

**INFORMATION DISCLOSURE
BACH DANG CONSTRUCTION CORPORATION**

**STEERING COMMITTEE FOR EQUITIZATION OF BACH DANG CONSTRUCTION CORPORATION
AND BACH DANG CONSTRUCTION CORPORATION RECOMMEND THAT INVESTORS SHOULD
CAREFULLY READ THE INFORMATION IN THIS DOCUMENT AND REGULATIONS ON AUCTION
BEFORE AUCTION SUBSCRIPTION.**

**INFORMATION DISCLOSURE
AUCTION FOR IPO SHARES OF
BACH DANG CONSTRUCTION CORPORATION**

AUCTION ORGANISATION



HANOI STOCK EXCHANGE

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ISSUING ORGANISATION



BACH DANG CONSTRUCTION CORPORATION

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AUCTION ADVISORY ORGANISATION



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December 2013

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I. INFORMATION ON THE EQUITIZED ENTERPRISE

1. Equitized enterprise

- Name in Vietnamese : **TỔNG CÔNG TY XÂY DỰNG BẠCH ĐẰNG**
- Name in English : BACH DANG CONSTRUCTION CORPORATION
- Abbreviated name : BDCC
- Logo:



- Address : 268 Tran Nguyen Han, Niem Nghia ward, Le Chan District, Hai Phong City
- Tel : (031)3856251
- Fax : (031)3856451
- Website : www.bachdangco.com
- Email : bdcc@bachdangco.com
- Business registration certificate No. 0200157840 firstly issued by Business Registration Office - Department of Planning and Investment of Hai Phong City on 01/10/2010, the 4th registration for amendment on 13/12/2012
- Charter Capital : 177,000,000,000 VND (One hundred and seventy seven billion Vietnamese dong).

2. Lines of Business

Table 1: Current business lines

No	Business lines	Codes
I	Main business lines	
1	Construction of other civil engineering projects Details: Construction of industrial, irrigational works, post offices, air ports, quays, urban and industrial park infrastructural works.	4290
2	Real estate activities with own or leased property.	6810
3	Manufacture of clay building materials.	2392
4	Construction of roads and railways	4210
5	Architectural and engineering activities and related technical consultancy Details: Architectural activities; Mapping service activities; Geographic surveying activities; Consultancy on construction of Civil and industrial engineering projects.	7110

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6	Real estate agent, consultant activities; Details: Real estate brokerage; Real estate evaluation; Real estate exchange; Real estate advertisement; Real estate management.	6820
7	Manufacture of articles of concrete, cement and plaster.	2395
8	Construction of buildings.	4100
II	Related business lines	
9	Building completion and finishing.	4330
10	Electrical installation activities. Details: Installation of electrical system, lighting system, fire - alarm system; Installation of communication cable, computer network and telecast cable (including optical cable).	4321
11	Machining; treatment and coating of metals.	2592
12	Freight transport by road.	4933
13	Supporting services for tourism advertisement and tour operator activities.	7920
14	Warehousing and storage.	5210
15	Cargo handling.	5224
16	Repair of fabricated metal products.	3311
17	Manufacture of plastics products.	2220
18	Short-term accommodation activities. Detail: Hotels.	5510
19	Electric power generation, transmission and distribution.	3510
20	Quarrying of stone, sand and clay.	0810
21	Site preparation.	4312
22	Manufacture of cement, lime and plaster.	2394
23	Human resources provision and management of human resources functions. Details: Human resources provision and management of internal human resources functions; Human resources provision and management of external human resources functions.	7830
24	Vocational education. Details: Occupational training activities; Professional and technical school.	8532
25	Wholesale of metals and metal ores. Details: Wholesale of iron, steel.	4662
26	Forging, pressing, stamping and roll-forming of metal; powder metallurgy.	2591
27	Construction of utility projects.	4220

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	Details: Installation of electrical lines and transformer station.	
28	Manufacture of structural metal products.	2511
29	Inland freight water transport.	5022
30	Water collection, treatment and supply.	3600
31	Restaurants and mobile food service activities.	5610
32	Management consultancy activities. Details: Consultancy service for investment projects preparation; consultancy service for bidding invitation, bidding documents preparation of engineering works.	7020
33	Demolition.	4311
34	Plumbing, heating and air-conditioning system installation activities	4322
35	Wholesale of construction materials, installation supplies. Details: Wholesale of cement (including cement additives, clinker); Wholesale of bricks, sand, stone; Wholesale of construction glass; Wholesale of paints, varnishes; Wholesale of wallpaper and floor coverings, sanitary equipments.	4663
36	Wholesale of other machinery and equipment n.e.c. Details: Wholesale of construction machinery and equipments.	4659
37	Sewerage and sewer treatment activities.	3700
38	Technical testing and analysis.	7120
39	Manufacture of builders' carpentry and joinery.	1622
40	Manufacture of tanks, reservoirs and containers of metal.	2512
41	Repair of machinery.	3312
42	Repair of electrical equipment.	3314
43	Installation of industrial machinery and equipment.	3320
44	Manufacture of other non-metallic mineral products n.e.c. Details: Manufacture of asphaltic products.	2399

3. Main Products and services

- Construction and installation of civil engineering, industrial, transportation, irrigational projects, post offices, airports, quays, urban and industrial park infrastructure works, electrical lines and transformer stations.

- Manufacture of pre-cast concrete, reinforced concrete, commercial concrete, pre-stressed reinforced concrete piles with the diameter up to 600mm, pre-engineering steel structure, refined bricks, etc...

- Construction of commercial houses, apartment buildings, detached houses, villas; Construction of urban and industrial park technical infrastructure works.

- Constancy activities for investment and construction of civil engineering,

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industrial, transportation, irrigational and hydropower projects, urban technical infrastructure works, electrical lines and transformer stations, including: preparation and appraisal of construction investment projects; construction exploratory, testing and surveying activities, design, preparation of general budget and investigation of design, general budget, project management, construction monitoring; work quality examination, registration and bidding consultancy.

- Organization of training, retraining of managerial staffs, professional technical staffs. Providing professional and vocational education, associating in training of construction and construction economic engineers.

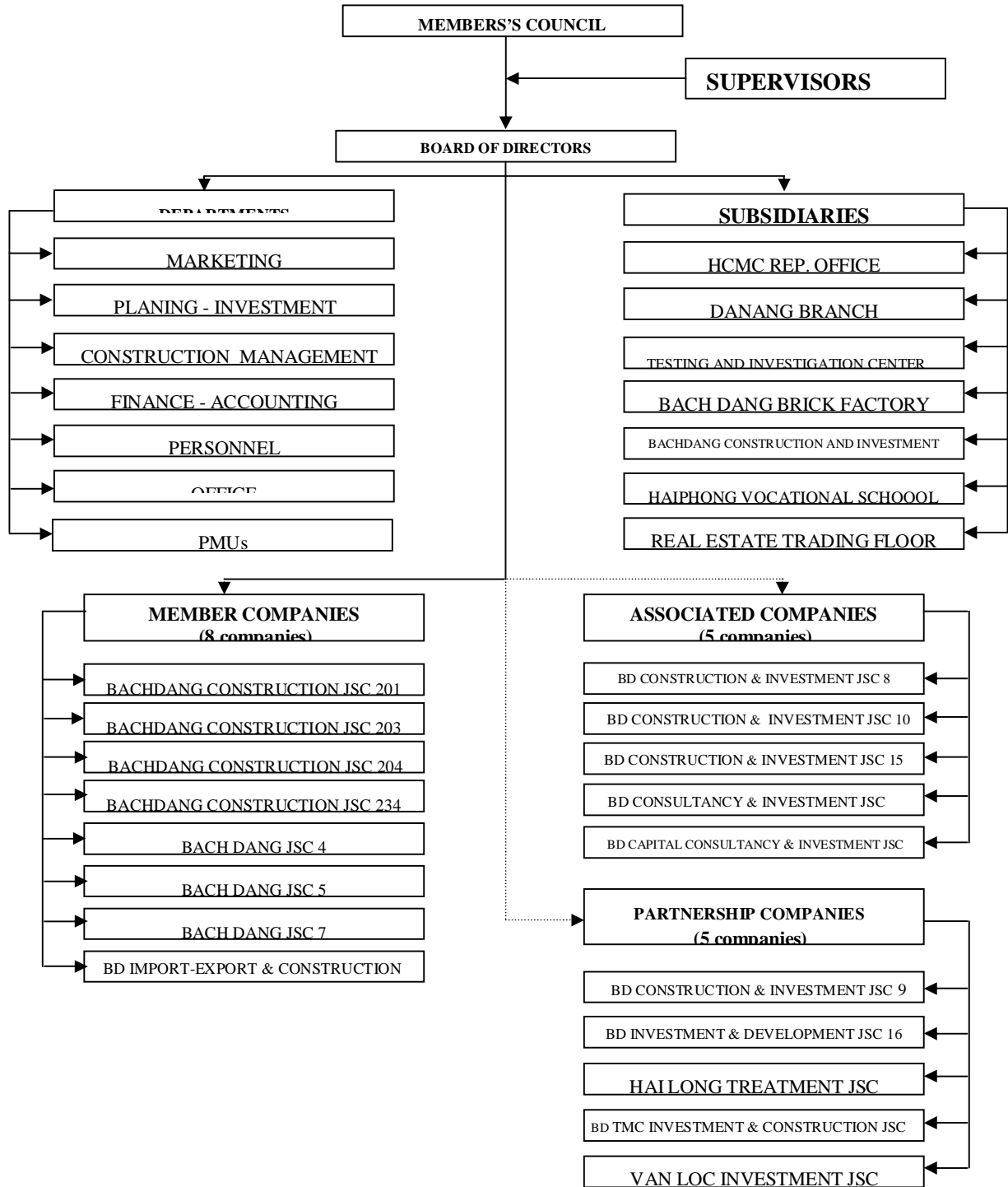
4. Organizational and managerial structure of the Corporation

4.1. Organizational chart of the corporation

The organizational mechanism of the corporation can be described in the following chart:

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Chart 1: Current organizational structure of the corporation



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4.2. Organizational structure: The corporation's organizational system includes:

- **Members' Council:** is the direct representative for the state-owned capital at the corporation which is responsible for the rights and obligations of state-owned capital ownership invested in member companies, associated companies. The members' council currently consists of 5 members appointed by the Ministry of Construction for the term of 5 years.

- **Supervisors:** The supervisors was appointed by the Ministry of Construction in order to monitor the operations in the corporation. Currently, there are 2 supervisors appointed with the term of 3 years.

- **Board of Directors:** the Board of Directors currently consists of 7 members including the General Director and 6 deputy directors. General Director is the legal representative of the Corporation who controls all activities and operation of the Corporation.

- **Departments:** including departments with specific functions and missions:

+ **Department of Marketing:** with the main function of marketing, conducting bids for construction and installation projects; developing markets.

+ **Department of Planning - Investment:** with the main functions as follow:

Developing middle, long term, annual, quarterly and monthly development orientation and plans; conducting statistic activities; monitoring, guiding the export - import operation;

Developing and directing the investment plans; carrying out researches, investigation and searching for investment opportunities and projects. Developing regulations in investment project management. presiding over the appraisal and bidding result of tenders, contracting packages under the authority of the Corporation. Monitoring the implementation of investment projects; analyzing, appraising the efficiency and making reports for the Corporation's investment projects.

+ **Department of Construction Management:** With the function of managing and organizing the implementation of construction techniques, product quality, machinery and equipments, labor safety; monitoring the construction contracts; associating in developing of limits, internal unit price of the Corporation.

+ **Department of Finance and Accounting:** with the main function of managing the capital and assets, posting the operations, checking the financial and accounting activities; preparing financial plans; balancing the revenue and expenses; checking and monitoring the implementation of accounting regulations issued by the State and regulations on financial management issued by the Corporation; inventorying assets in compliant with applicable regulations of the State; preparing annual financial statements to submit to authorized levels for approval.

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+ **Personnel Department:** with the main function of organizing the implementation of following operations: Organization and personnel issues, training, recruitment, salary, inspection, legal affairs, self-defense; studying and developing organizational plans and projects including the issues of establishment, splitting, merging and dissolving; developing the strategy, plans, projects of staff arrangement, training schedules; implementing human resource procedures; conducting employment policies.

+ **Office:** Carrying out the main functions of external affairs operation, reception, administration, archive; Managing the head office, stationary and office equipments, security, self-defense, emulation and disciplinary activities.

+ **Bach Dang PMUs:** assisting the Corporation's Members' Council, General Director in management of construction investment projects in compliant with the regulations of the State and the Corporations.

+ **Projects governing board:** assisting the Corporation's General Director in management, direction, implementation of the Corporation's business functions during the execution of construction projects.

+ **Bach Dang Real Estate Trading Floor:** providing services of real estate trading, transferring, leasing, brokerage and providing other real estate services.

5. Total number of employees to be transferred to the equitized enterprise

Basing on the existing human resource of the corporation, the demand for human resource after equitization and the legal regulations on labour, in order to enhance the corporation's business efficiency and to promote employee's capacity, the Corporation is about to transfer 333 employees to the equitized enterprise, including:

- Holders of university degree and higher: 151 persons.
- Holders of college and intermediate degree: 54 person.
- Holders of technical and vocational training certificate: 29 person.
- Unskilled workers: 99 persons.

**6. Enterprise value and the value of state-owned capital in the enterprise **

6.1. Actual enterprise value

In accordance with the Decision No. 628/QD-BXD of 27/06/2013 of the Ministry of Construction on enterprise value and the value of state-owned capital at the holding company - Bach Dang Construction Corporation, the actual value of Bach Dang Construction Corporation as at 31/3/2013 was **1,073,838,666,858 VND** (One thousand and seventy three billion, eight hundred and thirty eight million, six hundred and sixty six thousand, eight hundred and fifty eight Vietnamese dong), in which, the **actual value of state-owned capital** at Bach Dang Construction Corporation was **207,980,435,735 VND** (Two hundred and seven billion, nine hundred and eighty million, four hundred and thirty five thousand, seven hundred and thirty five

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Vietnamese dong).

6.2. Retaining issues to be handled

According to the investigation report on financial statements and enterprise evaluation of the Steering Committee for the equitization of Bach Dang Construction Corporation dated 25/6/2013, there were some retaining issues to be handled as follow:

6.2.1. Receivables and payables

- For receivables from customers, other short-term receivables was comparatively 91%, advances to suppliers was comparatively 95%; internal receivables was comparatively 99%; advanced payments was comparatively 95%; shor-term deposit was comparatively 100%.

- For payables: short-term, long-term loans and other long-term payables was comparatively 100%, payables to suppliers was comparatively 88%, advances from buyers was comparatively 87%, other payables was comparatively 99%.

The steering committee for equitization requested that, for the balance of uncomparred debts, the corporation takes responsibility to keep comparing with the receivables, payables to the date of hand-over of balance-sheet approval to the corporation.

6.2.2. In regard to Go Gai residential area

According to the comment of Provincial Department of finance of Hai Phong City in the report submitted to Hai Phong City People's committee on approval of land use plan and land price for the equitization of Bach Dang Construction Corporation (Report No. 27/TTr-STC dated 15/4/2013). To the date of enterprise valuation, the corporation has not yet set the price for the construction of infrastructure in projects. Hence, the Corporation was requested to fix the official figures for the construction of infrastructure in projects and adjust the state-owned capital due to the difference between land use right value and expenses for the construction of infrastructure before handing-over to the Joint stock company.

6.2.3. In regard to Project 97 Bach Dang in which Bach Dang No.5 JSC was the investor and Bach Dang Construction Corporation was the secondary investor

According to Contract No. 09/CTBT&XD-BQLDTRDT dated 15/9/2004 signed between Concrete and Construction Company (Now Bach Dang 5 Joint Stock Company) and Urban Investment Management Unit - Bach Dang Construction Corporation on transfer of secondary investor for semi-detached houses, detached

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houses, abutting houses in Urban area no. 97 Bach Dang. All the houses located on the area to be transferred to the secondary investor in accordance with Contract No. 09/CTBT&XD-BQLD TDT dated 15/9/2004 were completed, sold and the revenue from trading of these houses was recorded by the Corporation. From 2004 to 2008, the Corporation has also fulfilled its liability on tax and paid into State's budget in compliant with the regulations. However, not until 13/9/2011 has the People's Committee of Hai Phong city issued the Decision No. 1418/QD-UBND allowing Bach Dang 5 Joint Stock Company to change the purpose of land use for the land at no. 97 Bach Dang and in 02/01/2013 the People's Committee of Hai Phong city issued the Decision No. 07/QD-UBND approving the fee of land use upon the change of land use purpose in regard to the area of 3,555.2 m² on the land at no. 97 Bach Dang (after the time of enterprise valuation at 31/3/2012)

The Corporation will discuss with the People's Committee of Hai Phong city to identify the accurate payment for the changing of land use purpose. The difference between the fee that the Corporation has to paid and the value that has been recorded and paid by the Corporation will be the adjustment of State-owned capital at the time of balance drawing of the State-owned capital to transfer to the joint stock company (in case of the decrease in the State-owned capital, approval from authorized agency should be needed)

6.2.4. In regard to the houses and land at Area 1, Van Son ward, Do Son District, Hai Phong city:

In 31/7/2012, the Ministry of Finance issued the Decision No. 1903/QD-BTC on selling of assets on land, transferring the land use right in regard to the house and land at Area 1, Van Son ward, Do Son District, Hai Phong city, in which, the land area of 7,614 m²; area of construction of 2,037.98 m² would be managed and used by Bach Dang Construction Corporation. In accordance with the Decision, the selling of assets on land and transfer of land use right would be executed under the form of auction and would be valid within 12 months from 31/7/2012.

Until now, Bach Dang Construction Corporation has not yet completed the execution of selling the assets on land and transfer off land use right. Hence, the Corporation keeps managing and using the mentioned house and land with the remaining value, in accordance with the reappraisal of assets on land at Area 1, Van Son ward, Do Son District, Hai Phong city, of 7,175,795,455 VND

7. Enterprise's main assets

7.1. Land

Bach Dang Construction Corporation is managing the total land area of 171,226.2 m².

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Table 2: Structure of Land managed and used by the Corporation

Land categorization	Area (m ²)	Rate (%)
Land assigned by the State	131.437,8	76,76
<i>With collection of long-term land use levies</i>	<i>131.437,8</i>	<i>76,76</i>
<i>With collection of time-limited land use levies</i>		
<i>Without collection of land use levies</i>		
Land leased from the State (multi-payment)	39.788,4	23,24
Other land		
Total	171.226,2	

7.1.1. Land to build head quarter and production units

Table 3: List of land to build head quarter and production units

No.	Name of land parcel	Location	Area (m ²)	Form of ownership	Dossier
1	Corporation's Head Quarter	268 Tran Nguyen Han, Le Chan, Hai Phong	6,737	Land leased from the State with annual levy payment, land use term: 40 years, from 15/9/2004 to 15/9/2044	- Contract No. 08/HĐ-TĐ dated 15/01/2007 signed between The People's Committee of Hai Phong City and the Corporation - Land Use Right Certificate No. AĐ789.799 dated 15/01/2007 issue by The People's Committee of Hai Phong City
2	Bach Dang Construction Testing and Surveying Center's Head Office	Lane 266 Tran Nguyen Han, Le Chan, Hai Phong	1,107.4	Land leased from the State with annual levy payment, land use term: 40 years, from 15/9/2004 to 15/9/2044	- Contract No. 09/HĐ-TĐ dated 15/01/2007 signed between The People's Committee of Hai Phong City and Bach Dang Construction Testing and Surveying Center - Land Use Right Certificate No. AĐ789.721 dated 18/01/2007 issue by The People's Committee of Hai Phong City
3	Bach Dang Brick Factory	Phu Thai Town, Kim Thanh District, Hai Duong	31,067	Land leased from the State with annual levy payment, land use term: 25 years, from 11/2002 to 11/2027	- Contract No. 747/HĐ-TĐ dated 24/05/2007 signed between The People's Committee of Hai Duong Province and the Corporation

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No.	Name of land parcel	Location	Area (m ²)	Form of ownership	Dossier
		Province			-Land Use Right Certificate No. AB069116 dated 22/06/2007 issue by The People's Committee of Hai Duong Province
4	Land parcel for kindergarten	Lane 266 Tran Nguyen Han, Le Chan, Hai Phong	723.8	Land leased from the State with FOC annual levy payment, land use term: 40 years, from 15/9/2004 to 15/9/2044	- Land Use Right Certificate No. AĐ789.720 dated 18/01/2007 issue by The People's Committee of Hai Phong City - Dispatch No. 6866/UBND-TC of 12/12/2004 of The People's Committee of Hai Phong City approving the levy exemption for the land of the Kindergarten - Bach Dang Construction Corporation
5	Land parcel at Area 1, Van Son Ward	Area 1, Van Son Ward, Do Son, Hai Phong	7,614	Land leased from the State with annual levy payment, land use term: 50 years, from 15/10/1993 to 15/10/2043	- Contract No. 42/HĐ-TĐ dated 05/05/2009 signed between The People's Committee of Hai Phong City and the Corporation - Land Use Right Certificate No. AO892015 dated 05/05/2009 issue by The People's Committee of Hai Phong City
Total			40,512.2		

In regard to the land at Area 1, Van Son Ward, Do Son, Hai Phong, the Corporation is currently managing and using and has not yet executed the Decision No. 1903/QĐ-BTC of 31/7/2012 of the Ministry of Finance on selling the assets on land and transfer of land use right. In order to facilitate the Corporation to process the transfer of state-owned enterprise into joint stock company, the Steering Committee of Equitization has proposed the competent authority to allow the equitized company to keep managing and using the land at Area 1, Van Son Ward, Do Son, Hai Phong in compliant with regulation.

The land at Area 1, Van Son Ward, Do Son, Hai Phong locates in the center of Do Son tourism area. Currently, many investors engaging in tourism and hospitality has proposed to invest into this land.

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7.1.2. Land for housing projects

Table 4: List of land for housing projects

No.	Name of land parcel	Location	Area (m ²)	Form of ownership	Dossier
1	Land for commercial housing project at lane 266 Tran Nguyen Han, Le Chan, Hai Phong	lane 266 Tran Nguyen Han, Le Chan, Hai Phong	3,714	Land assigned by the State with the collection of land use levies	- Decision No. 2154/QĐ-UBND of 30/12/2011 of The People's Committee of Hai Phong City
2	Land for Go Gai Residential Area Project	Nui Deo Town and Thuy Son commune, Thuy Nguyen District, Hai Phong City	127,000	Land assigned by the State with the collection of land use levies	- Decision No. 2870/QĐ-UBND of 10/11/2003 of The People's Committee of Hai Phong City - Decision No. 2257/QĐ-UBND of 27/12/2010 of The People's Committee of Hai Phong City
Total			130,714		

In regard to the land for commercial housing project at lane 266 Tran Nguyen Han, Le Chan, Hai Phong, The Corporation has completed the infrastructure with an investment of 57,248,407,612 VND. The project now going on with construction and sale of apartments. In accordance with the Decision No. 2154/QĐ-UBND of 30/12/2011 of the People's Committee of Hai Phong City on approval of land use levies upon the change of land use purpose for the land at lane 266 Tran Nguyen Han, Le Chan, Hai Phong of Bach Dang Construction Corporation, the land use levy to pay into State Budget was 47,574,140,000 VND. Up to now, the Corporation has paid the amount of 23,000,000,000 VND for the land use levy into the State budget (by the time of preparation of equitization plan, the Corporation has just paid the amount of 15,000,000,000 VND)

In regard to the land for Go Gai residential area project, the total area of construction of house in accordance with business regulation was 57,616.9 m². The Corporation has paid the land use levy, constructed the infrastructure and been carrying on with sale process.

For the entire capital for these two projects, the Corporation did not need to borrow from banks but used the corporation's equity and a part of mobilized capital in compliant with Decree 71/2010/ND-CP of 23/6/2010 of the Government detailing and guiding the implementation of the Law on house.

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7.2. Equipments

Table 5: List of equipments by the time of enterprise evaluation for equitization

No.	Assets	Year of use	Quantity	Evaluation by 31/3/2012		
				Original price (VND)	Retaining rate (%)	Retaining value (VND)
1	Asphalt production line	2002	1	11,404,220,531	30%	3,476,165,520
2	Brick production line	2003	1	5,942,553,833	30%	2,256,344,134
3	Aluminum, plastic pipe production line and equipments (*)	2000	1	7,672,000,000	84%	6,457,266,668
4	Other construction equipments and machines	2006	188	3,916,398,625	47%	1,834,350,041
	Total			28,935,172,989		14,024,126,363

7.3. Vehicles

Table 6: List of vehicles by the time of enterprise evaluation for equitization

No.	Assets	Year of use	Quantity	Evaluation by 31/3/2012		
				Original price (VND)	Retaining rate (%)	Retaining value (VND)
1	Vehicles for office's use	2010	28	14,525,125,727	68%	10,191,577,519
2	Vehicles for the use in construction	2009	7	2,337,086,908	66%	1,277,708,792
	Total			16,862,212,635		11,469,286,311

8. List of subsidiaries, member companies, associated companies and partnership companies

8.1. List of subsidiaries

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Table 7: List of subsidiaries

No.	Name of subsidiary	Address	Business lines
1	Bach Dang Construction Corporation - HCMC Rep. Office	No. 227 Thich Quang Duc, Ward 4, Phu Nhuan Dist., HCMC	Representative office
2	Bach Dang Construction Corporation - Da Nang Branch	No. 455 Nui Thanh St., Hoa Cuong Bac ward, Hai Chau Dist., Da Nang City	Construction - Installation
3	Bach Dang 6 Construction and Investment Company	No. 4, Lane 583, Nguyen Trai St., Thanh Xuan Nam Ward, Thanh Xuan Dist., Hanoi	Construction - Installation
4	Bach Dang Brick Factory	No. 5 - Bach Dang St., Phu Thai Town, Kim Thanh Dist., Hai Duong Province	Manufacture of construction materials
5	Bach Dang Construction Testing and Surveying Center	No. 268 Tran Nguyen Han, Niem Nghia ward, Le Chan Dist., Hai Phong City	Construction materials testing and construction surveying
6	Hai Phong Professional Technique College	No. 159 Phuong Khe, Dong Hoa ward, Kien An Dist, Hai Phong city	Training of managerial staffs, technical workers
7	Real estate trading floor	No. 268 Tran Nguyen Han, Niem Nghia ward, Le Chan District, Hai Phong city	Trading of real estate

8.2. List of member companies

Table 8: List of member companies

No.	Name of company	Address	Charter capital (Mil. VND)	Proportion of ownership(%)
1	Bach Dang 201 Construction JSC	No. 85 Cau Niem Bypass, Nghia Xa ward, Le Chan Dist., Hai Phong City	17,500	55.31

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2	203 Construction JSC	No. 24 Tan Vien, Ha Ly ward, Hong Bang Dist., Hai Phong City	14,000	56.00
3	204 Construction JSC	No. 268C Tran Nguyen Han, Niem Nghia ward, Le Chan Dist., Hai Phong City	14,000	50.50
4	Bach Dang 234 Construction JSC	No. 2B Truong Chinh, Lam Ha ward, Kien An Dist, Hai Phong City	7,000	50.94
5	Bach Dang 4 JSC	No. 316 D2 extended road, P25 Binh Thanh Dist., HCMC	10,000	51.00
6	Bach Dang 5 JSC	Dong Hai Industrial Zone, Hai an Dist., Hai Phong City	25,000	53.32
7	Bach Dang 7 JSC	Quan Tru ward, Kien An Dist., Hai Phong City	7,000	51.07
8	Bach Dang Export-Import and Construction JSC	No. 268D Tran Nguyen Han, Niem Nghia ward, Le Chan Dist., Hai Phong City	20,000	53.60

8.3. List of associated companies

Table 9: List of associated companies

No.	Name of company	Address	Charter capital (Mil. VND)	Proportion of ownership (%)
1	Bach Dang 8 Investment and Construction JSC	No. 303 Block D5C Tran Thai Tong St., Dich Vong Hau ward, Cau Giay Dist., Hanoi	12,481	44.11
2	Bach Dang 10 JSC	3 rd floor, Tower A - Building No. 7, Tran Phu St., Van Quan ward, Ha Dong Dist., Hanoi	20,000	29.24
3	Bach Dang 15 Construction - Investment and Development JSC	No. 21A, Lam Ha St., Lam Ha ward, Kien An Dist., Hai Phong city	10,995	36.38

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No.	Name of company	Address	Charter capital (Mil. VND)	Proportion of ownership (%)
4	Bach Dang Consultancy and Investment JSC	No. 37, Le Dai Hanh, Hai Ba Trung Dist., Hanoi	6,011	37.00
5	Bach Dang Capital Construction Consultancy and Investment JSC	Floor 6A Multi-function Building, No. 169 Nguyen Ngoc Vu St., Trung Hoa ward, Cau Giay Dist., Hanoi	10,000	20.00

8.4. List of long-term partnership companies

Table 10: List of long-term partnership companies

No.	Name of company	Address	Charter capital (Mil. VND)	Proportion of ownership (%)
1	Bach Dang 9 Investment and Construction JSC	An Hong commune, An Duong Dist., Hai Phong city	10,000	10.00
2	Bach Dang 16 Investment and Construction JSC	Vinh Bao hamlet, Vinh Phuc commune, Van Giang Dist., Hung Yen Province	12,000	16.67
3	Hai Long Construction and Installation JSC	No. 1, lot 1, Urban Area 97 Bach Dang St., Ha Ly ward, Hong Bang Dist., Hai Phong City	33,000	16.87
4	Bach Dang TMC Investment and Construction JSC	3 rd floor, Complex building, No. 198 Nguyen Tuan, Thanh Xuan Dist., Hanoi	22,300	4.94
5	Van Loc Investment JSC	Lai Bang Hamlet, Huong Van commune, Huong Tra town, Thua Thien Hue province		

9. Business status and performance in the past 3 years and the first half of 2013 prior to the equitization

9.1. Business status and performance before equitization

In the period of 2010 - 2013, the global economic downturn and wide-scale inflation has put great impacts on Vietnamese economy. The Government has deployed the policies to control inflation and to stabilize the macro economy, cut down the public investment and expenses; the loan interest rate was retaining at high

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rate, etc. This led to the stagnation of most investment projects, the reduce of construction services and the freeze of real estate market. The fact has put a remarkable effect on the business of the Corporation.

However, in the context of common difficulty, the Corporation's business performance stayed sound and firmly. The Corporation won the contract for the construction of big scale projects while it provided sufficient funds for the construction works, paying tax and state's budget fully and duly without the need to borrow capital from banks.

a) Consolidation of Holding company - Member companies

**Table 11: Financial situation and business performance of the corporation before
equitization (consolidated figures)**

Unit: 1,000 VND

No.	Items	2010	2011	2012
1	Total asset	1,617,997,077	1,856,404,040	2,061,937,627
2	Owners' equity (excluding the welfare fund)	83,239,121	83,438,995	90,898,274
3	Payables	1,426,108,203	1,709,911,569	1,905,812,998
3.1	Short-term payables	1,353,098,960	1,648,933,241	1,777,898,078
	<i>Of which: overdue payables</i>	0	0	0
3.2	Long-term payables	73,009,243	60,978,327	127,914,919
	<i>Of which: overdue payables</i>	0	0	0
4	Short-term receivables	770,712,933	749,045,891	720,951,917
	<i>Of which: bad/doubtful receivables</i>	(2,134,520)	(9,132,792)	(21,718,822)
5	Number of employee	10,293	7,879	7,879
6	Per capita income/ month	3,200	4,000	4,000
7	Total revenue	1,467,707,045	1,797,963,230	2,159,462,364
8	Total expense	1,458,110,305	1,783,376,352	2,138,549,483
9	Efficiency ratio	99.35%	99.19%	99.03%
10	Earnings before tax	40,015,426	14,586,879	20,528,543
11	Earnings after tax	37,479,383	11,438,113	18,846,997
12	Return on equity - ROE	45.03%	13.71%	20.73%

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(Audited Consolidated financial statements 2010, 2011, 2012)

b) Holding company

**Table 12: Financial situation and business performance of the holding company
before equitization**

Unit: 1,000 VND

No.	Items	2010	2011	2012	First half of 2013
1	Total asset	748,483,610	983,661,403	1,094,930,353	1,174,487,814
2	Owners' equity (excluding the welfare fund)	73,120,787	77,553,992	91,805,278	103,097,080
3	Payables	620,283,353	905,687,603	1,002,708,401	1,070,974,061
3,1	Short-term payables	597,403,978	884.972.337	987.058.234	1.055.409.309
	<i>Of which: overdue payables</i>	0	0	0	0
3,2	Long-term payables	22.879.375	20.715.266	15.650.167	15.564.752
	<i>Of which: overdue payables</i>	0	0	0	0
4	Short-term receivables	421.984.760	446.701.177	459.303.628	513.601.768
	<i>Of which: bad/doubtful receivables</i>	(34.186)	(7.032.458)	(9.710.910)	(9.710.910)
5	Number of employee	3.072	2.985	2.570	1.160
6	Per capita income/ month	3.500	4.500	6.146	6.300
7	Total revenue	722.094.228	865.478.803	869.221.487	449.564.058
8	Total expense	717.011.231	856.571.534	855.584.422	434.862.312
9	Efficiency ratio	99,30%	98,97%	98,43%	96,73%
10	Earnings before tax	25.500.681	8.907.268	13.637.065	14.701.747
11	Earnings after tax	25.503.295	8.907.268	12.124.193	14.701.747
12	Return on equity - ROE	34,88%	11,49%	13,21%	14,26%

(Holding company's Audited Financial Statements 2010, 2011, 2012;

Holding company's 2013 Interim Financial Statements)

In general, all figures on total asset, total owners' equity and revenue of the holding company as well as of the corporation are in the continuous increasing from 2010 to present. The efficiency ratio was well controlled by the Corporation. The Corporation retained the firm ratio which tended to lower year by year. The Corporation had no overdue payables. There were some doubtful receivables but

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provision/allowance was created for them. The return on equity ratio stayed stable and tended to increase slightly since 2011, solely in 2010, this ratio was sharply high as the holding company's profit was high due to the settlement of some projects by the Corporation, of which, the expenses were accounted in the previous fiscal years. For example, the project of Ninh Thuy Cement Factory brought about the profit of 10 billion dong; the earnings from the project of Vung Ang Thermal-electricity plant was 10.5 billion dong; the profit from Dung Quat Refinery was 9.6 billion dong.

9.2. Business status

The Corporation's businesses were categorized into 3 key domains, including: Construction, Manufacture of Industrial products and construction materials, Architecture consultancy and other services. Construction service was the major domain which contributed more than 90% of the Corporation's total revenue.

Holding Company's revenue breakdown:

Table 13: Holding Company's revenue breakdown

Unit: 1,000 VND

No.	Services	2010		2011		2012		First half of 2013	
		Value	Rate %	Value	Rate %	Value	Rate %	Value	Rate %
1	Construction	696,944,596	96.52	809,858,280	96.18	757,484,977	89.26	426,882,129	98.06
2	Testing	13,697,242	1.90	19,794,874	2.35	16,813,349	1.98	3,870,686	0.89
3	Industrial production	11,452,390	1.59	12,393,012	1.47	11,748,575	1.38	4,336,111	1.00
4	Other		0.00		0.00	62,596,485	7.38	217,074	0.05
Total revenue		722,094,228	100	842,046,166	100	848,643,386	100	435,306,000	100

(Holding company's Audited Financial Statements 2010, 2011, 2012;

Holding company's 2013 Interim Financial Statements)

In the period from 2010 until now, due to the economic downturn, most of construction enterprises encountered difficulties and witnessed the cut down in production. However, in 2011, the Holding Company - Bach Dang Construction Corporation reached the revenue growth of 17% YoY and retained the revenue of 2012 about the same as of 2011 without decreasing despite of the national common economic difficulty. The revenue in the first half of 2013 reached 435 billion dong, conformable to the proposed plan for 2013.

9.3. Production cost

Holding company's Expense breakdown in comparison with revenue

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Table 14: Holding company's expenses breakdown

Unit: 1,000 VND

No.	Expense	2010	2011	2012	First half of 2013
1	Cost price	687,570,130	803,019,218	819,914,025	420,099,940
	<i>% over revenue</i>	<i>95.22%</i>	<i>92.78%</i>	<i>94.33%</i>	<i>93.45%</i>
2	Selling expense	234,982	813,623	1,194,641	421,695
	<i>% over revenue</i>	<i>0.03%</i>	<i>0.09%</i>	<i>0.14%</i>	<i>0.09%</i>
3	Enterprise Management cost	17,766,916	39,393,268	31,987,490	14,000,146
	<i>% over revenue</i>	<i>2.46%</i>	<i>4.55%</i>	<i>3.68%</i>	<i>3.11%</i>
4	Financial expense	6,957,086	12,461,059	812,015	233,099
	<i>% over revenue</i>	<i>0.96%</i>	<i>1.44%</i>	<i>0.09%</i>	<i>0.05%</i>
5	Other expense	4,482,117	884,366	1,676,251	107,432
	<i>% over revenue</i>	<i>0.62%</i>	<i>0.10%</i>	<i>0.19%</i>	<i>0.02%</i>
A	Total expense	717,011,231	856,571,534	855,584,422	434,862,312
	<i>% over revenue</i>	<i>99.30%</i>	<i>98.97%</i>	<i>98.43%</i>	<i>96.73%</i>
B	Total revenue	722,094,228	865,478,803	869,221,487	449,564,058

(Holding company's Audited Financial Statements 2010, 2011, 2012;

Holding company's 2013 Interim Financial Statements)

The table indicated that the expense control and management was performed quite effectively by the Corporation. The cost price was retained within the range from 93% to 95% over the revenue.

The sale expense at the holding company accounts for a little percentage over total revenue.

The enterprise management cost doubled in 2011 in comparison to that in 2010 due to the common impact of economic difficulty that made all item of the Corporation's expense in 2011 increasing. In specific, in 2011, the Corporation had to pay an increase of 6 billion dong for the salary of employees over that in 2010 due to the increase of primary salary by the State; the fixed assets depreciation in 2011 increased 3 billion dong over 2010; provision for doubtful debt in 2011 was more than 7 billion dong; other expenses in 2011 also increased 5 billion dong over 2010. However, the expenses were being adjusted to decrease from 2011 up to now.

From 2012 to present, the execution of works and projects has been well performed, hence, the Corporation has been taking the advantages in financial sources from the settlement of works and projects that was cutting down the costs and improving the financial capacity of the Corporation.

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9.4. R&D activities

The research activities in order to improve the services were proposed by operational departments. The Corporation's Appraisal Council evaluated the researches under the direction of Board of Directors and the approval of Members' Council.

9.5. Products, services quality check

The Corporation applies strict regulations on checking of product and service quality, checking of production equipments, measurement tools and construction safety. All employees have thorough understandings about regulations on quality assurance and principles in production procedures, management and monitoring of contracts signed between the Corporation and customers and sub-contractors in accordance with ISO 9001-2008 standards.

- Management of construction works quality: The Corporation has set the system of quality assurance conformable to scale of projects, in which, liability of each individual, unit in construction works quality was set forth. Arrangement of staffs, supply of construction materials and equipments were conformable to the requirements of contracts and applicable regulations. The preparation and approval of construction methods were inserted with regulations on safety for human and construction equipments. Construction materials, structures, works components, projects equipments and technological equipments check and testing were required prior to the construction in compliant with regulations on standards, design requirements and requirements of contracts. Construction diary, drawings of completed works were requested; progress schedule, quality, volume, safety and environmental sanitation were performed in accordance with the requirements of investors.

- Management of Construction surveying quality: Surveying methods conformable to the construction surveying factions and standards of applicable construction surveying. Conducting survey in line with approved construction technical surveying plans. Using standard testing tools, laboratories in compliant with applicable laws and conformable to the requirements of surveying. Bach Dang testing and surveying Center (LAS 09) is the subsidiary of the Corporation which has years of experience in surveying, testing can fulfill the strict requirements of works, projects nationwide.

- Management of construction project design: The Corporation complies with national technical standards, projects standards; preparing designs that meet the

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requirements of design function, task of each designing step, requirements of contract and relating laws.

- Quality management of industrial products and construction materials: products such as: concrete components, pre-stressed reinforced concrete piles, commercial concrete, pre-engineering steel structures, refined bricks made of clays, etc were manufactured, tested and verified in line with Vietnam standards and international standards in accordance with requirements from customers.

9.6. Marketing activities

The corporation always determines that marketing activities in market economy play an important role in the operation of the Corporation. The Corporation has been investing appropriately into this activity. As the business lines of the Corporation has been expanded, the requirements for marketing activities will be higher and the Corporation will keep investing into marketing activities so as to build a professional marketing team with the function of market and customer information collection in order to apply suitable marketing strategy in each period. This is aiming at contributing to the success of the Corporation in performing the business strategies.

By now, the investors, contractors as well as enterprises have the demand for consultancy in designing and construction activities in various forms and types. Depending on each market and customer segment, different types of service and expenses will be applied to meet the demands of customers.

With enriched experience, the Corporation is aware of the importance of reputation thus it ceaselessly enhance and improve its reputation in order to retain its position in the market through various measures: website designing, advertising on mass media, etc. Particularly, the Corporation always focus on the assurance of project progress schedule, quality, technique and abide by the commitments with the investors. This is the best way of advertisement so that the corporation will won the trust from the investors and contractors.

In general, the Corporation has set the awareness in customer's mind of a high creditable enterprise which attaches importance to product and service quality, abides by undertakings, complies with state's laws and regulations

9.7. Some major contracts under progress

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Table 15: Some major contracts under progress

No.	Contract	Contract value (VND)	Contract No.	Investor/ Main contractor
1	Improve, upgrade the national highway No. 2C Tuyen Quang	42,390,228,000	No. 02A/2009/HĐ-XL dated 20/08/2009	Department of Transportation of Tuyen Quang Province
2	Construction of Vung Ang Thermal-electricity Plant, Ha Tinh Province	1,713,242,234,147	No. 2800909/Lilama/BD CC dated 28/9/2009	Petrovietnam is the investor and Lilama is the EPC contractor
3	Student hostel in Hai Phong province	189,148,923,000	No. 18/2009/HĐ-XD dated 05/12/2009	Urban Construction and Development PMU - Department of Construction of Hai Phong Province
4	Student hostel in Hai Duong province	78,237,378,013	No. 02/2009/HĐ-XD date 25/12/2009	Department of Construction of Hai Duong Province
5	Construction of 03 5-storeys blocks in Operation and Service Area - Quang Ninh Thermal-electricity Plant Project	141,946,271,926	No. 09/2011/HĐ-XD/NDQN-XDBD dated 22/3/2011	Quang Ninh Thermal-electricity JSC
6	Lach Tray street - Ho Dong, Hai Phong	76,685,000,000	No. 044/2011/HĐ-KT dated 04/04/2011	Urban Investment and Development One-member Co., Ltd
7	Construction of underground works, preparation of structure and construction of body component NO-VP2. Project: commercial houses, offices for lease NO-VP2, NO-VP4, Linh Dam, Hanoi	92,733,475,000	No. 99/2011/HĐ-XL	HUD
8	Hanoi Drainage Project	183,687,024,941	04/2011/CP-09	Department of Construction of Hanoi City
9	Nha Trang Drainage project (package No. NT1-1.5B for the construction of master culvert, waste water collection culverts	108,013,802,531	No. NTp1.5B dated 08/09/2011	Nha Trang Environmental sanitation improvement

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No.	Contract	Contract value (VND)	Contract No.	Investor/ Main contractor
	level 1 and level 2 at southern area including pumping station, level-3 culvert along Item 1 culvert, second period)			PMU
10	Danang drainage project (package No. B-1.5b expanding waste water drainage system in Cam Le District under preferential infrastructure investment project of Danang City	192,812,471,888	No. B15b/2011/HĐ-PIIP dated 05/09/2011	PMU - preferential infrastructure investment project of Danang City (Department of Construction of Danang city)
11	Haiphong drainage project (package No. A1 under the project of investment in rain water drainage and waste water drainage)	366,926,465,649	No. 07/2011/HĐXD-BQL date 07/10/2011	PMU - Hai Phong Environmental sanitation improvement project
12	Haiphong drainage project (package No. A3 under the project of investment in rain water drainage and waste water drainage)	86,355,048,719	No. 10/2011/HĐXD-BQL, dated 17/11/2011	PMU - Hai Phong Environmental sanitation improvement project
13	Mong Duong Thermal-electricity Plant Project - Quang Ninh	279,976,508,759	No. VEMON-C-006 and No. VEMON-A-007 date 26/6/2012	HUYNDAI
14	Noi Bai - Lao Cai Freeway project (Package A6)	314,865,100,000	No. DH-PC-13-247, dated 26/3/2013	DOOSAN
15	Project DAP2-VINACHEMPROJECT, Tang Loong, Lao Cai province (Package CIVIL BUILDING AND WORK-PACKAGE 8)	73,677,000,000	No. VD116-4000-000-012, date 28/3/2013	TOYO-VIETNAM
16	Hai Phong Boat race training center project, Stage I; Package No.12: Construction of main works and auxiliary works	61,704,939,000	No.01/HĐ-XD, dated 21/02/2013	Cultural, sport and tourism projects management unit

10. Position of the enterprise against other companies in the industry

10.1. Position of the Corporation

The name of Bach Dang Construction Corporation in Vietnam construction market has been known for long. The Corporation has continuously created the

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breakthroughs, the ambitious targets in order to achieve the high position.

Through 55 years of development, from a small company based in Hai Phong city, far from Hanoi capital city, with the operation in several provinces such as Hai Phong, Quang Ninh, Hai Duong, Hung Yen, at present, Bach Dang Construction Corporation has become one of the leading corporations in Vietnam construction industry which took part in the construction of thousands of projects such as cement plants, thermal-electricity plants, refineries, chemical plants, technical infrastructure systems, national highways, civil engineering projects (villas, pleasure-houses, hotels, etc.), airports, harbors, etc... in every provinces, cities nationwide. The projects are everlasting with time, including the nation's key projects which won golden quality project awards under the name of Bach Dang Construction Corporation

Together with the expansion in scale of business, the team of managerial staffs, experienced and skilled professional technical staffs and the skill of employees have been improving ceaselessly. The Corporation is highly rated by the Ministry of Construction and international experts for its capacity of project construction organization, management and operation which is conformable to national and international standards

10.2. The industry outlook

With the basic target of Vietnam Government in the process of industrialization and Modernization to transform the country into an industrial country with modern infrastructure, sound economic structure, advanced production relationships conformable to the development of production forces, high level of physical and spiritual living standard, solid national defense, wealthy society, The Government has approved the uniform development plan for the sectors in national economy so as to boost the process of industrialization and modernization accompanied by the development of knowledge economy in order to pull the country out of underdevelopment status, facilitate to drive the country to a modern industrial country by 2020. From now to 2020, the key sectors of Vietnam such as electricity, construction, transportation by road, cement will have the opportunities to develop firmly.

In specific, the Government has set the targets for the construction sector to 2015 with following figures: urbanization rate of 38%, the urban system will include 870 urban areas, including 02 special urban centers, urban areas from class IV to class I will be 211, 658 urban areas class V and establishment of 132 new urban areas. Meanwhile, according to the National strategy on housing to 2020 and the vision of the Government to 2030 and the targets to 2015, the average housing area reach 22m²/person and the average housing area in urban cities reach 26 m²/person. The rate

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of solid house nationwide reach 62% and the rate of solid house in urban cities should be 65% and that in rural area reach 60%. Reduce the rate of temporary house to under 5%; increase the rate of household to 50%, The percentage of apartment building in urban housing development projects in special urban areas (Hanoi and HCMC) should be over 80%, the number of class I and II cities should reach over 50%, class III cities should reach 30% of total number of newly built dwelling houses; the rate of houses for lease should reach at least 20% of the house-fund in class III cities and upward.

Accompanying the development of construction sector, especially the urbanization process, is the appropriate, synchronized and sustainable planning of Vietnam road transportation in an uniform plan applying the classification, cooperation and association of various types of transportation, conformable to the physical conditions, making an clear and effective transportation network. According to the Government's road transportation development plan of Vietnam to 2020 and the vision to 2030 , Vietnam is attempting to build 24 freeway routes, segments (including urban ring roads) with the total length of 2,381 km. 100% of national highway would be fitted with technical grade; complete the construction of main bridges, replace 100% of weak bridges on national highway. 100% of road spread with asphalt or cement concrete. The land fund for the construction of road transportation infrastructure in urban areas reach 16-20% out of the land area in urban area. 100% of commune has the road for car to go to the center, except for some communes with tough geography, and spread with asphalt or cement concrete 100%. Demolition of hundreds of foot bridge.

At the same time, in order to facilitate the development of construction sector, the Government has paid special attention to the cement sector - the major material for the construction sector. The demand for cement is increasing and estimated to reach 95 million tons in 2020. It is estimated to have 6 investment projects of cement plants to come into operation. There will be 5 cement plants to come into operation in 2014 and 2015 and in the period of 2016-2020, there will be 22 projects of cement plant.

Therefore, Bach Dang Construction Corporation with its 55 years of experience in construction sector and its favorable financial resource, equipment and human resource will have many opportunities to expand its business and operation and to heighten its position and to become the leading enterprise in Vietnam construction sector. In addition, in upcoming years, taking the advantages in land in Hai Phong city, the Corporation will make investment in construction and sale of high-rise buildings with offices for lease, commercial center and high standard apartments, urban areas, infrastructure for industrial zones. This is the sector with positive outlook in the coming years and suitable with the direction of the industry and the policies of

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the State.

10.3. Evaluation on the conformity

During the development of the Corporation, the operation of the Corporation has always been conformable to the development trend of the construction sector in Vietnam.

In its operation, the Corporation has set priority in developing the construction service as the key service to uphold its strength, associating with domestic and international partners in bidding for construction contracts of big scale projects in various forms such as: key-in-hand contracts, EPC contracts, etc.

In industrial production and manufacture of construction materials, along with focusing on manufacturing and trading of existing products, the Corporation will considering the investment in new material production projects under cutting edge technology, energy saving and high quality that can fulfill the increasing demand of the society.

During the process of modernization, industrialization and international integration, the Corporation has initiatively and correctly invested in modern equipments and machines to support the construction of big scale projects that require high quality of technique and works durability.

II. DIRECTION OF BUSINESS DEVELOPMENT AFTER EQUITISATION

1. Objectives of equitization

- Aims and requirements of transforming Bach Dang Construction Corporation from a 100% state-owned capital company to a joint stock company complied with Government's decision together with Decree No. 59/2011/NĐ-CP as following:

- Transform the enterprise which State does not need to hold 100% of charter capital to the form of multiple ownership enterprise; mobilize the capital from the domestic and international investors aim to raise the financial capacity, the innovative technology, the innovative method of management for increasing the competitive effect and strength of the enterprise.

- Ensure the benefits harmoniously of the State, the enterprise, investors and labors in the enterprise.

- Perform publicly and transparently in accordance with the market principles, transparency follows the market principles; remedy the closed equitization within the internal enterprise; associated with the development of the capital and stock market.

2. Equitization Form

Pursuant to the real conditions about the enterprise value and state-owned value

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in the enterprise, Bach Dang Construction Corporation chose the equitization form under the Clause 1, Article 4 Decree No. 59/2011/NĐ-CP dated 18/07/2011 of Government on Transformation of enterprises with 100% state capital into joint-stock companies is: **Keeping unchanged existing state capital portions in enterprises, issuing additional stocks to increase their charter capital.**

3. Information of enterprise after equitization

- Vietnamese name: **TỔNG CÔNG TY XÂY DỰNG BẠCH ĐẰNG - CÔNG TY CỔ PHẦN**

- International transaction name: BACH DANG CONSTRUCTION CORPORATION - JOINT STOCK COMPANY

- Name in short: BDCC

- Logo:



- Corporation headquarter: No. 268 Tran Nguyen Han, Niem Nghia ward, Le Chan district, Hai Phong city

- Telephone: (031) 3856251

- Fax: (031) 3856451

- Email: bdcc@bachdangco.com

- Website: www.bachdangco.com

- The corporation owns:

+ The legal entity in accordance with the Vietnam law from the date of being issued the Business registration certificate.

+ The independent accounting process.

+ The private stamp, being allowed to open the bank account in accordance with.

+ Management and performance complied with the Charter of the Corporation and the Enterprise Law, being allowed to register the enterprise in accordance with law.

4. Business lines after equitization

To develop the strength of the prior business lines, the ability of equipment of construction profession, the experienced officers and employees, and the customer relations, etc. the Corporation determines the business lines as following:

4.1. The main business lines

- Constructing the civil and the industrial projects, the traffic structures, the

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irrigation works, the hydropower projects, the electrical lines and substations, the urban engineering infrastructure projects and the industry plants;

- Housing trading and development.

4.2. Related business lines

- Industrial and constructed materials producing;
- Construction consulting (including consulting for investment project creating, designing, planning, inspecting and construction material test);
- Importing and exporting the machine, substance, materials, equipments, devices, commodities, crude served for building sector; Employee exporting;
- Processing the mechanical products and shaped steels.

4.3. Other business lines in accordance with law.

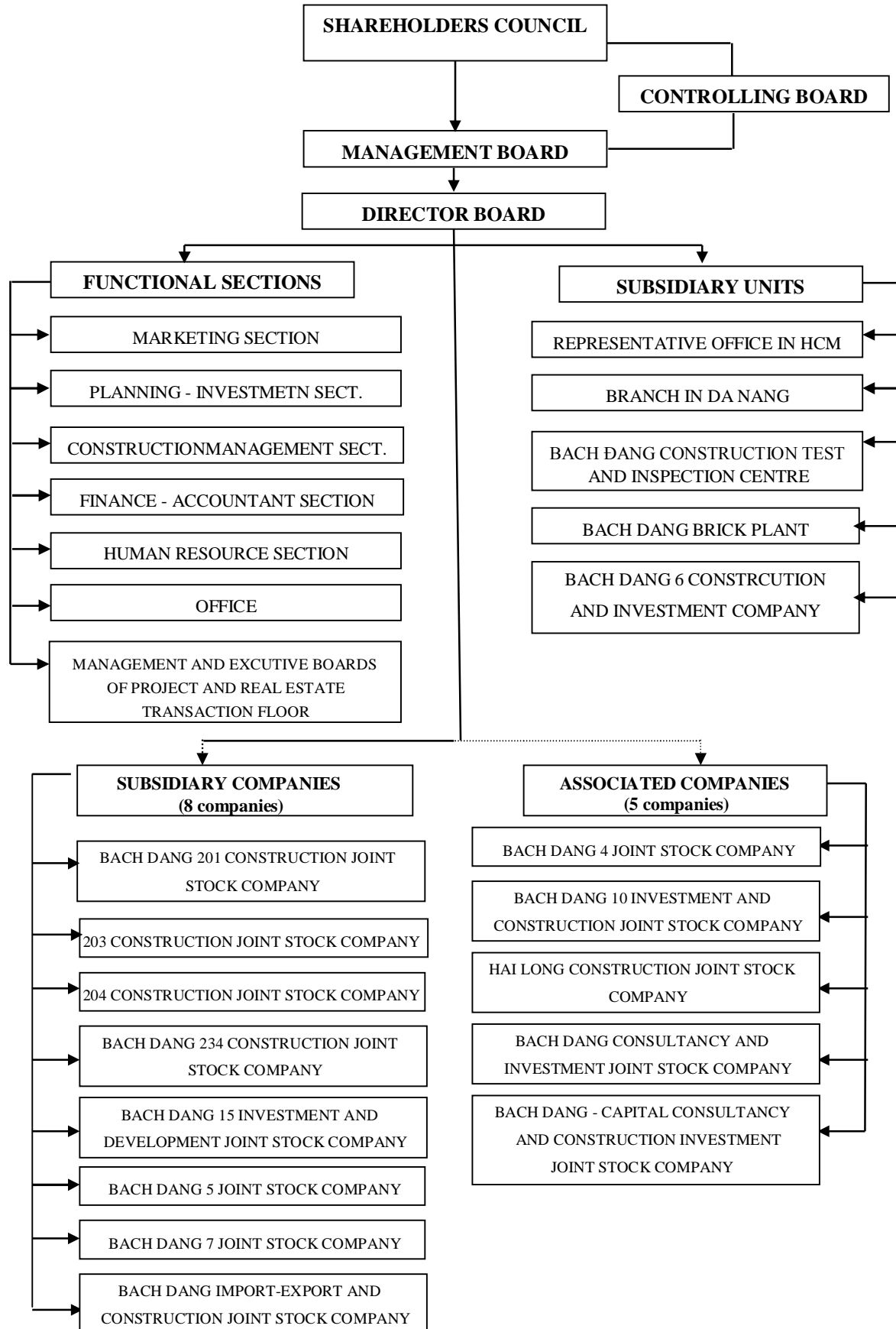
5. Proposed organizational and managerial structure after equitization

Bach Dang Construction Corporation- the joint stock company performs under the Charter of organizing and performing of the joint stock company approved by the Shareholders Council, complied with the provisions of the Enterprise Law, under the managing, inspecting and steering of the Management Council, the Controlling Board and the Directors Board.

After the equitization, the organizing structure of Bach Dang Construction Corporation the joint stock company as the following diagram:

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Diagram 2: Organizing structure after equitization



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Anticipated organizing structure of the joint stock company:

a. Shareholders council: Is the highest authority section of the joint stock company. Shareholders council owns the right and the duty to approve the business plans and tasks; determine to change or supplement the Charter of the joint stock company; Elect, dismiss or eliminate the Management Board and the Controlling Board; decide to re-organize, liquidate the joint stock company; and other rights and obligations in accordance with law and Charter.

b. Management Board: Is the highest management section of the joint stock company elected by the Shareholders council including 01 Chairman and 04 members with the tenure is 5 years. Management Board is on behalf of the joint stock company make decision all the issues relate the purpose and benefits of the joint stock company, except issues under authority of the Shareholders council. Management Board is responsible to inspect the performance of the General Director and other managers in the joint stock company. The rights and obligations of Management Board are complied with the law, the charter and other internal regulations of the joint stock company and decisions of the Shareholders council.

c. Controlling Board: Controlling Board is elected by the Shareholders council including three (03) to five (05) members with the tenure is 5 years; Controlling Board member can be re-elected with the unlimited tenures. Controlling Board is responsible to check the reasoning, the legality, the honesty and the level of prudence in managing and governing the business activities, in accountant and auditing operation, and creating the financial report for ensuring the legal benefits of the shareholders. Controlling Board works independently with the Management Board and the General Director.

d. Directors Board: Including the General Director and Vice Directors who are in charge of each section. The General Director is elected, appointed and disposed by the Management Board. The General Director is the legal representative of the joint stock company, manages the daily business activities of the joint stock company; is inspected by Management Board and takes responsibility under Management Board, in accordance with law about performing the appointed rights and obligations. The Directors Board is anticipated with the General Director and 06 Vice Directors with the tenure is 05 years.

dd. Functional sections : Including the profession sections which have the duty to fulfill all the works assigned by the Directors Board and perform under the provisions of specific tasks of each section stipulated by the General Director. Staffs who are in charge of each section and division are arranged by the General Director

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and approved by the Management Board.

e. Subsidiary units: The subsidiary units which have the dependent stamp, bank account and accounting perform the producing tasks under the internal managing rules of the joint stock company.

g. Subsidiary companies: Including the enterprises own the contributed capital of the parent company over 50%.

h. Associated companies: Including the enterprises in which the parent company only holds the shares and the contributed capital without domination.

6. Key information on plans of investment and direction of development after equitization:

6.1. General strategy

- The development strategy of Corporation bases on three factors: the manpower as the key, management as the important role and culture promotion as the occasional duty. To strengthen and re-organize the management structure from the Corporation to the subsidiary units in details as following:

- The parent company - Corporation will perform the main function is signing the large contract, managing and developing the project with mass scale which need to mobilize the power of member units. Establishing the trademark of Bach Dang. Investing the financial source to other enterprises, deciding the investment trends, inspecting the capital usage and development of the Corporation in subsidiary units in associated with the Project of Re-structure approved by Ministry of Construction.

- Improve the operational efficiency in the model: Parent company - subsidiary company, strengthen the management and ensure the closed coordination between units in the Corporation. Continue to construct, modify, implement and promulgate the new regulations on management; establish the vertical relations, administrate uniformly the vertical relationship from top to bottom (between parent company and subsidiary companies) and the horizontal relationship (between subsidiary companies together).

- Orient the development and investment trends to subsidiaries of the Corporation on the basis of a stable organizational structure, the business lines, arranging to invest for the capital development and the human resources, improving the capacity building machinery and equipment; investing in the key projects and development towards specialized markets to increase operational efficiency, and limit the overlap competitions unnecessarily.

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- Appoint the qualified and experienced staff with the high responsibility to be the representative for the contributed capital of the Corporation in the subsidiary companies, the associated companies, as well as studying and implementing the regulations on contributed capital management in other enterprises. Stipulate in details the rights and obligations of the representative of the corporation's contributed capital for ensuring the performance of subsidiary companies correctly with the direction of the Corporation, improving the responsibility of the representative and managing strictly the contributed capital of the Corporation

- Consolidate and strengthen close connections between the parent company and its subsidiaries on the administrative, economic relationships and benefit sharing.

- Inspect and restructure some subsidiary units to ensure concentrating the strength and resources towards the professional

- Research the equitization implementation of accounting companies which depend on Corporation to increase the autonomy, independence in activities of the business unit.

6.2. Business strategy

- Identify the key tasks and the key industries for the Corporation to stabilize and develop is the construction, while enhancing industrial production and construction materials production, developing the housing business, concentrating on the field of design consultancy and other business. Strive to achieve the annual growth rate of 15 % or more.

- Develop the strength and potential of the corporation, seek the domestic and international partners actively for investment cooperation, cooperation partnership in bidding on large projects investment of international funds for lending and aid.

- Specialize the member units, establish the strong units in the sectors of construction, industrial production and housing development business oriented by the Corporation and contribute to the growth of the Corporation.

6.3. Strategy in construction sector

- Concentrate on the construction of infrastructure projects and industrial zones. Simultaneously, promote the diversification of construction products such as civil construction, industrial construction, transportation construction, irrigation construction, construction of condominiums and high-rise buildings, etc.

- Construction is the key sector and the strengths of the Corporation, also is a basis for corporations to invest actively in the industrial projects, in which strong support for the field of real estate business. The Corporations advocates to establish a

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construction management system from the parent company to its subsidiaries, to create the linkages and synergy of the Corporation to carry out large-scale projects. Growth rate in the construction sector is expected to reach between 13 % and 15 %/ year. Corporations advocates to increased in absolute majority but decreasing the relative density of the construction sector in total revenue and the total profit of the Corporation.

- Orient the market focus marketing on the potential market such as:

+ The key economic sectors of the country: Các ngành kinh tế mũi nhọn của Quốc gia: Vietnam National Oil and Gas Group (PVN), Vietnam Electricity (EVN), Vietnam National Coal- Mineral Industries Group (TKV), Vietnam Posts and Telecommunications Group (VNPT);

+ The project with the clear fund: foreign direct investment (FDI), loans of Japan Bank for International Cooperation (JBIC), Official Development Assistance (ODA), the Asian Development Bank (ADB), World Bank (WB);

+ In addition to the traditional markets such as provinces and cities: Hanoi, Hai Phong, Quang Ninh, Ha Tinh, Quang Binh, Đà Nang, Quang Nam, Quang Ngai and Nha Trang, the Corporations expands the marketing activities in new potential markets and other areas in the country;

+ The industrial construction of large scale such as thermal power , oil and gas, chemical and other industrial works;

+ The technical infrastructure of large scale works such as traffic works, environmental projects and infrastructure construction of industrial zones;

+ The civil engineering large-scale and high-rise buildings.

- Expand the partnership or joint venture with foreign partners, the EPC contractor and the units under the Ministry of Construction;

- Concentrate marketing and tendering for large projects with the complex engineering requirements, EPC contracts, turnkey contracts and high-technology contracts.

- Improve the management and administration capacity of the executive board for construction project management, organization and direction to ensure timely execution of projects efficiently.

6.4. Strategy in the field of industrial production and construction materials manufacture

- The fields of industrial production and construction materials manufacturing support for investment in real estate and construction sector. Thus, Corporation to

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enhance the production and focused on developing the market for these products such as bricks and precast concrete , structural steel, prestressed concrete piles ... for serving corporation's construction projects and supply to the market.

- Establish and promote the brand, register the product in the list of industrial products and construction materials, announce by mass medias to develop the market.

- Focus the internal consumption markets inside the Corporation. Prioritize the industrial products and construction materials of the Corporation on the basis of quality assurance in accordance with the provisions of the projects won by the parent company, the Corporation's construction investment projects and the works performed by the subsidiaries.

- The Corporation will continue to invest research and application of new technologies to produce new materials products with the high quality of construction sector to meet the growing needs of society.

6.5. Strategy in the field of real estate business

- Development orientation of Corporation in the coming years is concerning in the housing and urban investment and development sector as the general development direction of the construction industry. The Corporation carry out the business transactions of real estate products of the parent company and the member units through real estate transactions floor of the Corporation. The business value make up from 9 % to 11 % of annual production business.

- Establish and modify the investment list in accordance with the scale and the financial capacity for selecting prudently the effective investment projects. Mobilize the force maximum to complete the projects in progress for the early recovery of invested capital and benefits.

- Enhance the joint venture and association, seek the capital mobilizing channel for real estate investment to reduce the financial dependence on the banking system.

- Cooperate in long term with the material manufactures, the material suppliers and invest seriously, professionally for improving the competitiveness in the products and services provided to the market.

- Concentrate the social house sector and the house sector for the low-income customers. Toward the high liquidity segment and market such as the small and medium apartments in accordance with the solvency of the customer.

- Promote the applications of the new technology and material for competitive products.

- Organize the customer care service after sales well to create the added value for

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products and the customer's satisfaction and attract more customer.

6.6. Strategy in design consultancy sector:

- The Corporation develop strongly the design consultancy sector towards the modernization, enhance the software applications in the formulation of investment projects, construction planning, design and construction of high condominium, the urban houses, industrial buildings and civil constructions.

- Maintain and keep the traditional customers and the existing markets stably. Expand the markets in the neighboring provinces of Quang Ninh , Thai Binh , Hung Yen , Hai Duong, etc.

- Promote and enhance the reputation of Bach Dang Construction Test And Inspection Centre on the market, consolidate and strive for the leading position in the coastal areas in the field of materials testing, geology surveying, in industry, transportation and civil works.

- Continue to promote and develop Bach Dang Construction Test And Inspection Centre and the Designing Consultancy Company in surveying, designing, inspecting, management consulting and supervising of large and complex works and projects, support for the construction sector to participate in EPC industrial projects and medium civil projects.

6.7. Strategy of investment

- In the period 2012 to 2014, Corporation concentrate on investing in urban housing development investment, accelerate the former projects. On the other hand, promote the new investment projects actively. In addition, the Corporation continues to pay attention to invest in improve the capacity of building equipments and machinery for construction, especially in synchronous investment for specialized high-performance vehicles and machines in the field of high buildings and foundation construction...

- Continue to research and select the optimal plan; propose for coordinating with the relevant authorities to remove obstacles, accelerate the preparation of investment and site clearance compensation for urban and housing projects with the feasible and economical efficiency.

- Strengthen the cooperation with commercial banks and credit institutions to keep the invest funds actively in pace with the progress of the projects.

6.8. Strategy of finance

- Ensure the finance actively for production business and investment.

- Establish the annual financial plans consistent with the business plan, raise the capital for production and business activities and investment projects.

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- Perform the finance publicly , transparently and clarity; cooperate and unify inside the Corporation for the common responsibilities and benefits in the Corporation.

- Establish the specific capital requirements in accordance with the scale of production and business oriented increasing the equity rate; keep the balance between equity and debt, long-term capital and short-term capital corresponding with supporting for investing in long-term assets and short-term assets also partial funding for needs of regular operating capital and reducing the financial risks.

- Inspect, classify and evaluate assets which are without the need to use, technical backwardness, no profitability or low profitability measures regularly for appropriate handling.

- Review the investments in subsidiaries, associated companies and other financial investments; consider to sell or divest the stake the state-owning capital in subsidiaries that the Corporation supposes no need to hold the dominant shares or the ineffective investments in associated companies; sell the long-term low-solvency investments to concentrate capital for the main business of the Corporation.

- Exploit the types of capital flexibly; if investing in assets, consider carefully the need to use the property and the level of investment property to suit business situation (not invest spreadly nor invest more than necessary nor invest not enough) for balancing the capital and assest, property investment must be effective.

- Balance the funds for investment projects, prioritize investment in projects with high efficiency, generate the revenue in the short period and recover the capital fastly.

- Apply many forms of raising capital flexibility through the issuance of new shares, convertible bonds to create stable funding for business and gradually reduce the rate of loans.

- Review receivables strictly, perform the specific measures to settlement and to collect the public debts for reducing the outstanding debts, speed up capital turnover, improve the efficiency in using the operating capital.

- Supplement and perfect the management rules correspondent with the joint stock company as well as the management regulations of finance and economic contracts for ensuring the activeness and raising the responsibility of each staff in Corporation of the assigned task and duty, coherent the benefits and the obligations of each employee.

- Promote the collaborative partnerships , cooperate with potential financial partners to diverse the investment and ownership forms in the construction field for arranging the capital of projects.

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7. Key figures of business plans in 3 years after equitization

7.1. Investment and development plan

Total investment of the stage (2014-2016): 516 billion dong, in which houses and urbans developing business sector is focused. Prepared implementation plan as follows::

+ Year 2014: To complete the project of the Representative office of the General Corporation in Da Nang, the 8- storey Office building at 97 Bach Dang - Hai Phong. To continue the projects from 2013, consisting of: Commercial residential area 266 Tran Nguyen Han, Le Chan, Hai Phong; Go Gai residential area, Thuy Nguyen, Hai Phong. Concurrently, to prepare the most favorable conditions to deploy the investments in the projects: Bach Đàng Building at 268 Tran Nguyen Han, Hai Phong; Vinh Bao new urban, Hai Phong; the Residential area at the lane no. 226 Lê Lai, Hai Phong.

+ Year 2015: To complete the project of the Commercial residential area at 266 Tran Nguyen Han, Le Chan, Hai Phong. To focuss in deploying high economic effect projects from 2014 and keep researching new investing opportunities.

+ Year 2016: To make efforts to complete basically the projects:Go Gai residential area, Thuy Nguyen, Hai Phong; the Residential area at the lane no. 226 Lê Lai, Ngo Quyen, Hai Phong.

Table 16: Investment Projects for the period 2014 - 2016

Unit of calculation: 10⁹ đong

No.	Projects List	Investment Plan			Total investment in 3 years
		2014	2015	2016	
I	Office and housing investment projects (in progress)	146	90	75	311
1	Go Gai residential area, Nui Deo town, Thuy Nguyen, Hai Phong	30	55	75	160
2	Commercial residential area at 266 Tran Nguyen Han, Le Chan, Hai Phong	61	35		96
3	8- storey Office building at 97 Bach Dang, Hong Bang, Hai Phong	50			50
4	Representative office of the General	5			5

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	Corporation in Da Nang				
II	Office and Housing investment projects (Plan to put in progress)	15	70	90	175
1	Bach Đang Building, 268 Tran Nguyen Han, Le Chan, Hai Phong	5	30	50	85
2	Vinh Bao new urban, Hai Phong	5	20	20	45
3	Residential area at the lane no. 226 Lê Lai, Ngo Quyen, Hai Phong	5	20	20	45
III	Investment in equipment to execute the works	5	10	15	30
	Total (I+II+III)	166	170	180	516

7.2. Business production plan after equitizing

Table 17: Business production plan for the period 2014 - 2016

No.	Targets	Unit of calculation	Plan			
			Year 2014	Year 2015	Year 2016	3 years (2014-2016)
1	Business production value	Billion dong	2.171,00	2.493,00	2.854,00	7.518,00
1.1	<i>To build and put together value</i>	<i>nt</i>	<i>2.040,00</i>	<i>2.351,00</i>	<i>2.695,00</i>	<i>7.086,00</i>
1.2	<i>Value of Construction workers and materials</i>	<i>nt</i>	<i>15,00</i>	<i>16,00</i>	<i>18,00</i>	<i>49,00</i>
1.3	<i>Value of consultancy, survey</i>	<i>nt</i>	<i>30,00</i>	<i>33,00</i>	<i>36,00</i>	<i>99,00</i>
1.4	<i>Housing business value</i>	<i>nt</i>	<i>86,00</i>	<i>93,00</i>	<i>105,00</i>	<i>284,00</i>
2	Charter capital	nt	285,00	285,00	285,00	
3	Total of wage-fund	Billion dong	279,24	322,42	378,40	
4	Total of number of	person	3.878	3.838	3.942	

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	employees					
5	Average income	million dong	6,00	7,00	8,00	
6	Gross revenue	nt	1.432,00	1.645,00	1.892,00	4.969,00
6.1	<i>To build and put together</i>	<i>nt</i>	<i>1.312,50</i>	<i>1.514,50</i>	<i>1.749,00</i>	<i>4.576,00</i>
6.2	<i>Construction workers and materials</i>	<i>nt</i>	<i>14,50</i>	<i>15,50</i>	<i>17,00</i>	<i>47,00</i>
6.3	<i>Consultancy, survey</i>	<i>nt</i>	<i>29,00</i>	<i>32,00</i>	<i>35,00</i>	<i>96,00</i>
6.4	<i>Housing business</i>	<i>nt</i>	<i>76,00</i>	<i>83,00</i>	<i>91,00</i>	<i>250,00</i>
7	Total cost	nt	1.397,30	1.605,24	1.847,62	4.850,16
8	Profit before tax	nt	34,70	39,76	44,38	118,84
9	Profit after tax	nt	27,07	31,01	35,50	93,58
10	Rate of LN ST/DT	%	1,89	1,89	1,88	
11	Rate of LN ST/VDL	%	9,50	10,88	12,46	
12	Deliver to budget	Billion dong	64,91	74,55	84,56	224,02
13	Rate of dividend	%	9,00	10,00	12,00	

III. CHARTER CAPITAL AND STRUCTURE OF CHARTER CAPITAL

To ensure the capital source for the activities of business production after equitizing, Bach Dang Construction Corporation plans expects that the charter capital of the joint stock company shall be 285.000.000.000 dong (Two hundred eighty five billion dong) equivalent to 28.500.000 shares with a nominal value of 10.000 dong/share (Ten thousand dong per share).

Ownership structure in the total charter capital as follows:

Table 18: Ownership structure

No.	Shareholder	Number of shares	Share value (dong)	Ratio (%)
1	State	20.798.043	207.980.430.000	72,98
2	Employees (preferential)	296.900	2.969.000.000	1,04
3	Employees (buy extra)	267.200	2.672.000.000	0,94

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4	Auction	7.137.857	71.378.570.000	25,04
Total		28.500.000	285.000.000.000	100

IV. INFORMATION RELATING TO THE OFFERING

1. Offering and payment method for investors under auction

1.1. Mode of offering

- Quantity of offering shares: 7.137.857 shares
- Kind of shares: Ordinary shares
- Nominal value: 10.000 dong/ share
- Starting price: 10.200 dong/ share
- Offering method: Auction according to the mode of public auction at Ha Noi Stock exchange

1.2. Subjects of participation and registered volume for buying shares

- Subjects of participation: Domestic and overseas organizations and individuals having sufficient conditions according to the regulation on auction initial public offering of Bach Dang Construction Corporation
- Minimum registered volume for buying shares: 100 shares
- Maximum volume for buying shares: 7.137.857 shares
- Volume for buying shares: multiple of 100
- Deposit: equal to 10% value of registered volume for buying shares according to starting price to calculate

1.3. Time and place to execute

- Time and place to receive information announced, register to attend auction, pay deposit, issue the notes for auction attending: prescribed at the Regulation on auction initial public offering of Bach Dang Construction.

- Time for registration at the auction agents: according to the rules of the Regulation on auction initial public offering of Bach Dang Construction.

- Time for the agents to receive the auction attending notes: according to the rules of the Regulation on auction initial public offering of Bach Dang Construction.

- Time to hold auction: according to the rules of the Regulation on auction initial

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public offering of Bach Dang Construction.

- Place holding auction: Ha Noi Stock Exchange- No. 2 Phan Chu Trinh– Hoan Kiem - Ha Noi

- Time of payment for buying shares and return deposit: according to the rules of the Regulation on auction initial public offering of Bach Dang Construction.

- The Corporation shall carry out one time auction, up to the volume of succeed trade the charte capital shall be corrected (if any) in order to reform the activities of the corporation in to a joint stock company

1.4. Subjects related the offering

Organizing of executing shares auction

HA NOI STOCK EXCHANGE

Adress: No. 2 Phan Chu Trinh– Hoan Kiem - Ha Noi
Tel: (84.4) 3936 0750 Fax: (84.4) 3934 7818

Organizing of consulting in equitizing plan and initial public offering auction

PETROVIETNAM SECURITIES INCORPORATED

Adress: 18 Ly Thuong Kiet, Hoan Kiem district, Ha Noi
Tel: (84.4) 3934 3888 Fax: (84.4) 3934 3999

Organizing of consulting in defining the value of the company

VIET NAM AUDITING PARTNERSHIP COMPANY

Adress: No.17 Block 2C, Trung Yen, Trung Hoa, Cau Giay district, Ha Noi, Vietnam
Tel: (84.4) 84 4 3783 2121 Fax: (84.4) 3783 2122

2. Offering and payment method for employees

2.1. Preferratial shares for the employees in the list of employees at the time of equitizing

- The quantity of preferratial shares for the employees in the list of employees at the time of equitizing is 296.900 shares, with total value according to the nominal value of 2.969,000,000 dong, make up 1.04% of the charter capital of the Corporation.

Total number of employees currently:	358 persons
Total number of the employees may buy preferential shares:	314 persons
Total working years considered to buy preferential	2.969 years

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shares:

Total preferential shares are bought: 296.900 shares

- Pursuant to the rules at item 1, Article 48, Decree 59/2011/ND-CP, price of the preferential shares for the employees of the company is equal to 60% of the succeeded lowest price in the auction.

- The list of employees at the time of equitizing the company, working years of each person, numbers of shares that each person may buy with preferential price is announced in details in the attaching Appendix.

2.2. Added preferential shares for the employees in the list of needed employees after equitizing

- The quantity of shares for sales to the employees in the list of needed employees after equitizing is 267.200 shares, with total value according to the nominal value of 2.972,000,000 dong, make up 0.94 % of the charter capital of the Corporation.

Total number of employees currently: 358 persons

Total number of the employees in the list of needed employees after equitizing: 333 persons

Total shares are bought more for extra by the employees: 267.200 shares

- Pursuant to the rules at item 2, Article 48, Decree 59/2011/ND-CP, price of the shares for the employees to buy more for extra is the succeeded lowest price in the auction.

- Criteria for the employees to buy more for extra:

+ Right of buying extra type 1:

- Criterion: The employees are in the regular list of the company at the time the value of the company is announced in public, are the ones needed and have long term working commitments with the company at least 03 years.

- Quantity of preferential shares may buy for extra: Reserving right to buy 200 shares/01 years for extra but not excess to 2,000 shares per one employee.

+ Right of buying extra type 2:

Criterion:

- The Corporation – parent company: The employees who holding a position as a member of Board Members, General Director, Deputy General Director, Controller, Head/ Vice- Head of Departments/ Sections, Chief / Vice- Chief of the Secretariat of Office, Trade union

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- Director, Deputy Director, Head/ Vice- Head of the Corporation and the units under; the employees who are the competitive fighters in 2012 from the rank of general company and above.
- The units under: Director, Deputy Director, Head/ Vice- Head of Departments/ Sections, Team Leader, Foreman.

Quantity of preferential shares may buy for extra: Reserving right to buy 500 shares/01 years for extra but not excess to 5,000 shares per one employee.

- + If the employees have sufficient conditions to buy more preferential shares then those ones may choose one kind to buy more according to the above rules.

- The list of needed employees after equitizing is announced in details in the attaching Appendix.

3. Plan for the use of revenue from equitization

Managing and using the incomings from equitization shall be executed according to the regulation at item III the Circular No. 196/2011/TT-BTC dated 26/12/2011 of Financial Ministry as follows:

- The incomings from equitization leave the company a value equivalent to the quantity of shares issued in extra according to the nominal price;

- Capital surplus (difference between the incomings from equitization and the total nominal price of shares issued in extra) to be used to pay for equitization fees and settle the policy for redudant employees;

- In a case that the capital surplus is not enough for settlement the equitization fees and support the company to performe the policy for redudant employees, then be added by the Enterprise arrange supporting fund .

- The capital surplus after settling the equitization fees and performe the policy for redudant employees, the remaining amount shall be proceesed as follows:

+ Leave the company a value equivalent to the rate of quantity of shares issued in extra out of total shares issued according to the charter capital.

+ Send to Enterprise Arrange Supporting Fund a value equivalent to the rate of shares that the State holding in the company out of total shares issued according to the charter capital

Based on de facto state owned capital in the company, the rate of capital

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contribution of the State in the Joint stock company, the Corporation plans to refund to the State's budget, provisional calculation according to a method that , tạm tính theo phương án giả sử tất cả số lượng cổ phần bán đấu giá được mua với giá đấu bình quân là 10.100 đồng/cổ phần, chi tiết như sau:

Table 19: Plan in using the incomings from equitization

No.	Content	Amount (dong)	Remark
1	De facto state owned capital in the company after re- valuating	207.980.435.735	
2	Charter capital of the Joint stock Company	285.000.000.000	
2.1	<i>State owned capital in the company</i>	<i>207.980.430.000</i>	72,98% Charter capital
2.2	<i>Capital held by the employees</i>	<i>5.641.000.000</i>	1,98% Charter capital
2.3	<i>Capital held by other investors</i>	<i>71.378.570.000</i>	25,04% Charter capital
3	Starting price in plan for sales	10.100	
4	Incomings from equitization	76.590.289.700	
4.1	<i>Incomings from selling shares to the employees according to long term working for state owned sectors</i>	<i>1.799.214.000</i>	60% of the succeeded lowest price in the auction.
4.2	<i>Incomings from selling shares to the employees committing to work in long term, skilled experts with high level in technical skills</i>	<i>2.698.720.000</i>	
4.3	<i>Incomings from selling shares to public</i>	<i>72.092.355.700</i>	
5	Capital surplus	-429.280.300	Item (4) - (2.2) - (2.3)
6	Preferential value for employees	1.199.476.000	40% of the succeeded lowest price in the auction.
7	Extra labour support expense	83.524.320	
8	Equitisation expense incurred	1.400.112.500	
9	Proposed for reimbursement from business organizational funds	1.912.917.120	

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IV. RISKS

1. Economic risk

Economic growth is an important factor in assessing risks of doing business. Economic recession creates negative impacts to the operations of an array of industries from manufacturing to commercial, production, transportation, services... and the consequential effect is a great fall in revenue – profit of the related businesses. Vice versa, an strong economy is an opportunity for industries as well as individual companies expand their investments, develop their operation and generate momentum for profit-maximization.

2. Ricks on interest rates

In the pricing structure of building and putting together section in generally and construction section in specially, financial cost (lending) make up a great density. Thus, a change of rate shall cause a great impact on cost and costing structure elements for the market price of a product.

3. Legal risk

The General Corporation is under the adjustments of the Enterprise Law and the other relevant rules in documents. In addition, once the company becomes a joint stock company and is sufficient for the conditions to become a mass company, its stocks will be posted in stock markets, its activities must conform to the Securities Law, the relevant legal documents for stocks and Vietnames stock exchanges.

Presently, the Law system of Vietnam is in the progress of building and improving, thus the Legal documents and the ones under Law are of many adjustments to appropriate to the development of the country in each stage. These changes will certainly impact on the production activities and the development of the General Corporation.

4. Risk related to the offering

Initial offering stock by Bach Dang Construction Corporation- Joint Stock Corporation in a situation that the world economy and the domestic economy have not recovered yet after crisis will not be attractive enough for investors; the stock exchanges of Vietnam is in dropping stage and the securities indexes such as VN-Index, HNX-Index are at low rate and fluctuated by herd mentality...that will sufficiently impact on the initial public offering of the company's stock.

5. Other risks

The other risks such as competitive risk, the State's regulations on building

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management, real estate, opinions and policies for state-owned companies, developing plans for the departments in the economy...they all will affect construction sector generally and the company especially.

V. PERSONS RESPONSIBLE FOR THE CONTENT OF THE INFORMATION ABOUT BACH DANG CONSTRUCTION CORPORATION

1. Steering committee for equitization

1. Mr. Tran Van Son: Deputy Minister of Construction — Chief of Department
2. Mr. Nguyen Huy Hoan: Chairman of Member Council of Bach Dang Construction Corporation – Deputy Chief
3. Mr. Pham Tien Hung: Member of Member Council, Director General of Bach Dang Construction Corp. – Member
4. Mr. Dang Van Long: Head of Business Management Department, Ministry of Construction – Member
5. Mr. Ha Manh Hoat: Deputy Head of Personnel Organization Department, Ministry of Construction – Member
6. Mr. Hoang Van Thu: Head of Business Finance Department, Ministry of Finance – Member

2. Auction organization – Bach Dang Construction Corporation

- Mr. Nguyen Huy Hoan: Chairman – Member Council
- Mr. Pham Tien Hung: Member of Member Council, Director General
- Mr. To Van Hue: Member of Member Council, Vice Director General
- Mr. Nguyen Van An: Member of Member Council, Vice Director General
- Mr. Pham Quang Tuong: Vice Director General
- Mr. Khuc Van Tinh: Supervisor, Labour Union Chairman of the Corporation
- Mr. Trinh Quang Thach: Supervisor
- Ms. Luong Thi Thuy: Chief Accountant
- Mr. Luu Hong Giang: Head of Investment Department
- Mr. Pham Xuan Luy: Deputy Head of Personnel Organization Department
- Mr. Nguyen Van The: Chief Office
- Mr. Nguyen Van Hung: Director – Bach Dang Construction Project Management
- Ms. Do Thi Hang: Deputy Head of Fiance – Accounting Department

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We ensure that the above information and figures in this release are suitable with reality we know, invest or collect reasonably.

3. IPO Shares Auction Advisory Organization – Petrovietnam Securities Incorporated (PSI)

Mr. Pham Quang Huy: Director

This information release is one part of the procedures for auction of IPO shares from PSI on basis of consulting contract with Bach Dang Construction Corp. We guarantee that analysis, appreciation and word choice in this release are performed reasonably and carefully in accordance with the information and figures provided by Bach Dang Corporation Corp.

Hai Phong, 2013

**For Equitization Steering Committee of Bach
Dang Corporation Corp.**

PetroVietnam Securities Incorporated

Head of Business Management

Department

Dang Van Long

Director

Pham Quang Huy