



Introduction to Foreign Direct Investment (FDI) Advisory Service

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Megatrends in ASEAN

In 2013, FDI into ASEAN (US\$128.4bn) has overtaken FDI into China (US\$117.6bn):

- More favourable demographics in ASEAN vs aging and shrinking labour force in China
- Rising wage differences (higher wage growth in China and stronger RMB)
- Fast growing ASEAN domestic market
- China emerging as outward FDI investor (with its growth savings and wealth)

Chart 1: FDI to ASEAN-5 surpassing FDI to China in 2013

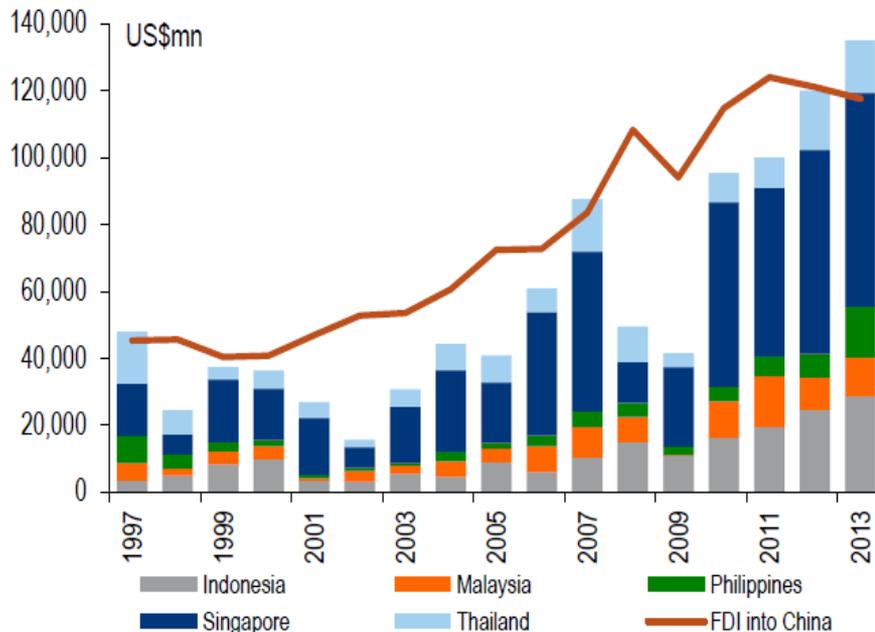
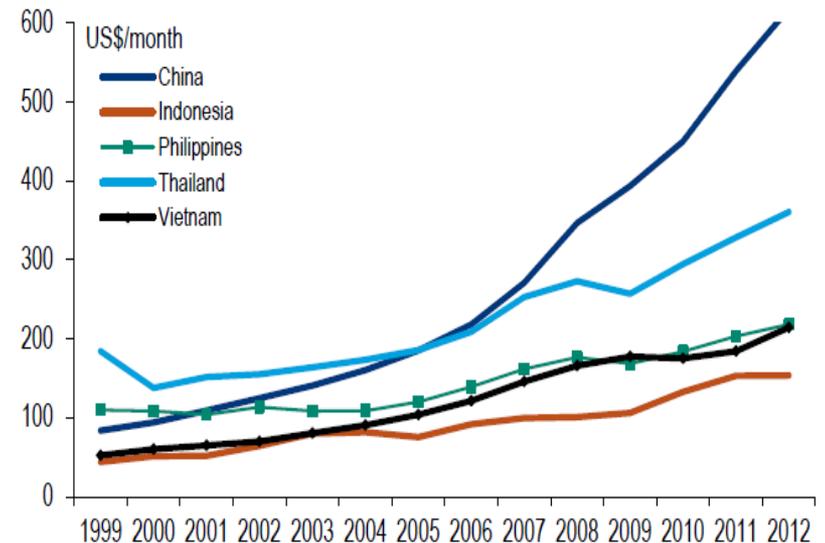


Chart 2: Manufacturing wages in China far higher than ASEAN on RMB appreciation & lower labor force growth



Source: BofA Merrill Lynch Global Research estimates, CEIC

Note: China FDI refers to FDI utilized; Indonesia FDI refers to foreign investment realization; Philippines & Thailand FDI refers to FDI approved. Malaysia and Singapore FDI data on BOP basis. 2013 FDI data for Philippines is BofAML estimate.

Source: BofA Merrill Lynch Global Research estimates, CEIC

Growth of FDI Inflows into Southeast Asia

Southeast Asia is one of the fastest growing regions in the world



604 million people*

Strong domestic consumption

Total trade is about US\$2.39 trillion*

Combined GDP is US\$2.18 trillion*

* Source: ASEAN Statistic Leaflet 2012

Rising Opportunities in Southeast Asia driven by:

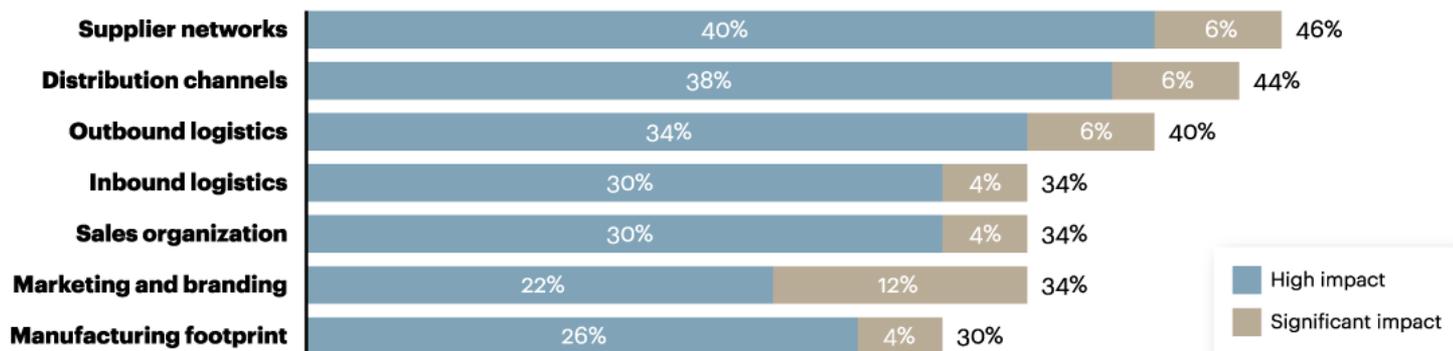
- Abundant natural resources and competitive labour force with strong demographic profile, increasing attractiveness of SEA as a production base
- Rapid urbanization, growing middle class and rising income driving consumption growth
- ASEAN advancing towards economic integration with ASEAN Economic Community (AEC) and Regional Comprehensive Economic Partnership (RCEP) by 2015



ASEAN Economic Community (AEC)

- a single market and production base
- a highly competitive economic region
- a region of equitable economic development
- a region fully integrated into the global economy
- a region with free movement of goods, services, investment, skilled labor, investment and capital

AEC impact on company areas



Note: AEC is the ASEAN Economic Community.

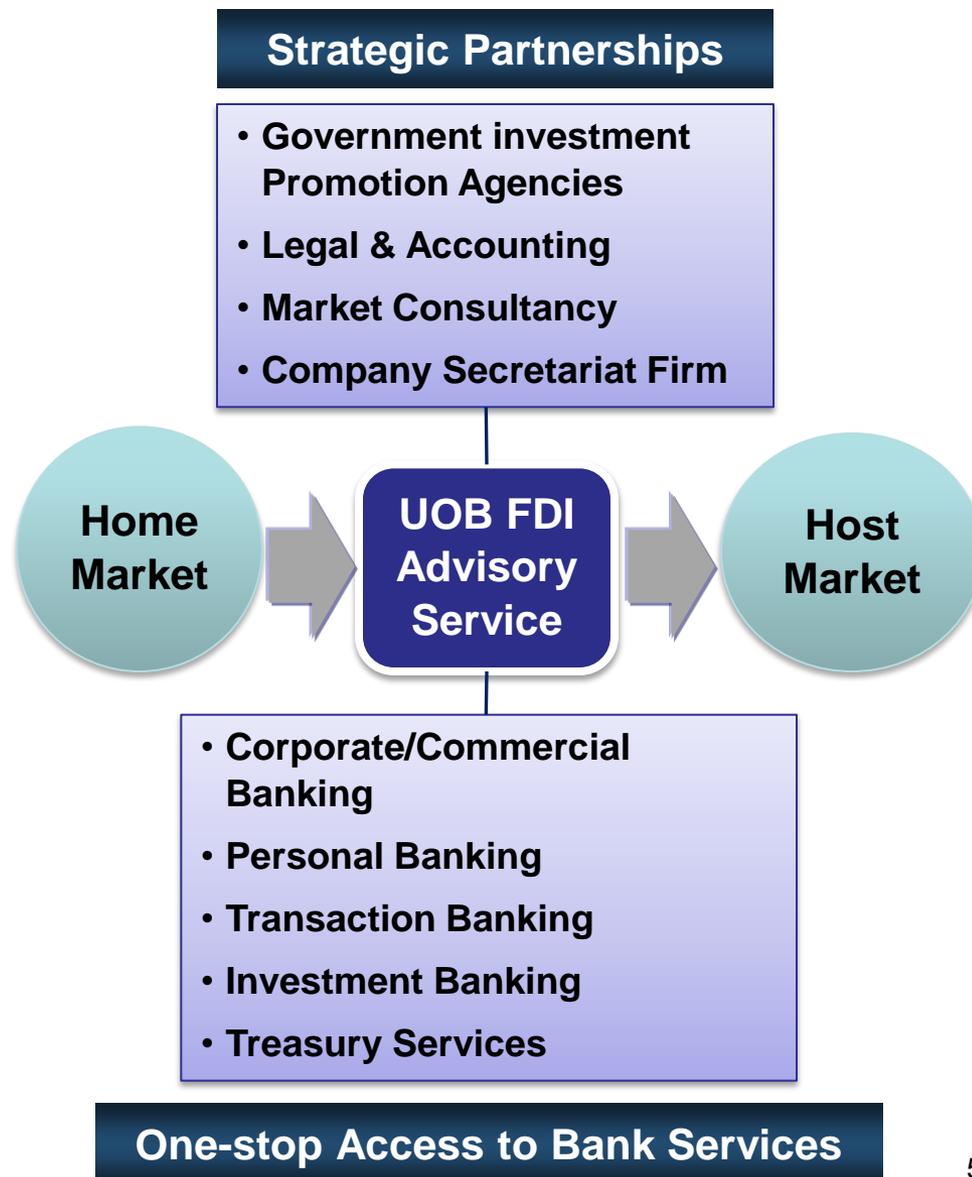
Source: A.T. Kearney and JWT Association of Southeast Asian Nations (ASEAN) Leadership Study, 2013

Regional Comprehensive Economic Partnership (RCEP)

- Proposed free trade agreement (FTA) between ASEAN and 6 states with which ASEAN has existing FTAs (Australia, China, India, Japan, Korea and New Zealand)
- RCEP negotiations were formally launched in Nov 2012 and scheduled to conclude by end 2015

Value Proposition for UOB FDI Advisory Service

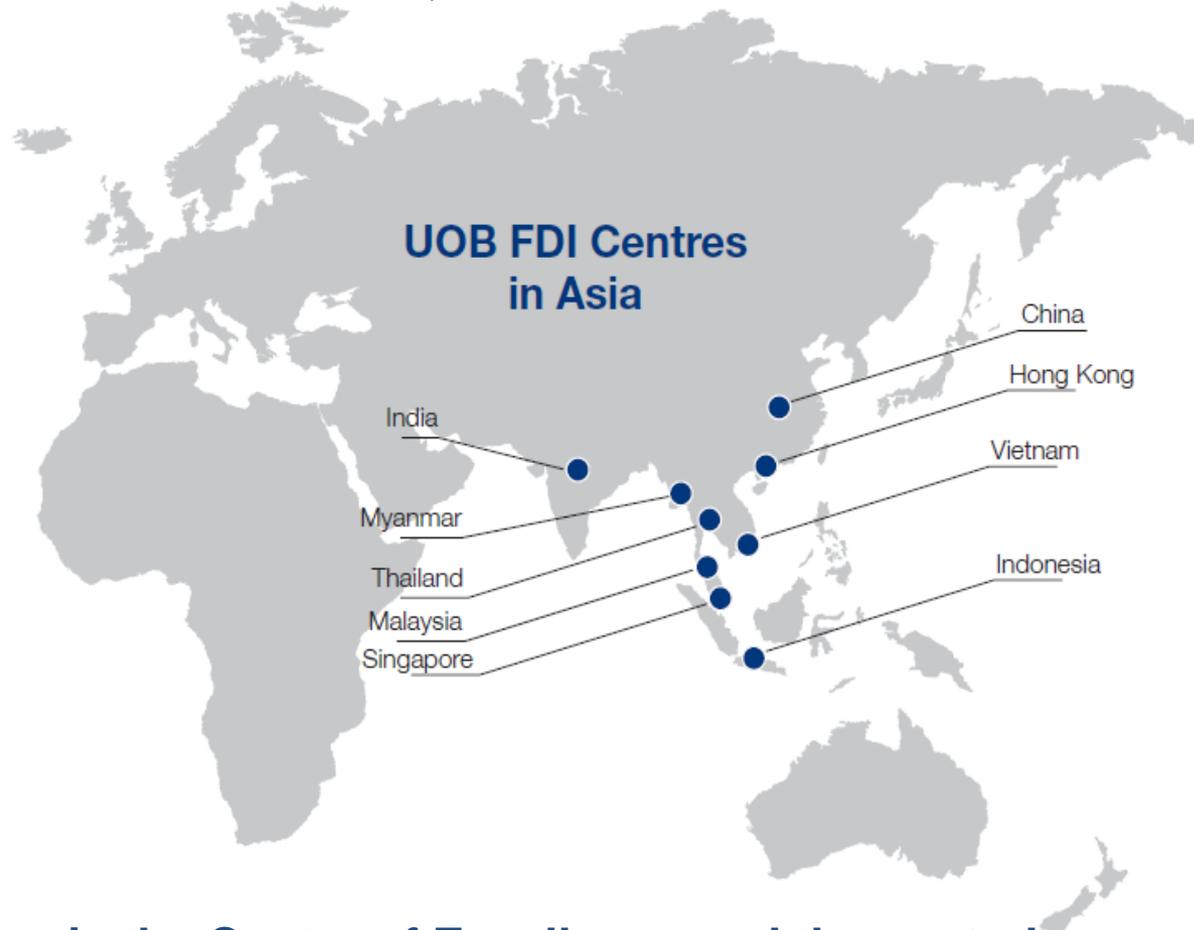
- Launched in Oct 2011 to ride on increased **global FDI flows** into the region. FDI into ASEAN (US\$125bil) exceeded FDI into China (US\$124bil) in 2013*
- Assist foreign companies in expanding and investing across the region by leveraging **Strategic Partnerships** with government investment promotion agencies and professional service providers
- Facilitate cross border financing by providing **One-Stop Service** to access full suite of banking services and products



* Source: UNCTAD

UOB FDI Centre Network

UOB has established a network of 9 FDI centres across the region to facilitate cross-border FDIs, in line with FDI trends.



Singapore is the Center of Excellence and the central resource and coordination hub for UOB FDI Advisory.

UOB FDI Ecosystem of Strategic Partners



China Council for the Promotion of International Trade



Brazilian Trade and Investment Promotion Agency



Investment Promotion Centre South Vietnam



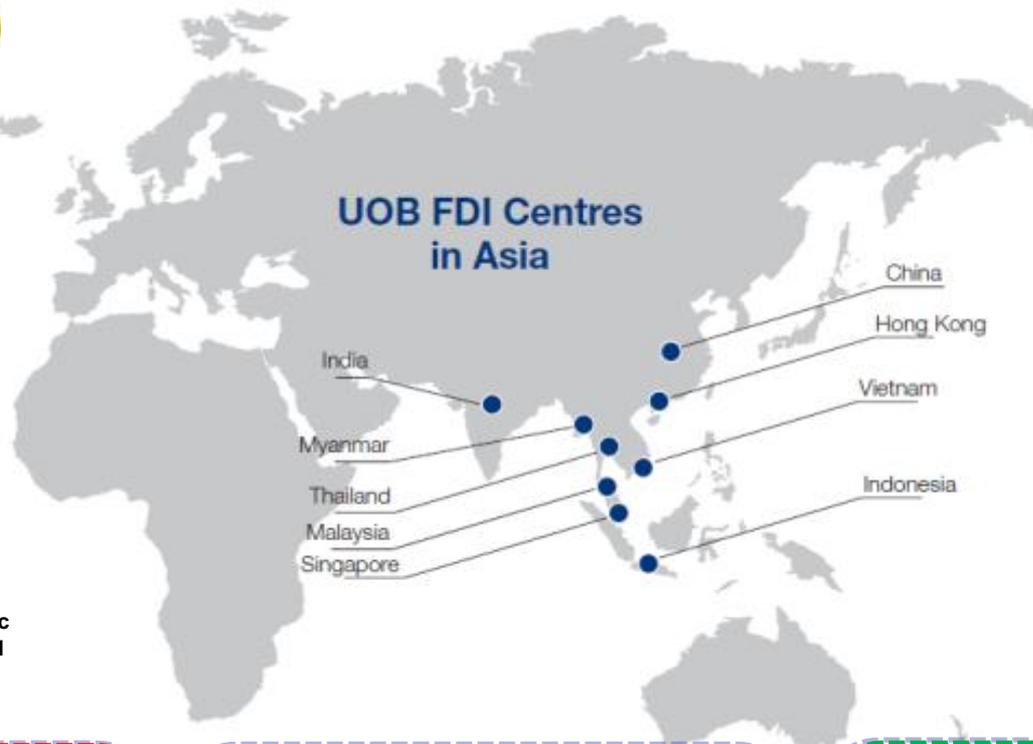
Japan Finance Corporation



International Enterprise Singapore



Singapore Economic Development Board



Myanmar Investment Commission



Thailand Board of Investment



Indonesia Investment Coordinating Board



Malaysian Investment Development Authority

RAJAH TANN

Zaid Ibrahim & Co

RODYK & DAVIDSON LLP

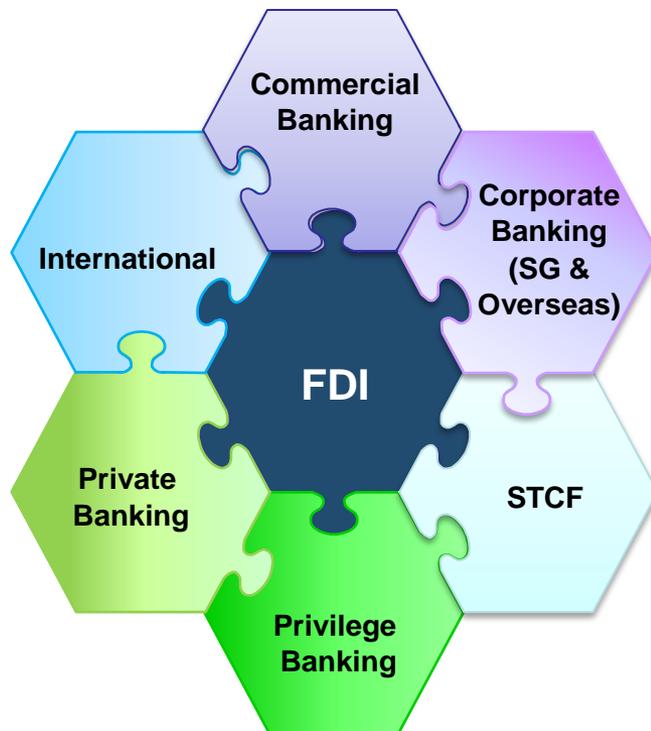
RODYK



Leveraging on Internal FDI Ecosystem

- Galvanize cross-segments/channels to capture FDI business opportunities
- Offering a seamless, integrated, coordinated go-to-market approach

Internal FDI Ecosystem

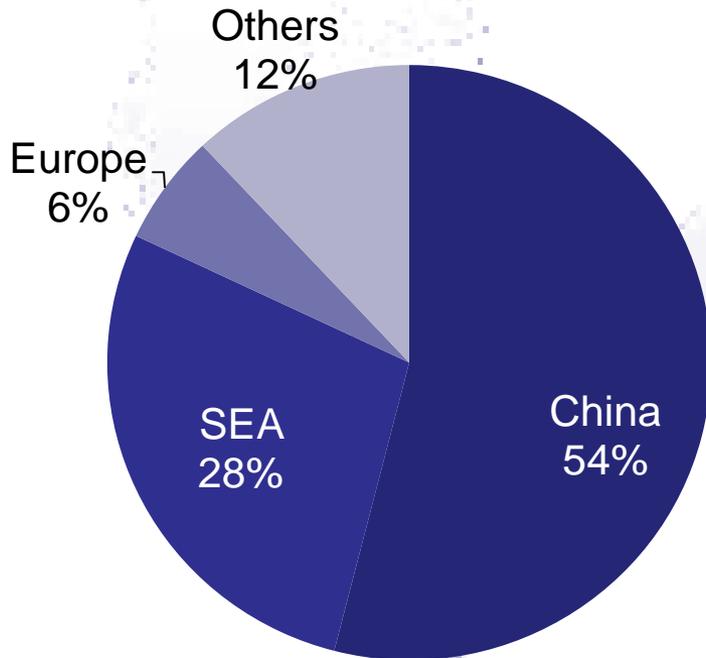


- FDI unit works with all customer segments and UOB International to target and facilitate onboarding of quality FDIs into banking franchise
- Establish touch points at each customer segment to refer / receive FDI leads and collaborate on joint events / marketing
- Overseas branches/subsidiaries offer in-country FDI advisory services
- Implemented FDI KPIs in balanced scorecards of Group Wholesale Banking functions to drive business focus

Reach of UOB FDI Advisory

From inception to date, the UOB FDI Advisory team has engaged close to 600 foreign companies globally, with 55% of them becoming UOB customers.

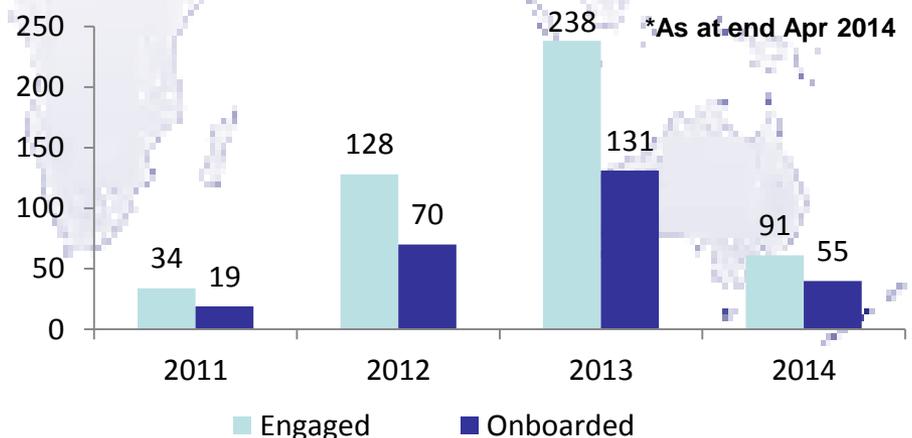
Breakdown of Companies' country of Origin by Region



Breakdown of Companies by Industries

Trading	16%
Natural Resources / Mining / Metals	11%
Agriculture/Commodities	9%
Chemical/Petroleum	8%
Consumer Products/Services	7%

Number of FDI onboarded





Customer's Background

- Shandong-based large-scale enterprise dealing in a range of areas from textiles, clothing, import and export trade, and transnational production operations with annual sales turnover of RMB3bn in 2013
- Through its subsidiary D&Y Textile (Malaysia), it will invest RM640m in a textile plant in the Sedenak Industrial Park in Kulai, Johor.

Customer Engagement

- Worked with its eco-partners to share opportunities in Malaysia with D&Y.
- UOBM has approved credit facilities to finance D&Y Group's business expansion in Johor.

UOB (M) finances textile plant in Johor



A deal is sealed: Mr Zhao (left) with Koh Boon Huat, executive director and area manager of UOB (M)

It will provide credit facilities to fund China-based D&Y Group's expansion

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UNITED Overseas Bank (Malaysia) Bhd is financing a China-based company to build a plant in Johor, Malaysia, the bank said yesterday.

Last Friday, the bank, wholly owned by United Overseas Bank, inked an agreement with D&Y Textile and Garment (China) Group (D&Y Group) for credit facilities which will help finance D&Y Group's business expansion in Johor.

UOB has been focusing on Asean, in particular, corporates expanding into the region.

Through its subsidiary D&Y Textile (Malaysia) Sdn Bhd, the Shandong-based D&Y Group will invest an estimated RM640 million (S\$249.7 million) in a textile plant in the Sedenak Industrial Park in Kulai, Johor.

According to D&Y Group chairman Zhao Huanchen, Malaysia is the first South-east Asian country that the group has ventured into.

The plant will house a spinning centre of 200 thousand spindles and bring in to Malaysia advanced textile technologies. All products from the Johor plant will be exported, and this is expected to generate US\$350 million in annual foreign exchange earnings for Malaysia.

"The D&Y Group's investment into Malaysia would help boost the country's economy and is an affirmation of Malaysia's attractiveness for foreign businesses seeking cross-border business expansion opportunities," said Kevin Lam, UOB Malaysia deputy chief executive officer and head of wholesale banking.

"As Malaysia is the first country in D&Y Group's expansion into South-east Asia, UOB Malaysia is honoured to lend our expertise and finance D&Y Textiles to unlock its business potential in this region," said Mr Lam.

The D&Y Group is a large-scale enterprise dealing in a range of areas from textiles, clothing and imports and exports to transnational production operations.

With over 10,000 employees, the company produces 80,000 tonnes of cotton yarn, 30 million metres of denim, five million metres of wool and five million pieces of clothing on an annual basis.

UOB shares closed yesterday nine cents down at \$23.94.



Customer's Background

- HQ in US, listed on London Stock Exchange, US\$308mil annual revenue, global presence in 25 countries
- Leader in large-scale, fast-track power solutions – turnkey approach covering everything from mobilization of equipment to installation, operation and maintenance of the power plant

Customer Engagement

- UOB London granted fully secured Performance Guarantee line for APR Energy to construct a 100MW power plant in Mandalay, Myanmar.
- Facilitated APR Energy's incorporation of Bangun Energy Resources in Indonesia with credit facilities

Outreach and Marketing Activities

- Participate in national-level symposiums held by credible government agencies, trade bodies, and business associations
- Organize group seminars and joint customer events for business owners

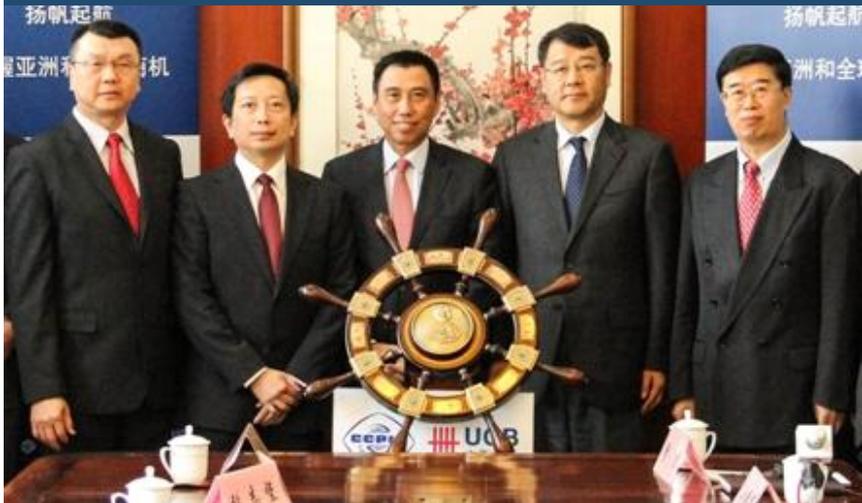
**UOB hosts
Myanmar Foreign
Direct Investment
Symposium for
300 investors**



8th Chinese Enterprises Outbound Investment Conference (CEOIC)



UOBC Launches FDI Unit



Singapore Day Seminar in Nanning



UOBHK Launches FDI Unit



UOB HCMC Launches FDI Unit



UOBI Launches FDI Unit



UOBM Launches FDI Unit



UOB Connects French Companies Considering Asian Expansion

