



VSHEN CAPITAL

PRIVATE EQUITY INVESTMENT OPPORTUNITY



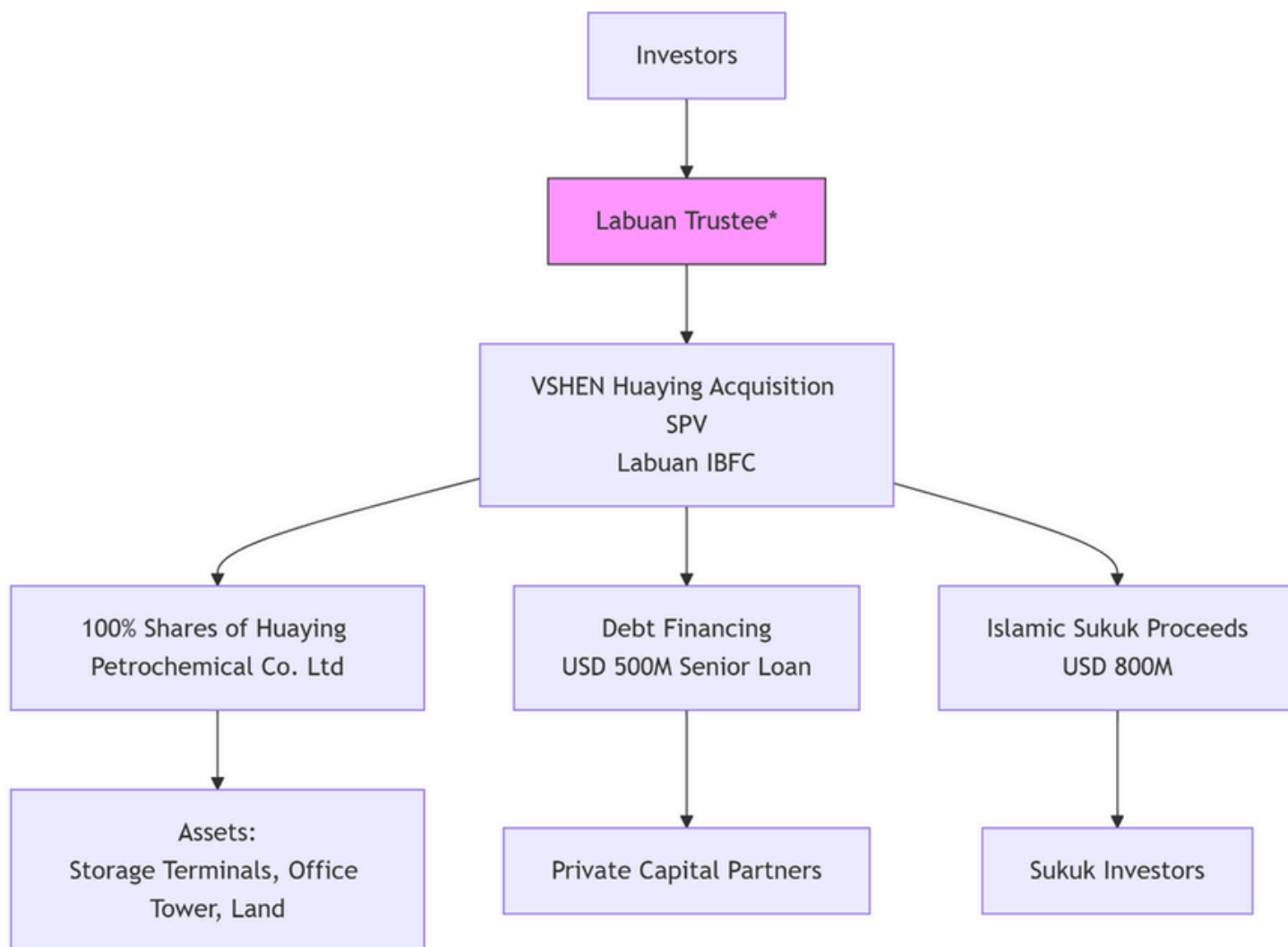
PRIVATE CAPITAL STRUCTURE & INVESTOR STRATEGY: HUAYING ACQUISITION SPV

- **TARGET FUNDING:** USD 500 MILLION
- **MINIMUM PARTICIPATION:** USD 10 MILLION
- **JURISDICTION:** LABUAN, MALAYSIA (TAX-NEUTRAL, SHARIA-COMPLIANT FRAMEWORK)
- **CORE INNOVATION:** ASSET-BACKED TRUSTEE STRUCTURE FOR INVESTOR SECURITY



I. CAPITAL STACK & SPV ARCHITECTURE

Labuan SPV: "VSHEN Huaying Acquisition SPV"



*Trustee Role:

- Licensed Labuan Trustee (e.g., Labuan Trust Company) holds legal title to Huaying shares/assets.
- Safeguards: Monthly asset audits, veto rights on asset sales, and cash flow waterfall control.

II. INVESTMENT TIERS & RETURNS PROFILE

CAPITAL STACK

Tier	Investment Range	Instrument	Target IRR	Security	Cash Flow Priority
Tier 1 (Senior)	USD 50M+	Secured Notes	12–14%	1st lien on terminals & storage	1st
Tier 2 (Mezz)	USD 20–49M	Convertible Debt	16–18%	2nd lien on office tower & land	2nd
Tier 3 (Equity)	USD 10–19M	Profit Participation	22–25%	Residual equity in SPV	3rd

Key Terms:

- **Tenor:** 5 years (aligns with senior debt maturity).
- **Distribution Waterfall:**
 - a. **Senior Debt Service** (Islamic Sukuk & Private Loans).
 - b. **Tier 1 Investor Coupons** (12% fixed).
 - c. **Tier 2 Investor Payments** (8% fixed + 8% variable).
 - d. **Tier 3 Profit Share** (60% of residual cash flows).



III. INVESTOR SECURITY MECHANISMS

1. Trustee-Controlled Collateral Pool

- **Assets Pledged:** Huaying's terminals (300,000 DWT), bonded storage (590,000 m³), and office tower.
- **Valuation Buffer:** Independent appraisal at **USD 1.2B** (vs. USD 500M debt).

2. Cash Flow Ring-Fencing

- **Escrow Accounts:** 100% of Huaying's storage/terminal revenues held by Trustee.
- **Reserve Accounts:** 6 months of debt service coverage maintained.

3. Exit Safeguards

- **Put Option:** Tier 1/2 investors can require SPV to buy back units at 105% par after Year 3.
- **Tag-Along Rights:** All investors included if VSHEN sells SPV stake.



IV. INVESTOR INCENTIVES

A. UPSIDE PARTICIPATION

Performance Trigger	Investor Bonus
Crude trading >6M bbls/month	Tier 1: +2% IRR; Tier 2/3: +5% equity
Sukuk bond rating >A-	All tiers: 10% profit participation boost

B. TAX EFFICIENCY

- Labuan SPV Benefits: 0% corporate tax, 0% withholding tax on investor distributions.
- Double Tax Treaties: Malaysia-China treaty avoids capital gains tax on Huaying sale.

V. RISK MITIGATION FOR INVESTORS

Risk	Mitigation Tool
Asset Depletion	Trustee blocks asset sales without 90% investor approval
Crude Price Volatility	50% volume hedged via futures (INE/SGX)
Litigation	USD 25M holdback from purchase price escrowed

VI. INVESTOR TARGETING STRATEGY

Investor Type	Allocation Focus	Key Hook
Sovereign Wealth Funds	Tier 1 (USD 200M)	Asset-backed security + stable yield
Family Offices	Tier 2 (USD 150M)	Convertible debt upside + Labuan tax
Commodity Traders	Tier 3 (USD 150M)	Direct crude supply access via Huaying

B. Marketing Collateral

- **Teaser:** "Anchor South China's Oil Gateway – Secured by Hard Assets".
- **Roadshow:** Labuan Trustee-led tours of Huaying terminal (post-NDA).
- **Digital Platform:** Tokenized profit certificates on Labuan blockchain exchange



VII. PROJECTED INVESTOR RETURNS

Tier	Capital (USD)	Base IRR	Upside IRR	Exit Multiple
Tier 1	50M+	12%	14%	1.8x
Tier 2	20–49M	16%	20%	2.5x
Tier 3	10–19M	22%	30%	4.0x

Upside Triggers:

- Early crude trading ramp-up (Year 2).
- Sukuk bond oversubscription reducing cost of capital.



Final Pitch:

"Invest in Asia's premier oil logistics hub through a Labuan fortress SPV – where hard asset security meets 25%+ IRR. Minimum USD 10M buys Tier 3 profit participation with VSHEN's skin-in-the-game."

Next Steps:

1. Secure anchor investor for USD 100M Tier 1.
2. Launch Labuan SPV registration with Trustee appointment.
3. Roadshow kickoff in Singapore/Dubai (Q4 2025).



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