

VIETNAM

Acquisition and Structuring of Businesses

Kuala Lumpur 11 March 2013 Singapore 12 March 2013

It is the best time to take a serious look into acquisition of business in Vietnam – valuation of businesses / assets is low, and with extremely high cost of funding, many enterprises in Vietnam lack working capital for continuing operations and are eagerly seeking for foreign buyers or joint venture partners. This is the right time for far sighted foreign investors to seal up equity joint ventures with Vietnamese partners or acquire businesses that have solid fundamentals and excellent potentials but with growth limited by funding.

The macro-economic environment in Vietnam has achieved certain degree of stabilization. With the continuous restructuring of the banking and financial services sector and the enhancement of corporate governance measures for major state owned enterprises, analysts are predicting a major economic rebound within 2 years. Foreign investors are drawn to the dynamic economy with a population of close to 90 millions with young, eager-to-learn and hardworking workers, as well as growing customer sophistication. Despite the challenges in the recent years, the economic train is surely and steadily moving ahead. Recovering from the hard knocks of economic difficulties, Vietnamese enterprises and entrepreneurs are also more pragmatic and eager to collaborate on equity participation and business partnership with foreigners. And foreign investment continues to grow with substantial inflows of FDI coming from Japan, Singapore, Taiwan, Hong Kong, Korea and Malaysia.

The acquisition of business in Vietnam is however a daunting task given the emerging nature of the regulatory and tax framework surrounding mergers and acquisition activities. This is compounded by the complex bureaucratic challenges in securing

foreign equity interests in many business sectors. Seasoned investors are aware that although knowledge of the laws and regulations in Vietnam is essential, it is the practical tips and realist strategies of avoiding the common pitfalls and potholes of operating in Vietnam that will contribute towards business success.

There are large expectation gaps between the foreign acquirers and Vietnamese entrepreneurs in various aspects of financial management, due diligence procedures and approaches to valuation that need to be bridged to implement a successful M&A.

This workshop aims to guide potential foreign direct investors in assessing, structuring and implementing successful acquisitions of private Vietnamese enterprises. The speaker shall provide a no-nonsense and realistic assessment of the expectations and challenges in acquiring businesses and working with joint venture partners in Vietnam.

Hot Topics!

- Investment Licensing essentials - Updates on setting up and registering acquired companies in Vietnam – the regulatory framework and investment licensing process
- Legal and financial due diligence
 - The process and practice in Vietnam
 - Important documents and information
 - Salient differences in approach in dealing with Vietnamese owned and foreign owned targets
 - Accounts - Who / what can you trust? Parallel sets of accounts, “laissez faire” Vietnamese auditors with dubious audited financial statements, complex tax accounts
 - Typical challenges
 - What to watch out for

- Elaborate and aggressive tax approaches
 - Highlights – payroll, rental, cash versus invoiced sales, allowed expenses and advances
 - How such manipulations are tacitly endorsed by the tax authorities
 - Post-acquisition “blues” – how to resolve / restructure the aggressive tax approaches to be in line with foreign investor’s practices
- Implementing the M&A
 - Structuring issues – equity or asset transfer, equity or loan injection
 - Are foreigners allowed to operate the business scope? Structuring with foreign ownership restriction in mind
 - Procedures and timing of ownership transfers and payments
 - Review of enterprise charter (Memorandum and Articles) and joint venture agreement
 - Bureaucratic delays
 - Recommended transitional arrangements
- Taxation aspects of M&A
 - Transfer of assets / business or acquisition of shares - which is preferred?
 - Capital assignment profits (capital gains) tax
 - VAT upon transfer of assets
 - Tax incentives – transferrable?
- Aspects of Management and Control
 - Legal representative and general director
 - Corporate seal and authorizations
 - Chief accountant
- Valuation of business in Vietnam
 - Reliable sources of information on companies / financial figures
 - Typical issues from financial / legal due diligence and how these will impact valuation – contingent liabilities, restrictions of business scope, tax issues
- Joint venture with Vietnamese partners
 - Expectations and aspirations
 - Cultural aspects and business practices
 - Case study

Who Should Attend

- CEO and Directors
- CFO, Financial controllers and accountants
- Corporate affairs and legal directors and managers

Speaker / Consultant



Lim Chor Ghee

Executive Director
– BDO Vietnam

Based in Ho Chi Minh City, Vietnam since 2007, Chor Ghee merged his advisory practice at Vietvalues Auditing and Consulting into BDO Consulting Vietnam in November 2012.

He has supported many foreign companies in entering Vietnam through M&A and new investment licensing application, as well as providing taxation and business advisory support for multinational clients.

He attended the ASEAN Federation of Accountant’s Council Meeting in 2011 (Kuala Lumpur) and 2012 (Phnom Penh and Manila) as an official delegate for Vietnamese Association of Accountants and Auditors, the representative body for accountants in Vietnam.

Chor Ghee is also an Adjunct Professor with Management & Science University (MSU) Malaysia, and a visiting MBA lecturer in accounting and finance with the University of Economics, Ho Chi Minh City.

He was the vice president (legal & corporate affairs) for Star Cruises Limited, a multinational company listed in Hong Kong with annual turnover of USD1.5bn in 2002. In that capacity, he managed legal, taxation, insurance and corporate affairs for the group’s business operations in more than 15 countries. He earlier trained with international accounting firms Coopers & Lybrand and Price Waterhouse (now PricewaterhouseCoopers).

Professionally Chor Ghee is a member of the CPA Australia, Malaysian Institute of Accountants and Chartered Institute of Taxation (Malaysia). He holds several academic qualifications from distinguished universities - Master of Business Administration (Distinction) degree from Heriot Watt University, Master of International Studies (in Political Economy and International Relations) degree from the University of Sydney, Postgraduate Certificate in Electronic Business from the University of Southern Queensland, and Bachelor of Commerce degree from the University of Melbourne. He was a doctorate candidate with the University of South Australia until 2008 and was awarded the Master of Advanced Business Practices degree after completing several stages of the research program.

Supporting Organizations



On 1 October 2012, more than 150 partners and staff from a number of Vietnam firms have agreed to form the new BDO firm in Vietnam with offices in Hanoi and Ho Chi Minh City. This move will effectively expand BDO's service offering in Vietnam to encompass a full range of audit, advisory and tax services, provided by a team of highly regarded industry professionals.

Financial Advisory Services

Our Financial Advisory team provides corporate finance, transaction services, restructuring & insolvency, and forensic services advice. Our financial experts are front runners in the industry who can devise and help implement practical and commercial strategies to help achieve your business objectives.

Our specialist teams work alongside companies in the following:

- Corporate Finance
- Transaction Services
- Restructuring & Insolvency
- Forensics

Our team of financial professionals is highly committed to achieving the strategic objectives of companies by taking a quality-driven, proactive and personal approach to assignments. We collaborate in a highly integrated manner bringing the right experience to find the solution that fits for our clients.

Presentation Material on Legal Issues in M&A



PHUOC & PARTNERS

Phuoc & Partners is an independent law and consulting firm with integrated legal and tax advisory practices. Focusing on our commitment to provide a one-stop-service to our international and local clients, we enable our clients to reduce their administrative overhead and focus on their core business activities.

Phuoc & Partners' professional partners and staff consists of nearly 50 Vietnamese and foreign lawyers and specialists (including one doctor and

six foreign and local masters of law LLM) working across three offices in Ho Chi Minh City, Ha Noi and Da Nang to take care of all legal matters of our clients nationwide.

In addition to three offices in Ho Chi Minh City, Ha Noi and Da Nang, Phuoc & Partners maintains liaison offices in Bangkok and Singapore. Furthermore, Phuoc & Partners maintains intensive relationships with prominent law and tax firms in Europe, the United States, Singapore and Korea, to offer top-level advice worldwide and effective structuring and supervising of domestic as well as international legal and consulting matters. Thus, we can count on a continuously growing number of well-known clients.

Due to the firm's capacity for effectively structuring domestic as well as foreign legal and consulting matters, Phuoc & Partners is the perfect choice for large and medium-sized businesses, international corporations, banks, and other financial institutions.

Event Organizer

PELIGO Advanced Learning Academy



peligo

A regional alliance of conference organizers and training companies that brings to you strategic financial and business management programs aimed at equipping professionals with global managerial skills. Our event producers have many years of experience in putting together contemporary conference and workshop topics for highly targeted audience. We invite expert speakers who are practicing consultants, senior corporate executives and distinguished academics with extensive experience in the areas of cross border financial management, international tax planning, corporate finance, strategic management and applied accounting. Over the years, we have received the continuous support from our clients and sponsors that include major public listed and multinational companies, large enterprises, government bodies and established consulting firms in the region.



Your business and investment link to the Mekong region

Indochina Link derives its synergies from the alliance of regional business advisors, professionals and entrepreneurs who are committed to intensifying business and investment link to the Mekong region.

The alliance was inceptioned in Vietnam since 2007, bringing together business consultants and advisors, lawyers, company executives and investors in a "knowledge-networking" community to facilitate investment into Vietnam and addresses common issues facing business leaders and executives. The alliance has since garnered support from members in Cambodia, Laos and Thailand. In 2012, Indochina Link Pte Ltd has been set up in Singapore to formalize the alliance.

Registration Details

Early Birds! Pay By 28 February 2013

RM 880 per person

(10% discount for groups of 3)

Normal Price

RM 1,080 per person

(10% discount for groups of 3)

Event Consultants

Peligo Training Solutions S/B (670106-K)

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163 Tran Huy Lieu, Ward 8

Phu Nhuan, Ho Chi Minh City, Vietnam

In Singapore:

Indochina Link Pte Ltd (200713333E)

10 Anson Road

#15-14 International Plaza

Singapore 079903

Notes:

Confirmation of attendance is subject to receipt of full payment. No cancellation will be entertained after confirmation, but substitutes are allowed.

Our Track Record

- VIETNAM M&A – Acquiring Business: Due Diligence, Structuring and Valuation
Singapore 22 Oct 2012
Kuala Lumpur 23 Oct 2012
- Vietnam Investment Updates - Setting Up and Acquiring Business
23rd August 2012, Singapore
13th August 2012, Kuala Lumpur
- Trading and Distribution Business in Vietnam: Successful Strategies for Market Entry And Protecting Your Investment
16th July 2012, Ho Chi Minh City
- VIETNAM: Acquisition of Business-Legal, Tax and Practical Considerations
14th May 2012 Singapore
20th April 2012 Kuala Lumpur
13th March 2012 Ho Chi Minh City
- VIETNAM: Practical Strategies for Market Entry In Trading and Distribution
23rd April 2012 Bangkok
9th March 2012 Singapore
24th February 2012 Kuala Lumpur
- VIETNAM: Acquisition of Business-Legal, Tax and Practical Considerations
21st November 2011 Singapore
23 November 2011 Kuala Lumpur
- Vietnam International Tax Planning Masterclass
12th October 2011 Jakarta
- International Tax Planning & Profit Repatriation Strategies for Cross Border Investment
10th October 2011 Kuala Lumpur
- Effective Debt Collection in Vietnam–Strategies and Practice
18th August 2011 **Ho Chi Minh City**
- VIETNAM: International Tax Planning MasterClass
4 May 2011 **HCMC** / 4 July 2011 **Hanoi**
- Corporate Management of Foreign Exchange Exposure
21 April 2011, Sheraton Hotel, **HCMC** (in collaboration with CFVG)
- VIETNAM: Trading and Distribution Market Entry Strategies, Investment Laws and Tax Planning
14 March 2011 Pullman **Bangkok**
18 March 2011 Legend Hotel, **Singapore**
- INVEST VIETNAM: Business Opportunities, Applying for Licenses to Set Up Business and Managing Business
17 January 2011, Legend Hotel, **Kuala Lumpur**

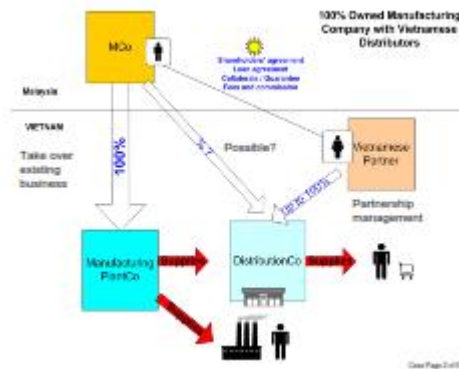
- VIETNAM - Investment Licensing, Company Set Up and Effective Management & Control, 22 October, 2010, Legend Hotel, **Kuala Lumpur**
19 August 2010, Peninsular Excelsior Hotel, **Singapore**
- VIETNAM: Foreign Contractors and Service Providers - Licensing and Business establishment, Tax Planning and Financial Management
29 June 2010, Peninsular Excelsior, **Singapore**
11 June 2010, Legend Hotel, **Kuala Lumpur**
- VIETNAM: Expand Your Retail & Distribution Channel, Market Entry Strategies, Investment Laws and Tax Planning
19 March 2010, Pullman Hotel, **Bangkok**
- VIETNAM: Accounting, Auditing and Tax Compliance for 2009 Year End Closing (Foreign Invested Enterprises)
1 March 2010, Legend Hotel, **Kuala Lumpur**

.....And many other workshops in the region on Vietnam investment since 2006.....

Other activities:

- Lead organizer for Multimedia Development Corporation (MDeC) for “MSC Malaysia Go Vietnam” Program in 2010 – professional networking and business matching, facilitated business tour and investment consultancy
- In-house “Working and Living in Vietnam” induction workshops targeted at senior managers and managers of major multinational corporations
- High level forum on investing and doing business in Vietnam (legal, government, business practices and working culture) for a major multinational corporation during its senior management’s regional meeting
- Vietnam Business Tour from Malaysia – guided business tour for professional networking, business matching, industry visits, information brokering and investment consultancy.

Featured case studies in the Vietnam M&A workshop



Typical Issues with JV (Viet / Foreign)

- Mismatch of strategies / objectives
- Valuation, shareholding and funding
- Different expectations on corporate management, financial management, marketing, sales channels
- Clashes of paradigm
 - How companies are managed
 - Legal representative / General Director
 - Chief accountant
 - Business practices
 - Organizational structure
 - Accounting, tax and financial management

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Acquiring 100% Vietnamese-owned Companies - Typical Issues

- Investment law - foreign ownership permissible?
- Length of time for transfer
- Multiple sets of accounts, or no reliable accounts
- Accounting treatment of transactions - payroll, expenses, non trade advances and loans
- Tax arrangements
- Tax administration - from district level to provincial / city level
- Human resources
- Related party transactions - family members etc
- Proxy relationship among Vietnamese

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Sign Me Up! Registration Form

VIETNAM Acquisition and Structuring of Businesses

Kuala Lumpur 11 March 2013
Sunway Putra Hotel (formerly Legend Hotel)

	<u>Name</u>	<u>Email</u>	<u>Designation</u>
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

(10% discount applies to group of 3 or more)

Company: _____

Address: _____

Telephone: _____ **Fax:** _____

Email: _____ **Contact Person:** _____

Payment / Terms & Conditions

- Please transfer the payment to Account No: 3-129-77-5502 Public Bank in favour of PELIGO TRAINING SOLUTIONS SDN BHD. Please email the transfer slip to events@peligotraining.com.
- Confirmation of attendance is subject to receipt of full payment. No cancellation will be allowed after confirmation, but substitutes are allowed. The management have right to change the date / venue of the event with notice to be given in advance.

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0830 – 0900	Registration
0900 – 0930	<ul style="list-style-type: none"> • Investment Licensing essentials - Updates on setting up and registering acquired companies in Vietnam – the regulatory framework and investment licensing process
0930 - 1030	<ul style="list-style-type: none"> • Legal and financial due diligence <ul style="list-style-type: none"> ○ The process and practice in Vietnam ○ Important documents and information ○ Salient differences in approach in dealing with Vietnamese owned and foreign owned targets ○ Accounts - Who / what can you trust? Parallel sets of accounts, “laissez faire” Vietnamese auditors with dubious audited financial statements, complex tax accounts ○ Typical challenges ○ What to watch out for
1030 - 1045	Coffee Break
1045 - 1230	<ul style="list-style-type: none"> • Elaborate and aggressive tax approaches <ul style="list-style-type: none"> ○ Highlights – payroll, rental, cash versus invoiced sales, allowed expenses and advances ○ How such manipulations are tacitly endorsed by the tax authorities ○ Post-acquisition “blues” – how to resolve / restructure the aggressive tax approaches to be in line with foreign investor’s practices • Taxation aspects of M&A <ul style="list-style-type: none"> ○ Transfer of assets / business or acquisition of shares - which is preferred? ○ Capital assignment profits (capital gains) tax ○ VAT upon transfer of assets ○ Tax incentives – transferrable?
1230 – 1400	NETWORKING LUNCH The speaker shall join the delegates during the networking lunch and there will be opportunities for professional networking and exchange of knowledge and ideas.
1400 – 1530	<ul style="list-style-type: none"> • Implementing the M&A <ul style="list-style-type: none"> ○ Structuring issues – equity or asset transfer, equity or loan injection ○ Are foreigners allowed to operate the business scope? Structuring with foreign ownership restriction in mind ○ Procedures and timing of ownership transfers and payments ○ Review of enterprise charter (Memorandum and Articles) and joint venture agreement ○ Bureaucratic delays

	<ul style="list-style-type: none"> ○ Recommended transitional arrangements
1530 – 1545	Coffee Break
1545 – 1700	<ul style="list-style-type: none"> • Aspects of Management and Control <ul style="list-style-type: none"> ○ Legal representative and general director ○ Corporate seal and authorizations ○ Chief accountant • Valuation of business in Vietnam <ul style="list-style-type: none"> ○ Reliable sources of information on companies / financial figures ○ Typical issues from financial / legal due diligence and how these will impact valuation – contingent liabilities, restrictions of business scope, tax issues • Joint venture with Vietnamese partners <ul style="list-style-type: none"> ○ Expectations and aspirations ○ Cultural aspects and business practices ○ Case study