

## TEASER QBBK

### Introduction

Insolvency administrator for the company Trade B. G. M. a. s, Praha plans to sell 100% share of the company Quang Binh Bohemia Kaolin Company Limited, a company created under the Vietnamese law, based 70 Nguyen Duc Canh, Dong Hoi, province Quang Binh, Vietnam, created based on the Investments license no. 2089/GP of 1. December 1998, as amended (further "QBBK").

Scope of business of the company QBBK is to run kaolin washing plant, and the company is concurrently holding an exploitation license for kaolin in the nearby deposit.

### Basic information

<b>Location</b>	Bac Ly, northern suburb Dong Hoi, province Quang Binh, central Vietnam
<b>Initiation of the operations</b>	2011
<b>Planned annual capacity</b>	50,000 t
<b>Achieved annual capacity</b>	40,000 t
<b>Area of the premises</b>	4.76 ha
<b>Distance of the deposit to the facility</b>	Appr. 1 km

### Basic economic information

Following information is based on the audited mid-term financial statements as of 30.9.2018.

<b>Net asset value</b>	\$9,621K
<b>Net Equity</b>	- \$31,174K
<b>Accumulated losses</b>	- \$32,355K
<b>Turnover in period 1. 1. 2018 to 30. 9. 2018</b>	\$985K
<b>Economic profit/loss in period 1.1.2018 to 30.9.2018</b>	- \$2,599K

### Description of the deposit

Company QBBK is holding an exploitation license for kaolin in the nearby deposit with the size 8.1 ha until the end of the year 2028. Expected capacity of the deposit is 2.2 million t.

### Description of the used technology

Production of the kaolin is done using washing out with a hydromonitor with subsequent rough separation. Kaolin suspension is then transported by pipeline to the main preparation plant located appr. 1 km, where it is pumped to the clarifier/settling tank (DORR). After the sedimentation the suspension is transported to the filter press through thickening tanks.

Pressed kaolin pieces (“pies”) with appr. 30% moisture are then crushed and transported by conveyor belt to the pile, from which can be kaolin further taken for additional sun-drying. Majority of the used technology comes from suppliers from the Czech Republic.

### Unused technology

In the area of the facility are following unused technologies:

- Hydrocyclones (for fine kaolin fractions separation)
- Noodle machine
- Continuous three-belt drier
- Fabrication of facade coatings
- Packaging robot

### Assessment of the technologies and properties

Majority of the used and unused technology is in working condition, wear-out level is around 30%. Part of the used technological solutions is not fully appropriate with high operating costs, namely drier that uses kerosene as the fuel.

Properties and technological constructions show notable signs of corrosion and damage due the climate conditions in the area.

### Products

At present the facility produces only raw kaolin with particle size of 50, 350 and 450. Other types of production are used, even though the quality of kaolin is appropriate to produce facade coatings, sanitary ceramics or for the rubber industry.