

Savills World leading property services



HO CHI MINH CITY OFFICE MARKET

April 2008



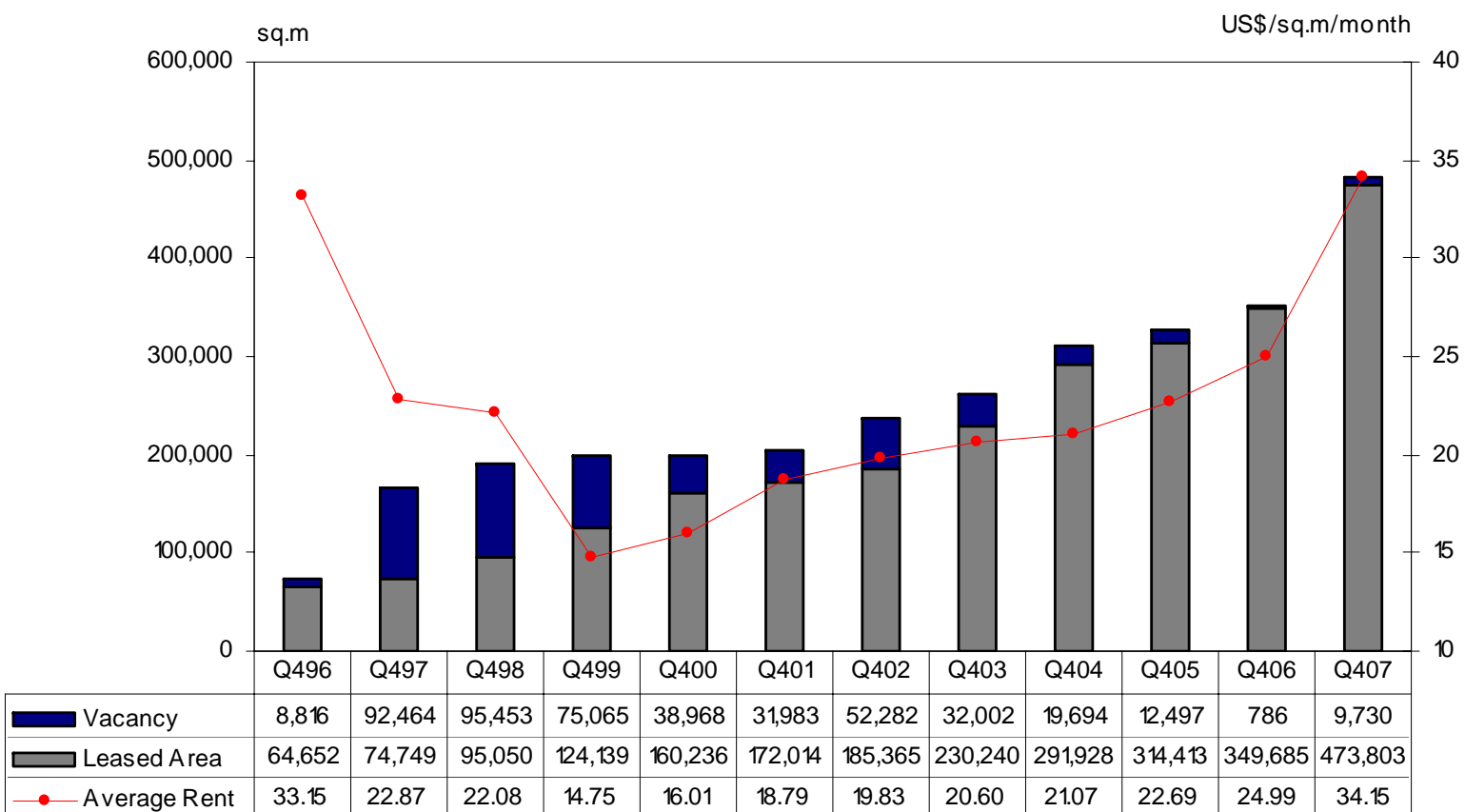
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HO CHI MINH CITY OFFICE MARKET

CURRENT CONDITIONS



History of HCMC Office Market



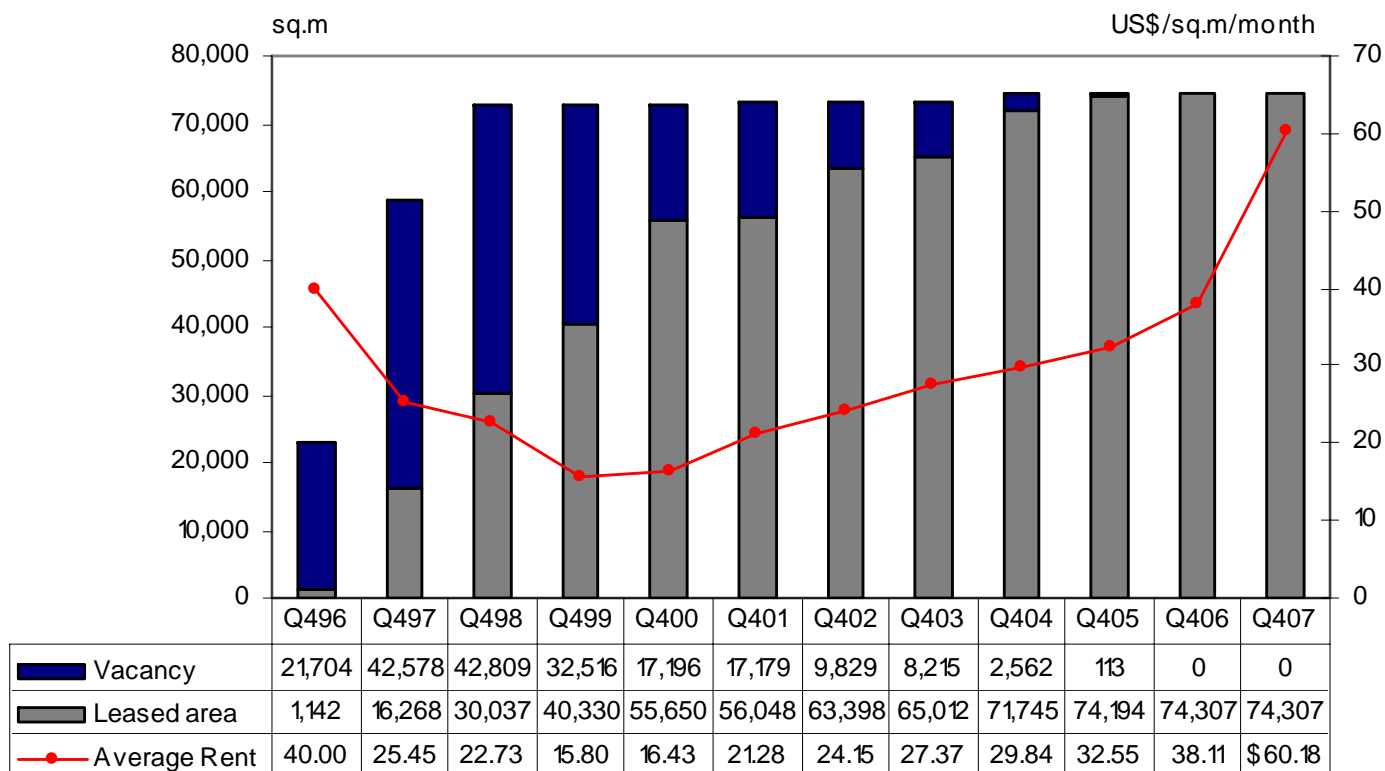
Source: Savills Research & Consultancy

HO CHI MINH CITY OFFICE MARKET

CURRENT CONDITIONS



Existing Grade A office annual performance



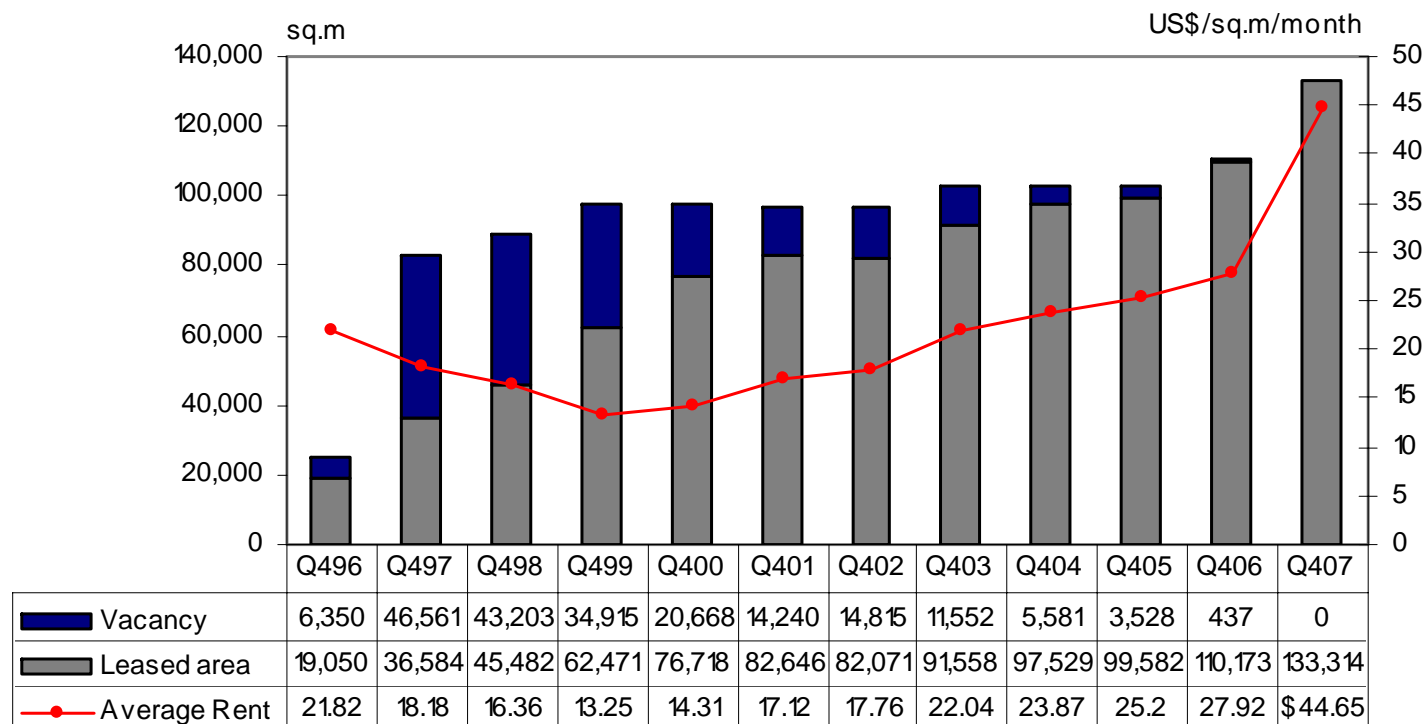
Source: Savills Research & Consultancy

HO CHI MINH CITY OFFICE MARKET

CURRENT CONDITIONS



Existing Grade B office annual performance



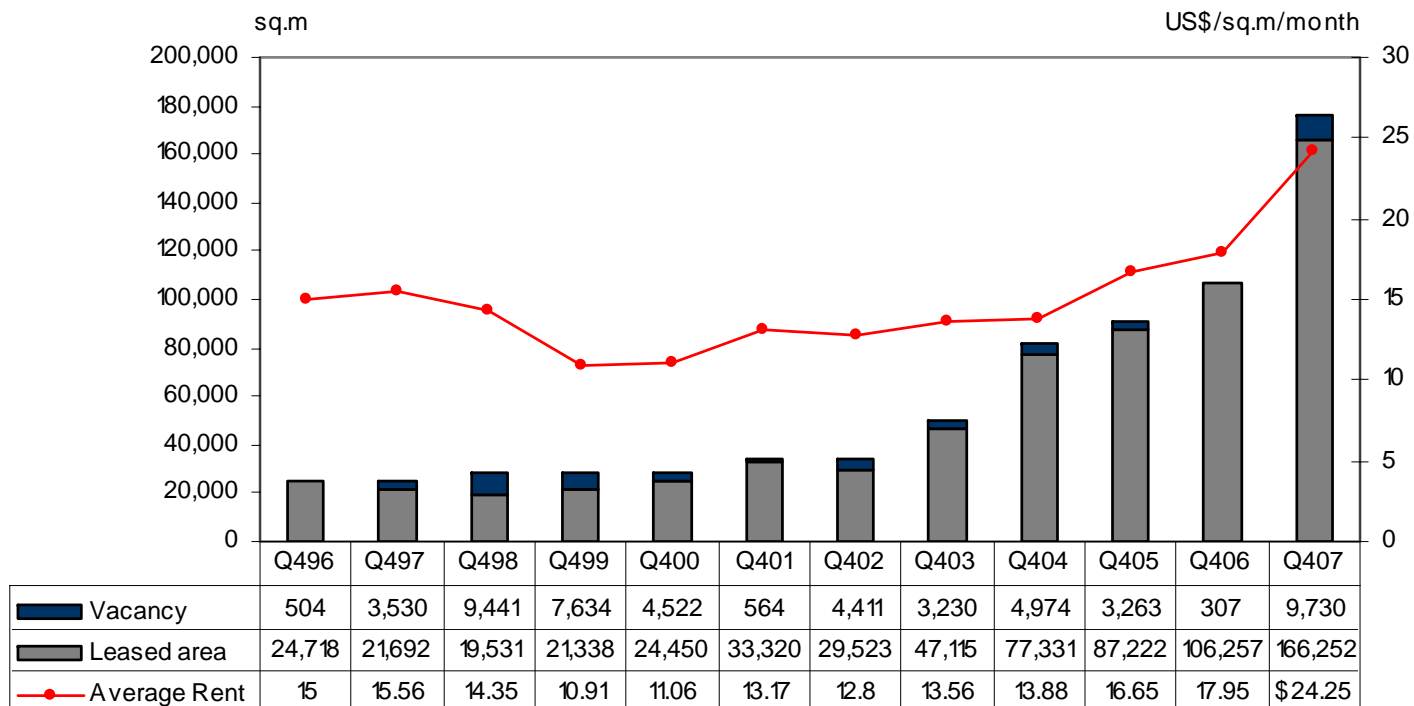
Source: Savills Research & Consultancy

HO CHI MINH CITY OFFICE MARKET

CURRENT CONDITIONS



Existing Grade C Office annual performance



Source: Savills Research & Consultancy

HO CHI MINH CITY OFFICE MARKET / CBD



Completion 2008

Project / supply / Grade

| | |
|-------------------------|-------------------------------|
| Gemadept | 12,000 / B |
| VP Tower | 12,000 / B |
| Saigon Happiness Square | 12,000 / B |
| Sailing Tower | 14,500 / B |
| Etown 3 | 13,000 / Suburban (Not Shown) |
| Airport Business Center | 22,000 / Suburban (Not Shown) |

Completion 2009

Project / supply / Grade

| | |
|--------------|------------------------|
| Asiana Plaza | 27,000 / A |
| Centre-point | 27,000 / B (Not Shown) |
| Centec Tower | 16,000 / B |
| EVN | 11,000 / B |

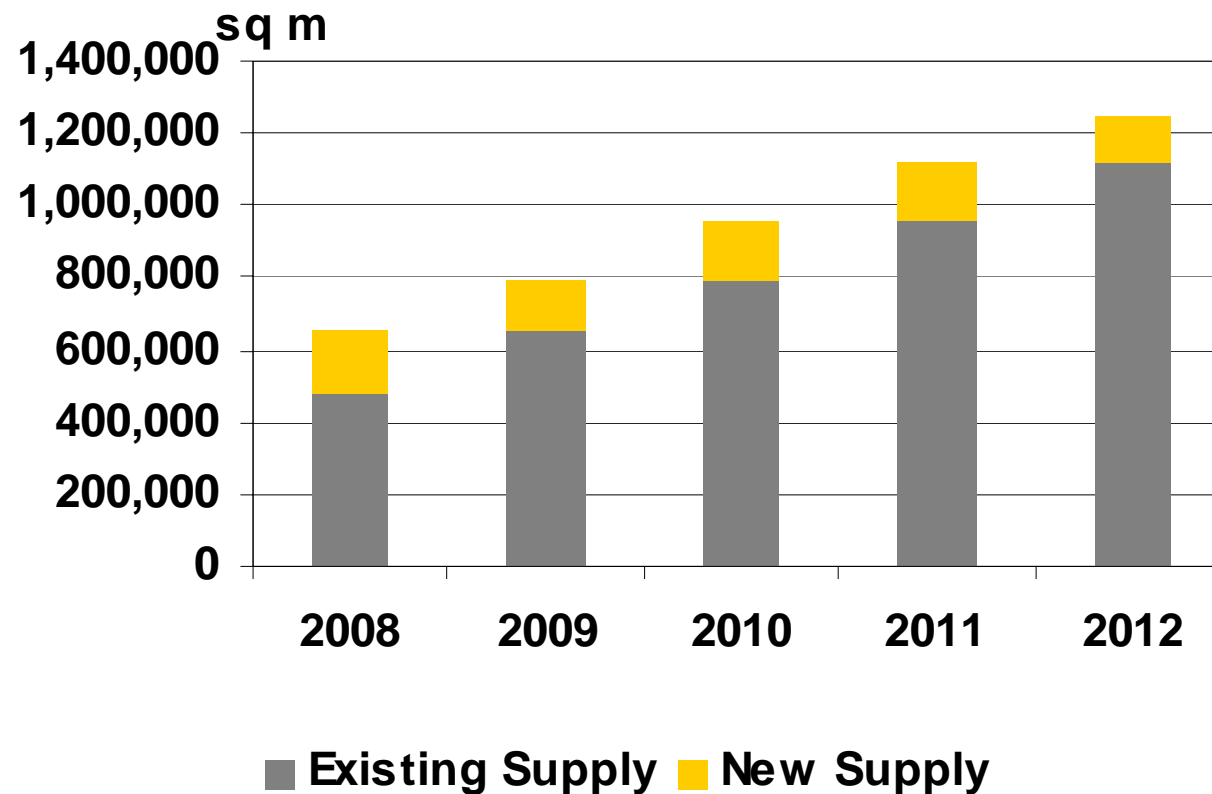


HO CHI MINH CITY OFFICE MARKET

FUTURE SUPPLY



Future supply of office space in HCMC

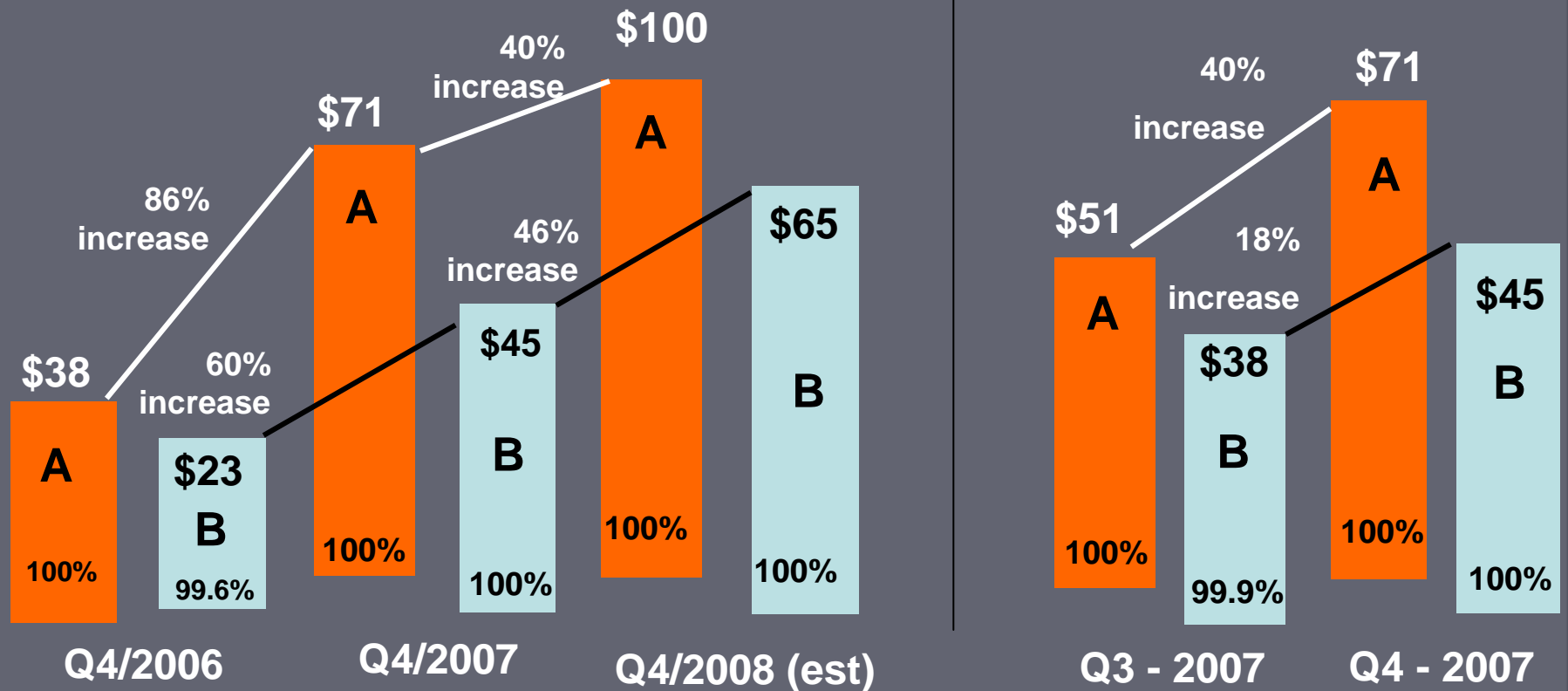


Source: Savills Research & Consultancy

HO CHI MINH CITY OFFICE MARKET



Average Rent & Occupancy Trend of Grade A & Grade B Buildings

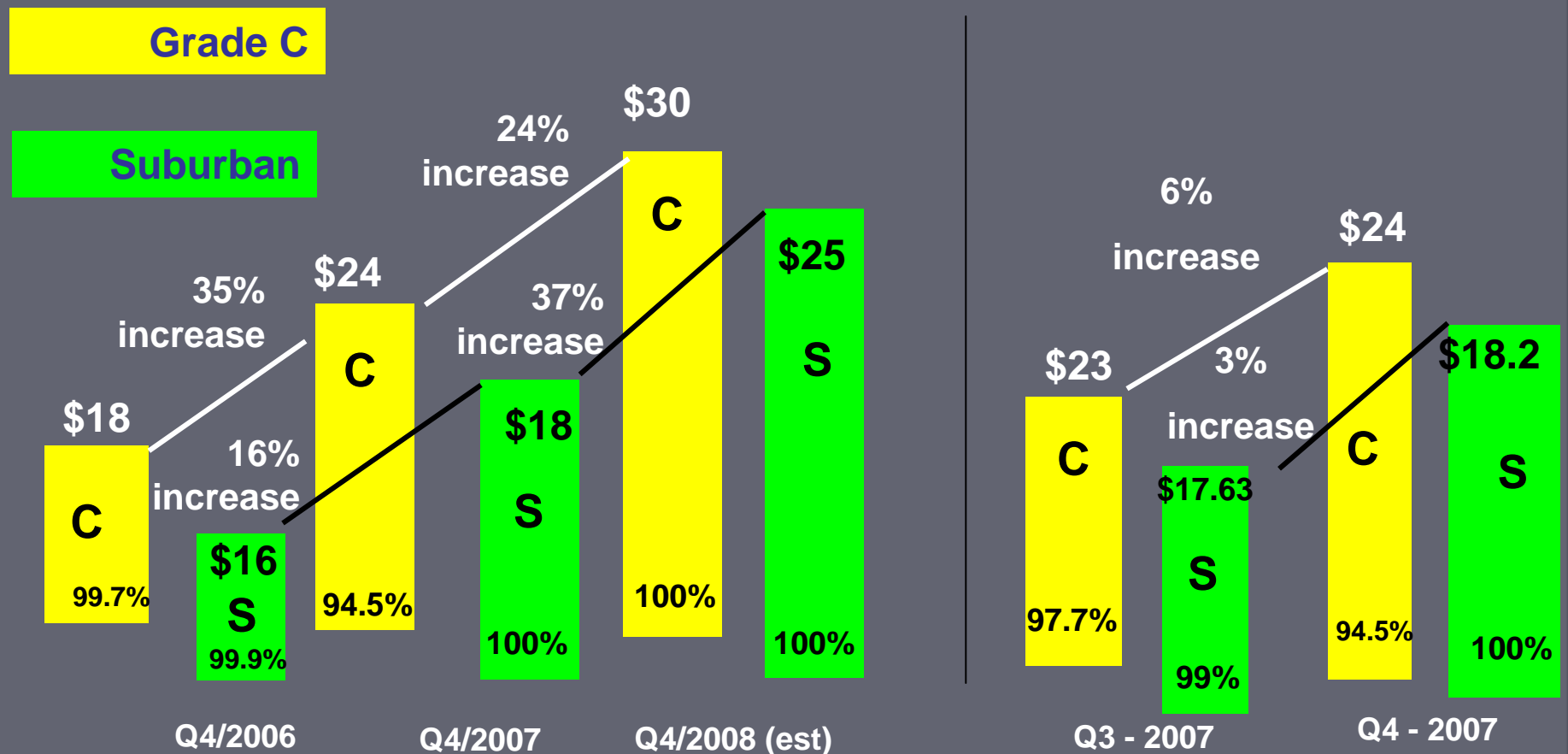


Note: Rent is inclusive of service charge but exclusive of VAT

HO CHI MINH CITY OFFICE MARKET



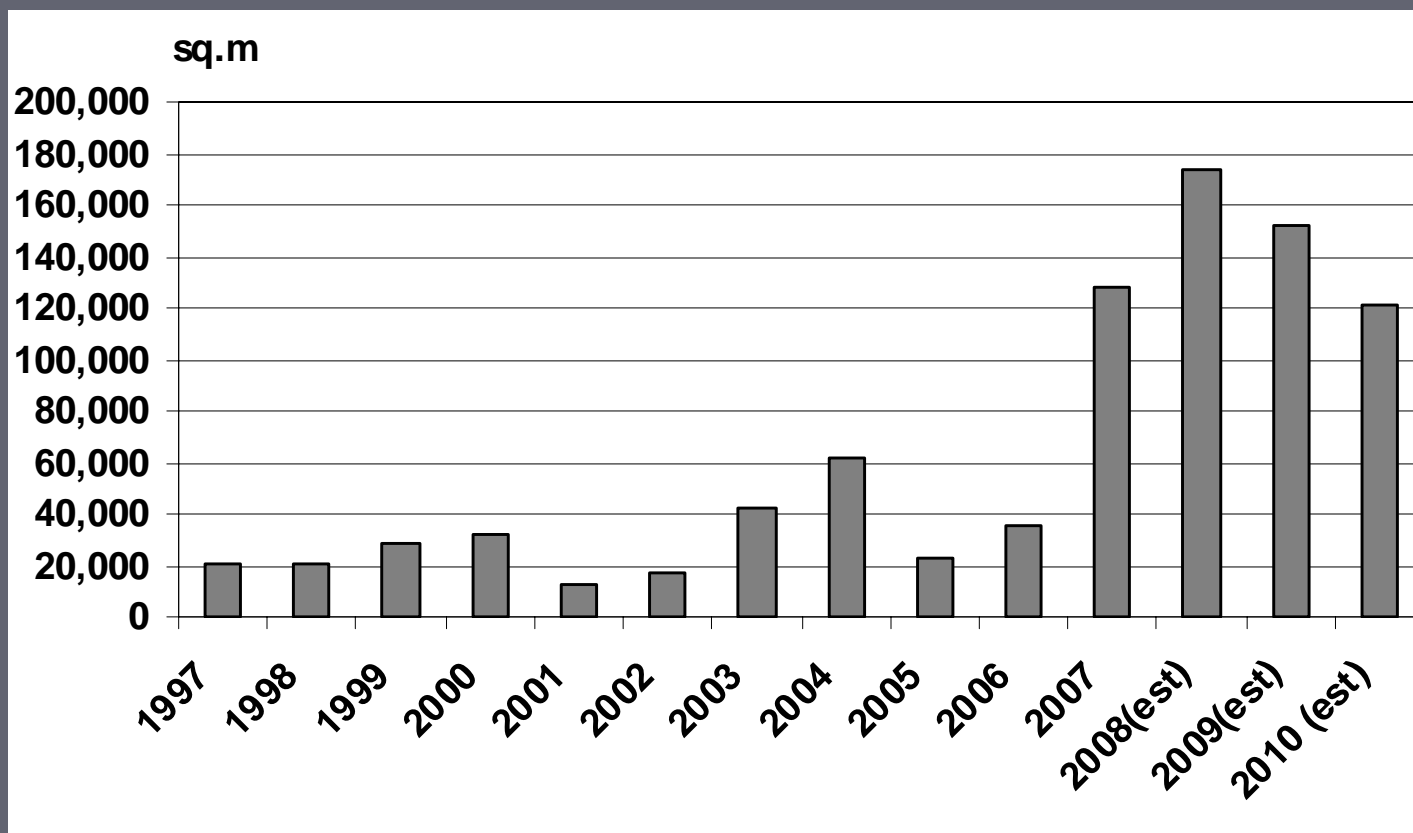
Average Rent & Occupancy Trend of Grade C and Suburban Buildings



Note: Rent is inclusive of service charge but exclusive of VAT

HO CHI MINH CITY OFFICE MARKET

Office Take up in HCMC since 1997



HO CHI MINH CITY OFFICE MARKET

Major office buildings completed in Phu My Hung (2008 & 2009)



| Project | Expected completion | Supply | Status |
|--------------------------|---------------------|--------|--------------------|
| Saigon Paragon | Q2-2008 | 9,000 | Under construction |
| BS1 Building | Q4-2008 | 2,600 | Foundation |
| BS2 Building | Q4-2008 | 7,200 | Foundation |
| Nam Long Capital Tower | Q4-2008 | 6,000 | Foundation |
| Crescent Office Building | 2009 | 7,900 | Planning |
| Saigon Design Center | 2009 | 5,500 | Planning |

Current Market Comparison

| Location | Estimated Highest Achievable Rent & Service Charge (US\$/ sq m/ month) | Occupancy |
|----------------|--|-----------|
| Grade A in CBD | \$76.80 | 100% |
| Grade B in CBD | \$60.65 | 100% |
| Phu My Hung | \$22.88 | 100% |

HO CHI MINH CITY OFFICE MARKET

Major office buildings completed in Phu My Hung (2008 & 2009)



HO CHI MINH CITY OFFICE MARKET



Total Supply in 2008

| Grade | No of projects | Supply (sq m) |
|----------|----------------|---------------|
| Grade A | 0 | 0 |
| Grade B | 5 | 48,200 |
| Grade C | 13 | 59,211 |
| Suburban | 7 | 66,475 |
| Total | 25 | 173,886 |

HO CHI MINH CITY OFFICE MARKET

FUTURE DEMAND / DRIVERS FOR OCCUPANCY



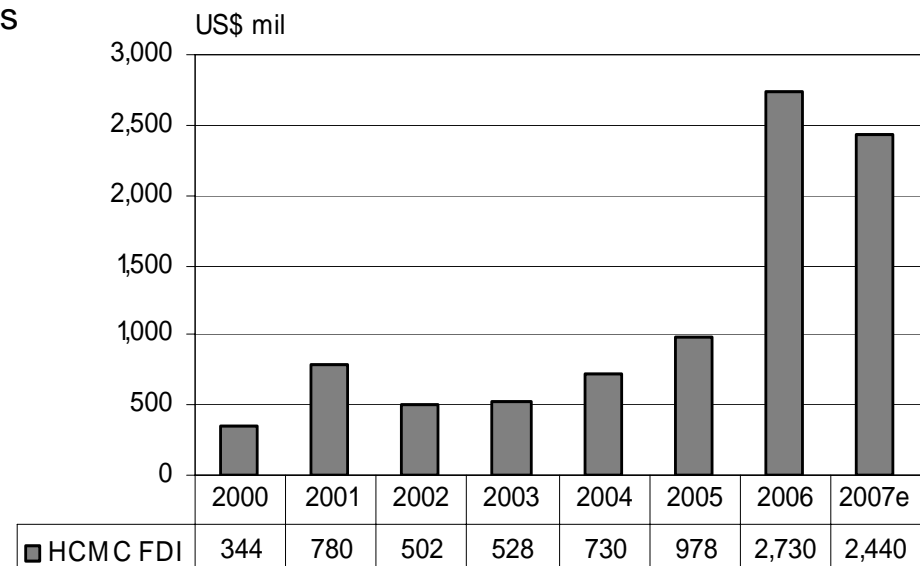
Demand will come from local companies such as banks, securities (stock market) companies, funds and trading companies in addition to foreign investors.

Currently, the foreign-invested sector makes up more than 16 per cent of the gross domestic product and 58 per cent of last year's export value providing more than \$1.5 billion to the state budget annually, creating 1.3 million direct jobs and a million indirect ones.

**Minister of Planning and Investment
Vo Hong Phuc**

VIR: 28-1-2008

New FDI in HCMC



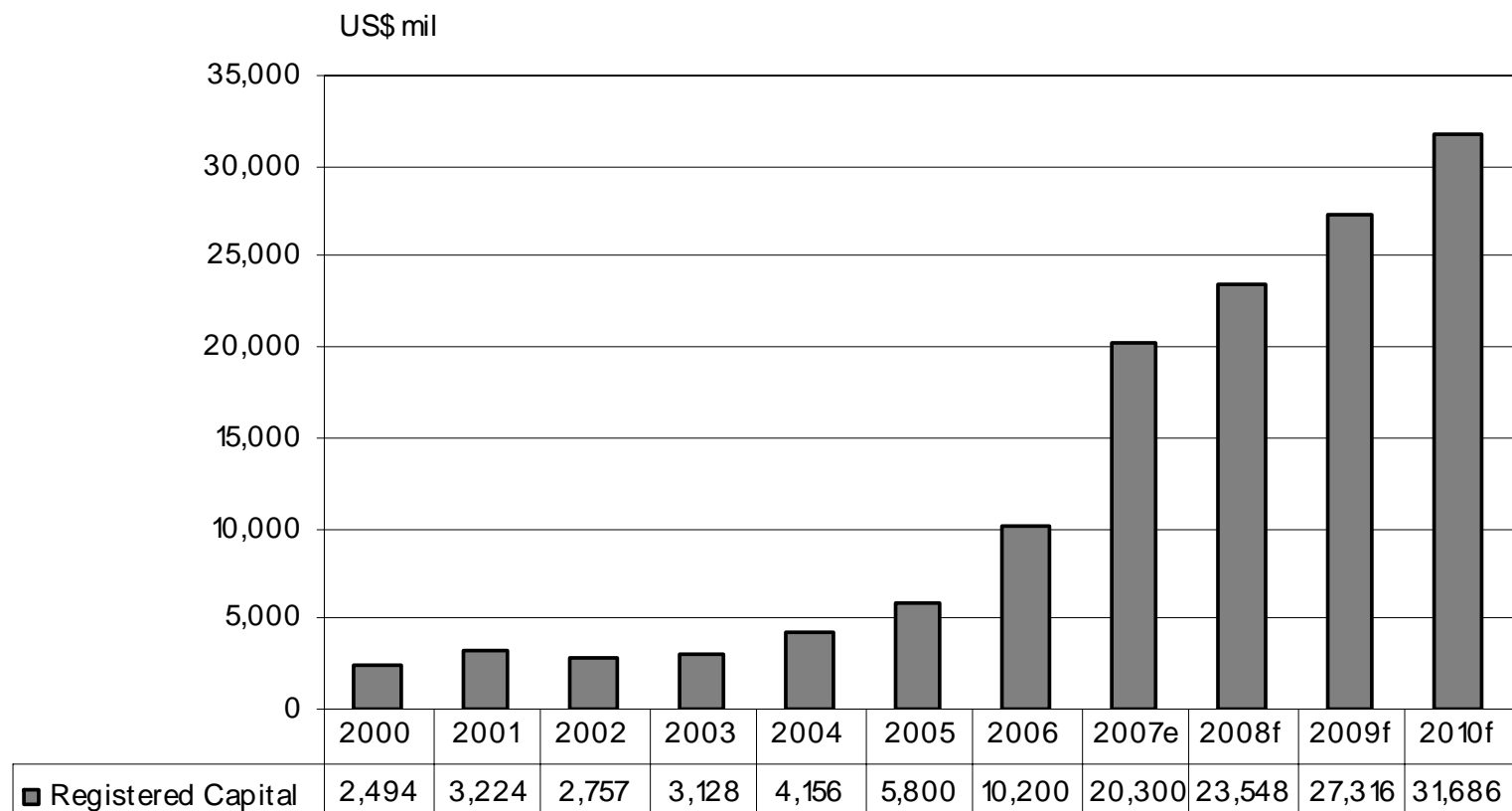
The reasons for the sharp rise in Japanese investment in Vietnam are increased risks in investment in China, increased production costs in Vietnam's neighbours," said Toshihiro Mitsui, general director of the bank's Japan's Mizuho Corporate Bank headquarters in Vietnam

HO CHI MINH CITY OFFICE MARKET

FUTURE DEMAND / DRIVERS FOR OCCUPANCY



Registered investment capital in Vietnam

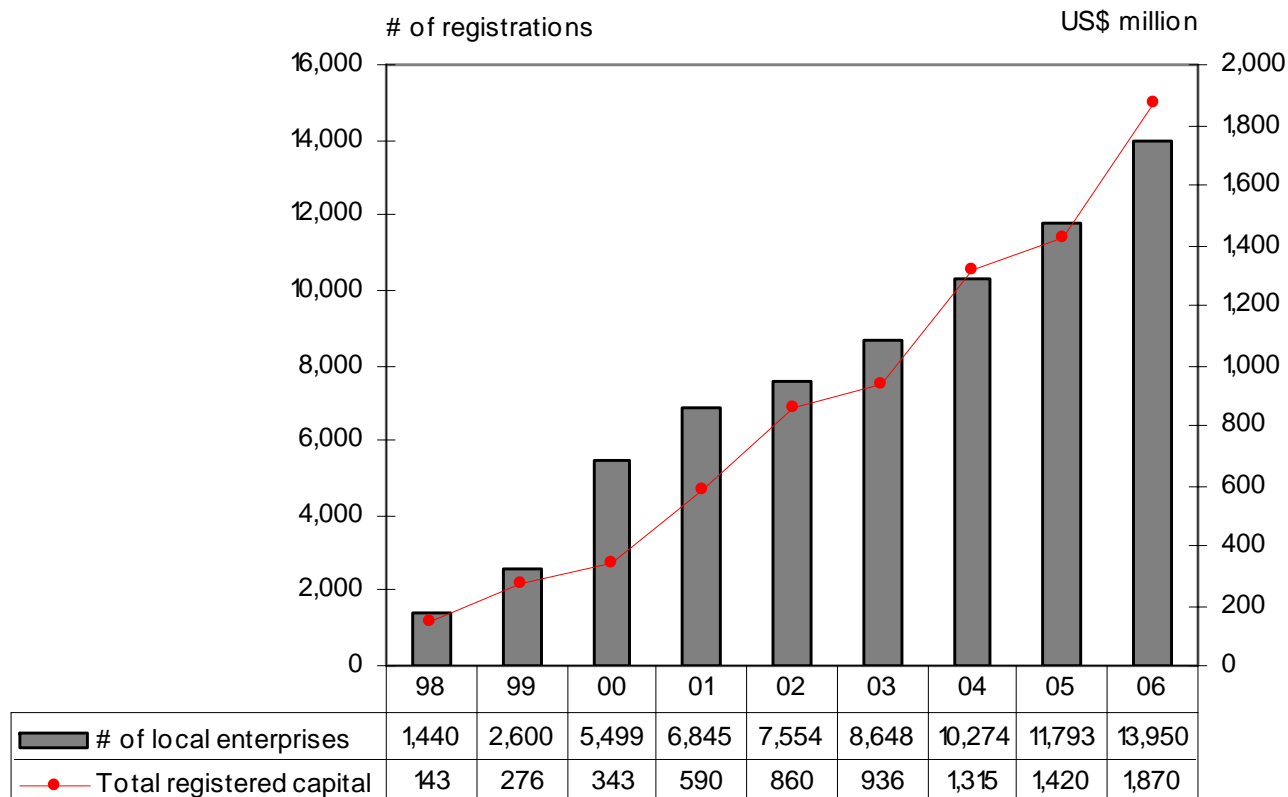


HO CHI MINH CITY OFFICE MARKET

CURRENT CONDITIONS



Newly registered local companies in HCMC



Source: HCMC Department of Planning and Investment

HO CHI MINH CITY OFFICE MARKET

Golden Land Sites: In the News!



The Ho Chi Minh City administration has approved a US\$56.5- million bid made by a consortium of construction industry firms for a 6,000-square meter plot of land at the Van Thanh Market in Binh Thanh District

Thanh Nien Daily
February 21, 2008

The Land [golden triangle area at Tran Hung Dao & Pham Ngu Lao Nguyen] attracted an astonishing VND10.5 trillion (\$654.4 million) [bid]

Thanh Nien Daily
February 21, 2008

HO CHI MINH CITY OFFICE MARKET

GOLDEN LAND SITES



Issues facing tenants in Vietnam when leasing:

- **Completion dates delayed and sometimes stalled projects (multiple times in some cases)**
- **Developer elects to self manage building with little or no experience**
- **Licensing issues - Ensure the Land Lord has the right to lease office space. Ask for LUR AND business license**
- **Deposits sometimes large and in advance (high costs when added to fitout costs). This often means the developer is out of money**
- **Leasable Area calculations (what is the usable area? Calculated on gross or net area)**
- **Car parking (Always an issue, never enough bays.)**
- **Agreement terms and conditions (Land Lord demanding unrealistic clauses)**
- **Liability clauses**

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