

- 12. Duration of Joint-Venture :** From 15 to 20 years depending on the scale of the project.
- 13. Total investment capital:** Initial investment capital of the project estimated at *US\$ 1,000,000*.
- 14. Capital contribution of each party :**
- \* Vietnamese party shall contribute *US\$ 450,000* accounting for *45%* of legal capital, including:
    - ♦ Value of right to use of land during Joint Venture duration  
 $2 \text{ US\$}/\text{sqm. year} \times 5,000 \text{ sqm} \times 15 \text{ years} = 150,000 \text{ US\$}$ .
    - ♦ Value of existing properties, consisting of existing buildings, contributed machinery and equipment (which is determined by the Council of Property Evaluation ) estimated at 300,000 US\$.
  - \* Foreign party shall contribute *US\$ 550,000* accounting for *55%* of legal capital, including: foreign currency, machinery and equipment to serve the construction and operation of the Project.
- 15. Profit sharing:** After fulfilling all expenses, the net profit shall be shared out according to the ratio of capital contribution between the parties.
- |                            |            |
|----------------------------|------------|
| + <i>Vietnamese party:</i> | <i>45%</i> |
| + <i>Foreign party:</i>    | <i>55%</i> |
- 16. Other conditions:**
- \* After signing the Memorandum of Understanding, the foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.

# PROJECT: PROCESSING SEA PRODUCTS FOR EXPORT

## PART I: INTRODUCTION

1. **Local partner's name :** KHANH HOA SEA PRODUCT, EQUIPMENT COMPANY ( SPECO )
2. **Head office :** 217 C Hai thang Tu St., Nha Trang City, Khanh Hoa Province
3. **Tel :** (84)-58- 23711; 22756; 22833  
**Fax:** (84)-58- 23829
4. **Establishment decision No:** 342/ QĐ-UB dated February 22, 1993 issued by the People's Committee of Khanh Hoa Province.
  - \* Business registration license No: 100755
  - \* Registered capital: 2,441.0 million VNS
  - \* Reference bank: VIETCOMBANK in Nha Trang City  
Account No: 362.111.370.040
5. **Authorized representative:** Mr. LE VAN LAN  
**Title:** Director
6. **Main business scope :**
  - + Export: Agricultural products, sea products, handicrafts, facing ashlar, cement, iron and steel.
  - + Import: Machinery and equipment, fishing equipment, fuel for sea product section, and consumed goods.
7. **Location:**
  - a) Cam Ranh motor vessel building and repairing factory.
  - b) F90 enterprise manufacturing sea- products for export
  - c) Dong De terminal for petrol and oil trading
8. **Present products of the Company:**
  - \* Products: Variety of exported frozen and dry products, fish sauce, ice, wooden hull ships.
  - \* Annual output :
    - Sea products :           450 T

- Fish sauce: 400,000 liters
- Ice: 350 T.
- Motor vessels: 15 units.

**9. Market:**

- + Domestic: Ho Chi Minh and Ha Noi cities.
- + Foreign: Japan, Taiwan, Australia, Singapore, Korea, China, Hong Kong etc...

**10. Labour: 400 workers**

- + Engineer, professional graduates and post graduates: 28
- + Technicians: 30

**PART II: ORIENTATION OF INVESTMENT DEVELOPMENT**

**1. Objective:**

- ❖ To establish a Joint- Venture Company specialized in processing sea products for export.
- ❖ To expand consumption market of sea foods.
- ❖ The object of the project, however, is adjustable to mutual agreement by the parties concerned.

**2. Mode of investment:**

- Investment in purchase of modern and complex equipment used for processing sea products.
- Upgrading existing workshops and warehouses.

**3. Form of investment and preferential terms: Joint- Venture**

- ❖ If the Project's products are exported at least 80%, advanced technology is used or 500 workers and over are employed:
  - The rate of corporate income tax shall be 20%.
  - The project might be examined for income tax exemption in two (2) years since profits are made and reduction by 50% in three (3) subsequent years at most.
  - The rate of withholding tax will be 10% of the profits transferred for the project having contribution of foreign partner to the legal capital less than 5 million US dollars.

**4. Selected site:** The Project site is located at F90 Phuoc Long St., Binh Tan Industrial Zone, Nha Trang City. It is located in the South- West of Nha Trang City, 2km far from Nha Trang port, 5 km from center of Nha

Trang City and 2 km far from Nha Trang airport. Power and water supply, communication and transportation are convenient.

- \* Total ground area : 10,000 sqm  
Expandable area: 20,000 sqm
- \* Having received the certificate of the right to use land.
- \* Land rental: 5 US\$/ sqm. year
- \* Infrastructure:
  - There is an electric transformer of 600 KVA
  - There is a drilling well

**5. Projected business- production scope:**

- \* To exploit and process sea products;
- \* To keep sea products refrigerated;
- \* To export and import processed sea products.

**6. Projected production capacity and products:**

- \* *Production capacity:* 1.500 T per year
- \* *Products:*
  - Canned sea products
  - Dry and frozen sea products

**7. Market:** 100% products shall be exported

**8. Technology and technical requirements :**

- + Modern machinery, equipment and advanced technology of developed countries are required to invest.
- + Projected machinery and equipment made by Japan

**9. Management and training requirement:**

- Management: Board of Directors and Management shall be appointed in accordance with the proportion of capital contribution of each party.
- Training: The Joint- Venture Company needs specialists to guide and train Vietnamese technical workers.

**10. Supply of materials:**

Khanh Hoa is a coastal province with great potentialities of sea products. According to the investigation data, its potentialities of exploiting sea products is estimated at 180,000 T per year, from

which only 39,000 T are recently exploited. e.g. 20% of its capacity. Besides, the Province's annual capacity of processing sea products is only 4,650 T accounting for 12% of exploited output because of low level of processing technique. Consequently, the Project is realizable by its raw- material sources and also suitable for the development of a sea product processing industry in Khanh Hoa Province.

**11. Duration of Joint-Venture :** 20 years (expandable )

**12. Total investment capital:** depending on the scale of the project.  
Projected investment capital estimated at *US\$ 2,000,000*.

**13. Legal capital:** *US\$ 2,000,000*

\* Vietnamese partner shall contribute *US\$ 1,000,000*, accounting for 50% of legal capital and consisting of:

♦ The right to use of land during Joint- Venture duration of 20 years:

5 US\$/ sqm. year x 10,000 sqm x 20 years = 1,000,000 US\$

♦ Capital from lending: Besides the contribution of the right to use of land, Vietnamese party shall be able to lend the economic value of the site that is estimated at US\$ 1,500,000 to the Joint- Venture Company

\* Foreign partner shall contribute *US\$ 1,000,000* accounting for 50% of legal capital, including: Foreign currency, machinery and equipment, and other input to serve the construction and operation of the project.

**14. Profit sharing:** After fulfilling all expenses, the net profit shall be shared out according to the ratio of capital contribution between the parties as follows :

+ *Vietnamese party:* 50%

+ *Foreign party:* 50%

**15. Other conditions:**

\* After signing the Memorandum of Understanding, the foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.

# PROJECT: BUILDING AND REPAIRING SHIPS/ VESSELS AT BINH TAN, NHA TRANG CITY

## PART I: INTRODUCTION

1. Local partner's name : KHANH HOA SHIP ENTERPRISE
2. Head office : Binh Tan, Nha Trang City, Khanh Hoa Province
3. Tel : (84)-58-81172; 81173
4. Establishment decision No: 1038/ UB dated April 13, 1993 issued by the People's Committee of Khanh Hoa Province.
  - \* Business registration license No: 100038 dated May 3, 1993 granted by the Economic Arbitration Board of Khanh Hoa Province.
  - \* Registered capital: 1,365.0 million VN\$
  - \* Reference bank: INCOMBANK in Khanh Hoa Province  
Account No: 710A-00070
5. Authorized representative: Mr. DOAN VAN DAC  
Title: Director
6. Main business scope : Building up and repairing ships, vessels.
7. Location:
  - a) Ship\ vessel building and repairing enterprise is located at Vinh Truong, Binh Tan, Nha Trang City.
  - b) Ship dismantling area is located at berth No 6 of Cam Ranh port.
8. Total area:
  - a) Area of ship\ vessel building and repairing enterprise :
    - Usable ground area: 24,000 sqm.
    - Workshop, warehouse and housing space: 3,490 sqm.
    - Area of 3- storey office building: 450 sqm.
    - Area of dock, slip ways and yards in use: 20,060 sqm
  - b) Ship dismantling area : 200,000 sqm (20 ha )
9. Present products :
  - Newly building ships\ vessels of 300 T tonnage

- Repairing ships\ vessels of a tonnage of 300- 600 T and over.
- Newly building and repairing fishing and tourist ships/ vessels.
- Repairing all nautical equipments.

## **PART II: ORIENTATION OF INVESTMENT DEVELOPMENT**

### **1. Objective:**

- \* Newly building off- shore ships of a tonnage from 10,000 to 30,000 T, particularly, the tourist and fishing ships- vessels with small and medium size (of a tonnage from 300 T to 600 T ).
- \* Repairing the means of nautical transportation.
- \* The object of the project, however, is adjustable to mutual agreement by the parties concerned.

### **2. Mode of investment:**

- Investment in purchase of modern and complex equipment used in building up and repairing off- shore ships.
- Intensive investment in reforming and raising production capacity of the enterprise including ship dismantling capacity.
- Building up another floating dock to repair offshore ships of a tonnage over 10,000 T
- Dredging and clearing the entry and exit for ships of tonnage over 600 T (3,000 m long, 150 m wide and an average of 3.5 m thick of tunnel bed ).
- Reforming and upgrading 2 slip ways for ships of 300- 600 T tonnage.

### **3. Form of investment:** Joint-venture with a duration from 15 to 20 years (expandable).

### **4. Selected site:** The Project sites are located at Vinh Truong Quarter, Binh Tan District, Nha Trang City and Cam Ranh port of Ba Ngoi Town, Khanh Hoa Province.

#### \* *Ship\ vessel building and repairing enterprise:*

- ♦ Total area: 50,000 sqm. Of which :/
  - Usable ground area: 24,000 sqm.
  - Expandable area: 26,000 sqm.
  - Workshop, warehouse and housing space: 3,490 sqm.

- Area of 3- storey office building: 450 sqm.
- Area of dock, slipways and yards in use: 20,060 sqm
- ♦ Land rental: 6 US\$/ sqm. year.
- ♦ The site is 4 km far from the center of Nha Trang City, 2 km far from the Nha Trang airport and 2 km far from Cau Da port.
- ♦ Economic factors of the Project:
  - Transport, power and communication are convenient. There is High- voltage line of kV 320 and an electric transformer of 6.6 KVA.
  - Water supply system is available, but it needs be reformed and upgraded at the Project site.
- \* *Ship dismantling site:*
  - ♦ The site is located at berth No 6 of Cam Ranh port. It is nearly from National Road No 1, 4 km far from Ba Ngoi port southwardly, 55 km far from the center of Nha Trang City, 60 km far from Nha Trang port.
  - ♦ Ground area required for the Project: 20 ha, where the compensation for ground clearing is not completed.
  - ♦ Land rental: 2.00 US\$/ sqm. year.
  - ♦ Economic factors of the Project:
    - High- voltage line of 35 kV is over this site.
    - The power and water supply systems are not completed at the Project site. An electric transformer of 6.6 KVA needs to be built.
- \* Having received the certificate of the right to use land.

**5. Projected products:**

- Newly building off- shore ships, especially tourist and fishing ships/ vessels.
- Fundamental repairing ships- vessels and all sorts of nautical equipment.
- Dismantling ships.

**6. Number of employee:** 500 - 1,000 employees

**7. Market:** Local and foreign off- shore ships, particularly, tourist and fishing ships- vessels.

- Vietnamese party is responsible for local market.
- Foreign party is responsible for foreign market. The Vietnamese party is responsible for import- export licenses and formalities.

**8. Technology requirement:** Invested equipment is required to match up to the modern technology of ship\ vessel building and repairing.

**9. Required equipment and machinery:**

- A 12m-long lathe.
- A 40 T crane and a 5- 10T crane.
- Complex mechanical equipment (shaping machine, plane, lathe, cylinder milling machine, grinding machine )
- Tester for pressure, welding, assembly, automatic electric welding equipment for ship hulls.
- 40 welding machines .
- 10 gear lifting jacks (50-100T )
- Hull scraping equipment (water-pressure and sand-pressure )

**10. Management and training requirement:**

- Management: Board of Directors and Management shall be appointed in accordance with the proportion of capital contribution of each party. Both parties will participate in managing the Joint- venture in accordance with Vietnamese laws.
- Training: Joint- Venture is responsible for abroad and local training programs. The Joint- Venture Company needs specialists to guide and train Vietnamese technical workers.

**11. Supply of materials:** from domestic and foreign sources.

**12. Duration of Joint-Venture :** about 15 or 20 years depending on the scale of the project.

**13. Total investment capital:** depending on the scale of the project. Projected investment capital estimated at *US\$ 9,000,000.0*. The investment in the project can be divided into 2 phases:

- \* Phase I: Building up another dock, dredging and clearing the entry and exit for ships. Invested capital is about US\$ 4.0 million.

- \* Phase II: Investment in purchase of modern and synchronous equipment. Invested capital is estimated at 5.0 million.
14. **Capital contribution of each party :** The proportion of capital contribution will be discussed and agreed on by the Joint-Venture parties.
- \* Vietnamese partner's contribution:
    - ♦ The right of land- use during Joint- Venture duration.
    - ♦ Value of existing properties, consisting of existing buildings and working capital, and compensation for ground clearing (which is determined by the Council of Property Evaluation ).
  - \* Foreign partner's contribution: Foreign currency, machinery and equipment, and input to serve the construction and operation of the project.
14. **Loan capital:** (if required )
- \* Loan capital of the Joint-Venture with favorable terms and interest rate shall be borrowed by the foreign party.
15. **Profit sharing:** After paying all expenses, the net profit shall be shared out according to the ratio of capital contribution between the parties.
16. **Other conditions:**
- \* After signing the Memorandum of Understanding, the foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.

# PROJECT: BUILDING UP SHIPS OF COMPOSITE HULLS

## PART I: INTRODUCTION

1. **Local partner's name :** KHANH HOA SEA PRODUCT, EQUIPMENT COMPANY ( SPECO )
2. **Head office :** 217C Hai thang Tu St. , Nha Trang City. Khanh Hoa Province
3. **Tel :** (84)-58- 23711; 22756; 22833  
**Fax:** (84)-58- 23829
4. **Establishment decision No:** 342/ QĐ-UB dated February 22, 1993 issued by the People's Committee of Khanh Hoa Province.
  - \* Business registration license No: 100755
  - \* Registered capital: 2,441.0 million VNS
  - \* Reference bank: VIETCOMBANK in Nha Trang City  
Account No: 362.111.370.040
5. **Authorized representative:** Mr. LE VAN LAN  
**Title:** Director
6. **Main business scope :** Business- trading export- import, sea- product processing, ship/ boat building and repairing, electromechanics for congelation.
7. **Location:**
  - a) Cam Ranh ship\ boat building and repairing factory.
  - b) F90 enterprise manufacturing sea- products for export
  - c) Dong De terminal for petrol and oil trading
8. **Present products of the Company:**
  - \* Products: Variety of frozen and dry sea products for export, fish sauce, ice, wooden fishing ships.
  - \* Annual output :

- Sea products :	450 T
- Fish sauce :	400,000 liters
- Ice :	350 T

- Ships/ boats: 15 units

**9. Labour : 400 workers**

+ Engineer, professional graduates and post graduates : 28

+ Technicians : 30

**PART II: ORIENTATION OF INVESTMENT DEVELOPMENT**

**1. Objective:**

- \* Newly building the various ships of composite hulls for travelling, sea transportation and fishing.
- \* The object of the project, however, is adjustable to mutual agreement by the parties concerned.

**2. Mode of investment:**

- Investment in purchasing modern and complex equipment used in building up composite ships.
- Technical know-how transfer for manufacturing ships of composite hulls.
- Construction, management and operation of the Enterprise

**3. Form of investment: Joint-venture**

**4. Selected site:** The Project site is located at 90 Da Bac, Ba Ngoi town, Cam Ranh District, Khanh Hoa Province, in central area of Cam Ranh. It is beside the Cam Ranh bay, 2 km far from Ba Ngoi port, 60 km from center of Nha Trang City and 70 km far from Nha Trang airport.

\* Total ground area : 8,481.5 sqm

Expandable area: 5,400 sqm

\* Area of existing buildings: 1,900 sqm

Number of houses to be removed: a house of 100 sqm

\* Land rental: 1.60 US\$/ sqm. year

\* Having received the certificate of the right to use land.

\* Economic factors of the Project:

- Transport and communication are convenient.
- Power supply system can meet the requirement of the Project.
- Water is from drilling wells.

**5. Suggestive architecture and design:** Construction must be suitable for the objective of the project.

**6. Projected production capacities and products:**

\* *Production capacity:*

The products of the Project will be mainly various composite ships of 20 m long or less. The production output is estimated as follows:

- The First phase: 20 ships per year
- The Second phase: 30 ships per year

\* *Products:*

- Building ships for fishermen living in the beaches of Center part and North of Viet Nam.
- Building up the tourist ships.
- Other plastic (composite ) products for manufacturers and consumers.

**7. Number of employee:** 30 labors

**8. Market:** The Projected products will be marketed as follows:

- + In domestic market : 50% of production output
- + Foreign market : 50% of production output

**9. Technology and know- how requirement:** Invested equipment and know- how is required to match up to the modern technology of building the strong and nice composite ships instead of wooden ones.

**10. Management and training requirement:**

- Management: Board of Directors and Management shall be appointed in accordance with the proportion of capital contribution of each party.
- Training: The Joint- Venture Company needs specialists to guide and train Vietnamese technical workers.

**11. Supply of materials:** from domestic and foreign sources.

**12. Duration of Joint-Venture :** 20 years (expandable )

**13. Total investment capital:** depending on the scale of the project.  
Projected investment capital estimated at *US\$ 2,000,000.*

**14. Legal capital: US\$ 1,053,520**

\* Vietnamese partner shall contribute **US\$ 421,408**, accounting for **40%** of legal capital and consisting of:

♦ The right to use of land during Joint- Venture duration of 20 years:

1.60 US\$/ sqm. year x 8,481.5 sqm x 20 years = 271,408 US\$

♦ Value of existing properties(which is determined by the Council of Property Evaluation ) is estimated at US\$ 150,000, consisting of:

- Existing buildings : US\$ 140,000

- Compensation for ground clearing : US\$ 10,000

\* Foreign partner shall contribute **US\$ 632,112** accounting for **60%** of legal capital, including: Foreign currency, machinery and equipment, and other input to serve the construction and operation of the project.

**15. Loan capital: US\$ 946,480**

\* Loan capital of the Joint-Venture with favorable terms and interest rate shall be borrowed by the foreign party.

**16. Profit sharing:** After fulfilling all expenses, the net profit shall be shared out according to the ratio of capital contribution between the parties as follows :

+ Vietnamese party:	40%
+ Foreign party:	60%

**17. Other conditions:**

\* After signing the Memorandum of Understanding, the foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.

# PROJECT: SHAPED ALUMINUM MANUFACTURING

## PART I: INTRODUCTION

1. **Local partner's name :** ENGINEERING- POWER- AUTOMOBILE  
CONNECTED ENTERPRISES OF KHANH HOA PROVINCE
2. **Head office :** Dong De- Vinh Hai- Nha Trang City, Khanh Hoa Province
3. **Tel :** (84)-58-31197
4. **Bank account :**
  - \* Account No: 710A-00071 of INCOMBANK in Khanh Hoa Province
  - \* Account No: 362111-370090 of VIETCOMBANK in Nha Trang City
5. **Authorized representative:** Mr. NGUYEN QUANG CHAU  
Title: Director
6. **Main business- production scope :**
  - \* To produce mechanical commodities
  - \* To repair all sorts of automobile and vehicle
  - \* To buy and sell all sorts of automobile, vehicle and spare parts
  - \* To export and import directly all sorts of equipment, spare parts and material for mechanic and transportation.
7. **Location :**
  - a) Total area : 63,200 sqm.
  - b) Area of existing buildings : 8,344 sqm, consisting of :
    - Workshops : 6,637 sqm
    - Warehouses : 660 sqm
    - Office and meeting hall : 1,047 sqm
8. **Current machinery and equipment :** System of machinery and equipment in mechanic processing and repairing is relatively complete.
9. **Present market :**
  - Local : Provinces of Vietnam Central part

- Foreign : Automobiles and vehicles are imported from countries of Asia, Europe and America.

## **PART II: ORIENTATION OF INVESTMENT DEVELOPMENT**

- 1. Objective:** To establish a factory specialized in shaped aluminum manufacturing in order to produce a variety of doors and windows and for interior decoration.
  - \* The object of the project, however, is adjustable to mutual agreement by the parties concerned.
- 2. Proposed Foreign Joint- Venture partner:** will be a company of France or United States of America, or Australia or Taiwan, or China or Japan...
- 3. Requirement of technology, machinery and equipment:**
  - Production technology and invested machinery and equipment shall be suitable for the objective of the project.
  - The problem of waste water solution and natural environment protection will be perfectly settled.
  - Proposed machinery and equipment can be made in France or United States of America or Australia and Taiwan.
- 4. Form of investment:**
  - To establish Joint-venture Company in accordance with the Law on Foreign Investment in Vietnam; or
  - To purchase machinery and equipment under form of delayed payment in kind.
- 5. Selected site:** The Project site is located at Dong De, Vinh Hai of Nha Trang City. It is 4 km far from the City center, 6 km from the Nha Trang airport and 8 km far from Cau Da port.
  - \* Total area: 63,200 sqm.  
Required area for the Project : 33,000 sqm
  - \* Having received the certificate of the right to use land.
  - \* Area of existing buildings : 8,344 sqm, in which :
    - Workshops : 6,637 sqm
    - Warehouses : 660 sqm
    - Office and meeting hall : 1,047 sqm
  - \* Land rental: 5 US\$/ sqm. year.
  - \* Infrastructure:

- Transport, power and communication are convenient. There is a road of 500 m long connecting the Enterprise to National Way No 1 for vehicles of carrying capacity from 10 to 20 T.
- There is High- voltage line of 15 KV and 3 electric transformers of 320 KVA for the Enterprise.
- Industrial water supply system with water- pipe of  $\phi 100$  and water drainage system are available.

**6. Projected production capacity and products:**

- \* Annual capacity : 2,000 T
- \* Products (specification of products is shown in Annex hereinafter ):
  - 700- 1000 safety aluminum doors
  - 108, 728/ 888 and 900 safety aluminum windows

**7. Market:** The projected products will be mainly consumed in Vietnamese market instead of imported commodities. In future, the market shall be expanded abroad, particularly, to countries of South-East Asia.

**8. Management and training requirement:**

- Management: Board of Directors and Management shall be appointed in accordance with the proportion of capital contribution of each party.
- Training: Joint- Venture is responsible for abroad and local training programs. The Joint- Venture Company needs specialists to guide and train Vietnamese technical workers.

**9. Material sources:** To supply from domestic and foreign sources.

**10. Duration of Joint-Venture :** about 15 or 20 years depending on the scale of the project

**11. Capital contribution of each party :**

If the Joint- Venture is established, the proportion of capital contribution will be discussed and agreed on by the Joint- Venture parties. Proposed capital contribution of each party is as the following :

- \* Vietnamese partner's contribution:
  - ♦ Value of right to use the land during Joint- Venture duration is estimated as follows :
    - Variant 1: 5 US\$ x 33,000 sqm x 15 years = 2,475,000 US\$
    - Variant 2: 5 US\$ x 33,000 sqm x 20 years = 3,300,000 US\$

- ♦ Value of existing properties, consisting of existing buildings and compensation for ground clearing (which is determined by the Council of Property Evaluation ) is estimated at US\$ 600,000.

- \* Foreign partner's contribution: Foreign currency, machinery and equipment, and input to serve the construction and operation of the project. In which, value of invested machinery and equipment is estimated at US\$ 3,300,000.

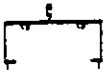
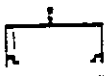
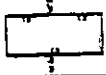


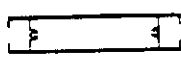


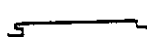
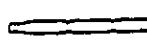
12. **Profit sharing:** After fulfilling all expenses, the net profit shall be shared out according to the ratio of capital contribution between the parties.

13. **Other conditions:**







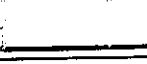





- \* After signing the Memorandum of Understanding, the foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.













**CỬA ĐI 700**  
700 SAFETY ALUMINIUM DOOR

MÃ SỐ STYLE NO	MẶT CẮT MODEL	M/CÂY LENGTH	ĐVN/CÂY DVN/PC
NC7001		5.8	320.000
NC7002		5.8	282.000
NC7006		5.8	445.000
NC7052		5.8	313.000
NC7053		5.8	386.000
NC7054		5.8	504.000
NC7056		5.8	391.000
CN7005		5.8	65.000
NC5506		5.8	180.000
NC5510		5.8	350.000
















**CỬA ĐI 1000**  
1000 SAFETY ALUMINIUM DOOR

MÃ SỐ STYLE NO	MẶT CẮT MODEL	M/CÂY LENGTH	ĐVN/CÂY DVN/PC
NC1001		5.8	660.000
NC1002		5.8	618.000
NC1009		5.8	467.000
NC1051		5.8	358.000
NC1052		5.8	354.000
NC1053		5.8	399.000
NC1054		5.8	589.000
NC4406		5.8	92.000
NC4407		5.8	68.000
CN7005		5.8	65.000
RR8031		5.8	566.000
OB9013		5.8	443.000

**CỬA SỐ 900**  
**900 SAFETY ALUMINIUM WINDOW**

MÃ SỐ STYLE NO	MẶT CẮT MODEL	M/CÂY LENGTH	ĐVN/CÂY DVN/PC
NC9001		5.8	423.000
NC9002		5.8	417.000
NC9003		5.8	244.000
NC9005		5.8	696.000
NC9051		5.8	173.000
NC9053		5.8	159.000
NC9055		5.8	180.000
NC9058		5.8	116.000
NC9059		5.8	94.700
RH1087		5.8	110.000

**CỬA SỐ 728/888**  
**728/888 SAFETY ALUMINIUM WINDOW**

MÃ SỐ STYLE NO	MẶT CẮT MODEL	M/CÂY LENGTH	ĐVN/CÂY DVN/PC
NC7801		5.8	332.000
NC7802		5.8	411.000
NC7803		5.8	228.000
NC7805		5.8	773.000
NC7851		5.8	150.000
NC7852		5.8	175.000
NC7853		5.8	221.000
NC7855		5.8	186.000
NC7856		5.8	227.000
NC7857		5.8	351.000
NC7860		5.8	125.000
ND8801		5.8	532.000
ND8802		5.8	543.000
ND8803		5.8	351.000
ND8805		5.8	1,115.000

# PROJECT: MANUFACTURING PORCELAIN PRODUCTS FOR ELECTRIC NETWORK AND CONSTRUCTION

## PART I: INTRODUCTION

1. Local partner's name : KHANH HOA CONSTRUCTION MATERIALS  
COMPANY
2. Head office : 9 Nguyen Thien Thuat St., Nha Trang City.
3. Tel : (84)-58- 22083; 22388  
Fax: (84)-58- 22000
4. Establishment decision No: 454/ UB dated March 8, 1993 issued by  
the People's Committee of Khanh Hoa Province.
  - \* Business registration license No: 100799 dated March 25, 1993  
granted by the Economic Arbitration Board of Khanh Hoa Province.
  - \* Registered capital: 1,207.0 million VNS
  - \* Bank account:
    - Vietnamese Dong: 710A-00082 at INCOMBANK in Khanh Hoa
    - Foreign cash: 362.111.370.191 at VIETCOMBANK in Khanh Hoa Pr.
5. Authorized representative: Mr. LUONG KIM SON  
Title: Director
6. Main business scope : Buy and sell construction materials and  
equipment.

## PART II: ORIENTATION OF INVESTMENT DEVELOPMENT

1. Objective: Exploiting and using kaolin resources in local region for  
manufacturing the specialized porcelain products for electric network  
and construction.
  - \* However, the object of the project, as well as the site of the  
Company to be established, is adjustable to mutual agreement by the  
parties concerned.
2. Mode of investment:
  - Investment in purchasing modern and complex machines and  
equipment used for manufacturing the specialized porcelain products.



- Investment in exploiting the kaolin resources in local region.

**3. Form of investment and preferential terms:** To be established the Joint-Venture Company or a Enterprise with 100% Foreign owned capital.

- The rate of corporate income tax shall be 25%.
- Turn-over Taxes of products being marketed in Vietnam: 4%.
- The project may be examined for income tax exemption in one (1) year since profits are made and reduction by 50% in two (2) subsequent years at most.
- The rate of withholding tax will be 10% of the profits transferred for the project having contribution of foreign partner to the legal capital less than 5 million US dollars.

**4. Selected site:** The Project site is located at Van Hung Village, Van Ninh District, Khanh Hoa Province, 2 km far from Kaolin- mine. The site is by National Way No 1, 60 km far from center of Nha Trang City and 65 km from Nha Trang port.

- ✿ The projected ground area required for the Project: 2 - 3 ha.
- ✿ There is an old factory with area of 1,000 sqm located 1 km far from Kaolin mine.
- ✿ Land rental: 1,00 US\$/ sqm/ year.
- ✿ Economic factors of the Project:
  - There is High- Voltage line of 35 KV over the site.
  - Water supply source is Da Bang dam and about 7 km far from the Project site.

**5. Projected capacities and products:**

✿ *Production capacity:* 2,000 T of various products per year.

✿ *Products:*

The Project products are mainly porcelain ones specialized for electric network and construction, as the following:

- The insulated porcelain products are provided for electric network.
- The toilet porcelain products, such as Bath- tub, Deluxe wash- basin, Deluxe jet commode, Vertical automatic sensor and wall piss pan ...

- The porcelain products are used for interior decoration and construction.

6. **Market:** At beginning, the products will be chiefly consumed in domestic market. In future, a part of the products will be exported.

7. **Technology and know-how requirement:** Invested machines and equipments as well as advanced know-how are required to match up to the modern technology of manufacturing the specialized porcelain products instead of imported ones.

8. **Management and training requirement:**

- **Management:** Board of Directors and Management shall be established in accordance with the Charter of the Company.

- **Training:** The Company shall have a program of skill training for Vietnamese technical workers.

9. **Supply of materials:**

The main raw-material of the Project will be supplied from existing local Kaolin resource. According to a non-completed investigation and research of Kaolin resource (another 10,000 sqm-area of Kaolin has not been investigated), Kaolin reserve at Van Ninh District of Khanh Hoa Province is estimated at 70,000 T of Kaolin with standard of C1 level or above. Physical and chemical characteristics are as the following :

a) **Physical characteristic :**

Grain size: 0.074 getting 90% (Siffer of 200 ME SH )

b) **Chemical composition:**

$Al_2O_3$  : 19,72 - 24,66%

$TiO_2$  : 0,5 - 0,57%

MKN : 6,03 - 7,54%

$SiO_2$  : 59,96 - 66,84%

$Fe_2O_3$  : 1,84 - 2,72%

10. **Duration of Joint-Venture :** 20 years (expandable ).

11. **Total investment capital:** depending on the scale of the project. The investment in the project can be divided into 2 phases:

\* Phase I: Exploiting and processing Kaolin of High standard.

\* Phase II: Using exploited Kaolin for manufacturing the specialized porcelain products.

## **12. Capital contribution of each party :**

If the Joint- Venture is established, the proportion of capital contribution will be discussed and agreed on by the Joint- Venture parties.

### **\* Vietnamese partner's contribution:**

- ♦ The right of land- use during Joint- Venture duration.
- ♦ The price of land to be contributed into the Join- Venture is US\$ 1.00 per sqm. year.
- ♦ Value of existing buildings and compensation for ground clearing (which is determined by the Council of Property Evaluation ).

### **\* Foreign partner's contribution: Foreign currency, machinery, equipment and technical know- how.**

## **13. Other conditions:**

- \* After signing the Memorandum of Understanding, the foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.**

# PROJECT: BEAUTY SOAP AND COSMETIC MANUFACTURING

## PART I: INTRODUCTION

1. Local partner's name : **BLAUMER COMPANY**
2. Head office : 74 Sinh Trung St., Nha Trang City, Khanh Hoa Province
3. Tel : (84)-58-22783; 81178
4. Establishment decision No: 408/ UB dated February 28, 1994 issued by the People's Committee of Khanh Hoa Province.
5. Authorized representative: **Mr. PHAM TAM**  
Title: Director
6. Main business- production scope : Beauty soap, aromatic and cosmetic manufacturing.
7. Current technology and equipment: relatively modern are made by Germany.
8. Market :
  - Domestic : Ha Noi, Ho Chi Minh Cities; Bien Hoa City, Quang Nam Da Nang, An Giang and other provinces of Vietnam Central part .
  - Foreign : Bulgaria, Poland, Russia, Turkey, Mexico.

## PART II: ORIENTATION OF INVESTMENT DEVELOPMENT

1. Objective: Joint- Venture is established for the purpose of expanding production and supplementing technology in order to manufacture cosmetic products according to the international standards.
  - \* The object of the project, however, is adjustable to mutual agreement by the parties concerned.
2. Proposed Foreign Joint- Venture partner: will be a company of United States of America or other countries that have advanced technology and modern technique.
3. Requirement of technology, machinery and equipment: Production technology and invested machinery and equipment must be suitable for the objective of the project and must perfectly settle the problem of waste water solution and natural environment protection.

**4. Projected products:** Foreign advance technology is applied to produce beauty- soap, skin off and anti- sunburn creams, lipstick, make- up powder and plastic and aluminum packages.

Proposed products and annual production capacity of the Project are the following:

- High- grade detergent: 5,000 T.
- Tooth paste: 3,000,000 pieces.
- Various sorts of Shampoo (bottle of 300 ml): 1,000,000 bottles.
- Soda silicate: 400 T.

**5. Form of investment and its preferential terms:** Joint- Venture form

+ The rate of corporate income tax shall be 25%.

+ Turn- over Taxes of products being marketed in Vietnam:

- Soap and detergent: 4%

- Cosmetic: 8%

+ The project may be examined for income tax exemption in one (1) year since profits are made and reduction by 50% in two (2) subsequent years at most.

+ The rate of withholding tax will be 10% of the profits transferred for the project having contribution of foreign partner to the legal capital less than 5 million US dollars.

**4. Selected site:** The Project sites are located at Binh Tan Industrial Zone, Nha Trang City. The site is 2 km far from Cau Da port, 1 km far from Nha Trang airport and 6 km far from railway station. Transportation and communication are convenient.

☛ Total ground area: 22,000 sqm.

☛ Area of current workshops, storehouses, offices and other buildings: 2,523 sqm.

☛ Land rental: 5,00 US\$/ sqm/ year.

☛ Having received the certificate of the right to use land.

☛ Infrastructure:

- There is a 180 KVA- transformer station, the capacity of which can be increasing.

- There is a drilling well with day- long capacity of 20 m<sup>3</sup>.

- Water drainage system is not available at the Project site.

**7. Market:**

- Local : 30% of production output
- Foreign : 70% of production output

**8. Management and training requirement:**

- Board of Directors shall be appointed in accordance with the Contract and Charter of Joint- Venture Company.
- Foreign partner shall support Joint- Venture to train and improve the skill for Vietnamese workers. Joint- Venture shall be responsible for abroad and local training programs.

**9. Supply of materials: from domestic and foreign sources.**

**10. Duration of Joint-Venture : about 15 or 20 years (expandable )  
depending on the scale of the project.**

**11. Capital contribution of each party : The proportion of capital contribution will be discussed and agreed on by the Joint- Venture parties.**

**\* Vietnamese partner's contribution:**

- ♦ The right of land- use during Joint- Venture duration of 15 or 20 years.
- ♦ Depending on the investment variants, Vietnamese party shall contribute the right of land- using in the forms as the following:

- Variant I:

5 US\$ /sqm. year x 22,000 sqm x 15 years = 1,650,000 US\$.

- Variant II:

5 US\$/ sqm. year x 22,000 sqm x 20 years = 2,200,000 US\$.

- ♦ Value of existing properties, consisting of existing buildings and compensation for ground clearing (which is determined by the Council of Property Evaluation ) is estimated at US\$ 1,700,000, of which :

- Value of workshops : US\$ 250,000
- Value of machinery and equipment: US\$ 1,250,000
- Compensation for ground clearing : US\$ 200,000

- \* Foreign partner's contribution: Foreign currency, machinery and equipment, and input to serve the construction and operation of the project.

**12. Loan capital: (if required )**

\* Joint- Venture loans with preferential term and interest shall be borrowed by the foreign party.

**13. Profit sharing:** After fulfilling all expenses, the net profit shall be shared out according to the ratio of capital contribution between the parties.

**14. Other conditions:**

\* After signing the Memorandum of Understanding, the foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.

\* The compensation for the surface area clearance of US\$ 200,000 shall be paid by the Foreign party as an advance payment and to be included among the cost of the Joint- Venture Company.

# PROJECT: INVESTMENT IN EXPANDING WORKSHOPS OF EXPORTED SHOE MANUFACTURING

## PART I: INTRODUCTION

1. **Local partner's name :** BINH MINH SHOE SEWING ENTERPRISE
2. **Head office :** 12 Nguyen Gia Thieu St., Nha Trang City
3. **Tel :** (84)-58-22132; (84)-58-81160
4. **Establishment decision No:** 221/QD-UB dated February 03, 1994  
issued by the People's Committee of Khanh Hoa Province.  
  
\* Business registration license No: 100795 granted by the Economic  
Arbitration Board of Khanh Hoa Province.
5. **Authorized representative: Ms. LE THI BICH**  
**Title: Director**
6. **Main business- production scope :** Manufacturing shoes, sandals  
and garments for export.
7. **Location of the Enterprise:**
  - The First site: 12 Nguyen Gia Thieu St., Nha Trang City (Total area-  
500 sqm, of which: 300 sqm of workshops).
  - The Second site: Binh Tan, Phuoc Hai, Nha Trang City (Total area-  
8,000 sqm, of which: 5,000 sqm of workshops and warehouses).
8. **Products of the Enterprise:**
  - Garments for export: 1,000,000 pieces/ year
  - Exported shoes: 500,000 pairs/ year
9. **Consumption market :** Taiwan, Korea and EC
10. **Labors :** 350 workers, of which:
  - 150 official labors (100 workers with skill level 3/7)
  - 200 provisional employees
11. **Machinery and equipment:**  
Chiefly made in Czechoslovakia. At present, there are :
  - 150 sewing machines, in which: 130 special ones
  - 80 upper stitching machines.

## PART II: ORIENTATION OF INVESTMENT DEVELOPMENT

1. **Objective:** Expanding production and adding machines and equipments in order to produce the exported shoes to meet the international standards and requirements of consumption market.

⊗ The object of the project, however, is adjustable to mutual agreement by the parties concerned.

2. **Proposed Foreign Joint- Venture partner:** will be a company of Taiwan, Korea or Japan.

3. **Requirement of technology, machinery and equipment:** Production technology and invested machinery and equipment must be suitable for the objective of the project.

4. **Projected capacity and products:**

- Annual production capacity: 1,000,000 pairs.

- Products: Shoes for export.

3. **Form of investment and its preferential terms:** Joint- Venture or contractual business cooperation.

- The rate of corporate income tax shall be 25%.

- Turn- over Taxes of products being marketed in Vietnam: 6%.

- The project may be examined for income tax exemption in one (1) year since profits are made and reduction by 50% in two (2) subsequent years.

- The rate of withholding tax will be 10% of the profits transferred for the project having contribution of foreign partner to the legal capital less than 5 million US dollars.

4. **Selected site:** The project sites are located at Binh Tan, Phuoc Hai, Nha Trang City. The site is 2 km far from Cau Da port, 1 km far from the Nha Trang airport and 6 km far from railway station. Transportation and communication are convenient.

⊗ Total ground area: 8,000 sqm.

Usable area: 5,000 sqm.

⊗ Area of existing workshops, warehouses and other buildings: 2,700 sqm.

⊗ Land rental: 6,00 US\$ / sqm/ year.

⊗ Having received the certificate of the right to use land.

**\* Infrastructure:**

- There is a 180 KVA- transformer station.
- There are 2 drilling wells.

**7. Consumption market:** The products will be mainly exported.

**8. Management and training requirement:**

- Board of Directors shall be appointed in accordance with the Contract and Charter of Joint- Venture Company.
- Foreign partner shall support Joint- Venture in the skill training and improving to Vietnamese employee.

**9. Supply of materials:** from domestic and foreign markets.

**10. Duration of Joint-Venture :** about 15 or 20 years depending on the scale of the project.

**11. Total investment capital:** depending on the scale of the project. Projected investment capital estimated at *US\$ 1,000,000*, consisting of :

- Machinery and equipment: US\$ 650,000
- Basis construction: US\$ 250,000
- Others (Fixed and Working cap.): US\$ 100,000

**12. Capital contribution of each party :**

**\* Vietnamese party shall contribute *US\$ 300,000* accounting for 30% of legal capital, including:**

- ♦ Existing machines and equipments
- ♦ Value of existing workshops and warehouses to be contributed to the Joint- Venture
- ♦ Contribution of the right to use of land: If necessary, Vietnamese party shall be able to contribute the rights of land- using during Joint- Venture duration and compensation for ground clearing, the economic value of which is estimated at US\$ 1,000,000.

**\* Foreign party shall contribute *US\$ 700,000* accounting for 70% of legal capital, including: foreign currency, machinery and equipment to serve the construction and operation of the project.**

**13. Profit sharing:** After fulfilling all expenses, the net profit shall be shared out according to the ratio of capital contribution between the parties.

**14. Other conditions:**

- \* After signing the Memorandum of Understanding, the foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.



# PROJECT: DAT LANH RESERVOIR

## PART I: INTRODUCTION

### 1. Local partner's name :

*\* The Project management committee:*

PEOPLE'S COMMITTEE OF KHANH HOA PROVINCE

*\* Executive organ:*

WATER RESOURCES SERVICE OF KHANH HOA PROVINCE

2. Head office : 26 Hoang Hoa Tham Street, Nha Trang City

3. Tel : 21104

4. Authorized representative: Mr. TRAN DIEU

Title: Director of Water Resource Service

## PART II: ORIENTATION OF INVESTMENT DEVELOPMENT

1. Objective: The purposes of building up Dat Lanh reservoir are as follows:

- To supply water for 100 ha of farm land and 75 ha of land for feeding shrimps;
- To supply fresh water for 1600 households in the Dat Lanh new economic settlement;
- To control the flood for downstream benefit area;
- To protect environment and forest in the head of the current;
- To establish an area for tourism and feeding fish.

2. Mode of investment: Newly building for long- term exploitation.

3. Planned business forms:

- To supply water for agricultural production, including breeding shrimps and fishes;
- To supply fresh water for inhabitants in the surround areas;
- Tourist services.

4. Form of investment and its preferential terms: To establish a Company under investment form of Building- Operating and Transferring contract (BOT ) or to provide loan capital for the Project.

**⊛ No-compensation transfer of properties to Vietnam upon termination (BOT):**

- The rate of corporate income tax shall be 10%.
- The project may be examined for income tax exemption in four (4) years since profits are made and reduction by 50% in four (4) subsequent years.
- The rate of withholding tax will be 5% of the profits transferred.

**⊛ Form of providing loans:**

- The Foreign partners, including economic organizations, banks or businessmen will provide loans with preferential term and rate of interest for the Project.
- Not any tax on transferring and returning foreign long- term and short term loans with their interests to foreign lenders.
- Not any tax on the Project's borrowing of foreign long- term and short term loans for capital financing of the Project.

**5. The necessity to invest:**

- At present, the agricultural area of over 100 ha in South of Nha Trang city has been cultivated mainly by rain water. The lack of water supply and of actively controlled crops are the main reasons of a low average yield as compared with those of Khanh Hoa province.

The application of advanced techniques of production plus irrigation works adaptation of new varieties of paddy will greatly increase cultivated area and its productiveness.

- The local inhabitants now are living in the condition lacking of fresh water. The building of Dat Lanh reservoir therefore will solve the problem of supplying fresh water for 1,600 households.
- Besides, the Dat Lanh reservoir will further local development of feeding shrimps and fishes, supply fresh water for area of 75 ha used in feeding shrimps, improve environment and upgrade standards of living.

**6. Selected site:**

- ⊛ Geography location: Dat Lanh reservoir is located in the vicinity of Nha Trang city, bordered by Cam Ranh District in the South and

Dien Khanh District in the West. Its geographic Co- ordinate is 12<sup>o</sup>11'46" North latitudes and 109<sup>o</sup>08'15" East longitudes.

\* **Terrain characteristic:** (see the maps herewith )

- The reservoir bed surrounded by mountains is rather wide and smooth with a few plants.
- The reservoir bed beside the auxiliary earth- fill dam is suitable for conduction of water stream and for two phases of building up the reservoir.

\* **Economic factors of the Project:**

- There are the roads connecting the Project site with High Way.
- Building materials such as stone, soil are available at the Project side.
- There is only Cau Doi irrigational system of capacity of 500 x 10<sup>6</sup> m<sup>3</sup>/year.

**7. Description of the Project:** Construction of workshop must be suitable for the objective of the project and for the natural sight.

\* **Contents of building:**

The project of building up a reservoir includes the following head works:

- ◆ A main earth- fill dam with the maximum height of 17 m, the crest length of 580 m and the crest width of 6 m.
- ◆ An auxiliary earth- fill dam with the maximum height of 7.5 m, the crest length of 350 m and the crest width of 6m.
- ◆ A concrete spillway with the width of 50 m and the design discharge of 200 m<sup>3</sup>/ s.
- ◆ Intake conduit with the size of 900 mm and the length of 135m.
- ◆ Irrigation canals and water supplying tube network with the total length of 1,800 m and can carry a discharge of 0.7m<sup>3</sup>/ s.

\* Building 2 new roads of 2 km length instead of old ones under reservoir water.

**8. Raw- material supply:** from domestic sources

**9. Duration of Joint-Venture :** about 30 or 40 years.



10. **Total investment capital:** depending on the scale of the project. Projected investment capital estimated at *US\$ 4,500,000*. The investment in the project can be divided into 2 phases:

- \* Phase I: Earth- fill dam of 35.2 m height. Reservoir capacity of  $2.8 \times 10^6 \text{ m}^3$ .
- \* Phase II: Earth- fill dam of 40 m height. Reservoir capacity of  $7.08 \times 10^6 \text{ m}^3$ .

11. **Other conditions:**

- \* If the project gets BOT's form of investment, upon termination of its duration, entire physical facilities would be transferred to the Vietnamese Government without any reimbursement to the Foreign partner.
- \* After signing the Memorandum of Understanding, the Foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.



# PROJECT: HOA SON RESERVOIR

## PART I: INTRODUCTION

### 1. Local partner's name :

*\* The Project management committee:*

PEOPLE'S COMMITTEE OF KHANH HOA PROVINCE

*\* Executive organ:*

WATER RESOURCES SERVICE OF KHANH HOA PROVINCE

2. Head office : 26 Hoang Hoa Tham Street, Nha Trang City

3. Tel : 21104

4. Authorized representative: Mr. TRAN DIEU

Title: Director of Water Resource Service

## PART II: ORIENTATION OF INVESTMENT DEVELOPMENT

1. Objective: The purposes of building up Hoa Son reservoir are as follows:

- To supply water for 1,400 ha of agricultural land;
- To supply fresh water for industries, particularly, for Van Phong oil refinery factory to be established in future;
- To control the flood for downstream benefit area and to protect also environment.

2. Mode of investment: Newly building for long- term exploitation.

3. Planned business forms:

- To supply water for agricultural production;
- To supply fresh water for industries.

4. Form of investment and its preferential terms: To establish a Company under investment form of Building- Operating and Transferring contract (BOT ) or to provide loan capital for the Project.

*\* No- compensation transfer of properties to Vietnam upon termination (BOT):*

- The rate of corporate income tax shall be 10%;

- The project may be examined for income tax exemption in four (4) years since profits are made and reduction by 50% in four (4) subsequent years.
- The rate of withholding tax will be 5% of the profits transferred.

✿ **Form of providing loans:**

- The Foreign partners, including economic organizations, banks or businessmen will provide loans with preferential term and rate of interest for the Project.
- Not any tax on transferring and returning foreign long- term and short term loans with their interests to foreign lenders.
- Not any tax on the Project's borrowing of foreign long- term and short term loans for capital financing of the Project.

**5. The necessity to invest:**

- Building up Hoa Son reservoir is very important for local agricultural development. Establishment of Hoa Son reservoir will greatly increase cultivated area and its productiveness. The benefit area of the project is estimated at 1,400 ha. At present, only one third of this area can be cultivated because of lack of water supply.
- Hoa Son reservoir is important water source for the oil refinery factory and new habitation to be established in future.
- Besides, the Hoa Son reservoir will improve environment, provide new jobs for local people and upgrade standards of living.

**6. Selected site:**

✿ ***Geography location:*** Hoa Son reservoir is estimated to locate at Song Can, Tu Bong area of Van Ninh District (in the North of Khanh Hoa Province). The head works of Hoa Son reservoir are located at 12°48' North latitudes and 109°18' East longitudes. It is 2 km far from National Way 1A and Thong Nhat railway, 10 km far from Dai Lanh tourist area South- Westerly.

✿ ***Terrain characteristic:*** (see the maps herewith)

- The reservoir bed surrounded by mountains is rather wide, square and smooth with a few plants.
- The reservoir bed has semi- safety dams that is by irrigation area.

- The irrigation area is gradually lower towards lower section, therefore it is suitable to establish irrigation network.

\* Transportation is convenient. There are two roads of 2 km long skirting Song Cai river and connecting the Protect site with National Way 1A. However, some parts of those roads must be upgraded and expanded.

7. **Description of the Project:** Construction of workshop must be suitable for the objective of the project and for the natural sight.

\* **Contents of building:**

The project of building up a reservoir includes the following head works:

- ♦ An earth- fill dam with the maximum height of 25.5 m, the crest length of 824 m and the crest width of 6 m.
- ♦ A concrete spillway with the width of 100 m and the design discharge of 750 m<sup>3</sup>/s.
- ♦ Two intake conduits and irrigation canal network with the total length of 10,400 m and can carry a discharge of 2.5 m<sup>3</sup>/s.

8. **Raw- material supply:** from domestic sources

9. **Duration of Joint-Venture :** about 30 or 40 years.

10. **Total investment capital:** depending on the scale of the project.  
Projected investment capital estimated at *US\$ 5,000,000*.

11. **Other conditions:**

\* If the project gets BOT's form of investment, upon termination of its duration, entire physical facilities would be transferred to the Vietnamese Government without any reimbursement to the Foreign partner.

\* After signing the Memorandum of Understanding, the Foreign party shall be liable to provide 0.3% of total invested capital in advance for preparation of documents and fulfilling formalities to apply Investment License.

