

## SOME INVESTMENT COSTS IN DANANG

### 1. SOME FEES:

|  |                   |                       |
|--|-------------------|-----------------------|
| Investment Certificate   |                   | Free of charge        |
| Certificate of land use rights (without houses and properties attached to land) (Circular No. 02/2014/TT-BTC dated 02/01/2014) | VND/ certificate  | 100,000               |
| Working permit (Resolution 104/2015/NQ-HDND)   | VND/ permit       | 600,000               |
| Construction License cost (Decision 12/2008/QD-UBND)   | VND/ permit       | 100,000               |
| Seal registration (Circular No.193/2010/TT-BTC)  | VND/ seal         | 50,000                |
| Minimum salary for unskilled workers (Decree No. 122/2015/ND-CP dated 14/11/2015)  | VND/person/ month | 2,400,000 - 3,500,000 |

### 2. ELECTRICITY COSTS (Decision No. 2256/2015/QD-BCT dated 12/3/2015)

|                   |         |               |
|-------------------|---------|---------------|
| For manufacturing | VND/Kwh | 869 – 2,735   |
| For services      | VND/Kwh | 1,185 – 3,991 |
| For IZs           | VND/Kwh | 818 – 2,395   |

\* VAT included

### 3. WATER COSTS (Decision No. 06/2014/QD-UBND dated 27/01/2014)

|                   |                    |        |
|-------------------|--------------------|--------|
| For manufacturing | VND/m <sup>3</sup> | 8,900  |
| For services      | VND/m <sup>3</sup> | 13,500 |

\* VAT included

#### 4. LAND RENTALS IN INDUSTRIAL ZONES AND HI-TECH PARK

|   | Land rental                         | Methods of payment  |
|---|-------------------------------------|---|
| <b>Industrial zones</b>   |                                     |   |
| Expanded Hoa Khanh  | 805,600/m <sup>2</sup> /project     | One-off payment for whole project life                                      |
| Lien Chieu  | 763,200/ m <sup>2</sup> /project    |   |
| Hoa Cam   | 737,000/ m <sup>2</sup> /project    |   |
| Seafood Processing  | 8,400 – 12,600/m <sup>2</sup> /year | Depending on methods of payment (Decision No. 799/QD-UBND dated 20/01/2012) |
| <i>Factory rental</i>   |                                     |   |
| Expanded Hoa Khanh  | 63,600/m <sup>2</sup> /month        |   |
| Lien Chieu  |                                     |   |
| <i>Infrastructure usage fee</i>                                     |                                     |   |
| Expanded Hoa Khanh  | 8,480/m <sup>2</sup> /year          |   |
| Lien Chieu  |                                     |   |
| Hoa Cam   | 13,000/m <sup>2</sup> /year         |   |
| <b>Hi-tech Park</b> (Decision No. 35/2013/QD-UBND dated 13/11/2013) |                                     |   |
| <i>Production project</i>   | 8,400/m <sup>2</sup> / year         | Annual payment  |
|   | 7,350/m <sup>2</sup> / year         | Every ten years   |
|   | 5,250/m <sup>2</sup> / year         | One-off payment for whole project life                                      |
| <i>Service project</i>  | 10,500/m <sup>2</sup> / year        | Annual payment  |
|   | 9,450/m <sup>2</sup> / year         | Every ten years   |
|   | 7,350/m <sup>2</sup> / year         | One-off payment for whole project life                                      |
| <i>Infrastructure usage fee</i>                                     | 4,200/m <sup>2</sup>                |   |
| <i>Waste water treatment fee</i>                                    | 4,200 – 6,300/m <sup>3</sup>        |   |
| <b>Software Park</b> (VAT excluded)                                 |                                     |   |
| <i>IT projects</i>  |                                     | Suite leasing   |
|   |                                     | Floor leasing   |
| <i>Non-IT projects</i>  |                                     | Suite leasing   |
|   |                                     | Floor leasing   |

**5. INTERNET FEES** (Mega VNN)

|   |                            | <b>Fees</b> |
|---|----------------------------|-------------|
| <b>Installation fee</b>                     |                            |             |
| <i>Existing telephone line</i>              | <i>80,000 – 100,000</i>    | VND/line    |
| <i>New telephone line</i>                   | <i>200,000 – 500,000</i>   |             |
| <b>Usage fee</b> (depending on the package) |                            |             |
| <i>Calculated by capacity usage</i>         |                            |             |
| ✓ <i>Subscription fee</i>                   | <i>24,000 – 200,000</i>    | VND/month   |
| ✓ <i>Cost per 01 MB</i>                     | <i>18.1 – 60</i>           | VND/Mb      |
| ✓ <i>Maximum payment</i>                    | <i>200,000 – 1,600,000</i> | VND/ month  |
| <i>Full package</i>                         | <i>150,000 – 1,400,000</i> | VND/ month  |

**6. LABOR COSTS** (Decree No. 122/2015/ND-CP dated 14/11/2015)

| <b>Minimum wages for labors</b>  |                      |
|--|----------------------|
| Zone 01 (some districts in Ha Noi, Ho Chi Minh, Hai Phong, Bien Hoa...)                              | 3,100,000 VND/ month |
| Zone 02 (Da Nang, Hue, Nha Trang, Quang Ninh, and the remaining districts in Ha Noi, Ho Chi Minh...) | 2,750,000 VND/ month |
| Zone 03  | 2,400,000 VND/ month |
| Zone 04  | 2,150,000 VND/ month |
| <b>Other costs paid by enterprises<br/>(As a percentage of total income)</b>                         |                      |
| Social insurance   | 18%                  |
| Health insurance   | 3%                   |
| Unemployment insurance   | 1%                   |

## 7. SHIPPING COSTS:

| <b>Route</b>                                  | <b>Container</b> | <b>Cost (USD/Cont)</b> |
|---|------------------|------------------------|
| Da Nang – Hai Phong<br>(310 nautical miles)   | 20'/40'/40hc     | 350/610                |
| Da Nang – Ho Chi Minh<br>(520 nautical miles) | 20'/40'/40hc     | 250/340                |
| Da Nang – Hong Kong<br>(550 nautical miles)   | 20'/40'/40hc     | 80/160                 |
| Da Nang – Singapore<br>(960 nautical miles)   | 20'/40'/40hc     | 180/360                |
| Da Nang – Taiwan                              | 20'/40'/40hc     | 200/400                |

*\* For reference only. Investors should consult service providers for updated information*