LOC TROI GROUP JSC (UpCOM: LTG)

Restructuring initially brought positive signals

(VND bn)	*4Q-FY20*	*3Q-FY20*	*+/- qoq*	*4Q-FY19*	*+/- YoY*
Net revenue	3,534	1,772	99%	1,991	77%
PAT	164	91	81%	42	286%
EBIT	276	155	78%	107	158%
EBIT margin	7.8%	8.8%	-93bps	5.4%	244bps

Source: LTG, Rong Viet Securities

4Q2020: The pesticide and rice segment helped profits to grow

- 4Q revenue was VND 3,534 bn (+77% yoy) due to a 65% yoy increase in pesticide revenue (to VND 2,028 bn) as demand for agricultural materials recovered and rice revenue increased by 174% yoy (to VND 1,203 bn) because of increased sales to export companies. GPM remained at 20.1% and gross profit was VND 712 bn (+86% yoy).
- In 2020, revenue decreased by 9.7% yoy (to 7.506 bn VND) due to the negative effects of weather and Covid-19 on agricultural materials demand in 1H2020. GPM increased from 20.5% to 22.1% and gross profit was VND 1,660 bn (-2.4% yoy). Better management of working capital reduced interest expenses by 45% yoy (to VND 90 bn). Also, selling expenses were reduced, helping to increase PAT by 10.3% yoy, to VND 369 bn.

2021 Outlook: Favorable weather should help agriculture to grow

- Favorable weather and expansion of sales through agricultural service channels have helped LTG's business improve since 4Q2020. We expect this trend to continue in 2021. LTG's core businesses, especially the pesticide and rice segments, will recover better than previously forecasted.
- We revise our pesticide revenue up by 35% to VND 4,832 bn (+10.5% yoy). At the same time, the agricultural services segment is a new distribution channel, also contributing to boost revenue of the pesticide segment. We revise rice revenue up by 33% to VND 2,415 bn (+13.7% yoy) as LTG expands its distribution channels by selling to export companies.
- Total revenue will increase by 11% YoY to VND 8,352 bn.
- Selling and G&A expenses will increase slightly. Estimated net profit margin will improve by 21 bps, helping NPAT to increase by 16% yoy, to VND 425 bn.

Valuation and recommendation

Favorable weather will help increase the demand for agricultural materials. Also, farmers' habit of using pesticides is difficult to change, so the segment will continue to contribute stably to earnigns in the coming years. In the rice segment, sales expansion with exporting companies will help improve revenue and profit. Currently, the working capital management has been improved, helping to save interest expenses and improve profit quality.

*Due to the improvements in working capital management and better recovery of agricultural materials demand during La-Nina period, we revise up revenue and NPAT in 2021 VND to 8,352 bn and VND 425 bn, both up by 25% compared to previous forecasts. The target price of LTG is also adjusted up from VND 29,000/share to **VND 40,200/share**. Combined with the cash dividend, the total expected return is **16%** compared to the closing price on March 16th, 2021. We recommend to **ACCUMULATE** this stock.*

ACCUMULATE +16%

Target price (VND)	40,200
Current market price (VND)	36,100
Cash Dividend (VND)*	1,500

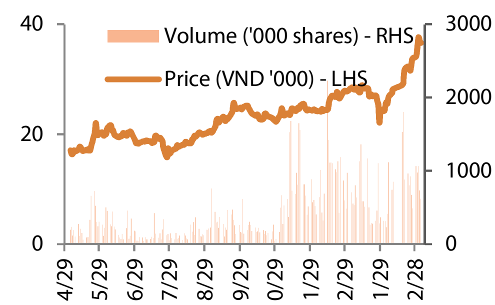
(*) Expected in the next 12 months

Stock Info

Sector	Specialty chemicals
Market Cap (VND billion)	2,998
Current Shares O/S	80,593,340
Avg. Daily Volume (in 20 sessions)	821,971
Free float (%)	35
52 weeks High	37,600
52 weeks Low	12,350
Beta	1.13

	FY2019	Current
EPS	3,516	4,540
EPS Growth (%)	-19	29
Diluted EPS	3,516	4,540
P/E	5.6	8.2
P/B	0.6	1.1
EV/EBITDA	4.3	5.7
Cash dividend yield (%)	7.6	5.4
ROE (%)	13	13

Price performance



Major Shareholders (%)

Marina Viet Pte. Ltd	25.2
People's Committee of An Giang	24.2
AUGUSTA Viet Pte.Ltd	5.7
Foreign ownership room (%)	10

Hoang Bui

(084) 028- 6299 2006 – Ext 1514

hoang.bh@vdsc.com.vn

Exhibit 1: 4Q2020 Results

(VND Bn)	4Q-FY20	3Q-FY20	+/-(qoq)	4Q-FY19	+/-(yoy)
Net revenue	3,534	1,772	99.4%	1,991	77.5%
Gross profit	711	373	90.8%	381	86.3%
SG&A	434	217	99.8%	274	58.3%
Operating income	276	155	78.1%	107	158.0%
EBITDA	319	192	66.0%	153	107.7%
EBIT	276	155	78.1%	107	158.0%
Financial expenses	69	48	43.5%	48	41.6%
- Interest Expenses	*22*	*21*	*5.5%*	*28*	*-20.8%*
Dep. and amortization	43	37	15.1%	46	-8.2%
Non-recurring items (*)					
Extraordinary items (*)					
PBT	212	117	81.3%	75	183.7%
PAT	164	91	80.8%	42	286.1%
(*) Adjusted PAT	164	91	80.8%	42	286.1%

Source: LTG, Rong Viet Securities

Exhibit 2: 4Q2020 Performance Analysis

Particulars	4Q-FY20	3Q-FY20	+/-(qoq)	4Q-FY19	+/-(yoy)
Profitability Ratios (%)					
Gross Margin	20.1%	21.0%	-91bps	19.2%	95bps
EBITDA Margin	9.0%	10.8%	-182bps	7.7%	131bps
EBIT Margin	7.8%	8.8%	-93bps	5.4%	244bps
Net Margin	4.6%	5.1%	-48bps	2.1%	251bps
Adjusted Net Margin	4.6%	5.1%	-48bps	2.1%	251bps
Turnover *(x)					
-Inventories	4	2	2.2	3	1.6
-Receivables	9.7	7.5	2.2	3.7	6.0
-Payables	7	5	2.0	4	3.4
Leverage (%)					
Total Debt/ Equity	143.2%	128.4%	1,481bps	147.5%	-432bps

Source: LTG, Rong Viet Securities

Exhibit 3: 1Q2021 Performance Forecast

Particulars (VND Bn)	1Q-FY21	+/- qoq	+/- YoY
Revenue	878	-75%	20%
Gross profit	192	-73%	8%
EBIT	24	-91%	87%
NPAT	4	-97%	+VND 41bn

Source: Rong Viet Securities

Explanation of 1Q forecasts

+ Pesticides: revenue and gross profit will be VND 423 billion (+30% yoy) and VND 131 billion (+18% yoy), respectively.

+ Rice: revenue and gross profit will be VND 230 billion (+14% yoy) and VND 7 billion (+45% yoy), respectively.

+ Seeds: revenue and gross profit will be VND 124 billion (+7% yoy) and VND 30 billion (+27% yoy), respectively.

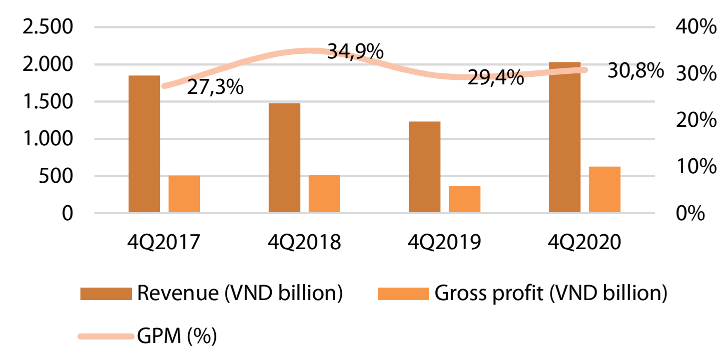
Update

Revenue in 2020 decreased by 9.7% yoy, to VND 7,506 billion due to the negative effects of weather and Covid-19 on the agricultural materials industry in 1H2020. GPM increased from 20.5% to 22.1% thanks to the improvement in pesticides (suppliers supported prices) and rice (new way of exporting rice helped to avoid price pressure). Gross profit reached VND 1,660 billion, down by 2.4% yoy. Better working capital management reduced interest expenses by 45% yoy to only VND 90 billion. At the same time, selling expenses also decreased by 8.6% yoy (to VND 672 billion), helping to increase PAT by 10.3% yoy, to VND 369 billion.

Pesticides: strong growth due to high demand

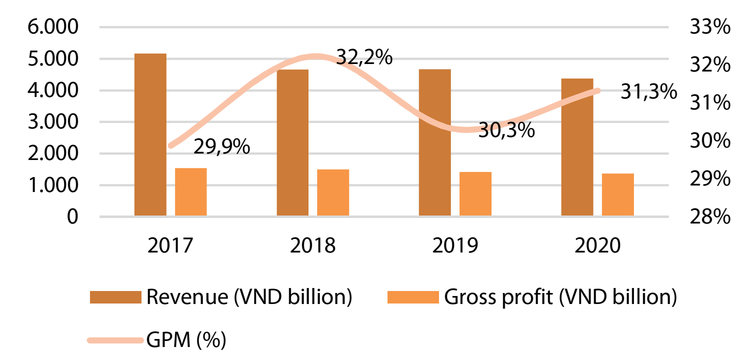
In 4Q2020, net revenue is estimated at VND 2,028 billion, increasing by 65% yoy due to (1) low business results in 4Q2019; (2) salinity decreased helping to improve productivity and (3) agricultural prices increased, encouraging farmers to spend more on agricultural materials. In addition, the company also expanded its sale channels in the agricultural services segment (estimated to contribute about VND 30-50 billion in total of VND 2,028 billion) as this new segment has been operated from 3Q2020. Specifically, LTG will provide inputs (mainly agricultural materials), farming support, technology and output (syndicating or helping at looking for buyers) to associated cooperatives. GPM improved from 29.4% to 30.8%. Gross profit reached VND 625 billion (+73% yoy).

Figure 1: Pesticide results in 4Q



Source: LTG, Rong Viet Securities

Figure 2: Pesticide results by calendar year



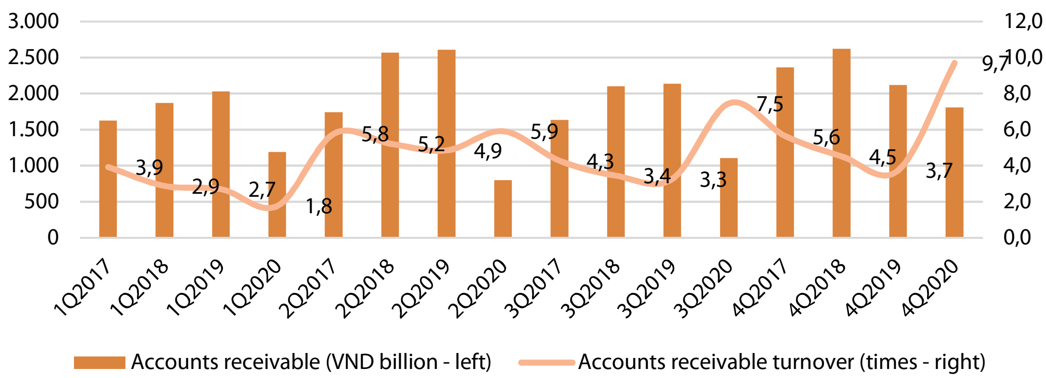
Source: LTG, Rong Viet Securities

In 2020, the pesticide segment recorded VND 4,372 billion in revenue (-6.2% yoy) and VND 1,370 billion in gross profit (-3.1% yoy). The results declined due to the negative impact of Covid-19 and salinity on demand for agricultural materials in 1H2020. In contrast, GPM improved from 30.3% to 31.3% due to the price support from suppliers such as Syngenta and Bayer.

Accounts receivable management has improved

LTG has cleaned its distribution system in the last two years, reducing the number of level-1 agents from 1,300 to over 400. In addition, it continues to increase the rate of payment discount/revenue (discount payment in 4Q2020 was VND 46 billion, +155% yoy) to encourage distribution agents to pay early. As a result, the scale of accounts receivable has continuously decreased yoy since 4Q2018, and currently stood at VND 1,809 billion (-14.6% yoy). At the same time, accounts receivable turnover has increased for three consecutive quarters, proving that LTG has managed accounts receivable better.

Figure 3: Accounts receivable



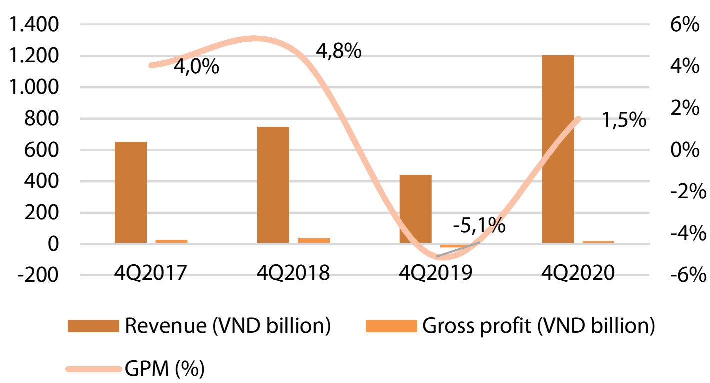
Source: LTG, Rong Viet Securities

Rice: revenue increased due to sales channel expansion

In 4Q2020, revenue is estimated at VND 1,203 billion, up by 174% yoy as the company boosted sales to rice exporting companies. Selling prices to exporters are lower than normal prices, causing the GPM to drop to 1.5%, lower than the 9M2020 average (3.8%) but still higher than 4Q2019's negative GPM. 4Q2019 rice export margin was negative because the company could not export rice to China as expected, so it was forced to sell to other markets at low prices to avoid expired rice. Gross profit in 4Q2020 reached VND 18 billion (+ VND 40 billion yoy).

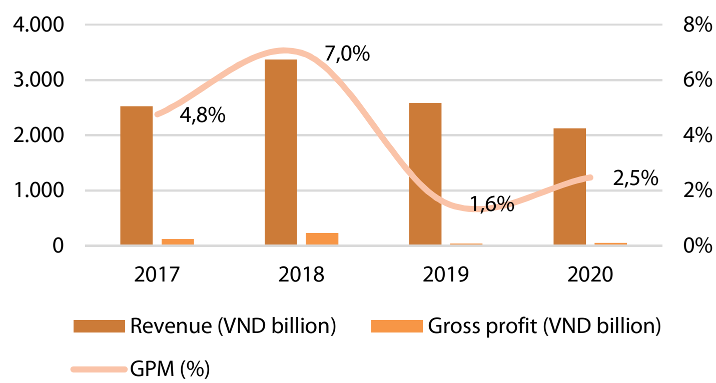
In 2020, rice revenue was VND 2,124 billion, decreasing by 17.7% yoy. The drop mainly came from the export channel due to a change in LTG rice export process, leading to a delay in exporting tp partners such as China and Philippines. The company needed time to get used to it. GPM increased from 1.6% to 2.5% due to a better GPM of exported rice, gross profit reached VND 53 billion (+31.6% yoy).

Figure 4: Rice results in 4Q



Source: LTG, Rong Viet Securities

Figure 5: Rice results yearly

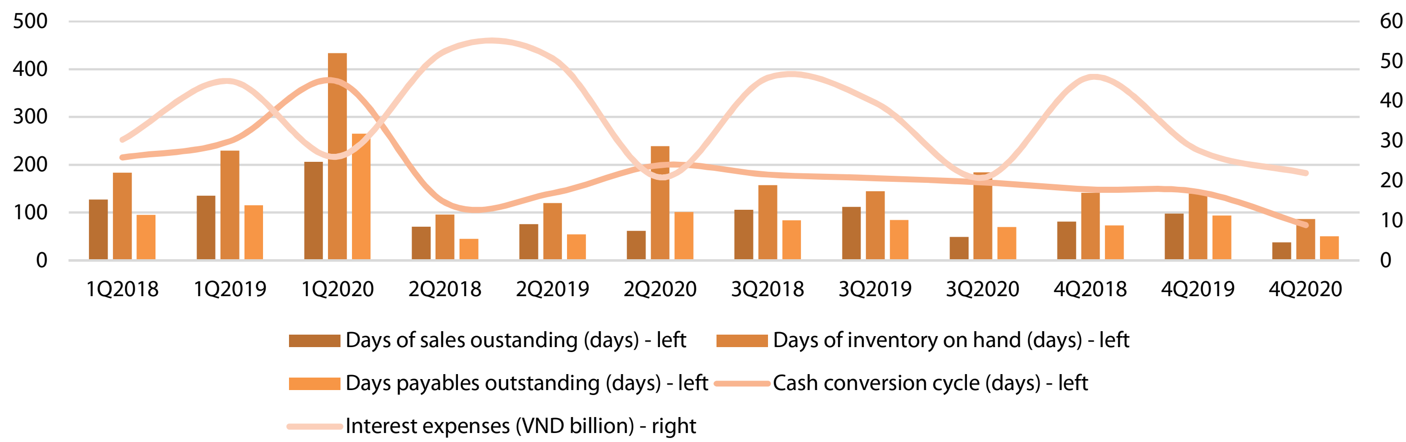


Source: LTG, Rong Viet Securities

Seed segment did not grow: the cultivated area of Winter-Spring crop in the Mekong Delta was only 1.5 million hectares, down by 2% yoy, leading to a slight decrease in LTG's seed demand. 4Q revenue is estimated at VND 230 billion (-2.2% yoy). GPM did not change much at 20.9%. Gross profit reached VND 48 billion (-1.5% yoy).

Improved cash flow reduced interest expenses: working capital management improved as the number of collection days has decreased in the last three quarters and inventory days decreased sharply in 4Q2020. Therefore, cash conversion cycle in 2020 decreased by 12.9% yoy to 133.1 days, helping to reduce the burden on short-term loans. As a result, interest expenses declined to VND 90 billion (-45% yoy).

Figure 6: Working capital and interest expenses



Source: LTG, Rong Viet Securities

2021 Outlook: Favorable weather will help the agriculture sector

Revenue and NPAT in 2021 are forecasted at VND 8,352 billion (+11.3% yoy) and VND 425 billion (+16.1% yoy), respectively, in which:

- Pesticides: net revenue is forecasted at VND 4,832 billion (+10.5% yoy), GPM is around 31% and gross profit will reach VND 1,503 billion (+9.6% yoy). Our assumptions are: (1) the El-nino passed, so the salinity will not be too negative as in the 1H2020. Thus, it is expected that the weather will be better, ensuring the quality of agricultural products. When the quality of agricultural products is assured and the selling price is better (thanks to no longer restrictions on trading with China as in 1Q2020), farmers will be encouraged to spend more on agricultural materials. (2) because of the new segment - agricultural services, the CPC revenue coming from associated cooperatives (with an area of 70,000 ha) is about VND 124 billion, equivalent to 2.6% of this segment revenue.
- Rice: net revenue is forecasted at VND 2,415 billion (+13.7% yoy), GPM will increase slightly to 3%, helping gross profit increase more than 34% yoy to VND 73 billion. Our assumptions are: export activities will recover, plus the expansion of distribution channels by expanding sales to export companies. This improves (1) revenue, profit and (2) shorten days of inventory on hand and improve cash flow.
- Selling and G&A expenses are estimated to increase slightly by 9% yoy and 3.6% yoy, respectively. Net profit margin accordingly improved to approximately 5.1%.

	Net revenue (VND billion)	Change YoY (%)	GPM (%)	Change YoY
Pesticide	4,832	+10.5	31.1	-30bps
Rice	2,415	+13.7	3.0	+50bps
Seed	768	+7.2	24	+10bps
Total	**8,352**	**+11.3**	**22.0**	**-10bps**

Valuation

Using the combination of P/E and FCFF methods with 50% each, we determine the fair value of LTG share at **40,200 VND/share**. Adding the expected cash dividend of VND 1,500/share, **the profitability rate** compared to the closing price on March 16th, 2021 is **16%.**

P/E method: In previous years, the ability to manage working capital (especially accounts receivable) was not good, leading to the dependence on short-term debt, which made LTG's profit quality be not highly valued. Therefore, the company's P/E ratio is always lower than the industry average. However, due to the positive changes in accounts receivable and inventory management, we believe that LTG deserves to be evaluated similarly to its peers. We choose 8.2 - the industry P/E in 2019 is a reasonable P/E for the company. We chose the industry P/E in 2019 because 2019 is the closest time before the pandemic and the market valuation was not as highly changed as in 2020. With a forecasted EPS in 2021 of VND 4,479, the price is 36,750 VND/share.

Table 4: Comparison with other companies

Company	Market value (VND billion)	2019 P/E (x)	2019 EV/EBITDA (x)
ANGIMEX	237	4.8	5.2
TRUNG AN	941	9.8	5.9
TSTCANTHO	76	8.1	5.9
SOUTHERN SEED CORPORATION	595	9.6	8.0
SAIGON PLANT PROTECTION JSC	230	4.7	4.5
VINASEED	1,329	6.2	4.9
VIETNAM FUMIGATION JSC	1,508	9.5	6.3
Average		**8.2**	**5.9**

Source: Bloomberg

FCFF method: we use a WACC of 10.18% and the EV/EBITDA ratio of 5.9 (industry average).

VND Billion

INCOME STATEMENT	FY2019	FY2020	FY2021F	FY2022F
Revenue	8,310	7,506	8,352	8,579
COGS	6,608	5,846	6,514	6,712
Gross profit	1,701	1,660	1,838	1,867
Selling Expense	735	672	732	750
G&A Expense	324	360	373	387
Finance Income	19	23	25	28
Finance Expense	242	216	207	206
Other profits	40	16	10	10
PBT	463	453	562	565
Prov. of Tax	128	84	134	135
Minority's Interest	4	3	3	3
PAT to Equity S/H	331	366	425	427
EBIT	642	628	733	731
EBITDA	797	792	892	896

%

FINANCIAL RATIO	FY2019	FY2020	FY2021F	FY2022F
Growth (%)				
Revenue	-8.0	-9.7	11.3	2.7
EBITDA	-7.8	-0.6	12.6	0.4
EBIT	-10.7	-2.2	16.8	-0.3
PAT	-19.7	10.7	16.1	0.5
Total Assets	-15.3	6.1	0.1	3.1
Equity	4.3	7.8	7.7	6.7
Profitability (%)				
Gross margin	20.5	22.1	22.0	21.8
EBITDA margin	9.6	10.6	10.7	10.4
EBIT margin	7.7	8.4	8.8	8.5
Net margin	4.0	4.9	5.1	5.0
ROA	5.1	5.3	6.1	6.0
ROE	12.7	13.1	14.1	13.3
Efficiency				(times)
Receivable Turnover	3.9	4.1	4.1	4.2
Inventory Turnover	2.7	2.3	2.5	2.5
Payable Turnover	3.6	3.0	3.6	3.4
Liquidity				(times)
Current	1.3	1.3	1.4	1.5
Quick	0.6	0.7	0.7	0.8
Finance Structure (%)				
Total Debt/Equity	75.9	73.4	65.4	55.7
Current Debt/Equity	75.9	73.4	65.3	55.5
Long-term Debt/Equity	0.0	0.0	0.1	0.2

VND Billion

BALANCE SHEET	FY2019	FY2020	FY2021F	FY2022F
Cash and cash equivalents	127	547	398	629
Short-term investments	17	350	183	183
Accounts receivable	2,118	1,809	2,059	2,050
Inventories	2,492	2,501	2,649	2,707
Other current assets	164	155	160	168
Property, plant & equipment	1,135	1,095	961	884
Acquired intangible assets	272	269	310	299
Long-term investments	39	44	44	44
Other non-current assets	163	153	162	178
Total assets	**6,526**	**6,922**	**6,927**	**7,143**
Accounts payable	1,837	1,951	1,797	1,991
Short-term borrowings	1,970	2,055	1,969	1,785
Long-term borrowings	0	0	4	7
Other non-current liabilities	26	19	13	9
Bonus and Welfare fund	67	59	91	97
Technology-science, dev. fund	0	0	0	0
Total liabilities	**3,900**	**4,084**	**3,874**	**3,889**
Common stock and APIC	1,084	1,084	1,084	1,084
Treasury stock (enter as -)	0	0	0	0
Retained earnings	693	912	1,115	1,304
Other comprehensive income	78	77	90	103
Inv. and Dev. Fund	740	726	726	726
Total equity	**2,596**	**2,798**	**3,014**	**3,216**
Minority Interest	**29**	**39**	**39**	**39**

VALUATION RATIO (*)	FY2019	FY2020	FY2021F	FY2022F
EPS (dong)	3,486	3,859	4,479	4,502
P/E (x)	7.8	7.1	8.3	8.2
BV (dong)	32,580	35,214	37,402	39,904
P/B (x)	0.8	0.8	1.0	0.9
DPS (dong/cp)	1,600	1,500	1,800	2,000
Dividend yield (%)	7.6%	5.4%	4.9%	5.4%

VALUATION MODEL	*Price*	*Weight*	*Average*
FCFF	43,650	50%	21,825
PE	36,750	50%	18,375
Target price (VND)			**40,200**

VALUATION HISTORY	*Price*	*Recommendation*	*Period*
2020/12	29,000	Accumulate	Intermediate

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)

Trinh Nguyen
Senior manager
trinh.nh@vdsc.com.vn
+ 84 28 6299 2006 (1551)
- Energy
- Construction

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

Tam Pham
Manager
tam.ptt@vdsc.com.vn
+ 84 28 6299 2006 (1530)
- Textiles
- Fishery
- Fertilizer

Hoang Bui
Analyst
hoang.bh@vdsc.com.vn
+ 84 28 6299 2006 (1514)
- Automobile and spares
- Agriculture
- Industrial Park

Tu Pham
Analyst
tu.pm@vdsc.com.vn
+ 84 28 6299 2006 (1536)
- Steel
- Phamarceutical

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

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

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

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

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

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

Vi Truong
Assistant
vi.ttt@vdsc.com.vn
+ 84 28 6299 2006 (1517)

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.

This research report is copyrighted by Rong Viet Securities. All rights reserved. Therefore, copy, reproduction, republish or redistribution by any person or party for any purpose is strictly prohibited without the written permission of VDSC. Copyright 2021 Viet Dragon Securities Corporation.

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.