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Equity Facility in Vietnam

Summary

Equity Facility (“**EF**”) is a type of financing that binds an investor to directly purchase ordinary shares of a listed company (“**the Company**”) over a period of time in multiple tranches. Due to newly issued restrictions on private placement in Vietnam, traditional EF could be revised in some extends to avoid these restrictions.

Traditional Equity Facility

EF allows the Company to control timing and amount of any ordinary shares sold to the investor (“**Investor**”). EF gives the Company an ongoing access to capital as it enables the Company to obtain funding from Investor at any time during a specific period by way of direct subscription for the Company’s new shares. Free trading shares shall be issued directly to Investor in a number of tranches at a small discount to market price. EF also has the ability to minimize dilution as new shares shall be issued in small tranches to the Investor at price levels acceptable to the Company’s management. An advantage to other large share issuances in relation to the Company’s management is that Investor normally does not seek board seats or cause any change in the Company’s controls.

Revised Version for Vietnam

With effect of Decree 01 dated 4 January 2010 issued by the Government of Vietnam on management of private placement, new share issued to outside investor via this type of private placement shall be subject to 1-year blocked.

At this stage, Investor who would like to implement EF in Vietnam shall not be able to purchase free trading share directly from the Company. Investment into the Company has to do indirectly via a major shareholder of the Company (“**Shareholder**”). Investor shall purchase free trading share from Shareholder. For the benefit of Investor and the Company, Shareholder will exchange a part of his free trading share for 1-year blocked share. Typically, Shareholder is happy to engage the transaction because the Company shall use new capital increase to implement its projects, thus indirectly increase the value of all outstanding shares.

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Our Support

DNAS currently assists a number of discrete focused Investors in promoting their EF in Vietnam. Our relationships with these Investors as well as our local expertise enable us to match the Company’s needs in every EF transactions. Should you need our support in taking the advantage of EF to your listed companies, please do not hesitate to contact us.

Disclaimer:

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