

FREE TRADE ZONE INVESTMENT OPPORTUNITIES

CONFIDENTIAL

2021 XUAN CAU HOLDINGS



XUANCAU CO.,LTD

January 2021

- 1 Investment Opportunity & Highlights**
- 2 Xuan Cau Lach Huyen Free Trade Zone**
- 3 Appendix 1. Xuan Cau Holdings Profile**
- 4 Appendix 2. Vietnam Industrial Zone**
- 5 Appendix 3. Hai Phong Sea Port City**



Project Name

- Xuan Cau Lach Huyen Free Trade Zone

Developer

- Xuan Cau Holdings

Potential Investors

- Strategic Investor
- Experience in developing Economic Zone and FTZ
- Capability to connect to potential clients around the world

Partnership type

- Negotiate

Deal value

- Negotiate



Highlights



Premium Location

- Located at Haiphong – the dynamic seaport city is considered as No.1 option for manufacturers looking to exit China
- Surrounding Haiphong’s infrastructure development projects such as the new International Cat Bi Airport and Hanoi – Haiphong New Expressway
- Next to Lach Huyen Deep Sea Port

FTZ Incentives

- Corporate Income Tax and Personal Income Tax Package
- Import and export duty exemption
- Free VAT for import/export activities

Project Legal

- Approval of Ministry of Planning and Investment and Prime Minister
- Belong to Dinh Vu Cat Hai economic zone’s Planning

Potential

- High Demand in industrial land from importers/exporters
- Large land bank with 752 ha, providing industrial land for diversify multinational enterprises
- The synergy of various industrial sectors from energy supply to logistics solutions

The project is located at Zone 4, next to Lach Huyen Deep C Port in Zone E, Dinh Vu – Cat Hai Economic Zone, Hai Phong City, Vietnam

Hai Phong City

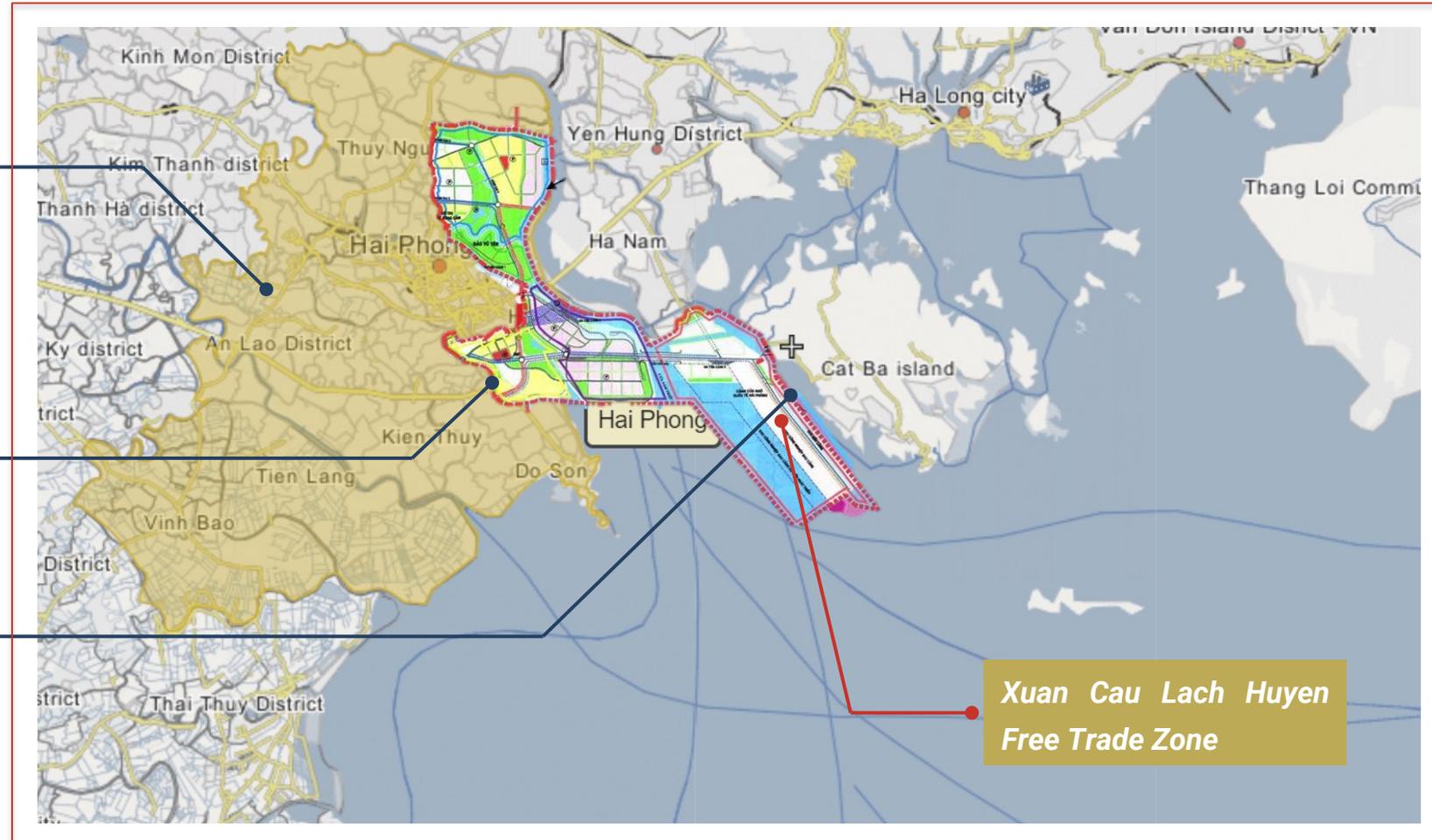
- The strategic seaport city with a fully developed infrastructure system.
- The logistics & transportation hub of the northern coast, connecting Vietnam and China

Dinh Vu – Cat Hai Economic Zone

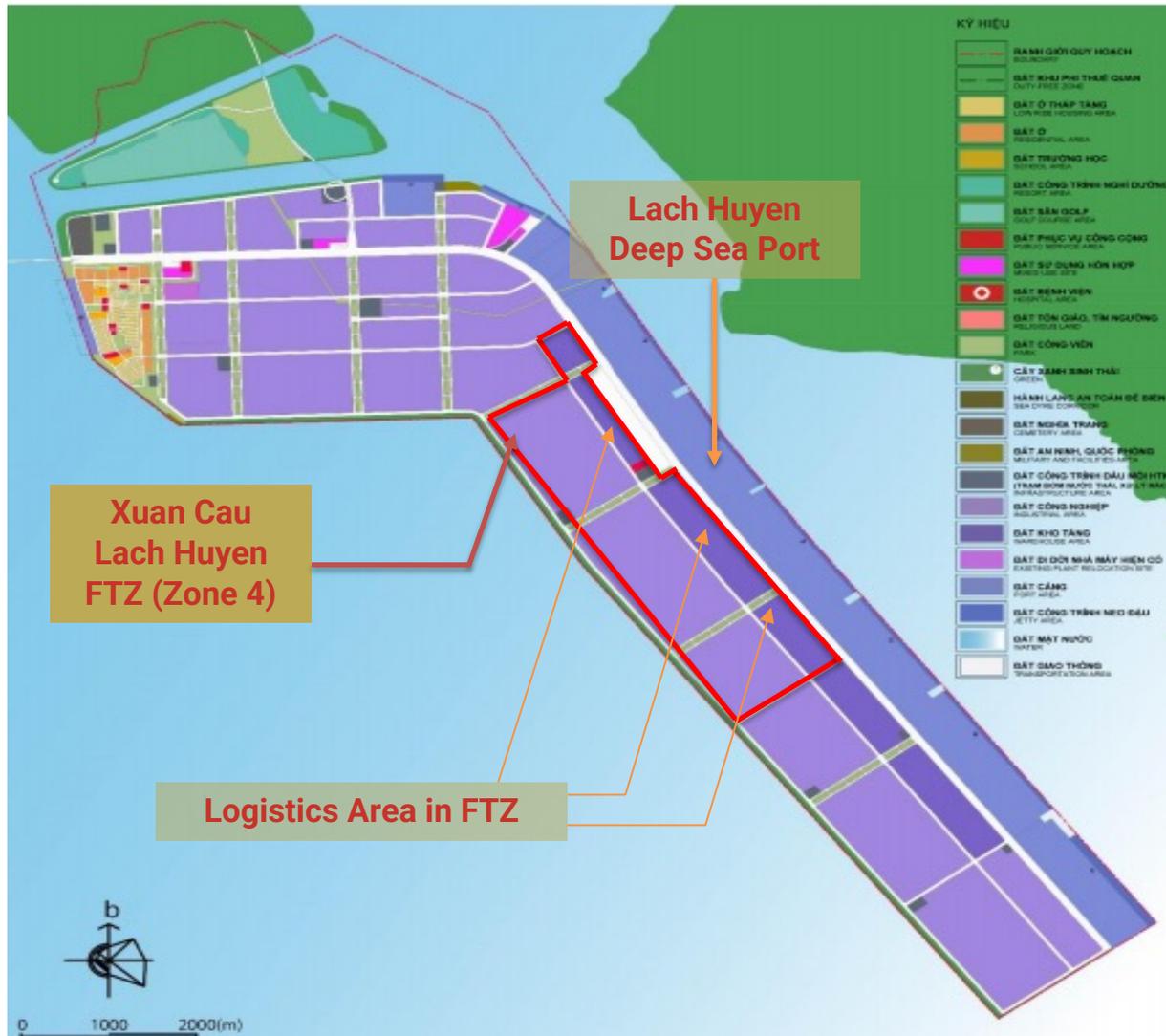
- One of the two key coastal economic zones of the Northern Vietnam

Lach Huyen Deep Sea Port

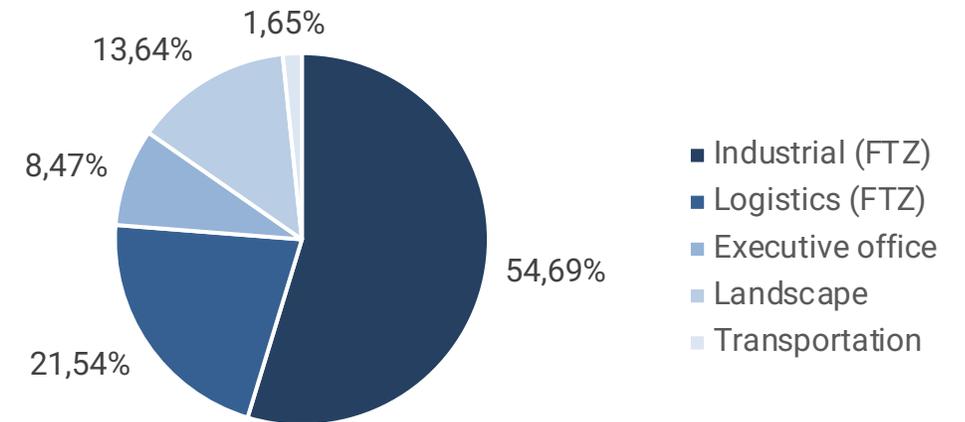
- Potential to accommodate 8,000TEU ships after expansion.
- Enable direct exports from Northern Vietnam to the US and EU.
- Eliminate transit through regional ports in Singapore or Hong Kong



Please visit Appendix 3 to see more details of Hai Phong City, Dinh Vu – Cat Hai Economic Zone & Lach Huyen Deep Sea Port.



Items	Area (ha)
Industrial (FTZ)	411.3
Logistics	162.0
Executive Office	63.7
Landscape	102.6
Transportation	12.4
Total	752



Total land area
752 ha

Leasable Office area
60 ha

Project life
70 years

Leasable IP area
573 ha

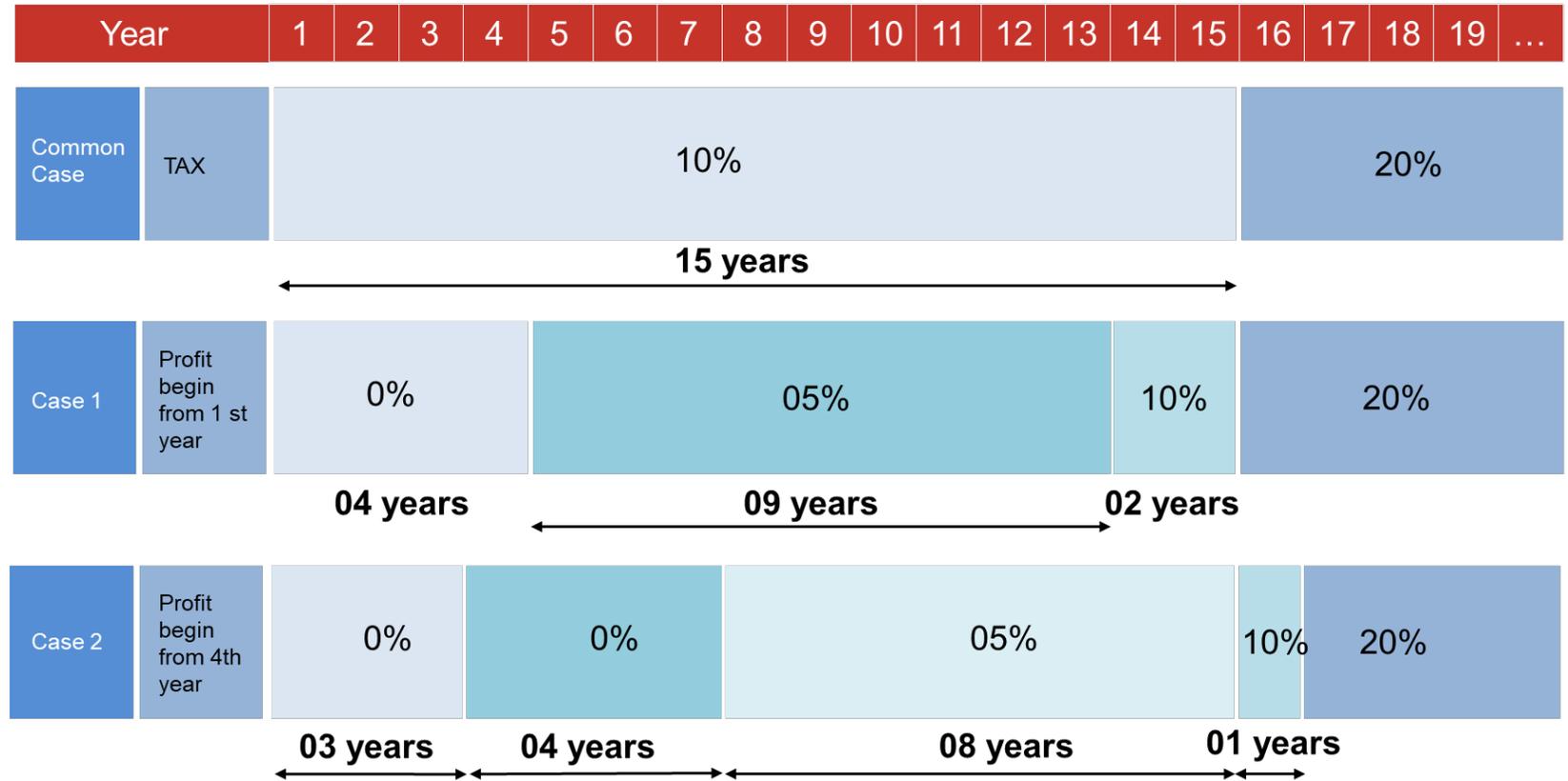
Total investment cost
~US\$ 515 million

1st operating year
2022



➤ Corporate Income Tax:

- First 15 years from your first commercial invoice: 10%
Of these 15 years:
- First 4 years: 100% exemption
- Subsequent 9 years: 50% reduction

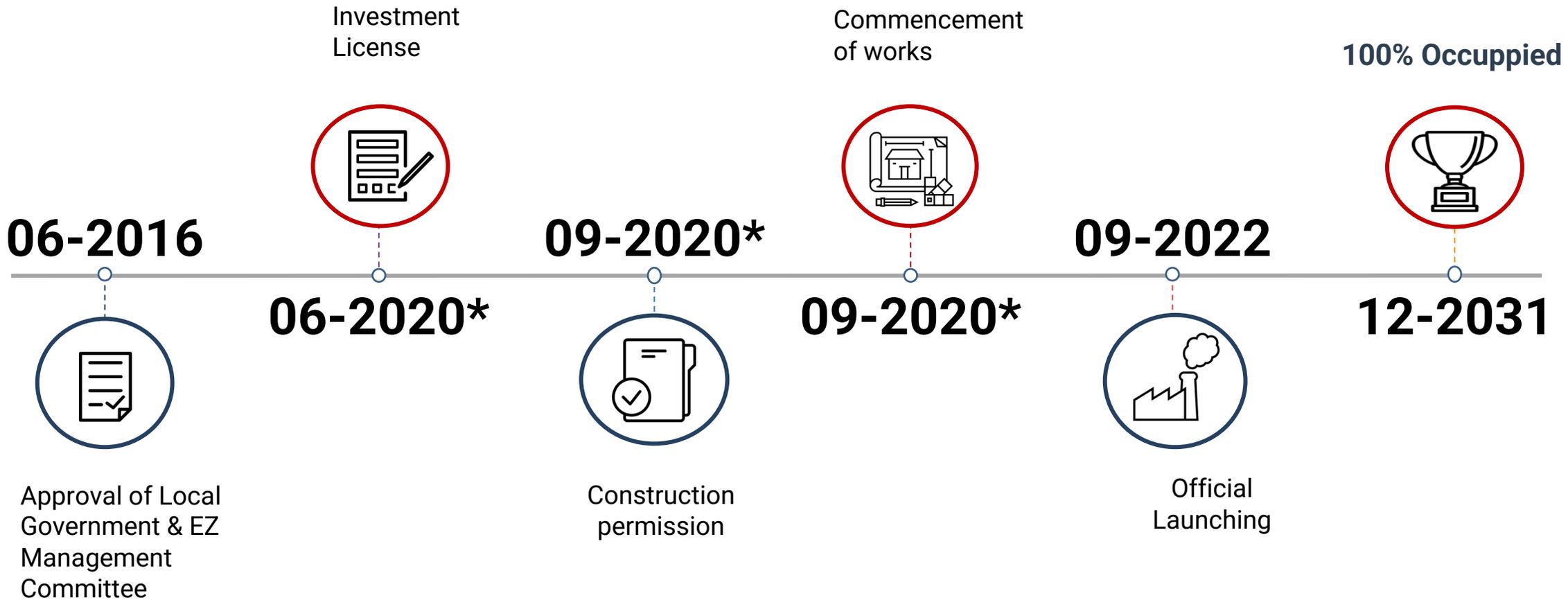


- **Personal Income Tax:** 50% reduction to the normal rate, applied for the whole project lifetime.

- **Import and export duty:** exempted for enterprises with 100% export

- **Free VAT for import/export activities**

(*The above mentioned tax information is based on prevailing legislations for Free Trade Zones in Vietnam and subject to further update from time to time



* All steps relating to legal approvals, permits and licenses from the government are depended on uncertain factors that XCH may can not control. This timeline is based on our experience in industrial estate development and may be subject to change under unfavorable circumstances

- 1 Letter of Intent (LOI)
- 2 Non-Disclosure Agreement (NDA)
- 3 Due Diligence (DD)
- 4 Term Sheet
- 5 Joint Development Agreement (JDA)



Business Overview

General

Company Name	Xuan Cau Holdings (Xuan Cau Co., Ltd.)
Company Type	Limited Company
Charter Capital	USD 92.3 million (~VND 2,150 billion)
Headquarter	Hanoi, Vietnam
Year of Establishment	2000
Number of staffs	2,000 ++

Our Position

We have been the pioneer in our business sectors, making positive contribution to the market expansion of each by devoting the true value to customers

- Successfully established the Piaggio scooter market in Vietnam
- Becoming Vietnam's top renewable energy developer with ASEAN's biggest solar plant cluster
- A top construction materials manufacturer in Vietnam
- A major player realizing untapped opportunities in real estate and infrastructure



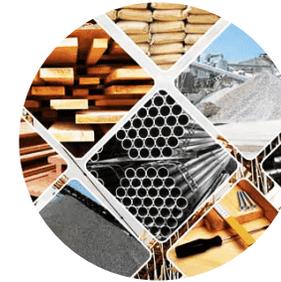
Renewable Energy



Real Estate



Infrastructure



Construction Materials

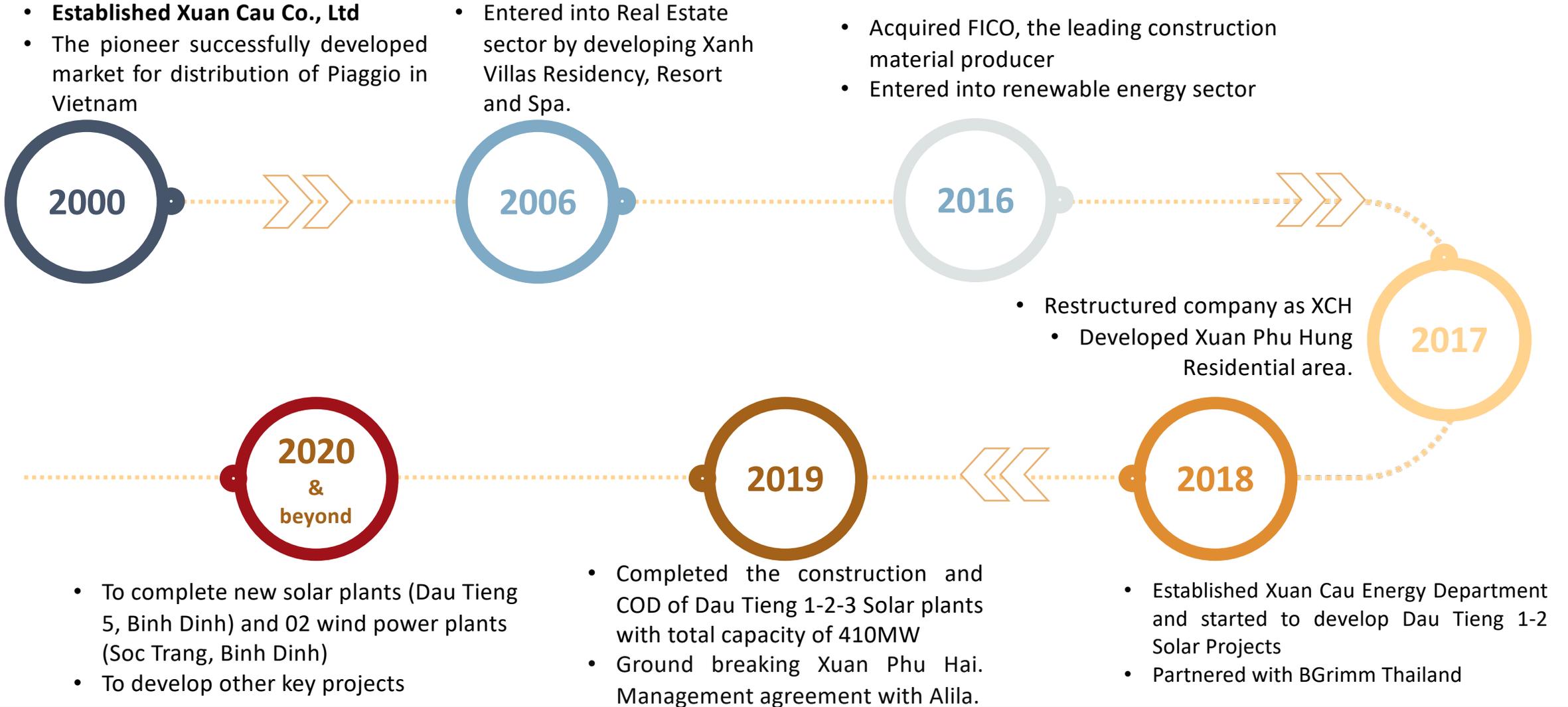


Trading & Services

Our Partners

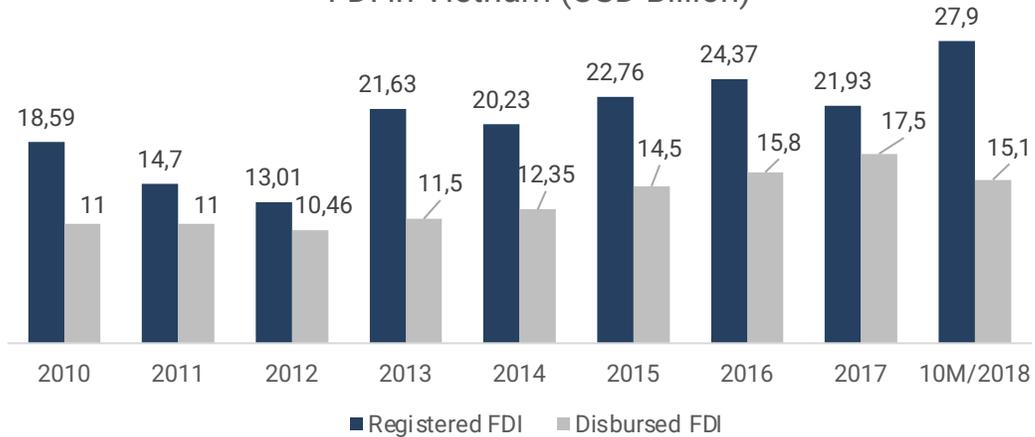


Corporate development



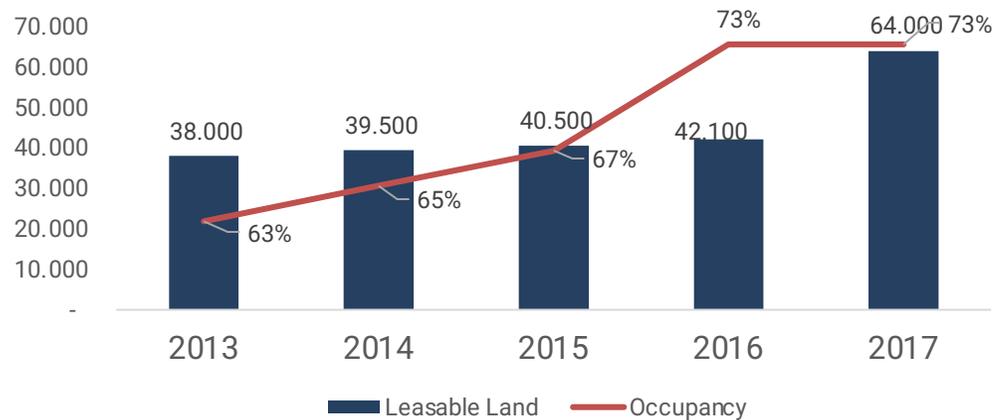
Overview

FDI in Vietnam (USD Billion)



- FDI inflows into Vietnam reached USD 15.1 billion in January – October 2018, increasing 6.3% yoy. Registered FDI dropped by 1.2% yoy to USD 27.9 billion. The manufacturing and real estate sectors received the most attention from investors, followed by wholesale & retail trade.
- In 2017, Vietnam received a record of USD 17.5 billion in FDI. FDI in Vietnam averaged USD 13 billion from 2010 until 2017 with an compounded average growth rate of 6.9% per year.

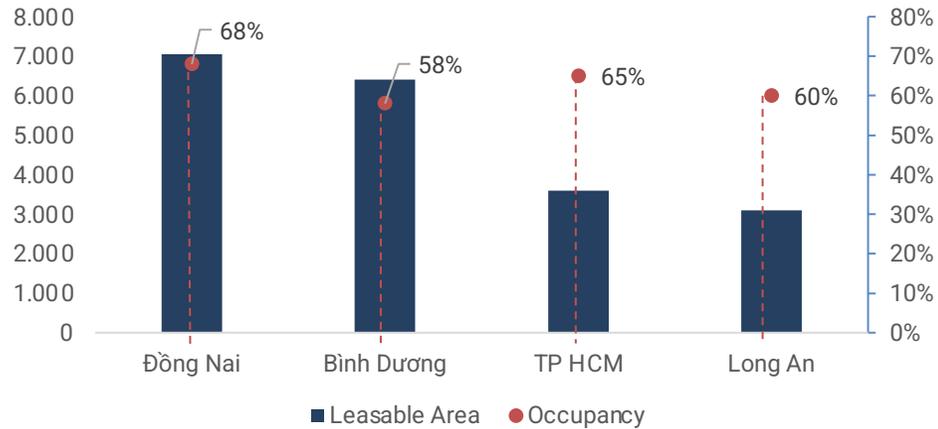
Industrial Land Supply (ha) and Occupancy



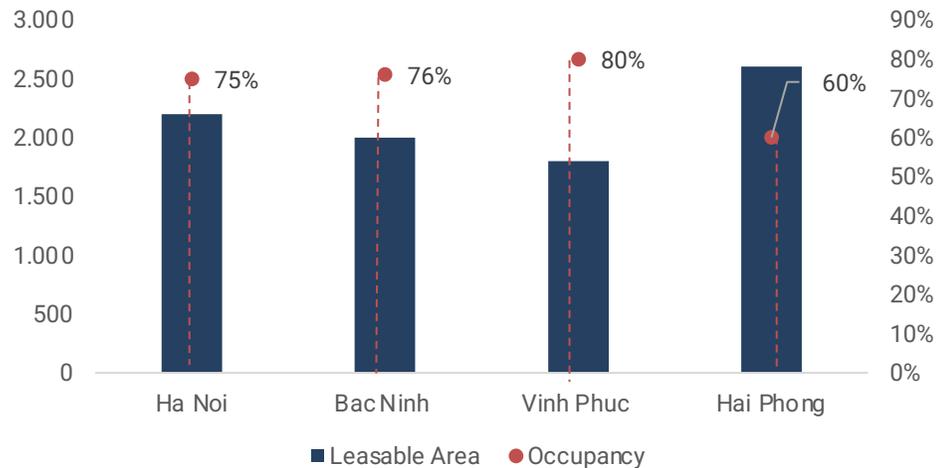
- As at the end of 1H/2018, Vietnam has 328 industrial parks with total leasable area of 79.876 ha.
- In order to seize market share in an expanding economy, both international and domestic developers have expedited the development of new industrial parks including Becamex IDC, VSIP, Amata (Thailand),...
- Aggressive policy reform to promote and facilitate the country's economic growth. Industrial market moves up to the next level with complex demand.

Overview

Southern Supply & Performance



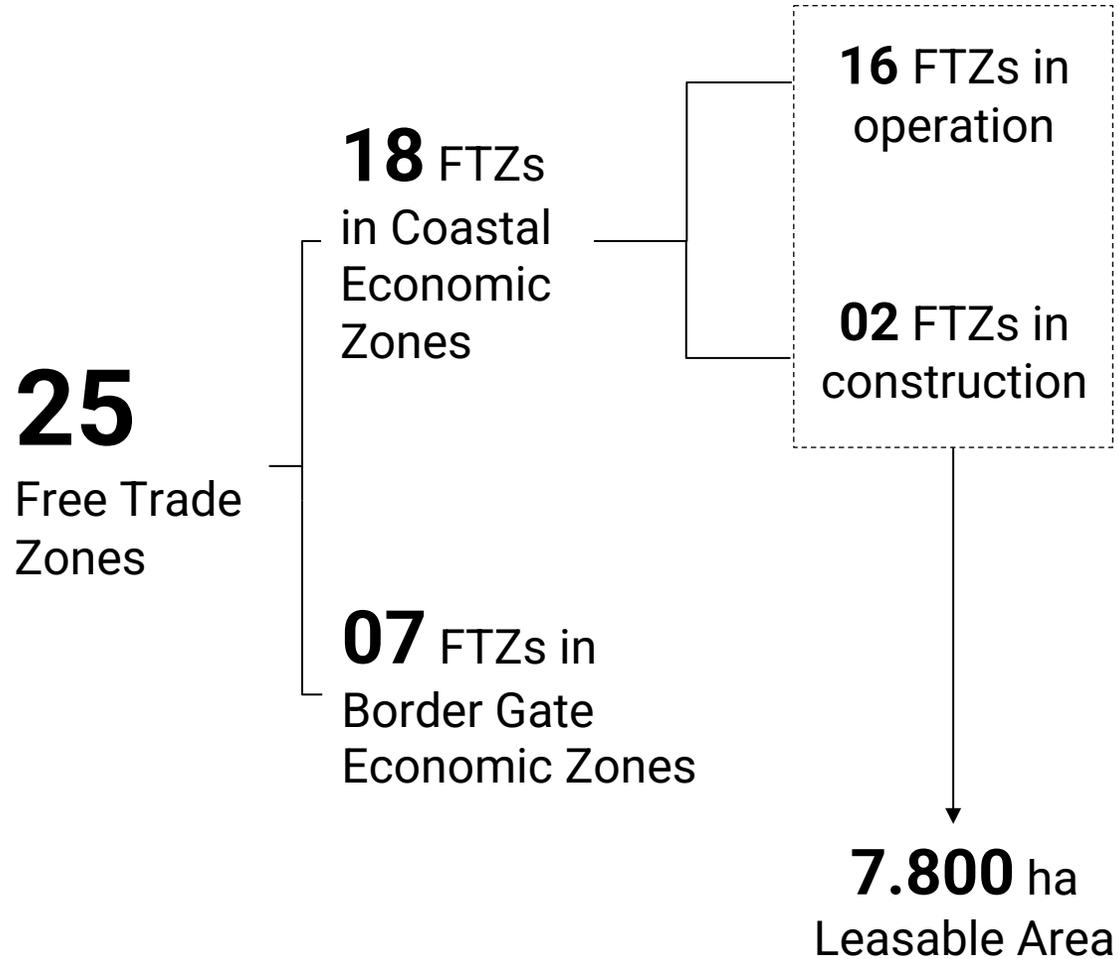
Northern Supply & Performance



- Industrial Parks (Ips) in HCM have the most convenient locations however as a result of higher labour costs, newly developed IPs are pressed to increase occupancy
- With good proximity to HCMC’s ports and large land banks, Binh Duong and Dong Nai have consolidated their positions as industrial centres of southern Viet Nam

- With a large and improving international port system, Hai Phong remained a strong destination in northern VietNam with IPs such as Trang Due, VSIP, Nomura, Dinh vu – Cat hai,...The local goverment’s recent efforts to improve the doing business environment have had a positive effect
- Ha Noi and surrounding provinces are strongly supported by Noi Bai international airport, highway systems and incentives.

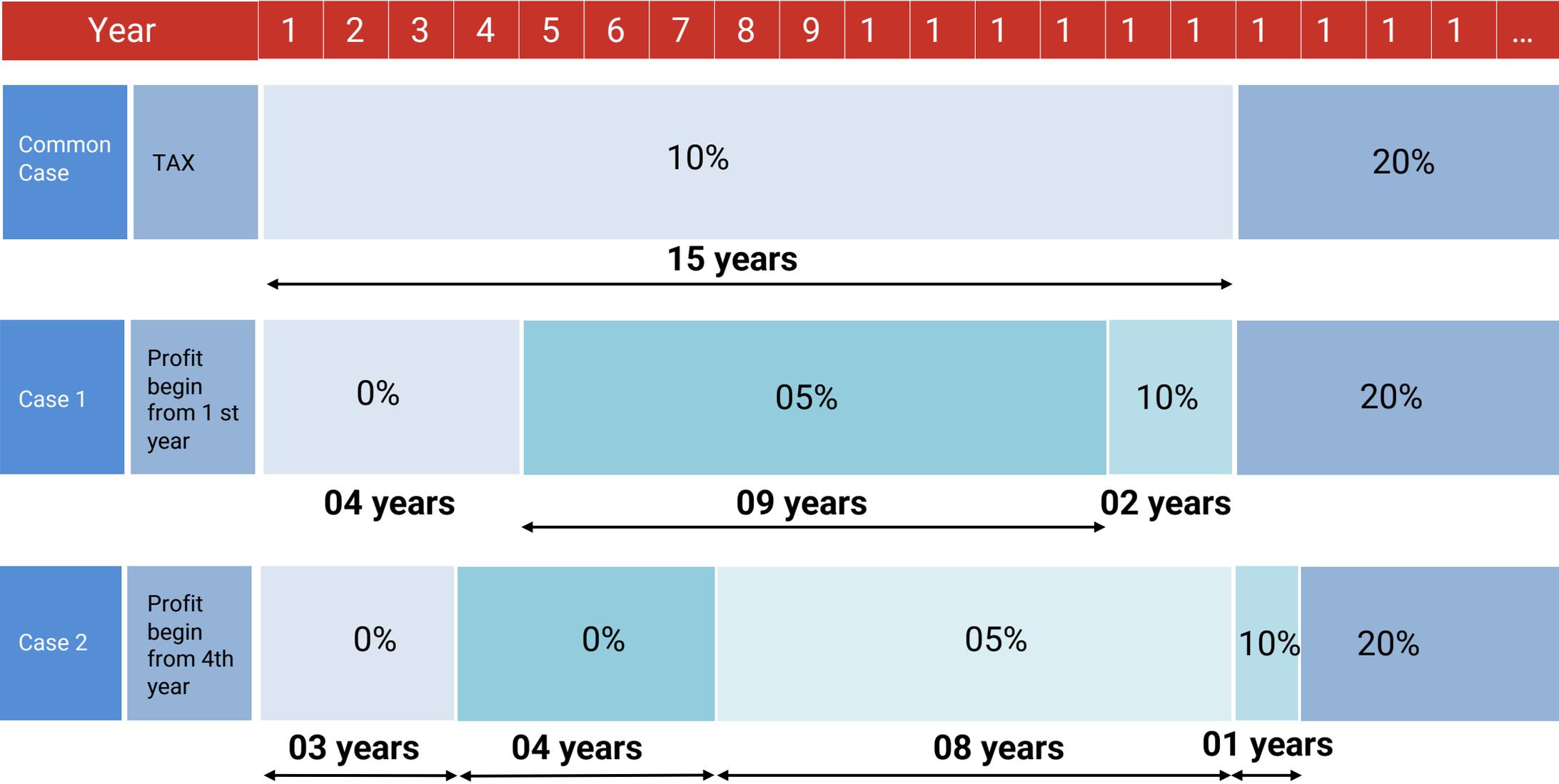
Free Trade Zones



FTZ Incentives (*)

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Of these 15 years:
 - First 4 years: 100% exemption
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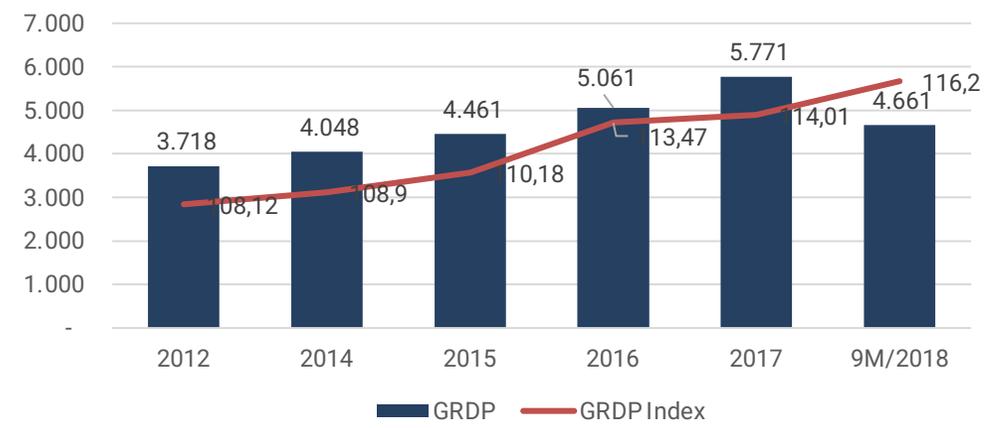
Hai Phong City is one of seven cities/provinces made up The North key economic zone (“NKEZ”). NKEZ is considered as “the number one option” for manufacturers looking to exit China as it’s relatively lower labor cost and close proximity to their operations in China.

In 2017, Hai Phong ’s Provincial Competitiveness Index (PCI) ranked 9/63 national wide, 12 levels higher in comparison to 2016 and expected to be 3rd position in the near future.

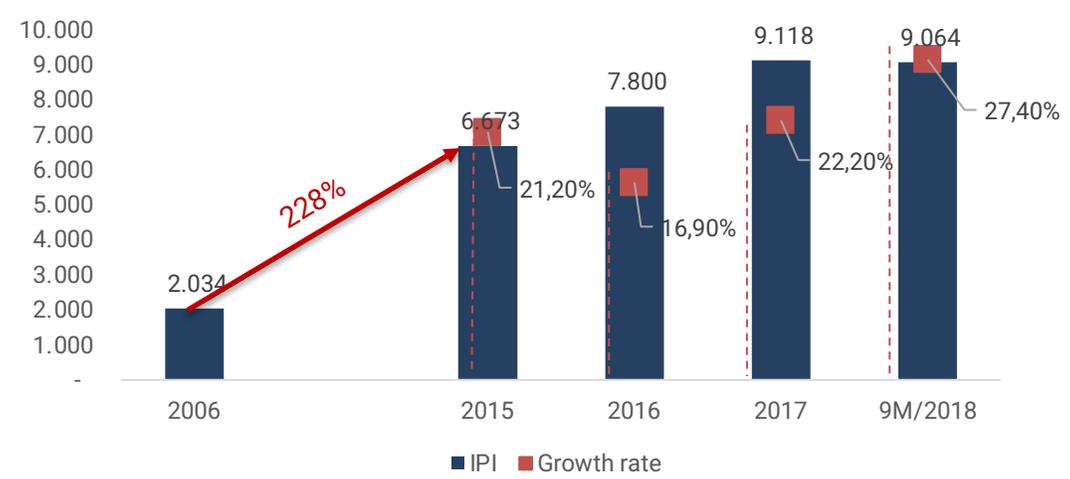
1	2017 GDP (at current prices)	USD 7.1 billion
2	2017 GDP growth rate	16.03%
3	2017 GDP per capita	USD 3.561
4	Intake	144.7 million tonnes
5	Number of FDI projects	580
6	Total registered FDI	USD 16.7 billion
7	Number of industrial zone	13 industrial zone with total land are of 6,551 ha 6 industrial districts with total land area of 233.3 ha

Exchange rate: 23,300 VND/USD

Index of gross GRDP at constant 2010 prices (USD million)



Industrial Production Index (Based on 2010 price)



Hai Phong 's transportation system is quite convenient with roadway, waterway, railway and airway including national highways no.5 and no. 10, Cat Bi international airport, etc. Hai Phong is the transportation hub of the northern coast with it's advantage of operating deep sea ports in the area.



Hai Phong – Kunming, Yunna (China)

- 610 km by railway with total travel time of 29 hours
- 800 km by roadway
- In 2017 total cargo transportation by railways between Vietnam and China was 700,000 tonnes, in which this route accounted for 650,000 tonnes.



Hai Phong – Nanning (China)

- 430 km by roadway
- 500 km by railway with estimated travel time of 15 hours



Premium Location

- Located at the centre of Haiphong’s infrastructure development projects, including the new International Cat Bi Airport, Lach Huyen Deep Sea Port and Hanoi – Haiphong New Expressway.

Area

- 22.140 ha (include Dinh Vu port, South Dinh Vu port, Lach huyen deep sea port)

Total Investment

- 90.537 Billion VND

Leading World Partner

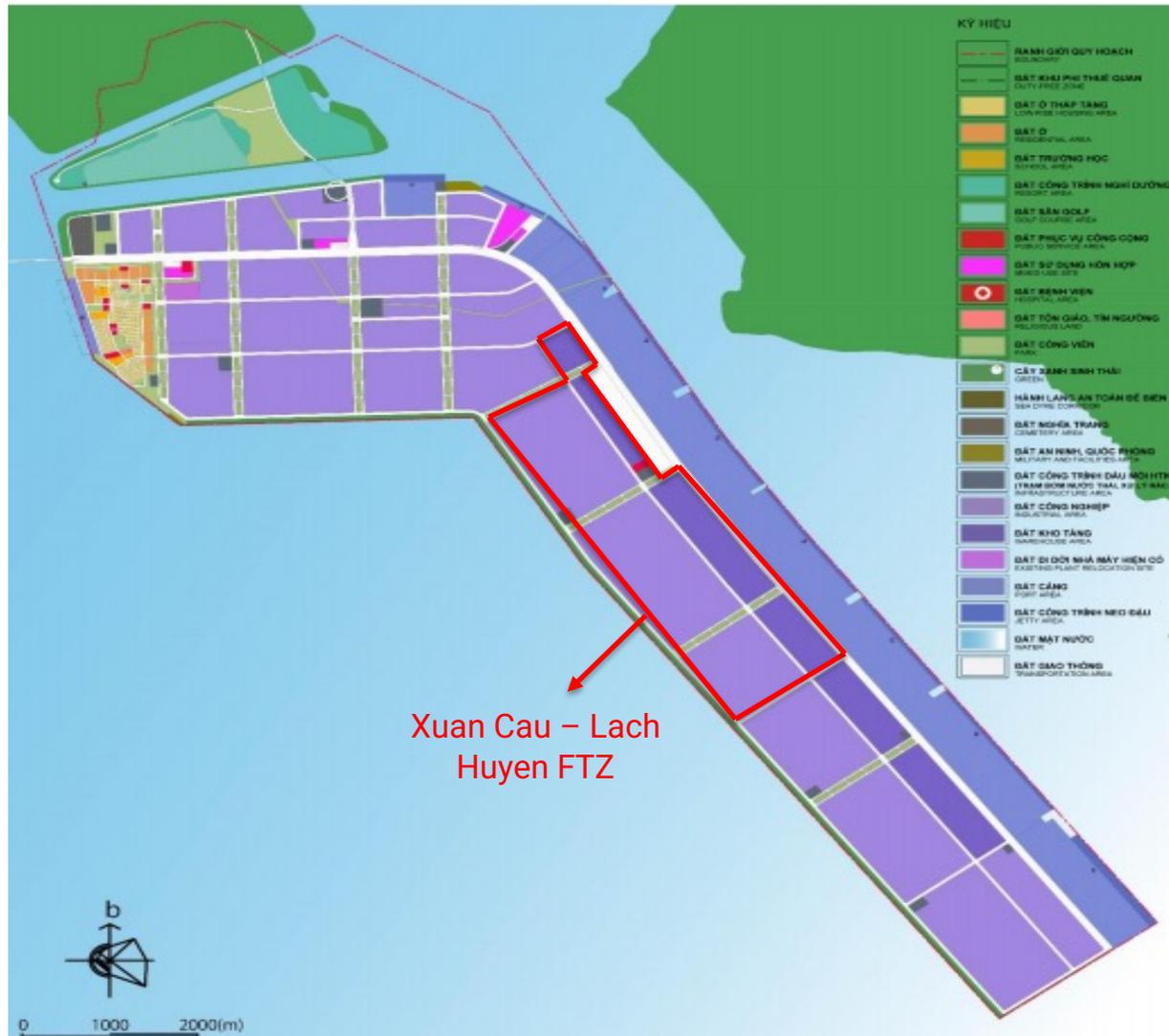
- Heavy industry: Nakashima, Dongbu, Knauf,...
- Petrochemical industry: Idemitsu, JX, Chevron, Petrolimex,...
- General industry: Bridgestone, FAA, Tienhung, ConCo, GEX...
- Logistic industry: Nippon Express, QBS, SITC,...

Economic Tax Package

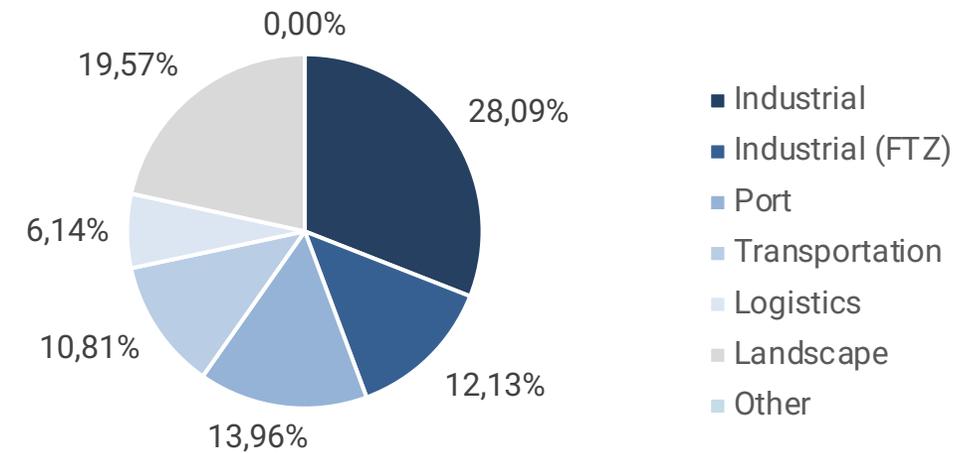
- Corporate Income Tax and Personal Income Tax Package, awarded automatically and unconditionally



Location	<ul style="list-style-type: none"> Dinh Vu Cat Hai economic zone's
Draft	<ul style="list-style-type: none"> -14 m
Area	<ul style="list-style-type: none"> 700 ha
Phase	<ul style="list-style-type: none"> Phase 1: 2015-2018: first two container berths 6.000.000 tonnes per year Phase 2: 2018-2020: port's capacity to 30 million tonnes per year
Capacity	<ul style="list-style-type: none"> Capable of receiving vessels up to 100.000 DWT and 8.000 TEU Capacity 30.000.000 Tonnes per year 09 wharf with length of 3.000 m
Advantages	<ul style="list-style-type: none"> While the current port of Haiphong has a draft of only -7m, the new port will have a draft of -14m, offering vessels of up to 100.000 DWT to call directly the port, avoiding transshipment in Singapore or Hong Kong Connect with infrastructure development projects, including the new International Cat Bi Airport, Tan Vu Lach Huyen bridge and Hanoi – Haiphong New Expressway.



Items	Areas (ha)
Industrial	1,046.67
Industrial (FTZ)	607.61
Port	698.98
Transportation	541.83
Logistics	307.38
Landscape	979.72
Other	465.75
Total	5,007.34



FOR FUTURE CO-OPERATION, KINDLY CONTACT US

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