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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, 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 as following and internet portal of the stock market at the following address: www.ifb.ir (Iran Fara Bourse). The applicants are highly requested to consider the conditions mentioned in the bid proposal form, transferring contract & notifications of the Organization envisioned at internet portal.

A) Shares

No.	Name of Enterprise	Capital (Million IRR)	Field of activity of enterprise	Major Shareholders	Size of Enterprise	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	Trading date/ 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	Heavy Equipment Production Co. (HEPCO)	2,336,653	Production of heavy machineries of roads, agricultural & mining	Wagon Kosar Co. (60/72%), Others (39/28%)	Very Large	Tender	1,418,880,548	--	1,418,880,548	60/72	1,522	2,159,536,194,056	64,786,085,822	5	6	20	✓	On behalf of Wagon Kowar Co	2017/02/12	2017/02/13
2	Fars Province Urban Development & Housing Co	18,000	Designing and construction of towns and residential complexes, revitalization and renovation of urban textures, etc.	Iranian Urban Development & Revitalization Corporation (49/87%), Shiraz Municipality (49/99%), Other (0/14%)	Average	Tender	8,527	448	8,975	49/87	26,092,445	234,179,693,875	7,025,390,816	15	3	20	✓	--	2017/02/12	2017/02/13

For the attention of applicants interested in buying Heavy Equipment Production Co. (HEPCO):

A. The purchaser will enjoy two years of break at the beginning of installments without incurring interest .

B. If requested, the purchaser will be granted 2 years respite with interest rate of installments .

C. Eligible purchasers under “private-sector incentives to participate” enjoy a 3% decrease in interest rate .

D. Given Subject Company’s ticker listed on Farabourse, stock ownership transfers will be registered on IFB portal and all associated fees will be borne by the purchaser .

Purchaser commitments:

- 1- The purchaser is duty bound to pay employees' salaries for current month and the next month (until 20th March, 2017) as well as paying all employee deferred liabilities before June 2017.
- 2- The purchaser is duty bound to maintain employment level during the contract period. Retirement and consensual redemptions are exempted from this clause.

IPO gives priority in declaring the winner with same bid prices to those who:

- 1- Offer break period shorter than 2 years.
- 2- Offer higher interest rate of installments than 14% (or 11% for the true private sector)
- 3- Offer shorter pay-back period than 6 years.

B) 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 Deposites	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	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 latest transferring enterprises section.</p> <ol style="list-style-type: none"> 1- Bid proposal form, sample of contract, power of attorney registered at Notary Public Office. 2- Financial statements and other relevant documents. 3- The Instruction of "How to Exert Financial and Nonfinancial Incentives" 4- The Instruction of " How to Receive Commitments, and Granting Discounts" 5-The Regulation of Allocating Employees Shares. 6- The Instruction of How to review and proposal of granting discounts to the shares purchasers (in installments-based transactions) 7- The instruction of encouraging private sector to participate in privatization. 8- The Instruction of Monitoring after Transferring 	<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 separated 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>14%</p>
								<p>Time interval of installments</p>
								<p>6 months</p>