



Potential and Opportunity in Vietnam Development Market

Presentation to K.E.Y Platform 2014

April 23, 2014

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- 2 Key Portfolio
- 3 Why Vietnam and Ho Chi Minh City?
- 4 Real Estate Demand Drivers
- 5 Market Outlook
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About Our Company

- Owner representative of large real estate owners & investors
- Value-added services for property owners & investors
- Portfolio of prominent developments
 - in HCMC
 - in prime CBD

Sector Coverage/Focus

Commercial



Office



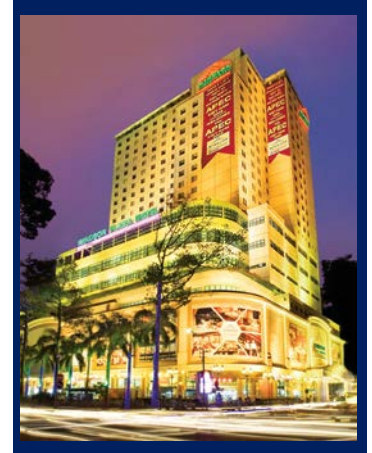
Retail



Residential



Hotel



Serviced Apt.



Integrated Dev.



Township



Industrial Park



Resort



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Times Square

Project Summary

Location	Prime CBD, Nguyen Hue Boulevard, HCMC
Type	5-star hotel Grade A serviced apartment Grade A office Retail podium
Site Area	4,573 sqm
GFA	87,000 sqm
Height	39 storeys and 3 basements
Features	285 keys 80 serviced apartments 12,000 sqm office
Year Open	2013

- Panoramic CBD and Saigon River views
- Blue-chip office tenants:
 - Deloitte
 - Sumitomo
- Member of the Leading Hotels of the World



Union Square

Project Summary

Location	Prime CBD, Nguyen Hue and Le Loi Boulevards, HCMC
Type	5-star hotel and Grade A shopping center
Site Area	8,589 sqm
GFA	98,057 sqm
Height	9 storeys and 6 basements
Features	250 keys (60 suites) 48,825 sqm retail
Year Open	2012

- Acquired by VIPD Group in 2013
- Blue-chip retail tenants:
 - Hermes
 - Dior
 - Hugo Boss
 - Mont Blanc
- Connects to Opera House Metro Station



Sherwood Residence

Project Summary

Location	District 3, HCMC
Type	Grade A serviced apartment
Site Area	3,188 sqm
GFA	47,595 sqm
Height	21 storeys and 2 basements
Features	228 apartments, 12 penthouses
Year Open	2007

- Most desired residential address for expatriates
- Home to several consul-general
- First to receive prestigious 'luxury apartments' certification from the Vietnam National Administration of Tourism
- Winner of TripAdvisor Traveler's Choice award 2013 & 2014 in Family category



Windsor Plaza Hotel

Project Summary

Location	District 5, HCMC
Type	5-star hotel and shopping plaza
Site Area	7,500 sqm
Height	23 storeys and 1 basement
Features	386 keys 14,000 sqm retail
Year Open	2004

- Landmark business/trading center in District 5
- Host of the 2006 APEC Ministers Responsible for Trade (MRT) Conference
- First domestic hotel granted 5-star rating by Vietnam National Administration of Tourism
- Winner of International Hotel Awards Asia Pacific 5-star award in “Best Hotel Vietnam 2013-2014” category

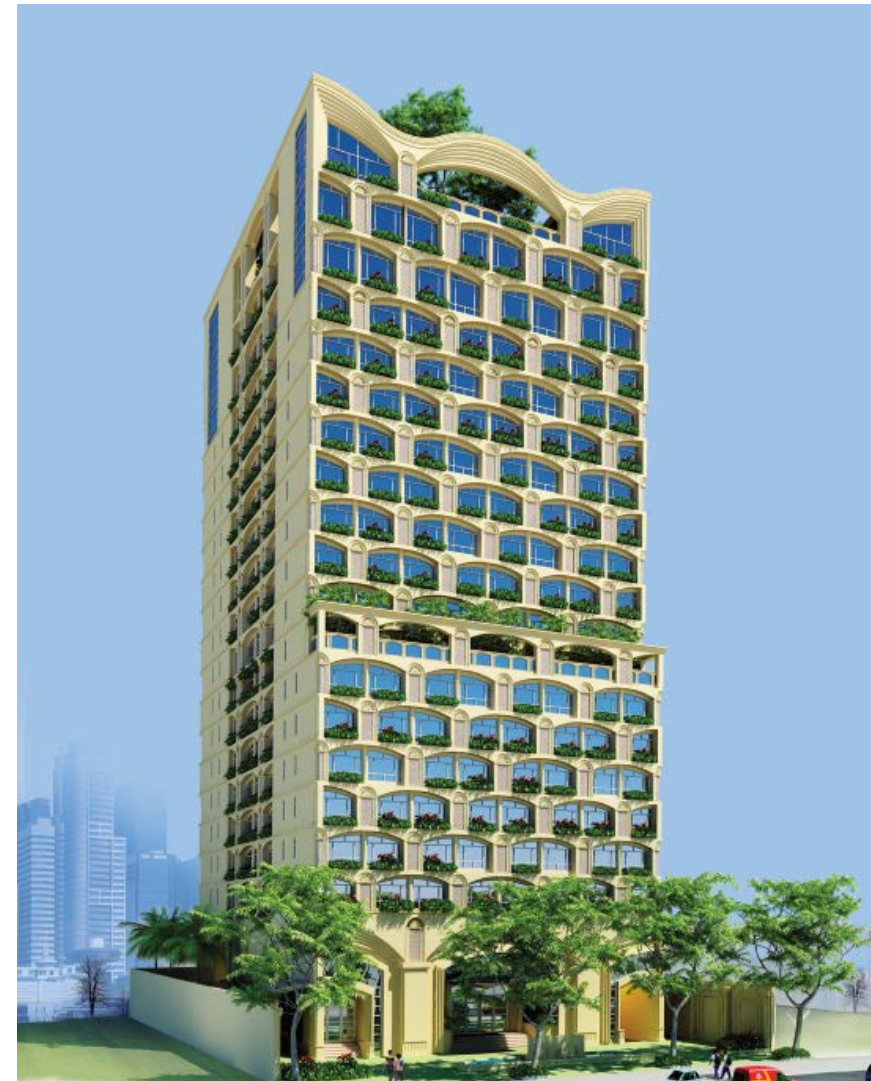


New Pearl Residence

Project Summary

Location	District 3, HCMC
Type	Grade A serviced apartment
Site Area	2,217 sqm
GFA	19,938 sqm
Height	18 storeys and 2 basements
Features	120 apartments
Status	Under construction
Expected Open	2015

- Fronting Nam Ky Khoi Nghia, a major thoroughfare of the city
- Leveraging on the success of Sherwood Residence
- Close proximity to CBD, entertainment, F&B, schools and universities



Golden Plaza

Project Summary

Location	District 5, HCMC
Type	High-end apartments and retail podium
Site Area	6,004 sqm
GFA	67,725 sqm
Height	35 storeys and 2 basements
Features	328 apartments 15,770 sqm retail
Status	Near completion

Expected Open End 2015

- Tallest tower in historic commercial district
- Located in bustling business and trading enclave
- Target for upper middle segment
- Adjacent to planned Metro Station



Savico Tower

Project Summary

Location	Prime CBD, HCMC
Type	Grade A office and retail podium
Site Area	3,024 sqm
GFA	36,284sqm
Height	22 storeys and 4 basement
Status	Planning and design

- Grade A office in prime CBD
- Next to Nguyen Hue Boulevard
- Surrounded by prominent retail, F&B, and hotels




Saigon Peninsula

Project Summary

Location	District 7, HCMC
Type	Fully integrated township development
Site Area	117.8 ha
Landed residential	- 10.6 ha
Apartments	- 9.6 ha
Commercial	- 24.1 ha
Green & Public facilities	- 52.4 ha
Road & others	- 21.1 ha
Site Coverage	30%
GFA	1,800,000 sqm
Maximum height	35 storeys
Status	1/2000 master plan approved
	1/500 master plan approved
	Infrastructure planning



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Vietnam Facts

Key Figures

Area	329,560 sq km
Coastline	3,444 km
Capital	Hanoi
Economic Hub	Ho Chi Minh City
Total Population	90 million (14 th in world)
Demographics	3/4 under 45 years old
Literacy	95%
HCMC Pop.	8.2 million (2014) 17 million (entire metro area)



Why Vietnam?

- Political stability & Planned Succession
- Robust GDP growth
- Rising income
- Surging FDI
- Young population with 3/4 under 45:
 - Energetic
 - Hardworking
 - Willing to learn

Economic Transformation



1986	1995	1998	2000	2006	2007	2008	2009	2013
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Economic Renovation (Doi Moi)

Member of ASEAN

Member of APEC

*US-Vietnam Bilateral
Trade Agreement*

*Permanent Normal Trade
Relations with the US*

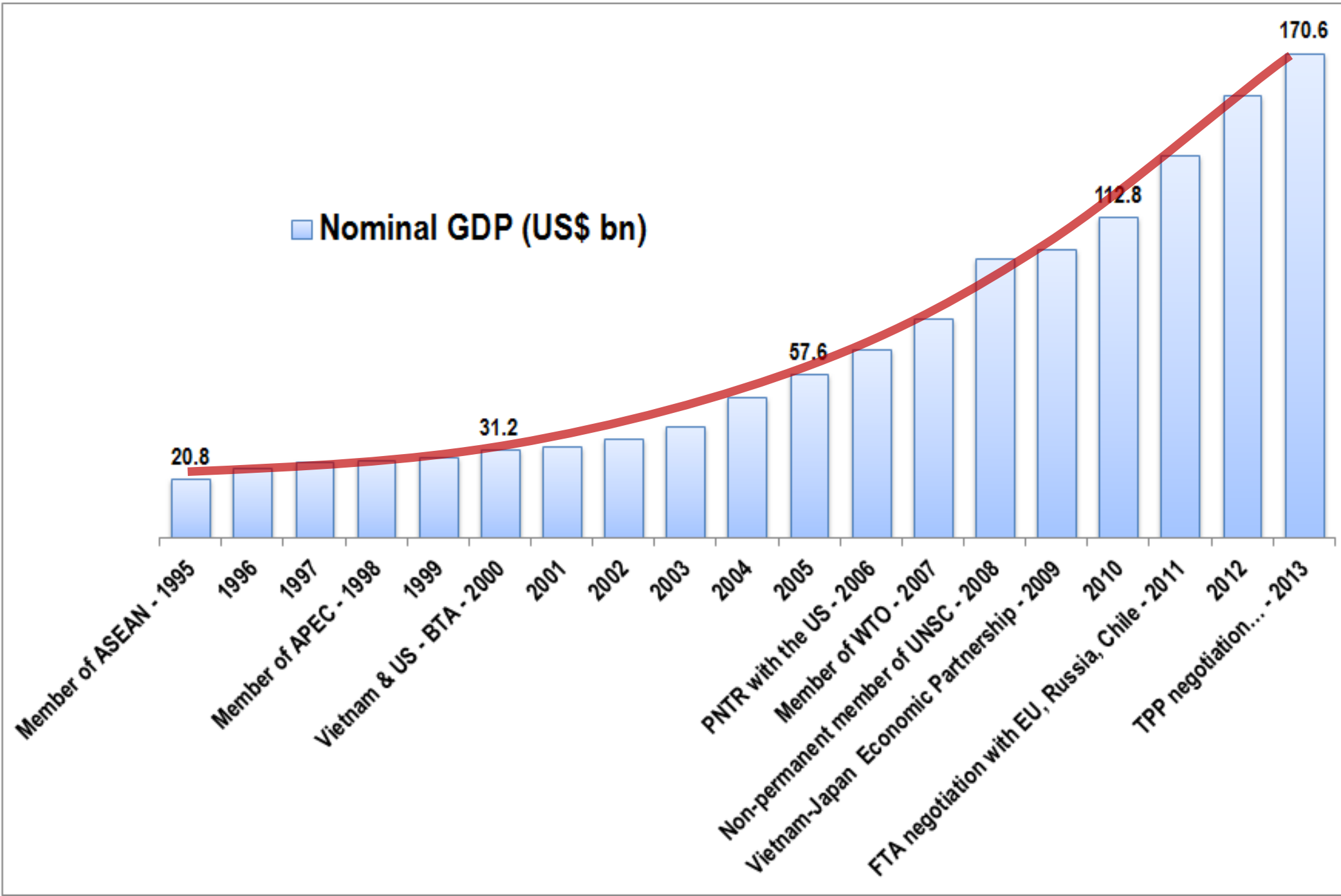
Member of WTO

*Non-permanent member
of UN Security Council*

*Vietnam-Japan
Economic Partnership*

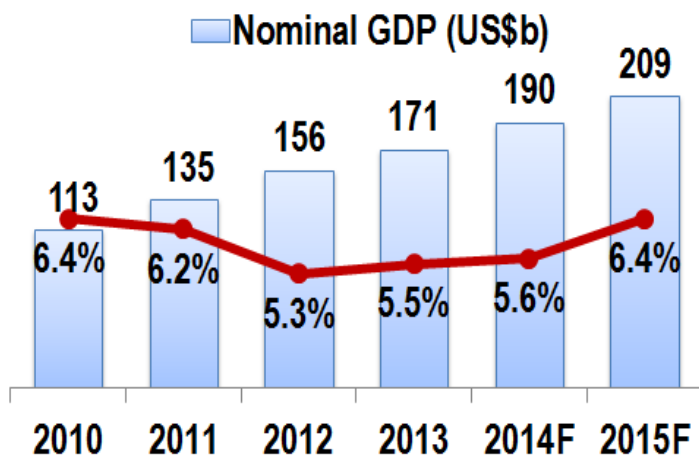
Negotiation on TPP...

Economic Transformation

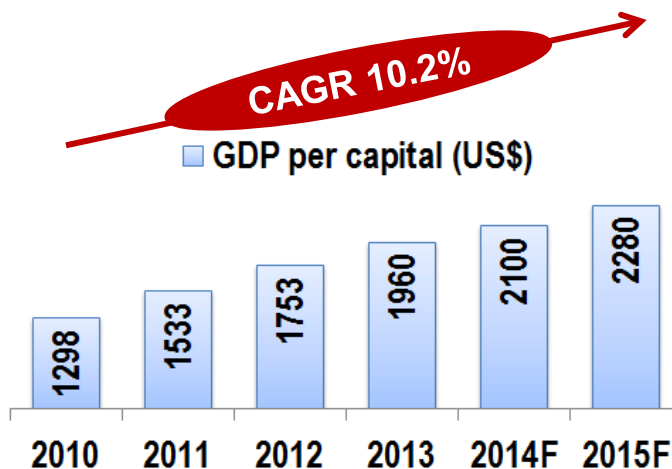


Macroeconomic Outlook

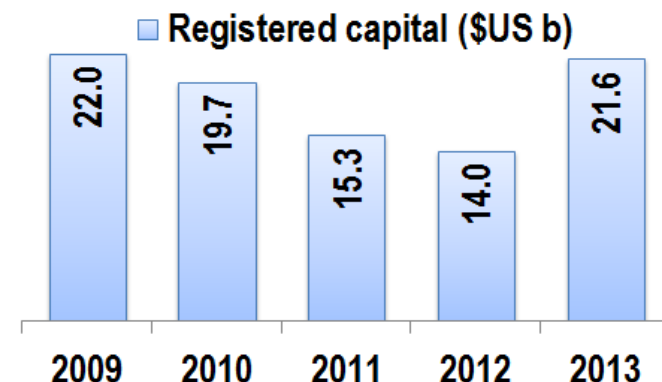
Robust GDP Growth



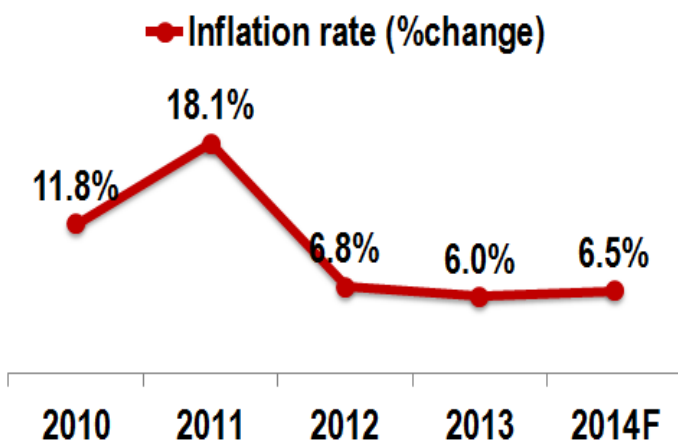
Rising Income



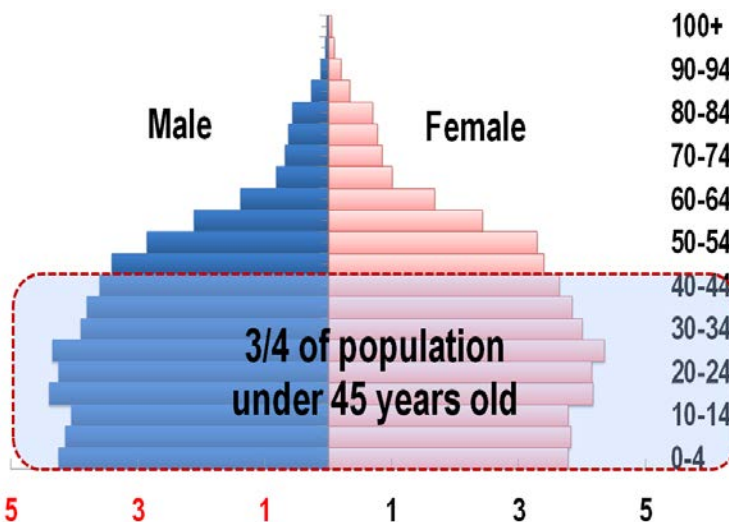
Strong FDI



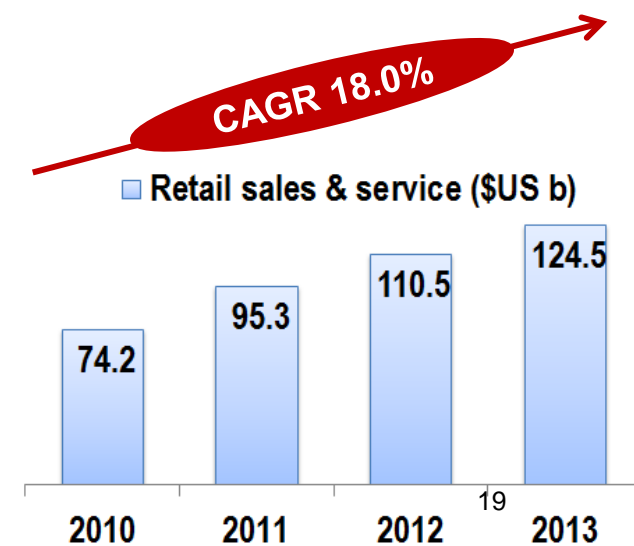
Inflation under Control



Young Population

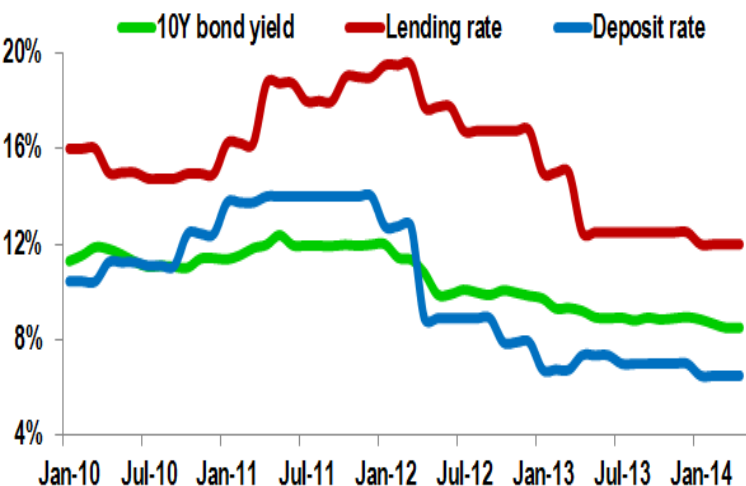


Spending Growth

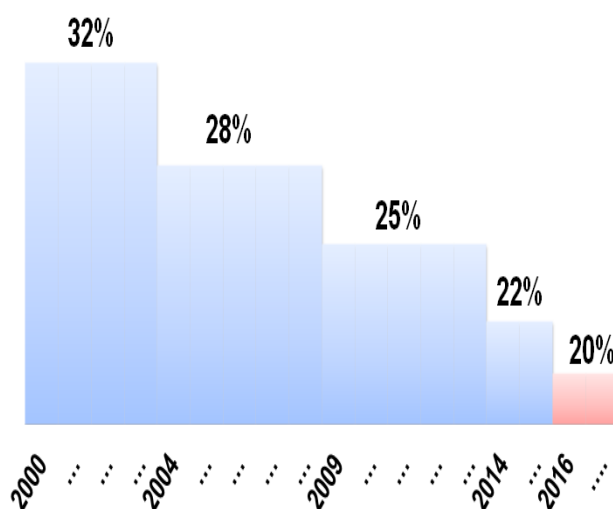


Macroeconomic Outlook

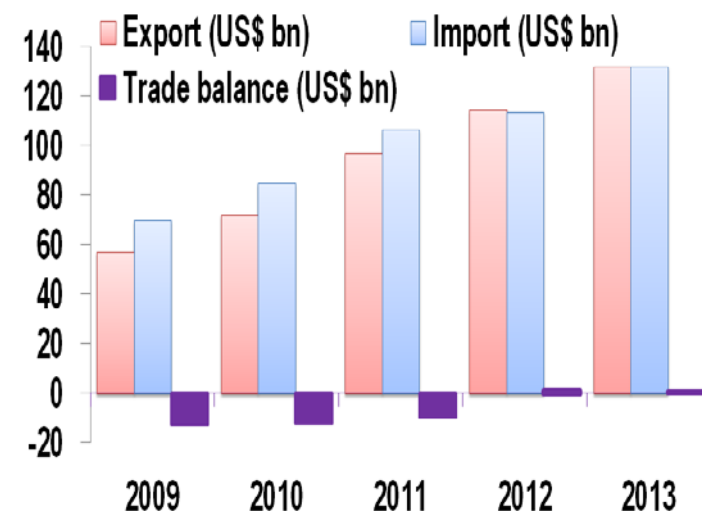
Stable Rate



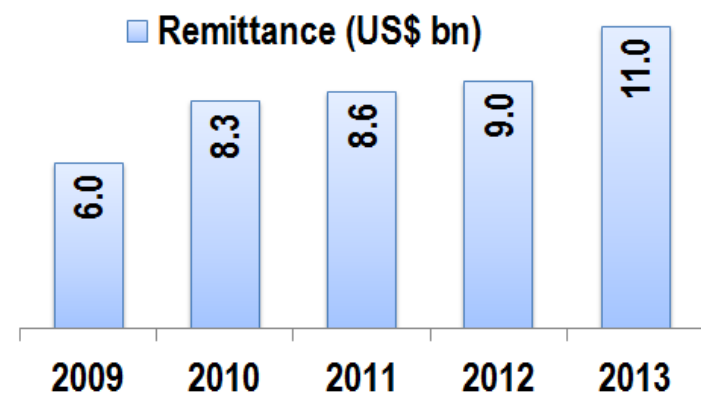
Decreasing CIT



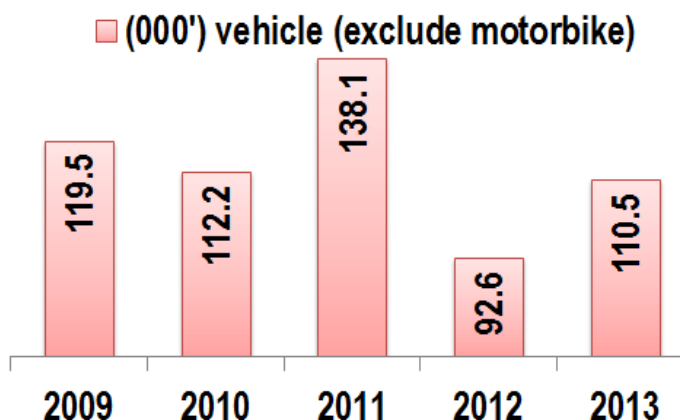
Trade balance



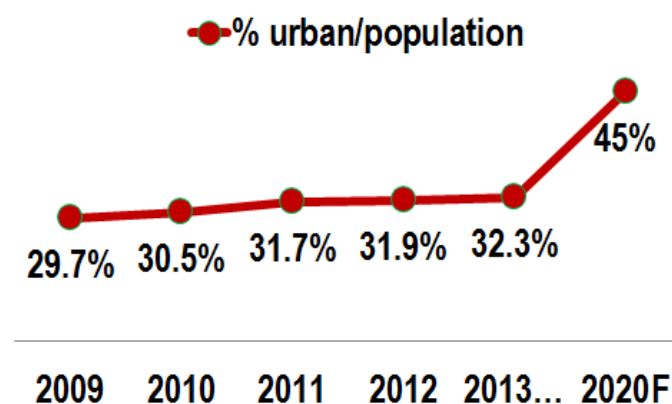
Increasing Remittance



Vehicles Sales



Urbanization Rate



Why Ho Chi Minh City?

- Economic locomotive of Vietnam
- Commercial hub and key gateway city
- Key facts:
 - 0.6% of total area
 - 9% of population
 - 20% of GDP
 - ~2.5x GDP per capita
 - 23% of industrial production
 - 15% of FDI and 34% of FDI projects
 - 55% of total foreign tourists

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Real Estate Demand Drivers

- Favorable demographics
- Rapid urbanization
- Increasing FDI
- Growing middle class
- Availability of mortgage/loans
- Rising affluence, aspiration and lifestyle
- Lack of investment alternatives

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Market Outlook

.....Improving macro-economic environment will drive market demand..

Office:

- Demand/confidence returns to the market. Marked increased in net absorption
- Improving occupancy rate and rental rate. Several acquisitions by foreigners
- Improved economy and FDI will drive demand, notably for Grade A office

Retail

- Underpinned by spending growth
- 100% foreign ownership in 2015 (WTO!). More competitive!

Housing, apartment for sale and township

- Property price is improving. Continual improvement in sales volume
- Continued underpinned by demand drivers, notably aspiration and lifestyle

Serviced Apartment

- Improved macro-economic environment and FDI will bring in more business travellers and expatriates

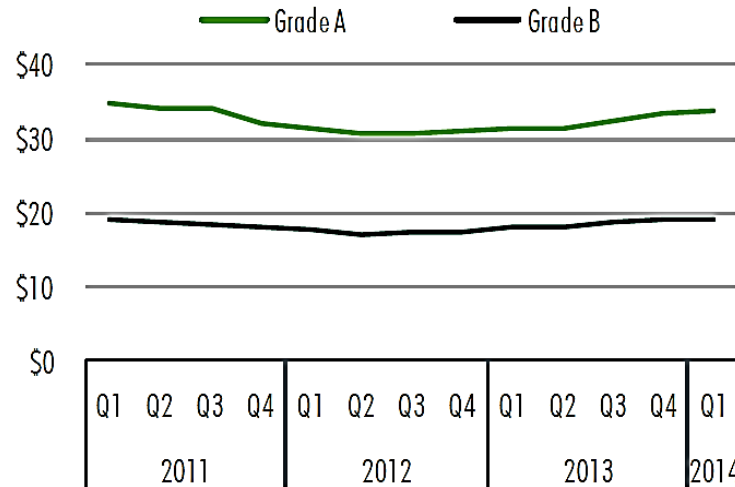
Industrial park

- Political stability and cost competitiveness continued to attract industries to relocate to Vietnam

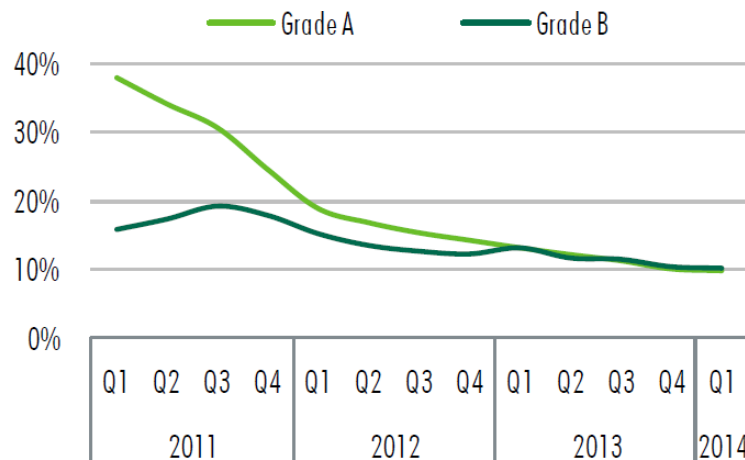
Market Outlook

Office Market

Office asking rent (US\$/sm/month)



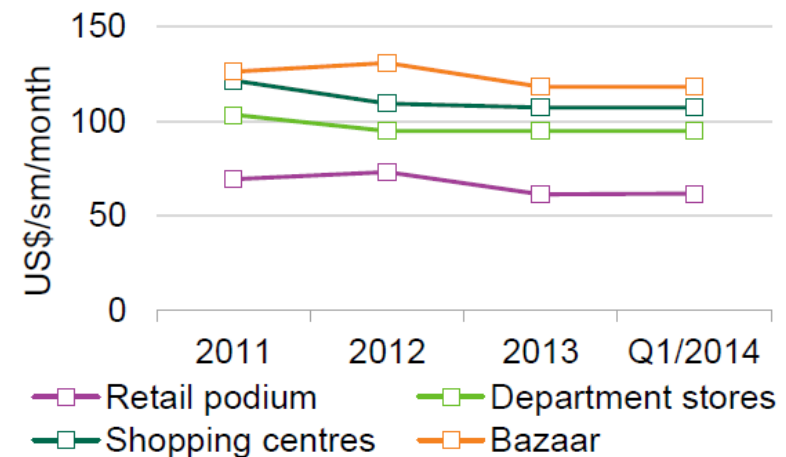
Office vacancy rate (%)



Source: CBRE Research, Q1 2014.

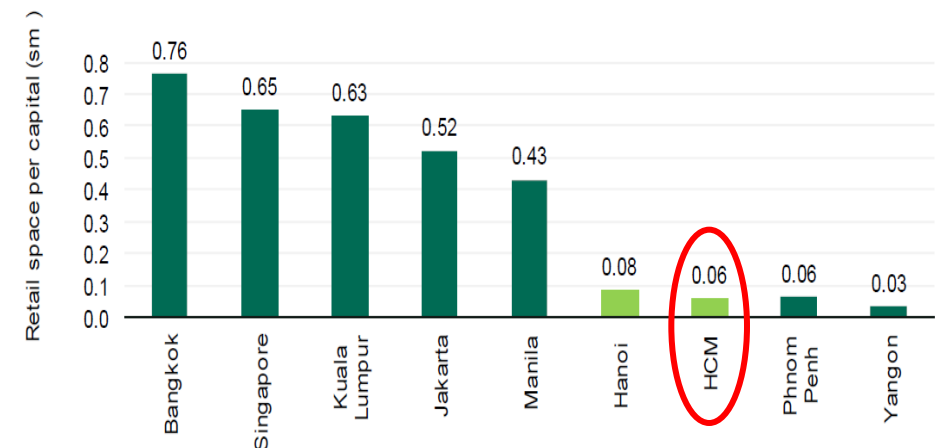
Retail Market

CBD rent (US\$/sm/month)



Source: CBRE Research, Q1 2014.

Retail space per capita (NLA sm)



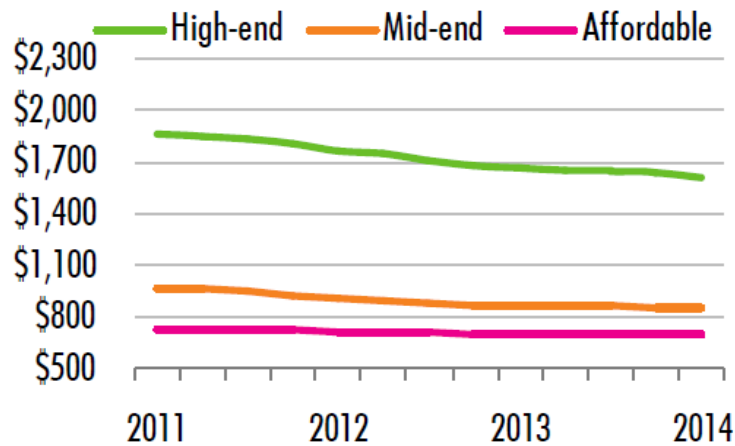
(*) Retail space per capita is total net leasable area divided by total population.

Source: CBRE

Market Outlook

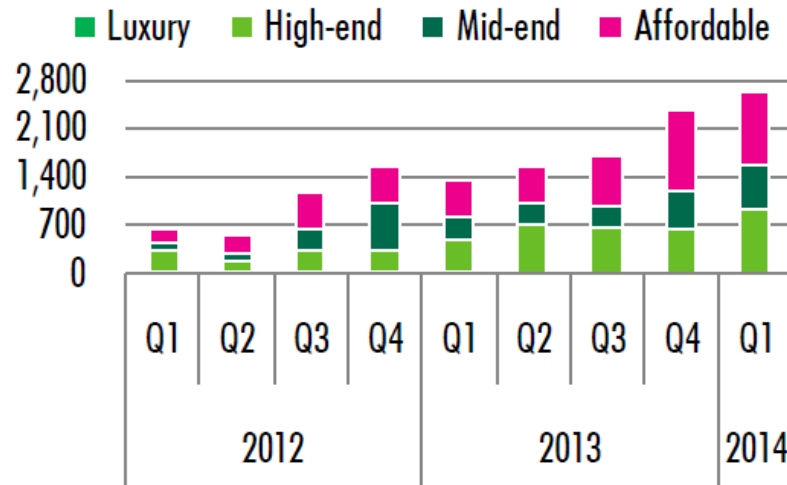
Apartment for Sale

Asking price (US\$ psm)



Source: CBRE Research, Q1 2014.

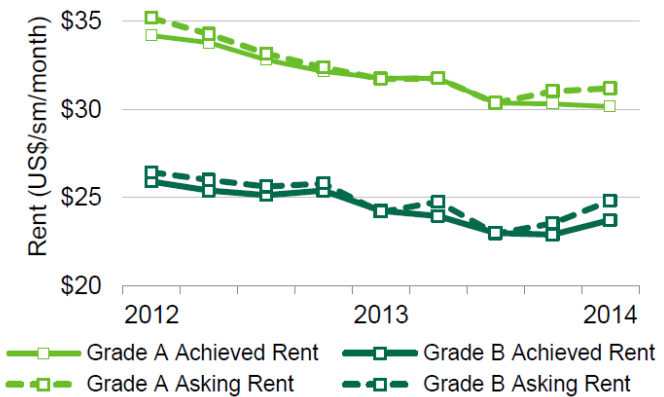
Sale Volume by grade (unit)



Source: CBRE Research, Q1 2014.

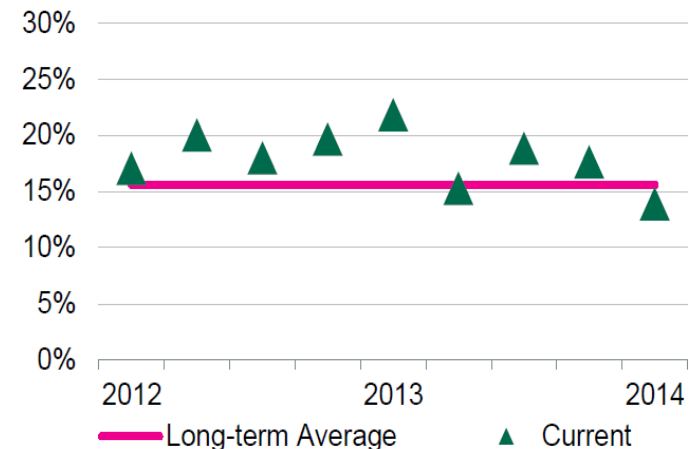
Serviced Apartment

Rental rate psm per month



Source: CBRE Research, Q1 2014.

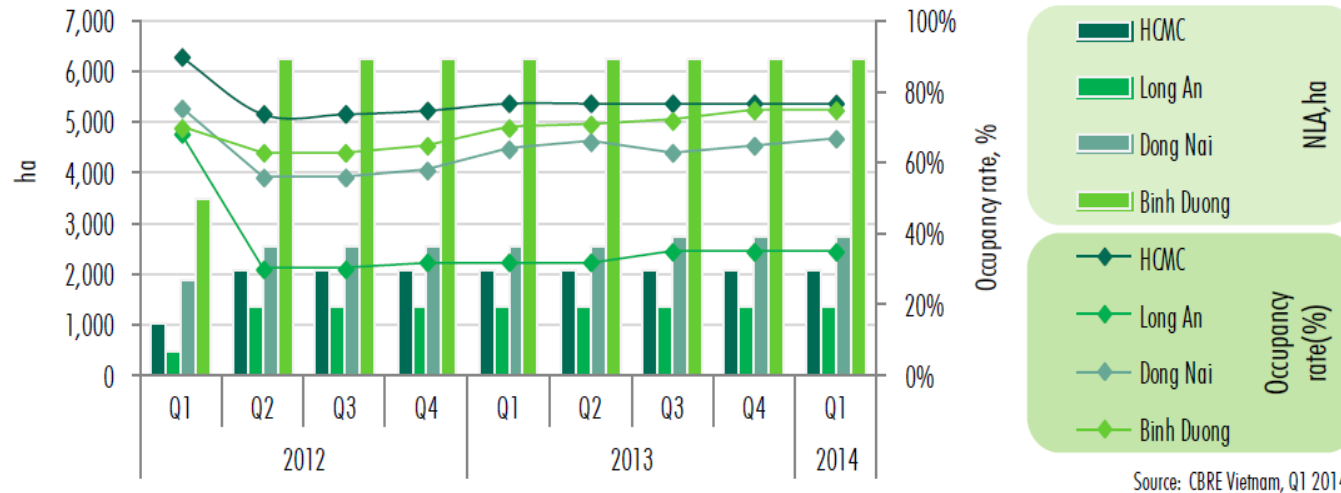
Vacancy rate (%)



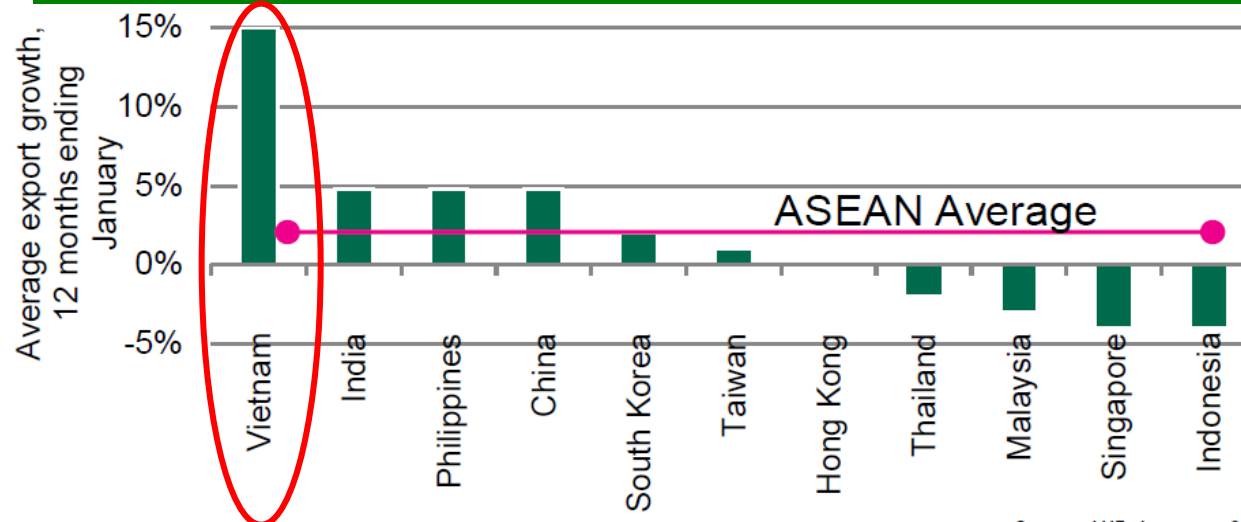
Source: CBRE Research, Q1 2014.

Market Outlook

Industrial Performance



Export Growth : Compared with regional peers



Source: ANZ, January 2014.

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Opportune time

- Low base. More room to grow.
- Price/rental/vacancy bottomed. Recovering and improving
- Land price adjusted. More attractive
- Government pro-business policy
- Improved Infrastructure
- Improved macro economy. Positive outlook

Development opportunities

- Commercial and office
- Retail, supermarket and department store
- Residential housing and township
- Industrial park, logistic and warehousing
- Hotel, hospitality and resort
- Entertainment & theme park

Key Challenges

- Lack transparency
- Difficulty in site clearance
- Scarcity of development sites
- Increasing competition from local property players
- High mortgage rate
- Evolving land law

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Getting into Actions : How To?

- Look for good partners
 - Projects ready to go
 - Good track record
 - Good network
 - Like-minded

- Focus on first-tiered city or greater metropolitan
 - Good location
 - Growth corridor
 - Appreciation potential

- Choose the right structure
 - Joint venture
 - 100% or sub-parceling
 - Others...

THANK YOU