

## A GUIDE FOR NON VIETNAMESE BUYERS

As a common practice in Vietnam housing market, a Foreign Investor may consider the following structure:

- (a) Project Owner and/or its related parties and/or its shareholders establish a new company ("NewCo") for the purpose of implementing the Transaction only
  - (i) NewCo must be newly established to avoid any inheriting obligations from Project Owner;
  - (ii) Shareholders of NewCo must contribute a charter capital of VND 20 billion in minimum to satisfy the condition of real estate business (under Article 10.1 of Law on Real Estate Business);
  - (iii) NewCo should be established in Khanh Hoa Province to be supported by Project Owner during operation;
  - (iv) The legal representative of NewCo could be nominated by Foreign Investor.
  
- (b) Foreign Investor provides offshore loan(s) to NewCo to buy villas
  - (i) Loans are equal to selling price, with nominal interests;
  - (ii) Loans will be (partly or wholly) convertible to shares after NewCo obtains dully title of the land and the villas thereon;
  - (iii) NewCo registers such offshore loan (with the term of more than 12 months) to the State Bank of Vietnam;
  - (iv) the parties will agree on how to secure the loans.
  
- (c) NewCo uses the offshore loans to buy the villas and then get the LURCs for both land and villas;
  
- (d) NewCo signs the lease contract with Project Owner to lease back 9 villas to Project Owner;
  
- (e) Foreign Investor will conduct all required procedures to acquire all shares of NewCo and become the sole owner of NewCo while NewCo is the sole owner of the land and 9 villas thereon and holding the lease contract with Project Owner.

Foreign Investor may convert (partly or wholly) its offshore loan to shares in NewCo.