

**PEOPLE'S COMMITTEE OF
HAU GIANG PROVINCE**

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom – Happiness

No. 1307/QD-UBND

Hau Giang, July 20th, 2020

DECISION

Approving the equitization plan of Spring Agricultural Center

CHAIRMAN OF HAU GIANG PEOPLE'S COMMITTEE

Pursuant to the Law on Organization of Local Governments dated June 19th, 2015;

Pursuant to the Law amending and supplementing a number of articles of the Law organizing the local Government on November 22nd, 2019;

Pursuant to the Decision No. 22/2015/QD-TTg on June 22nd, 2015 issued by Minister of Government about changing Government organizations into Joint Stock Company;

Pursuant to the Decree No. 126/2017/ND-CP on November 16th, 2017 issued by Government about Government organizations and One Member Limited Company with 100% investment by Government to change into Joint Stock Company;

Pursuant to the Document No. 766/VPCP-DMDN on January 25th, 2017 issued by Government office about list of Government organizations in Hau Giang province changing into Joint Stock Company;

Pursuant to the Circular No. 35/2016/TT-BLDTBXH on October 25th, 2016 issued by Ministry of Labor, War invalids and Social Affairs guiding to perform the policies for the labor when changing from Government organizations into Joint Stock Company according to Decision No. 22/2015/QD-TTg on June 2nd, 2015 issued by Minister of Government;

Pursuant to the Circular No. 40/2018/TT-BTC on May 04th, 2018 issued by Ministry of Finance guiding about initial share offering and management of receipt from equitization of the Government organizations and One Member Limited Company with 100% investment by Government to change into Joint Stock Company;

Pursuant to the Circular No. 41/2018/TT-BTC on May 04th, 2018 issued by Ministry of Finance guiding about some contents on financial handling and enterprise valuation when transforming the Government organizations and One Member Limited Company with 100% investment by Government into Joint Stock Company;

Pursuant to Decision No. 752/QD-UBND on May 11st, 2020 issued by Hau Giang People's Committee about approving the value of Spring Agricultural Center as of December 31st, 2018 for equitization;

At the proposal of the Equitization Management Committee in Report No.



22/TTr-BCĐTTNNMX dated July 14th, 2020;

Based on the conclusions of Permanent collective Provincial People's Committee at the meeting on July 16th, 2020.

DECISION:

Article 1. Approving the equitization plan of Spring Agricultural Center with the following main content:

1. Joint stock company name:

- Vietnamese name: Công ty Cổ phần Nông nghiệp Mùa Xuân Hậu Giang.
- English name: Hau Giang Spring Agricultural Joint Stock Company.
- Head office: Mua Xuan hamlet, Tan Phuoc Hung commune, Phung Hiep district, Hau Giang province.
- Phone: 02936.509.777.

2. Hau Giang Spring Agricultural Joint Stock Company has the legal entity status under Vietnamese law from the date it is granted the Business Registration Certificate; implementing the regime of independent economic accounting; has its own seal; be allowed to open accounts at banks according to the provisions of law; organized and operated in accordance with Charter of Hau Giang Spring Agricultural Joint Stock Company, in accordance with the Enterprise Law and the provisions of relevant laws; be allowed to register its business according to the provisions of law.

- Hau Giang Spring Agricultural Joint Stock Company inherits the legal rights, obligations, and interests of Spring Agricultural Center being implemented and operating in accordance with the law.

3. Charter capital and initial share structure:

- Charter capital of Joint stock company: 29,813,000,000 VND (twenty nine billion eight hundred thirteen million dong).

- Par value: 10,000 VND.

- Issued share structure:

+ Government's share holding: 1,520,463 shares, occupied 51% of charter capital.

+ Shares sold to employee in the unit: 74,200 shares, occupied 2.49% of charter capital. In which, Preference shares sold to employee in the unit according to actual working time in Government area are 45,400 shares, occupied 1.52% of charter capital; Preference shares sold to employee with commitment to work for Joint Stock Company are 28,800 shares, occupied 0.97% of charter capital.

+ Share offering in the public auction: 700,938 shares, occupied 23.51% of charter capital.

+ Shares sold to strategic investors: 685,699 shares, occupied 23% of charter capital

- Form of selling shares: Selling part of existing state capital at the unit.

- Representative agency Owners of state capital in Hau Giang Spring Agricultural Joint Stock Company: Hau Giang People's Committee.

4. Selling shares:

- Mode of sale: Selling initial public offering shares, then, selling shares sold to employee in the unit.

+ Share offering in the public auction: This is done through an intermediary auction organization which is Beta Securities Incorporation. Auction performing organization: Ho Chi Minh City Stock Exchange.

+ Shares sold to strategic investor: This is done after public auctions of shares successfully.

+ Shares sold to employee in the unit: This is done after public auctions of shares successfully. Location of selling shares: Hau Giang Spring Agricultural Joint Stock Company.

- Selling price:

+ Initial price for public auction: 10,000 VND/share.

+ Preferential share selling price based on actual working time in the state sector: 6,000 VND/share.

+ Selling price based on commitment time to work in a joint stock company: 10,000 VND/share.

5. Plans for labor arrangement:

- Total labor at value determination time of equitization unit (December 31st, 2019): 24 people.

- Total labor at value publication time of equitization unit (May 11st, 2020): 24 people.

- Total labor transferred to work for the Joint Stock Company: 18 people.

- Total redundant employees: 06 people.

6. Land use solution: is implemented according to the land use plan of Spring Agricultural Center after equitization approved by Hau Giang People's Committee in Decision No. 132/QD-UBND on the adjustment and supplementation of the content in Article 1 of Decision No. 1125/QD-UBND on July 19th, 2019 of Hau Giang People's Committee on approving the land use plan of Spring Agricultural Center after equitization.

Form of use: rental land with annual payment in accordance with the current regulations of the land law and it does not include the value of land use rights in the enterprise value when equitizing and implementing the bird garden protection and development according to Decision No. 1738/QD-UBND on November 5th, 2018 of Hau Giang People's Committee and current regulations.

7. Strategic investor

a) Criteria to select strategic investors:

- To be the domestic and foreign investors with full legal status as prescribed by law.

- To have the business results for the last 2 years up to the time of registration to buy shares with profit and no accumulated loss.

- To have a written commitment to attach long-term benefits to the unit (at

least 10 years or more).

- To have a minimum actual charter capital of 50,000,000,000 VND according to the latest audited financial statement.

- To have a registered business line in one of the fields of agriculture.

- To have the organic certified products meeting the standards of countries: USA, Japan and Europe. To have the organic products available in the market.

- Invested or cooperated, affiliated to invest in projects/mixed organic farms with the size of 200 ha or more.

- To have a written commitment of the authorized person when registering to become a strategic investor of the equitization unit on the following:

- + There must be plans and orientations for the unit's development after equitization, including the following main contents: transferring new technology for the development and cultivation of agricultural products; developing the consumption market; contributions of revenue and profit to the entity after equitization.

- + To continue to maintain the main business lines and brand name of the equitization unit for at least 03 years from the time it officially becomes a strategic investor.

- + To continue to maintain activities in order to conserve the nature of the bird garden area in accordance with regulations, local policy and general planning.

- + Do not transfer the sold shares within 5 years from the date the joint stock company is granted the Business Registration Certificate for the first time under the Enterprise Law.

- + Compensation obligations when violating signed commitments with the level of compensation determined according to the actual damage and the State's right to dispose of the entire number of shares purchased by strategic investors when they violate signed commitments.

b) Selling price to strategic investors:

- In case there is only 01 strategic investor who meets the selection criteria to purchase shares and total number of shares to purchase is less than or equal to the number of shares expected to be sold to strategic investor: selling by direct agreement, in which the selling price is not lower than the average auction price successfully as determined by the results of a public auction.

- In case there are 2 strategic investors who meet the selection criteria to purchase shares and the total number of shares registered to purchase is greater than the number of shares expected to be sold to strategic investors: organizing an auction among strategic investors on the Ho Chi Minh City Stock Exchange after the public auction with the starting price being the average auction price successfully according to the results of public auction and the principle of investor selection with the bid price from high to low for the sufficient number of shares to be sold.

- In case there are 2 strategic investors who meet the selection criteria to purchase shares and the total number of shares registered to purchase is less than

or equal to the number of shares expected to be sold to strategic investor: Equitization Management Committee of Spring Agricultural Center proceeds with an agreement on the number of shares sold and the selling price of shares to each strategic investor and reports to the owner's representative agency for approval the number of shares sold to each strategic investor in accordance with the the total number of shares registered to purchase, in which the selling price is not lower than the average auction price successfully as determined by the results of a public auction.

The order of offering and the remaining procedures to offer shares to strategic investors are in accordance with the Decree No. 126/2017/ND-CP on November 16th, 2017 issued by Government about Government organizations and One Member Limited Company with 100% investment by Government to change into Joint Stock Company.

8. Redundant labor cost: 647,060,134 VND (six hundred forty seven million zero hundred sixty thousand one hundred thirty four dong).

9. Equitization expenses: proceeds from the sale of shares after deducting equitization expenses will be paid to the Enterprise Arrangement and Development Fund.

Article 2. Equitization Management Committee is assigned to direct the Director of Hau Giang Spring Agricultural Joint Stock Company to sell shares for the first time and prepare the settlement report according to regulations; appraise and submit to the Chairman of the Provincial People's Committee for approval of equitization expenses finalization and equitization results of Hau Giang Spring Agricultural Joint Stock Company according to the law.

Article 3. Equitization Management Committee is assigned to take responsibility for the actual expenses necessary serving the equitization of company according to current law provisions. Responsible for checking and signing the contract providing share auction service with Ho Chi Minh City Stock Exchange and make payment and settlement according to regulations. At the same time, be responsible for operating and managing the unit until the handover of all assets, capital and labor to Joint Stock Company and be responsible for the business results of company according to current law provisions.

Article 4. Director of Finance Department, Director of Construction Department, Head of Equitization Management Committee of Spring Agricultural Center, Director of Spring Agricultural Center; Heads of relevant agencies and units are responsible for implementing this Decision from the date of signing./.

Recipients:

- Government Office (to report);
- Ministry of Planning and Investment (to report);
- Ministry of Finance (to report);
- As the Article 4;
- Stored at: VT, NCTH, 70

E/2020/CPH/STC_approval of equitization plan for Spring Agricultural Center

PP. CHAIRMAN
VICE CHAIRMAN
(Signed and Sealed)
Truong Canh Tuyen

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

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

TM. CÔNG TY

ON BEHALF OF THE COMPANY



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