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Iranian Privatization Organization (IPO)



IRANIAN PRIVATIZATION ORGANIZATION

“Block Offering of Shares”

By virtue of assignments envisioned in “The law of Enforcing of General Policies of Article 44 of the Constitution”, its relevant rules and regulations, authority of law of attorney and approvals of the Divesture Board, hereinafter the Board, the Iranian Privatization Organization, hereinafter the Organization, intends to transfer stocks of the following enterprises with the terms and conditions as mentioned in this advertisement. Tender documents and other transferring conditions are accessible via the official website of the Organization at the following address: www.ipso.ir. The applicants are highly requested to consider the conditions mentioned in the bid proposal form and transferring contract.

Shares

| No. | Name of Enterprise | Capital (Million IRR) | Field of activity of enterprise | Major Shareholders | Stock Transferring Method | No. of Shares (Properties) Presentable - in million | | | Block Size % | Base Value of Transferrable Shares | | Deposit amount (IRR) | Sales Conditions | | | Incentives of private & cooperative sectors | Exclusive conditions | Deadline for settling cash deposit and delivery bid envelopes | Tender opening session |
|-----|--|-----------------------|---|---|---------------------------|---|-----------|-------------|--------------|------------------------------------|-----------------|----------------------|------------------------------|-----------------------------|--|---|--|---|------------------------|
| | | | | | | Block | Employees | Total | | Each Stock (IRR) | Total (IRR) | | Cash down payment percentage | Installment duration (year) | Deadline for cash payment (business day) | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 1 | Eastern Alborz Coal Co. | 336,757 | Mining discovery, underground waters & mining exploitation | Isfahan Steel Co. (95%) Others (5%) | Tender | 319,919,205 | -- | 319,919,205 | 95 | 1,409/4 | 450,894,127,527 | 13,526,823,826 | 10 | 5 | 20 | -- | On behalf of Isfahan Steel Co. | 2017/10/24 | 2017/10/25 |
| 2 | Industrial Renovation of Iran Co. | 91,630 | Managing factories and industrial units & participation in reconstruction | Bam Development Food Industries (96/038%), Others (3/962%) | Tender | 87,999,602 | -- | 87,999,602 | 96/038 | 2,439 | 214,631,029,278 | 6,438,930,878 | 10 | 5 | 20 | -- | On behalf of Bam Development Food Industries | | |
| 3 | Gostar Erish Production Co. | 65,000 | Designing & launching magnesium dicast, transferring technology, supplying equipments and machineries, production & offering alloy parts for different industries | IDRO (40%), Iran Polyurethane Group (30%), Erish Khodro (30%) | Tender | 24,700,000 | 1,300,000 | 26,000,000 | 40 | 1,535 | 39,910,000,000 | 1,197,300,000 | 30 | 3 | 20 | ✓ | Envisioned at bid proposal form | | |

| | | | | | | | | | | | | | | | | | | | |
|---|--|----------|--|---|--------|-------------|-----|-------------|-------|------------|----------------|---------------|---------|---|----|----|---|------------|------------|
| 4 | Lorestan Machinery Co | 136,500 | Construction of factory for metal frame of buildings, warehouse etc. | Amir Mansour Aria Investment Group (94/96%), others (5/04%) | Tender | 129,626,182 | -- | 129,626,182 | 94/96 | 402/3 | 52,148,613,019 | 1,564,458,391 | 10 | 3 | 20 | -- | On behalf of Amir Mansour Aria Investment Group | 2017/10/24 | 2017/10/25 |
| 5 | Lorestan Polyester Industries Co. | 31,894/8 | Production of any kinds of polyester | Mr. Sohrab Rezaee Poor (89%), Others (11%) | Tender | 15,628,452 | -- | 15,628,452 | 49 | 517/5 | 8,087,723,910 | 242,631,718 | 20 | 4 | 20 | -- | On behalf of Mr. Sohrab Rezaee Poor | | |
| 6 | Idro Landra Industrial Group | 21,000 | Production of Ambulance & installation of relevant equipments | Mr. Babran (40%), Mr. Landra (30%), Mr. Javadi (30%) | Tender | 7,805,651 | -- | 7,805,651 | 37/17 | 313/2 | 2,444,729,893 | 73,341,897 | In cash | | 20 | -- | On behalf of Mr. Babran | | |
| 7 | Pars Shiraz Refining Co. | 10,000 | Development, investment, ownership, financing, construction, performing, selling & distributing gas refining productions | NIORDC (20%), Parsian Oil & Gas Development Group Co. (80%) | Tender | 1,900 | 100 | 2,000 | 20 | 20,204,300 | 40,408,600,000 | 1,212,258,000 | In cash | | 20 | -- | Envisioned at bid proposal form | | |

For the attention of applicants interested in buying following enterprises:

- 1- **Gostar Erish Production Co.:** The purchaser is duty-bound to terminate the concession of paragraph 8-2 of the constitution of the company which says “transferring private sector shares will be done after agreement of IDRO” and this will be mentioned in transferring contract.
- 2- **Pars Shiraz Refining Co: A.** The Company is on before operation. The operational activities of refinery construction plan have been stopped and the agreement of performing refinery plan that has been issued on Sep.30, 2014 for Parsian Oil & Gas Development Group has been expired. **B.** The agreement of Environment Organization for performing plan in the current location of the refinery has not been received yet. So continuity of company’s activities and performing the project is depend on taking Environment license and time extension of agreement of performing the refinery plan . **C.** The debts of the company to the Parent Company up to Sep. 22, 2017 has been estimated about IRR 279 billion and only IRR 159 billion has been registered on financial statements of the company and because of not presenting the documents surplus to financial statements of the company, no reserve has been mentioned in the accounts.

A) Other Transferring Conditions: By emphasizing that the Organization is reserved the right to accept or reject any or all of the bid proposals, participating in the tender is meant that applicants have accepted all rules and regulations and transferring contract wholeheartedly

| How to Receive Tender Documents and Get Information of Other Transferring Conditions | How to Visit the Enterprises | How to Settling the Amount of Tender/Competition Deposits | How to Present Tender Envelopes and the Place of Delivery | Tender Opening Session & Conditions of Presence in the Tender Session | Guarantee Documents | How to Transfer Stock Ownership | Transferring Priority | General Conditions of Allocating Employees Shares | Interest rate of installment |
|---|---|--|--|---|--|---|--|---|--|
| <p>Tender documents & other general & exclusive conditions are accessible by referring to website of the Organization at the following address: www.ipo.ir- the transferring enterprises & properties section.</p> <p>1- Bid proposal form, sample of contract, power of attorney registered at Notary Public Office.</p> <p>2- Financial statements and other relevant documents.</p> <p>3- The regulation of allocating Employees shares.</p> <p>4- The Instruction of the How to review and proposal of granting discounts to the shares purchasers (in installments-based transactions)</p> <p>5- The instruction of encouraging private sector to participate in privatization.</p> <p>6- The instruction of monitoring after transferring</p> | <p>Interested applicants can send the visiting request via the following fax number: +98 21 880 85622 to the Marketing Office. The office will issue visiting letter.</p> | <p>In case of Tender: Settling in cash basis into SIBA Acc. No. 2170159008002 with Bank Melli Iran (BMI), Jame' Mosque Branch of Shahrak-e Ghods (Coded 1458)- by emphasizing on disallowance of presenting any kind of check and recommendation to ensure of transferring deposit fund into the set account in due date.</p> | <p>Putting up the original bank deposit receipt and completed bid proposal form in the form of two separate envelopes inside a sealed envelope and delivering it up by the end of business hour of aforementioned date to Guard Management Office, 7th Floor, No. 15, Mahestan St., Iran Zamin Ave., Phase 1, Shahrak-e Ghods, Tehran – IRAN</p> | <p>Envelopes of participating in the bid notice will be opened at 14:00 O'clock with presence of bidders or their legal representatives in the session with owning identification documents and representation letter</p> | <p>Keeping shares equivalent of remaining amount of installments until full payments of the installments + receiving guarantee documents on minimum 50% of the remaining total installments.</p> | <p>Through share register book / stock market transaction system/notary public/(in case of properties), within mutual framework</p> | <p>Priority of Cooperative Sector in equal conditions in offering shares/properties via bid/negotiation notice</p> | <p>Including: Managers and employed staff and assignee personnel in enterprise subject to stock transfer and also those who assignee to other enterprises that more than 50 percents of their capital belong to the transferable company and also the retirements</p> <p>Some Conditions: having minimum one-year experience and paying insurance, not allowing simultaneous use of advantages of voucher privatization plan (Saham Edallat) and Employee Shares for the retired. The shares are totally installments during 10 years base on the above base price.</p> | <p>13%</p> <p>Time interval of installments</p> <p>6 months</p> |