

NEWSLETTER

Q1, Q2/2013



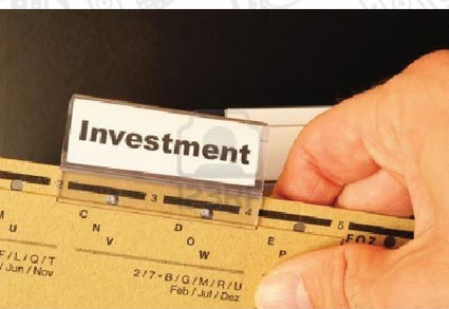
- 1** Economic situation of Viet Nam within first 6 months of 2013
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ECONOMIC SITUATION OF VIET NAM

WITHIN FIRST 6 MONTHS OF 2013

1. Until 20th May, 2013, the whole nation has 398 new projects which have been granted Investment Certificate with total registered capital is 5.091 billion USD, an increase of 5,8% compared with the same period of 2012, and 160 projects registered to increase the investment capital with total increase capital of 3.426 billion US dollar, an increase of 14% compared with the same period of 2012.
 2. Total export and import turn-over within first 6 months in 2013 of whole nation is estimated to reach 125.5 billion US dollar. In which, the export turn-over is estimated to reach over 62 billion US dollar which increases over 16% compared with the same period of 2012; the import turn-over is estimated to reach 63.45 billion US dollar which increases over 17% compared with the same period of 2012.
- Trade surplus of enterprise with foreign investment capital sector is 2.55 billion US dollar in June and over 5.4 billion US dollar for first half of this year.

(Source: Ministry of Planning and Investment)



ECONOMIC SITUATION OF BAC NINH PROVINCE IN THE FIRST 6 MONTHS OF 2013

1. According to the statistic of Department of Foreign Investment:

Within first five months of 2013, Bac Ninh province has 35 project granted newly. Total registered capital which is granted newly is 136.15 million US dollar. There are 7 projects increasing the capital. Total registered capital which is increased is 46.70 million US dollar; Total registered capital which is granted newly and increased is 182.85 million US dollar.

2. According to the report of People's Committee of Bac Ninh province at regular meeting in June, 2013, Total GDP of the province is estimated to reach nearly 28,300 billion Vietnam dong equivalent to 44% yearly plan. Such GDP increases 10.7 % compared with the same period of 2012.

- Total export turn-over is estimated to reach 11 billion US dollar increasing 109% compared with the same period, ranking second in nation. Situation of collecting the state budget within first 6 months is estimated to reach 4,800 billion Vietnam dong equivalent to 48% of yearly estimate.

- According to the report, for the last 6 months, number of newly establishment enterprises has increased , number of enterprises which are dissolution and suspension has decreased. The export turn-over has been increased which reaches over 11 billion US dollar, ranking second in nation and the trade surplus is over 1.151 billion US dollar.

(Source: People's Committee of Bac Ninh province)



GIVING THE INFORMATIONS OF THE ACTIVITIES OF KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

1. Signing Land Sublease In-principle Agreement with M&C MFC (Singapore) PTE



On 12th May, 2013, at office of KinhBac City Development Holding Corporation in Que Vo Industrial park, Bac Ninh, KinhBac City Development Holdings Corporation and M&C MFC (Singapore) PTE have conducted sign the Agreement on subleasing the land in Que Vo Industrial park with area of 31,000m².

M&C MFC (Singapore) PTE is one of the most prestigious companies in Korea, which invested factory of manufacturing in China with sector of manufacturing the electronic components used in mobile phone, car and motorbike.

M&C Electronics project in Que Vo Industrial park has the scale of 31,000m² with investment capital of 21.5 million US dollar. When the project comes into effect, it will create jobs for about 1,500 local labor

2. KBC organizes the handover ceremony of the construction on environment improvement of Trung Van Lake

On 17th May, 2013, at Trung Van commune, Tu Liem district, Ha Noi city, KinhBac City Development Holding Corporation (KBC) has organized the formal handover ceremony of the construction on environment improvement of Trung Van Lake.

Responding to the calling of Party Committee, People's Committee, as well as the sectors of Ha Noi city on urging the enterprises to clean the capital in order to be worthy of national pride, KinhBac City Development Holding Corporation has registered to sponsor the implementation of "Environment Improvement of Trung Van Lake, Tu Liem district" Project which is belong to scheme of Environment improvement of lakes in Ha Noi city, with the total expense of over 20 billions Vietnam dong as the donation for Capital. People's Committee of Ha Noi city has welcomed.

The construction has the current area of 2.7 ha, with the length of circumference of 701m which is adjacent Mo Lao – Ha Dong new urban and the cluster of dwelling houses in the southeast of continuous Lang Ha - Thanh Xuan road.



GIVING THE INFORMATIONS OF THE ACTIVITIES OF KINHBAC CITY DEVELOPMENT HOLDING CORPORATION

3. KinhBac City Development Holding Corporation organizes the Annual General Meeting of ShareHolders in 2013

On the afternoon of 14th June, 2013, at KinhBac Building – Que Vo Industrial park – Bac Ninh province, KinhBac City Development Holding Corporation (KBC) organizes ceremonially the Annual General Meeting of ShareHolders in 2013.

Total number of shareholders attended the meeting (directly or through authorization) is 264, represented for 231,895,773 shares with voting right equivalent to 80.03% total shares with voting right of the company. On behalf of Chairman group, Mr. Dang Thanh Tam – Chairman of KBC chaired the meeting.

Resolution of the Annual General Meeting of ShareHolders in 2013 of KinhBac City Development Holding Corporation is approved with 100% approval rate of total votes of shareholders attending the meeting.



SITUATION OF PROJECT IMPLEMENTATION OF THE INVESTORS IN THE IPS OF KBC

1. Construct the biological factory with large scale at Que Vo Industrial park

On the morning of 7th June, 2013, at Que Vo Industrial park (Bac Ninh), Nippon Zuki, famous pharmaceutical firm of Japan has officially commenced the construction of the first biotechnology factory in Viet Nam.

Nippon Zuki (Japan) factory at Que Vo Industrial park is the pharmaceutical manufacturing factory with the material extracted from the skin of white rabbit (New Zealand rabbit), power consumption of 3,700 units/day. Medicine product of Nippon Zuki pharmaceutical firm is Newtropin vaccine taken by oral, injection which has the analgesic effect and increase immunity for human. Pharmaceutical products of Nippon Zuki are used much in Japan and China, these products are also favourable in the European countries and America. The project use the land area of 10.6 ha (the land area which is expected to use in phase 1 is 3ha). Total investment capital of the project is 90 million US dollar (the capital in phase 1 is 62 million US dollar).

When such factory in Que Vo Industrial park comes into stable operation, it shall be the great opportunity for rabbit breeding sector in the North (160 labors shall have jobs from breeding).



Mr. Nguyen Tien Nhuong, Vice President of People's Committee of Bac Ninh province, appreciates the investment decision in Bac Ninh of Nippon Zuki which opens up many opportunities for the development of the breeding sector in the province. The investor is suggested to implement in accordance with the commitment on the progress of project, put the factory into operation soon and contribute positively to the economic development of the province. On this occasion, Vice president of People's Committee of the province assigns the relevant authority, locality to create the favorable conditions for effective implementation and safe construction of the project.

SITUATION OF PROJECT IMPLEMENTATION OF THE INVESTORS IN THE IPS OF KBC

2. Opening Nissan manufacturing factory at Hoa Khanh Industrial park (extended), Lien Chieu, Da Nang

On the morning, 11th June, 2013, at Hoa Khanh Industrial park (extended), Lien Chieu district, Da Nang city, TCIE Viet Nam Company Limited has opened TCIE Viet Nam factory and ships the first car with brand of Nissan Sunny - best – selling sedan in global of Nissan car Corporation (Japan).



TCIE Viet Nam Company Limited is joint venture between the member company of Tan Chong Corporation, Malaysia and Nissan Motor Company Limited, Japan. TCIE Viet Nam Company Limited has the total area of 40ha, investment capital of 40 million US dollar. The factory has the ability to manufacture and assemble 6,500 cars per years and can increase the capacity up to 30,000 cars per year. This is the first factory of Tan Chong Corporation built in the foreign country along with two other assembly factories in Malaysia.

Operating in accordance with advanced manufacturing method, Nissan says that: all the products assembled here meet the global standard on safety and quality. Mr. Takayuki, Regional Vice President of Nissan says that: With the potential of stable economic growth, Viet Nam is expected to enter the phase of serial motorization in the future and the car amount currently shall increase more than double which is reached the estimation of 110.000 units in fiscal year of 2014. Therefore, Nissan expects Sunny to become the good - selling car in Viet Nam.



SITUATION OF PROJECT IMPLEMENTATION OF THE INVESTORS IN THE IPS OF KBC

3. Woojeon & Handan Company Limited (Viet Nam) receives Investment Certificate

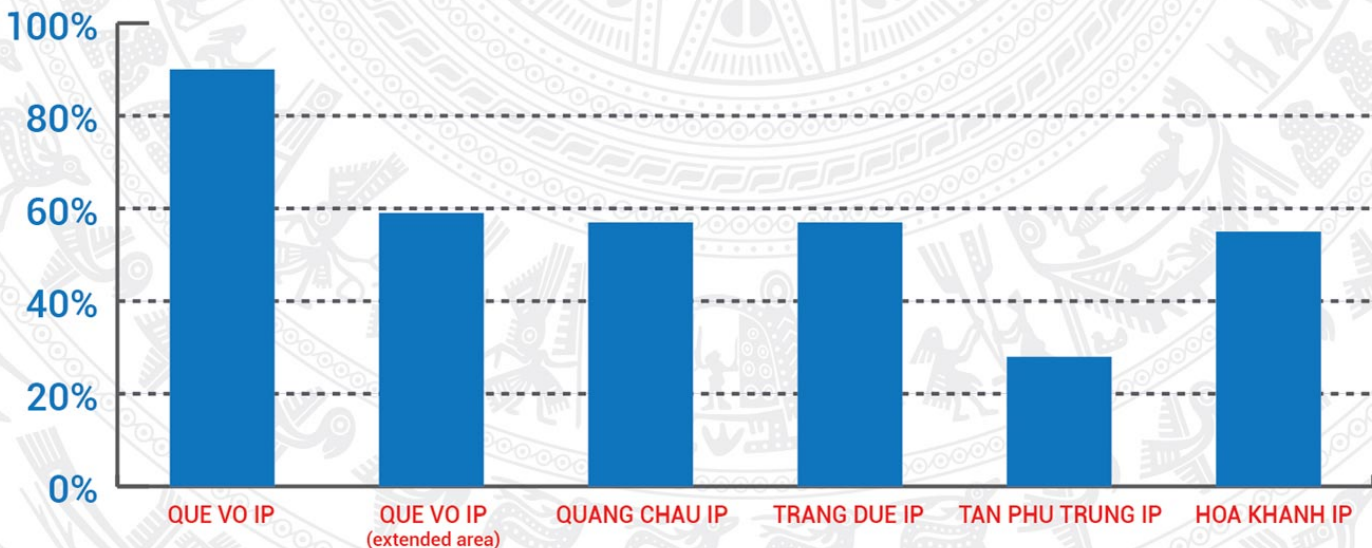
On 25th June, 2013, at office of Bac Ninh Industrial park Authority, Head of Bac Ninh Industrial park Authority has handed over the Investment Certificate to Woojeon & Handan Company Limited (Viet Nam)

Woojeon & Handan is one of the most prestigious companies of Korean with the sector of manufacturing set – top – box terminal, electronic components used in mobile phone, computer, tablet computer, mini computer, appliance.



Woojeon & Handan project in Que Vo Industrial park with scale of 84,000m² and the investment capital of 15 million US dollar. When the project comes into operation, it will create jobs for about 3,000 local labor.

FILLING RATE OF COMMERCIAL LAND IN THE INDUSTRIAL PARKS OF KBC



UPDATING THE LEGAL DOCUMENTS IN THE FIRST 6 MONTHS OF 2013

1. Labour Code No. 10/2012/QH13 of the National Assembly of the Socialist Republic of Vietnam, term XIII, 3rd session, adopted on June 18, 2012 (effect from May 1, 2013).

2. Decree No. 44/2013/ND-CP dated May 10, 2013 of the Government detailing the implementation of some Articles in the Labor Code regarding labor contracts.

3. Decree No. 45/2013/ND-CP dated May 05, 2013 of the Government detailing some Articles of the Labor Code on working hours, rest hours and labor security and labor hygiene.

4. Decree No. 49/2013/ND-CP dated May 14, 2013 of the Government detailing and guiding the implementation of some Articles in the Labor Code regarding salary.

5. Decree No. 04/2013/ND-CP dated January 07, 2013 of the Government detailing and guiding the implementation of some Articles of the Law on Notarization.

6. Decree No. 15/2013/ND-CP dated February 6, 2013 of the Government on quality management of construction works.

7. Decree No. 23/2013/ND-CP dated March 25, 2013 of the Government amending the Decree No. 45/2011/ND-CP on registration fee.

8. Circular No. 03/2013/TT-BXD dated April 02, 2013 of the Ministry of Construction issuing the Contract forms for technical infrastructure work's common-use and common technical infrastructure works' management and operation.

9. Decree No. 25/2013/ND-CP dated March 29, 2013 of the Government on charge for environmental protection of waste water.

10. Circular No. 45/2013/TT-BTC dated April 25, 2013 of the Ministry of Finance guiding the management, use and fixed asset depreciation.



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