




INVESTORS SHOULD CAREFULLY READ THIS PROSPECTUS AND THE AUCTION REGULATION IN ITS ENTIRETY BEFORE MAKING A DECISION TO PURCHASE

PROSPECTUS

INITIAL PUBLIC OFFERING

DAK LAK URBAN AND ENVIRONMENT LIMITED COMPANY

THE AUCTIONEER	
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THE ISSUER	
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LEGAL BASES

- The Law on Enterprises, No. 68/2014/QH13 passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam
- Decree No. 126/2017/nd-cp dated November 16, 2017 on conversion from state-owned enterprises and single-member limited liability companies with 100% of charter capital invested by state-owned enterprises into Joint-Stock Companies;
- Decree No. 63/2015/ND-CP dated 22/7/2005 of the Government on stipulating policies for redundant laborers when reorganizing state-owned one-member limited companies;
- Circular No. 40/2018/TT-BTC dated 04/05/2018 of the Ministry of Finance on guidelines for initial offering of shares and management and use of proceeds from equitization of state-owned enterprises and single-member limited liability companies with 100% charter capital invested by state-owned enterprises .
- Circular No. 44/2015/TT-BLDTBXH dated 22/10/2015 of the Ministry of Labor, War Invalids and Social Affairs on guiding the implementation of a number of articles of Decree No. 63/2015/ND-CP dated 22/7/2015 of the Government stipulates policies for redundant laborers when reorganizing the limited liability company owned by the State;
- Decision No. 1367/QĐ-UBND dated 17/05/2016 of the People's Committee of Dak Lak Province on the equitization of Dak Lak Urban and Environment Limited Company;
- Decision No. 313/QĐ-UBND dated 13/02/2017 of the People's Committee of Dak Lak province on the adjustment of Clause 1, Article 1 of the Decision No. 1367 / QĐ-UBND dated 17/05/2016 of People's Committee's on the equitization of Dak Lak Urban and Environment Limited Company;
- Decision No. 158/QĐ-UBND dated 18/01/2018 of the People's Committee of Dak Lak Province on the adjustment of the time of valuation of enterprises for equitization of Dak Lak Urban and Environment Limited Company;
- Decision No. 1628/QĐ-UBND dated 08/06/2016 of the People's Committee of Dak Lak Province on the establishment of the Equitization Steering Committee of Dak Lak Urban and Environment Limited Company;
- Decision No. 1437/QĐ-UBND dated 13/06/2017 of the People's Committee of Dak Lak Province on the establishment of the Equitization Steering Committee of Dak Lak Urban and Environment Limited Company;

- Decision No. 2760/QD-UBND dated 04/10/2017 of the People's Committee of Dak Lak province on the addition of members of the Equitization Steering Committee of Dak Lak Urban and Environment Limited Company;
- Decision No. 3273/QD-UBND dated 27/11/2017 of the People's Committee of Dak Lak province on the change of members of the Equitization Steering Committee of Dak Lak Urban and Environment Limited Company;
- Decision No. 12/QD-BCD dated 20/06/2016 of the Steering Committee for Equitization of Dak Lak Urban and Environment Limited Company on the establishment of the assistant team for equitization of Dak Lak Urban and Environment Limited Company;
- Decision No. 06/QD-BCD dated 02/08/2017 of the Steering Committee for Equitization of Dak Lak Urban and Environment Limited Company on addition of members of the assistant team for equitization of Dak Lak Urban and Environment Limited Company;
- Decision No. 628/QD-UBND dated March 28, 2018 of the People's Committee of Dak Lak Province approving the land use plan when equitizing of Dak Lak Urban and Environment Limited Company;
- Decision No. 1365/QD-UBND dated 19/06/2018 of the People's Committee of Dak Lak Province approving the plan of employment of Dak Lak Urban and Environment Limited Company;
- Decision No. 1460/QD-UBND dated 29 June 2016 of the People's Committee of Dak Lak province on approving the value of enterprises to equitize Dak Lak Urban and Environment Limited Company;
- Decision No. 3454/QD-UBND dated 20/12/2018 of the People's Committee of Dak Lak Province on the adjustment of Decision No. 1460/QD-UBND dated 29 June 2016 of the People's Committee of Dak Lak province on approving the value of enterprises to equitize Dak Lak Urban and Environment Limited Company;
- Decision No. 3513 / QD-UBND dated 26/12/2018 of the People's Committee of Dak Lak Province on approving the equitisation plan of Dak Lak Urban and Environment Limited Company;
- Decision No. 2396/QD-UBND dated 28/09/2018 of the People's Committee of Dak Lak Province on the adjustment of the plan of employment of Dak Lak Urban and Environment Limited Company;
- Official Letter No. 12/HD-BCD dated 23/08/2018 of the Steering Committee for Equitization of Dak Lak Urban and Environment Limited Company;
- Other relevant legal documents.

I. INFORMATION OF EQUITIZED ENTERPRISE

Enterprise name in Vietnamese : **CÔNG TY TNHH MỘT THÀNH VIÊN ĐÔ THỊ VÀ MÔI TRƯỜNG ĐẮK LẮK**

Enterprise name in English : **DAK LAK URBAN AND ENVIRONMENT LIMITED COMPANY**

Abbreviations : **DAKURENCO.,LTD**

Address : No. 01- Dao Duy Tu Street – Thong Nhat Ward -
Buon Ma Thuot City - Dak Lak Province

Tel : 0262.3816886

Fax : 0262.3 816886

Logo :



Charter capital : 76.722.775.669 VND

II. BUSINESS LINES

According to Business Registration Certificate of Dak Lak Urban and Environment Limited Company No. 6000179936 issued by the Department of Planning and Investment of Dak Lak Province for the first time dated September 5th, 2008, 08/2015, business lines of the Company are as follows:

Table 1. Business lines

No.	Name of business lines	Code
1	Construction of public works Detail: Public utility activities: Management, exploitation, maintenance, repair and maintenance of public and urban facilities (including: public lighting system, traffic signal lights, urban roads, sidewalks, drainage systems, sewage treatment systems, cemeteries, funeral homes, landscaping gardens, parks, monuments, rubbish dumps, street trees)	4220
2	Constructing other civil engineering works Details: Construction of civil works, traffic (bridges, roads),	4290

	electrical construction, road markers	
3	Production of electronic components Details: Production of traffic signs	2610
4	Exploitation of stone, sand, gravel and clay Details: Exploiting and manufacturing construction stones, decorative stones of all kinds	0810
5	Production of other common machines Details: Production of tools, equipment for urban management and environmental sanitation	2819
6	Production of fertilizers and nitrogen compounds Detail: Production of fertilizers from waste, microbiological fertilizer, environmental treatment preparations	2012
7	Propagation and care of agricultural seedlings Details: Produce varieties of trees, flowers and bonsai	0130
8	Wholesale materials and other installation equipment in construction Detail: Trading construction materials, electrical equipment	4663
9	Funeral services Detail: Burial, cremation services	9632
10	Other recreational activities not classified any term Detail: Entertainment services	9329
11	Travel agent Detail: Travel services	7911
12	Growing vegetables, beans and planting flowers and ornamental plants Detail: Planting trees, flowers, ornamental plants, carpet plants	0118
13	Other specialized construction activities Detail: Renovation and repair of public lighting system, rain water, wastewater drainage system	4390
14	Non-toxic waste collection Detail: Waste transportation and disposal;	3811

15	Care and maintenance of the landscape Details: Tree care and preservation services, streets, parks, monuments, landscape forests	81300
16	Trade introduction and promotion Details: Event organization Services	8230
17	Cleaning of houses and other buildings Details: Car wash, sanitation services;	8129
18	Waste drainage and wastewater treatment Details: Waste water treatment, irrigation in agriculture	3700

(Source: Dak Lak Urban and Environment Limited Company)

III. MAIN PRODUCTS AND SERVICES

Based on the registered business lines, Dak Lak Urban and Environment Limited Company is currently providing the following main products and services:

- Management, exploitation, maintenance, repair of public works, urban areas (including public lighting system, traffic signal lights, urban roads, pavements, water drainage system, sewage treatment system, cemetery, funeral home, landscape park, park, monument, landfill, street trees);
- Constructing civil works, traffic (bridges, roads), electricity construction, road markers; Services for preserving and preserving street greenery, parks, monuments, landscape forests; Waste water treatment, irrigation in agriculture.

IV. EMPLOYEES SITUATION TRANSFERRING TO JOINT-STOCK COMPANY

Based on the current number of employees and expected labor demand of the Company after the equitization and the provisions of the labor law to improve the efficiency of production and business of the Company, promote the capacity of employees, the company plans to carry out the plan of rearranging employee as follows:

Table 2: Structure of employees transferring to Joint Stock Company

Content	Number	Rate(%)
Total	794	100%
Classified according to the qualification		
- Graduate	4	0,50%
- Under graduate	135	17%
- College, intermediate education, primary education	203	25,6%
- Other level	452	56,9%

Classified according to the labor contract		
- Employee without signing labor contract	1	0,1%
- Employee with signing term labor	762	96%
- Employee with signing 1-3 year labor contract	31	3,9%
- Seasonal contract		
Classified according to the gender		
- Male	447	56,3%
- Female	347	43,7%

(Source: Dak Lak Urban and Environment Limited Company)

V. THE VALUE OF ENTERPRISES AT THE TIME OF EVALUATION

The actual value of the enterprise as of July 1st, 2017 based on the results of the enterprise valuation approved in the Decision No. 1460 / QD-UBND dated 29/06/2018 of the provincial People's Committee; Decision No. 3454/QD-UBND dated 20/12/2018 of the People's Committee of Dak Lak Province on the adjustment of Decision No. 1460/QD-UBND dated 29 June 2016 of the People's Committee of Dak Lak province is 149,807,004,273 VND.

In which:

The actual value of state capital as of 01/07/2017 is 76,046,974,364 VND.

The actual value of the enterprise as of 01/07/2017 is as follows:

Table 3: Results of valuation of enterprises according to the asset method as of 01/07/2017

Unit: VND.

No	Target	Book value	Consultancy Value	Valuation result
(1)	(2)	(3)	(4)	(5=4-3)
A	ASSETS IN USE (I+II+III+IV)	647,890,677,217	149,807,004,273	(498,083,672,943)
I	Fixed assets and long-term investment	535,378,574,243	33,311,110,714	(502,067,463,528)
1	Fixed assets	26,428,653,323	32,289,670,216	5,861,016,894
a	Tangible	26,428,653,323	32,248,070,216	5,819,416,894
1.1	Building & architectonic model	15,015,638,387	17,915,682,758	2,900,044,371
1.2	Equipment & machine	4,052,987,272	3,089,836,060	(963,151,212)

No	Target	Book value	Consultancy Value	Valuation result
(1)	(2)	(3)	(4)	(5=4-3)
1.3	Transportation & transmit instrument	6,772,571,209	10,741,154,000	3,968,582,791
1.4	Instruments & tools for management	587,456,455	495,797,398	(91,659,057)
1.5	Other	-	5,600,000	5,600,000
b	Intangible fixed assets	-	41,600,000	41,600,000
2	Long-term investment			-
3	Construction in progress	508,497,672,422	569,192,000	(507,928,480,422)
4	Long term collateral & deposit			-
5	Long-term prepaid expenses	452,248,498	452,248,498	-
II	Current assets and short-term investment	112,512,102,974	113,355,219,174	843,116,200
1	Cash and cash equivalent	41,012,833,522	41,012,833,522	-
1.1	Cash in hand	1,164,600,558	1,164,600,558	-
	Cash at hand (VND)	1,164,600,558	1,164,600,558	
1.2	Deposit in bank (VND)	39,848,232,964	39,848,232,964	
	Deposit in bank (VND)	12,348,232,964	12,348,232,964	
	Deposit in bank (foreign currency)	-	-	
	Term deposit in bank (VND)	27,500,000,000	27,500,000,000	-
2	Short - term investment	500,000,000	500,000,000	-
3	Receivables	69,975,242,626	69,975,242,626	-
3.1	Receivables from customers	38,002,344,040	38,002,344,040	-
3.2	Advance for suppliers	29,444,310,238	29,444,310,238	-
3.3	Internal Receivables	2,538,301,138	2,538,301,138	-
3.4	Other receivables	-	-	-
3.5	Provision for bad receivables	(9,712,790)	(9,712,790)	-
4	Raw materials, inventory	658,901,522	658,901,522	-
5	Other current assets	365,125,304	1,208,241,504	843,116,200
6	Non-business expenditures			-
III	Goodwill (If any)		3,140,674,385	3,140,674,385
IV	Land use right value	-	-	-

No	Target	Book value	Consultancy Value	Valuation result
(1)	(2)	(3)	(4)	(5=4-3)
B	NON-UTILIZED ASSETS	-	-	-
<i>I</i>	<i>Fixed assets and long-term investment</i>	-	-	-
<i>II</i>	<i>Fixed assets and short-term investment</i>	-	-	-
C	Assets Awaiting Resolution	-	-	
<i>I</i>	<i>Fixed assets and long-term investment</i>			
<i>II</i>	<i>Fixed assets and short-term investment</i>			
D	ASSETS ORIGINATING FROM EMPLOYEES' BENEFITS FUND (not used for production and business)	5,498,049,000	5,498,049,000	-
1	Building & architectonic model	4,364,254,000	4,364,254,000	-
2	Transportation & transmit instrument	1,133,795,000	1,133,795,000	-
E	PUBLIC ASSETS NOT EQUIPPED	115,246,998,426	623,175,478,848	507,928,480,422
<i>I.</i>	<i>Current asset and long-term investment</i>	-	-	-
<i>II.</i>	<i>Fixed assets and long-term investment</i>	<i>115,246,998,426</i>	<i>623,175,478,848</i>	<i>507,928,480,422</i>
1	Building & architectonic model	112,641,534,426	112,641,534,426	-
2	Equipment & machine	1,420,960,000	1,420,960,000	-
3	Transportation & transmit instrument	1,184,504,000	1,184,504,000	-
4	Instruments & tools for management	-	-	-
5	Construction on progress	-	507,928,480,422	507,928,480,422
	TOTAL ASSETS ((A+B+C+D+E)	768,635,724,643	778,480,532,121	9,844,807,479
	<i>In which:</i>			

No	Target	Book value	Consultancy Value	Valuation result
(1)	(2)	(3)	(4)	(5=4-3)
	Actual assets under the company possession prior to the equitization (A)	647,890,677,217	149,807,004,273	(498,083,672,943)
F1	Actual Liabilities	45,394,685,997	45,394,685,997	-
	In which: Land use right received that have deliver to state			
F2	Non-business expenditure source	536,293,824,334	28,365,343,912	(507,928,480,422)
	Non-business expenditure - TK 161	(50,126,477,990)	(50,126,477,990)	-
	Non-business expenditure - từ TK 241 transfer to TK 161		(507,928,480,422)	(507,928,480,422)
	Non-business expenditure - TK 461	586,420,302,324	586,420,302,324	-
	VALUATION RESULT OF THE GOVERNMENT OF VIETNAM'S EQUITY ENTERPRISE [A-(F1+F2)]	66,202,166,886	76,046,974,364	9,844,807,479

(Source: Profile of Enterprise Evaluation of Dak Lak Urban and Environment Limited Company at 01/07/2017)

VI. MAJOR ASSETS OF ENTERPRISES

1. Land in use

The company also managed 06 land lots with the total land area under management and use: 764,193.58 m2, details are as follows:

Table 5. Land The management and use of the Company at 01/07/2017

No.	Name of work	Address	Area	Source	Legal document	Forms after equitization	Purpose of land use after equitization
1	Head office	01 Dao Duy Tu street, Thong Nhat ward, Buon Ma Thuot city	3,452	The state leases land with land fee collection every year	Decision No. 1162 / QD-UBND dated 17/05/2010 of Provincial People's Committee	The state leases land with land fee collection every year	Commercial, service land,
2	Dedicated parking lot	426 Phan Boi Chau Street, Thanh Nhat Ward, Buon Ma Thuot	10,205	The state leases land with land fee collection every year	Decision No. 2601/QD-UBND dated 11/10/2011 and Decision No. 2918/QD-UBND dated 10/11/2011 of the Provincial People's Committee	The state leases land with land fee collection every year	Land for non-agricultural production
3	Waste water treatment plant	Residential area 2, Thanh Nhat ward, Buon Ma Thuot city	372,584	Land allocation for construction	Decision No. 2683/QD-UBND dated 08/10/2002 and Decision No. 1418 /QD-	The State allocates land without collection of	Land for waste treatment

				of centralized wastewater treatment plant; construction of water tank of the drainage project	UBND dated 24/07/2006 of the Provincial People's Committee	land use fees	
4	Tan Tien wastewater pumping station	Residential area 2, Thanh Nhat ward, Buon Ma Thuot city	1,041.58	Land allocation for construction of wastewater pumping station	Decision No. 432/QD-UBND dated 31/03/2004 by the Provincial People's Committee	The State allocates land without collection of land use fees	Land for waste treatment
5	Landfill for burial of solid waste of Buon Ma Thuot city	Cu Cu ebur Commune, Buon Ma Thuot City	210,339	Land allocation for construction of solid	Decision No. 1131/QD-TTg of November 13, 2000 of the Prime Minister; Decision No. 2845/QD-UB dated	The State allocates land without collection of land use fees	Landfill Land

				waste burial sites	November 24, 1999 of the provincial People's Committee		
6	Buon Ma Thuot City Cemetery	Residential area 7, Tan Loi Ward, Buon Ma Thuot	166,572	Land allocation for construction of cemetery of Buon Ma Thuot	Decision No. 1285/QD-UBND dated 11/11/1986 and Decision No. 4100/QD-UBND dated 12/12/2003 by the People's Committee of Dak Lak Province	The State allocates land without collection of land use fees	Cemetery land
Total			764,193.58				

(Source: Dak Lak Urban and Environment Limited)

2. Building & architectonic model

Table 6. Situation of building & architectonic model at 01/07/2017

Unit: VND

No.	Name of assets	Unit	Q'ty	Year	Book value		Valuation result	
					Cost	Residual value	Cost	Residual value
1	Working office (Block A)	m ²	754.00	2001	962,874,000	706,755,540	3,718,590,909	2,547,234,773
2	Working office (Block C)	m ²	512.00	2002	3,442,944,800	2,917,853,347	2,572,567,273	2,006,602,473
3	Working office (Block B)	m ²	372.00	2010	2,080,000,000	1,503,838,000	1,869,130,909	1,551,378,655
4	Guard house	m ²	44.00				190,701,080	80,094,454
5	WC	m ²	35.00				96,759,091	30,962,909
6	Cover the car, motorcycle at the parking lot of the Company	m ²	258.50	13/07/2011	246,404,262	0	323,799,841	184,565,909
7	Parking area for specialized vehicle and auxiliary facilities	system	1.00	01/01/2011	13,747,649,000	9,606,574,500		
	Compensation for site clearance				485,290,000	485,290,000		
	Parking area for specialized vehicle and auxiliary works (Subtracting the cost of compensation for ground clearance)				13,262,359,000	9,121,284,500		
	Deducted VAT				1,205,669,000	829,207,682		
	Parking area for specialized vehicle and auxiliary facilities (Before tax)	system	1.00	01/01/2011	12,056,690,000	8,292,076,818	15,750,945,486	11,234,226,586

8	Parking area for specialized vehicle	m2	294.00	07/07/2015	396,476,000	280,617,000	396,476,000	280,617,000
	TOTAL				20,876,348,062	15,015,638,387	24,918,970,589	17,915,682,758

3. Equipment & machine

Table 7. Situation of Equipment & machine at 01/07/2017

Unit: VND

No.	Name of assets	Unit	Q'ty	Year	Book value		Valuation result	
					Cost	Residual value	Cost	Residual value
1	Sewage Detector	Equipment	1	06/2006	312,870,775	-	300,000,000	81,000,000
2	Spray equipment, drain pipe	Equipment	1	05/2006	48,702,400	-	50,000,000	10,500,000
3	Heat extrusion machine	pcs	1	07/2006	73,500,000	-	65,000,000	18,850,000
4	Generator 25KV	pcs	1	03/2007	68,260,000	-	75,000,000	23,250,000
5	Tractor JOHN 47LA-0276	pcs	1	06/2007	197,000,000	-	205,000,000	61,500,000
6	Excavator Cater 47LA 0180	pcs	1	09/2004	1,107,953,444	-	1,000,000,000	330,000,000
7	Crawler excavator komatsu	pcs	1	12/2002	443,000,000	-	430,000,000	98,900,000
8	Generator KDE 100SS3	pcs	1	09/2009	371,968,500	83,692,500	365,000,000	120,450,000
9	Grader Caterpillar 47LA-0419	pcs	1	12/2009	3,605,000,000	1,351,873,000	2,500,000,000	750,000,000
10	Agrimotor Belarus 47LA-0418	pcs	1	12/2009	415,000,000	96,031,000	125,000,000	42,500,000
11	Tractor GUIHUA model GN 91- Remooc Tractor LVC	pcs	1	01/2010	30,600,000	-	25,000,000	6,500,000
12	Cutting machine Mimaki CG-130SRH	pcs	1	12/2010	66,000,000	-	50,000,000	17,500,000
13	Tractor GAOFENG-Remooc Agrimotor LV Eakao	pcs	1	22/02/2011	39,600,000	-	42,000,000	18,480,000
14	Tractor GAOFENG-Remooc	pcs	1	28/10/2011	49,280,000	14,664,500	42,000,000	18,480,000

	Agrimotor Landfill management team							
15	02 Robot for inspection of waste water pipeline	pcs	2	29/09/2 012	550,470,000	26,911,000	649,554,000	253,326,060
16	Excavator JCB 47LA- 0699	pcs	1	17/09/2 015	2,803,423,272	2,386,154,272	1,800,000,000	1,044,000,000
17	Roller Sakai	pcs	1	01/2007	135,000,000	-	280,000,000	89,600,000
18	Roller SAKAI R2S 47SA-0306	pcs	1	11/2009	383,167,000	93,661,000	420,000,000	105,000,000
	TOTAL				10,700,795,391	4,052,987,272	8,423,554,000	3,089,836,060

4. Transportation & transmit instrument

Total 8. Situation of Transportation & transmit instrument at 01/07/2017

Unit: VND

No.	Name of assets	Unit	Q'ty	Book value		Valuation result	
				Book value	Valuation result	Book value	Valuation result
1	Scraper, collector, vacuum cleaner 47P-1307	1	2009	2,343,002,000	410,027,000	1,353,600,000	527,904,000
2	Puso roll press vehicle 47K- 5520	1	1997	677,335,000	0	480,005,000	96,001,000
3	Roll press vehicle Mitsu 47K 87-44	1	2005	480,000,000	0	837,460,870	192,616,000
4	Hino crane truck 8m3 47K- 5531	1	1997	778,669,000	0	568,680,000	113,736,000
5	Roll press vehicle Hino 47K- 6473	1	2000	554,332,000	0	492,515,000	98,503,000
6	Roll press vehicle Hino 47K- 6474	1	2000	554,332,000	0	492,515,000	98,503,000
7	Mud trucks Isuzu 47K- 8084	1	2004	980,649,000	0	580,603,448	168,375,000
8	Mud trucks Isuzu 47K- 8075	1	2004	980,649,769	0	580,603,448	168,375,000
9	Tank truck Kamaz 47K- 8240	1	2004	766,700,000	0	684,046,429	191,533,000
10	Truck	1	2003	278,316,488	0	359,296,154	93,417,000

	Mitsubitshi 47L-4583						
11	Ford car 47T-1190	1	1989	420,000,000	0	336,515,000	67,303,000
12	Crane truck 47K - 7782	1	2004	507,841,866	0	441,651,724	128,079,000
13	Electric scooter HuynDai 47K- 7723	1	2004	746,000,000	0	475,875,862	138,004,000
14	Toilet Basement sucking truck HiNo 47K -8507	1	2005	829,788,859	0	640,725,000	153,774,000
15	Sewer inspection vehicle 47K -9001	1	2005	573,084,000	0	494,979,412	168,293,000
16	Dump truck Suzuki 47L-5834	1	2005	138,000,000	0	153,293,750	49,054,000
17	Sewer inspection vehicle Suzuki 47L-5818	1	2005	138,000,000	0	153,293,750	49,054,000
18	Garbage trucks Hi no 47K- 9353	1	2006	916,514,500	0	516,973,529	175,771,000
19	Garbage trucks Hi no 47K- 9344	1	2006	916,514,500	0	513,096,970	169,322,000
20	Tube spraying machine Hino 47K- 8930	1	2006	2,100,279,272	0	1,139,220,588	387,335,000
21	Car Jolie 47L- 5274	1	2004	450,000,000	0	407,131,034	118,068,000
22	Recycle bin 8m3	1	1998	351,237,932	0	289,175,000	57,835,000
23	drains sucking vehiele 47K- 7201(DA)	1	2002	1,152,334,755	0	799,586,957	183,905,000
24	Waste exhaust vehiele ISUZU 47L-5311	1	2004	631,455,075	0	431,340,741	116,462,000
25	Xe hút bùn HINO 47K-8319	1	2005	829,788,859	0	536,848,276	155,686,000
26	Tube spraying	1	2005	2,060,395,000	0	934,343,750	298,990,000

	machine HINO 47K-9103						
27	Garbage roll, press truck Hino 47P-1913	1	2008	1,194,000,000	0	626,413,889	225,509,000
28	Garbage roll, press truck Hino 47P-1911	1	2008	1,194,000,000	0	617,005,714	215,952,000
29	Electric scooter Junjin 47P- 1946	1	2007	2,816,900,000	586,854,000	1,315,424,324	486,707,000
30	Water tank truck 47P- 2137	1	2008	1,125,500,000	253,237,000	1,185,775,000	426,879,000
31	Dump truck Hino 47P-2112	1	2009	1,294,000,000	312,717,000	1,160,390,476	487,364,000
32	Dump truck Hino 47P-2129	1	2009	1,294,000,000	312,717,000	1,160,390,476	487,364,000
33	Garbage roll, press truck 6m3 47P-2783	1	2010	968,992,000	0	542,156,522	249,392,000
34	Garbage roll, press truck 6m3 47P-2784	1	2010	968,992,000	0	542,156,522	249,392,000
35	Garbage roll, press truck 6m3 47P-2503	1	2010	968,992,000	0	542,156,522	249,392,000
36	Garbage roll, press truck 6m3 47P-2507	1	2010	968,992,000	0	542,156,522	249,392,000
37	Garbage roll, press truck 9m3 47C-00121	1	2010	1,200,680,000	0	649,997,826	298,999,000
38	Dump truck 3,7 tons 47C- 00122	1	2010	848,760,000	303,641,000	602,121,739	276,976,000
39	10 mud tank s5m3 put on a forklift truck (tank No. 1 to No. 10)	10	2011	783,032,000	260,656,000	880,250,000	176,050,000
40	Garbage roll, press truck 15m3 47C-02239	1	2010	2,208,406,000	263,629,000	1,168,258,696	537,399,000
41	Dump truck Thaco	1	2009	239,205,714	41,727,571	183,120,513	71,417,000

	47T-0406						
42	Specialized Electric scooter ISUZU 47C-06418	1	2010	2,796,198,000	1,715,777,000	1,370,305,882	698,856,000
43	Water tanker for watering plants 9m3 HINO 47C-06293	1	2010	1,783,806,000	1,094,562,000	1,161,833,333	592,535,000
44	Garbage roll, press truck 15m3 47C-08296	1	2013	2,087,583,637	1,217,026,637	876,001,471	595,681,000
	TỔNG CỘNG			45,897,259,226	6,772,571,209	29,819,292,118	10,741,154,000

VII. LIST OF PARENT COMPANY AND SUBSIDIARIES

None

VIII. BUSINESS ACTIVITIES AND BUSINESS RESULTS IN THE 3 YEARS BEFORE THE EQUITY

1. Business Result

a. Product output/service value over the years

- The revenue structure in each operating sector is as follows:

Table 9. revenue structure in phase 2015- 2017

Unit: million VND

NO.	REVENUE	2015		2016		2017	
		Value	Rate (%)	Value	Rate (%)	Value	Rate (%)
I	Revenue from sales and service provision	140.257	99,66	133.804	99,42	121.492	98,78
II	Revenue from financial activities	301	0,21	482	0,36	1.303	1,06
III	Other revenue	176	0,12	290	0,22	196	0,16
	TOTAL	140.734	100	134.576	100	318.795	100

(Source: Audited Finance Statements of 2015, 2016
and 2017 of Dak Lak Urban and Environment Limited Company)

- Gross profit structure of the Company:

Table 10. Gross profit structure of the Company in phase 2015- 2017

Unit: million VND

No	PROFIT	2015		2016		2017	
		Value	Rate (%)	Value	Rate (%)	Value	Rate (%)
1	Sales of goods	33	0,16	15	0,07	22	0,12
2	Providing service	17.278	82,91	17.352	87,67	15.934	87,56
3	Construction contracts	3.530	16,94	2.426	12,26	2.242	12,32
	TOTAL	20.841	100	19.793	100	18.198	100

(Source: Dak Lak Urban and Environment Limited Company)

b. . Materials

- Material source

Raw materials and materials serving the production and public service sectors of the Company mainly include: green trees, electricity, raw materials for waste treatment (insecticides, bio-preparations to limit odors) Cement, stone, sand, gravel ... are provided by suppliers in and outside the province.

- Stability of raw materials:

In the past years, the supply of raw materials mentioned above for the Company has been stable and timely.

Table 11. List of major material suppliers

No.	Name of supplier	material
1	Dak Lak Power Company	Electricity
2	South Highlands Oil Petroleum Company Tây	Oil, Petroleum
3	Green Park Enterprise	Trees, flowers, bonsai
4	Xuan Loc Company Limited	Fertilizer
5	Ngoc Vu Materials Joint Stock Company	Plant protection Pesticide
6	Nguyen Thi Sang Store	Materials, tools, equipment
7	An Binh Technology Company Limited	Drugs for rubbish disposal
8	Kim Phong Technical Chemical Co., Ltd	Biological preparations for garbage disposal

(Source: Dak Lak Urban and Environment Limited Company)

- Influence of raw material price on turnover, profit:

The price of raw materials increases dramatically and impacts on revenue and profit. Dak Lak Urban and Environment Limited Company has applied a number of measures to reduce the fluctuation of raw material prices. The cost of goods sold in the cost structure is quite large, so the fluctuation of material prices will directly affect the revenue and profit of the company. In the past years, raw material prices fluctuated continuously according to electricity prices, gasoline; The rise in prices of goods and services also has a significant impact on the Company's business performance.

c. Production cost

Table 12. Production cost structure in period 2015- 2017

Unit: Million VND

NO.	COST ELEMENT	2015		2016		2017	
		Value	Rate (%)	Value	Rate (%)	Value	Rate (%)
1	Cost of goods sold	119,129	89.82	114,010	89.94	103,294	89.69
2	Financial expenses	11	0.01	11	0.01	2	0.001
3	Cost of sales	18	0.01	0	0	0	0
4	Administrative cost	13,151	9.91	11,894	9.38	11,647	10.11
5	Other cost	329	0.25	845	0.67	225	0.20
	TOTAL	132,638	100	126,760	100	115,168	100

*(Source: Audited Finance Statements of 2015, 2016
and 2017 of Dak Lak Urban and Environment Limited Company)*

The total cost of the Company changes in value but the ratio of Cost/Net revenue is not much change. The high proportion of cost/net revenue significantly affects the production and business efficiency of the Company. Cost of goods sold accounted for a large proportion, on average about 89% of total cost; Business expenses account is over 11% of total costs.

d. Technology level

The technology used for public utility activities of the Company is mainly transport means, specialized machinery and equipment for maintenance and repair of electric lighting projects, garbage collection ... qualified on average.

e. Research and development of new products

With the specific characteristics as a public utility enterprise, the Company organizes production and provides public utility services ordered annually by the People's Committee of Buon Ma Thuot City. Therefore, the Company focuses on researching and applying methods of organization management and production management to provide products, public services to ensure quantity, quality and timely with reasonable expenses, effective.

f. Situation of quality inspection of products/services

The Company applies internal standards and ISO 2008 standards for each type of product or service separately as a basis for enterprises and production teams to organize and inspect the quantity of products. The volume of products and public-utility services shall be provided by workers in the teams and teams. At the same time, it also serves as a basis for the departments and boards of the company to organize inspection and supervision for each enterprise, team, and production team.

g. Marketing activities

The company prestige is built mainly thanks to the quality of services provided by the company. Currently, the company has its own website. The Company determines the importance of marketing in the market economy, so it is expected that after the equitisation, the Company will make proper investment in this activity, giving appropriate marketing strategy. Each period contributes to the success of the Company in implementing the business strategy.

h. Trademark, patent and copyright registration

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

i. Large contracts on progress and signed

Table 13. List of Large contracts on progresses and signed

Unit 1,000 VND

No	Operation field	Number of contract	Contract Value	Contract duration	Employer
I	The field of urban public utility				
1	Cleaning, collecting, transporting and treating wastes in Buon Ma Thuot city	02/HD-CI dated 20/01/2017 and Appendix No.	36,111,673	01/01/2017 to 31/12/2017	Urban Management Department of Buon Ma

		02/PLHD-CI dated 04/8/2017			Thuot City
2	Management and operation of public lighting systems	03/HD-CI dated 20/01/2017 and Appendix No. 03/PLHD-CI dated 04/8/2017	13,678,480	01/01/2017 to 31/12/2017	Urban Management Department of Buon Ma Thuot City
3	Care of street and public trees, flower and ornamental care, lawn care, management of public places; caring for trees, flowers and ornamental plants at the Buon Ma Thuot wastewater treatment plant	04/HD-CI dated 20/01/2017 and Appendix No. 04/PLHD-CI dated 04/8/2017	43,082,610	01/01/2017 to 31/12/2017	Urban Management Department of Buon Ma Thuot City
4	Dredging rainwater drainage systems and manage and operate wastewater drainage systems in the city	05/HD-CI dated 20/01/2017 and Appendix No. 05/PLHD-CI dated 04/8/2017	8,064,401	01/01/2017 to 31/12/2017	Urban Management Department of Buon Ma Thuot City
II	Field of forest management		4,800,000	01/01/2017 to 31/12/2017	People's Committee of City

III Other fields					
1	Caring for trees, bonsai, grass at the provincial museum and Nha Day relics, Buon Ma Thuot City	18/HĐ-KT dated 15/01/2016	2,500,000	01/01/2016 to 31/12/2020	Dak Lak Department of Culture, Sports and Tourism

(Source: Dak Lak Urban and Environment Limited Company)

2. The financial situation and results of production and business activities in the 3 years before the equitization

Table 14: The financial situation and results of production and business activities in phase 2015 – 2017

No.	Item	Unit	2015	2016	2017
1	Total asset value	Million VND	830,992	733,947	780,290
	In which				
	- Short-term assets	Million VND	86,415	115,009	114,205
	- Long-term assets	Million VND	744,577	618,938	666,085
2	Equity according to accounting books	Million VND	79,307	81,961	82,960
3	Payable liabilities	Million VND	58,469	51,553	47,528
	In which				
	- Short-term liabilities	Million VND	47,469	51,553	47,528
	- Long-term liabilities	Million VND	11,000	0	0
4	Receivables	Million VND	60,326	74,239	56,936

No.	Item	Unit	2015	2016	2017
	In which				
	- Short-term receivables	Million VND	60,326	74,239	56,9360
	- Long-term receivables	Million VND	0	0	0
7	Number of employees	Người	918	900	854
8	Average income/person/month	Million VND	6,000	5,600	5,500
9	Total revenue	Million VND	140,449	134,577	122,992
10	Total profit before tax	Million VND	7,808	7,814	7,824
11	Profit after tax	Million VND	6,040	6,133	6,259
12	Rate of total after-tax profit/equity	%	7.62%	7.48%	7.54%

(Source: Audited Finance Statements of 2015, 2016

and 2017 of Dak Lak Urban and Environment Limited Company)

3. Factors affecting the operation activities of the Company

During operation, Dak Lak Urban and Environment Limited Company is influenced by many objective and subjective factors, many of which have favorable impacts on the operation process. There are few factors that cause difficulties for the Company's business.

a. Advantage

With the attention and direction of the provincial Party, People's Committee, City Party, City People's Committee, the Company is well placed to fulfill its assigned tasks. The company's activities are highly appreciated and recognized by the community, contributing to the improvement and beauty of the city.

With solidarity and agreement between the Members' Council the Board of Directors, the Executive Committee of the Trade Union and socio-political organizations together with the close attention and guidance of the Party so that all the policies and resolutions are strictly implemented by the Board of Directors in full and timely manner.

The level of leaders of the company and the staff of the mass organizations has been increasingly improved; the staffs and workers are enthusiastic in work, experienced in production and business practices.

b. Difficulties

In the years 2016 and 2017, the government policies are changed (adjusting the labor unit price, machine shift rate and reducing the common cost ratio of all sectors) that affected the revenue, salary of the employee. In addition, the management area is wide so the expenses for maintenance of urban areas in the area frequently arise, thus affecting the general operation of the Company.

The collection of sanitation fees is still difficult, and the percentage of households in the area who are not covered by sanitation is high (about 30%). Some households and individuals are not aware of their roles and responsibilities in protecting public assets as well as environmental sanitation. There are still litter, waste water discharges and rainwater system connections and regular sewage systems

The saving rate of 12% on the settlement value affects the turnover, profit and salary of the employees.

Some employees have not defined their specific functions, tasks, working with productivity, quality is not high, so affect the general operation of the company.

Some officers in the units, departments are passive in the work assigned. The inspection and supervision of the subordinate units has not been regular, continuous should affect more or less the quality of urban services assigned.

The application of new insurance policies in the area of minimum wages reduces the income of employees and increases costs for businesses.

The operating apparatus has not yet neatly contributed to the production results of the company.

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

1. Position of the company in the sector

Dak Lak Urban and Environment Limited Company is a 100% state-owned enterprise and a unit in charge of providing public services in Dak Lak province. Therefore, the Company always keeps its relationship with agencies, localities. This is a good thing for the Company to participate in the public works of the City and increase the prestige of the Company.

During the years of operation and business, the company has been striving to survive, stabilize and develop. The company has tried and tried to overcome many difficulties and

challenges to gradually affirm its position in the industry of providing public services as well as the trust of customers.

In general, the company is a good company with many years of experience. It can be said, in the province, the company has no direct competitors.

2. Development prospects of the industry

In the coming years, in order to accelerate the pace of economic growth, the demand for environmental sanitation, especially in urban areas, densely populated, the management and provision of public services is a potential development sector.

Vision to 2025, will develop the environmental industry into an economic sector that plays an important role in the structure of Vietnam's industrial development; To develop environment-friendly enterprises, organizations engaged in research, transfer and application of high technologies in the environment, capable of efficiently handling environmental protection tasks and using natural resources. It can be seen that the activities to develop the environmental industry in Vietnam should be balanced and harmonized between the three main areas: environmental services, technology development and equipment production, development and rehabilitation.

Thus, the development of the environmental technology industry in general and the urban environment in particular should be taken step by step to ensure that the industry becomes an important industry with specific products of the industry. In the process of development, It should to pay special attention for the socialization of environmental protection activities, from research, technology transfer and equipment manufacture to the provision of environmental protection, management and use of resources.

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

Prior to the development potential of the industry, the company has set goals and specific strategies including expanding production and business activities, actively exploiting resources to improve performance. In addition, the Company also guideline quality management and improve the level of staffs and employees to achieve high efficiency, minimize risks, ensure sustainable development.

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

X. INVESTMENT PLAN AND DEVELOPMENT STRATEGY OF ENTERPRISES AFTER EQUITIZATION

1. Development orientation of the company after equitization

After equitization, the development orientation of the joint stock company is as follows

- Promoting the advantages to boost production and business, creating a strong driving force to promote the performance of joint-stock companies to ensure the initiative in business, concentrate on the professional and business fields while diversifying in the fields of activities to create strong and sustainable development in accordance with the law of business and fulfill the obligation with the State.

Promoting thoroughly exploiting existing resources of the company on labor, advantages of machinery, infrastructure ... in combination with investment in development of width and depth, take efficiency as the focus in production and business.

- To reorganize the managerial apparatus and production organization to suit the production scale, ensuring the requirements of both streamlining and meeting the requirements of production and business activities of joint-stock company.

2. Production and business plan of phase 2019 – 2023

Table 15: Production and business plan of phase 2019 - 2023

No.	Item	Unit	Five-year business plan after equitization				
			2019	2020	2021	2022	2023
1	Charter capital	Million VND	66,200	66,200	66,200	66,200	66,200
2	Total revenue	Million VND	107,499	109,403	111,336	113,300	115,296
3	Revenue growth	%	(2.36)	1.77	1.77	1.76	1.76
4	Total cost	Million VND	99,205	99,500	100,500	101,100	102,000
5	Profit before tax	Million VND	8,294	9,903	10,836	12,200	13,296
6	Corporate Income Tax (20%)	Million VND	1,659	1,981	2,167	2,440	2,659
7	Profit after tax	Million VND	6,635	7,922	8,669	9,760	10,637
8	Appropriation of funds.	Million VND	1,327	1,584	1,734	1,952	2,127

9	Dividend Payment	Million VND	5,308	6,338	6,935	7,808	8,509
10	Dividend Payment rate	%	8.02%	9.57%	10.48%	11.79%	12.85%
11	Total employee	people	794	770	750	740	740
12	Average income	Million VND/ person/ month	6.000	6.100	6.150	6.200	6.200

Source: Dak Lak Urban and Environment Limited Company

XI. CHARTER CAPITAL AND STRUCTURE OF CHARTER CAPITAL

1. Charter capital

According to Decision No. 3513/QĐ-UBND dated 26/12/2018 of the People's Committee of Dak Lak Province ON approving the equitisation plan of Dak Lak Urban and Environment Limited Company, the chartered capital of the Joint Stock Company is 66,200,000,000 VND, of which:

Table 16: Structure of charter capital

No.	Shareholder	Number of share owned	Value of shares (VND)	Ownership / Charter capital (%)
1	State	2,383,200	23,832,000,000	36.00%
2	Employee	1,345,600	13,456,000,000	20.33%
	<i>Preferred shares by year of actual work</i>	<i>853,600</i>	<i>8,536,000,000</i>	<i>12.90%</i>
	<i>Preferred shares by year committed to long-term work</i>	<i>492,000</i>	<i>4,920,000,000</i>	<i>7.43%</i>
3	Trade Union	-	-	0.00%
4	Strategic investors	-	-	0.00%
5	Other investor	2,891,200	28,912,000,000	43.67%
	Total	6,620,000	66,200,000,000	100.00%

Source: Dak Lak Urban and Environment Limited Company

2. Plan to increase and decrease charter capital after being transformed into joint stock company: None

XII. RISKS

1. Economic risk

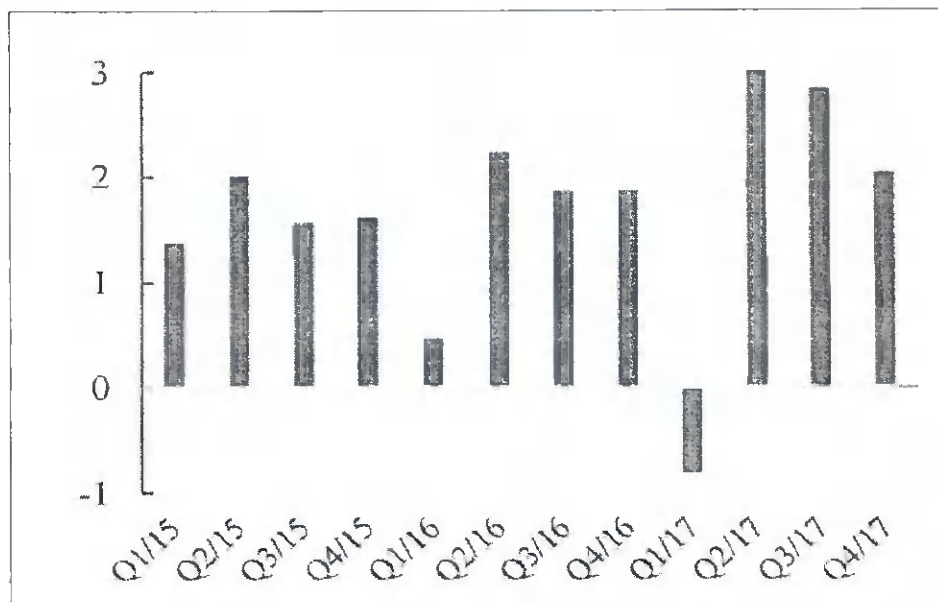
Changes in macroeconomic variables such as growth speed, inflation, interest rates, exchange rates, government policies to adjust macroeconomic variables as well as sectoral development policies will directly or indirectly affect the operation and business results of enterprises.

❖ *Economic growth:*

In 2017, the world economy will recover better; economic growth is estimated at 3.6% (0.5 percentage point higher than in 2016) that thanks to increased investment, trade and industrial production. Major economies have had a solid recovery as a driver of global economic growth.

In Vietnam, GDP is expected to grow by 6.7%, about 0.5 percentage point higher than in 2016 that thanks to a sharp improvement in the overall supply of the economy. In the 0.5 percentage point increase in 2017 growth compared to 2016, the service sector contributed the most with 0.26 percentage points thanks to the impressive growth in retail sales and tourism, the next is by agriculture, forestry and fisheries with 0.23 percentage points, and the industry and construction sector contributed 0.04 percentage points. It is noteworthy that in the context of declining mining industry, the manufacturing industry has seen the highest growth rate in recent years to become the driving force in the industrial and construction sectors equivalent to 2016

GDP growth quarter-on-quarter (From Quarter 1/2015 to Q4 / 2014 – removing the seasonal factors)



The Rapid GDP growth will lead to increased investment, production and consumption in the domestic market and vice versa. As a result, the fluctuation of the GDP index directly affects the production and business activities of the companies in general and the Dak Lak Urban and Environment Limited Company in particular.

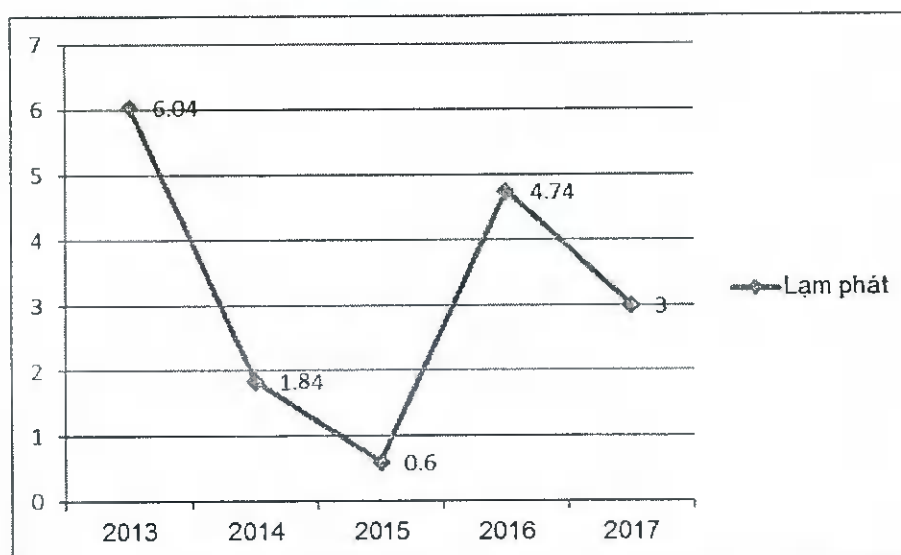
❖ ***Inflation:***

Vietnam's overall inflation in 2017 is estimated to rise by about 3% compared to 2016, the fourth year in a row that inflation remains below 5% and shows the foundation for macroeconomic stability being clearly established.

Inflation is lower than in 2016 as the prices of health and education services increase more slowly, while food prices have fallen. Specifically, the price of health services increased by 45% and education increased by 8% over the same period, the overall CPI was 2.1% (lower than 3.1% in 2016). Meanwhile, food prices plummeted in the first months of the year contributed to the overall CPI down about 0.7 percentage points compared to 2016.

In the opposite direction, due to the impact of world oil and steel price increase, the traffic and housing groups, building materials in 2017 also increased by 5% and 7% respectively contributing to the overall CPI increased by 0.81 and 0.49 percentage points.

2017 is the third consecutive year that basic inflation will remain stable at below 2% (2017: 1.7%, 2016: 1.87%, 2015: 1.69%). On the cost side, the cost of production has not increased significantly (in the first nine months of 2017, the producer price index increased by 0.71% compared to the same period last year).

The inflation rate over the years (%)

Source: General Statistics Office of Vietnam

If The rate of inflation is stabilized below the double digits, it will positively affect the production and business activities of the enterprise as well as the Dak Lak Urban and Environment Limited Company, help the company to control the cost of inputs, improve the efficiency of business operations.

2. Legal risks

Vietnam is in the development stage so the legal system is gradually improving, policies are changed flexibly to suit each stage of economic development. Therefore, the legal documents are inevitably inadequate and overlapping that cause many difficulties for both agencies and individuals and organizations to implement.

The company operates under the jurisdiction of Vietnamese law, the Company is subject to many risks due to the general legal system as well as specialized wich is not tight and consistent. The provisions of the Enterprise Law, the Construction Law, etc. As well as other regulations relating to business activities of the Company are still in the process of completion, the policy changes can always that will affect the management activities directly or indirectly.

3. Specific risks

In the past years, the implementation of works in the field of urban public-utility services in Buon Ma Thuot city is based on not only the volume basis for making estimates for submission to competent authorities but also based on the city budget allocated to the urban public-utility service every year, then the volume and cost savings shall be reviewed in proportion to the allocated capital (the savings rate is 12% of the total

value of settlement services), this is a very difficult problem for enterprises when planning the annual revenue and expenditure plan

The operation of the urban public sector depends very much on the perception of the people. Some households are not aware of their roles and responsibilities in protecting public assets, as well as environmental sanitation. There is still a situation of garbage discharge, waste water, and connection of rain water drainage system to the waste water drainage system, therefore, it difficult for enterprises to carry out their assigned tasks.

4. Risk of offering

The sale of shares greatly influences the urban government's ability to stabilize urban services (if bidding of services is implemented in 2019, it will affect the sale of shares to investors) .

Revenue from public utilities has been stable over the years, while the value of assets of large enterprises has led to low dividend yields and reduced attractiveness for investors.

The supply and demand relationship of the market influences the stock price. The relationship between supply and demand depends on both the economic and psychological factors of the investor, therefore, there may be have possibility of not distributing fully the number of shares offered for auction.

5. Other risk

In addition to the above risks, the business operations of a joint stock company may be affected by other risks such as fire risks, natural disaster risks, etc. These risks may direct or indirect impacts on the business activities of the joint stock company.

XIII. METHOD OF OFFERING AND PAYMENT OF SHARE VALUE

1. Offering mode

1.1. Shares offered to the company employees

a. Preferred shares for employees by year of actual work in the public sector

- Total number of employees present at the time of Prospectus: 887 people
- Total number of employee qualified for preferential shares by year of actual work in the public sector by year of actual work in the public sector: 887 people
- Total working qualified for preferential shares: 8,536 year, corresponding to the maximum number of preferred shares purchased: 853,600 shares
- The maximum number of shares for one working year of a laborer: 100 shares/year.
- The total number of shares sold to the employee in accordance with the actual working time in the State sector: 853,600 shares, rate 12.90% charter capital.
- Selling price: Equal to 60% of the value of a share at par value (VND 10,000/share)

- - The number of shares purchased by employees in accordance with the actual working time in the State sector is not transferable within 03 (three) years from the time of payment of share purchase.
- Implementation time: After the public auction.

b. Extra preference shares of employees of the Company under long-term commitment

- Employee working under labor contracts and managers of equitized enterprises at the time of determining the value of equitized enterprises, who must be used by enterprises and commit to work for the period of at least 3 years (from the date the enterprise is granted the certificate of enterprise registration for the first time), the following shares shall be purchased:
 - + Additional purchase with the amount of 200 shares/01 year commitment to continue working in the enterprise but not exceeding 2,000 shares for one employee:
 - Number of people can purchase: 730 people
 - Number of registered shares: 438,000 shares
 - + Buy 500 more shares/01 year commitment to continue working in the enterprise, but not exceed 5,000 shares for one good experts and professional managers:
 - Number of people can purchase: 31 people
 - Number of registered shares: 54,000 shares
- The total number of employees who commit to continue working for a long-term at a joint-stock company for at least 3 years (36 months) counting from the date the enterprise is granted the enterprise registration certificate of Joint Stock Company: 250 persons.
- Total number of additional shares purchased: 492,000 shares, accounting for 7.43% of charter capital.
- The selling price is the starting price approved by the owner's representative office in the equitization plan.
- Implementation time: After the public auction.

1.2. Preferred shares for trade union

The number of preferred shares sold to the trade union is 0 shares, the total par value of 0 dong, accounting for 0% of charter capital.

The Executive Committee of trade union of Dak Lak Urban and Environment Limited Company has sent a letter to the Chairman of the Company and the Steering Committee for Equitization of Dak Lak Urban and Environment Limited Company. Based

on the current financial situation of the Trade Union, the Executive Board of the Trade Union agreed not to buy preferred shares of the Company with a voting rate of 100% (Minutes of the Executive Committee of the Trade Union on July 21st, 2018).

1.3. Shares offered to strategic investors

Pursuant to Point b, Clause 3, Article 6 of Decree No. 126/2017/ND-CP: Shares offered to strategic investors shall apply only to enterprises on the list of State enterprises that continue to hold share more than 50% of the total shares when equitized under the decision of the Prime Minister.

Dak Lak Urban and Environment Limited Company does not belong to a group of enterprises where the State continues to hold more than 50% of the total shares when equitized. Therefore, the Dak Lak Urban and Environment Limited Company is not the target group to organize the initial public offering to strategic investors.

1.4. The number share officered for ordinary investors

a. Entity for selling shares

Domestic and foreign ordinary investors (defined in Articles 6 and 42 of Decree No. 126/2017/ND-CP), including organizations and individuals (including employer in the Company) The subjects defined in Clause 4, Article 6 of Decree No. 126/2017/ND-CP, shall not be allowed to participate in the auction for purchase of shares issued by the Company for the first time.

- Members of the Steering Committee for Equitization, assistant team of the equitization of enterprises, except for members who are representatives of the Company;

- Intermediary financial institutions and individuals of these organizations shall participate in the implementation of consultancy, valuation of enterprises, audit of financial statements and auditing agencies for valuation of enterprises. The except for underwriting organizations that buy undistributed shares under the guarantee contract

- Organizing the auction of shares for individuals belonging to this organization related to the auction;

- Subsidiaries, affiliated companies of the same group, corporation and holding company - subsidiary company;

- Related persons defined in Clause 17, Article 4 of the Enterprise Law of 2014 by organizations and individuals defined at Points a, b and d, Clause 4, Article 6 of Decree No. 126/2017/ND-CP.

b. Offering method

Auction publicly through the Ho Chi Minh Stock Exchange

c. Number of share sold

The number of shares auctioned to investors is 2,891,200 shares, valued at par shares: 28,912,000,000 VND, accounting for 43.67% of charter capital.

d. Starting price: 11,500 VND/shares

e. Time and place of sale of shares

According to the Regulation on auction of shares issued by the Ho Chi Minh City Stock Exchange.

2. Mode of payment and time limit for payment

- For employees: According to the notice of share officering to employees by Dak Lak Urban and Environment Limited Company.

- For investors who win the auction: According to the Regulation on auction of shares issued by the Ho Chi Minh City Stock Exchange.

XIV. USE OF PROCEEDS

The management and use of proceeds from equitization shall comply with the provisions of Article 39 of the Government's Decree No. 126/2017/ND-CP of November 16, 1977 on the transformation of State enterprises on transferring State-owned limited company to Joint Stock Company

Based on the actual value of the state capital portion at the enterprise, the state capital contribution ratio at the joint-stock company, the company plans to collect and use the proceeds from the share officer as follows (temporarily according to the plan, all auctioned shares will be bought at the starting price of 11,500 VND/share and the average winning price will be 11,500 VND/share and the preferential price for senior employees is 6,000 VND/share):

Table 20: Plan of proceed use

No.	Item	Amount (VND)
1	Value of State capital according to accounting books	66,202,166,886
2	Charter capital of joint stock company	66,200,000,000
3	Proceeds from equitization	44,028,400,000
3.1	Proceeds from offering for employees	10,779,600,000
	<i>Purchased according to seniority standards working in the public sector (buying at the price of 6,000 VND / share)</i>	5,121,600,000
	<i>Buy under the registered commitment to work for a long time in a joint stock company</i>	5,658,000,000
3.2	Proceeds from share offering to the	-

	Trade union		
3.3	Proceeds from share offering to the strategic investors		-
3.4	Proceeds from share offering to the ordinary investors		33,248,800,000
4	The difference between the value of the State capital according to the accounting books and the charter capital	$d = a - b$	2,166,886
5	Estimated cost of equitization	E	878,000,000
6	Expenses for policy settlement for redundant employees	F	883,480,860
7	The total amount of money paid to the Enterprise reorganization assistance fund	$g = c + d - e - f$	42,269,086,026

Source: Dak Lak Urban and Environment Limited Company

XV. OFFICERS RESPONSIBLE FOR PROSPECTUS CONTENT

1. Representative of Steering Committee for Equitization

Mr. Dinh Xuan Dieu

Title: Director of Department of Finance, Chief of Steering Committee for Equitization of Dak Lak Urban and Environment Limited Company .

We commit that this Prospectus and data contained in this Prospectus is true and appropriate to the business practice of the Equitisation Plan approved by the People's Committee of Dak Lak Province.

2. Equitized enterprise: Dak Lak Urban and Environment Limited Company

Mr. Bui Van Quy

Title: Director

We take full responsibility for ensuring that the Prospectus and data contained in this Prospectus is true and complete in accordance with the law on equitisation for investors to assess the assets, operations, financial status and results and prospects for development of Dak Lak Urban and Environment Limited Company.

3. Financial Advisor: AGRIBANK SECURITIES JOINT STOCK CORPORATION – MIỀN TRUNG BRANCH

Mr. Nguyen Trung Kien

Title: Director of Branch

This Prospectus has been prepared by Agribank Securities Joint Stock Corporation – Mien Trung Branch based on the consultancy contract with Dak Lak Urban and Environment Limited Company. We ensure that the analysis, evaluation and selection of the words on this Prospectus is made in a reasonable and prudent manner based on the information and data provided by Dak Lak Urban and Environment Limited Company.

..... 28/12/..., 2018

REPRESENTATIVE OF THE STEERING COMMITTEE FOR EQUITIZATION
OF DAK LAK URBAN AND ENVIRONMENT LIMITED COMPANY

 
Đinh Xuân Diệu

REPRESENTATIVE OF EQUITIZED ENTERPRISE
DAK LAK URBAN AND ENVIRONMENT LIMITED COMPANY

 
GIÁM ĐỐC
Bùi Văn Quý

....., 2018

.....28/12/2018

**REPRESENTATIVE OF THE FINANCIAL ADVISOR:
AGRIBANK SECURITIES JOINT STOCK CORPORATION**

- MIEN TRUNG BRANCH

DIRECTOR 



NGUYEN TRUNG KIEN

