

## **NOTICE OF INTEREST SURVEY**

To Interested investors,

Thang Long Project Management Unit (*assigned by the Ministry of Transport to organize a survey of investors' interest in Article 2 of Decision No. 1198/QĐ-BGTVT dated September 13, 2022*) would like to invite investors to submit the expression of interest in the project The Dau Giay - Tan Phu expressway construction investment project (phase 1) by PPP method with the following information:

### **I. PRELIMINARY INFORMATION ABOUT THE PROJECT**

1. Preliminary information about objectives, scope, scale and standards for implementation of the project

a) Objectives of the project

To meet the transportation needs, to reduce load and to ensure traffic safety on Highway 20; to complete and to put into operation synchronously expressways of high capacity, traffic safety and high speed on the transport corridor of Ho Chi Minh City - Dau Giay - Lien Khuong, to promote socio-economic development of Dong Nai province in particular and the development of the Southeast region in general; to create a driving force for connection, promoting cooperation and development in the Southeast region with the Mekong River Delta, the Central Highlands and the South Central region; to increase the competitiveness of the economy in the context of deep integration, step by step to enhance the road traffic network according to the planning; contribute to ensuring national defense and security.

b) Preliminary scope of the project and technical standards for implementation:

- Preliminary scope of investment: The starting point at Km0+000, intersecting with Highway 1 at Km1829+500 (Coinciding with the endpoint of the expressway Ho Chi Minh city - Long Thanh - Dau Giay, in the territory of Dau Giay town, Thong Nhat district, Dong Nai province; The endpoint is at Km60+100 (through the intersection with National Highway 20 at Km69+400), in the territory of Phu Trung commune, Tan Phu district, Dong Nai province (connected with the Tan Phu - Bao Loc highway project).

- Preliminary Scale of investment and technical standards for implementation:

+ Investing in building a roadway according to highway standards (TCVN 5729: 2012), with a design speed of 100 km/h.

+ Scale of cross-section: the scale of the complete phase of 4 lanes (Bn=24,75m). Investment divergence phase 1 with the scale of 4 lanes (Bn=17m).

At the location of soft soil treatment, deep excavation, high embankment, the range of interchanges, emergency stops, and bridges on the main route, the cross-section is designed according to the complete phase with  $B_n=24,75m$ .

+ Building the constructions on the route, smart traffic system, toll collection system, stop stations, etc.... to ensure synchronization and efficiency, according to current standards and regulations.

2. Project site: Dong Nai province

3. Preliminary Project execution duration: Investment preparation time and implement the project from 2021 to 2025.

4. Measurements of the usable ground or water surface; demands for other resources (if available): about 311.69ha.

5. Expected type of contract binding on the project: Build - Operate - Transfer Contract (BOT Contract).

6. Preliminary total investment: 8.365,651 billion VND (*In words: eight thousand three hundred and sixty-five billion, six hundred and fifty-one million Vietnam dong*).

7. Preliminary financial plan: capital structure in the project, estimated price and fees bracket for public products and services for projects applying the mechanism of direct fee collection from users.

- Capital structure in the project:

+ The part of the capital that the investor, the PPP project enterprise is responsible for arranging (including reimbursement of project preparation costs as prescribed in Clauses 1 and 2, Article 73 of the PPP Law): about 7.065,651 billion VND; in which minimum equity is required at 1.413,130 billion VND.

+ State capital participation in the project: approximately 1.300 billion VND.

- Estimated price range and charges for road products and services: the estimated starting price is approximately 1.700 VND/vehicle group 1/km. Service rates between the remaining groups of vehicles compared to those of group 1 are determined according to the correlation coefficient between groups of vehicles in the form of toll collection specified in Circular No. 35/2016/TT-BGTVT of the Ministry of Transport. (Coefficient of group 2 cars is 1,3 times, group 3 cars is 1,7 times, group 4 cars is 2,7 times and group 5 cars is 3,8 times).

- Rate of return on equity: preliminary approximately 11,77%/year.

- Loan interest rate: is determined on the basis of reference of medium lending interest rate, and long-term lending interest rate of commercial banks; loan interest rate of similar projects (according to the Government's regulations at 28/2021/ND-CP dated March 26th, 2021).

- Payback period: approximately 21 years (20 years and 3 months).

8. Investment incentives and guarantees:

-Investment incentives: Investors, PPP project enterprises are entitled to tax incentives, land use levies, land rents and other incentives in accordance with the provisions of the law on tax, land and other relevant laws.

- Investment Guarantee: Investors and PPP project enterprises are entitled to investment guarantees in accordance with the provisions of the PPP Law and the law on investment.

9. Mechanism for distribution of revenue increases and reductions (if any):

- The mechanism for sharing the revenue increase and decrease of the Project shall comply with the provisions of Article 82 of the PPP Law and the Government's Decree No. 28/2021/ND-CP dated March 26, 2021, on the financial management mechanism for investment projects under the form of public-private partnership.

- Funds expected to be used to pay for the decrease in turnover: from the central budget reserve.

10. Name of project preparation unit/name of investor proposing the project (in case the project is proposed by the investor): Thang Long Project Management Unit.

11. Principles of determination of the investor selection approach that are shown as follows:

- The approach of international competitive bidding with the prequalification step is applied when there are at least 06 investors expressing interest in the project, including one or more investors that must be established under foreign law;

- The approach of domestic competitive bidding with the prequalification step is applied when there are at least 06 investors established under domestic law of Vietnam that express interest in the project;

- The approach of international competitive bidding is applied when there are fewer than 06 investors expressing interest in the project, including one or more investors that must be established under foreign law;

- The approach of domestic competitive bidding is applied when there are fewer than 06 investors established under domestic law of Vietnam that express their interest in the project.

## **II. SCOPE OF THE SURVEY ON OPINIONS OF INVESTORS OR LENDERS**

Contents that need to seek the opinions of investors, and lenders, including:

1. Survey on the possibility of implementing similar projects (in terms of fields, scale...) in the private sector.

The investors are required to make a preliminary report profile on the capacity and experience in implementing projects in terms of similarity according to some suggestions as follows:

- Projects that investors have participated in the field of investment and construction of road traffic works invested in the form of public-private partnership (PPP) with the role of Investor contributing equity. It is required to report in detail each participating project on: the project scale; total investment;

the value of the investor's equity contribution in the project; project implementation progress up to now (put into operation, under construction...); other information (if any).

- Projects in the field of infrastructure development and provision of public services in which the Investor participates as an investor contributing equity. It is required to report in detail each participating project on: project scale; total investment; the value of the investor's equity contribution in the project; project implementation progress up to now (put into operation, under construction...); other information (if any).

- Projects in the field of investment and construction of road traffic works in which the Investor plays the role of main contractor (construction and installation contractor; operation and maintenance contractor). It is required to report in detail each participating project on: the project scale; the value of the investor's equity contribution; operation and exploitation time (years); other information (if any).

- Projects in the field of infrastructure development and provision of public services in which the Investor participates as the main contractor. It is required to report in detail each project participated in: the value of bidding packages/contracts or the total value of implementation of bidding packages/contracts; duration of contract; other information (if any).

2. Survey several requirements and technical standards for project implementation:

Investors and lenders are required to comment on the project's scale and technical standards according to the approved investment policy in Decision No. 1045/QĐ-TTg dated September 6, 2022 (a copy is attached) and a number of figures mentioned at Point b, Clause 1, Section I of this Notice.

3. Evaluation of investors and lenders on the attractiveness and feasibility of the project; investor's expected return on equity.

Investors and lenders are required to have a preliminary assessment of the attractiveness, feasibility and financial efficiency of the project; the investor's expected return on equity; ability to mobilize and provide credit capital for project implementation.

4. Other contents: In addition to the above contents, investors and lenders are required to comment on other relevant contents such as: the implementation progress of the project; difficulties and problems in land clearance, resettlement, material supply for project implementation, etc. and other contents (if any).

### **III. GUIDES FOR INTERESTED INVESTORS**

1. Interested investors should provide the following information: Profile of their credentials, including legal status; competence and experience relevant to the project particulars specified in Section I in this Notice; investors' feedback on survey questions posed by competent authorities; investors' contact details.

2. Registration deadline: From 09:00 am, December 06<sup>th</sup>, 2022, to 09:00 am, January 05<sup>th</sup>, 2023.

3. Information of agencies that publish and receive information of investors and lenders:

- Representative of Competent Authority: Thang Long Project Management Unit organizes a survey of the interest of investors and lenders according to Article 2 of Decision No. 1198/QĐ-BGTĐT on assigning tasks to the Thang Long Management Unit organizes the preparation of the feasibility study report for Dau Giay - Tan Phu highway construction investment project (Phase 1) by PPP method.

- Address: Residential Group No. 12, Linh Nam Ward, Hoang Mai District, Hanoi City.

- Phone number: 024.36430197.

- Fax number: 024.36430212.

4. Competent authority's contact information

- Competent authority: Ministry of Transportation

- Address: 80 Tran Hung Dao - Hoan Kiem - Hanoi.

- Telephone number: 024.39413201/3924015

- Fax: 024.39423291/39422386.

**THANG LONG PROJECT MANAGEMENT UNIT  
TO SIGN ON BEHALF OF THE DIRECTOR**

**VICE DIRECTOR**

A red circular stamp with the text "THANG LONG" at the top, "BAN QUẢN LÝ DỰ ÁN THANG LONG" in the center, and "BỘ TRANSPORT" at the bottom. A handwritten signature in black ink is written over the stamp.

**Pham Thanh Binh**