

THE DAWN OF AUTOMOTIVE INDUSTRY IN VIETNAM



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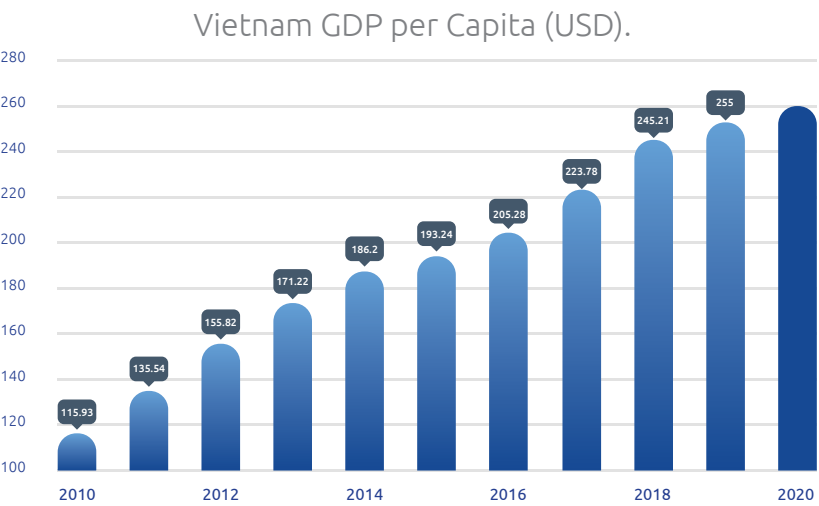
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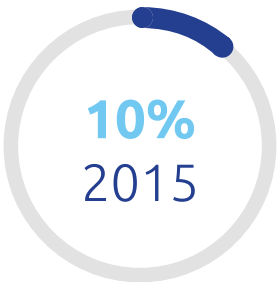
INTEGRATED ECONOMY WITH HUGE CONSUMER MARKET

Vietnam's economy driven by these macro-economic conditions

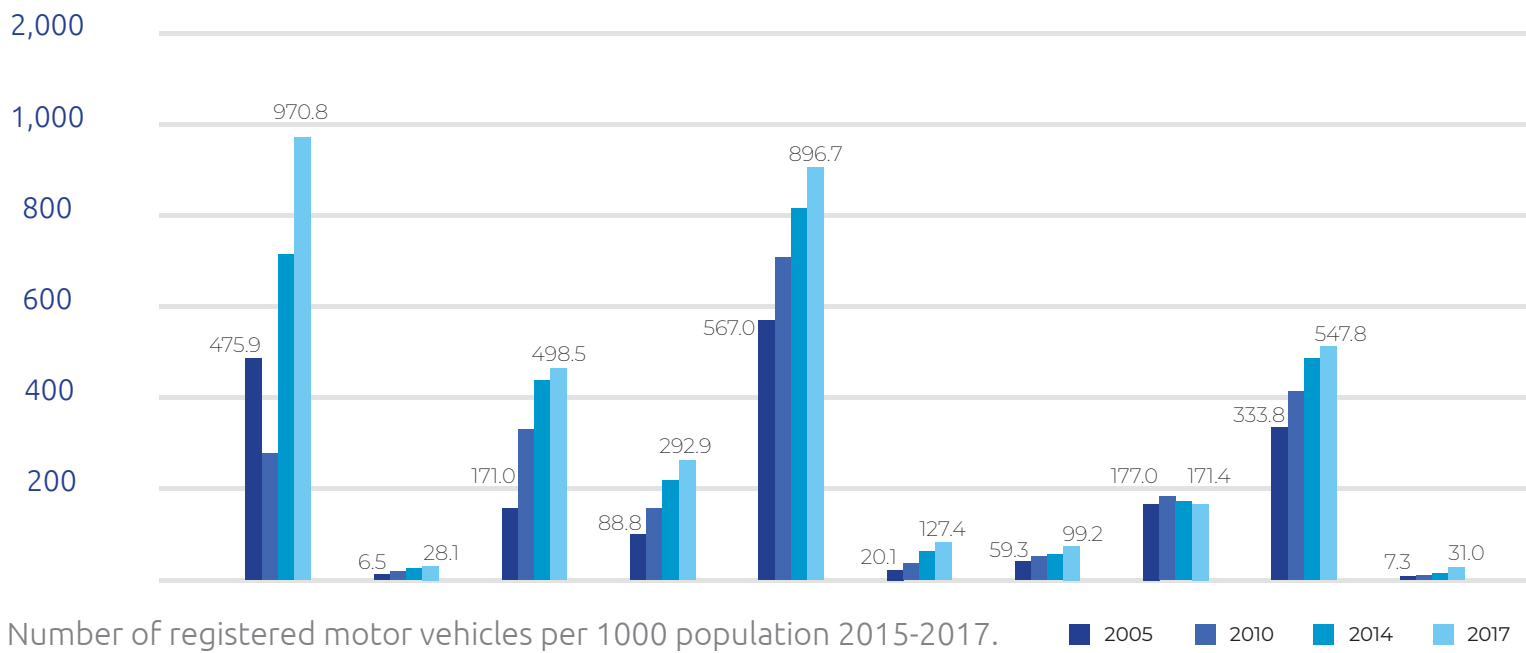


- The third-largest population in ASEAN with **96.48 million** people ranked 15th globally.
- Vietnam's **high and stable** GDP growth rate per Capita (USD).
- **Rapid improvements** in connectivity by major infrastructure projects.
- **Increasing** middle and affluent class.
- Vietnamese Government **support**.

Vietnam's population whose earning is above **USD 1000 per month**.



Despite being the fastest-growing economy in the region, Vietnam still has one of the lowest car ownership ratios in the world, with only 31 registered motor vehicles per 1,000 people in 2017.



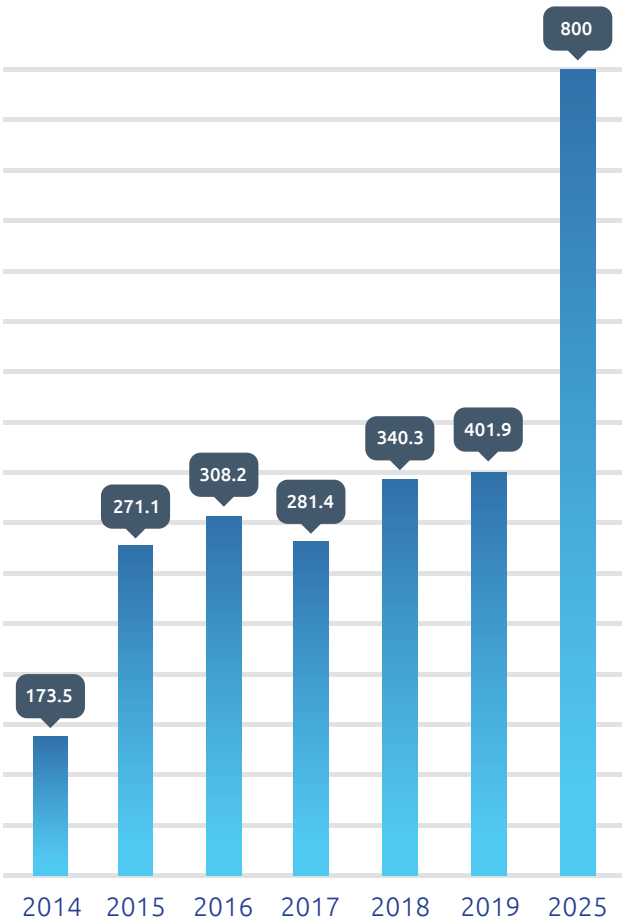
AUTOMOTIVE INDUSTRY

Market Overview: sales and production

Vietnam's automotive market experienced an unprecedented boom. The automotive sector constantly grew in sales with a CAGR* of **30%** until 2016 (ASEAN Automotive Federation).

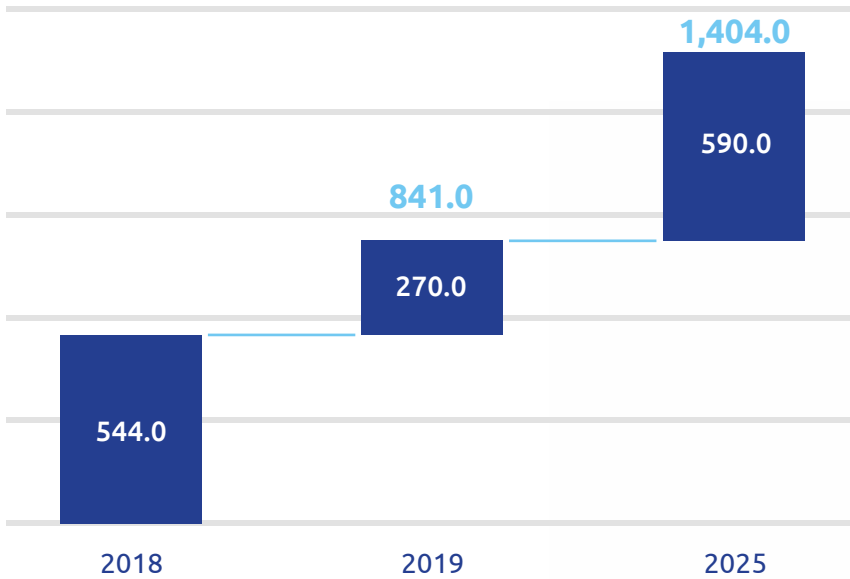
The Vietnamese government's Industrial Policy and Strategy Institute predicts **750,000 to 800,000** cars will be sold annually by 2025. By 2035, it predicts annual sales will be between **1.7 million** and **1.8 million**.

Total automobile unit sales in Vietnam shows an **upward trend since 2014** (401.890 car in 2019).



Car sales volume in Vietnam 2014-2025, thousand units.

Automotive designed capacity in Vietnam, thousand units p.a.



Total designed capacity stays at **814,000 units** p.a. and the industry is expected to witness a surge by **590,000 units p.a.** in designed capacity by 2025.

* Compound Annual Growth Rate.



Government Support Policy of localization rate



Current Localization Rate
of Vietnam Automotive
Industry remaining low
at less than 20% as of
June 2019.

Localization rate of top OEM's
in Vietnam, 2019.

	Company's Average	Passenger Car	Truck	Bus
THACO THUONG HAI AUTO	15% - 18%	15% - 18%	35% - 45%	60%
TOYOTA	15% - 18%	37% (Innova)		
HYUNDAI THANH CONG	12%	12% (Accent)		
HONDA	30%	30% (Honda city)		
Ford	10%	10% (Accent)		
VINFAST	Less than 10%	Less than 10% (Fadil)		

Vietnam government plans local Automotive Industry
to achieve the average localization rate of 30% and 40% by 2020 and 2025.

	2020	2025	2030
Car with 9 seats or fewer	30% - 40%	40% - 45%	55% - 60%
Car with 10 seats or more	35% - 45%	50% - 60%	75% - 80%
Trucks	30% - 40%	45% - 55%	70% - 75%
Special vehicles	25% - 35%	40% - 45%	60% - 70%

Government general objectives for localization rate.

VINFAST
VIETNAM'S FIRST CAR MAKER

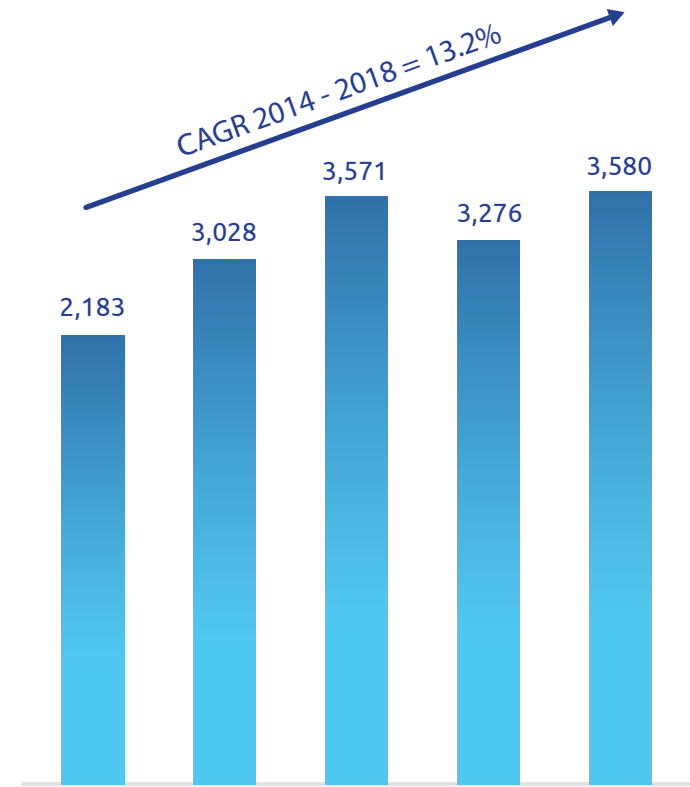
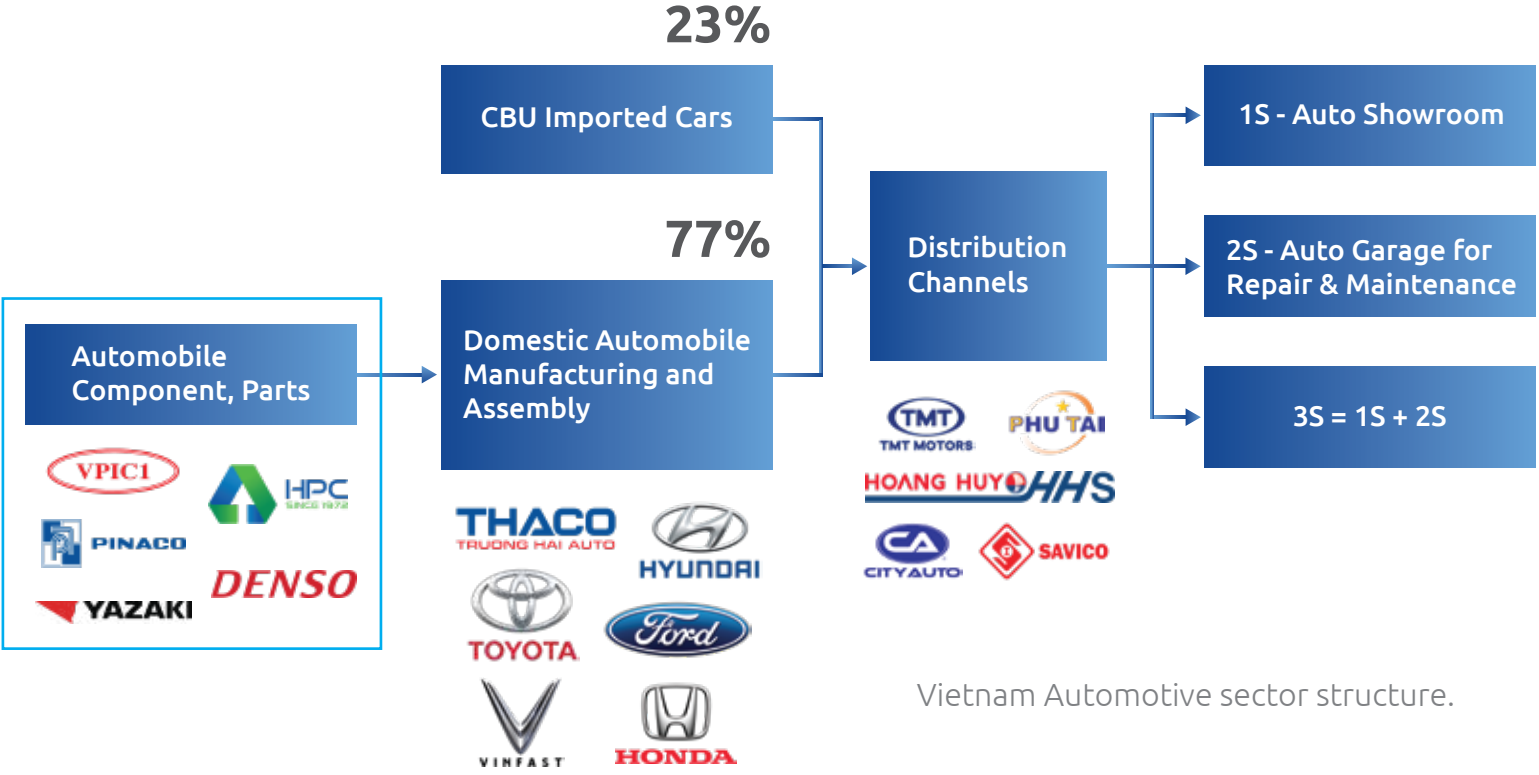
Aiming to become the leading automobile
and motorcycle manufacturer in Southeast Asia

EDAG	EDAG Technical Partner - BEV	FFG	FFG Engina Shop Supplier
EBZ	EBZ Weld Shop Supplier	SCHULER Member of the JENDRITZ GROUP	SCHULER Press Shop Supplier
GROB	GROB-WERKE Engine Shop	EISENMANN	EISENMANN Assembly Shop Supplier
RS R. Scheuchl GmbH Application engineering Environmental protection Carbon neutrality	SCHEUCHL Engine Shop Supplier	AVL	AVL Engine Development Partner Supplier of Engine Test Equipment
ITALDESIGN	ITALDESIGN Design Partner	PININFARINA	PININFARINA Design Partner
MAGNA	MAGNA STEYR Technical Partner	VinFast's key partners.	

- World's first 21-months-construction car factory.
- VinFast invested in a 335 ha production facility in the northern coastal town of Haiphong.
- VinFast signed partnership with General Motors (GM), bought in technology and services from Germany's BMW Pininfarina and supplier groups Bosch and Siemens.



Auto part sector and import



Total import value (US\$mn) of auto part 2014-2018.

- Vietnam Automotive sector is fragmented with 241 auto part manufacturers (134 FDI & 107 locals in Vietnam).
- After given favorable tariffs, imported auto parts surpassed US\$ 3,5 bn in 2018 (FiinGroup, 2019).

LANDSCAPE IN VIETNAM

NORTHERN, SOUTHERN, AND CENTRAL INDUSTRIAL HUB

The Vietnamese Government divides the country into three key economic zones (KEZs)

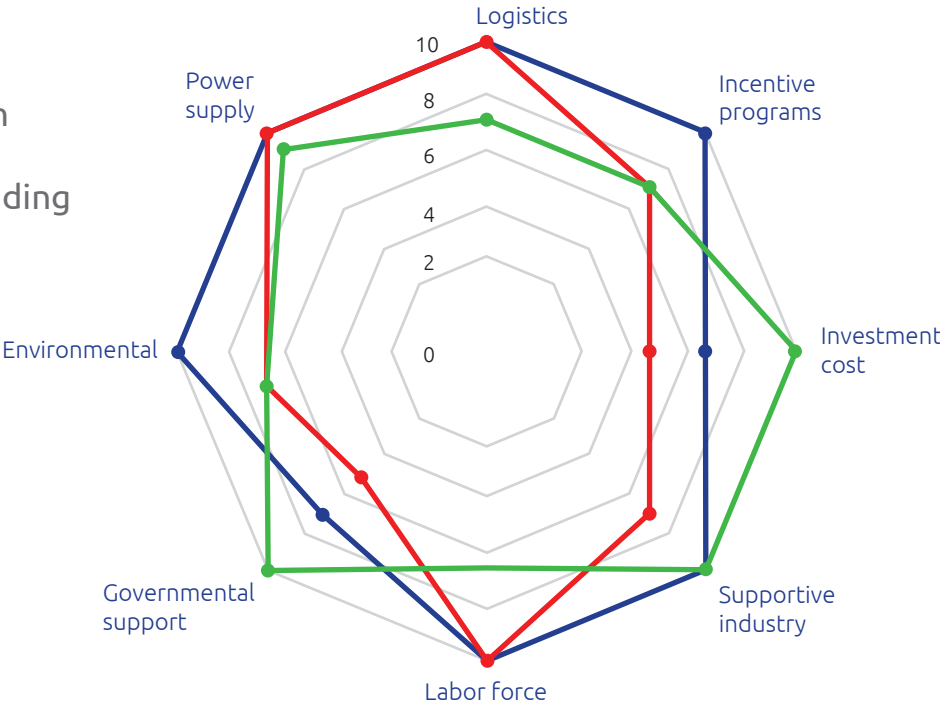
Location	OEM's in Vietnam	Existing Capacity 2019	Planned New Capacity 2025	Expected total Capacity 2025
Northern KEZs	VinFast	250.0	250.0	500.0
	VinFast GM Vietnam plant	30.0		30.0
	Hyundai Thanh Cong	102.0	150.0	252.0
	Toyota	50.0	20.0	70.0
	VEAM	30.0		30.0
	Vinamoto	16.0		16.0
	Ford	14.0		14.0
	Honda	10.0		10.0
Central KEZs	Thaco	207.0	120.0	327.0
	TCIEV (Nissan)	37.0		37.0
Southern KEZs	Mitsubishi	5.0	50.0	55.0
	Do Thanh	22.5		22.5
Other		40,5		40,5
Total		814.0	590.0	1,404.0

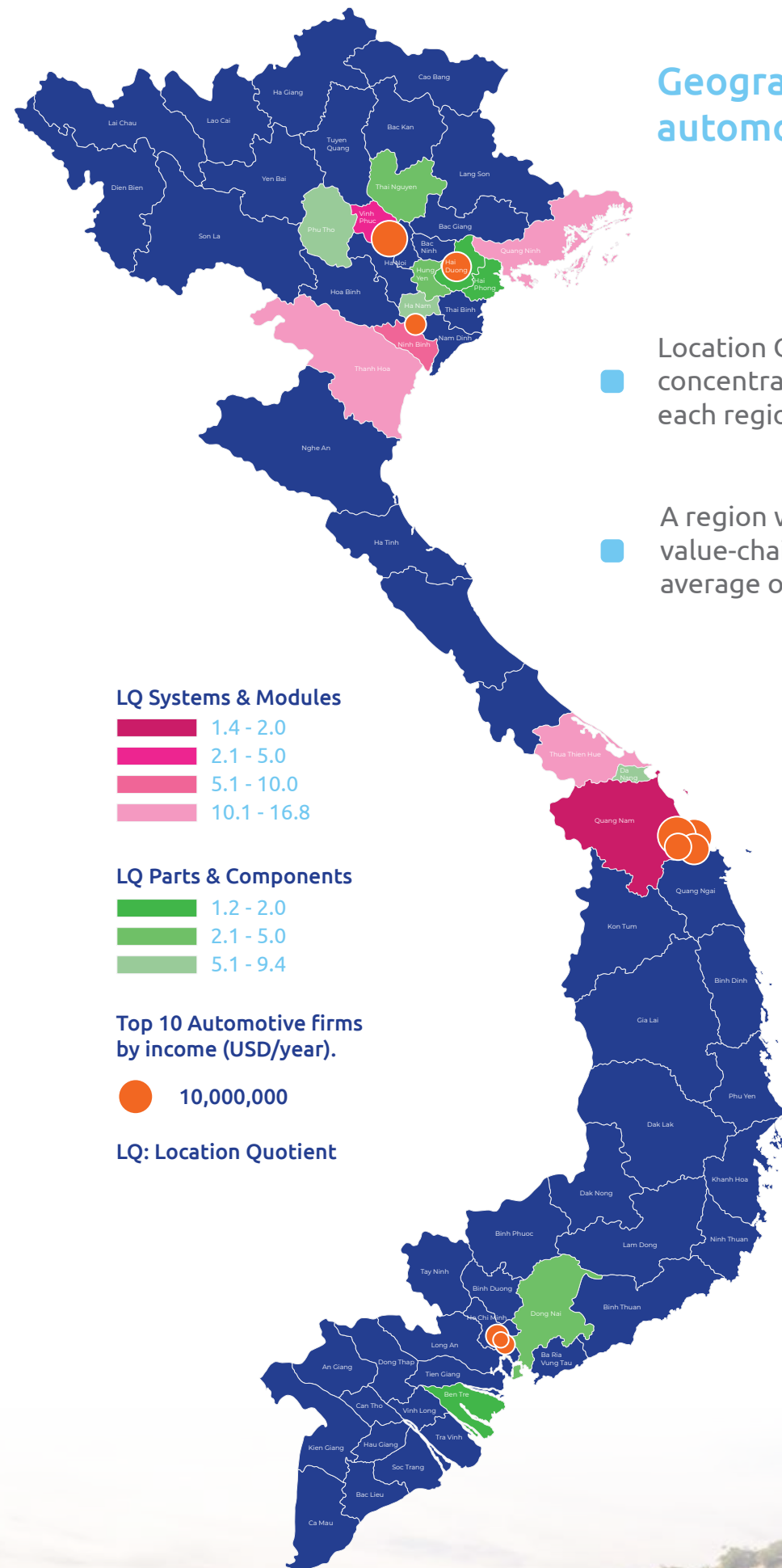
OEM's locations and designed capacity by 2025 in three key economic zones

Each region of Vietnam has its own competitive advantages which are based on the differences in the trading nature and available land bank

- South
- North
- Central

Detailed Rating 0-10 (10 best score) of Key Economic Zones in Vietnam.





NORTHERN INFRASTRUCTURE



Hanoi - Haiphong Expressway

105 km
Max speed: 120 km/hour

Haiphong - Quang Ninh - China border Expressway

25km from Haiphong to Ha Long with Bach Dang bridge
54km from Ha Long to Van Don completed
80km from Van Don to Mong Cai (border to China) to be completed in 2021
12 hours trucking Haiphong – Shenzhen (China) by 2021

Coastal Highway

550 km
Connecting 6 coastal provinces
Quang Ninh - Thanh Hoa

Haiphong Port 20,000DWT

Draft: -8.4m ~ -9m
Cargos: 130 mil. tons (2019)

Cai Lan Port 40,000DWT

Draft: -10m
Cargos: 74.3 mil. tons (2018)

Lach Huyen Deep Sea Port 100,000DWT

Draft: -14m
Cargos: 419,351 TEUs (2019)
Cargos: est. 120 mil. tons (2030)
Operational: May 2018 (first 2 berths)



Hanoi Noi Bai Int'l Airport

New terminal, new runways
Passengers: ~21 mil./year
Cargos: 203,000 tons/year
Possibility of expansion: ~50 mil. passengers/year (2030)

Haiphong Cat Bi Int'l Airport

Passengers: ~3.2 mil./year
Planned expansion: ~13 mil. passengers/year & 250,000 tons cargos/year



Quang Ninh Van Don Int'l Airport

Passengers: est. 2.5 mil./year
Cargos: est. 10,000 tons/year



DEEP C INDUSTRIAL ZONES

STRATEGIC LOCATION

At the centre of North Vietnam's infrastructure developments

DEEP C Industrial Zones was first established in 1997 in Haiphong City with the development of Dinh Vu Industrial Zone (DVIZ/DEEP C Haiphong I), a collaboration between the Belgian group Rent-A-Port and Vietnamese local authority. Since then, we have evolved to be one of the largest industrial zone developers in Vietnam with a total of 5 industrial zones and +3,500ha of land for lease in Haiphong city & Quang Ninh province, supported by general infrastructures and reliable utilities.

INDUSTRIAL LAND FOR LEASE



READY-BUILT WORKSHOP/ WAREHOUSE/ OFFICES



Size of 5,400m² | 4,050m² | 2,700m² | 1,350m²

Floor loading capacity 2.5T/m²

Free height +9m

Built-to-suit options available

RELIABLE UTILITIES AND SERVICES

Park Management



Power



- › Reliable incoming source (national grid & regional grid as backup).
- › Underground distribution.
- › Redundant network design.
- › Ongoing development of renewable energy.



Water & Waste Water

- › Redundant treated water supply.
- › Demineralized water and steam.
- › Central waste water treatment plant certified with ISO 9001 & 14001.

Drainage



Telecommunication Network

Redundant distribution networks. Flexibility to choose between different suppliers.

Energy Hub



Easy access to fuels and chemicals supply from tenants in DEEP C Hai Phong I's Petrochemical Park.

Fire-fighting System

Underground loop system.

Waste Collection Service

SUPPORTING SERVICES

- › Dedicated customer service team.
- › Support for Investment Registration Certificate and Business Registration Certificate applications.
- › Post-licensing services.



ECONOMIC ZONE TAX INCENTIVE @ DEEP C HAIPHONG

- › 4.35% Corporate Income Tax on average for the first 15 years.
- › Applied from the first commercial invoice.
- › Maximum delay of 3 years in case of no profit.
- › Normal Corporate Income Tax rate: 20%.

Case 1: Making profit from 1 st year of establishment				
First 4 years 0%	›	9 years 5%	›	2 years 10%
			›	Y16 th onwards 20%
Case 2: Making profit from 4 th year of establishment				
3 years No Profit	›	4 years 0%	›	8 years 5%
			›	1 year 10%
				› Y17 th onwards 20%

OUR LONG-TERM PARTNERS

+120 investors from a wide variety of industries and nationalities.



“As the very first client coming to DEEP C, over 20 years we have witnessed the growth of DEEP C as well as the continuous improvement they have put in place, from reliable power supply to upgraded liquids jetty condition. This has contributed to our own growth, so we could start exporting in 2013 and expand our operation twice.”

Mr. Vu Anh Tuan
Supply Chain Manager
Chevron Lubricants Vietnam Co., Ltd.

“We were operating in another industrial zone before, but we decided in 2008 to be the first Japanese runner in DEEP C because of three main reasons: location, expectation of the infrastructure development, and the tax incentives.”

Mr. Akira Yamamoto
General Director
Nakashima Vietnam Co., Ltd.