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FDI TO VIETNAM FIRST 7 MONTHS OF 2013: JAPAN CONTINUES TO TOP

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Recorded data for the first half of 2013 suggests that Vietnam economic recovery is promising with inflation contained at 2.4%; Foreign Direct Investment (FDI) increased in both newly registered capital and disbursed capital; Gross Domestic Product growth achieved 5%; deposit rate dropped again to 7% and remittances to Ho Chi Minh City reached $1.9 billion, an increase of 3% from previous year. Officials also continue to support the economy with recent policies and incentive packages aiming to speed up recovery: The National Assembly voted to reduce Corporate Income Tax (CIT), the reduction ceiling interest rate for short-term savings, the application of 50% discount on VAT for commercial apartments with less than 70m^2 and selling price of less than VND15 million/m^2, and the VND30 trillion package for social housing projects.

Capital sources from oversea also signified positive reception from global investors. For the first 7 months of 2013, according to the General Statistic Office (GSO), Japanese investors contributed approximately US$4.1 billion to the country's total newly registered and additional FDI. Singaporean investors came second with approximately US$3.72 billion. Earlier of this year, Warburg Pincus, the private equity owner of Neiman Marcus, also committed US$200 million of equity to a new retail vehicle established by Vingroup. EXS Capital from Japan recently committed US$37 to Son Kim Land. According to Mr. Neil Macgregor, Managing Director of Savills Vietnam: "Savills Vietnam together with Savills Japan, have held several conferences, presenting Vietnam potentials and investment opportunities to Japanese investors. We have received great level of interest in Vietnam, especially as a mid- to long-term investment destination".

Vietnam real estate market also presents certain advantages comparing to other regional countries. Global commercial yields have shown trends of declining across all sectors making relatively high yields in Vietnam very attractive. Both Ho Chi Minh City and Ha Noi markets are at the bottom of the real estate cycle, whereas Indonesia, Philippines and Malaysia are all approaching the top.

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Furthermore, Vietnam fundamentals remain strong. Vietnam maintains a golden population structure from 2008 to 2035, according to the United Nations, in which the number of working people exceeds the number of independent people. GDP is forecasted to grow continuously into 2020 and beyond. The country also enjoys political stability, another important advantage over regional competitors.

We are now seeing opportunities to invest across all sectors throughout Vietnam. The availability of such options will bring together willing buyers and willing sellers and speed up the transaction timeframe, making Merger and Acquisition (M&A) in Vietnam real estate market more effective, especially for those investors with the ability to raise fund efficiently such as Japanese investors.

End.

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