

# VIETNAM

Offering new and long-term opportunities for American investors

## LEADING CONGLOMERATES LOOK TO U.S. PARTNERS

From media to finance, Ocean Group has invested in every facet of Vietnamese consumers' lives

Only a fraction of Vietnam's 86 million citizens possess credit cards, consequently delaying countrywide growth, says Ha Van Tham, who intends to change this state of affairs. As chairman of Ocean Group, the parent company that oversees Ocean Bank, Mr. Tham has good reason to want to see more Vietnamese paying with plastic. By opening lines of credit to his bank's customers, another Ocean Group company stands to benefit as well. Ocean Media, an entertainment company and television station, recently launched a

home shopping network, ideal for credit card-carrying consumers.

Tham wants to promote products such as advanced banking services to this niche market of cable consumers. Indeed, promoting



**Ha Van Tham**  
Chairman,  
Ocean Group

products through his subsidiaries has helped him build up his diverse holding company in little over 15 years. Although Ocean Bank lies at the heart of the group's activities, other companies operate across a range of sectors, such as securities, technology and energy. Consequently, Ocean Group is an ideal gateway for foreign investors to Vietnam.

Earlier this year, the group signed an agreement to establish Vietnam Lotus Holding, a Special Purpose Acquisition Corporation worth \$100 million, and listed in the U.S., that will help U.S. investors access the Vietnamese market.

Also, with ambitions to establish the group as a Vietnam-based multinational corporation, Mr. Tham has also been looking for an overseas partner.

"I would very much like to work with a U.S. partner in finance," Tham concludes. "We are trying to establish trade partners. Ocean Bank, for example, is helping farmers search for a U.S.-based importer of Vietnamese coffee and catfish." ■

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## A GREENER FUTURE FOR PLASTICS

An Phat Plastic is leading the way with the export of plastics derived from recycled materials

A series of anti-dumping measures have given Vietnam's plastics sector a new boost.

"Three years ago China imposed an anti-dumping tax that made its plastic products more expensive," explains Pham Anh Duong, Chairman of An Phat Plastic. "With the situation in China, companies from the U.S. and other countries rushed to find



**Pham Anh Duong**  
Chairman,  
An Phat Plastic

of its plastic products made from recycled materials.

"I really want to change the market," Mr. Duong says. "I want to help our government recognize that recycling waste is a good way to protect the environment and lower costs."

An Phat has already been awarded for its efforts in recycling products by the Ministry of Natural Resources and the

Environment. Moreover, the company's strategic shareholders, such as DWS Investment (a member of Deutsche Bank Group), Sacombank, IDJ Financial and PetroVietnam Finance Group, attest to the speed at which it is growing. Now, Mr. Duong is looking for a U.S. partner to help market them overseas.

An Phat Plastic currently exports 25-30% of its products to the U.S. "Our goal is to become the leading company in recycled plastic products, and eventually, recycled paper," he says.

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## VIETNAM

## A DECADE OF SOCIAL AND COMMERCIAL DEVELOPMENT

Tan Tao's industrial parks are changing the way the Vietnamese do business and the way they live

Turning large, mixed-use plots into high-tech industrial parks, the Tan Tao Investment and Industry Corporation (ITA) has built up an impressive land and real estate portfolio across Vietnam that is an ideal portal for foreign companies interested in moving into the country.

ITA has also more recently moved into new industries, expanding its business from renting industrial facilities into major infrastructure and green energy projects, including toll roads, deep-sea ports and coal and hydro power plants. The group has six subsidiaries and 10 affiliated companies, making it one of the largest groups in Vietnam.

Founded in 1996, ITA found its niche market early on under the guidance of Founder and Chairwoman Dang Thi Hoang Yen, a prominent figure in Vietnam in both business and philanthropic endeavors.

The group launched the first phase of its pioneering Tan Tao Industrial Park in 1997. Today, it is the largest operational industri-

al park in Vietnam, and continues to set standards in the industry.

Located in the Binh Tan district of Ho Chi Minh City, the Tan Tao Park covers more than 1,000 acres and accommodates 259 different operators with 100 percent occupancy. On the heels of this success, the group launched the Nhon Trach Industrial Park, a 1,556-acre development located six kilometers from Quy Nhon's city center, and the Tan Duc Industrial Park, a major site located just west of Ho Chi Minh City, that offers a residential area with schools, hospitals, hotels, aquatic sports centers, parks and golf courses.

Vietnam's industrial sector has grown rapidly over the last decade, as international manufacturers seek to take advantage of the country's comparatively low labor costs, and tax and export incentives. ITA officials say labor costs are 30 to 40 percent lower than in China or India. As such, ITA has been a significant contributor to the development of the economy.



**Dang Thi Hoang Yen**  
Chairwoman,  
Tan Tao Group



**The University of Southeast Asia** will be the first world-class university in Vietnam

In July, Russell Investments chose ITA as part of its Russell Vietnam Index 10. ITA was also listed on the Russell Global Small Cap Index, marking the first time that Vietnamese companies had been added to this index. In September, ITA was chosen as part of the S&P Vietnam 10 Index, which is comprised of 10 of the most liquid publicly-traded companies in the country.

At home, ITA has earned a reputation as a comprehensive business group for its ability to act as a one-stop shop for investors. Property services provider CBRE Vietnam

has ranked ITA as one of the country's best industrial zone creators.

Mrs. Yen has insisted on giving back to local communities. ITA is at the forefront of many charitable pursuits, including scholarships, and has donated more than \$6 million to build 1,000 homes in rural areas in need of housing. Mrs. Yen is also realizing her dream of creating the first world-class university in Vietnam, the University of Southeast Asia, which is collaborating heavily with American educational institutions. ■

## DEVELOPER OF CHOICE

The Tan Tao Group is Vietnam's "Developer of Choice" for industrial parks and related infrastructure. Since 1996, we have offered clients the convenience of one-stop-shop services, starting with site selection and construction and continuing through operation and maintenance.

Our in-depth knowledge of the Vietnamese market and high quality of services make us your first choice partner.

- INDUSTRIAL PARK DEVELOPMENT
- LAND DEVELOPMENT
- INFRASTRUCTURE DEVELOPMENT
- TELECOM AND NETWORK DEVELOPMENT



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YOUR SUCCESS IS OUR SUCCESS

## VIETNAM

## INDOCHINA'S INVESTMENT LEADERSHIP IN VIETNAM

The investment firm has grown along with Vietnam's stabilized economy and has invested in assets from resorts to breweries

Indochina Capital, an investment firm with experience in equities and real estate, was founded 10 years ago in Vietnam by two Americans who had already recognized the phenomenal potential of the country. Peter Ryder and Rick Mayo-Smith had been working for U.S. investment banks when they separately decided to strike off on their own.

The two men, who had known each other since high school, then decided to join forces to raise money and channel investments to promising projects that could benefit from Vietnam's rapidly growing economy.

Ryder and Mayo-Smith, along with their partner, Tung Kim Nguyen, have built Indochina Capital into one of the biggest fund managers in Vietnam. The company currently has more than \$2 billion in assets under management and projects under development, and that figure is set to grow rapidly in coming years as Vietnam's vibrant economy continues to grow.

"The difference between the 1990s and the current situation is that now there is actually legal, commercial and physical infrastructure in place for people to do business," Mayo-Smith said.

The improved legal framework and the Vietnamese people's tremendous work ethic and youthful demographic, combined with the country's favorable geographic position near China, Taiwan, Singapore and other economic powerhouses, underpin a strong base for future growth.

A recent report by PricewaterhouseCoopers forecasts that Vietnam's economy will be the fastest growing in the world between now and 2050, expanding at an estimated 9.8 percent each year. "The current problems in the world economy, which are also having a marginal effect in Vietnam, will run their course relatively quickly here," says Ryder.

Indochina Capital has investments in a wide range of areas, including infrastructure, manufacturing and agricultural projects. Their biggest focus is in real estate, an area where they've had great success.

Their projects include retail, office, industrial and tourist developments, including some of the most prestigious resorts in the world. The beachfront Nam Hai Resort won



Founders Rick Mayo-Smith and Peter Ryder at the London Stock Exchange as Indochina Capital goes public

the prestigious *Travel & Leisure* 2008 Design Award as the World's Best Resort.

"We are without question the leading high-end resort and residential developer in Vietnam, with about eight operating properties with over 1,000 rooms and villas and the three best golf courses," Ryder states.

Indochina Capital's biggest current project is called Park City, a development on a

250-acre lot in a new urban area of Ho Chi Minh City that needs an investment of over \$1 billion. The innovative project, which is one of the largest mixed-use developments in Vietnam today, will be a green city, designed to protect the environment.

The company is also moving into industrial real estate to take advantage of Vietnam's growing attraction for multinational and regional manufacturers who want to take advantage of low labor costs in Asia, but don't want to concentrate all their investments in China alone, following the 'China-Plus-One' strategy.

Outside investors are also interested in Vietnam's burgeoning local economy. As wealth increases, people are willing to spend more on consumer products, and Indochina Capital is taking part in that side of Vietnam's growth equation as well. The investment firm was key in negotiating global brewer SABMiller's recent \$45 million joint venture deal with Vietnamese milk producer Vinamilk to construct a new brewery in the country. ■

A large advertisement featuring two panels. The left panel has a green background with the text "INDOCHINA CAPITAL Investing in Vietnam's Future". The right panel shows a resort building at dusk with palm trees and a pool, with the text "INDOCHINA LAND Building a Better Future". At the bottom, a banner lists services: "real estate - equities - infrastructure - advisory and finance - securities - real estate - equities - infrastructure - advisory and".