,000 VND.
- ❖ Certificate of Business Registration No. 0304941312 issued for the first time by the Department of Planning and Investment of Ho Chi Minh City on April 9, 2007, and registered for the 9th amendment on April 13, 2021.



- ❖ Logo:

1.2. History of establishment and development

Tan Cang Construction Company Limited was formerly an engineer unit of the Navy. To meet the needs and tasks of National Defense - Economy, on April 18, 1996 at the request of the Navy Command, the Ministry of National Defense issued Decision No. 512/QĐ-QP to establish Hai Cong Construction and Installation Company, merging forces from the 83rd Engineer Regiment and the 131st Engineer Regiment of the Navy, including managers and technicians who are capable of organizing construction, have extensive experience and are equipped with comprehensive modern machine. April 18 every year is considered the establishment anniversary - the official traditional day of the Company.

As the first construction enterprise of the Navy, the company quickly stabilized in terms of organization and staffing. Production and business tasks are construction of traffic works, wharfs, barracks, technical infrastructure for the Navy and the Ministry of Defense.

On January 27, 2000, the Commander of the Navy decided to hand over Hai Cong Construction and Installation Company to the Repair and Construction Enterprise of Saigon Newport Company under Decision No. 410/QD-TL. The purposes of capacity improvement and serving the production and business of additional industries according to the Decision No. 1337/1999/QD-BQP, dated August 23, 1999 of the Minister of National Defense for Saigon Newport Company are as follows:

- Construction and repair of water works, industrial and civil works (piers, ports, slopes, docks, warehouses...).
- Construction and repair of water works, industrial and civil works (piers, ports, slopes, docks, warehouses...).
- Production of building materials.

On March 28, 2000 according to Decision No. 191/QD-TM of the Chief of Staff, the General Staff of the Vietnam People's Army established the Repair and Construction Enterprise under the Saigon Newport Company - Navy in the form of an affiliated economic unit (dependent economic accounting) of a state-owned enterprise with business registration.

On March 10, 2005, the Director of Saigon Newport Company changed the name of the Repair and Construction Enterprise to the Tan Cang Construction Enterprise according to Decision No. 256/QD-TCLD, dated March 8/ 2005.

In 2007, the Minister of National Defense decided to transform Tan Cang Construction Enterprise into Tan Cang Construction Company Limited according to Decision No. 23/2007/QD-BQP dated February 2, 2007. Operating as a one-member limited liability company, Tan Cang Construction Company Limited is an enterprise with 100% capital invested and is owned by Saigon Newport Company.

According to the List of defense and security enterprises under the Ministry of National Defense attached with Official Letter No. 2395/CTC-TCDN dated May 18, 2021 of the Department of Finance/MND, the Company is no longer on the list of defense and security enterprises of the Ministry of National Defense. However, the Company still appoints contractors and participates in bidding for construction works of the Navy Command and Saigon Newport Corporation.

Through more than 25 years of establishment and development, the Company has grown constantly thanks to regularly training managers, technicians and skilled workers, regularly investing in modern equipment and updating new technologies. Annual revenue always increased by 5 to 10%, thus the company is always classified as a class I enterprise. The company has improved the scale of operations, profitable production and business, and developed an equity capital source increasing from VND 30 billion to VND 90 billion, expanding to a number of industries. The company has continuously developed and affirmed its brand

name in all major projects; in particular, the company has built the system of Tan Cang Cat Lai port, which is considered the most modern and largest container port in Vietnam today, and many other notable projects. The company is always appreciated by its partners for its capacity and product quality. At present, Tan Cang Construction Company is a prominent and prestigious brand in the field of construction of irrigation works, industrial and traffic works.

2. Line of business

According to business registration certificate No. 0304941312 issued for the first time by the Department of Planning and Investment of Ho Chi Minh City on April 9, 2007, registered for the 9th change on April 13, 2021, principal business lines of the Company include:

No	Name of industry, business line	Business line code
1	Site preparation Details: Leveling.	4312
2	Production of building materials from clay Details: Production of building materials (not produced at headquarters)	2392
3	Installation of electrical system (except for mechanical processing, waste recycling, electroplating at headquarters)	4321
4	Production of metal structures (not operating at headquarters)	2511
5	Other mining N.E.C. Details: mining and mineral processing	0899
6	Construction of residential houses	4101
7	Construction of non-residential houses	4102
8	Construction of railway works Details: Construction and repair of traffic works	4211
9	Construction of road works	4212

No	Name of industry, business line	Business line code
	Details: Construction and repair of traffic works	
10	Construction of other public works Details: Construction and repair of irrigation works	4229
11	Construction of other civil engineering works Details: Construction and repair of water works. Dredging river ports and seaports.	4299 (Main)
12	Production of concrete and products from concrete, cement and plaster (not operating at headquarters)	2395
13	Lease of machinery, equipment and other tangible goods without operator Details: shore crane machinery lease	7730
14	Installation of water supply, drainage, heating and air conditioning systems (except installation of refrigeration equipment (freezing equipment, cold storage, ice machine, air conditioner, water chiller) using R22 refrigerant in the field of seafood processing)	4322

3. Main products and services

The main activities of the Company at present are:

- Construction and repair of civil works and defense units;
- Construction and repair of wharves and ports in the system of Saigon Newport Corporation and external constructions;
- KE crane lease.

4. Organizational structure of the enterprise's management apparatus before equitization

4.1. Management model of the Company

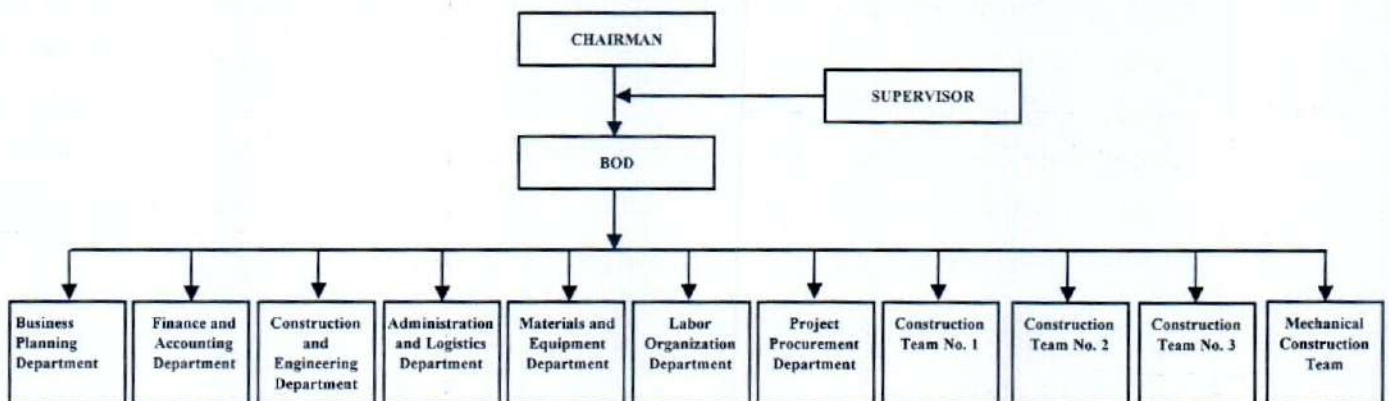
Tan Cang Construction Company Limited is currently organized under the model of a one-member limited liability company operating under the Enterprise Law. The organizational structure of management, supervision and administration

of the Company includes: Chairman of the Company, Supervisors, Board of Directors, Deputy Directors, Chief Accountant and assisting apparatus.

4.2. Current organizational chart

Currently, the Company has 07 departments, including: Department of Labor Organization and Salary, Business Planning Department, Finance and Accounting Department, Construction and Engineering Department, Administration and Logistics Department, Materials and Equipment Department and Project Procurement Department and 04 construction teams, including: Construction Team No. 1, Construction Team No. 2, Construction Team No. 3 and Mechanical Construction Team.

Chart 1. Organizational chart of the Company before equitization



(Source: Tan Cang Construction Company Limited)

4.3. Functions and duties of departments

✦ Company Chairman

Performing the management function of Saigon Newport Corporation in terms of law and capital. Taking responsibility before Saigon Newport Corporation and the law for the development of the Company according to the goals assigned by Saigon Newport Corporation.

✦ Supervisor

Examine the legitimacy, honesty and prudence of the Company's Chairman and the Board of Directors in the organization of exercising the rights of the owner, in the management and administration of the Company's business.

✦ Director

Managing the Company's daily activities according to the goals, plans and resolutions and decisions of the Board of Members, in accordance with the Company's Charter; taking responsibility before the President of the Company;

being the legal representative of the Company and taking responsibility before the law for the performance of assigned rights and duties.

✦ Deputy Directors

Assisting the Director of the Company as assigned and authorized by the Director; taking responsibility before the Director and before the law for the tasks assigned or authorized by the Director.

✦ Chief accountant

Responsible for the organization and implementation of the Company's accounting work; proposing solutions and creating favorable conditions to create capital for production, business, investment and development needs of the Company; assisting the Director in financial supervision and promoting financial resources at the Company in accordance with the law on finance and accounting; having rights and obligations as prescribed by law. The chief accountant is responsible before the Director and before the law for the assigned or authorized tasks. Criteria for selection of Chief Accountant of the Company are implemented in accordance with the Law on Accounting and the provisions of law.

✦ Business planning department

Function

Acting as an advisory body for the Party Committee and Board of Directors of the Company and directly conducting professional activities on Planning - Business throughout the Company to serve the tasks of national defense and security, construction and repair of works, production and business of the Company.

Duties

- Developing the Company's production and business development strategy in each period.
- Analyzing the results of production and business activities of each project, making plans for the organization of construction of the works;
- Presiding over planning production and business, synthesizing data and collecting opinions of professional departments and construction teams. Analyzing and evaluating the results of the implementation of the plan to make monthly, quarterly and yearly production and business plans of the Company and other plans required by the Board of Directors.

- Collecting statistics and summarizing the performance of production and business activities of the Company and other tasks as assigned according to regulations;

- Presiding over contract negotiation, drafting construction contracts in accordance with current regulations with the Investor and sub-contractors.

- Managing construction contracts, coordinating with professional departments to urge, check and monitor construction teams to implement the contents of the contract.

- Firmly grasping the content of the contract, advising the Board of Directors on performance of tasks, reminding partners to perform the obligations in the contract.

- Preparing the liquidation of construction contracts for completed works when the Investor and Contractor have fulfilled all obligations and terms in the contract.

- Gathering data of professional departments, building the Company's Capability Profile and brand.

- Managing and storing project files and other documents as prescribed.

- Performing other related professional tasks assigned by the Director;

- Organizing the study of new legal documents, policies and regimes issued by the state and local authorities related to investment in fundamental construction investment.

- Organizing and implementing all aspects of unit construction activities according to instructions and guidelines of superiors and the Company.

↓ **Finance and Accounting Department**

Function: Advising the Party Committee, Board of Directors of the Company in the management, usage, preservation and development of capital in accordance with principles, standards and the Law on Accounting.

Duties

- Checking and supervising financial revenues and expenditures, collection and payment obligations, debt payment; inspecting the use of assets and the sources of asset formation; detecting and preventing violations of the law on finance and accounting; analyzing accounting data; advising and proposing solutions to serve the requirements of management, economy and finance decisions;

- Taking responsibility before the Director of the Company for the management, preservation and archiving of accounting documents. Providing

timely, complete, truthful and transparent accounting information and documents to organizations and individuals in accordance with the provisions of law;

- Participating in making and defending annual production and business plans, making plans to balance and use capital for investment and development needs of the Company;

- At the end of the annual financial year, preparing a report of the total financial settlement with the governing body according to the prescribed form and timeline.

↓ **Construction & Engineering Department**

Function: Acting as an advisory body, responsible to the Party Committee, Board of Directors for the task of organizing and implementing construction works with the criteria of Quality - Progress - Aesthetics - Safety - Efficiency; ensuring requirements on national defense and security, management of basic construction and repair of works. Closely cooperating with functional departments of the Navy and Saigon Newport Corporation in the process of performing tasks.

Duties

- Advising and making recommendations to the Party Committee, the Board of Directors policies and solutions on organizing basic construction, repairing works, purchasing equipment throughout the Company, along with functional departments to lead and organize construction teams to deploy and successfully complete the tasks assigned by superiors;

- Advising and making recommendations to the Party Committee and Board of Directors to establish a site commanding committee and assign tasks to construction teams; based on the specific conditions of each work, setting up unit prices for each work item and submitting to the Director for approval;

- Updating and disseminating timely and regularly legal documents, decrees and regulations on issues in the field of capital construction. Supervising occupational safety, fire and explosion prevention, and traffic safety on the construction site;

- Comprehensively and closely managing, fostering and improving professional skills for officials and employees under their authority.

↓ **Administration and Logistics Department**

Function: Acting as an advisory body for the Party Committee, Board of Directors of the Company on military work and ensuring logistics for national defense, production and business tasks.

Duties

- Organizing the development and implementation of combat and defense plans in combat readiness tasks such as: A, A2, A4, fire and explosion prevention, storm and flood prevention, search and rescue, collapse response, collapse of construction works, plans for training and practice, military drills, fire prevention and fighting drills, according to the scope of assigned functions and tasks;

- Developing plans, arranging offices, purchasing office equipment, stationery, drugs and military medical equipment; printing, keeping official documents and managing seals, recognizing signatures of heads and mass organizations;

- Securing Logistics for regular duty and combat readiness missions. Monitoring and classifying health status of officials, employees and employees.

- Managing and operating passenger vehicles, on-duty systems, ensuring production and business tasks and other unexpected tasks.

✚ Materials and Equipment Department

Function: Acting as an advisory body for the Party Committee, Board of Directors of the Company on professional activities on the management of materials, assets, equipment of the Company, ensuring materials, fuel and equipment to serve construction and repair tasks of the Company's works.

Duties

*** *Ensuring Supplies, Materials and Fuel***

- Securing and supplying main materials and fuel for each project, capturing prices, especially materials related to production and business;

- Complying with regulations and competitive bidding process in the purchase and sale of materials; organizing the purchase and sale of main materials according to signed contracts;

- Carrying out payment and liquidation procedures for supplies and materials according to regulations. Monthly summarizing and reporting to the Director on consumption of materials, equipment and fuel.

*** *Ensuring Equipment***

- Directly managing, monitoring and repairing machinery and equipment throughout the company. Supporting units to organize timely mobile repair at the scene of unexpected equipment damages;

- Procurement of new equipment and spare parts; periodically inspecting and assessing the quantity and quality of equipment for the works;

- Presiding over the liquidation of assets and equipment according to regulations; preparing periodic equipment statistics reports as prescribed.

✦ **Department of Labor Organization and Salary**

Function: Acting as an advisory body for the Party Committee, Board of Directors; taking responsibility before the Party Committee, Board of Directors of the Company for the organization of labor and salary and ensuring the regimes and policies for employees in the Company.

Duties:

- Managing and building the staffing organization, providing professional training for officials and employees under their authority;
- Implementing policies on social insurance, salary increase, promotion and all policies related to employees.

✦ **Project Procurement Department**

Function: Acting as an advisory body for the Party Committee of the Company's Board of Directors and directly conducting professional activities on bidding for construction projects and related works.

Duties:

- Actively participating in searching and evaluating feasible construction projects, advising the Board of Directors of the Company to make bidding decisions.
- Preparing bids, assigning relevant units to prepare bids, finalizing bids, setting minimum prices (lowest possible prices) for the Director to decide on bid prices, submitting bids tenders and monitoring the opening of bids.
- Leading in explanation to customers about bids/photocopies.
- Negotiating contracts: preparing content related to payment and specific conditions of the contract.
- Market research: Collecting price information on materials, labor and construction machines in the area where the bidding project is located. Collecting and analyzing competitors, finding the advantage to be able to win in construction project bidding.
- Performing other tasks when assigned.

4.4. Party organization, mass organization

- Party organization: 01 grassroots Party committee, 05 affiliated cells, 50 Party members.
- Grassroots Trade Union: 2-level grassroots trade unions with 116 comrades.
- Youth Union: 1 grassroots Youth Union with 30 members.

5. Total number of employees maintained after transfer to joint stock

company

5.1. Labor status at the time of enterprise valuation

At the time of enterprise valuation on March 31, 2021, the total number of employees named in the regular list is 116. Details as follows:

Table 1. Employment situation of the company

Content	Number of employees	Percentage (%)
I. According to the nature of the contract	116	100.00
- Officer	10	8.62
- Professional military personnel	10	8.62
- Civil servants and public employees of the National Defense	0	0
- Labor contract	96	82.76
II. According to education level	116	100
- Graduate school	02	1.72
- University	43	37.07
- College	08	6.90
- Intermediate school	07	6.04
- Technical workers, primary	32	27.58
- General Labor	24	20.69
III. According to gender	116	100
- Male	94	81.03
- Female	22	18.97

(Source: *Equitization plan - Tan Cang Construction Company Limited*)

5.2. Total number of employees transferred to joint stock company

The total number of employees expected to be transferred to the joint stock company includes:

Table 2. List of employees transferred to the joint stock company

Content	Number of employees	Percentage (%)
I. According to education level	98	100
- Graduate school	02	2.04
- University	33	33.67

Content	Number of employees	Percentage (%)
- College, intermediate school	13	13.27
- Labor trained through technical and vocational schools	29	29.59
- Untrained workers	21	21.43
II. According to nature of the contract	<u>98</u>	<u>100</u>
- Officer (Military rank maintained according to regulations)	5	5.10
- Professional soldier (Military rank maintained according to regulations)	4	4.08
- Defense workers	0	0
- Labor contract	89	90.82
+ <i>Service officer</i>	0	0
+ <i>Professional military servicemen</i>	0	0
+ <i>Defense workers</i>	0	0
+ <i>Labor contract</i>	89	90.82
III. According to gender	<u>98</u>	<u>100</u>
- Male	77	78.57
- Female	21	21.43

(Source: *Equitization plan - Tan Cang Construction Company Limited*)

6. List of Holding Company, Subsidiaries, Affiliates and Joint Ventures

6.1. Holding company

- Name of unit: Saigon Newport One Member Limited Liability Corporation.
- Address: 722 Dien Bien Phu, Ward 22, Binh Thanh District, Ho Chi Minh City, Vietnam.
- Business lines: Loading and unloading goods at seaports, Logistics - Logistics Services; Marine - Brokerage and Shipping Agency Services; Warehousing - Warehouse Lease,...
- Charter capital: 6,931,000,000,000 VND.
- Contributed capital at Tan Cang Construction Company Limited: 100% of charter capital.

6.2. Subsidiaries

Not available

6.3. Affiliated companies, joint ventures

Not available

II. BUSINESS ACTIVITIES OVER THE YEARS BEFORE EQUITIZATION

1. Business operation situation

1.1. Product output/service value over the years

**Table 3. Revenue and profit structure of the Company in the period of
2018 - 2021**

Unit: million VND

No	Product (Service)	2018		2019		2020		2021	
		Value	Percentage (%)	Value	Percentage (%)	Value	Percentage (%)	Value	Percentage (%)
1	Net Revenue	485,707	100	523,028	100	449,450	100	329,570	100
	- Revenue from construction activities	478,957	98.61	516,278	98.71	443,038	98.57	323,478	98.15
	- Revenue from KE crane lease	6,750	1.39	6,750	1.29	6,412	1.43	6,092	1.85
2	Gross profit	29,076	100	26,915	100	23,375	100	20,059	100
	- Profits from construction activities	26,750	92.00	22,591	83.93	18,152	77.66	15,301	76.27
	- Profit from KE crane lease	2,326	8.00	4,324	16.07	5,223	22.34	4,758	2.73

(Source: Audited financial statements of 2018, 2019, 2020 and 2021 of Tan Cang Construction Company Limited)

Business activities of Tan Cang Construction Company Limited in recent years have fluctuated. The revenue increased between 2018 and 2019, but in 2020, the challenging economic situation and the prolonged pandemic resulted in a decrease in revenue compared to 2019 and also lower revenue in 2021 than in previous years. In particular, the revenue and profit structure in the period from 2018 to 2021 fluctuates as follows:

Revenue from annual construction and installation activities of the Company accounted for a high proportion of over 98% in the revenue structure. In which, revenue mainly came from construction activities of the Navy and the Corporation. For the works of the Navy and the Corporation, the Company executed the

construction mainly in the form of contractor appointment and bidding. Due to the complicated developments of COVID-19 pandemic in recent years, affecting the construction progress, reducing the number of construction works, many projects have not been accepted; thus, from 2020 to present, construction activities decreased compared to previous years, especially in 2021 when revenue from construction and installation activities decreased sharply and reached only 73.01% of the annual plan.

Revenue from leasing KE cranes mainly came from the cooperation project with Tan Cang No. One Construction Joint Stock Company for KE crane lease business at Cat Lai Port. KE crane lease revenue was stable in 2018 and 2019. However, from 2020 onward, lease revenue gradually decreased together with usage efficiency and remaining amortization time, but profits gradually increased over the years due to the decrease in cost of KE crane lease (reducing interest expense).

In 2019 due to fluctuations in input material prices, while the signed contracts are all-inclusive, the Company did not propose to increase the final settlement value when the cost of capital increased, which made the profit from construction activities decreased while revenue increased. In 2020 and 2021, Revenue from construction and installation activities and KE crane lease decreased, so the Company's profit decreased accordingly. In 2020, gross profit decreased by 3.5 billion VND compared to 2019 mainly due to the decrease in profit of construction activities. In 2020, a number of projects have recorded revenue from previous years according to the final settlement of the Military Service or the value requested for settlement; however, upon settlement with the Ministry of National Defense, the final settlement amount was reduced, resulting in a decrease in net revenue, which reduced the gross profit of the year of recognition (2020). In 2021, due to the complicated development of the pandemic situation in Ho Chi Minh City, the Company's business operations were greatly affected, the revenue from construction and installation activities and the lease of KE cranes decreased, leading to a decrease in gross profit.

1.2. Business and production costs

Table 4. Company's production and business cost structure 2018 - 2021

Unit: million VND

Item	2018	2019	2020	2021
------	------	------	------	------

	Value	% Net profit	Value	% Net profit	Value	% Net profit	Value	% Net profit
Cost of goods sold	456,631	94.01	496,113	94.85	426,075	94.80	309,511	93.91
Financial expenses	2,005	0.41	523	0.10	865	0.19	423	0.13
Selling expenses	-	-	-	-	-	-	-	-
Management expenses	15,698	3.23	15,783	3.02	14,653	3.26	11,232	3.41
Other costs	-	-	120	0.02	129	0.03	106	0.03
Total cost	474,334	97.66	512,539	97.99	441,722	98.28	321,272	97.48

(Source: Audited financial statements of 2018, 2019, 2020 and 2021 of Tan Cang Construction Company Limited)

Over the years, costs and revenues fluctuated proportionally with each other. When business was up, revenue increased, costs also increased, and vice versa, when revenue decreased, costs also decreased. The ratio of COGS/net sales was high (over 93%) and accounted for about 96%-97% of total expenses; because the Company's main business is construction, the proportion of COGS is high and depends heavily on the condition of the input materials.

The Company's financial expenses in the period of 2018 - 2021 fluctuated and accounted for only a trivial proportion of total costs (less than 0.45% of total costs).

Administration expenses increased in 2018, 2019 and gradually decreased from 2020 to match the revenue situation. However, from 2019 onward, the proportion of administration expenses over net revenue increased, due to the fact that the decrease in expenses was lower than the decrease in revenue. There was a small reduction in salary costs. Administration expenses over the years typically ranged from 3.0–3.4% of net revenue.

The company did not incur any selling expenses.

Other expenses were incurred differently from year to year and accounted for a very small and insignificant proportion in the Company's business activities.

1.3. Raw materials and the stability of material sources

- Source of raw materials and stability of supply

The company specializes in the construction and installation of industrial, civil and transportation projects, so the cost of raw materials accounts for a large proportion in the cost of goods sold structure of the Company. Raw materials are

mainly materials for construction and installation such as cement, iron and steel, sand, gravel, etc.

In the process of purchasing raw materials for construction and business activities, the Company often purchases from long-term partners or from units with stable and good selling prices compared to market prices such as: Hoa Phat Group, Pomina Steel Joint Stock Company, Chau Thoi Concrete Joint Stock Company 620 (longtime partner)... Depending on the geographical location of the project, the Company has fixed choices of suppliers of raw materials.

The raw material suppliers are all reputable and branded suppliers in the market, plus the Company also chooses units with stable prices, so the supply of raw materials is always adequate to meet the demand for raw materials of the Company materials as well as has good prices.

- Effect of raw material prices on revenue and profit

The price of raw materials fluctuates from year to year or due to the influence of the world raw material market situation in each period, which can increase the cost of the works; meanwhile, the signed contracts are package contracts, this the profit of signed contracts will decrease when the cost of raw materials increases beyond the enterprise's norm. Therefore, when the price of raw materials increases, the profit situation of the business will be affected.

In construction, the Company uses reasonable and economical construction methods and seizes the opportunity to buy materials of good quality and reasonable price. Management on the construction site must be efficient, with the right people on the right job. To ensure the supply of raw materials and stable prices, the Company regularly cooperates with a number of enterprises specializing in supplying raw materials as follows:

Table 5. List of major partners of the Company

No	Partner	Material supplied	Review
1	Chau Thoi Concrete Joint Stock Company 620	Precast	Long-time partner
2	Hoa Phat Group	Construction steel	Stable, cheap
3	Kien Kiet Rubber Mechanical Joint Stock Company	Cushion, Anchor flange, Crane rail	Long-time partner
4	Phan Vu Investment Joint Stock Company	Precast	Long-time partner
5	Pomina Steel Joint Stock Company	Construction steel	Stable, cheap
6	SHENGLI Vietnam Special Steel Co., Ltd	Construction steel	Stable, cheap

No	Partner	Material supplied	Review
7	Hong Ha Concrete Joint Stock Company	Commercial concrete	Long-time partner
8	Nikita Technology Development Investment Co., Ltd	Electrical equipment, cables, electrical accessories Water equipment, plumbing, accessories	Long-time partner
9	Viet Thuong Co., Ltd	Cushion, Anchor flange, Crane rail	Long-time partner
10	Cong Chinh Quan Co., Ltd	Cement, Asphalt, Asphalt concrete	Long-time partner
11	Tuan Phat Tai Construction Co., Ltd	Cement	Long-time partner
12	Duc Hang Co., Ltd	Construction steel	Long-time partner
13	Dien Phat Trading - Transportation Enterprise	Building materials: Sand, stone, brick, paint...	Long-time partner
14	Hung Vuong Precast Concrete Factory	Precast	Long-time partner
15	Phan Quan Production and Trading Service Co., Ltd	Cement	Long-time partner
16	Hung Vuong Rubber Industry Co., Ltd – HRIC	Cushion	Long-time partner
17	Thai Chau Import Export Co., Ltd	Geotextile, Gabion	Long-time partner
18	Hainan Uyen Co., Ltd	Building materials	Long-time partner
19	Hung Kien One Member Company Limited	Asphalt concrete	Long-time partner

(Source: Tan Cang Construction Company Limited)

1.4. Technology level

Equipment and technology have become decisive factors for the development of enterprises. Therefore, besides focusing on overhauling and maintaining existing technological equipment, the Company has updated new technologies for application, to improve construction capacity and efficiency. Besides investing in procurement of construction equipment, the Company also focuses on technical training and operation of modern technology in production. Up to now, the company has built a team of highly specialized managers, experienced technicians, many highly skilled workers, and owned a lot of machinery and equipment to meet the requirements regarding technology, aesthetics, quality and progress of partners.

Table 6. The Company's equipment

No	Equipment name	Number	Country of origin	Technological specifications
PORT CONSTRUCTION EQUIPMENT				
1	A Chau Barge 96 (956.33T)	1	Japan	<ul style="list-style-type: none"> - Type: PILE DRIVING HAMMER - Model: KOBELCO K35 - Specifications: Cylinder weight Kg 3500 - Jumping piston height M 2.8 - - - Capacity: 3.5 tons - Drive: Diesel - Hydraulic
2	A Chau Barge 10	1	Vietnam	<ul style="list-style-type: none"> - Type: BARGE - Brand: A Chau 10 - Uses: Crane ships (crane and cargo)
3	400T SL 02TC Mud barge	1	Vietnam	<ul style="list-style-type: none"> - Type: Barge - Maximum length: 34.30 m - Brand: SL-02-TC - - Maximum width: 10.50 m, - - Capacity: 400 tons
4	KB 80 KOBECO Hammer	1	Japan	<ul style="list-style-type: none"> - Type: PILE DRIVING HAMMER - Code: KOBELCO KB80 - Capacity: 8 tons - Drive: Diesel - Hydraulic
5	Delmag 10T Hammer	1	China	<ul style="list-style-type: none"> - Type: PILE DRIVING HAMMER - Model number: DELMAG D100-13 - Capacity: 10 tons - Drive: Diesel - Hydraulic
6	40KW Vibration Hammer			<ul style="list-style-type: none"> - Type: PILE DRIVING

No	Equipment name	Number	Country of origin	Technological specifications
		1	Japan	HAMMER - Power: 40KW
7	Dezel-Kobelco Hammer 3,5T	1	Japan	- Type: PILE DRIVING HAMMER - Model: KOBELCO K35 - Capacity: 3.5 tons - Drive: Diesel - Hydraulic
8	GB42 hammer rack + D100 hammer foot + chain anchor winch	1	Vietnam	- Type: HAMMER RACK - Model: GB42 - Length of long aperture tube: 42 m - Maximum oblique closing capacity in two directions: 11 degrees - Type: Hammer chuck foot D100-13 - Specifications: D100-13 Hammer chuck foot, D100-13 hammer lead, F1000 pile holder with D100-13 hammer
9	6T D62 Diezel Hammer	1	China	- Type: PILE DRIVING HAMMER - Model: DELMAG D62 - Capacity: 6.2 tons - Drive: Diesel-Hydraulic
10	40KW Vibration Hammer	1	Japan	- Type: PILE DRIVING HAMMER - Power: 40KW - Drive: Electric

No	Equipment name	Number	Country of origin	Technological specifications
11	Piling Hammer (7T) MH70	1	Japan	- Type: PILE DRIVING HAMMER - Model: MH72B Weight: - Piston: 7.2T - Hammer body: 13.1T - Dimensions: 0.6T 6490x980x1130 - - Capacity: 7.2 tons - Drive: Diesel - Hydraulic
CONSTRUCTION EQUIPMENT				
12	IHI CCH1800 - 180T Crawler Crane	1	Japan	- Year of manufacture: 1999 - Design load: 180 tons - Working load: 125 tons - Lifting speed: 0-70 m/min - Rotation speed: 0-1.5 v/min - Lifting height 0-66/84m - Reach: 4.8-64m
13	LINKBELT SUMITOMO 136T Crawler Crane	1	Japan	- Vehicle Type: Crawler Crane - Brand: SUMITOMO LINK BELT LS518S - Design load: 136 Tons - Travel speed: 1.6 km/h
14	250 KVA Generator	1	Vietnam	- 250 KVA
	Bulldozer			- Vehicle type: BULLDOZER - Forward/reverse speed:

No	Equipment name	Number	Country of origin	Technological specifications
15		2	Japan	9/10 km/h - Brand: KOMATSU D60P-6 - Power: 116 kW - Weight: 17,140 kg - Dimensions: 5,585 x 3,055 x 3.97 m
16	KOMATSU 8E	1	Japan	- Vehicle type: Bulldozer - Dozer blade size: 3.71 m - Brand: KOMATSU - Level height from platform: 0.815 m
17	15 ton DYNAPAC CAS 51D Vibration Roller	5	Sweden	- Vehicle type: ROLLER - Trail width: 2.130 m - Brand: DYNAPAC - Moving speed: 5 km/h - Model number: CAS 51D - Maximum vibration force: 30 tons
18	KAWASAKI.K12 Roller	1	Japan	- Vehicle type: ROLLER - Trail width: 1.60 m - Brand: KAWASAKI - Moving speed: 16.0 km/h - Model number: K12 - Maximum vibration force: 12.0 tons
TRANSPORTATION EQUIPMENT				
19	Kamax Auto Self Dumping Vehicle	1	Russia	
20	7-seat car	3	Japan	

No	Equipment name	Number	Country of origin	Technological specifications
OTHER EQUIPMENT				
21	Pneumatic Hammer	5	China	
22	Needle vibrator	10	Vietnam	$\geq 1,5\text{KW}$
23	Water Pump	05	China	$\geq 5\text{KW}$
24	Folder and Slitter Machine	10	Japan	$\geq 1,5\text{KW}$
25	Vibrating plate compactor	10	Japan	$\geq 1,5\text{KW}$
26	23 KW welding machine	10	Japan	$\geq 23\text{KW}$
27	Total station theodolite	4	Japan, China	
28	Automatic levels surveying machine	5	Japan	
29	Concrete mixer	2	Vietnam	≥ 750 lít

(Source: Tan Cang Construction Company Limited)

1.5. New product research and development situation

As more and more enterprises participate in the construction field in Vietnam, especially foreign-invested enterprises, the competition in bidding for works has become increasingly fierce. Therefore, the Company has been focusing more on research, development, investment to improve the capacity of construction equipment in the direction of modern, new and advanced technology. In addition, the Company also encourages the research and proposal of initiatives to improve competitiveness, improve labor productivity, reduce product costs, ensure the construction of projects with high technical and aesthetic requirements, meet the schedule, save costs and time and offer conveniences to customers.

In the coming time, the Company will continue to improve the quality of current products and services, ensuring the completion of both national defense and business tasks.

1.6. Product and service quality inspection situation

Improve the quality of construction services by strict construction and quality management measures according to ISO 9001 - 2015. Strive to complete construction works with high quality and on schedule, with absolute safety and on-time handover according to the contract. Build trust and maintain credibility with customers. In addition, the Company also established departments to inspect and

evaluate the quality of products and services.

1.7. Marketing Activities

Currently the Company is an enterprise under the Saigon Newport One Member Limited Liability Corporation - a unit under the Navy Command; the Company has taken on many works from the Ministry of Defense, so the Company has not invested much in Marketing activities.

It is expected that after switching to a joint stock company model, the Company will promote marketing activities to expand the market, contributing to finding new contracts. In order to expand and develop the market, in the future the Company will actively build relationships with corporations, investors, partners, customers, projects in all provinces, continuously upgrading the position of the Company.

After equitization, the Company will also build its own website to introduce and promote business products and publish information related to the Company.

1.8. Trademarks registered for patent and copyright

Currently the Company is using the following Logo:



Currently, the logo of Tan Cang Construction Company Limited has not yet been registered for intellectual property. The company has no intention of registering for intellectual property and expects to continue using the above logo.

1.9. Major in-progress or signed contracts

At the time of enterprise valuation, the contracts the Company has signed and is performing are as follows:

Table 7. List of contracts the company has performed and is performing

No	Partner	Product, service	Contract value (million VND)	Time of performance
		Package: wharf, embankment, barracks, technical infrastructure	379,017	2019

No	Partner	Product, service	Contract value (million VND)	Time of performance
1	Navy Command	Package: wharf, embankment, technical infrastructure; barracks,	378,653	2020
		Package: wharf, embankment, technical infrastructure; barracks,	247,578	2021
2	Saigon Newport One Member Limited Liability Corporation	Package: Construction work Works: Infrastructure repair and maintenance; Wharf works repair	17,530	2019
		Package: Construction work Works: Infrastructure repair and maintenance; Wharf works repair	30,088	2020
		Package: Construction work Works: Infrastructure repair and maintenance; Wharf works repair	13,304	2021

(Source: Tan Cang Construction Company Limited)

2. Position of the Company compared to other enterprises in the same industry

2.1. The Company's position in the industry

Tan Cang Construction Company Limited is a national defense and security enterprise, established on April 18, 1996; carrying out two key political tasks:

- Executing construction works of defense units.
- Business and production tasks: The company is implementing 11 codes of business and services (with 11 business lines), in which the main business lines are construction and repair of waterway works, dredging of river ports and seaports. Ensuring regular repair work in Saigon Newport Corporation.

Tan Cang Construction Company Limited has carried out many projects inside and outside the military. In particular, thanks to having a lot of experience in the construction of waterways, traffic, industrial and civil works, the Company has many advantages when participating in the appointment of contractors and bidding for projects under the Navy and of the Corporation. The works constructed by Tan Cang Construction Company are assessed as up to quality, technical requirements, aesthetics and progress upon acceptance and handover.

2.2. Industry development prospects

In 2020 and 2021, the complicated COVID-19 pandemic has tremendously affected all fields of the economy, including the construction industry, especially construction and installation contractor enterprises. However, with the flexible management of the Government, construction enterprises have overcome the pandemic relatively successfully. According to data announced by the Ministry of Construction at the 2021 Summary Conference, the annual added value of the Construction industry is estimated to increase by 0.2 - 0.5% compared to 2020; while the construction price index increased by 4.34% compared to 2020. For businesses in the field of construction contractors, according to some statistical sources, in 2021, although the housing market in Hanoi and Ho Chi Minh City witnessed a decrease in new supply and sold apartments, the value of new contracts signed by some construction companies in 2021 increased unexpectedly. Not only successfully overcoming the COVID-19 pandemic in 2021 while maintaining revenue and profit, on the stock market, securities of construction enterprises also went through very positive movements. According to statistics, construction enterprises recorded a market price growth of up to 58% in 2021.

In 2022, the amendment of the Laws related to the real estate market will be an important variable affecting the development of the Construction industry. In particular, the 2013 Land Law may be revised in 2022 with a view to being completed in May 2023. It is expected to be able to provide specific regulations on the land price compensation to solve the problem of site clearance, which is the turtle neck of many real estate projects today. In addition, the consideration of amending and supplementing the provisions in the Law on Housing 2014 on the recognition of investors of commercial housing projects for investors with land use right for 100% agricultural land or non-agricultural non-residential land. If approved, a series of real estate projects will be launched, creating a huge number of jobs for construction businesses. As for the revenue and profit prospects of construction businesses in 2022, the unrealized contract value at the end of 2021 can ensure a recovery in construction sales. Besides, the downward adjustment of

construction steel prices in 2022 can help improve profit margins for businesses in the field of construction contractors. In addition, the Government's determination to promote public investment and provide support packages for economic recovery, especially a forecasted increase by 6.5% - 7% in 2022 GDP, creates opportunities for not only new investment projects in the field of real estate but also other works in terms of technology, culture, social infrastructure,... Therefore, the real estate, construction and construction material production and trading industries will enjoy very good prospects in 2022.

2.3. Assessment of the compatibility between the Company's development orientation and the industry's orientation, State policies and the general world trend

In the process of operation and development, in order to ensure business efficiency and control risks, Tan Cang Construction One Member Co., Ltd. always focuses on developing production and business activities in line with the needs and development trends of the construction industry.

After equitization, the Company will continue to maintain and develop its current production and business activities with the orientation of becoming a leading enterprise in the field of construction in all regions of the country.

3. Financial situation and results of production and business activities of the Company before equitization

3.1. Some financial indicators in 2018 – 2021

Table 8. Some financial indicators of the Company in 2018 - 2021

Unit: million VND

Item	2018	2019	2020	2021
1. Total revenue (*)	490.056	530.074	454.143	332.766
2. Total cost	474.334	512.539	441.722	321.272
3. Total assets	847.392	592.206	296.092	239.041
4. State capital according to book value	81.433	90.000	90.000	90.000
5. Profit before tax	15.722	17.534	12.421	11.493
6. Profit after tax	12.615	13.897	9.972	9.433
7. Total number of employees (person)	138	132	120	110
8. Total salary fund	22,100.46	23,768.30	17,066.91	15,381.20
9. Average income (thousand VND/person/month)	14,307	15,051	14,167	15,377

Item	2018	2019	2020	2021
10. State budget revenues	14,401	14,296	25,926	3,486
In which				
- VAT	12,026	9,118	23,658	2,673
- CIT	2,072	4,069	1,792	607
- PIT	300	361	344	206
- Resource Tax	-	745		
- Other kinds of tax	3	3	132	3
11. Net profit/total assets ratio (%)	1.49	2.35	3.37	3.95
12. Profit after tax ratio/State capital (%)	15.49	15.44	11.08	10.48
13. Total Liabilities	765,960	502,206	206,092	149,041
In which				
- State budget debt	3,089	9,575	1,839	3,292
- State budget debt	11,200	-	-	-
- Overdue	-	-	-	-
14. Total Debts	166,807	161,641	100,966	168,547
In which:				
- Bad debts	-	-	-	-

(* Total revenue includes net revenue, financial income and other incomes

((Source: The equitization plan of Tan Cang Construction Company Limited and the 2021 audited financial statements of Tan Cang Construction Company Limited))

3.2. Situation of receivables and liabilities

Table 9. Receivables situation in 2018 - 2021

Unit: million VND

Item	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Short-term receivables	158,606	154,605	91,033	155,719
- Short-term receivables from customers	124,076	145,913	69,826	140,140
- Short-term prepayment to sellers	27,945	1,845	17,317	9,268
- Other short-term receivables	6,584	6,846	3,891	6,312
Long-term receivables	8,201	7,037	9,933	12,828

Item	31/12/2018	31/12/2019	31/12/2020	31/12/2021
- Other long-term receivables	8,201	7,037	9,933	12,828
- Provision for long-term bad debts	-	-	-	-
Total receivables	166,807	161,642	100,966	168,547

(Source: Audited Financial Statements for 2018, 2019, 2020 and 2021 of Tan Cang Construction Company Limited)

Table 10. Liabilities situation

Unit: million VND

Item	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Short-term payables	765.960	502.206	206.092	149.041
- Payable to the seller	86.079	53.902	7.685	41.917
- Prepayment from buyer	582.092	407.369	169.222	67.291
- Taxes and other payables to the State	3.089	9.575	1.839	3.292
- Payable to employees	-	-	88	1.127
- Short-term payable expenses	-	-	1.027	2.774
- Other short-term payables	81.170	24.668	19.531	25.416
- Short-term borrowing and finance lease debt	11.200	-	-	-
- Bonus and welfare fund	2.330	6.692	6.700	7.223
Long-term liabilities	-	-	-	-
- Long-term payable to the seller	-	-	-	-
- Long-term prepayment from buyer	-	-	-	-
- Long-term payable expenses	-	-	-	-
- Other long-term payables	-	-	-	-
- Long-term borrowing and finance lease debt	-	-	-	-
Total Liabilities	765.960	502.206	206.092	149.041

(Source: Audited financial statements for 2018, 2019, 2020 and 2021 of Tan Cang Construction Company Limited)

4. Factors affecting production and business activities of the Company

4.1. Favorable factors

- The company has received the attention and leadership of the Head of Naval Command and the Board of Directors of Saigon Newport Corporation, the support of agencies and units in the Corporation.

- The Party Committee, Board of Directors of the Company united, overcoming difficulties, actively investing in production and business and proposing measures to improve business efficiency. The company actively invests in business development in areas with business potentials and advantages, thereby contributing to increasing revenue and profit, ensuring annual targets.

- Tan Cang Construction Company Limited is an enterprise with many years of experience in the country, possessing a brand name, a united team of staff and employees, long-term trusted customers, and attracting many new customers....

- Tan Cang Construction Company Limited is a military unit in charge of national defense economy ; the outstanding advantage of Tan Cang Construction Company Limited is the high spirit of solidarity, democracy and self-discipline. On all aspects of work are carried out in a highly orderly and regular manner. Together with the brand and reputation of the Company in recent years, when the economy is in trouble, the Company still won high support from customers.

- The company has a good relationship and receives a lot of support from state agencies and ministries.

- The leadership team are experienced, enthusiastic and agile in mapping out the Company's development orientations and strategies, applying science, technology, and information technology to the business and production processes. The Board of Directors are bold in changing the operational model, the way of doing business and innovating the customer care mindset so that the Company can keep up with the development of the industry and improve the competitiveness of the Company.

4.2. Difficulties

Besides the favorable conditions, Tan Cang Construction Company Limited also faces some major difficulties as follows:

- The Company's business capital is still limited ; machinery and equipment were mainly invested in 2017 and earlier, which have not been synchronized, making it difficult to implement many large-scale construction projects, requiring a lot of expertise, making bidding for large projects difficult.

- Construction enterprises in the market are growing day by day with strong construction capacity and capital, creating considerable competitiveness for enterprises in the same industry. Many construction companies accept low prices to win construction contracts, which affects the average rate of contractors for private works of the Company.

- Being a state-owned enterprise and having to perform economic, political and national defense tasks, the Company has to distribute resources to carry out the assigned tasks. Therefore, when many construction works and assigned tasks go on

at the same time, businesses will be affected due to lack of human resources. After converting to a joint stock company, the Company will overcome difficulties in machinery and equipment to ensure the good performance of assigned tasks and expand the market.

*** Regarding military missions:**

- The locations of the projects the Company is carrying out are mostly in remote and isolated areas. Besides, the projects being implemented have high requirements on progress. Therefore, the organization, management, direction and implementation of production and business tasks have encountered many difficulties and great pressure in production management and labor safety.

- The task of defense construction has been reduced, traditional partners and potential investors also do not have many projects, which will cause the Company's revenue to decrease in the coming years.

*** Regarding business tasks:**

- Capital is still the main limitation, bringing objective factors to the Company, so the Company has to borrow short-term capital to serve production and business.

- The process of restructuring and the equitization plan more or less affect the thinking of employees in the Company.

- The state's policies often change, and the market has many fluctuations, significantly affecting the payment and settlement of works, production management, and cost savings of the Company.

III. BUSINESS SITUATION AT THE TIME OF ENTERPRISE VALUATION

1. Major assets of the enterprise

The situation of the Company's fixed assets according to the data at the time of enterprise valuation 0:00 on March 31, 2021 is as follows:

Table 11. Situation of the Company's fixed assets at the time of enterprise valuation at 0:00 on March 31, 2021

Currency: VND

No	Asset	According to revaluation value	
		Original price	Residual value
1	2	3	4
A	Fixed assets in use	59,316,562,558	29,809,292,450
I	Tangible fixed assets	59,177,536,558	29,738,463,667
1	Building & architectonic model	8,692,783,590	6,881,787,009

No	Asset	According to revaluation value	
		Original price	Residual value
2	Equipment & machine	45,312,251,150	20,540,311,680
3	Means of transportation	5,113,000,000	2,292,564,250
4	Management equipment & tools	59,501,818	23,800,727
II	Intangible fixed assets	139,026,000	70,828,783
B	Fixed assets not in use	18,413,321,648	-
1	Equipment & machine	15,647,876,448	
2	Means of transportation	2,765,445,200	
C	Fixed assets to be liquidated		
D	Fixed assets formed from bonus & welfare fund		
	Total	77,729,884,206	29,809,292,450

(Source: Certificate of enterprise valuation as of March 31, 2021 of Tan Cang Construction Company Limited)

- **Building & architectonic model:** Company's office building in Ho Chi Minh City.

- **Equipment & machine:** Including machinery and equipment used in production and business activities such as cranes, barges, hammer racks, generators, hammers, anchor winches, bulldozers, excavators, total stations, concrete batching plant, loader... and many other machinery and equipment.

- **Means of transportation:** Including 3 7-seater cars in use and 01 expired 12-seat car.

- **Management equipment & tools:** Including 1 Ricol MP 3391 copier.

- **Intangible fixed assets:** Including electronic office software and human resources and wage management software.

2. Enterprise value as of March 31, 2021

Pursuant to Decision No. 493/QĐ-HĐTV dated February 21, 2022 of the Board of Members of Saigon Newport One Member Limited Liability Corporation on approving the enterprise value for equitization of Tan Cang Construction Company Limited as of March 31, 2021 and Consulting Dossier on enterprise valuation for equitization as of March 31, 2021 of Tan Cang Construction Company Limited, the actual value as of March 31, 2021 of Tan Cang Construction Company Limited is specifically as follows:

• Total actual value of the enterprise for equitization: VND 261,097,414,795 (In words: *Two hundred and sixty one billion, ninety seven million, four hundred fourteen thousand, seven hundred and ninety five dong*).

• The actual total value of the capital share of Saigon Newport Corporation One Member Limited Liability Company in Tan Cang Construction Company Limited is: **137,893,748,577 VND** (In words: *One hundred thirty-seven billion, eight hundred and ninety-three million, seven hundred forty-eight thousand, five hundred and seventy-seven dong*).

Table 12. Results of enterprise valuation at 0:00 on March 31, 2021

Currency: VND

No	Item	Book value	Revaluation value	Difference
1	2	3	4	5 = 4 - 3
A	ASSETS IN USE (I+II+III)	213,203,666,218	261,097,414,795	47,893,748,577
I	Fixed assets and long-term investments	24,276,802,253	56,247,236,749	31,970,434,496
1	Fixed assets	9,836,699,102	29,809,292,450	19,972,593,438
1.1	Tangible fixed assets	9,836,699,102	29,738,463,667	19,901,764,565
a	<i>Building & architectonic model</i>	5,637,865,741	6,881,787,009	1,243,921,268
b	<i>Equipment & machine</i>	4,198,833,361	20,540,311,681	16,341,478,320
c	<i>Means of transportation</i>	-	2,292,564,250	2,292,564,250
d	<i>Management equipment & tools</i>	-	23,800,727	23,800,727
e	<i>Other fixed assets</i>	-	-	-
1.2	Fixed assets of finance leasing	-	-	-
1.3	Intangible fixed assets	-	70,828,783	70,828,783
2	Long-term receivables	9,932,783,151	9,932,783,151	-
3	Investment real estate	-	-	-
4	Long-term assets in progress	-	-	-
5	Long-term financial investments	4,507,320,000	13,308,697,600	8,801,377,600
6	Other long-term assets	-	3,196,463,548	3,196,463,548
6.1	<i>Long-term prepaid expenses</i>	-	3,196,463,548	3,196,463,548
6.3	<i>Deferred tax assets</i>	-	-	-
II	Current assets and short-term investments	188,926,863,965	188,926,863,965	-
1	Cash and cash equivalents	52,668,165,840	52,668,165,840	-
1.1	Cash	6,763,804,954	6,763,804,954	-
	- <i>Cash on hand</i>	50,125,806	50,125,806	-
	- <i>Bank deposits</i>	6,713,679,148	6,713,679,148	-
1.2	Cash equivalents	45,904,360,886	45,904,360,886	-
2	Short-term financial assets	-	-	-
3	Short-term receivables	108,739,388,693	108,739,388,693	-
4	Inventory	26,683,060,595	26,683,060,595	-
5	Other current assets	836,248,837	836,248,837	-
6	Administrative expenses	-	-	-
III	Goodwill	-	15,923,314,081	15,923,314,081
B	ASSETS NOT IN USE	-	-	-

No	Item	Book value	Revaluation value	Difference
1	2	3	4	5 = 4 - 3
C	ASSETS TO BE LIQUIDATED	-	-	-
D	ASSETS FORMED FROM BONUS & WELFARE FUND (not used for business and production)	-	-	-
	TOTAL ASSETS (A+B+C+D)	213,203,666,218	261,097,414,795	47,893,748,577
	<i>In which:</i>			
	TOTAL ACTUAL VALUE OF COMPANY (Item A)	213,203,666,218	261,097,414,795	47,893,748,577
E.1	Actual liabilities	123,203,666,218	123,203,666,218	-
E.2	Administrative funding			
	TOTAL VALUE OF OWNER'S CAPITAL AT THE COMPANY [(A+B+C+D) - (E.1 + E.2)]	90,000,000,000	137,893,748,577	47,893,748,577
	TOTAL ACTUAL VALUE OF OWNER'S CAPITAL AT THE COMPANY [A - (E.1 + E.2)]	90,000,000,000	137,893,748,577	47,893,748,577

(Source: Enterprise valuation certificate of Tan Cang Construction Company Limited as of 31/3/2021)

Issues that need further processing

- Regarding overdue receivables and payables that have not been compared or confirmed

The Company has overdue receivables that have not yet been compared and confirmed: **485,898,924 VND** (In words: Four hundred and eighty five million, eight hundred and ninety eight thousand, nine hundred and twenty four dong).

Liabilities that have not been compared and confirmed: **501,793,000 VND** (In words: Five hundred and one million, seven hundred and ninety-three thousand dong).

Opinion of the enterprise valuation unit: "Liabilities that have not been compared and confirmed between creditors and debtors are determined according to the balance in the accounting books of the Company as of March 31, 2021. The accuracy of these liabilities is not our responsibility when the company switches to operate under the form of Joint Stock Company. Tan Cang Construction Company Limited is responsible for continuing to monitor and urge debt recovery and repayment."

For overdue receivables and payables that have not been compared and confirmed, the President and Director of Tan Cang Construction Company will direct relevant departments to continue to verify and recover payments before the

company is granted license for enterprise registration of a joint-stock company.

- **Regarding tax finalization:** At the time of enterprise valuation, Tan Cang Construction One Member Co., Ltd. has not yet been inspected and finalized. On October 14, 2021, the inspection team/Ho Chi Minh City Tax Department checked and signed the minutes No. 68/BB-KTr-TTKT3 and the tax inspection conclusion No. 516/KL-CT dated October 22, 2021. Inspection results by tax authorities: (i) the company does open, record and clear vouchers, invoices and accounting books according to the provisions of the accounting regime; (ii) through inspection by tax authorities, the unit has not been detected to violate in tax declaration.

3. Land use status of enterprises and land use plans after equitization

3.1. Land use status at the time of enterprise valuation

Table 13. Land use status of enterprise as of March 31, 2021

No	Location	Area (m ²)	Usage purpose	Usage form	Legal basis	Note
1	1295B, Nguyen Thi Dinh, Cat Lai Ward, Thu Duc City, Ho Chi Minh City	- Land area: 890 m ² - Construction area: 256 m ² - Total floor area: 1,327 m ²	Head office	The corporation assigned to the company for management and use	- Minutes of land handover to build the headquarters of Tan Cang Construction Company, dated 15/3/2012. - Official Letter No. 192/KH-XDCT, dated July 25, 2011 of Tan Cang Construction Company Limited on the application for the construction of the company's office, approved by the General Director of Saigon Newport Company	

(Source: Tan Cang Construction Company Limited)

3.2. Land use plans after equitization

At the time of enterprise valuation, Tan Cang Construction Company Limited did not manage or use Defense land, did not directly own and was not directly assigned to manage and use land owned by the People's Committee of Ho Chi Minh City. Therefore, the Company does not have to make a plan to use land

after the equitization in accordance with the provisions of the land law and the law on rearrangement and handling of state-owned housing and land.

At the time of enterprise valuation, the Company is using 890.0 m² of land at the address No. 1295B Nguyen Thi Dinh, Cat Lai Ward, Thu Duc City, Ho Chi Minh City for the transaction office and office house. This is a part of land within the area of 22 hectares of Tan Cang - Cat Lai port (in Cat Lai ward, Thu Duc city, Ho Chi Minh City) leased by Saigon Newport Corporation Limited from the People's Committee of Ho Chi Minh City with a term of 50 years (until August 15, 2052) under Decision No. 5784/QD-UB dated December 28, 2007 of the People's Committee of Ho Chi Minh City.

After equitization, Tan Cang Construction Company Limited was approved by the Corporation to continue using the land area of 890 m² at 1295B Nguyen Thi Dinh Street, Cat Lai Ward, Thu Duc City, Ho Chi Minh City for the head office. The use of the land area of 890 m² at 1295B Nguyen Thi Dinh street is done through an infrastructure lease contract with Saigon Newport One Member Limited Liability Corporation in the form of infrastructure lease with annual payment.

**PART 3. INVESTMENT PLAN, DEVELOPMENT STRATEGY,
BUSINESS AND PRODUCTION ACTIVITIES AFTER
EQUITIZATION**

**I. BASIC INFORMATION ABOUT THE ENTERPRISE TO BE
EQUITIZED**

1. General information about joint stock company

- Vietnamese name: CÔNG TY CỔ PHẦN XÂY DỰNG CÔNG TRÌNH TÂN CẢNG
- English name: TAN CANG CONSTRUCTION JOINT STOCK COMPANY
- Abbreviation of company's name: XDCT.,JSC.
- Head office: No. 1295B Nguyen Thi Dinh, Cat Lai Ward, Thu Duc City, Ho Chi Minh City.
- Tel: 84-28) 3742 3227
- Fax: 84-28) 3742 3225



- Logo:

2. Expected business lines after equitization

After being converted to a joint stock company, the Company will conduct business lines as permitted by the Law, and at the same time continue to conduct the following business lines:

No	Business line	Business line code
1	Surface preparation Details: Leveling.	4312
2	Building materials production from clay Details: Production of building materials (not produced at the head office)	2392
3	Installation of electrical systems (except for mechanical processing, waste recycling, electroplating at head office)	4321
4	Production of metal structures (not operating at head office)	2511

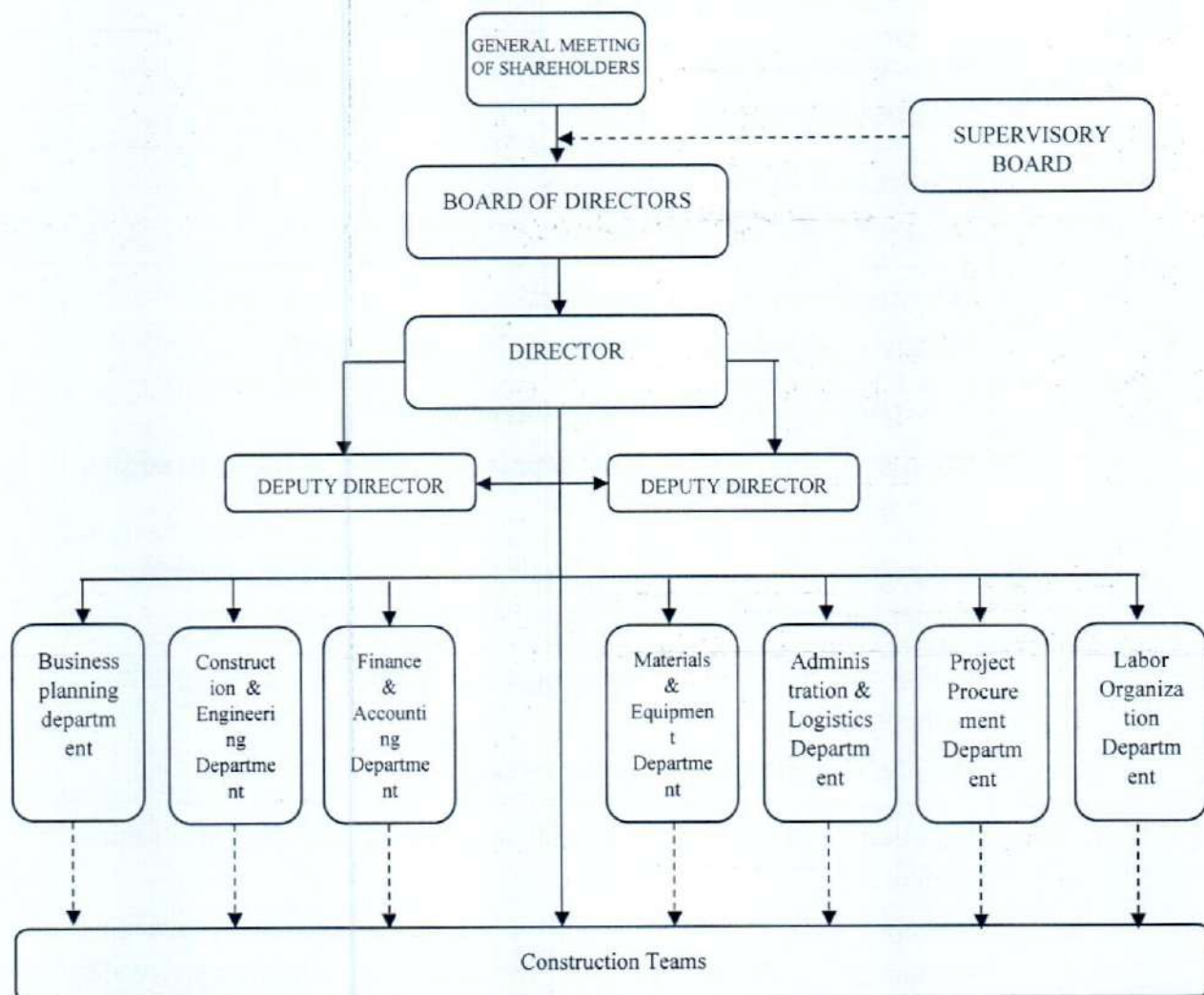
No	Business line	Business line code
5	Other mining not classified elsewhere Details: mining and mineral processing	0899
6	Construction of residential houses	4101
7	Construction of non-residential houses	4102
8	Construction of railway works Details: Construction and repair of traffic works	4211
9	Construction of road works Details: Construction and repair of traffic works	4212
10	Construction of other public works Details: Construction and repair of irrigation works	4229
11	Construction of other civil engineering works Details: Construction and repair of water works. Dredging river ports and seaports.	4299 (Main)
12	Production of concrete and products from concrete, cement and plaster (not operating at the head office)	2395
13	Rental of machinery, equipment and other tangible products without operator Details: shore crane machinery rental	7730
14	Installation of water supply, drainage, heating and air conditioning systems (except installation of refrigeration equipment (freezing equipment, cold storage, ice machine, air conditioner, water chiller) using R22 refrigerant in the field of seafood processing)	4322

(Source: The equitization plan of Tan Cang Construction Company Limited)

3. Organizational and operational plans of the Company

3.1. Expected organization chart of the Company after equitization

Chart 2. Organizational chart after equitization



(Source: Equitization plan - Tan Cang Construction Company Limited)

3.2. Functions and duties of the departments

✚ General Meeting of Shareholders

The General Meeting of Shareholders is the highest authority of the Company, having the right to decide on matters falling within its duties and powers prescribed by the Law and the company's charter.

✚ Board of Directors

The Board of Directors is the management body of the Company, having full authority on behalf of the Company to decide on issues related to the purposes and

interests of the Company, except for matters falling under the authority of the General Meeting of Shareholders. The Board of Directors regularly supervises business activities, internal control activities and risk management activities of the Company. The Board of Directors of the Company consists of 5 people elected by the General Meeting of Shareholders.

✦ **Chairman of the board**

The Chairman of the Board of Directors is elected, relieved of duty or dismissed by the Board of Directors from among the members of the Board of Directors. The Chairman of the Board of Directors on behalf of the Board of Directors implements, supervises and inspects the implementation of resolutions and decisions of the Board of Directors. The rights and obligations of the Chairman of the Board of Directors are prescribed by the company's charter and by law.

✦ **Supervisory Board**

The Supervisory Board is the body that inspects the financial activities of the Company, supervises the observance of the accounting regime and the operation of the Company's internal inspection and examination system. The Supervisory Board appraises the annual financial statements, examines each specific issue related to financial activities when it is deemed necessary or according to the decision of the general meeting of shareholders or at the request of major shareholders. The Supervisory Board reports to the General Meeting of Shareholders on the accuracy, truthfulness and legitimacy of vouchers, accounting books, financial statements and the operation of the internal control system. The Board of Supervisors of the Company is expected to include 3 members elected by the General Meeting of Shareholders.

✦ **Management Board**

Including 01 Director and Deputy Directors appointed by the Board of Directors. The Director directly manages the daily production and business activities of the Company on the basis of the Charter, the resolutions of the Board of Directors and the Corporate Governance Regulations. The Director is responsible before the Board of Directors and before the law for the implementation of the assigned rights and duties. The Director is the legal representative of the Company.

✦ **Business planning department**

Function: Acting as an advisory body for the Party Committee and Board of Directors of the Company and directly conducting professional activities on

Business Planning throughout the Company to serve the tasks of national defense and security, construction and repair of works of the Company.

Duties

- Developing the Company's production and business development strategy in each period.
- Analyzing the results of production and business activities of each project, making plans for the organization of construction of the works;
- Presiding over planning production and business, synthesizing data and collecting opinions of professional departments and construction teams. Analyzing and evaluating the results of the implementation of the plan to make monthly, quarterly and yearly production and business plans of the Company and other plans required by the Board of Directors.
- Collecting statistics and summarizing the performance of production and business activities of the Company and other tasks as assigned according to regulations;
- Presiding over contract negotiation, drafting construction contracts in accordance with current regulations with the Investor and sub-contractors.
- Managing construction contracts, coordinating with professional departments to urge, check and monitor construction teams to implement the contents of the contract.
- Firmly grasping the content of the contract, advising the Board of Directors on performance of tasks, reminding partners to perform the obligations in the contract.
- Preparing the liquidation of construction contracts for completed works when the Investor and Contractor have fulfilled all obligations and terms in the contract.
- Gathering data of professional departments, building the Company's Capability Profile and brand.
- Managing and storing project files and other documents as prescribed.
- Performing other related professional tasks assigned by the Director;
- Organizing the study of new legal documents, policies and regimes issued by the state and local authorities related to investment in fundamental construction investment.
- Organizing and implementing all aspects of unit construction activities according to instructions and guidelines of superiors and the Company.

‡ Finance and Accounting Department

Function: Advising the Party Committee, Board of Directors of the Company in the management, usage, preservation and development of capital in accordance with principles, standards and the Law on Accounting.

Duties

- Checking and supervising financial revenues and expenditures, collection and payment obligations, debt payment; inspecting the use of assets and the sources of asset formation; detecting and preventing violations of the law on finance and accounting; analyzing accounting data; advising and proposing solutions to serve the requirements of management, economy and finance decisions;

- Taking responsibility before the Director of the Company for the management, preservation and archiving of accounting documents. Providing timely, complete, truthful and transparent accounting information and documents to organizations and individuals in accordance with the provisions of law;

- Participating in making and defending annual production and business plans, making plans to balance and use capital for investment and development needs of the Company;

- At the end of the financial year, preparing annual report of the total financial settlement with the governing body according to the prescribed form and timeline.

Construction & Engineering Department

Function: Acting as an advisory body, responsible to the Party Committee, Board of Directors for the task of organizing and implementing construction works with the criteria of Quality - Progress - Aesthetics - Safety - Efficiency; ensuring requirements on national defense and security, management of basic construction and repair of works. Closely cooperating with functional departments of the Navy and Saigon Newport Corporation in the process of performing tasks.

Duties

- Advising and making recommendations to the Party Committee, the Board of Directors policies and solutions on organizing basic construction, repairing works, purchasing equipment throughout the Company, along with functional departments to lead and organize construction teams to deploy and successfully complete the tasks assigned by superiors;

- Advising and making recommendations to the Party Committee and Board of Directors to establish a site commanding committee and assign tasks to construction teams; based on the specific conditions of each work, setting up unit prices for each work item and submitting to the Director for approval;

- Updating and disseminating timely and regularly legal documents, decrees and regulations on issues in the field of capital construction. Supervising occupational safety, fire and explosion prevention, and traffic safety on the construction site;

- Comprehensively and closely managing, fostering and improving professional skills for officials and employees under their authority.

↓ **Administration and Logistics Department**

Function: Taking responsibility before the Party Committee and the Board of Directors of the Company on military work and ensuring logistics for national defense, production and business tasks.

Duties

- Organizing the development and implementation of combat and defense plans in combat readiness tasks such as: A, A2, A4, fire and explosion prevention, storm and flood prevention, search and rescue, collapse response, collapse of construction works, plans for training and practice, military drills, fire prevention and fighting drills, according to the scope of assigned functions and tasks;

- Developing plans, arranging offices, purchasing office equipment, stationery, drugs and military medical equipment; printing, keeping official documents and managing seals, recognizing signatures of heads and mass organizations;

- Grasping and classifying the health of officers, employees and workers, maintaining military medical activities to ensure 24/24 service;

- Managing and operating passenger vehicles, agency system, ensuring 24/24 state of readiness for combat.

↓ **Materials and Equipment Department**

Function: Acting as an advisory body for the Party Committee, Board of Directors of the Company on professional activities on the management of assets, of the Company, ensuring materials, fuel and equipment for the construction and repair tasks of the Construction teams of the Company.

Duties

*** *Ensuring Supplies, Materials and Fuel***

- Securing and supplying main materials and fuel for each project, capturing prices, especially materials related to production and business;

- Complying with regulations and competitive bidding process in the purchase and sale of materials; organizing the purchase and sale of main materials according to signed contracts;

- Carrying out payment and liquidation procedures for supplies and materials according to regulations. Monthly summarizing and reporting to the Director on consumption of materials, equipment and fuel.

*** Ensuring Equipment**

- Directly managing, monitoring and repairing machinery and equipment throughout the company. Supporting units to organize timely mobile repair at the scene of unexpected equipment damages;

- Procurement of new equipment and spare parts; periodically inspecting and assessing the quantity and quality of equipment for the works;

- Presiding over the liquidation of assets and equipment according to regulations; preparing periodic equipment statistics reports as prescribed.

✦ Department of Labor Organization and Salary

Function: Acting as an advisory body for the Party Committee, Board of Directors; taking responsibility before the Party Committee, Board of Directors of the Company for the organization of labor and salary and ensuring the regimes and policies for employees in the Company.

Duties:

- Managing and building the staffing organization, providing professional training for officials and employees under their authority;

- Implementing policies on social insurance, salary increase, promotion and all policies related to employees.

✦ Project Procurement Department

Function: Acting as an advisory body for the Party Committee of the Company's Board of Directors and directly conducting professional activities on bidding for construction projects and related works.

Duties:

- Actively participating in searching and evaluating feasible construction projects, advising the Board of Directors of the Company to make bidding decisions.

- Preparing bids, assigning relevant units to prepare bids, finalizing bids, setting minimum prices (lowest possible prices) for the Director to decide on bid prices, submitting bids tenders and monitoring the opening of bids.

- Leading in explanation to customers about bids/photocopies.

- Negotiating contracts: preparing content related to payment and specific conditions of the contract.

- Market research: Collecting price information on materials, labor and construction machines in the area where the bidding project is located. Collecting and analyzing competitors, finding the advantage to be able to win in construction project bidding.

- Performing other tasks when assigned.

4. Charter capital and charter capital structure after equitization

Pursuant to Decision No. 493/QD-HDTV dated February 21, 2022 of the Board of Members of Saigon Newport Corporation on approving the enterprise value for equitization of Tan Cang Construction Company Limited as of March 31, 2021, Decision No. 1411/QD-TCg dated May 18, 2022 of the Board of Members of Saigon Newport Corporation on approving the equitization plan of Tan Cang Construction Company Limited and based on the production needs of the Company after converting to a joint stock company, the Charter capital after equitization is as follows:

- Charter capital of the Company: 90,000,000 VND (Ninety billion VND).
- Number of shares: 9,000,000 shares.
- Par value of a share: 10,000 VND/share.
- All shares of Tan Cang Construction Joint Stock Company at the time of establishment are ordinary shares. The activities of buying, selling, transferring and inheriting shares shall comply with the provisions of the charter of the joint-stock company and other relevant legal documents.

The share ownership structure in the total charter capital under the approved equitization plan is as follows:

Table 14. Charter capital structure after equitization according to the approved equitization plan

No	Shareholder	Number of shares	Value of shares at par value (VND)	Percentage %
1	Saigon Newport One Member Limited Liability Corporation	4,590,000	45,900,000,000	51.00
2	Shares sold to employees	230,200	2,302,000,000	2.56
-	<i>Employees in the Enterprise entitled to preferential prices</i>	<i>170,200</i>	<i>1,702,000,000</i>	<i>1.89</i>
-	<i>Employees purchasing under long-term working commitment (200 shares/year)</i>	<i>60,000</i>	<i>600,000,000</i>	<i>0.67</i>
3	Shares sold to trade unions	-	-	-

No	Shareholder	Number of shares	Value of shares at par value (VND)	Percentage %
4	Strategic Investors	2,340,000	23,400,000,000	26.00
5	Outside Investors	1,839,800	18,398,000,000	20.44
	Total	9,000,000	90,000,000,000	100.00

(Source: The equitization plan of Tan Cang Construction Company Limited)

Based on the results of the sale of shares to employees No. 152/BC-XDCT dated June 6, 2022 and the result of registration to purchase shares of strategic investors according to Decision No. 1788/QD-TCg dated June 22 In 2022, Saigon Newport Corporation issued Decision No. 1808/QD-TCg (Decision 1808) dated June 23, 2022 on adjusting the number of shares publicly offered to the public of Tan Cang Construction Company Limited (According to Clause 19, Article 1 of Decree 140/2020/ND-CP and Clause 3, Article 5 of Circular 32/2021/TT-BTC). Accordingly, the charter capital structure of the Company is adjusted as follows:

Table 15. Charter capital structure adjusted according to Decision 1808

No	Shareholder	Number of shares	Value of shares at par value (VND)	Percentage %
1	Saigon Newport One Member Limited Liability Corporation	4,590,000	45,900,000,000	51.00
2	Shares sold to employees	230,200	2,302,000,000	2.56
-	<i>Employees in the Enterprise entitled to preferential shares</i>	<i>170,200</i>	<i>1,702,000,000</i>	<i>1.89</i>
-	<i>Employees purchasing under long-term work commitment (200 shares/year)</i>	<i>60,000</i>	<i>600,000,000</i>	<i>0.67</i>
3	Shares sold to trade unions	-	-	-
4	Strategic Investors	900,000	9,000,000,000	10.00
5	Outside Investors	3,279,800	32,798,000,000	36.44
	Total	9,000,000	90,000,000,000	100.00

(Source: Tan Cang Construction Company Limited)

5. Investment plan and development strategy of the enterprise after equitization

5.1. The company's goals

Strategic goals

- Successfully completing the Company's enterprise equitization project, converting the operating model from a limited company to a joint stock company without much impact on production activities. Valuing and capitalizing assets according to adequate and sufficient criteria, strictly complying with state laws.
- Developing strategies, orientations for production, business, and development of the enterprise in the 5-year period from 2022-2026 after converting the operating model to a Joint Stock Company.
- Continuing to promote the achieved results in order to make the most of and promote the Company's brand value, consolidate and accumulate production forces to create a change in quality and scale in the whole Company, improve construction capacity, enhance competitiveness in the market, affirm the Company's brand in the construction of wharf works, waterway works, civil and industrial works.
- Focusing on the selected main business lines, the Company will arrange the units and specialization, concentrating on the fields suitable to the capacity, forte, experience, and build a sufficient scale to create a competitive edge.
- Improving the quality of civil and industrial construction and installation services, reducing costs, ensuring order, safety and protecting the environment, promptly and fully meet the needs of construction and installation of civil and industrial works, increasing the Company's competitiveness, making an important contribution to the successful implementation of the socio-economic development strategy and ensuring national defense and security.

Specific goals

- Completing legal procedures, following the right process, striving to sell shares and successfully equitize. Structuring, stabilizing, perfecting the organizational structure in the direction of leanness and efficiency.
- Strengthening the application of new and advanced technologies in the field of construction in order to well serve the construction and installation works and production and business activities of the Company.
- Researching, acquiring and mastering large-scale and complex construction works such as underground works in line form and point form up to 50m deep.
- Building and perfecting a system of standards and technical regulations in the direction of integration and synchronization in accordance with Vietnam's

conditions and international integration, meeting domestic needs and national defense and security requirements.

- Strengthened project management, supervision and quality assurance to reach the regional and international level, from project formulation, survey, design, to construction.

- Focused investment, high investment efficiency, shortening the distance versus competitors, catching the trends, creating a healthy competitive position.

- Becoming a leading enterprise in the field of construction of seaport and traffic works. Developing into more fields of industrial and civil construction, production of building materials.

5.2. Development orientation after equitization

Business strategy orientation

- Concentrating resources to develop the main business which is the construction of wharf works, water works, irrigation and traffic works. Adding relevant business lines to support the main business lines, taking advantage of the Company's favorable conditions and resources.

- Developing strategy for brand development and management and market development. Clearly defining the Company's image through the projects that have been built with brand identity images.

- Acquiring new and advanced technologies in the world, improving conventional technologies and machines that the Company so that they are capable of meeting the increasing production and business requirements.

- Developing a 5-year post-equitization development plan, taking advantage of qualified human resources. Further promoting market expansion, looking for potential partners, actively entering into joint ventures and associations to further improve the ability to access large projects with high technical requirements. Continuing to exploit long-term partners and customers in the direction of mutual benefits and in accordance with the law.

- Focusing on utilizing potential partners who are companies in the system of Saigon Newport Corporation such as: Tan Cang Pilot One Member Company Limited; Sea Service Joint Stock Company; Joint Stock Company Freight Forwarding Agent...

Investment strategy orientation

- Facing the increasingly urgent needs of traffic and housing of the society, the Company orients investment in procurement of equipment to expand the field of

construction to road bridges and high-rise buildings. The company invests step by step to serve the market demand as well as training to complete the production technology process, and to perfect the process. The 5-year investment period can be shortened if the Company exploits this market well.

- Investing in perfecting the production line of commercial concrete: Investing in batching plants, transport tank truck...

- The company does not have a financial investment strategy, as the company is switching to a joint stock company model, investments outside of production and business will be decided by the Board of Directors.

Financial strategy orientation

Fundamentally solving financial problems, ensuring publicity and transparency; building a healthy financial foundation, well serving the future development. The objective of the financial restructuring is to make the company healthy and transparent, to focus on and strengthen financial resources to improve profitability and operational efficiency for the Company, thereby creating strength for the Company in order to compete in the domestic and foreign markets with an advanced corporate governance model.

Human resource development strategy orientation

The Company implements solutions to improve labor productivity and efficiency and enhance the Company's competitiveness.

Implementing HR training strategy:

- Department level commanders: 100% of departmental commanders participating in updated training classes in their professional fields and advanced courses on management and administration organized by the Corporation. At the same time, actively organizing private courses related to the specialized fields of the unit.

- Personnel performing specialized work:

- + Screening and selecting 20% of personnel with good qualifications, enthusiasm and responsibility for the job and for the unit to send to training courses of the department level commanders to create successor human resources.

- + 100% of employees, staff can participating in training courses to update the State's regimes and policies in professional-related fields. Organizing classes for technical staff to improve their qualifications on work estimation, construction management, and final settlement; organizing classes for bidding documents preparation improvement; organizing classes to update accounting, tax and policy regimes, salary regimes, social insurance...

+ Preparing detailed and specific training plans annually. The estimated funding source for personnel training is 80 million VND/year.

Focusing on building a healthy life, lifestyle and civilized environment; respecting civilization in leadership, management, business and behavior in the Company.

Developing a strategy for human resource development, from selection, receipt, exploitation, training, evaluation and remuneration. Attracting and building human resources with high professional qualifications and reasonable structure, positive working attitudes and motivations, having access to modern and advanced management methods and skills, and fulfilling the Company's mission and values. In particular, focusing on building and developing a team of well-qualified experts in a number of key fields, creating an attractive, professional and friendly working environment.

Corporate governance strategy orientation

– Financial risk management: establishing a financial risk management department; developing operational processes to set overall risk objectives and targets for each project or work. Assessing the internal financial situation (short-term and long-term risks), thereby taking measures to prevent or minimize risks to the lowest level.

– Internal Control Board: developing internal control processes to identify, evaluate and control risks arising in the production and business process.

– Project management: establishing a specialized project management board, the regional project management board shall decide on the size, functions, tasks, organizational structure and operation.

– Administrative reform, specifically the development of internal processes and regulations (working regulations, internal administration; financial regulations; salary scale system; economic and technical norms; regulations on debt recovery; settlement process...) and the charter of the joint stock company to serve the effective production and business of the unit.

– Propagating, disseminating and educating the law on joint-stock company operation to ensure the legality of production and business activities.

6. Business plan for the period of 2022 - 2026

6.1. Some expected financial indicators in the period of 2022 - 2026

Pursuant to Decision No. 117/QĐ-XĐCT dated April 29, 2021 of Tan Cang Construction Company Limited on approval of production and business plan for the period from 2022 to 2026. According to the business plan of the Company after

equitization in the period from 2022 to 2026, average revenue is expected to increase by 4.5%, profit after tax by an average of 5.6%/year.

Table 16. Some expected financial indicators in the period of 2022 - 2026

Unit: million VND

No	Item	2022	2023	2024	2025	2026
1	Total revenue	470,900	485,100	509,300	534,700	561,511
2	Business capital	90,000	90,000	90,000	90,000	90,000
3	Charter capital	90,000	90,000	90,000	90,000	90,000
4	Profit before tax	13,022	13,138	13,975	14,841	16,163
5	Profit after tax	10,469	10,563	11,235	11,929	12,991
6	Total number of employees (person)	106	104	107	112	115
7	Average income (million VND/person/month)	14.05	14.33	14.61	14.90	15.20
8	State budget submission	30,172	30,447	31,934	32,001	33,256
	In which:					
	- VAT, other taxes	27,619	27,872	29,194	29,089	30,084
	- Special Consumption Tax (Submitted to the Ministry of National Defense)	-	-	-	-	-
	- Import and Export Tax	-	-	-	-	-
	- CIT	2,553	2,575	2,740	2,912	3,172
9	Profit after tax/Business capital	11.63%	11.74%	12.48%	13.25%	14.43%
10	Funds	2,617	2,641	2,809	2,982	3,248
	- Development Investment Fund					
	- Bonus funds	2,617	2,641	2,809	2,982	3,248
11	Dividend payment	7,852	7,922	8,426	8,947	9,743

(Source: Equitization plan of Tan Cang Construction One Member Co., Ltd.)

6.2. Implementation solutions to achieve the plan

In order to realize the planned goals for the period of 2022-2026, the Company offers the following groups of solutions:

❖ *Business restructuring*

– The field of construction and installation of projects is still the main business line of the Company. Expanding relationships, joint ventures, exploiting competitive bidding to seek revenue from works.

– Good relationship with traditional partners.

– Expanding into a number of business lines such as: Consulting services in the field of construction and installation, real estate investment, infrastructure investment.

– Identifying potential markets in the future: Enterprises that have invested in capital construction across the country, especially in hydropower projects and traffic works.

❖ *Marketing development in the future*

– Building a professional profile to promote the Company's image.

– Training and recruiting sales staff for Marketing purposes.

– Expanding relationships, expanding markets, expanding joint ventures....

– Investing in marketing, brand advertisements on mass media, internet, to customers... business officers and employees in the Company must always be active in promoting the Company's brand and its products to partners, relatives and friends when given the opportunity, so that the image of the Company's products is always in the choice of customers when a need arises.

❖ *Business plan after equitization*

– Completing the entire executive management system according to the model of a joint stock company. Arranging departments and units in a streamlined direction, assigning tasks and functions appropriately to each department, ensuring flexible and efficient operation.

– Effective management and usage of capital associated with specific tasks for each department in the Company.

– Production management must be flexible and updated regarding such contents as: forecasting the needs of customers, designing and building a smooth operation process. Ensuring the roadmap and progress as outlined in the plan. Regularly urging, inspecting and closely monitoring all stages/steps in the production and business process.

– Regularly organizing and maintaining emulation and commendation activities in the Company to encourage the working spirit of collectives and individuals with positive contributions.

PART 4.DETAILS ABOUT THE SHARE AUCTION

I. METHODS OF SHARE AUCTION

1. Type of shares

- All shares of Tan Cang Construction Company Limited at the time of establishment are ordinary shares.

- The activities of buying, selling, transferring and inheriting shares shall comply with the provisions of the charter of the joint-stock company and other relevant legal documents.

2. Subjects to purchase shares

According to Decree No. 126/2017/ND-CP dated November 16, 2017 and the policy of the Government, the subjects to purchase shares for the first time include:

- Officers and employees of Tan Cang Construction Company Limited (employees working at the Company) who are on the list of regular employees at the time of enterprise valuation on March 31, 2021.

- Strategic investors: Including domestic and foreign organizations and individuals that meet the criteria and requirements for strategic investors, with a written commitment, who are competent in buying shares and sticking with long-term interests, supporting the Company after equitization and complying with the provisions of Vietnamese law.

- Other investors including domestic and foreign investors.

3. Starting price for sale of shares

On the basis of the appraisal certificate No. 02.2022/CT TTG GLOBL CPAS dated May 3, 2022 of GLOBAL CPAS Co., Ltd on consulting to determine the starting price of the shares of Tan Cang Construction Company Limited, Decision No. 493/QD-HDTV dated 21/02/2022 of the Board of Members of Saigon Newport Limited Liability Corporation on approving the company value of Tan Cang Construction Company Limited as of March 31, 2021 and Decision No. 1411/QD-TCg dated May 18, 2022 of the Chairman of Saigon Newport Corporation on approving the equitization plan of Tan Cang Construction Company Limited, the starting price for sale of shares is 15,322 VND/share.

4. Handling plan for unsold shares

After the end of the share sale, the unsold shares (if any) will be handled according to the provisions of Clause 19, Article 1 of Decree 140/2020/ND-CP.

5. Method of sale

5.1. Preferential shares for employees by year of service

Pursuant to Point a, Clause 1, Article 42 of Decree 126/2017/ND-CP dated November 16, 2017 of the Government on the transformation of enterprises with 100% state capital into joint stock companies, the total number of employees of Tan Cang Construction Company Limited named in the regular list at the time of enterprise valuation (March 31, 2021) is: **116** people, as follows:

Table 17. List of employees entitled to preferential shares

No	Item	At the time of company's value announcement
1	Total number of employees of the Enterprise	116
2	Total number of employees eligible to buy preferential shares	116
3	Total number of employees registered to buy preferential shares	111
4	Total number of years working in the State sector of 116 employees (years)	1,750
5	Total number of preferential shares sold to employees (shares)	175,000
6	Total number of shares registered to be bought by employees (shares)	170,200

(Source: Tan Cang Construction Company Limited)

- The number of preferential shares registered to buy by employees (including **111** employees) according to the actual number of years working in the SAV is: **170,200** shares, accounting for **1.89%** of the charter capital of the joint stock company.

- Selling price of shares to employees: 6,000 VND/share (equivalent to 60% of the value of 1 share calculated at par value of 10,000 VND/share).

- Selling method: Direct sale to employees.

- Estimated time: Before public auction.

- Conditions for transferring shares: not transferring shares within 03 years from the time of payment for shares at the preferential price.

The results of the sale of preferential shares to employees are as follows:

- Total number of shares successfully sold to employees: **170,200** shares
- Total number of shares employees refuse to buy: 0 shares.

5.2. Shares sold to employees according to long-term work commitment

According to the provisions of Clause 2, Article 42, Decree No. 126/2017/ND-CP dated November 16, 2017 of the Government stipulating: "Employees working under labor contracts and managers of enterprises of the equitized enterprise at the time of valuation of the equitized enterprise, who are subjects the enterprise need to use and have a working commitment with the enterprise for a long time of at least 03 years (from the date the enterprise was granted the Certificate of Business Registration for the first time) will be entitled to additional purchase of shares". The selling price of shares to employees in this case is "the starting price approved by the representative agency in the equitization plan".

- Total number of employees who registered for additional purchase of shares by year of long-term work commitment (200 shares/year): **43** people.

- Total number of shares registered for additional purchase by employees according to the number of years of long-term work commitment (200 shares/year): 60,000 shares, accounting for 0.67% of the charter capital of the joint stock company.

- There are no employees who are experts to register for additional purchase shares according to the number of years of long-term commitment (500 shares/year).

- Share sale price for employees who register for additional purchase: VND **15,322**/share (equal to the approved starting price at auction).

- Sale method: Directly sale to employees according to the number of years of work commitment.

- Time of sale to employees: Before the public auction.

- Conditions for transferring shares: Shares cannot be transferred during the period of work commitment at the joint-stock company (from the date the enterprise was granted the Certificate of Business Registration for the first time).

The results of selling shares to employees according to their work commitment are as follows:

- Total number of shares successfully sold to employees under long-term commitment: **60,000** shares

- Total number of shares employees refuse to buy: 0 shares.

5.3. Preferential shares sold to trade unions

Not available

5.4. Shares sold to strategic investors

Pursuant to the provisions at Point b, Clause 3, Article 6 of Decree 126/2017/ND-CP dated November 16, 2017 of the Government on converting 100% state-owned enterprises into joint stock companies, the sale of shares for the first time to strategic investors is only applicable to enterprises whose 50% of the total shares upon equitization continued to be owned by the State under the decision of the Prime Minister. Enterprises whose 50% of the total shares upon equitization continued to be owned by the State should have strategic investors.

✦ Offer size

The number of shares the company offers to strategic investors is 2,340,000 shares, equivalent to 26.00% of the charter capital of the joint stock company.

✦ Purpose of selecting strategic investors

After equitization, Tan Cang Construction Company Limited will become an independent enterprise, no longer heavily dependent on State-owned enterprises. The Company's development cooperation contracts with other State-owned enterprises or enterprises under the Ministry of Defense will more or less change. At the same time, after equitization, the incentives the Company receives from the State will decrease, affecting the Company's general business activities. Therefore, the selection of strategic investors will help the Company gain more business advantages, more support in many aspects such as finance, management, assistance in finding economic contracts... The strategic investors of the Company are selected basing on their being reputable domestic investors whose main business lines are construction, technical works, real estate business, who have financial capacity and are able to build and improve the image, reputation and position of the Company after equitization, who are committed to long-term interests to the Joint Stock Company and have the ability to support the company after equitization: training, improvement of human resources, supporting the Company to improve corporate governance, support in finance, technology and production and consumption capacity.

✦ Criteria for selecting strategic investors

- Having complete legal status as prescribed by law and have operated for at least 3 (three) years.

- Having strong financial capacity shown in the following criteria:

+ Total assets of VND 500 billion or more (according to financial statements as of December 31, 2021);

+ Equity from VND 150 billion or more (according to financial statement data as of December 31, 2021);

+ Profit after tax for 02 (two) consecutive years and no accumulated loss as of December 31, 2021 (according to the audited financial statements for 2019 and 2020 submitted to the tax authority; financial statements for 2021 submitted to tax authorities);

- Having a written commitment to long-term interests of the joint-stock company with the following criteria:

+ Continuing to maintain the main business lines and brand of the equitized enterprise for at least 3 years from the time of officially becoming a strategic investor;

+ Having a plan to support enterprises after equitization in transferring new technologies; human resource training; improving financial capacity; corporate governance; supply of raw materials; develop the product consumption market;

+ Accepting all employees working at the enterprise, constantly improving the lives of employees;

+ Not transferring the number of shares purchased within 03 years from the date the joint stock company is granted the certificate of enterprise registration for the first time operating under the Law on Enterprises;

+ Not transferring the number of shares that the strategic investor has purchased to foreign investors in any form;

+ Having the obligation to compensate when violating the signed commitment with the compensation rate determined according to the actual damage and the State's right to dispose of the entire number of shares that the strategic investor has purchased upon violation of signed commitments;

+ Not carrying out any transactions that lead to conflicts of interest and creating a monopoly of unfair competition with customers and investors of the Company after equitization.

+ No disputes or lawsuits occurred during the time of registering to buy shares for strategic investors.

Implementation plan and determination of sale price

- Form of sale: Notice of sale of shares to strategic investors and deposit collection are made before the public auction.

- Sale price of shares to strategic investors: specified in Clause 3, Article 6 of Decree 126/2017/ND-CP and Clause 4, Article 4 of Circular 32/2021/TT-BTC.

- Implementation method: In compliance with the provisions of Clause 3, Article 6 of Decree 126/2017/ND-CP and point b, Clause 3, Article 1 of Decree 140/2020/ND-CP.

✦ **Results of Strategic investors' registration for share purchase**

- Number of shares registered for purchase by strategic investors: 900,000 shares, accounting for 10% of charter capital.

- Number of strategic investors registered for share purchase: 01 investor.

- Number of shares that strategic investors refused to buy: 1,440,000 shares, accounting for 16% of charter capital.

5.5. Shares are publicly auctioned to the outside

- Pursuant to Decision No. 1808/QĐ-TCg dated June 23, 2022, the number of shares to be auctioned is 3,279,800 shares, accounting for 36.44% of charter capital. Value of shares to be auctioned (calculated at par value): 32,798,000,000 VND.

- Subjects participating in the auction: All investors who are domestic and foreign individuals and organizations as prescribed in Article 6 of Decree 126/2017/ND-CP dated November 16, 2017 of the Government. Therefore, in this auction, all domestic and foreign, individual and institutional investors are allowed to buy the maximum number of shares auctioned to the public (3,279,800 shares).

According to the provisions of Clause 4, Article 6 of Decree No. 126/2017/ND-CP dated November 16, 2017, the following subjects are not allowed to participate in the first time auction of shares, including:

✓ Member of the Equitization Steering Committee, the equitization assistance group (except for members who are representatives of the enterprise).

✓ Financial intermediaries and individuals under which, who are engaged in equitization consulting, financial statement audits and enterprise valuation audits (except organizations underwriting to purchase undistributed shares under the guarantee contract).

✓ Subsidiaries, affiliated companies in the same Group, the Corporation and the complex of parent companies - subsidiaries.

✓ The organization conducting the auction of shares and the individuals belonging to this organization who are involved in the auction.

✓ Related persons as prescribed in Clause 23, Article 4 of the Enterprise Law 2020, of organizations and individuals specified in the above items.

- Auction starting price: VND 15,322/share (According to Decision No. 1411/QĐ-TCg dated May 18, 2022 of the Chairman of Saigon Newport Corporation on approving the equitization plan of Tan Cang Construction Company Limited).

- Auction method: public auction for domestic and foreign individuals and organizations as prescribed in Article 6 of Decree 126/2017/ND-CP dated November 16, 2017 of the Government.

- Organization holding auction of shares: Ho Chi Minh City Stock Exchange (HOSE)

- A number of other regulations on auction: according to the regulations on the initial auction of shares issued by the Ho Chi Minh City Stock Exchange at the time of organizing the auction of shares.

5.6. Limit on holding ratio for foreign investors

Currently, the Company has the following lines of business: "Construction of other civil engineering works" (Code 4299), "Other mining not classified elsewhere" (Code 0899), "Construction of residential houses" (Code 4101), "Construction of non-residential houses" (Code 4102), "Construction of railway works" (Code 4211), "Construction of road works" (Code 4212), "Construction of other public works" (Code 4229), "Production of concrete and products from concrete, cement and gypsum (not operating at the head office)" (Code 2395), Production of building materials from clay (Code 2329) are limited in foreign ownership ratio of 50%. Accordingly, the maximum foreign ownership ratio in the Company is 50%.

II. PAYMENT METHOD AND PAYMENT TERM

For employees: According to the sale announcement of shares to employees of the Company.

For strategic investors: According to the provisions of Article 10 of Circular 32/2021/TT-BTC and the share purchase and sale contract between the strategic investor and Tan Cang Construction One Member Co., Ltd.

For investors who purchase shares through auction: in compliance with the provisions of "**Regulations on initial auction of shares of Tan Cang Construction Company Limited**".

III. PAYBACK PLAN FOR STATE-OWNED ENTERPRISE, PLAN FOR USAGE OF PROCEEDS FROM EQUITIZATION AND EQUITIZATION COSTS

1. Equitization cost

Pursuant to Decision No. 494/QĐ-HĐTV dated February 21, 2022 of the Board of Members of Saigon Newport One Member Limited Corporation on approving the equitization cost estimate of Tan Cang Construction Company Limited, the details are follows:

Table 18. Total cost of equitization

No	ITEM	AMOUNT
A	CONSULTANCY SERVICE COST	308,000,000
1	Cost of consultancy to determine the company value and the starting price (2nd time)	110,000,000
2	Costs for consultancy for equitization plans, the organization of a share offering and the organization of the first General Meeting of Shareholders	198,000,000
B	COST OF ORGANIZING THE FIRST AUCTION OF SHARE	121,500,000
1	The cost of organizing the first auction of shares at the Ho Chi Minh City Stock Exchange (0,3% of the total successful sale value, minimum 20 million VND and maximum 300 million VND (according to regulations of the Stock Exchange))	121,500,000
C	DIRECT COSTS AT THE BUSINESS	107,600,000
1	Expenses for propaganda and disclosure of information about the enterprise	21,000,000
2	Expenses for the first general meeting of shareholders	16,600,000
3	Expenses for audit of financial statements at the time of official transformation into joint stock company	70,000,000
D	REMUNERATION FOR EQUITIZATION STEERING COMMITTEE AND ASSISTANCE GROUP	390,000,000
1	Remuneration for members of the Equitization Steering Committee	240,000,000
2	Remuneration for assistance team	150,000,000
TOTAL COST		927,100,000
<i>In words: Nine hundred twenty-seven million, one hundred thousand dong.</i>		

(Source: Tan Cang Construction Company Limited)

2. Plan for usage of proceeds from equitization

Pursuant to Decision No. 1808/QĐ-TCg dated June 23, 2022 of the Corporation on adjusting the number of shares publicly offered to the public of Tan Cang Construction Company Limited, the plan to use the expected proceeds from equitization is as follows:

Table 19. Plan for usage of proceeds from equitization

No	Item	Value (VND)
1	Proceeds from the sale of shares calculated at the starting price	65,983,415,600
	<i>In which:</i>	
	- Proceeds from preferential sales to employees (*)	1,021,200,000
	- Proceeds from sale to employees according to number of years of commitment	919,320,000
	- Proceeds from sales to trade unions	-
	- Proceeds from sale to strategic shareholders	13,789,800,000
	- Proceeds from auction	50,253,095,600
2	Deductible (held by equitized enterprise)	1,236,383,956
	- Cost of equitization the implementing unit	927,100,000
	- Labor settlement costs	309,283,956
3	Value corresponding to the number of additional shares issued at par value	-
4	Remaining amount paid to the parent company (1-2+3)	64,747,031,644
5	Amount paid to the Funds to support business arrangement and development	-

(Source: Tan Cang Construction Company Limited)

(*) Selling price: 6,000 VND/share.

IV. PLAN FOR TRADING OF STOCKS ON THE STOCK MARKET

During the process of conducting the application for the initial public offering of shares, the Company will concurrently prepare the registration, depository and registration dossiers for Upcom transaction in accordance with the provisions of Article 11 of Decree 126/2017/ND-CP and Article 6 of Circular 32/2021/TT-BTC.

Within a maximum of 90 days from the end of the public offering of shares, the Company will complete the procedures for registration and depository of shares at the Vietnam Securities Depository Center and register for trading on the Upcom trading system. It is expected that in case the Company fully meets the listing conditions on the Stock Exchange, the Company will submit the listing dossier after receiving the approval of the General Meeting of Shareholders of the joint stock company.

V. EXPECTED RISK FACTORS

1. Economic risks

Vietnam's economy is currently facing challenges and uncertainties; and the legal and business environment, despite the progress made, still has many risks inherent in an emerging economy.

📌 GDP growth

For the whole Strategic period of the 2011-2020, Vietnam's GDP growth was expected to reach about 5.9%/year, belonging to the group of high-growth countries in the region and the world. GDP scale increased 2.4 times, from 116 billion USD in 2010 to 268.4 billion USD in 2020. GDP per capita increased from 1,331 USD in 2010 to about 2,750 USD in 2020.

In 2021, GDP increased by 2.58% because the Covid-19 epidemic seriously affected all areas of the economy, especially in the third quarter of 2021, many key economic localities had to implement prolonged social distancing prevent disease. GDP growth, if maintained at a good level, will reflect rising income levels and customer sentiment. An increase in income will boost people's entertainment needs and vice versa, a slow growth rate will negatively affect entertainment needs.



According to information from the General Statistics Office, GDP in the second quarter of 2022 was estimated to increase by 7.72% compared to the same period last year, higher than the growth rate of the second quarter of the years in the period 2011-2021. GDP in the first 6 months of 2022 increased by 6.42%, higher than the growth rate of 2.04% in the first 6 months of 2020 and the growth rate of 5.74% in the first 6 months of 2021 but lower than the growth rate of 7.28% and 6.98% of the same period in 2018 and 2019. In the general growth rate of the whole economy, the agriculture, forestry and fishery sector increased by 2.78% (contributing 5.07%); the manufacture and construction sector increased by 7.70%, (contributing 48.33%), of which, the processing and manufacturing industry was the momentum of the whole economy with an increase of 9.66%; service sector increased by 6.60%, (contributing 46.60%). Regarding the structure of the

economy in the first 6 months of 2022, the agriculture, forestry and fishery sector accounted for 11.05%; industry and construction accounted for 39.30%; service sector accounted for 40.63%; product tax minus product subsidies accounted for 9.02%. After the COVID-19 pandemic was well controlled in Vietnam, tourism activities began to develop and become vibrant again, which created conditions for businesses in the tourism industry to gradually recover after suffering from the pandemic's impacts, also contributing to economic development.

📌 Inflation

Fluctuating inflation will directly and indirectly affect entities in the economy in general and production activities of enterprises in particular. The risk of high inflation will lead to an increase in production and business costs while prices are affected by market demand. In addition, inflation risk also affects the discount rate for capital use, reducing the present value of cash flows. On the contrary, deflation also poses risks to businesses in the economy, accompanied by a decline in market demand and a stagnation of spending in the entire economy.

On average, core inflation in 2021 increased by 0.81% compared to 2020, lower than the general average CPI (up by 1.84%), which reflected that consumer price fluctuated mainly due to food, gasoline, oil and gas price increase. Core inflation is the lowest since 2011 compared to previous years.



Consumer price index (CPI) in June 2022 increased by 0.69% over the previous month; increased 3.18% compared to December 2021 and increased 3.37% over the same period last year. 2022 second quarter average figure increased by 2.96% compared to the second quarter of 2021. On average, in the first 6 months, CPI increased by 2.44% over the same period last year; core inflation increased by 1.25%.

As an enterprise operating in the construction sector, the inflation factor had a direct impact on the Company's operations, especially on construction costs, thereby business results. Increase in the price of input materials and construction

costs leads to an increase in total costs, while competitive pressure prevents bidding prices from rising too high, which can lead to reduced profits. The increase in the price of maintenance materials causes a decrease in the demand for construction work, and in turn decreases the number of new contracts signed... With the advantage of construction experience capacity, construction plans and estimates... are all implemented by the Company as close to reality as possible, thereby improving competitiveness when bidding, and at the same time minimizing costs arising outside the estimate; thus, plans and solutions are reasonably made according to business targets, optimizing the Company's resources. The Board of Directors of the Company always closely monitors the fluctuation of prices and inflation situation, thereby planning the procurement of raw materials and adjusting the construction plan accordingly to optimize business results.

⬇ **Interest rate**

Even for businesses with strong finances, there are times when it is necessary to mobilize loans to ensure business operations. In the worst case, the cost of interest can be higher than the possibility of making a profit. To cope with interest rate risks, in the period 2015-2018, interest rates were maintained by the State Bank at a stable level.

From the beginning of 2020, in order to curb difficulties caused by the impact of the COVID-19 pandemic, speed up the recovery of the economy and increase access to bank loans, on the basis of domestic and international economic developments, the State Bank has continuously lowered the operating interest rate 3 times in a row in March, May and October - a total reduction of 150 basis points for the refinancing interest rate - as well as lowered the ceiling 6-month or shorter deposit interest rate from 80-100 basis points.

By 2021, under the direction of the Prime Minister, large commercial banks in the banking system have reduced lending interest rates for existing outstanding loans from mid-July to the end of 2021. Accordingly, The average short-term lending interest rate in VND for a number of priority sectors was at 4.4%/year, even lower than the maximum short-term lending rate prescribed by the State Bank of Vietnam, which is 4.5%/year.

In 2022, in the context of the economy facing many difficulties due to the impact of the COVID-19 pandemic, the State Bank of Vietnam will continue to maintain the operating interest rate unchanged, creating favorable conditions for credit institutions to continue to reduce lending interest rates, supporting economic recovery. However, deposit and lending interest rates at commercial banks will gradually increase and depend heavily on the recovery ability of the economy as well as the fluctuations of inflation rate.

As an enterprise operating in the field of construction, the use of financial leverage through debt instruments is inevitable for the Company, therefore, interest rates have a great direct impact on business results. Excessively high interest rates or abnormal fluctuations will cause the Company's activities to be severely affected, and at the same time, lead to passiveness when developing production and business plans. Therefore, the fluctuation of interest rates is closely monitored by the Company's leaders in order to build suitable disbursement and repayment plans, while ensuring financial safety ratios and optimizing financial costs to best serve the Company's period-to-time operational objectives.

2. Legal risk

The Company's operations are governed by general legal documents such as the Law on Enterprises, the Law on Securities, and new legal documents in the field of securities and the securities market.

After Vietnam joined the WTO, our country's legal system is gradually being improved to match the trend of international integration. In order to create a favorable and fair legal corridor among economic sectors, meeting international standards and practices in the integration process, the National Assembly has promulgated many new laws. However, a number of current legal regulations have not been changed appropriately, lack of updates, leading to a market lacking transparency and healthy competition to create conditions for sustainable development.

In addition, in general, the legal and policy framework that affects the economy and regulates business and commercial activities has been developed since the "doi moi" policy in 1986 and still in the early stages of development. In recent years, although Vietnam's legal system has been elaborately drafted for higher transparency to make it more accessible for investors, uncertainties and existing legal issues in the legal documents still affect the guiding documents and thus the business activities of enterprises.

As the Vietnamese legal system develops, it is expected that inconsistencies and uncertainties in legal regulations will be elaborated and clarified in accordance with new legal provisions and that old laws will be replaced or modified. It is difficult to predict when Vietnam's legal system will reach the level of certainty and predictability of the legal system of other developed economies. On the other hand, the recognition and enforcement of judgements of Vietnamese courts, arbitration centers and administrative agencies in the event of a dispute are still uncertain.

In order to control legal risks, the Company needs to keep up with the

changes of the legal system and always update changes in the legal environment related to the company's operations, thereby making appropriate business development plan.

3. Peculiar risks

Risk of construction time and payment schedule

The characteristics of the basic construction activities is that the construction time of the works is often long, and that the acceptance and handover are carried out in parts. The disbursement is often slow; the process of completing construction documents as well as approving the final settlement between the investor and the contractor often takes a lot of time, which significantly affects the financial situation of the Company.

In addition, if the quality of the work is not guaranteed, incidents may occur and affect the production and business activities of the enterprise, causing loss of image and customer trust.

Raw material risk

Iron, steel, cement... are construction materials that account for the majority of production costs. Fluctuations in raw material prices may affect the Company's business results. In 2021, the price of raw materials, mainly iron and steel, increased, leading to an increase in the cost of construction works, affecting the profit earned from the works. In order to ensure business results, the Company often relies on the construction progress and critical needs of each project to choose the time to purchase materials to limit inventory and enhance saving, limiting material loss, saving transportation costs. Besides, the Company also focuses on working with large raw material suppliers with stable prices to ensure the stability of input prices of raw materials.

Risks arising from competitive factors

The market for construction and construction materials supply is very sensitive to the movements of the economy. If the economy develops stably, it will attract a lot of investors in the field of infrastructure construction, making the construction and material supply market become a fertile market attracting many businesses. But it also means that the level of competition in the industry will become more intense when supply exceeds demand.

Risks in human resources, management capacity

The process of construction works always requires the concentration of a large number of resources of the Company. The peculiarity of the construction works is that it stretches across the country; thus, the challenging management

requires the capacity of the departments and managers to be increasingly improved. Besides, construction works always contain risks of accidents from human carelessness. Therefore, the practice of occupational safety, traffic safety, and fire prevention must always be upheld. In addition, in 2020-2021, the outbreak of the COVID-19 pandemic affected the Company's human resources, especially during the peak periods of construction, when the increased number of infected employees forced the Company to create policies and solutions to balance resources for projects to ensure construction progress.

4. Risks from the offering

Vietnam's stock market fluctuated sharply in the first four months of 2022, causing many investors to suffer many negative effects; the cash flow into the market during this period was still limited due to the unstable market situation. The supply of cheap stocks in the market is quite large, investors are also less interested in IPO activities, so the first auction of shares of Tan Cang Construction Company Limited will face some significant impacts from the general market situation. The selling price must be at an attractive level to attract the participation and interest of investors. There are quite many enterprises in the same industry of construction and installation services in the market, with fierce competition, so the interest of investors in the Company is not much. Therefore, a successful auction of shares depends not only on the enterprise to be equitized, but also on the level of interest of investors in Tan Cang Construction Company Limited and business lines of the Company.

5. Other risks

In addition to the above specific and systematic risks, Tan Cang Construction Company Limited, as well as other economic units, will be affected and suffer losses in the event of force majeure such as: Natural disasters (storms, floods, earthquakes...), epidemics, etc. Those are force majeure risks, which are rarely encountered in practice, but once occurring, will cause damage to property, human and the general operation of the Company. Since 2019, when the COVID-19 epidemic appeared and turned into a pandemic, it has had a particularly bad impact on the business activities of enterprises. In order to limit possible damages, the Company is expected to participate in buying insurance for the Company's assets and products and production and business interruption insurance.

VI. PEOPLE HOLDING MAIN RESPONSIBILITY FOR THE CONTENTS OF INFORMATION ABOUT THE EQUITIZED ENTERPRISE

1. Representative of the Equitization Steering Committee

- ❖ Mr. Phung Ngoc Minh - Head of the Equitization Steering Committee.

This information disclosure is prepared by the equitization enterprise and the consulting unit, and has been approved by the Equitization Steering Committee.

2. Representative of the equitized enterprise

TAN CANG CONSTRUCTION COMPANY LIMITED

- ❖ Mr. Pham Van Tien – Chairman of the Company.
- ❖ Mr. Nguyen Chi Dung – Director of the Company.
- ❖ Mr. Nguyen Van Tiep – Chief Accountant of the Company.

We guarantee that the information and data in this Information Disclosure are complete, accurate and truthful and commit to be responsible for the completeness, accuracy and truthfulness of the information and data.

3. Representative of the Consulting Organization

TAN VIET SECURITIES JOINT STOCK COMPANY

- ❖ Ms. Bui Thi Thanh Hien - Deputy General Director.

(According to the power of attorney number: 689/2022/UQ-TGD dated July 1, 2022 of the General Director of Tan Viet Securities Joint Stock Company).

This information disclosure is a part of the initial public offering of shares of Tan Cang Construction Company Limited, prepared with the participation of Tan Viet Securities Joint Stock Company on the basis of a private investment consultation contract with Tan Cang Construction Company Limited. We ensure that the analysis, evaluation and choice of words in this Information Disclosure have been carried out reasonably and carefully based on the information and data provided by the Tan Cang Construction Company Limited. Tan Viet Securities Joint Stock Company is not responsible for the information not provided by the enterprise.

VII. CONCLUSION

This information disclosure is intended to provide potential investors with information on the assets, capital sources, financial position, business results and prospects of Tan Cang Construction Company Limited prior to registering to

participate in the auction to buy shares.

This information disclosure is made on the basis of information and data provided by Tan Cang Construction Company Limited and the approved equitization plan of Tan Cang Construction Company Limited in accordance with the regulations, ensuring publicity, transparency and protection of legitimate interests of investors.

The Auction Organization Committee of the initial public offering of Tan Cang Construction Company Limited recommends that investors refer to this Information Disclosure, together with other documents related to the IPO of Tan Cang Construction Limited Company prior to any decision to participate in the share auction.

Ho Chi Minh City, August 15th, 2022

**REPRESENTATIVE OF EQUITIZATION STEERING COMMITTEE
CHAIRMAN**

(signed and stamped)

PHUNG NGOC MINH

**REPRESENTATIVE OF THE
CONSULTING ORGANIZATION
REPRESENTATIVE OF THE
CONSULTING ORGANIZATION**

**REPRESENTATIVE OF EQUITIZED
ENTERPRISE - TAN CANG
CONSTRUCTION COMPANY
LIMITED**

DEPUTY GENERAL MANAGER

DIRECTOR

(signed and stamped)

(signed and stamped)

BUI THI THANH HIEN

NGUYEN CHI DUNG

