

M&A Due Diligence checklist for the real estate project company

I. Classify in Due Diligence (“DD”)

- (1) Financial Due Diligence;
- (2) Commercial Due Diligence; and
- (3) Legal Due Diligence of both the Project Company and the Real Estate Project

II. The information categories in Due Diligence

2.1 Company documents

No.	List of required document
1	Seal of the Company
1.1	Certification of the competent authority proving that the Company has submitted the seal to the competent authority (return of the old seal to the police)
1.2	Notice on registration for using the seal of the Company
2	ID card of the legal representative
3	License
3.1	The initial Enterprise Registration Certificate (“ ERC ”) of the Company/the application dossiers for the establishment registration of the Company, which were submitted to the Department of Planning and Investment (“ DPI ”)
3.2	Application dossiers submitted to the DPI for 1 st change of ERC and the respective amendments (if any)
3.3	Certificate of operation registration of branches and representative offices (including the amendments) and application dossier of the establishment of branch/representative office submitting to the DPI (if any)

3.4	Tax registration certificate (if any)
3.5	All specific licenses required by the Company or its employees in connection with the conduct of the Company's business lines/Application dossiers submitted to the competent authority for such license
4	Internal agreements by and between the Company's members in respect of its establishment (if any)
5	Member register of the Company respectively to the initial ERC and the amendments <i>(when the Company operates as a limited liability company)</i> Shareholder register of the Company respectively to the initial ERC and the amendments <i>(when the Company operates as joint stock company)</i>
6	Company's charter for the initial registration as well as the amendments in case of change of business registration contents
7	Approval for the appointment of key management positions
7.1	Approval for the appointment of Director(s)/General Director(s)
7.2	Approval for the appointment of Chief Accountant
7.3	Approval for the appointment, dismissal of Chairman of the Board of Members
7.4	Approval for the appointment, dismissal of Chairman of the Board of Directors, member of the Board of Directors
7.5	Other documents
8	Confirmation on capital contribution of shareholders/members
8.1	Ownership certificate of capital contribution of the Company for the initial ERC and the respective amendments (if any) <i>(when the Company operates as a limited liability company)</i>
8.2	Ownership certificate of share of the Company for the initial ERC and the respective amendments (if any) <i>(when the Company operates as a limited liability company)</i>
8.3	Documents proving the completion of sufficient capital contribution of members/shareholders

9	All Minutes of the Meeting and Decisions/Resolutions of the Board of Members, General Meeting of Shareholders, Board of Directors as of Company's establishment until now
10	All capital/shares transfer agreements as of Company's establishment until now
11	Personal income tax declaration, payment slip to the state budget, documents proving that shareholders have fulfilled their personal income tax obligations in relation to the capital transfer
12	Assets
12.1	List of real estate properties (including land, buildings, factories, warehouses, etc.) owned or leased by the Company; and documents proving ownership of such properties (including land use right certificates, building ownership certificates, other land-attached assets etc.)
12.2	Certificate of land use right/certificate of property ownership/certificate of house ownership and residential land use right and enterprise registration certificate/investment registration certificate of the lessor in case the Company leases real estate.
12.3	Contracts with respect to the construction of offices and other real estate of the Company
12.4	Receipts proving the payment of land rental, office rental and real estate rental (if any)
12.5	Construction permits issued by competent authorities for construction works of the Company
12.6	Minutes/certificate of the work completion for the construction work owned by the Company
12.7	Certificate of ownership/registration of assets owned by the Company or leased by the Company (including intellectual property rights, cars and motorcycles)
12.8	Approvals in connection with the exploitation/use of the property
13	Important contract/projects
13.1	Contracts between the Company and suppliers, customers, contractors and service providers
13.2	Agreements or contracts for cooperation, joint venture, consolidation or profit sharing

13.3	Other important contracts of the Company
13.4	Agreements with any third party, including with state agencies, or any other document that may restrict the Company from conducting business activities or limit or revoke its licenses.
13.5	Contracts with relevant individuals of the Company
13.6	Details of the Company's breach of its obligations under important contracts
13.7	List of projects in which the Company is investing and implementing or will invest and implement and documents related to those projects (such as approvals/documents issued by competent authorities, and any agreements with any third party)
14	Loan agreements and security measures
14.1	Loan agreement, finance lease, operating lease, purchase lease, or similar transactions and relevant documents
14.2	Secured transaction contracts such as pledges, mortgages, guarantees or similar transactions and relevant documents
14.3	The Company's internal consents, approvals for loans and guarantees
14.4	Certificate of registration of secured transactions to which the Company is a party
14.5	Details of breach of the Company's obligations under loan agreements or security transactions
15	Insurance
15.1	Insurance agreements, contracts and certificates purchased by the Company; and other relevant important documents
15.2	Documents proving that the Company has fully paid the insurance premiums for the above insurance policies
16	Intellectual property
16.1	Contracts, licenses, applications or approvals in relation to the Company's intellectual property (such as brand, trademarks, logos, patents, copyrights and domain names, etc.)

16.2	Any or all documents in connection with inventions, trade secrets, technology, technical information and computer software owned or licensed by or to the Company (for example, contracts licensing or technology transfer contracts)
16.3	Information about any restrictions on the Company's ownership and/or use and/or transfer of intellectual property rights and relevant documents
16.4	Information about legal proceedings, pending or threatened, that will affect the Company's rights and/or intellectual property and relevant documents
17	Labor
17.1	Detailed list (including form/status of employment contract) of all employees
17.2	Standard labor contract form with <u>indefinite term</u> and Standard labor contract form with <u>definite term</u>
17.3	Other agreements between the Company and employees (including profit sharing, training, and other incentives)
17.4	Collective labor agreement and its registration certificate
17.5	Labor rules its registration certificate
17.6	Documents proving that the Company has paid social insurance, health insurance and unemployment insurance
17.7	Work permit for foreign employee, labor contract (full-time/part-time) or foreign consulting contract for foreign employee
17.8	Agreement on remuneration, compensation or other relevant contracts/agreements with current members of the Board of Managers/Directors, Supervisory Board, General Director and other key personnel of the Company (including details of salary, bonus, allowance, benefit, insurance and pension)
17.9	Report on employment situation, occupational accident situation and occupational safety and health
17.10	List of engineers and architects of the Company and their engineering/architectural practice certificates
17.11	University degree or higher in a relevant discipline of the construction site commander

17.12	Dossier on registration of insurance, salary scale with the labor management authority
17.13	Salary scale, payroll applied to employees
17.14	Company's commitment for employees
17.15	All labor contracts, labor contract liquidation minutes, resignation letters, decisions on termination of labor contracts, insurance books of all employees as of the Company's establishment until now.
17.16	All documents in connection with labor discipline (if any)
17.17	Policies on bonuses, allowances for employees (if any)
18	Environmental issues, legal compliance and incentives
18.1	Environmental issues
18.2	All certificates or permits of the Company in respect of compliance with environmental regulations, including
	(i) Environmental impact assessment report/Environmental protection plan
	(ii) Permit for exploitation and use of surface water/License for exploitation and use of underground water
	(iii) Permit for discharge into water source/Permit for discharge into irrigation works
	(iv) Register for hazardous waste generators
	(v) Service contract for solid waste collection, transportation and treatment
	(vi) Periodic reports on the environment submitted to the competent authority
18.3	Notice on violations, decisions on administrative sanctions of the Company in relation to environment, water use and wastewater discharge of the Company
18.4	Approval or agreements with respect to the environment
18.5	Certificate of approval for fire prevention and fighting
18.6	Minutes/Certificate of fire prevention and fighting for construction works owned by the Company

18.7	Details of any ongoing or planned environmental investigations or legal proceedings of the competent authority for the Company
18.8	Any reports, exchanges, conclusions, decisions on the environment arising from any examination or investigation by the competent authorities.
19	Subsidiaries and affiliates
19.1	List of subsidiaries, affiliated companies, and companies and enterprises in which the Company has related interests
19.2	Enterprise registration certificates of subsidiaries and affiliates (including the amendments)
19.3	Charter of subsidiaries and affiliates of the Company (including the amendments)
19.4	Documents proving the Company's ownership in subsidiaries and affiliates (i.e. certificates of capital contribution, register of shareholders, register of members, shares)
19.5	List of projects of subsidiaries and all documents and agreements in relation to such projects
19.6	Other agreements with these companies
20	Bankruptcy and disputes
20.1	Details of the bankruptcy proceedings, disputes, investigations currently in progress involving the Company, any member of the Board of Managers, the General Director or other key personnel of the Company
20.2	Details of events or circumstances that the Company is aware of leading to bankruptcy, disputes, proceedings, investigations involving the Company, any member of the Board of Directors, the General Director or other key personnel of the Company
21	Incentives
21.1	All documents in relation to tax incentives for the Company's project
21.2	All documents in relation to other incentives for the Company

2.2 Project documents

No.	List of required documents
1	Legal dossiers on investment
1.1	Investment Registration Certificate of the project/Decision on approval for investment policy and the amendments (if any)
1.2	Investment policy of the project (if any)
1.3	Decision on approval for the investment project of the Investor (if any)
1.4	Commitments between the Investor and the authorities as provided by law
1.5	Documents proving that the Company has completed the deposit
1.6	Application dossiers submitted to the DPI for converting the legal entity of the Project from the previous Investor to the Company
1.7	Application dossiers submitted to the DPI for issuing Investment Registration Certificate of the Company
1.8	Submission on opinion of tax department on implement of the financial obligations for adjustment of the project legal entity
2	Legal dossiers on planning
2.1	Drawings attached to Decision on approval for the detailed planning scale of 1/500 and amendments (if any), documents in relation to the 1/500 planning (soft file and hard file)
2.2	Extraction map with scale of 1/1000 attached to the Decision on land lease approved by the Department of Natural Resources and Environment
2.3	The latest project land boundary map
3	Legal dossiers on project construction
3.2	Dossier for approval of environmental impact assessment
3.3	Dossier for geological survey
3.4	Dossier for assessment of basic design
3.5	Dossier for assessment of technical design
3.6	Dossier for assessment of fire prevention and fighting

3.7	Dossier for construction permit
3.8	Drawings attached to the construction permit (Soft file)
3.9	Permit for modification, extension of the latest construction permit (if any)
3.10	Report on project implementation until now
4	Legal dossiers on land
4.2	All decisions on land acquisition and allocation until now
4.3	All land use right certificates corresponding to the entire project land area (if any)
4.4	Documents in respect of financial obligations on land (Decisions on approval for unit prices, Notice on land use levy, Payment slip into the state budget and other documents in connection with the completion of financial obligations on land ...)
4.5	All documents in relation to land compensation, relocation and site clearance (if any), in addition to the compensation dossier for trees
4.6	Detailed list of compensation and site clearance of the project (if any)
4.7	Explanation drawing on situation of compensation and site clearance
4.8	Reports on progress/confirmation on completion of compensation for land clearance from competent authorities in relation to the allocated/leased project land.
4.9	Cadastral map of the land
4.10	The latest project land boundary map
4.11	Application dossier submitted to the land registration office for the issuance of land use right certificates of the previous investor(s)
4.12	Application dossier submitted to the land registration office for the revision of land use right certificates from the previous investor(s) until now
4.13	Documents proving that the Company has paid compensation for planted forests to the state budget
4.14	Documents proving that the Company has paid the management and design costs to the Protection Forest Management Board

4.15	Decision on determining the value of plantations to be reimbursed of the Provincial People's Committee, documents proving that the Company has completed this payment to the competent authorities
4.16	Minutes on marking land allocation
5	Other legal documents in relation to the Project

2.3 OTHER DOCUMENTS/INFORMATION

No.	List of required documents
1	Additional documents for conclusion of MOU and SPA agreements
1.1	For married shareholders: Marriage registration certificate; Notarized private property agreement documents; Certified true copy of ID card of wife and husband
1.2	For single shareholders: Certificate of single status; Certified true copy of ID card
2	Meeting minutes and Resolution of the General Meeting of Shareholders on the transfer of 100% of charter capital
	<i>* During our transaction, we may require some additional information/documents</i>
3	Official Letter the Department of Construction on approval for extension of construction permit granted to the Company
4	Official Letter on investment of the Project
5	Map of the land site with scale of 1/2000
6	Official Letter on investment and expansion of the Project (if any)
8	Official Letter on adjustment and supplement of the application dossier of the construction permit for the Project (if any)
11	Location map of the land with scale of 1/2000, attached to the Investment Registration Certificate issued by the Provincial People's Committee
12	Certificate of registration of seal issued by the Ministry of Public Security (if any)
13	Examination minutes on the counting of trees in the project area of the Protection Forest Management Board

14	Official Letter on request of compensation and cutting for clearance ground to site clearance
15	Minutes on planting landmarks for land allocation the Department of Natural Resources and Environment
16	Map of the land location with scale of 1/1000
17	Official Letter issued by Department of Construction on opinion for the plan to adjust the planning of the route to the sea and drainage ditch
18	Official Letter on adjustment of the planning of the route to the sea and drainage ditch
19	Decision on approval for compensation value for planted forests on planted forest land outside the planning of 03 types of forests, recovered and assigned to the Company
20	Official Letter of the Provincial People’s Committee on notification of payment of compensation for planted forests
21	Payment authorization of the previous Investor on payment of compensation for planted forests
22	Extraction and measurement map with scale of 1/1000
23	Decision of the Provincial People’s Committee on the recovery and allocation of land to the Company in order to invest and expand the Project
24	Certificate on registration of environmental protection commitment at the Project with the District People’s Committee
25	Examination minutes of Protection Forest Management Board

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III. Other comments from HTCLF

- (1) The final meeting for DD is one of the most important tasks as the appraisal period ended. The meeting aims to conclude and review the signed DD agreement. In principle, this meeting is the last chance for the investors to withdraw their investment decisions if there are remarkable signs of less optimism during the implementation of DD;
- (2) If the investors commit to investing in the above project, they will have an independent double check to see whether the fundamental issues mentioned are available and sufficient. If the main contracts are unreliable, important elements of the project are risky, or if the

financial and operating statements of the company project are unreliable, the investors may withdraw the investment decision; and

- (3) In fact, the relevant parties may offer to enter into the specific M&A agreements after the above DD phrase. The required dossiers are very different from the specific land use projects.

Note:

For further details and in-depth advices on this legal issue, please do not hesitate to contact us through:

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