

**PEOPLE'S COMMITTEE OF  
DAK LAK PROVINCE**

**SOCIALIST REPUBLIC OF VIETNAM**  
**Independence – Freedom – Happiness**

No: 3513/QD-UBND

*Dak Lak, the 26<sup>th</sup> of December, 2018*

**DECISION**  
**on the Approval of Equitization Plan of Dak Lak Urban and  
Environmental Limited Company**

**CHAIRMAN OF DAKLAK PROVINCIAL PEOPLE COMMITTEE**

Pursuant to the Law on Organization of the Local Government passed on 19/6/2015;

Pursuant to the Law on Enterprise No. 68/2014/QH13 passed on 26/11/2014;

Pursuant to the Decision No. 58/2016/QD-TTg dated 28/12/2016 of the Prime Minister on the criteria for classification of state enterprises, and the List of State Enterprises in the period of 2016-2020; the Official Letter No. 991/TTg-DMDN dated 10/7/2017 of the Prime Minister approving the List of Equitized State Enterprises to be completed by year in the period 2017 - 2020; Decree No. 126/2017/ND-CP dated 16/11/2017 of the Government on the transformation of the state enterprises and one-member limited liability companies invested by state-owned enterprises with 100% of their charter capital into joint-stock companies;

Pursuant to Circular No. 40/2018/TT-BTC dated 04/5/2018 of Ministry of Finance guiding the sale of shares for the first time and the management and uses of the proceeds from the equitization of state enterprises and one-member limited liability companies invested by state-owned enterprises with 100% of charter capital into joint-stock companies; Circular No.41/2018/TT-BTC dated 04/5/2018 of Ministry of Finance guiding some contents on financial handling and value of the enterprises when transforming state enterprises and one-member limited company invested by state enterprises with 100% of their charter capital into joint-stock companies; Decree No. 108/2014/ND-CP dated 20/11/2014 of the Government on downsizing policies; Decree No. 63/2015/ND-CP on 22/7/2015 of the Government about policies towards redundant employees when reconstructing the state-owned one-member limited companies;

Pursuant to Decision No. 1367/QD-UBND dated 17/5/2016 of Dak Lak PPC on the equitization of Dak Lak Urban and Environmental Limited Company; Decision No. 313/QD-UBND dated 13/02/2017 of Dak Lak PPC on the adjustment of Clause 1 Article 1 of Decision No. 1367/QD-UBND dated 17/5/2016 of Dak Lak PPC on the equitization of Dak Lak Urban and Environmental Limited Company; Pursuant to Decision No. 2760/QD-UBND dated 4/10/2017 of Dak Lak PPC on the establishment of the Steering Committee for the Equitization of Dak Lak Urban and Environmental Limited Company;

Decision No. 158/QD-UBND dated 18/01/2018 of Dak Lak PPC on the adjustment of determined time of the value of the enterprise for the equitization of the Dak Lak Urban and Environmental Limited Company;

Pursuant to Decision No. 1460/QD-UBND dated 29/6/2018 of Dak Lak PPC on the approval of the value of the enterprise for equitization of Dak Lak Urban and Environmental Limited Company; Decision No. 3454/QD-UBND dated 20/12/2018 of the Chairman of Dak Lak PPC on the adjustment of Decision No. 1460/QD-UBND dated 29/6/2018 of the Chairman of Dak Lak PPC;

Pursuant to Decision No. 628/QD-UBND dated 28/3/2018 of Dak Lak PPC on the approval of the land use plan when equitizing Dak Lak Urban and Environmental One-Membered Limited Company; Decision No. 768/QD-UBND dated 13/4/2018 of Dak Lak PPC on the approval of the estimated equitization expense of Dak Lak Urban and Environmental Limited Company;

Pursuant to Decision No. 1365/QD-UBND dated 19/6/2018 of Dak Lak PPC on the approval of the employment plan of Dak Lak Urban and Environmental Limited Company;

Upon the proposal of the Head of the Steering Committee for the Equitization of Dak Lak Urban and Environmental Limited Company in the report No. 09/TTr-BCD dated 16/10/2018,

### DECIDES:

**Article 1.** To approve the Equitization Plan of Dak Lak Urban and Environmental Limited Company with detailed contents as follows:

**1. Name of the joint-stock company:**

In Vietnamese: **CÔNG TY CỔ PHẦN ĐÔ THỊ VÀ MÔI TRƯỜNG ĐẮK LẮK**

In English: **DAK LAK URBAN AND ENVIRONMENT JOINT STOCK COMPANY**

Abbreviation: **DAKURENCO**

Head office address: No. 01 Dao Duy Tu Street – Thong Nhat Ward – Buon Ma Thuot City – Dak Lak Province

Phone number: 0262.3816886

Fax: 0262.3816886

Website: <http://moitruongdothidaklak.com.vn>

**2. Equitization form:** Selling part of the existing state capital of the enterprise.

**3. Legal Status:**

Dak Lak Urban and Environment Joint Stock Company will have its legal status from the date of issuance of the business registration certificate, can implement its independent accounting system, be allowed to use its own seal, to open its bank accounts in accordance with the regulation of the law, to organize and operate under

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the Charter of Joint-stock Company and the Enterprise Law, and have to register its business activities according to the law.

#### 4. Line of business:

With the inheritance of the business services of Dak Lak Urban and Environmental Limited Company, after the equitization, the business lines of the company will be decided by the General Meeting of the shareholders in accordance with the law and with those detailed in the attached equitization plan.

#### 5. Charter capital and share structure:

5.1. The bases for the charter capital structure:

- The orientation for the development of the joint stock company in the period 2019-2023.

- The value of the enterprise, the value of the state capital of Dak Lak Urban and Environmental Limited Company at the time of 01/07/2017 shown on the accounting books.

+ The value of the enterprise at the time of 01/07/2017 shown on the accounting books: 647,890,677,217 VND;

+ The value of the state capital of the enterprise at the time of 01/07/2017 shown on the accounting books: 66,202,166,886 VND;

- The real value of the enterprise, the value of the state capital to be re-evaluated by Dak Lak Urban and Environmental Limited Company at the time of 01/07/2017 is as follows:

+ The real value of the enterprise at the time of 01/07/2017: 149,807,004,273 VND.

+ The value of the state capital of the enterprise at the time of 01/07/2017 according to the determination of the value of the enterprise: 76,046,974,364 VND.

The charter capital of the joint stock company determined by actual value of state capital of the enterprise shown on the accounting books at the time of 01/07/2017 is 66,202,166,886 VND, being rounded down to 66,200,000,000 VND. The difference between the value of state capital shown on the accounting books and the charter capital is 2,166,886 VND, which will be transferred to Fund for Supporting the Business Arrangement and Development.

5.2. The scale of the charter capital:

Targets	Value
The charter capital	66,200,000,000 VND
The par value per share	10,000 VND/share
The number of shares	6,620,000 shares

5.3. The number of shares in the initial sale is 6,620,000 shares, the par value per share is 10,000 VND, in which the charter capital structure will be as follows:

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Ord. No.	Shareholders	Quantity of shares owned	Value of shares (VND)	Ownweship rate / charter capital
1	The State	2,383,200	23,832,000,000	36.00%
2	The employees	1,345,600	13,456,000,000	20.33%
	<i>The preferred shares according to actual working year time</i>	853,600	8,536,000,000	12.90%
	<i>The preferred shares according to the committed working year time</i>	492,000	4,920,000,000	7.43%
3	Other investors	2,891,200	28,912,000,000	43.67%
		<b>6,620,000</b>	<b>66,200,000,000</b>	<b>100.00%</b>

The structure of the official charter capital of Dak Lak Urban and Environment Joint Stock Company will be determined after the result of the share sale and the approval by the Provincial People's Committee.

#### **6. The starting price and the organization for the share auction :**

The starting price at the time of initial public offering has been determined on the basis of the recommendation of the advisory board. After considering it, the Equitization Steering Committee of Dak Lak Urban and Environmental Limited Company has had the proposal as follows:

$$\begin{array}{rcl}
 \text{The actual value of the state capital according to re-evaluation} & = & 76,046,974,364 \\
 \text{The number of shares expected to be issued} & = & 6,620,000 \\
 \text{The starting price} & = & 11,487 \text{ VND}
 \end{array}$$

Basing on the situation of production and business, the industry characteristics as well as the plans in production and business after the equitization, the Equitization Steering Committee of Dak Lak Urban and Environmental Limited Company has proposed that the starting price at the time of initial public offering would be at 11,500 VND/ share (*eleven thousand and five hundred Vietnam dongs per share*)

- The organization for the share auction: Ho Chi Minh Stock Exchange

#### **7. The time for the share sale:**

Within 4 months from the date of signing the Decision of Approval of the Equitization Plan of Dak Lak Urban and Environmental Limited Company by the Provincial People's Committee.

#### **8. The plan to sell the shares at the first issue**

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8.1. The plan to sell the shares at the time of initial public offering

- The number of public auction shares for investors is 2,891,200 shares with the total value (according to par value) of 28,912,000,000 VND (In words: Twenty eight billion, nine hundred and twelve million Vietnam dong), taking 43.67% of the charter capital.

- The auction attendants: all individual investors, domestic and foreign organizations in accordance with the legal regulations.

- The auction method: public auction at Ho Chi Minh Stock Exchange.

- The organization for the share auction: Ho Chi Minh Stock Exchange

8.2. The plan of the share sale for the employees of the company.

a) The preferred shares according to the actual working time in the state sector:

- The total number of the employees at the time of the determination of the enterprise value is 887 people.

- The total number of the employees eligible to buy preferential shares according to their actual working time in the state sector at the time of the determination of the enterprise value is 887 people.

- The total number of the working years to be counted for the share sale is 8,536 years, corresponding to the maximum preferred shares of 853,600.

- The maximum number of shares which 01 employee can buy for one working year is 100 shares/year.

- The total of the preferred shares sold to the employees according to their actual working time in the state sector is 853,600 shares, taking 12.90% of the charter capital.

- The share price: As specified at Point b, Clause 1, Article 42 of Decree No. 126/2017/ND-CP, the share price for the employees is equal to 60% of the par value of a share (10,000 VND/share) = 6,000 VND/1 share.

- The number of shares for sale at preferential price said above must be kept by the employees and must not be transferred within 3 years from the time of paying the preferred shares.

- The implementation time: after the public auction.

b) The preferred shares under the commitment of long-term work for the joint stock company:

The employees working under labor contracts and the managers of the equitized enterprise at the time of determining the value of the equitized enterprise, who are in need by the enterprise and have committed to work for the enterprise continuously at least 3 years (from the date the business registration certificate is issued for the first time), are eligible to buy additional shares as follows:

- To buy additional 200 shares/01 year of commitment to continue working for the enterprise but not exceeding 2,000 shares for one employee.

- To buy 500 shares/01 year of commitment to continue working for the enterprise but not exceeding 5,000 shares for one person who is regarded as a good specialist or a manager with high professional qualification.

- The total of employees who have committed to work continuously for at least 3 years (36 months) at the time the business registration certificate is issued to the enterprise for transforming to the model of a joint-stock company are 761 people, the total shares registered for sale is 492,000 shares, taking 7.43% of charter capital.

- The selling price of the shares : According to Point b, Clause 2, Article 42 of Decree No.126/2017/ND-CP, the selling price of the shares to the employees in this case is equal to the starting price at the public auction approved by the Provincial People's Committee in the equitization plan.

- The implementation time: after the public auction.

- The number of additional shares to the employees as regulated in this clause shall be converted into ordinary shares at the end of the commitment time.

### **9. The plan of rearranging the labor.**

9.1. The plan of rearranging the labor when implementing the equitization of company:

The total number of the employees at the time of the announcement of the enterprise value on 01/7/2017 is 887 persons.

- The number of the employees transferred to the joint stock company is 794 persons.

- The number of the redundant employees is 93 persons; in which:

+ The number of employees eligible to retire according to the current policies is 16 persons;

+ The number of employees whose labor contracts will be terminated is 62 persons;

+ The number of employees who can not be rearranged for jobs at the time of determining the value of the enterprise is 15 persons, in which the number of the redundant employees according to Decree No. 63/2015/ND-CP is 13 persons, and the redundant employees according to Decree No. 108/2014/ND-CP is 02 persons.

9.2. The estimated expenditures of the payment for the allowances to the redundant employees:

The total fund for the policy implementation is 883,480,860 VND, in which:

a) The number of the redundant employees in the last recruitment before 21/4/1998 is 03 persons; the fund for the policy implementation is 220,827,860 VND;

b) The number of the redundant employees in the last recruitment after 21/4/1998 is 10 persons; the fund for the policy implementation is 187,962,500 VND;

c) The number of employees under the implementation of payroll streaming policy according to Article 6, Decree No. 108/2014/ND-CP is 2 persons; the fund for the policy implementation is 175,696,500 VND;

d) The total number of employees and managers whose labor contracts will be terminated is 62 persons; the fund for the policy implementation is 298,994,000 VND;

The source of the funds will be taken from the share sale on the implementation of the equitization of Dak Lak Urban and Environmental Limited Company.

#### **10. The land use plan:**

Dak Lak Urban and Environment Joint Stock Company will manage and use the land according to the Land Use Plan approved by the Provincial People's Committee at the Decision No. 628/QD-UBND dated 28/3/2018.

#### **11. Expenditures for the equitization:**

Implementing the Decision No. 768/QD-UBND dated 13/4/2018 of the Provincial People's Committee on the approval of the estimated expenditure of the equitization of Dak Lak Urban and Environmental Limited Company, the estimated expenditure of the equitization of the company is 878,000,000 VND. During the process of the implementation of the share sale at Ho Chi Minh City Stock Exchange, should there be any extra expenses, the Steering Committee for the Equitization will have to offer the advice to the Provincial People's Committee for the consideration, and the approval of the adjustment and supplement to the estimated expenditure of the equitization.

Dak Lak Urban and Environmental Limited Company will be responsible for the settlement of the equitization expenses according to the actual extra expense and the settlement of the funds for the redundant employees in accordance with the current state regulations.

#### **12. The management and the use of the proceeds from the equitization:**

All proceeds from the equitization of the company after deductions will be used

- to pay for the expenditure of the equitization : 878,000,000 VND;
- to satisfy the regulations and policies for the employees: 883,480,860 VND.

The remainder will be submitted to the Enterprise Development and Arrangement Fund according to the provisions of Circular No.40/2018/TT-BTC on 04/5/2018 of Ministry of Finance.

#### **13. For the asset value not included in the enterprise value on equitization (calculated by the accounting book value) is 625,683,614,366784 VND:**

- The assets from the reward and welfare funds (the company hall and the 29-seated car) with the total value of 5,498,049,000 VND: the Labor Union of the joint stock company is responsible for management and use these two assets for the right purpose as regulated in Clause 4, Article 14 of Decree No. 126/2017/ND-CP dated 16/11/2017 of Government.

- The assets formed from the state budget investment capital for public service activities, which the Company is assigned to manage and exploit for use and not included in the value of the enterprise when being equitized, is 620,185,565,784 VND, including:

- + Properties as buildings, structures: 112,641,534,426 VND;
- + Machines, equipment: 31,359,157,418 VND;
- + Means of transportation, and of transmission: 1,184,504,000 VND;
- + Unfinished basic construction expense: 475,000,369,940 VND;

The joint-stock company is of the responsibility for inheriting, monitoring and handling as regulated at Point c, Clause 3, Article 14 of Decree No. 126/2017/ND-CP dated 16/11/2017 of the Government.

14. Other contents which are not mentioned in this equitization plan will be implemented by the Steering Committee for Equitization of Dak Lak Urban and Environmental Limited Company according to the state current regulations.

#### **Article 2:**

##### **1. The Steering Committee for the Equitization of Dak Lak Urban and Environmental Limited Company is responsible for:**

- Conducting Dak Lak Urban and Environmental Limited Company: to sell the shares as regulated, to hold the first meeting of the shareholders and to do anything necessary to transform the enterprise with 100% state capital into a joint-stock company in accordance with the legal regulations.

- Verifying and submitting to the Provincial People's Committee for the approval of the settlement of the equitization expenses, the settlement of preferential value for the employees and handling the difference at the time of enterprise valuation (at 0:00AM on 01/7/2017) and the time when the joint stock company will officially come into operation (on the date of issue of business registration certificate) in accordance with legal regulations.

##### **2. The Director and the Chief Accountant of Dak Lak Urban and Environmental Limited Company are responsible for:**

- Operating, managing Dak Lak Urban and Environmental Limited Company until all assets, capital and employees are handed over to Dak Lak Urban and Environment Join-Stock Company.

- The results of business activities of the company during the period under the management of Dak Lak Urban and Environment Limited Company until the time it is officially transformed into Dak Lak Urban and Environment Joint Stock Company will be implemented in accordance with the current law.

**Article 3:** This Decision takes effect from the date of signing.

This Decision is to replace the Decision No. 2784/QD-UBND dated 25/10/2018 of the Chairman of the Provincial People's Committee on the approval of the Equitization Plan of Dak Lak Urban and Environmental Limited Company



The Chief of the Office of Dak Lak Provincial People's Committee, the Head of the Enterprise Renovation and Business Board; the Directors of the Departments of: Finance, Planning and Investment, Home Affairs, Natural Resources and Environment, Labor - War Invalids and Social Affairs, Agriculture and Rural Development; the Chairman of the People's Committee of Buon Ma Thuot City, the Chief and all members of Steering Committee for Equitization of Dak Lak Urban and Environmental Limited Company, the Chairman and the Director of Dak Lak Urban and Environmental Limited Company and the Heads of other related units are responsible to implement this Decision./.

**Recipients:**

- As in article 3;
- Central SC for Enterprise Renovation and Development;
- Office of the Government;
- Ministry of Finance (Dept of Enterprise Finance);
- Provincial Standing Committee;
- Chairman, vice-chairman of PPC;
- Leaders of the Office of PPC;
- On file.

**FOR CHAIRMAN  
VICE CHAIRMAN**

**Nguyen Tuan Ha**  
(signed and sealed)

Tôi Đặng Ngọc Thanh Hải, chứng minh nhân dân số 240060420 cam đoan đã dịch chính xác nội dung của giấy tờ/ văn bản này từ tiếng Việt sang tiếng Anh.

Ngày 02 tháng 01 năm 2019  
Người dịch

  
Đặng Ngọc Thanh Hải

Ngày 02 tháng 01 năm 2019  
(Ngày Hai, tháng Một, năm Hai ngàn mười chín)  
Tại Ủy ban Nhân dân Thành phố Buôn Ma Thuột

Tôi ..... **Đỗ Văn Tin** .....  
là Trưởng/ Phó trưởng phòng Tư Pháp TP  
Chứng thực

Ông Đặng Ngọc Thanh Hải là người đã ký vào bản dịch này.

Số chứng thực .. **04** ..... quyền số 01/2019-SCT/CKND  
Ngày 02 tháng 01 năm 2019

Trưởng/ Phó trưởng phòng Tư Pháp TP Buôn Ma Thuột



**Đỗ Văn Tin**