RONG VIET SECURITIES

PRELIMINARY 2H2021 OUTLOOK

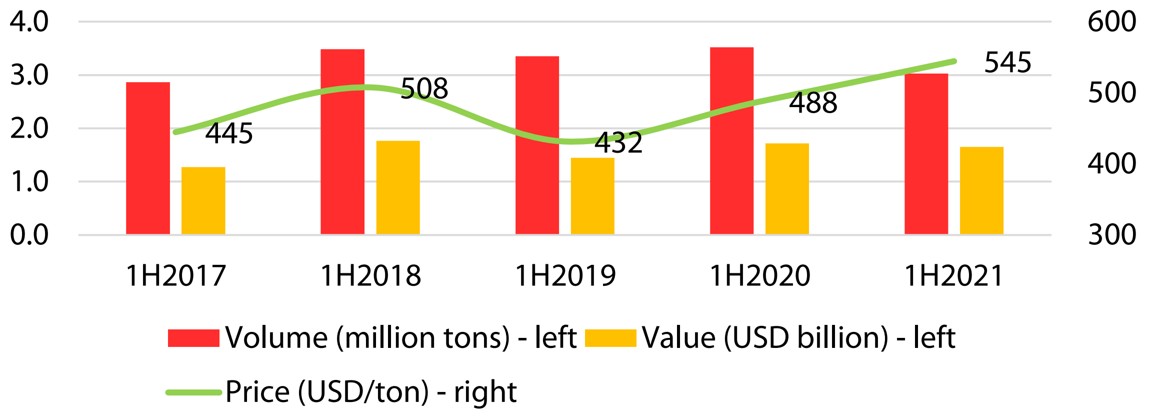
AGRICULTURE INDUSTRY

MANY CHALLENGES

Hoang Bui – hoang.bh@vdsc.com.vn

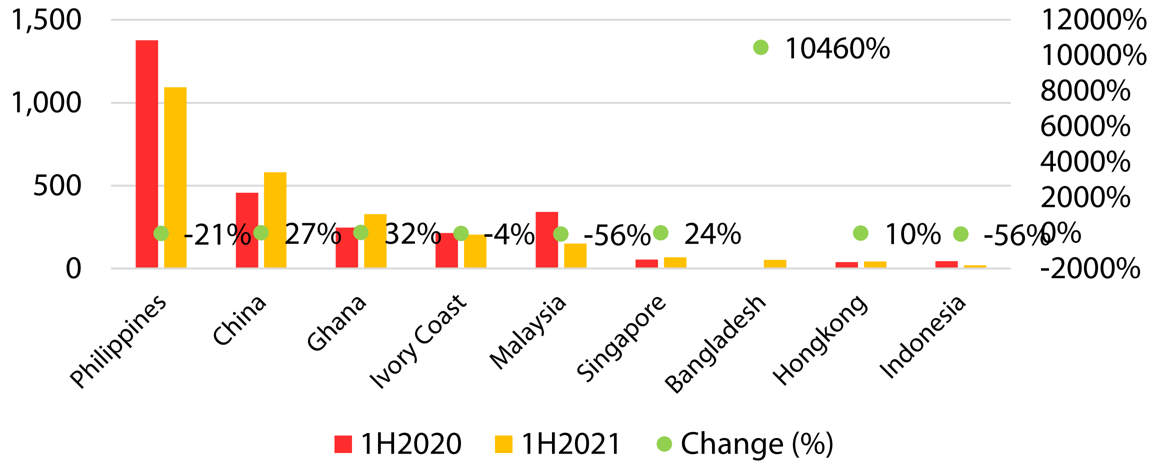
Vu Tran - vu.thx@vdsc.com.vn

Figure 1: Rice exports



Source: General Department of Customs, Rong Viet Securitites

Figure 2: Rice exports by country ('000 tons)



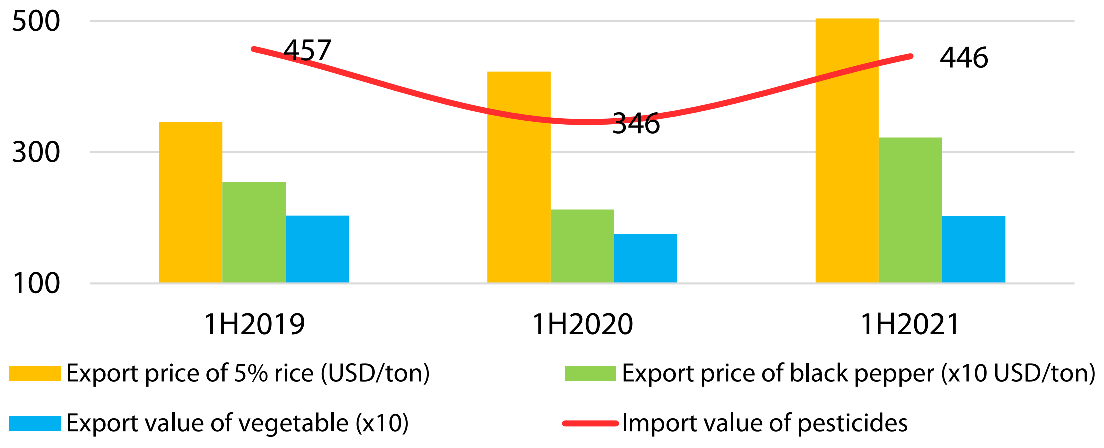
Source: General Department of Customs, Rong Viet Securitites

Exports reached USD 1.65 bn, down by 4% yoy as volume decreased by 14% yoy, to 3.03 million tons. By contrast, the average selling price increased by 12% yoy, to 545 USD/ton.

- Export volume dropped because the Philippines - the largest market - reduced imports to 1,093 thousand tons (-21% yoy). In the meantime, exports by Malaysia also plummeted by 56% yoy, to 151 thousand tons. The reasons were (1) the Philippines actively reduced imports as this year rice productivity was better (harvested volume may rise by 4% yoy); (2) there were not enough containers to pack. Conversely, exports to China, Ghana and Bangladesh recorded growth as these countries increased imports to top up their inventories.

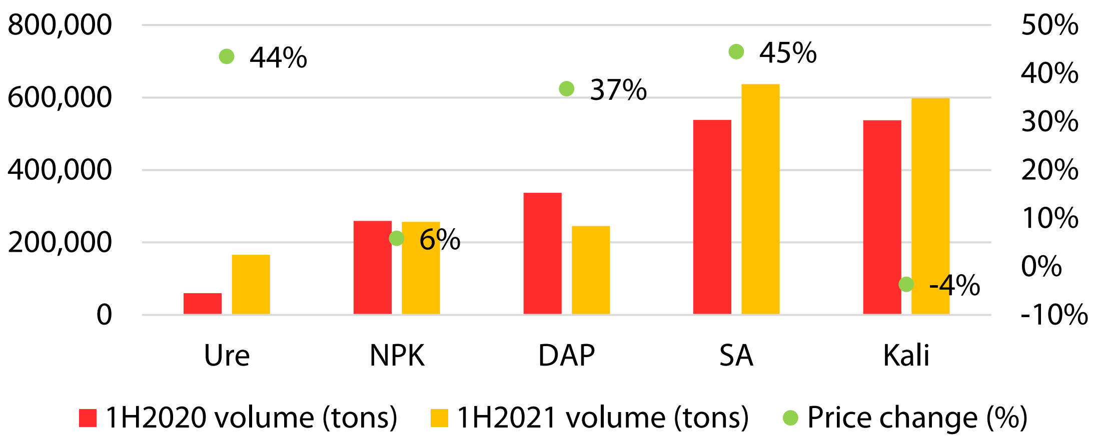
- Export price surged thanks to (1) increase in export of fragrant rice, high-quality rice with higher selling price and added value; (2) domestic demand increased due to the need of replenishing the rice storage; (3) Winter-Spring crop was harvested lately compared to the previous year. Besides, Indian rice prices remained low thanks to abundant supply. The Thai rice prices went up in the beginning of 2021 before gradually decreasing due to the lower value of the Baht.

Figure 3: Import of pesticides (USD mn)



Source: General Department of Customs, Vietnam Food Association, Rong Viet Securities

Figure 4: Volume and price change of imported fertilizers



Source: General Department of Customs, Rong Viet Securities

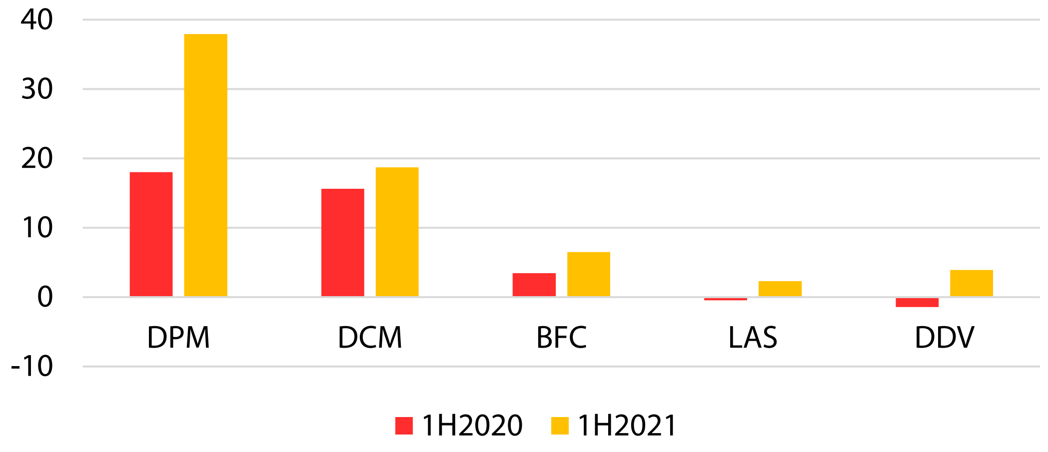
1H2021, Vietnam imported USD 446 mn of pesticides, up by 29% yoy due to the following factors:

- Agricultural products price and export value of vegetables and fruits were more positive than the same period in 2020, improving farmers' incomes. Thereby, farmers invested more in pesticides.
- The import of pesticides did not face many obstacles. Contrarily to last year, because when the Covid-19 appeared in 1Q2020, China imposed a lockdown interrupting imports.
- Cultivation area was maintained at 5,223 thousand hectares, slightly down by 0.9% yoy.

1H2021 import value of fertilizers was USD 645 mn, up by 26.9% yoy thanks to:

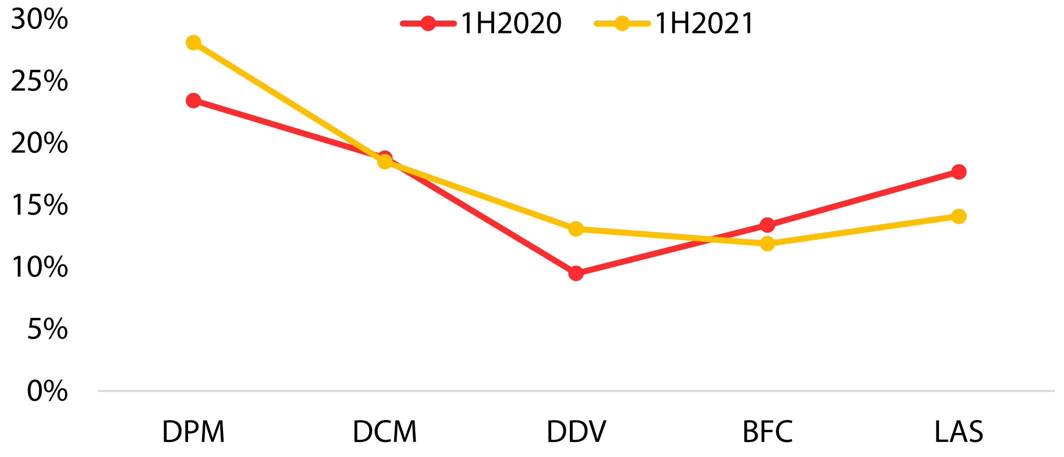
- Fertilizer demand improved as agricultural products price increased due to the global food storage demand and positive weather conditions in 1H2021. It is estimated that Vietnam imported 2.3 million tons of fertilizer, up by 14.7%.
- Besides the rising in import volume, the import price of fertilizer also recorded an increase in line with the global trend when production and transportation costs went up.

Figure 5: PAT of fertilizer companies (USD mn)



Source: Rong Viet Securities

Figure 6: Gross profit margin of fertilizer companies (%)



Source: Rong Viet Securities

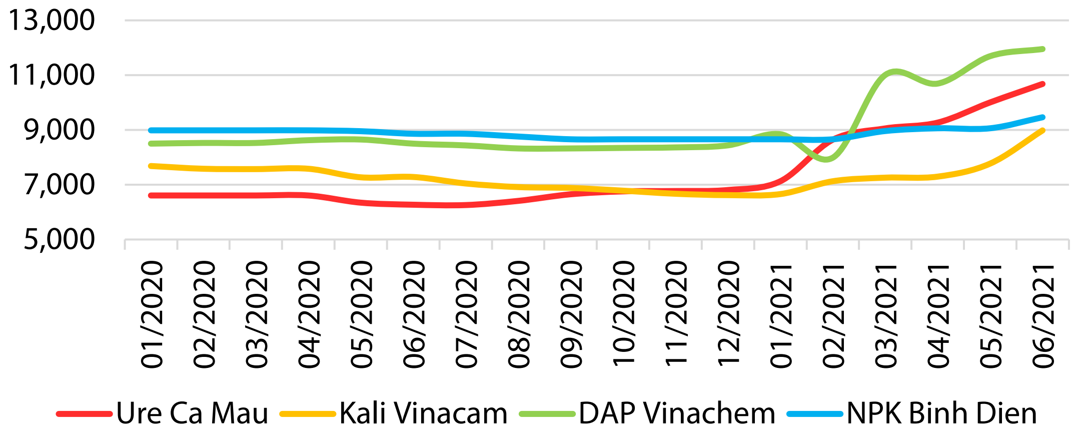
The gross profit margin of companies did not move in the same way

- In general, the gross profit margin in 1H2021 (compared to 1H2020) of the straight fertilizer companies (Urea, DAP) was better than that of the compound fertilizer companies (NPK). The main reason is that the fierce competition in the NPK market that makes companies could not increase their selling prices much to offset the high prices of input materials such as Urea and DAP.

However, PAT generally improved compared to 1H2020

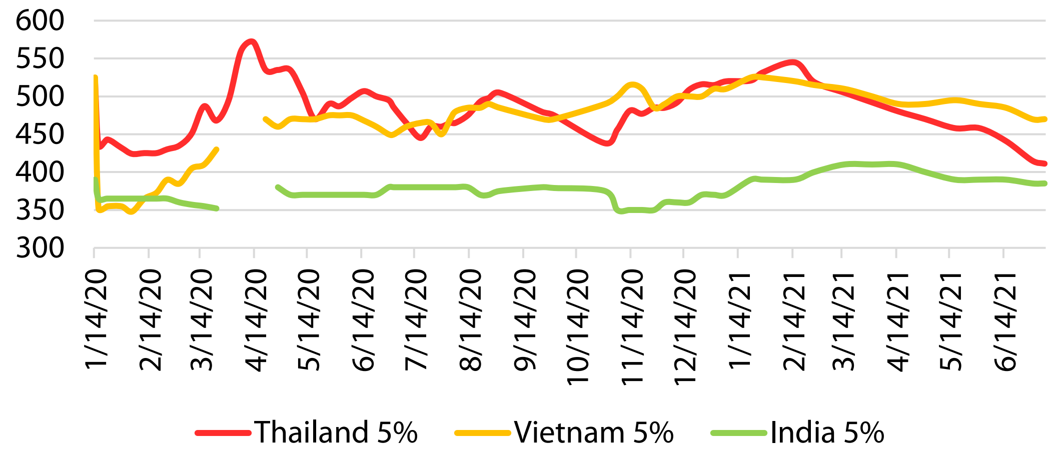
- The strong increase in revenue of fertilizer companies due to the recovery of sales volume combined with good gross profit margin, leading to the growth in PAT in 1H2021.

Figure 7: Fertilizer prices updated until June 2021 (VND/kg)



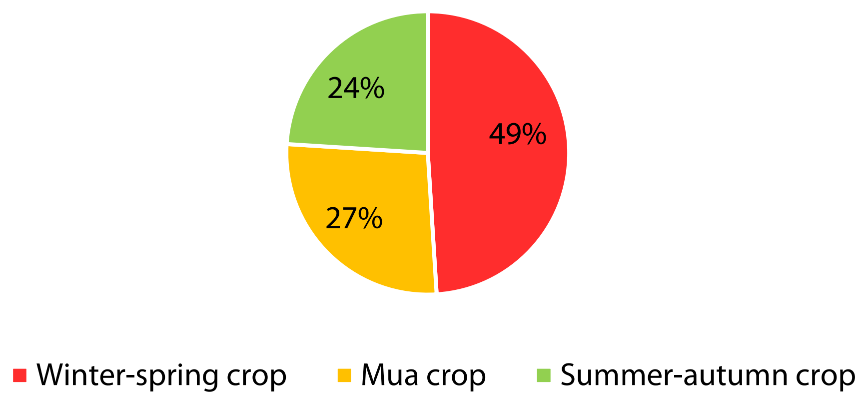
Source: Rong Viet Securities

Figure 8: Rice export price (USD/tons, FOB)



Source: Vietnam Food Association, Rong Viet Securities

Figure 9: Fertilizer demand by season



Source: Rong Viet Securities

Agricultural products prices may fall

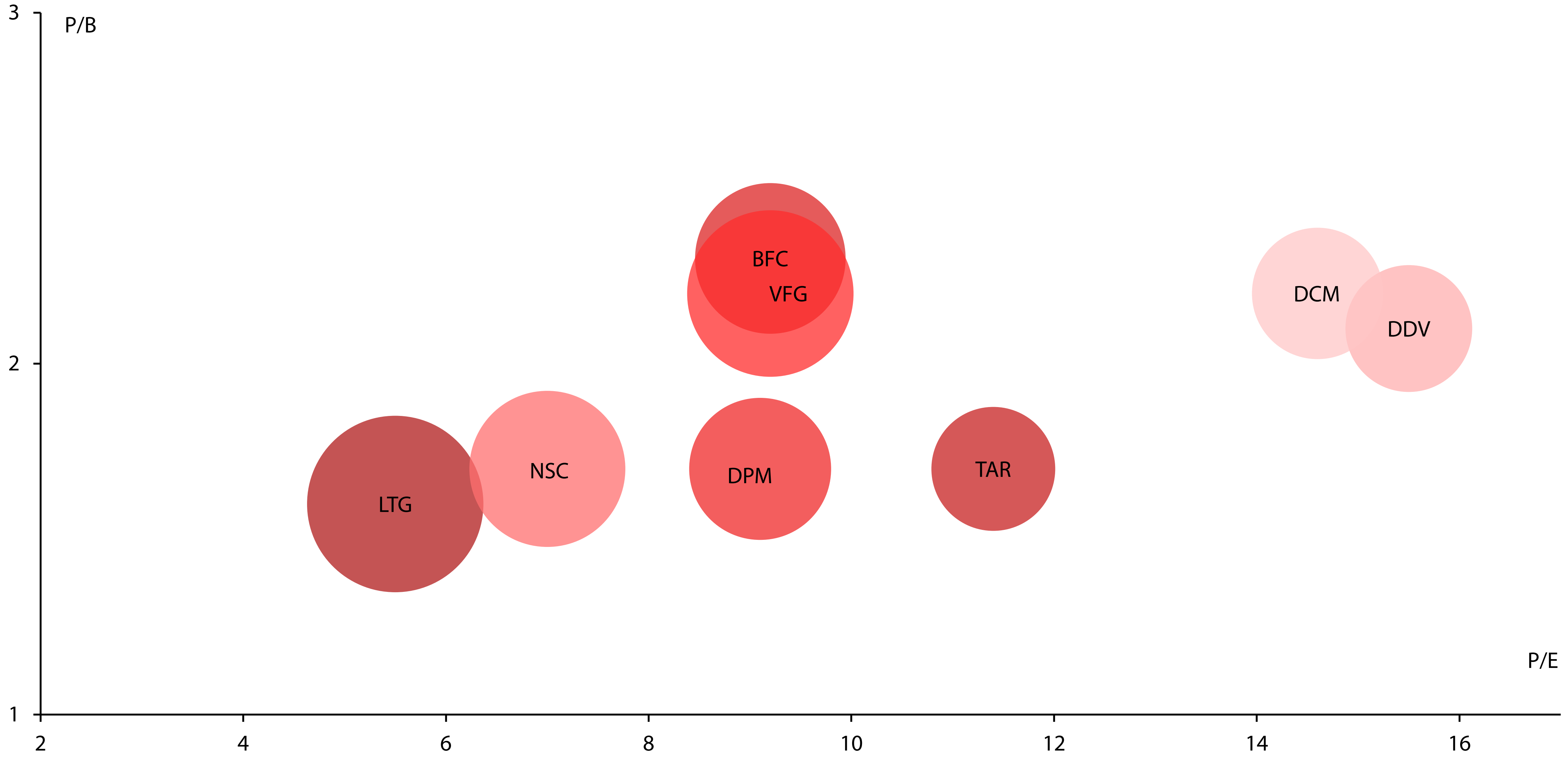
- Vietnamese rice prices may decrease to compete with Indian rice in the context that (1) Indian rice prices will remain low thanks to abundant supply; (2) Competition for rice exports to Philippines increases as this country will reduce imports by 14% yoy, to 2.1 million tons because of better seasons. Additionally, the Philippines has reduced the MFN tax (applicable to India) to 35% - equal to the tax rate applied to Vietnam - to find cheaper supplies. Thereby, controlling inflation.
- The pandemic control measures have disrupted trade activities between production areas and domestic consumption markets. This will negatively affect agricultural product prices and sales volume in 2H2021.

Falling agricultural products price may affect the spending on agricultural materials

- The drop in agricultural products price will affect farmers' income. Therefore, it is expected that the level of investment in pesticides will be negatively impacted. Thereby, pesticide sales of LTG may decrease slightly in 2H2021.
- Fertilizer sales will also be projected not to be as strong as that in 1H2021 when fertilizer's demand for the summer-autumn crop is low. Moreover, the fertilizer price is forecasted to maintain in 2H2021, which will partly affect demand as the prices of agricultural products are forecast to fall.

Ticker	Market cap (USD mn)	Target price (VND)	Sales Growth (% YoY)	EBITDA Growth (% YoY)	EBITDA Margin (%)	Operating Income Margin (%)	Net Income Growth (% YoY)	Net Profit Margin (%)	ROA (%)	ROE (%)	DY (%)	Current P/E (x)	Current P/B (x)
DPM	452.6	26,700	8.8	22.6	18.8	12.7	62.8	13.3	9.9	13.7	7.9	9.1	1.2
LTG	139.3	41,300	70.1	76.2	9.8	8.2	144.9	4.6	6.4	16.9	2.5	5.5	1.1
BFC	74.8	24,000	23.5	13.4	6.4	5.4	51.2	3.4	6	15.4	5	9.2	1.8
DCM	474.2	N/A	24	13.1	23.9	8.2	50.7	8.7	8.3	11.7	6.8	14.6	1.7
DDV	94.6	N/A	63.6	136.9	11.7	5.6	-388.8	5.4	8.5	10.9	0.0	15.5	1.6
LAS	76.1	N/A	10.2	105	5.2	4.0	-445.5	2.6	3.9	5.6	0.0	62.8	1.4
VFG	72.5	N/A	13.6	21.4	10.7	9.7	42.9	8.6	10.5	18.8	6.7	9.2	1.7
NSC	58.9	N/A	25.5	13.3	15.1	13.9	7.7	11.5	10.3	16.5	7.8	7.0	1.2
TAR	29.7	N/A	-3.7	N/A	0.0	0.0	-42.9	0.0	0.0	0.0	0.0	11.4	1.2

Source: Bloomberg, RongViet Securities. Share price as of 2 Aug 2021

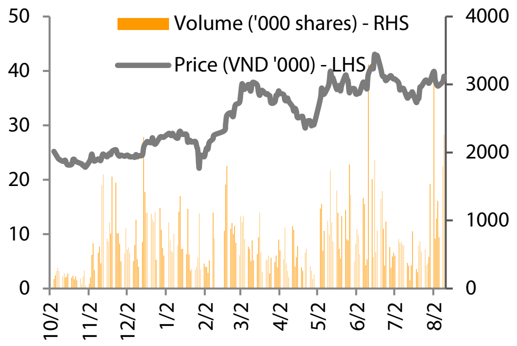


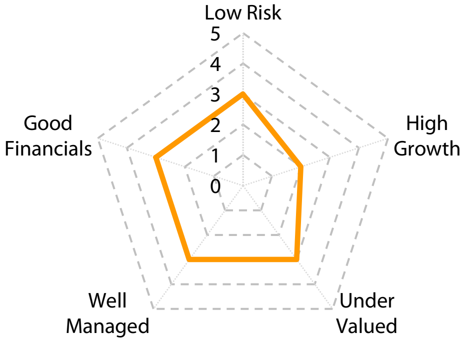
Source: FiinGroup, Rong Viet Securities. Bubble size equals respective ROE. Share price as of 2 Aug 2021.

RESTRUCTURING BRINGS POSITIVE RESULTS

HSX: LTG

<ACCUMULATE: 8.3%> **<MP: 39,900>** **<TP: 41,200>**





STOCK INFO

Sector	Basic Materials
Market Cap ($ mn)	139.3
Current Shares O/S (mn shares)	80.6
3M Avg. Volume (K)	821
3M Avg. Trading Value (VND Bn)	31.1
Remaining foreign room (%)	10.6
52-week range ('000 VND)	17.3-43

FINANCIALS	2020A	2021F	2022F
Revenue	7,506	10,285	12,381
NPATMI	366	425	450
ROA (%)	5.3	6.5	5.5
ROE (%)	13.1	14.3	14.4
EPS (VND)	3,859	4,172	4,522
Book Value (VND)	35,214	36,894	38,916
Cash dividend (VND)	1,500	2,000	2,500
P/E (x) (*)	7.1	9.6	8.8
P/B (x) (*)	0.8	1.1	1

INVESTMENT RATIONALES

The agricultural segment has the opportunity to grow thanks to the new model of association with cooperatives

- The new model creates a close connection between LTG and cooperatives as the latter commits to providing all production factors (such as pesticides, seeds, technology, knowledge, etc.) and helps to sell the products. This will improve the sales of agricultural materials. In addition, affiliated cooperatives are expected to increase over the years from 94,000 ha (currently) to 500,000 ha in 2025. Thereby, the revenue of the segment may grow by 4.7%/year in the 2021-2025 period, much better than a decline of 1%/year in the 2016-2020 period.

Working capital management continues to improve

- LTG has a policy in which it offers no debts to pesticide distributors, but in return, the distributors have a better payment discount. Thereby, the burden of receivables and the risk of bad debt gradually decreases. Also, increasing the proportion of sales to Vietnam's rice export companies (with prior agreement on volume and selling price) helps improve inventory turnover. In fact, at the end of 2Q2021, the quality of working capital management improved, helping to reduce the cash conversion cycle by 33% yoy, to 133 days.

The provisioning of reserve funds will affect the profit for shareholders

- The Group will allocate the excess profit of the next years into the reserve funds for employees (supporting employees affected by pandemic or force majeure clause) and farmers (supporting farmers associating with LTG when their crops are damaged by natural disasters). Accordingly, PAT is expected to grow by 10.2%/year in the 2021-2025 period, but the EPS of parent company shareholders will only grow by 5.7%/year.

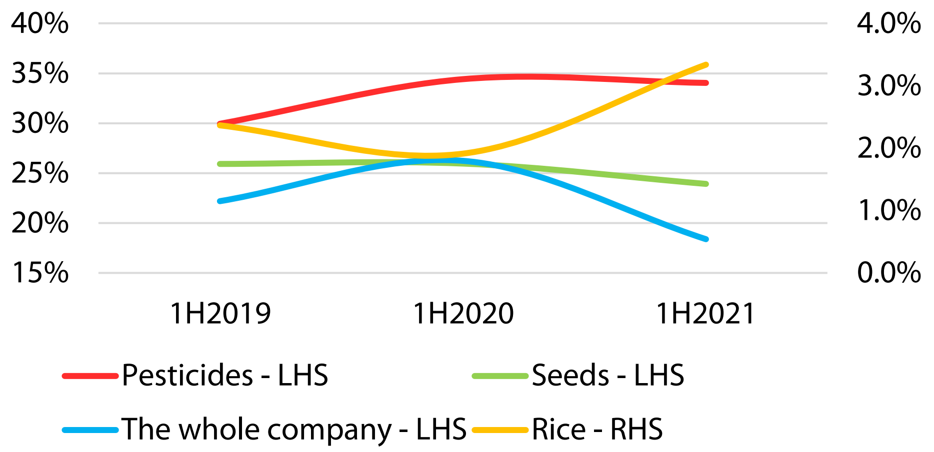
RISKS TO OUR CALL

- Competitive pressure may force LTG to loosen its sales policy again, increasing the pressure on receivables, increasing debt and reducing profit.

Those main segments simultaneously improved

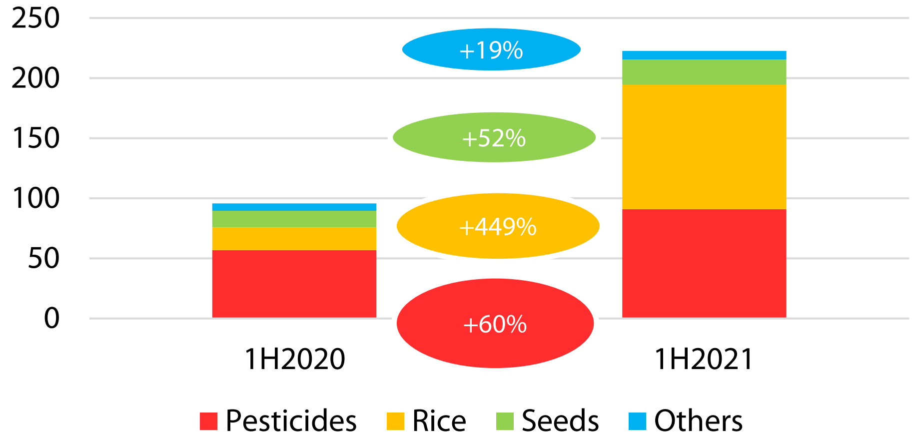
- Revenue and NPAT increased by 133% yoy (to USD 222.7 mn) and 100% yoy (to USD 9.9 mn), respectively, thanks to the demand recovery for agricultural materials and improved efficiency of the rice segment.
- Revenue of pesticides and seeds recorded a growth of 60% yoy (to USD 90.8 mn) and 52% yoy (to USD 20.9 mn), respectively. The growth drivers are favorable weather and high prices of agricultural products. Thus, farmers increased their investment in agricultural materials.
- Rice revenue increased by 449% yoy, to USD 103.7 mn. The growth driver is the company's expansion of distribution channels when selling to Vietnam rice export companies. Also, the good control of supply and demand, plus trade contracts finalized before the season helped improve the GPM from 1.9% to 3.3%.
- GPM decreased from 26.2% to 18.4% as the contribution of the rice segment (having low GPM) in revenue increased sharply from 20% to 47%. Gross profit reached USD 40.9 mn, up by 63% yoy.
- Average short-term debt increased by 38% yoy, causing interest expense to increase by 50% yoy, to USD 3.1 mn. Selling expenses increased by 49% yoy, to USD 16.2 mn due to the company's increase in advertising and promotion. Meanwhile, G&A expenses only increased slightly by 12% yoy, to USD 6.3 mn.

Figure 1: The segments' GPM (%)



Source: LTG, Rong Viet Securities

Figure 2: Revenue sources (USD mn)



Source: LTG, Rong Viet Securities

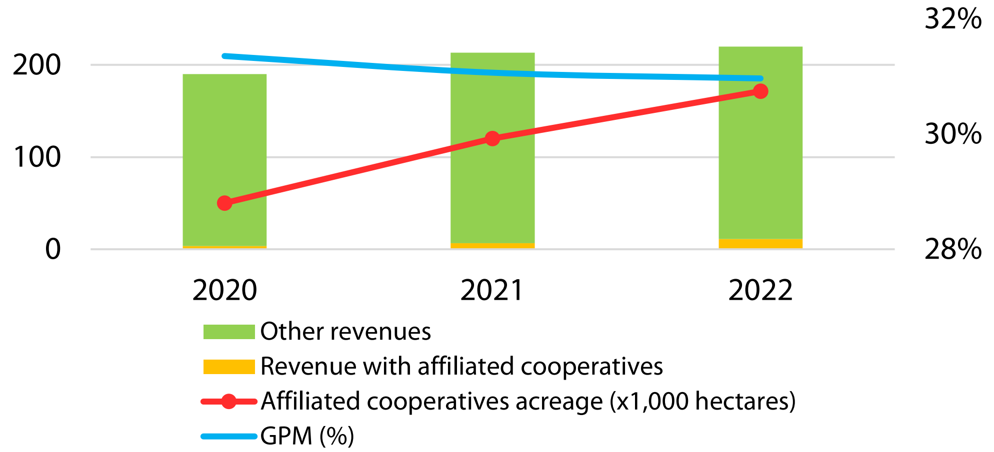
2H2021: many challenges

- To compete with Indian rice, the price of Vietnamese rice may decrease in 2H2021. In addition, the re-emergence of the Covid-19 will disrupt trade activities among provinces, so sales volume and agricultural product prices may go down. Thus, farmers may reduce their spending on agricultural materials. The revenue of agricultural materials may only reach USD 136.1 mn (-10% yoy).
- However, thanks to strong growth in 1H2021, revenue and NPAT will grow by 37% yoy (to USD 447.2 mn) and 16% yoy (to USD 18.5 mn), respectively.

2022: Increasing sales through new business models to improve results

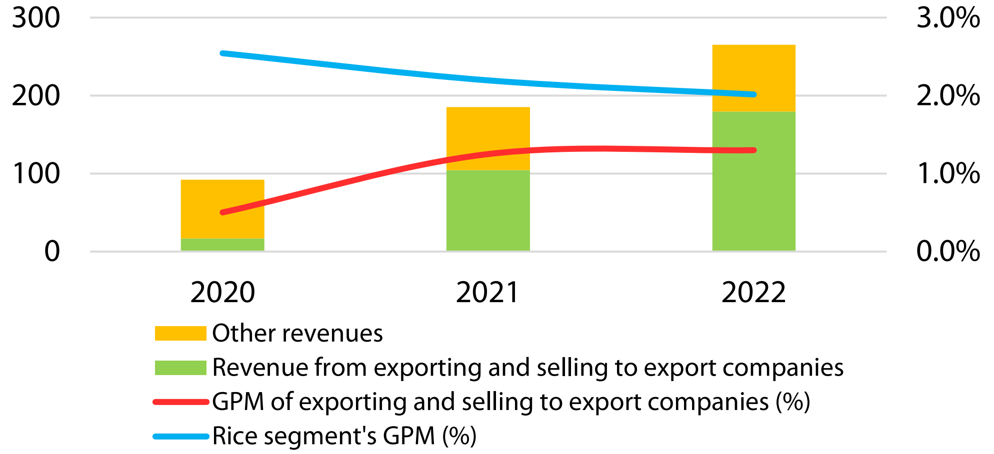
- It is expected that the area of affiliated cooperatives will reach 171,000 ha (+51,000 ha yoy) and the demand for agricultural products will recover (when Covid is under control), helping to increase the demand for agricultural materials.
- Expanding the scale of rice selling to other Vietnam export companies will increase the revenue of the rice segment by 43% yoy (to USD 265.3 mn) and make the segment's GPM decrease slightly by 18bps, to 2%.
- Revenue and PAT in 2022 will reach USD 538.3 mn (+20% yoy) and USD 19.6 mn (+5.9% yoy), respectively.

Figure 3: Results of the pesticides segment (USD mn)



Source: Rong Viet Securities

Figure 4: Results of the rice segment (USD mn)

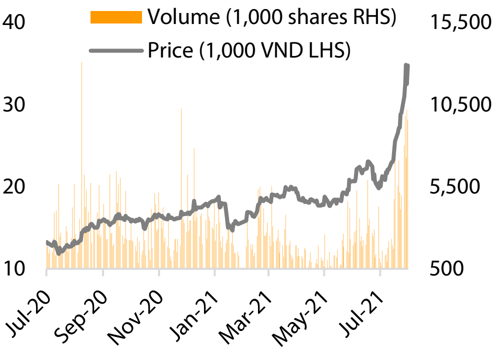


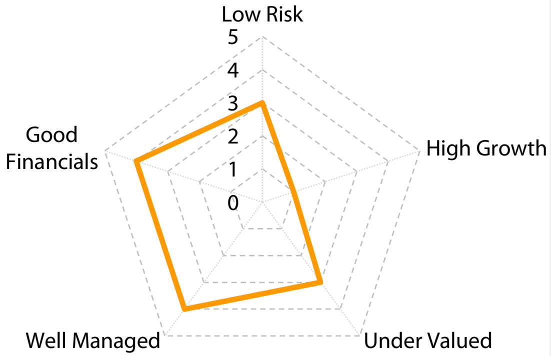
Source: Rong Viet securities

HIGH UREA PRICE: A BOON FOR PROFITS

HSX: DPM

<ACCUMULATE: 6%> **<MP: 26,600>** **<TP: 26,700>**





STOCK INFO

Sector	Chemical
Market Cap ($ mn)	591
Current Shares O/S (mn shares)	391
3M Avg. Volume (K)	2,522
3M Avg. Trading Value ($ mn)	4
Remaining foreign room (%)	29
52-week range ('000 VND)	13.3-34.8

FINANCIALS

FINANCIALS	2020A	2021F	2022F
Revenue (VND Bn)	7,762	10,741	10,103
NPATMI (VND Bn)	693	1,311	782
ROA (%)	6.1	10.9	6.4
ROE (%)	8.6	15.2	8.7
EPS (VND)	1,557	3,326	1,984
Book Value (VND)	20,661	21,976	22,954
Cash dividend (VND)	1,400	2,000	1,000
P/E (x) (*)	12	8.0	13.4
P/B (x) (*)	0.9	1.2	1.2

INVESTMENT RATIONALES

High average selling price (ASP) of urea and chemicals are a boon for 2021 earnings

- ASP of urea was up 27% YoY in 1H2021, improving the gross margin from 31.3% to 32.4%. NH3 also experienced a good performance in 1H2021 with gross margin of 47%, compared to 25% in 1H2020. The gross profit of DPM was VND1,373bn (USD59.7 mn) in 6M2021, up 51% YoY.
- Besides, DPM recorded VND91bn (USD3.9 mn) from the insurance claim for business losses and adjusted down VND300 bn (USD13.1 mn) from depreciation and maintenance costs.
- For 2021, we anticipate that DPM can reach VND10,741 bn (USD467 mn) in revenue (+38.4% YoY) and VND1,311 (USD57 mn) bn in NPATMI (+89% YoY).

Expect a change in VAT policy

- VAT for fertilizer is expected to be submitted with a new law drafted for discussion in 2021. In the case of it being approved, the company could see more than VND300bn added to its bottom line in the next coming years.

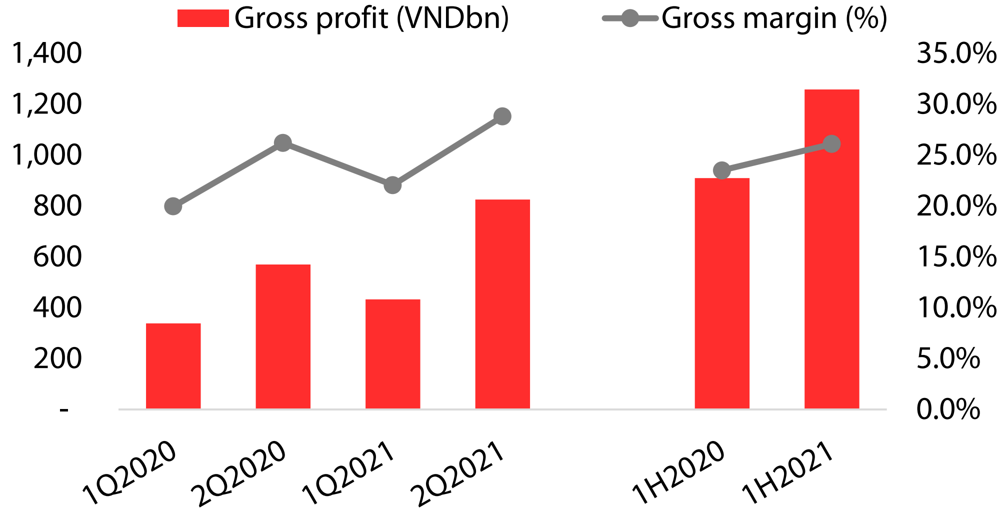
Valuation is not cheap if looking at 2022 earnings

- EPS 2021 is forecasted at VND3,325. So the forward P/E in 2021 is 8x. However, EPS 2022 is forecasted at VND1,984 then the 2022 P/E is 13.4x, higher than its average 3 years P/E of 11x.

RISKS TO OUR CALL

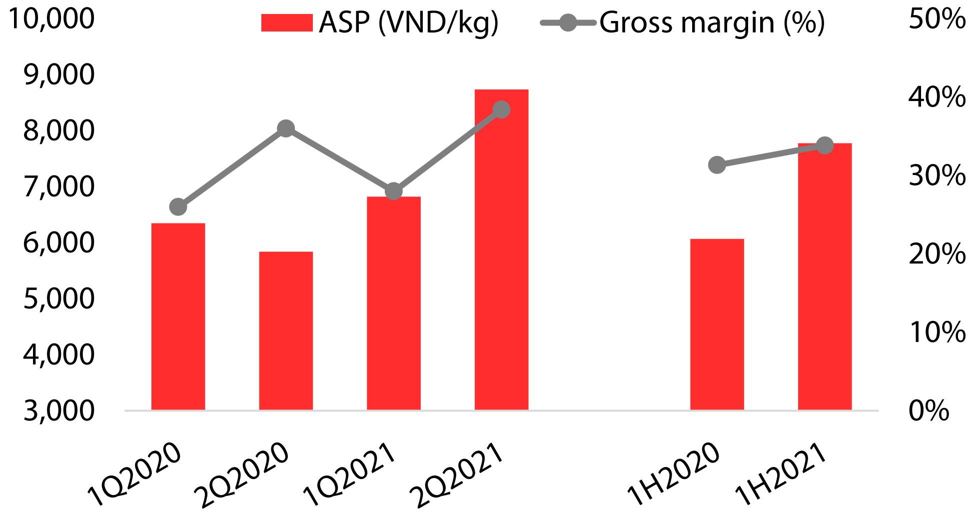
- The oil price or urea price fluctuation could likely to impact the gross margin of the urea segment .
- VAT policy for the fertilizer sector is not approved.

Figure 1: Overall gross profit (LHS) and gross margin (RHS)



Source: DPM, Rong Viet Securities

Figure 2: ASP (LHS) and gross margin of urea (RHS)



Source: DPM, Rong Viet Securities

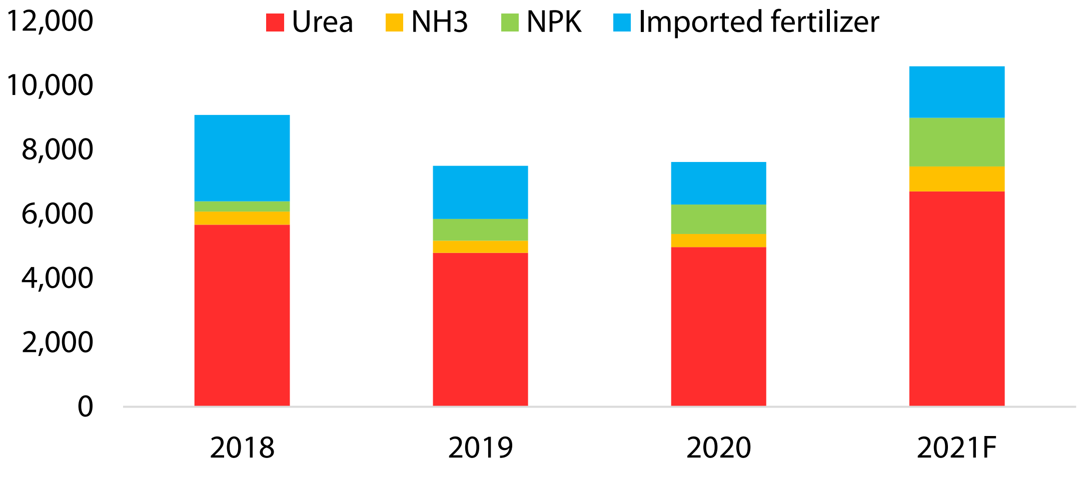
1H2021 performance picked up due to higher ASP and one-off profit

- 1H2021 urea price and NH3 price have been up 27% YoY and 55% YoY, respectively. Thus, improving the total gross margin from 23.5% to 28.1%. NH3's gross profit rose fourfold in 2Q2021 to VND137bn (USD5.9 mn), compared to the same period last year.
- Besides, DPM has booked VND91bn (USD3.9 mn) for the insurance claim as well as the retrospective amount of VND300 bn (USD13.1 mn) , related to the depreciation and maintenance costs in 2020.
- For 1H2021, DPM announced VND4,953bn (USD215.3 mn) in revenue and VND855 bn (USD 37.1 mn) in NPATMI, up 25.7% YoY and 110% YoY, respectively.

Fierce competition in NPK segment

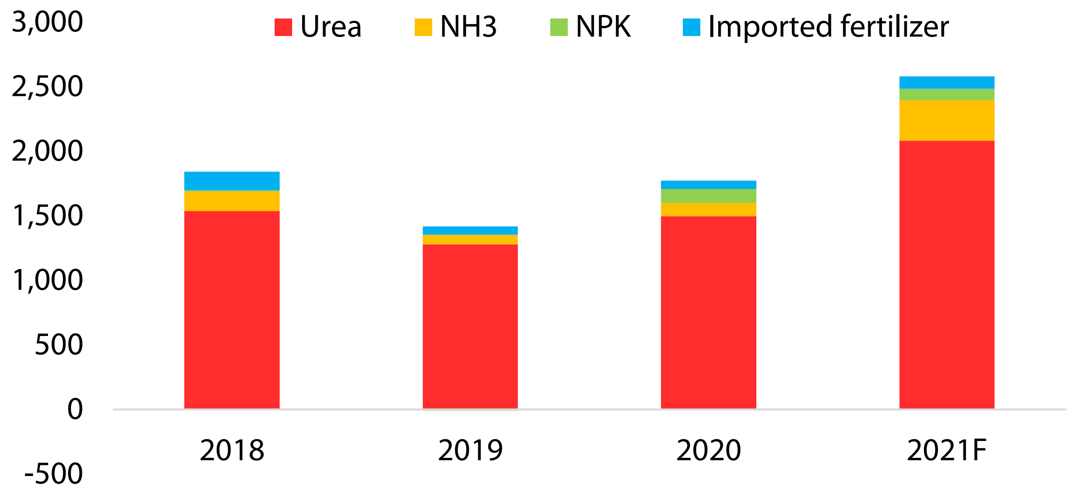
- Aiming to push the sales volume, DPM has kept the NPK selling price lower than its peer. So, the gross margin became thinner than last year, but the total sales volume was 1.8x higher with 89 thousand tons in the first six months of the year.

Figure 3: Revenue by segment (VND bn)



Source: DPM, RongViet Securities

Figure 4: Gross profit by segment (VND bn)



Source: DPM, Rong Viet Securities

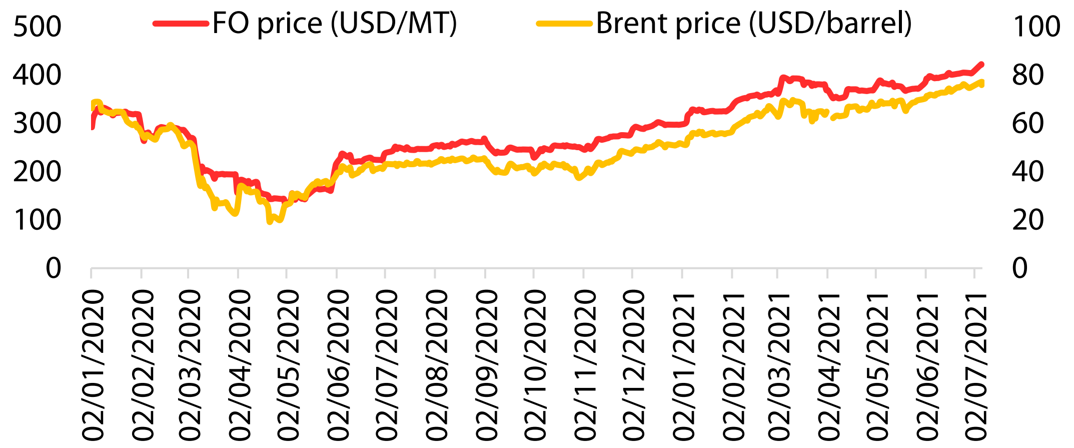
2H2021 profit is forecasted to drop

- We believe that the bottom line will experience a drop due to the lower gross margin in urea and no contribution from abnormal profit. DPM benefited from cheap urea inventories in 2Q2021. However, the current high oil price may impact the gross margin of urea from 3Q2021 onwards.
- For 2021, we estimate that the company can post VND10,741 bn (USD467 mn) in revenue (+31.1% YoY) and VND1,311 (USD57 mn) bn in NPATMI (+89% YoY).
- Earnings will likely be higher than the guidance so the company could pay a higher cash dividend than its target of VND 1,000 per share.

VAT policy will be the key catalyst for earnings next year

- The VAT change can add VND300 bn to the annual net profit in the future.

Figure 5: FO price (LHS) and Brent price (RHS)

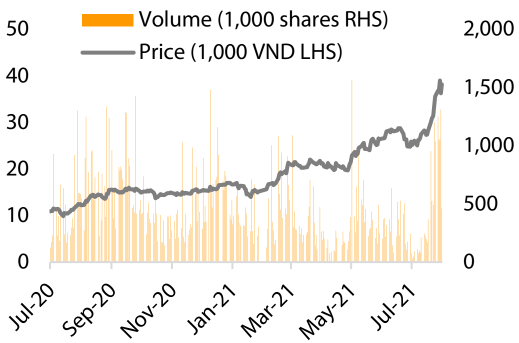


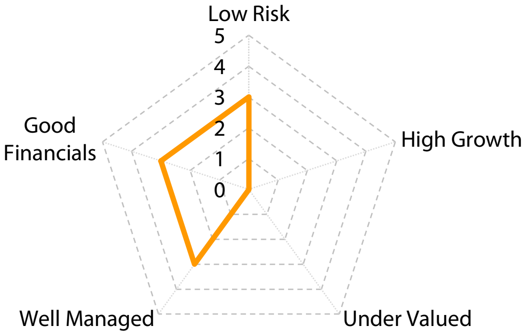
Source: Bloomberg

FIERCE COMPETITION IN NPK SEGMENT

HSX: BFC

<SELL: -11%> **<MP: 30,100>** **<TP: 25,100>**





STOCK INFO

Sector	Chemical
Market Cap ($ mn)	95
Current Shares O/S (mn shares)	57
3M Avg. Volume (K)	378
3M Avg. Trading Value ($ mn)	0
Remaining foreign room (%)	29
52-week range ('000 VND)	12.7-38.9

FINANCIALS	2020A	2021A	2022A
Revenue	5,418	7,543	6,035
NPATMI	133	188	176
ROA (%)	4.4	5.6	5.5
ROE (%)	13.7	17.7	15.2
EPS (VND)	2,143	3,022	2,830
Book Value (VND)	17,065	18,587	20,217
Cash dividend (VND)	700	1,500	1,200
P/E (x) (*)	8.3	10.0	10.6
P/B (x) (*)	0.8	1.6	1.5

INVESTMENT RATIONALES

Improving working capital management to reduce the short-term debt

- BFC keeps reducing its receivable accounts, inventories, leading to a decrease in short-term debt. At the end of 2Q2021, the short-term debt decreased by 30.4% YoY to VND 925 bn (USD40.2 mn). We believe that BFC can keep the short-term debt around VND800 bn (USD 34.7 mn) in 2021, compared to VND1,000 bn (USD43.4 mn) in 2020.

Results keeps recovering in 2021 but valuation is not cheap

- Thanks to the rising fertilizer demand for agricultural products, the sale volume of NPK is expected to increase by 21% YoY to 704 thousand tons in 2021.
- In 2021, revenue and NPATMI are projected at VND 7,543 bn (USD327.9 mn) (+39.2%YoY) and VND 188bn (USD8,1 mn) (+41.3% YoY), respectively. However, the 2021 P/E forward is 10x, higher than its 3-year average of 9x and 2022 P/E forward is even higher with 11x.

Fierce competition in NPK segment

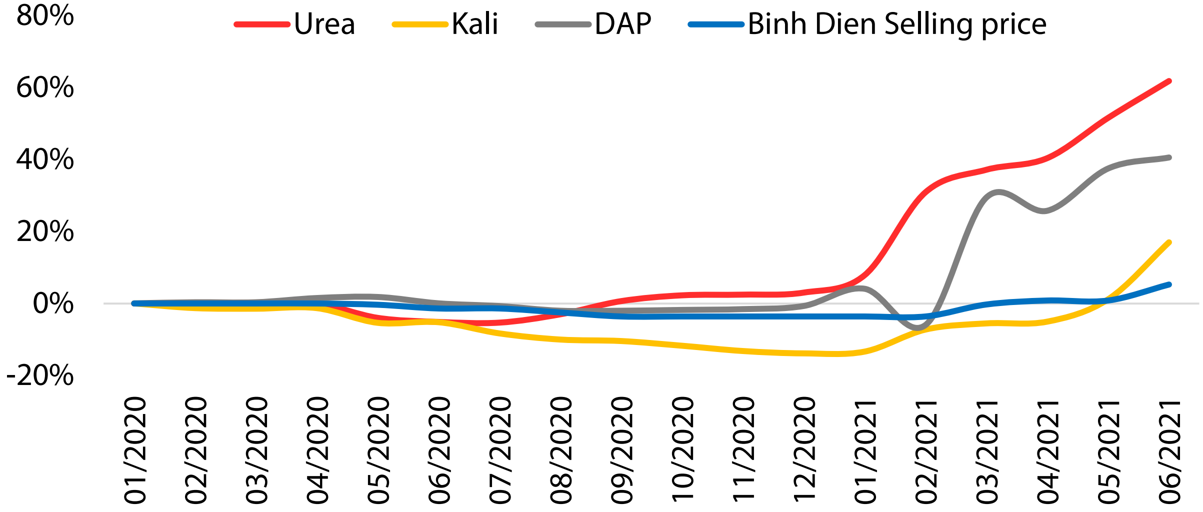
- NPK market is still in the fierce competition, putting pressure on selling price of NPK producers when the material prices rally. Then hurting the gross margin.

RISKS TO OUR CALL

- The gross margin is not impacted as our expectation.
- The rising stock price in fertilizer sector may support the BFC stock price.

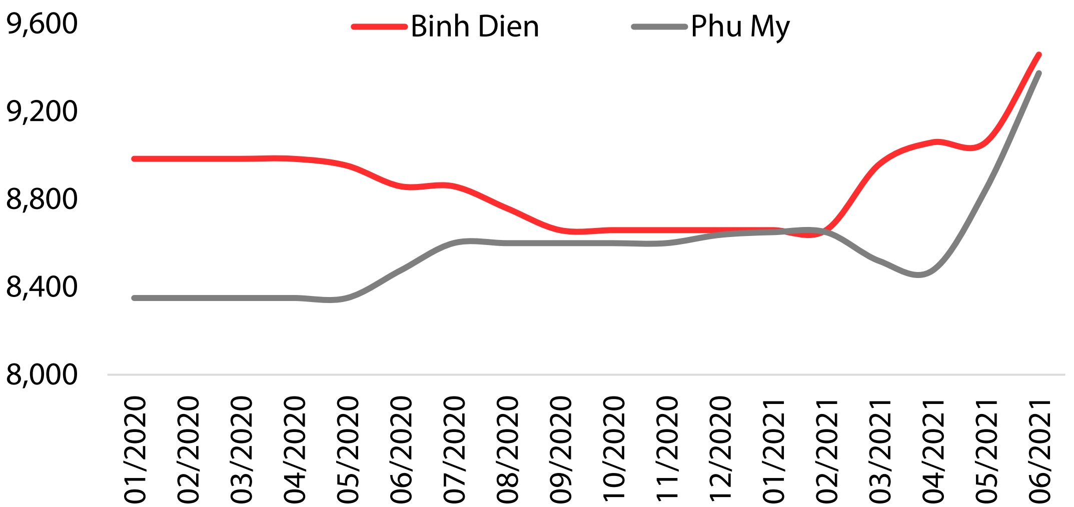
1H2021 POSITIVE EARNINGS BUT NOT IN FAVORABLE CONDITION AT ALL

Figure 1: Change in material price, selling price compared Jan 2020



Source: RongViet Securities

Figure 2: NPK 16-16-8+13S+TE selling price (VND/kg)



Source: RongViet Securities

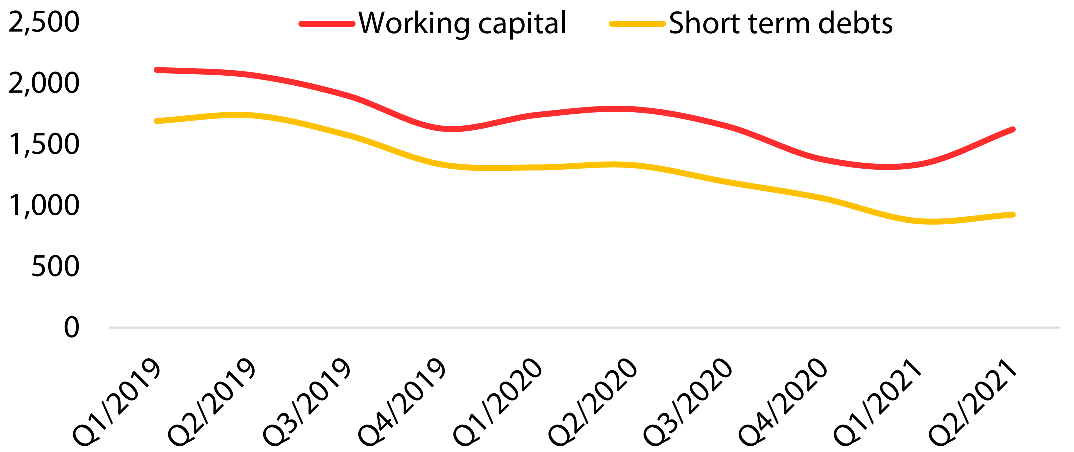
Strong earnings growth but falling gross margin due to competition

- Total sales volume was 400 thousand tons in 6M2021, up 51% YoY. Since the end of 2020, Urea, DAP, and Potassium fertilizer prices - main input for NPK production have increased by 35% - 50% while the NPK selling price experienced less due to competition. So the gross margin has been falling since 3Q2020 , from 16.7% to 11.4% in 2Q2021.
- For 1H2021, net revenue and NPATMI posted VND 4,102 bn (USD178.3 mn) (+62% YoY) and VND112bn (USD4.9 mn) (+88%YoY), respectively.

Short term debt continues to reduce

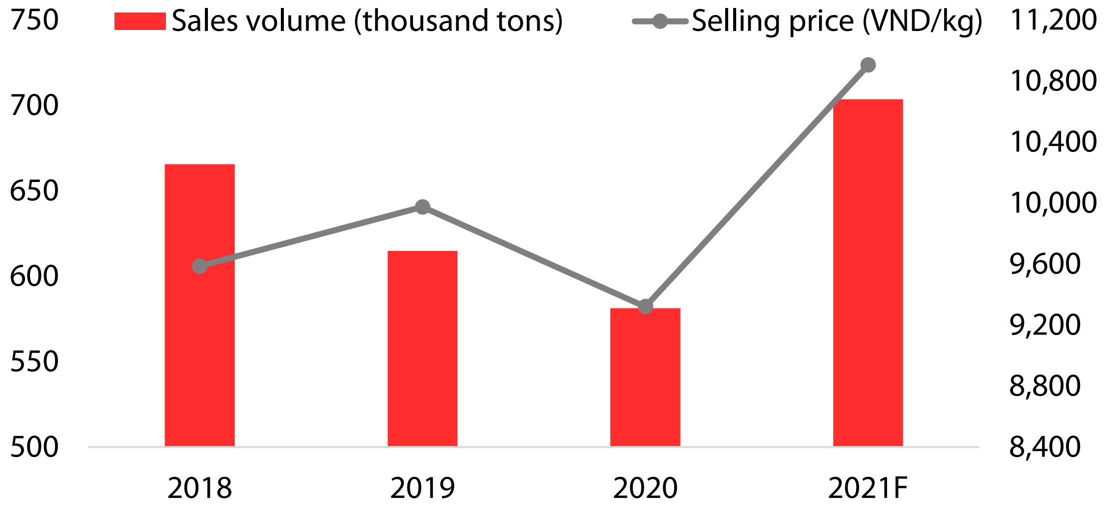
- BFC is managing its working capital better to reduce the short-term debt, exposing a lower interest expense in 2020 as well as 1H2021.

Figure 3: Working capital and short-term debt (VND bn)



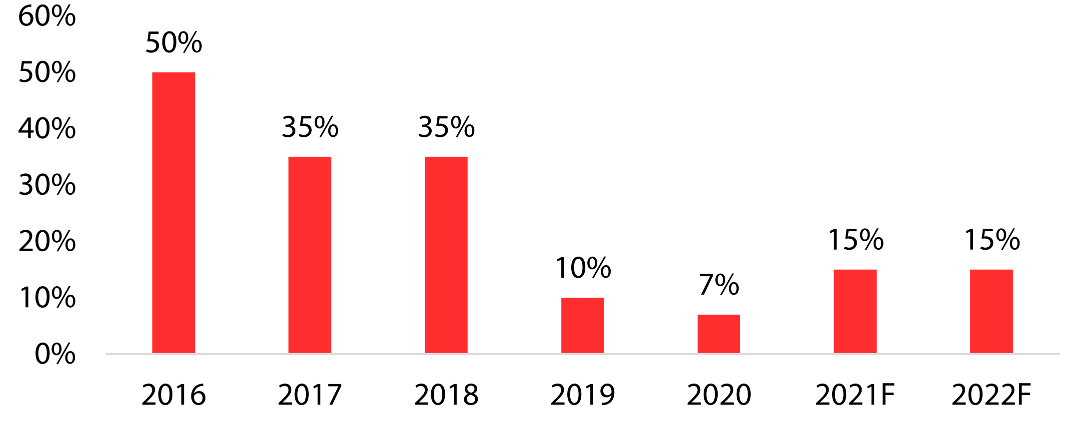
Source: Rong Viet Securities

Figure 4: Sales volume (LHS) and selling price (RHS)



Source: BFC, RongViet Securities

Figure 5: Cash dividend paid on par value



Source: BFC, Rong Viet Securities

To see a drop in gross margin

- BFC will stock material for 2-3 months of production amid the increasing input price while slightly increasing the selling price, easing the impact on the gross margin. However, we think that the overall margin in the next six months will drop from 11.9% in 1H2021, leading to a full year margin of 11.4%. On the other hand, we believe that BFC can control expenses (interest and selling expenses) to support earnings.
- In term of sales volume, we forecast that BFC can sell 704 thousand tons of NPK in 2021, up 21% YoY. While the ASP will adjust up 17% to VND10,905 per kg (USD0.4 per kg).
- For 2021, we estimate that the company can post VND7,543bn (USD327.9 mn) in revenue (+39.2% YoY) and VND188bn (USD8.1 mn) in NPATMI (+41.3%YoY).

The valuation is not cheap at all

- With VND188bn in NPATMI, EPS 2021 is VND3,022. So the stock is being traded at a 2021 P/E forward of 10x, based on the market price of VND30,100 (USD1.3), higher than the three-year average 9x. 2022 P/E forward is even higher with 11x.

Expect a better cash dividend policy for 2021

- In case of deeply fulfilling the guidance, BFC can pay at least VND1,500 cash dividend for 2021, higher than its plan - VND1,200 per share.

DISCLAIMER:

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").

DISCLAIMER:

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 Floor 36, 444 Madison Avenue, Floor 36, New York, NY 10022. 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.

VIET DRAGON SECURITIES CORPORATION

Viet Dragon Tower, 141 Nguyen Du Street, Dist.1, HCMC, Vietnam

vdsc.com.vn

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

Mr. Vu Nguyen
Head of Institutional Clients
F: + 84 8 6299 2006 (Ext: 1367)
M: vu.na@vdsc.com.vn