

**Information**  
**about sale of the state share in the authorized capital of**  
**joint venture “KERAMNADRA” in the form of a limited liability company**  
**at auction**

**Full name:** state share in the authorized capital of joint venture “KERAMNADRA” in the form of a limited liability company (hereinafter the “KERAMNADRA” JV, LLC), which is 51 % of the authorized capital of the Company.

**Location of the Company:** 3 Chipi Str., Muzhyievo town, Beregovo district, Zakarpattia region, 90260, tel./fax: +38 (03141) 4-31-28.

**YeDRPOU code:** 20449073.

**Authorized capital of the Company** amounts to 362,000.00 (three hundred sixty-two thousand one hundred seventy-one) UAH.

**Main activity according to KVED** is 08.12 - extraction of sand, gravel, clay and kaolin.

**Nominal price** of the state share is 184,707.00 (one hundred eighty-four thousand seven hundred and seven) UAH.

**Starting price** of the state share is 5,197,920.00 (five million one hundred ninety-seven thousand nine hundred twenty) UAH.

**Land plot area used by the Company:**

1. Land plot of 0.738 ha placed at the address: 23 Aron Ianosha Str., Berehove town, for the maintenance of construction is in the use of the “KERAMNADRA” JV, LLC on the basis of the sale contract of the house dated 12.10.1994. The land plot purpose is the building and maintenance of the house. Normative-monetary assessment of land is UAH 244,160.40.

2. Land plot of 0.41 ha placed at the address: Muzhiievo village, Berehovo district, Zakarpattia region, is in use on the basis of the lease agreement dated 25.01.2010. The land plot purpose is maintenance of buildings and premises. Normative-monetary assessment of land is UAH 1,076,324.40.

3. Land plot of 1.09 ha placed at the address: Muzhiievo village, Berehovo district, Zakarpattia region, was in use of the “KERAMNADRA” JV, LLC on the basis of the agreement with the Muzhiievo Village Council until 21.01.2017. The land plot purpose is storage of kaolin rocks. Normative-monetary assessment of land is UAH 27,960.57. During the contract period this land plot was removed from the Muzhiievo Village Council to SE “Berehovo forestry”. According to “KERAMNADRA” JV, LLC information the Zakarpattia Regional Administration order regarding the production of technical documentation for the conclusion of the lease agreement has been received. The area of the leased land will be reduced to 0.4 hectares. (there aren't forest plantation, but placed a minescale and a crusher with a storage platform on this area; on another side there is forest the registration of the lease requires a different order).

**Volumes of emissions and discharges of pollutants into the environment, the formation and placement of waste, information on payment of environmental charges and payments:**

the amount of waste generated in 2017: oils and motor oils – 0.45 t, scrap of ferrous metals – 0.15 t, tires are spoiled – 0.2 t, filtering materials contaminated (wasted oil filters) – 0.0015 t, contaminated materials (oily rags) – 0.01 t.

Amount of payment of environmental charges and payments in 2017 is UAH 562.08.

**The method of payment:** funds.

**Indicators of economic activity for the last three years and last reporting period:**

Indicator	2014	2015	2016	9 month 2017
<b>Balance of assets and liabilities, thousand UAH</b>	4,440.0	5,036.0	5,525.0	6,425.0
<b>Profitability, %</b>	14.7	26.3	17.5	1.7
<b>Equity value, thousand UAH</b>	3,178.0	4,337.0	4,798.0	4,664.0
<b>Net Profit, thousand UAH</b>	653.0	1,326.0	968.0	107
<b>Sales volume, thousand UAH</b>	5,694.0	7,907.0	7,272.0	4,093.0

### Indicators of business activities as at 01.10.2017:

Indicator	Value
Average number of employees, persons	45
Book value of fixed assets, thousand UAH	2,061.0
Depreciation of fixed assets, thousand UAH (% of fixed assets)	2,181.0 (51.4%)
Accounts receivable, thousand UAH	511.0
Accounts payable, thousand UAH	1,699.0

### Conditions of the Auction

An auction on sale of the state share in the authorized capital of “KERAMNADRA” JV, LLC **will be held in the premises of the State Property Fund of Ukraine 22 February, 2018 at 11.00** at the address: Kyiv City, 18/9 Henerala Almazova str., Room No. 303 (3d floor).

Registration for the contest will be conducted on the day of the Auction **from 10.00 to 10.50** at the place holding of the Auction.

In the Auction may participate persons who may be buyers of privatization objects in accordance with Article 8 of the Law of Ukraine “On State Property Privatization”.

Becoming a party of a contest is not allowed for the legal entities and individuals identified in the third paragraph of Article 8 of the Law of Ukraine “On State Property Privatization”, namely:

- legal entities, with more than 25 percent of shares (parts, units) that are in possession of the State of Ukraine;
- legal entities, with any number of shares (parts, units) and/or ultimate beneficial owner (controller) of which is a resident of the state that is recognized by Verkhovna Rada of Ukraine as an aggressor State, or a State recognized by Verkhovna Rada of Ukraine as an aggressor State;
- public authorities;
- state privatization agencies staff;
- national business associations, state holding companies, state-owned corporations (companies), their subsidiaries and enterprises;
- entities registered in offshore zone (the list of zones is determined by the Cabinet of Ministers of Ukraine) or countries included by FATF to the list of countries that do not cooperate in combating against laundering of proceeds in criminal way;
- entities that are directly or indirectly under the control of persons that are ultimate beneficial owned (Controller) with persons specified in this paragraph or are related to the following:
  - legal entities or related entities, registered in the State recognized as aggressor state by the Parliament of Ukraine, or which are imposed with sanctions according to Law;
  - persons or related entities, with the citizenship of State recognized as aggressor state by the Parliament of Ukraine, or which are imposed with sanctions according to Law.

Entities being imposed with sanctions are not allowed to participate in the contest in accordance with the Decree of the President of Ukraine dated May 15, 2017 No. 133/2017, which enacted a Decision of the National Security and Defense Council of Ukraine dated April 28, 2017 “On the use of personal special economic and other restrictive measures (sanctions) and the Law of Ukraine “On sanctions”.

The Auction will be held in accordance with the Procedure for preparation for the privatization and sale of shares (shares) owned by the state in the authorized capital of business companies and other economic organizations and enterprises founded on the basis of combination of property of various forms of ownership which located in Ukraine or abroad, approved by the Order of the State Property Fund of Ukraine dated 22.05.2012 No. 723, registered by Ministry of Justice of Ukraine at 12.06.2012 No.937/21249 (hereinafter the Procedure).

**The deadline for accepting applications for participation in the Auction is February 16, 2018 at 16.45.**

The application for participation in the Auction is submitted with: information about potential purchasers of privatization objects or entities in whose interests the state objects are being purchased, their founders, participants, including individuals - final beneficial owners (controllers) under the Law

of Ukraine “On prevention and counteraction to legalization (laundering) proceeds in criminal way, terrorist financing and the financing the proliferation of weapons of mass destruction”; for individuals as potential purchasers, a certificate of Income and Charges body on the submitted declaration of property status and income (tax return) should be submitted; for legal entities as potential purchasers, information on financial and property status.

Potential purchasers - legal entities shall submit to the state privatization body document on the distribution of the authorized capital among the participants.

The responsibility for the accuracy and completeness of any presented document and the duty to prove the right to purchase the state property is laid upon the purchaser.

According to Art. 18<sup>6</sup> of the Law of Ukraine “On State Property Privatization” in cases envisaged by legislation on protection of economic competition, the buyer must obtain permission from the relevant authority Antimonopoly Committee of Ukraine on the directly or indirectly purchase, acquisition in the property through other means or getting in the management of stocks (shares) within the scope that ensures achieving or exceeding 25 or 50 percent of the votes in the supreme governing body of the respective entity. The procedure for submission and consideration of an application for permission to the concentration is established by the legislation on economic competition protection.

**The sale contract with the winner of the auction will include following obligations:**

- reservation of main activities of “KERAMNADRA” JV, LLC at least during five-year period (Article 27 of the Law of Ukraine “On State Property Privatization”);

- preventing the release of “KERAMNADRA” JV, LLC employees by the Purchaser or by its authorized body (except for dismissal for cause under paragraph 6 of Article 40 of the Labour Code of Ukraine, or dismissal for cause under paragraph 2, 3, 4, 7, 8 of Article 40, or Article 41 of the Labour Code of Ukraine during six months from the effective date of shares transfer to the Purchaser (Article 26 of the Law of Ukraine “On State Property Privatization”);

- provision of social guarantees to employees of the company in accordance with the requirements of the collective agreement;

- compliance with the requirements and additional restrictions of environmental legislation to the use of the object.

**To participate in the Auction, a potential purchaser pays:**

- a registration fee to participate in the Auction on sale of the state share in the authorized capital of “KERAMNADRA” JV, LLC in the amount of one non-taxable minimum incomes of citizens, that is 17,00 (seventeen) UAH, and which shall be made on account No. 37183500900028 at the State Treasury service of Ukraine in Kyiv City, MFO 820172, YeDRPOU code 00032945;

**purpose of payment:** a registration fee to participate in the Auction on sale of the state share in the authorized capital of “KERAMNADRA” JV, LLC, receiver - the State Property Fund of Ukraine;

- funds in the amount of 10 % of the starting price of sale of the state share in the authorized capital of “KERAMNADRA” JV, LLC, which are respectively 519,792.0 (five hundred nineteen thousand seven hundred ninety-two UAH), and which shall be made on account № 37316021000058 at the State Treasury service of Ukraine in Kyiv City, MFO 820172, YeDRPOU code 00032945,

**purpose of payment:** the deposit cash in the amount of 10 % of the starting price of sale of the state share in the authorized capital of “KERAMNADRA” JV, LLC, receiver - the State Property Fund of Ukraine.

**Payment details for registration fee in foreign currency:**

<p>Registration fee in the amount of <b>17,00 UAH</b></p> <p>(According to exchange rate of National Bank of Ukraine on the date of the registration fee payment)</p>	<p><b>Одержувач:</b> Фонд державного майна України</p> <p><b>Адреса:</b> вул. Генерала Алмазова, 18/9, м. Київ, 01133 Україна</p> <p><b>Рахунок:</b> 25206010023277</p> <p><b>Банк одержувача:</b> ПАТ «Державний експортно-імпортний банк України»</p>	<p><b>Receiver:</b> State Property Fund of Ukraine</p> <p><b>Address:</b> 18/9 Heneral Almazova Street, Kyiv, 01133 Ukraine</p> <p><b>Account:</b> 2506010023277</p> <p><b>Bank of receiver:</b> Public Joint-Stock Company “State Export-Import Bank of Ukraine”</p>
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	<b>Адреса:</b> вул. Антоновича, 127, місто Київ, Україна <b>МФО:</b> 322313 <b>Код ЄДРПОУ:</b> 00032945 <b>Призначення платежу:</b> реєстраційний внесок для прийняття участі у аукціоні з продажу державного пакета акцій СП ТОВ «КЕРАМНАДРА»	<b>Address:</b> 127 Antonovycha Str., Kyiv, Ukraine <b>MFO:</b> 322313 <b>Code YeDRPOU:</b> 00032945 <b>Purpose of payment:</b> the registration payment for the participation in the auction on a sale of the state block of shares in “KERAMNADRA” JV, LLC
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**Payment details for deposit cash in the amount of 10 % of the starting price of sale of the state block of shares of “KERAMNADRA” JV, LLC in foreign currency:**

Грошові кошти у розмірі 10 % від початкової ціни продажу державної частки у статутному капіталі СП ТОВ «КЕРАМНАДРА», що складають відповідно 519792,0 гривні (за курсом Національного банку України на день сплати)	<b>Одержувач:</b> Фонд державного майна <b>України</b> <b>Адреса:</b> вул. Генерала Алмазова, 18/9, м. Київ, 01133 Україна <b>Рахунок:</b> 25206010023277 <b>Банк одержувача:</b> ПАТ «Державний експортно-імпорتنний банк України» <b>Адреса:</b> вул. Антоновича, 127, місто Київ, Україна <b>МФО:</b> 322313 <b>Код ЄДРПОУ:</b> 00032945 <b>Призначення платежу:</b> внесок грошових коштів у розмірі 10 % початкової ціни продажу державної частки у статутному капіталі СП ТОВ «КЕРАМНАДРА»,	<b>Receiver:</b> The State Property Fund of Ukraine <b>Address:</b> 18/9 Generala Almazova Street, Kyiv, 01133 Ukraine <b>Account:</b> 25206010023277 <b>Bank of receiver:</b> Public Joint-Stock Company “State Export Import Bank of Ukraine” <b>Address:</b> 127 Antonovycha Street, Kyiv, Ukraine <b>MFO:</b> 322313 <b>Code YeDRPOU:</b> 00032945 <b>Purpose of payment:</b> the deposit of funds in the amount of 10% of the initial price of sale of the state share in the authorized capital of “KERAMNADRA” JV, LLC
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**Conditions of conduction of the Auction**

If within three minutes after the announcement of the starting sell price any of participants of Auction has not expressed a desire to acquire the state share in the authorized capital of “KERAMNADRA” JV, LLC at the declared initial price, the person is authorized to conduct the Auction stops a trading. The Auction deemed to be failed.

If more than one bidder of the Auction simultaneously agreed to buy the state share in the authorized capital of “KERAMNADRA” JV, LLC at the offered price (above the initial) the person is authorized to conduct the Auction announces the next price in accordance with the step of the Auction.

The step of the Auction is 10 % of the starting price of sale of the state share in the authorized capital of “KERAMNADRA” JV, LLC.

In case, within three minutes none of the bidders did not agree with next price on the share in the authorized capital of “KERAMNADRA” JV, LLC which was proposed by the person is authorized to conduct the Auction, then person announces that the winner of the Auction is the bidder whose the application for the Auction was registered by the State Property Fund of Ukraine before.

The person is authorized to conduct the Auction declares each next increase in prices in accordance with the step of the Auction. Bidders can offer a price higher than the declared by the person is authorized to conduct the Auction, by raising the ticket number of the Auction participant and the announcement of its offer prices by the voice.

The person is authorized to conduct the Auction announces the next price for the stake in the authorized capital of “KERAMNADRA” JV, LLC by increasing it on the step of the trading from a price offered by the participants of the Auction by the voice.

If within three minutes none of the bidders did not agree to the offered price, the Auction winner is the bidder who offered the highest price.

If to participation in the Auction on sale of the state share in the authorized capital of “KERAMNADRA” JV, LLC filed the application from one buyer then the state stake can be sold directly to such buyer at the proposed price, but not below the initial price.

Getting acquainted with “KERAMNADRA” JV, LLC is available on week days at: 3 Chipi Str., Muzhiievo village, 90260, Beregovo district, Zakarpattia region.

To registration of bidders contact the Administration of Competitive Sale and Stock Activities in the Department of preparation and sale of privatization objects of the State Property Fund of Ukraine by the phone: + 38 (044) 200-35-29, 200-33-67 on week days from 9.00 to 18.00 (on Fridays and on pre-holiday days from 9.00 to 16.45).