



INFORMATION MEMORANDUM

INITIAL PUBLIC OFFERING

CONSTRUCTION CORPORATION No.1 Company Limited

Ho Chi Minh City,

2016



INFORMATION MEMORANDUM

INITIAL PUBLIC OFFERING

Construction Corporation No.1 Company Limited



Auction agent

Ho Chi Minh Stock Exchange

Head office: 16 Vo Van Kiet, District 1, Ho Chi Minh City
Phone: (84-8) 3821 7713 Fax: (84-8) 3821 7452
Website: www.hsx.vn

Issuing organization

Construction Corporation No.1 Company Limited

Head office: 111A Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City
Phone: 08 3822 2059 Fax: 08 3829 0500
Website: www.cc1.net.vn

Advisor

Viet Capital Securities Joint Stock Company

Head office: Bitexco Financial Tower, 15th Floor, 2 Hai Trieu, District 1, Ho Chi Minh City
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Construction Corporation No.1 Company Limited

Business Registration Certificate No 0301429113 first issued on 29 July 2010 by Department of Planning and Investment of Ho Chi Minh City, its fourth amendment dated 24 April 2015 (conversion from Construction Corporation No.1, BRC No 4106000100 issued on 5 July 2005 by Ho Chi Minh City Department of Planning and Investment)

INITIAL PUBLIC OFFERING

Name of shares:	Shares of Construction Corporation No.1 Company Limited
Type of shares:	Common shares
Par value:	VND 10,000 / share (Ten thousand Vietnamese dong per share)
Starting price:	VND 10,300 / share (Ten thousand and three hundred Vietnamese dong per share)
Number of shares to be offered:	14,089,100 shares (Fourteen million, eighty nine thousand, one hundred shares)
Deposit:	10% of total value of subscribed shares at starting price
Participants:	Organizations, individuals satisfying conditions as stipulated in regulations on the public share auction of Construction Corporation No.1 Company Limited
Auction agent:	Ho Chi Minh Stock Exchange
Auction time:	As stipulated in regulations on the public share auction of Construction Corporation No.1 Company Limited
Auction place:	Ho Chi Minh Stock Exchange, 16 Vo Van Kiet, District 1, Ho Chi Minh City



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PART 1: GENERAL INFORMATION RELATING TO PUBLIC AUCTION

I. LEGAL BASIS OF PUBLIC AUCTION

Decree 59/2011/NĐ-CP dated 18 July 2011 of the Government relating to conversions of 100% state-owned enterprises into joint stock companies (Decree 59);

Decree 189/2013/NĐ-CP dated 20 November 2013 of the Government relating to amendments to certain articles of Decree 59 (Decree 189);

Circular 127/2014/TT-BTC dated 5 September 2014 of the Ministry of Finance guiding financial treatment and enterprise valuation relating to conversions of 100% state-owned enterprises into joint stock companies;

Circular 196/2011/TT-BTC dated 26 December 2011 of the Ministry of Finance guiding auction initial public offering, management and use of proceeds from conversion of 100% state-owned enterprises into joint stock companies;

Decision 21/2012/QĐ-TTg dated 10 May 2012 issued by Prime Minister relating to the issuance of regulations on the management and use of funds of Arrangement and Development Fund

Circular 33/2012/TT-BLĐTBX dated 20 December 2012 of the Ministry of Labour – Invalids and Social Affairs guiding implementation of labour policies under Decree 59/2011/NĐ-CP dated 18 July 2011 issued by the Government relating to conversions of 100% state-owned enterprises into joint stock companies;

Decision No 51/2014/QĐ-TTg dated 15 September 2014 of the Prime Minister guiding state-owned enterprises on divestment, sale of shares and listing on stock exchanges;

Official letter No 283/TTg-ĐMDN dated 5 March 2012 of the Prime Minister approving of restructuring plan relating to state-owned enterprises under Ministry of Construction;

Decision 929/QĐ-TTg dated 17 July 2012 of the Prime Minister approving the scheme named "Restructuring of state-owned enterprises, especially state-owned corporations for the period 2011-2015";

Official letter 457/BXD-QLDN dated 18 March 2014 of the Ministry of Construction providing guidance on the implementation of equitization plans of state-owned enterprises under the Ministry of Construction in 2014;

Decision 421/QĐ-BXD dated 25 April 2014 of the Ministry of Construction relating to the establishment of the Equitization Steering Committee of Construction Corporation No.1 Company Limited;

Decision 531/QĐ-BXD dated 15 May 2014 of the Ministry of Construction relating to the establishment of the assistant team for the Equitization Steering Committee of Construction Corporation No.1 Company Limited;

Decision 757/QĐ-BXD dated 2 July 2014 of the Ministry of Construction approving the equitization plan of Construction Corporation No.1 Company Limited;



This Information Memorandum is a part of the IPO dossier prepared by Viet Capital Securities Joint Stock Company under an advisory contract signed by VCSC and CC1. VCSC confirms that the wording of this Information Memorandum was carefully and reasonably selected on the basis of information provided by CC1. VCSC notes that the content of this Information Memorandum complies with provisions of current law and does not represent any guarantee for the value of shares of CC1.

III. DEFINITIONS AND ABBREVIATIONS

Words or phrases abbreviated in this Information Memorandum will have following definitions:

Words, concepts	Meaning
Advisor	Viet Capital Securities Joint Stock Company
BOD	Board of Directors
BOS	Board of Supervisors
BOM	Board of Management
BRS	Business Registration Certificate
Dividend	A payment in cash or other assets to shareholders from retained earnings (paid out of cash remaining after fulfilling all financial obligations) of a company
FS	Financial Statements
GMS	General Meeting of Shareholders
Information Memorandum	Information detailing the Company's financial performance and business operation intended to enable investors to evaluate and make investment decisions in relation to the Company
IPO	Initial public offering
JSC	Joint Stock Company
Shares	The charter capital of a company as divided equally, with each share representing an ownership of such equal portion of charter capital. Par value of each share is 10,000 VND
The Company, CC1	Construction Corporation No.1 Company Limited
VCSC	Viet Capital Securities Joint Stock Company

PART 2: GENERAL INFORMATION RELATING TO THE COMPANY

I. Overview of the Company

- Full Vietnamese name: TỔNG CÔNG TY XÂY DỰNG SỐ 1 – TNHH MTV
- Full English name: Construction Corporation No.1 Company Limited
- Abbreviated name: CC1



- Logo:



- Business Registration address: 111A Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City
- Phone: 08 38222059
- Fax: 08 38290500
- Website: www.cc1.net.vn
- Business Registration Certificate No 0301429113 issued by Ho Chi Minh City Department of Planning and Investment on 29 July 2010 and fourth amendment dated 24 April 2015 (conversion from Construction Corporation No.1, Business Registration No 4106000100 issued by Ho Chi Minh City Department of Planning and Investment on 5 July 2005)

II. Business lines

According to Business Registration Certificate No 0301429113 issued by Ho Chi Minh City Department of Planning and Investment dated 29 July 2010, CC1 has the following business lines:

- Construction and installment of civil equipment and machinery, industry, transportation, irrigation, hydropower, post office, foundation, urban infrastructure & industrial zone, transmission lines and electrical substations. Construction consulting, construction investment, electricity trading. Port operation. Housing investment and construction. Office & apartment for rent (only for projects approved by competent authorities). Production and trading of material, equipment for scooters, construction material, rubber additives Perlig NT plasticizer for concrete construction (not to be produced at head office). Investment and operation of resort, hotel (not at head office). Entertainment services.
- Organization of training to improve qualification, technical skills, technology, foreign languages for employees before going to work abroad. Advertising services.
- Production and trading of pure water, bottled mineral water (not to be produced at head office). Road freight. Land clearance. Other specialized construction activities. Design and construction of transportation infrastructure. Wholesale of agricultural and forestry material (except wood and bamboo) (not to be operated at head office). Wholesale of apparel.
- Wholesale of gasoline and related products. Wholesale of metal ores. Wholesale of iron and steel. Wholesale of fertilizer. Wholesale of scrap, non-metal and metal scrap (not to be operated at head office). Real estate trading. Advisory services, brokerage, valuation and real estate trading floor. Provision of machinery, equipment and other tangible assets for leasing.

III. Primary products and services

- **Construction**



Under the development strategy of CC1, construction is not only a traditional business but also a strength of CC1. From a subcontractor, CC1 has developed over the last 36 years and established strong internal resources, stable financing sources and a professional management team. Given such strengths, CC1 currently is the #1 contractor for key national projects in all forms including main contractor, main EPC contractor, BOT, BT and BOO. CC1 covers the construction market nationwide.

Currently CC1 is able to perform construction projects under the following forms:

- ✓ **Construction contractor:** CC1 implements construction tasks based on designs approved by investors. Given its high qualified workforce, modern equipment and technologies and strong management capabilities, CC1 has participated in many key national projects
- ✓ **Engineering – Procurement – Construction ("EPC") main contractor:** EPC is a contractual agreement between an investor and a contractor to perform a full construction package for a project, including: engineering design, procurement of construction material, equipment and attached technical services, construction and installation to complete a project
- ✓ **Turnkey main contractor:** this is very similar to EPC main contractor except that the turnkey main contractor will also be assigned by an investor to survey and prepare a feasibility report prior to construction

▪ **Investment1**

Besides its traditional business sectors which are construction contractors of industrial buildings, civil, infrastructure, energy and environment across the country, until now, CC1 has established its strong brand awareness through notable projects in the energy, transportation & residential sectors and through PPPs, including notable projects including Sailing Tower (22 floors + 3 basement floors) with a total investment of VND 800 billion; Happy Residence (42,21 ha in Binh Chanh District) with a total investment of VND 9,000 billion; Dakr'tih Hydropower Plant (144MW in Dak Nong Province) with total investment of over VND 3,800 billion (IPP); Dong Nai Bridge and new traffic lines on both ends of the bridge with a total investment of VND 2,200 billion; Ho Chi Minh Highway (La Son – Tuy Loan Section) – Stage 1 investment amount of VND 11,000 billion (BT – cooperation with seven other investors); and social housing project CC1 – Felix Homes, Nguyen Van Dung Street, Ward 6, Go Vap District with total investment amount of VND 210 billion.

▪ **Industrial manufacturing, construction materials and energy businesses**

Besides its traditional business sectors, CC1 is also a manufacturer and provider of industrial products, construction materials and electrical power. Details of products are as follows:

- ✓ **Industrial products:** steel frame in construction, pre-made concrete pole, Pre-made concrete pile;
- ✓ **Construction material products:** ready-mixed concrete, stone and limestone for cement plants;
- ✓ **Power:** energy trading from Dakr'tih Hydropower plant, supply of electricity to national grid

▪ **Construction materials trading**



In order to actively control materials for CC1's construction projects, CC1 has established an experienced sales team and nationwide distribution network. CC1's products always receive much positive attention from local and foreign contractors including PetroVietnam, Vietnam Electricity, JGC Corporation, Chiyoda, Obayashi, TOA, Kumagai, Shimizu, Taisei, Marubeni, AES, Posco Power, Doosan, China Investment Corporation, Kajima, Maeda, Hyundai, Technip France, Technip Geoproduction, SK E&C and GS E&C.

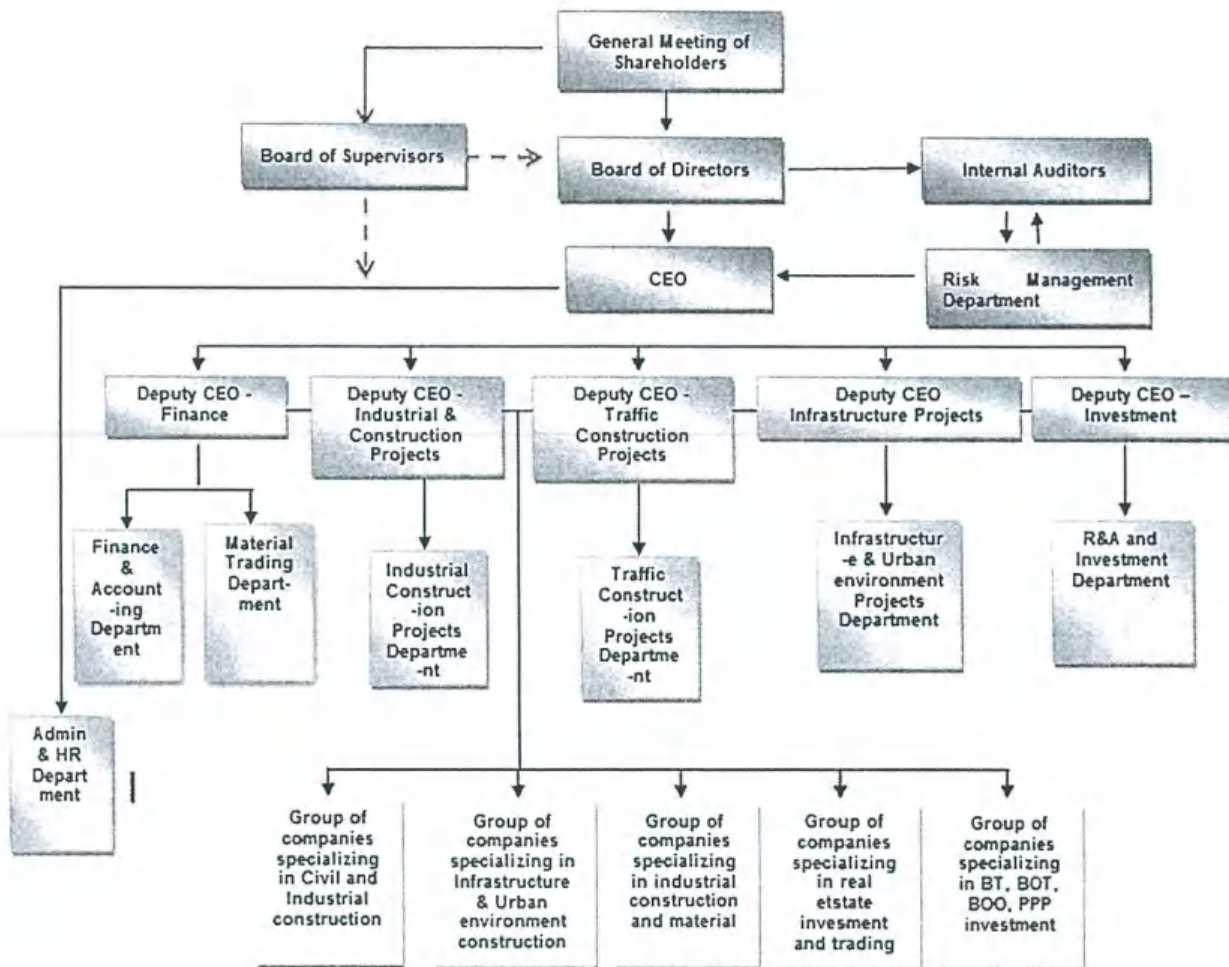
IV. Post-equitization Human Resources Planning

a. Organizational structure

CC1's organizational structure after equitization has been finalized on the basis of consolidation, reorganization of member companies and rearrangement of departments in the following directions:

- Apply corporate governance as a large-scale public company and in line with the development strategy of CC1;
- Organizational structure must be connected to objectives of which is efficiency, enhancement of risk management and control, while increasing synergistic value of CC1's member companies. Allocation of resources to achieve operational objectives will be implemented to strengthen independence and initiatives for the front office; establish a Risk Management Committee (middle office); and rationalize the organization of supporting departments (back office);
- Organizational structure with decentralization and clear assignment of specific responsibilities for each department. This will help to improve operational efficiency and minimize operating costs. Each department will actively coordinate and solve tasks to achieve effectiveness;
- Ensuring a balance between rights and responsibilities of CC1's member companies in its organizational structure;
- Ensuring flexible organization to deal with external factors of the business environment. Internal systematic operating procedures will help to quickly guide decisions to deal with any situation that may arise and ensure a timely response to the changing elements of the organization;
- To rearrange the member companies including subsidiary companies and associated companies to promote capability and limit internal competition.

On the basis of the current organizational structure of CC1, to implement restructuring plans is one of objectives of equitization and stabilize business operations in line with the labor plan of CC1 - JSC, the organizational structure of CC1 post-equitization is shown below:



Details of CC1's organizational structure post-equitization:

- The General Meeting of Shareholders holds the highest power in joint stock company.
- Board of Directors ("BOD"): the BOD, CC1's management team has full authority to decide on behalf of CC1, to exercise rights and obligations of CC1 which do not require approval from the General Meeting of Shareholders.
- Board of Supervisors ("BOS"): the BOS is elected by the General Meeting of Shareholders. On behalf of the General Meeting of Shareholders, the BOS controls all business activities, management and administration of CC1.
- Chief Executive Officer: CEO runs daily business of CC1, subject to supervision of the BOD and the BOS. The CEO will be liable to the BOD and Vietnamese law relating to the implementation of assigned rights and duties. There will be five Deputy CEOs who are in charge of different sectors and liable to CEO and Vietnamese law
- There are six specialized function departments established on the basis of current departments in the current organizational chart of CC1
- Member companies which are subsidiary companies and associated companies will manage five different core sectors



- The Internal Audit and Risk Management Committee will support the BOD on corporate governance

CC1's organizational structure and corporate governance include General Meeting of Shareholders, the BOD, the BOS and Chief Executive Officer are subject to regulation of charter of CC1, with main content as follows:

- Number of members of the BOD is seven people, number of members of the BOS is three people
- Chairman of the BOD shall not concurrently be CEO
- The authorized representative of State capital at CC1 - JSC post-equitization will be considered and decided by the Ministry of Construction

b. Labour structure at the time of conversion into a Joint Stock Company

The total number of employees at conversion time of converting from limited liability company to Joint Stock Company is expected to be 782. The labour structure is as follows:

Type of employee		Number of employees	(%)
Total number of employees		782	100%
1	Post-graduate	24	3%
2	Undergraduate	500	65%
3	College	83	11%
4	Worker	107	13%
5	Common labour	68	8%

V. Enterprise valuation as of 30 June 2014

According to Decision No 270/QĐ-BXD dated 10 Mar 2015 relating to enterprise valuation for equitization of CC1, total assets for equitization: **VND 5,039,104,779,442**, of which: actual value of State capital at CC1 is **VND 763,477,785,070**.

Actual enterprise value and State capital at CC1 at 12am, 1 July 2014

Item		Accounting number	Revalued number	Difference
(1)	(2)	(3)	(4)	(5)=(4)-(3)
A	Assets in use ((I + II + III + IV)	4,886,100,447,962	5,039,104,779,442	153,004,331,480
I	Long-term assets and investments	2,596,907,964,073	2,743,667,617,456	146,759,653,383
1	Fixed assets	436,258,405,396	451,851,359,073	15,592,953,677
a	Tangible fixed assets	336,267,683,486	351,860,637,163	15,592,953,677
b	Intangible fixed assets	96,268,301,343	96,268,301,343	-
c	Finance leasing	3,722,420,567	3,722,420,567	-



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	Item	Accounting number	Revalued number	Difference
(1)	(2)	(3)	(4)	(5)=(4)-(3)
2	Long-term financial investments	742,810,141,970	873,651,406,009	130,841,264,039
a	Long-term financial investments	765,521,119,170	873,651,406,009	108,130,286,839
b	Provision for long-term financial investments	(22,710,977,200)	-	22,710,977,200
3	Construction in progress	1,410,341,507,692	1,410,341,507,692	-
4	Long-term deposits	202,305,625	202,305,625	-
5	Long-term prepaid expenses	7,295,603,390	7,621,039,057	325,435,667
II	Short-term assets and investments	2,289,192,483,889	2,289,329,240,217	136,756,328
1	Cash and cash equivalents	251,319,770,778	251,319,770,778	-
a	Cash	6,274,450,425	6,274,450,425	-
b	Cash equivalents	245,045,320,353	245,045,320,353	-
2	Short-term financial investments	248,833,455,378	248,833,455,378	-
3	Receivables	1,449,789,054,438	1,449,789,054,438	-
4	Inventories	219,015,146,650	219,126,232,268	111,085,618
5	Other short-term assets	120,235,056,645	120,260,727,355	25,670,710
III	Goodwill	-	6,107,921,769	6,107,921,769
IV	Value of land use rights	-	-	-
B	Unused assets	-	-	-
C	Assets awaiting for liquidation	-	-	-
D	Assets formed from bonus & welfare fund	-	-	-
TOTAL ASSET VALUE OF CC1 (A+B+C+D)		4,886,100,447,962	5,039,104,779,442	153,004,331,480
TOTAL ACTUAL VALUE OF CC1 (ITEM A)		4,886,100,447,962	5,039,104,779,442	153,004,331,480
E1.	Actual liabilities	4,326,280,913,292	4,275,626,994,372	(50.653.918.920)
TOTAL ACTUAL VALUE OF STATE EQUITY AT CC1 (A-E1-E2)		559,819,534,670	763,477,785,070	203,658,250,400

Decision No 1842/QĐ-TTg dated 29 Oct 2015 for approval of the equitization plan of CC1, made the following decisions:

- + Approval of reducing value of State capital at parent company - CC1 for the difference between the share price at the time of capital contribution from CC1 and the closing share price of Bien Hoa Concrete JSC (ticker "BHC") and Construction & Material Trading JSC (ticker "CNT") on Upcom at the closest time to the time that CC1 is officially transformed into a Joint Stock Company.
- + Approval for CC1 not to make a reversal of provision which is worth 50.65 billion which was spent on maintenance works. At the end of the warranty period, if the provision is higher than the actual amount, CC1 will have to pay the difference into the Arrangement & Business Development Fund.



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If, at the time of disclosing this IM, the official value of the two items described above still cannot be determined, CC1 will temporarily use the unadjusted figures disclosed above.

VI. Main assets of CC1

a. Fixed assets as of 30 June 2014

Fixed assets of CC1 as of 30 June 2014 are worth **VND 540,341,142,961**. Details are as follows:

Fixed assets	<i>Unit: VND</i>	
	Cost	Residual value
1. Tangible fixed assets	429,542,639,763	351,860,637,163
❖ Building & structures	300,946,628,520	262,485,071,747
❖ Equipment & machinery	27,231,121,976	15,959,284,519
❖ Means of transportation	83,066,777,450	66,859,344,271
❖ Equipment	2,106,892,771	1,012,070,910
❖ Others	16,191,219,046	5,544,865,718
2. Intangible assets	107,067,445,926	96,268,301,343
3. Finance leasing	3,731,057,272	3,722,420,567
Total	540,341,142,961	451,851,359,073

b. Land use

Asset name	Purpose of use	Area (m2)	Lease term	Using form	Value of land included in enterprise valuation
Sailing Tower - 51 Nguyen Thi Minh Khai, Ben Nghe Ward, District 1, Ho Chi Minh City	Trading Center, Office and Apartment Sailing Tower (22 floors and 3 basements). % land for living: 26.07%; % land for office: 73.93%	2,964	50 years	Leasing in 50 years from 01/01/1996 (Not apply for land allocation)	VND 278,829,751,824 (in which, the company recognized VND 176,950,800,000 according to Decision No 295/QĐ-BXD dated 13/05/2007, the remaining amount VND 101,878,951,824 will be recorded based on proposal to Ho Chi Minh City Department of Finance



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Asset name	Purpose of use	Area (m2)	Lease term	Using form	Value of land included in enterprise valuation
Happiness Residence - Block 11B, South New Area, Binh Hung Ward, Binh Chanh District, Ho Chi Minh City	New residential area construction investment (Commercial and low-income housing). Decision No 1489/QĐ-UBND transferring land for investment in construction for resettlement (phase 1): 77,004m2	422,100		New residential area construction investment (Commercial and low-income housing)	Not yet pay for land use fees
Camp area No 23/2 Area II Street, Ngoc Ha Hamlet, Phu My town, Ba Ria - Vung Tau province	Land acquired for construction of camp area of Phu My thermo - power plant from 1999; From 2005 to now, continue to use as camp area of construction site and document storage	880		Land acquired for construction of camp area of Phu My thermo-power plant from 1999; From 2005 to now, continue to use as camp area of construction site and document storage	VND1,548,800,000
Technical worker College - Nguyen Van Dung Street, Ward 16, Go Vap District, Ho Chi Minh City	Build up Technical worker College (Current status: Clearing land)	2,932		In process of changing land use purpose to construction of high-rise social housing	Not yet paid land use fee (will have exemption from land use fee according to regulations of social housing investment & construction)
Phuoc Co Ecological Residence - Ward 12, Vung Tau City, Ba Ria - Vung Tau Province	Land formerly used as auxiliary area for technical infrastructure activities of Phuoc Thang Export processing zone (Current status: Clear land)	22,000		Clear land	Not yet paid for land use right
Concrete mixing station (Mekong Company) - Km7 Hanoi Highway,	Concrete mixing station (Mekong Company)	9,927		Concrete mixing station (Mekong Company)	Land lease with annual payment



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Asset name	Purpose of use	Area (m2)	Lease term	Using form	Value of land included in enterprise valuation
Truong Tho Ward, Thu Duc District					

VII. List of parent and subsidiary companies

a. Subordinate companies of CC1 - JSC

No	Company name	Address	Function
1	CC1 office	111A Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City	Head office for business registration of CC1
2	North branch of CC1	Apartment 11A, B.I.G Tower, Tower B – 18 Pham Hung Street, My Dinh 2 Wards, Nam Tu Liem District, Hanoi	North branch is a subordinate entity of CC1, being controlled completely and directly and having business activities in accordance with business activities of CC1 in Northern market
3	Central branch of CC1	100 Ho Tung Mau Street, Hoa Minh Ward, Lien Chieu District, Da Nang City.	Central branch is a subordinate entity of CC1, being controlled completely and directly and having business activities in accordance with business activities of CC1 in Central market. At this stage, the branch has to manage and control the construction of Ho Chi Minh Road BT project (La Son – Tuy Loan Section)
4	Mekong Company	Km7, Hanoi Highway, Truong Tho Ward, Thu Duc District, Ho Chi Minh City	Construction material manufacturing (Mixed concrete), wholesale of concrete, concret construction

b. List of subsidiaries in which CC1 – JSC holds above 50%

No	Company name	Address	Expected charter capital (VND)	Ownership (%)
1	Viet Hung Construction No. 1 JSC	160 D2 Street, Ward 25, Binh Thanh District, Ho Chi Minh City	50,000,000,000	≥ 51%
2	Viet Nguyen	Room 1.2 Apartment	50,000,000,000	≥ 51%



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No	Company name	Address	Expected charter capital (VND)	Ownership (%)
	Construction No. 1 JSC	351/31 No Trang Long Street, Ward 13, Binh Thanh Street, Ho Chi Minh City		
3	Viet Quang Construction No. 1 JSC	12B Nguyen Trung Truc Street, Ward 5, Binh Thanh District, Ho Chi Minh City	50,000,000,000	≥ 51%
4	Dong Nai Bridge Construction and Investment JSC	1A Street, KHC Bien Hoa, Binh An Ward, Bien Hoa City, Dong Nai	365,000,000,000	≥ 51%
5	Vina – PSMC Mixed Concrete Co., Ltd.	Block 1699, Long Dinh Industrial Zone, Can Duoc District, Long An Province	23,047,855,969	70%

c. List of companies in which CC1 – JSC holds from 36% to 50%

No	Company name	Address	Expected charter capital (VND)	Ownership (%)
1	Viet Son Construction No. 1 JSC	1st Floor, Apartment 4A, Ward 25, Binh Thanh District, Ho Chi Minh City	8,000,000,000	35.90%
2	Central Construction Material Exploitation and Construction JSC	Km 1052, Highway 1A, Sơn Tinh Town, Sơn Tinh District, Quang Ngai Province	15,000,000,000	39.59%
3	Dakr'tih Hydropower JSC	Group 3, Le Duan Street, Nghia Tan Ward, Gia Nghia Town, Dak Nong Province	1,000,000,000,000	40.00%
4	Material Trading and Construction JSC (*)	9-19 (6th floor) Ho Tung Mau Street, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City	100,150,690,000	36.16%
5	Bien Hoa Concrete JSC (*)	Bien Hoa 1 Industrial Zone – Dong Nai Province	45,000,000,000	40.92%



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No	Company name	Address	Expected charter capital (VND)	Ownership (%)
6	Lenex Joint Venture (*)		12,601,349,424	50%

(*): For these companies, CC1 currently plans to divest from 2017

d. List of companies in which CC1 – JSC holds below 36%

No	Company name	Address	Expected charter capital (VND)	Ownership (%)
1	Viet Tong Construction No. 1 JSC	1st Floor, Apartment 4A, Ward 25, Binh Thanh District, Ho Chi Minh City	10,000,000,000	< 36%
2	Nhan Phuc Duc Investment JSC	111A Pasteur, Ben Nghe Ward, District 1, Ho Chi Minh City	150,000,000,000	34%
3	Construction No. 14 JSC	8 Pham Ngoc Thach Street, District 3, Ho Chi Minh City	55,730,000,000	28.92%
4	Chuong Duong JSC	225 Ben Chuong Duong, Co Giang Ward, District 1, Ho Chi Minh City	157,064,060,000	23.8%
5	Cuu Long Housing Trading JSC	351/31 No Trang Long Street, Ward 13, Binh Thanh District, Ho Chi Minh City	32,000,000,000	21.9%
6	Eastern Area JSC	1A Bien Hoa Industrial Zone, Dong Nai	130,000,000,000	19.3%
7	Viet Hoa Construction No. 1 JSC	37A Phan Xich Long Street, Ward 3, Phu Nhuan District, Ho Chi Minh City	10,000,000,000	18%
8	Construction material Manufacturing and	9-19 (6th floor) Ho Tung Mau Street,	69,800,000,000	15.67%



No	Company name	Address	Expected charter capital (VND)	Ownership (%)
	Construction JSC	Nguyen Thai Binh Ward, District 1, Ho Chi Minh City		

PART 3: BUSINESS PERFORMANCE AND RESULTS IN THREE YEARS BEFORE EQUITIZATION

I. Business performance

a. Product and output service

▪ Construction

Under development strategy of CC1, construction is not only a traditional business but also a strength of CC1. From a subcontractor, CC1 has developed over 36 years and established strong internal resources, stable financing sources and professional management team. Given such strengths, CC1 currently is the #1 contractor for key national projects in all forms including main contractor, main EPC contractor, BOT, BT and BOO. CC1 covers the construction market nationwide. At the same time, CC1 has always focused on looking for opportunities to cooperate with foreign contractors in implementing construction projects. Through such projects, CC1's staffs are able to gain experience, management capabilities and professional working styles from foreign partners including those from Japan, Korea, US and China. CC1 had successfully cooperated with Japanese contractors including Shimizu, Hitachi, Itochu, JGC, Kajima, Marubeni, Mitsubishi, Sumitomo, Toa, Taisei, Taiheiyo and Tokyuin implementing key national projects.

Currently CC1 is able to perform construction projects under the following forms:

- ✓ **Construction contractor:** CC1 implements construction tasks based on designs approved by investors. Given its high qualified workforce, modern equipment and technologies and strong management capabilities, CC1 has participated in many key national projects
- ✓ **EPC main contractor (Engineering – Procurement – Construction):** is an agreement in contract between an investor and a contractor to perform full construction package for a project, including: engineering design, procurement of construction material, equipment and attached technical services, construction and installation to complete a project
- ✓ **Turnkey main contractor:** it is very similar to EPC main contractor except for only one difference that contractor will be assigned by an investor to survey and prepare feasibility report

Summary of notable completed construction projects

Name of projects	Contract value (VND billion)	Execution time	Status of work
1. Tri An Hydropower Plant	135	Completed in 1987	Construction



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2. Thac Mo Hydropower Plant	116	Completed in 1990	Construction
3. Ho Chi Minh Broadcast Station	75	2002 - 2006	Construction
4. Saigon River Water System (Phase 1)	349	2003 – 2006	EPC Contractor
5. 225 Ben Chuong Duong Building	136	2005 – 2006	Construction
6. Sailing Tower	284	2005 - 2008	Investor + Construction
7. Thu Thiem Bridge	829	2005 – 2009	General contractor
8. Nhon Trach 1 Thermal Power Plant	1,004	2006 – 2009	EPC contractor
9. Dakr'tih Hydropower Plant	1,922	2007 - 2011	Investor + Construction
10. Water Environment and Hygient Project in Ho Chi Minh City (12B1 and 11B2 package)	264	2008 – 2009	Construction
11. Connecting road from Thu Thiem Bridge to Dong Tay Avenue (Vo Van Kiet Ave)	123	2008	General Contractor
12. Thanh Do Hoa Lam Shangrila International Hospital	298	2010 – 2012	Construction
13. Nghi Son 1 Thermal Power Plant	193	2010 – 2013	Construction
14. Nghi Son Refinery Plant	3,612	2013 – 2016	Construction

▪ Investment business

Besides traditional business sector which is construction of industrial buildings, civil, infrastructure, energy and urban environment across Vietnam, until now, CC1 has established its strong brand awareness through notable projects in energy, transportation & residential sector and through PPP notable projects including Sailing Tower (22 floors + 3 basement) with a total investment of VND 800 billion, Happy Residence (43 ha in Binh Chanh District) with a total investment of VND 9,000 billion, Dakr'tih Hydropower Plant (144MW in Dak Nong Province) with total investment of over VND 3,800 billion, Dong Nai Bridge and new traffic lines on both ends of the bridge with a total investment of VND 2,200 billion.

CC1 completed and put into operation Dakr'tih Hydropower Plant (144MW) under BOO contract in 2011 with high operating efficiency (annual revenue of about VND 530 billion, or 636 million kWh/year); put into operation new Dong Nai Bridge (phase one) under BOT contract and have generated revenue from toll collection since 2009 at toll booth Song Phan – Binh Thuan (about VND 65 billion/year), while developing phase two (Vung Tau and Tan Van Roundabout) and phase 3 (Amata Overpass, Tam Hiep Underpass) of this project so that it can be completed and put into operation in June 2015.



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With reputation and experience in the field of construction of transportation infrastructure, CC1 receives strong support from the Government and other state agencies to participate in many key national infrastructure projects such as Ho Chi Minh Highway (La Son to Tuy Loan Section) – Stage 1 investment (total investment of VND 11,000 billion), and An Hao Bridge and connecting road from Highway 51 to 1K Highway of phase four of Dong Nai Bridge project including roads on both ends of the bridge.

▪ **Industrial manufacturing, construction material and energy business**

Besides its traditional sector of construction, CC1 is also a manufacturer and distributor of industrial products, construction material and electrical power. Details of products are as follows:

No	Key products	Member companies in charge	Capacity	Key markets	Key customers
I Industrial products					
1	Steel frame in construction	Chuong Duong JSC (Associated company)	18,000 tons/year	Central, Highlands, South East and Mekong Delta	Industrial zones and power plants
2	Pre-made concrete pole	Bien Hoa Concrete JSC (Associated company)	17,000 parts/year	Provinces in Central and South	CC1 subsidiaries, GS E&C (Korea) and other companies in power sector
3	Pre-made concrete pile		840,000 m/year		
II Construction material products					
1	Ready-mixed concrete	Mekong Company (subsidiary)	500,000 m ³ /year and will increase with market demand	Ho Chi Minh City, Can Tho, Dong Nai, Binh Duong, Long An, Da Lat	Internal supply for CC1's projects (about 80% of outputs) and supply for local contractors
2	Stone	Building and Construction Material JSC (Long term investment)	400,000 – 450,000 m ³ /year	Binh Duong, Dong Nai, Kontum and other provinces	CC1 and other local contracts
3	Limestone for Cement factories		10 – 11 million tons /year	Thanh Hoa, Kien Giang, Quang Ninh, Quang Binh	Cement companies: Nghi Son, Holcim, Cam Pha, Tam Diep, Quang

**III Power**

1	Power	Dakr'tih Hydropower JSC (Associated company)	144 MW ~ 636 million of kWhs/ year	Vietnam Grid	National EVN
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▪ Construction material trading

Currently CC1 is the official distributor for manufacturers of construction material including:

- Cement: Holcim, Nghi Son, Fico, Phuc Son, But Son, Hoang Mai, Ha Long, Cam Pha, Thang Long, Ha Tien and Chinfon
- Steel: Southern Steel (SSC), Pomina, Vinakyoei (VKS), Viet Uc (Vinausteel), Viet Y (VIS), Thép Uc (SSE), Hoa Phat and Tay Do
- Finishing material: including Inax and Viglacera bathroom equipment; Kova coated paint and waterproofing; Dulux ICI paint; NIKKO KENDO air conditioners; LECMAX fire resistant doors; Phuoc An & Tam Quynh tunnel bricks; De Nhat, Minh Hung, Binh Minh and Hoa Sen PVC pipes; Hoa Phat, Vingal and Viet Duc steel pipes.

b. Materials sourcing

CC1 has built a trading platform for construction material products. This has become a core business of CC1 (main source of construction material for CC1 over 36 years) and has helped CC1 to become a leading investment and construction corporation in Vietnam. Throughout its development, CC1 has created added value by expanding its product portfolio to industrial products and power via member companies of CC1. Specifically, CC1 own subsidiaries and associated companies specializing in the manufacture of fresh concrete and precast concrete structures including Mekong Company, Construction 14 JSC, Bien Hoa Concrete JSC and Vina PSMC Precast Concrete Ltd. CC1 and its member companies are also Tier 1 distributors for steel manufacturers and cement companies. As a result, the supply of its main construction materials including cement, steel, decorative materials, concrete products and concrete products under prefabricated structures is kept stable. Such stability is a key factor in ensuring on-time completion of projects.

For other major materials, outside of the value chain created by CC1 and its member companies, it has developed competitive advantages by becoming the official distributor of many local and foreign manufacturers. CC1 has also established an efficient operational system through coordination of functional departments in order to obtain favorable prices from suppliers.

With an integrated value chain for production and business activities, CC1 always ensures stable supply of key raw materials for all projects of CC1. The volatility of raw materials market prices does not affect revenue and profit of CC1 significantly.

c. Production cost

A major portion of production cost is cost of goods sold from construction activities, including construction materials, industrial production input, equipment, labor, depreciation of machinery and equipment, outsourcing costs and other relevant costs. Leveraging the value derived from



consolidated operation of CC1 and competitive advantage from stable prices of raw materials, CC1 is able to actively adjust production cost for each project. Moreover, other production costs including labor cost and depreciation of equipment, have been kept stable historically.

d. Technological level

Technology is one of major driving forces for eco-socio development. The Party and State always assert their leadership roles in scientific and technological basis for transforming the country towards industrialization, modernization, and the gradual improvement of the regulatory environment to utilize local scientific and technological resources and quickly adapt new scientific and technological achievements. Recently, science and technology in the construction sector in particular has made significant advancements and contributed greatly to the development of Vietnam. Understanding the guidance of the Party and State, CC1 always actively receives the scientific and technological expertise of developed countries through collaborative relationships via construction partnerships with companies in Japan, South Korea, US and China. The capabilities of the construction team of CC1 has continually improved.

CC1 focuses on researching and applying new material and construction technologies which are environmentally friendly to create competitive advantages, including light brick (instead of traditional clay brick) and concrete structures that can cope with environmental changes. With an experienced and professional research & development team which is capable of operating modern machinery and equipment, CC1 has been researching and applying advanced technologies from developed countries to the following fields:

▪ Construction

✓ Energy projects

- Applied construction technology on large block of concrete to build thermal power and hydro power plants
- Used piling equipment from famous brands with advanced technologies including Nippon Sharyo (Japan) and Delmag (Germany) in constructing energy projects, notably Nghi Son Refinery Plant in Thanh Hoa
- Researching technology to build concrete that can cope with radiant heat in large scale projects which require complex techniques including nuclear power plants, wind power plants and hydro power plants.

✓ Transportation infrastructure projects

- Applied technology to successfully tackle weak ground in constructing projects on complicated terrain. Such technology has been applied successfully in Van Thanh 2 Bridge Project – Ho Chi Minh City
- Applied widely, and mastered, hammer casting technologies from Norway, including MSS (Movable Scaffolding System) in bridge projects involving large angles. Such technologies have been applied to construct Thu Thiem Bridge – Ho Chi Minh City
- For underground projects, CC1 is researching technology to implement and tackle linear and punctual urban underground projects at depths of over 30 meters using the Turbine Boring Machine ("TBM") technology of Germany to construct water hygiene projects (water supply and sewage systems) in Ho Chi Minh City.



- ✓ Residential projects
 - Use of building hoist, tower crane, covering system that meets required standards and newest technologies from Japan and Korea in constructing sky scrapers
 - Research and gradual application of materials with high performance features including carbon steel, high endurance concrete, mixed structure, extra-endurance concrete and concrete floor Bubble Desk in constructing buildings with over 40 floors
- **Construction material production**
- ✓ Master technology to manufacture new, durable, environmentally-friendly construction materials, including:
 - Polymer bars (from local materials) using Russian technology to replace black steel bars in concrete structures in underground projects and climate change mitigation projects (manufacturing plant in Phu Long Industrial Zone – Long An);
 - Non-fire brick to completely replace regular fired brick
- ✓ Use of synchronization equipment - technology from Germany - in producing concrete for projects of CC1, notably Nghi Son Refinery Plant – Thanh Hoa.
- **Construction consultancy**
- ✓ With talented teams of experts that are highly experienced and competent in designing structures for buildings of over 40 floors, large scale projects that require complex techniques
- ✓ Application of new design solutions and new material to implement national strategy on housing that conforms to modern international standards.

e. **Quality management**

Aware of the importance of quality management, work safety, employee health and the working environment, CC1 applies the following management systems:

- ISO 9001:2008 "Quality management system";
- ISO 14001:2004 "Environmental management system";
- OHSAS 18001:2007 "Operational health system"

In order to implement the above management systems, CC1 has established a Health & Safety and the Environment ("HSE") Department and a department for the management of quality (ISO Department) in order to supervise and monitor compliance with current quality management systems in all operations of CC1.

f. **Marketing activities**

For the purpose of getting new projects and ensuring sustainable development, CC1 has always focused on branding and marketing activities. The resources are allocated to the following activities:

- Understanding government & local authorities' plans to allocate medium term and long term investment funds
- Understanding the latest information on FDI in Vietnam



CC1

- Creating and sustaining good relationships with Ministries and local authorities to approach new projects
- Establishing and maintaining good relationships with Embassies in Vietnam (United States, Germany, Japan, Spain, etc.) and international organisations such as Amcham and Eucham, to update for the latest information about investors and potential international partners who have an interest in Vietnam. Thereby, CC1 has always been known primarily as one of the largest and most reputable contractors in the country.
- Through newspapers, Internet, statistics reports & market research reports from well-known organizations, CC1 will choose and actively contact with investors and main contractors to promote the capacity and brand of CC1 and establish long-term cooperation.
- Actively approach and discuss with the Government about financing arrangements for urgent projects in the form of either BT or BOT. This will help to strengthen brand awareness of CC1 and bring economic benefits to CC1.
- Ensure the progress and quality of services provided by CC1. Actively promote and affirm brand awareness of CC1 through quality across the country.
- Research, expand construction activities of CC1 to Qatar and Myanmar through cooperation and establishment of new companies to receive construction contracts and promote brand awareness of CC1. At the same time, CC1 also seeks out opportunities to export construction materials to these markets.
- Ensure the construction progress and quality of ongoing projects to gain satisfaction and trust from customers. This will help CC1 to retain its pipeline of new projects.

g. Trademarks, patents and copyright



CC1

Department of Intellectual Property issued the trademark registration certificate No 140,440 attached to Decision No 641/QĐ-SHTT dated 12 January 2010

h. Major contracts executed or signed in the last three years

Over 36 years of development, CC1 has participated in diversified key national projects in various sectors including industrial construction, transport infrastructure, civil engineering and others.

Project	Contract number	Contract Value (VND bn)	Time	Type	Partner
1. Thu Duc Water Plant (Phase 3)	21/HĐ-NSSG-KH	410	2013 – 2014	Construction	Sai Gon Clean Water Business and Investment JSC



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Project	Contract number	Contract Value (VND bn)	Time	Type	Partner
2. Nghi Son Refinery Plant	CNT-6495-CVL-001	3,612	2013 – 2016	Construction	JGCS: main EPC contractor
3. Mong Duong Thermal Power Plant	DV-PC-12-048/2012.04.05	195	2012 - 2014	FGD, Road & Irrigation system	Doosan Heavy Industry Vietnam Ltd
4. Hoa An Bridge	57/2011/PTKCN-BQLHA	427	2011 – 2014	Main contractor	Sonadezi Corporation
5. Bong Bridge	37/2013/HĐ-NCĐT	71	2013 – 2014	Main contractor	Board of Investment management and construction of upgrades to the City municipality
6. Da Nang – Quang Ngai Highway	47/HĐXD-VEC/2014	1,482	2014 – 2016	Construction of the A1 package	Vietnam Expressway Corporation
7. Head office of Ho Chi Minh City Police department	01/2003/HĐTCXD	720	2013 – 2014	Construction	Board of Project Management - Headquarter of Ho Chi Minh City Police Department
8. Lam Dong Administration Office Center	0110/2012/HĐTCXD	434	2012 – 2014	Construction	Board of Project Management – Lam Dong Department of Construction
9. Da Lat University Dormitory	05QLDA3/HĐ-XD	205	2010 – 2014	Construction	Lam Dong Department of Construction
10. Ho Chi Minh City Children Hospital 3	33/2014/HĐ-EPC-BVNĐTPHCM	1,976	2014 – 2016	Main EPC contractor	Ho Chi Minh City Department of Health



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Project	Contract number	Contract Value (VND bn)	Time	Type	Partner
11. Xuan Loc Hospital	07/11/2012/HĐ-TCXL	389	2012 – 2016	Construction	Board of Project Management – Dong Nai Department of Health
12. Head office - Dofico	01/2013/HĐTCXD	108	2013 – 2015	Construction	Dofico
13. Head office – Saigon Giai Phong Newspaper	36/HĐTC-2012	110	2012 – 2014	Construction	Saigon Giai Phong Newspaper

II. Financial results for three years before privatization

Unit: VND million

No	Item	2013	2014	2015
1	Total assets	4,054,327	6,361,918	7,826,857
2	Book value of State's Capital	416,192	511,805	517,913
3	Short-term debt	594,319	1,267,959	1,401,464
4	Long-term debt	883,365	1,878,994	2,149,383
5	Bad debts	75,399	-	-
6	Number of employees (*)	507	683	872
7	Total payroll	41,246	126,833	181,618
8	Average income (VND million/month)	9.3	15.47	17.32
9	Net revenue	2,098,878	3,494,823	4,454,049
10	Cost of goods sold	1,972,543	3,350,339	4,274,923
11	Total other indirect costs	175,606	188,131	232,971
12	Profit before tax	19,517	64,956	86,065



13	Profit after tax	19,517	64,956	86,065
14	Net profit after tax / State's Capital	4.69%	12.69 %	16.61%
15	Net profit after tax / Owner's equity	3.46%	9.35 %	9.75%

Source: Financial Statements of Parent Company 2013, 2014 & 2015

III. *Factors affecting business performance of the Company in the reporting year*

▪ **Advantages**

- Leading company in Vietnam's construction industry with over 36 years of experience, CC1 has a strong team that is well-educated at foreign and domestic universities and has undergraduate & postgraduate degrees.
- CC1 has a long track record of construction capacity and superior construction solutions. The Company has constructed hundreds of projects across the country, including many iconic buildings.
- CC1 and member companies have built a prestigious brand in the construction market. CC1 has established a strong reputation among developers, local and overseas contractors.
- CC1 has working experience with foreign partners.
- CC1 is supported by the Government through favorable lending rates for short-term and long-term loans, deferred tax, tax waivers and other tax incentives.

▪ **Disadvantages**

- Intense competition in the industry
- High volatility in price of construction material & lending rates that can affect CC1's profit
- Reduction in public spending and frozen housing market that delayed some projects after the Company had already allocated resources to such projects
- High liabilities to owner's equity ratio due to limited financial capacity. This ratio was 11.6x in 2011, 9.0x in 2012, 8.0x in 2013 and 9.1x in 2014. Current owner's equity of CC1 is low compared to financing demand of CC1. Despite this, due to its prestigious brand and competent staff, CC1 is likely to meet the high requirements of the construction industry, especially for large projects. However, a low level of equity restricts the growth of CC1.

IV. **The Company's position in the industry**

a. Position of CC1 in construction industry

With 36 years of establishment and development associated with economic reform of Vietnam, CC1 transformed from the first and only enterprise directly under the Ministry of Construction in



South of Vietnam to become a leading brand name in the construction industry in South of Vietnam in particular and in Vietnam in general.

Overcoming difficulties and challenges in its early stages of growth, CC1 successfully completed key national projects including Ha Tien - Kien Giang Cement Plant, Thu Duc Cement Plant, repair and upgrade of the Nuclear Centre of Da Lat, Tri An Hydropower Plant, Thac Mo Hydropower Plant, Ham Thuan – Da Mi Hydropower Plant etc. From such successes, CC1 developed internal resources to prepare for the era of intense competition in the construction industry when Vietnam entered a period of innovation and integration. CC1 has contributed to modernizing and civilizing the country. Since its establishment, CC1 has focused on hydroelectric construction as part of its development strategy through each stage of innovation. This has helped to build a solid platform for CC1 to extend to additional construction sectors including civic construction, transport infrastructure, thermal power plants, sanitation and drainage infrastructure in key cities in the South. CC1 participated in international bidding and won key national projects including Sao Mai Holcim Cement Plant, Sai Gon River Water Plant, etc., thereby strengthening its position in the construction industry.

Pursuing its three goals of prestige – quality – efficiency, CC1's leading position is recognized by not only key national projects but also other successful projects. The professional workforce of CC1 always undertakes each project with a spirit of cooperation. CC1 has always built close relationships with investors, and coordinated with consultants and subcontractors to ensure efficient exploitation of resources, thereby achieving quality and enhancing brand awareness through each project. Through various experiences, functional departments and professional member companies of CC1 do everything possible to make sure that every project is performed with all resources and the most appropriate experts. Through technological skills, thorough understanding of preparation steps for construction and investment projects and capabilities, CC1 is able to predict common difficult situations in construction processes and implement optimal solutions to meet customers' expectations. As a result, most projects of CC1 are evaluated as high quality and many have been awarded the "High Quality Golden Trophy" by the Ministry of Construction.

Utilizing its competitive advantage from its closed-loop supply chain with member companies of CC1, CC1 has the ability to undertake any project, from design through supply of construction materials to construction and completion. Stable financing helps to lever CC1's competitive advantage and internal forces of a leading enterprise in bidding for construction projects in the form of EPC or BT. Typical projects are Nhon Trach 1 Power Plant, University Dormitories in Ho Chi Minh, Dalat, Can Tho, An Giang and Dong Thap. Based on its solid business platform, CC1 always sets its growth objective for each stage of a project and implements an effective competitive strategy to enhance its strategic position.

CC1's position in the industry by construction value is presented in the following table, which shows the annual construction value of CC1 is from 2.1% to 3.1% in comparison with total construction value in Vietnam.



Construction value in recent years

Unit: VND million

Item	2013	2014	2015
1. Total value of Vietnam Construction Industry	191.631	209.875	224.728
2. CC1's Total Construction Value	3.978	5.853	6.869
<i>Of which</i>			
- Road & Infrastructure	827	973	1.187
- Energy	433	2.540	2.954
- Civil & Industrial	2.718	2.340	1.187
3. CC1's share of Total value of Vietnam Construction Industry (=2/1)	2,1%	2,8%	3,1%

Source: CC1, Vietnam Infrastructure Report, BMI Q1/2016

b. Industry outlook

The stable political environment, open door policy and the establishment of multilateral relationships with other countries creates favorable conditions for investment, especially in the infrastructure and construction industries. The Government has been gradually reforming administrative procedures, building up and improving the legal system for a transparent public administration in order to encourage transparency and greater international economic integration.

Vietnam's economy in 2015 maintained stability and growth. The GDP growth rate of 2015 was 6.68% (higher than the rate of 5.98% in 2014), of which the construction sector grew by 10.82%, the highest rate since 2010. Core inflation in 2015 was controlled at 2.05%. Average CPI in 2015 was 0.63%, the lowest level in 14 years and far lower than the target of 5%.

The construction industry, in particular, has been recovered in recent years. According to GSO's statistics, this industry grew by 10.82% in 2015, higher than the growth rates of 2011 (-1.0%), 2012 (2.1%), 2013 (5.8%) and 2014 (7.07%). During the first months of 2016, infrastructure, civil and specialized construction is the highlight of the economy and is forecast to have higher growth in year-end months when typically infrastructure projects have to speed up disbursements.

There is in general an optimistic outlook for the construction industry due to the following factors:

- The Government's macro policies will continuously have positive impacts on the economy. The Government manages flexible fiscal and monetary policies; and is revising the Law on land. These actions together with construction SOE equitization process will promote construction investment in the coming years.
- In 2015, an amount of USD 24.12 billion was added to registered FDI, increasing by 9.8% as compared with the same period last year; raising total registered FDI to USD 281.9 billion as of December 2015 (11.54% higher than 2014). Executed FDI 2015 was estimated to reach USD 14.5 billion, equivalent to 16% growth against 2014. The construction and real estate



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industry has attracted an additional USD 3.1 billion of FDI in 2015, accounting for 12.99% of additional registered FDI.

- Although construction activities in 2015 had several difficulties in planning, management capability and land clearance, there were some positive factors. Decreasing interest rates gave more opportunities for enterprises, organizations and individuals to approach debt capital sources. Stable construction materials prices, along with the warm-up of real estate markets, facilitated commencement of projects and construction work. Many housing development projects were completed and handed over in 2015. In addition, residential construction also increased considerably. These construction activities contributed to the enhancement of production value of this industry.
- The continuous development of industrial infrastructure projects will be a key driver for the industry's growth.
- According to BMI Q1/2016 report, a series of key national projects will be deployed soon with total construction value of over USD 246 billion in 2016 and more than USD 274 billion in 2017. This will help to maintain industry growth and bring more opportunities for higher growth in the future, especially contributing to the improvement of infrastructure
- The current situation of the national traffic system provides opportunities for foreign investors and construction contractors to easily approach projects. Along with urbanization, demand for the development of national traffic infrastructure projects and environmental sanitation projects will leap up in the near future.
- Economic growth is expected to lead to high demand for energy and so drive demand for construction of power generation plants.

According to BMI Q1/2016 report, total construction value is estimated to reach VND 246,868 billion in 2016, going up by 9.85% against 2015. The growth rate for the period of 2016 – 2024 is forecast to be 6% per year.

Vietnam's construction value growth forecast until 2024

	2016f	2017f	2018f	2019f	2020f	2021f	2022f	2023f	2024f
Construction value, VND billion	246,868	274,345	304,400	337,481	374,050	414,133	458,444	506,937	560,011
Construction value, USD billion	11.8	13.2	14.8	16.2	18.1	20.3	22.6	25.3	28.2
Real growth, % y-o-y	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Construction value, % GDP	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0

Source: Vietnam Infrastructure Report, BMI Q1/2016



Vietnam's projects investment value growth forecast until 2024

	2016f	2017f	2018f	2019f	2020f	2021f	2022f	2023f	2024f
Investment capital, VND billion	1,279,623	1,460,449	1,654,572	1,855,370	2,074,705	2,317,755	2,586,850	2,881,726	3,210,213
Investment capital, USD billion	60.0	68.7	78.6	89.0	100.5	113.3	127.8	143.7	161.7
Real growth, % y-o-y	11.0	8.8	8.0	7.0	6.7	6.7	6.6	6.5	6.5
Investment capital, % GDP	27.1	27.7	28.1	28.3	28.4	28.6	28.7	28.9	29.0

Source: Vietnam Infrastructure Report, BMI Q4/2015

PART 4: INVESTMENT PLAN AND DEVELOPMENT STRATEGY OF THE COMPANY AFTER EQUITIZATION

I. Key information on the investment plan and development strategy of the Company after equitization

a. Vision, orientation and development strategy of the joint stock company

According to updated forecast and judgment, the Company sets target and orientation of joint stock company as follows:

▪ Vision

To become leading Investment and Construction Corporation in Vietnam and to be a professional international contractor.

▪ Role, mission of CC1

- Create high quality products to maximize benefits for customers and contribute to social development;
- Improve management effectiveness and management quality to enhance brand awareness and sustainable development;
- Maintain and develop CC1 culture and improve standards for employees.

▪ Development strategy

The development strategy of CC1 – JSC is to operate in the construction industry, focus on five core business activities and to achieve operational effectiveness and economies of scale.

CC1 – JSC plans to focus on three core business activities:

- Construction of industrial projects, civil projects, infrastructure, traffic infrastructure, energy and urban environment projects.
- Production of construction materials, industrial products and power.
- Investment and trading of traffic infrastructure projects, energy and environment sanitation projects under PPP.

CC1 – JSC will also pursue two related business activities to support the three core businesses:



- Construction consultation (including design, supervision, investment, evaluation of civil construction projects, industrial projects and infrastructure projects).
- Real estate investment and trading (mainly attending to urban services development policy and social housing segment for low and medium income people).

b. Investment and development plan

In order to implement and successfully meet the proposed targets of the 2016 – 2018 business plan, CC1 focuses on the following programs:

- Improve the management of and maximize the benefits from joining the “SOE reform and corporate governance support” program.
- Ensure construction progress in all projects. Set reputation and quality as brand value judgment; provide international construction standards at competitive prices to customers.
- Standardize marketing plan development and continue to develop “CC1” brand awareness to improve competitiveness of CC1.
- Focus on construction bidding for high value projects with transparent sources of funding to create long-term sources of jobs and to ensure stable growth for CC1.
- Expand business lines from which CC1 gains high revenue including industrial production, especially power.
- Strengthen enterprise management and risk management. Optimize organizational structure to minimize administrative costs, and thus enhance operational effectiveness.
- Maintain and constantly improve application of procedures of international quality standards control systems including ISO 9001: 2008, ISO 14001: 2004, OHSAS 18001: 2007 which are currently available in CC1.
- Pay more attention to investment in PPP projects to increase profit and create additional stable sources of projects.
- Expand construction activities to potential markets in South East Asia (with a focus on Myanmar and Malaysia):
 - Set up engineering teams and technical workers with international levels of skills;
 - Improve management technologies and information systems for remote working control.
 - Enhance information collection for research, evaluation and analysis of opportunities in overseas construction markets;
 - Actively control sources of materials supplied for construction projects in other countries where CC1 has construction contracts.

The business plan of the parent company and the consolidated business plan of CC1 for the next three years were prepared based on the business orientation of CC1 – JSC and restructuring plans of subsidiary companies to improve operational effectiveness.



Projects investment plan of CC1 2016 – 2018(*)

No	Project name	Planned investment (VND million)	Construction period	2016	2017	2018
I On-going projects						
1	BOT New Dong Nai Bridge (Dong Nai, Binh Duong Province)	2,970,000 Debt and equity	2008 – 2017	821,000	280,000	
2	Happiness Residence Project – Phase 1 (Block 11B – Binh Hung Ward – Binh Canh District, Ho Chi Minh City)	1,277,000 (Approved total investment) Debt and equity	2007 – 2017	267,500	931,000	528,000
II Planned projects						
3	Ho Chi Minh Road Construction BT Project for La Son – Tuy Loan Section (Hue and Da Nang Province)	11,485,000 Partnership, CC1 contributed VND 239 billion	2015 - 2017	560,000	26,000	
4	Phuoc Co Ecological Resident in Vung Tau (22 ha)	2,000,000 Debt and equity	2017 - 2020		25,000	200,000
5	Phan Ri Thanh Wind Power Plant (Binh Thuan Province)	1,305,000 Debt and equity	2016 – 2018	20,000	385,000	900,000
6	Social Housing – Nguyen Van Dung Street – Go Vap District, Ho Chi Minh City	218,000 Debt and equity	2016-2017	60,000	158,000	
7	Investment to improve construction equipment's capacity	122,000 Debt and equity	2015 – 2017	25,000	25,000	

II. Key business indicator for 2016 - 2018



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Item	Unit	2016	2017	2018
Equity investment plan	VND billion	329.5	363.0	326.0
Expected charter capital	VND billion	1,100	1,500	1,500
State ownership	%	40.0%	29.3%	29.3%
Number of employees	Staffs	902	911	962
Payroll	VND million	185,006	186,857	208,460
Average income	VND million / person / month	17.0	17.1	18.05
Total Revenue	VND billion	4,747	4,930	5,089
Total costs	VND billion	4,657	4,760	4,905
Profit before tax	VND billion	90	170	184
Profit after tax	VND billion	90	150	162
Dividend ratio	%	7.5%	7.9%	8.3%

(*) Investment plan of CC1 from 2016 to 2018 will focus on the following projects:

Unit: VND million

Item	2016	2017	2018
Additional construction in progress	329,500	363,000	326,000
Dong Nai Bridge BOT Project	124,000	56,000	
Hanh Phuc Residence Project	53,500	186,000	106,000
Construction of segment La Son – Tuy Loan Section of Ho Chi Minh Road (BT Project)	129,000		
Phuoc Co – Vung Tau Ecological Residence		5,000	40,000
Phan Ri Thanh Wind Power Project	4,000	77,000	180,000
Social Housing – Nguyen Van Dung Street – Go Vap District	12,000	32,000	
Investment to increase capacity of equipment	7,000	7,000	



III. Charter capital and structure of charter capital

1. Charter capital

Charter capital of CC1 is **VND 1,100,000,000,000 dong** (In words: One trillion, one hundred billion dong). The Charter capital under equitization plan is as follows:

Shareholder	Number of shares	Par value	(%)
1. State	44,000,000	440,000,000,000	40.00%
2. Employees	2,410,900	24,109,000,000	2.19%
Shares issued to employees at discount (100 shares/year)	413,500	4,135,000,000	0.38%
Shares issued to employees based on working time commitment (200 shares/year)	1,341,400	13,414,000,000	1.22%
Shares issued to highly qualified employees (500 shares/year)	656,000	6,560,000,000	0.60%
3. Labor Union	-	-	0.00%
4. Strategic investors	49,500,000	495,000,000,000	45.00%
5. Other investors through public auction	14,089,100	140,891,000,000	12.81%
Total	110,000,000	1,100,000,000,000	100.00%

2. Post-equitization plan of charter capital increase / decrease

Pursuant to Decision No. 37/2014 / QD-TTg dated 18/06/2014 of the Prime Minister, in case of CC1, majority holding by the State (over 50% of charter capital) is not necessary. CC1 is developing a plan to reduce State ownership and submit to competent authorities for approval according to regulations.

IV. Risk factors

1. Economic risk

Macro-economic factors play an important role in the growth of any enterprise. Operational efficiency and business prospects require enterprises to promptly adapt to the volatility of business environment. Economic risk is defined as a type of systematic risk generated by macro-economic factors including fundamental factors affecting business activities, which are i) economic growth; ii) inflation rate and iii) interest rates. Analysis of the macro-economic environment is necessary to mitigate the negative impact of risk factors on growth strategies and to ensure the smooth operation of business model.

1.1 Economic growth rate

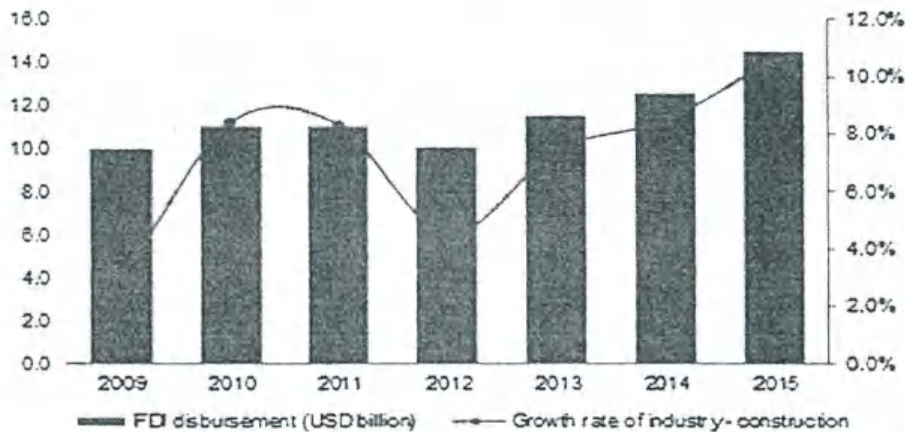
The business operation of the Company is always tied to economic growth. According to figures from the General Statistics Office, total domestic product (GDP) in 2015 increased by 6.68%



compared to 2014, with the first quarter increasing by 6.12%; the second quarter by 6.47%; the third quarter by 6.87% and the fourth by 7.01%. The growth rate in 2015 is higher than the 6.2% target of the National Assembly and is the highest growth rate in the past five years. With a growth rate of 9.64%, industry and construction continued to lead the economic growth, in which manufacturing & processing industries played a key role thanks to steady investment flows from multi-national corporations. In 2015, total FDI disbursement was c. USD 14.5 billion implying an increase of 17.4% compared to 2014, the first time a double-digit growth has been recorded since 2008. Given Vietnam completed negotiating several important Free Trade Agreements, including the draft of TPP and the Free Trade Agreement between Vietnam and the EU, FDI is expected to continue to increase.

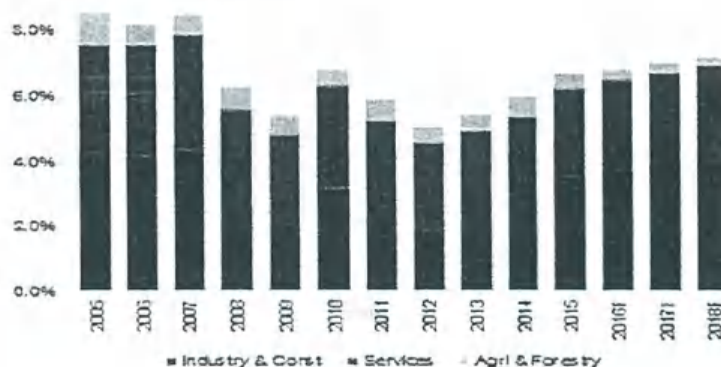
The National Assembly targets a high GDP growth rate in 2016 of 6.7%. This reflects the Government's commitment to achieve sustainable economic growth, create a solid foundation for development of all types of enterprises in the economy and positive impacts on the operations of listed companies. However, long-term economic prospects tend to have volatile elements which are difficult to determine. When macro-economic indicators fluctuate, there may be immediate impacts on investment rates which may affect the operations of the Company. Therefore, in order to limit the risks, the Company constantly improves product quality internal management systems to maintain its market share in the construction sector.

Growth rate of Vietnam in 2005 – 2015 period



Source: General Statistics Office, VCSC

FDI disbursement and growth rate of manufacturing & processing industry in 2009 – 2015 period

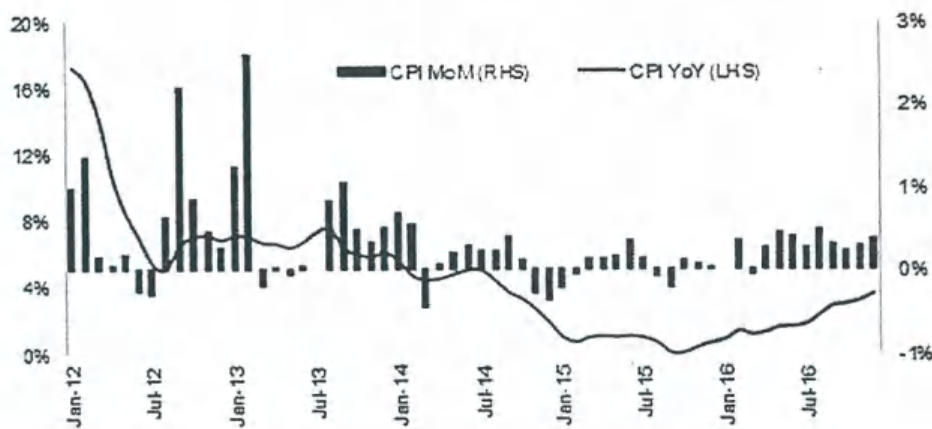




Inflation is macroeconomic factor affecting the economy and has a large impact on the economy in general and the Company in particular. Average CPI in 2015 increased 0.63%, the lowest level for the last 14 years and far below the target of 5%. The authorities are implementing a flexible policy to control inflation. Low inflation creates a foundation for monetary policy easing, lower lending rates, lower bond yields and opportunities to access financing sources for business expansion. With significant improvement signals since late 2014 and the economic restructuring orientation, government’s efforts to divest from non-core business and focus on the efficiency of public investments are expected to support stable growth and sustained inflation by the end of 2016.

The National Assembly has set a target of maintaining CPI at a low level, less than 5% for 2016. However, inflation always depends on many volatile factors. When inflation rates have unfavorable fluctuations, it may significantly affect the economy in general and the Company in particular. To minimize the impact of inflation on operations, the Company has actively strengthened its control of costs to help it manage the fluctuation of input prices.

Monthly CPI, 2012 - 2016



Source: General Statistics Office, VCSC

1.3 Interest rate risk

Besides inflation, interest rate is also an important financial indicator that the Company must pay attention and update daily in order to have reasonable investment strategies. There are few enterprises which have large amounts of capital for their operation so the rest must raise capital by external sources including bank loans. When interest rates increase, it may impact directly on operation of enterprises.

The Company enjoys favorable interest rates due to long term relationships with lenders. In addition, The Board of Management has always been careful in using bank loans. As a result, interest rate risk is under control and negligible.



2. Legal risk

Legal risk arises from any failure to apply and adhere to legal regulations on time during operations.

The Company is a public company and business operation is subject to legal documents issued by competent authorities. The most important documents are the Law on Enterprises, Law on Securities and other legal documents relating to business lines of the Company. Currently, the legal system of Vietnam has not yet completed and has been being changed frequently. Further changes in the legal system may affect the operations of the Company.

Therefore, in order to minimize legal risks arising during operation, the Company monitors, researches and updates legal documents relating to its operation, while hiring consultants for legal issues beyond the capabilities of the Company.

3. Offering risk

The Company offers shares through partial sale of State's capital and shares issuance to increase chartered capital to VND 1,100 billion. After public auction, if the number of offering shares is not sold out, CC1 proposed to the Government and Ministry of Construction for approving sale of remaining shares to strategic investors and to investors participating in public auction through put-through transactions. In the event that after the equitization plan is approved, selected strategic investors do not purchase shares, CC1 suggested the Government and Ministry of Construction to allow Equitization Steering Committee to select other strategic investors (if they meet the selection criteria) or organize a public auction to sell the entire number of shares offered to strategic investors. Therefore, CC1's risk assessment of offering is negligible.

4. Other risks

In addition to the risks mentioned above, the Company's operation may be affected by natural disasters including earthquakes, epidemics, floods, etc which may occur and damage the Company's assets as well as affect business operation. These risks are less common in reality but when it happens, it often causes huge losses in terms of material and human resources as well as the business operations of the Company.

PART 5: INFORMATION RELATING TO OFFERING

I. Offering method

Pursuant to Article 6 Decree 59/2011/ND-CP dated on 18 July 2011, the offering will be offered to:

- Employees of CC1 whose name are in the Company's list of regular employees at the time of equity valuation announcement as of 10 March 2015
- Besides shares offered to employees based on working years, CC1 will offer shares to employees who are considered to be experts and committed to work for the Company post-equitization (500 shares/each year of commitment). The criteria for this offering was approved by the Irregular Conference of Labour as below:



- Employees have worked at CC1 for at least three years, with dedication to the Company, have proved their capacity and been recognized by the Company through appointment to managerial positions including Council Members, members of the BOM, Chief Accountant, Supervisors, President/Vice President of Labor Union, Departments' Manager/Deputy Manager, Branches' Directors/Deputy Directors, Directors/Deputy Directors and Manager/Deputy Manager of Mekong Company
 - Employees with a master degree or higher
 - Lawyers with certification of law practice issued by Ministry of Justice and who have worked for CC1 for at least one year.
 - Employees with bachelor's degrees who have been working consecutively for at least five years and were awarded a "Chien si thi dua" staff title for last three years (2012, 2013, 2014)
 - Employees have been working at CC1 for at least one year and have at least a double bachelor's degree.
- Labor union
 - Strategic investors: organizations and individuals in Vietnam and from foreign countries who have met criteria prescribed in the equitization plan, have commitments in writing to buy shares, support the Company post-equitization and comply with Vietnam law
 - Other investors, both domestic and foreign

1. Offering to employees

Total shares offering to employees are **2,410,900 shares** equivalent to **2.19%** chartered capital:

- Employees whose name are in the list of regular employees as of time of equity valuation announcement can buy a maximum amount of 100 shares for each year of working in a governmental sector at 60% of the lowest successful bidding price of public auction: 413,500 shares including (i) 21,300 shares offering to nine employees who are representatives of CC1 at member companies but they have not purchased shares at preferential price when these companies were equitized; (ii) 4,000 shares offering to two employees who received pension settlement from CC1 but they worked for the Company at the time of equity valuation and retired subsequently.
- Number of shares offered to employees who committed to work for the Company post-equitization for at least three years since the date that the Company issued its first Business Registration Certificate (each employee is entitled to 200 shares/each year of commitment; the maximum number of shares that each employee is entitled to purchase is 2,000 shares; the offer price is the lowest successful bidding price at public auction) is **1,341,400 shares**. Maximum commitment time to work at CC1 is ten years
- Number of shares offered to employees who are considered to be experts and committed to work for the Company post-equitization (500 shares/each year of commitment, maximum number of shares that each employee is entitled to purchase is 5,000 shares, offer price is the lowest successful bidding price of public auction) is **656,000 shares**. Maximum commitment time to work at CC1 is ten years. The criteria for this offering is as follows:



- Employees have worked at CC1 for at least three years, with dedication to the Company, has proved their capacity and being recognized by the Company through appointment to managerial positions including member of Council Members, members of the BOM, Chief Accountant, Controller, President/Vice president of Labor Union, Departments' Manager/Deputy Manager, Branches' Directors/Deputy Directors, Directors/Deputy Directors and Manager/Deputy Manager of Mekong Company
- Employees who either hold a master's degree or are lawyers (graduated with Bachelor of Law, or graduated from a six-month law training class and had 18 months of probation, then received certification of legal practice from Ministry of Justice) and have worked at CC1 for at least one year
- Employees with bachelor degree and have been working consecutively for at least five years and were awarded a "Chien si thi dua" staff title for last three years (2012, 2013, 2014)
- Employees who have been working at CC1 for at least one year and have at least a double bachelor's degree.

2. Offering to strategic investors

In accordance with Section C, Clause 3, Article 6 Decree 59/2011/NĐ-CP, the Ministry of Construction issued Decision No 329/QĐ-BXD dated 7 April 2016 approving criteria for the strategic investors selection and offering method.

a. Purpose for selecting strategic investors

- Support CC1 in implementing its vision to become leading Investment and Construction Corporation in Vietnam and an international professional contractor;
- Support CC1 in executing new technology to improve its qualification in order to increase its competitive advantages on the market;
- Combine local advantages of CC1 with strategic investors' network to increase brand awareness and expansion into foreign markets
- Improve management efficiency and strengthen CC1's competitiveness given international economic integration
- Support CC1 to improve its financial capacity through lending to CC1 or support CC1 to approach financing sources or contribute additional capital to CC1

b. Criteria for selection of strategic investors

- Domestic and foreign investors have financial capacity and commitment in writing by authorized personnel to link with CC1's long term benefits and support CC1 after equitization through new technology transfer, human resources training, financial and corporate governance improvements, supply of raw materials and market development related to its core business.
- The domestic and foreign investors have financial capacity and appropriate businesses with core business of CC1, especially in weak areas of CC1 including construction of water supply and drainage systems, construction of berths, bored piles; construction and installation of



CC1

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Mechanical - Electrical – Refrigeration systems; production and construction of aluminum panels (interior, exterior and fire protection), aluminum ceilings, metal ceilings, etc.

- Capability of market operation, high level of technology; having practical experience and the ability to support the development of CC1's core business; have interests in line with development strategy of CC1.
- Have commitment in writing not to transfer the shares to be purchased in minimum of five years from the date CC1's business registration certificate is granted under Law on Enterprises. In case a strategic investor wants to transfer shares within this period, such investor will need to seek approval from General Meeting of Shareholders. After a period of five years, strategic investors are allowed to transfer their shares in accordance with Vietnam law - purchase rights are prioritized for existing shareholders
- Have commitment in writing to use employees under equitization plan which was approved by the Prime Minister and commitment to support in training employees (if any) to meet job requirements
- Have commitment in writing to implement Project 2 "Reforming state-owned enterprises and supporting corporate governance" by Asian Development Bank ("ADB")
- Not carry out any transaction with CC1 after equitization leads to conflicts of interest and creating a monopoly or unfair competition with clients or other investors of CC1 after the equitization
- Beside the above criteria, foreign investors must meet the following criteria:
 - + Have an account at one of the financial institutions operating in Vietnam which is capable of providing payment services and comply with Vietnamese law. All activities relating to purchase of shares must be conducted via this account

c. Specific criteria:

- Have financial capability, positive net profit in 2013, 2014, 2015 and prove minimum financing amount to be equivalent to the value of registered shares to be purchased. No bad debt or legal violations
- Experienced and effective operation for one of the following areas: construction of water supply and drainage systems, construction of berths, bored piles; construction and installation of Mechanical - Electrical – Refrigeration systems; production and construction of aluminum panels (interior, exterior and fire protection), aluminum ceilings, metal ceilings, etc. Specific criteria is as follows:
 - + Years of operating experience in areas which are complement to CC1's core business: minimum three years
 - + Average revenue in 2013, 2014, 2015:
 - Construction of water supply system, berths and bored piles: At least VND 650 billion per year
 - Or Construction and installation of Mechanical - Electrical – Refrigeration systems: At least VND 200 billion per year
 - Or Manufacturing and construction Aluminum panels (interior, exterior and fire protection), aluminum ceilings, metal ceilings: At least VND 60 billion



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- Average current ratio in audited financial statements of last three years: over 1.0 times
- Average quick ratio in audited financial statements of last three years: over 0.84 times
- Total liability/owner's equity: Less than three times

d. Offering volume

- Offering volume to strategic investors is 49,500,000 shares, equivalent to 45% of chartered capital

e. Time for offering to strategic investors

Offering to strategic investors will be conducted after public auction

f. Methods and offer price to strategic investors

- Type of offering: direct agreement after public auction
- Offer price: based on the result of direct agreement, but not to be lower than the minimum auction price at public auction
- Share transfer restriction: five years from the date that the joint-stock company is granted the first-time business registration certificate under the Law on Enterprises.
- Strategic investors are not allowed to transfer shares within five years from the date that joint-stock company is granted the first-time business registration certificate under the Law on Enterprises unless otherwise approved by General Meeting of Shareholders
- Deposit term: strategic investors are required to pay a deposit of 10% of the value of shares to be purchased based on the starting price approved by the Ministry of Construction. After making a deposit, investors will not be allowed to receive deposit back if they declined to purchase their subscribed shares

4. Shares offered through public auction

- Number of shares: 14,089,100 shares, equivalent to 12.81% of charter capital of CC1 - JSC
- Type of shares: ordinary shares
- Par value: VND 10,000/share (Ten thousand Vietnam dong/share)
- Starting price: VND 10,300 / share (Ten thousand three hundred Vietnam dong / share)
- Deposit: 10% of total value of subscribed shares at starting price
- Auction participants: organizations and individuals which satisfy criteria as stipulated in regulations on the public share auction of CC1
- Auction agent: Ho Chi Minh Stock Exchange
- Time and place for registering to participate on public share auction, deposit and receiving registration form: as stipulated in regulations on the public share auction of CC1 issued by Ho Chi Minh Stock Exchange
- Auction time: as stipulated in regulations on the public share auction of CC1
- Auction place: Ho Chi Minh Stock Exchange, 16 Vo Van Kiet, District 1, Ho Chi Minh City

II. Payment for subscribed shares

As stipulated in regulations on the public share auction of CC1 issued by Ho Chi Minh Stock Exchange



III. Plan to use proceeds from equitization

According to Item 3a Article 42 of Decree 59/2011/ND-CP, in case of CC1, it is a combination of divestment of State's capital and new shares issuance, proceeds from equitization will be treated as follows:

".....a) Proceeds from equitization belong to CC1 will be equal to par value of new shares issuance; capital surplus will be used to settle equitization costs and compensate for redundant labors, in case there is a shortage, it will be treated based on Item 1b of this Article..."

As the public auction has not been organized yet, the lowest successful bidding price is still unknown. For the purpose of calculating proceeds from equitization of CC1, all shares offered to strategic investors and investors through public auction is offered at the same price of VND 10,300/share. After having the official offer price and the actual number of shares offered for each type of investor, the plan to use the proceeds from the equitization of CC1 will be adjusted. Currently the plan to use the proceeds from the equitization of CC1 is as follows:

No	State capital payback plan		Amount (VND)
1	State capital at CC1 after revaluation	(1)	763,477,785,070
2	Proceeds from equitization	(2)	678,096,380,000
2.1	From employees		23,128,650,000
2.2	From labour union		-
2.3	From strategic investors		509,850,000,000
2.4	From public auction		145,117,730,000
3	Par value of shares offered to employees, labour union, strategic investors & public auction	(3)	660,000,000,000
4	State capital at CC1 post-equitization		440,000,000,000
5	All equitization expenses	(4)	2,708,609,460
5.1	Equitization expenses		2,261,000,000
5.2	Compensation for redundancy		447,609,460
6	Share premium belongs to CC1	(5)	4,407,569,659
Total amount transferred to Arrangement & Business Development Fund		=(1) + (2) – (3) – (4) – (5)	334,157,985,951

PART 6: CONCLUSION

This Information Memorandum was prepared to provide information to investors so investors are able to evaluate assets, capital, financial performance and the business outlook of CC1 before deciding whether to register to purchase shares.



CC1

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This Information Memorandum is prepared based on approved equitization plan and information, data provided by CC1 for transparency and protecting investors' legitimate interest. The wording was carefully selected based on information and data provided by CC1.

We respectfully request investors to carefully read this Information Memorandum before deciding whether to participate in the public share auction of CC1.



ON BEHALF OF EQUITIZATION STEERING COMMITTEE
CONSTRUCTION CORPORATION NO.1 – COMPANY LIMITED
MEMBER OF EQUITIZATION STEERING COMMITTEE



DIRECTOR OF ENTERPRISE MANAGEMENT DEPARTMENT
Dau Minh Thanh

ON BEHALF OF CONSTRUCTION CORPORATION NO.1 – COMPANY LIMITED

CHAIRMAN OF COUNCIL MEMBERS

CHIEF EXECUTIVE OFFICER



Le Dung

Le Huu Viet Duc

CHIEF ACCOUNTANT

Huynh Anh Dung

ON BEHALF OF VIET CAPITAL SECURITIES JOINT STOCK COMPANY
CHIEF EXECUTIVE OFFICER



To Hai