

**EQUITIZATION GUIDING BOARD OF NGHE AN TEA
DEVELOPMENT INVESTMENT CO., LTD. AND NGHE AN TEA
DEVELOPMENT INVESTMENT CO., LTD. RECOMMEND INVESTORS
TO READ CAREFULLY THE INFORMATION IN THIS DOCUMENT
AND AUCTION REGULATIONS BEFORE REGISTERING FOR THE
AUCTION**

INFORMATION DISCLOSURE

OF THE INITIAL PUBLIC OFFERING OF NGHE AN TEA DEVELOPMENT INVESTMENT CO., LTD.

(According to Appendix 2 of Circular No. 32/2021/TT-BTC dated May 17, 2021 on providing instructions on the initial sale of shares, management and use of proceeds from equitization involving transformation of state enterprises and single member limited liability companies with 100% of their charter capital wholly hold by state enterprises into joint stock companies)

This disclosure and additional documentation will be available at:

EQUITIZED ENTERPRISE



NGHE AN TEA DEVELOPMENT INVESTMENT CO., LTD.

Address: No. 376, Nguyen Trai street, NghiPhu commune, Vinh city,
NgheAn province, Vietnam.

Phone: (0238) 3851170 Fax: (0238) 3851242

EQUITIZATION STEERING COMMITTEE OF NGHE AN TEA DEVELOPMENT INVESTMENT CO., LTD.

**DEPARTMENT OF AGRICULTURE AND RURAL
DEVELOPMENT OF NGHE AN PROVINCE**

Address: No. 129, Le Hong Phong, Vinh City, Nghe An Province

Phone: (0238) 3 835 993 Fax: (0238) 3 835 993

Nghe An, 2021

GENERAL INFORMATION ABOUT EQUITIZED ENTERPRISE NGHE AN TEA DEVELOPMENT INVESTMENT COMPANY LIMITED

1. Name and address of the equitized enterprise:

- Company name: NGHE AN TEA DEVELOPMENT INVESTMENT CO., LTD.
- Address: No. 376, Nguyen Traistreet, NghiPhu commune, Vinh city, Nghe An province, Vietnam.
- Phone: (0238) 3851170 Fax: (0238) 3851242

2. Business lines

2.1 Business lines before converting to a joint stock company

Nghe An Tea Development Investment Company Limited is a class I enterprise owned by the State under the People's Committee of Nghe An province, performing production, business and service tasks in the fields of:

Tea plantation and processing, trading of export and domestic tea;

Application and transferring advances in technology for planting, tending, investing, harvesting, preserving and processing tea.

2.2 Expected business lines after equitization:

After converting into Joint Stock Company Nghe An Tea Corporation, expected business lines are as follows

- Growing, tending, processing and trading tea and other agricultural products;
- Trading in and servicing machines, equipment and spare parts for the production and processing of tea and other agricultural products;
- Applying and transferring scientific and technological advances in agro-industry in varieties, planting, tending, investing in intensive farming, processing, preserving, etc. to develop tea;
- Investment, business in general commercial services

3. Main products and services:

Green tea and Crushing Tearing and Curling – Black Tea of all kinds;

Seed service, supply of materials, fertilizer and product sales for tea farmers;

Services of spare parts and equipment for tea production and processing to invest in production development according to the annual plan and long-term plan of the province.

4. Total number of labor continued to transfer to joint stock company 574 employees, of which:

- Number of employees with university and postgraduate degrees: 39 employees, accounting for 6.79%
- Number of employees with college and intermediate degrees: 26 employees, accounting for 4.53%

- Number of employees who have been trained through technical and vocational schools: 509 employees, accounting for 88.68%
- Number of untrained employees: 0 employees

5. Enterprise value as of December 31, 2019:

Pursuant to Decision no. 4548/QĐ-UBND dated December 14, 2020 of NgheAn Provincial People's Committee on the approval of the enterprise value of Nghe An Tea Development Investment Co., Ltd for equitization.

Actual value of the enterprise to be re-determined as of December 31, 2019 according to the re-determined data: VND 80,978,930,447 (In words: *Seventy-eight billion seven hundred eighty-seven million ninety-three thousand three hundred thirty-one dongs*).

Of which:

- Actual debt payable: **VND 35,458,777,634**

(In words: *Thirty-five billion, four hundred and fifty-eight million, seven hundred and seventy-seven thousand, six hundred and thirty-four Vietnam dongs*).

- Non-business expenditure source: **VND 739,250,957**

(In words: *Seven hundred thirty-nine million, two hundred and fifty thousand, nine hundred and fifty-seven Vietnam dongs*)

- Actual value of state capital at the enterprise: 44,780,901,856 dongs

(In words: *Forty-four billion, seven hundred and eighty million, nine hundred and one thousand, eight hundred and fifty-six Vietnam dongs*)

Table 1: Actual value of the enterprise on December 31, 2019

Unit: VND

No.	Item	Accounting book data	Re-determined data	Difference
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>(5) = (4) – (3)</i>
A	ASSETS IN USE	53,617,355,351	80,978,930,447	27,361,575,096
I	Long-term assets	32,220,368,468	59,421,326,564	27,200,958,096
1	Long-term receivables	1,149,136,068	1,149,136,068	-
2	Fixed assets	29,889,602,715	56,897,611,812	27,008,009,097
-	Tangible fixed assets	29,889,602,715	56,897,611,812	27,008,009,097
	<i>Houses, architectural objects</i>	<i>13,843,824,145</i>	<i>36,164,035,625</i>	<i>22,320,211,480</i>
	<i>Plant and equipment</i>	<i>14,966,954,775</i>	<i>18,368,784,460</i>	<i>3,401,829,685</i>
	<i>Means of transport</i>	<i>1,078,823,795</i>	<i>2,364,791,727</i>	<i>1,285,967,932</i>

No.	Item	Accounting book data	Re-determined data	Difference
3	Long-term unfinished assets	37,335,000	37,335,000	-
4	Other long-term assets	1,144,294,685	1,337,243,685	192,948,999
II	Short-term assets	21,396,986,883	21,396,986,883	-
1	Cash and cash equivalents	553,694,078	553,694,078	-
-	<i>Cash balance</i>	<i>408,819,650</i>	<i>408,819,650</i>	-
-	<i>Bank deposits</i>	<i>144,874,428</i>	<i>144,874,428</i>	-
2	Short-term financial assets	3,000,000,000	3,000,000,000	-
3	Receivables	7,990,254,217	7,990,254,217	-
4	Inventories	9,491,368,470	9,491,368,470	-
5	Other current assets	361,670,118	361,670,118	-
III	Value of enterprise's goodwill	-	160,617,000	160,617,000
B	ASSETS NOT IN USE	156,723,672	156,723,672	-
I	Fixed assets	156,723,672	156,723,672	-
-	Houses, architectural objects	83,311,967	83,311,967	-
-	Plant and equipment	73,411,705	73,411,705	-
C	ASSETS TO BE LIQUIDATED	654,529,718	654,529,718	-
I	Fixed assets	399,070,932	399,070,932	-
-	Houses, architectural objects	42,964,930	42,964,930	-
-	Plant and equipment	356,106,002	356,106,002	-
-	Means of transport	-	-	-
II	Inventories	255,458,786	255,458,786	-
-	Raw materials, supplies	255,458,786	255,458,786	-
D	ASSETS ESTABLISHED FROM			

No.	Item	Accounting book data	Re-determined data	Difference
	REWARD AND WELFARE FUNDS			
E	TOTAL VALUE OF ENTERPRISE'S ASSETS (A + B + C + D + E) In which:	54,428,608,741	81,790,183,837	27,361,575,096
	TOTAL ACTUAL ENTERPRISE VALUE (Section A)	53,617,355,351	80,978,930,447	27,361,575,096
E1	Actual liabilities	35,458,777,634	35,458,777,634	-
E2	Non-business expenditure source	739,250,957	739,250,957	-
F	TOTAL VALUE OF STATE CAPITAL AT THE ENTERPRISE [A – (F1 + F2)]	17,419,326,760	44,780,901,856	27,361,575,096

(Source: Enterprise valuation profile as of 31/12/2019 of the Company)

Remaining financial problems at the time of enterprise valuation which need to be addressed:

1- About the debt payable to Vietnam Development Bank – NgheAn Branch **VND 3,243,229,632**.

Implementing Decision No. 1312/QD-HDBT dated August 14, 1987 of the Chairman of the Council of Ministers, in 1989, NgheTinh province received an ODA loan from India to invest in processing equipment of CTC black tea with the value of: 10,009,986 Indian Rupees (equivalent to VND 3,243,229,632). At the time of enterprise valuation, the value on the accounting books of the equipment was as follows:

In fact, imported machinery and equipment have been in place for 30 years, so long as they have not been used, have basically rusted down and severely damaged, some equipment and spare parts have become scrap metal and been dismantled and stored in the warehouse. The actual situation has also been checked by the Vietnam Development Bank - NgheAn branch in the Evaluation minutes of 2 CTC tea processing equipment lines formed from ODA on-lending capital, signed on August 10, 2011 between NgheAn Tea Development Investment Co., Ltd and Vietnam Development Bank - Nghe An branch.

The project was completed but not effective and cannot be depreciated for capital recovery, so there was no source of debt repayment. The Development Bank, the Ministry of Finance proposed and the Government approved, accordingly, the Company is entitled to write off the interest (including penalty interest) on the on-lending, the principal is changed to

receive debt in VND with Vietnam Development Bank with an interest rate of 5.4%/year, repayment term in 5 years from the date of approval by the Government, in the document 1975/VPCP-KTTH dated March 13, 2013 on capital handling Indian ODA loans for tea enterprises. The cause of bad debt, in the document 1173/BTC-QLN dated January 23, 2013 of the Ministry of Finance, was clearly stated.

On May 31, 2013, the People's Committee of NgheAn Province continued to issue Document No. 3577/UBND-TM requesting the handling of ODA capital, accordingly, allowing

Nghe An Tea Development Investment Co., Ltd to sell and liquidate tea assets and equipment imported in 1998 to recover capital to pay debts.

On February 23, 2021, the Ministry of Finance issued Document No. 1723/BTC-QLN on the handling of Indian loan of Nghe An Tea Company, noting:

"In principle, after equitization, the Company is still responsible for fulfilling its obligation to repay the Indian loan to the State budget. Therefore, it is proposed that Vietnam Development Bank continue to coordinate and urge the Company after equitization to receive on-lending debt and fully repay the debt to the Ministry of Finance.

In case the Company needs to restructure its debt, it is recommended to Nghe An Tea Company based on the provisions of Decree No. 97/2018/ND-CP dated June 30, 2018 of the Government on on-lending of ODA loans, foreign preferential loans to develop an overall settlement plan (for principal, interest and fees) and documents for handling on-loan debt appropriately."

According to the provisions of Point a Clause 3 Article 4 of the Government's Decree no. 126/2017/ND-CP dated November 16, 2017, the depreciable assets on accounting books which are recognized at over 50% of their historical costs are not excluded when valuing an enterprise. At Point b Clause 2 Article 10 of Circular no. 41/2018/TT-BTC, for assets being machinery and equipment; means of transport and transmission equipment; management equipment and tools and other types of fixed assets are re-evaluated according to reality but not lower than 20% of the quality of new procured assets of the same type. Therefore, at the time of enterprise valuation, the value of CTC black tea processing equipment is re-evaluated and included in the enterprise value, equivalent to 20% of the asset value at the historical cost. The recognition of assets no longer having usage value and the corresponding indebtedness affects the actual value of state capital at the time of enterprise valuation.

2- Doubtful, insolvent debts not yet considered by legal documents proving they are irrecoverable should be included in the value of the enterprise, the value of the receivable debts is VND 4,191,311,423. The Board of members, the General Director of the Company will explain and clarify to resolve under Clause 2. Article 15, Decree 126/2017/ND-CP dated November 16, 2017.

6. Main assets of the enterprise (attached to the Schedule of Asset Valuation):

6.1 Land situation:

Pursuant to Decision No. 356/QD-UBND dated June 26, 2019 of Nghe An Provincial People's Committee approving the land use plan of Nghe An Tea Development and Investment Company Limited; the total land area after review and re-measurement is 5,152.11 ha (including 4,367.63 ha of agricultural land; 663.45 ha of non-agricultural land and 121.03 ha of unused land). After converting into Joint Stock Company Nghe An Tea Corporation, the area retained and used in the form of annual land rental is 1,937.62 ha; area transferred to local authorities for management 3,214.49 ha; Details according to tables 2, 3, 4, 5 as follows:

Table 2: Current status of land management and use of the Company as of December 31, 2019

No.	Land type	Total area (ha)	Structure (%)	In which (ha)			
				Used for correct purpose	Used for incorrect purpose	Unused	Under contracting, leasing, borrowing, joint venture and in dispute
	TOTAL AREA OF LAND	5,152.11	100	4,387.63	643.45	121.03	-
1	Agricultural land	4,367.63	84.77	4,367.63	-	-	-
1.1	Land for agriculture production	2,945.10	57.16	2,945.10	-	-	-
1.1.1	<i>Land for annual crops</i>	641.93	12.46	641.93	-	-	-
1.1.2	<i>Rice cultivation land</i>	190.11	3.69	190.11	-	-	-
1.1.3	<i>Other annual crops</i>	451.83	8.07	451.83	-	-	-
1.1.4	<i>Land for perennial crops</i>	2,303.17	44.70	2,303.17	-	-	-
1.2	Forestry land	1,224.61	23.77	1,224.61	-	-	-
1.2.1	<i>Forest land for production (FP)</i>	1,224.61	23.77	1,224.61	-	-	-
1.2.1.1	<i>Land with natural forests FP</i>	-	-	-	-	-	-
1.2.1.2	<i>Land with forests FP</i>	-	-	-	-	-	-
1.2.1.3	<i>Land zoned for restoration of forests FP</i>	-	-	-	-	-	-
1.2.1.4	<i>Land for planting forests FP</i>	-	-	-	-	-	-
1.2.2	<i>Land for protection (Pr.) forests</i>	-	-	-	-	-	-
1.2.2.1	<i>Land with natural Pr. forests</i>	-	-	-	-	-	-

No.	Land type	Total area (ha)	Structure (%)	In which (ha)			
				Used for correct purpose	Used for incorrect purpose	Unused	Under contracting, leasing, borrowing, joint venture and in dispute
1.2.2.2	<i>Land with planted Pr. forests</i>	-	-	-	-	-	-
1.2.2.3	<i>Land zoned for restoration of Pr. forests</i>	-	-	-	-	-	-
1.2.2.4	<i>Land for planting Pr. forests</i>	-	-	-	-	-	-
1.2.3	<i>Special-use (SU) forest land</i>	-	-	-	-	-	-
1.2.3.1	<i>Land with natural SU forests</i>	-	-	-	-	-	-
1.2.3.2	<i>Land with planted SU forests</i>	-	-	-	-	-	-
1.2.3.3	<i>Land zoned for restoration of SU forests</i>	-	-	-	-	-	-
1.2.3.4	<i>Land for planting SU forests</i>	-	-	-	-	-	-
1.3	Aquaculture land	197.92	3.84	197.92	-	-	-
1.4	Land for salt production	-	-	-	-	-	-
1.5	Other agricultural land	-	-	-	-	-	-
2	Non-agricultural land	663.45	12.88	20.0	643.45	-	-
2.1	Residential land	380.67	7.39	-	380.67	-	-
2.2	Land for non-agricultural production facilities	20.0	0.39	20.0	-	-	-

No.	Land type	Total area (ha)	Structure (%)	In which (ha)			
				Used for correct purpose	Used for incorrect purpose	Unused	Under contracting, leasing, borrowing, joint venture and in dispute
2.3	Land for community activities	3.05	0.06	-	3.05	-	-
2.4	Sports land	5.27	0.10	-	5.27	-	-
2.5	Medical land	0.47	0.01	-	0.47	-	-
2.6	Education land	4.04	0.08	-	4.04	-	-
2.7	Land for energy works	0.50	0.01	-	0.50	-	-
2.8	Transport land	178.78	3.47	-	178.78	-	-
2.9	Irrigation land	29.56	0.57	-	29.56	-	-
2.10	Land of rivers, canals, ditches, streams	22.83	0.44	-	22.83	-	-
2.11	Land for cemeteries and graveyards	17.51	0.34	-	17.51	-	-
2.12	Land with specialized water surface	0.22	0.01	-	0.22	-	-
2.13	Land for dumping, waste treatment sites	0.52	0.01	-	0.52	-	-
2.14	Land for faiths	0.03	0.00	-	0.03	-	-
3	Unused land	121.03	2.35	-	-	121.03	-
3.1	Unused plain land	24.90	0.48	-	-	24.90	-
3.2	Unused mountainous land	92.55	1.80	-	-	92.55	-

No.	Land type	Total area (ha)	Structure (%)	In which (ha)			
				Used for correct purpose	Used for incorrect purpose	Unused	Under contracting, leasing, borrowing, joint venture and in dispute
3.3	Rocky mountains without trees	3.58	0.07	-	-	3.58	-

(Source: NgheAn Tea Development Investment Co., Ltd.)

Decision no. 356/QD-UBND dated June 26, 2019 of NgheAn Provincial People's Committee approving the land use plan of Nghe An Tea Development Investment Co., Ltd.; The land use plan of the Company after equitization is as follows:

Table 3: Area of land retained for use by form of land use

No.	Land Type	Total area (ha)	Land allocation without collecting land use fees (ha)	Land used for the purpose of ND&S, non-commercial public purpose (ha)	Rental land (ha)
	TOTAL LAND AREA	1,937.62	-	-	1,937.62
1	Agricultural land	1,857.30	-	-	1,857.30
1.1	Land for annual crops	236.29	-	-	236.29
<i>1.1.1</i>	<i>Rice cultivation land</i>	20.76	-	-	20.76
<i>1.1.2</i>	<i>Other annual crops</i>	215.53	-	-	215.53
1.2	Land for perennial crops	1,450.57	-	-	1,450.57
1.3	Forest land for production	113.40	-	-	113.40
1.4	Land for protection (Pr.) forests	-	-	-	-

No.	Land Type	Total area (ha)	Land allocation without collecting land use fees (ha)	Land used for the purpose of ND&S, non-commercial public purpose (ha)	Rental land (ha)
1.5	Special-use (SU) forest land	-	-	-	-
1.6	Other agricultural land	-	-	-	-
1.7	Aquaculture land	57.04	-	-	57.04
2	Non-agricultural land	77.31	58.54	58.54	18.77
2.1	Residential land	0.00	-	-	-
2.2	Land for non-agricultural production facilities	18.77	-	-	18.77
2.3	Land for public activities	-	-	-	-
2.4	Sports land	-	-	-	-
2.5	Medical land	-	-	-	-
2.6	Education land	-	-	-	-
2.7	Land for energy works	0.02	0.02	0.02	-
2.8	Transport land	43.94	43.94	43.94	-
2.9	Irrigation land	13.64	13.64	13.64	-
2.10	Land of rivers, canals, ditches, streams	0.94	0.94	0.94	-
2.11	Land for cemeteries and graveyards	-	-	-	-
2.12	Land with specialized water surface	-	-	-	-
2.13	Land for dumping, waste treatment sites	-	-	-	-
2.14	Land for faiths	-	-	-	-
3	Unused land	3.01	-	-	3.01

No.	Land Type	Total area (ha)	Land allocation without collecting land use fees (ha)	Land used for the purpose of ND&S, non-commercial public purpose (ha)	Rental land (ha)
3.1	Unused plain land	0.58	-	-	0.58
3.2	Unused mountainous land	2.35	-	-	2.35
3.3	Rocky mountains without trees	0.08	-	-	0.08

(Source: Decision No. 356/QĐ-UBND dated June 26, 2019 of the People's Committee of Nghe An province)

Table 4: Area of land retained for use by land type

No.	Land type	Total area (ha)	Structure (%)	In which (ha)		
				Used for correct purpose	Used for incorrect purpose	Unused
	TOTAL AREA OF LAND	1,937.62	100	1,937.62	-	-
1	Agricultural land	1,857.30	95.85	1,857.30	-	-
1.1	Land for agriculture production	1,686.68	87.06	1,686.68	-	-
1.1.1	<i>Land for annual crops</i>	236.29	12.19	236.29	-	-
1.1.1.1	<i>Rice cultivation land</i>	20.76	1.07	20.76	-	-
1.1.1.2	<i>Other annual crops</i>	215.53	11.12	215.53	-	-
1.1.2	<i>Land for perennial crops</i>	1,450.57	74.86	1,450.57	-	-
1.2	Forestry land	113.40	5.85	113.40	-	-
1.2.1	<i>Forest land for production (FP)</i>	113.40	5.85	113.40	-	-
1.2.1.1	<i>Land with natural forests FP</i>	-	-	-	-	-
1.2.1.2	<i>Land with forests FP</i>	-	-	-	-	-
1.2.1.3	<i>Land zoned for restoration of forests</i>	-	-	-	-	-

No.	Land type	Total area (ha)	Structure (%)	In which (ha)		
				Used for correct purpose	Used for incorrect purpose	Unused
	<i>FP</i>					
1.2.1.4	<i>Land for planting forests FP</i>	-	-	-	-	-
1.2.2	<i>Land for protection (Pr.) forests</i>	-	-	-	-	-
1.2.2.1	<i>Land with natural Pr. forests</i>	-	-	-	-	-
1.2.2.2	<i>Land with planted Pr. forests</i>	-	-	-	-	-
1.2.2.3	<i>Land zoned for restoration of Pr. forests</i>	-	-	-	-	-
1.2.2.4	<i>Land for planting Pr. forests</i>	-	-	-	-	-
1.2.3	<i>Special-use (SU) forest land</i>	-	-	-	-	-
1.2.3.1	<i>Land with natural SU forests</i>	-	-	-	-	-
1.2.3.2	<i>Land with planted SU forests</i>	-	-	-	-	-
1.2.3.3	<i>Land zoned for restoration of SU forests</i>	-	-	-	-	-
1.2.3.4	<i>Land for planting SU forests</i>	-	-	-	-	-
1.3	Aquaculture land	57.04	2.94	57.04		
1.4	Land for salt production	-	-	-	-	-
1.5	Other agricultural land	-	-	-	-	-
2	Non-agricultural land	77.31	3.99	77.31	-	-
2.1	Residential land	-	-	-	-	-
2.2	Land for non-agricultural production facilities	18.77	0.97	18.77	-	-

No.	Land type	Total area (ha)	Structure (%)	In which (ha)		
				Used for correct purpose	Used for incorrect purpose	Unused
2.3	Land for community activities	-	-	-	-	-
2.4	Sports land	-	-	-	-	-
2.5	Medical land	-	-	-	-	-
2.6	Education land	-	-	-	-	-
2.7	Land for energy works	0.02	-	0.02	-	-
2.8	Transport land	43.94	2.20	43.94	-	-
2.9	Irrigation land	13.64	0.70	13.64	-	-
2.10	Land of rivers, canals, ditches, streams	0.94	0.05	0.94	-	-
2.11	Land for cemeteries and graveyards	-	-	-	-	-
2.12	Land with specialized water surface	-	-	-	-	-
2.13	Land for dumping, waste treatment sites	-	-	-	-	-
2.14	Land for faiths	-	-	-	-	-
3	Unused land	3.01	0.16	3.01	-	-
3.1	Unused plain land	0.58	0.03	0.58	-	-
3.2	Unused mountainous land	2.35	0.12	2.35	-	-
3.3	Rocky mountains without trees	0.08	0.01	0.08	-	-

(Source: Decision No. 356/QĐ-UBND dated June 26, 2019 of the People's Committee of Nghe An province)

Table 5: Land area handed over to the locality

No.	Land type	Total area (ha)	Area returned to the locality (ha)
	TOTAL AREA OF LAND	5,152.11	3,214.49
1	Agricultural land	4,367.63	2,510.33
1.1	Land for agriculture production	2,945.10	1,285.25
<i>1.1.1</i>	<i>Land for annual crops</i>	<i>641.93</i>	<i>405.64</i>
<i>1.1.1.1</i>	<i>Rice cultivation land</i>	<i>190.11</i>	<i>169.34</i>
<i>1.1.1.2</i>	<i>Other annual crops</i>	<i>451.83</i>	<i>236.30</i>
<i>1.1.2</i>	<i>Land for perennial crops</i>	<i>2,303.17</i>	<i>852.60</i>
1.2	Forestry land	1,224.61	1,111.21
<i>1.2.1</i>	<i>Forest land for production (FP)</i>	<i>1,224.61</i>	<i>1,111.21</i>
<i>1.2.2</i>	<i>Land for protection (Pr.) forests</i>	-	-
<i>1.2.3</i>	<i>Special-use (SU) forest land</i>	-	-
1.3	Aquaculture land	197.92	140.88
1.4	Land for salt production	-	-
2	Non-agricultural land	663.45	586.14
2.1	Residential land	380.67	380.67
2.2	Land for non-agricultural production facilities	20.0	1.22
2.3	Land for community activities	3.05	3.05
2.4	Sports land	5.27	4.05
2.5	Medical land	0.47	0.47
2.6	Education land	4.04	4.04

No.	Land type	Total area (ha)	Area returned to the locality (ha)
2.7	Land for energy works	0.50	0.47
2.8	Transport land	178.78	136.06
2.9	Irrigation land	29.56	15.92
2.10	Land of rivers, canals, ditches, streams	22.83	21.90
2.11	Land for cemeteries and graveyards	17.51	17.51
2.12	Land with specialized water surface	0.22	0.22
2.13	Land for dumping, waste treatment sites	0.52	0.52
2.14	Land for faiths	0.03	0.03
3	Unused land	121.03	118.02
3.1	Unused plain land	24.90	24.32
3.2	Unused mountainous land	92.55	90.20
3.3	Rocky mountains without trees	3.58	3.49

(Source: Decision No. 356/QĐ-UBND dated June 26, 2019 of the People's Committee of Nghe An province)

6.2. Plant and equipment

Table 6: Situation of plant and equipment included in Enterprise value when equitized at 31/12/2019

Unit: Dong

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
I	Company Office	600,752,821	207,005,759	600,752,821	302,053,040
1	10.5KVA generator	53,537,230	-	53,537,230	10,707,446
2	CTC tea mixer	178,582,727	130,959,212	178,582,727	133,937,045
3	Low voltage line	80,535,455	36,294,272	80,535,455	39,462,373
4	Loudspeaker set	35,709,091	-	35,709,091	19,640,000
5	Office warehouse fire P&P system	99,380,683	39,752,275	99,380,683	50,684,148
6	Tea conveyor	56,735,000	-	56,735,000	28,367,500
7	Dipping tea line	96,272,635	-	96,272,635	19,254,527
II	Ngoc Lam Factory	10,652,957,219	2,237,034,856	10,652,957,219	3,806,254,604
1	CTC plant and equipment	7,272,834,213	80,906,347	7,272,834,213	1,454,566,843
2	250KVA generator	344,898,466	-	344,898,466	89,673,601
3	Reactive capacitor	31,800,000	-	31,800,000	7,632,000
4	Chinese Rolling Machine (Hanh Lam Factory)	63,035,746	7,614,642	63,035,746	18,910,724
5	Soviet crumpler	80,908,200	-	80,908,200	23,867,919
6	New Green tea equipment	1,569,907,411	1,311,949,763	1,569,907,411	1,311,949,763

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
7	CTC electrical system	286,771,140	-	286,771,140	63,089,651
8	Electronic balance	174,933,100	174,933,100	174,933,100	174,933,100
9	Installation of equipment for green tea factory	593,731,000	593,731,000	593,731,000	593,731,000
10	Dryer CH25 received from Hung Son	234,137,943	67,900,004	234,137,943	67,900,004
III	Hanh Lam Factory	11,136,745,949	3,347,287,863	11,136,745,949	3,226,870,524
1	250 KVA Generator + Cost of moving the generator	374,203,227	495,728	374,203,227	93,550,807
2	Tea screener 766	81,989,731	-	81,989,731	20,497,433
3	Chinese crumpler	144,321,679	-	144,321,679	36,080,420
4	New CTC workshop tea production line	6,180,297,810	537,928,643	6,180,297,810	1,236,059,562
5	Withering tray and tea screen systems at New Workshop	132,136,285	19,621,813	132,136,285	26,427,257
6	New Workshop CTC Monorail suspension system	33,811,739	697,631	33,811,739	6,762,348
7	New Workshop CTC Tea power supply system	479,009,560	48,781,509	479,009,560	110,172,199
8	New Workshop CTC fire prevention System	311,808,429	17,440,804	311,808,429	74,834,023
9	Piles, withering tray frame at new workshop	81,913,378	27,225,021	81,913,378	27,225,021

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
10	Installation of reactive capacitor of 320 KVA substation	63,200,000	2,661,527	63,200,000	13,904,000
11	Roller (Transfer to AS Factory 02 pcs)	63,035,746	12,107,523	63,035,746	15,758,937
12	Building green tea fryer no. 2	62,342,463	32,464,041	62,342,463	32,464,041
13	TP Tea loading conveyor	41,065,159	21,383,609	41,065,159	21,383,609
14	Camera system	44,215,091	28,464,568	44,215,091	28,464,568
15	Crumpling conveyor – Dryer	19,361,474	14,851,058	19,361,474	14,851,058
16	Frying conveyor, dryer	28,948,214	22,204,489	28,948,214	22,204,489
17	03 Branch screens	45,796,034	33,201,730	45,796,034	33,201,730
18	02 conveyors under the crumpler	52,531,086	40,293,536	52,531,086	40,293,536
19	Rolling keg system, green tea production oven	1,271,082,636	1,021,695,107	1,271,082,636	1,021,695,107
20	Working platform on the Rolling Bomb range	33,206,000	32,546,339	33,206,000	32,546,339
21	Indian CTC equipment	1,592,470,208	1,433,223,187	1,592,470,208	318,494,042
IV	Anh Son Factory	9,736,245,416	1,444,864,151	9,736,245,416	3,247,832,032
1	Chimney + Vacuum cleaner fan	43,604,320	-	43,604,320	11,228,112
2	Heat system + Withering floor	57,085,531	-	57,085,531	14,699,524
3	New CTC line	6,045,627,069	16,173,973	6,045,627,069	1,209,125,414

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
4	ITALIA generator	337,411,752	-	337,411,752	80,135,291
5	Machine installation in Mechanical-carpentry Workshop	118,640,718	-	118,640,718	30,846,587
6	7-piece crumpler	114,147,788	8,573,534	114,147,788	33,102,859
7	Tea dryer	304,340,940	32,357,835	304,340,940	69,998,416
8	Fryer	140,471,065	24,530,857	140,471,065	50,218,406
9	Cutting-into-balls machine system	110,939,063	21,046,908	110,939,063	52,141,360
10	Green tea dryer	125,500,000	23,371,897	125,500,000	58,985,000
11	265 crumpler (buy from TD1)	34,030,000	5,280,401	34,030,000	9,358,250
12	CTC fermented tea conveyor	95,846,651	36,663,287	95,846,651	61,341,857
13	Green tea conveyor system	67,973,000	37,729,766	67,973,000	37,729,766
14	Green tea crumpling floor + Auxiliary workshop	74,883,000	32,083,018	74,883,000	37,441,500
15	Branch screen	45,347,000	24,595,698	45,347,000	29,929,020
16	Tea roller, 8 pcs	602,662,422	314,647,476	602,662,422	397,757,199
17	100KVA generator	237,882,745	30,512,334	237,882,745	154,623,784
18	Keg system	651,063,079	560,596,729	651,063,079	560,596,729
19	Transformer	158,782,000	89,782,000	158,782,000	119,086,500

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
	station + Line				
20	External electric system	80,272,000	-	80,272,000	16,054,400
21	Power line switch	121,357,000	18,540,165	121,357,000	45,053,786
22	Electronic balance	168,378,273	168,378,273	168,378,273	168,378,273
V	Con Cuong Factory	1,966,992,980	1,146,724,024	1,966,992,980	1,164,267,226
1	6 CH 20 B Dryer	180,469,646	42,646,854	180,469,646	42,646,854
2	255 Crumpler	164,088,260	35,895,551	164,088,260	36,099,417
3	Upgraded 6CHR80 fryer	160,852,171	89,352,551	160,852,171	89,352,551
4	6 CH 25 B Dryer	256,083,246	61,268,957	256,083,246	69,142,476
5	Conveyor	29,996,910	19,817,066	29,996,910	19,817,066
6	Renovation and upgrades of CH20 dryer	78,064,420	69,223,036	78,064,420	69,223,036
7	Conveyor system	35,793,000	27,594,772	35,793,000	27,594,772
8	Rolling keg equipment	630,473,563	566,941,609	630,473,563	566,941,609
9	766 Screen received from the Company	37,863,264	-	37,863,264	9,465,816
10	CH-25 dryer	135,660,984	135,660,984	135,660,984	135,660,984
11	10.5KV power line and transformer station	257,647,516	98,322,644	257,647,516	98,322,644
VI	BaiPhu Factory	7,885,635,761	2,601,410,016	7,885,635,761	2,695,911,907
1	Fiber separator	30,299,125	-	30,299,125	6,059,825

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
2	766 screen	39,309,500	-	39,309,500	7,861,900
3	Workshop Equipment	1,838,551,115	-	1,838,551,115	367,710,223
4	Chinese 265 crumpler	95,149,382	-	95,149,382	23,787,346
5	Vu En rolling machine	42,180,655	-	42,180,655	10,545,164
6	CTC conveyor	45,200,386	-	45,200,386	10,396,089
7	CTC tea withering tray	436,000,000	-	436,000,000	100,280,000
8	6CSR 80 fryer (Processed in 2016)	122,699,472	42,152,068	122,699,472	42,152,068
9	CPC-100 rolling fryer, Processing Workshop	34,989,972	-	34,989,972	10,496,992
10	Renovation of MXSC incinerator – Processing Workshop	79,965,862	-	79,965,862	24,789,417
11	Processing factory fermentation conveyor	105,805,946	-	105,805,946	34,915,962
12	Fiber separator (received 32)	51,276,897	-	51,276,897	16,921,376
13	Crumpler	31,429,000	-	31,429,000	7,857,250
14	Installation of CTC machine	1,410,200,709	-	1,410,200,709	479,468,241
15	Dry tea conveyor	39,089,000	10,988,350	39,089,000	18,762,720
16	CTC grinder	144,276,759	40,557,802	144,276,759	60,596,239
17	CTC cutter	152,271,011	42,805,075	152,271,011	48,726,724
18	Vacuum cleaner				

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
		57,338,985	26,212,107	57,338,985	26,212,107
19	Fiber separator (received from Hanh Lam)	32,174,000	14,708,116	32,174,000	17,373,960
20	Rolling keg equipment, homemade equipment	827,108,314	506,946,078	827,108,314	603,789,069
21	Branch screen	48,372,000	35,472,800	48,372,000	37,246,440
22	Conveyor from fryer to crumpler, crumpler to dryer	45,361,000	34,601,630	45,361,000	34,601,630
23	Upgrades to crumpler, interactive platform	27,517,000	23,242,562	27,517,000	23,242,562
24	Reactive capacitor	29,801,742	29,801,742	29,801,742	29,801,742
25	Renovations to JuLe dryer	40,182,228	40,182,228	40,182,228	40,182,228
26	Electronic balance	172,101,500	172,101,500	172,101,500	172,101,500
27	China dryer- Received from Hung Son	224,137,943	65,000,000	224,137,943	86,853,453
28	Domestic water tank system	20,763,037	20,763,037	20,763,037	20,763,037
29	CTC production equipment line from ODA capital	1,662,083,221	1,495,874,921	1,662,083,221	332,416,644
VII	Hung Son Factory	5,066,926,271	3,709,208,589	5,066,926,271	3,825,485,567
1	Phase 2 plant and equipment	520,967,488	139,117,483	520,967,488	140,661,222
2	Installation of plant	355,508,320	232,092,546	355,508,320	238,190,574

No.	Asset name	Book value		Re-valuation	
		Historical cost	Residual value	Historical cost	Residual value
	and equipment phase 3 + costs to renovate the rolling keg fryer				
3	New purchase of 250 KVA generator	592,026,200	206,973,863	592,026,200	272,332,052
4	Dryer taken from BaiPhu factory	255,740,374	216,201,551	255,740,374	216,201,551
5	Conveyor from fryer	50,070,000	31,893,000	50,070,000	31,893,000
6	A 18 T Lathe	57,280,000	44,062,333	57,280,000	44,062,333
7	Renewals of plant and equipment system	193,595,000	150,024,667	193,595,000	150,024,667
8	Rolling keg system	461,491,333	355,932,613	461,491,333	355,932,613
9	Fryer no. 1 + Cover	202,750,875	192,471,875	202,750,875	192,471,875
10	Dryer + Cover	248,125,862	232,210,862	248,125,862	232,210,862
11	Oven 6CH 25	110,564,500	100,944,500	110,564,500	100,944,500
12	Rolling keg system + Lift system	694,215,650	644,882,681	694,215,650	644,882,681
13	766 screen + Conveyor to screen	52,468,600	46,625,694	52,468,600	46,625,694
14	Conveyor onto operation platform + tea conveyor	34,601,850	31,405,060	34,601,850	31,405,060
15	Low voltage line + Reactive capacitor	85,497,361	46,564,061	85,497,361	54,524,061
16	Chinese mortar 265 received from Hanh Lam	126,240,058	12,023,000	126,240,058	47,340,022
17	Electronic balance	174,911,800	174,911,800	174,911,800	174,911,800
18	Dryer S70	435,000,000	435,000,000	435,000,000	435,000,000
19	Shredder 265	365,590,000	365,590,000	365,590,000	365,590,000

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
	Chinese style				
20	Stainless Steel Blister Chain Conveyor	50,281,000	50,281,000	50,281,000	50,281,000
VII I	Vinh Tea Factory	500,547,803	273,419,517	500,547,803	100,109,561
1	Indian dryer	500,547,803	273,419,517	500,547,803	100,109,561
	TOTAL	47,546,804,220	14,966,954,775	47,546,804,220	18,368,784,460

(Source: Dossier for valuation of enterprise value)

6.3 Means of transportation:

Table 7: Situation of vehicles and transport included in Enterprise value when equitation at 31/12/2019

Unit: dongs VND

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
I	Company office				
1	Toyota Fortuner, LP 37V-0289	911,749,240	-	911,749,240	455,874,620
II	Ngoc Lam Factory				
1	ISUZU car, LP 37N-0343	394,316,649	-	394,316,649	118,294,995
2	Truong Hai truck (950kg), LP 37C-244.20	220,065,455	205,635,855	220,065,455	205,635,855
3	Truong Hai 2-ton truck, LP 37C-179.23	224,000,000	861,640	224,000,000	87,360,000
III	Hanh Lam Factory				
1	2.5T truck No. 1, LP 37C-069.79	254,415,000	106,428,651	254,415,000	106,428,651
2	2.5T truck No. 2, LP 37C-041.85	273,000,688	157,579,373	273,000,688	157,579,373
IV	Anh Son Factory				

No.	Asset name	Book value		Re-evaluation	
		Historical cost	Residual value	Historical cost	Residual value
1	Car, LP 37H-3004	438,458,986	-	438,458,986	140,306,876
2	Truck, LP 37C-07907	274,280,064	60,665,754	274,280,064	93,255,222
3	Truck 37C - 04184	257,282,668	49,097,220	257,282,668	79,757,627
V	Con Cuong Factory				
1	2.5 ton light truck – Dumper, LP 37C-04183	254,415,000	144,387,000	254,415,000	144,387,000
VI	BaiPhu Factory				
1	Hoamai fresh tea truck, LP 37C-04187	258,344,436	-	258,344,436	87,837,108
2	Hoamai fresh tea truck, LP 37C-06742	274,361,201	71,067,670	274,361,201	109,744,480
3	8-seat ISUZU car	434,495,000	-	434,495,000	130,348,500
VII	Hung Son Factory				
1	Dump truck with 2 axles, LP 37N-9464	303,309,892	-	303,309,892	60,661,978
2	ISUZU car, LP 37S-9962	526,511,182	80,060,104	526,511,182	184,278,914
3	VINAXUKI truck (1.99 Tons), LP 37C-05725	172,342,706	86,206,227	172,342,706	86,206,227
4	Hoa Mai Truck (2.5 Tons), LP 37C-05725	278,955,421	116,834,301	278,955,421	116,834,301
	TOTAL	5,750,303,588	1,078,823,795	5,750,303,588	2,364,791,727

(Source: Dossier for valuation of enterprise value)

7. LIST OF PARENT AND SUBSIDIARY COMPANIES

None.

8. Business performance and business results in the 3 years before equitization:

8.1. Performance review:

a. Product output/service value over the years

Table 8: Revenue structure from sales and service provision in the period 2017 - 2019

No.	Item	2017	2018	2019
-----	------	------	------	------

		Value (million dongs)	Propor tion (%)	Value (millio n dongs)	Propor tion (%)	Value (million dongs)	Propor tion (%)
1	Revenues from sales and services rendered, including:	55,686	100	50,800	100	29,767	100
	<i>Year-on-year growth rate of revenues (%)</i>	-	(8.52)	-	(8.77)	-	(41.40)
1.1	Revenues from sales of tea and other services	55,686	100	50,800	100	29,767	100

(Source: Audited financial statements for 2017, 2018, 2019 of the Company)

The Company's revenue from sales and service provision in the period 2017-2019 has decreased sharply over the years. In which, 100% of the Company's revenues from sales of goods and service provision is from tea sales and other services. In 2018, Sales of tea and other services reached VND 50,800 million, down 8,77% compared to 2017. 2019 recorded a significant decrease of the Company when it reached only VND 29,767 million. The reason for the sharp decrease in tea production and consumption in this year compared to the previous year was due to the complicated changes of the weather in 2019, most of the tea material area was burned and died, causing the Company's production to almost stop from April to the end of August 2019. On the other hand, the tea export market faced many difficulties, leading to a decrease in revenue of the Company in 2019 by 41.40% compared to 2018.

b. Raw materials

Raw material source

The main source of raw materials for production and business activities of the Company is fresh tea buds which are harvested directly from tea gardens, then transferred immediately to production plants at factories to process into dry tea serving domestic production and consumption.

- The stability of these supplies:

Tea plants are easy to cultivate, less susceptible to disease and can be grown on a large scale in the hilly and mountainous terrain into tea hills, facilitating the industrial collection with modern machines for high productivity.

The model of contracting agricultural land to households under the direct supervision and management of local authorities and the Company has contributed to increasing efficiency and reducing costs in the process of collecting materials for processing. However, at present, the management of implementation under contracts is

still limited because the state management on planning in the area is still inadequate, private processing establishments formed by following the crowd have led to disputes on purchasing raw materials, disrupting sales contracts between people and the Company.

Major factors affecting the development and growth of tea plants are: weather conditions, soil and water resources. In particular, these factors in Vietnam are relatively stable, less volatile, contributing to creating stable conditions for raw material areas.

Effect of raw material prices on revenue and profit:

The main materials used for production activities of the Company are fresh and semi-processed tea. With the average recovery coefficient from fresh tea to dried semi-processed tea of 4.5 kg of fresh tea processed into 1 kg of dry tea. Therefore, if material prices fluctuate, it will strongly affect the cost of production of the Company’s products, and consequently, the Company’s profit.

Due to the relatively stable growth of tea plants, the growth in raw material prices purchased from contracted households does not change much over the years. In addition to the elements of weather, natural disasters and diseases, the subjective factor due to unfair competition of private processing establishments pushes up the price of raw materials (fresh tea buds) is mostly under control.

c. Production expenses

Table 9: Proportion of expenses of the Company in the period 2017 - 2019

No	Item	2017		2018		2019	
		Value (million VND)	Proportion/ NR (%)	Value (million VND)	Proportion/ NR (%)	Value (million VND)	Proportion/ NR (%)
1	Cost of goods sold	43,791	78.65	40,524	79.80	24,026	81.03
2	Administrative expenses	5,707	10.25	4,916	9.68	3,953	13.33
3	Selling expenses	4,789	8.60	3,620	7.13	2,200	7.42
4	Financial expenses	2,022	3.63	2,983	5.87	3,954	13.33
5	Other expenses	1,156	2.08	289	0.57	83	0.28
Total expenses		57,465	103.21	52,333	103.05	34,216	115.39
Net revenues:		55,676	100	50,784	100.00	29,652	100.00

(Source: Audited financial statements for 2017, 2018, 2019 of the Company)

The cost structure of the Company is constituted mainly from 2 parts: cost of goods sold and administrative cost. In particular, cost of goods sold always accounted for a major proportion of the total annual costs of the company. Compared to the net revenue target of sales and service provision, the cost of goods sold in the period of 2017-2019 always accounted for approx or over 80% and there were increases/decreases corresponding to the fluctuation of net revenue over the years.

Administrative costs tended to decrease in the period of 2017-2019. Specifically, in 2017, the company's administrative cost was VND 4,916million, in 2018 it decreased to VND 4,916 million, in 2019 was VND 3,953 million. In 2019, with the decrease in revenue, total costs decreased, leading to lower cost of goods sold and general and administrative expenses compared to previous years.

In addition, tea exports are a major activity of the company, so every year, the company has to bear financial expenses due to differences in exchange rate arising in the year, borrowing interests and losses due to selling foreign currencies depending on the situation of market fluctuations. During the period of 2017-2019, financial expenses fluctuated up and down unevenly, depending on the Company's annual production and business situation.

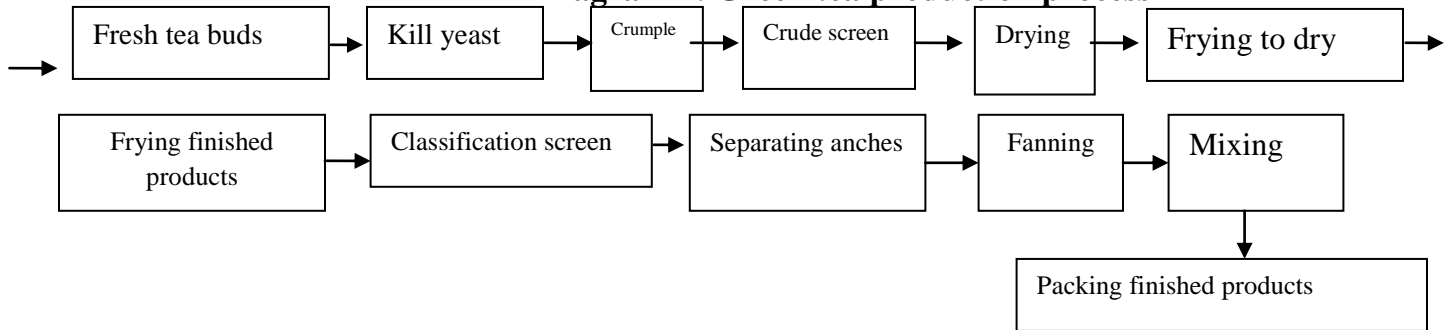
d. Technology level:

About processing technology: The company applies green tea technology from China and Taiwan; Small CTC black tea technology using European standard technology. The total processing capacity of the company in the previous years was estimated at 243 tons/day. Of which 4 CTC tea lines with a total capacity of 96 tons of tea buds/day and 9 green tea lines with a total capacity of 147 tons of tea buds/day.

The company has developed its own processes for the production of each type of tea products in accordance with the regulations and procedures according to Vietnamese standards, namely:

- **Green tea production process of the Company:**

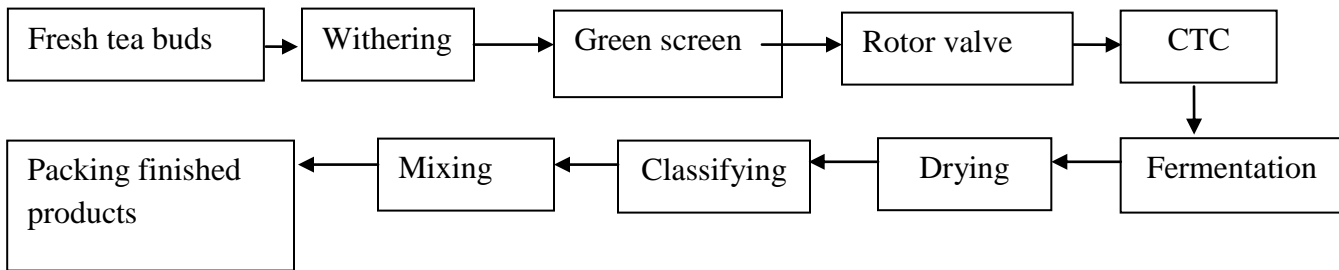
Diagram 2: Green tea production process



(Source: NgheAn Tea Development Investment Co., Ltd.)

- **CTC black tea production process of the Company**

Diagram 3: CTC black tea production process



(Source: NgheAn Tea Development Investment Co., Ltd.)

d. Situation of research and development of new products

Currently, the company mainly focuses on maintaining CTC green tea and black tea products to supply the domestic market and export. In addition, in recent years, the Company has been constantly interested in diversifying the job market, expanding its position with basic activities such as:

- + Researching operation methods and providing sales services, improving product quality.

- + Surveying other customers who are businesses and other organizations, performing customer segmentation to easily serve and study appropriate corresponding operation methods

In the future, along with the development of science and technology, to response timely to changes in consumer tastes, the Company will focus more on researching new management methods to optimize resources. After equitization, to maintain and develop, raise its position in an increasingly fierce competitive market, will be a big challenge for the company. At the same time, this is also an opportunity for the Company to change its

operating model to expand the scope of operations and business and production areas, improve the overall operational efficiency of the Company.

e. Status of product/service quality inspection

Tea production, processing and preservation techniques are activities that require a high standard of quality control. Recognizing the importance of this impacting its ability to survive and develop in the future, the Company always focuses on investment in human resources, methods and support tools to ensure the best quality. With a team of qualified and capable professionals. The company always ensures standards of processing facilities, food safety and hygiene conditions in agricultural production; Provisions on traceability of agricultural and forestry products and national standards for agricultural products, including tea.

g. Marketing activities

The prestige and image of Nghe An Tea Development Investment Co., Ltd. were built mainly thanks to the quality of products and services provided by the Company and its experience in the past years. In addition, the Company has built its own website (www.ngheantea.com.vn) to promote its products and introduce its store chain to the community through the Internet. In addition, the company participates in NgheAn Trade Fair annually, world tea fairs held in India, introduces tea products to international guests.

h. Trademark, patent registration and copyright

Currently, the Company is using collective mark Nghe An tea of which the National Office of Intellectual Property granted a certificate of protection of collective marks to the Nghe An Tea Production and Trading Association, and at the same time had a technical process of production, processing, labeling and regulations on the use of labels.

The collective mark Nghe An tea contributes to improving the value, reputation and competitiveness in the market for tea products and bring high profit value to the producers.

Image of collective mark:



Meaning of logos: The mark was designed based on the most particular properties of the product. The logo mark is displayed on a circle with surrounding jagged lines, symbol of quality certification stamp for the purpose of commitment to and affirmation of the standard quality of branded products. The blue sawtooth section represents Lam river of Nghe An. The inside edge of the circle is light green, representing the vitality of the tea bud. The white text represents the name of the product in Vietnamese and English (Chè – Tea) and the name of the province “NghệAn”. In the middle of the circle is a cup of tea, which is stylized and has a yellow-green color like the color of tea.

The harmonious combination of 3 main colors which are Green, Yellow and White creates a certain contrast to help the brand stand out.

i. Major contracts currently being performed or have been signed

The main market of the Company is producing and exporting tea products. Currently, the Company mainly maintains a number of export contracts of black tea and green tea products to markets such as: England, Middle East, Russia, China, Taiwan, Pakistan, ... In addition, some of the Company’s products are distributed for domestic consumption.

8.2. Financial situation and results of production and business activities in the 3 years before equitization:

Table 10: Financial situation and results of production and business activities in the period 2017 - 2019

2017-2019				
Item	Unit	2017	2018	2019
1. Total value of assets	<i>Million dong</i>	54,418	56,540	54,429
2. State capital according to accounting books	<i>Million dong</i>	21,526	21,526	18,231
3. Short-term debt	<i>Million dong</i>	16,148	19,492	22,436

In which, overdue debt	<i>Million dongs</i>	0	0	0
4. Long-term debt	<i>Million dongs</i>	7,252	4,146	5,283
In which, overdue debt	<i>Million dongs</i>	0	0	0
5. Doubtful debts	<i>Million dongs</i>	0	0	0
6. Total of employees	<i>Person</i>	870	870	591
7. Total payroll	<i>Million dongs</i>	29,754	36,540	27,658
8. Average income 1 person/month	<i>Million dongs</i>	2,850	3,500	3,900
9. Total revenues	<i>Million dongs</i>	57,764	52,633	32,659
10. Total expenses	<i>Million dongs</i>	57,464	52,333	34,216
11. Operating profit	<i>Million dongs</i>	300	301	(1,558)
12. Profit after tax	<i>Million dongs</i>	240	241	(1,558)
13. Ratio of profit after tax/state capital	%	1.21	1.22	-

(Source: Audited financial statements for 2017, 2018, 2019 of the Company)

8.3. Factors affecting the company's production and business activities

- Advantages:

The company received the attention and direction of the party committees and all levels & fields. Many guidelines and policies of the Party and the State have created favorable conditions, creating a driving force to promote PB activities of the company to be more active, positive and effective.

The leadership team of the company is always enthusiastic, focusing their intelligence, competence, leadership for the development of the company and the lives of employees in the company. The collective of officials and employees in the company always unite and unify their will and action in implementing PB tasks.

Tea is identified as the main industrial crop of NgheAn province. Therefore, in order to develop the potential of this plant, all levels and fields, especially the Department of Agriculture and Rural Development of NgheAn province, pay special attention and promulgate a full range of processes from tea growing, tending, harvesting and processing and supporting policies to develop tea production and processing industry. This is a favorable condition for the Company to continue to develop its main business activities after equitization.

NgheAn tea is gradually becoming a strong brand, building a reputation not only within the domestic market but also asserting its quality in foreign markets. In particular, the black tea product of NgheAn soon penetrated into the international market and was well received. Along with the simultaneous investment, linking processing with

developing tea areas, enhancing the transfer of scientific and technological advances will help the Company develop more strongly in the future.

Drawbacks:

- Regarding operational mechanism: The company is now a State-owned enterprise operating limitedly under the market mechanism. Especially in an integration economy, the current form of operation will restrict the development of the Company.

- **Regarding competitiveness:** “CheNgheAn” product is mainly produced for export to the international market and has not been focused much on the domestic market. Therefore, the competitiveness for domestic market of “CheNgheAn” brand is not high, domestic consumer products are not diversified, abundant and widely disseminated to consumers.

- **Regarding science and technology application:** In recent years, despite the successes in building the brand “CheNgheAn”, the quality remains a matter of concern. Some products only stop at raw materials, then are sold to major tea producers around the world. Machines for tea picking are not inadequate to serve the Company’s capacity, tea growers lack knowledge about techniques of picking and tending of tea picked by machines. In some areas, people harvest unscientifically, resulting in unevenly developed tea, fresh tea buds not meeting standards. In some areas, many households harvest tea buds that are too long, leading to low purchasing prices and difficult processing. Therefore, the potential of the tea region of NgheAn has not been fully unlocked.

- **About natural conditions:** Weather conditions bring many difficulties for tea cultivation in Nghe An. In 2015, NgheAn had more than 1,200 ha of tea withered due to the hot dry western winds and prolonged drought. The prolonged hot weather together with many shortcomings of the transport and irrigation system serving the tea area have affected the input materials for the production and processing of tea products of the Company.

9. Position of the company compared to other enterprises in the same industry

Position of the Company in the industry:

Nghe An Tea Development Investment Co., Ltd. is a state-owned enterprise with a lot of experience and prestige in the field. The Company is a large tea producer in NgheAn province, with 8 processing factories directly in tea areas in the whole province. The company is a big member of NgheAn Tea Production and Trading Association and Vietnam Tea Association. In terms of charter capital, technology level, human resource level and tea garden area, the Company has a large scale compared to other enterprises in the tea industry in the country.

Industry development prospects

In recent years, Vietnamese tea enterprises have many advantages in the export market as well as the domestic market. Along with that, many preferential policies of the state for the agricultural sector in general and the tea industry in particular. Tea market tends to receive clean, high-class product lines.

Vietnam is the 7th largest tea producer and the 5th largest tea exporter in the world, with 124,000 hectares of tea growing area and more than 500 tea production and processing establishments with a capacity of over 500,000 tons of dry tea per year. It is forecasted that the global demand for tea is increasing, making Vietnam's tea exports more promising in the near future. These are positive signals that have a positive impact on the Company's export activities in the coming years.

At the 5th Sustainable Tea Industry Conference held by the Steering Committee for Tea Industry Development in collaboration with the Ministry of Agriculture – Rural Development and Vietnam Tea Association in Hanoi, one of the main objectives of the Vietnamese tea industry is to continue to promote enterprises and producers to participate in a sustainable and quality tea supply value chain. In addition, Vietnam Tea Association will build and apply a plant protection model, to help factories control the use of pesticide in tea growing areas; at the same time, regularly update changes in regulations on pesticide residues in major markets and issues related to agricultural techniques. With the policies and efforts of all levels and sectors in supporting the tea industry to develop sustainably, it is forecast in the future that this will be a big step to help tea producing enterprises in the whole country, including Nghe An Tea Development Investment Co., Ltd., having the opportunity to develop and expand production and business activities in the future.

- Assess the compatibility of the company's development orientation with the industry's orientation, the State's policies, and the general trend in the world

On September 30, 2015, the Prime Minister issued Decision no. 1684/QĐ-TTg approving the international economic integration strategy for agriculture and rural development by 2030, including general solutions to promote tea market development.

At the level of NgheAn provincial departments, on December 24, 2013, the People's Committee of Nghe An province issued Decision 6290/QĐ-UBND on approving the adjustment and supplement the planning of industrial tea region development in Nghe An province for the period of 2013 – 2020, with the following planning objectives:

+ General objectives:

On the basis of exploiting the advantages of the region, reasonably and effectively using and exploiting the land fund to develop concentrated tea areas in association with

preserving, processing and consuming products according to the value chain in order to improve the quality and added value of tea products. Push

Promoting joint ventures and links between tea producers and enterprises from planting, tending, harvesting and consuming products to managing material areas.

Forming and building a contingent of cadres, technical workers, skilled production workers, at the same time, gradually changing the traditional production thinking and custom to the direction of goods production. Applying sustainable intensive farming methods, promoting application of science and technology, especially advanced technology to increase productivity, quality and production efficiency.

Focusing on developing post-harvest technology in a modern way, to reduce post-harvest losses and improve the added value of tea products.

Associating the development of industrial areas with the development and transformation of rural economic structure, thereby contributing to building a new countryside in the area.

+ Specific objectives: By 2020, the total tea area will be 12,000 ha, the area of tea for business will be 12,000 ha, the output will be 130 quintals/ha, the production of fresh buds will be 156,000 tons, equivalent to 31,200 tons of dried buds.

Besides, Nghe An Department of Agriculture and Rural Development, Nghe An Tea Production and Trading Association has built production processes, processing and packaging standards to create consistency and ensuring quality of Nghe An tea brand ... the development policies of the Company always follow closely, in accordance with the regulations and objectives issued by competent authorities. Thus, not only is the volume ensured but also the quality of the Company's products will always achieve high efficiency.

10. Investment plan and development strategy of the company after equitization

a. Some key information about investment plan and business development strategy after equitization

Objectives:

- Build into a stronger and more effective joint stock company model on the basis of rational use of human resources;
- Improving corporate governance capacity, higher links in finance, technology and market.
- Build and develop good products and services with higher competitiveness.
- Build a team of good management, sales and experts.
- Develop and improve the operational efficiency of the company. Promote business development, maximize the potential of machinery, equipment and labor resources to improve productivity and quality.

- Improve the existing production and business capacity and open up many types of service businesses to stabilize the economy, create jobs and increase incomes for officials and employees. Continue to bring the business to stable and sustainable development
- Stabilize and rearrange the organizational apparatus, rearrange labor in order to save management costs and improve labor productivity.
- Concentrate on intensive farming to increase productivity and output of the Company's raw material areas. Exploit and expand raw material areas outside the region to increase processing output.
- Introduce new varieties with high yield and good quality that have been tested to replace the degraded perennial tea gardens.
- Supplement modern technologies, maintain equipment lines to serve production to increase labor productivity, mechanize stages on the line.
- Organize production and business, strive to increase output 10-12% over the same period.
- Revenue increased by 10-15% over the same period.

Orientation:

The Company provides the basic orientations for the Company's development strategy after officially switching to the joint stock company model as follows:

- Continue to maintain and develop traditional markets, gradually expand production and business industries, focus on a number of markets with high quality and high selling prices;
- Produce in the direction of high technology, focus on investment to plan good sources of raw materials;
- Improving production capacity, satisfying as much as possible the needs of partners. Through investment cooperation, improving management level and changing production technology.
- Focus on high-quality workforce, streamline and reorganize the lean apparatus, train new and re-train the workforce. Apply information technology to reasonable operation and management, in order to improve the working environment to increase labor productivity.
- Reorganize production from the Company to the Enterprises in the direction of close linkage between processing factories and production households in the product value chain in order to create motivation to improve quality and efficiency.
- Innovate technology, diversify products towards modernity to meet the international market;
- Diversify domestic products.

b. The system of main economic indicators of the production and business plan in the 3 consecutive years after equitization:

Table 11: Some basic planning targets after equitization

Item	Unit	2021	2022	2023
2. “Charter capital”	Million dongs	34,155.55	34,155.55	34,155.55
3. Total of employees	Person	599	610	625
4. Total payroll	Million dongs	28,033	29,280	33,750
5. Average income 1 person/month	Million dongs	3,900	4,000	4,500
6. Total revenues	Million dongs	63,800	70,250	78,700
7. Total expenses	Million dongs	63,500	69,900	78,300
8. Operating profit	Million dongs	300	350	400
9. Dividend rate	%	-	-	-

(Source: NgheAn Tea Development Investment Co., Ltd.)

11. CHARTER CAPITAL AND STRUCTURE OF CHARTER CAPITAL

a. “Charter capital”

The expected charter capital of the Joint-stock company is: VND 34,155,550,000 (*In words: Thirty-four billion, one hundred and fifty-five million, five hundred and fifty thousand Vietnam dongs*).

Par value: VND 10,000/share - Total number of shares: 3,415,555 shares

In which, the charter capital structure is as follows:

- Value of shares held by the State: VND 17,419,330,000, accounting for 51.00%
- Value of shares sold preferentially to employees: VND 4,952,560,000, accounting for 14.50%
- Value of shares sold to trade union at enterprise: 0 shares
- Value of shares sold to strategic investors: VND 4,952,550,000, accounting for 14.50%
- Value of shares at public auction for ordinary investors: VND 6,831,110,000, accounting for 20.00%

b. Plan to increase or decrease charter capital after converting into a joint stock company:

None.

12. Expected risks:

a. Economic risks

With the main activity being producing and consuming products made from tea in both domestic and international markets, the impact of macroeconomic factors plays an important role in the company’s growth process. Having macroeconomic stability,

especially controlling inflation, stabilizing new value of money, creates favorable conditions to maintain order and promote investment, production, business and consumption, thereby promoting economic growth. Operational efficiency and business prospects require enterprises to adapt promptly to the fluctuation of factors from the business environment. A concrete example of the impact of inflation on the export of enterprises is: when inflation increases, the price of domestic goods will be pushed up, reducing the competitiveness of domestic firms against foreign firms, thereby affecting the export of goods. Economic risk is defined as the type of systematic risk created by macro factors, in which the basic factors affecting business operations are i) economic and industry growth; ii) inflation rate and iii) interest rate. Analysis of macroeconomic environment to anticipate the impact of risk factors on growth strategy and ensure the operation of business model.

b. Legal risk:

The mechanisms, supporting policies, agricultural development encouraging incentives, tax incentives, ... for businesses consuming agricultural products when there is a change will directly affect the business operations of Company.

The stability and consistency of the legal system will affect the PB activities of the Company as well as other companies. It is a legal risk in a systemic aspect, affecting most companies regulated by the law. Such change can bring advantages but can also create disadvantages for operations of the Company. However, with the general development trend of the economy, the Government is also gradually improving the legal system, creating more openness of administrative procedures to serve the increasing needs of society.

The ability to manage and control business operations is one of the important factors contributing to limiting legal risks. Along with the development process, the Company will continue to have mechanisms to monitor, update and adjust to have the best adaptation to changes in the legal environment.

c. Specific risks:

+ Market risk:

Market risk is the kind of risk that agricultural companies always face. Especially in the context of an increasingly strict tea market and increasingly fierce competition. When partners stop procuring and setting up strict barriers on food hygiene and safety or the market is unable to absorb fully due to excess supply will cause inventory surplus and stagnation. Meanwhile, the ability to grasp market demand to focus on promoting competitive products to build brands and create advantages to dominate the market of companies is still limited.

Risks of natural conditions

Production in the agricultural sector always faces risks posed by nature, affecting crops such as: abnormal weather changes, droughts, cold spells, ... When faced with severe weather conditions, crop failure may happen, affecting the input materials for production.

d. Risk of offering

After more than 25 years of establishment and operation, Vietnamese stock market has achieved some certain successes as the gradual increase of market size over the years. However, there are still many shortcomings such as the market size not corresponding with development potential, products are still poor, the knowledge of investors about the stock market is still limited, investors acting primarily by following the crowd, ...

With this current situation, Vietnam's stock market is in the adjustment phase due to negative impacts from the general economic decline. On the other hand, the psychology of investors is not really stable, waiting for more positive moves of the Government and signs of optimism from the economy, leading to the trading situation of stocks both on listing markets and OTC market not being very exciting. Therefore, offering shares to the public at this time will encounter some difficulties and certain disadvantages. However, the positive responses of the economy to the recent regulatory policies of the Government and the belief seem to be somewhat reclaimed where investors can promise a more vibrant return of the stock market in the near future.

According to Clause 3 Article 11 Decree 126/2017/ND-CP, within a maximum period of 90 days from the end of the public offering, the Company must complete the registration procedures for stock depositories at Vietnam Securities Depository and register for trading on UPCOM trading system. Therefore, the offering of shares of the Company will depend on the situation of the stock market situation at the time of the official auction, the psychology of investors as well as the attractiveness of the Company's shares. Therefore, there may be a risk of not selling all the shares intended for offering.

e. Other risks

In addition to the risk factors mentioned above, there are also risk factors of force majeure such as war or fire... These risks, if occurred, will cause many difficulties and greatly affect the production and business activities of the Company.

13. METHODS OF OFFERING AND PAYING SHARE PURCHASE

a. Selling method

- For employees:

- **Offering shares preferentially to employees and managers of the company according to their actual working time in the State sector**

Pursuant to the Decision No. 393/QD-UBND dated February 17, 2021 of the People's Committee of Nghe An province on approving the labor use plan when transferring Nghe An Tea Development Investment Company Limited into Joint Stock Company, Decision No. 2846/QD-UBND of the People's Committee of Nghe An province dated August 9, 2021 on the transfer of shares of employees that have not been fully purchased to a public auction when carrying out equitization of Nghe An Tea Development Investment Company Limited. Whereby:

Total number of : 182,350 shares equivalent to VND 1,823,500,000 in
shares purchased par value, accounting for 5.34% of the charter capital
according to actual of the Joint Stock Company
time working in the
state sector

Offered price : VND 6,000/share

Transfer limitation : 03 years from the time of payment of shares

Time to sell shares to : Before the public auction.

employees: Following the provisions in Point b Clause 1 Article 39 of Decree 126/2017/ND-CP dated November 16, 2017 of the Government and Clause 19, Article 1 of Decree 140/2020/ND-CP dated 30/11/2020.

- **Offering shares preferentially to employees and managers of the company according to the time of work committed at the joint stock company.**

Pursuant to the provisions of Clause 2, Article 42 of Decree No. 126/2017/ND-CP of the Government dated November 16, 2017, Clause 21, Article 1 of Decree No. 140/2020/ND-CP of the Government dated November 30 2020, Decision No. 393/QD-UBND dated February 17, 2021 of the People's Committee of Nghe An province on approving the labor use plan when transferring Nghe An Tea Development Investment Company Limited into Joint Stock Company; Decision No.../QD-UBND dated .../.../2021 of Nghe An Province People's Committee approving the equitization plan of Nghe An Tea Development Investment Company Limited into Joint Stock Company. Accordingly, the number of shares registered to buy additionally according to the time of work commitment at the Joint Stock Company of the employees:

- **Shares offered to contracted households:**

Pursuant to Point c, Clause 1, Article 42 of Decree 126/2017/ND-CP of the Government dated November 16, 2017, Clause 21, Article 1 of Decree No. 140/2020/ND-CP of the Government dated November 30, 2020, Decision No. 2306/QD-UBND dated July 6, 2021 of the People's Committee of Nghe An province approving the equitization plan of Nghe An Tea Development Investment and Development Company

Limited into Joint Stock Company, Decision No. 2846/QD-UBND of the People's Committee of Nghe An province dated August 9, 2021 on the transfer of shares of employees that have not been fully purchased to a public auction when carrying out equitization of Nghe An Tea Development Investment Company Limited. Whereby:

Total number of shares purchased according to actual contracting time with the company	:	202,100 shares equivalent to VND 2,021,000,000 in par value, accounting for 5.92% of the charter capital of the Joint Stock Company
Offered price	:	VND 6,000/share
Transfer limitation	:	03 years from the time of payment of shares
Time to sell shares to contracted households	:	Before the public auction.

Following the provisions in Point b Clause 1 Article 39 of Decree 126/2017/ND-CP dated November 16, 2017 of the Government and Clause 19, Article 1 of Decree 140/2020/ND-CP dated 30/11/2020.

- For trade union: 0 shares

- For strategic investors:

+ Pursuant to Decree 126/2017/ND-CP of the Government dated November 16, 2017

+ Pursuant to Decree No. 140/2020/ND-CP of the Government dated November 30, 2020

+ Pursuant to Circular 32/2021/TT-BTC of the Ministry of Finance dated May 17, 2021

+ Based on the scale of charter capital, nature of business lines and requirements for business expansion and development

+ Pursuant to Decision No. 2306/QD-UBND dated July 6, 2021 of Nghe An Province People's Committee approving the equitization plan of Nghe An Tea Development Investment Company Limited into Joint Stock Company.

+ Pursuant to the Decision No. 2845/QD-UBND dated August 9, 2021 of the People's Committee of Nghe An province on the results of the selection of strategic investor to participate in buying shares when equitizing Nghe An Tea Development Investment Company Limited;

Accordingly, the strategic investor that fully meets the criteria, approved by the People's Committee of Nghe An province is: Nghe An Sugar Limited Liability Company

- Address: Nghia Xuan commune, Quy Hop district, Nghe An province;

- Business registration certificate: Enterprise registration certificate first registered on June 30, 2008; registered for the 17th change on April 26, 2021;
- Number of shares subscribed: 495,255 shares

 **Criteria for selecting strategic investors**

- **General criteria:**

- Strategic investors are domestic investors and foreign investors with legal status as prescribed by law.
- Having a written commitment to join strategic shareholders in accordance with current regulations.

- **Specific criteria:**

1. *Regarding capacity, operational experience:*

Having ability and experience for at least 5 years in the following areas:

- Experience in organizing agricultural production according to chain linkage from production, processing and sales of products
- Having brands in the market; have the capacity and experience in deep processing of agricultural products and organizing the sales market

2. *Financial capacity:*

- Minimum equity (according to audited Financial Statements of 2020) of VND 500 billion or more.

- Results of production and business activities for 2 consecutive years (according to audited financial statements in 2019, 2020 and 2018) are profits, with no accumulated losses.

- No tax arrears, no arrears of social insurance; no overdue debt with credit institutions.

3. *Ensuring implementation of the following requirements:*

- Continuing to maintain the main business lines and trademarks of the equitized enterprise for at least 03 years from the time of official becoming a strategic investor.

- Not transferring the shares purchased within 03 years from the date the Joint Stock Company is granted the first Certificate of Enterprise Registration under the Enterprise Law.

- Sticking with the company for a long time and having a plan to support the company after equitization in the transfer of new technologies; human resource training; financial capacity improvement; corporate governance; supply of raw materials; investing in deep processing and developing consumer products market.

- Not performing transactions that affect production and business activities of the Company

- Performing compensation obligation when violating the commitment signed with the compensation level determined according to the actual damage and the disposal right of the State for the entire number of shares purchased by the strategic investor.

• **Information on offering shares to strategic investors is as follows:**

Number of strategic investors eligible to buy shares	:	Unlimited number of investors
Number of shares offered to strategic investors	:	495,255 shares equivalent to VND 4,952,550,000 in par value, accounting for 14.50% of the charter capital of the Joint Stock Company
Par value	:	10,000 VND/share
Offered price of shares	:	In accordance with Clause 4 Article 4 Circular no. 32/2021/TT-BTC dated May 17, 2021. (Selling price not less than: Average successful bid price of the public auction/Price agreed with the Investor to buy shares in case the public auction has only one investor registered to buy shares/Starting price point of the public auction in case the public auction fails)
Deposit	:	20% of the value of the shares registered to buy decided by Nghe An Provincial PC in the equitization plan within 05 working days from the expiry date of registration for strategic investors to buy shares.
Selling method	:	Comply with the provisions of Article 6 of Decree 126/2017/ND-CP dated November 16, 2017 Sale of agreement between the Steering Committee for Equitization and a strategic investor at the Department of Agriculture and Rural Development of Nghe An province - No. 129, Le Hong Phong, Vinh City, Nghe An province

Transfer limitation : 03 years from the date the Company was granted the first Business Registration Certificate operating under the Enterprise Law

❖ In case the strategic Investor does not register to buy all the shares expected to be offered for sale:

Remaining number of shares (Difference between the number of shares expected to be sold to strategic investors according to the approved equitization plan and the total number of shares registered for purchase by strategic investors), the Steering Committee shall report to the Provincial People's Committee to decide to adjust the equitization plan, convert these shares into shares for public auction.

- For investors participating in the auction:

Pursuant to Decision No. 2306/QĐ-UBND dated July 6, 2021 of Nghe An Province People's Committee approving the equitization plan of Nghe An Tea Development Investment Company Limited into Joint Stock Company, Decision No. 2846/QĐ-UBND of the People's Committee of Nghe An province dated August 9, 2021 on the transfer of shares of employees that have not been fully purchased to a public auction when carrying out equitization of Nghe An Tea Development Investment Company Limited.

Total shares auctioned : **793,917** shares (*equivalent to VND 7,939,170,000, accounting for 23.24% of the estimated charter capital of the Joint Stock Company*)

Starting price: : **VND 25,708/share**

Selling method : Public auction for domestic and foreign individuals and organizations as prescribed by law.

Consulting unit to develop auction documents : **Royal International Securities Joint Stock Company**
12th floor, CDC building, no. 25 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung, Hanoi

Organization of auction : **Royal International Securities Joint Stock Company**

+ *In case the number of shares to be auctioned at par value is less than VND 10 billion* : Address: 12th floor, CDC building, no. 25 Le Dai Hanh, Le Dai Hanh Ward, Hai Ba Trung, Hanoi

+ *In case the number of shares to be auctioned at par value is VND 10 billion or more (*)* : **Hanoi Stock Exchange**
Address: No. 02, Phan Chu Trinh, Hoan Kiem, Hanoi

Bidding time : Expected in Quarter II-III/2021
Bidding participants : Domestic and foreign individual and institutional investors in accordance with the law (*According to Article 6 Decree 126/2017/ND-CP dated November 16, 2017 of the Government*).

(*) In case the remaining shares are transferred by strategic Investors or employees who do not register to buy all of them according to the approved share plan, they will be converted into shares for public auction, leading the number of shares to be auctioned at par value of VND 10 billion or more, the auction shall be organized through the Hanoi Stock Exchange.

In case no investor registers to buy shares or only 01 investor registers to buy shares but then he does not buy; After the public auction, all winning investors in the public auction refuse to buy; The number of shares not sold out is as prescribed at Points a, b, Clause 6, Article 37 of Decree No. 126/2017/ND-CP, as amended and supplemented by Clause 19, Article 1 of Decree No. 140/2020/ND-CP, the Steering Committee sells shares to strategic investors, and at the same time carries out the following procedures: In order to convert an enterprise into a joint stock company, the number of unsold shares will be adjusted to the charter capital and the charter capital structure.

b. Payment method and payment term:

- For employees and contracted households: According to the announcement of the proceeds of sale of shares to employees and contracted households of Nghe An Tea Development Investment Co., Ltd.).

- For successful strategic investors in bidding/negotiation: According to the announcement of the Equitization Steering Committee (for the negotiation method) or the Regulation on share auction between strategic investors issued by the Hanoi Stock Exchange.

- For successful bidders (IPO): According to the Regulation on initial public offering of Nghe An Tea Development Investment Co., Ltd. issued by Royal International Securities Joint Stock Company.

14. PLAN FOR USE OF PROCEEDS FROM EQUITIZATION

On the basis of the actual value of the state capital in the enterprise, the State's capital contribution rate in the joint-stock company, Decision No. 2846/QD-UBND of the People's Committee of Nghe An province dated August 9, 2021 on the transfer of shares of employees that have not been fully purchased to a public auction when carrying out equitization of Nghe An Tea Development Investment Company Limited. Nghe An Tea Development Investment Company Limited plans to use the proceeds from selling shares,

temporarily calculated according to the plan assuming that all shares are auctioned to the outside, sold shares to strategic investors are sold out with a starting price of VND 25,708/share. Details are as follows:

Table 12: Plan for use of proceeds from the offering of shares

Item	Note	Number of shares	Price	Value (VND)
Book value of State capital	(1)			17,419,326,760
Book value of State capital, rounded	(2)	1,741,933		17,419,330,000
Share capital issued additionally	(3)	1,673,622		16,736,220,000
Charter capital of Joint Stock Company	(4) = (2) + (3)	3,415,555		34,155,550,000
Proceeds from equitization	(5) = (6) + (7) + (8) -	1,673,622		35,448,733,776
Sold to Employees	(6) = (6.1) + (6.2) + (6.3) -	384,450		2,306,700,000
- Sold preferentially according to actual working time in the State sector	(6.1)	182,350	6,000	1,094,100,000
- Sold according to years of work commitment at the Joint Stock Company	(6.2)	0	0	0
Sold to contracted households	(6.3)	202,100	6,000	1,212,600,000
Sold to union	(7)	0	0	0
Sold to Strategic investors	(8)	495,255	25,708	12,732,015,540
Initial Public Offering	(9)	793,917	25,708	20,410,018,236
Difference between State Capital and rounded State Capital	(10) = (1) – (2)			(3,240)
Equitization costs	(11)			666,500,000
Expenses for settlement of redundant labor policies	(12)			420,527,500

Item	Note	Number of shares	Price	Value (VND)
Amount retained in the JSC (*)	(13) = (3) + (11) + (12) - (10)			17,823,250,740
Amount transferred to the Enterprise Arrangement Support Fund	(14) = (5) – (13)			17,625,483,036

(Source: NgheAn Tea Development Investment Co., Ltd.)

15. PEOPLE MAINLY RESPONSIBLE FOR THE INFORMATION CONTENTS OF EQUITIZED ENTERPRISE

a. Equitization Steering Committee of NgheAn Tea Development Investment Co., Ltd.

Mr. Nguyen Van De - Director of Nghe An Department of Agriculture and Agricultural Development, Head of the Steering Committee for Equitization of Nghe An Tea Development Investment Company Limited.

We undertake that the information and data in this information disclosure are truthful and consistent with the reality of the enterprise in the Equitization Plan approved by NgheAn Provincial People’s Committee.

b. Nghe An Tea Development Investment Co., Ltd.)

Mr. Ho Viet An – General Director of Nghe An Tea Development Investment Co., Ltd.

We take full responsibility for ensuring that the information and data in this Information Disclosure are completely truthful, consistent with reality, and fully in accordance with the provisions of law on equitization to Investors can evaluate the assets, operations, financial position and results, development prospects of Nghe An Tea Development Investment Company Limited. This Information Disclosure is for reference only, investors should refer to other relevant documents before deciding to register to buy shares.

REPRESENTATIVE OF EQUITIZED ENTERPRISE
GENERAL DIRECTOR
(Signed and sealed)

REPRESENTATIVE OF STEERING COMMITTEE OF EQUITIZATION
HEAD OF BOARD
(Signed and sealed)

Ho Viet An

**Nguyen Van De
DIRECTOR OF NGHE AN
PROVINCIAL DEPARTMENT OF
AGRICULTURE AND RURAL
DEVELOPMENT**