



TAN TAO GROUP

TAN TAO INVESTMENT & INDUSTRY CORPORATION

Address: Lot 16, Road 02, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District,
Ho Chi Minh City

Tel: 08. 37505171/ 2/ 3/ 4 - 08. 37508235/ 6

Fax: 08.3 7508237

Email: contact@tantaocity.com

WWW.ITAEXPRESS.COM.VN/ WWW.TANTAOCTY.COM/ WWW.ITAECITY.COM

Ho Chi Minh City, date....month..... 2009

REPORT OF THE 2008 BUSINESS OPERATING RESULTS AND BUSINESS PLAN FOR 2009

1. BUSINESS OPERATING RESULTS IN 2008

The year 2008 witnessed many major economic changes including the global financial crisis, which has caused severe impacts on the world economy in general and Vietnam in particular. In Vietnam, the wide fluctuations of fuel price and construction materials, a sharp rise in the banks' lending interest rates and the stock market slump covering a gloomy atmosphere in the real estate market all have negatively affected the implementation of investment projects and the production expansion of domestic and foreign investors. A large number of small and medium-sized enterprises went bankrupt and it left thousands of workers, even technically skilled and managerial employees, unemployed. The Government has delivered measures, policies to prevent the current economic downturn, however, it is still challenging for Vietnam to overcome the difficulties in the time to come.

Tan Tao Group and other companies operating in the real estate and industrial park development have been adversely influenced by the global crisis. The freezing real estate market made a bad impact on the development strategies and plans of the Group. However, in the past year, under the strong leadership of the Management Board and Board of Directors and with the vigorous efforts of young, dynamic and energetic staffs and employees of the Group, being sensible to the situation, have preconized creative measures to enhance customers' caretaking and services in project's development.

In terms of the business operation in typical industrial parks comprising Tan Tao Industrial Park, Tan Duc Industrial Park- Phase 1 &2 as follows: In 2008, Tan Tao Industrial Park attracted 260 investors with a total registered capital of VND 7,634.02 billion and 35 foreign investors with more than USD 126.24 million in total, of which 202 enterprises have already been in operation. Tan Tao is one of the industrial parks leading in the number of enterprises in operation, creating stable employments for over 30.000 employees. Tan Duc Industrial Park-Phase 1 has had its 90 percent of the space filled and attracted 90 investors comprising 19 foreign investors with a total registered capital of more than VND 2,180 billion and USD 78 million. Until the end of 2008, 24 enterprises has operated and employed more than one thousand employees. In addition, 26 investors have their factories and warehouses in construction and expect to start their operation in 2009. The infrastructure of the phase 2 of Tan Duc Industrial Park is being constructed and the land is projected to be handed over to enterprises for factories and warehouses' construction in the second quarter of 2009. In late 2008, 12 investors have registered for a total area of 24 hectares.

Apart from the achievements of business operation, Tan Tao Group has been granted numerous prestigious awards in 2008 comprising Saigon typical businessman awarded by the Saigon Businessman Newspaper, Vietnam Commercial Service Award honored by the Trade and Industry Newspaper, Vietnam Strong Trademark 2008 granted by the Vietnam Economic Times, Prestigious Securities Trademark – Vietnamese Leading Joint Stock Company granted by the Vietnam Securities Business Association, Vietnam Golden Star and Southern Golden Star Awards honored by the Ho Chi Minh City Communist Youth Union Central Committee and the Vietnam Young Entrepreneurs' Association, ISO Gold Cup and others.

Additionally, the Group also actively engages in social and charity activities. In September 2008, the Chairwoman of the Management Board, in coordination with the Ministry of Education and Training, the Party Central Committee's Commission for Popularization and Education, Ho Chi Minh Communist Youth Union Central Committee, and the Vietnam Association of non-state universities and colleges, launched the HOA TRANG NGUYEN PRIZE, offered scholarships to 1,480 students with the best performance in high schools, or students of first national, international prizes and First Laureates of entrance exam in national universities across Vietnam.

Furthermore, the Group donated a water filter system to the Birla orphanage village, coordinating with the Thanh Hoa Study Encouragement Association to give VND 180 million and milk products to poor students in the province, supporting poor teachers in the remote mountainous areas of Hoa Binh, Lai Chau and Dien Bien provinces, sponsoring the construction of school boarding house for poor students from remote communes in Dien Bien province and donating charity houses to poor households in Long An provinces...etc.

Tan Tao also coordinated to organize and sponsor many international and regional economic conferences comprising the Business Roundtable with the Government of Vietnam, the Global Economic Summit...etc.

Those mark successful milestones that the Management Board, the Board of Directors and all staffs and employees have achieved during the past 12 years.

Summary of the Group's business operating results in 2008:

1.1. THE IMPLEMENTATION OF THE 2008 BUSINESS PLAN

- Total value of business operations	VND 2,167.76 billion
In which:	
+ Land and factories & warehouses lease	VND 721.32 billion
+ Services business	VND 33.10 billion
+ Income of financial operations	VND 81.00 billion
+ Shares and bonds issuance	VND 916.33 billion
+ Others	VND 2.82 billion
- Total number of staffs and employees	VND 769 người
- Average income	VND 5.5 million per month
- Total revenue	VND 1,268.19 billion
In which:	
+ Revenue of land and warehouses lease	VND 1,071.92 billion
- After tax profit (achieving 98,36% of the plan)	VND 295.08 billion
- Undistributed Profit as 31-12-2009	VND701,557billion

1.2. EVALUATION OF THE IMPLEMENTATION OF THE 2008 PLAN

a. Marketing and business operation

In order to build and develop architectural infrastructure for better living conditions in Vietnam along with its business philosophy “Your success is our success” and “Your prosperity is our success”. The Board of Directors, staffs and employees always strive to attract investors and improve investment environment towards industrial and residential development, environmental protection and profits of investors and sustainable development.

In 2008, Tan Tao Group drew up the business strategies to attract foreign and domestic clients whose manufacturing fields cause no pollution to the environment into the Group’s industrial parks.

The Group has actively promoted its image and brand to potential investors both inside and outside the country through the sponsorships or participating in the national and international conferences and seminars to discuss, exchange experiences and develop the relations to draw more investments into the Group ‘s industrial parks and projects. Particularly, the Group ‘s Chairwoman and executives accompanied the Prime Minister to visit the United States, Australia, accompanying the State President to visit Russia and attend the APEC conference in Peru.

The Group has invested in solutions to improve and develop its telecommunication infrastructure and Website, deploying Enterprise Resource Planning (ERP) software,

integrating the management system of the Group to facilitate timely and swiftly information exchange between departments, affiliates and enterprises operating inside and outside the Group 's industrial parks, thus, creating a connection bridge between the above mentioned components toward becoming mutual trustworthy partners for their own effective operation.

In addition to assisting enterprises to untie their difficulties and resolving reasonable complaints from customers, the Group frequently studies and applies the policies, regulations of the State and competent agencies into the development model of industrial parks and provides useful consultation to investors such as: to help enterprises with obtaining investment licenses and to borrow capital from banks for payment of land and warehouse leasing and to raise their working capital for warehouse construction or for the modernization of facilities to improve production capacity.

Tan Tao Group has received international delegations from the United States, Japan, Australia, China, Korea and Taiwan... that came to visit and seek investment opportunities. It also carried out investment promotion activities in foreign countries comprising Japan, Taiwan, Korea and Australia.... On September 11, 2008, General Secretary of the Communist Party of Viet Nam Nong Duc Manh paid a working visit to Tan Duc Industrial Park of the Group.

Tan Tao has joined domestic investment promotion activities in Hanoi, Ha Tay, Ha Nam, Hung Yen, Quang Ngai, Kien Giang, Can Tho, Long An... and also in many foreign countries. The investment promotion activities include: Chairwoman of the Management Board, the Board of Directors accompanied high-level leaders of the Government of Vietnam to visit countries, conducting investment promotion in the provinces and states of foreign countries to introduce its development potentials and prospects of its industrial parks and projects, additionally, participating in investment promotion conferences...etc.

In 2008, Tan Tao Group successfully held the Entrepreneur's Day for Long An province's businessmen in Tan Duc Industrial Park. The provincial authority appreciated the efforts of enterprises for their contributions to the socio-economic development of the country and the province. During the meeting, Tan Tao Group and its Tan Duc Industrial Park were also presented to the interested businessmen and provincial leaders.

b. Supporting employees and social activities

Tan Tao Group has always attached importance on the development of human resource through its perception of "Manpower is a key to open successful doors to Tan Tao Group". Towards this idea, the Group's Management Board and the Board of Directors have created favorable conditions for staffs and employees to acquaint higher skill and qualification and income incentive with the combination of salary and bonus share. Supporting staffs and employees to take part in short-time, long-term foreign and domestic training courses to enhance their managerial capacity and competence. As of late 2008, the total number of staffs and employees of the Group attains 769 employees, almost all of them acquire 1 or 2 university degrees, among them, 20 managerial staffs with doctoral and master's degrees from prestigious national and international academies and universities.

The administration has aggressively given advices to internal, external and social affairs to build a modern image of Tan Tao's industrial parks and develop the Group culture "Dedication to work and responsiveness to customers", building good relationship among staffs and employees, developing close relations with households in the site clearance area

and local and central authorities by offering scholarships, granting charity houses to policy families and schools to poor localities, looking after Vietnamese heroic mothers, constructing modern residential resettlement areas, building cemeteries to move tombs while clearing site...etc.

Those demonstrate a orientation of Tan Tao Group towards a sustainable development. In the past years, the Group has actively engaged in educational development, construction of primary and secondary schools, kinder gardens and equipped computer's classrooms... Tan Tao successfully organized the Hoa Trang Nguyen Prize in 2008, which was selected as one of the symbolic events 2008 by the Youth newspaper (Thanh Nien newspaper). This program is to honor and award outstanding students, encourage gifted students toward higher education and will be held every year.

- Providing quality management system training to new staffs and employees to help them aware of quality policies, environment, and culture and development orientation of the Group and to assume the responsibilities for their assigned tasks. Depend on the needs of each department, The Group has allocated the employees to appropriate formation and training course with competent organization to update the knowledge in their specific mission's field, to upgrade their competence to achieve assigned tasks. Particularly, Chairwoman and the Board of Directors have devoted so much time to professionally train and guide senior managers and executives, step by step, toward building a higher competent staff to cope with the development vision of the Group.

- Maintaining security and order, fire prevention and fighting activities at the Industrial Park. The Group has offered professional skill training and martial arts training courses to fire brigades and enterprises in the Industrial Parks, providing adequate equipments for fire prevention and fighting rehearsals to build well-equipped and good-disciplined brigades, delivering fire prevention measures to minimize fire violations in the industrial parks and coordinating with the departments and branches to guarantee security and social order and fire safety, participating in the seminars of fire prevention, coordinating with local police departments to ensure the safety and security of investors towards sustainable development of industrial parks.

+ Coordinating to publicize the understanding of fire and explosion prevention measures described in the Fire Prevention Law and Circular 04 of the Ministry of Police, provide close management of workers, to protect and prevent the losses of assets of enterprises in industrial parks, timely detect and report labor strikes, individuals and collectives violating environmental hygiene and fire prevention regulations to competent departments or agencies.

+ Planning and organizing guards and patrols to protect assets in industrial parks to prevent fire and explosion in industrial parks, monitoring temporary residents at construction sites, resolving incidents related to fire prevention, social order and security, environment and others in compliance with the laws.

+ Organizing to follow, carry out coordination plans which have been signed between the related units, exchanging (or organizing seminars) to evaluate the performance as required every year, quarter and month based on the close coordination and to perform higher qualified duty.

Tan Tao Group continues to strengthen cooperation with departments and branches, regularly organizing cultural, music and sports programs, law dissemination programs to

raise legal awareness among staffs and employees in the industrial parks, restricting labor strikes by holding festivals and game shows such as: Workers Fair, Mai Vang Award held by the Labor newspaper....etc, thereof, promoting the Tan Tao image for investment attraction.

- Organizing to receive foreign and domestic delegations for experience exchange in the development of industrial parks, and won much impression of visiting delegates. The visiting delegations comprised the members of Chile's Chamber of Deputies, American Professors, foreign consulates in Vietnam and other delegations from provinces and cities nationwide.

c. Infrastructure construction and environmental management

With the duties of planning, monitoring, controlling design and construction through the utilization and exploitation of infrastructure works in Tan Tao and Tan Duc Industrial Parks (traffic, electricity and water supply systems, water purification and wastewater treatment stations, warehouses, storage space...), the Engineering and Construction Department has effectively completed its duties and other coordinating tasks. Hereunder are the operating results in 2008.

Tan Tao Group has sped up the investment pace and infrastructure construction in its industrial parks comprising electricity, water supply, drainage, internal road, green space, bridges and roads, wastewater treatment station, water supply system, warehouses, storage space... to serve tenants and the operation of enterprises and for investment attraction. In addition to infrastructure maintenance, the Group has also completed many public works and green space on several roads, elaborated control and protection plan to maintain infrastructure works, replanted green trees to improve industrial parks scenery.

Construction completion of social and technical infrastructure in industrial parks

- Dwelling-house for workers in the 33.26 ha resettlement area (Tan Tao Industrial Park): ongoing construction of additional 04 rooms and restoration of 5 rooms for lease.
- Workers apartment block in the 33.26 ha resettlement area (Tan Tao Industrial Park): Launching construction of 03 blocks in the end of 2008 which is financed by the World Bank and projected to be completed in early 2010 to meet the housing demand of workers.
- High-rise building in the 17.7 ha resettlement area: Designing a 15 floor -building for low-income people and a 15 floor- building for high-income people, in phase of completion of design documents and projected to start in 2009.
- Continuing the restoration, maintenance and modernization of infrastructure system in the industrial parks.

Environmental protection's task in industrial parks:

- The Group always provides support, consultation and dissemination to enterprises regulations on environmental protections.
- Undertaking environment monitoring plans in the industrial parks (wastewater from the concentrated wastewater treatment station, surface water, and ambient air in industrial

parks) every month and quarter and reporting the environmental state in industrial parks in compliance with the State laws.

- Frequently reminding enterprises to comply with the factory waste treatment regulations, supporting the resolution of disputes and appeals among enterprises regarding emission pollution.
- Coordinating with Industrial Zone Authorities to carry out environmental control in factories in the industrial parks, coordinating with Departments of Natural Resources and Environment to inspect the enterprises violating the environmental protection laws, coordinating with competent agencies to resolve the related issues.
- Operation of Environmental Management System conformed to ISO 14001:2004.
- Constant operation of the concentrated wastewater treatment station to reduce environmental pollution in the industrial parks, making scheduled and unscheduled examination of wastewater quality of the enterprises in industrial parks for effective environmental management.

d. Financial and credit management

- The Group accurately applies its financial regulations, performing accounting and financial management in accordance with the accounting standards.
- Productive implementation of debt and credit management, timely controlling income sources and making on-time payments, which earn a high credits rating from banks. Particularly, the World Bank provided a loan for the construction of wastewater treatment plant and the workers housing block in the 32 ha resettlement area in the expanded Tan Tao Industrial Park.
- Keeping its receipts and expenses in balance, mobilizing necessary investment capital for the development of Group's projects.

e. Development investment

In 2008, Tan Tao Group had kept attention on investing in industrial parks with stable profit including Tan Duc Industrial Park Phase 1 and 2 and Tan Duc E.city. The Group leadership finds the necessity to expand its investments in strengths and major businesses of the Group; therefore, the Group has expanded its cooperation and joint venture of industrial parks in the Northern provinces such as Agrita and Itahan Industrial Parks. Furthermore, the Group has prepared legal procedures for site clearance and infrastructure construction for Ha Nam Cement Plant and Kien Luong 1 Thermal Power Plant.

In addition, the Group continues to study and conduct other requirements for the preparation of projects: Sai Gon – Mekong urban zone, Long An water plant, a 52 ha Tan An Commercial Center and Office Building Complex, Tan Tao Sky conveniently located near Saigon river etc...

Until the end of 2008, the Group has a total 42 projects nationwide under direct investment of the Group or joint venture with domestic and foreign partners which are expected to bring good results in coming years.

1.3. CONCLUSION

Despite the impacts of the global financial crisis and the fluctuations in raw materials in 2008, the Management Board concentrates on giving timely directions to the Board of Directors and employees for the completion of the targets of 2008 and the premises for 2009. Tan Tao Group has attained significant achievements in infrastructure construction and development of new potential projects. Through short-term and long-term training courses, the Group keeps on enhancing qualification and skills of staffs and employees to attract more investment to develop the Group's projects above mentioned.

2. BUSINESS PLAN FOR 2009

2.1. MAIN TARGETS OF BUSINESS PLAN FOR 2009

- Total value of business operations:	VND 2,304 billion
- Total staffs and employees	1200
- Average income	VND 6.5 million per month
- Total revenue	VND 1,100 billion
- After tax profit	VND 300 billion
- Chartered capital	VND 2,000 billion
- Projected dividend & Bonus payout ratio	20 %

2.2 BUSINESS GOALS, INVESTMENTS FOR 2009

2009 is forecast to be a difficult year for the world economy, Vietnam and business operations of Tan Tao Group. Therefore, based on the evaluation of the 2008 business operating results and the global financial crisis impacts, Tan Tao Group sets out the above targets. The leadership and employees have to make its best efforts to undertake the resolution which is drawn up by the Management Board and approved by the General Meeting of Shareholders for 2009.

2.3 MEASURES TO MATERIALIZE 2009 PLAN

The global economic recession is forecast to linger throughout 2009; therefore, a number of big difficulties and challenges are still ahead. However, the Group leadership affirms that 2009 is a critical year for the development of Tan Tao Group in the mixture of difficulties, challenges, advantages, and opportunities. Our Group has to take most advantage of all opportunities and strive to make its best efforts to weather difficulties and challenges, making 2009 as a turning point to lay the foundation for further development of the Group in the coming years. Measures to realize 2009 plan are as follows:

a. Marketing and business plan for 2009

- *Marketing and business strategies:*

Based on the economic situation of the world and Vietnam and the current status of the Group, the Group concentrates on three main marketing and business strategies for 2009 as follows:

- + Seeking opportunities from the market crisis: Focusing on investment and construction (taking advantage of low price in raw materials and low labor cost, low interest rates and the Government's support), preparing diversification of its products to launch into the market once the real estate market recovered.

- + To perfect the management system: to build and improve human resources, operating mechanism, procedures and standard policies...to pave the way for new development phases.

- + To build the trademark: to promoting the image and trademark of the Group...through the effective means/tools at minimum cost.

- Marketing and business targets:

Based on the economic and market analyses, development orientations of the Group and internal factors, the marketing and business targets for 2009 are as follow:

- + To continue marketing and business operations (selling and leasing land, warehouses and other services) in industrial parks.

- + To develop business and marketing of the products and services of Tan Duc E.city

- + To establish and operate of real estate trading centers in Ho Chi Minh City and in Tan Duc Industrial Park in Long An province.

- + Introduction of housing projects (for selling and leasing) to employees in Tan Tao and Tan Duc Industrial Parks.

- + To build and prepare the business and marketing plans for the next projects

- + To build and develop the Business and Marketing Division of the Group through clear and objective orientations, restructuring, to promote appropriate awarding policies, to apply the enterprise planning software in the activities of business and marketing.

- + To build the image and trademark of the Group through the Trademark Identify System and PR activities...etc.

b. Administrative organization

- To advise the Board of Directors in the administration of human resources, to launch the competition in innovations, initiatives, to well manage the Group's activities related to human resource administration management toward enhancing effectiveness, to maximize the strength and resources of the Group.

- To apply quality management standards and the Enterprise Resources Planning (EPR) software into the operation of the Company's office activities and the appropriate use of the Group's assets.

- Recruitment and training courses should be conducted conformed to the ISO regulations of the Group.

- To build up a strong and well-disciplined brigade of fire prevention and fighting – security order maintenance and effective utilization of facilities.
- To organize training courses and rehearsals in coordination with the enterprises in industrial parks.
- Coordinating with the City Youth Union, Youth Union of the Industrial Parks Authority to hold music, culture and sports programs, law dissemination seminars... to maintain and promote the cultural aspect of industrial parks.

Tan Tao Group has acknowledged the importance of human resource as a key to open the doors of successes. Thereof, it will continue to provide better policies to attract talented and dedicated staffs for the development of the Group.

c. Construction management, infrastructure maintenance and environmental protection

- Repair, maintenance, restoration and improvement of infrastructure of Tan Tao Industrial Park creating agreeable environment to serve investors operating in industrial parks.
- To continue the improvement of infrastructure of Tan Duc urban zone, Tan Tao University, Tan Duc 2 Industrial Park to attract investment and generate profits for the Group.
- To maintain timely design, estimation and appraisal, actively creating conditions for construction of works and projects as scheduled.
- To follow the processes under ISO 9001:2000 quality management system for the management of projects and works, to enhance management capacity, technical supervision and constructional work quality from the phases of design, construction management ...to work acceptance, to deploy application of Enterprise Planning Software into management activities.
- To carry out environmental observation plans and environmental status report of industrial parks
- To assist enterprises to list environmental protection costs of wastewater, to provide guidance and answers to enterprises' questions.
- To continue to mobilize enterprises to separate rain and wastewater drainage systems, apply suitable connections to joint the common drainage system in industrial parks.
- To coordinate with the Export Processing & Industrial Zones Authority to check environmental protection of enterprises operating in industrial parks.
- To monitor wastewater discharged from enterprises and the central wastewater treatment station in compliance with the regulations
- To conduct the collection, storage and treatment of hazardous wastes released from production in compliance with the State laws.
- To comply to ISO 14001:2004 Environment Quality Management

d. Finance and accounting

- To develop good relations with strategic partners, banks, financial institutions, investment funds.... to ensure adequate financing for the development of the Group's projects and to help enterprises in industrial parks to obtain loans for production expansion, laying the ground for the growth of industrial parks.
- To build productive management measures and effective utilization of capital sources in the investment and implementation of projects
- To strictly establish and report financial statements according to the financial regulations of the Group and the State.
- To constantly update financial, accounting and tax laws information according to the financial regulations of the State.
- To regularly follow up and remind tenants of making on-time payments.

e. Development investment

e.1- To implement projects' investment in priority order and not to spread investments, to optimize investment efficiency and enforce their feasibility. Therefore, the Group will focus on investing in key projects which will generate revenues for 2009 and 2010.

- + To complete the infrastructure of Tan Duc Industrial Park – Phase 2.
- + To continue the completion of infrastructure and construction of a number of models homes in Tan Duc E.city.
- + To continue the construction of the housing area for workers to lease and apartment buildings for middle-income employees in Tan Duc and Tan Tao Industrial Park.
- + To continue the construction of a clean water plant and a wastewater treatment plant for Tan Duc Industrial Park.
- + Site clearance and construction of technical infrastructure for the Kien Luong Power Complex Project to guarantee timely land transfer to the investor of the Complex in December, 2009.
- + To carry out the enumeration and site clearance measures for Tan Tao Cement Plant in Ha Nam province. The target: To deliver the land to the Project Investor of Ha Nam Cement Plant to start infrastructure operation in 2010.
- + To complete legal procedures to build Tan Tao Sky project: A commercial building complex for lease comprises 5-level basements and 54 floors with a total area of about 14,000 square meters at 220B, Dien Bien Phu Street.

In addition, to continue the complete necessary legal procedures for projects:

- + The 52 ha Tan An High-rise Apartment and Commercial Center Project
- + Tan Tao E.City Project
- + Wastewater Treatment Plant in Long An province
- + Long An Thermal Power Plant.

e.2- To cooperate with strategic and potential national and international investors to enhance investment efficiency of projects and speed up their implementation progress.

e.3- To contact with related departments and branches to get permissions, to promote project's investments for prompt development and operation.

e.4- To strengthen investment management of projects, to conduct investment procedures according to the investment regulations of the State and the Group.

The above is the report on business operating results of 2008 and business plan for 2009 of Tan Tao Investment & Industry Corporation addressing to the General Meeting of Shareholders. I believe that with experiences, capability and potentials of the Group under the strong leadership of the Management Board and the consensus of all staffs and employees, the plan for 2009 will be achieved to meet the confidence and expectation of shareholders and investors.

Due to the time limit, for further detailed information, please see the attached files when attending the General Meeting or visit at the Group's website: www.tantaocity.com, www.itaexpress.com.vn.

On behalf of the Board of Directors and its entire staffs and employees, I wish great health, prosperity and happiness to the Management Board, shareholders and delegates.

Thankfully,

PRESIDENT OF TAN TAO GROUP

THAI VAN MEN