

DECISION

**About the approval of the equitization plan
for Thang Loi Coffee One Member Company Limited**

CHAIRMAN OF THE PEOPLE'S COMMITTEE OF DAK LAK PROVINCE

Pursuant to the law on organizing the local government dated June 19th, 2015;

Pursuant to Enterprise Law No. 68/2014/QH13 dated November 26th, 2014;

Pursuant to the Decree No. 126/2017/ND-CP of the government dated November 16th, 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; Circular No. 40/2018/TT-BTC dated May 4th, 2017 of the Ministry of Finance providing 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. 41/2018/TT-BTC dated May 4th, 2017 of the Ministry of Finance providing guidelines on financial settlement and enterprise valuation upon equitization of state-owned enterprises and single-member limited liability companies 100% charter capital of which is held by state-owned enterprises;

Pursuant to the decisions of the People's Committee of the Dak Lak Province: Decision No. 1128/QD-UBND dated April 22nd, 2016 on the equitization of Thang Loi Coffee One member Company Limited, Decision No. 2426/QD-UBND dated August 19th, 2016, Decision No. 1991/QD-UBND dated July 31st, 2017 and Decision No. 159 / QD-UBND dated January 18th, 2018 on the adjustment of the time of business valuation to equitize Thang Loi Coffee One member Company Limited;

Pursuant to the Decision No. 2300/QD-UBND dated August 28th, 2017 of the People's Committee of the Dak Lak Province on the approval of the land use plan after equitization;

Pursuant to Decision No. 767/QD-UBND dated April 13th, 2018 of the People's Committee of the Dak Lak Province on the approval of the Cost estimation for equitization;

Pursuant to Decision No. 1453/QD-UBND dated June 28th, 2018 of the People's Committee of the Dak Lak Province on the approval of the business value for equitization;

Pursuant to Decision No. 3000/QD-UBND dated November 6th, 2018 of the People's Committee of the Dak Lak Province on the approval of the labor use plan of Thang Loi Coffee One member Company Limited;

Pursuant to the Decision No. 1632/QĐ-UBND dated June 8th, 2016 of the People's Committee of the Dak Lak Province on the establishment of Organization Commission for equitization;

Based on the proposal of the Head of the Organization Commission for equitization of Thang Loi Coffee One member Company Limited, in Report No. 19/TTr-BCĐ dated January 31st, 2019,

DECIDES THAT:

Article 1. Approve the equitization plan for Thang Loi Coffee One Member Company Limited, with the following terms:

1. The name of the Joint Stock Company

Full name in Vietnamese: CÔNG TY CỔ PHẦN CÀ PHÊ THẮNG LỢI;

Full name in English: THANGLOI COFFEE JOINT STOCK COMPANY ;:

Short Name: THANG LOI COFFEE COMPANY;

Abbreviated name: TLCP

Head office: Km 17, National Highway 26, Hoa Dong commune, Krong Pac District, Dak Lak province;

Phone: (0262) 3.514. 396

Fax: (0262) 3.514.365;

Website: www.thangloicoffee.com.vn

2. Form of equitization: Selling state capital in company.

3. Legal status.

Thang Loi Coffee Joint Stock Company has the legal status from the date of being given Business Registration Certificate, implementing independent accounting, can use their seal, and open accounts at the bank in accordance with law, organize and operate in accordance with the Charter of the Joint Stock Company and the Law on Enterprises, register the business according to law.

4. Business area.

Inheriting the business of Thang Loi Coffee One Member Company Limited, after equitization, the business lines of the company assigned by the Annual general meeting of shareholders, the Company decided in accordance with the law and is detailed in attached the equitization plan.

5. Charter capital and issuance plan.

5.1. Bases for building charter capital:

- Development orientation of the Company in the period from 2019 to 2021.

- Enterprise value, the value of State capital of Thang Loi Coffee One Member Company Limited at

01 July 1st, 2017 according to the accounting books, as follows::

+ Total value of the enterprise at 0h on July 1st, 2017 according to the accounting books: 155,352,752,728 VND;

+ Value of State capital at enterprises at 0h on July 1st, 2017 according to the accounting books: 126,507,698,931 VND.

- The business value, the actual value of the State capital re-evaluated by Thang Loi Coffee One Member Co., Ltd. at 0h on July 1st, 2017 as follows:

+ Total actual value of the enterprise at 0h on July 1st, 2017: 287,222,463,136 VND:

+ Value of state capital at enterprises at 0h on July 1st, 2017 according to business valuation: 268,706,839,108 VND.

The charter capital is defined as the actual value of state capital according to the accounting books at the time of business valuation at 0h on July 1st, 2017 is 126,507,698,931 VND, rounding 126,500,000,000 VND. The difference between the value of the State's capital in accordance with the accounting book and the charter capital is 7,628,331 VND, will be paid to the fund of arrangement and development of the business. .

5.2 Scale of charter capital:

Description	Value
Charter capital	126,500,000,000 VND
Face value of one share	10,000 VND/share
Number of shares	12,650,000 shares

5.3 Number of shares for initial offering: 12,650,000 shares, with face value 10,000 VND, whereas the charter capital structure is as follows:

No.	Description	Number of shares	Value	Rate
1	For state	4,554,000	45,540,000,000	36.00%
2	For the employee	1,839,900	18,399,000,000	14.54%
2.1	<i>Preferential sale based on actual time working in the State domaine</i>	415,000	4,150,000,000	3.28%
2.2	<i>Preferential sale for contracted households</i>	1,353,500	13,535,000,000	10.70%
2.3	<i>Preferential sale as the commitments working in the Joint Stock Company</i>	71,400	714,000,000	0.56%
3	For Trade Union	0	0	0%
4	For public auction	6,256,100	62,516,000,000	49.46%
Total		12,650,000	126,500,000,000	100%

The charter capital structure of Thang Loi Coffee Joint Stock Company will be determined after having the results of the shares sale and are approved by the People's Committee of the Dak Lak Province.

6. Starting price and shares auction organizing

The starting price at the time of initial public offering is determined on the following basis:

$$\text{Starting price} = \frac{\text{Value of state capital at enterprises approved by the Decision No.1453 /QD-UBND dated June 28th,2018}}{\text{Number of shares depending on the charter capital of the Joint Stock Company}} = \frac{268,706,839,108}{12,650,000} = 21,242 \text{ VND}$$

Based on the business situation, the characteristics and business plan of the Company after equitization, the Organization Commission for the equitization of Thang Loi Coffee One Member Company Limited to propose the starting price for initial offering it is 21,242 VND / share, rounding 21,300 dong / share (in words: Twenty one thousand and three hundred VND / share).

Auction organizer: Ho Chi Minh City Stock Exchange.

7. Time to sell shares

Within 4 months from the date of the decision to approve the equitization plan for the Thang Loi Coffee One Member Company Limited of the People's Committee of Dak Lak Province.

8. Plan to sell for initial offering

8.1. Plan to sell for initial offering in the public auction

- The number for initial offering in the public auction for investors is 6,256,100 shares, with the value: 62,561,000,000 VND (Sixty two billion, five hundred and sixty one million dong), accounting for 49.46%.

- Participants in the auction: Domestic and foreign individuals and organizations accordance to the provisions of the Law.

- Mode of auction: Public bid via Ho Chi Minh City Stock Exchange.

- Auction organizer: Ho Chi Minh City Stock Exchange.

8.2. Plan to sell the shares to employees in the Company

a) Preferential sale of Shares based on actual time working in the State domaine

- Total number of employees at the time of business valuation: 284 people.

- Total number of employees benefited by Preferential shares based on actual time working in the State domaine at the time of business valuation: 284 people.

- The number of working year for sale of shares: 4,150 years, corresponding to the amount of shares that could be bought: 415,000 shares.

- The maximum number of shares that could be bought per working years of 01 employee: 100 shares/ year.

- Total shares sold to preferential employees according to actual working time in the State domaine: 415,000 shares, accounting for 3.28% of the charter capital.

- Selling price: According to the provisions at Point b, Clause 1, Article 42 of Decree No. 126/2017/ND-CP, the selling price for employee is 60% of the value of a share calculated according to face value (VND 10,000/share) = 6,000 VND/share.

- Provisions on restriction of concessions: The quantity of shares sold with preferential price is stipulated in this clause, employees must keep and not be concessional for 03 years from the first payment to buy preferential price.

- Time for selling shares: After the equitization plan is approved, and completed within 20 days from the date of the first payment deadline of the investors participating in the first public auction as prescribed in Item b Clause 1 Article 39 Decree No. 126/2017/ND-CP.

b) Preferential sale of Shares for households with long-term contracts

- Total number of representatives for contracted households: 868 people.

- The number of representatives for contracted households is eligible for buying shares at preferential prices: 832 people (36 representatives for contracted households signing the contracts after business valuation couldn't buy shares with Preferential sale).

- The actual number of years of contracting for coffee plantations with the Company until 0h July 1st, 2017 is 13,535 years.

- The total number of shares that could be bought is 1,353.500 shares, equivalent to the total face value of 13,535,000,000 VND, accounting for 10.70% of the charter capital of Joint Stock Company.

- Selling price: According to the provisions at Point b, Clause 1, Article 42 of Decree No. 126/2017/ND-CP, the selling price for employee is 60% of the value of a share calculated according to face value (VND 10,000/share) = 6,000 VND/share.

- Provisions on restriction of concessions: The quantity of shares sold with preferential price is stipulated in this clause, employees must keep and not be concessional for 03 years from the first payment to buy preferential price.

- Time for selling shares: After the equitization plan is approved, and completed within 20 days from the date of the first payment deadline of the investors participating in the first public auction as prescribed in Item b Clause 1 Article 39 Decree No. 126/2017/ND-CP.

c) Preferential sale of share as the commitments working in the Joint Stock Company

The employees working under the labor contract and the business manager of the Joint Stock Company at the time of business valuation, which belongs to the need of enterprises and commit to work for a long time within a period of at least 03 years (from the date when enterprises are given the first Business Registration Certificate), could buy more shares as follows:

- Buy at the rate of 200 shares / 01 year of commitment to continue working in the enterprise but not exceeding 2,000 shares for a employee.

- Buy an additional 500 shares per year of commitment to continue working in the enterprise, but not exceeding 5,000 shares for a employee for those who are excellent experts and managers with high professional skills.

The company organized an Extraordinary Employee Conference on January 23rd, 2019 to disseminate to employees the preferential policies for employees in the equitization plan. Based on the current labor situation and the skill of the workers, the Company does not have employees who are excellent experts and managers with high professional skills. In addition, the Company has asked the employees who want to continue working in the enterprises to do commitment. Accordingly, the number of employees who commit to continue working for long term at the Joint Stock Company for at least 03 years (36 months) from the date the enterprise is granted a business registration certificate with the changement to Joint Stock Company is 46 people.

- A total of 71,400 shares are registered to buy, corresponding to the total value of 714,000,000 VND, accounting for 0.56% of the charter capital of Joint Stock Company.

- Selling price: According to the provisions at Point b, Clause 2, Article 42 of Decree No. 126/2017 / ND-CP, the selling price for employee is the same to that of public auction, approved by the People's Committee of Dak Lak Province in equitization plan.

- Time for selling shares: After the equitization plan is approved, and completed within 20 days from the date of the first payment deadline of the investors participating in the first public auction as prescribed in Item b Clause 1 Article 39 Decree No. 126/2017/ND-CP.

The number of shares who bought more specified in this clause was changed into general shares after completing the commitment period.

8.3. The plan to sell shares to trade union

According to the Official Letter No. 01 dated December 11th, 2018 of the local Trade Union of Thang Loi Coffee One Member Co., Ltd., the Trade Union does not buy preferential shares from Thang Loi Coffee One Member Company Limited because there is not enough funding. .

9. The plan of labor arrangement.

9.1. The arrangement of labor when implementing equitization

The total number of employees in the time of enterprise value recognition at 0h on July 1st, 2017 is 284 people, specifically:

- Total number of employees, managers after equitization: 283 people;
- Number of employees, management of retirement: 01 person;
- Total number of employees, managers of labor contract termination: 0 people;
- Total number of employees, managers that cannot arrange jobs and must terminate labor contracts (excessed labor): 0 people.

9.2. Estimated cost paid for allowances to workers who do not need shares: None.

10. Land use plan

- For land use plan in Dak Lak, Thang Loi Coffee Joint Stock Company implemented management and use of land according to the land use plan approved by the People's Committee of Dak Lak Province according to Decision No. 2300/QD-UBND dated August 28th, 2017.

- For the land use plan in Binh Duong province (*Le Trong Tan street, Binh Duong 2 quarter, An Binh ward, Di An town, Binh Duong province*), the Company has been given by the People's Committee of Song Be province Decision No. 1658 / QD.UB dated December 22nd, 1994 approving the land use rights with attached factory between Thanh Le Trading and Import Export Company and Thang Loi Coffee Farm and granting Certificate of Land use No. 0742872 dated December 22nd, 1994. Currently, the Company is in the process of completing procedures with the People's Committee of Binh Duong Province for approval of the land use plan. After the Company's equitization plan has been approved, the Company will continue to monitor and process the documents at the request of the People's Committee of Binh Duong Province and the Ministry of Finance to complete the approval of land use plan as prescribed.

For land use plan in the city of Ho Chi Minh City (*No. 194/19F Bach Dang, Ward 24, Binh Thanh District, Ho Chi Minh City*), on June 4th, 2018, the People's Committee of Dak Lak province issued Official Letter 4447/UBND-KT sent to the Ministry of Finance for approval of the land use plan of Thang Loi Coffee Company Limited in Ho Chi Minh City. On that basis, the Ministry of Finance issued Official Letter No. 9318/BTC-QLCS dated August 3rd, 2018 and Official Letter No. 349/BTC-QLCS dated August 1st, 2018 to Ho Chi Minh City People's Committee for the proposal for Thang Loi Coffee One Member Co., Ltd. continues to be used according to the planning of Ho Chi Minh City People's Committee. Thus, after the approval of the Company's equitization plan, the Company will continue to monitor and supplement documents at the request of the Ho Chi Minh City People's Committee and the Ministry of Finance to complete the procedure to approve land use plans as prescribed.

After the opinions of the Ministry of Finance, Ho Chi Minh City People's Committee and the People's Committee of Duong Duong on houses and land in Ho Chi Minh City and Binh Duong Province, the Equitization Organization Committee advised the People's Committee to adjust the approval of equitization plan, ensuring the current regulations of the State.

11. Cost of equitization.

Pursuant to Decision No. 767 / QD-UBND dated April 13th, 2018 of People's Committee of Dak Lak Province approving the estimated cost of equitization cost of Thang Loi Coffee One Member Co., Ltd., estimated cost of equitization of the company is **918,500,000 VND**, of which only auction price through Ho Chi Minh City Stock Exchange is 200 million VND.

Under the plan of initial offering of the Company, the amount of shares sold at auction via the HCMC Stock Exchange is 6,256,100 shares. Pursuant to the provisions of the Circular No. 241/2016/TT-

BTC by Ministry of Finance dated November 11th, 2016, the auction cost of shares is 0.3% of the total value of shares / each type of actual sold shares, with a maximum of 300 million VND / 1 shares auction and a minimum of 20 million VND / 1 shares auction. On that basis, estimated cost for shares auction through the HCMC Stock Exchange is as follows: *The number of sold shares X expected selling price X 0.3% = 6,256,100 X 21,300 X 0.3% = 399,764,790 VND*. Thus, the auction costs through the Stock Exchange at the maximum level of VND 300,000,000 increase by VND 100,000,000 compared to the Decision No. 767 / QD-UBND of the People's Committee Dak Lak Province.

Pursuant to the provisions in Clause 1 Article 6 and Point b, Clause 3, Article 7 of Circular No. 40/2018 / TT-BTC, Decision on approving the Plan of equitization and the Publication of information on the first sale of share need to be translated into English, so the Company estimates translation cost is 6,000,000 VND. In addition, the Company pay the remuneration for the Organization Committee and the Assisting Team 64,500,000 VND because of the longer time to implement the company's equitization.

Therefore, the Organization Committee of Company advises the People's Committee of Dak Lak Province to consider adjusting the total equitization cost of **1,089,000,000 VND** (In words: One billion and eighty-nine million dong), an increase by 170,500,000 VND compared to the approved estimation in Decision No. 767/QD-UBND dated April 13th, 2018 of the People's Committee of Dak Lak Province.

Thang Loi Coffee One Member Company Limited is responsible for settling the equitization cost according to the actual number arising and settling the excessed labor cost (if any) according to the current regulations of the State.

12. Managing, using the revenue from the equitization.

All of the income from the equitization of the Company after determining the total amount, the amount to pay the cost of equitization, the amount to resolve the policy for employees, the remaining amount (if yes), submit to the Business Development and Assistance Fund according to the Circular No. 40/2018 / TT-BTC dated May 4th, 2018 of the Ministry of Finance.

13. For unnecessary assets: House and land at 379 Hoang Quoc Viet Street, Cau Giay District, Hanoi, with a value of 6,851,240,000 VND, the Company handed over to People's Committee of Dak Lak Province for management and use.

14. Other contents not mentioned in the equitization plan, the Organization Committee of Thang Loi Coffee One Member Company Limited implemented according to the current regulations of the State.

Article 2.

1. The Equitization Organization Committee of Thang Loi Coffee Company Limited is responsible for:

- Directing Thang Loi Coffee One Member Co., Ltd.: Selling shares according to regulations, holding the First general meeting and performing the tasks of changing 100% state-owned enterprises into Joint Stock Company according to the provisions of law.

- Investigating and submitting to the People's Committee of Dak Lak Province for approval of the settlement of expenses for equitization, accounting for preferential values for employees and handling the difference at the time of enterprise valuation (0h on July 1st, 2017) and the official time that the Joint Stock Company puts into operation (date of receiving the business registration certificate) in accordance with the current regulations of the State.

2. Director and Chief Accountant of Thang Loi Coffee Co., Ltd. shall:

- Operating and managing Thang Loi Coffee One Member Co., Ltd. until handing over all assets, money and labor to Thang Loi Coffee Joint Stock Company.

- Regarding the business results of the Company from the period of Thang Loi Coffee One Member Company Limited, to Thang Loi Coffee Joint Stock Company in accordance with the current regulations of the State.

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

Chief of the People's Committee of Dak Lak Province, Head of the Committee of Innovation and Business Development; Manager of Departments: Finance, Planning and Investment, Interior, Natural Resources and Environment, Labor - Invalids and Social Affairs, Agriculture and Rural Development; Chairman of Kong Pac District People's Committee; Head and members of the Equitization Organization Committee of Thang Loi Coffee One Member Company Limited, Chairman and Director of Thang Loi Coffee One Member Company Limited and Heads of related agencies are responsible for implementing the Decision /.

To:

- As article 3;
- Committee of Innovation and Business Development
- Office of the Government
- Ministry of Finance (Department of Corporate Finance)
- Standing Provincial Committee
- Charman, Vice-chairmen of People's Committee
- Heads of People's Committee's office

PP. CHAIRMAN

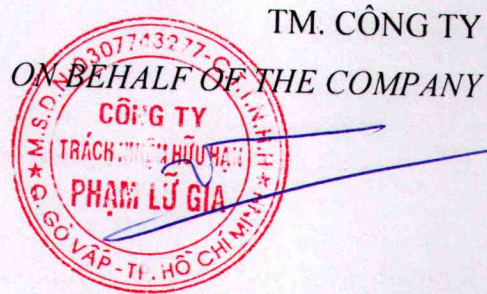
VICE-CHAIRMAN

Signed and sealed

Nguyen Tuan Ha

Công ty TNHH Phạm Lữ Gia xin xác nhận bản dịch *tiếng Anh* hoàn toàn đúng so với bản gốc *tiếng Việt* đã giao.

Pham Lu Gia Company Limited confirm English Translation quite right with original Vietnamese have assigned.



TM. CÔNG TY

ON BEHALF OF THE COMPANY

MS. LỮ TRUNG DUNG

