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EQUITISATION STEERING COMMITTEE AND VIGLACERA CORPORATION RECOMMEND THAT INVESTORS SHOULD READ INFORMATION IN THE INFORMATION STATEMENT AND AUCTION REGULATIONS BEFORE PARTICIPATING IN THE AUCTION.

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# INFORMATION STATEMENT

## INITIAL PUBLIC OFFERING

## VIGLACERA CORPORATION



### THE AUCTIONEER

#### VIGLACERA CORPORATION

Address: Viglacera Tower, No.1 Thang Long Avenue, Me Tri Commune, Tu Liem District, Hanoi

Tel: (84.4) 35536660 Fax: (84.4) 35536671

### THE AUCTION ORGANIZATION

#### HANOI STOCK EXCHANGE

Address: No. 02 Phan Chu Trinh Street, Hoan Kiem District, Hanoi

Tel: (84-4) 39412626 Fax: (84.4) 39347818

### THE AUCTION ADVISORY ORGANIZATION

#### SAIGON SECURITIES INCORPORATION

Head Office: 72 Nguyen Hue, District 1, Hochiminh City

Tel: (84.8) 38242897 Fax: (84.8) 38242997

Hanoi Branch: 1C Ngo Quyen, Hoan Kiem District, Hanoi

Tel: (84.4) 39366321 Fax: (84.4) 39366311

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## **DEFINITION AND ABBREVIATIONS**

Share Auction	Public offering of shares of equitized state-owned enterprise, specifically shares of Viglacera Corporation, to investors in the form of an auction with competitive bids.
Investors	Vietnamese and foreign organizations and individuals according to Government's Decree No.59/2011/ND-CP dated 18/7/2011 on the transformation of 100% state-owned enterprises into joint stock companies.
Equitization Steering Committee	Equitization Steering Committee of Viglacera Corporation
VIGLACERA The Corporation	Viglacera Corporation, operating in the form of one member limited company under management of Ministry of Construction.
Financial Statements of Parent Company	Financial statements of Viglacera Corporation and member companies.
Consolidated Financial Statements	Financial statements prepared on the basis of consolidation of financial statements of Viglacera Corporation and member companies under control by Viglacera Corporation.
SSI	Saigon Securities Incorporation
JSC	Joint Stock Company

## **I. INFORMATION OF THE EQUITIZED ENTERPRISE**

### **1. Equitized Enterprise**

- Name in Vietnamese : TỔNG CÔNG TY VIGLACERA
- Name in English : VIGLACERA CORPORATION
- Abbreviated name : VIGLACERA
- Head office : Viglacera Tower, No. 01 Thang Long Avenue, Me Tri Commune, Tu Liem District, Hanoi
- Tel : (84-4) 3553660
- Fax : (84-4) 35536671
- Email: : [vgc@hn.vnn.vn](mailto:vgc@hn.vnn.vn)
- Website : <http://www.viglacera.vn>
- Logo :   
**VIGLACERA**
- Business registration : 0100108173 issued for the first time by Hanoi Authority certificate for Planning and Investment on 01/10/2010 and amended for the third time on 11/03/2013
- Charter capital : VND 1,050,000,000,000  
(One thousand and fifty billion Vietnam dong)

### **2. Scope of Business**

According to the Business Registration Certificate No.0100108173 issued by Hanoi Authority for Planning and Investment on 01/10/2012, amended for the third time on 11/03/2013, the prevailing registered scopes of business of Viglacera Corporation include:

- Real estate activities, trading of land use right as owner, user or lessee:
  - + Construction of houses, civil engineering projects for sale, lease and lease purchase;
  - + Acquisition of houses, civil engineering projects for sale, lease and lease purchase;
  - + Residential building and civil engineering construction project leasing for sub-lease;
  - + Land improvement and infrastructure project investment on leasing land or land with infrastrure;
- Transfer of land use rights, transfer and leasing of investment on infrastructure projects; leasing of land use right with infrastructure for sub-lease.
- Environmental consultanting services (excluding legal, financial, tax, accounting, auditing and securities consulting services).

- Establish construction investment projects.
- Investment consulting services (excluding legal, financial, tax, audit, accounting consulting services).
- Evaluation consulting services on construction project investment.
- Technology transfer consulting services (excluding legal, financial, tax, accounting, auditing, securities consulting services).
- Manufacturing, import-export, and trading of building material products, raw materials inputs, fuel, equipment, machinery, parts, accessories for production of building materials, construction and urban area development: bricks, clay roof tiles, ceramic tiles, granite tiles, clinker tiles, autoclaved aerated concrete tiles, cotto tiles and other building material products, construction glass, decorative glass, safety glass, sanitarywares and accessories, industrial valves, water supply equipment, water meter, gas meter, heat meter and bathtub, electric water heater;
- Real estate trading business:
  - + Real estate trading floor;
  - + Real estate brokerage services (solely for real estate trading at the company's trading floor);
  - + Real estate advertisement services;
  - + Real estate management services;
  - + Real estate valuation services;
  - + Real estate consulting services;
  - + Real estate auction services (solely performed in compliance with certificate of legal representative);
- Construction works of civil engineering, industrial, transportation, water resources projects, hydropower projects, power lines and power distribution stations, infrastructure of urban areas, industrial parks; machinery and equipment leasing and transportation services.
- Mineral exploration and processing;
- Research, application and transfer of manufacturing technology, provision of research, experiment, inspection services of inputs and building material products.
- Provision of education and training for management, officers and technical officers, workers in the production of building materials, training and guidance for employees and Vietnamese experts working overseas, labour export to foreign countries in definite term.
- Restaurants, supermarkets, hotels, sport center and entertainment services.

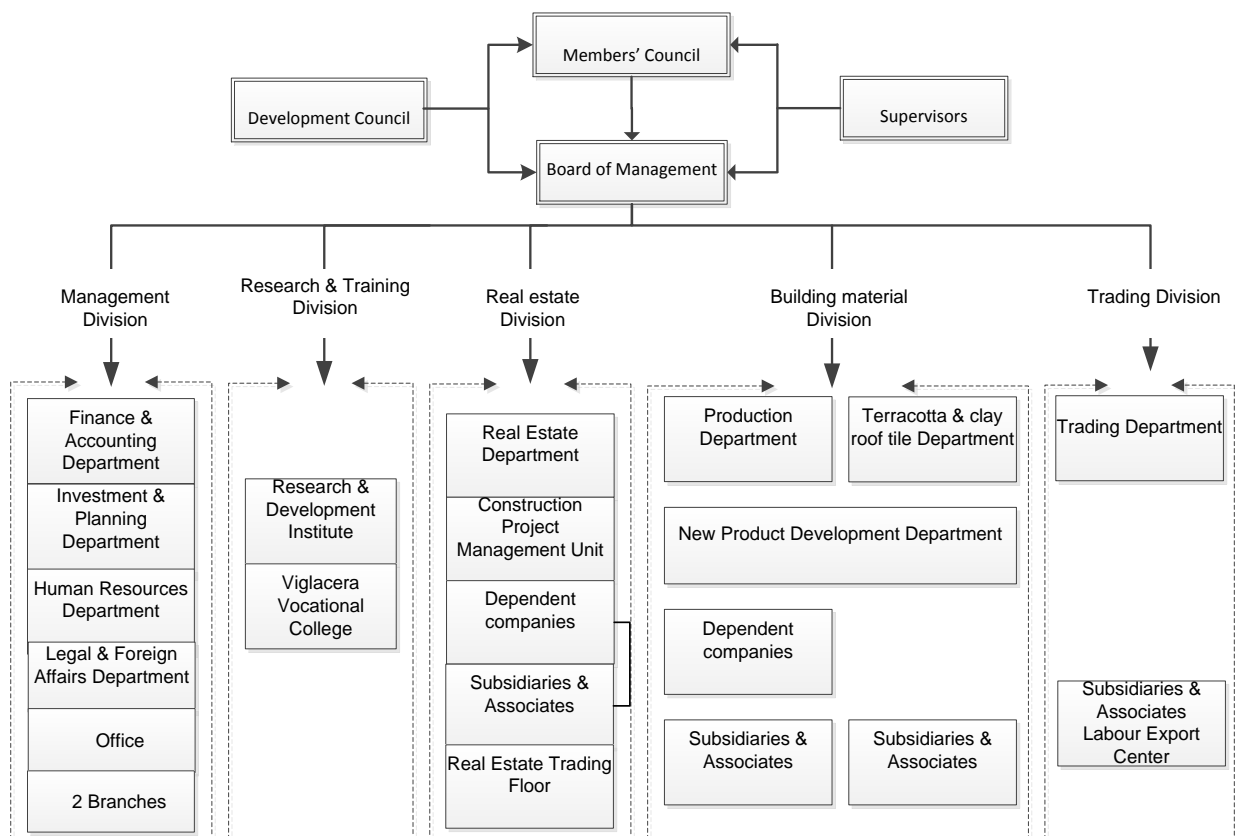
- Capital contribution to exercise rights and obligations as owner, shareholder, capital contribution member of subsidiaries and associates.

**3. Main products and services**

- Manufacturing and trading of glass, ceramic sanitary wares, faucet and shower, building material products ...
- Investment in and trading of infrastructure of industrial parks, urban areas, houses, supermarkets and offices for lease, investment in construction of houses, construction works for sale, lease, purchase lease...

**4. Organizational and managerial structure of Parent Company – Viglacera Corporation**

Image 1: Organizational chart of Parent Company - Viglacera Corporation



**Functions and responsibilities of departments and divisions of the Parent Company – Viglacera Corporation**

The Parent Company – Viglacera Corporation is the leading unit which is responsible for implementing and managing operation of the Corporation and its member companies & units. Main functions and responsibilities of departments and divisions of the Parent

Company – Viglacera Corporation are stated as follows:

**Real Estate Department**

- Manage bidding and construction activities of the real estate investment and trading activities.
- Maintain quality and progress of construction projects, control quantity, price and financial settlement of the construction projects; implement construction safety standards for employees.
- Prepare strategic development plans, short-term, mid-term and long-term real estate investment and trading plans.
- Prepare financial plans for real estate investment and trading activities, organize and follow up financial activities in accordance with approved plans of the Corporation.
- Search for trading opportunities and strategic partners in real estate investment and trading activities, prepare development plans of residential building, new urban area and industrial park construction projects.
- Perform analysis, evaluation and preparation of investment plans for houses, new urban area and industrial park construction projects. Screen project documentation, perform analysis of the projects and business performance of member companies in real estate sector.
- Inspect and supervise the implementation of investment and development activities in the real estate sector. Examine, stimulate investment and development progress of the projects. Manage trading, investment and implementation activities of real estate projects in member companies and other companies having the Corporation's capital contribution.

**Production Department**

- Prepare short-term, mid-term and long-term strategic development plans for the sector and for the whole business activities of manufacturing companies of the Corporation.
- Analyze, forecast and establish business and financial plans, setting up the implementation of the stated above plans in manufacturing companies of the Corporation.
- Manage, control and create connection and cooperation among member companies of the Corporation and of the sectors; Act as managing unit of member companies and other companies having the Corporation's capital contribution.
- Prepare and implement human resources strategic plan, manage and allocate personnel for dependent manufacturing companies of the Corporation.
- Analyze, evaluate, screen and govern the implementation of investment plans in

manufacturing field according to assigned management authority level. Search for business opportunities and venture partners; govern the implementation of investment and business cooperation projects in the field of building material investment, trading and manufacturing.

**Terracotta & Clay Roofing Tile Department**

- Analyze, forecast and prepare short-term, mid-term and long-term strategic plans of technology, equipment and manufacturing automation in the clay roof tile field; establish manufacturing strategic development plans of all clay roof tile manufacturing companies of the Corporation.
- Prepare and implement investment, trading and manufacturing plans (monthly, quarterly, annually) and financial plans for clay roof tile companies of the Corporation.
- Manage, control and create cooperative relationship, monitor and connect business activities among dependent companies of the Corporation and of the sector and among other companies. Act as a focal unit managing dependent companies and other companies having the Corporation's capital contribution in the manufacturing clay roof tile sector.
- Monitor and cooperate with Manufacturing Department, Investment Planning Department, Finance & Accounting Department of the Corporation in analysis, evaluation, screening and implementation of investment manufacturing and trading projects in accordance with assigned management authority level.
- Cooperate with Manufacturing Department, Trading Department, Real Estate Department of the Corporation in managing and monitoring business activities of member companies with regards to raw material inputs, market, selling policy, outputs of clay roof tiles.

**Construction Investment Project Management Unit**

- Perform preparation works for projects assigned by the Corporation including: design documentation file check, estimates of total construction cost, contractor selection consultancy, prepare invitations to bid, application files for granted land use rights, construction permits, site clearance and other works of constructions projects.
- Negotiate, sign construction contracts & machinery, equipment and service provision contracts for contractors in accordance with authorization approved by the CEO.
- Take over, settlement construction contracts, manage reasonable construction expenditures incurred by projects for each construction and design phase, equity type and regulations by the State.

- Control quality, quantity, progress, expenditures, safety and sanitation of construction projects, and handover construction works.
- Prepare annual reports on investment implementation, and on capital expenditure settlement when projects are completed and brought into operation and submit these reports to the Corporation for approval.

**New Product Development Department**

- Incharge of researching, establishing and developing new factory projects including Low-E Glass Factory, Glass Packaging Factory, Super White Glass Factory, Fire Resistant Glass, Heat Resistant Glass Factory of the Corporation and other new products.
- Advise the management of the Corporation on research and implementation of new product investment and business cooperation.
- Research, search for new business opportunities, strategic partners in investment, trading and manufacturing of new products of the Corporation.

**Trading Department**

- Promote the Corporation's premium brand image, advertisement plans, maintain and expand the Viglacera brand.
- Control, examine, consult and support the compliance of internal brand utilization rules within the Corporation and in the market.
- Establish and conduct research and evaluation of the Viglacera brand.
- Conduct trading activities and find outputs for construction projects of new urban areas, industrial parks, office buildings, commercial centers... (construction projects using entire Viglacera products preferred).
- Set up and operate distribution and marketing network for certain products of the Corporation.
- Co-ordinate with Finance and Accounting Department to analyse, evaluate, establish and inspect projects of the Trading Department; collaborate with Manufacturing Department to construct and implement manufacturing and trading plans of each segment based on commercial trading plans and market outlook of domestic and overseas construction building materials sector.
- Import – export activities: prepare short-term, mid-term and long-term plans of exporting the Corporation's products. Search for customers and promote import – export activities of manufacturing technology and machinery line of construction building materials; import raw materials for manufacturing process, export the Corporation's products and other products to promote trading activities of the Corporation. Conduct works related to

import – export activities aiming to expand the Corporation’s markets, customers and brand.

**Finance & Accounting Department**

- Conduct accounting practices, bookkeeping, prepare and summarize periodical financial reports of the Corporation.
- Prepare quarterly/annually monetary budget plans of the Corporation.
- Participate in establishing and advising financial and investment strategy for the management of the Corporation and co-ordinate with capital management representative in subsidiaries and companies having the Coporation’s capital contribution in excuting the Coporation’s rights.
- Guide and supervise accounting, statistical practices, report preparation and auditing in subsidiaries.
- Conduct internal auditing practices and other reporting duties with the State’s authorities.

**Investment Planning Department**

- Establish, check and summarize short-term, mid-term and long-term trading and manufacturing plans of the Corporation and its member companies.
- Govern and cooperate with member companies in the evaluation of the implementation of trading and manufacturing plans of member companies; summarize periodical statistical reports in compliance with the Corporation and the State’s regulations; prepare analysis reports on monthly, quarterly, annually performance evaluation of the Coporation.
- Handle legal documentations of investment projects, screen investment projects of the Corporation and evaluate post-investment performance appraisal; be in charge of preparing reporting regime on trading, manufacturing and investment activities to the authorities.

**Personnel Department**

- Perform research, documentation works and submit to management for approval of issues related to organisation, merger, dissolution of member units under management of the Corporation.
- Conduct works related to employees, remuneration, bonus, promotion, appointment, dismissal, employee norm, discipline by authorisation, preparation of training plans for employees, guidance for member companies with works related to personnel, remuneration, training and policies for employees as regulated.

**Legal Affairs Department**

- Assist Members' Council, Board of Directors in collecting and establishing strategic plans and coordinate with other departments and units to execute this responsibility, support Board of Management with works related to legal issues of the Corporation.
- Conduct foreign affairs, foreign investment relations.
- Guide and support member units and companies in foreign affairs activities and international transactions.

#### **Viglacera Research & Development Institute**

- Counsel the management of the Corporation on establishment of technological development strategy; research and application of new technology, solutions for enhancing product quality, labour productivity, parameter dimension, chemical criteria, quality standard of the products.
- Act as focal point in research and training between the Corporation and other domestic and foreign universities, research institutes.

#### **Labour Training and Export Center**

- Conduct training activities for ordinary labour, and training to improve skills for workers in the textile, mechanic industries, especially workers for building material production supplied to domestic manufacturing plants and export to foreign countries.
- Excute recruitment function and export Vietnamese labour to foreign countries in definite term.

### **5. Total employees after equitisation**

Table 1: List of total employees at 30/06/2013 by qualifications

<b>Number of employees by qualifications</b>	<b>Number</b>
Number of employees with graduate and post- graduate qualifications	699
Number of employees with college qualifications	210
Number of employees with technical and vocational training qualifications	828
<b>Total</b>	<b>1,737</b>

### **6. Enterprise value of the Company and the State's capital contribution**

Pursuant to Decision No.619/QD-BXD dated 25/06/2013 by Ministry of Construction about valuation of Viglacera Corporation for equitisation, the enterprise value of the Corporation as at 31/12/2011 is **9,363,995,377,272**, in which: the actual value of the State's capital contribution at Viglacera Corporation is **VND 2,277,160,527,840**.

#### **Remaining unresolved issues**

In accordance with the Examination Report on Financial Issues and the enterprise value of Viglacera Corporation as at 31/12/2011 by the Equitisation Steering Committee of Viglacera Corporation dated 21/06/2013 and Document No.211/HDTC-TCT dated 22/06/2013 by Chairman of the Company's Member's Council on the approval of the enterprise value of Viglacera Corporation, the remaining unresolved issues are as follows:

**6.1. Unit price of land**

- The unit price of land lots at No.1 Thang Long Avenue, Tu Liem District and Trung Hoa Ward, Hanoi, Dang Xa 1 Urban Area, 671 Hoang Hoa Tham Phase II, III, Tien Son Urban Area, Yen Phong Urban Area, is the estimated unit price at 01/01/2012. When the Hanoi People's Committee and Bac Ninh People's Committee approve the official unit price of these land lots, the Corporation has to adjust the enterprise value and the value of the State's capital contribution as well as the corresponding payables to the State Budget.

- The unit price of the land lot No. 4 of the map No.56 with the surface area of 55.3 m<sup>2</sup> (under management of Viglacera Float Glass Company) is the estimated price at 01/01/2012. When Hochiminh People's Committee approve the official unit price of this land lot, the Corporation has to adjust the corresponding enterprise value and the State's capital contribution.

**6.2. Adjustment plans from assigned land to leasing land**

- At Viglacera Investment and Development Company, the Adjustment plan from assigned land to leasing land at the Service and Apartment Area of Tien Son Bac Ninh Industrial Park has been made (pursuant to Decision No.64/QD-BXD dated 21/5/2013 by Bac Ninh Construction Department, Decision No.214/QD-UBND dated 14/06/2013 by Bac Ninh People's Committee). When Viglacera Corporation is officially converted into a joint stock company, the Corporation has to adjust the corresponding enterprise value, the State's capital contribution and the land use right payables to the State Budget.

- At Viglacera Construction Company, the Adjustment plan from assigned land to leasing land at the Service and Apartment for workers Area of Yen Phong Bac Ninh Industrial Park has been made (pursuant to Decision No.64/QD-BXD dated 28/5/2013 by Bac Ninh Construction Department, Decision No.213/QD-UBND dated 14/6/2013 by Bac Ninh People's Committee). When Viglacera Corporation is officially converted into a joint stock company, the Corporation has to adjust the corresponding enterprise value, the State's capital contribution and the land use right payables to the State Budget.

- At Viglacera Investment and Development Company, in relation to Dang Xa 2 Urban Area, the Corporation is implementing Resolution No.02/NQ-CP by the Government on

converting the land lots N01, N02, N03, N04 and N06 into affordable housing for low-income people in response to market demands. When the Corporation is officially converted into a joint stock company and the official decision on adjustment plan of the conversion into affordable housing for low-income people is issued, the Corporation has to adjust the corresponding enterprise value, the State's capital contribution and the land use right payables to the State Budget.

### **6.3. Payable expenditures (for cold repair) with the amount of VND 196 billions by Viglacera Float Glass Company**

- With the specific float glass technology, the expenditures for cold repair is huge, therefore, they cannot be fully charged into operation expenses within 01 year but be allocated into many years. Pursuant to Document No.1399/BTC-TCDN dated 01/02/2010 by Department of Enterprise Finance, Ministry of Finance on accrued fixed assets huge repair expenses of Viglacera Float Glass Company in 3 years from 2009 to 2011 with the amount of VND304.5 billions, as at 31/12/2011 the Company has accrued VND196.6 billions. At the meeting with the Equitisation Steering Committee dated 15/2/2012 at Housing and Urban Development Corporation the Ministry of Construction and Ministry of Finance has agreed this solution.

- Pursuant to Decision No.198/TCT-HDTV dated 04/05/2011 by the Member's Council of Viglacera Corporation, the total investment amount adjustment, EPC bidding plan "Provision of design, technical services, fire resistance material, machinery and equipment, construction and installation" of the Cold repair and upgrade of float glass manufacturing chain Project – Viglacera Float Glass Company with total investment amount of VND589,756,367,000 have been approved. The Corporation implemented the cold repair from 18/6/2012, re-fired the kiln at 03/06/2013, therefore, the investment settlement has not yet been finalized. When performing the valuation of the Corporation, the State Audit has not given opinion in the Minute of Enterprise Valuation. The Equitisation Steering Committee agrees with VVFC and the State Audit on keeping the accrued expenses of VND196.6 billions for huge repair. When settling the investment of finished project, the Corporation will also settle these accrued repair expenses.

## **7. Main assets of the Corporation**

### **7.1. Lands**

At present, Viglacera Corporation is managing and using total areas of 12,013,475.6 m<sup>2</sup>, in which:

Table 2: Structure of lands managed and used by Viglacera Corporation

<b>Land classification</b>	<b>Area (m<sup>2</sup>)</b>	<b>Percentage</b>
Land assigned by the State	3,839,840.8	32%
<i>With long-term land use right payment</i>	338,225.4	3%
<i>With term land use right payment</i>	65,874.2	1%
<i>Without land use right payment</i>	3,435,741.2	29%
Leasing land from the State (with several payment)	8,084,399.3	67%
Other lands	89,235.5	1%
<b>Total</b>	<b>12,013,475.6</b>	

*Source: Viglacera Corporation, 2013*

Table 3: List of land lots, locations, usage objectives and value of land use rights for corporate valuation

No.	Location of land lots and usage objectives	Total areas according to approval decision (m <sup>2</sup> )	Areas assigned by the State (m <sup>2</sup> )		Leasing areas from the State with annual land use right payments (m <sup>2</sup> )	Areas of other land lots (m <sup>2</sup> )	Value of land lots increased according to enterprise valuation as at 31/12/2011 (VND)	Note	
			With land use right payment						Without land use right payment
			Long-term	Term					
<b>I</b>	<b>HANOI</b>	<b>1,014,624.60</b>	<b>238,293.70</b>	<b>65,874.20</b>	<b>567,641.90</b>	<b>53,634.60</b>	<b>89,180.20</b>	<b>1,485,524,641,923</b>	
<b>1</b>	<b>Land lots at Cau Giay District, Me Tri, Hanoi</b>	<b>39,062.00</b>	<b>5,190.00</b>	<b>16,541.00</b>	<b>14,885.00</b>	<b>2,446.00</b>	<b>0</b>	<b>99,151,384,261.00</b>	
1.1	Land lots for Office – Hotel – Houses for sale Complex	36,616.00	5,190.00	16,541.00 (From 2008 to 2058)	14,885.00	0	0		Managed and used by the Corporation.
-	Land lots for Condominium (Viglacera Land Company responsible for signing apartment selling/purchasing contract)	16,983.00	5,190.00	922	10,871.00	0	0	14,395,466,652	Currently used for trading and construction investment.
-	Land lots for Offices	19,633.00	0	15,619.00	4,014.00	0		84,755,917,609	Not yet invest in construction and trading.
1.2	Land lots located in open boundary lines	2,103.00				2,103.00			Handover when

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No.	Location of land lots and usage objectives	Total areas according to approval decision (m <sup>2</sup> )	Areas assigned by the State (m <sup>2</sup> )		Without land use right payment	Leasing areas from the State with annual land use right payments (m <sup>2</sup> )	Areas of other land lots (m <sup>2</sup> )	Value of land lots increased according to enterprise valuation as at 31/12/2011 (VND)	Note
			With land use right payment						
			Long-term	Term					
									the State revokes
1.3	Lands lot for parking areas	343				343			Managed and used by the Corporation.
<b>2</b>	<b>Land lots at 671 Hoang Hoa Tham, Ba Dinh, Hanoi</b>	<b>28,157.40</b>	<b>6,071.90</b>	<b>0</b>	<b>1,641.80</b>	<b>3,484.50</b>	<b>16,959.20</b>	<b>140,780,824,011</b>	
2.1	Change in usage purpose to implement construction of condominium for sale (Phase 1)	6,514.70	726.4	0	1,641.80	0	4,146.50		
	Land lots for construction of services and 18 floor condominium	1,641.80			1,641.80				Completed construction works, areas of 1 <sup>st</sup> floor + mezzanine floor currently for lease.
	Land lots for construction of garden villas	726.4	726.4						Completed

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No.	Location of land lots and usage objectives	Total areas according to approval decision (m <sup>2</sup> )	Areas assigned by the State (m <sup>2</sup> )		Leasing areas from the State with annual land use right payments (m <sup>2</sup> )	Areas of other land lots (m <sup>2</sup> )	Value of land lots increased according to enterprise valuation as at 31/12/2011 (VND)	Note	
			With land use right payment						Without land use right payment
			Long-term	Term					
	(8 villas)							construction and trading works.	
	Land lots for internal pavement for common use	4,146.50				4,146.50		Completed construction. Currently managed and used by the Corporation.	
2.2	Change in usage purpose to implement construction of 21 floor tower – Offices, supermarkets, services and apartments for sale (Phase 2)	2,764.70	1,560.00	0	0	1,204.70	39,026,584,011		
-	Land lots for construction of office, supermarket, services and apartment complex tower (21 floors)	1,560.00	1,560.00				39,026,584,011	Completed construction and trading works. Areas from 1 <sup>st</sup> floor to 4 <sup>th</sup> floor	

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No.	Location of land lots and usage objectives	Total areas according to approval decision (m <sup>2</sup> )	Areas assigned by the State (m <sup>2</sup> )		Leasing areas from the State with annual land use right payments (m <sup>2</sup> )	Areas of other land lots (m <sup>2</sup> )	Value of land lots increased according to enterprise valuation as at 31/12/2011 (VND)	Note	
			With land use right payment						Without land use right payment
			Long-term	Term					
								currently for lease.	
	Land lots for construction of streets, common infrastructure, yards, garden, public space for the area.	1,204.70				1,204.70		Cosntructed, managed and used by the Corporation	
2.3	Land lots of Viglacera Vocational College which will be changed to construct Apartment and public sport area at 671 Hoang Hoa Tham, Ba Dinh, Hanoi.	7,280.00	3,785.50	0	0	3,484.50	10	101,754,240,000	
	Land lots for construction of public sport area, walking streets and green trees.	1,949.00				1,949.00			Managed but not yet put into business trading by the Corporation.
	Land lots for construction of low-rise apartment building	3,785.50	3,785.50						Managed but not yet put into business trading

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			With land use right payment						Without land use right payment
			Long-term	Term					
								by the Corporation.	
	Land lots for construction of basement, internal streets with green tress in housing areas and basement entrance, public exit stairways.	1,535.50				1,535.50		Managed but not yet put into business trading by the Corporation.	
	Land lots located in the redline boundary for local streets opening	10				10		Currently managed and used by the Corporation, handover when the State open streets.	
2.4	Land lots located in the area of future road construction	11,598.00				11,598.00		Currently managed and used by the Corporation,	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								handover when the State open streets.	
<b>3</b>	<b>Land lots for construction of Dang Xa Urban Area, Gia Lam, Hanoi</b>	<b>296,541.10</b>	<b>100,827.80</b>	<b>9,687.20</b> (From 2009 to 2059)	<b>186,026.10</b>	<b>0</b>	<b>0</b>	<b>10,025,050,448</b>	
3.1	Land lots for construction of public infrastructure (non-agricultural land for production and trading purposes)	9,687.20	0	9,687.20	0	0	0		
	CC1	2,952.20		2,952.20					Managed but not yet put into business trading by the Corporation.
	CC2	2,952.20		2,952.20					
	CC3	3,782.80		3,782.80					
3.2	Residential land lots	100,827.80	100,827.80	0	0	0	0		
	+ Land lots for high-rise condominium	46,041.80	46,041.80						

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			With land use right payment		Without land use right payment				
			Long-term	Term					
	NO1	12,185.30	12,185.30					In business trading usage	
	NO2	6,463.90	6,463.90					In business trading usage	
	NO3	7,480.10	7,480.10					Managed but not yet put into business trading by the Corporation.	
	NO4	11,603.80	11,603.80						
	NO5	8,308.70	8,308.70						
	Land lots for construction of low-rise building	54,786.00	54,786.00						
	NO6	15,630.00	15,630.00						
	NO7	14,954.00	14,954.00					Completed construction works and trading.	
	NO8	11,744.00	11,744.00						
	NO9	12,458.00	12,458.00						
3.3	Land lots assigned from the State for construction of affordable apartment building for low-income people NO5B and	30,681.00	0	0	30,681.00	0	0	Completed construction works and	

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			With land use right payment		Without land use right payment				
			Long-term	Term					
	NO10.							trading.	
3.4	Land lots for construction of kindergarten, elementary and secondary schools	25,832.10	0	0	25,832.10	0	0		
	NT1, NT2	10,611.70			10,611.70			Implemented construction and trading activities in Land lot No. NT1	
	TH1, TH2	15,220.40			15,220.40			Managed but not yet constructed	
3.5	Land lots for construction of technical infrastructure	129,513.00	0	0	129,513.00	0	0	Construction invested. Continue to be	

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			With land use right payment						
			Long-term	Term					
									managed by the Corporation.
<b>4</b>	<b>Land lots for Dang Xa 2 Urban Area, Gia Lam, Hanoi</b>	<b>390,226.00</b>	<b>43,557.00</b>	<b>37,170.00</b> (From 2009 to 2059)	<b>251,038.00</b>	<b>3,866.00</b>	<b>54,595.00</b>	<b>591,213,205,987</b>	
4.1	Land lots for production and trading purposes	37,170.00	0	37,170.00	0	0	0	134,817,200,000	
-	Land lots for trade centers – Office Complex (Services and offices for lease)	26,550.00		26,550.00				105,081,200,000	Managed but not yet constructed by the Corporation
-	Public lands (CC1, CC2) for construction of offices for lease	10,620.00		10,620.00				29,736,000,000	Managed but not yet constructed by the Corporation
4.2	Lands for residential areas	135,449.00	43,557.00	0	91,892.00	0	0	456,396,005,987	

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			With land use right payment						Without land use right payment
			Long-term	Term					
-	Lands for construction of villas (BT1-BT4), in which trading areas of 43,557 m <sup>2</sup>	73,140.00	43,557.00		29,583.00		334,448,498,492	Rough construction and trading in progress for 70 villas at BT1.	
4.3	Land lots for construction of high-rise building (NO1-NO4, NO6) converted to construction of affordable apartment building for low-income people, in which total construction areas: 19,501 m <sup>2</sup>	62,309.00	0		62,309.00		121,947,507,495	Managed but not yet constructed by the Corporation.	
	NO1	10,424.00			10,424.00				
	NO2	19,100.00			19,100.00				
	NO3	5,960.00			5,960.00				
	NO4	5,900.00			5,900.00				
	NO6	20,925.00			20,925.00				
4.4	Land lots for parking areas (P1, P2)	3,866.00				3,866.00		Managed but not yet constructed by	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								the Corporation.	
4.5	Land lots with 20% areas for construction of affordable apartment for low-income people	37,070.00			37,070.00			Construction and trading activities in progress	
4.6	Green trees areas (CXKO1, CXKO2)	24,440.00			24,440.00			Construction in progress	
4.7	Land lots for green trees and sport areas (CX1, CX2, CX3)	18,750.00			18,750.00			Construction in progress	
4.8	Lands for transportation purposes	78,886.00			78,886.00			Construction in progress	
4.9	Land lots for construction of schools (TPTH, TH, NT1, NT2)	54,595.00				54,595.00		Separate Project handed over to Hanoi People's Committee according to Decision No. 3162/QD-	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								UBND	
<b>5</b>	<b>Land lots for construction of functional areas of Xuan Phuong Urban Area, Tu Liem, Hanoi</b>	<b>114,611.00</b>	<b>43,754.00</b>	<b>1,837.00</b> (From 2011 to 2061)	<b>61,472.00</b>	<b>0</b>	<b>7,548.00</b>	<b>644,354,177,216</b>	
5.1	Land lots located in the redline boundary No.70 and roads in the Interanational education village (no construction works) without land use right payment.	7,548.00					7,548.00		In use and managed by the Corporation.
5.2	Land lots for construction of offices, trade and service center (Land lot No.HH1) with land use right payment in 50 years.	1,521.00		1,521.00				13,209,959,529	Being managed but not yet constructed.
5.3	Land lots for construction of houses	51,722.00							
-	High-rise building (partial land lots No.OCT1, OCT3) located in 20% lands returned to the city	7,968.00			7,968.00				Being managed by the Corporation

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			With land use right payment						Without land use right payment
			Long-term	Term					
-	Land lots for construction of commercial services and apartment (OCT2) with long-term land use right payment.	3,189.00	3,189.00				14,490,089,316	Under construction and trading process	
-	Land lots for low-rise building (semidetached) (land lots No.OV1to OV19) with long-term land use right payment	28,620.00	28,620.00				434,265,083,460	Under construction and trading process	
-	Land lots for construction of villas (BT1 to BT9) with long-term land use right payment	11,945.00	11,945.00				181,247,254,435	Under construction and trading process	
5.4	Land lots for parking ares (partial land lots No.BX2) with land use right payment in 50 years.	316		316			1,141,790,476	Being managed but not yet constructed.	
5.5	Land lots without land use right payment	53,504.00							
-	Lands for green trees and lake areas	16,725.00			16,725.00			Under	

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			With land use right payment						Without land use right payment
			Long-term	Term					
	(land lots No. MN1, CX1, CX3, partial land lot No.CX2)							construction process	
-	Partial land lots for construction of public services, administrative areas, health organization, kindergarten	2,031.00			2,031.00			Under construction and trading process	
-	Land lots for transportation purposes and construction of internal roads	34,748.00			34,748.00			Under construction process.	
<b>6</b>	<b>Land lots for construction of Dai Mo Urban Area, Tu Liem, Hanoi</b>	<b>20,950.00</b>	<b>8,280.00</b>	<b>639</b> (From 2009 to 2059)	<b>12,031.00</b>	<b>0</b>	<b>0</b>		
6.1	Land lots for construction of detached houses (land lots No.BT1, BT2)	2,836	2,836					Completed construction and trading activities.	
6.2	Land lots for construction of garden houses	5,079	5,079					Completed	

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			With land use right payment						Without land use right payment
			Long-term	Term					
	(Land lots No.NV1, NV2, NV3)							construction and trading activities.	
6.3	Land lots for construction of Offices – apartment complex (Land lot No.HH)	365	365					Under construction and trading process	
6.4	Land lots for construction of campus of offices – apartment complex (Land lot No.HH)	570			570			Under construction and trading process	
6.5	Land lots for construction of high-rise condominium (land lots No.CT1, CT2) located in 20% lands returned to Hanoi People’s Committee	1,897			1,897			Started construction and trading activities of housing products for low-income	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								earners.	
6.6	Land lots for construction of kindergarten (Land lot No.CC1)	639		639				Being managed but not yet constructed.	
6.7	Land lots for construction of water supply station (Land lot No.HT1)	148			148			Being managed and used by the Corporation.	
6.8	Land lots for construction of transformer substation (Land lot No.HT2)	49			49			Started construction	
6.9	Land lots for gardens and green trees (Land lots No.CX1, CX2)	762			762			Started construction	
6.10	Land lots for construction of internal roads	5,416			5,416			Started construction	
6.11	Land lots located in corridor protection No.70 (no construction works)	3,189			3,189			Being managed by the Corporation.	
<b>7</b>	<b>Land lots for construction of functional areas of Tay Mo Urban Area, Tu Liem,</b>	<b>85,904.00</b>	<b>30,613.00</b>	<b>0</b>	<b>40,548.00</b>	<b>4,665.00</b>	<b>10,078.00</b>		

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			With land use right payment						Without land use right payment
			Long-term	Term					
	<b>Hanoi</b>								
7.1	Land lots for construction of kindergarten (Land lot No.NT)	2,005			2,005			Being managed but not yet constructed.	
7.2	Land lots for construction of public projects (Land lot No.CC)	1,926			1,926			Being managed but not yet constructed.	
7.3	Land lots for construction of parking area (Land lot No.P)	734			734			Being managed but not yet constructed.	
7.4	Land lot for construction of low-rise building (Land lots No.NV1, NV6, BT1 to BT5) with long-term land use right payment	30,613	30,613					Completed construction and trading activities.	
7.5	Land lot for construction of high-rise building (land lot No.CT) handed over to Hanoi People's Committee without land use right payment	7,381			7,381			Under construction and trading activities of	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								housing products for low-income earners.	
7.6	Land lot for green trees, internal roads, technical infrastructure (without land use right payment)	33,167			<b>33,167</b>			Started construction.	
7.7	Land lot for projected roads (handed over according to regulations when constructing projected roads)	10,078				<b>10,078</b>		Being managed and returned to Hanoi People's Committee if required.	
<b>8</b>	<b>Land lots at Tay Mo, Tu Liem, Hanoi</b>	<b>11,989.00</b>							
8.1	Land lots for construction of factory	11,541.50				11,541.50		Being invested and being managed for construction of factory.	

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			With land use right payment						Without land use right payment
			Long-term	Term					
8.2	Land lots for opening roads according to project of Hanoi, no construction works allowed, returned to Hanoi People's Committee for roads opening according to the State's regulations.	447.5			447.5			Continue to be managed, returned to Hanoi People's Committee if required.	
<b>9</b>	<b>Land lots at Thanh Tri, Hoang Mai, Hanoi</b>	<b>10,091.00</b>			<b>10,091.00</b>			Being invested and continue to be managed for construction of manufacturing areas, warehouses and offices.	
<b>10</b>	<b>Land lots at Mai Lam Ward, Dong Anh, and Yen Vien Town, Gia Lam, Hanoi</b>	<b>17,093.10</b>			<b>17,093.10</b>			Being invested and continue to be managed for construction of	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								manufacturing areas, warehouses and offices.	
<b>II</b>	<b>BAC NINH PROVINCE</b>	<b>7,361,718.00</b>	<b>87,054.00</b>	<b>0</b>	<b>1,910,499.30</b>	<b>5,364,164.70</b>	<b>0</b>	<b>132,359,370,478</b>	
<b>1</b>	<b>Land lots for construction of Trade center – Offices – Apartment Complex Project at six-way crossroad, Dai Phuc, Bac Ninh (*)</b>	<b>11,381.70</b>				<b>11,381.70</b>			Invested and continue to be managed for construction of trade center, offices and apartments.
<b>2</b>	<b>Land lots for construction of Services and Apartment for employees working in Yen Phong Industrial Park, Yen Phong, Bac Ninh</b>	<b>316,611.00</b>	<b>25,401.00</b>	<b>-</b>	<b>166,860.00</b>	<b>124,350.00</b>	<b>-</b>	<b>106,943,170,478</b>	
2.1	Residential lands (villas)	25,401.00	25,401.00						

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			With land use right payment		Without land use right payment				
			Long-term	Term					
2.2	Land lots for construction of kindergarten, pre-school	6,178.00				6,178.00			Being managed but not yet constructed.
2.3	Land lots for construction of driving school and vocational school	28,086.00				28,086.00			Being managed and constructed.
2.4	Land lots for construction of Trade center – services complex	6,070.00				6,070.00			Being managed but not yet constructed.
2.5	Land lots for administrative areas (Office)	5,520.00				5,520.00			Being managed but not yet constructed.
2.6	Land lots for housing products for low-income earners	33,091.00			33,091.00				Being managed but not yet constructed.
2.7	Land lots for green trees – sport – parking areas	18,500.00				18,500.00			Being managed but not yet constructed.
2.8	Land lots for construction of condominium	37,318.00				37,318.00			Being managed

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			With land use right payment						Without land use right payment
			Long-term	Term					
								but not yet constructed.	
2.9	Land lots for construction of health center	21,133.00				21,133.00		Being managed but not yet constructed.	
2.10	Land lots for construction of offices – apartment complex	1,545.00				1,545.00		Being managed but not yet constructed.	
2.11	Land lots for transportation purposes	104,601.00			104,601.00			Started to construct and continue to be managed.	
2.12	Land lots for green tree park	22,679.00			22,679.00			Continue to be manage for green tree park purposes.	
2.13	Land lot for construction of technical infrastructure	6,489.00			6,489.00			Partially constructed,	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								remaining balance under management by the Corporation.	
2.14	Land lots for schools								
<b>3</b>	<b>Land lots for construction of Sevices – Apartment in Tien Son Industrial Park, Tien Du, Bac Ninh</b>	<b>249,625.30</b>	<b>61,653.00</b>	<b>0</b>	<b>160,639.30</b>	<b>27,333.00</b>	<b>0</b>	<b>25,416,200,000</b>	
3.1	Land lots for construction of garden houses, villas	61,653.00	61,653.00					Under construction and trading process	
3.2	Land lots for construction of high-rise condominium (without land use right payment, high-rise building construction density of 40%)	53,616.00			53,616.00			Started construction of 4 apartment buildings for wokrrers for	

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No.	Location of land lots and usage objectives	Total areas according to approval decision (m <sup>2</sup> )	Areas assigned by the State (m <sup>2</sup> )		Leasing areas from the State with annual land use right payments (m <sup>2</sup> )	Areas of other land lots (m <sup>2</sup> )	Value of land lots increased according to enterprise valuation as at 31/12/2011 (VND)	Note	
			With land use right payment						Without land use right payment
			Long-term	Term					
								lease, continue to be managed for construction of condominium.	
3.3	Land lots for sport – green trees areas	8,288.00			8,288.00			Started construction, continue to be managed by the Corporation.	
3.4	Land lot for public and services areas	15,897.00				15,897.00		Started construction, continue to be managed and traded by the Corporation.	
3.5	Land lots for schools	10,914.00				10,914.00		Not yet constructed,	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								continue to be managed for construction of schools.	
3.6	Land lots for technical infrastructure	522				522		Being invested and continue to be managed by the Corporation.	
3.7	Land lots for green trees area	18,979.30			18,979.30			Being invested and continue to be managed by the Corporation	
3.8	Land lots for transportation purposes	53,968.00			53,968.00			Being invested and continue to be managed by the Corporation.	
3.9	Land lots for construction of sewage system	10,900.00			10,900.00			Continue to be managed for	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								construction of sewage system.	
3.10	Land lots for 1A Highway corridor	14,888.00			14,888.00			Continue to be managed by the Corporation.	
<b>4</b>	<b>Land lots for construction of Yen Phong Industrial Park, Yen Phong, Bac Ninh</b>	<b>3,448,100.00</b>	<b>0</b>	<b>0</b>	<b>836,200.00</b>	<b>2,611,900.00</b>			
4.1	Land lots for public service areas	41,000.00				41,000.00		In business operation, continue to be managed and operated by the Corporation.	
4.2	Land lots for industrial plants	2,463,200.00				2,463,200.00		In business operation, continue to be managed and operated by the	

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			With land use right payment		Without land use right payment				
			Long-term	Term					
								Corporation.	
4.3	Land lots for warehouses	107,700.00				107,700.00		Đã đầu tư kinh doanh, đang quản lý vận hành và kinh doanh	
4.4	Land lots for technical infrastructure	48,200.00			48,200.00			Invested and managed by the Corporation.	
4.5	Land lots for green trees and lakes	416,200.00			416,200.00			Continue to use for areas of green trees and lake.	
4.6	Land lots for transportation purposes	371,800.00			371,800.00			Invested and managed by the Corporation.	
<b>5</b>	<b>Land lots for construction of Tien Son Industrial Park and extended Tien Son</b>	<b>3,336,000.00</b>	<b>0</b>	<b>0</b>	<b>746,800.00</b>	<b>2,589,200.00</b>	<b>0</b>	<b>-</b>	

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No.	Location of land lots and usage objectives	Total areas according to approval decision (m <sup>2</sup> )	Areas assigned by the State (m <sup>2</sup> )		Leasing areas from the State with annual land use right payments (m <sup>2</sup> )	Areas of other land lots (m <sup>2</sup> )	Value of land lots increased according to enterprise valuation as at 31/12/2011 (VND)	Note	
			With land use right payment						Without land use right payment
			Long-term	Term					
	<b>Industrial Park in Tien Du and Tu Son, Bac Ninh</b>								
5.1	Land lots for management center	55,300.00			55,300.00			Đã đầu tư, đang quản lý sử dụng vận hành và kinh doanh.	
5.2	Land lots for industrial plants, warehouses	2,496,500.00			2,496,500.00			Invested and continue to manage and trade.	
5.3	Land lots for technical infrastructure	37,400.00			37,400.00			Invested and managed by the Corporation.	
5.4	Land lots for green trees and canal (irrigation canal)	283,700.00			283,700.00			Invested and managed by the Corporation.	
5.5	Land lots for transportation purpose	463,100.00			463,100.00			Invested and	

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			With land use right payment		Without land use right payment				
			Long-term	Term					
	(roadway, pavement, green tree areas)							managed by the Corporation.	
<b>III</b>	<b>QUANG NINH PROVINCE</b>	<b>3,424,200.00</b>	<b>-</b>	<b>-</b>	<b>957,600.00</b>	<b>2,466,600.00</b>	<b>-</b>	<b>-</b>	
<b>1</b>	<b>Land lots for construction of Dong Mai Industrial Park, Quang Yen, Quang Ninh</b>	<b>1,600,000.00</b>	<b>0</b>	<b>0</b>	<b>434,200.00</b>	<b>1,165,800.00</b>	<b>0</b>	<b>-</b>	
1.1	Land lots for management center	50,800.00				50,800.00		Managed but not yet constructed by the Corporation.	
1.2	Land lots for construction of manufacturing plants	1,079,100.00				1,079,100.00	0	Constructed and implemented business trading of 10 ha. Managed the remaining areas.	

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			With land use right payment		Without land use right payment				
			Long-term	Term					
1.3	Land lots for warehouses	35,900.00				35,900.00		Managed but not yet invested in construction.	
1.4	Land lots for infrastructure	43,000.00			43,000.00			Partially constructed. Managed by the Corporation.	
1.5	Land lots for transportation purposes	212,600.00			212,600.00			Managed and used by the Corporation.	
1.6	Land lots for green trees and canal	178,600.00			178,600.00			Managed and used by the Corporation.	
<b>2</b>	<b>Land lots for construction of Hai Yen Industrial Park, Mong Cai City</b>	<b>1,824,200.00</b>	<b>0</b>	<b>0</b>	<b>523,400.00</b>	<b>1,300,800.00</b>	<b>0</b>	<b>-</b>	
2.1	Land lots for construction of management center	60,900.00				60,900.00		Construction and operational management in	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								progress.	
2.2	Land lots for construction of industrial plants	1,127,000.00					1,127,000.00	Completed construction and trading of 60ha, remaining areas currently in construction progress for trading.	
2.3	Land lots for warehouses	112,900.00					112,900.00	Managed and used by the Corporation.	
2.4	Land lots for construction of focal technical infrastructure	33,200.00			33,200.00			Implemented construction on partial of the land lots, the remaining under construction	

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No.	Location of land lots and usage objectives	Total areas according to approval decision (m <sup>2</sup> )	Areas assigned by the State (m <sup>2</sup> )		Leasing areas from the State with annual land use right payments (m <sup>2</sup> )	Areas of other land lots (m <sup>2</sup> )	Value of land lots increased according to enterprise valuation as at 31/12/2011 (VND)	Note	
			With land use right payment						Without land use right payment
			Long-term	Term					
								progress .	
2.5	Lands for transportation purpose	242,620.00			242,620.00			Construction implemented in areas of 8ha.	
2.6	Lands for planting green trees and canal	247,580.00			247,580.00			Continue to use lands for planting green trees and canal	
<b>IV</b>	<b>BINH DUONG PROVINCE</b>	<b>212,877.70</b>	<b>12,877.70</b>	<b>0</b>	<b>0</b>	<b>200,000.00</b>	<b>0</b>	<b>8,337,865,368</b>	
<b>1</b>	<b>Land lot at Tan Dong Hiep Industrial Zone, , Di An, Binh Duong Province</b>	<b>200,000.00</b>				<b>200,000.00</b>		Invested, managed and used for construction of manufacturing plants	
<b>2</b>	<b>Land lot at Tan Binh Residential Area, Tan Binh Ward, Di An, Binh Duong</b>	<b>5,048.00</b>	<b>5,048.00</b>					8,337,865,368 Invested in construction, managed and	

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No.	Location of land lots and usage objectives	Total areas according to approval decision (m <sup>2</sup> )	Areas assigned by the State (m <sup>2</sup> )		Leasing areas from the State with annual land use right payments (m <sup>2</sup> )	Areas of other land lots (m <sup>2</sup> )	Value of land lots increased according to enterprise valuation as at 31/12/2011 (VND)	Note	
			With land use right payment						Without land use right payment
			Long-term	Term					
								used for apartment for employees purpose	
3	Land lot at Tan Binh Residential Area, Tan Binh Ward, Di An, Binh Duong	7,829.70	7,829.70					Invested in construction, managed and used for apartment for employees purpose	
V	Ho Chi Minh City	55.3	-	-	-	-	55.3		
1	Land lot at 340/31 Hoang Van Thu, Tan Binh District, Ho Chi Minh City	55.3					55.3	Invested in construction, currently managed and used for	

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			With land use right payment						Without land use right payment
			Long-term	Term					
								transaction office	

*Source: Minute of enterprise valuation*

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(\*) Total areas of 10,571.7 m<sup>2</sup> of the Trade center – Offices – Apartment Complex Project at six-way crossroad, Dai Phuc, Bac Ninh province has been adjusted on the Land use right certificate (decreased by 810 m<sup>2</sup> in comparison with the one report to Ministry of Construction)

**7.2. Machinery and equipment**

Table 4: List of some valuable machinery and equipment of the Corporation according to the Minute of enterprise revaluation

Assets	Quantity	Beginning year of usage	Historical cost (VND)	% remaining value	Value of revaluation (VND)
Float Glass Manufacturing line	1	2003	444,734,176,874	31%	140,559,263,525
Saniatry wares Manufacturing line	1	2003	84,755,376,604	71%	59,887,412,170
Faucet Manufacturing line	1	2000	102,637,215,488	55%	55,959,424,299

*Source: Extracted from Minute of Enterprise Valuation*

**7.3. Vehicles**

Table 5: List of some valuable vehicles of the Corporation according to the Minute of Enterprise Valuation

Asset	Quantity	Beginning year of usage	Historical cost (VND)	Average % of remaining value	Remaining value (VND)
Concrete mixer truck	2	2011	2,118,327,272	95%	2,012,410,908
KAWASAKI excavator (01car)	1	2005	1,289,230,603	50%	644,615,302
The truck named CNHTC	5	2008	5,150,000,000	62%	3,193,000,000
Ford Everest SUV	1	2010	769,739,091	82%	633,324,219
Other SUVs	12	2003-2000	9,230,204,364	28%	3,318,122,618
TOYOTA 10 seat car	1	2009	704,000,000	85%	598,400,000
BL Hyundai Robex140W-7 excavator machine	1	2008	1,986,000,000	30%	595,800,000
TOYOTA cars	6	2010	5,685,418,727	82%	4,668,897,543
Drum Roller l/wheelbase	1	2008	1,288,663,649	40%	515,465,460

<b>Asset</b>	<b>Quantity</b>	<b>Beginning year of usage</b>	<b>Historical cost (VND)</b>	<b>Average % of remaining value</b>	<b>Remaining value (VND)</b>
VIBRO MAX VM106D					
Camry 2.4 Car – silver color (financial leasing)	1	2007	1,030,204,364	50%	515,102,182

*Source: Extracted from Minute of Enterprise Valuation*

## **8. List of Parent company and subsidiaries**

As at 31/12/2012, the Corporation has 12 dependent units and companies including 05 companies operating in real estate sector, 01 company manufacturing showers and faucets, 01 company manufacturing sanitarywares, 01 company manufacturing building glass, 01 vocational college, 01 research institute, 02 branches; 19 subsidiaries operating in the field of real estate, manufacturing and building materials trading; 07 associates of which 04 companies producing bricks, 01 company trading construction glass, 01 company operating in import-export sector, 01 construction company.

Table 6: List of subsidiaries and associates of the Corporation as at 31/12/2012

<b>No.</b>	<b>Company Name</b>	<b>Charter capital (in million VND)</b>	<b>% ownership</b>
<b>I</b>	<b>Dependent units and companies</b>		
1	Viglacera Float Glass Company	n/a	100%
2	Binh Duong Ceramic Company	n/a	100%
3	Viglacera Shower and Faucet Company	n/a	100%
4	Viglacera Construction Company	n/a	100%
5	Viglacera Infrastructure Investment and Development Company	n/a	100%
6	Viglacera Mechanical Execution Company	n/a	100%
7	Viglacera Infrastructure and Urban Area Investment Company	n/a	100%
8	Viglacera Land Company	n/a	100%
9	Viglacera Vocational College	n/a	100%
10	Research and Development Insitute	n/a	100%
11	Central Branch	n/a	100%

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No.	Company Name	Charter capital (in million VND)	% ownership
12	Hochiminh Branch	n/a	100%
<b>II</b>	<b>Subsidiaries</b>		
1	Viglacera Thang Long JSC	69,898	51.07%
2	Viglacera Packing and Brake Linings JSC	9,900	51.00%
3	Viglacera Ba Hien JSC	10,000	52.64%
4	Viglacera Tu Liem JSC	11,250	51.00%
5	Viglacera Dong Anh JSC	10,049	51.00%
6	Viglacera Consulting JSC	3,000	76.89%
7	Viglacera Viet Tri Sanitary Ware JSC	6,000	97.47%
8	Viglacera Dap Cau Sheet Glass JSC	80,000	51.00%
9	Viglacera Viglacera Mechanical and Construction JSC	6,771	52.72%
10	Viglacera Huu Hung JSC	7,500	51.00%
11	Viglacera Tien Son JSC	99,000	51.00%
12	Viglacera Trading JSC	28,469	62.66%
13	Viglacera Van Hai JSC	15,000	60.00%
14	Viglacera Minerals JSC	12,500	51.00%
15	Viglacera Thanh Tri Sanitary Wares JSC	15,000	62.96%
16	Viglacera Ha Long JSC	90,000	50.48%
17	Viglacera Hanoi JSC	28,000	51.00%
18	Viglacera Autoclaved Aerated Concrete JSC	24,100	88.38%
19	Viglacera Dong Trieu JSC (*)	40,000	67.47%
<b>III</b>	<b>Associates</b>		
1	Vietnam Float Glass Co., Ltd. (VFG)	499,783	29.28%
2	Viglacera Tu Son JSC	20,002	24.93%
3	Viglacera Ha Long I JSC	10,000	26.00%
4	Viglacera Investment and Import Export JSC	15,805	25.59%
5	Cau Duong Refractory JSC	5,000	25.00%
6	Vinafacade JSC	4,358	42.37%
7	Clinker Viglacera JSC (**)	95,005	16.43%
<b>IV</b>	<b>Financial investment in companies</b>		
1	Viglacera Hop Thinh JSC	5,500	11.00%
2	Tay Do Paper JSC	7,950	4.00%

No.	Company Name	Charter capital (in million VND)	% ownership
3	Cau Xay JSC	10,007	5.71%
4	Viglacera Raw Material JSC	3,000	15.00%
5	Viglacera Land Consultants Construction JSC	3,000	10.00%
6	Go Vap Glass JSC	5,000	1.04%

(\* ) *Viglacera Corporation has been transferred their ownership at the Company to Viglacera Ha Long Joint Stock Company*

(\*\*) *Ministry of Construction approved Viglacera’s disinvestment under Official Letter No. 2357/BXD-DMDN dated 28/12/2013.*

*Source: Viglacera Corporation, 2012*

## **9. Financial situation and results of operations in 3 years before equitisation**

### **9.1. Business performance**

#### **9.1.1. Product/service outputs over years**

The Corporation is operating in the main following fields:

- Building material production and trading.
- Construction of civil engineering, industrial and infrastructure.
- Investment and trading of infrastructure of industrial parks and urban areas; housing trading and development (“real estate trading”);
- Exploitation, processing and trading of mineral resources.

#### **a. Building materials production and trading activities**

Viglacera Corporation is the pioneer company in investing, developing, producing and trading building materials in Vietnam. Building material products with the VIGLACERA brand aim to response to domestic demands and export.

#### **Construction Glass Production activity**

Being the first company in Vietnam investing in production of construction glass from the early 90s with the application of horizontal and vertical configuration technology, in 1994, Viglacera Corporation cooperated with Japanese partners investing in the first Float Glass Manufacturing Plant in Bac Ninh with the most modern and advanced construction glass production technology in the world.

With experiences in operating and purchasing modern technologies from this float glass manufacturing plant, the market is set to focus on the Southern and export. Viglacera

Corporation had invested in and brought into operation a float glass manufacturing plant in Binh Duong in 2002. This is the first float glass plant constructed and operated by a domestic company.

Simultaneously, the Corporation had invested in manufacturing line of patterned glass, post-glass products (mirrors, safety glass, decorative glass...)

At present, the Corporation has 03 glass and crystal manufacturing companies as follows:

Table 7: Group of glass and crystal manufacturing companies and their production capacity

No.	Company Name	Location	Production capacity			
			Product type			Production capacity (1,000 m <sup>2</sup> QTC/year)
			Float glass	Roll glass	Post-glass product	
1	Viglacera Float Glass Company (*)	Binh Duong	x		x	25,000
2	Vietnam Float Glass Co., Ltd. (VFG)	Bac Ninh	x			28,000
3	Viglacera Dap Cau Sheet Glass Joint Stock Company (Dap Cau)	Bac Ninh		x	x	11,000
<b>Total</b>						<b>64,000</b>

*Source: Viglacera Corporation, 2013*

(\*) Up to 7/2013, the Corporation has completed Phase 1 of the Investment in production capacity upgrade of float glass manufacturing chain to 420 tons of glass products/day Project (equivalent to 25 millions m<sup>2</sup> QTC/year), the products meet European standard with No.1 quality in Vietnam and satisfy quality of Low-E glass embryos (Low-E), tempered glass, high standard silver coated mirrors...

Glass products with VIGLACERA brand include float glass, patterned glass, post-glass products including patterned glass, annealed glass, mosaic glass, mirror (aluminum, silver mirrors)..., in which float glass accounts for the largest production percentage and also used as embryos for manufacturing post-glass products.

Table 8: Glass production out put per year

*Unit: 1,000 m<sup>2</sup> QTC*

No.	Product name	2010	2011	2012
-----	--------------	------	------	------

1	Cosntruction Glass	61,329	64,680	54,475
<i>a</i>	<i>Float Glass</i>	<i>51,654</i>	<i>51,665</i>	<i>41,475</i>
<i>b</i>	<i>Rolled Glass</i>	<i>9,675</i>	<i>13,015</i>	<i>13,000</i>
2	Post-glass product	311	205	107
3	Other types of mirrors	830	1,121	716

*Source: Viglacera Corporation, 2013*

As stated in the strategic plan of construction glass production, Viglacera Corporation has indepth investment in technology innovation in order to diversify various types of products, such as Low-E Glass, Super White Glass.

### **Sanitarywares, showers and faucets production activity**

VIGLACERA was the first company investing and producing high standard sanitarywares Vitreus China from 1994 at Thanh Tri Sanitary Ware Company. After that, the Corporation invested in 02 sanitaryware manufacturing companies in Viet Tri city and Binh Duong Province. In 2003, Viglacera Coporation received, ran and continued to further invest in upgrading quality and production capacity of sanitarywares manufacturing lines from Construction Machinery Corporation (COMA).

Toghether with the investment in technology innovations, production capacity, quality improvement and creation of new types of products in response to market demands, Viglacera Corporation continues to cooperate, research new products in order to bring its best to customers, with vision to reduce natural resources usage by producing Nano products, water saving products...

Hence, the Corporation continues to research and design comprehensive sanitaryware – showers – faucets sets and other building materials suitable to each customer and their usage purpose. Sanitarywares – showers & faucets with VIGLACERA brand has assert its position at domestic and foreign markets and become leading export products for the Coprotaion.

Table 9: Production capacity of sanitary wares, showers & faucets

No.	Company Name	Location	Production Capacity	
			Product	Production Capacity (Set/Year)
1	Thanh Tri Sanitary Ware Joint Stock Company	Hanoi	Sanitary wares	475,000
2	Viglacera Viet Tri Sanitary Ware Joint Stock Company	Phu tho	Sanitary wares	400,000
3	Binh Duong Ceramic Company	Binh Duong	Sanitary wares	350,000

	<b>Total</b>			<b>1,225,000</b>
1	Viglacera Shower Faucet Company	Hanoi	Showers & faucets	500,000
	<b>Total</b>			<b>500,000</b>

*Source: Viglacera Corporation, 2013*

Table 10: Annual Outputs of sanitary wares, showers & faucet

*Unit: Set*

No.	Product name	2010	2011	2012
1	Sanitarywares	857,666	1,055,599	1,021,985
2	Showers & faucets	111,621	208,486	163,913

*Source: Viglacera Corporation, 2013*

### **Tiles production activity**

Together with operation in the field of glass and ceramic, VIGLACERA was also known as the company laying foundation for the development of tile manufacturing industry in Vietnam. In 1994, the first ceramic tile manufacturing plant at Viglacera Hanoi JSC, previously namely Hanoi Tile Company.

Starting from the first ceramic tile manufacturing line, with years of experiences in operational running, Viglacera Corporation continues to invest in manufacturing more plants at Thang Long Company (Vinh Phuc), Tien Son Granite (Bac Ninh) and further heavily invest and expand its operation to improve quality, create more types of designs and products ... Up to now, ceramic and granite tiles of VIGALCERA are diversified from wall tiles, indoor and outdoor floor tiles, roof tiles... with total production capacity of approximately 20 millions m<sup>2</sup>/year.

VIGLACERA tiles brandname has asserted its prestige and quality in domestic market as well as export to EU, Taiwan, France, Thailand, India, Turkey, Indonesia...

Table 11: Production capacity of tiles

No.	Company Name	Location	Production capacity	
			Product type	Capacity (1,000m <sup>2</sup> /năm)
1	Viglacera Ha Noi Joint Stock Company	Bac Ninh	Ceramic	5,500
2	Viglacera Thang Long Joint Stock Company	Vinh Phuc	Ceramic	8,500
3	Viglacera Tien Son Joint Stock Company	Bac Ninh	Granite	6,000
<b>Total</b>				<b>20,000</b>

*Source: Viglacera Corporation, 2013*

Table 12: Annual outputs of tiles

*Unit: 1,000 m<sup>2</sup>*

No.	Product type	2010	2011	2012
1	Ceramic, mosaic	10,792	9,627	7,623
2	Granite	3,976	4,444	3,468

*Source: Viglacera Corporation, 2013*

### **Roof bricks and clay tiles production activity**

Continuous innovation, modernization of production technology of traditional clay bricks to save natural resources, improve product value, reduce environmental impacts, enhance automation and reduce toxic and heavy works affecting employees are the central goal throughout production operation.

Drying-heating tunnel technology which was firstly applied at VIGLACERA's manufacturing plants, has opened a new breakthrough development phase in technological innovation in this field. With its experiences and technological mastery, VIGLACERA continues to research and invest in this field to produce more added-value products to satisfy export demands, especially focusing on decorative products with various types, colors, dimensions... Besides, the Corporation invests and runs 03 cotto tiles manufacturing lines using rollbar technology, which produces added-value decorative tiles from clay with superior features in comparison with other ordinary clay tiles in the market. Also the Corporation continues to research, invest in producing high standard clinker tiles.

At present, the Corporation has 06 subsidiaries and 03 associates operating in this field with production capacity of over 1.4 billions bricks QTC/year. Currently, the product structure of this field has shifted, marking the decrease in clay brick outputs to 30%-40% of production capacity, whereas increasing thin products like roofing tiles, split tiles, and especially cotto tiles.

Table 13: Tiles production outputs and consumption

No.	Product name	2010	2011	2012
1	Construction bricks (in thousands bricks)	836,272	824,225	594,070
2	Roofing tiles (in thousands bricks)	83,126	96,955	80,540
3	Split tiles (in thousand m <sup>2</sup> )	5,748	3,827	2,065
4	Other tiles (in thousand m <sup>2</sup> )	58,556	73,932	88,000
5	Cotto tiles (in thousand m <sup>2</sup> )	6,373	6,643	7,175

*Source: Viglacera Corporation, 2013*

### **Other building materials production activity**

Pursuant to the State’s policies with the aim to become a pioneer in production of eco-friendly building materials to reduce emission, save natural resources during production, in 2010, VIGLACERA had invested in Autoclaved Aerated Concrete Block Manufacturing Plant with production capacity in Phase 1 of 100,000 m<sup>3</sup>/year and application of Germany technology. The Plant was inaugurated at 11/2010 and brought its outputs to the market in 2011. Since the outstanding features are lightweight and versatile, autoclaved aerated concrete blocks will be able to replace ordinary clay bricks, especially contribute in reducing environmental impacts, saving natural resources and fuels. On the other hand, the usage of autoclaved aerated concrete block will help investor and contractor reduce construction costs and accelerate construction progress. With the initial market penetration, autoclaved aerated concrete bricks have achieved good response from customers.

Thus, the Corporation currently has 02 member companies including Viglacera Cau Duong Refractory Joint Stock Company producing fire bricks and Viglacera Packing and Brake Linings Joint Stock Company producing various types of packs and brakes.

**b. Real estate trading and construction activities**

Positioning as the leading company in the field of building material production and trading, the Corporation’s management determined to expand business activities to construction investment and real estate trading (including infrastructure for industrial park, urban area, residential area, office)

The business operation body for this industry was initiated from 1998 with 01 dependent company which is now developed and converted specifically into VIGLACERA’s Real Estate Department with 08 companies (in which 05 dependent companies and 03 joint stock companies)

After 15 years of development with the first 135 ha industrial zone project constructed in December 2000 (Tien Son Industrial Park Phase - Bac Ninh Province), at present the Corporation has developed and managed 1,201 ha (12,013,475.6 m<sup>2</sup>), industrial zone in Bac Ninh, Quang Ninh and some residential building, urban area and housing projects in other provinces.

Table 14: Some of large ongoing projects of VIGLACERA

<b>No.</b>	<b>Project Name</b>	<b>Total areas (ha)</b>
	<b>Industrial Park</b>	<b>1,020.83</b>
1	Tien Son – Bac Ninh Industrial Park	333.60
2	Yen Phong – Bac Ninh Industrial Park	344.81

<b>No.</b>	<b>Project Name</b>	<b>Total areas (ha)</b>
3	Hai Yen – Quang Ninh Industrial Park	182.42
4	Dong Mai – Quang Ninh Industrial Park	160.00
<b>Urban Area – Housing Area</b>		
1	Dang Xa – Hanoi Urban Area	29.654
2	Dang Xa 2 – Hanoi Urban Area	39.022
3	671 Hoang Hoa Tham Phase 1 + 2 , Ba Dinh, Ha Noi	2.087
4	Housing and services areas 671 Hoang Hoa Tham, Ba Dinh, Ha Noi	0.728
5	Housing areas and services for experts, workers in Yen Phong Industrial Park	32.457
6	Dai Mo – Hanoi Urban Area	2.095
7	Tay Mo – Hanoi Urban Area	8.590
8	Xuan Phuong – Hanoi Urban Area	11.461
9	Tien Son – Bac Ninh Urban Area	24.962
10	Viglacera Tower Complex Apartment (Me Tri Project)	1.698
<b>Trade Center - Office</b>		<b>3.264</b>
1	Viglacera Tower Complex Offices (Me Tri Project)	2.207
2	Trade center in six-way crossroads – Bac Ninh	1.057

*Source: Viglacera Corporation, 2013*

VIGLACERA has gradually diversified and expanded its investment in most of real estate segments comprising:

**i. Real estate for lease**

+ Infrastructure of industrial parks: Tien Son Industrial Park Phase 1 was the first project constructed in December 2000 in Tien Son, Bac Ninh Province with total areas of 135 ha, in 2004 expanded to 333.6ha. The following project was Yen Phong Industrial Park constructed in February 2006 in Yen Phong, Bac Ninh with total areas of 344.8 ha. These two projects were completed and have been put into stable and efficient operation. VIGLACERA continues to increase investment in two industrial parks in Quang Ninh including Hai Yen Industrial Park constructed in May 2006 with total area of 182 ha, Dong Mai Industrial Park constructed in November 2012 with total area of 160 ha.

VIGLACERA is considered as leading company in construction investment and trading of infrastructure of industrial park, with total leasing area of 678 ha/1,020.83 ha (66%) in the North from 180 domestic and foreign companies, many of which are strong and prestigious companies

creating more jobs and contributing more capital to local budgets, such as Samsung Company, Canon Company, Orion Vina Company, Texhong Ngan Long Scientific Technology Company, Vinamilk JSC, Vinasoy JSC, Hanoi Liquor JSC...

With the good results in 2010, Tien Son Industrial Park received Vietnam Golden Construction Quality Award by Ministry of Construction, and in 2013 Yen Phong Industrial Park received The International Property Awards in Asia Pacific for The Best Industrial Development Company in Vietnam.

Business activity in this field has brought high revenue with strong growth rate for the Corporation, net revenue in the nearest 3 years are VND 249,803 millions in 2011 increasing 68.28% compared to revenue in 2010, in 2012 VND568,231 millions ascending 127.46% and 282.89% in comparison to revenue in 2010.

*Unit: Millions VND*

<b>Item</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Revenue from leasing infrastructure of industrial parks	148,443	249,803	568,231

In the following years, the Corporation will continue to research and expand investment in domestic markets to the central (Ha Tinh, Hue, Da Nang), to the North and to foreign markets such as Myanmar, Laos, India...

+ Affordable accomodation for workers in industrial parks and offices for lease:

Considered as pioneer in investing in construction of apartment for experts, workers working in industrial parks, up to now the Corporation has completed total residential area of 52,94 m<sup>2</sup> (640 apartments) in this field (in which the first 6 floor condominium had been completed and brought into use in 2003 in Dinh Bang residential area, in 2005 and 2009 the 5 floor condominium in Tien Son – Bac Ninh Urban Area). In parallel with development and expansion of industrial parks, in order to meet increasing demands of accomodation for experts and employees, the Corporation actively develops collaborative investment relationship with secondary investors in the industrial parks on the basis of mutual benefits for each party (employees, companies as employers, investors of the industrial parks).

The Corporation also completed and brought into operation total office area of 18,000 m<sup>2</sup> for lease in Viglacera Me Tri Tower Project.

**ii. Houses for sale:**

In 2003, the first 18 floor condominium was constructed by VIGLACERA at 671 Hoang Hoa Tham – Hanoi, and completed and brought into use in 2005.

- + Superior villas in Hoan Son – Bac Ninh
- + Viglacera Tower Complex

- + 21 floor condominium in 671 Hoang Hoa Tham
- + Semidetached house in 628 Hoang Hoa Tham
- + Semidetached, villas, affordable apartment in Dang Xa 1+2 Urban Area
- + Xuan Phuong, Tay Mo, Dai Mo - Hanoi Urban Areas...

With the goal to diversify products, the Corporation continues to expand construction investment in the housing products for low-income people serving for social security in Dang Xa 1+2, Dai Mo, Tay Mo Urban Areas. Total construction finished area to the market reached 747,357 m<sup>2</sup> in construction areas.

With eco-friendly housing products towards flawless beauty in harmony with the community, in May 2013 VIGLACERA received BCI Asia Awards for Top 10 active real estate companies in Vietnam.

VIGLACERA actively perform researches of construction development, investment for each housing segment at each development period suitable to market demands (about areas, price). In this period, housing segments is directed to apartment, villas, semidetached houses with small and middle areas which are designed to optimize usage, accelerate construction progress, attractive price satisfying market demands. Hence, the Corporation expand customer base, not only domestic but also foreign customers having demands to buy houses in Vietnam, from which increases revenue and profit for the Corporation.

### **iii. Operation management services after investment**

For each project, the Corporation establish management units and continuously improve quality of the investment environment to meet customers' demands (for industrial zones), create green, clean environment and housing spaces with community spirit, and therefore, living standard of residents are improved (for urban and residential areas). The profits from operation management services always increase, especially at industrial zone, creating stable revenue for sustainable development of the projects.

Revenue from real estate investment and trading accounts for 65% total revenue of Parent Company, in which revenue from (ii) houses for sales and (iii) operation management services after investment is:

*Unit: Millions VND*

Item	2010	2011	2012
Revenue from housing, offices for lease and services in industrial parks	2,300,297	1,605,349	1,002,314

At present, real estate investment and trading business activities are directly managed at Parent Company – the Corporation and most of the projects are under name of the Corporation

as investor, which prepares investment, financial and business plans.

In parallel with real estate investment and trading business activities, the Corporation also conduct construction activities, in which mainly implement construction of industrial parks' infrastructure and civil engineering projects of which the Parent Company – the Corporation and member companies act as investor. Additionally, the Corporation also participate in bidding of construction projects outside the Corporation.

Group of member companies with trading, management and implementation of projects function:

- Viglacera Real estate Trading Company
- Viglacera Infrastructure Investment Development Company
- Viglacera Infrastructure and Urban Investment Company

Group of member companies with construction function:

- Viglacera Infrastructure Investment Development Company
- Viglacera Infrastructure and Urban Investment Company
- Viglacera Construction Company
- Viglacera Mechanical Execution Company
- Viglacera Engineer and Construction JSC
- Vinafacade Joint Stock Company

Group of member companies with consulting function

- Viglacera Consulting Joint Stock Company
- Viglaceraland Consultants Construction Joint Stock Company

**j. Mineral exploitation, processing and trading activities**

This is auxiliary manufacturing field aiming to exploit and supply inputs for the building material production of the Corporation. Indeed, for the building material production, inputs plays an important role determining quality and price of the products which can create competitive advantage in the market and ensure the input sources for the stable operation of the member companies in the long-term. At present, the Corporation has 03 member companies operating in this field including Viglacera Mineral JSC, Viglacera Van Hai JSC and Viglacera Materials Company.

Viglacera Corporation has been searching for exploration and exploitation opportunities of raw materials, especially for manufacturing high added-value products in response to export demands and also aiming to replace imported products, such as glass and crystal products, sanitary wares, showers and faucets.

**9.1.2. Revenue from each product/service over years**

Revenue of Parent Company – Viglacera Corporation is generated from main business activities including (i) infrastructure of industrial parks for lease, (ii) houses for sale, offices for lease and provision of services in industrial parks, (iii) production and trading of glass products, sanitary wares, showers & faucets, (iv) trading and import-export of building materials activities in member companies of the Corporation and (v) fees from VIGLACERA brand utilization.

Revenue structure of Viglacera Corporation by business activities over years marks a significant shift and variation in proportion. Details as follows:

Table 1: Net revenue structure by business activities

*Unit: VND Millions*

	<b>2010</b>	<b>%</b>	<b>2011</b>	<b>%</b>	<b>2012</b>	<b>%</b>
1. Net revenue	3,412,674	94.53%	2,851,975	95.79%	2,427,893	94.59%
<i>(i) Revenue from infrastructure of industrial parks for lease</i>	<i>148,443</i>	<i>4.11%</i>	<i>249,803</i>	<i>8.39%</i>	<i>568,231</i>	<i>22.14%</i>
<i>(ii) Revenue from houses for sales, offices for lease and services in industrial parks</i>	<i>2,300,297</i>	<i>63.71%</i>	<i>1,605,349</i>	<i>53.92%</i>	<i>1,002,314</i>	<i>39.05%</i>
<i>(iii) Revenue from construction glass, sanitary wares, showers &amp; faucets</i>	<i>840,367</i>	<i>23.28%</i>	<i>819,806</i>	<i>27.54%</i>	<i>698,536</i>	<i>27.22%</i>
<i>(iv) Revenue from trading, import – export activities</i>	<i>63,217</i>	<i>1.85%</i>	<i>100,345</i>	<i>3.51%</i>	<i>84,347</i>	<i>3.47%</i>
<i>(v) Management fees</i>	<i>44,328</i>	<i>1.30%</i>	<i>55,126</i>	<i>1.93%</i>	<i>56,005</i>	<i>2.31%</i>
<i>(vi) Revenue from brand utilization fees</i>	<i>16,022</i>	<i>0.44%</i>	<i>21,546</i>	<i>0.72%</i>	<i>18,460</i>	<i>0.72%</i>
2. Financial revenue	82,293	2.28%	90,212	3.03%	88,382	3.44%
3. Other revenue	115,327	3.19%	35,090	1.18%	50,377	1.96%

	2010	%	2011	%	2012	%
<b>Total revenue</b>	<b>3,610,293</b>		<b>2,977,277</b>		<b>2,566,652</b>	

*Source: Audited financial statements of Parent Company 2010, 2011, 2012 – Viglacera Corporation*

**a. Revenue from infrastructure of industrial park for lease**

Industrial park services and infrastructure for lease of the Corporation has average growth rate of 97% per annum in recent 3 years. The percentage of revenue from industrial parks on total revenue increase from 4% in 2010 to 22% in 2012.

**b. Revenue from houses for sale and offices for lease**

Houses for sales and offices for lease business activities increased rapidly in 2010 and 2011, especially in 2010 with the contribution of some condominium projects including Me Tri Housing Project, Tay Mo Urban Area, Xuan Phuong Urban Area.

In 2011, Vietnam real estate market faced a significant downturn, capital mobilization for housing, trade center and offices for lease projects was in tough time. In order to meet market demands, in 2010 the Corporation had made a wise step when shifting investment to low-cost housing projects for low-income people in urban area, affordable accommodation for lease for experts, workers in industrial parks with small and middle-sized areas with attractive prices, quality, design and functionality guarantee in Dai Mo, Dang Xa – Hanoi, Tien Son – Bac Ninh Urban area... Therefore, although revenue from houses for sale and offices for lease in 2011 decreased VND695 billions compared to revenue in 2010 and in 2012 VND603 billions compared to revenue in 2011, profits were still remained at certain level.

In 2012, the Corporation continued to invest in low-cost housing projects for low-income people, houses and apartments for leases, small-sized trading areas with mid-range price in Dai Mo, Dang Xa, Tien Son Urban Area... suitable to market conditions.

**c. Revenue from building glass, sanitarywares, showers & faucets**

**Production and trading of building glass**

Although the 2008 global financial recession had great impacts on Vietnamese economy, leading to a significant slump in domestic and foreign building material market in early 2010, proportion of revenue from this field is still stable, contributing 22% total revenue of the Corporation for many years. VIGLACERA still determines to focus its investment on this sector with regards to technology innovation and creation of new products.

**Production and trading of sanitary wares, showers & faucets**

In general revenue from sanitary wares, showers & faucets, especially revenue from Viglacera Binh Duong Ceramic Company remains stable with average revenue contribution from 3%-4% total revenue of the Corporation. Revenue growth of sanitary ware manufacturing company are relatively good, increased 134% in 2010, 86% in 2011, 8% in 2012. Quantity consumed has been improved in recent 3 years with annual consumption of 239 thousands set/year.

In spite of not having high proportion in revenue structure of the Corporation, VIGLACERA's showers and faucets are important products in the distribution chain of comprehensive sanitary ware sets matching VIGLACERA ceramic model to the market. The product consumption of the Corporation in recent years is stable with average consumption of 158 thousands sets/year. Currently these two products generate good and stable results.

**d. Revenue from trading, import-export activities**

Revenue from trading, import-export activities of the Corporation is generated from main products including construction glass, granite tiles, ceramic tiles, sanitary wares, showers & faucets and other products of member companies of the Corporation.

**e. Revenue from brand utilization fees and management fee**

Revenue from VIGLACERA brand is the fees for brand utilization from member companies of the Corporation using the brandname and logo of Viglacera Corporation on products. This revenue is calculated based on revenue percentage of member companies in previous years. Management fees have been paid to the Parent Company by dependant companies for the purpose of daily operation activities of the Parent Company.

**f. Financial revenue**

Financial revenue is mainly generated from dividends and profits received from subsidiaries and other financial investments (accounting for 59% of total financial revenue), deposit interest (accounting for 38% of total financial revenue). The remaining 3% of financial revenue include realized and unrealized foreign exchange difference from trading, import-export activities and interest from deferred sale payment.

**g. Other revenue**

Other revenue includes revenue from machinery and equipment disposal, by-products and other revenue which accounts for small revenue proportion.

**9.1.3. Raw materials, fuels for production of building materials of the Corporation**

**a. Materials for glass and crystal industry**

- Main raw materials used in production of glass are sand, soda, feldspar, dolomite,

limestone and other raw materials, chemicals.

- Main fuel is fuel oil.

In which:

- Soda and fuel oil account for high percentage of production costs (40%-50%) and their prices are affected by the fluctuations of international market and foreign exchange rate because the Corporation has to import them.

- Sand, feldspar also make up high percentage of production costs and play an important role in determining quality of the products. At present, the Corporation has 02 member companies including Van Hai Viglacera Joint Stock Company and Viglacera Minerals Joint Stock Company operating in the field of exploitation, processing of these two materials. Therefore, VIGLACERA completely controls the supply of these materials which create a specific competitive advantage for VIGLACERA, in which feldspar mine managed and exploited by Viglacera Mineral Joint Stock Company is evaluated as the best mine providing material for production of glass, ceramic.

**b. Raw materials for sanitary ware, shower & faucet industry**

- Sanitary wares: Main raw materials for production of sanitary wares are white clay, kaolin, feldspar. These raw materials are easily exploited and purchased from domestic market or import.

Hence, although the quantity of feldspar used in production of glaze is not significant, it is a crucial element creating added value for the products. Today products of VIGLACERA are made from good quality glaze, imported from Italia, India or China with frequent support and consulting from European experts.

- Showers & Faucets: Main raw material for production of showers & faucets is copper ingot used for casting body of the products. This material is imported, therefore subject to fluctuations of international market and foreign exchange rate, leading to impacts on product prices.

Additionally, in order to guarantee quality of sets of showers & faucets with many accessories attached and satisfy customers' demands, some accessories like water flushing system, hot cold water dispenser of showers & faucets... are imported and subject to fluctuations of foreign exchange rate.

**c. Raw material inputs for tiles industry**

Raw material inputs for tile production include bone and glaze. In which:

- Bone materials: main ingredients include clay (white or grey), feldspar and kaolin. At

present, these material is available in domestic market with good and consistent quality, of which clay is supplied from Hai Duong where exists large reserves with good quality; feldspar is provided mainly from provinces of Hoa Binh, Lao Cai, Yen Bai... with large and stable reserves.

- Color glaze materials are composition of colors, inorganic silicate-based substance and solven..., additives and chemical electrical insulation composition. At present, most of color glazes are imported with stable and easy-to-buy sources.

- Fuel: most of VIGLACERA's plants are using coal gas from anthracite coal or subbituminous coal. Coals are supplied from mines in Quang Ninh which are stable and good quality.

**d. Raw material inputs for terracotta and clay roofing tile industry**

- The main raw materials used for production of bricks and terracotta and clay roofing tiles are clay exploited in mines around manufacturing plants. Member companies of the Corporation completely control the supplies of raw materials for manufacturing plants in Northeast where exist many mines with large reserves, good quality satisfying production standards of terracotta and clay roofing tiles, especially decorative products, cotto tiles having high added value.

- Main fuel used are coals and fuel oil.

**9.1.4. Production costs**

Table 15: Production cost breakdown

*Unit: Millions VND*

	<b>2010</b>	<b>%</b>	<b>2011</b>	<b>%</b>	<b>2012</b>	<b>%</b>
1. Costs of goods sold	2,845,069	90.04%	2,324,770	87.53%	1,992,195	84.85%
<i>(i) Costs of industrial parks</i>	<i>110,285</i>	<i>3.49%</i>	<i>174,636</i>	<i>6.58%</i>	<i>458,108</i>	<i>19.51%</i>
<i>(ii) Costs of houses for sale and offices for lease</i>	<i>1,955,319</i>	<i>61.88%</i>	<i>1,356,332</i>	<i>51.07%</i>	<i>786,833</i>	<i>33.51%</i>
<i>(iii) Costs of building materials, glass, sanitarywares, showers and faucets</i>	<i>727,123</i>	<i>23.01%</i>	<i>705,148</i>	<i>26.55%</i>	<i>670,674</i>	<i>28.56%</i>
<i>(iv) Costs of trading,</i>	<i>52,342</i>	<i>1.66%</i>	<i>88,654</i>	<i>3.34%</i>	<i>76,580</i>	<i>3.26%</i>

	<b>2010</b>	<b>%</b>	<b>2011</b>	<b>%</b>	<b>2012</b>	<b>%</b>
<i>import-export activities</i>						
<i>(v)Costs of brand</i>	-	0.00%	-	0.00%	-	0.00%
2.Financial expenses	111,702	3.54%	106,098	3.99%	124,768	5.31%
3. Selling expenses	58,784	1.86%	69,593	2.62%	59,528	2.54%
4.Administrative expenses	137,070	4.34%	144,845	5.45%	137,555	5.86%
5. Other expenses	7,068	0.22%	10,602	0.40%	33,908	1.44%
<b>Total expenses</b>	<b>3,159,693</b>		<b>2,655,908</b>		<b>2,347,954</b>	

*Source: Audited financial statements – Parent Company 2010, 2011, 2012 – Viglacera Corporation*

**a. Cost of infrastructure of industrial parks**

Cost of infrastructure of industrial parks include all initial investment costs of land use rights, land compensation and clearance costs, infrastructure costs like water flushing system, electric power system and other construction works like leveling road surface, building internal roads, planting trees... and other related costs allocated in many years. The cost of goods sold accounts for 75% on total revenue from infrastructure of industrial parks for lease on average with growth rate in correspondence with growth rate of revenue that lead to stable gross profit from this business in recent years.

**b. Costs of houses for sale and offices for lease**

In the context of gloomy real estate market, the Corporation has diversified its housing products suitable to market demands with a prompt shift to mid-end housing products and products for low-income people, together with the effort to reduce management costs and other indirect costs related to real estate sector. Correspondingly, costs of goods sold for housing products have been reduced from 85% on total revenue in 2010 to 79% on revenue in 2012. Therefore, gross profit margin in the field of housing and trade center investment, trading increased from 15% in 2010 to 21% in 2012.

**c. Costs of building materials, glass, sanitarywares, showers & faucets**

Costs of building material industry decreased from 3% to 5% in 2011 and 2012 because the Corporation actively made effort to reduce general costs, indirect costs so as to ensure business efficiency under pressure of increasing interests and tougher capital mobilization capability.

**d. Costs of trading, import-export business activities**

Trading, import-export business activities continued to develop in 2011 and 2012 inspite of decrease in profit margin due to global recession and tight competition among many countries and companies. However, this is still the business activities contributing to the total revenue of the Corporation and supporting to other member companies' business activities.

**e. Indirect costs including financial costs, selling costs and management costs**

Under tight financial conditions and tougher capital mobilization capability from secondary capital market for real estate projects, member companies of the Corporation had to use capital from banking loans to implement their projects, especially in 2012. Therefore, financial costs in 2012 increased 18% compared to 2011 and 11.7% to 2010.

In order to improve business efficiency, in 2012 the Corporation reduced other related indirect costs including 14% of selling costs and 5% of management costs in comparison to costs incurred in 2011.

**9.1.5. Level of technology**

**a. Technology of glass and crystal industry**

Technology of glass production of the Corporation's member companies is the most innovative float glass technology at the moment.

In July 2013, Vignacera Float Glass Company (VIFC), member company of Parent Company – the Corporation, completed its investment in upgrading and improving production capacity of float glass manufacturing line reaching 420 tons/day, with a comprehensive investment in technology innovation enhancing automation and mechanization capability as well as usage of powder spray coating on glass, automatic classification, product loading, unloading system...

Quality of products satisfies European standard EN 572-2 which is recognized as No.1 in Vietnam meeting demands of glass embryos for production of post-glass products, such as Low-E glass, silver mirrors, safety glass...

The Corporation has made effort to reduce fuel usage to 20%, costs of goods sold and improve competitive advantages of the products, at the same time reduce emissions to air suitable to criteria of becoming a "green industry" in accordance with policy of the State.

**b. Technology of sanitary ware, shower & faucet industry**

- Sanitary wares: Technology of sanitary ware production at VIGLACERA's manufacturing plants is the technology used worldwide in all production stages including material mixtures, casting, natural drying, glaze coating and tunnel firing-drying. The

products after drying process will be assembled with other accessories, examined and packed.

In the process of sanitary ware production, the casting stage requires skillful workers to run the operation with heavy works, which is the major factor determining product quality, especially in the case of high added-value flat seamless surface products. Accordingly, VIGLACERA focus on indepth technological investment in casting system resulting in reduction of manual works and improvement of product quality, recovery rate and cost of goods sold.

The stage of glaze coating and covering determines the aestheticism of the products, increases operational functions, especially anti-bacterial function. Hence, VIGLACERA had conducted research and successfully applied single-fired Nanotechnology in production creating durable glaze. This is the first anti-bacterial sanitary ware in Vietnam, highly appreciated by customers due to its superior characteristics; the Nano covering on the surface create a super non-stick coating and easy-to-clean surface, reduce mold and bacteria, increase shine to 20% and eco-friendly characteristic of the product...

The accessories attached with the sanitary wares are imported with quality, durability and convenience guarantee for customers.

Besides the enhacement in controlling activities of production process and quality of raw materials, VIGLACERA concentrate on implementing researches, designs of new products improving operational function, saving water usage and meeting market demands. Simultaneously, the Corporation always focus on soft technology, update and advance production skills and quality of its workforce, provide overseas training for workers as well as invite foreign European experts on techonological and technical consulting with the final goal to improve quality and value of the products.

- Showers & faucets: On the receipt of Italian shower faucet manufacturing line from Construction Mechanical Company (COMA), VIGLACERA focus on in-depth investment in major production stages determining quality of the products, such as plating system, grinding process, casting process... in order to enhance product quality, reduce wastage to decrease costs of goods sold. At the same time, the Corporation continue to create more designs of new products matching comprehensive sanitary ware sets. Attached accessories are imported to ensure the durability and operational functions for customers.

**c. Technology of tile industry**

**Granite tile:** From the application of the first granite tile manufacturing line with firing-drying rolling bar technology from Italia at Viglacera Tien Son Joint Stock Company, up to

now VIGLACERA has 03 manufacturing lines (02 at Tien Son, 01 at Thai Binh) with total production capacity of 6 million m<sup>2</sup>/year. VIGLACERA is focusing on controlling and managing production operational process, invest heavily in improving quality, designs of the products, especially products in natural colors, shiny products, large-sized tile products...

**Ceramic tile:** VIGLACERA is positioned as the pioneer in application of Italian tile production technology having huge advantage of operational experiences and techniques for many years. At present, similar to granite tile production, with the concentration on diversification of designs and more types of products, and quality control, VIGLACERA has brought into the market many tile products such as wall tiles, interior and exterior floor tiles, glaze plated roofing tiles... in various colors and sizes.

**d. Technology of terracotta, clay roofing tiles**

Currently, the widely used production technology of terracotta, clay roofing tiles is pliable clay forming, natural drying and firing-drying processes in tunnel kiln; however, the production mechanization is still at low level together with heavy works for workers in a harmful working environment. Realizing that clay sources will become scarce, VIGLACERA focus on investment in technological advances to produced thin products, valuable decorative products and increase value of natural resources, improve production automation, mechanization, reduce costs and manual labour (investing in drying kiln, folklif, truck for loading and unloading, transporting products...) in combination with application of appropriate operational system which optimizes fuel usage, reduce dust and emissions. In general, the Corporation has achieved certain success and will continue to implement its target.

In addition, VIGLACERA concentrated its investment on a comprehensive manufacturing line of cotto tiles with modern and highly automated firing-drying rolling bar system. Cotto tiles with the superior aesthetic and quality features have received good response from the market and been exported to many other foreign countries.

**9.1.6. Research and development of new products**

Realizing and evaluating the important role of technologies in production and trading business activities, especially the application of “green” technology together with the shift in customers’ trend to eco-friendly and convenient products, VIGLACERA has focused its investment on research and development of human resources in recent years as well as set out detailed implementation plans in the Strategic Development Plan of the Corporation for the period from 2012 to 2015 and the following years.

At the moment, the Corporation invested in establishing Viglacera Research and

Development Institute with modern and synchronized facilities, machinery and equipment meeting demands for research and experiment; at the same time, completed investment of Phase 1 and continue to implement Phase 2 of Viglacera Vocational Training College serving for the needs of human resources training at member companies of VIGLACERA. Hence, the Corporation continues to expand its collaborative relationship with international partners having experiences in the field of building material production, research, development and training. This is also the operational model applied by many global economic groups.

Not only in the field of building material production, VIGLACERA also invests on research and development of construction and real estate trading field, in which Viglacera implements cooperative programs with domestic and foreign organizations, research institutes in order to carry out solutions for construction quality improvement, and construction progress acceleration as well as technological application and selection of optimum management model at industrial parks and urban areas invested by VIGLACERA.

#### **9.1.7. Product quality inspection process**

##### **a. Applied quality management system**

Currently, the Corporation applies quality management system ISO 9001-2011 in trading and production business activities. Hence, VIGLACERA established and issued Quality Standard Manual for groups of products firstly including clay tiles, ceramic and granite tiles and step by step regulates standards for all other groups of products manufactured by the Corporation. These standards are applied to all member companies of VIGLACERA, and used internally in order to control quality of products under VIGLACERA brandname.

In comparison to Vietnam Standards (abbreviated TCVN), most of VIGLACERA's criteria are stricter and gradually meet the standards of other foreign countries having advanced production technologies while ensure the satisfaction of international standards in export markets.

At present, VIGLACERA established and organized quality managing body from Parent Company – the Corporation through Quality Directors for each group of products, and implementation of quality management for each production stage on monthly basis. Viglacera Research and Development Institute is the unit responsible for coordinating with other manufacturing units to picking samples for inspection, experiments, supervision and evaluation on monthly basis in accordance with VIGLACERA standards as well as export standards in 4 products of terracotta, clay roofing tiles, sanitary wares and fitting, shower & faucets, tiles and building glass and comparing to other competitive product in the market.

Most of member companies of the Corporation applies quality management system ISO 9001:2000 in production and trading business activities.

**b. Quality Inspection Department**

Quality inspection process of each production stage/each group of products of the Corporation is implemented on monthly basis by Quality Directors in 4 groups of products including terracotta, clay roofing tiles, sanitary wares and fitting, showers & faucets, ceramic and granite tiles and building glass through facilities, machinery and equipment of Viglacera Research and Development Institute. On monthly basis, Viglacera Research and Development Institute coordinate with manufacturing member companies of the Corporation to selecting product samples for quality inspection, supervision and evaluation in comparison with competitive products and internal quality standard framework, Vietnam Standards and specific quality standards of each export global market.

**9.1.8. Marketing activities**

Playing a central role in promoting product consumption, brand development currently is managed by the Corporation through Viglacera Trading Department.

At present, VIGLACERA selects assured consumption model for VIGLACERA products through trading member companies of which functions are to distribute and promote outputs for products and specialize in selling activities, reduce internal competitiveness and intermediary fees and concentrate human resources for distribution network development as well as brand promotion. After having successfully applied this model to sanitary ware and fitting, showers & faucets with good result for both manufacturing and trading companies, VIGLACERA will apply this model to all of its products.

With well-recognized quality products, VIGLACERA building material brandname has confirmed its prestige in domestic and international markets. Building material products under VIGLACERA brandname have been exported to foreign markets including Spain, Australia, America, Thailand, Taiwan, India...

Import-export activities are conducted through Viglacera Investment and Import-export Joint Stock Company, Trading Department of the Corporation and other trading companies. Beside export, VIGLACERA also conducts import of essential raw materials for production and trading activities of the Corporation.

For domestic market, the Corporation established a distribution network including showroom network of the Corporation and member companies in big cities to promote its products, agent distribution channels Level 1, Level 2 and retail store network... The

Corporation frequently coordinates with member units to organizing customer events, information exchange between customers and agents on the customers’ needs of function and usage of sanitary wares and fittings, showers & faucets, terracotta, clay roofing tile, building glass...

For foreign markets, VIGLACERA focus on developing and expanding its market share and export of leading products including high quality building glass, sanitary wares and fittings, ceramic, granit and cotto tiles, terracotta, clay roofing tiles ... as well as establishing product distribution network including showroom network, distribution agent and representative offices in important market and registering patent and trademark of the Corporation in Germany, Italia, Spain, Russia, Ukraina, Japan, Korea, Australia, America and some Asian countries...

In addition, VIGLACERA frequently participate in many domestic and international fairs, exhibition organized annually with regards to machinery and equipment, products in building material industry; participate in regional and international trading promotion events; participate as financial sponsor in big culture and sport events...

**9.1.9. Trademark, Patent and copyright registration**

At present, the Corporation has registered trademark in territory of Vietnam with the brandname and logo at National Office of Intellectual Property of Vietnam.

Table 16: List of patent registration certificates

<b>Patent registration certificate</b>	<b>Decision</b>	<b>Issued date</b>
40547	1037/QD-ĐK	02/04/2002
44297	4787/QD-ĐK	03/12/2002
53703	A1359/QD-ĐK	09/04/2004

The Corporation has also registered patent in many other foreign countries including:

Table 17: List of trademark, patent registration certificates in foreign countries

<b>Country</b>	<b>Document</b>
<b>In accordance with Madrid Agreement</b>	
1. Russia	813537 (VIGLACERA) 813572 (IMAGE OF FLAME)
2. Ukraine	
3. Rumania	
4. China	
5. Italia	
6. Spain	

<b>Registered directly in each nation</b>	
7. America	2943583, 2910339
8. Myanmar	IV/6382/2002
9. Australia	932778
10. Philippines	Declaration of usage
11. Korea	574175
12. Taiwan	01066799
13. Canada	638.007; 638.258
14. Bangladesh	

The Corporation is submitting required documents to register VIGLACERA trademark and the image of flame at 08 countries including India, Cambodia, Thailand, Pakistan, Turkey, The United Arab Emirates, Iraq, Malaysia.

**9.1.10. Main contracts in progress or signed but not yet implemented by Parent Company – Viglacera Corporation**

Table 18: List of some main contracts in progress or signed but not yet implemented by Parent Company – Viglacera Corporation

<b>Company name</b>	<b>Industrial Park</b>	<b>Location</b>	<b>Industrial park leasing contract</b>	<b>Date</b>	<b>Value (Millions VND)</b>
Samsung Electronics Co., Ltd.	Yen Phong	Bac Ninh	08/2008/BDS-HĐKT	21/03/2008	59,237
			Sub-contract No.06	12/08/2013	650,587
Intops Vietnam Co., Ltd.	Yen Phong	Bac Ninh	04/2013/BDS-HĐKT	19/06/2013	57,015
AK Chemtech Hanoi Co., Ltd.	Yen Phong	Bac Ninh	11/2013/BDS-HĐKT	11/07/2013	22,197
Texhong Ngan Long Sci-tech Co., Ltd.	Hai Yen	Quang Ninh	06/2012/BDS-HĐKT	07/05/2012	270,603
Yazaki Hai Phong Vietnam Co., Ltd.	Dong Mai	Quang Ninh	15-2013/BDS-HĐNT	9/7/2013	67,297

*Source: Viglacera Corporation, 2013*

**9.2. Financial situation and operational performance in 3 years before equitization**

Table 19: Major financial indicators in 3 years before equitization

*Unit: Millions VND*

Items	Financial Statements - Parent Company				Consolidated Financial Statements		
	Year 2010	Year 2011	Year 2012	9 months of 2013	Year 2010	Year 2011	Year 2012
1.Total Assets	4,962,824	6,787,028	7,577,799	8,037,933	7,784,129	9,824,647	10,390,090
2.The State's capital	833,821	1,148,014	1,277,455	1,389,137	1,093,605	1,251,475	1,228,579
3.Short-term loans and liabilities	254,495	777,344	905,842	566,799	1,368,860	2,086,437	2,112,158
4.Long-term loans and liabilities	468,625	357,644	404,259	822,209	757,089	671,371	742,973
5.Doubtful debts	-	-	-	-	-	-	-
6.Total number of employees (persons)	1,474	1,837	1,966	1,737	14,402	15,300	13,100
7.Total salary budget (VND millions/month)	9,309	12,583	12,527	11,673	50,678	64,868	58,543
8.Average salary VND/person/month	4.68	6.13	7.2	6.72	4.08	4.8	5.03
9.Total revenue	3,412,674	2,851,975	2,427,893	1,729,563	6,761,126	6,959,177	5,696,166
10. Costs of goods sold	2,845,069	2,324,770	1,992,195	1,336,630	5,463,470	5,722,052	4,692,333
11. Other indirect costs	314,624	331,137	355,759	272,206	862,190	1,154,443	1,097,033
12. Operating profit	450,601	321,368	218,698	120,727	708,295	274,116	22,222
13. Profit after tax	339,606	253,359	164,810	90,545	569,413	187,672	35,500
14. Profit after tax – Parent company					429,812	173,455	42,069
15. Profit after tax/the State's capital ratio	41%	22%	13%	6.5%	39%	14%	3%
16. Export (USD millions)	19	26.5	25	14	19	26.5	25

*Source: Audited financial statements of Parent Company, Audited consolidated financial statements 2010, 2011, 2012, Report on evaluation of business plans 2011, 2012 – Viglacera Corporation*

**INFORMATION STATEMENT**  
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For the period from 2010 to 2012, the Corporation still remained its asset growth rate (average 19% per annum), especially real estate sector increase 11% per annum on average since the Corporation expanded strongly to real estate business activity (including industrial parks, urban areas, housing products) from 2005 – 2009 with the strategic plan of internal market establishment, branding promotion and operational efficiency enhancement in the field of building materials.

Retained earnings has doubled the State’s capital for the period from 2009 to 2012. Together with the usage of own funds, the Corporation also utilized funds from banking loans and employed funds to finance working capital in the process of business expansion and technology innovation from 2006 to 2011. Therefore, short-term loans had a significant increase of approximately 54%/year, payable balance increased 50%/year on average, equivalent to VND651,347 millions and VND389,026 millions from 2010 to 2012.

For the period from 2006 – 2011, the Corporation concentrated on in-depth investments, efficient operation, labour quality enhancement, application of technology innovation, operational shift to high added-value products, accordingly, labour efficiency has been improved significantly, revenue recorded average rise of 15%/year, profit before tax increased 50%/year, salary of employees also increased 1.53 times compared to salary in 2010.

Table 20: Some financial indicator in 3 years before equitization

Item	Financial statements – Parent Company			Consolidated Financial statements		
	Year	Year	Year	Year	Year	Year
	2010	2011	2012	2010	2011	2012
<b>Solvency Ratio</b>						
Short-term solvency ratio	0.75	0.95	1.04	0.66	0.81	0.86
Quick ratio	0.55	0.42	0.46	0.4	0.33	0.34
<b>Capital Structure</b>						
Debts/Total Assets Ratio	0.83	0.83	0.83	0.82	0.84	0.86
Debt/Owner’s capital Ratio	4.95	4.91	4.93	4.43	5.28	6.18
<b>Operational Capacity</b>						
Inventory Turnover	5.94	1.93	0.93	4.17	2.92	1.54
Net Revenue/Total Assets	0.71	0.49	0.34	0.87	0.71	0.55
<b>Profitability</b>						
Profit after tax/Net Revenue	9.95%	8.88%	6.79%	2.19%	2.49%	0.74%

Item	Financial statements – Parent Company			Consolidated Financial statements		
	Year	Year	Year	Year	Year	Year
	2010	2011	2012	2010	2011	2012
Operating profit/Net Revenue	10.03%	10.41%	8.33%	7.32%	3.45%	1.42%
Profit after tax/Owner’s capital	45.92%	25.57%	13.59%	20.97%	15.92%	3.36%
Profit after tax/Total Assets	7.09%	4.31%	2.29%	2.06%	2.23%	0.43%

**9.3. Factors affecting production and trading activities of the Corporation in reporting years**

**Unfavorable factors**

Unfavorable external factors, especially from 2008-2009 global financial recession, had a huge impacts on Vietnamese economy. From 2011 up to now, the applied policies for curbing inflation, tightening credit market leading to tougher disbursement for real estate projects, reduction in the State budget for national construction investment, increasing banking interests, lack of working capital which result in temporary cease or progress loosening of real estate projects as well as significant slump in demands for building materials.

The decrease in industrial production leads to an increase in prices of raw material, especially prices of fuel and other energy raising costs of goods sold, as a result reduce the competitive advantage of the Coporation’s products.

The competitiveness of product quality, costs and distribution network for companies operating in the field of terracotta, clay roof tiles, ceramic tiles, sanitary wares and fittings, showers and faucets is at low level due to giant and inflexible management body not yet satisfying market demands

**Favorable factors**

The Coporation’s management has prepared detailed technical solutions and plans for each company and unit with specific direction as follows:

**Terracotta, clay roof tile products:** Supplement of human resources to directly manage the terracotta, clay roof tile industry and personnel replacement of key positions in member companies. Require Board of Directors and Board of Management of member companies to report on business activities on monthly, quarterly basis; Enhance production capacity, increase percentage of high added-value products, of product recovery rate and quality.

**Building glass:** actively cease the operation of old manufacturing line for cold repair, production capacity and quality enhancement, energy reduction and concentration on

inventory consumption, development of new designs, research of new products as well as post-glass products.

**Ceramic tiles:** Focus on product quality improvement, reduction of wastage, management costs, raw material costs through machinery and equipment, raw material bidding activities, restructure of operational organization so as to increase labour efficiency, establishment of trading companies in the field of ceramic tiles on the basis of merging all of the prevailing production and trading departments at 3 ceramic tile companies.

**Sanitary wares, showers and faucets:** Focus on implementation of comprehensive solution for production – consumption of sanitary wares, showers and faucets through purchasing orders and standards required by the trading companies, standardized in terms of quality, designs of sanitary wares, showers and faucets, and accessories matching market demands, also focus on reduction of inventory level, casting technology innovation to decrease labour and investment cost, application of Nanotechnology to enhance product durability and quality, recruitment of foreign experts supporting for the application of new production technology, and creation of new designs and research of new products.

**Real estate:** Focus on shifting investments to housing products for low-income people as well as maintain the construction progress at urban areas and residential areas in order to accelerate the progress of putting these areas into normal operation, promoting and enhancing more opportunities to meet potential customers regarding the leasing products in industrial parks, and continue to complete construction in industrial parks...

In addition, facing the tougher conditions for product consumption improvement, the credit market tightening, the increase in capital costs affecting financial activities, the Corporation has actively managed its cash flow in a flexible manner through the restructuring of short-term debts to mid or long-term debts, reducing 5% - 10% management costs leading to decrease in costs of goods sold, signing more contracts with new customers, including Ocean Group to assure the product consumption and provide more capital for real estate projects of the Corporation.

## **10. The Corporation's position compared to other enterprises in the same sector**

### **10.1. The Corporation's position compared to other enterprises in the sector**

#### **a. VIGLACERA is the leading company in building materials industry**

Viglacera Corporation is known as the leading company in building materials industry in Vietnam with regards to production capacity, product designs, model, and quality satisfying many market segments from ordinary to luxury. Hence, VIGLACERA is ranked as one of the most prestige building material brands in domestic and foreign markets with many

awards received, such as National Brand Award 2012 for top domestic enterprises (contributing USD 23 millions on total annual export in the construction sector with the product present in over 40 countries in the world).

The Corporation concentrates its operation on building glass industry with heavy investment in technological innovations. At present, VIGLACERA brings to the market 11 groups of products produced by 03 member companies (accounting for 40% of total production capacity of the whole sector), in which many products were firstly launched to the market, such as building glass with European standards EN 572-2:2004 which satisfy quality standard of glass embryos for production of Low-e glass produced by Binh Duong Float Glass Company ...

The traditional ceramic sanitary wares of VIGLACERA have confirmed its presence in most of provinces and city in Vietnam suitable to level of earnings of many people, hence, approaching to high-end market by the application of Nanotechnology from DFI Company in America, European designs and standardized to match with other showers, faucets and accessories so as to increase its competitiveness with other foreign manufacturers. Production capacity of sanitary wares of Viglacera Corporation is equivalent to 10% capacity of the whole sector.

Ceramic tiles produced by Viglacera Hanoi JSC has laid the first foundation in the field of floor tile in Vietnam. Up to now, the Corporation incessantly continues to expand investment in advanced technologies for its manufacturing plants improving production capacity of ceramic and granite tiles to 6 millions m<sup>2</sup>/year and 14 millions m<sup>2</sup>/year in respectively (equivalent to 11% and 6% total production capacity of the whole industry).

In addition, the brand VIGLACERA is associated with clay products and the process of technological innovation and modernization of traditional clay bricks in Vietnam. The Corporation has contributed to 8 subsidiaries and associates operating in the field of clay bricks with total production output of over 1.4 billions pieces QTC/year for traditional products including construction bricks, roof tiles, split tiles, cotto tile, in which cotto tiles and roof tiles possess leading quality in domestic market, especially production of cotto tiles reach approximately 7.1 million m<sup>2</sup>/year in 2012 (equivalent to 50% total production capacity of the whole industry).

Capturing current construction trend in using light and eco-friendly products, the Corporation has operated and invested in manufacturing plants of autoclaved aerated concrete bricks in 2010. At present, these products reach its best quality to satisfy the demands for big construction projects and tougher requirement in the market.

**b. VIGLACERA owns an integrated production and trading chain of building material products**

The Corporation engages in the field of production and trading of building material products with the diversification in production in order to synchronize its building material products for domestic and foreign markets. Hence, the Corporation also confirms its prestige when engaging in investment and trading of real estate projects including industrial parks, urban area – apartment, offices for lease.

The synchronization is shown from the diversification in production to the establishment of supply chain of raw materials to consumption output.

02 member companies including Van Hai JSC (subsidiary) and Viglacera Mineral JSC (associate) operating in mineral exploitation industry are responsible for exploration and development of mineral exploitation projects in order to supply raw materials for production process.

In normal course of production, member companies of the Corporation always assist each other, specifically Viglacera Ha Long JSC support Viglacera Dong Trieu in technological issues and market development. Trading Department and 02 trading companies are established to create and develop markets for member companies as well as to synchronize production operation of sanitarywares, showers and faucets, and export of various types of tiles.

Viglacera Corporation has established its own professional showroom network and focused on investment for these showrooms to display and sell products of VIGLACERA. The showroom network of the Corporation is located in big cities including Hanoi, Ho Chi Minh and Da Nang. Currently, Viglacera Corporation has 3 showrooms in Hanoi, 01 showroom in Da Nang and 02 showrooms in Ho Chi Minh. Besides, its member companies also own its own showroom network along 3 regions with 05 showrooms in the North, 01 showroom in the central and 01 showroom in the South.

**c. VIGLACERA is the pioneer in research, application and transfer of innovative technology in production of building materials**

Viglacera Corporation is the leading company in Vietnam in the field of building materials production in terms of quantity, diversification in product designs and quality. VIGLACERA is the first company applying and transferring open and innovative technology in production of building materials including building glass (1990), sanitarywares and ceramic tiles (1994), granite tiles (1996), cotto tiles (2002)... Moreover, the Corporation also become the pioneer in investment and application of newest production

technologies, such as tunnel kiln (1990), double-layer Nanotechnology (2009)... in order to improve value of traditional products...

In the development strategy of building glass products, Viglacera Corporation prepares indepth investment strategy in advanced technologies to diversify its products, such as production of Low-e glass, super white glass products. At 03/06/2013, after period of heavy investment, improvement of production capacity and product quality, VIGLACERA officially launched the Viglacera Float Glass Manufacturing Plants in Binh Duong province. The float glass production line after having been invested and improved is capable to meet the following criteria: production capacity of 420 tons of glass products/day with No.1 quality in Vietnam, European quality standard EN572-2:2004, satisfy quality standard of glass embryos for production of Low-e glass, reduce energy usage to 20% in comparison to usage before improvement, decrease product costs, enhance product competitiveness and reduce emissions to the environment.

In addition, the Corporation also concentrates on investment and development of other production fields. Sanitarywares, showers and faucets production are applied anti-bacterial Nanotechnology from America, special concrete toilet technology with thin casting edge, lightweight conjugate floor technology.

**d. Real estate trading company with diversified portfolio suitable to market demands**

With over 40 years in production of building materials, from 1998 to now VIGLACERA is known as a young brand with dramatic development confirming its position and prestige in real estate investment and trading business with 14 projects including industrial parks for lease, urban areas, houses for sale and trade center – offices for lease. Especially from 2012 to now, VIGLACERA has implemented many housing products for low-income earners including: Affordable accommodation for workers and low-income earners in Yen Phong Industrial Park (Bac Ninh); dormitory for students of Viglacera Vocational Training College in Tien Son (Bac Ninh), 1,000 affordable apartments for low-income earners in Dang Xa Urban Area (Gia Lam, Hanoi), affordable apartments for low-income earners in Dai Mo (Tu Liem, Hanoi)..., which have received good response and appreciation from the society, management of the Ministry of Construction and Hanoi and Bac Ninh city as example company executing social responsibilities.

With the stated above diversified project portfolio, VIGLACERA can satisfy customers' demand in many segments, therefore reduce market risks. This diversification also brings the flexibility for VIGLACERA in giving investment decision for each product in certain

period.

In addition, Viglacera Corporation is establishing a closed real estate trading chain from the project preparation stage, construction designs to product selling stage. Design consulting and construction companies of VIGLACERA is gradually growing in size and capacity with the ultimate goal to satisfy requirements of internal real estate projects of the Corporation.

With an appropriate development strategy, real estate business has achieved good result in recent years. Revenue from real estate sector in 2012 reach approximately VND1,600 billions, accounting for 65% total revenue of the Corporation.

**e. VIGLACERA possess a skillful and experienced workforce**

As at 30/06/2013, total number of employees of Parent Company – Viglacera Corporation is 1,737 employees, in which number of employees with graduate and post-graduate qualifications accounts for 40.24%. The Corporation's management level has over 05 years of working commitment with VIGLACERA which then ensure the consistency in strategic management and the inheritance of managing directions for the young workforce.

The management team of VIGLACERA are highly qualified with many years of working experiences and enthusiasm (the highest management level at the age of over 45). Hence, the Corporation always considers human resources as the critical factor and applies good and flexible policies on facilities, working environment as well as benefits and training plans for employees.

**10.2. Development prospects of the sectors**

Although Vietnam is facing a difficult time with many remaining issues related to bad debts in the banking system and the freeze in real estate market, according to estimates of many big research organizations Vietnamese economy will still record a growth in 3 main sectors including agriculture, production and services.

In the context of tightening credit policy and slowing export in traditional export markets, Vietnamese GDP is estimated at 5.2% in 2013 (IMF). With the loosening credit policy for real estate sector and lowering interest rates for loans and mobilization by the State Bank in the second quarter 2013, domestic enterprises will have more development opportunities, especially enterprises engaging in real estate and building material sectors in the second half of 2013.

Besides, demands and potential development of the real estate and building materials sectors from now to 2020 are considered very large. According to the National Housing Development Strategy to 2020, average housing areas per person has to reach 25 m<sup>2</sup>/person.

However, when comparing urban population growth in 2020, with the estimates of approximately 45% of total population (equivalent to 43 millions of persons) at the age of getting married and current housing quality in Vietnam, it is evaluated that demands for housing products are real and most Vietnamese people cannot afford the current housing prices of many real estate projects. According to estimates of the Ministry of Construction, from now to 2020, approximately 50 millions m<sup>2</sup> of housing areas needs constructing in urban areas every year. This proves that in the long term, demands for housing products in urban areas and opportunity for real estate development remain strong.

**10.3. Evaluation on the conformity of development orientation of the Corporation with the orientation of the sector, the State’s policies, and global trend.**

With the development strategy after equitization in general and production business plans in particular, if the Corporation manages to achieve every business target in every year with flexible and effective management, proactive responses to any changes to minimize unfavorable impacts, optimize any opportunities from the markets and current business capacity, the business plans after equitization will become more feasible. It is evaluated that the investment plans and strategy of the Corporation after equitization are in conformity with the orientation of the sector, the State’s policies and global trend.

## **II. INVESTMENT PLAN AND DEVELOPMENT STRATEGY OF THE CORPORATION AFTER EQUITIZATION**

### **1. Objective of the equitization**

The objective of the equitization is to develop Viglacera Corporation to become a leading Vietnamese company in the field of building materials with appropriate operation structure to focus on main business operation, improve production efficiency, competitive advantages, become the pioneer in investment on innovative building materials manufactured by modern, eco-friendly, energy-saving technologies.

The equitization of VIGLACERA aims to transform the Corporation from a 100% state-owned enterprise to multi-owner enterprise, to restructure the organization structure and management system, expand opportunities to approach new equity market and equity mobilization mechanism so as to improve production capacity of the Corporation after equitization.

The process of equitization in combination with the restructuring of production - trading controlling system of all operating sectors is designed to create specialization between production and distribution of products to the market.

The long-term objective of the equitization is to create a sustainable development foundation for the Corporation to become a leading company in the field of building material production in the Vietnamese and Southeast Asia markets.

Another objective is to increase the Corporation's investments on industrial park, real estate business, reaching rate of 40%-50% total value of the Corporation.

Annual growth rate is anticipated to reach 10%-15% on average.

### **2. Requirements of the equitization**

Equity mobilization from employees of the Corporation, domestic and foreign investors to invest in developing the Corporation.

Increase consciousness and management positioning associated with responsibilities, works and rights as shareholders, create new motives for employees, shareholders to improve efficiency in management and production controlling, earnings of employees and shareholders and contribute in developing the national economy.

Ensure the sustainable and stable development of Viglacera Corporation and member companies after equitization.

Ensure the harmony regarding benefits among the State, the Corporation, the investors and employees.

Respect requirements of information disclosure and transparency in accordance with market rules.

### **3. Form of equitization**

Keep the initial percentage of the State's charter capital in the Corporation, and issue additional shares to increase charter capital.

### **4. General information of the Corporation after equitization**

- Vietnamese name: Tổng công ty Viglacera - CTCP
- English name: Viglacera Corporation - JSC
- Head Office: Viglacera Tower, No. 01 Thang Long Avenue, Me Tri Commune, Tu Liem District, Hanoi
- Tel: (84-4) 35536660
- Fax: (84-4) 35536671
- Website: [www.viglacera.com.vn](http://www.viglacera.com.vn)
- Logo:



- Legal form: Joint stock company
- Legal form:

The Corporation has legal status in compliance with Vietnamese legal system from the date of Business Registration Certificate, conducting independent accounting system, owning a company seal, opening bank account in accordance with regulations, organizing business and operating under Corporation's Regulation and Corporate Law No. 60/2005/QH11 dated 29/11/2005.

### **5. Scopes of business after equitization**

#### **Main business activities**

a) Manufacture, trade and import, export building materials, raw materials, fuel, machinery, equipment and accessories serving for building material production process, urban area construction and development, production of terracotta and clay roofing tiles, ceramic tiles, granite tiles, clinker tiles, autoclaved aerated concrete bricks, cotto bricks and other building material products, building glass, decorative glass, safety glass, sanitary wares and fitting, faucet, shower, water supply equipment, water meter, gas meter, heat meter, bathtub, water heaters.

b) Real estate investment, trading include: infrastructure of industrial park, urban area,

residential areas, office for lease; construct houses, construction projects for sale, lease or lease purchase; purchase houses, construction projects for sale, lease, lease purchase; Lease houses, construction projects for sub-lease; Improve land, invest on infrastructure on leasing land for sub-lease; transfer land use rights, invest on infrastructure for transfer, lease; rent land use rights with infrastructure for sub-lease.

c) Exploit, process and trade minerals.

**Related business activities**

a) Real estate trading activities include: real estate trading floor services; real estate brokerage services; real estate advertising services; real estate management services; real estate valuation services; real estate consulting services; real estate auction services.

b) Construct civil engineering projects, industrial, transportation, irrigation projects, hydropower plants, power lines and power distribution stations, infrastructure of urban areas, industrial parks; machinery and equipment leasing and transportation services.

c) Research, application and transfer of manufacturing technology, provision of research, experiment, inspection services of inputs and building material products.

d) Provision of education and training for management, officers and technical officers, manufacturing workers in the production of building materials, training and guidance for employees and Vietnamese experts working overseas, labour exports to foreign countries in definite term.

e) Restaurant, supermarket, hotel, sport and entertainment services.

f) Establishment of construction investment plans;

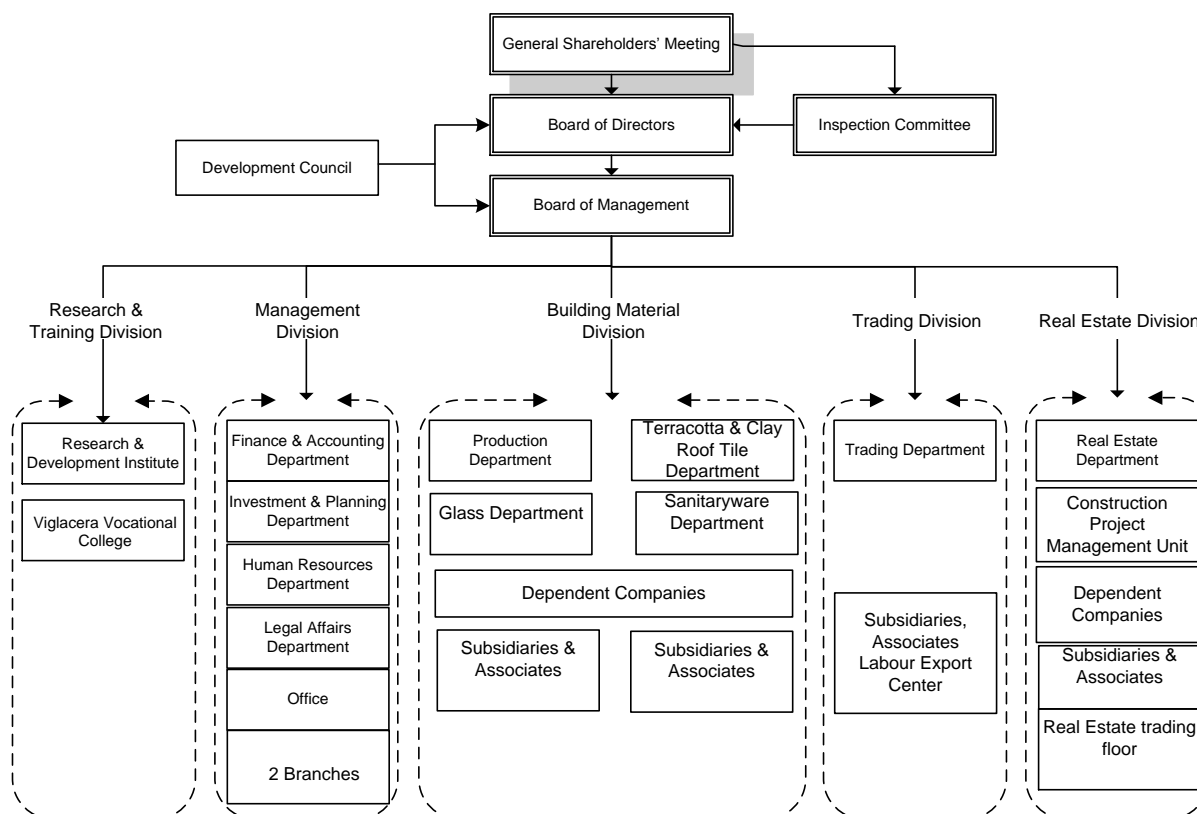
f) Investment consultancy, construction project inspection consulting services, technology transfer consulting services.

g) Other profession, science and technology not yet classified: Environmental consulting services.

h) Other sectors, business activities in accordance with laws and regulations.

**6. Organization structure of Parent Company after equitization**

Image 2: Organization chart of Parent Company after equitization



**General Shareholders’ Meeting:** General Shareholders’ Meeting is the highest management body of the Joint Stock Company.

**Board of Directors:** Board of Directors is the management body of the company, reserving all the rights to decide and exercise rights and obligations of the company which are not subject to authorization of General Shareholders’ Meeting on behalf of the company.

**Inspection Committee:** Inspection Committee appointed by General Shareholders’ Meeting, is responsible for inspecting all business, controlling and management activities of the company on behalf of the shareholders.

**General Director:** General director is responsible for managing daily business activities of the company under supervision of the Board of Directors and accountable to the Board of Directors and legal jurisdictions with respects to undertaken rights and obligations.

**Functional Departments**

The Board of Directors, the Board of Management are responsible for managing functional departments, in which functional departments are classified into divisions as follows:

**Research – Training Division**

- Manage Viglacera Research and development Institute and Viglacera Vocational College.

- Coordinate with Manufacturing Department and Terracotta & clay roofing tile Department under Building material division to implementing technological application and transfer in production so as to increase production efficiency of the Corporation.

- Organize vocational and profession training related to business activities of the Corporation.

- Advise the management about issues related to new technologies.

### **Management Division**

- Finance & Accounting Department: Conduct accounting practices, supervise bookkeeping practices at the subsidiaries of VIGLACERA, connect the Corporation with member companies through cash flow allocation and management.

- Investment & Planning Department: Evaluate production and trading performance and prepare short-term, mid-term and long-term plan for the Corporation and member companies, perform capital management at member companies. Investment & Planning Department coordinates with Finance & Accounting Department in the preparation of financial and investment plans to advise the management on the implementation of new projects.

- Personnel Department: Administer issues related to personnel, remuneration, headcount, bonus, position approval, appointment, dismissal, rotation, discipline, human resource projection and recruitment, training and other policies for employees.

- Foreign Affairs Legal Department: Assist the Board of Management works related to legal issues of the Corporation; execute foreign relation activities and investor relation activities of the Corporation, instruct, assist member companies on foreign relation activities and international transaction.

### **Building Material Division**

- Include Manufacturing Department, Sanitary Ware Department, Terracotta & Clay Roofing Tile Department with the responsibility of assisting production activities in subsidiaries and associates and directly trading in parent company and member companies.

- Building material Division is responsible for preparing short-ter, mid-term and long-term development strategies of building material products.

- Act as managing unit for member companies and other companies having capital contribution by the Corporation.

- Search for new opportunities and strategic partners, monitor the implementation of investment and business cooperation projects in the field of investment – trading - manufacturing of building materials.

- On behalf of the Corporation, participate in activities of building material associations, union in the field of building materials.

**Real Estate Division**

- Real estate Division play an assisting role for member companies with regards to related profession, and directly trade through Real Estate Department, Construction investment management unit and real estate trading floor.

- Administer bidding and construction activities in the field of real estate investment and trading.

- Control quality, progress of ongoing projects, quantity, unit prices and financial settlement of construction projects.

- Prepare development strategies, short-term, mid-term and long-term real estate investment and trading projects.

- Prepare financial plans in the field of real estate, organize and monitor financial activities in compliance with approved plans by the Corporation.

- Search for new business opportunities and strategic partners in the field of real estate investment & trading.

- Research, exploit housing, urban area and industrial park projects.

- Screen project files, evaluate projects and business performance of real estate member companies.

- Examine, supervise the implementation and exploitation of investment plan in the field of real estate.

- Manage member companies and other companies having capital contribution by the Corporation that operate in the field of real estate investment, trading and project running.

- At present, real estate business activities are directly managed at member companies of the Corporation. In the future, when the Corporation establish new subsidiaries in this field, the responsibilities of Real Estate Division also include supporting real estate business activities at subsidiaries.

**Trading Division**

- Act as leading unit organizing and connecting member companies regarding the development of common brand of the Corporation.

- Manage, inspect, consult and support the implementation of brand utilization rules of the Corporation internally and in the market.

- Establish a set of brand awareness standards, adjust internal competition in order to maximize development of member companies.

- Establish and perform advertisement plans, maintain and expand VIGLACERA brand, prepare and conduct research plan and evaluation of VIGLACERA brand.
- Market research: Coordinate with Building material Division, Research & Training Division and member companies to establish market database from which members can access and use to orientate production and improve business efficiency.
- Find outputs for products of urban area, industrial park, office, trade center construction projects... (prefer project using a comprehensive set of VIGLACERA products).
- Establish, operate distribution and marketing network for products of the Corporation.
- Develop and trade project having foreign investment.
- Manage, control investment projects and business cooperations of trading and distribution of building material.
- Carry out survey, evaluation and screen on projects managed by Trading Department.
- Establish and organize the implementation of business plan of each field based on trading plans and domestic and foreign market forecast for each building material products.
- Prepare short-term, mid-term and long-term export plans for products of the Corporation.
- Search for new clients, promote import-export of building material production technologies, import raw materials for production, export products and other products served for trading promotion of the Corporation.
- Perform import-export trading activities to expand markets, customers and brand of the Corporation.

#### **7. VIGLACERA's ownership structure in member companies**

According to the Restructuring Project of Viglacera Corporation approved by the Ministry of Construction, the Corporation will contribute capital to the following member companies:

<b>Member companies with over 50% of charter capital held by the Corporation</b>
Viglacera Viet Tri Sanitary Wares JSC
Viglacera Thanh Tri Sanitary Wares JSC
Viglacera Thang Long JSC
Viglacera Tien Son JSC
Viglacera Hanoi JSC
Viglacera Dong Anh JSC
Viglacera Ba Hien JSC

Viglacera Tu Liem JSC
Viglacera Huu Hung JSC
Viglacera Ha Long JSC
Viglacera Dap Cau Sheet Glass JSC
Viglacera Van Hai JSC
Viglacera Minerals JSC
Autoclaved Aerated Concrete Block JSC
Viglacera Packing and Brake Lining JSC
Viglacera Trading JSC
Viglacera Mechanical and Construction JSC
Vinafacade JSC
Viglacera Consulting JSC
<b>Member companies with 36% and more of charter capital held by the Corporation</b>
Float Glass Vietnam Joint Venture Company
<b>Member companies with below 36% of charter capital held by the Corporation</b>
Viglacera Tu Son JSC
Viglacera Ha Long I JSC
Viglacera Cau Duong JSC
Viglacera Investment and Import Export JSC
Cau Xay JSC
Viglacera Land Consultants Construction JSC
Viglacera Hop Think JSC
<b>Newly established companies for the period of 2013 – 2015, orientation to 2020</b>
Super White Glass/Low-emissivity Glass
Gypsum Ceiling
Glass fiber
Glass Block
Granite Tiles
Raw material inputs
Commercial clay brick products
Viglacera Import - Export

## **8. Information of investment plans and development strategies after equitization**

### **8.1. Market organization plan**

#### **Building materials**

##### Domestic market

Sanitarywares, showers and faucets group: Continue to implement business activities through trading companies as focal point to manage the entire domestic market, unify selling prices and distribute products via sales agent network under management of Viglacera Trading JSC

Tile products group: Implement business activities and product consumption through Viglacera Ceramic Tiles Trading JSC as a focal point to manage the entire domestic market, unify selling prices, discount policies... and distribute products via sales agent network under management of Viglacera Ceramic Tiles Trading JSC.

Clay products group: Establish a new joint stock company specializing in trading thin and high-end products such as cotto, roof bricks. It's expected to be in operation within next year.

Other building materials products group: Currently, member manufacturing companies implement its business trading activities through their sales agent network and under orientation of the Trading Department of the Corporation. In the future, the Corporation will establish more trading companies which will be responsible for consumption assurance of each group of products or in each operation region... with the unified selling prices, and policies for all sales agents in order to enhance operational efficiency of these trading companies, support the operational specialization in member manufacturing companies and help expand business scale and improve competitive advantage of VIGLACERA products.

##### Export markets

Coordination between Trading Department of the Corporation, group of member trading companies and prevailing distribution channels for market development and export boosting activities.

**Real estate:** All housing products are traded only through Viglacera Land Company.

### **8.2. Products Plan**

#### **Real estate**

Diversified investment portfolio in most of real estate segments from industrial park, urban areas – apartment, trade center – offices, resorts with the aim to diversify product and disperse general risks.

At certain point of time, depend on market conditions, the Corporation will adjust its

business plans and investment on more favorable segments, currently focus on constructing and trading infrastructure of industrial parks and affordable housing products for low-income earners.

**Building glass**

In-depth and new investments to improve production capacity, product quality.

Research and apply new innovative technologies and product diversification, such as Float Glass, Low-e glass (energy saving), other types of rolled glass, color changing glass, solar glass, tempered glass, post-glass products (laminated glass, safety glass, glass boxes...), glass blocks, foam glass, glass fiber...

The Corporation is considering the implementing “Low-emissivity glass manufacturing line with total production capacity of 1.3 million m<sup>2</sup>/year Project”.

**Tiles**

Striving to rank in the top companies in Vietnam in terms of production capacity and product quality.

Research and apply innovative production technologies and diversify types of products.

Shift production to high added value product with distinctive designs, such as ceramic roof tiles, artificial quartz stone, thin products, large-sized products...with the application of international innovative production technologies.

**Sanitarywares**

In-depth investment on product moulds to diversify designs and application of advanced material mixture method and innovative technologies aiming to bring VIGLACERA brand to the top leading brand in Vietnam

**Terracotta, clay products**

In-depth investment on the basis of rationalization of current manufacturing lines and areas to improve production capacity to 20% - 30% from current level. Use initiatives in utilization of excess heat for forced drying so as to control the entire operation, as well as remove the glass flattening factory to utilize the space for capacity improvement, also reduce production of construction bricks and increase production of roof tiles.

New manufacturing plants will be invested on the basis of replacing old manufacturing lines with new ones having high production capacity and large kiln, synchronized drying tunnel system, automatic product loading and unloading system to reduce pressure on labour.

**New products:**

Research and produce new products including:

- Low-emissivity glass (Low-e) and super white glass;
- Glass packages (bottle);
- Glass block and other glass products including heat-resistant and insulate foam glass , glass fiber;
- Artificial quartz stones;
- Luxury automatic and energy-saving sanitarywares set;
- Super lightweight CaO-SiO<sub>2</sub> building materials;
- Autoclaved aerated concrete bricks and adobe bricks which will continue to be invested for production capacity improvement
- Clinker clay bricks;
- Gypsum ceiling board

### **8.3. Brand marketing and promotion plans**

The Corporation will proactively participate in big international exhibitions on building materials, promote the introduction of products through offices, branches and selling networks in the Southeast Asia, the Middle East, Eastern Europe and Africa. Hence, Viglacera Corporation will gradually introduce and use its building materials products for national and internal construction projects of the Corporation and reinforce consulting and after-sale services for customers, sale agent and introduce the image of VIGLACERA brand to more consumers.

## **9. Main economic indicators of the business plans in 3 years after equitization**

### **9.1. Investment demands**

Table 21: Real estate project expected to invest for the period from 2013 - 2018

*Unit: VND Billions*

	<b>Total investments</b>	<b>Estimated time</b>
Dang Xa – Gia Lam Urban Area (Phase I)	683	2013 - 2018
Dang Xa – Gia Lam Urban Area (Phase II)	2,587	2013 - 2018
Lim Urban Area (Tien Du province)	1,355	2013 - 2018
Tien Son Urban Area	240	2013 - 2017
671 Hoang Hoa Tham Housing Complex (Phase III)	600	2013 - 2015
Yen Phong Industrial Park	154	2013 - 2018
Yen Phong Industrial Park – extension	1,300	2013 - 2018
Hai Yen Industrial Park	408	2013 - 2018

	<b>Total investments</b>	<b>Estimated time</b>
Dong Mai Industrial Park	552	2013 - 2018
Nam Son – Hap Linh Industrial Park	600	2013 - 2018
Yen Phong Urban Area and Services	519	2013 - 2018
Plants and workshops No.3 in Yen Phong Industrial Park	43	2013 - 2017
Construction tower crane, machinery and equipment	25	2013 - 2018
Xuan Phuong Urban Area	1,545	2013 - 2017
Tay Mo Urban Area	350	2013 - 2015
Trade center and offices in six-way crossroad - Bac Ninh	131	2014 - 2018
Ngai Cau Housing area	550	2015 - 2018
Phuc Thang Housing area	640	2015 - 2018
Thanh Tri Housing Area	500	2015 - 2018
Chan Hung Housing Area	300	2015 - 2018
Hoan Son Housing Area (Phase I)	190	2013 - 2018
Plants and workshops for lease in industrial parks	100	2014 - 2018
Construction equipment	25	2014 - 2018

*Source: Viglacera Corporaiton, 2013*

Table 22: Investment projects of building material industry and research & training activities for the period from 2013 to 2018

*Unit: Billions VND*

<b>Project</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Building materials</b>	<b>322</b>	<b>215</b>	<b>500</b>	<b>1.300</b>	<b>1.450</b>
Ceramic Manufacturing Plant - North	300	-	-	-	
Glass Manufacturing Industrial Complex Viglacera I	-	200	500	800	800
Glass Manufacturing Industrial Complex Viglacera II	-	-	-	500	500
Repair of manufacturing line of mirrors	20	-	-	-	-
Indepth technological investment	10	10	-	-	50
Relocation of Showers & Faucets	-	-	-	-	100

<b>Project</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Manufacturing Plant					
Indepth technological investment in Showers and Faucets Company	5	5	-	-	5
Water meter manufacturing line of Showers and Faucets Company	7	-	-	-	-
<b>Research - Training</b>					
<b>Vocational Training College</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>
<i>Infrastructure construction of the College</i>	-	-	-	-	-
<i>Teaching and laboratory facilities</i>	10	10	10	10	10
<b>Investment on subsidiaries and associates</b>	<b>153</b>	<b>169</b>	-	-	-

*Source: Viglacera Corporation, 2013*

## **9.2. Investment/divestment plans on subsidiaries and associates**

Table 23: Investment/divestment plans on subsidiaries and associates

*Unit: Billions VND*

<b>No.</b>	<b>Investment/Divestment Plan</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
1	Capital contribution on subsidiaries and associates	197	217	-	-	-
2	Divestment on subsidiaries and associates	44	47	-	-	-

*Source: Viglacera Corporation, 2012*

## **9.3. Recruitment Plan**

Recognizing the importance in human resources development, the Corporation has implemented Human Resources Development Strategy Project of the Corporation for the period from 2011 to 2015. At present, this Strategy is being implement in accordance with the time schedule.

Table 24: Recruitment plan in restructuring period to 2018

<b>Item</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Estimated number of employees	1,749	1,784	1,820	1,911	1,987

*Source: Viglacera Corporation, 2012*

Number of employees are estimated to increase rapidly to satisfy the needs for production development in conformity with development scale of the Corporation in the future.

**9.4. Business plan after equitization from 2014-2018**

Table 25: Business plan 2014 – 2018

*Unit: Billions VND*

<b>Item</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
1. Investment plan	<b>749</b>	<b>1,057</b>	<b>1,617</b>	<b>2,456</b>	<b>2,566</b>
- <i>Real estate</i>	264	662	1,107	1,146	1,116
- <i>Building materials</i>	322	215	500	1,300	1,450
- <i>Investment on subsidiaries, associates</i>	153	169	-	-	-
- <i>Development research and training</i>	10	10	10	10	10
2. Charter capital	3,070	3,070	3,070	3,070	3,070
3. Total number of employees	1,749	1,784	1,820	1,911	1,987
4. Total salary budget	155	169	184	207	229
5. Average salary (VND millions/person/month)	7.40	7.89	8.43	9.03	9.63
6. Total revenue	4,162	4,594	5,087	5,820	6,551
7. Total costs	3,892	4,262	4,664	5,279	5,986
8. Profit before tax	270	332	423	541	565
<i>Profit before tax – Parent Company</i>	241	294	372	467	487
<i>Profits of subsidiaries and associates</i>	29	38	51	74	78
9. Profit after tax	210	259	330	424	443
10. Allocation to funds	28.4	35.0	44.6	57.2	59.8
11. Dividend ratio	5.00%	7.00%	8.00%	11.00%	11.00%
12. Dividend payment	154	215	246	338	338
13. Profit after tax/charter capital ratio	6.84%	8.44%	10.75%	13.81%	14.43%
14. Earning per share (EPS) (VND/share)	684	844	1.075	1.381	1.443

*Source: Viglacera Corporation, 2013*

### **III. CHARTER CAPITAL, STRUCTURE OF CHARTER CAPITAL**

The Corporation proposes estimated structure of charter capital, owning percentage of the State, number of public offering shares after equitization as follows:

Charter capital: VND3,070,000,000,000 (Three thousands and seventy billions Vietnam dong) equivalent to 307,000,000 shares;

Par value: VND10,000 /share (Ten thousands Vietnam dong per share)

Structure of charter capital:

<b>Description</b>	<b>Number of shares</b>	<b>Percentage % of charter capital</b>
<b>1. Shares held by the State</b>	227,700,000	74.17% charter capital
<b>2. Shares offered for employees</b>	2,352,400	0.77% charter capital
- <i>Shares offered for employees based on number of working years</i>	932,300	0.30% charter capital
- <i>Additional shares offered for employees based on committed working year and for highly-qualified employees</i>	1,420,100	0.47% charter capital
<b>3. Shares offered for other investors</b>	76,947,600	25.07% charter capital

#### **IV. GENERAL INFORMATION OF THE AUCTION**

##### **1. Auction method and settlement of shares for investors participating in the auction**

###### **1.1. Auction form**

- Number of shares offered: 76,947,600 shares
- Types of shares: Common shares
- Par value: VND10,000/share
- Starting price: VND10,300/share
- Auction method: Public auction of shares at Hanoi Stock Exchange

###### **1.2. Auction participants and number of shares registered to buy**

- Auction participants: Foreign and domestic organisations, individuals satisfying conditions as required by the Regulation of the initial public offering of Viglacera Corporation.
- Minimum number of shares subscribed to buy: 100 shares
- Maximum number of shares subscribed to buy: 76,947,600 shares
- Quantity subscribed to buy: Multiple of 100 shares
- Deposit: 10% total value of shares subscribed to buy at starting price

###### **1.3. Time schedule and location**

- Time schedule and location of disclosure of information, auction subscription, deposits, distributing tickets to attend the auction: Following provisions of Regulations on initial public offering of Viglacera Corporation.
- Time schedule for share subscription at auction agents: Following provisions of Regulations on initial public offering of Viglacera Corporation.
- Time schedule when the Agents receive tickets to attend the auction: Following provisions of Regulations on initial public offering of Viglacera Corporation.
- Time schedule for share auction: Following provisions of Regulations on initial public offering of Viglacera Corporation.
- Location of share auction: Hanoi Stock Exchange – No.81 Tran Hung Dao, Hoan Kiem, Hanoi.

- Term for settlement of purchasing shares and receipt of refunded deposits: Following provisions of Regulations of initial public offering of Viglacera Corporation.
- The Corporation offer single share auction, depend on shares successfully auctioned to adjust charter capital (if any) to convert the Corporation into operation as a joint stock company.

#### **1.4. Parties related to the Auction**

##### **Issuing Organisation**

##### **HANOI STOCK EXCHANGE**

Address: No. 02 Phan Chu Trinh Street, Hoan Kiem District, Hanoi

Tel: (84-4) 39412626 Fax: (84.4) 39347818

Website: [www.hnx.vn](http://www.hnx.vn)

##### **Advisory organization on the preparation of Equitisation Plan and the Initial Public Offering**

##### **SAIGON SECURITIES INCORPORATION**

Head Office: 72 Nguyen Hue, District 1, Hochiminh City

Hanoi Branch: 1C Ngo Quyen, Hoan Kiem District, Hanoi

Tel: (84.4) 39366321 Fax: (84.4) 39366311

Website: [www.ssi.com.vn](http://www.ssi.com.vn)

##### **Consulting and corporate evaluation Organisation**

##### **VIETNAM VALUATION AND FINANCE CONSULTANCY COMPANY**

Address: No.03 Thuy Khue, Ba Dinh District, Hanoi

Tel: 080 44186 Fax: 04. 38472271

Website: [www.vvfc.vn](http://www.vvfc.vn)

#### **2. Auction method and settlement of shares for employees**

The objective of share offering for employees is to connect employees and create stimulation for employees with the development of the Corporation after equitisation.

##### **a. Principle of working year calculation for determination of number of shares offered for employees**

###### *i. Shares offered for employees satisfying conditions to buy with preferential price*

Period of time calculated in share offering with preferential price for employees is total actual time (in full 12 months, no odd months counted) that the employee works for the State until the date of publishing the corporate evaluation value. This period of time does not include actual time which has been previously calculated to buying shares with preferential price in the equitized corporate; the actual working period calculated for retirement benefits;

the actual working time calculated for one time social insurance receipt.

The actual working time for the State of employees which is calculated to buying share with preferential price until the date of publishing corporate evaluation value, comprise:

- Actual time working for a 100% state-owned enterprise; an administrative organization of the State, an army unit from which the employees receive salary from the State budget.
- Period of time that the employees receive salary from a 100% state-owned enterprise, the State budget (training, business trip period...), receive social insurance benefits (sick leave, pregnancy leave, industrial accident, occupational disease);
- Working time in the form of committing to fixed amount of products and works in which a 100% state-owned enterprise pays salary and social insurance costs for employees in compliance with regulations.

Total number of shares of Viglacera Corporation satisfying conditions to buy shares with preferential prices are **932,300 shares**.

*ii. Additional share offered for key employees*

Employees in the list of frequent key staff at the date of publishing corporate evaluation value which the entity needs to utilize, having long-term commitment working for the entity with at least 03 years of working commitment for the Corporation (from the date of initial Business Registration Certificate), will be subject to buy additional 200 shares/committed working year, but not exceeding 200 shares/employee.

Specifically, employees which are high qualified experts including key management levels from head, deputy head, manufacturing team leader, deputy team leader and above of the Corporation and dependent companies, will be subject to buy additional 500 shares/committed working year, but not exceeding 5,000 shares/employee.

Preferential prices of additional shares for employees are determined as lowest successful bidding price after the initial public offering.

Total additional shares for employees according to commitment working year and for high qualified employees of Viglacera Corporation are **1,420,100 shares**.

(Details as prescribed in attached Appendix Human Resource Development Plan and List of number of shares offered for employees)

Total of shares offered for employees of Viglacera Corporation are **2,352,400 shares**.

**b. Share price determination**

In accordance with Decree No.59/2011/ND-CP, share price offered for employee is determined as follows:

- For employees satisfying conditions to buy with preferential price, the price of share offered equals to 60% lowest successful bidding price.
- For additional shares offered for employees according to commitment working year and for high qualified employees of Viglacera Corporation, the price of share equals the lowest successful bidding price.
- Payment method of shares bought by employees are regulated by Viglacera Corporation.

### **3. Utilization plan of the proceeds from the initial public offering**

#### **3.1. Estimated proceeds from the initial public offering**

The form of equitisation is to hold the State's capital, issue additional shares to increase charter capital equivalent to total par value of additional shares which are retained in the Corporation, the share plus is utilized for settlement of equitisation costs and payment for employee redundancy in accordance with prevailing regulations. The remaining balance (if any) will be processed in compliance with point b, item 2, article 42 of the Decree 59/2011/ND-CP dated 18/072011, in which the difference from additional share issued is retained in the joint stock company with the corresponding portion of additional shares issued in charter capital structure.

#### **3.2. Utilization plan of the proceeds from the initial public offering**

The proceeds from the equitisation of the Corporation by additional share offering will be held in the Corporation in order to invest and develop potential projects.

Table 26: Total estimated proceeds from the equitisation

<b>No.</b>	<b>Content</b>	<b>Number of shares</b>	<b>Amount (VND millions)</b>	<b>Note</b>
<b>1</b>	<b>Estimated proceeds from additional share issuance</b>		<b>797,164</b>	
1.1	Public offering	76,947,600	792,560	
1.2	Shares offered for employees	2,352,400	20,389	
	<i>Shares offered for employees with preferential price</i>	<i>932,300</i>	<i>5,762</i>	60% of average successful bidding price
	<i>Additional shares for highly-qualified employees</i>	<i>1,420,100</i>	<i>14,627</i>	Lowest successful bidding price
<b>2</b>	<b>Estimated equitization cost</b>		<b>3,471</b>	
<b>4</b>	<b>Retain proceeds in the Corporation</b>		<b>809,478</b>	

**Note:** Calculation is estimated on the following assumption:

- Investors buy all the amounts of public offering shares.
- The lowest successful bidding price is estimated at starting price of VND10,300/share.

The utilization plan of the proceeds from the initial public offering will be allocated to investment on building material production improvement projects and real estate investment projects of the Corporation as described at Section II. Investment Plan and Development Strategy of the Corporation after equitization.

## **V. RISK FACTORS**

### **1. Economic risks**

Normally, the conditions of domestic economy always have impact on development of every economic element. When the economy is in cyclical upturn, macroeconomic stability and increasing demands will drive further growth for every economic entity. On the contrary, when the economy is in recession, increase in interest rate, inflation... will have adverse impact on business performance of entities.

In 2012, thanks to the implementation of intensive measures in economic management by the Government in order to stabilize macro economy, curb inflation, resolve non-performing loans, restructure the banking system and reduce inventory level, national socio-economic situation has achieved positive improvement. In the first quarter of 2013, GDP growth rate is estimated at 4,89% higher than previous corresponding period, however, the growth rate of product and service consumption is not high as anticipated, leading to slowing CPI growth rate. Therefore, with current macroeconomic conditions, business entities of the economy are facing many difficulties, especially entities operating in the field of manufacturing, construction and real estate.

### **2. Legal and regulatory risks**

Being a state-owned enterprise converted into joint stock company, the operation of VIGLACERA will not be regulated in compliance with Decree No.09/2009/ND-CP by the Government with respects to financial management regulations and State capital management for state-owned enterprise but will be regulated under Corporate Law 2005 and other related regulations. Hence, VIGLACERA will be regulated by other legal documents of securities and stock exchange when having converted into Public listed company. Law and other legal documents in this field are in completing stage, any changes in policies may incur at any time and when it incur, adversely impact may affect business performance and management of an entity.

### **3. Specific risks**

#### **3.1. Risks of raw material price volatility**

Inspite of having established a comprehensive production chain of raw materials which are supplied by mining member companies of the Corporation in order to sell to other manufacturing member companies, VIGLACERA still has to import large amount of raw materials for production process. Since the quality of existing mines and technologies of mining member companies have not met the rising production requirements while the market is getting more competitive and fiercer, the quantity of raw material import is

increasing.

### **3.2. Risks of technological innovations**

Building material is an industry with constantly changing technologies. Modern construction projects require high quality materials that meet safety and aesthetic requirements. With each of those new technologies, prizes favors pioneers. As a result, the market demands a high level of flexibility from companies in the industry. VIGLACERA focuses on research, training and technology transfer to keep pace with latest technological innovations. However, many technologies request major investment while VIGLACERA's capability of capital raising is limited.

### **3.3. Risks of competition**

The profitability construction market of Vietnam attracts foreign enterprises including multinational corporations including Siam Cement, Toto, Saint Gobain... These groups are large in scale with a well-known brand and product presence in many countries. Owing to their large scale, they continuously research and develop new technologies to improve their competitive advantages. Especially when WTO commitments are effective, competition will be much fiercer. VIGLACERA will be required to have precision and agility in developing sale strategies as well as taking advantages of being in a "home front".

### **4. Risks of public offerings**

Public offerings of shares by the Corporation are subject to the state of the stock market and macroeconomic conditions. Negative signs of those factors affect judgement of investors and absorption capacity of the market.

### **5. Other risks**

Besides the above specific risks of building material production and real estate business, VIGLACERA as well as other entities will be affected when facing inevitable risks. Force majeure, epidemic diseases ... are inevitable risks that will cause damage to assets, people and business operation of VIGLACERA and other entities.

## **VI. PERSONS RESPONSIBLE FOR INFORMATION DISCLOSURE OF VIGLACERA CORPORATION**

### **1. Equitisation Steering Committee**

Mr. Tran Van Son	Deputy Minister of Construction – Head of Equitisation Steering Committee
Mr. Luyen Cong Minh	Chairman of Member’s Council – Deputy Head
Mr. Nguyen Anh Tuan	Member of Member’s Council - Member
Mr. Dang Van Long	Head of department – Deputy Head of Ban Đòi mới và phát triển doanh nghiệp Bộ Xây dựng – Member
Ms. Pham Thi Minh Thuan	Deputy Head of Finance – Planning Department of Ministry of Construction - Member
Mr. Ha Manh Hoat	Deputy Head of Organization and Personnel Department viên –Member
Mr. Pham Van Duc	Deputy Head of Corporate Finance Office of Ministry of Construction - Member

### **2. Auction Organisation: Viglacera Corporation**

Mr. Luyen Cong Minh	Chairman of Member’s Council – Viglacera Corporation
Mr. Nguyen Anh Tuan	Member of Member’s Council, General Director – Viglacera Corporation
Mr. Luu Van Lau	Member of Member’s Council – Viglacera Corporation
Mr. Dao Dinh Thi	Deputy General Director – Viglacera Corporation
Mr. Nguyen Minh Tuan	Deputy General Director – Viglacera Corporation
Mr. Tran Ngoc Anh	Deputy General Director – Viglacera Corporation
Mr. Nguyen Van Sinh	Deputy General Director – Viglacera Corporation
Mr. Nguyen Quy Tuan	Member of Member’s Council, President of Labour Union – Viglacera Corporation
Ms. Nguyen Thi Suu	Supervisor – Viglacera Corporation
Ms. Tran Thi Minh Loan	Chief Accountant – Viglacera Corporation
Mr. Nguyen Tri Dung	Head of Personnel Department – Viglacera Corporation
Ms. Ngo Thi Reo	Head of Internal Supervisory Department – Viglacera Corporation
Ms. Ngo Thuy Trang	Chief Accountant – Viglacera Investment and Infrastructure Development Company

We assure that information and data in this Information Statement are in accordance with the fact that we are aware of or have investigated and collected properly.

**3. Auction Advisory Organisation: Saigon Securities Incorporation (SSI)**

Ms. Nguyen Thi Thanh Ha      Position: Chief Financial Officer

*Authorization of Chairman of the Board cum Chief Executive Officer of Saigon Securities Incorporation No. 16/2012/UQ-SSI dated 17/12/2012.*

This Information statement is an intergral part of initial public offering documents with the preparation by Saigon Securities Incorporation, Hanoi Branch on the basis of the Consulting Contract with Viglacera Corporation. We assure that the analysis, evaluation and choice of words and expressions on this Information Statement have been made in a reasonable and prudent manner under the information and data provided by Viglacera Corporation.

**REPRESENTATIVES OF EQUITISATION STEERING COMMITTEE AND  
VIGLACERA CORPORATION  
VICE PRESIDENT OF EQUITISATION STEERING COMMITTEE AND  
CHAIRMAN OF VIGLACERA CORPORATION**

**ADVISORY ORGANIZATION  
SAIGON SECURITIES INCORPORATION – HANOI BRANCH**