

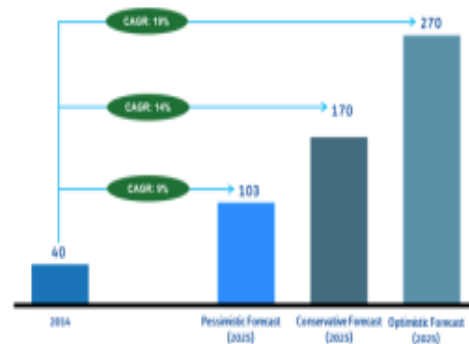
## GLASS FACTORY OF DUNDGOBI PROVINCE PROJECT

<b>Investment highlights</b>	<ul style="list-style-type: none"> <li>✓ Project capacity: 150ton/day Float Glass and Low-e Coating Glass, 60ton/day Bottle Glass Production Line</li> <li>✓ Required Total investment: 119 million US\$</li> <li>✓ Import substituting production /Currently glass consumption in Mongolia is 100% imported/</li> <li>✓ Promote regional development</li> <li>✓ Create 300-800 work place</li> <li>✓ Use domestically produced cheaper glass in construction, lead to apartment price reduction</li> </ul>
<b>Company overview</b>	<ul style="list-style-type: none"> <li>✓ “Gem Fountain” LLC is cooperating on the implementation of the project with Chinese glass factory AVIC SANXIN LLC.</li> </ul>
<b>Sector and industry overview</b>	<ul style="list-style-type: none"> <li>✓ Total market in glass reached US\$ 40 million in 2014, in which 64% Bottle glass, 29% Float Glass, respectively</li> <li>✓ Over the last 5 years, Mongolian glass market has grown up by 10% annually and set to continue growth in forthcoming years as the economy evolves, 100% of glass products are provided as import</li> <li>✓ The market is allowing full of opportunities for GLASS manufacturer due to import and high transportation cost</li> <li>✓ Compared to other countries, even countries with same level of per capita income, glass consumption is significantly low, implying room to grow if GDP increase as we expect in foreseeable future</li> </ul>

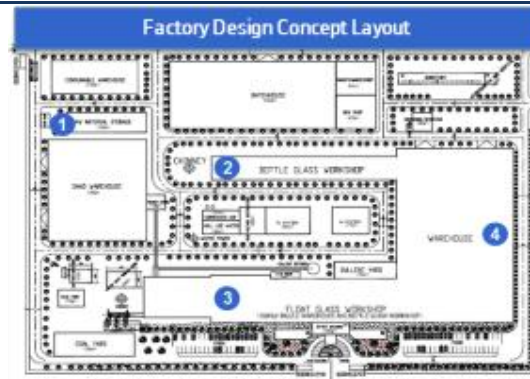
Glass Consumption Growth Potential



Glass Consumption Forecast, Annual



<b>Project Introduction</b>	<ul style="list-style-type: none"> <li>✓ Glass factory, located in Dundgobi province in Mongolia, 240km from Ulaanbaatar. Covers 20 hectare, in which 11.6 hectares use for the project construction, the rest 8.4 hectares. Consists of 2 furnace and factory lines &amp; warehouse.</li> <li>✓ Construction phase is planned to develop next 15 months.</li> <li>✓ Mongolia is one of the coldest countries in the world. Thus, construction materials additionally required insulation. Low-E glass is the best energy saving glass recently. It has excellent thermal insulation properties and making the house warm in winter</li> <li>✓ Technical Feasibility study conducted and warranted by AVIC Sanxin. AVIC Sanxin” is a large state-owned company and is ranked as 250th among the newly published Top Fortune 500 Enterprises.es in 2014</li> </ul>
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- 1 Raw Material Batch processing
- 2 Bottle Glass line
- 3 Float and Low-E glass line
- 4 Warehouse and Distribution center

✓ **Raw materials** – Silica sand, field spar, white marble, limestone, soda ash, salt cake and other raw materials from local mining companies.

<b>Financial snapshot</b>	<ul style="list-style-type: none"> <li>✓ <b>Required Total investment:</b> 119 million US\$</li> <li>✓ Float Glass – 36 million US\$</li> <li>✓ Bottle production line – 14.5 million US\$</li> <li>✓ Buildings and Low E line – 45 million US\$</li> <li>✓ Other – 23 million US\$</li> <li>✓ <b>Employee:</b>300 - 800</li> <li>✓ <b>Production:</b>150ton/day Float Glass and Low-e Coating Glass, 60ton/day Bottle</li> <li>✓ <b>Revenue:</b>49 million US\$/annually/</li> <li>✓ <b>COGS:</b> 11 million US\$</li> <li>✓ <b>EBIT:</b> 26 million US\$</li> <li>✓ <b>Payback period:</b>3.3 years</li> <li>✓ <b>IRR:</b> 21.85%</li> </ul>
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<b>Management team</b>	<ul style="list-style-type: none"> <li>✓ GEM Fountain Glass LLC</li> <li>✓ AVIC Sanxin</li> </ul>
<b>Project management</b>	<ul style="list-style-type: none"> <li>✓ The project will be implemented by private management and investors based on professional project management (PMC).</li> </ul>

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