

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

INFORMATION DISCLOSURE

THE INITIAL PUBLIC OFFERING OF SHARES IN

HAU GIANG AGRICULTURAL BREEDING CENTER

AUCTION PERFORMING ORGANIZATION:



HOSE

HO CHI MINH CITY STOCK EXCHANGE
Address: No.16 Vo Van Kiet, District 1, HCMC
Phone: (028) 3821 7713 Fax: (028) 3821 7452

SHARE OFFERING ORGANIZATION :

HAU GIANG AGRICULTURAL BREEDING CENTER
Address: No.128, Highway 61, Hamlet 12, Vi Thang Commune, Vi Thuy District, Hau Giang Province.
Phone: (0293) 3877 448

CONSULTING ORGANIZATION :



BETA SECURITIES INCORPORATION
Head office: Floor 4&5, Beta Building, 55 Nam Ky Khoi Nghia, District 1, HCMC
Phone: (028) 3914 2929 Fax: (028) 3914 3435

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INFORMATION ABOUT THE INITIAL SHARE OFFERING

1. Share offering organization

Organization name : HAU GIANG AGRICULTURAL BREEDING CENTER
Address : No.128, Highway 61, Hamlet 12, Vi Thang Commune, Vi Thuy District, Hau Giang Province
Phone : (0293) 3572 202
JSC Charter capital : 18,756,500 VND
Share's par value : 10,000 VND
Number of share : 1,875,650 shares

In which:

Government's share holding : 919,069 shares, occupied 49.00% of charter capital

Share offering for labor in the company according to working period standard in Government area : 25,800 shares, occupied 1.4% of charter capital

Share offering for labor in the company according to long-term working commitment at the Joint Stock Company : 152,600 shares, occupied 8.1% of charter capital

Share offering in the public auction : 778,181, occupied 41.5% of charter capital

2. Share offering for the auction

Number of share offering in the auction : 778,181 shares, occupied 41.5% of charter capital

Type of share offering : Ordinary shares

Auction method : Public auction through HCMC Stock Exchange

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

Number of maximum share registered to be purchased by each investor : 778,181 shares

3. Information disclosure about share purchasing registered organizations

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

I. LEGAL BASIS ABOUT THE AUCTION

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- Decree No. 126/2017/ND-CP on November 16th, 2017 issued by the Government about Government organizations and One Member Limited Company with 100% investment by Government to change into Joint Stock Company;
- Circular No. 40/2018/TT-BTC on May 04th, 2018 issued by Ministry of Finance guiding about initial share offering and management of receipt from equitization of the Government organizations and One Member Limited Company with 100% investment by Government to change into Joint Stock Company;
- Decision No. 22/2015/QD-TTg on June 22nd, 2015 issued by Minister of Government about changing from Government organizations into Joint Stock Company;
- Circular No. 35/2016/TT-BLDTBXH on October 25th, 2016 issued by Ministry of Labor, War invalids and Social Affairs guiding to perform the policies for the labor when changing from Government organizations into Joint Stock Company according to Decision No. 22/2015/QD-TTg on 2 June 2015 issued by Minister of Government;
- Document No. 766/VPCP-DMDN on January 25th, 2017 issued by Government office about list of Government organizations in Hau Giang province changing into Joint Stock Company;
- Decision No. 31/2017/QD-CP issued by Minister of Government on July 17th, 2017 about criteria of sector list performing of change from Government organizations into Joint Stock Company;
- Plan No. 39/KH-UBND on April 05th, 2017 issued by Hau Giang People's Committee performing to change the Government organizations into Joint Stock Company for period 2017 – 2020;
- Decision No. 1199/QD-UBND on July 11st, 2017 issued by Hau Giang People's Committee about changing the Agricultural Breeding Center into Joint Stock Company;
- Decision No. 1595/QD-UBND on September 19th, 2017 issued by Hau Giang People's Committee on establishing Equitization Management Committee of Agricultural Breeding Center;
- Decision No. 03/QD-BCĐCPH on October 02nd, 2017 issued by Equitization Management Committee of Hau Giang Agricultural Breeding Center on establishing the Assistant Team for the Equitization Management Committee of Agricultural Breeding Center;
- Announcement No. 03/TB-BCĐCPH on October 02nd, 2017 issued by Equitization Management Committee of Agricultural Breeding Center on the assignment of the Equitization Management Committee and the Assistant Team for the Equitization Management Committee of Agricultural Breeding Center;
- Document No. 275/UBND – KT on February 13rd, 2018, issued by Hau Giang People's Committee, about undertaking to select consultancy units, providing consultancy services to determine the value and equitization of the Agricultural Breeding Center;
- Plan No. 34/KH-UBND on March 14th, 2018 issued by Hau Giang People's

Committee on equitization of the Agricultural Breeding Center;

- Decision No. 05/QD-BCĐCPH on July 31st, 2018 issued by Equitization Management Committee of Agricultural Breeding Center on the consolidation of the Assistant Team for the Equitization Management Committee of Agricultural Breeding Center;

- Decision No. 1527/QD-UBND on October 16th, 2018, issued by Chairman's Hau Giang People's Committee about replacing members of the Equitization Management Committee of Agricultural Breeding Center;

- Decision No. 1560/QD-UBND on October 22nd, 2018, issued by Chairman's Hau Giang People's Committee about replacing members of the Equitization Management Committee: Bus and Boat Station Joint Stock Company, Center For Rural Water Supply And Environmental Sanitation, Agricultural Breeding Center, Spring Agricultural Center, Center for Natural Resources and Environment Technology;

- Document No. 4043/UBND-KT on November 22nd, 2018 issued by Hau Giang People's Committee about adjusting the timeline for enterprise valuation;

- Decision No. 04/QD-BCĐCPH on March 21st, 2019 issued by Equitization Management Committee of Agricultural Breeding Center on the replacement of the Assistant Member of the Assistant Team for the Equitization Management Committee of Agricultural Breeding Center;

- Decision No. 1284/QD-UBND on August 22nd, 2019 issued by Hau Giang People's Committee about approving the value of Hau Giang Agricultural Breeding Center as of December 31st, 2018 for equitization;

- Decision No. 2018/QD-UBND on November 14th, 2019 issued by Hau Giang People's Committee about approving the equitization plan of the Provincial Agricultural Breeding Center;

- Other related legal documents.

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

1. Representative of Equitization Management Committee

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

This Information Disclosure prepared by equitization organization and consulting organization is approved by Equitization Management Committee of Hau Giang Agricultural Breeding Center.

2. Representative of Center

- Mr. Pham Quoc Thu Position: Head of Center.

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

2. Main types of business

According to Decision No. 21/QĐ-SNNPTNT dated February 22nd, 2019 of the Hau Giang Department of Agriculture and Rural Development, defining the functions, tasks, powers and organizational structure of the Hau Giang Agricultural Breeding Center, specifically:

a. Position, function:

Hau Giang Agricultural Breeding Center is the public non-business, self-sufficient regular spending. The unit's head is responsible for organizing the financial autonomy of the unit according to regulations.

Hau Giang Agricultural Breeding Center has the function of advising the Department of Agriculture and Rural Development on the orientation, planning and plan for development of plant and livestock breeds in the province; carrying out research and application of scientific and technological advances in breeding, selecting, preserving, testing, demonstrating and producing breeds of plants, livestock, aquatic products; signing research contracts, transferring technical advances, associating production with individuals and organizations according to the provisions of law.

Hau Giang Agricultural Breeding Center is given the autonomy to organize its apparatus, personnel, payroll, finance and assets as prescribed; Complying with the salary regime and policies on remuneration, commendation and discipline for officials and workers under the management scope of the Center in accordance with the law.

b. Responsibility, rights:

To advise the Director of the Department of Agriculture and Rural Development to develop strategies, plans, programs, projects, topics on agricultural varieties.

Autonomy in developing operational plans; Annually, the unit prepares its own work plan to perform its tasks and reports to the Department of Agriculture and Rural Development to monitor, inspect and monitor the implementation.

Autonomy in organizing the performance of tasks; Decide on measures to perform tasks according to the units' plans and plans assigned by superior agencies, ensuring quality and progress; To participate in tendering to provide public non-business services in conformity with the professional fields assigned by the competent authority.

To research, storage, development and supply of original, pure and parental breeds; Breeding, selecting, experimenting, demonstrating, producing agricultural varieties to serve production, meeting the requirements of agricultural development goals inside and outside the province.

To participate in activities of international cooperation, exchange of genetic materials. Introduction of high-yield and good-quality agricultural varieties serving the development of agricultural production.

To exercise copyright over plant and livestock breeding products self-created and crossbred by the unit; To receive programs, schemes, projects and new

technologies on agricultural breeding production from organizations and individuals inside and outside the province (including foreign organizations) according to the provisions of law.

To organize training, seminars; To transfer of processes, regulations, standards and techniques on agricultural breeding production.

To perform services related to agricultural breeding production, technical advice, technology transfer, inspection, sampling ... for organizations and individuals inside and outside the province in accordance with the law.

To sign service contracts, joint ventures, associate with organizations and individuals inside and outside the province in the field of agricultural breeding production and trading, agricultural materials, agricultural products ... to serve the agricultural development of the province. To borrow capital from credit institutions, mobilize capital from public servants and employees in units to invest in expanding and raising the quality of non-business activities and organizing service activities suitable to their functions, mission; self-responsibility for repaying loan and interest as prescribed; To take responsibility before law for the effectiveness of capital borrowing and capital mobilization.

To perform other duties as assigned by the Director of the Department of Agriculture and Rural Development.

3. Agency

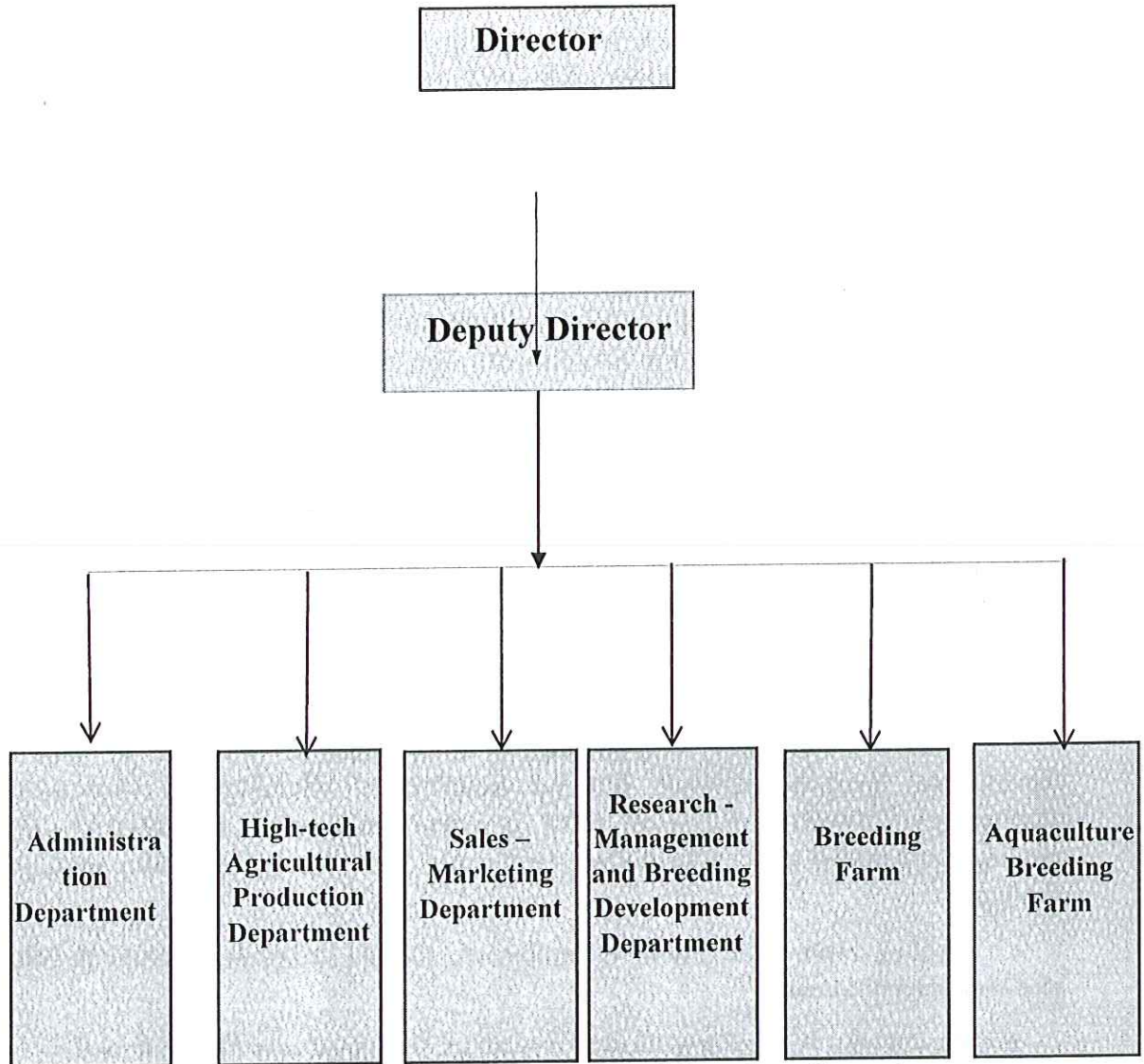
- Name of Agency: Hau Giang Province Department of Agriculture and Rural Development.

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

4. Organizational and management structure

4.1. Organizational chart

Organization chart of Hau Giang Agricultural Breeding Center:



(Source: Hau Giang Agricultural Breeding Center)

4.2. Function and detail responsibilities of each department:

a. Board of Directors: Includes 01 Director and 02 Deputy Director:

+ Director:

Director is the Head of the Center, responsible to the Director of Department of Agriculture and Rural Development and before the law for the entire operation of the Center.

+ Deputy Director:

Deputy Director is responsible to the Director and the law for the field of work assigned by the Director. When the Director is absent, the Deputy Director is authorized by the Director to run the Center's activities.

b. Administration Department:

Administration Department is a specialized division of the Hau Giang Agricultural Breeding Center, has the function of advising the Director in the implementation of the unit's strategic, long-term, medium-term and annual plans; Advising the Director on human resources, management of land, facilities, supplies, equipments, clerical, archival and reception activities, and security, security and order work, coordination of working facilities, service activities are within the responsibility and authority of the Department; Advising the Director in the construction and implementation of long-term, medium-term and short-term plans (finance, production, business) to serve the unit development strategy; Making cost estimates, accounting, monitoring the observance of estimates and managing revenue, expenditure and financial settlement according to current regulations.

c. High-tech Agricultural Production Department

- High-tech Agricultural Production Department is a specialized division of Hau Giang Agricultural Breeding Center, has the function of advising the Director in the implementation of the production, propagation of rice, the selection and production of a number of fruit trees, industrial plants and vegetables serving the development of agricultural breeding production in the province.

- Providing consulting services, transferring agricultural breeding production techniques, testing, sampling, testing agricultural varieties quality certification proposals to organizations and individuals inside and outside the province in accordance with the provisions of law.

d. Sales – Marketing Department

- Sales – Marketing Department is a specialized division of Hau Giang Agricultural Breeding Center, has the function of advising the Director in the management, implementation of joint ventures, associates, production, sales and marketing planning (advertising plan, marketing plan, promotion sales, sales plan) of the unit.

- Finding customers, brand development, market research, product development and market expansion.

e. Research - Management and Breeding Development Department

- Research - Management and Breeding Development Department is a specialized division of Hau Giang Agricultural Breeding Center, has the function of advising the Director in the research on conservation, restoration, breeding, selection, collection, introduction, testing, demonstration, selection of precious genetic resources, hybrid materials, receiving and transferring technologies on agricultural breeding production; At the same time advising the Leaders in the management of agricultural breeding products, regulations, procedures, standards and technical standards on agricultural breeding production, in accordance with the provisions of law.

- Developing programs, schemes, projects, topics and plans for development of agricultural varieties and submit them to the competent authorities for approval; Receiving programs, schemes, projects, topics on agricultural varieties from the central to local levels and organizations and individuals inside and outside the province (including foreign organizations) in accordance with the provisions of law.

f. Aquaculture Breeding Farm

Aquaculture Breeding Farm is a specialized division of Hau Giang Agricultural Breeding Center, has the function of advising the Director in the implementation of the production of a number of aquatic breeds suitable to the saline water intrusion conditions and the development of the province's fishery industry.

g. Breeding Farm

Breeding Farm is a specialized division of Hau Giang Agricultural Breeding Center, has the function of advising the Director in the implementation of the breeding and production of some livestock breeds suitable to conditions for animal husbandry development in the province.

5. Labor situation

At the value disclosure time of Center on August 22nd, 2019, total number of labor and officers with name in the regular list of Center is 27 people, in which the structure is as below:

NO.	Criteria	Number (people)	Percentage (%)
I	Classify according to level	27	100
1	Over university level	4	14,8
2	University level	18	66,7
3	College, inter-school level	2	7,4
4	Other levels	3	11,1
II	Classify according to working contracts and labor contracts	27	100
1	Workers not signing working or labor contract	-	-
2	Undefined time working contract	25	92,5
3	Contract with terms from 12 to 36 months	-	-
4	Temporary or under 12 month contract	2	7,4
III	Classify according to gender	27	100
1	Male	16	59,3
2	Female	11	40,7

(Source: Hau Giang Agricultural Breeding Center)

V. BUSINESS OPERATION ACTIVITIES

1. Business situation before equitization

1.1. Business operation activities through years

a. Main products and services:

↓ Rice seeds

Some typical products are as follows:



Origin	:	OM 6976 rice is selected from the combination IR68144/OM997//OM2718. Seed is officially recognized under Decision No. 711/QD-TT-CLT on December 7th, 2011.
Growth time	:	95-100 days
Height of tree	:	100-105 cm
Length of seed	:	6,70 mm
Weight of 1000 seeds	:	25-26 gram
Quality of rice	:	Rice grain is medium length, clear, less chalky kernel, rice is still slightly soft when cooled.
Pests	:	Resist Brown backed rice plant hopper (BPH) and Pyricularia oryzae Cav. well, resist Rice Grassy Stunt Virus (RGSV) - Rice Ragged stunt virus (RRSV) fairly.
Productivity	:	7 – 8 ton/ha
Other characteristics	:	beautiful shape, very hard stems, few

branches, big bunches, thick seeded.



OM7347

Origin	: OM 7347 rice is selected from the combination KHAODAWRMALI/BL//BL. Seed is officially recognized under Decision No. 711/QĐ-TT-CLT on December 7th, 2011.
Growth time	: 93-98 days
Height of tree	: 95-100 cm
Length of seed	: >7,00 mm
Weight of 1000 seeds	: 26-27 gram
Quality of rice	: Long grain rice, white translucent grain, soft rice, sweet, aromatic.
Pests	: Resist Brown backed rice plant hopper (BPH) (level 3) and Pyricularia oryzae Cav. (level 3) well, resist Rice Grassy Stunt Virus (RGSV) - Rice Ragged stunt virus (RRSV) fairly.
Productivity	: 7 – 8 ton/ha
Other characteristics	: beautiful shape, very hard stems, pretty much branches, wide adaptability, resist alum fairly.

+ Seedling

- Pomelo: Grapefruit has beautiful thin green skin. easy to peel, sweet taste, pink section ... Grapefruit weight of about 2kg/unq. can be kept for 15-20 days without affecting fruit quality



- King mandarin: Round fruits, dark yellow, juicy fruits.



- Citrus grandis: Form of Citrus grandis is like oranges. Skin is green and dark lime when ripe. Citrus grandis have light yellow selection, dark sweetness, aroma,

average weight 250 - 300 grams.



✦ **Livestock**

- **Yellow Chinese Chicken:**

+ Hau Giang Agricultural Breeding Center has organized breeding and propagation of Yellow Chinese Chicken to provide good chicken breeds for farmers in need, and continue to create to store and re-form the Yellow Chinese Chicken breeds that have been branded before. Yellow Chinese Chicken or Yellow Vietnamese Chicken is a native Vietnamese chicken breeds. They are popularly reared in the southern provinces and now thrive in some localities in the Mekong Delta. This breed is favored for its high quality, easy to raise.

+ Yellow Chinese Chicken is a local chicken breed in the Southern region with characteristics of yellow feathers, skin, legs and delicious meat. Most of them have straw yellow, dark yellow fur, black spots on the neck, wings and tail. Yellow skin, white flesh, crests are mostly single crests. Meat is solid and delicious. Egg yield 70 – 90 eggs/hen/year, weighing 45 - 50 g/egg. In particular, the percentage of eggs with embryos 85%, hatching rate 88%, survival rate to 8 weeks of age is 95%.

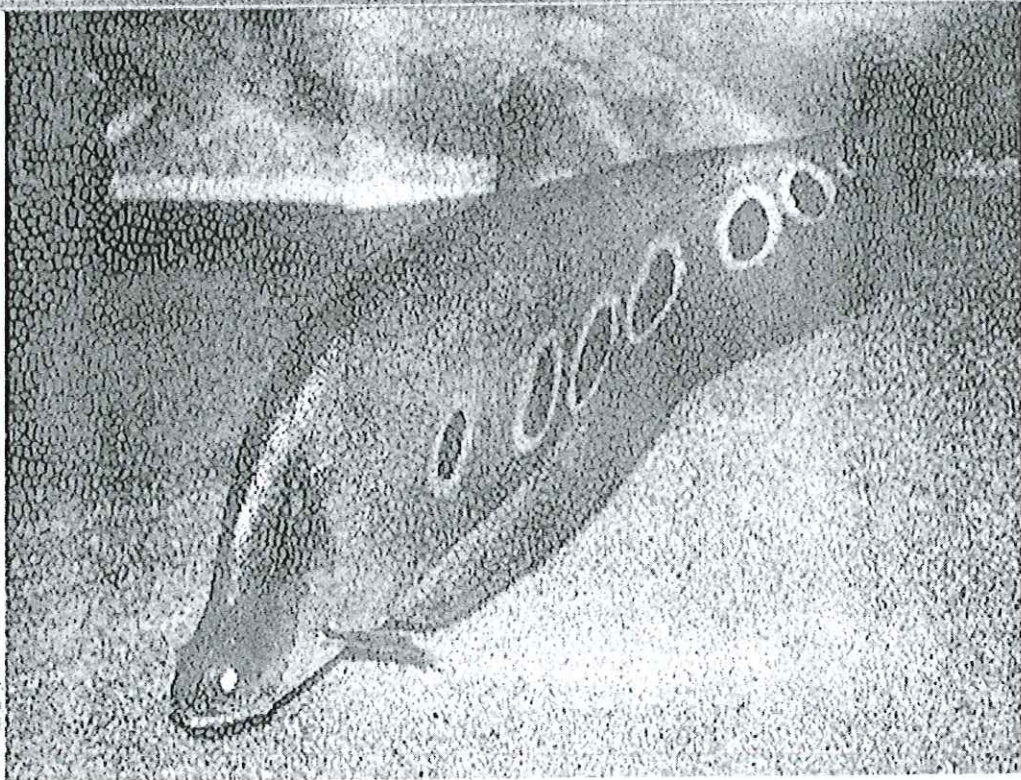
+ Yellow Chinese Chicken have a large weight, from 3–4 kg/unc, while Pedigreed fighting-cock average about 3 kg/unc. Weight of mature hens is 1.8 - 2 kg/hen, mature cocks is 2.5 - 3 kg/cock. Weight at birth may be 30g, when mature, the

cock weighs 3 kg, the hen weighs 2 kg. Yellow Chinese Chicken has a fast growth rate and can be sold for about 4 months.

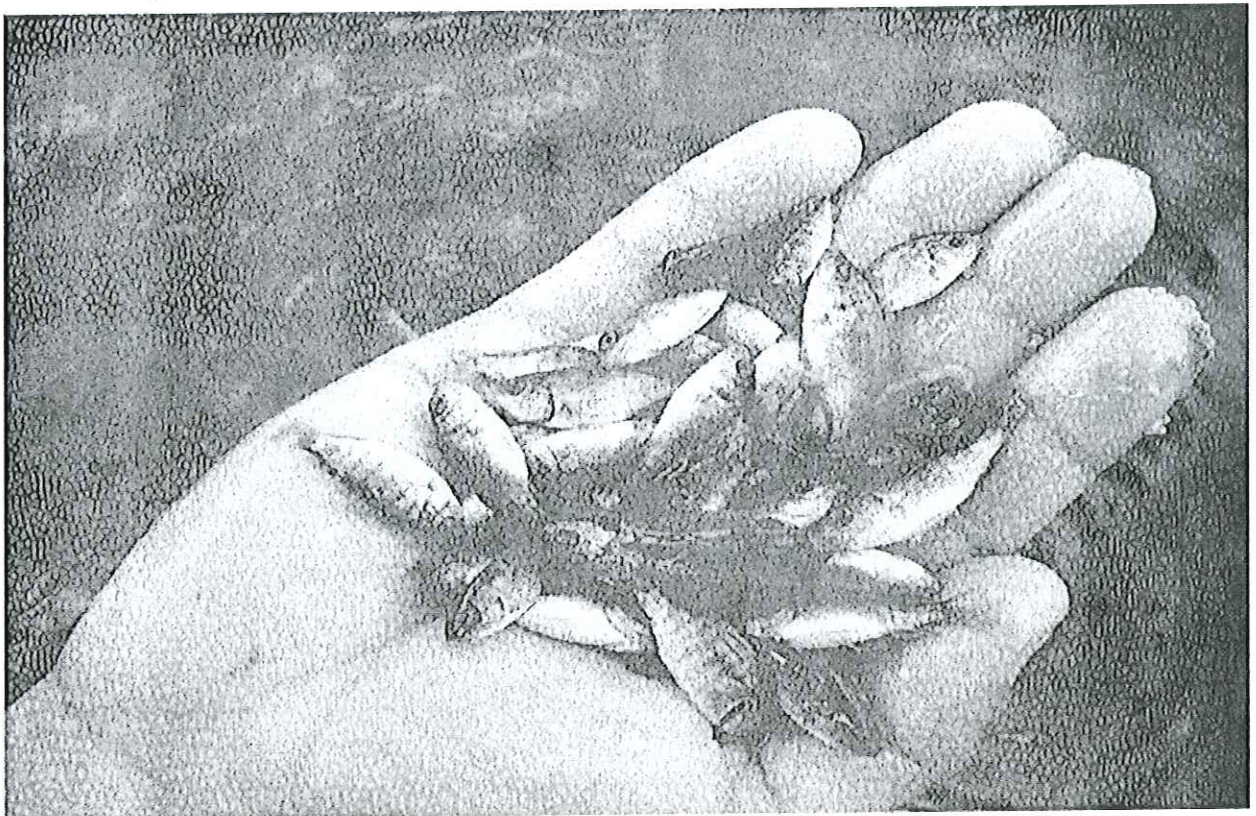


✦ **Seafood**

- Notopteridae:



- Tilapia:

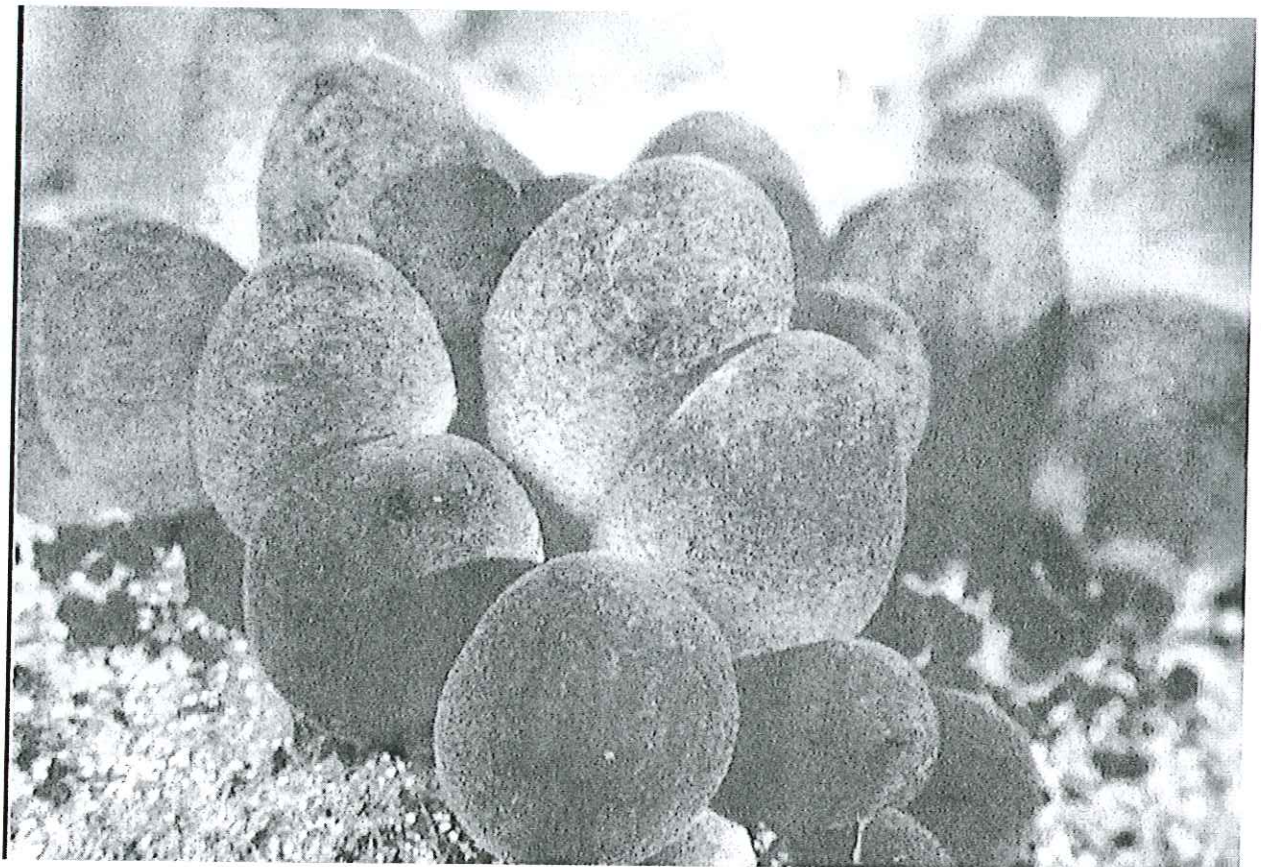


4 Embryo mushroom

- Oyster mushroom:



- Straw mushroom:



b. Criterias of business production output:

Information Disclosure
Hau Giang Agricultural Breeding Center

No.	Criteria	Unit	2016		2017		2018	
			Production and production links	Sales output	Production and production links	Sales output	Production and production links	Sales output
1	Rice seeds	Kg	168.253	106.809	312.155	368.095	236.164	228.245
2	Seedling	Uny	1.416.074	1.407.998	428.526	409.099	268.469	207.659
3	Livestock	Unc	17.983	14.992	13.361	13.361	24.925	21.849
4	Seafood	Unc	178.265.050	178.265.050	13.151.522	13.151.522	11.174.395	11.174.395
5	Embryo mushroom	Bag	40.000	30.040	39.396	15.736	35.000	35.000

(Source: Hau Giang Agricultural Breeding Center)

c. Business result from 2016 to the end of 2018:

Unit: VND

NO.	Criteria	2016	2017	2018
1	Receipt amount in period	7.784.798.602	7.924.140.006	6.984.379.187
-	Administrative and non-business activities	3.281.143.138	2.970.410.806	4.155.462.942
-	Production, business and service activities	4.503.655.464	4.953.729.200	2.828.916.245
-	Financial activities	...	-	-
-	Other activities	...	-	-
2	Payment in period	6.928.300.146	7.587.856.874	6.951.692.453
-	Administrative and non-business activities	2.486.472.465	2.970.410.806	4.155.462.942
-	Production, business and service activities	4.441.827.681	4.617.446.068	2.796.229.511
-	Financial activities	...	-	-
-	Other activities	...	-	-
3	Revenue difference	61.827.783	336.283.132	32.686.734
-	Administrative and non-business activities	...	-	-
-	Production, business and service activities	61.827.783	336.283.132	32.686.734
-	Financial activities	...	-	-
-	Other activities	...	-	-

(Source: Hau Giang Agricultural Breeding Center)

1.2. Material source

a. Input factors and the stability of the supply:

- The center's main business is to research and produce plant seeds (agriculture and forestry), livestock and aquatic, and mushroom breeds which are purchased mainly from reputable units in the country.

- Feed and fertilizer materials serving production and business activities are used from domestic suppliers.

- Due to the characteristics of seedling and breeding production, the unit is proactive in producing the number of seedlings and breeds out of the market. In addition, the Center cooperates with households and units to produce seedlings and breeds, thereby increasing the quantity of breeds supplied to the market.

- Land area used for seed farming, culturing aquatic breeds and livestock breeds is fully active due to the large area of land in the province, especially the land associated with households.

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

- For products that the Center has to buy the copyright, the price of the product copyright also greatly affects the cost and profit of the Center.

- Besides, the fluctuations of raw materials for animal feed, fertilizer, the purchase price of parent breeds, ... also affect the production and business activities of the unit.

- To ensure the initiative in production and business activities, the Center always plans its production and business plan every year, at the same time, there are necessary adjustments structuring the proportion of products supplied to the market in order to meet market demand and in accordance with the ability of the Center.

1.3. Technology Level

- Gradually explore and research and apply advanced technologies in the process of developing and producing high-quality varieties, complete closed from seedlings/breeds to commercial products.

- Initially cooperate to provide partners producing high quality aquatic breeds with advanced technology. The center sent technical staff to participate in the implementation of the project with partners to grasp the technology of tilapia and red tilapia production.

1.4. Research and development situation for new products

- With the specificity and advantage of being a breeding producer, so the Center is constantly researching and testing new breeding products in order to provide the market with products suitable to the local soil and climate conditions.

- In the field of crop production, the Center has continuously promoted hybrid research activities to produce suitable and quality rice varieties.

- In 2018, the Center has selected 100 dissociated lines, creating 16 new hybrid

combinations, selecting 7 promising lines (HG3, HG4, HG5, HG6, HG7, HG8, HG9), including 2 favored lines Vietnam in the Conference on evaluation of Winter-Spring rice varieties 2017-2018 at the Center.

1.5. Checking situation of product – service

- Products are developed detailed information profiles by the Center to serve the process of checking and assessing the quality level of each group of products and services.

- Breeding products produced will be evaluated by quality control department before delivering goods to customers or transitioning to production, commercial farming.

- The center is gradually improving the quality control processes and systematizing management through management software to monitor updates and capture regularly.

1.6. Marketing activities

Marketing activities have been implemented by the Center in recent years such as:

- Building an e-commerce site, posting information and images of products and services for customers to approach quickly.

- Promoting advertising and sales through traditional channels such as newspapers, radio, and fairs programs inside and outside the province. Besides, step by step through e-commerce channels and social networks such as google, facebook, zalo, ...

- In general, the marketing activities are quite limited, partly because the scale of production and business activities of the Center is limited, and also due to the specific mechanism of public non-business units, marketing expenses are still limited.

Is public service unit, small scale so the unit has not yet focused on development of marketing activities due to limited source of capital. The current marketing activities are via building up good service to create trust from customers and partners.

1.7. Commercial brand, patent and copyright registration

The center has been granted the certificate of trademark registration No. 317024 by the National Office of Intellectual Property - Ministry of Science and Technology (according to Decision No. 23608/QĐ-SHTT dated April 1st, 2019) for Yellow Chinese Chicken products such as: Live Yellow Chinese Chicken, Yellow Chinese Chicken breed, Yellow Chinese Chicken meat, food made from Yellow Chinese Chicken, Yellow Chinese Chicken eggs. Specific brands are as follows:



1.8. Big contract in performing or have been signed

No.	Customer	Contract content	Year of signing	Status	Note
1	Lai Phuong Co., Ltd.	Producing and supplying Philippine banana seedlings by tissue culture method	2016	Finished	
2	Economic Department of Long My Town	Sell seedlings	2016, 2017, 2018	Finished	
3	Dong Thuan Phat Service Co., Ltd.	Producing and supplying Philippine banana seedlings by tissue culture method	2017	Finished	
4	Agriculture Department of Long My District	Sell seedlings	2017	Finished	
5	Agriculture Department of Vi Thuy District	Provide seedlings, breeds	2017	Finished	
6	Economic Department of Nga BayTown	Sell seedlings	2018	Finished	
7	Economic Department of Vi Thanh City	Providing livestock and aquatic breeds	2018	Finished	

(Source: Hau Giang Agricultural Breeding Center)

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

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

Unit: VND

No.	Criteria	2016	2017	2018
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Information Disclosure
Hau Giang Agricultural Breeding Center

1	Total revenue	7.784.798.602	7.924.140.006	6.984.379.187
2	Total expense	6.928.300.146	7.587.856.874	6.951.692.453
3	Profit after tax	29.280.415	287.180.652	4.397.572
4	Payment made to State	32.547.368	0	0
5	Receivables	0	1.027.505.700	495.575.777
	In which, overdue amount	-	-	-
6	Payables (*)	0	19.909.075.792	17.948.291.519
	In which, overdue amount	-	-	-
7	Total average labor	-	-	-
8	Total salary fund	1.965.227.275	1.632.085.887	1.569.539.400
9	Average monthly salary/person	-	-	-

(Source: Hau Giang Agricultural Breeding Center)

In which:

(*): Include:

- Received amounts not yet recorded in 2017 and 2018 were VND 18,027,483,042 and VND 17,948,291,519, respectively.

- Other Payables in 2016, 2017 and 2018 were VND 0, 1,881,592,750 and VND 1,284,411,455, respectively.

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

2.1. Situation about fixed assets

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

Unit: VND

No.	Type of assets	Book value have been financially processed before determining unit values		Revaluted value	
		Cost	Residual value	Cost	Residual value
1	2	3	4	5	6

A	Fixed assets in use	35.252.308.947	16.821.927.461	40.467.849.278	20.178.926.116
I	Fixed assets and long-term investments	31.879.960.623	13.449.579.137	37.095.500.954	16.806.577.792

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1	Fixed assets	31.879.960.623	13.449.579.137	37.095.500.954	16.806.577.792
a	<i>Building and structure</i>	27.598.387.913	11.700.514.369	32.443.307.775	14.879.198.138
b	<i>Machinery and equipment</i>	2.963.505.186	1.149.899.875	3.248.436.705	1.263.488.041
c	<i>Means of transportation</i>	693.943.724	322.357.034	740.833.724	343.433.745
d	<i>Office equipment</i>	624.123.800	276.807.859	662.922.750	320.457.868
2	Intangible fixed assets			-	.
3	Construction in progress	-		-	.
4	Long-term prepaid expenses	-	-	-	.
5	Goodwill			-	.
II	Working capital and short-term investments	3.372.348.324	3.372.348.324	3.372.348.324	3.372.348.324
1	Cash and cash equivalents	437.228.242	437.228.242	437.228.242	437.228.242
a	<i>Cash in hand</i>	278.977.000	278.977.000	278.977.000	278.977.000
b	<i>Bank deposits</i>	158.251.242	158.251.242	158.251.242	158.251.242
c	<i>Cash in transit</i>	-			
2	Short-term financial investments	-		-	.
3	Receivables	1.882.172.159	1.882.172.159	1.882.172.159	1.882.172.159
a	<i>Trade receivables</i>	-	-	-	.
b	<i>Other receivables</i>	1.882.172.159	1.882.172.159	1.882.172.159	1.882.172.159
c	<i>Allowances for doubtful debts</i>	-		-	.
4	Inventory supplies, goods	1.052.947.923	1.052.947.923	1.052.947.923	1.052.947.923
a	<i>Instruments and tools</i>	-	-	-	.
b	<i>Materials, Merchandise</i>	1.052.947.923	1.052.947.923	1.052.947.923	1.052.947.923
c	<i>Work in progress</i>	-		-	.

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B	Fixed assets not in use	32.110.693.789	30.236.761.439	32.110.693.789	30.236.761.439
1	Fixed assets	32.110.693.789	30.236.761.439	32.110.693.789	30.236.761.439
a	<i>Building and structure</i>	32.110.693.789	30.236.761.439	32.110.693.789	30.236.761.439
b	<i>Machinery and equipment</i>	-	-	-	-
C	Assets waiting for liquidation	-	-	-	-
	Total	67.363.002.736	47.058.688.900	72.578.543.067	50.415.687.555

(Source: Value determination report of Center)

2.2. Situation about financial liability

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

Unit: VND

No	Items	Book value Book value have been financially processed before determining unit values	Revaluated value	Difference
I	Receivables	1.882.172.159	1.882.172.159	-
1	Trade receivables	-	-	-
2	Other receivables	1.882.172.159	1.882.172.159	-
-	Advances	180.257.777	180.257.777	-
-	Short-term prepaid expenses	148.100.000	148.100.000	-
-	Long-term prepaid expenses	29.218.000	29.218.000	-
-	Suspend debit of equitization expenses	138.000.000	138.000.000	-
-	Other receivables	1.386.596.382	1.386.596.382	-
II	Payables	1.422.411.455	1.422.411.455	-
1	Trade payables	-	-	-
2	Payable loans	-	-	-
3	Other payables	1.284.411.455	1.284.411.455	-
-	Corporate income tax payable	21.427.762	21.427.762	-
-	Advance on expenses for rural and	589.500.000	589.500.000	-

	mountainous projects			
-	Unpaid expenses incurred	673.483.693	673.483.693	-
4	Advance received	138.000.000	138.000.000	-

(Source: Value determination report of Center)

2.3. Situation about land in use

Center is managing and using 2 land lots as following:

a. Land lot of Hau Giang Agricultural Breeding Center

- Address: Vi Thang commune, Vi Thuy district, Hau Giang province.
- Area: 196,211.4 m².
- Land lot No.: 1806, map No.: 02.
- Purpose of use: Other agricultural land.
- Origin of use: State allocates land without collecting land use fees.
- Legal basis: Certificate of land use right No. 424072 issued by Hau Giang People's Committee on August 29th, 2013.

b. Land lot of the project "Exploiting 02 self-sufficient production land lots in Truong Long Tay commune, Chau Thanh A district"

At the time of unit value determination, the provincial People's Committee decided to approve the project "Exploiting 02 self-sufficient production land lots in Truong Long Tay commune, Chau Thanh A district" and decided to recover the land decide to recover land to assign to the Agricultural Breeding Center to implement the project "Exploiting 02 self-sufficient production land lots in Truong Long Tay commune, Chau Thanh A district", specifically as follows:

- Address: Truong Long Tay commune, Chau Thanh A district, Hau Giang province.
- Area: 855,690.3 m².
- Map No.: 08; 09; 14; 15; 16.
- Purpose of use: "Exploiting 02 self-sufficient production land lots in Truong Long Tay commune, Chau Thanh A district".
- Origin of use: State leases land with annual rental payment.
- Legal basis:

Decision No. 1652/QD-UBND dated October 29th, 2018 of Hau Giang People's Committee, approving the investment in the project "Exploiting 02 self-sufficient production land lots in Truong Long Tay commune, Chau Thanh A district".

Decision No. 1977/QD-UBND dated December 17th, 2018, of Hau Giang People's Committee, on land acquisition and leasing land to Hau Giang Agricultural Breeding Center (phase 1) to invest in the project "Exploiting 02 self-sufficient production land lots in Truong Long Tay commune, Chau Thanh A district".

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

year

+ Advantages

- With the attention of the Provincial Party Committee, the Provincial People's Committee, especially the close guidance of the Party Committee and the Board of Directors of the Department of Agriculture and Rural Development, especially in construction work and development orientation for the Center as well as staff organization.

- In the executive leadership, the Center leaders have boldly assigned tasks, delegated the rights and responsibilities to the leaders of each Department, each Farm, thereby promoting the strength of the collective.

- With the enthusiastic cooperation of many units inside and outside the agricultural industry, creating favorable conditions for the Center to expand production and open up many opportunities to develop the market for supplying seedlings and breeds.

- Internal solidarity united with the efforts of all officials and employees - workers have created synergy, overcoming difficulties, fulfilling the political tasks of the unit.

+ Disadvantages

- The financial situation is limited, not enough to meet the production and business needs of the unit.

- The market for agricultural commodities is unstable and unpredictable, which leads to difficulties in market access for breeding supply, leading to a number of production and business orientations being halted due to the failure to develop output markets.

- Professional qualifications of officials and employees at the unit have not met the production and business needs of the unit in time.

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

a. Position of the company in sector:

The center was initially established in 2004, at the same time the establishment of Hau Giang province. The center is the only public non-business unit in the province to produce and trade in domestic animal breeds. The center provides products of agro-forestry, aquatic products, livestock and poultry breeds in Hau Giang province with the position of a leading company in the whole of Hau Giang province.

b. Development prospect of the sector:

- According to the aggregated data at the Conference on preliminary review for the first 6 months of the year and the task deployment for the last 6 months in 2019 of the agricultural sector. In the first 6 months of 2019, the agricultural sector only grew by 2.39%, the export turnover of the whole industry was estimated at 19.77 billion USD, up 2.2%, but the increase was slower than the same period in 2018. Trade surplus of the industry reached 4.2 billion USD, up 4.6% compared to the first 6 months of 2018. The main reason is the slowdown of world economic growth, the

impact of the US-China trade war, adverse weather for production, especially swine cholera causing heavy losses, etc. Many agricultural product import markets have tightened their technical barriers, tightened import quota policies, new requirements on product traceability, issued export certificates, promoted official quotas and inspecting quality in exporting countries, especially China, which is the main export market for fruits and vegetables and major agricultural products of Vietnam. However, there are still sectors in which Vietnam has a growth potential such as: forest and aquatic products exploiting and farming, especially farming, although the price of seafood in the world is not high, but there is still room to focus on development.

- Besides, the effective VPA/FLEGT agreement is a great opportunity to increase the export of Vietnam's wood products to the EU market and the the signing of Vietnam - EU Free Trade Agreement (June 30th, 2019) officially opened opportunities and great market prospects for Vietnamese agricultural products.

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

With the characteristics of the unit in the field of breeding production, constantly improving production and business capacity, providing quality products, bringing high economic efficiency, contributing to promoting the local economy and regional economy. This is in line with the general development orientation of the government and localities for the agricultural sector.

5. Actual value of the company for equitization

Pursuant to Decision No. 2018/QĐ-UBND dated November 14th, 2019 of Hau Giang People's Committee, approving the equitization plan of the Provincial Agricultural Breeding Center and document about value determination of the company, actual value of the company to equitize is presented in the following table:

SUMMARY OF VALUE DETERMINATION FOR THE COMPANY

Unit: VND

NO	Item	Book value	Revaluated value	Difference
1	2	3	4	5=4-3
A	Assets in use = (I+II+III+IV)	16.821.927.461	20.178.926.116	3.356.998.655
I	Fixed assets and long-term investment = (1+2+3)	13.449.579.137	16.806.577.792	3.356.998.655
1	Fixed assets	13.449.579.137	16.806.577.792	3.356.998.655
a	Tangible fixed assets	13.449.579.137	16.806.577.792	3.356.998.655
-	Historical costs	31.879.960.623	37.095.500.954	5.215.540.331

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-	Accumulated depreciation	(18.430.381.486)	(20.288.923.162)	(1.858.541.676)
b	Intangible fixed assets	-	-	-
-	Historical costs	-	-	-
-	Accumulated depreciation	-	-	-
c	Finance lease fixed assets	-	-	-
2	Construction in progress	-	-	-
3	Long-term prepaid expenses	-	-	-
II	Working capital and short-term investments (1+2+3+4+5)	3.372.348.324	3.372.348.324	-
1	Cash	437.228.242	437.228.242	-
-	Cash in hand	278.977.000	278.977.000	-
-	Bank deposits	158.251.242	158.251.242	-
2	Short-term financial investments	-	-	-
3	Receivables	1.882.172.159	1.882.172.159	-
4	Inventory supplies, goods	1.052.947.923	1.052.947.923	-
5	Other working capital	-	-	-
III	Goodwill	-	-	-
IV	Land use right	-	-	-
B	Assets not in use	30.236.761.439	30.236.761.439	-
I	Fixed assets and long-term investment	30.236.761.439	30.236.761.439	-
1	Fixed assets	30.236.761.439	30.236.761.439	-
2	Long-term financial investment	-	-	-
3	Long-term deposits	-	-	-
II	Working capital and short-term investment	-	-	-
1	Doubtful debts	-	-	-
2	Slow-moving inventories	-	-	-
C	Assets waiting for liquidation	-	-	-
D	Assets forming from bonus and welfare fund	-	-	-

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	Total asset value of the company (A+B+C+D)	47.058.688.900	50.415.687.555	3.356.998.655
	<i>In which:</i>			
E	Total actual value of the company (Item A)	16.821.927.461	20.178.926.116	3.356.998.655
E1	Actual payable debts	14.441.670.986	1.422.411.455	(13.019.259.531)
E2	Career fund	-	-	-
	Total value of government capital investment at the company = (E-E1-E2)	2.380.256.475	18.756.514.661	16.376.258.186

(Source: Hau Giang Agricultural Breeding Center)

Based on value determination result for Center approved by Hau Giang People's Committee:

- Actual value of Center is: 20,178,926,116 VND
- Actual value of Government capital investment at the Center is: 18,756,514,661 VND

VI. BUSINESS DEVELOPMENT ORIENTATION AFTER EQUITIZATION

1. Information about the company after equitization

1.1. Basic information

- Vietnamese name: **CÔNG TY CỔ PHẦN NÔNG NGHIỆP CÔNG NGHỆ CAO HƯNG GIANG**
- English name: **HAU GIANG HIGH-TECH AGRICULTURE JOINT STOCK COMPANY.**
- Head office: No. 128, Highway 61, Hamlet 12, Vi Thang Commune, Vi Thuy District, Hau Giang Province.
- Phone: (0293) 3572 202
- Website: <http://giongnongnghiephaugiang.vn/>
- E-mail: haugiang.abc@gmail.com

1.2. Legal status

After equitization, the Company will operate under status as Joint Stock Company, in which the Government holds 49% of charter capital, operating according to Corporate Law No. 68/2014/QH13 approved by Congress of Socialist Republic of Vietnam XIII, the 8th meeting period on 26 November 2014, the Policy to organise the operation of the Joint Stock Company and other related regulations.

1.3. Business sector

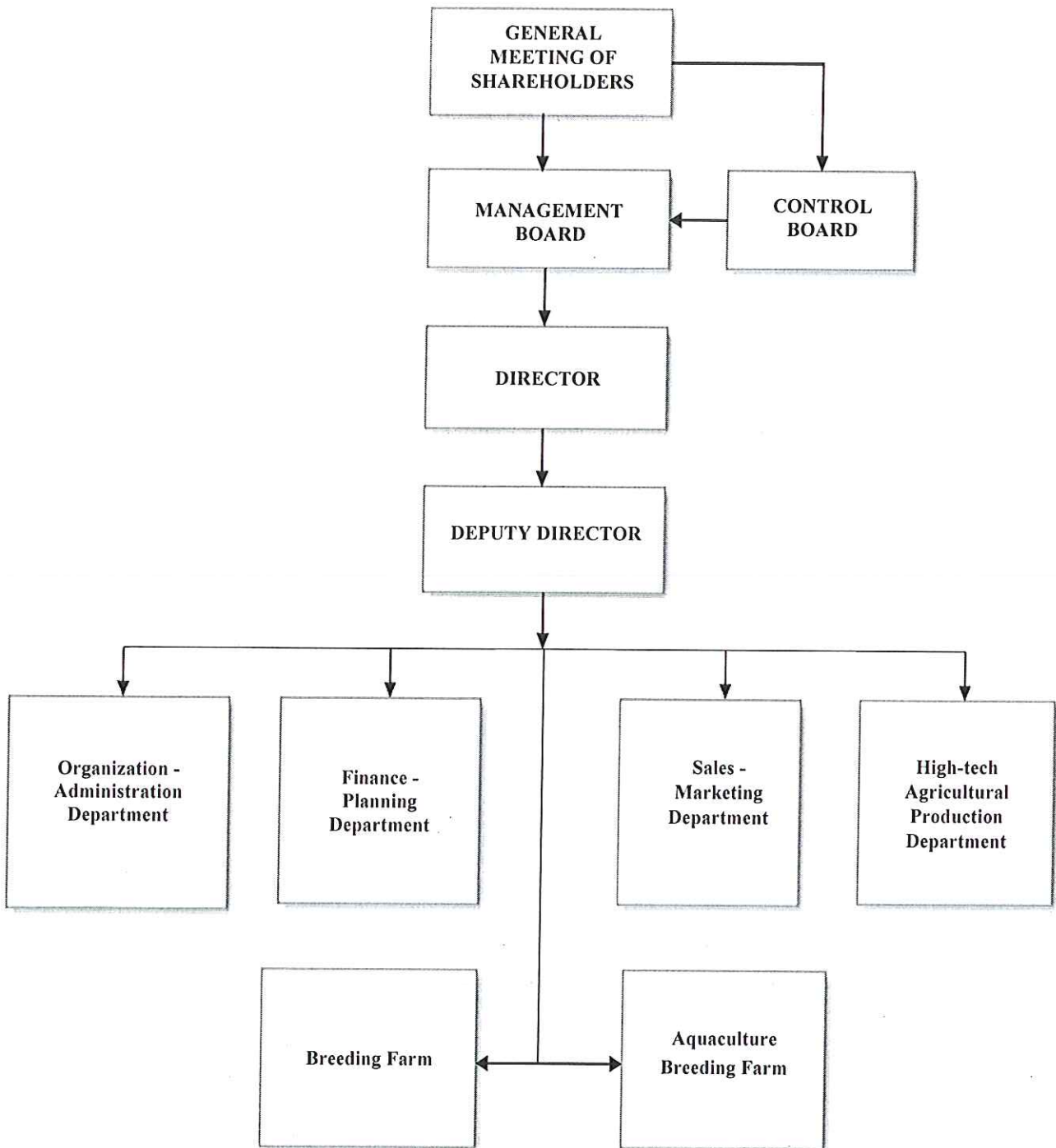
The Company still continue to improve, development current sectors and also add some other sectors, including:

- Breeding production and agriculture towards high technology;
- Agricultural service activities;
- Processing and trading in agricultural products;
- Trading in agricultural materials and pesticides;
- Producing, exporting and importing agricultural, forestry and aquatic breeds;
- Researching and selecting agricultural, forestry and aquatic breeds;
- Science and technology transfer.

2. Organizational structure of Joint Stock Company

2.1. Joint Stock Company's organizational structure chart

Organizational structure of JSC is expected to be as following:



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

❖ Shareholders

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

❖ Management Board

Management Board is the management department in the Company, having right on behalf of the Company to decide the related issues to purposes, benefits of the Company, except those issues under right of Shareholder. Management Board always monitor the business activities, internal control and risk control for the Company. Management Board of the Company is expected to include 3 people assigned by Shareholders.

❖ **Control Board**

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

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

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

❖ **Board of Directors**

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

❖ **Organization - Administration Department:**

- To advise the Board of Directors on organizational structure, personnel work, labor payroll, salaries, bonuses, labor discipline, social insurance according to the current regime, measures to motivate labor, support functional departments on Organization and Administration.
- To lead and coordinate with other departments in the company to implement the organizational work.
- To plan on manpower supply.
- To make annual recruitment and training plans at the request of the company's production and business tasks.
- To organize and control the recruitment, training, arrangements for employees.
- To manage documents and records on organization, salary, recruitment, training.
- To manage labor salaries and regulations of the Company for employees.
- To assist directly the Board of Directors in the settlement of employees' regimes such as retirement, job loss, liquidation of labor contracts.
- To manage and implement the Company's rules and regulations, ideological work, emulation and commendation.

- To manage the implementation of plans for construction and repair of infrastructure and material facilities.

- To advise and implement plans to buy office equipment serving the production and business activities of the Company.

- To perform other duties as requested by the Director.

❖ **Finance - Planning Department**

- To advise the Board of Directors at the same time managing assets, capital and accounting - finance activities.

- To implement the Company's financial plan in accordance with the Company's regulations and current accounting laws.

- To update the State's policy documents in accounting - finance. Advising the Board of Directors on the financial aspects of the Company.

- To develop an annual finance-accounting plan according to the Resolution of the Board of Directors, balance with the goods flow plan.

- To manage capital and use purpose set by the Board of Directors.

- Transaction relations with banks in borrowing capital to invest in production and business.

- To perform full and accurate updates of all expenses incurred, timely settlement of books.

- To organize and direct the examination of accounting work, accounting statistics, collect and process internal accounting information.

- To monitor the implementation of flow plans for goods, prices, and asset management.

- To manage budget revenues and expenditures of the whole Company.

- To preside and coordinate with functional departments in deploying and guiding the finance-accounting work.

- To monitor, manage, urge debt recovery.

- To perform other duties as requested by the Director.

❖ **Sales - Marketing Department**

- Marketing planning: Advertising plan, Marketing plan, sales promotion, Annual sales plan submitted to the Board of Directors for approval.

- To collect and manage customer information, find, maintain and develop relationships with customers, customer care.

- To summarize cooperation, contract of production, business, service for agricultural seed products, market development.

- To summarize market research, periodically collect and analyze information, market demand for agricultural breeding products and competitors' prices in order to advise the Board of Directors on the orientation, developing agricultural breeding production to meet market demand.

- To conduct research and development of new products to the market. Developing a strategy of market expansion, survey and customer satisfaction measurement.
- To advise and develop sales policies, including pricing, promotions, discounts and promotions to reach customers.
- To build and design trademarks; Managing all stores and agents of the unit; Collecting debts in the field of management division.
- To actively coordinate with relevant departments and camps to participate in trade promotion programs, seminars and fairs to promote the units' products.
- To coordinate with departments and farms to build joint venture contracts, linking with organizations and individuals inside and outside the province in the field of agricultural breeding production and trading, agricultural materials.
- To perform other duties as requested by the Director.

❖ **High-tech Agricultural Production Department**

- To advise the Director in the research and production of products: cultivar breeds, domestic animal breeds, aquatic breeds, etc. on short, medium and long-term plans.
- To provide consulting services, technology transfer of agricultural breeding production, checking, sampling, testing proposals for quality certification of agricultural seeds to customers in accordance with current law.
- To directly research and apply biotechnology and scientific and technical advances in selection, restoration, hybridization, selection, collection, testing, assaying and performing on all agricultural varieties.
- To proactively coordinate with the specialized departments to capture the market formulating long-term, medium-term and short-term production plans and implementing rice seed production in accordance with standards and technical processes according to regulations.
- To collaborate with specialized departments and partners to perform the work of restoring, breeding, performing, testing new varieties of soil environment in each locality, building advanced demonstration models, implementing scientific research topics.
- To participate in experiential learning sessions, seminars, trade promotion fairs.
- To organize the annual breeding production to ensure quality, meeting the prescribed standards.
- To propose, receive and experiment with some new varieties suitable to the ecological conditions of each locality and propagating new breedings to meet the needs of customers.
- To propose and develop technical processes suitable to the production conditions of the farm; Application of new scientific and technological advances to the cultivar breed production of all kinds in farm, reducing production costs and improving product quality.

- To perform other duties as requested by the Director.

❖ **Aquaculture Breeding Farm**

- To organize the aquatic breed production of of all kinds according to the annual plans, ensuring the quantity and quality and up to the standards on breeds.

- To propose and research the experimenting with new aquatic breeds suitable to natural conditions and domestic and export demands.

- To coordinate in the development of annual production plans, programs, schemes and projects on breeding production and conservation of precious gene sources, proposing to the Board of Directors for approval and implementation.

- To propose and develop technical processes suitable to the farm's production conditions, applying new scientific and technological advances in production in order to reduce production costs and raise the quality of breeds.

- To actively coordinate with the Technical Department to capture the market, formulating plans for developing high-quality aquatic breeds, formulating long-term, medium-term and short-term breeding production plans and implementing production according to comply with standards, technical regulations and technical process as prescribed.

- To collaborate with specialized departments and partners in the conservation and development of high-quality varieties, organizing the production of finished products to supply for the domestic market and export.

- To participate in experiential learning tours, seminars, trade promotion fairs about domestic animal breeds.

- To perform other duties as requested by the Director.

❖ **Breeding Farm**

- To organize the livestock breed production of of all kinds according to the annual plans, ensuring the quantity and quality and up to the standards on breeds.

- To propose, receive the experimenting with new livestock breeds suitable to living environment conditions.

- To maintain and develop the herd of domestic animals from ancestors, grandparents, and parents serving breed production and supply to customers' needs.

- To coordinate in the development of annual production plans, programs, schemes and projects on livestock breed production to submit to the Board of Directors for approval and implementation.

- To propose and develop technical processes suitable to the farm's production conditions, applying new scientific and technological advances in production in order to reduce production costs and raise the quality of breeds.

- To actively coordinate with the Technical Department to capture the market, formulating long-term, medium-term and short-term breeding production plans and implementing production according to comply with standards, technical regulations and technical process as prescribed.

- To collaborate with specialized departments and partners in the conservation and development of high-quality varieties, organizing the production of finished products to supply for the domestic market and export.
- To participate in experiential learning tours, seminars, trade promotion fairs about domestic animal breeds.
- To perform other duties as requested by the Director.

3. Business plan for 3 year after equitization

3.1. Development strategies

- To become a leading company in supplying products of plant varieties, aquatic breeds and domestic animal breeds not only in Hau Giang market but also in the Western region.
- Towards the cultivation of products to sell high quality agricultural products to the domestic market and export.

3.2. Targets

- To maintain stable apparatus after equitization.
- To concentrate on improving the capacity of current breeding production, gradually researching new breeds of high quality and economic efficiency.
- To constantly improve professional qualifications and build a contingent of cadres and employees for the expansion of development.
- To increase market expansion, aiming to export products in a closed cycle from seedlings/breeds to finished products after harvesting and processing.

3.3. Main criteria

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

Some plan criteria after equitization for period 2020 – 2022

Unit: VND

No.	Item	Unit	2019	2020	2021
1	Total revenue	VND	28.330.000.000	48.470.000.000	60.890.000.000
2	Total expenditure	VND	27.100.000.000	45.960.000.000	57.900.000.000
3	Profit before tax	VND	1.230.000.000	2.510.000.000	2.990.000.000
4	Corporate Income Tax(20%)	VND	246.000.000	502.000.000	598.000.000
5	Profit after tax	VND	984.000.000	2.008.000.000	2.392.000.000
6	Total salary fund/month	VND	120.000.000	170.000.000	200.000.000

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No.	Item	Unit	2019	2020	2021
7	Total employee	VND	32	42	45
8	Average income	VND	3.750.000	4.047.619	4.444.444
9	Charter Capital	VND	18.756.500.000	37.834.071.000	37.834.071.000
10	Percentage of profit after tax/Charter Capital	VND	5.25	5.31	6.32
11	Dividend percentage	VND	-	-	-

(Source: Hau Giang Agricultural Breeding Center)

(*): The chartered capital expected to increase in 2020 is VND 19,077,571,000, equivalent to the total investment capital of the project "Exploiting 02 self-sufficient production land lots in Truong Long Tay commune, Chau Thanh A district" according to the decision. No. 1652/QD-UBND dated October 29th, 2018 of Hau Giang People's Committee.

4. Land use solution

Hau Giang Agricultural Breeding Center continues to manage and use two (02) lots of land after equitization, as follows:

No.	Name of land lot	Address	Area (m ²)	Land lot no.	Number of map	Land use form	Land use purpose	Legal basis
1	Agricultural Breeding Center	Hamlet 12, Vi Thang Commune, Vi Thuy District, Hau Giang Province	173.290,9	2220 and 2222	02	Leasing land with annual payment	Working office and production facilities	Decision No. 1990/QD-UBND dated 11st November 2019 of Hau Giang People's Committee
2	"Exploiting 02 self-sufficient production land lots in Truong Long Tay commune, Chau Thanh A district"	Truong Long Tay Commune, Chau Thanh A District, Hau Giang Province	855.690,3		08; 09; 14; 15; 16	Leasing land with annual payment		Decision No. 1990/QD-UBND dated 11st November 2019 of Hau Giang People's Committee.

	Project								Decision No. 1977/ QD-UBND dated December 17th, 2018 of Hau Giang People's Committee
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5. Performance solutions

5.1. Solution about operation execution of the Joint Stock Company

- Application of technology in business administration.
- Completing the construction of financial processes, production, business, personnel ... in accordance with the operating model of the joint stock company.
- Strengthening and arranging personnel of the Company, gradually operating under the equitization mechanism. Developing human resource development plan for each year and for each period (03 consecutive years), the plan is approved and evaluated at the end of each year.

5.2. Solution about improving business operation capacity

- Developing mechanisms and policies on remuneration associated with production and business efficiency.
- Promoting joint venture activities with partners having potentials in finance, output markets, understanding of application technology for production and business activities of the unit. The goal is to make the most of the advantages of the unit and its partners to improve production and business efficiency, gradually improving the quality of its products and services.

5.3. Solution about the market

- Building a marketing department and sales department.
- Promoting marketing and sales activities through e-commerce channels to optimize costs.
- Building a department to receive and quickly handle questions and answers from customers and partners.
- Developing the product distribution system through traditional channels.

5.4. Capital solutions

- Establishing forms of business cooperation with potential financial partners to take advantage of partners' capital for production and business projects.
- Diversifying sources of bank loans, loans from existing shareholders and other individuals and organizations.
- Developing policies of deferred payment for partners that provide long-term reputable inputs, at the same time, there are also discount policies suitable to

customers who pay early and pay in advance to attract and take advantage of customers' capital.

5.5. Solutions about developing investment

- Continue to invest and expand to implement on-going agricultural service projects, research and set up other application projects.
- Investing in the purchase of copyrights of rice seeds, cultivar breeds and domestic animal breeds to focus on the production of seeds for sale on the market.
- Investing in research to create hybrid rice and citrus products.

5.6. Workforce solutions

- In accordance with the orientation and development strategy of the Company requires a high quality workforce and a team of dynamic, creative and professional management staff to meet the mission. So the company proposed some solutions as follows.

- Continuing to evaluate, arrange human resources according to quality, efficiency and long-term employment requirements for employees.
- Focusing on improving the managerial skills for the leading cadres and expertise for professional staff. Developing policies to send training and retraining for long-term courses in and outside the country, organizing study tours to learn practical experience.
- Formulating policies to attract highly qualified, prestigious and experienced human resources, at the same time, there is a preferential regime for recruiting new and young employees, who are capable, qualified, have good management experience and expertise in key positions and areas of the Company.
- Establishing regulations on payment of wages and bonuses based on workers' productivity, quality and efficiency, ensuring competition with other businesses in the same industry in order to encourage employees promoting the initiative, creativity, enthusiasm to work with high quality and efficiency.
- In addition to working conditions, salary and bonus regimes, company will continue the tradition that taking care of other social welfare for employees such as sightseeing, vacation and tourism; Organizing cultural, art and sports movements to raise the spiritual life; Participating in other social welfare programs.

VII. SOLUTIONS AND LABOR POLICIES

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

No.	Contents	Total	Note
I	Total employee at the equitization value disclosure	27	
1	Labor without signing labor contract	0	
2	Labor with labor contract	27	

	- <i>Labor with undefined term labor contract</i>	24	
	- <i>Labor with labor contract with term from 12 to 36 months</i>	0	
	- <i>Temporary labor or labor contract with term under 12 months.</i>	2	
3	Labor currently is on leave but still in list of the company workforce	1	
II	Number of inactive labor at the equitization value disclosure time	0	
1	Number of labor with full condition to be retired according to current regime	0	
2	Number of labor will terminate labor contract, in which:	0	
	- <i>Expired labor contract</i>	0	
	- <i>Voluntarily terminate labor contract</i>	0	
	- <i>Terminate labor contract with other reasons according to legal regulations</i>	0	
	- <i>Number of labor without demand to use</i>	0	
3	Number of labor not assigned to work at the equitization value disclosure time	0	
	- <i>Number of redundant labor performing according to Decree No. 63/2015/ND-CP</i>	0	
	- <i>Number of labor in force to terminate the contract and getting severance allowance</i>	0	
III	Number of labor to be transferred to Joint Stock Company	27	
1	Labor without signing labor contract	0	
2	Labor with labor contract	27	
3	Number of labor on leave with social insurance, in which:	0	
	- <i>Sickness</i>	0	
	- <i>Maternity</i>	0	
	- <i>Working accident, occupational disease</i>	0	
4	Number of labor on leave without salary	0	
5	Number of labor on temporary leave:	0	
	- <i>Military obligation</i>	0	

-	<i>Other civil obligations</i>	0	
-	<i>Temporary in detention</i>	0	
-	<i>Due to both parties' agreement (not over 03 months)</i>	0	

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

No.	Criteria	Quantity (People)	Percentage (%)
I	Classification according to level	27	100
1	Over university	4	14,8
2	University, College	18	66,7
3	Intermediate school	2	7,4
4	Unskilled labor	3	11,1
II	Classification according to type of contract	27	100
1	Not in case of signing labor contract	-	-
2	Undefined term labor contract	27	100
3	Contract from 12 to 36 months	-	-
4	Contract under 12 months	-	-
III	Classification according to gender	27	100
1	Male	16	59,3
2	Female	11	40,7

VIII. CHARTER CAPITAL AND OFFERING SHARE STRUCTURE

1. Charter capital

According to Decision No. 2018/QD-UBND on November 14th, 2019 issued by Hau Giang People's Committee approving the equitization plan of the Provincial Agricultural Breeding Center, the Center's charter capital has been approved as follows:

- Charter capital: **18,756,500,000 VND.**
- Par value: 10,000 VND/share.
- Number of share with initial offering: **1,875,650** shares, in which:

2. Expected ownership structure in the JSC

No.	Shareholders	Quantity (shares)	Par value (VND)	Percentage/ Charter capital (%)
1	Government's shares	919.069	9.190.690.000	49,0%

2	Preference shares sold to employee in the company according to actual working time in Government area	25.800	258.000.000	1,4%
3	Preference shares sold to employee with commitment to work for Joint Stock Company	152.600	1.526.000.000	8,1%
4	Public offering shares	778.181	7.680.810.000	41,5%
	Total	1.875.650	18.756.500.000	100

3. Order for the auction and initial price

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

Initial price for public auction: 10,000 VND/share. *(According to Decision No. 2018/QD-UBND on November 14th, 2019 issued by Hau Giang People's Committee approving the equitization plan of the Provincial Agricultural Seed Center).*

4. Method of selling and purchasing for shares

4.1. Legal basis:

- Decree No. 126/2017/ND-CP on November 16th, 2017 issued by Government about turning the Government company and One member Limited Company with 100% of charter capital hold by the Government into Joint Stock Company;

- Circular 40/2018/TT-BTC on May 04th, 2018 issued by Ministry of Finance guiding for the initial share offering and management, using receipt from the equitization of Government companies and One Member Limited Company with 100% of charter capital hold by Government turning into Joint Stock Company;

- Decision No. 22/2015/QD-TTg on June 22nd, 2015 issued by Minister of Finance about turning public company into Joint Stock Company;

- Circular No. 35/2016/TT-BLĐTBXH on Oct 25th, 2016 issued by Ministry of Labor, Invalids and Social Affairs guiding for performance of policies to labor when turning the public company into Joint Stock Company according to Decision 22/2015/QD-TTg on June 02nd, 2015 issued by Minister of Government;

- Decision No. 2018/QD-UBND on November 14th, 2019 issued by Hau Giang People's Committee, approving the equitization plan of the Provincial Agricultural Breeding Center.

4.2. Method of selling for shares

a. Shares auctioned to the public

-
- Total offering shares in the auction : 778,181 shares, equivalent to 7,680,810,000 VND, occupied 41.5% of charter capital of JSC.
 - Suggested initial price : 10,000 VND/share.
 - Organisation performing share offering : Ho Chi Minh City Stock Exchange.
 - Type of share : Ordinary shares, free to transfer.
 - Auction method : Public auction at HCMC Stock Exchange.
 - Auction time : According to “Auction regulations” issued by Ho Chi Minh Stock Exchange.
 - Objects participating the auction : Individual investors, institutional investors in and outside of the country according to Item 1 and Item 2, Article 4, Decision No. 22/2015/QD-TTg on June 22nd, 2015 issued by Minister of Government.
 - Deposit form : Perform according to “Auction regulations” issued by Ministry of Stock Exchange

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

- Number of employee at the value disclosure point : 27 people
- Number of employee purchasing according to actual working years in Government areas : 25 people
- Number of employees who are ineligible to buy based on actual working time in the State secto : 2 people
- Number of preference shares purchased according to actual working years in Government areas : 25,800 shares – equivalent to 258,000,000 VND according to par value, occupied 1.4% of charter capital in JSC
- Type of share : Ordinary shares
- Transfer limitation : 03 years since making payment to purchase preference shares
- Selling price : 6,000 VND/share

- Performance period : After completing public auction

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

- Number of employee turning into working for Joint Stock Company : 27 people
- Number of employee registering to purchase shares according to commitment to work at Joint Stock Company : 27 people
- Total shares the employee registered to additionally purchase with committed years : 152,600 shares – equivalent to 1,526,000,000 VND counting based on par value, occupied 8.1% of charter capital of JSC
- Selling price : 10,000 VND/share
- Transfer limitation : Equal to the committed time to work for long term, minimum of 3 years and maximum of 10 years
- Expected time : After completing the public auction

d. Unsold shares handling.

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

“Article 37. Handling of unsold shares

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

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

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

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

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

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

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

4.3. Method of purchasing for shares

- **Shares publicly auctioned:** The method and deadline of purchasing for share comply with the "Auction Regulation" issued by the Ho Chi Minh Stock Exchange.

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

5. Expected risk for the auction

5.1. Economic risks

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

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

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

5.2. Legal risks

The company's business operation activities are under mofication of different legal documents such as Corporate Law, Environment Protection Law... The law system and other documents under law of Viet Nam is still in the process of completion and the change of the policies could happen and when they happen, they could affect to the company's business operation of Hau Giang Agricultural Breeding Center.

Risk about macroeconomic policies of the Governement could be changed and leads to the development and expansion plan of the JSC. However, there could be seen that there are positive aspects from those changes because they create strict and

scientific legal regulations, suitable with the law system and international regulations, which facilitates to attract investment from abroad investors as well as helps to facilitate domestic business operation activities.

5.3. Specific risks

Company operates in the field of agriculture, with fluctuations in natural disasters, epidemics, price of input breeding fish and output products fluctuating, which significantly affect the business activities of the company. Besides, there is competition pressure of units in the industry, with the trend of privatization in breeding industry, aquaculture, ... competition pressure from competitors in the industry is increasing..

5.4. Auction risks

With the speed of accelerating the equitization process of state-owned enterprises holding charter capital 100% and public non-business units in the period to 2020, besides the policy of divesting state capital in enterprises, taken drastically, this leads to a large volume of shares offered for sale outside the market, investors will have more choices and pay attention to invest. The initial public offering of Hau Giang Agricultural Breeding Center to the public will be affected due to diluted investor interest.

5.5. Other risks

Other risks which are beyond the expectation and beyond the ability of human to prevent for example natural disasters, fires are force majeure risks, if it occurs, it will cause damage to the company's assets, people and general operations.

IX. RECEIPT FROM EQUITIZATION MANAGEMENT AND USE

1. Receipt from equitization management

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

No.	Content	Amount (VND)
I	Receipt from equitization (a)	9.462.610.000
1	<i>Receipt from public offering</i>	7.781.810.000
2	<i>Receipt from preference offering to employee according to working years for Government areas</i>	154.800.000
3	<i>Receipt from preference share offering for employee according to long term working commitment</i>	1.526.000.000
II	Expenses for equitization (b)	409.600.000
1	Handling expenses for redundant labor	0

2	Direct expenses at the company	20.000.000
3	Consulting expenses for the external organization to perform determination of company value and equitization	210.000.000
4	Management and assistant team remuneration	129.600.000
5	Organization expenses for initial share offering and other related expenses	50.000.000
III	Total amount of money expected to be transferred to Supporting Management and Development Fund of the Company (c) = (a) – (b)	9.053.010.000

2. Equitization cost estimate.

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

No.	Items	Expected amount (VND)
1	Direct expenses at the company	20.000.000
2	Consulting expenses for the external organization to perform determination of company value and equitization	210.000.000
3	Management and assistant team remuneration	129.600.000
4	Organization expenses for initial share offering and other related expenses	50.000.000
Total		554,000,000

Note:

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

X. COMMITMENT

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

Wish all investors a successful auction.

Thank you with best regards./.

Hau Giang, on... month...year 2019

REPRESENTATIVE OF EQUITIZATION MANAGEMENT BOARD

HEAD OF BOARD

(signed and sealed)

Nguyen Thanh Ha

Hau Giang, on... month...year 2019

REPRESENTATIVE OF OFFERING ORGANIZATION

HAU GIANG AGRICULTURAL BREEDING CENTER

DIRECTOR

(signed and sealed)

CHIEF ACCOUNTANT

(signed and sealed)

Phan Quoc Thu

Ta Vu Linh

Ho Chi Minh City, on... month...year 2019

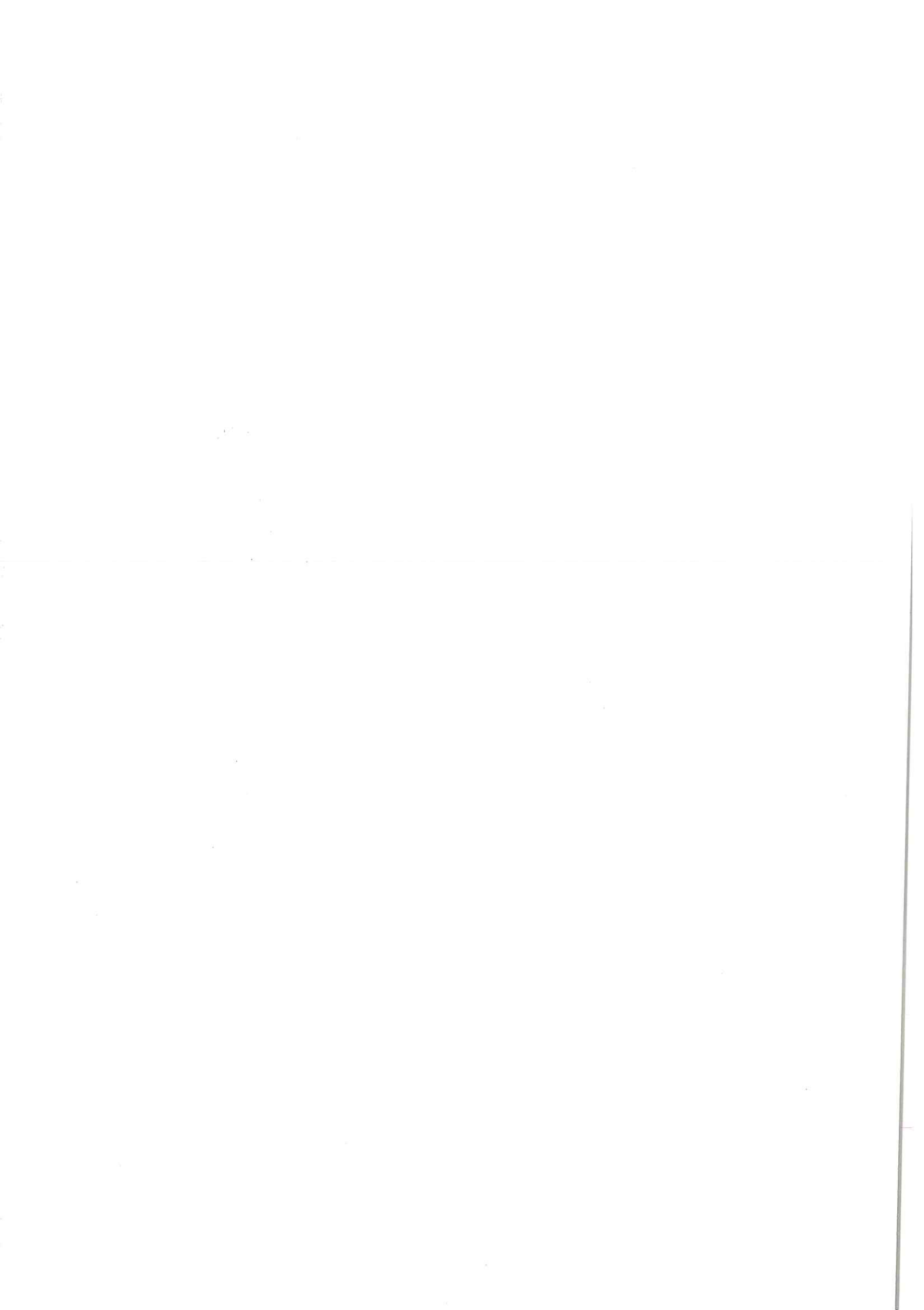
REPRESENTATIVE OF CONSULTING ORGANIZATION

BETA SECURITIES INCORPORATION

GENERAL MANAGER

(signed and sealed)

Huynh Van Tot



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

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

TM. CÔNG TY
ON BEHALF OF THE COMPANY

MS. LỮ TRUNG DUNG

