KHANG DIEN HOUSE (HSX: KDH)

Newly acquired land bank to fuel mid-term outlook

(VND bn)	Q4-FY21	Q3-FY21	+/-qoq	Q4-FY20	+/-yoy
Net revenue	590	1,199	-50.8%	1,291	-54.3%
PAT	415	317	30.9%	383	8.2%
EBIT	324	432	-25.0%	485	-33.2%
EBIT margin	54.9%	36.0%	1,890 bps	37.5%	1,740 bps

Source: KDH, RongViet Securities

2021: Lovera Vista units delivery along with one-off gain were main contributors to help KDH reach the bottom-line target.

- In 2021, KDH recorded revenue and NPAT-MI of VND 3,738 bn (-18% YoY) and VND 1,202 bn (+4% YoY), respectively, owing to the handover of Safira (234 units), Lovera Vista (1,147 units) and Verosa Park (31 units).
- Noticeably, KDH recorded one-off gain of VND 184 Bn when they completed the purchase of 99.9% shares of Nguyen Thu Real Estate Development JSC (charter capital of VND 400 Bn). It helped the business to meet the NPAT target of VND 1,200 Bn.

2022: We expect KDH to achieve 18% NPAT growth in 2022 supported by Classia and Clarita projects.

- We estimate 2022 revenue to reach VND 3,762 bn (or USD 164 Mn, +1% YoY) and NPAT-MI of VND 1,415 bn (or USD 62 Mn, +18%), backed by the delivery of Classia and Clarita projects.
- Current estimation is slower than the previous forecast with NPAT of VND 1,576 Bn (or USD 69 Mn), by factoring the slower-than-expected launch of Le Minh Xuan (expanded) from Q3 2022 to 2023.
- Noticeably, we have not factored potential earnings from selling commercial land (near Lovera Vista project) given the lack of information over the land size and value.

***Valuation and Recommendation**:*

We remain positive with a 19% profit growth per annum during 2021-2024. In 2023, the recognition at the 11A (low-rise), Classia, Clarita and Le Minh Xuan projects will help the company reach revenue of VND 4,742 bn (or USD 206 Mn, +26% YoY) and NPAT-MI of VND 1,754 bn (or USD 76 Mn, +24% YoY). In 2024, we forecast revenue/NPAT-MI of VND 5,708 bn (+20% YoY)/VND 2,007 Bn (+14% YoY) by factoring the contribution of Binh Tan Apartment (An Duong Vuong) given the expected launch in 2022 along with remaining units at Clarita, 11A and Le Minh Xuan (expanded).

Additionally, we believe that the acquisition of two new land banks including Doan Nguyen (6 ha in Cat Lai, District 2 - Thu Duc City) and Nguyen Thu will help the mid-term outlook given the landbank expansion in the East of HCMC.

*Using the RNAV method, we set a target price for KDH of **VND 59,200/share**. We recommend to **ACCUMULATE** with a total return of **12%** at the closing price on **31st March 2022.***

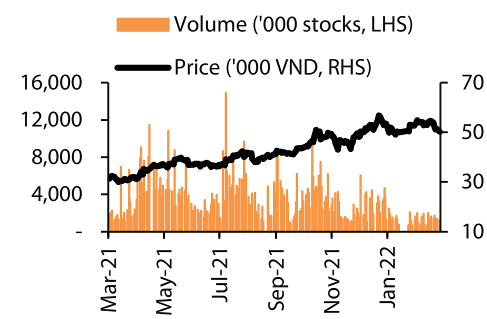
ACCUMULATE	+12%
CMP (VND)	52,800
Target Price (VND)	59,200

Stock Info

Sector	Real estate
Market Cap (VND billion)	33,947
Current Shares O/S	642,937,069
Avg. Daily Volume (in 20 sessions)	1,295,620
Free float (%)	65%
52 weeks High	56,800
52 weeks Low	27,273
Beta	0.85

	FY2021	Current
EPS	2,001	2,001
EPS Growth (%)	29%	29%
Diluted EPS	2,001	2,001
P/E	20.8	27.3
P/B	2.5	3.3
EV/EBITDA	21.3	23.9
Cash dividend yield (%)	0%	0%
ROE (%)	13.1	13.1

Price performance



Major Shareholders (%)

VinaCapital	11.95%
Dragon Capital	6.84%
Tien Loc Investment Co. Ltd.	11.10%
Foreign ownership room (%)	*16.22%*

Kiet Tran
(084) 028- 6299 2006 – Ext 1536
kiet.tht@vdsc.com.vn

Table 1: 4Q FY2021 Results

(VND bn)	Q4-FY21	Q3-FY21	+/-(qoq)	Q4-FY20	+/-(yoy)
Net revenue	590	1,199	-50.8%	1,291	-54.3%
Gross profit	485	477	1.6%	668	-27.4%
SG&A	-161	-45	254.2%	-183	-12.2%
Operating income	326	406	-19.8%	477	-31.7%
EBITDA	327	434	-24.8%	489	-33.3%
EBIT	324	432	-25.0%	485	-33.2%
Financial expenses	-5	-27	-79.8%	-18	-69.1%
- Interest Expenses	-	-	N/A	-	N/A
Dep. and amortization	3	3	6.6%	5	-43.4%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	533	401	33.0%	460	15.8%
PAT	415	317	30.9%	383	8.2%
(*) Adjusted PAT	415	317	30.9%	383	8.2%

Source: KDH, RongViet Securities

Table 2: 4Q FY2021 Performance Analysis

Particulars	Q4-FY21	Q3-FY21	+/-(qoq)	Q4-FY20	+/-(yoy)
Profitability Ratios (%)					
Gross Margin	82%	40%	42.4%	52%	3,040 bps
EBITDA Margin	55%	36%	19.2%	38%	1,750 bps
EBIT Margin	55%	36%	18.9%	38%	1,740 bps
Net Margin	70%	26%	43.9%	30%	4,060 bps
Adjusted Net Margin	70%	26%	43.9%	30%	4,060 bps
Turnover *(x)					
-Inventories	0.1	0.4	-35%	0.3	-29%
-Receivables	0.6	1.3	-69%	1.5	-86%
-Payables	0.3	1.3	-107%	0.6	-36%
Leverage (%)					
Total Debt/ Equity	40%	48%	-800 bps	70%	-3,000 bps

Source: KDH, (*) Annualized turnover

Update

The delivery of Lovera Vista and one-off gain supported the business results

In 2021, KDH recorded revenue of VND 3,738 bn (-18% YoY) and the NPAT of the parent company reached VND 1,202 bn (+4% YoY) (Table 3). This result was mainly attributed by the delivery of 1,412 units of three projects including Safira (234 units), Verosa Park (31 units), Lovera Vista (1,147 units). The gross profit margin improved backed by better unit mix: fewer handover of low-margin Safira units (c. 234 units vs 1,348 units in 2020) and major contribution of better-gross-margin Lovera Vista units (Figure 1).

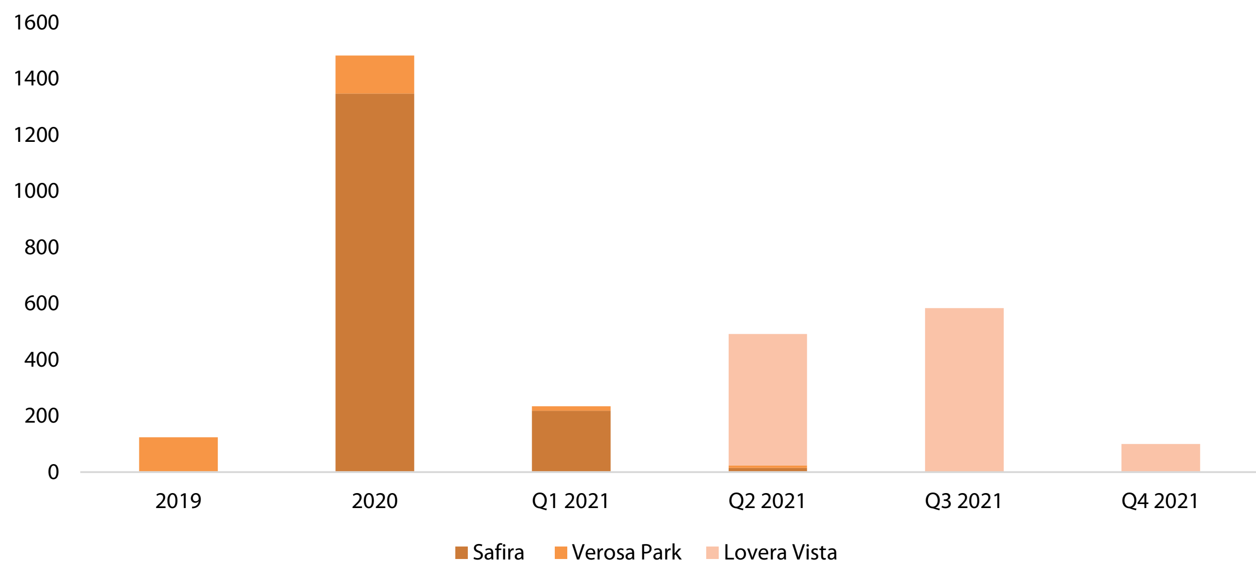
Noticeably, KDH recorded one-off gain of VND 184 Bn when they completed the purchase of 99.9% shares of Nguyen Thu Real Estate Development JSC (charter capital of VND 400 Bn). It helped the business to meet the NPAT target of VND 1,200 Bn.

Table 3: Results in FY2021.

Unit: VND Bn	2021	2020	YoY
Net revenue	**3,738**	**4,532**	**-18%**
Gross profit	**1,792**	**1,963**	**-9%**
Gross profit margin	***48%***	***43%***	
SG&A	-384	-416	-8%
EBIT	1,408	1,547	-9%
Other profit/loss	184	-39	
PBT	1,540	1,458	6%
NPAT - MI	**1,202**	**1,153**	**4%**

Source: KDH

Figure 1: Handed-over units by project during 2019 – 2021



Source: KDH

2022: We expect KDH to achieve 18% NPAT growth in 2022F supported by Classia and Clarita projects.

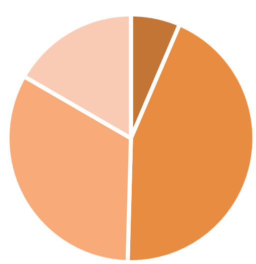
We continuously expect the handover of two villa and townhouse projects – Classia and Clarita would help KDH to expand gross margin. However, we revise down our NPAT-MI to VND 1,415 bn (+18% YoY) versus previous forecast with NPAT of VND 1,576 Bn (or USD 69 Mn) by factoring (1) the slower-than-expected launch of Le Minh Xuan (expanded) from Q3 2022 to 2023 and (2) Lower ASP of Classia from VND 160 Mn to VND 150 Mn per management. In 2022, we expect that the handover of two villa and townhouse projects – Classia and Clarita will significantly improve KDH's profit margin to 59% compared to 48% in 2021. Specifically, revenue of Classia is going to be VND 2,756 Bn (deliver 158/176 units) and Clarita (handover of 32/159 units) will be VND 927 Bn with a gross profit margin of 59% and 64%, respectively.

2023-2024: Net profit during 2023F/2024F is expected to grow at 24%/14% YoY, supported by adding 11A and Le Minh Xuan (expanded) in 2023 and Binh Tan Apartment in 2024.

In 2023, the recognition at the 11A (low-rise), Classia, Clarita and Le Minh Xuan projects will help the company reach revenue of VND 4,742 bn (or USD 206 Mn, +26% YoY) and NPAT-MI of VND 1,754 bn (or USD 76 Mn, +24% YoY). The key highlight would be from recognition of remaining units of Classia and Clarita projects with estimated revenue of VND 306 Bn and VND 2,085 Bn, respectively. In addition, the low-rise units of 11A would be added up to 2023 results of estimated revenue of VND 1,560 Bn given its expected launch in 2H 2022 as KDH finished the land clearance in low-rise areas per management. For Le Minh Xuan Industrial Park (expanded), KDH obtained important permits such as the investment certificate of Ho Chi Minh City People's Committee (September 2020), 1/500 and land use right certificates. We revise our forecast that KDH would be able to lease land in Le Minh Xuan Industrial Park (expanded) from 2023 when KDH is finding partner to co-develop the project. We maintain our assumption for leasing rate of USD 264/m^2 as we assume the growth rate of 10% for 2022 from the average level of around USD 240/m2 as of Q3 2021 (CBRE) given the limited landbanks for industrial parks in HCMC.

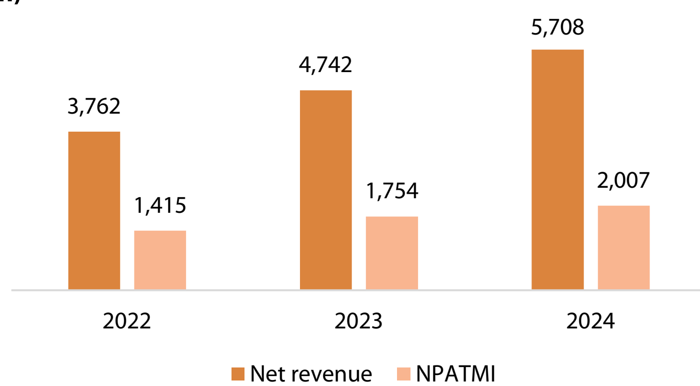
In 2024, we forecast revenue/NPAT-MI of VND 5,708 bn (+20% YoY)/VND 2,007 Bn (+14% YoY) by factoring the contribution of Binh Tan Apartment (estimated revenue of VND 1,255 Bn in 2024) given the expected launch in 2022 along with remaining units at Clarita, 11A and Le Minh Xuan (expanded). From our site visit, KDH is working on foundation and it would be feasible for the company to launch the project in 2022. Moreover, the project is located in crowded area nearby District 8 and Aeon Binh Tan, so we fairly believe our assumed ASP of VND 60 Mn/m2.

Figure 2: Revenue breakdown by project in 2023 (VND Bn)



Source: Rong Viet Securities

Figure 3: Net revenue and NPAT-MI during 2022-2024 (VND Bn)



Source: Rong Viet Securities

Table 4: Status of key projects

Project	Total area (ha)	Location	Status
11A	16.5	Binh Chanh	Ready to launch sales in 2H 2022. Finished land clearance in low-rise areas.
Tan Tao	330	Binh Tan	Obtained 1/500 certificate. Company is still working on land clearance.
Le Minh Xuan IPs (expanded)	109.9	Binh Chanh	Obtained 1/500 certificate, expect to open for lease in 2023. KDH is currently finding partner to co-develop the project.
Lovera Vista	1.8	Binh Chanh	Completed sale process and start to deliver units from May 2021 and finished all the units delivery in 2021.
Classia	4.3	Thu Duc City	Obtained LURs and 1/500 certificate. Finished foundation construction and expect to launch sale in Q3 2022 (previously at Q4 2021).
Clarita	5.8	Thu Duc City	Obtained 1/500 certificate, working on foundation construction and will launch after the Classia project.
Binh Tan Apartment	1.8	Binh Tan	Working on legal procedures, ready to sell at 2022 with 1,000 units.
Doan Nguyen	6.0	Thu Duc City	KDH acquired from CapitaLand and will own 60% stake on the project. KDH expects to launch the project after Classia and Clarita project.
Nguyen Thu	Not yet disclosed	Thu Duc City	KDH consolidated the project in financial statement from Q4 2021 and expect to launch the project after Classia and Clarita project.

Source: KDH

Valuation

We revise up our RNAV for KDH stock by factoring Doan Nguyen project (6 ha – Cat Lai, District 2 – Thu Duc City). We use market value to estimate the current value of this project by applying the annual growth rate of 20% YoY (land price appreciation in District 2 during 2018-2022 on average) from the transaction value of this project in 2018 (CapitaLand fully acquired Doan Nguyen in 2018 with value of VND 1,380 Bn) and multiply with KDH stake (c. 60% ownership in Doan Nguyen and the deal would be finished in end of Q1 2022 per management). Consequently, we come up with estimated value of VND 1,717 Bn for Doan Nguyen project. For Nguyen Thu project, the project size is not yet disclosed by management, so we use book value of the project at VND 730 Bn (disclosed in 2021 KDH's financial report).

Using RNAV, we use WACC of 10.2% for projects that are likely to be launched in 2022-2023 and increase WACC for 11A project (c.12.2%) since this project does not have detailed information. Overall, we estimate KDH's fair value at **VND 59,200** per share, implying an upside of **+12%** compared to closed price as of **31st March 2022**. We recommend to **ACCUMULATE** the stock.

Table 5: Valuation summary

Projects	Method	NPV
Classia	DCF	1,538
Clarita	DCF	2,524
Binh Tan Apartment	DCF	1,352
Project 11A	DCF	3,023
Phong Phu 2	MV	4,552
Tan Tao	MV	20,196
Le Minh Xuan (expanded)	DCF	2,323
Doan Nguyen	MV	1,717
Nguyen Thu	BV	730
Others (after minus Nguyen Thu)	BV	1,206
Total		**39,162**
(+) Net cash & ST Investment		1,435
(-) Debts		2,552
Net asset value		**38,044**
Total outstanding shares (Mn)		642.9
1Y Target price		**59,200**

Source: Rong Viet Securities

VND billion

INCOME STATEMENT	FY2020	FY2021	FY2022F	FY2023F
Revenue	**4,532**	**3,738**	**3,762**	**4,742**
COGS	-2,568	-1,945	-1,555	-2,065
Gross profit	**1,964**	**1,792**	**2,207**	**2,676**
Selling Expense	-247	-201	-204	-193
G&A Expense	-169	-183	-180	-227
Finance Income	35	20	33	49
Finance Expense	-85	-72	-85	-110
Other profits	-39	184	0	0
PBT	**1,458**	**1,540**	**1,772**	**2,195**
Prov. of Tax	-304	-335	-354	-439
Minority's Interest	2	2	2	2
PAT to Equity S/H	**1,153**	**1,202**	**1,415**	**1,754**
EBIT	1,547	1,408	1,824	2,257
EBITDA	1,558	1,421	1,836	2,372

%

FINANCIAL RATIO	FY2020	FY2021	FY2022F	FY2023F
Growth (%)				
Revenue	61%	-18%	1%	26%
Operating Income	26%	-9%	29%	29%
EBITDA	27%	-9%	29%	24%
PAT	26%	4%	18%	24%
Total Assets	6%	3%	19%	45%
Equity	7%	25%	13%	14%
Profitability (%)	43%	48%	59%	56%
Gross margin	34%	38%	49%	50%
EBITDA margin	34%	38%	48%	48%
EBIT margin	25%	32%	38%	37%
Net margin	9%	9%	9%	8%
ROA	16%	11%	13%	15%
ROE				
Efficiency	1.3	1.0	1.0	1.1
Receivable Turnover	0.4	0.3	0.2	0.2
Inventory Turnover	2.4	1.9	7.3	8.5
Payable Turnover				
Liquidity	3.1	6.6	4.9	2.4
Current	1.3	2.8	1.5	0.8
Finance Structure (%)				
Total Debt/Equity	23%	25%	29%	21%
Current Debt/Equity	10%	6%	12%	12%
Long-term Debt/Equity	13%	19%	17%	10%

VND billion

BALANCE SHEET	FY2020	FY2021	FY2022F	FY2023F
Cash and cash equivalents	1,836	1,365	1,488	2,711
Short-term investments	0	69	0	0
Accounts receivable	3,529	4,182	3,508	4,891
Inventories	7,338	7,748	10,663	15,753
Other current assets	319	35	340	429
Property, plant & equipment	802	849	1,017	902
Acquired intangible assets	0	0	0	0
Long-term investments	14	14	14	14
Other non-current assets	96	86	86	86
Total assets	**13,934**	**14,349**	**17,117**	**24,786**
Accounts payable	2,958	805	2,645	9,046
Short-term borrowings	787	648	1,341	1,541
Long-term borrowings	1,058	1,905	1,996	1,279
Other non-current liabilities	510	159	159	159
Bonus and Welfare fund	47	30	129	251
Technology-science, dev. fund	0	0	0	0
Total liabilities	**5,776**	**4,128**	**5,538**	**11,574**
Common stock and APIC	6,531	7,607	7,649	7,649
Treasury stock (enter as -)	-419	0	0	0
Retained earnings	1,836	2,342	3,587	5,131
Other comprehensive income	0	0	0	0
Inv. and Dev. Fund	179	237	308	395
Total equity	**8,127**	**10,186**	**11,544**	**13,175**
Minority Interest	**31**	**35**	**35**	**37**

VALUATION RATIO	FY2020	FY2021	FY2022F	FY2023F
EPS (dong)	2,060	2,001	2,356	2,919
P/E (x)	19.7	20.8	17.7	14.3
BV (dong)	16,570	18,723	21,109	24,022
P/B (x)	2.8	2.5	2.2	1.9
DPS (dong/cp)	262	-	-	-
Dividend yield (%)	1.9	-	-	-

VALUATION MODEL	Price	Weight	Average
RNAV	59,200	100%	59,200

Target price (VND/share) **59,200**

VALUATION HISTORY	Price	Recommendation	Period
08/10/2021	43,400	NEUTRAL	MID TERM
28/12/2021	56,000	ACCUMULATE	MID TERM

RESULT UPDATE

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report. we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information. investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

ABOUT US

RongViet Securities Corporation (RongViet) was established in 2007. licensed to perform the complete range of securities services including brokerage. financial investment. underwriting. financial and investment advisory and securities depository. RongViet now has an operating network that spreads across the country. Our major shareholders. also our strategic partners. are reputable institutions. i.e Eximbank. Viet Dragon Fund Management. etc... Along with a team of the professional and dynamic staffs. RongViet has the man power as well as the financial capacity to bring our clients the most suitable and efficient products and services. Especially. RongViet was one of the very first securities firms to pay the adequate attention to the development of a team of analysts and the provision of useful research report to investors.

The **Analysis and Investment Advisory Department** of RongViet Securities provides research reports on the macro-economy. securities market and investment strategy along with industry and company reports and daily and weekly market reviews.

ANALYSIS & INVESTMENT ADVISORY DEPARTMENT

Lam Nguyen
Head of Research
lam.ntp@vdsc.com.vn
+ 84 28 6299 2006 (1313)

Vu Tran
Senior Manager
vu.thx@vdsc.com.vn
+ 84 28 6299 2006 (1512)
- O&G
- Fertilizer

Tam Pham
Manager
tam.ptt@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Bank
- Insurance

Tung Do
Manager
tung.dt@vdsc.com.vn
+ 84 28 6299 2006 (1521)
- Retails
- Aviation
- Logistics
- Market Strategy

Kiet Tran
Analyst
kiet.tht@vdsc.com.vn
+ 84 28 6299 2006 (1528)
- Real Estate
- Market Strategy

Bernard Lapointe
Senior Consultant
bernard.lapointe@vdsc.com.vn
+ 84 28 6299 2006

Tu Pham
Analyst
tu.pm@vdsc.com.vn
+ 84 28 6299 2006 (1536)
- Building Materials
- Pharmaceutical

Thanh Nguyen
Analyst
thanh.nn@vdsc.com.vn
+ 84 28 6299 2006 (1535)
- Bank
- Insurance
- Securities

Thao Nguyen
Analyst
thao.nn@vdsc.com.vn
+ 84 28 6299 2006 (1524)
- Utilities
- Sea ports
- Logistics

Thang Hoang
Analyst
thang.hm@vdsc.com.vn
+ 84 28 6288 2006 (1319)
- Real Estate

Ha My Tran
Senior Consultant
my.tth@vdsc.com.vn
+ 84 28 6299 2006
- Macroeconomics

Loan Nguyen
Analyst
loan.nh@vdsc.com.vn
+ 84 28 6299 2006 (1531)
- Textile
- Fishery
- F&B

Ha Tran
Assistant
ha.ttn@vdsc.com.vn
+ 84 28 6299 2006 (1526)

Trang Tran
Assistant
trang.tnt@vdsc.com.vn
+ 84 28 6299 2006 (1522)

DISCLAIMERS

This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimations and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Viet Dragon Securities Corp. ("VDSC"), a company authorized to engage in securities activities in Vietnam. VDSC is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither VDSC nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

VDSC may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of VDSC.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by VDSC with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior.

RESEARCH DISCLOSURES

Third Party Research

This is third party research. It was prepared by Rong Viet Securities Corporation (Rong Viet), with headquarters in Ho Chi Minh City, Vietnam. Rong Viet is authorized to engage in securities activities according to its domestic legislation. This research is not a product of Tellimer Markets, Inc., a U.S. registered broker-dealer. Rong Viet has sole control over the contents of this research report. Tellimer Markets, Inc. does not exercise any control over the contents of, or the views expressed in, research reports prepared by Rong Viet.

Rong Viet is not registered as a broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" and other "U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Tellimer Markets, Inc., located at 575 Fifth Avenue, 27th Floor, New York, NY 10017. A representative of Tellimer Markets, Inc. is contactable on +1 (212) 551 3480. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Rong Viet. Tellimer Markets, Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

None of the materials provided in this report may be used, reproduced, or transmitted, in any form or by any means, electronic or mechanical, including recording or the use of any information storage and retrieval system, without written permission from.

Rong Viet is the employer of the research analyst(s) responsible for the content of this report and research analysts preparing this report are resident outside the U.S. and are not associated persons of any U.S. regulated broker-dealer. The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Tellimer Markets, Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Tellimer Markets, Inc. or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, and does not expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Tellimer Markets, Inc. has never owned any class of equity securities of the subject company. There are no other actual, or potential, material conflicts of interest of Tellimer Markets, Inc. at the time of the publication of this report. As of the publication of this report, Tellimer Markets, Inc. does not make a market in the subject securities.

About Tellimer

Tellimer is a registered trade mark of Exotix Partners LLP. Exotix Partners LLP and its subsidiaries ("Tellimer") provide specialist investment banking services to trading professionals in the wholesale markets. Tellimer draws together liquidity and matches buyers and sellers so that deals can be executed by its customers. Tellimer may at any time, hold a trading position in the securities and financial instruments discussed in this report. Tellimer has procedures in place to identify and manage any potential conflicts of interests that arise in connection with its research. A copy of Tellimer's conflict of interest policy is available at www.tellimer.com/regulatory-information.

Distribution

This report is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Tellimer. Tellimer shall accept no liability whatsoever for the actions of third parties in this respect. This report is for distribution only under such circumstances as may be permitted by applicable law.

This report may not be used to create any financial instruments or products or any indices. Neither Tellimer, nor its members, directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of all or any part of the information herein.

United Kingdom: Distributed by Exotix Partners LLP only to Eligible Counterparties or Professional Clients (as defined in the FCA Handbook). The information herein does not apply to, and should not be relied upon by, Retail Clients (as defined in the FCA Handbook); neither the FCA's protection rules nor compensation scheme may be applied.

UAE: Distributed in the Dubai International Financial Centre by Exotix Partners LLP (Dubai) which is regulated by the Dubai Financial Services Authority ("DFSA"). Material is intended only for persons who meet the criteria for Professional Clients under the Rules of the DFSA and no other person should act upon it.

Other distribution: The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction.

Disclaimers

Tellimer and/or its members, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. Tellimer may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups of Tellimer.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Frontier and Emerging Market laws and regulations governing investments in securities markets may not be sufficiently developed or may be subject to inconsistent or arbitrary interpretation or application. Frontier and Emerging Market securities are often not issued in physical form and registration of ownership may not be subject to a centralised system. Registration of ownership of certain types of securities may not be subject to standardised procedures and may even be effected on an ad hoc basis. The value of investments in Frontier and Emerging Market securities may also be affected by fluctuations in available currency rates and exchange control regulations. Not all of these or other risks associated with the relevant company, market or instrument which are the subject matter of the report are necessarily considered.