

**LONG AN ECONOMIC ZONE
AUTHORITY
TAN DUC INVESTMENT
CORPORATION**

No./CV-TADI-2013

**SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness**

Long An Province, June 10, 2013.

To: Long An Economic Zone Authority

(Ref: Summary of 15 years of foundation and development of industrial parks in Long An Province)

**I. SUMMARY OF FOUNDATION AND DEVELOPMENT OF TAN DUC INVESTMENT
CORPORATION**

Tan Tao Group has chosen the heroic revolutionary land of Long An province to make investments since 2012. The investment owner along with researchers find that Duc Hoa District of Long An Province is the land with heroic history of the national liberation war, nevertheless, it is the saline alkaline, uncultivated and unproductive land. The labor hero – renowned professor of rice Vo Tong Xuan invited Dutch scientists to research with the aspiration of turning it into an agricultural productive land, nevertheless, they shook their heads and turned away with the message: “*Let the land sleep, it might cause problems if touching it*”. Therefore, the local people suffered a lot of hardships, shortages in all aspects of life and infrastructure.

With a sense of responsibility and obligations as the younger generation to contribute to the building of the country in general and Long An Province in particular, Tan Tao Group, as the leading developer of infrastructure and industrial parks in Vietnam over more than 16 years has decided to invest the 1,159 ha Tan Duc Industrial Park – Township – Service Complex with the goal: **CONTRIBUTING TO THE BUILDING OF MODERN AND PROSPEROUS LONG AN PROVINCE.**

1.1 Introduction ò Tan Duc Investment Corporation

Tan Duc Industrial Park was established according to the Decision No. 591/CP-CN dated May 6, 2004 of the Prime Minister covering 535 ha in Duc Hoa District, Long An Province. It is developed into two phases: the first phase of 273 ha and the second phase of 262 ha and the resettlement area of 74 ha. The development objective of Tan Duc Industrial Park is to develop a Clean – Green – Beautiful Industrial Park with advanced infrastructure towards sustainable development.

❖ Field of operation

The major business operations include: Investment, construction, sales and exploitation of industrial parks, townships, deep sea ports and ancillary services. Leasing of land, factories, houses, offices, commercial centers, freight forwarding warehousing, sales and leasing of restaurants, hotels, freight forwarding service, shipping agent, informatics service; services for foreign and domestic investors; advisory service.

❖ **Total investment capital**

Total investment capital of the project: VND 3,857 billion and USD 120 million including:

- Tan Duc Industrial Park – Phase 1: VND 6000 billion
- Tan Duc Industrial Park – Phase 2: VND 963 billion
- Residential and Resettlement Area – Phase 1: VND 260 billion
- Tan Duc Ecity: VND 1,624 billion
- Service & Entertainment Ecity: VND 410 billion
- Tan Tao University – Phase 1: USD 120 million

1.2. Vision and investment strategy

With the desire of helping local children to attend school and not to quit their study owing to the far distance, when starting the project investment, the Board of Management decided to implement the construction of Tan Duc secondary school with a total investment of over VND 17 billion and donated the school to the local people. It has become a green and beautiful school with large campus, computer-equipped library. The Tan Duc secondary school has been recognized as one of the first 20 national standard schools across the country. Since its establishment, the school has taught 3,780 primary and secondary students and admits 600 students each year.



With the aim of contributing to taxes to the Long An Province, Tan Tao Group established Tan Duc Investment Corporation (or Tan Duc Company for short) according to the business registration certificate No. 1100674822 issued by the Department of Planning and Investment of Long An Province on June 27, 2005 to deploy the project.

With the highest commitment to invest in Duc Hoa district in particular and in Long An Province in general to contribute to the development of the heroic land, Tan Tao Group has received the support and assistance of the leaders of Long An Province and Duc Hoa District. Therefore, within less than 5 years from the beginning of site clearance, compensation and construction, Tan Duc Company has attained significant achievements. It has turned the saline and unproductive land into a Green – Clean – Beautiful Tan Duc Industrial Park – Township – Service Complex and has created hundreds of thousand jobs and has significantly contributed to the local budget; especially Tan Tao University and Tan Duc Ecity has become the pride of not just Long An Province but also the icon of new Vietnamese lifestyle according to the views of hundreds of international and domestic delegations.

1.3 Operating situation of Tan Duc Investment Corporation

a. Compensation, clearance and resettlement

With the purpose of providing housing and enhancing the life of local residents in the project area, the resettlement model which was initiated by Tan Tao Group in 1996 has been visited and studied by the delegations of 63 provinces and has been approved for nationwide adoption by the Government.

With the highest spirit of promoting sustainable development and improving the life of local residents, Tan Duc Company not only care about the households having houses in the resettlement area but also carry out the resettlement for the households having agricultural land. With the motto “Leaving land, not leaving homeland”, the resettled households have lived, worked and developed with the Group. For a short period, Tan Duc Company has completed construction of the first phase of the 74 ha resettlement area and continues to expand it into a total area of 187.3 ha for the resettlement area. The land where was saline flooded and deserted with wild weed has become a busy residential place with modern infrastructure full of electricity, clean water, green park, school and common facilities which has progressively enhanced the life of local residents. According to the retired revolutionary cadre in Duc Hoa, “There wasn’t any motorbike in even 10 households, each one now owns two to three”.



Tan Duc resettlement area

To date, the first phase of the resettlement area with a total area of 74 ha has completed infrastructure and public works and has delivered land lots and issued land use right certificates to households to stabilize their life. The second phase has completed the land lot - draw program for the remaining households with ongoing completion of infrastructure works, continuing delivery of land lots to households for construction and implementation of procedures for issue of land use right certificates to households.

With the advantages of the compensation and resettlement of the Company, the local people find their life have been improved in the resettlement areas, therefore, they split the land lots which led to the lack of several thousands of resettlement lots. **Under such circumstance, Mme. Dang Thi Hoang Yen – Chairwoman of the Board of Management decided to use VND 586 billion in compensation for losses of technical infrastructure investment for the 68 ha second phase and supplemented the 44.3 ha area of business purpose to the resettlement area for local people. It is the generous gesture hardly any leader can make.** Therefore, Tan Duc Company has completed more than 99% of the site clearance for the investment owner. In reality, without the sacrifice of the Group and individual's interests, Long An Province definitely can't have the Tan Duc Knowledge City and Tan Tao University.

Before the implementation of resettlement to ensure stable life for the local people, Tan Duc Company conducted investment and construction of the 2 ha cemetery for relocation of 10,000 graves in the project area. Therefore, it received strong support from the local people, and they also exclaimed: **“This is the first time in Vietnam, a business has built resettlement area for not only the living but also the dead!”**.



Tan Duc Cemetery

b. Development of environmentally friendly Tan Duc Industrial Park

Tan Duc Company started investment and construction of technical infrastructure in 2006. During less than 7 years, the Company has turned the alkalized saline, uncultivated land into a Green – Clean – Beautiful Industrial Complex, which are regarded as “**the most beautiful industrial park in the world**” by Chairman of the Japan External Trade Organization during his visit to Vietnam in 2009.



Tan Duc Industrial Park

The traffic system of Duc Hoa Ha and Huu Thanh communes entirely had no connection with the provincial traffic although the province promised to build roads connected to industrial parks. With the aspiration of turning the unproductive land into a bustling industrial park, Tan Duc Company built over 1.5 km road worth nearly USD 500,000 (in 2002) connecting between the public road and the industrial park.

There was no electricity or water facilities, therefore, the Company has invested more than USD 100 million to build a water supply plant and a wastewater treatment plant and entire piping system connecting the whole project of more than 1000 ha.

Concerning the saline-alkalized land of the project, the Company has invested more than USD 50 million to buy sand and soil for leveling and elevating the site from 2 meters up to 2.3 meters for construction of the factory and offices to investors. Therefore, the unproductive land has become a bustling Tan Duc Industrial Park like today.



Some factories in Tan Duc Industrial Park

The first phase and second phase of Tan Duc Industrial Park has attracted 115 investors including 36 foreign investors and 79 domestic investors with a total registered capital of VND 3,004,189 million and USD 149,740,000 USD occupying 95% of the first phase area and 30% of the second phase area. In the situation of 4 years of the global financial crisis, such achievement demonstrates prestige, activeness and creativeness of the leadership and all staff of Tan Duc Company in attracting foreign and domestic investments.

Just for a short period, the first phase Tan Duc Industrial Park has created more than 10,000 jobs, including 40-50% jobs for local residents. It is estimated that when the second phase Tan Duc Industrial Park is fully occupied within next 3-5 years, it will generate around 50,000 jobs. Especially, in order to create more jobs for the farmers affected by the project, Tan Tao Group has introduced plant nurseries, which have employed thousands of farmers, and trained unskilled workers to grow and care for trees. On the other hand, Tan Duc Company has coordinated with the local police department and the fire fighting department and send the professional security guards from Tan Tao Industrial Park to train and employ hundreds of unskilled local labors to become security guards of the industrial park. In addition, in order to equip unskilled workers with necessary skills, Tan Duc Company has been investing more than USD 5 million to build the 2.5 ha vocational school. It is expected to train at least 5,000 workers each year upon being completed.



Walk to support the Japanese earthquake victims

c. Construction of quality technical infrastructure

With the vision: “Being the vanguard to build a better future for Vietnam”, Tan Tao Group has always given the first priority to the project quality, which has been demonstrated by the development of a Green – Clean – Beautiful Industrial Park – Township Complex: Within less than 4 years after completion of the site clearance and compensation, the Company has turned the saline-alkalized, uncultivated land into the Tan Duc Knowledge City- Industrial Park Complex with modern infrastructure, advanced information technology system, wastewater treatment plant, water supply plant, green park and public facilities.



Swan Park – Tan Duc Knowledge ECity

The traffic system of Tan Duc Industrial Park and Tan Duc Knowledge City has been designed to meet not only the current demand but also the demand of next 20-50 years with around 500,000 residents according to the international standards. With 40% of the land used for roads, trees, park, lotus pond and public facilities, it has made the complete difference compared to the nearby projects as well as the projects of other investors across the country.



The planting of green lawns along the roads and the park and the growing and caring for trees, park, lotus pond in the area of hundreds of hectares is a huge work. The cultivation of the saline-alkalized land caused failures to the Company's professionals and cost billions dong for the treatment and experimental planting to find the suitable trees. The Chairwoman of the Board of Management with her extensive experience in development of townships in the US and with the determination of building a high quality complex for providing the better life, directly came to the site to give the guidance to professionals and plant workers despite the rainy or hot weather and requested to import trees from other countries for experimental planting and semination to create a living and working space with green park and infrastructure meeting the highly aesthetical standards. The Group has invested more than VND 700 billion to dig ponds, canals and buy soil to reclaim the alkaline land, to build plant nurseries, searching for and planting big trees to create the green space in harmony with the Tan Duc Knowledge City and Industrial Park Complex.

The construction of Tan Duc Bridge with a total investment capital of over 60 billion dong or USD 3.5 million has connected the An Ha canal between Duc Hoa Ha commune and Huu Thanh commune. The inauguration ceremony for technical operation was held on September 3, 2009 with the attendance of Long An province's leaders. Tan Duc Bridge has reduced 12 km distance between Long An Province Complex and Hoc Chi Minh City. It has not just provide more convenience to local residents but also decrease the expense and the time of transportation between Ho Chi Minh City and Long An Province.

d. Construction of public facilities

Besides technical infrastructure, the Company has actively deployed construction of infrastructure and public facilities and organized activities for investors and workers Tan Duc Industrial Park including Tan Duc Star, town houses, Tan Duc Plaza workers apartment block, Prince football field, Swan swimming pool ...

In addition, Tan Tao University situated in Tan Duc Ecity has been established to meet high quality human resources of businesses. The university has been developed according to the international standards with multi-disciplinary curriculum.

The prominent feature of Tan Duc Industrial Park is the 10,224 m2 eight-floor building for Tan Tao hospital located in Lot 10, Duc Hoa Ha road in the middle area between Tan Duc IP 1 & 2. Tan Tao hospital is built to meet the community health needs. The hospital is located in the central area of Tan Duc Industrial Park, convenient for travelling and for local residents in Tan Duc Residential Industrial Park Complex.

The school for gifted students from kindergarten from kindergarten to 12th grade: The Company has worked with the Education Department of Duc Hoa District and has been granted 5 ha area, which is planned and designed in accordance with the international standards by US architects. It is expected the complex for gifted school from kindergarten to high school will be built in 2013 to provide education and training to talented students, especially excellent students from poor families in Long An Province and nationwide.

The high school & kindergarten system: With the aim of helping workers feel secure, Tan Tao Group has built the Little Sun Kindergarten catering for nearly 100 children. Besides, Tan Tao Group has officially established the High School for the gifted which has been

operational for two years. The school grants full scholarship to 150 students to encourage and train young talents each year.

Tan Duc Industrial Park will enhance the services to meet the pressing needs of security. The factories in Tan Duc Industrial Park will be required to install modern cameras, alarm systems connected to the Security Center of Tan Duc Industrial Park. Professional security guards in Tan Duc Industrial Park are always on 24-hour duty and are always be available when necessary. Business owners can also access remotely via the Internet to check the business operation as well as the security requirements of factories. Therefore, Tan Duc Industrial Park is the first industrial park in Vietnam ensuring security by information technology.

Security & fire fighting: Well-trained force in security and fire safety and fighting, the industrial park is equipped with a fire engines and holds a monthly drill.

With the development model of "Tan Duc Industrial Park Service Township Complex", Duc Hoa District in Long An Province has become a promising land with long-term development potentials .

II. ACHIEVEMENTS

For 10 years since Tan Tao Group began to invest in Duc Hoa District, Tan Duc Company has fulfilled its mission set by the Board of Management. Tan Duc Industrial Park has made positive contributions to the development of the province. Tan Duc Knowledge City and Tan Tao University will become the pride of the country in general and Long An Province in particular... Tan Duc Company has attained the following achievements:

Year 2006:

- The Emulation Flag of the People's Committee of Long An Province according to the Decision 1198/QD-UBND on May 04, 2007 Decision for the 2006 typical excellent enterprise title of Tan Duc Company.

- The Certificate of Merit of Long An Province People's Committee according to the Decision No. 256/QD-UB on January 25, 2007 for the Company's positive contributions to the cause of education promotion in Long An Province in 2006.

- The Certificate of Merit by the Sports Department of Long An Province according to the Decision No. 123/QD-KT on Feb 13, 2008 regarding the accomplishment of the Sports Club of Tan Duc Investment Corporation in the 2006 local sports activities.

- The Certificate of Merit of Labor Union of Duc Hoa District according to the Decision No. 01 on Feb 01, 2007 regarding the Company's outstanding achievements of its labor union in 2006.

Year 2007:

- The Emulation Flag of the People's Committee of Long An Province and the Enterprise Gold Cup Enterprise according to the Decision No. 1357/QD-UBND on May 22, 2008 regarding the 2007 typical excellent business title of Tan Duc Company.

- The Certificate of Merit of Long An Province People's Committee according to the Decision No. 1187/QD-UB on May 05, 2008 regarding the achievement in paying taxes in 2007.

- The Certificate of Merit from Chairman of the Vietnam Chamber of Commerce and Industry according to the Decision No. 3849/PTM-TDKT on December 04, 2007 regarding the Company's outstanding achievements in successful organization of the ASEAN business forum for and contribution to the community development in 2007.

- The Certificate of Merit of Labor Union of Duc Hoa District according to the Decision No. 24 on April 01, 2008 for the Company's outstanding achievements in labor union activities for the period 2003-2008.

- The Certificate of Merit of the Labor Union of Duc Hoa District according to the Decision No. 115 on April 01, 2008 regarding the Company's outstanding achievements in labor union activities in 2007.

- The Certificate of Merit to the Company's staff and employees by the People's Committee of Duc Hoa Ha Commune according to the Decision No. 2716/QD - UB on March 12, 2008 regarding the achievements in the national security activity in 2007.

Year 2008:

- The Certificate of Merit from the National Commission on Economic Cooperation according to the Decision No. 076/QD- UBND on September 18, 2008 regarding the Company's successful contribution to the Mekong Delta Economic Cooperation Forum held in Can Tho Province in 2008.
- The Emulation Flag of Long An Province and the Enterprise Gold Cup according to the Decision No. 469/QD-UBND on March 12, 2009 regarding the Tan Duc Investment Corporation 's typical excellent enterprise title in 2008.
- The Certificate of Merit of Long An Province People's Committee according to the Decision No. 607/QD.UB on March 06, 2009 regarding the achievement in paying taxes in 2008.
- The Certificate of Merit of the People's Committee of Duc Hoa District according to the Decision No. 603/QD-UB on February 13, 2009 regarding the excellent performance of Tan Duc IP's security team in 2008.
- The Emulation Flag of the Prime Minister according to the Decision No. 761/QD-TTg on June 9, 2009 regarding the excellent accomplishment of missions and tasks and taking the lead in the patriotic emulation movements in Long An Province in 2008.

Year 2009:

- The Third Class Labor Medal granted by the State President according to the Decision No. 436 QD/CTN on March 20, 2009 regarding the outstanding achievements in social and charity activities for the contribution to the cause of building socialism and national defense.
- The Emulation Flag of the Prime Minister regarding the excellent completion of missions and taking the lead in the 2009 patriotic emulation movement in Long An province.
- The Certificate of Merit of Long An Province People's Committee according to the Decision No. 607/QD-UB on March 06, 2009 regarding the achievement in paying taxes in 2009.
- The Enterprise Gold Cup and the Emulation Flag of Long An Province People's Committee according to the Decision No. 974/QD-UBND on April 21, 2009 for the excellent enterprise.

- The Certificate of Merit of Long An Province People's Committee according to the Decision No. 26/08/QD-UBND on January 09, 2009 regarding the excellent achievement in the activities in celebration of the Vietnam Entrepreneurs' Day 2009

- The Roll of Honor of the Vietnam Study Promotion Association according to the Decision No. 211QD-KHVN on September 24, 2009 regarding the funding of VND 18 billion to the cause of study promotion and building of the learning society.

Year 2010:

- The Emulation Flag of Long An Province People's Committee according to the Decision No. 1301/QD-UBND on April 26, 2011 regarding the good business achievement in 2010.

- The Certificate of Merit of the Women's Union of Long An Province according to the Decision No. 219/QD-HPN on March 24, 2011 regarding the support to the gathering of women militia in Long An Province.

And many other achievements and awards.

III. CHALLENGES AND PROPOSALS

3.1 Challenges and obstacles

a) Challenges

- During the 2010-2012 period, due to the Government's credit tightening measures for restricting credit flow to real estate sector, which caused a huge increase in property inventories. Therefore, many companies accepted losses of 50% to 80% on their investments in order to sell their properties, which made the real estate market look dim. Therefore, it is necessary to develop a new model to save the industrial park real estate and create a new destination for the current industrial park development model.

- The periodic economic crisis leads to the stagnancy in investment.

- Investment capital of the infrastructure construction businesses is small, mainly based on bank loans, therefore, the situation of economic crisis, high interest rate and large expenses will lead to unhealthy and unequal completion

- The supply of Duc Hoa District is too large, by the end of 2012, the province has 23 industrial parks according to the national industrial park development plan until 2015 and orientation to 2020 with a total area of 9,758.0611 hectares with 47 industrial park infrastructure projects (including the expanded industrial parks) and 39 infrastructure investment owners (Duc Hoa IP III has 14 industrial park infrastructure investment projects and 14 infrastructure developers; Tan Kim IP has 2 infrastructure developers; Tan Buu - Long Hiep has 4 infrastructure developers). Among 23 industrial parks in the province, there are 20 established industrial parks with a total area of 4,503.98 hectares, 20 IPs over 23 IPs have been granted investment certificates with a total area of 5421.93 hectares. Currently, there are 20 operational IPs.

- Currently, Long An Province's industrial parks are interdisciplinary with the advantage of competitive location, nevertheless, the connection and restructuring by support industrial parks are weak.

b) Difficulty in transportation

- The Provincial Road 825 and the Provincial Road 10 which is the main road connecting Duc Hoa District to HCM City are still difficult for traffic due to the spontaneous markets for the shopping demand and workers' activities.

- Tan Duc Company has also proposed the Province and the Department of Transportation and Public Works several times to create a bus route connecting Tan Duc IP to HCM City but it is unresolved. It will shorten the distance between HCM City and Tan Duc IP as well as will attract workers from HCM City and the surrounding areas.

c) Difficulty in labor

Not meet the requirements of the enterprise, in the past usually occurs as gathering facts fights, threats, intimidation ... leading to law and order situation is not stable. Not the school career-oriented, labor-oriented business.

d) Tan Duc Industrial Park also finds it difficult to attract investments. Instead of the competition in rental price, Tan Duc Company has enhanced competitiveness in services, high-quality workforce, investment attraction on the basis of the Green - Clean – Beautiful standard. This model requires support from the local authority and interest of the authority levels.

e) **Promotion** and marketing policies face difficulties due to the similarity in the development model of industrial parks in Long An Province, there are no notable characteristics for investment attraction.

3.2 Proposal:

In order to build Green - Clean – Beautiful industrial park in the direction of an industrial township area in the future, investment owners need to have support from the province as follows:

1. Macroeconomic difficulties: The credit tightening measures have businesses to lose their access to capital markets. Many healthy businesses faced difficulties in paying rent and fees for factories and had to reduce production.
2. The shortage of skilled and high-tech workers in the local area also poses a major obstacle and need attention from the local authority. The local authority needs to give incentives, especially proposes to the Government on tax incentives to attract professors and lecturers to provide skilled and educated workers to serve the development cause of the province. Tan Tao University (TTU) has recently had to pay nearly a million dollars personal income tax on foreign teachers' income and it is unreasonable while TTU grants full scholarships to students. If still so, NO good professor will want to teach here.
3. The settlement of land procedures and approval of planning is still difficult and time consuming, which will cause a big impact on investors and resettled residents.
4. Especially, the province's inconsistent resettlement policy also poses a big obstacle, Tan Tao Group always pioneers in resettlement activity. It can be stated that no project has a better resettlement measure than the Tan Duc IP project. Nevertheless, it is not encouraged and the Company continues to be constrained by the regulations beyond the general policies. It can push investors to the dangerous situation while the economy tumbles down and discourages investors.

The above are some activities, difficulties and proposals from Tan Duc Company to report to the Long An Economic Zone Authority.

Sincere thanks and warmest regards,

To:

- As above,
- Saved.

PRESIDENT

NGUYỄN TUẤN MINH