

# Process Flow for Exit Sale for Investor

## Step 1: Investor send inquirer about exit sale

SVAM staff should collect the following data from GRACE to prepare the Exit Sale worksheet for investor's evaluation: 1) cost of property 2) size of the property 3) outstanding loan amount 4) lease expiration date 5) current selling price. (See attachment one for sample of worksheet).

SVAM staff should also include the draft of Sales POA and Sales Service Level Agreement in the reply for investor's reference. (See attachment two for example)

SVAM staff should direct investor to the FAQ section regarding exit sale on company website: [www.shanghaivisionassetmanagement.com](http://www.shanghaivisionassetmanagement.com) regarding the process of exit sale.

## Step 2: Investor confirms the order for exit sale

SVAM staff should remind investor to order an independent valuation report for the property and attached with Sales POA and Sales Service Level Agreement for notarization.

Recommend: Savills Property Services (Shanghai)

Richard Hong (Senior Manager, Valuation)

[rhong@savills-sh.com](mailto:rhong@savills-sh.com)

## Step 3: Investor to send the following completed documents to SVAM Shanghai office:

- 1) Original Title deeds
- 2) Signed Exit Sale Service Level Agreement
- 3) Legalized Exit Sale Power of Attorney and passport if required

## Step 4: An offer is received

SVAM should negotiate with potential buyer about the term of the transaction and confirm with investor about the selling price.

## Step 5: Letter of Intention is signed with Buyer

- 1) SVAM should apply to the bank for mortgage payoff (for mortgage investor only).
- 2) Collecting down payment from Buyer.

## Step 6: Sign and Register Sales contract at local Property Exchange Center

SVAM staff should prepare the following document for the contract registration:

- 1) Original Title deeds
- 2) Bank's certificate that mortgage has been paid off.
- 3) Sales POA
- 4) Notarized passport copy of investor and Authorization Letter from SVAM to staff.
- 5) Proof of down payment

## Step 7: Notarize the Sales Contract

SVAM should contact local notary public to get the sales contract notarized. Rate of notarization: 0.3% of contract amount + 350.

**Step 8: Collecting the balance payment from buyer**

SVAM staff should ensure the balance payment is received on time according to the sales contract. Proof of the payment (bankbook copy and bank statement) should be presented to investor for verification).

**Step 9: Collection of SVAM service fee and other charges**

- 1) SVAM service fee
- 2) Sales contract notary fee
- 3) Real estate agent commission
- 4) Taxes and fees paid to Property Exchange Center

**Step 10: Obtain Tax certificate from local tax bureau**

It takes 10 working days to get the Tax Certificate from tax bureau and it has to address to State Administration of Foreign Currency.

**Step 11: Apply to SAFE for remitting sales proceeds out of China**

Document need:

- 1) Sales contract
- 2) POA
- 3) Passport Copy
- 4) Tax Certificate
- 5) Application form
- 6) All invoices and receipts related to the sales transaction

Please note, it is the one time application and takes 21 days for processing. The amount applied should be specific and should not exceed the sales proceeds. If the amount applied is lower than the sales proceeds, SVAM should explain the reason. (Main reasons are: mortgage pay off, SVAM & agent service fee, etc.)

**Step 12: Confirm all the expenses have been clear**

Please check “ Exit Sale Fund Remittance check List”

**Step 13: Remit all RMB balance out of China**

- 1) Investor needs to provide beneficiary information and signature on the form should be verified by company librarian.
- 2) SVAM staff should arrange the remittance within 3 working days after SAFE’s approval is obtained.
- 3) Bank remittance slip should be emailed to investor within 24 hours after the transaction.

**Step 14: List and pack all legal documents under SVAM management and sent to investor.**

- 1) Once investor confirms arrival of the fund, SVAM should sign out all documents under investor’s name and send to investor by registered mail.
- 2) De-activate this investor from GRACE system.