

Pursuant to Article 6 and Article 11e of the Law on Privatization Agency ("Official Gazette of the RoS", no. 38/01, 135/04 and 30/10) and Decision of the Managing Board of the HK PK "Yumco" a.d. in restructuring Vranje, no. 477-1/12 dated April 17, 2012, on sale of immovable assets within Trikotaza (Knitwear) Plant and Dorada i Konac (Finishing and Thread) Plant and in line with the Proxy Agreement concluded on April 19, 2012 at First Basic Court in Belgrade under Crt..2-2069/12 by and between HK PK "Yumco" a.d. in restructuring as the Principal and Privatization Agency as the Proxy, the Privatization Agency hereby announces:

PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC BIDDING FOR PURCHASE OF THE IMMOVABLE ASSETS OF HK PK "YUMCO" AD VRANJE, IN RESTRUCTURING (hereinafter: "Yumco") CONSISTING OF IMMOVABLES WITHIN THE FINISHING AND THREAD PLANT VRANJE

**Sales Code:
P-150612-3421-П**

1. Subject of Sale

The subject of sale includes immovable assets within Finishing and Thread Plant, located in the part of the cadastre lot 9983/1, entered into the LI 7096 KO Vranje (hereinafter: "**Subject of Sale**"), enclosing the following:

Construction projects:

- Building no. 3 – Industrial facility, entered into the LI 7096, KO Vranje 1, in mixed ownership, where Yumco is entered as the holder. Yumco has a right of possession of land in state ownership with total area of 9.669 m² on c.l. 9983/1 (land under building – facility); and
- Building no. 4 – Industrial facility, entered into the LI 7096, KO Vranje 1, in mixed ownership, where Yumco is entered as the holder. Yumco has a right of possession of land in state ownership with total area of 9.135 m² on c.l. 9983/1 (land under building – facility).

Entire real estate shall be offered for sale as is, without possibility of subsequent complaints.

2. Public Bidding Documents

Sales Documents Fee is **RSD 150.000,00** (onehundredfiftythousand dinars). If the participant is a foreign legal entity or an individual, the Sales Documents Fee shall be RSD 150.000,00 (onehundredfifty thousand dinars) payable in EUR according to the median official exchange rate of the National Bank of Serbia on the invoicing date.

The purchase of the Sales Documents is obligatory as well as signing of the Confidentiality Agreement which is to be performed upon taking the Sales Documents.

The Agency hereby invites all interested parties to file a written request for purchasing the Sales Documents for the Subject of Sale at the latest by **June 6, 2012**.

Sales Documents shall be available from **June 1, 2012**.

A written request for purchase of the Sales Documents is to be submitted by e-mail or fax, to the address stated below and with clear reference:

«Request for Purchase of the Sales Documents for Part of Immovable Assets of HK PK “Yumco“ a.d., Vranje, in restructuring – immovables within Finishing and Thread Plant – sales code **P-150612-3421-Π**».

Upon receiving the evidence on payment, the sales documents are to be collected at the address:

Privatization Agency, Centre for Privatization, Terazije23 (7th floor), 11000 Belgrade from 09:00 to 16:30 in the period between **June 1, 2012** until **June 6, 2012**.

3. Initial price and sales conditions

Initial price for the Subject of Sale in public bidding shall be **EUR 764.000,00** (sevenhundred sixtyfourthousand euros) in RSD counter value calculated at the median official exchange rate of the National Bank of Serbia on the selling date.

The Deposit for participation in public bidding shall be **EUR 76.400,00** (seventysixthousandfour hundred euros) in RSD counter value calculated at the median official exchange rate of the National Bank of Serbia on the selling date.

4. Obligations by the Buyer

Obligations and covenants by the Buyer are determined within the Sale and Purchase Agreement which is the integral part of the Sales Documents.

By submitting the application for participation in public bidding the Participant declares willingness to fully accept all terms and conditions stated in Instruction to Bidders and Sale and Purchase Agreement which both make an integral part of the Sales Documents.

5. Right to Participate in the Public Bidding and Obligations of the Participant

The right to submit the Bid has a domestic or foreign individual or legal entity that meets the following criteria:

- a) it has purchased the Sales Documents,
- b) it has paid the deposit or submitted the Bid Bond, and
- c) it has submitted the application for participation in public bidding.

The right to submit the Bid has a Consortium consisting of individuals and/or legal entities ("Consortium") that meets the following criteria:

- All consortium members have made the Decision on organizing and entering a Consortium;
- All consortium members have signed a written Consortium Agreement and such agreement has been duly notarized in the court, or other competent body (in case of foreign legal entities)
- Each consortium member assumes unlimited joint and several liability,
- Consortium Agreement specifies each member's percentage in the purchase of the Subject of sale;
- Consortium Agreement specifies one member which represents the Consortium;
- All consortium members have signed a Confidentiality Agreement;
- At least one of the consortium members has purchased the Sales documents;
- That the Consortium has paid the Deposit or delivered the Bid bond and submitted the Application for participation in the Public bidding.

One of the members of the Consortium, i.e. the person authorized by the Consortium, has to be appointed to represent the Consortium ("Authorized representative of the Consortium") and to act in the name and on behalf of the Consortium.

The Buyer of immovables cannot be:

- 1) domestic legal entity that performs operations with majority socially-owned capital;
- 2) individual or legal entity which has due but unpaid liabilities to the Seller until the day of submitting the Application for participation in the Public bidding;
- 3) individual, legal entity and a founder of the legal entity with which the Agreement on Sale and Purchase has been terminated due to its failure to meet contractual obligations;
- 4) individual that was sentenced or criminal proceedings were taken against it as defined by the Article 12 of the Law on privatization (The Official Gazette of RS 38/01, 18/03, 45/05, 123/07, 123/07 – other law and 30/10 – other law);
- 5) legal entity where a person from the above items 2), 3) and 4) of this article is considered as the controlling member or a controlling shareholder, in line with the law governing legal entities;
- 6) its subsidiary or parent company.

Such applications will be refused without any considerations.

The Bidder is obligated to pay the deposit in the amount as defined in the point 3, or to submit the Bid Bond for participation in the Public bidding in the same amount, not later than June 07, 2012.

In case Bid Bond is submitted as the instrument for paying the deposit, it has to be collectible within the period of 48 hours after announcement of the Bidder as the Buyer in the public bidding.

6. Due Diligence Procedure

After signing the Confidentiality Agreement and purchasing the Sales Documents, in period from June 01, 2012 to June 06, 2012, the Participant can examine the property that is the Subject of sale, organize meetings with persons in charge and examine the commercial, financial and legal data connected to the property.

7. Submission of Applications for Participation

The application submission deadline for participation in the public bidding is **June 07, 2012** by 16:30 hours. Applications are to be submitted to the Privatization Agency in the closed envelope with the following title:

ПРИЈАВА ЗА УЧЕШЋЕ НА ЈАВНОМ НАДМЕТАЊУ **P-150612**
АГЕНЦИЈА ЗА ПРИВАТИЗАЦИЈУ
ЦЕНТАР ЗА ПРИВАТИЗАЦИЈУ
ТЕРАЗИЈЕ 23, VII СПРАТ, 11000 БЕОГРАД

(APPLICATION FOR PARTICIPATION IN PUBLIC BIDDING **P-150612**

PRIVATIZATION AGENCY
PRIVATIZATION CENTER
TERAZIJE 23, 7th FLOOR, 11000 BELGRADE)

If the subject of bidding or full sales code is written on the envelope, the application will be rejected. The special application forms that are included in Sales Documents, should be filled in and should consist of data as given in the Instructions to Bidders concerning the evidence of payment and the

account number for the deposit refund. Incomplete and untimely applications will not be considered. The Commission in charge of the public bidding will inform all applicants about the approval of their applications at least two working days before conducting the public bidding.

8. Conducting the Public Bidding

The public bidding will be held on **June 15, 2012** at 13.00 hours on the premises of the Privatization Agency, Terazije 23, Belgrade, Large Hall on the second floor. Registration of the bidders will be performed at the same address on **June 15, 2012** from 12:00 to 12:50 hours.

The way of conducting the public bidding and signing the Sale and Purchase Agreement is explained in details in the Instructions to Bidders.

The deposit and the Bid Bond will be returned to all participants who are not announced as buyers, in the period determined in the Instructions to Bidders.

The paid deposit of the Bidder who first gives the highest offer and is announced as the Buyer will be included in the sales price while the difference between the deposited amount and the sales price will be paid by the announced buyer to the account of Privatization Agency, according to the Sale and Purchase Agreement. If the announced buyer refuses to sign the Sale and Purchase Agreement the deposit will not be refunded.

All questions relating to this Public Invitation should be directed to contact persons to the address below, in Serbian or English.

Privatization Agency

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If necessary, the Agency reserves the right to amend dates, deadlines and/or conditions set out in this Public Invitation and it does not bare any liability for any potential costs or damages caused by those changes to Tender participants. The Potential Bidders will be informed via website of the Privatization Agency and/or in the "Politika" daily newspaper should any changes of the Public Invitation occur.