

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

PROSPECTUS

INITIAL PUBLIC OFFERING

BIEN HO TEA LIMITED COMPANY

 HOSE	THE AUCTIONEER HO CHI MINH STOCK EXCHANGE Address: No. 16 Vo Van Kiet, District 1, Ho Chi Minh City Tel: (84-8) 38 217 713 Fax: (84-8) 38 217 452
	THE ISSUER BIEN HO TEA LIMITED COMPANY Address: Village No.5, Nghia Hung Commune, Chur Pah District, Gia Lai Province Tel: 0269 3845571 Fax: 0269 3822847
	THE FINANCIAL ADVISOR AGRIBANK SECURITIES JOINT STOCK CORPORATION – DA NANG BRANCH Address : Agribank Building, 228 Street 2/9, Hai Chau, Da Nang Tel: 0236.3671666 Fax: 0236.3621893

May of 2018

UBND TỈNH GIA LAI
CÔNG TY TNHH MTV
CHÈ BIỂN HỒ
Số 49/ TT-CTC

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc Lập – Tự Do – Hạnh Phúc

*" Về việc phê duyệt Bản công bố thông tin
của Công ty TNHH MTV Chè Biển Hồ
để làm hồ sơ bán đấu giá cổ phần lần đầu
(Bản tiếng Anh)"*

Chư pǎh, ngày 26 tháng 6 năm 2018

Kính gửi:

- Ủy ban nhân dân tỉnh Gia Lai;
- Ban chỉ đạo cổ phần hóa DNNN tỉnh;

Căn cứ Nghị định số 126/2017/NĐ-CP ngày 16/11/2017 của Chính phủ về chuyển doanh nghiệp nhà nước và công ty trách nhiệm hữu hạn một thành viên do nhà nước đầu tư 100% vốn điều lệ thành công ty cổ phần;

Căn cứ Thông tư số 40/2018/TT-BTC ngày 04/05/2018 Hướng dẫn bán cổ phần lần đầu và quản lý, sử dụng tiền thu từ cổ phần hóa của doanh nghiệp Nhà nước và công ty trách nhiệm hữu hạn một thành viên do doanh nghiệp Nhà nước đầu tư 100% vốn điều lệ chuyển thành công ty cổ phần (có hiệu lực từ ngày 18/6/2018);

Căn cứ Bản công bố thông tin bán đấu giá cổ phần lần đầu Công ty TNHH MTV Chè Biển Hồ (bản tiếng Việt) đã phê duyệt ngày 30/5/2018;

Công ty TNHH MTV Chè Biển Hồ đã phối hợp với đơn vị tư vấn đã hoàn chỉnh Bản công bố thông tin bán đấu giá cổ phần lần đầu Công ty TNHH MTV Chè Biển Hồ (bản tiếng Anh) bổ sung hồ sơ phù hợp với Điểm b, Khoản 3 Điều 7 (Phương thức đấu giá công khai): *"...Đối với doanh nghiệp bán đấu giá cổ phần tại Sở giao dịch chứng khoán, khi công bố thông tin theo phụ lục 2 kèm theo Thông tư này phải bao gồm cả tiếng Anh"*.

Công ty TNHH MTV Chè Biển Hồ kính trình Ủy ban nhân dân tỉnh, Ban chỉ đạo cổ phần hóa DNNN tỉnh phê duyệt bản công bố thông tin tiếng Anh với những nội dung Thông tin về đợt bán đấu giá cổ phần lần đầu như bản Công bố thông tin tiếng Việt đã phê duyệt.

Rất mong sự quan tâm, chấp thuận và phê duyệt của Ủy ban nhân dân tỉnh Gia Lai, Ban chuyển đổi doanh nghiệp Nhà nước tỉnh Gia Lai, tạo điều kiện thuận lợi cho đơn vị hoàn thành nhiệm vụ cổ phần hóa theo lộ trình đã đề ra.

(Kèm theo Bản công bố thông tin tiếng Anh)

Trân trọng kính trình./.

Nơi nhận:

- Như trên
- Lưu VT



Lâm Thị Hòa

TABLE OF CONTENTS

I. THE INITIAL PUBLIC OFFERING	4
1. THE ISSUER	4
2. Shares offered for auction	4
3. Information on organizations registering to purchase shares	4
II. LEGAL BASIS	5
III. OFFICERS RESPONSIBLE FOR PROSPECTUS CONTENT	6
IV. CONCEPTS AND ABBREVIATIONS USED IN THIS PROSPECTUS	7
V. INFORMATION OF EQUITIZED ENTERPRISE	7
1. Introduction of Company	7
3. Business line	9
4. Organization structure	11
5. Main products and services of company	15
6. Employee situation when converting to joint-stock company	15
7. Value of the enterprise as of 30/06/2017	16
8. Main assets of the enterprise	19
9. The situation and results of production and business activities in the 3 years before equitization	23
10. Position of the Company in comparison with other enterprises in the same industry	33
VI. POST-IPO STRATEGIC DIRECTION	35
1. Name and business lines of Joint Stock Company	35
2. Business lines	35
3. The organizational structure, management, operation and supervision of the Joint Stock Company	35
4. POST-EQUITIZATION BUSINESS PLAN	40
5. Charter capital and charter capital structure of Joint Stock Company V	43
6. Commitment of the Company after equitisation	44
VII. INFORMATION RELATING TO THE OFFERING	44
VIII. USE OF PROCEEDS	50
IX. RISK FACTORS AFFECTING BUSINESS ACTIVITIES OF EQUITIZED ENTERPRISE	51
1. Economic risk	51
2. Legal risks	54
3. Sector specific risks	54
4. Risk of offering	55
5. Other risk	55

I. THE INITIAL PUBLIC OFFERING**1. THE ISSUER**

Name of Company	: Bien Ho Tea Limited Company
Address:	: Village No.5, Nghia Hung Commune, Chur Pah District, Gia Lai Province
Tel	: 0269 3845571
Fax	: 0269 3842106
Charter capital of Joint stock Company	: 89,356,430,000 VND
Par value	: 10,000 VND/share
Number of shares offered	: 8,935,643 Shares

In which:

- *The Government of Vietnam* : 0 share, accounting 0% charter capital
- *Shares offered to the company employees* : 521,800 shares, accounting 5,84% charter capital
- *Shares offered to strategic investor(s)* : 4,557,178 shares, accounting 51% charter capital
- *Shares offered in the initial public offering* : 3,856,665 shares, accounting 43,16% charter capital

2. Shares offered for auction

Number of shares offered for auction	: 3.856.665 shares, accounting 43,16% charter capital
Class of shares	: Common stock
Allocation method	: Sell initial shares of 100% State-owned enterprises to the public through the auction method through intermediary organizations
Starting price	: 12.000 VND/share
Minimum bidding volume	: 100 shares
Maximum bidding volume	: 3.856.665 shares

3. Information on organizations registering to purchase shares

Location for getting information, subscription Form, deposit, auction form:
According to the Auction Regulation of BIEN HO TEA LIMITED COMPANY issued by HO CHI MINH STOCK EXCHANGE

II. LEGAL BASIS

- The Law on Enterprises, No. 68/2014/QH13 passed on November 26, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam
- Decree No. 126/2017/nd-cp dated November 16, 2017 on conversion from state-owned enterprises and single-member limited liability companies with 100% of charter capital invested by state-owned enterprises into Joint-Stock Companies;
- Decree No. 99/2012/NĐ-CP dated 15/11/2012 on the assignment and decentralization of the exercise of the rights and the performance of the responsibilities and obligations of the state owner toward state enterprises and state capital invested in enterprises;
- Circular No. 127/2014/TT-BTC dated 05/9/2014 on instructions on financial settlement and business valuation in transformation of wholly state-owned enterprises into joint-stock companies;
- Official Letter No. 5067/UBND-KTTH dated 24/12/2014 of the People's Committee of Gia Lai province on speeding up the arrangement and equitization of state owned enterprises in the province;
- Official Letter No. 93/SKHDT-DKKD dated 10/02/2015 of the Department of Planning and Investment – the standing body of Steering Committee for Equitization of State-owned Enterprises on guiding the process of transferring 100% State capital into Joint-Stock companies;
- Official Letter No. 2206/TTg-DMDN dated 03/12/2015 of the Prime Minister on the adjustment of the enterprise equitization plan under the People's Committee of Gia Lai province;
- Decision No. 806/QĐ-UBND dated 30/12/2014 of the People's Committee of Gia Lai province on the establishment of Steering Committee for equitization of state-owned enterprises in Gia Lai province;
- Decision No. 01/QĐ-BCĐCPH dated 08/01/2015 of the Steering Committee for Equitization of State Owned Enterprises on the establishment of a team to assist the Steering Committee for Equitization of State Enterprises in Gia Lai province;
- Pursuant to the Decision No. 744/QĐ-UBND dated 21/9/2017 of the People's Committee of Gia Lai Province on approving the Scheme on reorganization and renovation of Bien Ho Tea Limited Company;
- Pursuant to Decision No. 759/QĐ-UBND dated 26/10/2017 of the People's Committee of Gia Lai province on the approval of the land use plan after equitisation of Bien Ho Tea Limited Company at Nghia Hung Commune, Chư Pah District;
- Pursuant to Decision No. 966/QĐ-UBND dated 29/12/2017 of the People's Committee of Gia Lai Province on approval of the value of Bien Ho Tea Limited

Company of the People's Committee of Gia Lai Province on approval of the value of;

- Based on the labor use plan of Bien Ho Tea Limited Company approved by the People's Committee of Gia Lai Province dated 05/02/2018;
- Pursuant to Decision No.144/QĐ-UBND dated 09/04/2018 of the Provincial People's Committee on approving the equitization plan of Bien Ho Tea Limited Company.
- Contract on consultancy for equitization plan and organization of offering shares No. 12/2015/AgriSeco/TVDN dated 30/08/2015 between Bien Ho Tea Limited Company and Agribank Securities Joint Stock Corporation – Da Nang Branch.

III. OFFICERS RESPONSIBLE FOR PROSPECTUS CONTENT

1. Representative of Steering Committee for Equitization

Mr. Ho Phuoc Thanh

Title: Director of Department of Planning and Investment, Deputy Chief of Steering Committee for Equitization.

This Prospectus is prepared by Equitized enterprise and Financial Advisor and approved by Steering Committee for Equitization.

2. Equitized enterprise: BIEN HO TEA LIMITED COMPANY

Represented by Ms. Lam Thi Hoa Title: Vice Director

We ensure that the information and data contained in this Prospectus is consistent with the facts that we are aware of, or have investigated and reasonably collected so that investors can evaluate about the assets, financial situation and business prospects of Bien Ho Tea Limited Company before registering to participate in share auction.

3. Financial Advisor: AGRIBANK SECURITIES JOINT STOCK CORPORATION – DA NANG BRANCH

Mr. Hoang Anh

Title: Director of Branch

This Prospectus has been prepared by Agribank Securities Joint Stock Corporation – Da Nang Branch based on the consultancy contract with Bien Ho Tea Limited Company. We ensure that the analysis, evaluation and selection of the words on this Prospectus is made in a reasonable and prudent manner based on the information and data provided by Bien Ho Tea Limited Company.

IV. CONCEPTS AND ABBREVIATIONS USED IN THIS PROSPECTUS

Abbreviated words or phrases in this prospectus:

Company	:	Bien Ho Tea Limited Company
Equitized enterprise	:	Bien Ho Tea Limited Company
AGRISECO Da Nang	:	Agribank Securities Joint Stock Corporation – Da Nang Branch
The Financial Advisor	:	Agribank Securities Joint Stock Corporation – Da Nang Branch
CBNV	:	Employee
CTCP	:	Joint stock company
DTT	:	Net revenue
CP	:	Cost

V. INFORMATION OF EQUITIZED ENTERPRISE

1. Introduction of Company

- Name of Company in Vietnamese: **CÔNG TY TNHH MTV CHÈ BIÊN HÒ**
- Name of Company in English: **Bien Ho Tea Limited Company**
- Abbreviations: **BIEN HO TEA**
- Address: **Village No. 5, Hung Nghia Commune, Chu Pah, Gia Lai Province**
- Tel: **0269 3845571** Fax: **0269 3842106**
- Business Registration Certificate No.5900188843 Issued by Department of Planning and Investment of Gia Lai Province dated 28/08/1996, the first change dated 31/12/2010, the second change dated 22/02/2017

2. History of establishment and Development

Bien Ho Tea Limited Company, formerly known as Bien Ho tea Farm, was built by French in 1921. After the liberation of the South, on May 9, 1975, the representatives of the provincial revolutionary committee in Gia Lai signed documents handing over production facilities to the military for management, directly to the 773 brigade. When taken over, there are only: 534ha old tea trees. Mostly planted before 1930, the plant installed capacity of 13 tons of fresh tea buds a day with old equipment, backward. When the company was taken over, the name is Bien Ho tea farm.

Implementing the policy of superior on September 17, 1975 Bien Ho Tea farm was handed over from the brigade 331 - Military zone 5 - Ministry of National defense to the Ministry of foodstuff to manage

On March 7, 1980, the Ministry of Foodstuffs issued Decision No 1005 to establish the Bien Ho tea factory under the Vietnam Union of Tea Enterprises.

On July 14, 1980, the Government Council issued Decision No. 215/CP on reallocating to the Ministry of Defense the leadership and command of economic construction units (including Bien Ho Tea Factory).

On October 13, 1982, the Council of Ministers issued Decision No. 175/HDBT on the reallocation of units and production bases built by the military to the economic sectors under management (including the Bien Ho Tea Factory).

On July 1, 1988, the Chairman of the Council of Ministers issued Decision No 201/CP on the re-allocation of Bien Ho Tea Factory under the Ministry of Agriculture and Food Industry to the People's Committee of Gia Lai - Kon Tum province to manage (from then the enterprise is managed by locality)

On 22/12/1992, Chairman of People's Committee of Gia Lai Province issued Decision No. 51/QD-UB-TLL on the re-establishment of state owned enterprise, Bien Ho tea factory is under management of Gia Lai province.

On March 1st, 2007, Chairman of People's Committee of Gia Lai province issued Decision No. 16/QD-UB on renaming Bien Ho Tea Factory into Bien Ho Tea Company.

On 01/09/2010, Chairman of People's Committee of Gia Lai Province issued Decision No. 595/QD-UBND on approving the project of transforming Bien Ho Tea Company into Bien Ho Tea Limited Company and the charter of organization of Bien Ho Tea Gia Lai Company

Bien Ho Tea Limited Company has experienced over 40 years of construction and development. The staffs of the company have united over one another to overcome difficulties and challenges, determined to rise up with the spirit of active initiative, dare to think and do, in addition to the special attention of the People's Committee. Gia Lai province and departments and localities have created favorable conditions for the Party and government leaders of the company through the period of step up and has confirmed its position in the market mechanism. The life condition of employees and workers has a warm and happy life, creating more jobs for laborers, contributing to economic development and ensuring social security in the area where the company locates

Currently, the company has 351,3453 ha tea, the average yield is over 12 tons of fresh bud tea/ha, compared to 1988, the productivity in 2016 increased more than 6.5 times (1988: 2 tons/ha) . Especially there are households with productivity from 20 tons to 25 tons of fresh bud tea/ha. The area of coffee is 759,2504 ha, average productivity is 4 tons/ha. There are 6 - 8 tons/ha productivity

Up to now, although the size of the Company is not large, the asset value is not much, but the business organization is generally effective. Socio-economic has created many jobs for laborers and people in the commune and surrounding areas. In particular, there are 1,800 households, of which 164 are ethnic minorities

In the years 2003 - 2004, due to the product made are not in the market, the selling price was lower, the business was not profitable. However, especially from 2006 to now the company's leaders always use flexible creation and strategic planning for marketing for each product type, so all tea products produced are sold. The prices are both profitable. Through the inspection of the Department of Finance from 2006 to 2016, the company's financial is healthy, lawful - profit rate in 2017 reached the plan of the provincial People's Committee.

The tea product of company is produced and managed in accordance with international standards ISO 9001: 2008, ISO 14.000 and ISO 22.000 certified by the Ministry of Agriculture and Rural Development, certificate for Vietnam high quality and trade reputation product in 2008. Products Green tea exported to Afghanistan, Pakistan accounts for over 70% market share. Coffee products are certified to international standards coffee 4C.

The company has been recognized by the State, Government, Ministries and political organizations for many awards and prizes.

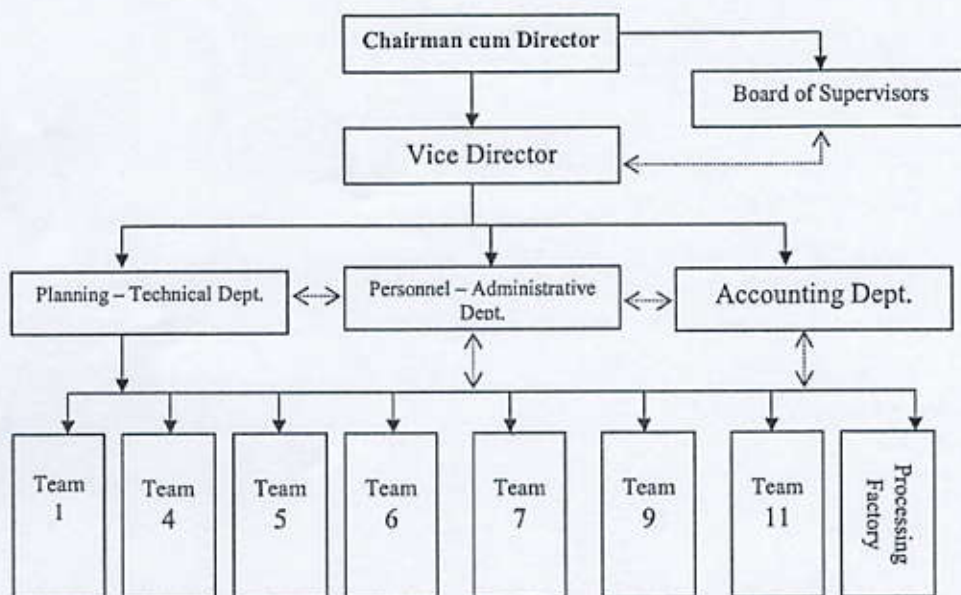
3. Business line

According to the Business Registration Certificate of Bien Ho Tea Limited Company issued by the Department of Planning and Investment of Gia Lai province for the first time dated 31/12/2010, the second change dated 22/02/2017, and the business lines of the company includes:

No.	Business lines	Code
1	Sales of foodstuff Details: import and export tea, coffee	4632 (Main)
2	Planting coffee trees	0126
3	Cultivation service activities	0161
4	Planting tea trees	0127
5	Other food production not yet classified Detail: Processing tea, coffee	1079
6	Wholesalers specializing in other business not yet classified Detail: - Sales of agricultural materials - Sales of pesticides	4669
7	Research and experimental development of natural sciences and technology Detail: Researching, developing, consulting and transferring models of application of scientific advances in the field of agriculture	7210
8	Restaurant and mobile service	5610

9	Other road passenger transport	4932
10	Wholesaling agricultural and forestry raw materials (except wood, bamboo and cork) and live animals. Detail: Sales of agricultural products (except latex)	4620

4. Organization structure

Organization chart

Note: —————> : Direct relation
 - - - - -> : Functional relation

Source: Bien Ho Tea Limited Company

4.1. Company office

The company is organized and operated under the model of one-member limited liability Company owned by the State. Management structure of the company is built based on the functions and tasks of the parts to ensure the organization structure, reasonable and suitable with the business activities of the company.

The management apparatus of the Company is composed of: 01 chairman cum director, 01 Vice Director, 01 supervisor and 3 professional Departments: Planning – Technical Department, Accounting Department, Personnel – Administration Department, and 07 production team and 01 tea - Coffee processing factory

4.1.1 Chairman cum director

The chairman cum director of the company shall be on behalf of the company owner to exercise the rights and obligations of the owner; to exercise the rights and obligations of the Company; to be responsible to the Company owner and the law for the exercise of their rights and duties.

The specific rights, obligations, tasks and working regulations of the Chairman cum Director of the Company towards the Company Owner shall be implemented in accordance with the provisions of the Charter of the Company and the relevant laws.

The chairman and director of the company shall be appointed by the company owner for a term of five years, it may be re-appointed or replaced.

4.1.2 Board of supervisory

Supervisor is on behalf of the owner of the Company to control all activities of the Company as well as supervising the managers and executives to ensure the interests of the company owner and the Company.

The Company has one Supervisor appointed by the company owner for a term of three years may be re-appointed or replaced.

4.1.3 Assistance team of Chairman cum director

Assistance team of Chairman cum director includes:

a) Deputy Director: Assisting the director is Vice director. The Vice Director is responsible to one or more field of operation of the Company as assigned by the Chairman and Director of the Company is responsible to the Chairman and Director of the Company and to the law for the assigned tasks and authorized field.

b) Professional departments of the company: professional department which have the function on advising the chairman and director of the company and the vice director in the management and administration of production and business, The assignment is assigned and is responsible to the chairman and director of the company and the law on the assigned tasks

The company has 3 professional departments as following:

- **Planning – Technical Department:** Help the Board of Directors to sign economic contracts, planning raw materials procurement and production plans, monitor the progress of production and business. Track sales channel and raw material supply.

- + Planning and organizing production and business plans.

- + Planning material purchase, capital construction, building and managing norms on technical and technical planning norms for production.

- + Monitoring assigned land funds, assets.

- + Statistics and reporting of required data.

- + Construction and management of projects, production development for life.

- + Selling products, goods, services, seeking market information and competitors.

- + Researching and developing new products, developing short and long term market plans.

- + Organizing advertising, introducing products.

- + Inspecting the implementation of the technical process of processing and standards of measurement and product quality.

- + Inspecting the quality of technical supplies exclusively used in tea production.

- + Advising the director on science and technology, technical solutions to improve product quality and business efficiency.

- **Personnel – Administrative Department:**

Performing the task of advising the director on the organization of personnel, management and archival of official documents, settlement of wage policies and the implementation of the State's policies and regimes.

- + To advise and assist the director of the company and organize the implementation of the work in the field of labor organization, management and arrangement of human resources, labor protection, policies and health care for the laborers according to the laws and regulations of the company

- + Inspecting, urging the parts of the company to strictly comply with rules and regulations of the company

- + Archiving and preserving records and images in the course of performing the functions and tasks of the rooms, managing records of officials and workers working in enterprises according to regulations.

- + Be the contact point for all company director information.

- + Organizing annual health checks, purchasing health insurance for officials and workers.

+ Managing the facilities, equipment and work of the business. Making a procurement plan for the equipment and submit to the Director for approval. Carrying out the inspection and inventory of assets and equipment of the company every year as prescribed.

+ Managing and coordinating cars for serving employees on business trips. Preparing facilities and organizing meetings, congresses, conferences, meetings ... Procurement of stationery for the business and production of enterprises

+ Standing, protecting agencies, facilities, factories, business offices, coordinating with local administrations and police in the protection of security, social order and safety.

- **Accounting Department:** It is responsible for the financial operations of the company to help the Board and departments in the company. To settle the arising economic operations and make financial statements according to the prescribed period.

+ To perform professional financial and accounting jobs in accordance with the State's regulations on accounting standards and accounting principles.

+ Advising the Board of Directors about the accounting regime and changes in the accounting regime in each period of business, advising on financial and accounting work.

+ Collecting and processing information related to economic and financial operations arising in the company.

+ Performing other functions as assigned by the Board of Directors

- **Production team:**

The company has 07 agricultural production units and 01 tea - coffee processing factory. As follows:

+ Agricultural units: producing tea and coffee, supplying raw materials, planning and supervising the cultivation and care of tea and coffee.

+ Tea and coffee processing factory: Responsible to the company's director in organizing the production and processing at the factory, organizing maintenance and repairing the system of factory machinery, purchasing raw materials in production teams. Main tasks: Producing dried tea and serve for production units such as electricity repair, water, machinery and other.

4.2 List of parent companies, Subsidiaries, Joint Ventures, associate companies and long term investment companies of the Company

- | | |
|---------------------------------|----------|
| - Parent companies: | Not have |
| - Subsidiaries: | Not have |
| - Associate companies: | Not have |
| - Owned company: | Not have |
| - Long term investment company: | Not have |

5. Main products and services of company

Based on the registered business lines, Bien Ho Tea Limited Liability Company is currently providing the following main products and services:

- Planting, tending, purchasing, processing tea for export;
- Planting, taking care of, purchasing coffee
- Trading in agricultural materials, agro-products and services of agricultural production, trading of pesticides;
- Researching, developing, consulting and transferring models of application and technical advancement to farmers in the province

6. Employee situation when converting to joint-stock company

The structure and level of Employee of the company after equitization

Up to the time of equitization, the total number of employees in the list of employees: 83 people

The total number of employees when converting to Joint Stock Company is: 70 People

Employee structure of the company after equitization

Contents	Quantity	Rate (%)
Total	70	100
As qualification		
- Graduate	0	0
- Undergraduate	16	22.8
- College, Intermediate, primary	10	14.3
- Other	44	62.9
As labor contract		
- Without labor contract	0	0
- Undefined term labor contract	51	72.9
- Labor contract with term 1-3 years	18	25.7
- Seasonal contract	1	1.4
As gender		
- Male	47	67,14
- Female	23	32,86

Source: Bien Ho Tea Limited Company

The human resources of the Company have the following strengths:

- The labor force of the company is relatively satisfying the requirements of skill, experience, and suitability with assigned work.
- The management staff of enterprises and managers are trained relatively well, have good skills and knowledge about the field of operation of the company.

- Most of the employees are dedicated to the company and have good sense of discipline and good work

7. Value of the enterprise as of 30/06/2017

According to Decision No. 966/QĐ-UBND dated 29/12/2017 of the provincial People's Committee on approving the value of Bien Ho tea Limited Company for equitisation, the value of the enterprise at the time of valuation of the equitized enterprise at 30/06/2017 is **98,469,868,497 VND** (*Ninety eight billion four hundred and sixty nine million eight hundred and sixty eight thousand four hundred and ninety seven*).

In which: The value of state capital in the enterprise is **89,356,423,910 VND** (*Eighty-nine billion, three hundred and fifty-six million, four hundred and twenty-three thousand, nine hundred and ten VND*).

The data according to the minutes of enterprise valuation as of 30/06/2017 is follows:

Results of enterprise valuation

Unit: VND

No.	Target	Book value	Consultancy Value	Valuation result
(1)	(2)	(3)	(4)	(5)
A	Fixed assets and long-term investment	29,894,542,326	82,573,282,892	98,469,868,497
I	Fixed assets	10,100,500,608	58,485,141,019	74,339,520,251
1	Tangible	9,893,573,472	58,036,911,883	73,889,223,115
a	Building & architectonic model	9,807,588,142	57,928,426,553	73,780,737,785
1.1	Equipment & machine	1,312,306,832	9,144,428,064	12,414,423,975,
1.2	Transportation & transmit instrument	1,577,833,030	2,008,962,075	2,142,943,330
1.3	Instruments & tools for management	1,839,766,406	2,094,769,294	2,249,365,493
1.4	Long term trees	36,034,191	36,034,191	36,034,191
1.5	Fixed assets and long-term investment	5,041,647,683	44,644,232,929	56,937,970,796
b	Intangible fixed assets	85,985,330	108,485,330	108,485,330
2	Long-term investment			
3	Construction in progress			

No.	Target	Book value	Consultancy Value	Valuation result
(1)	(2)	(3)	(4)	(5)
4	Long term collateral & deposit			
5	Long-term prepaid expenses	154,693,636	395,995,636	398,063,636
6	Long –term receivables	52,233,500	52,233,500	52,233,500
II	Current assets and short-term investment	47,791,666,994	48,141,233,642	48,699,127,377
1	Cash	3,945,956,400	3,947,090,548	3,947,090,548
1.1	Cash at hand	2,366,285,576	2,366,285,576	2,366,285,576
1.2	Deposit in bank	1,579,670,824	1,580,804,972	1,580,804,972
2	Long-term investment			
3	Receivables	9,714,925,011	9,714,925,479	9,714,925,479
3.1	Receivables from customers	5,117,000,075	5,117,000,075	5,117,000,075
3.2	Advance for suppliers	157,000,000	157,000,000	157,000,000
3.3	Internal Receivables			
3.4	Other receivables	4,440,924,936	4,440,925,404	4,440,925,404
3.5	Provision for bad receivables	(12,555,505)		
4	Raw materials, inventory	5,727,531,479	6,218,866,417	6,261,072,790
5	Other current assets	332,423,622	332,423,622	332,423,622
6	Non-business expenditures			
III	Goodwill (If any)		3,790,208,446	3,790,208,446
IV	Land use right value			
B	Non-utilized assets	14,696,373	14,696,373	0
I	Fixed assets and long-term investment			
1	Building & architectonic model			
1.1	Equipment & machine			

No.	Target	Book value	Consultancy Value	Valuation result
(1)	(2)	(3)	(4)	(5)
1.2	Transportation & transmit instrument			
1.3	Instruments & tools for management			
1.4	Long term trees			
1.5	Building & architectonic model			
2	Construction in progress			
II	Current assets and short-term investment	14,696,373	14,696,373	
1	Bad debts			
2	Inventory is stagnant, poor quality	14,696,373	14,696,373	
C	Liquidating fixed assets	27,510,000	27,510,000	0
I	Fixed assets and long-term assets			
II	Fixed assets	27,510,000	27,510,000	
1	Inventory is stagnant, poor quality	27,510,000	27,510,000	
D	Assets originating from employees' benefits fund			
	Total assets (A+B+C+D)	29,936,748,699	82,615,489,265	98,469,868,497
	In which: Actual assets under the company possession prior to the equitization (A)	29,894,542,326	82,573,282,892	98,469,868,497
EI	Actual Liabilities	9,113,444,587	11,620,349,066	9,113,444,587
	In which: Liabilities for newly obtained land use right payable to the			

No.	Target	Book value	Consultancy Value	Valuation result
(1)	(2)	(3)	(4)	(5)
	government			
E2	<i>Non-profit grant by the Government of Vietnam</i>			
	VALUATION RESULT OF THE GOVERNMENT OF VIETNAM'S EQUITY ENTERPRISE [A-(E1+E2+E3)]	20,781,097,739	70,952,933,826	89,356,423,910

(Source: Profile of Enterprise Evaluation of Bien Ho Tea Limited Company at 30/06/2017)

8. Main assets of the enterprise

8.1 Land use right:

❖ Land management and use at 31/12/2017:

Pursuant to the Decision No. 75/QĐ-UBND dated 12 March 2003 of the Chairman of the People's Committee of Gia Lai Province enclosed with the land lease contract No. 02/HĐTD dated 03/04/2003 and the Decision No. 08/QĐ-UBND dated 21 March 2003 January 01, 2014 by the Chairman of People's Committee of Gia Lai Province attached to Land Lease Contract No. 102/HĐTD dated 26/11/2014. The total area of land for the company to pay annually is: 1,193.6193 ha

Pursuant to Decision No. 95/QĐ-UBND dated 22/8/2014 and Decision No. 53/QĐ-UBND dated 04/05/2015 of Chairman of People's Committee of Gia Lai Province on land recovery to local authorities. : 0,178244 ha.

Total land area of the company managed and used up to 31/12/2017: 1,193,4411 ha, details are as follows:

No.	Type of land use	Area (ha)	Certificate	Using period
	Total land area (= 1+2)	1.193,4411		
1	Agricultural land	1,170,9386	Issued	To 2051
1.1	Land for perennial crops	1,110,5957		

No.	Type of land use	Area (ha)	Certificate	Using period
1.1.1	- Land for tea	351,3453		
1.1.2	- Land for coffee	759,2504		
1.2	Traffic land	60,3429		
2	Non-agricultural land	22,5025	Not Issued	25 years (From 01/01/1996)
2.1	Head office	0,364		
2.2	Processing factory	3,4787		
2.3	Irrigation, lake	18,6598		

❖ **Land use plan after equitization of the Company:**

Pursuant to Decision No. 759/QĐ-UBND dated 26/10/2017 of the People's Committee of Gia Lai Province on the approval of the land use plan after equitization of Bien Ho Tea Limited Company, land use after equitization of Bien Ho Tea Limited in Nghia Hung Commune, Chu Pah District Company is as follows:

No.	Type of land use	Land area proposed to retain to use (ha)	Number of household
1	Agricultural land, traffic land, forest	585,2614	1004
-	Agricultural land	550,2862	1004
	+ Land for tea	299,7266	502
	+ Land for coffee	250,5596	502
-	Traffic land	34,9752	-
2	Non-agricultural land	22,5025	-
	Total	607,7639	1004

In which:

- Agricultural - traffic – irrigation land: 5,852,614 ha are contracted to 1,004 households.

- Location

+ The East borders with: Village No. 3, Nghia Hung commune, Chu Pah district

+ The west borders with: Village No. 10, Nghia Hung commune, Chu Pah district

+ The south borders with: Yen The Ward, Pleiku Ward

+ The north borders with: Phu Hoa Town, Chu Pah District

o Land for perennial crops: 550,2862 ha

Area of land for tea, coffee plantations with assets on land with 100% state capital: 156,0082ha is assigned to 240 contracted households.

Including

+ Area of tea plantations: 144,6482 ha (214 household).

+ Area of land for planting Catimor coffee trees: 11,36 ha (26 household)

Area of land for planting tea, coffee in mode of joint venture and many forms: 394,278 hectares are contracted to 764 households

Including

+ Area associating for tea plantation in the form of both sides contribute capital (each side has different capital contribution ratio): 155,0784 ha (288 households).

+ Area associating for coffee plantation in the form of both sides contribute capital (each side has different capital contribution ratio): 193,5256 ha (425 households)

+ Area of coffee land planted in 1999 - Team 7 (invested by the company 25%): 5,624 ha (10 households).

+ Area associating for coffee plantation in the form of both sides contribute capital (each side has different capital contribution ratio): 4,6 ha (07 households)

+ Area associating with coffee company 331 (now is Vina Tay Nguyen coffee seed Joint stock Company) - the company invested 20%: 35.45 ha (34 households). (now transferred to Bien Ho Tea Company Limited).

After the equitization, The company must commit to continue using existing laborers using the land, the signed contracts remain unchanged and continue to be implemented in accordance with the approved plan, to create work for the laborers, to help them cultivate, to take care of the trees, to harvest the stable and create the most favorable conditions for the laborers to continue to be contracted to plant gardens and to fulfill their obligations towards the enterprise under the contract of delivery; At the same time, maintaining security, social and political stability in the area that company locates

o Land for traffic and irrigation on the field: 34,9752 ha is the area for traffic and irrigation on the field after subtracting the area of land traffic on the inner field to return to the local area.

- Non-agricultural land: 22,5025 ha

+ Land for headquarters and processing plant: 3,8427 ha

+ Irrigation, reservoir: 18,6598 ha

❖ Using plan for land delivered to locality to manage

No.	Explanation	Area (ha)	Number of households
	Total land area deliver to the locality (= 1+2)	585,6772	883
1	Agricultural land (=1.1+.12)	585,6772	883
1.1	Land for perennial crops	560,3095	883
1.1.1	Land for planting tea	51,6187	95
	Land for planting tea with 100% capital of households - planted in 1991-1998 (Initially, the company lent part of the loan, the plantation was interest paid)	51,6187	95
1.1.2	Land for planting coffee	508,6908	788
	Land for planting coffee under the Decree No. 01/CP (currently is Decree 135/CP)- 100% capital of household – planted in 1996-1998	384,7973	542
	Land for planting coffee - with 100% capital of household (Initially, the company lent part of the loan, the plantation was interest paid as bank rate (planted in 1996-1997))	123,8935	246
1.2	Land for traffic and irrigation on the field	25,3677	
2	Non-agricultural land	0	

In which

Agricultural land: 585,6772 ha assigned to 883 households, including:

- Land for perennial crops: 560,3095ha

In which

+ Area of agricultural land for planting tea trees:

With 100% capital of household – *planted in 1991-1998: 51,6187ha (95 households)*

Area of agricultural land for planting coffee trees:

- o The land area for planting coffee under Decree 01 (now Decree 135/CP), the company do not invest; Only technical advice, procedures for caring, land management, benefit management fees, agricultural land rent (100% invested by the household) – Planted in 1995-1996-1998: *384,7973ha (542 households)*.
- o The land area for planting coffee in 1996-1997 ((Initially, the company lent part of the loan, the plantation was interest paid as bank rate (planted in 1996-1997)): *123,8935ha (246 households)* .
- Land for traffic and irrigation on the field

Area for traffic and irrigation on the field is within the area of the company delivered to the locality: 25,3677ha

8.2 Fixed asset situation at 31/12/2017

As at 31/12/2017, the total remaining fixed assets used for production and business activities of the Company according to the accounting books are: 9,182,524,041 VND. As follows:

Unit: VND

Assets	Cost	Depreciated	Residual value
1. Tangible Fixed asset	27,933,190,542	18,823,865,189	9,109,325,353
- Building & architectonic model	5,503,414,095	4,344,848,437	1,158,565,658
- Equipment & machine	5,096,003,543	3,720,870,439	1,375,133,104
- Transportation & transmit instrument	5,853,582,216	4,091,615,083	1,761,967,133
- Instruments & tools for management	68,497,454	40,105,445	28,392,009
- Other fixed assets (Garden)	11,411,693,234	6,626,425,785	4,785,267,449
2. Intangible assets	300,732,857	227,534,169	73,198,688
3. Construction in progress	-	-	-
Total	28,233,923,399	19,051,399,358	9,182,524,041

(Source: Unaudited Financial Statement 2017 of Bien Ho Limited Company)

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

9.1. Business performance

9.1.1. Output of products/services over the years

- ❖ The revenue structure in each business sector is as follows:

No.	REVENUE	2014		2015		2016		2017	
		Revenue (Million VND)	Rate (%)	Revenue (Million VND)	Rate (%)	Revenue (Million VND)	Rate (%)	Revenue (Million VND)	Rate (%)
I	Revenue from goods sale and service supply	81,271	99,54	83,228	97,59	73,026	97,2	76,656	98,01
1	Revenue from goods sale	7,367	9,06	5,893	7,08	5,084	6,96	3,543	4,62
2	Revenue from sale of finished products	71,947	88,53	75,450	90,65	66,209	90,67	71,686	93,52
3	Revenue from service supply	1,957	2,41	1,885	2,27	1,733	2,37	1,427	1,86
II	Revenue from financial activities	222	0,27	227	0,27	159	0,21	109	0,14
III	Other income	158	0,19	1,829	2,14	1,942	2,59	1,449	1,85
	TOTAL	81,651	100	85,284	100	75,127	100	78,214	100

(Source: Audited financial statement 2014, 2015, 2016 and unaudited statement 2017 of Bien Ho Limited Company)

Revenue of company in the three years before equitization is as follows:

- Revenue of the company fluctuates over the years. Sales for 2016 are only 92% of 2014 and 88.09% of 2015. Sales of 2017 are 104.1% of 2016.

- Revenue from sales and service activities in the past 3 years accounts for over 90% of total revenue. Of which, semi-finished products accounted for the main proportion.

❖ On profits:

Unit: million VND

No	Pre-tax profit	2014		2015		2016		2017	
		Profit (Million VND)	Rate (%)	Profit (Million VND)	Rate (%)	Profit (Million VND)	Rate (%)	Profit (Million VND)	Rate (%)
1	From goods sale and service supply	4,773	108,8	3,771	81,87	3,178	72,05	4,266	80,49
2	From financial activities	(73)	(1,66)	(354)	(7,68)	(235)	(5,33)	(65)	(1,22)
3	Other profit	(313)	(7,14)	1,189	25,81	1,468	33,28	1,099	20,03
	TOTAL	4,387	100	4,606	100	4,411	100	5,300	100

(Source: Audited Financial statement 2014, 2015, 2016 and Unaudited statement 2017 of Bien Ho Limited Company)

- Pre-tax profit from sales and service provision for 3 years (2014-2016) always accounts for a large proportion of total profits: in the year 2003, it accounts for 108.8% and in 2015 it is 81.87% profit; In 2016, the revenue from tea decrease sharply due to the drought season, the profit from other types of tea will not be high, so the profits will decrease sharply in comparison with previous years. In 2017, pre-tax profit from sales and services from tea and coffee accounted for 80.49% of the total profit. In general, production and business activities of the company have been stable, developing steadily over the years

- The profit from financial activities is negative due to the high annual interest rate due to the fact that the capital is mainly borrowed.

9.1.2. Material

Bien Ho tea Limited Company is a traditional and long-standing business unit in the field of coffee and long-term industrial crops. This is a business that has characteristics of agricultural production such as seasonality and dependence on natural conditions. Therefore, the source of raw materials of the Company mainly comes from the long-term, close-knit suppliers. In particular, the following materials:

- Main material: The area for fresh bud tea material is self produced and processed type of tea

- Other supplies purchased:

- + Fertilizers: Urea, SA, Kaly, Phosphorus, NPK, Organic Biotics, Trebon drug,
- + Power: Electricity, burning coal, firewood.
- + Fuel: Diesel, diesel oil, machine oil, machine grease
- + Packaging accessories: Tea layers, tea box, catons, PP bag, PE bag, ink, tape,

sewing...

- + Machine parts: bearings, belts, watches, meter...
- + Electrical supplies; electric wire, electric lights
- + Other materials

General assessment:

- In recent years, prices of materials, electricity ... have always increased, affecting the price of products, especially the price of tea and coffee depends on the price of world markets. It also reduces the competitiveness of the Company.

- The source of raw materials and materials mentioned above for the Company are stable and timely. Main raw material suppliers include

No.	Name of suppliers	Materials
1	Quy Nhon Vinacaphe General Trading Company	Fertilizers
2	Branch of Song Gianh J.S.C in Gia Lai	Fertilizers
3	Gia Lai Power Company –Chu Pah Branch	Electricity
4	Khanh Hien Company Limited	Pesticides
5	Nguyen Hiep Long An Plastic Packaging Co., Ltd	Packing

(Source: Bien Ho Tea Limited Company)

1.1. Production expense

The rate of costs in compare with net sales of goods and services is as follows:

Unit: million VND

NO.	COST	2014		2015		2016		2017	
		Value (Million VND)	Rate (%)	Value (Million VND)	Rate (%)	Value (Million VND)	Rate (%)	Value (Million VND)	Rate (%)
1	Cost of goods sold	68,528	88,7	71,486	88,61	63,400	89,64	63,863	87,59
2	Financial expenses	295	0,38	582	0,72	395	0,56	174	0,24
3	Cost of sales	2,011	2,6	2,080	2,58	2,005	2,84	2,510	3,44
4	Administrative cost	5,960	7,71	5,891	7,3	4,443	6,29	6,017	8,25

NO.	COST	2014		2015		2016		2017	
		Value (Million VND)	Rate (%)	Value (Million VND)	Rate (%)	Value (Million VND)	Rate (%)	Value (Million VND)	Rate (%)
5	Other cost	470	0,61	640	0,79	474	0,67	350	0,48
	TOTAL	77,264	100	80,679	100	70,657	100	72,914	100

(Source: Audited financial statement 2014, 2015, 2016 and unaudited statement 2017 of Bien Ho Limited Company)

General assessment:

- With production characteristics, cost of goods sold has always accounted for a large proportion of total cost of the Company in recent years. The cost structure of Bien Ho Tea Limited Company is relatively reasonable. Along with the operation, the company has also taken measures to reduce and maintain financial expenses, management costs, selling expenses ...

- Through the application of quality management measures in production and business activities in order to save input costs, Bien Ho Tea also created the initiative to control the cost of goods sold, contributing raising gross profit as well as profit margin for the Company.

- With the measures to control and save production costs to bring the highest profit, but the source of the company's main products are dependent on the world price situation, in addition to weather conditions. This is not a small factor to increase costs, affect competitiveness, and reduce revenue, profit significantly.

1.2. Technology level:

- The company is developing tea production according to the green tea technology. The current technology level of the company is applied is semi-motor. The production process at the factory is as follows:

fresh bud tea material - preserving fresh bud tea – frying tea (quenching) - warming- rolling tea - sieving - Lightly drying (water content is 35 - 40%) - Tea roll - preserving semi-finished tea products- classifying the finished tea product and packaging

1.3. Development and research of new products

New planting and intensive investment are especially paid attention on the Company. The company has invested 4 electric pump stations with a total capacity of 930KVA (12 units); The underground water pipe system is nearly 10km in the tea garden, coffee garden to drought water for over 1110ha tea and coffee. Total cost of investment up to tens of billion

From 1996 to now, the company has developed new plantation of

+ 145 ha tea leaves, varieties TB14, LD97, LDP1, LDP2 and PH1 These are varieties that give high yield and good quality of processing.

+ More than 300 hectares of coffee, standardized from the Central Highlands Institute (Ekamax Institute), are resistant to pest and high yield (4-5 tons per hectare).

Especially, the company has researched specific plant varieties such as: "Testing of LDP1, TB14, TRI 2043, TRI 2025, TRI 777, Shanthamve tea cultivations at Bien Ho Tea Limited Company" was conducted in for four years from 2003 to 2006

In addition to investing in the new plantation, company always pay attention to intensive investment. Since 2006, the company has invested in micro fertilizers and manure for the whole area of tea and coffee. In the development of tea and coffee growing as well as intensive investment, the Company applies the policy that the company and employees contribute capital in many forms.

On the demand of the market and the increasing response of consumers. The company has boldly invested to change the tea processing system to constantly improve the quality of products such as drying system, fried oven, stellar roller, sieve for sorting tea, improve the receive of fresh bud tea and tea cooling system increases the productivity of fresh tea products, not putrid, crushed after receiving products.

Together with the application of advanced scientific and technical advances to production and processing, to intensify farming, the Company has taken the initiative and proposed to liquidate the old tea gardens with low productivity and quality to replace the new plant varieties with high productivity, good quality.

In addition, from 2011 to now, the company has made tea picking machine, helping households reduce costs, productivity is 8-10 times higher; helping households address the shortage of workers; the time between pickle seasons is long, the time for pesticide quarantine is long so the drug is reduced

1.4. The situation of quality inspection of products and services

Quality policy currently applied by the Company includes:

- Leaders and all employees in the whole company always understand the policy of quality and food safety, effectively implement and maintain the quality management system ISO 9001: 2008 and ISO 22000. : 2005, bringing into full ability and wisdom into the general development objectives of the Company.

- Strengthen inspection and supervision of the management and production process in order to ensure the food safety of the products produced, not harmful to the health of users - satisfy increasing requirements of customers.

- Improving management capacity, professional qualifications of employees, investment in equipment renovation, production technology improvement to improve productivity, quality and safety of product

- Each member of the company always understands: "The best response to the requirements of customers is to contribute to the growth and strength of company", the quality of each product depends on the quality of work of everybody.

- Green tea products

Production stage	Quality control according to ISO 9001:2008 and ISO 22000:2005	Form	Temperature
Fresh bud tea material	Tea A: 1 – 10 % old leaves, pudding Tea B: 11 – 20 % old leaves, pudding Tea C: 21 – 30 % old leaves, pudding Tea D: 31 – 40 % old leaves, pudding		
Preserving fresh bud tea	The tea is made for foam. Spreading on the floor, from 90 to 120 minutes to run the fan once, each time to fan running from 15 to 20 minutes. Regular inspection to handle cases of tea on the ridge is hot or rancid.		
Frying tea	Tracking quality of frying green tea Temperature of frying 140 – 145°C. The amount of fried tea from 1000 - 1100 kg /h. The tea out of the fried oven must be cooked evenly, with characteristic aroma.	04	140
Quenching	Monitoring tea quenching The volume of tea put into the mill is 65 kg/pcs	06	
Quenching	Spreading tea on the floor, tea thickness not exceeding 10 cm for tea type A, other types of tea can be put into mill		
	The volume of tea putting for rolling is from 160 to 200 kg per mill		

Production stage	Quality control according to ISO 9001:2008 and ISO 22000:2005	Form	Temperature
Rolling tea	Regularly check the tea in the rolling machine, if it is meet, get out of mill, taking tea samples of each rollers to the sampling tray and put the tea into the storage area.		
Classifying tea	Semi-finished quality inspection books	02	
	Book for monitoring and classifying products	09	
	Book to track mixing products	10	
	The notes for monitoring the hygiene of warehouses, materials, chemicals, semi-finished materials and finished products	17	
	Book for Tea quality check	03	
Drying	Book for monitoring tea drying	08	110

Coffee products:

+ The fresh coffee meets the requirements of quality: Red fruit rate is 75% or more, the remaining is yellow and green. Fresh coffee fruit is mixed without any impurities, if impure; it is deducted according to the actual rate including packaging (based on annual regulations issued by the company).

+ Green coffee: Coffee hydrolysis 15° (using meter), impurities 1% (using the meter scales); broken black ≤ 5% (using the meter scales); maximum impurities 1%, No mould, no strange smell.

1.5. Marketing activities, trademarks, registration of patents and copyrights

a. Marketing activities

Currently, the company has no marketing department. The departments also jointly advise on the prices of tea and coffee products based on the market in the country and in the world and the world to meet the standard conditions of customers, conditions of payment. From that report, the Board of Directors will make appropriate decisions.

b. Trademarks

The company has registered the copyright of the company logo:

**1.6 Contract with major partners**

No.	Partners	Products and services	Contract value in 2016	Contract value in 2017
1	Son Huyen Phat Gia Lai Co., Ltd	Green coffee	2.205 Million VND	6.797 Million VND
2	Vinh An Coffee Co., Ltd in Gia Lai	Green coffee	23.548 Million VND	18.100 Million VND
3	Tran Nam Viet Tea Processing Co., Ltd	Green tea	19.406 Million VND	24.396 Million VND
4	Shadil corporation	Green tea	\$509,709.00	\$458,858.00
5	Fahim Bahar Ltd	Green tea	\$76,433.00	\$409,409.00

9.2. Financial situation and production and business results in the 3 years before equitization

Some indicators for the period 2014-2017 are as follows

No.	Target	Unit	2014	2015	2016	2017
1	The total value of assets	Million VND	36,059	36,896	45,872	35,925
	In which					
	- Short-term assets	Million VND	24,547	25,499	35,472	26,598
	- Long-term assets	Million VND	11,512	11,397	10,400	9,327
2	Equity according to accounting books ⁽¹⁾	Million VND	17,809	19,198	20,521	21,905
3	Liabilities	Million VND	18,251	17,698	25,351	14,019
	In which					
	- Short-term liabilities	Million VND	17,027	16,170	23,857	12,465
	- Long-term liabilities	Million VND	1,224	1,528	1,494	1,554

No.	Target	Unit	2014	2015	2016	2017
4	Receivables	Million VND	758	7,403	14,036	7,498
	In which					
	- Short-term receivables	Million VND	758	7,279	13,980	7,449
	- Long-term receivables	Million VND	-	124	56	49
5	Employee	People	98	91	96	80
6	Average income/person/month	Million VND	5,5	5,5	6,2	7,4
7	Paid to state budget:					
	- Payables	Million VND	1,490	2,437	2,038	3,118
	- Paid	Million VND	2,295	1,584	2,753	2,475
8	Total revenue ⁽¹⁾	Million VND	81,651	85,284	75,127	78,214
9	Total pre-tax profit	Million VND	4,388	4,606	4,411	5,300
10	Profit after tax	Million VND	3,677	4,606	4,411	5,287
11	Rate of Profit after tax/equity	%	20,65	24,91	21,5	24

⁽¹⁾: Data are taken by the code 410/Balance sheet of the company

⁽²⁾: Include: Code (10 + 21 + 31) Income statement of Company

(Source: Audited financial statement 2014, 2015, 2016 and unaudited statement 2017 of Bien Ho Limited Company)

In the period of 2014 - 2017, the company encounters some fluctuations in business activities due to unfavorable weather conditions, especially in 2016. In general, the company's business results are still stable, the profit after tax is 4,495 million VND per year, specifically as follows

- Asset growth: Total assets in the period 2014-2016 of the company increased 27,213%, 2017 not much increase compared to previous years.

- Total revenue in 2017 is 104.1% compared to 2016; It is 91.7% higher than in 2015 and 95.8% higher than in 2014

After-tax profit of the Company increases during 2014-2017. (In 2016, due to drought, the volume of tea dropped significantly, causing the Company's after-tax profit increase compared to previous years.)

2.1. Factors affecting the production and business of the Company

During the time of operation, Bien Ho Tea Limited Company is influenced by many objective and subjective factors, including many factors that have favorable impacts on the operation but also many factors causing difficulties for the business of the Company.

a. Advantage

The guidelines and policies of the Party and the law of the State increasingly perfect and tight; The Party continues to undertake comprehensive reforms, maintain political stability and secure national defense; Environmental issues are more and more concerned about by the State and society.

The provincial Party Committee, the provincial People's Committee and other agencies and agencies always to pay attention, to follow, help, promptly and create favorable conditions for the company to accomplish its goals and tasks.

The majority of staffs are qualified, capable and experienced in leadership and professional management.

b. Difficulties

The current management model has some influence on the investment plan to develop the reproduction of the company before the trend of integration into the international economy of many components.

The decentralization of power has not brought into full play their dynamic and creative flexibility in management and operation, affecting the general development motive of the company.

Some areas of low-yielding, old-fashioned, long-lasting and unprocessed tea gardens are also causing some economic loss in the area of the company.

Drought season lasts in the dry season, rainy season is shorter, pestilent to develop more, the garden is degraded, increasing input costs and reducing output.

10 Position of the Company in comparison with other enterprises in the same industry

10.1. Position of company in the industry

The tea industry of our country is mainly invested in the midland and mountainous provinces of North. This is also the area where the state attaches importance to the development of clean tea with new techniques to increase productivity and quality to increase export output and compete with other countries. Bien Ho Tea Limited Company, though not located in the area, is one of the big and long-established companies in the

field of tea production in Central Vietnam. Bien Ho Tea Limited Company operates mainly in the domestic market and proceeds to export to abroad

Along with the general economic and social development of Gia Lai province, as well as the advantages of available business, Bien Ho Tea Limited Company continues to be strong and developed, is one of the leading companies in the industry of coffee production of the province.

10.2. Development prospects of the industry

With favorable weather conditions as well as favorable soil for tea plants to develop quickly and high yield, tea products of our country have been present in 110 markets and registered trademarks in more than 70 countries and regions with 75-80% of total annual output. There are still some big markets such as North Europe, Western Europe, Japan ... that our country can not penetrate because of not meeting the requirements of standards and quality. Recognizing this problem, the government has put forward policies to improve productivity, support the tea industry to compete in new markets, and maintain market share in traditional markets.

10.3. Assessment on the development orientation of the Company with the direction of the industry, policies of the State, and general trends in the world

The suitability in development orientation of the company with the orientation of the industry, the State policies and general trends in the world is expressed by the company's determination to change to operate under the new model - Joint Stock Company. In the current trend of integration and development with the market economy, the state-owned enterprise model is no longer effective, its flexibility and competitiveness are limited. Joint Stock Company model is the most appropriate type of enterprise that advanced countries in general and Vietnam in particular are applying and promoting its positive aspects in the economy. With the model of a joint stock company, the Company will mobilize resources in the society in both capital and human resources of all economic organizations and individuals domestic and abroad. Legal entities and individuals involved in production and business activities of enterprises, which help to renew and develop enterprises, create jobs for laborers, increase sources of revenues for local budgets; change the mode of enterprise management, create the driving force for development, raise the efficiency and competitiveness of enterprises in the market economy.

With the development strategy after equitization in general and business plan in particular, if the company actively follow the targets set year by year, flexible and flexible operation, focus, master responding to fluctuations, minimizing negative impacts

and tapping opportunities from the market; maximizing the existing capacity, the post-equitization business plan is feasible. The investment plan and strategy of the company after equitization is in accordance with the direction of the industry, the State policy and the general trend of the world.

VI. POST-IPO STRATEGIC DIRECTION

1. Name and business lines of Joint Stock Company

Company name in Vietnamese	: CÔNG TY CỔ PHẦN CHÈ BIÊN HÒ
Company name in English	: Bien Ho tea joint stock company
Abbreviations	: BIEN HO TEA
Head office	: Village No. 5, Hung Nghia Commune, Chu Pah District, Gia Lai province
Tel	: 0269 3845571
Fax	: 0269 3846102
Email	: www.bienhotea.com.vn
Charter capital	: 89,356,430,000 VND

2. Business lines

Based on the current status and results of analysis, evaluation and regulation in Decree 118/2014/ND-CP, the company implements the equitization plan that the State does not hold controlling shares with following functions, tasks and some main business lines:

- Planting, buying, processing and consuming tea, coffee products and other long-term industrial crops (excluding rubber);
- Trading in agricultural materials, agro-products and services of agricultural production, trading of pesticides;
- Researching, developing, consulting and transferring models of application and technical advancement to farmers in the province;
- To enter into joint ventures with households, organizations and individuals domestic and abroad to organize the implementation of their assigned tasks;
- Restaurant services, catering services, passenger transportation, cargo transportation under contract.

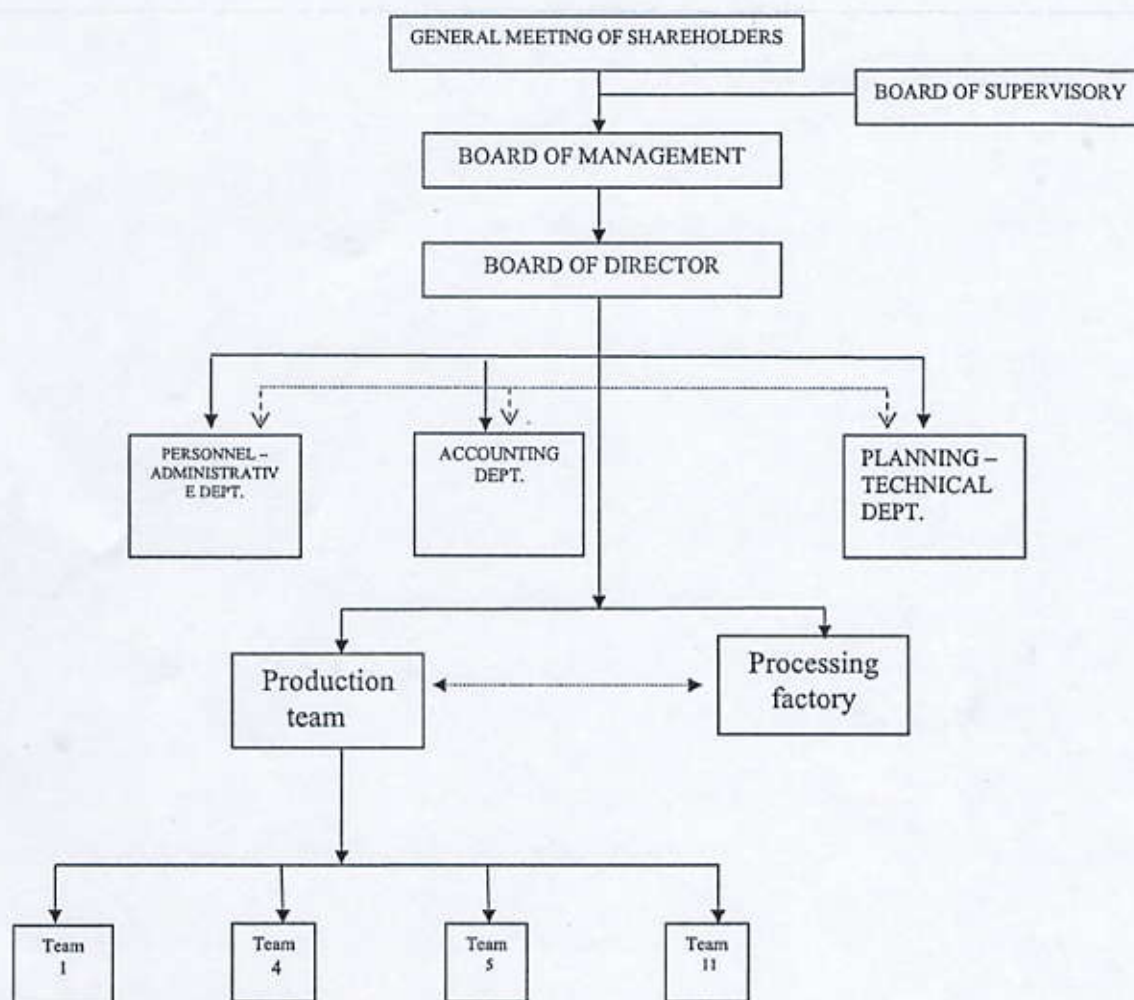
Depending on the actual situation in the course of operation, the joint-stock company shall register the changes and additions to the relevant business lines.

3. The organizational structure, management, operation and supervision of the Joint Stock Company

Bien Ho tea joint stock company operates under the operation Charter of the Company approved by the General meeting of Shareholders, based on the provisions of the Law on Enterprises, under the management, supervision and regulation. The Board of Management, the Board of Supervisory and the Board of directors.

The expected organizational structure of the Company includes:

- General Meeting of Shareholders;
- Board of Management;
- Board of Supervisory;
- Board of directors includes: Director and Vice Director
- Specialized departments;
- Production units and teams.

Organization chart

Notes: ———>: Direct relation
 ----->: Functional relation

General Meeting of Shareholders

The General Meeting of Shareholders is composed of all shareholders with voting rights and the supreme regulatory body of the company. The General Meeting of Shareholders exercises all the rights of the Company but does not reduce or limit the rights of the Board of Directors in accordance with the Charter of the Company.

Board of management

The Board of Management is the governing body of a Joint Stock Company, having full authority in the name of the Joint Stock Company to decide on any issues related to the purpose and interests of the Joint Stock Company (except for matters falling within its

competence of the General Meeting of Shareholders) and be responsible to the General Meeting of Shareholders

The Board of Directors of the Joint Stock Company is composed of 5 members including: Chairman, 1 Vice Chairman and 3 members; in which, there may be full-time members and part-time members. The members of Board of Management are entitled to concurrently hold the managerial and executive position of the joint-stock company.

The term of the Board of Management is five (05) years. The term of a member of the Board of Management is five (5) years; A member of the Board may be re-elected for an unlimited number of terms.

The Board elects a member of the Board of Management as chairman. The chairman of Board of Management must not concurrently hold the position of the director of the joint-stock company

The Board of Management shall stipulate the level of remuneration, remunerations, benefits and other relevant provisions of the Executive Director. The Information about salaries, allowances and benefits of the Executive Director must be reported to the Annual General Meeting of Shareholders and included in the Annual Report of the Joint Stock Company.

The rights and obligations of the Board of Management are stipulated in the Charter of the Joint Stock Company.

Board of Supervisory

The Board of Supervisory is the group of people on behalf of General Meeting of Shareholders in charge of controlling the business, management and operation of the Company to ensure the interests of the shareholders.

The Board of Supervisory of Joint Stock Company has 3 members; in which, at least one (01) member must be an accountant or auditor.

Members of the Board of Supervisory shall not hold any managerial position of Company and shall not necessarily be a Shareholder or Employee of Company. Members of the Board of Supervisory are not members of the accounting Department of Company and are neither a member nor an employee of the independent auditing company who is auditing the financial statements of the Joint Stock Company. The members of the Board of Supervisory are not related persons of the members of the Board of Management, Board of Directors and other managers of the Joint Stock Company.

The term of office of the Board of Supervisory is 5 years. The term of member of Board of Supervisory is five years and may be re-elected by the General Meeting of Shareholders with unlimited number of terms.

Supervisors elect one of them as Chief of Board of Supervisory on a majority basis. The rights and obligations of the Chief of Board of Supervisory shall be stipulated in the Charter of the joint-stock company.

Executive Directors and other managers

The management system of a joint stock company must ensure that the managerial apparatus is responsible to the Board of management and under the management of the Board of Management. The joint-stock company has one (01) executive director, vice Director and a chief accountant and other managers appointed by the Board of Management. The appointment, dismissal of the above-mentioned position must be effected by a resolution adopted by the Board of management.

Executive Director

The director is the officer in charge of management and has the highest decision-making right over all matters relating to the day-to-day operations of the company; to be supervised and take responsibility before the Board of Management and law for the exercise of the assigned powers and tasks. The Board of Directors shall stipulate the level of remuneration, remunerations, benefits and other relevant provisions of the Executive Director. Information about salaries, allowances and benefits of the Executive Director must be reported to the Annual General Meeting of Shareholders and included in the Annual Report of the Joint Stock Company.

The term of Executive Director is five (5) years and may be reappointed with unlimited number of terms. The CEO is not the person who is prohibited by law to keep this position.

The Executive Director is the legal representative of the Company.

Assistant team of Executive Director

- Vice director: Assisting the director is the Vice director. A Vice director is responsible to one or more field of operation of the Company as assigned by director and responsible to the director, the Board of directors and the law for the assigned tasks and the commission rights.

- Chief accountant: is responsible for organizing the accounting work of the joint stock company; to assist the Boar of Management and the Boar of Directors in supervising the finance of Company according to the legislation on finance and accounting. The chief accountant shall be responsible to the Executive Director, Board of Management and the law for assigned or authorized tasks.

- The specialized department and divisions of the joint-stock company shall have the function of advising and assisting the Executive Director in managing production and business according to their assigned tasks and take responsibility before the Board of Management, the Executive Directors and the law on assigned tasks.

It is expected that the Joint Stock Company will set up 03 professional Department, 04 production team and 01 processing factory

- + Personnel – Administrative Department: having the function of advising and organizing the implementation of organizing, salary, emulation and reward,

administrative management, health care for employees; advising the Board of Management of joint-stock company in performing the task of protecting the public order and safety of the state property, ensuring absolute security of properties and order and security in the joint-stock company; Performing office operations, occupational safety and occupational health.

+ Accounting department: having the function of advising the Board of Management and the Board of Directors of joint-stock companies in the field of financial management and organization of accounting; supervising the production and business activities of the enterprise in accordance with the current accounting standards and law in order to timely, accurately and fully reflect the production and business activities of the enterprise and the situation of the assets of the company.

+ Planning – Technical Department: having the function of advising the Board of Directors of the joint stock company on the development of short-term and long-term production and business plans, inquiries on market exploitation, investment in production development, joint ventures within and outside the Company; dealing with customers and regulating production and business activities in the whole joint stock company; production and management of means, equipment, materials, management of economic contracts and general statistical reporting. Besides, this department also has the function of advising the Board of Management of the Joint Stock Company on management and technical supervision, volume and quality of production and services under the functions and tasks of the Company; scientific and technological work; managing occupational safety

4. POST-EQUITIZATION BUSINESS PLAN

4.1 Post-Equitization development Orientation & Strategy

a. Development Orientation

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

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

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

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

b. Development Strategy

Building and developing the company after equitization in all aspects and fulfil obligations to the state. The company plans to build Bien Ho Tea brand along with quality assurance products in order to expand the market in both domestic and export to the world market.

4.2 Production and business plan 3 years after equitization

Based on the above development objectives and orientations and forecasts of business environment combined with the analysis of business activities in the pre-equitization period, the Company expects some main economic indicators for the period of 2018 - 2020 is as follows

Production and business plan 3 years after equitization

TT	Target	Unit	2018	2019	2020
1	Charter capital	<i>Million VND</i>	89,357	89,357	89,357
2	Total employee	<i>People</i>	70	70	70
3	Total payroll	<i>Million VND</i>	9,212	10,041	10,944
4	Average income per person per month	<i>Million VND</i>	6,40	6,53	6,66
5	total revenue	<i>Million VND</i>	90	93	95
6	Total expense	<i>Million VND</i>	85,02	88,02	90,01
7	Paid to state budget	<i>Million VND</i>	1,569	1,570	1,571
8	Pre-tax profit (=5-6)	<i>Million VND</i>	4,978	4,983	4,988
9	Corporate Income Tax (=8*20%)	<i>Million VND</i>	1,095	1,096	1,097
10	After-Tax Profit (=8-9)	<i>Million VND</i>	3,883	3,887	3,891
11	Deduction of funds (proposal)	<i>Million VND</i>	0,699	0,700	0,700
	<i>Financial reserve funds (5%)</i>	<i>Million VND</i>	0,194	0,194	0,195
	<i>Investment & development funds (5%)</i>	<i>Million VND</i>	0,194	0,194	0,195
	<i>Bonus & welfare funds (10%)</i>	<i>Million VND</i>	0,388	0,389	0,389
	<i>Social charity fund (1%)</i>	<i>Million VND</i>	0,039	0,039	0,039
	<i>Fund for Board of Management activities (2%)</i>	<i>Million VND</i>	0,078	0,078	0,078
12	Profits divided as dividends (=10-11)	<i>Million VND</i>	3,184	3,187	3,190
13	Annual dividends	%	3.2	3.2	3.2

TT	Target	Unit	2018	2019	2020
	(%)(=12/1*100%)				
14	Rate of profit (after tax)/charter capital	%	3.9	3.9	4.0

(Source: Equitization plan of Bien Ho Tea Limited Company approved by People's Committee)

4.3 Solutions and bases for implementation of planning indicators

In order to achieve the planned targets, the Company would like to offers solutions that include:

❖ Organization of production and business activities

On the basis of production and business plan for the next 3 years, after transformed into the joint stock company, the company will continue to maintain and stabilize the organization, consolidation and development of production, promote the existing strength of the company, build a sustainable supply chain through the consolidation of raw material areas, stabilize and improve product quality, expand the market in the direction of brand building, ensuring employment and commitment to community development, contributing to socio-economic development, poverty reduction in the region.

❖ Management

Continue to restructure the apparatus after equitization to ensure streamlining, compact and effective.

Develop a clear decentralization regulation, assign specific responsibilities to each staff member, create a favorable mechanism and empower the staff to promote their ability, fulfill the assigned tasks.

Develop a payroll system, which attaches importance to the attachment of wages to assigned tasks and the efficiency of the work completed

To implement cost-saving policies and measures to raise labor productivity to increase the efficiency of the Joint Stock Company

Increase inspection, control and pay attention to measures to reduce management costs

❖ Human resources development

To adopt policies to encourage and facilitate for laborers to promote their activeness, dynamism and creativity in business

To select and foster professional qualifications and improve professional skills for the contingent of staffs of joint-stock company

Promote training of managerial and executive skills for managers and potential staff.

Setting standards for management position and professional position to perfect the regulations and processes in the field of personnel management, serving the management work

To regulate and publicize the regulations on personal responsibility and remuneration policy for laborers in order to encourage laborers to contribute positively to the general efficiency, labor productivity high mobility

❖ **Financial activities**

Basing on the capital source, the joint stock company will actively create more capital through various forms such as: linking with partners inside and outside the province; to make full use of credits to meet capital demands for business and investment in each period, especially in the early years of the 2018-2020 period, when transforming to joint-stock company, carrying out the capital restructuring program, effectively using the capital and resources of the joint stock company

❖ **Administrative work**

Strengthening the protection of security and order, fire prevention and fighting and labor safety..

Develop and renovate the system of internal management regulations in accordance with the law and ownership form

5. Charter capital and charter capital structure of Joint Stock Company V

❖ **Charter capital and shareholder structure**

All shares at the time of equitization are common shares with a par value is 10,000 VND. The activities of purchase, sale, transfer or inheritance of shares shall comply with the provisions of the charters of joint-stock company and relevant legal documents.

Shareholder structure

No	Shareholder	Number of share owned	Ownership rate / Chartered capital (%)
1	State ownership	0	0
2	State ownership	521,800	5,84%
	<i>Preferred shares by year of actual work</i>	509,600	5,7%
	<i>Preferred shares by year committed to long-term work</i>	12,200	0,14%
3	Strategic investors	4,557,178	51%
4	Other investor	3,856,665	43,16%

No	Shareholder	Number of share owned	Ownership rate / Chartered capital (%)
	Total	8,935,643	100%

(Source: Equitization plan of Bien Ho Tea Limited Company approved by People's Committee)

❖ *Plan to increase and decrease charter capital after being transformed into joint stock company:*

At present, the company has no plans to increase charter capital.

6. Commitment of the Company after equitisation

Pursuant to Clause 9, Article 1 of the Decision No. 144 / QĐ-UBND dated April 9, 2015 approving the equitization plan and transforming Bien Ho Tea Limited Company into a joint stock company

- Ensuring the employment of employees working in the Company under the Company's employment plan approved by the Provincial People's Committee; Continue to maintain contracts, especially the ethnic minority households.

- Create favorable conditions for households to use irrigation water at the reservoirs and dams managed by the Company.

- Manage and use land in accordance with the method approved by the provincial People's Committee and the plans and plans of the province.

VII. INFORMATION RELATING TO THE OFFERING

1. Basic information about offering organization and shares offered

Name of company	: CÔNG TY TNHH MỘT THÀNH VIÊN CHÈ BIÊN HỒ
Address	: Village No. 5, Nghĩa Hưng Commune, Chu Pah District, Gia Lai Province
Tel	: 0269 3845571
Fax	: 0269 3846102
Charter capital of company	: 89,356,430,000 VND
Par value	: 10,000 VND/share
Number of shares	: 8,935,643 shares
Number of shares offered	: 3,856,665 shares, accounting 43,16% Charter capital
Class of shares	: Common stock
Allocation method	: Sell initial shares of 100% State-owned enterprises to the public through the auction method through

intermediary organizations

Starting price : 12,000 VND/share

2. Offering mode

Complying with the provisions of the Decree No. 126/2017/ND-CP dated November 16, 1977 of Government, the IPO of the Company shall include employees, strategic investors and ordinary investors.

2.1. Shares offered to the company employees

Employees who are listed on the Company's regular list at the time of disclosure of the Company's value and contracted employees are entitled to purchase preferred shares. Employees who are listed on the Company's regular list are entitled to buy shares in two forms: (i) purchase preferred shares for employees by year of employment in the public sector and (ii) Preferential shares for employees who the company should use the long-term commitment.

- Employee listed on the Company's regular list at the time of announcing the enterprise value:

Total number of employees present at the time of Prospectus: 83 people

Total number of employees qualified for preferential shares: 74 people

Total number of employees not qualified to buy preferred shares: 09 people

- Contracted employee:

Number of labor contracted at the time of publication of Prospectus: 1,887 people

Number of laborers eligible for preferential share purchase: 1,004 people

Number of employee receiving contract not eligible for buying preferential shares: 883 people.

The number of shares sold to employees is 521,800 shares, accounting for 5,84% of charter capital, of which:

a) Preferred shares for employees by year of actual work in the public sector (Section 1 Article 42 Decree 126/2017/ND-CP)

Total employee	:	793 people
Total working years	:	+ Regular work: 849 years + Contracted employee is: 7.401 years
Total shares are purchased at preferential prices	:	509,600 shares, Equivalent to 5,7 % of charter capital
Classes of shares	:	Common stock
Transfer restrictions	:	Within 3 years from the time of payment of preferred shares
Sale price of preferred shares	:	60% of par value of 01 share (10,000 VND /share)
Estimated implementation time	:	After conducting a public auction

Note: Some employees do not register to buy enough by the number of years they have worked.

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

Total number of employee committed to work long term	:	15 people
Total number of shares purchased under commitment	:	12.200 shares accounted for 0,14 % of charter capital
Class of shares	:	Common stock
Transfer restrictions	:	Restrictions of transfer during long-term commitment
Sale price of preferred shares	:	The starting price shall be approved by the representative office of the owner in the equitization plan (12,000 VND/share)
Estimated implementation time	:	After conducting a public auction

2.2. Shares offered to strategic investor(s)

a. Criteria for selection of strategic investors

❖ Pursuant to the Official Letter No. 98/UBND-KTTH dated 16/01/2018 of the People's Committee of Gia Lai province on the selection of strategic investors according to the criteria approved by the People's Committee in Official Letter No. 5754/UBND-KTTH on December 16, 2015 as follows:

- Domestic investor.
- Experienced in management, operation, organization in the field of producing, trading and processing agricultural products, especially tea, coffee.
- Having financial capacity, owner's equity up to December 31, 2016 (fully contributed) of 400 billion VND or more; Non loss business results for the three years 2014, 2015, 2016 and no accrued losses (based on the audited 2014, 2015, and 2016 Financial Statements).
- Having a written commitment to corporate long-term interests with the Company, support the company in the field of: transfer of new technology; human resource training; improve financial capacity, corporate governance; supply of raw materials;
- Having commitment to build a tea processing plant with modern technology to meet international export standards, suitable to the area of raw material
- Having written commitment not to transfer shares within 03 years from the time the enterprise is granted the first registration certificate;
- Having commitment on the continued use of labor and use of land available at the Company (especially ethnic minorities) in accordance with the land use plan and the employment plan approved.

❖ Pursuant to Point a, Clause 3, Article 6 of Decree No. 126/2017/ND-CP

- Having full legal person status in accordance with the law;

- Having financial capability and having the results of production and business activities in the last two years up to the time of registering to buy shares with profit and no accumulated loss;

- Having written commitment of the competent person when registering to become a strategic investor of the equitized enterprise on the following contents:

- + Maintaining the core business and brand name of the equitized enterprise for at least 3 years from the date of becoming a strategic investor.

- + No transfer of the number of shares purchased within 03 years from the date the shareholding company is granted the first share certificate of operation under the Enterprise Law.

- + The plan to support the post-equitization enterprise in the transfer of new technology; human resource training; improve financial capacity; corporate governance; material supply; market development of product consumption.

- + The obligation to pay compensation upon the violation of the signed commitment with the compensation level determined according to the actual damage and the right to disposition of the State by the entire quantity of shares strategic investors buy when violating the signed commitment.

b. Form, time and price of shares for strategic investors

- Method of selling shares to strategic investors: According to Point b, d Clause 3 of Article 6 of Decree No. 126/2017/ND-CP issued on November 16, 2017:

- o Where there is only one strategic investor meets the criteria for selection of shares and the purchase volume is less than or equal to the number of shares to be sold to strategic investors under the equitization plan approved, the Steering Committee shall report to the owner's representative office to decide on the sale of shares to strategic investors in the form of direct negotiation with the selling price not lower than the average successful bidding price. the results of public auctions; In case of sale of shares to other investors under Clause 2, Article 37 of this Decree, the negotiated price shall not be lower than the price already agreed upon with the investors purchasing shares.

- The number of remaining shares (the difference between the number of shares to be sold to strategic investors under the approved equitization plan with the number of shares registered for purchase by strategic investors), the Steering Committee will report to the representative office of the owner to decide to adjust the equitization plan to convert the number of shares to the number of shares auctioned to the public.
- Estimated selling time: After public auction
- Selling price of shares to strategic investors: According to Point d, e, f Item 3, Article 6, Decree 126/2017/ND-CP issued on 16/11/2017, is the price sold by the Steering Committee Equitization of the agreement (for the case of sale of an agreement) or the bid price of a strategic investor is determined to be winning the bid between the strategic investor (in the case of an auction between the Strategic Investors), but not less than the average bid price of the public auction.

a. The number of strategic investors registered: 01 investors

b. Information on shares offered to strategic investors

Total number of shares offered	:	4,557,178 shares, Accounting 51% Charter capital
Class of shares	:	Common stock
Transfer restrictions:	:	03 years
Price	:	Not lower than the average successful bid price of the public auction
The number of strategic investors	:	01 investor
The expected offer time	:	After conducting a public auction

Deposit	:	Strategic investors must immediately deposit 20% of the value of shares registered for purchase at the reserve price already approved by the competent body. In case of waiver of the right to buy, investors are not entitled to receive back the deposit
---------	---	--

c. List of documents required for strategic investment registration

- The latest business registration certificate (valid copy);
- Written commitment of the competent person to corporate for long-term interests with the Company and support the company after equitization;
- The latest three-year financial statements (2014, 2015, 2016 audited).
- Other explanatory documents (professional experience in the industry, certificates of merit, business strategy ...).
- And some other documents prove that investors are qualified to become strategic investors of the company.
- Based on the above criteria, People's Committee of Gia Lai Province will select strategic investors

2.3. Shares offered in the initial public offering

Total shares of public auction: **3.856.665 shares**, equivalent to 43,16% charter capital

Starting price of the auction: The starting price is **12,000 VND/share**. The official starting price will be determined according to the approval decision of the competent authority.

The specific procedure and regulations on participation in auction are detailed in the "Regulation on the initial public offering of Bien Ho Tea Limited Company" by the Stock Exchange issued by Ho Chi Minh City

3. Form of payment and time limit for payment

- For shares offered in the initial public offering: The form and time limit for payment of share purchase amounts is specified in the "Regulation on the initial public offering of Bien Ho tea Limited Company issued by the Ho Chi Minh City Stock Exchange;
- For shares sold to strategic investors: According to Clause 3, Article 6 of the Decree No. 126/2017/ND-CP dated November 16, 1977 of Government on transformation

of State enterprises and liability companies with 100% charter capital invested by State enterprises into joint-stock companies.

- For preferential sale to employees and shares offered as preferential commitment to work: Based on the plan approved in the equitization plan of Bien Ho Tea Limited Company.

VIII. USE OF PROCEEDS

1. Expected proceeds

Based on the actual value of the state capital portion at the enterprise, the state capital contribution ratio at the joint-stock company, the company temporarily calculates the proceeds from equitization according to the plan assuming all the shares. The auction price is 12,000 dong/share, after the official price will be adjusted as follows:

Expected proceeds

1. Estimated amount of proceeds from equitization (calculated by starting price)	107,227,716,000 VND
2. Expected reductions.	4,226,620,824 VND
In which:	
- The value corresponding to the number of additional shares issued at par value to be retained by the enterprise	
- Cost of equitization	1,207,979,950 VND
- Discounts on the number of preferred shares sold to employees and the Company's Trade Union (calculated by 40% discount to the par value of a share)	2,038,400,000 VND
- Implementing policies towards employees	980,240,874 VND

(Source: Equitization plan of Bien Ho Tea Limited Company)

2. Processing the number of unsold shares

Pursuant to the provisions of Article 37 of the Decree No. 126/2017/ND-CP of November 16, 1977 of Government on transformation of State owned enterprises and one-member limited liability companies invested by State enterprises 100 % of charter capital into Joint Stock Company. As follows:

- In case there is no investor registering to buy shares, the Steering Committee shall sell the shares to the employee and the trade union in the enterprise according to the approved equitization plan and at the same time carry out the same. In order to convert the enterprise into a joint stock company, the number of unsold shares will be adjusted to the charter capital, the charter capital structure and the capital withdrawal after the company has operated in the form of an ordinary company.
- Where only one investor subscribes for shares, the Steering Committee shall execute the agreement on the sale of shares to investors who have registered for

the purchase of shares at a price not lower than the reserve price with the registered volume valid purchase. If the investors do not buy, the equitized enterprises shall comply with the provisions of Clause 1 of Article 37.

- Where, after being publicly auctioned, all investors winning auctions in the public auction refuse to buy them, the equitized enterprises shall comply with the provisions of Clause 1 of Article 37.
- Where a part of the shares offered for sale in a public auction has been sold, the number of shares remaining unsold in the public auction (including the number of shares of investors who have won the bid but refuse to buy) are made in the following order:
 - o The Steering Committee will continue to inform investors that have entered into a valid auction (excluding investors who have won auctions in public auctions) to sell the agreement to these investors in accordance with the registered volume and the bid price at the auction shall be based on the principle of selecting the negotiated price from the highest paid price to the lower level of the announced or lower price auction for a sufficient quantity of shares must sell.
 - o If the shares can not be sold to investors after the agreement has been reached, the Steering Committee will continue to inform investors who have won the auction in public auction (excluding investors who have won but to refuse to buy to negotiate the sale to these investors with the price is the price ordered at the auction of each investor on the principle of choosing the agreed price from the highest paid price to the lower end of the announced downward auction for the full number of shares to be sold.
 - o Where the number of shares not fully sold under the provisions of Points a and b, Clause 4, Article 37, the equitized enterprises shall comply with the provisions of Clause 1, Article 37.

IX. RISK FACTORS AFFECTING BUSINESS ACTIVITIES OF EQUITIZED ENTERPRISE

1. Economic risk

The overall economic growth of the country, inflation, etc... Affect the operation of Bien Ho Tea Company

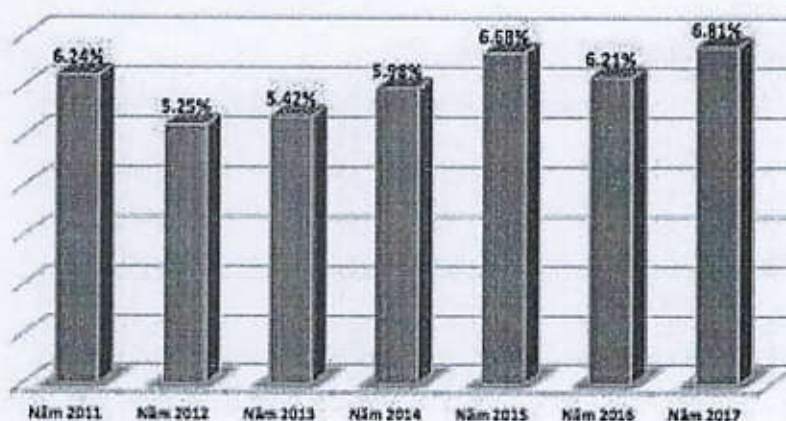
❖ *Economic growth:*

The current state and development trends of the domestic economy always affect the existence and development of enterprises. When the economy is in high growth stage,

there will be many opportunities for business development. Conversely, when the economy is down, the recession will negatively affect the business.

Vietnam's economy has experienced a high growth rate in the past 10 years, 7.3% in 2003, 7.7% in 2004, 8.4% in 2005, and 8.17% in 2006 and reached 8.48% in 2007. However, the financial crisis of some major economies in 2008 has pushed the world economy into recession, narrowing export markets, capital markets, labor markets and negatively affecting In many other socio-economic fields of our country, the growth rate of the domestic economy in 2008 was only 6.23% and this figure in the year from 2009 to 2016 was 5.32%, 6.8 %, 5.9%, 5.03%, 5.4%, 5.9%, 6.68% and 6.21%.

GDP growth rate of Vietnam through 2011 – 2017



Source: General Statistics Office

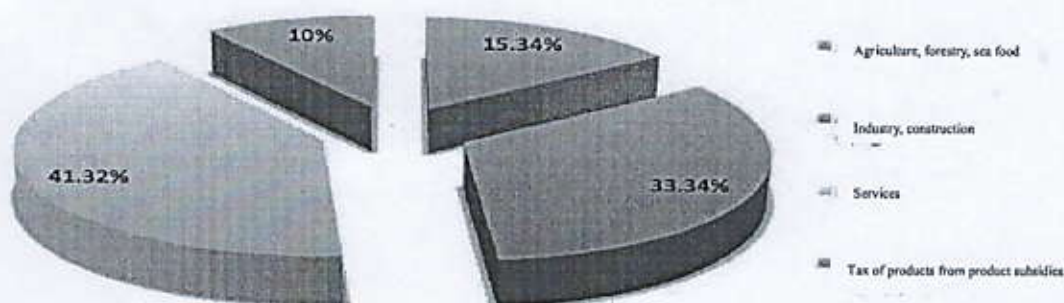
GDP in 2014 increased nearly 6% over the same period in 2013; this is a high GDP growth over the same period in 2012 and 2013. Vietnam's economic growth rate in 2015 is 6.68% higher than target 6.2% set and higher than the increase of the years 2011-2014, indicating the economy recovered sharply. In the economic growth rate of 6.68% of the economy, the agriculture, forestry and fishery sector increased 2.41%.

Gross domestic product (GDP) in 2016 increased 6.21%. This increase is lower than 6.68% in 2015 and does not meet the target of 6.7%. However, given the unfavorable world economic situation in 2016, the global price and trade has been reduced, the country is facing many difficulties due to the complicated weather and marine environment generation of leaders ... the achievement of such growth is also a success.

The growth rate in 2017 exceeds the target of 6.7% and higher than the increase of the years 2011-2016, confirming the timeliness and efficiency of the solutions issued by

the Government. The drastic guidelines at all levels, sectors and localities together efforts.

Structure of GDP in 2017 by sector



The difficulties and economic instability in recent years have directly affected the production and business activities of the Company. Although the economy has gradually escaped from the recession stage, in order to continue to exist and develop, it is required that the Company always take the initiative, be sensitive and promptly have solutions and measures to overcome difficulties, challenge, and take full advantage of the opportunities to grow up.

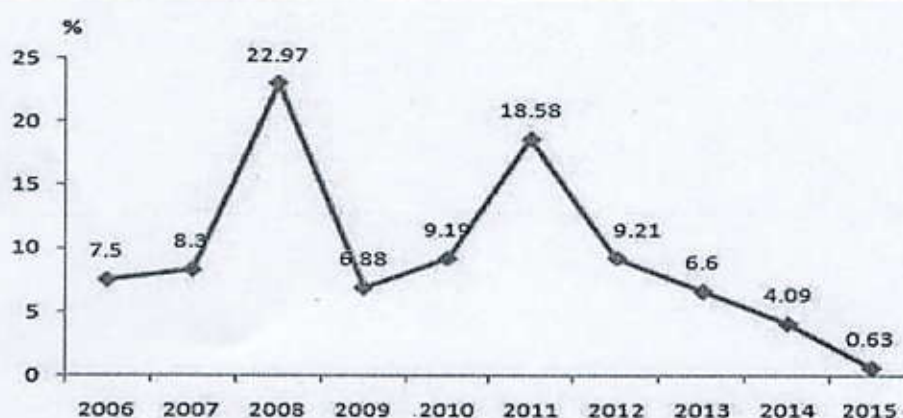
❖ ***Inflation:***

The inflation rate affects the production and business activities of the Company through the cost of raw materials inputs. Inflation will increase the cost of production and business of the company increased due to rising raw material prices, labor costs...

Although economic growth in recent years has remained stable, Vietnam is also facing inflationary pressures. The inflation rate has increased from 6.6% in 2006 to 12.6% in 2007; especially in 2008 the inflation rate has increased to 18.9%. After falling to 6.9% in 2009, inflation continued to rise again to 11.8% in 2010 and 18.12% in 2011. In 2011-2015, the State Bank of Vietnam has made active monetary policy tools, in close coordination with fiscal policy, contributed significantly to controlling inflation and bringing inflation to a high of 23% in August of 2011, 6.81% in 2012, 6.04% in 2013, 1.84% in 2014, 0.6% in 2015 and 4.74% in 2016.

The period of 2011-2015, marking a period of steady inflation, the inflation was at lowest level in more than 10 years. Low inflation, stable macroeconomic stability, foreign exchange market, stable exchange rate, foreign exchange reserves increased to record level, liquidity of the banking system improved stably. Fundamental factors are used by international credit rating agencies as a basis for raising credit rating of Vietnam.

CPI growth rate in the period of 2006 – 2015



Source: General Statistics Office

Inflation in 2016 is higher than in 2015, but still much lower than the average for some recent years, and remains within the 5% target set by National Assembly.

According to the General Statistics Office (GSO), the CPI in December 2007 increased 0.21% against last month, the average CPI in 2017 increased 3.53% compared to 2016, meeting the goals set by the National Assembly

2. Legal risks

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

Company operating in the coffee industry, under the authority of the law of Vietnam, the company is subject to many risks because the legal system as well as specialized fields is not tight and consistent. The regulations related to the business line of the company are still in the process of completion, the change in policy is always possible and when it happens, it will affect directly or indirectly the management and business activities of company.

3. Sector specific risks

❖ Risk from weather conditions

Coffee producers are affected by irrigation and climate. Under drought conditions, lack of proper irrigation water will make the coffee tree grows poorly, which does not guarantee productivity and quality. With some coffee varieties providing high economic efficiency, the impact of climate change is easy to make the output seriously reduced.

❖ *Human resource risks:*

As the country in a period of industrialization and modernization, human resources from the rural and mountainous areas will move to cities to search higher income employment opportunities.

On a large area of land with the application of new farming methods to improve the productivity of the coffee plant, it requires the company to have a large workforce sufficient to meet production needs. So, restructuring will affect the production and business activities of the Company.

4. Risk of offering

The relation between supply and demand of the market influences the share price. The relationship between supply and demand depends on both the economic and psychological factors of the investor. Therefore, it is possible not distributing the number of shares offered for auction.

5. Other risk

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

X. CONCLUSION

This Prospectus is a part of the initial public offering documents of Bien Ho Tea Limited Company, which is provided to prospective investors to assist in the evaluation of the assets, capital, financial performance, operating results and business outlook of the issuer before subscribing in the offering..

This Prospectus is based on the information and data provided by the Company to ensure transparency, fairness and protection of the legitimate rights and interests of investors.

Investors should carefully read this prospectus and the auction regulation in its entirety before making a decision to purchase.

Pleiku, July 30th, 2018

**REPRESENTATIVE OF THE STEERING COMMITTEE FOR EQUITIZATION
OF STATE OWNED ENTERPRISE IN GIA LAI**



HO PHUOC THANH

**REPRESENTATIVE OF EQUITIZED ENTERPRISE
BIEN HO TEA LIMITED COMPANY**



Lâm Thị Hòa

**REPRESENTATIVE OF THE FINANCIAL ADVISOR:
AGRIBANK SECURITIES JOINT STOCK CORPORATION – DA NANG
BRANCH**

DIRECTOR OF BRANCH



HOANG ANH