Dry Cell & Storage Battery JSC (PAC – HSX)

Valuation Not Attractive

Particulars (VND bn)	Q1-FY17	Q4-FY16	+/- qoq	Q1-FY16	+/- yoy
Net revenue	691.8	603.3	14.7%	542.5	27.5%
PAT	20.8	39.4	-47.2%	21.9	-5.0%
EBIT	32.3	58.5	-44.7%	28.7	12.7%
EBIT margin	4.7%	9.7%	-5.0%	5.3%	-0.6%

Source: PAC, RongViet Research

Positive growth in revenue, thinner profit margin. In Q12017, PAC achieved an impressive growth in sales. Specifically, revenue reached approximately VND780 billion, up 31.2% over the same period. Revenue after sales deduction reached VND691 billion, up 27.5%YoY. The discount rate on revenue was 11.3%, which was still high while the company reduced the discount rate in Q1. Gross margin fell to a low level (~10.8%) as lead prices increased sharply in the beginning of the year. According to the company, in the first quarter, an increase in sales included a part of the last quarter's sales (~VND 100 billion). In addition, PAC's distributors increased their stocks due to the reduction of discount rate. That is the reason why we think positive growth in sales does not accurately reflect the reality of PAC's internal strength. With the decline in selling and administrative expenses, PBT was VND36.8 billion (+22% YoY). However, PAT was only VND20.8 billion, slightly down over the same period due to the effect from the previous year's CIT finalization.

Q22017 & 2017 outlook: Giving the decline of discount rate as well as the falling material prices, we expect PAC's gross margin to improve to 12% in the second quarter. We estimate Q2 net revenue growth at 13% YoY, or equivalent to VND670 billion and PBT could increase by 76% YoY to VND62.3 billion (including the extraordinary profit from the compensation of relocating PAC's factory. In 2H2017, we expect the reversal in lead prices and balanced supply-demand to support the company's business. Estimated revenue is VND2,658 billion (+16% YoY) and PAT is VND137 billion (-27% YoY), EPS forward is 2,682 dong.

Recommendation and Valuation:

PAC share has been rising steadily since the beginning of the year. Compared with the beginning of the year, this stock have increased dramatically (~71%) despite rising raw material prices, lower gross margin and declining earning's outlook this year. We think factors that made stock prices rise rapidly in a short time are outside of the business prospects. There are a chain of supportive news happening simultaneously with the bull run of PAC share: (1) an increase of VND76 billion in 2016's profit, (2) a change in the Board of Directors' structure with tighter control from the company's state-owned shareholder (Vinachem), (3) the continuously net bought from foreign investors.

*Based on 2017 outlook assuming demand for storage battery is positive and world lead prices is stable at USD2,100/ton, we use the DCF and PE methods to valuate PAC's stock at **VND40,600 per share**. However, apart from fundamental factors, Vinachem's divestment and the ambition to control this company of its strategic partner (Furukawa) will significantly impact on the stock's movement. Given that this story will be prolonged, we recommend investors to **MONITOR** this stock. In the short term, the risk of a sharp fall in the share price will be low when considering the motivation to acquire PAC of its strategic partner.*

MONITOR

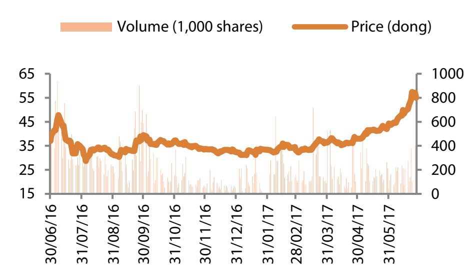
CMP (VND)	55,000
Target Price (VND)	n/a
Investment Period	n/a

Stock Info

Sector	Auto Parts
Market Cap (VND bn)	811
Current Shares O/S	46
Beta	1.1
Free float (%)	89
52 weeks High	57,400
52 weeks Low	28,660
Avg. Daily Volume (in 20 sessions)	58,912

	FY16	Current
EPS	3,721	3,699
EPS Growth	43.1%	39.0%
P/E	8.8	14.9
P/B	2.4	4.5
Cash dividend (on par)	3,721	3,699
ROE	43.1%	39.0%

Price performance



Major Shareholders (%)

Vinachem	51.4
Furukawa	10.5
Foreign Investor Room (%)	17.8

Ha My Tran

(084) 28 - 6299 2006 – Ext 1309

my.tth@vdsc.com.vn

Exhibit 1: 1QFY2017 and YTD Results

Particulars (VND bn)	Q1-FY17	Q4-FY16	*+/- (qoq)*	Q1-FY16	*+/- (yoy)*	YTD	*+/-(yoy)*
Net Revenue	692	603	14.7%	543	27.5%	692	27.5%
Gross profit	75	157	-52.4%	75	-0.3%	75	-0.3%
SG&A	42	99	-57.0%	46	-8.4%	42	-8.4%
Operating Income	32	58	-44.7%	29	12.7%	32	12.7%
EBITDA	50	78	-35.6%	45	10.5%	50	10.5%
EBIT	32	58	-44.7%	29	12.7%	32	12.7%
Financial expense	6	12	-48.0%	6	13.7%	6	13.7%
- Interest Expense	4	4	10.6%	4	17.5%	4	17.5%
Dep. and amortization	18	19	-7.9%	16	6.8%	18	6.8%
Non-recurring Items (*)							
Extraordinary Items (*)							
PBT	37	55	-32.9%	30	21.9%	37	21.9%
PAT	21	39	-47.2%	22	-5.0%	21	-5.0%
(*) Adjusted PAT	21	39	-47.2%	22	-5.0%	21	

Source: PAC, RongViet Research

Exhibit 2: 1QFY2017 performance analysis

Particulars	Q1-FY17	Q4-FY16	*+/- (qoq)*	Q1-FY16	*+/- (yoy)*
Profitability Ratios (%)					
Gross Margin	10.8%	26.0%	-15.2%	13.8%	-3.0%
EBITDA Margin	7.2%	12.9%	-5.6%	8.3%	-1.1%
EBIT Margin	4.7%	9.7%	-5.0%	5.3%	-0.6%
Net Margin	3.0%	6.5%	-3.5%	4.0%	-1.0%
Adjusted Net Margin	3.0%	6.5%	-3.5%	4.0%	-1.0%
Turnover *(x)					
-Inventories	4.4	3.3	1.2	4.4	0.0
-Receivables	24.6	18.9	5.7	16.0	8.6
-Payables	5.3	4.0	1.3	6.3	-1.0
Leverage (%)					
Total Debt/ Equity	192.9%	190.2%	2.7%	141.5%	51.4%

Source: PAC, RongViet Research (*) Annualized turnover

Exhibit 3: 2QFY2017 Forecast

Particulars (VND bn)	Q2-FY17	+/- qoq	+/- yoy
Net Revenue	670	-3.2%	13.0%
Gross profit	80	7.6%	-24.6%
EBIT	33	1.5%	-3.6%
PAT	50	138.0%	76.1%
Adjusted PAT	30	42.6%	5.4%*

*Source: PAC, RongViet Research; *In Q 2/2017, PAC could book an extraordinary gain from the compensation of relocating its factory (~VND25 billion)*

UPDATED INFORMATION

Lead prices fell back after the peak in March. Lead prices fluctuated in 1H2017. In the first quarter, the average lead price reached USD2,259/ton, up about 30% over the same period. In the second quarter, the average world price was USD2,168/ton, down only 4% from the previous quarter and was still 25% above the average price in the same period last year. Lead price as of 27/06/2017 was USD2,255/ton, decreased by 7% compared to the peak in March. According to ILZSG*, lead demand exceeded supply by 68,000 tons during the first 4 months of 2017, in contrast to the oversupply of 28,000 tons in the same period last year. Specifically, the demand recorded a 11.2% increase while production grew only 8.4% YoY. However, a rise in global lead mine production was quite positive, +13% YoY and lead stocks are still higher than the average level in 2006-2017 period, indicating a more balanced market for this metal in the second half of the year. We expect lead prices will maintain stable in the range of USD2,100-2,200/ton. Based on the assumption that world lead prices is at USD2,199/ton, RongViet Research estimates PAC's gross margin at 13.8% in 2017, down 4.83% from the previous year.

** International Lead Zinc Study Group: International Research Organization for Lead and Zinc Metals*

Sales policy and competition. At the beginning of 2017, PAC announced a reduction in the discount rate for its distributors due to the pressure of increasing raw material prices (lead rose 28% YoY while zinc rose 54%YoY in the first half of 2017). The company said that its business faced with difficulties in the second quarter in pushing sales due to the discount rate adjustment. However, because GS – PAC's main competitor - faces the same situation thus we think PAC's strategy to maintain its selling prices while adjust the discount rate will help the company to maintain its market share. Besides, PAC's advantage is the ability to control its distribution system and reduce internal competitiveness. As a result, the company is confidence to compete with GS even there is no much different in the quality of their products.

For long term prospects, we find the company was slower than its main rival in expanding production into the North. At the end of April 2017, GS Vietnam Ltd. started the construction of its third factory in Vinh Phuc province. As planned, this factory will be put into operation in early 2018, which is considered a strategic step to dominate the North market. Meanwhile, PAC has planned to expand its business since 2015 but there is no developments for the project in Bac Ninh province at the moment.

Updates on factories' relocation and the compensation. In the first half of 2017, PAC continued to invest in order to relocate Pin Con O Factory at 752 Hau Giang to the old battery factory in Tan Tao, HCMC. Simultaneously, PAC also moved its storage battery production to the factory in Dong Nai. The company will finish the relocation of its factories by the end of 2018. However, due to legal difficulties, the relocation compensation for the 752 Hau Giang project may be suspended. In Q22017, the company received the remaining compensation from the 445-449 Gia Phu project. We expect the whole compensation from this project will be booked in the second quarter (~VND25 billion).

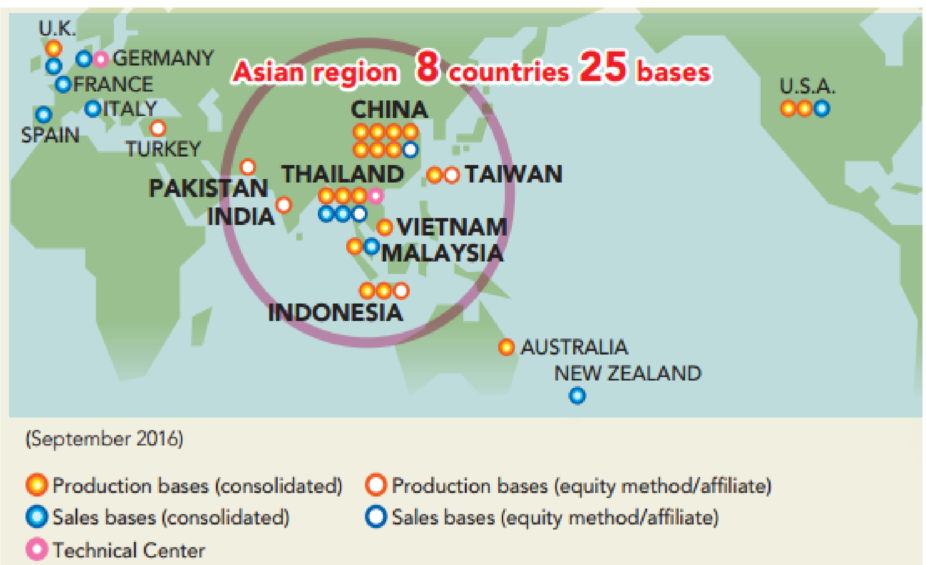
Corporate governance and rumors of a possible acquisition by PAC's strategic partner. At the 2017 AGM, the new BOD for 2017-2022 period was elected with three new members representing Vinachem's stake, one from Furukawa (PAC's strategic partner) and one from the company's management. With this new structure, Mr. Shinichiro Ota – nominated by Furukawa will responsible for the development of Japanese clients in Vietnam and Southeast Asia region. He is also in charge of the sustainable development of the company. Indeed, investors who follow PAC strictly have known about Furukawa since September 2016 when the company purchased more than 10.5% stake of PAC. Since the beginning of the year, internal shareholders and related people have continuously sold PAC shares. At the same time, the ownership of foreign investors increased sharply. Currently, PAC's foreign ownership was 31.2%, up 5.0% compared to the beginning of the year (~2.3 million shares were bought by foreign investors), indicating that PAC's shareholder structure is undergoing a significant shift. We think that Furukawa has a big ambition to control PAC (see Box 1). However, with the strict control from PAC's main shareholder (Vinachem), it is difficult for Furukawa to do the acquisition at the moment. Based on PAC's performance and its growth potential compared to regional peers, we think that Furukawa could accept to buy PAC share in the range of VND54,400-70,300 per share. However, investors should also notice that PAC share is currently trading at a premium over its intrinsic value.

Box 1: Evaluation in the ambition to control PAC from Furukawa

Furukawa's position in the global storage battery industry

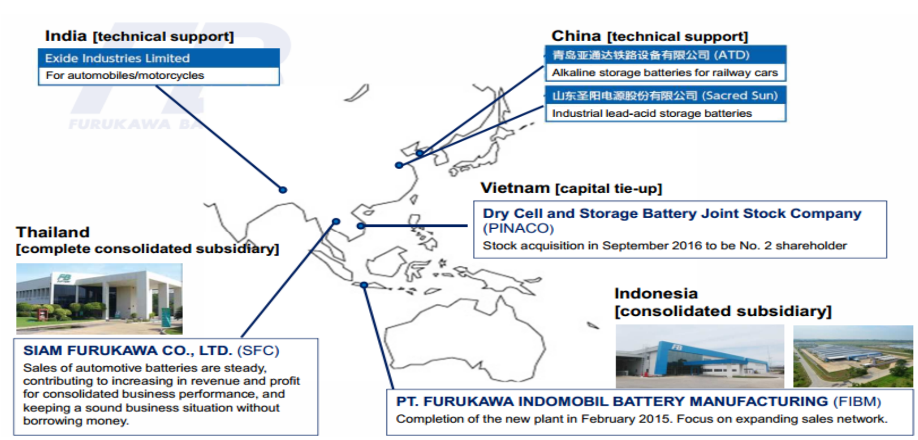
Furukawa is a long established battery company in Japan (founded in 1950) specializing in manufacturing lead storage batteries for automobiles, motorcycles, industrial batteries and power systems. The company ranked second in Japan market after GS Yuasa and ranked 12th globally in the storage battery industry. In Southeast Asia, Furukawa is only presenting in Thailand and Indonesia. Meanwhile, GS Yuasa – its main competitor – is presenting in 4 countries (Thailand, Indonesia, Vietnam and Malaysia). At the moment, GS controls 10 companies producing and distributing storage battery products in those countries. Furukawa's revenue is smaller, in addition, the proportion of oversea revenue is also lower than GS (33.3% vs 52.3%). With the acquisition of Panasonic Storage Battery in August 2016, GS strengthened its position as the world's second-largest storage battery producer, left Furukawa far behind.

Figure: GS Yuasa Operation in Asia Region



Source: GS Yuasa

Figure: Furukawa Operation in Asia Region

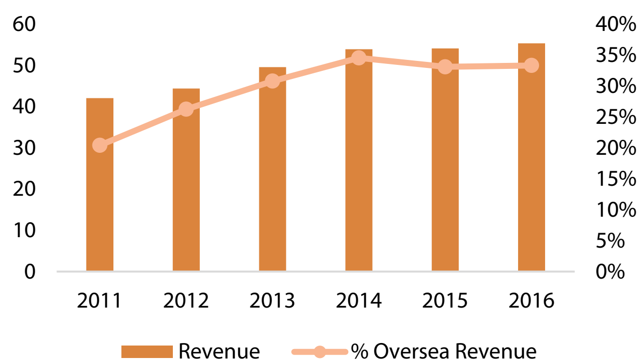


Source: Furukawa

Furukawa's oversea business performance and its strategies

In the period 2012-2017, Furukawa achieved growth mainly from the positive growth of foreign markets. The contribution of non-Japanese market in revenue increased from 20.4% in FY2011-2012 to 34.5% in FY2015-2016. However, it is noteworthy that this contribution fell slightly to 33.3% in FY2016-2017, showing that the momentum of growth in the oversea market is slowing down. According to Furukawa's plan for the period 2016-2020, the company aims to increase its foreign revenue to 53.1%. So, in order to realize this goal, we believe that Furukawa will have a strong determination to expand its business in Vietnam, which is the best growing market in Southeast Asia on the consumption of automotive battery products and there is a huge potential for expansion into industrial battery products.

Figure: Revenue (JPY billion) and contribution of oversea market to Furukawa's revenue



Source: Furukawa

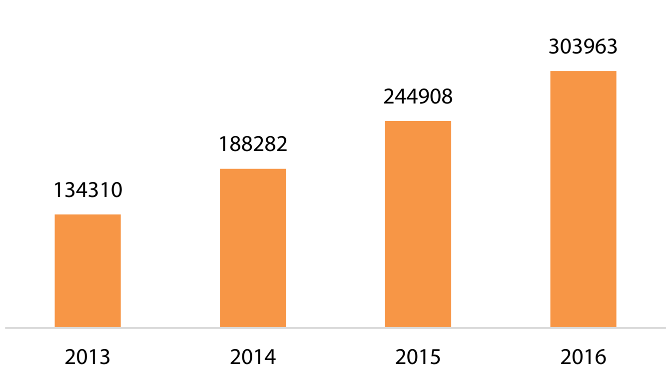
Furukawa usually aims to hold a controlling stake and produce products under its brand name

As mentioned above, Furukawa is presenting in two countries in Southeast Asia. In Thailand, the company started joint-venture with Siam Cement Company to set up a storage battery manufacturing company Siam Furukawa in 1992. After 10 years of operation, in 2002, Furukawa purchased 40% stake from Cementhai, then hold a controlling percentage and transformed Siam Furukawa into a subsidiary producing products under the FB brand. In Indonesia, Furukawa cooperated with two inland businesses to build the PT. Furukawa Indomobil Battery factory, in which, Furukawa also hold a dominant stake of 51%. If Furukawa take a similar step in Vietnam market, the company will probably have a desire to hold a dominant stake in PAC, meaning that Furukawa has to negotiate with PAC's state-owned shareholder (Vinachem) sooner or later. According to our observation, recent moves of Vinachem have not shown that this shareholder will quickly proceed to divest its stake. So, the acquisition may be a long story with many expectations: starting from becoming a strategic partner, buying shares from other investors to increase its power, negotiating with Vinachem, opening foreign room, etc.

PAC is the second largest market share after GS in Vietnam

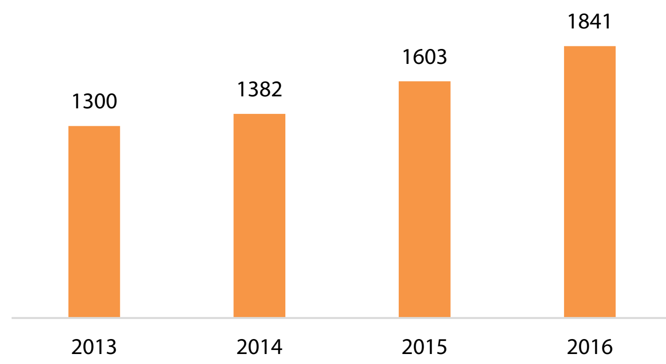
According to JATO statistics, Vietnam had the second highest growth rate in the world in automobile consumption in 2016 with a growth rate of 27.1% over the same period. In Southeast Asia, Vietnam is the best-growing market for car demand. This led to a positive impact on the consumption of automobile storage batteries, especially replacement batteries. According to our understanding, PAC is the second largest storage battery supplier in Vietnam after GS. Therefore, by participating into PAC, Furukawa will not only take advantage of the growing trend of storage battery consumption but also have the opportunity to confront GS directly in Vietnam market. In return, with Furukawa's existing relationship with Japanese clients such as Toyota, Honda, Isuzu, Suzuki, etc., we expect Furukawa to boost sales of PAC in Vietnam after the acquisition (if any).

Car Consumption in Vietnam (Units)



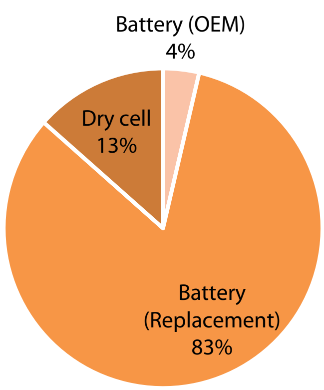
Source: VAMA, RongViet Research

PAC's Sale Volume (Unit: million kwh)



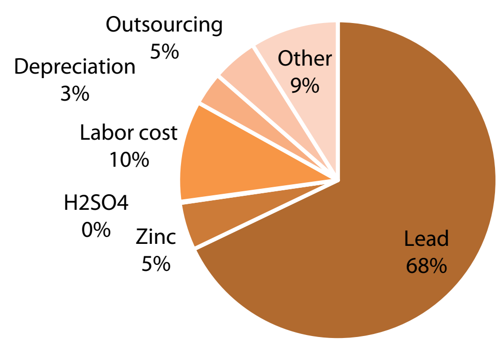
Source: Vinachem, RongViet Research

Revenue Structure



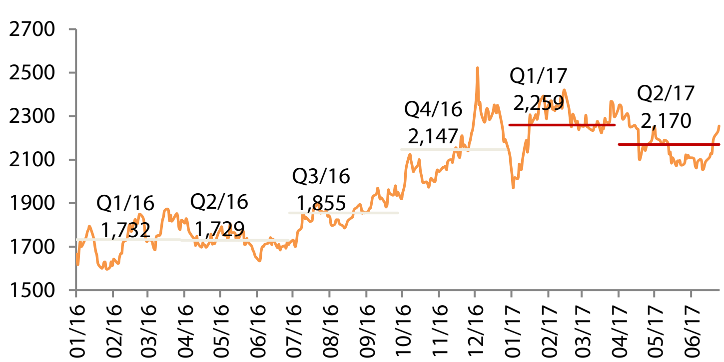
Source: PAC, RongViet Research

COGS Structure



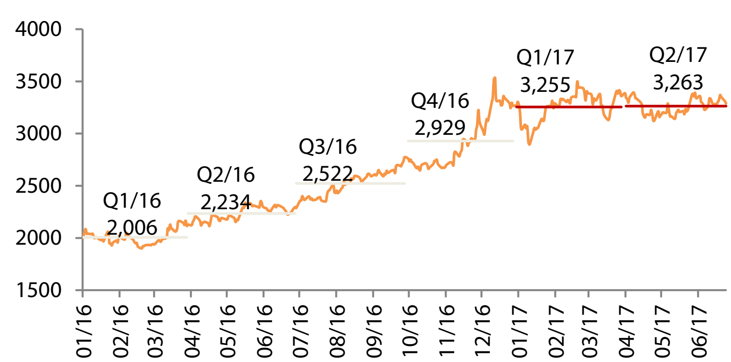
Source: PAC, RongViet Research

World Lead Prices ($/ton)



Source: Bloomberg

Zinc Lead Prices ($/ton)



Source: Bloomberg

VND billion

INCOME STATEMENT	FY2015	FY2016	FY2017E	FY2018F
Revenue	**2,117**	**2,291**	**2,658**	**2,961**
COGS	1,744	1,865	2,292	2,511
Gross profit	372	426	366	450
Selling Expense	193	147	175	195
G&A Expense	38	45	45	56
Finance Income	20	27	39	39
Finance Expense	39	24	30	32
Other income/loss	0	1	26	1
Gain/Loss from JV	0	0	0	0
PBT	121	238	182	207
Tax Expense	30	51	45	41
Minority Interests	0	0	0	0
PAT	**90**	**188**	**137**	**165**
EBIT	141	234	146	199
EBITDA	207	303	211	272

%

FINANCIAL RATIO	FY2015	FY2016	FY2017E	FY2018F
Growth				
Revenue	4.5	8.2	16.0	11.4
Operating Income	22.8	46.8	-30.4	28.5
EBITDA	35.9	66.5	-37.5	35.9
PAT	21.6	107.5	-27.0	20.6
Total Asset	1.0	32.7	0.6	11.7
Total Equity	-1.0	24.6	5.0	8.6
Profitability				
Gross profit/Revenue	17.6	18.6	13.8	15.2
Operating profit/ Revenue	9.8	13.2	7.9	9.2
EBITDA/ Revenue	6.6	10.2	5.5	6.7
Net margin	4.3	8.2	5.2	5.6
ROAA	7.2	11.2	8.1	8.8
ROAE	27.0	36.0	21.4	26.8
Efficiency				
Receivable Turnover	19.3	24.4	23.1	23.3
Inventory Turnover	4.0	3.3	3.5	3.4
Payable Turnover	5.4	4.3	5.4	5.2
Liquidity				
Current	1.2	1.2	1.2	1.3
Quick	0.6	0.7	0.6	0.6
Solvency				
Total Debt/Equity	83.3	93.4	88.0	91.7
Current Debt/Equity	83.3	93.4	88.0	91.7
Long-term Debt/ Equity	0.0	0.0	0.0	0.0

VND billion

BALANCE SHEET	FY2015	FY2016	FY2017E	FY2018F
Cash and cash equivalents	133	108	63	195
Short-term investments	200	467	367	367
Accounts receivables	110	94	115	127
Inventories	437	562	657	729
Other current assets	11	20	21	22
Property, plant & equipment	293	320	356	335
Goodwill	31	29	27	26
Investment in affiliates	4	33	33	33
Other non current assets	46	46	48	50
Total assets	**1,264**	**1,677**	**1,687**	**1,884**
Accounts payables	322	439	421	483
Short-term borrowings	421	589	582	659
Long-term borrowings	0	0	0	0
Other non-current liabilities	4	1	1	1
Bonus & Welfare fund	11	19	20	22
Technology-science development fund	0	0	0	0
Total liabilities	**758**	**1,047**	**1,025**	**1,165**
Common stock and APIC	372	466	466	466
Treasury stock	-14	0	0	0
Retained earnings	55	145	163	204
OCI	0	0	0	0
Investment & Development Fund	94	19	32	49
Total equity	**506**	**630**	**662**	**719**
Minority Interest	0	0	0	0

VALUATION RATIO	FY2015	FY2016	FY2017E	FY2018F
EPS (dong)	2,139	2,463	2,599	3,721
P/E (x)	9.1	9.2	12.8	8.8
BV (dong)	18,464	18,951	16,336	13,565
P/B (x)	1.1	1.2	2.0	2.4
DPS (dong/cp)	2,000	3,000	2,500	2,200
Dividend yield (%)	10.3	13.3	7.5	6.7

VALUATION MODEL	Price	Weight
FCFE	40,306	33%
FCFF	41,377	33%
PE	40,231	33%
Target price (dong/share)	**40,638**	**100%**

VALUATION HISTORY	Price	Recommendation	Period
15/03/2017	36,800	Neutral	Long-term
04/07/2016	36,600	Neutral	Long-term

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").

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 Rosenblatt Securities Inc., 40 Wall Street 59th Floor, New York, NY 10005, a registered broker dealer in the United States. Under no circumstances should any recipient of this research report effect any transaction to buy or sell securities or related financial instruments through VDSC. Rosenblatt Securities 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.

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 Rosenblatt Securities 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.

Ownership and Material Conflicts of Interest

Rosenblatt Securities Inc. or its affiliates does not 'beneficially own,' as determined in accordance with Section 13(d) of the Exchange Act, 1% or more of any of the equity securities mentioned in the report. Rosenblatt Securities Inc, its affiliates and/or their respective officers, 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. Rosenblatt Securities Inc. is not aware of any material conflict of interest as of the date of this publication.

Compensation and Investment Banking Activities

Rosenblatt Securities Inc. or any affiliate has not managed or co-managed a public offering of securities for the subject company in the past 12 months, nor received compensation for investment banking services from the subject company in the past 12 months, neither does it or any affiliate expect to receive, or intends to seek compensation for investment banking services from the subject company in the next 3 months.

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.

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 which 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 / Return Potential	BUY	ACCUMULATE	NEUTRAL	REDUCE	SELL
Intermediate- term (up to 6 months)	>20%	10% to 20%	-5% to10%	-15% to- 5%	<-15%
Long-term (over 6 months)	>30%	15% to 30%	-10% to 15%	-15% to -10%	<-15%

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

Network

Headquarter

Address: Floor 1-2-3-4-5, Viet Dragon Tower, 141 Nguyen Du, Ben Thanh Ward, Dist.1, Tp.HCM

Phone: 84.28 6299 2006   Fax: 84.28 6291 7986

Website: www.vdsc.com.vn

Ha Noi Branch

2C Thai Phien – Hai Ba Trung District – Ha Noi

Nha Trang Branch

50Bis Yersin - Nha Trang

Can Tho Branch

08 Phan Dinh Phung –Cần Thơ

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.