

IMPLEMENTATION REPORT OF

INDUSTRIAL PROJECTS IN VIETNAM

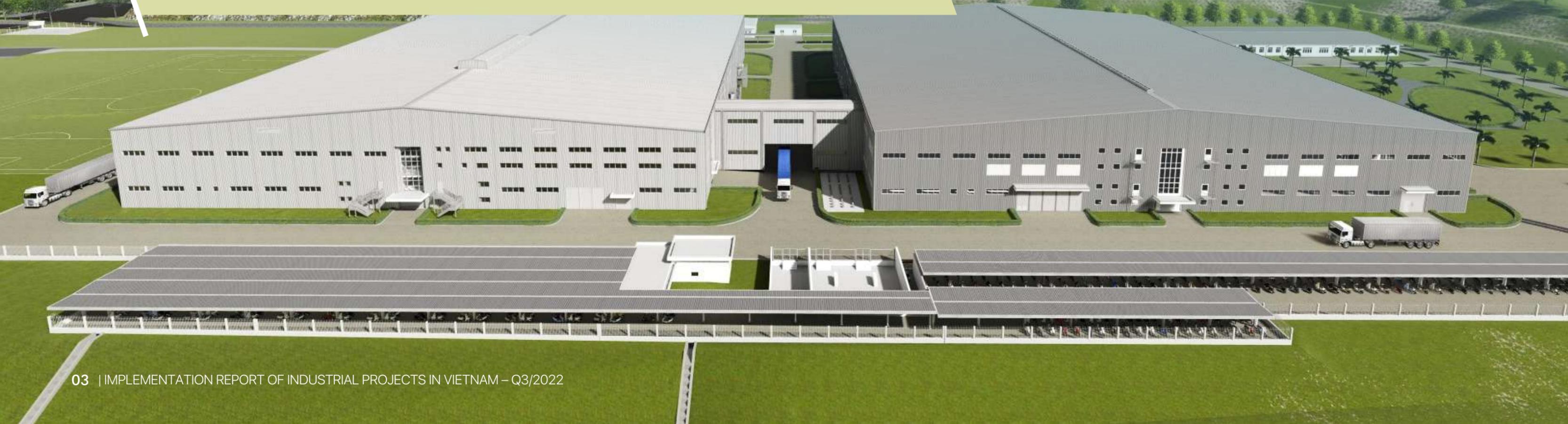
Q3/2022

**All data included in the Report has been updated up to September 30th 2022.
The projects images were supplied by NewCC, Pebsteel, Atad Steel and Dai Dung Corporation*

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I. ECONOMIC – SOCIAL SITUATION OF THE THIRD QUARTER 2022



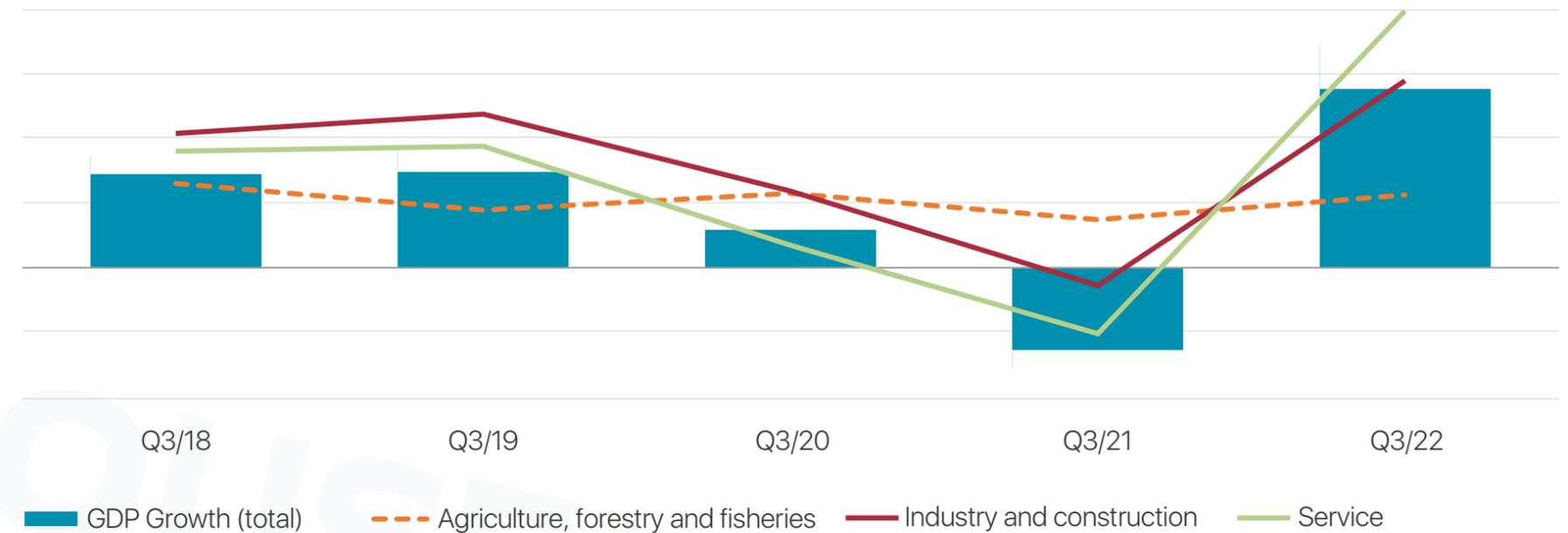
1. Gross domestic product growth (GDP)



In the third quarter of 2022, the country's GDP growth reached 13.67%, highest in the third quarter of the last 5 years (2018-2022). In which, industry and construction sector and services, agriculture, forestry, and fishery sector also maintained an increase compared to the same period of last years.

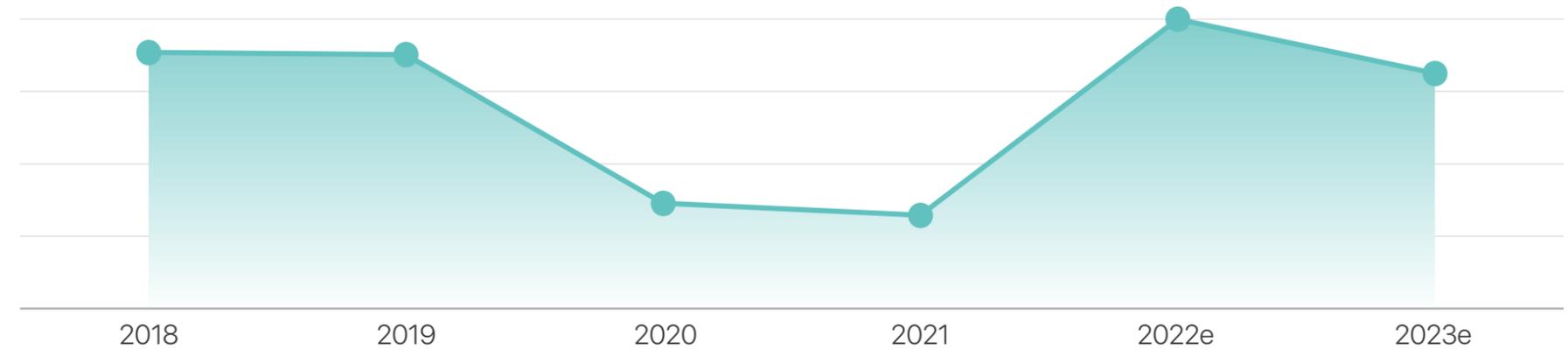
Following the result achieved in the third quarter, the fourth quarter is a very important and final quarter of the year. Most economic activities are concentrated in the fourth quarter. From now until the fourth quarter, sudden economic shocks are considered by experts as unlikely to be happened. According to the estimation of the Ministry of Planning and Investment of Vietnam, if the fourth quarter Vietnam's GDP growth can reach 4% of GDP growth, totally Vietnam's GDP growth is projected to surge to 7.5% in 2022. This is a possible number. And if Vietnam strives to achieve 6% of GDP growth in the fourth quarter, the GDP growth rate of who year can reach about 8%.

GDP GROWTH IN THE THIRD QUARTER OF THE YEARS (BY INDUSTRY)



Source: GSO, HOUSELINK

GDP GROWTH BY YEARS AND FORECAST



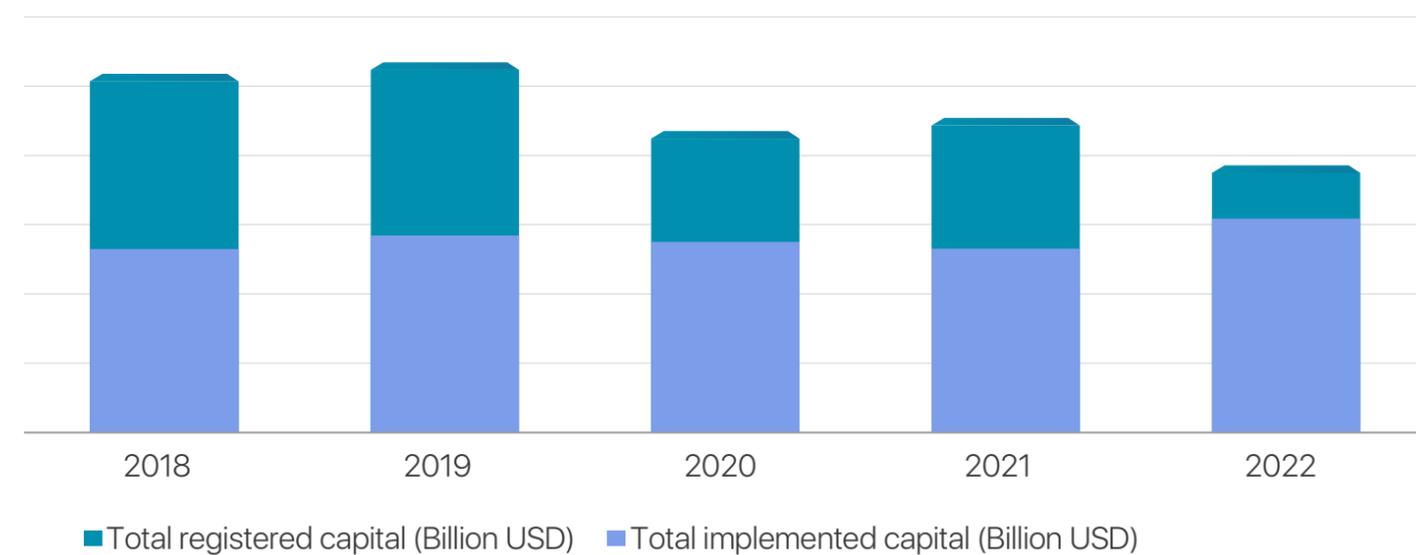
Source: MPI, HOUSELINK

2. Foreign Direct Investment (FDI)

The total value of foreign direct investment capital into Vietnam in 9 months of 2022 is about 18.75 billion USD. The total registered capital of all newly registered, adjusted and contributed capital to buy shares projects decreased by more than 15% compared to the same period of 2021 and become the lowest number in the same period of the previous years. The sharp decline in world FDI, geopolitical and economic conflicts leading to a decrease in foreign investment capital.

However, it is a good sign that the total implemented capital in 9 months of 2022 achieved the highest results in years (accounted for 82% of total registered capital and increased 16% over the same period last year). With the number of registered projects increasing by 12% over the same period, it shows that despite many difficulties in attracting the foreign investment capital there have been many positive signals about the implementation, thereby creating more confidence for investors in deciding to invest in Viet Nam.

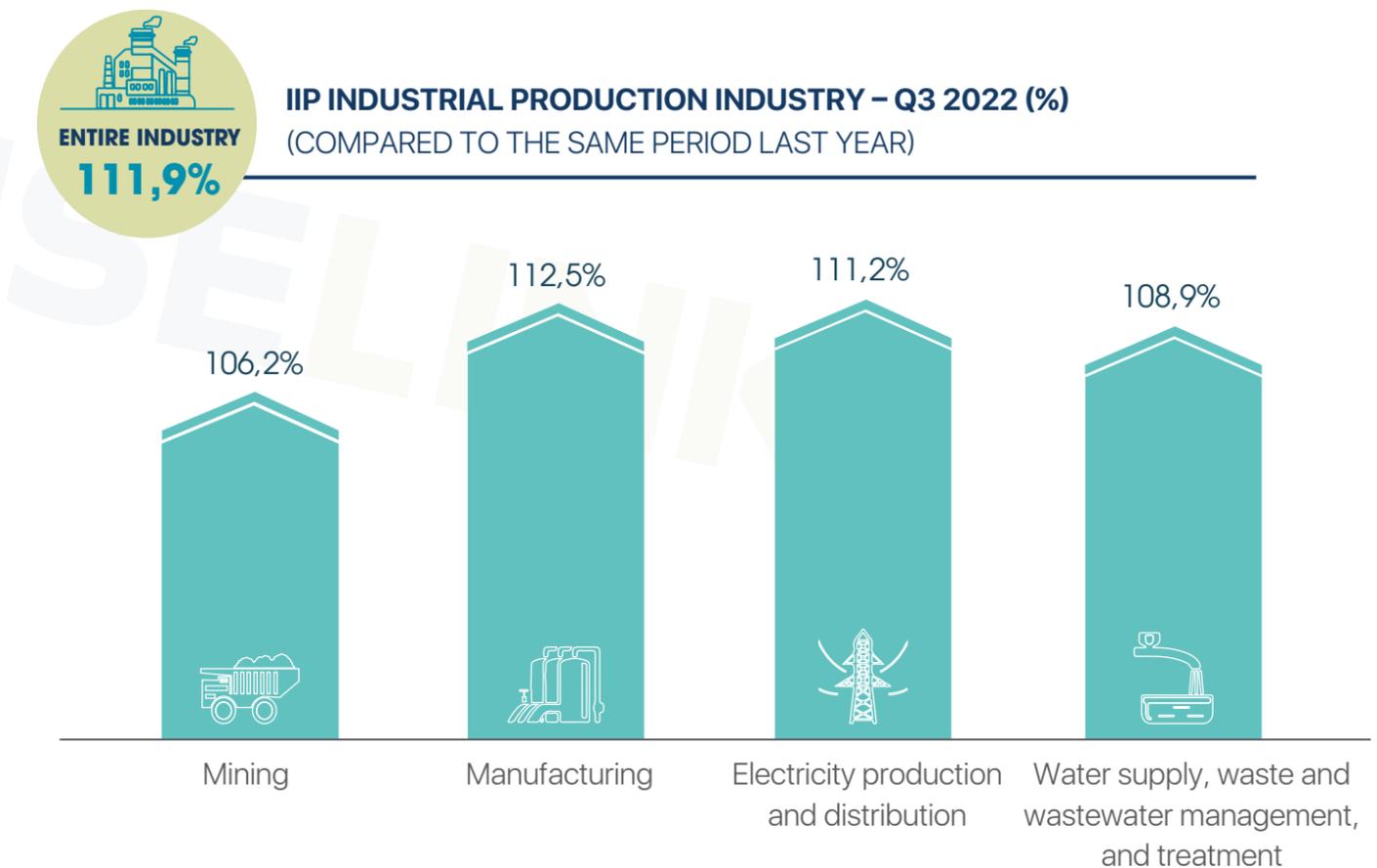
FDI CAPITAL 9 MONTHS OF THE YEARS



Source: GSO, HOUSELINK

3. Index of Industrial Production (IIP)

The IIP was estimated to increase in the third quarter of 2022 (by 11.9% over the same period last year), the industrial operation activities in general are still on the recovery and growth. The IIP of large industry groups had an increasing trend, including: The mining industry increased by 6,2%, the processing-manufacturing sector increased the most (12,5%), the electricity production and distribution industry increased by 11,2%, the water supply, management and treatment of waste and wastewater also achieved good growth with 8.9%.

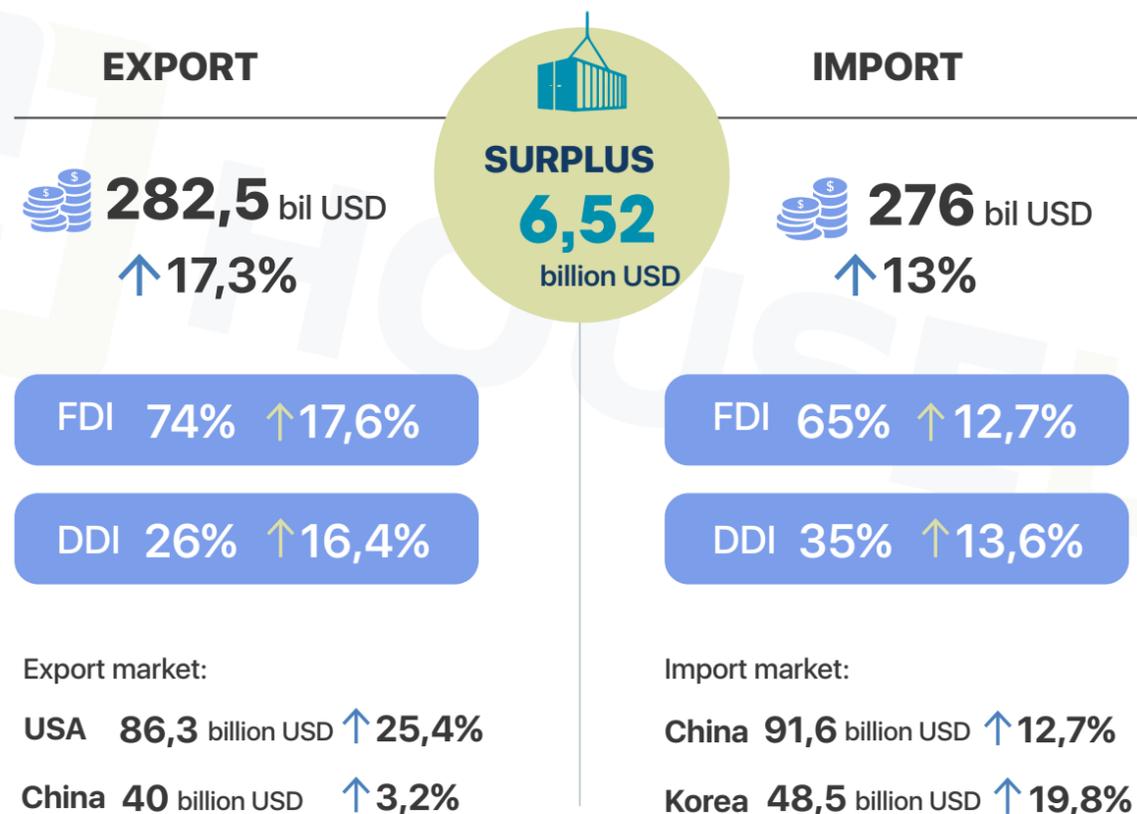


Source: GSO, HOUSELINK

4. Import and export of goods

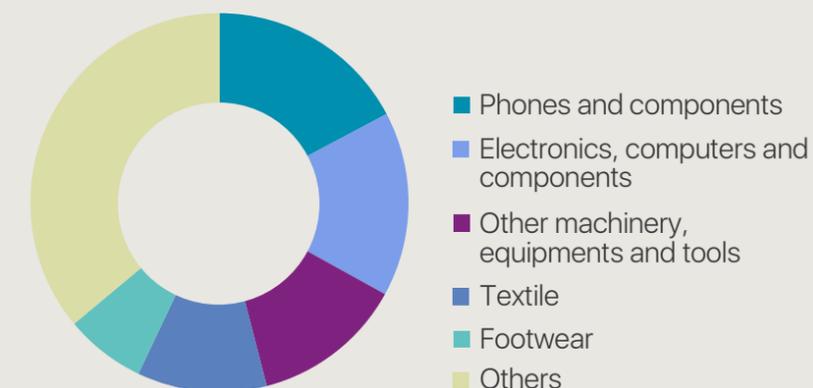
The Vietnam import and export of goods in 9 months of 2022 achieved very positive result. In the first 9 months, Vietnam's enjoyed a trade surplus of 6,52 billion USD (at same period last year, Vietnam had a trade deficit of 3,44 billion USD). In terms of export, products in the electronics industry such as phones, computers, components, and other electronic equipment accounted for a large export share (33%). Machinery and equipment, textiles, leather and footwear are still the main export industries of the country over time. In which, FDI enterprises account for 74% of the export market. FDI enterprises are still the key players in import and export activities.

IMPORT AND EXPORT OF GOODS 9 MONTHS 2022 (COMPARED TO THE SAME PERIOD LAST YEAR)

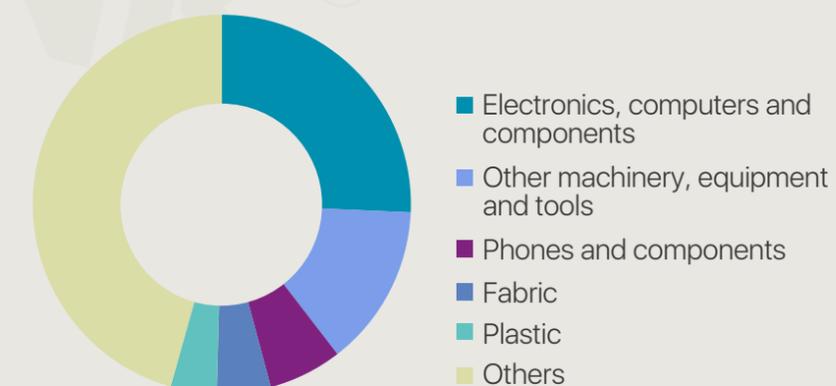


Source: GSO, HOUSELINK

STRUCTURE OF KEY EXPORT PRODUCTS IN 9 MONTHS OF 2022



STRUCTURE OF IMPORTED GOODS IN 9 MONTHS OF 2022



Source: GSO, HOUSELINK

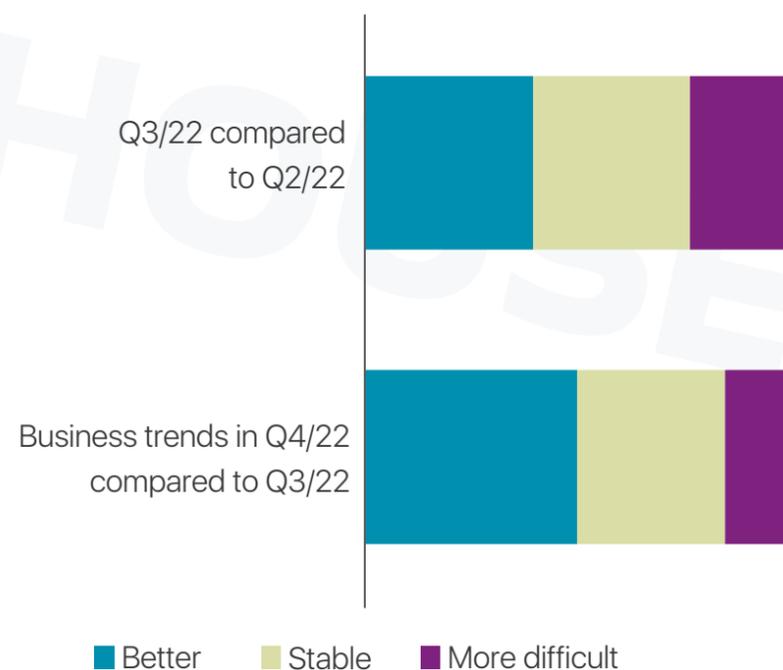
5. Number of enterprises in industry and construction

NUMBER OF ENTERPRISES IN THE FIELD OF INDUSTRY AND CONSTRUCTION 9 MONTHS 2022



Source: GSO, HOUSELINK

BUSINESS TRENDS OF ENTERPRISES IN THE PROCESSING AND MANUFACTURING INDUSTRY



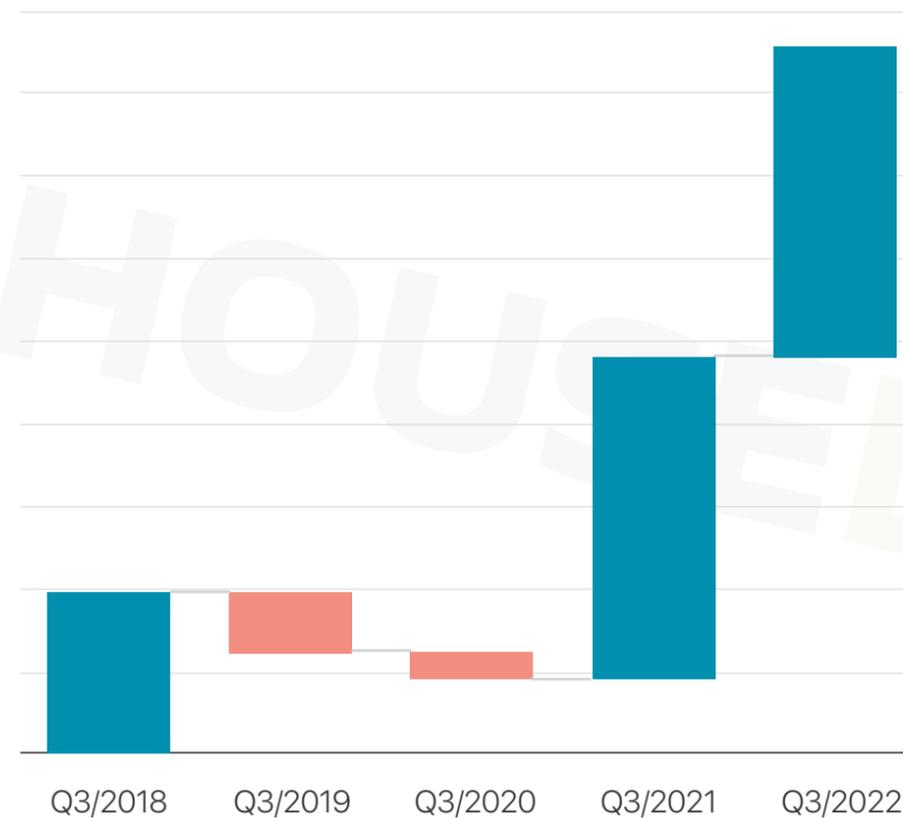
Source: GSO, HOUSELINK

The number of newly established enterprises in the industry and construction sector continues to increase over the same period last year (up to 20.8%). The number of businesses returning to operation also had a high increase (40.1% over the same period in 2021). However, considering the number of businesses stopping for a certain time, this number increased by more than 41% compared to the same period last year. In general, the business market situation is still going smoothly, especially after the government has implemented to promote business and create confidence for businesses to feel secure in production and operation. But because most of the countries that have trade relations with Vietnam are currently facing high inflation, leading to a decrease in demand. This also affects the situation that orders are reduced in volume and public investment disbursement is behind schedule (disbursed 58.7% of annual plan, compare to 65% of the plan) has led to the situation that many businesses must stop for a time. However, the fourth quarter at the end of year as usual will be the time when production and business activities as well as disbursement are most drastically conducted because the habit of Vietnamese people is: they focus on and solve most of the work at the end of the year, before the Lunar New Year. We expect that in the fourth quarter of 2022, the production and business situation of enterprises will be improved more positively.

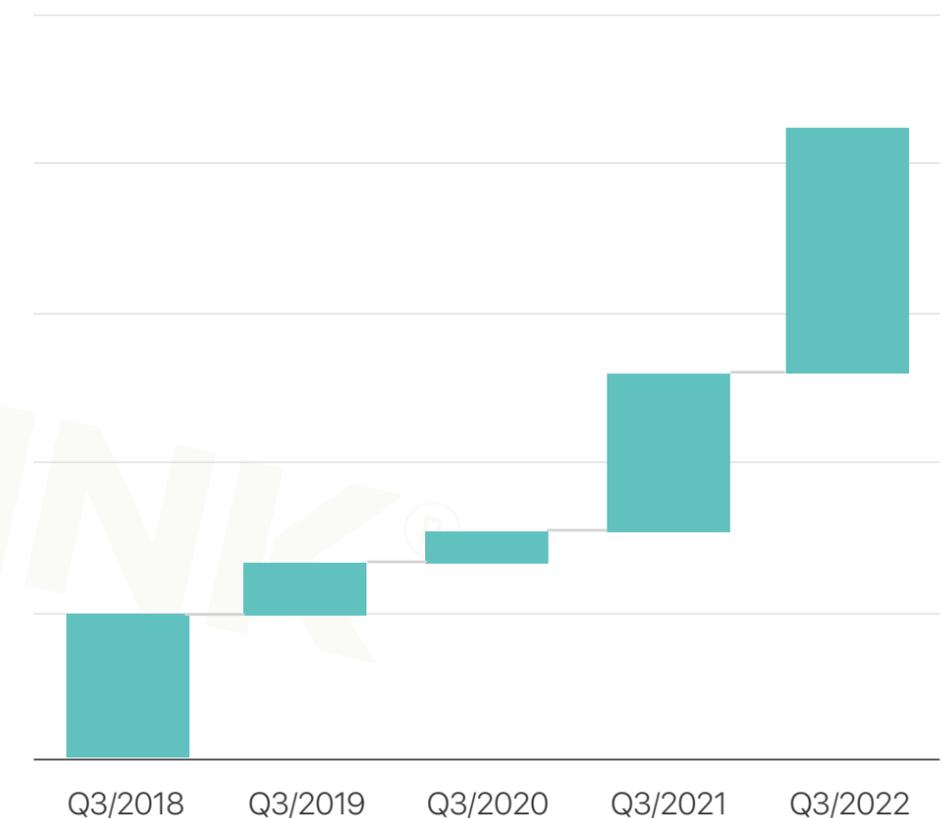
6. Prices of fuel and construction materials in the third quarter of 2022 continue to increase

The war between Russia and Ukraine at the beginning of 2022 has pushed the price of energy products to spike not only in the world but also in Viet Nam. According to General Statistics Office (GSO), fuel import price index in the third quarter of 2022 still reached a high level (up nearly 40% over the same period), although there was a decrease compared to the third quarter of 2021, the decrease was not significant. According to the forecast, the fuel prices in the near future have not shown any signs of decreasing when the war between the two countries is still very serious. The increase in fuel import prices has led to a sharp increase in the price of construction materials in the third quarter of 2022 (8.24%). This is also the highest increase in the third quarter from 2018 to now. The increase in fuel and construction material prices is forecasted to lead to an increase in construction costs, leading to the situation that projects are likely to be delayed and related parties such as owners, contractors, etc... will also face many risks in term of finance and project progress.

FUEL IMPORT PRICE INDEX INCREASED SHARPLY



PRICE INDEX OF CONSTRUCTION MATERIALS IN THE THIRD QUARTER OF EACH YEAR



Source: TCTK, HOUSELINK



II. IMPLEMENTATION SITUATION OF VIETNAM INDUSTRIAL PROJECTS Q3/2022

Based on the data of newly registered FDI industrial projects with investment capital of two million USD and more, we synthesize, analyze data, and make reports with industrial projects in the field of processing-manufacturing and warehouse sector.

1. Newly registered FDI projects in the third quarter of 2022 increased slightly over the same period but decreased in investment capital scale

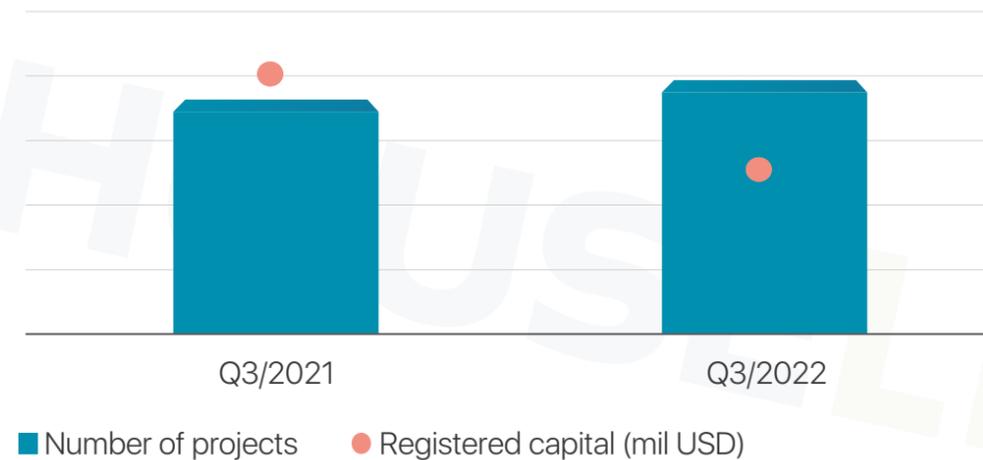
In the third quarter of 2022, the whole country attracted about 90 newly FDI projects in the field of processing-manufacturing and warehouse construction sector. The number of projects increased 5% compared to the same period last year. However, in term of the amount of registered investment capital, in the third quarter of this year, the total amount of registered capital was only 70% of the attracted capital in the same period of 2021. The average capital of project also decreased by 36% over the same period last year.

In the current complicated context of the world's economy and politics, especially when the world has just experienced the particularly negative impact of the Covid-19 epidemic, we consider this is the common situation of many countries, and the world economy being severely affected. But we expect that with efforts to control inflation, the implementation of supporting programs and policies, to promote and develop the economy of the government and the entire Vietnamese people will help the call for FDI to maintain stability and return to growth soon.

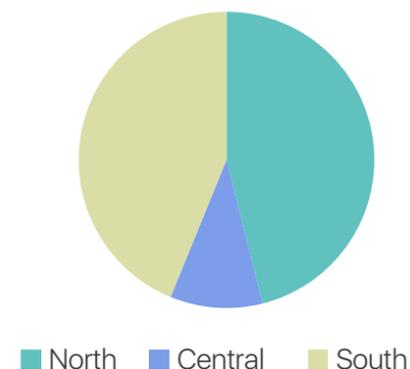
Also, in the third quarter of this year, the number of newly registered FDI projects was distributed evenly in the North and South (46% and 44%), Central region accounts for 10% of the number of projects. But when looking at the amount of capital attracting investment, the number we have show the surprise when all 3 regions attract investment capital not too different from each other as compared to the number of projects (40%, 26% and 34% respectively for the North, Central, South). Although the Central region only accounts for 10% of the number of projects, it accounts for 26% of the investment capital. The most prominent project is the VINES

Battery Production Project, a joint venture between Vietnam's Vingroup and the US branch of Gotion Group (the parent company is in China) located in Ha Tinh Province.

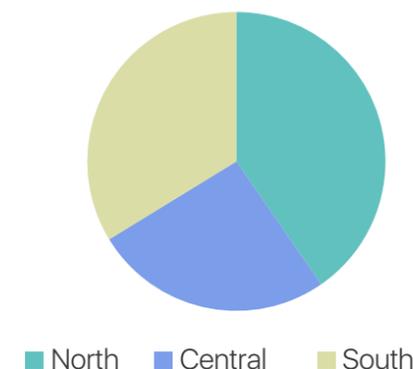
STATUS OF NEWLY REGISTERED FDI PROJECTS IN Q3/2022



PROJECTS DISTRIBUTION BY REGION IN Q3/2022 (BY NUMBER OF PROJECTS)



PROJECTS DISTRIBUTION BY REGION IN Q3/2022 (BY TOTAL INVESTMENT OF PROJECTS)



Based on the newly investment FDI attracted into Vietnam from the beginning of 2022 until now, we see a decrease in registered investment capital from Q2 and maintained a slight decrease in Q3 (down by 3%) but the number of projects increased (Number of projects in Q3 increase by 25% compared to Q1 and Q2). We believe that in the fourth quarter of this year, both the number of projects and the scale of investment capital may increase slightly compared to the third quarter because this is the end of the year, investors, especially Chinese investors and Vietnam's authorities tend to complete procedures at the end of the year.

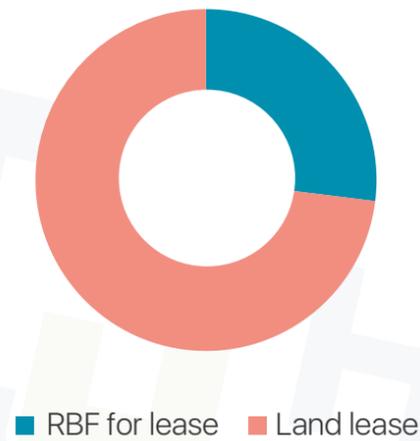
STATUS OF ATTRACTING NEWLY FDI PROJECTS BY QUARTER



2. Land lease projects still account for a large proportion

Although ready-built factory (RBF) leasing is an increasing trend in 2021, in the third quarter of 2022 we see a slight decrease in RBF for lease projects compared to the same period in 2021. The land lease projects still account for the majority of newly invested FDI projects in Vietnam in the third quarter of 2022 (accounting for 73% of the number of projects) generally.

NEWLY REGISTERED INDUSTRIAL PROJECTS BY NUMBER OF PROJECTS Q3/2022



TRENDS OF RBF FOR LEASE PROJECTS BY QUARTER

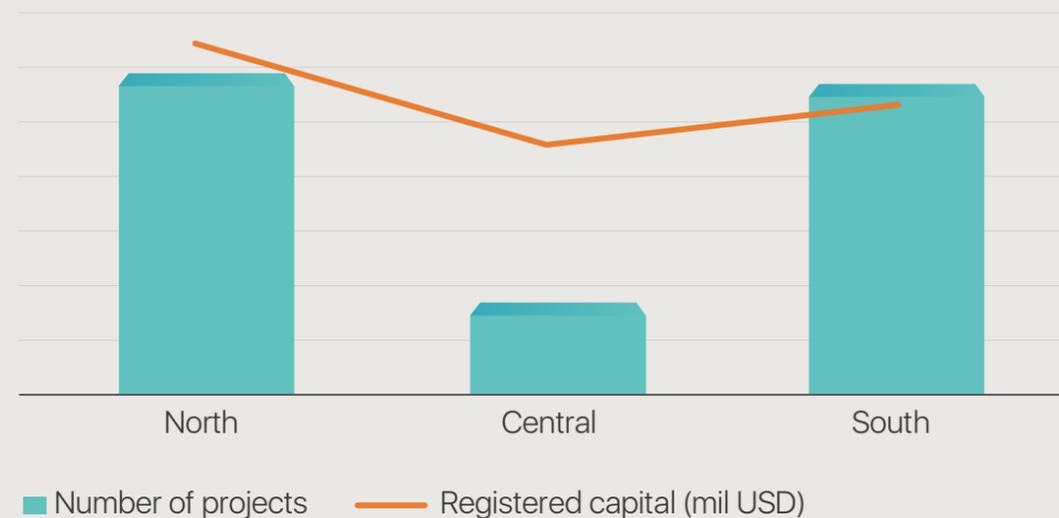


TRENDS OF LAND LEASE PROJECTS BY QUARTER



Source: HOUSELINK

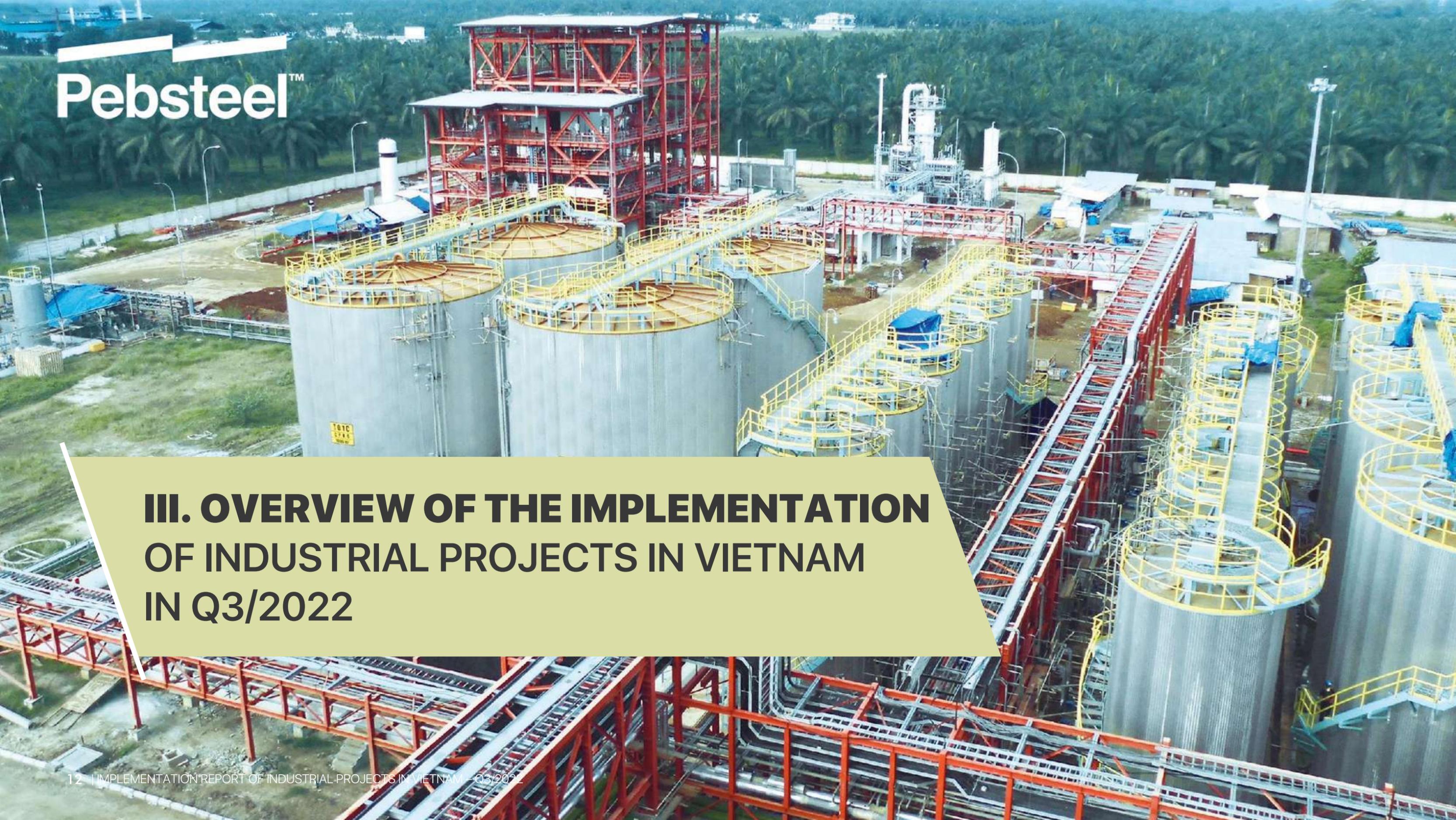
INDUSTRIAL LAND LEASE PROJECTS ALLOCATION IN THE Q3/2022



TOP 10 PROVINCES ATTRACTING NEWLY FDI PROJECTS IN Q3/2022 (BY THE NUMBER OF PROJECTS)



Source: HOUSELINK



**III. OVERVIEW OF THE IMPLEMENTATION
OF INDUSTRIAL PROJECTS IN VIETNAM
IN Q3/2022**

In this part, we focus on analyzing investment projects invested by FDI and DDI funds verified by HOUSELINK on the HOUSELINK system under construction and under preparation phases (such as project preparation, design, selecting contractor).

Projects under preparation have a large number as well as a large total investment.

In this Report, HOUSELINK focuses on analyzing projects that are in the process of being prepared for construction (Project preparation, design, bidding, main contractor selection) and projects under construction based on criteria: Type of construction, locality, type of projects, type of investment in the first 3 months of 2022 updated in HOUSELINK data system.

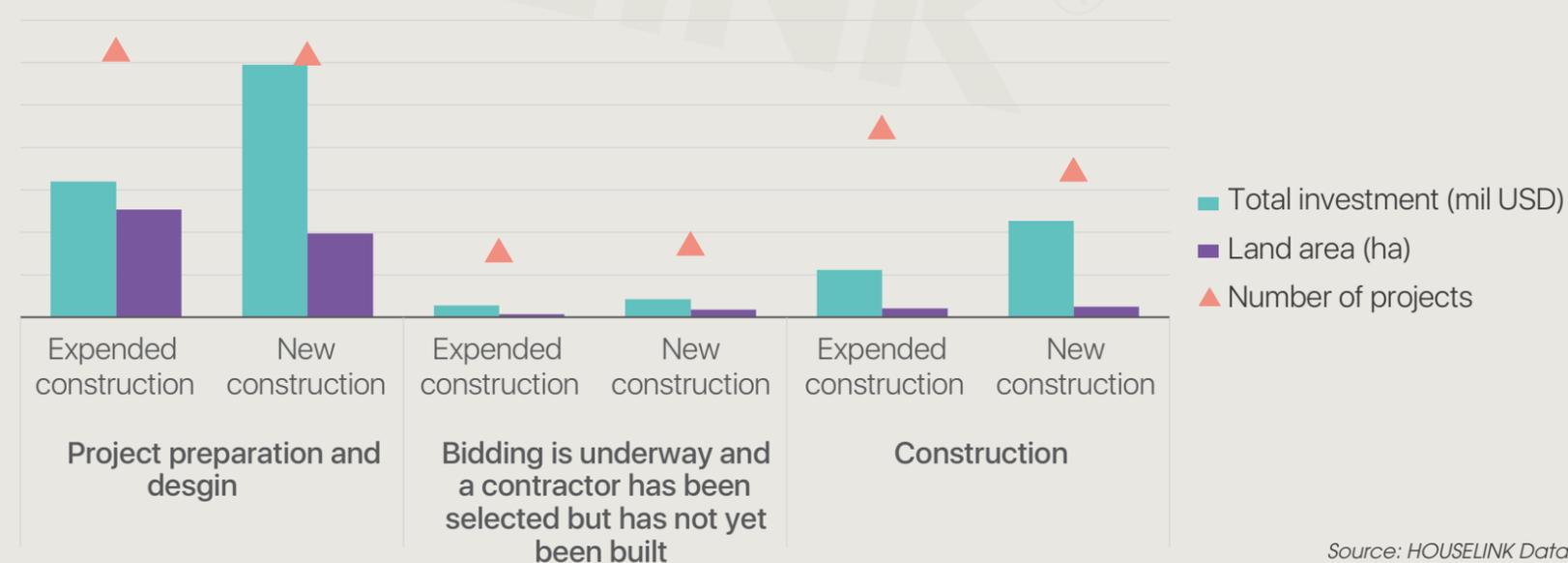
In the third quarter of 2022, projects under preparation and design stages accounted for the largest number and total investment among industrial projects. Due to the continuous increase of the cost of raw materials and fuel in recent years, leading to a great impact on construction costs, and the disruption of supply chains, which makes investors afraid to invest in projects.

Projects under preparation and design stages have a balance in the number of expansion and new construction projects. This shows that besides previous investors who are still implementing business expansion plans, Vietnam is also an attractive destination and a good choice for new contractors. This is also a bright spot in attracting investment capital of Vietnam.

PROJECT ALLOCATION BY CONSTRUCTION STAGES



PROJECT ALLOCATION BY TYPE OF WORK



Source: HOUSELINK Data

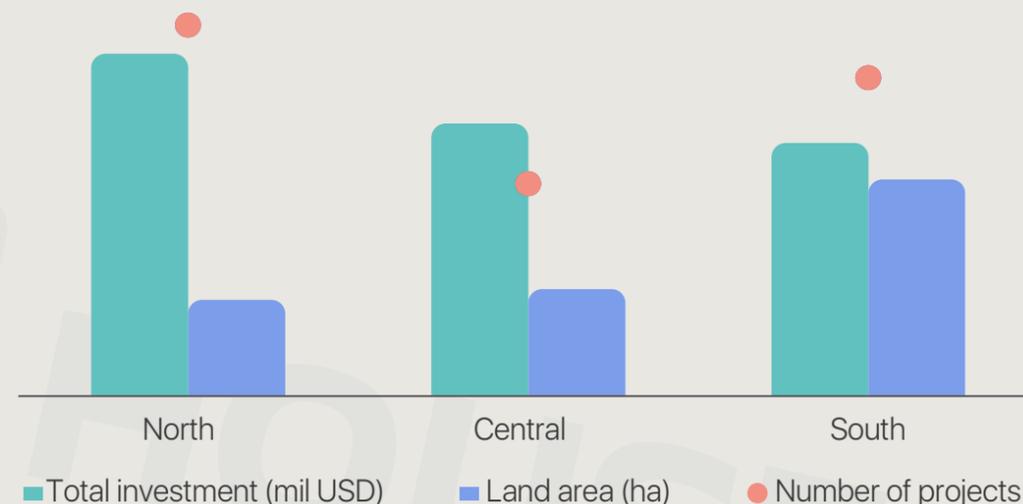
1. Industrial project is about to be built

a. New construction projects account for the majority in both quantity and scale of investment

As of the third quarter of 2022, the projects about to be deployed are mainly distributed in the North with a large number of projects and factory investment capital. The Central region will also be an exciting area in the coming time, through aggregate data, it can be seen that although the number of projects about to be implemented in the Central region is the lowest among the three regions, the scale of registered capital is large. The fact that large-scale energy projects are continuously invested in the Central region is also one of the main reasons.

According to HOUSELINK’s system data, we note that in terms of quantity, expansion projects and new construction projects are not too different, but the scale of investment capital of new construction projects is nearly double that of expansion projects (see more details in the chart below). This shows that investors tend to expand production but the scale is not too large. In addition, new construction projects have achieved high values in terms of both quantity and investment scale. The new investment trend in large-scale projects is still being maintain in the Vietnam.

PROJECT ALLOCATION BY REGION



NEW CONSTRUCTION PROJECTS WITH LARGE SCALE OF INVESTMENT CAPITAL



Source: HOUSELINK

b. Each region has different industry investment attraction orientations

Each region has different investment attraction and development priorities, also the different types of investment capital. While the Northern provinces attract large number of projects in the field of logistics centers, textiles, and electronics, in the South mainly projects are in the agriculture and animal feed industry, logistics and textile centers. In the Central region, projects in the fields of agriculture and animal feed, textiles, and energy which will be implemented in the near future account for the large proportion.

DDI is still the main source of development investment capital in the coming time when it is the largest source of capital in all three regions. Especially in all 3 regions, the presence of FDI-DDI joint venture capital is in the top 5 major sources of investment capital. Although the decrease in FDI capital has made DDI capital rise to the top of the investment capital market. But most of them are concentrated in a few industries such as energy, agriculture and animal feed, manufacturing metal products, etc. Manufacturing industries that require high technical factors such as electronics, automation, auxiliary equipment, etc... are still few.

Northern

38,9 BIL USD

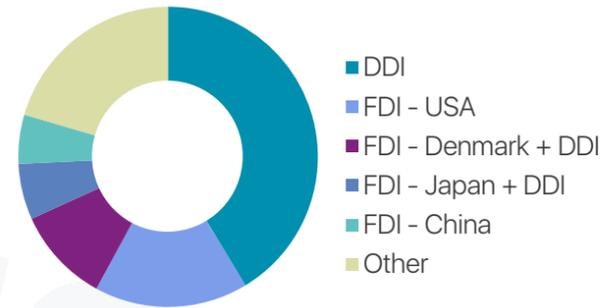
374 PROJECTS

TOP 5 PROJECT TYPES, BY PROJECT NUMBERS

Food and drinks
Agriculture and animal food
Electronic
Textile
Logistic central



TOP INVESTMENT RESOURCES, BY INVESTMENT CAPITAL (MILLION USD)

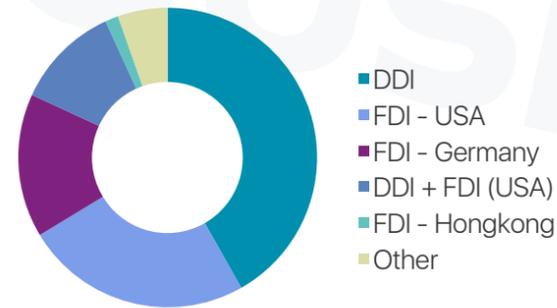
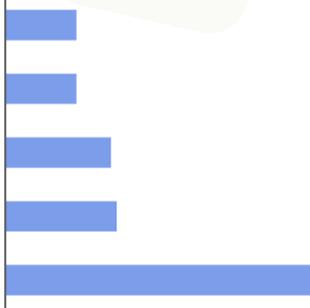


Central

30,9 BIL USD

214 PROJECTS

Building material
Forest products
Energy
Textile
Agriculture and animal food

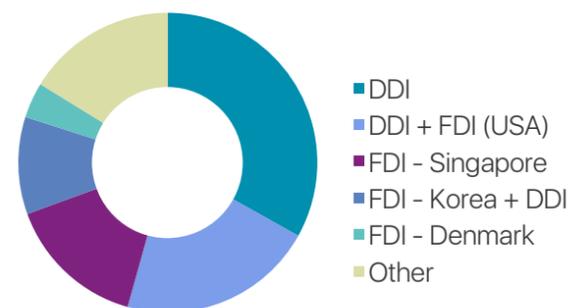
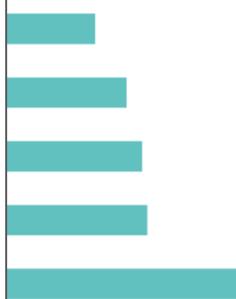


Southern

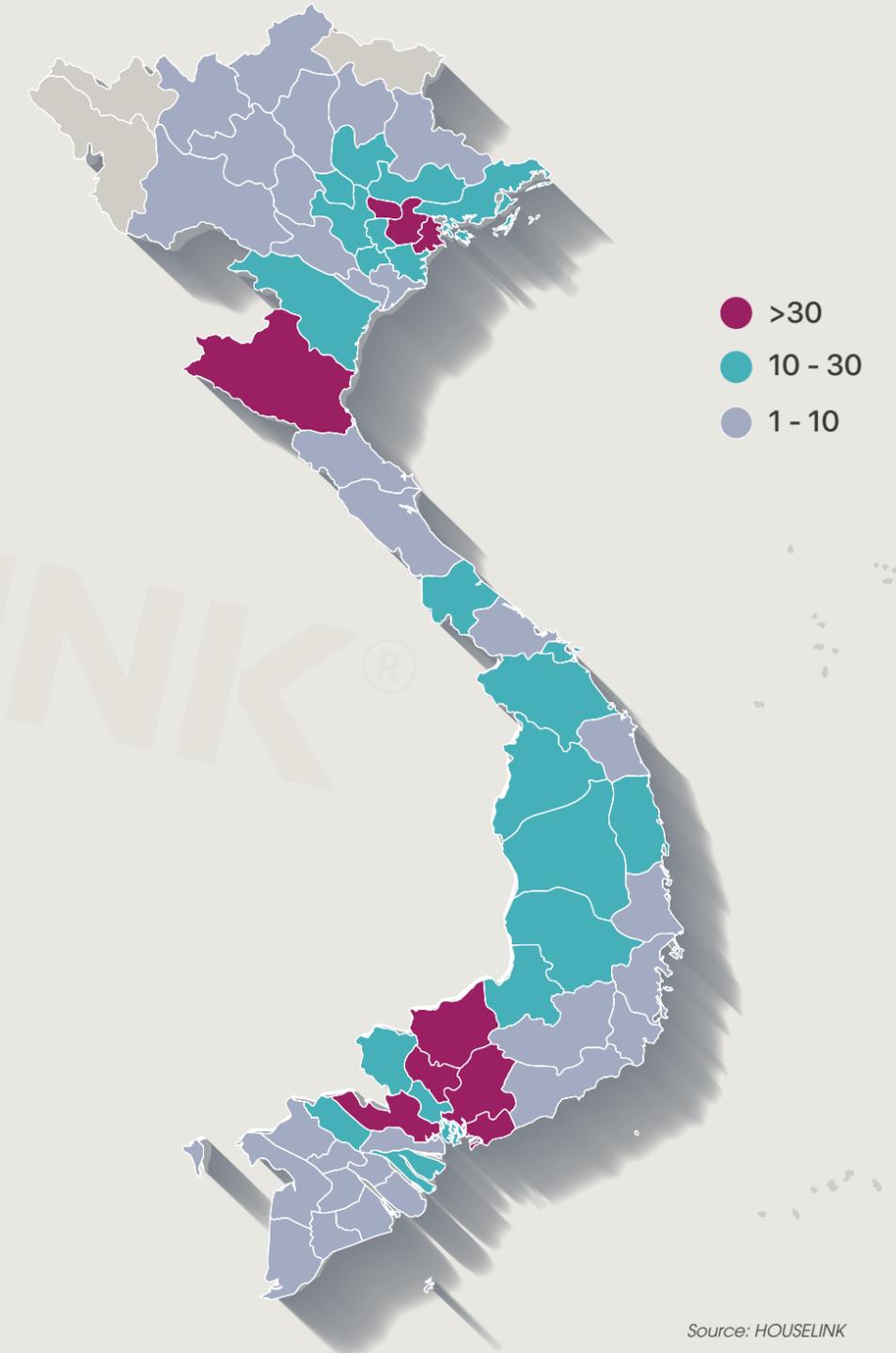
28,7 BIL USD

321 PROJECTS

Food and drinks
Energy
Textile
Logistic central
Agriculture and animal food



THE POTENTIAL PROJECTS MAP WILL BE BUILT IN THE FUTURE BY PROJECT NUMBERS



2. Industrial projects under construction

a. Expansion construction projects are implemented

As of the third quarter of 2022, there are 256 projects expand the existing production scale, with a total investment value of more than 11 billion USD and more than 2 thousand hectares of land area. New construction has 199 projects, with an outstanding total investment capital (over 22 billion USD) and 2.4 thousand hectares of projects land.

This shows that expansion construction continues to be deployed a lot and is the development trend of the industrial construction segment in the coming time. New construction projects with the characteristics of not having experience in project implementation in Vietnam may take longer than expansion construction projects, but the scale of projects is high, mainly large-scale projects and focus on a number of industries such as energy, electronics, machinery manufacturing.

EXPANSION CONSTRUCTION PROJECTS HAVE A LARGER NUMBER OF IMPLEMENTED PROJECTS



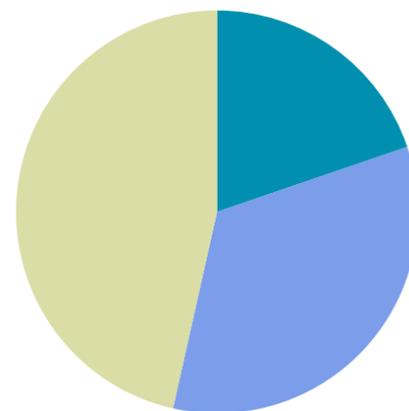
Source: HOUSELINK

b. Accelerating construction activities in the Northern region

HOUSELINK data shows that at the end of Q3 2022, the number of projects under construction in the Northern region accounts for the majority with a total of 214 projects. Although the number of projects in the South is less than in the North, the scale of investment capital of these projects is much higher (2.3 times the total investment capital of projects in the North). In the Central region, due to the characteristics of the investment location of many energy projects, the scale of investment capital of projects in this area has increased, although the number of projects under construction is the lowest in the three regions.

PROJECTS UNDER CONSTRUCTION IN EACH REGION (BY TOTAL INVESTMENT CAPITAL)

■ Nort ■ Central ■ Southern



Source: HOUSELINK

In the North, many electronic projects, logistics centers or electrical equipment are being implemented. In the Central region, energy, agriculture and animal feed, and textiles are still the three most active projects. In the South, logistics, agriculture and animal feed and textiles center projects account for the majority of projects under construction. We can see a clear difference in investment projects in the North compared to the other two regions.

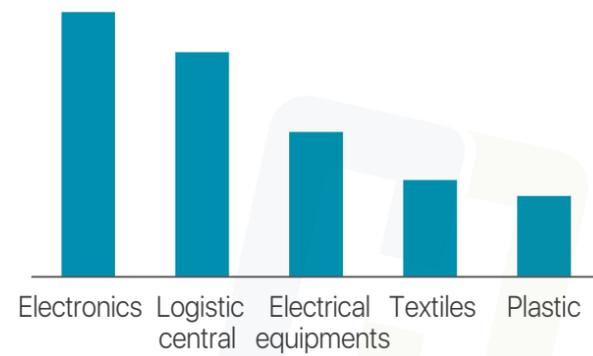
In addition, if in previous monitoring periods, domestic direct investment (DDI) was the type of investment that accounted for the largest market share among projects under construction, in this reporting period, we recorded in the North and the South FDI-China projects and FDI-Denmark + DDI joint ventures accounting for a large proportion of total investment capital. If in the North, the construction of solar panel factories is being promoted, in the South, renewable energy projects stand out. This shows that investment project in the renewable energy industry is being focused and promoted in Vietnam. We can see that the potential for renewable energy is huge, if the Power Master Plan VIII is approved, it promises that the renewable energy market will explode even more.

Northern

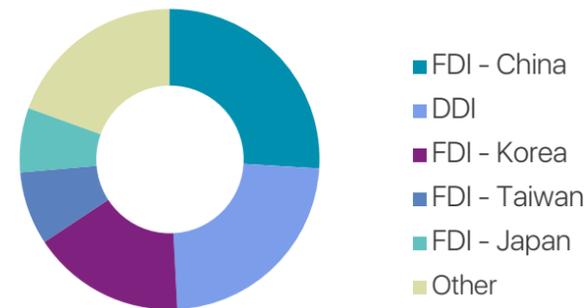
6,6 BIL USD

214 PROJECTS

TOP 5 PROJECT TYPES, BY PROJECT NUMBERS



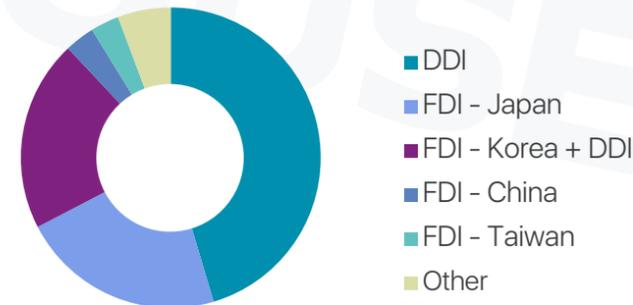
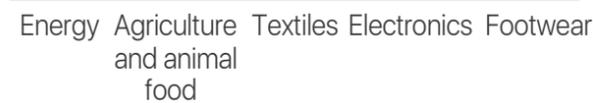
TOP INVESTMENT RESOURCES, BY INVESTMENT CAPITAL (MILLION USD)



Central

11,4 BIL USD

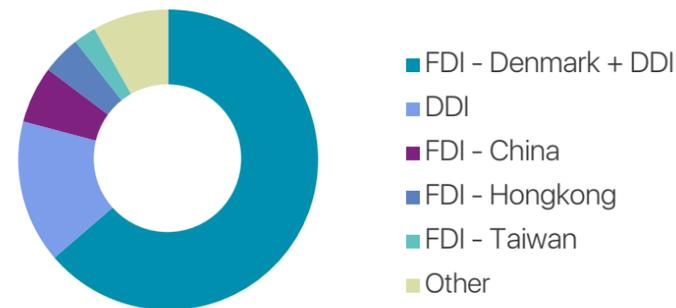
78 PROJECTS



Southern

15,7 BIL USD

163 PROJECTS



PROVINCES THAT HAVE MANY INDUSTRIAL CONSTRUCTION PROJECTS UNDER CONSTRUCTION IN Q3/2022



Source: HOUSELINK

Source: HOUSELINK

6. Some typical projects



SHENGYANG-DUNG QUAT TEXTILE FACTORY

Location Vietnam-Singapore Industrial Park, Tinh Phong Commune, Son Tinh District, Quang Ngai province, Vietnam.
 Investor SHENGYANG (VIETNAM) TEXTILE CO., LTD
 Design and Build NEW CC CONSTRUCTION CONSULTANTS CO., LTD.
 Contact (+84) 028 38641262 newcc@newcc.com.vn



LONG SON THERMAL POWER PLANT

Project Category Factory
 Project scale 42.000 m2 – 1.600 tons
 Location Ba Ria – Vietnam
 Contractor DAI DUNG METALLIC MANUFACTURE CONSTRUCTION AND TRADE CORPORATION
 Contact +84 28 3868 1689 sales@daidung.vn



BW TAN DONG HIEP BINH DUONG

Project type Factory rental
 Project scale 50,000 m2
 Location Binh Duong Province, Vietnam
 Contractor ATAD STEEL STRUCTURE CORPORATION
 Contact +84 28 3926 0666 sales@atad.vn



GREAT KINGDOM FURNITURE PLANT

Investment type FDI
 Project type Factory
 Project scale 220,000 m2
 Location Giang Dien Industrial Zone, Bien Hoa, Dong Nai, Vietnam
 P.E.B Contractor PEB STEEL BUILDINGS CO., LTD
 Contact (+84) 908 883 531 marketing@pebsteel.com.vn



LOGITEM NEW WAREHOUSE PROJECT TAN DONG HIEP

Project scale 9000 m2
 Location Tan Dong Hiep B Industrial Park, Tan Dong Hiep Ward, Di An Town, Binh Duong Province, Vietnam.
 Investor LOGITEM VIETNAM CORP
 Design and Build NEW CC CONSTRUCTION CONSULTANTS CO., LTD.
 Contact (+84) 028 38641262 newcc@newcc.com.vn



CAINIAO P.A.T LOGISTICS PARK

Project Category Logistics Center
 Project scale 110.000 m2
 Location Long An – Vietnam
 Contractor DAI DUNG METALLIC MANUFACTURE CONSTRUCTION AND TRADE CORPORATION
 Contact +84 28 3868 1689 sales@daidung.vn



WH3 WAREHOUSE

Project type Factory rental
 Project scale 51,000 m2
 Location Ba Ria – Vung Tau, Vietnam
 Contractor ATAD STEEL STRUCTURE CORPORATION
 Contact +84 28 3926 0666 sales@atad.vn



FOOTWEAR MANUFACTURING FACTORY

Investment type FDI
 Project type Factory
 Project scale 24,000 m2
 Location Chon Thanh II IP, Binh Phuoc, Vietnam
 P.E.B Contractor PEB STEEL BUILDINGS CO., LTD
 Contact (+84) 908 883 531 marketing@pebsteel.com.vn



IV. TOP 10 NEWLY REGISTERED INDUSTRIAL PROJECTS IN Q3/2022 BY INVESTMENT REGISTERED CAPITAL AMOUNT

TOP 10 NEWLY REGISTERED INDUSTRIAL PROJECTS IN Q3/2022 BY INVESTMENT REGISTERED CAPITAL AMOUNT

- 1 VINES LITHIUM BATTERY TECHNOLOGY PRODUCTION AND TRADING PROJECTS**
- 2 REGENT VIETNAM TEXTILE FACTORY**
- 3 POCARI MANUFATURING FACTORY**
- 4 FOSECA VIETNAM CO, LTD – VSIP FACTORY.**
- 5 MEGA STEP FOOTWEAR MANUFACTURING AND PROCESSING FACTORY FOR EXPORT**
- 6 KAWAJUN VIETNAM FACTORY**
- 7 INOAC FACTORY IN VSIP HAIPHONG**
- 8 CAISHI INTERNATIONAL VIETNAM FACTORY (B10.1)**
- 9 CAISHI INTERNATIONAL VIETNAM FACTORY (B10.2)**
- 10 DRB VIETNAM FACTORY 2**

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ATAD STEEL STRUCTURE CORPORATION



**DAI DUNG METALLIC MANUFACTURE
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