Petrolimex Chemical Corp. (PLC – HNX)

A firm foothold

*PLC's 2014 business results reflected the Company's many advantages and has attracted many investors to the stock. In 2015, we believe the advantages of **(1) being the leading firm in term of market share in its main businesses; (2) extensive distribution channels and production facilities; (3) low oil price and (4) increased infrastructure investment** would still be in place but with a milder effect on the Company's performance than last year. Profit margin improvement is a key driver for the Company's outlook in 2015. Furthermore, PLC's prospect lies with several new investment projects that could bring about enhanced efficiency in the next few years as well as high demand for its polymer bitumen, a product of many potentials given the increasing number of highway and airport projects. PLC's business risks stem not only from the inherent risks of each segment activities but also the volatility of global oil price.*

*Using the discounted cash flow valuation method (FCFE and FCFF) and relative valuation (P/E) in comparison with regional peers, we have determined the reasonable price for PLC's stock at **VND40,000 per share**. At the closing price on 14/4/2015 of VND34,000 per share, P/E forward is estimated at 7.7x. With bright outlook in 2015, we rate the stock as **ACCUMULATION** in the **MEDIUM TERM**.*

- Following a jump launched by boosted infrastructure investment, the bitumen segment growth reverts to the past growing pace after 2015.
- The lubricant business is seen to steady in the short term with a tailwind from low oil price.
- With three-year contraction, the chemical business should see no surprises.
- Risks: Input price volatility and receivables issues in the bitumen segment.

Key financials

Y/E Dec (VND bn)	FY2012	FY2013	FY2014	FY2015F
Net Revenues	6,063.2	6,198.3	6,820.7	6,944.3
% chg	-0.2%	2.2%	10.0%	1.8%
PAT	168.8	189.2	266.7	308.2
% chg	-26.4%	12.0%	41.0%	15.6%
Net margin (%)	2.8%	3.1%	3.9%	4.4%
ROA (%)	6.3%	6.9%	8.2%	8.5%
ROE (%)	17.3%	17.8%	23.9%	24.8%
EPS (VND)	2,803	2,908	3,798	4,081
Adjusted EPS (VND)	2,090	2,341	3,302	4,387
Book value (VND)	16,412	17,395	15,676	17,252
Cash dividend (VND)	700	1,500	3,000	1,500
P/E (x)	5.9	6.3	7.9	7.7
P/BV (x)	1.0	1.1	1.9	2.0

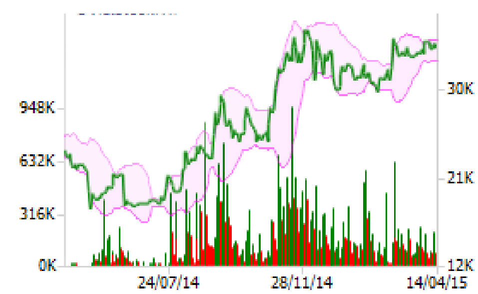
Source: PLC, RongViet Research, Stock price as of 04/14/2015

ACCUMULATE

CMP (VND)	34,000
Target Price (VND)	40,000
Investment Period	Intermediate

Stock Info

Sector	Oil & Gas
Market Cap (VND bn)	2,409
Shares O/S	70,259,568
Beta	0.96
Free float (%)	20.93%
52 weeks High	36,800
52 weeks Low	13,730
Avg. Daily Volume (in 20 sessions)	130,074



Peformance (%)

	3M	1Y	3Y
PLC	6.44	45.19	96.06
Oil & Gas	-16.81	-30.11	62.69
VN 30 Index	-5.26	-12.95	12.74
VN Index	-3.53	-7.87	22.87

Major Shareholders (%)

Vietnam Nation Petroleum Group	79.07
Foreign Investors' Room	46.00

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Petrolimex Chemical Corporation (PLC – HNX) is a subsidiary owned 79% by Vietnam National Petroleum Group (Petrolimex). The Company three main products include lubricants, bitumen and chemicals. The parent Company specializes in lubricants business while its wholly owned subsidiaries: (1) Petrolimex Bitumen Company Limited and (2) Petrolimex Chemicals Company Limited, as their name imply, are responsible for the other segment. In the past two years, especially FY2014, the Company business performance has showed significant improvement along with the recovery of the economy and robust infrastructure investment activities in Vietnam.

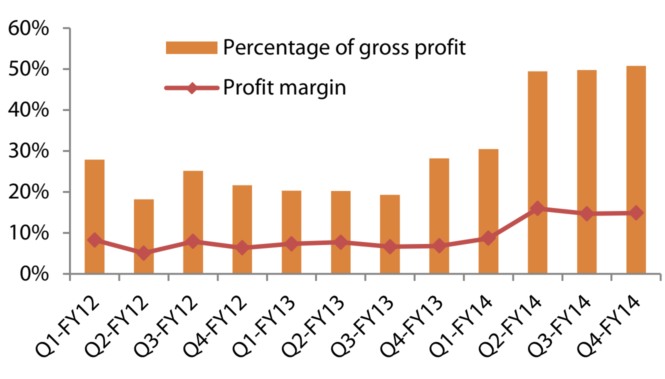
Taking advantage of the increased infrastructure investment, there was a bulge in the bitumen segment.

In the past, the lubricant segment always made a largest contribution to the Company's gross profit (>60%) while the bitumen segment had relatively stable but low profit margin (~7%). However, since late 2013, the bitumen segment has improved significantly in term of revenue; the business line showed the breakthrough in profit in 2014 thanks to boosted infrastructure investment across the country. In 2014, total capital disbursement for infrastructure reached more than VND116.7 bn or 35% above the government's plan where PLC provided bitumen for many key projects such as the expansion of National Highway 1A, Ha Noi – Lao Cai Highway, Noi Bai Airport Terminal 2...

In 2014, revenue from the bitumen sales increased by 40.5% and gross profit grew by 171.2% compared to the previous year. Thus, with its strong growth, bitumen made up 46% of the Company's gross profit, equivalent to the lubricant segment's contribution.

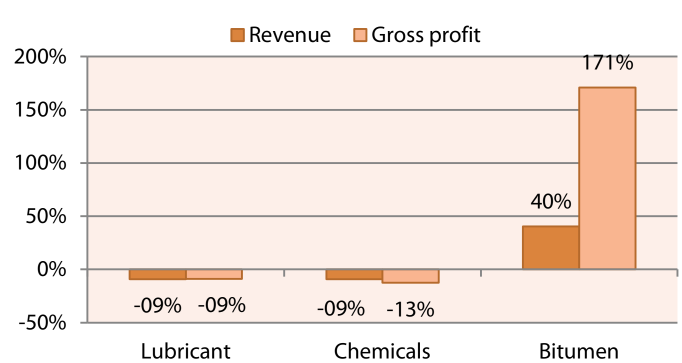
Apart from the edge provided by the bitumen segment, in 4Q2014, the Company also reported a positive improvement in the profit margin of the lubricant segment thanks to a decline in raw material prices (base oil). Despite this, lubricant revenue and profit still decreased compared to the previous year because of PLC's loss of the mixing contract with Nippon Oil (~9,000 tons). Furthermore, the chemical segment's performance was not very encouraging, posting negative growth 3 years in a row. In general, bitumen segment could be considered the main biggest highlight in the Company's operation in 2014. Looking back at FY2014, revenue and NPAT was reported at VND6,821 bn and VND266.7 bn, increased by 10% and 41% from 2013 and whole-year EPS was reported at VND3,798.

Figure 1: Bitumen gross profit contribution and margin (quarterly)



Source: PLC, RongViet Research

Figure 2: 2014 revenue and gross profit growth by segment



Source: PLC, RongViet Research

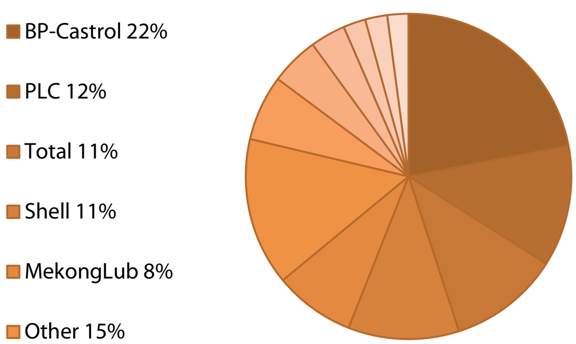
Lubricants has stability outlook based on the short term advantage of low oil prices.

The firm position of PLC in lubricant industry

Lubricants are non-durable consuming goods with fierce competition in Vietnam. Currently, the market share mainly goes to large foreign brands such as BP/Castrol, Total, Shell… In particular, BP/Castro is the oldest player in Vietnam lubricant industry (since 1997) and has developed its extensive distribution system, selling directly to automobile/motorbike accessory stores and car wash. With that advantage, BP/Castrol has the largest market share, about 22%, while the other foreign names (Shell, Total) account for only 11%. On the other hand, PLC – a domestic lubricant company stand the second with 12% of market share.

We believe the Company has many supporting factors to achieve and maintain its position. First of all, PLC's distribution system connects with over 6,000 petrol stations in the Vietnam National Petroleum Group's network. Secondly, the location of its two factories in Hai Phong and HCM is very convenient for distribution. Finally, the pricing strategy that positions PLC's products in middle segment lowers its retail prices 10 – 30% from those of BP/Castrol and Shell. Furthermore, it is also worth mentioning the relationship between Vietnam National Petroleum Group (Petrolimex), PLC and BP/Castrol. At this moment, Castrol BP Ltd. – Petco Vietnam is a joint venture company with approximately 35% ownership held by Petrolimex Group. Over the last 3 years, this joint venture has contributed over VND300 bn in revenue for the Group every year. In addition, we believe the strength of two companies (BP/Castrol and PLC) has been cleverly combined to ensure a leading position for Petrolimex in the lubricant industry.

Figure 3: Lubricant market shares by company in 2014



Source: Eska, RongViet Research

Figure 4: The PLC – BP/Castrol – Petrolimex relationship

	BP/Castrol	PLC
Petrolimex ownership	35%	79%
Market segment (2014)	22%	12%
Average revenue (VND bn)*	NA	6,350**
Average profit (VND bn)	329	316

* *Period 2012-2014*

*** Inside sales for Petrolimex account for ~16% total revenue; Lubricant revenue accounts for ~34%*

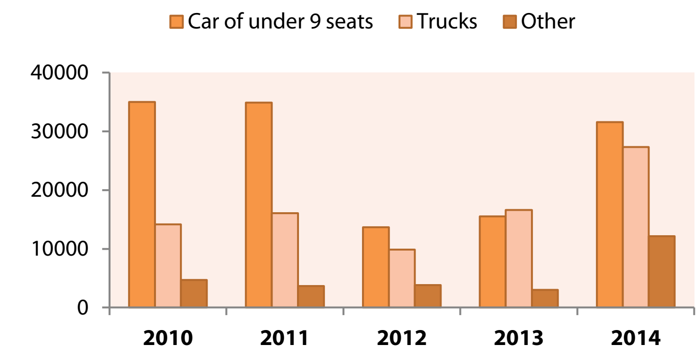
Source: PLC, Petrolimex, RongViet Research

Potential growth of the sector is stable

The growth potential of the lubricant segment is strongly correlated with economic growth and the growth of (1) transportation demand and (2) consumer income. In coming years, Vietnam's GDP growth continues to be seen optimistic at over 6%. Meanwhile, the demand for cars that has just exploded in 2014 (in which: imported car volume increased by 100% while CBU & CKD sales increased by 32% and 83% from the previous year, respectively) could boost the domestic lubricant demand in the following years. However, as we known, general demand for lubricant products face some challenges such as (1) the need for lubricant change has been slowed down due to the viscosity level improvement and truckload control; (2) competition with counterfeit and imported products; (3) the motorcycle market has been mostly saturated while there have been a lot of technology improvement and an explosion in in-house lubricant brands (Yamaha, Honda, Idemitsu…). We suppose that these factors could diminish the positive growth and keep lubricant demand stable.

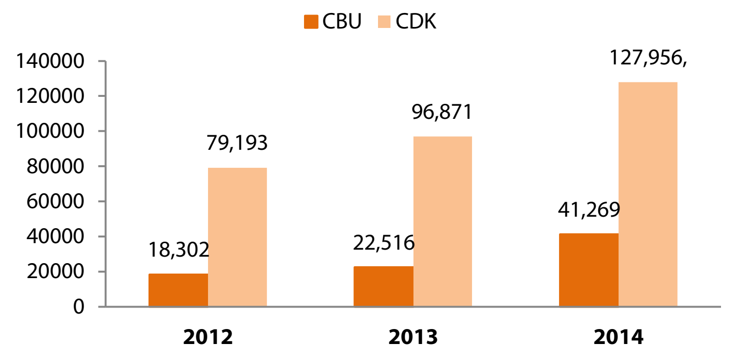
**In 2014, Nippon Oil factory started to operate with a capacity of 50,000 tons / year.*

Figure 5: Annual imported automobiles by unit, 2010-2014



Source: Customs, RongViet Research

Figure 6: CBU and CDK sale volume by unit, 2012-2014



Source:VAMA, RongViet Research

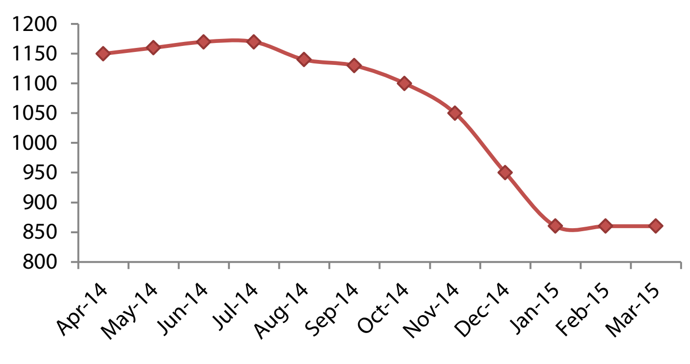
As a result, that PLC's 2015 output guidance is about the same (~41,500 tons) is understandable. PLC said 10% growth in the domestic market was relatively ambitious and required great efforts to achieve. We recognize that enhancing sales from industrial customers is one of the solutions. In early 2015, we recognized a positive signal as the Company won the bid to supply lubricants for a new industrial customer, i.e. Quang Ninh TPC, Vietnam Locomotive. Besides, the expansion of the lubricant factory in Thuong Ly (Hai Phong) also motivates the Company to be more active in sale strategy.

Short-term benefit from low oil prices

As mentioned above, the gross profit margin of the lubricant segment has increased by approximately 25% since Q4/2014 as the price of base oil declined in correspondence with global crude oil plunge. Base oil prices are rather sensitive to the change in crude oil prices but the extent of it fluctuations is much less. In 2014, the WTI dropped by roughly 48% while base oil declined by only about 20%. Meanwhile, the output prices of lubricant products were quite favorable as they were set by BP/Castrol. In October 2014, BP/Castrol increased its prices after 3 years of stability as inflation and other factors had raised costs for lubricant producer; shipping costs were up 60 – 80% with the load tightening policy, exchange rate increased by 2% and the prices of packages by ~19%… With this move, we believe that the prices of lubricant products could be maintained at the current level for quite some time. However, the saving of material cost could be transferred to the distributors.

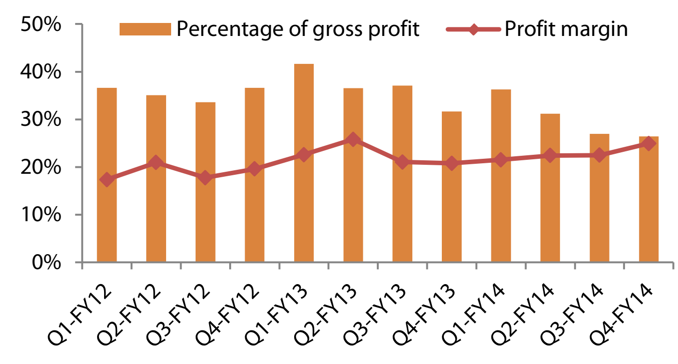
In Q1/2015, base oil price must have steadied around USD850-860/ton, now that oil price was at USD50 – 60 per barrel, so we suppose that the lubricant segment's profit margin could be well maintained in 2015. According to the latest forecast by EIU, crude oil could recover in the next few years, based on this scenario, we expected the profit margin of this segment will be narrowed in the following years.

Figure 7: Base oil price



Source: Bloomberg, RongViet Research

Figure 8: Lubricant gross profit contribution and margin (quarterly)



Source: PLC, RongViet Research

New investments is on the road in the next years

In 2014, the Company completed the expansion of the lubricant factory in Thuong Ly (Hai Phong), effectively increasing the production capacity to 50,000 tons/year. In the next two years (2015 – 2016), the Company will continue to invest in two new projects: an expansion of the Nha Be factory (doubling production capacity) and construction of a warehouse in Dinh Vu; the total required funds are up to VND190 bn. The Nha Be factory is set to complete in 2017. However, we do not expect consistent growth between production capacity and sales. Also, there is some prospect in the export market is existed. Nonetheless, even in other countries in the South East Asian region, PLC still has to compete with other foreign companies. As a result, initially, we found that the company focused on nascent market such as Laos and Myanmar. In the near future, the construction of the Dinh Vu warehouse could create added value for the Company by saving materials transportation costs from port to the factory.

In conclusion, under stable growth of the industry, there are several highlights to the lubricant segment such as the strong market position, short-term benefit from raw material prices and new investments.

(See Appendix 1: Current production capacity of lubricant companies in Vietnam – Page 9)

Bitumen will revert to its past growing pace after 2015

Taking advantage of market position and opportunities to promote business strength

The Company currently owns 5 bitumen warehouses with total capacity of 27,400 tons and 75 specialized vehicles to distribute bitumen throughout the three regions, i.e. the North, Center and South of Vietnam. At the presence, Vietnam is still not capable of bitumen production and only imports and distributes. The bitumen market has many foreign (Puma Energy) and private-sector competitors (Trantimex, Transmeco...) to small businesses. However, we highly appreciate the advantage of PLC's warehouse location as well as the Company's networks in the industry. Currently, PLC is having the lion share in the bitumen industry (about 40%).

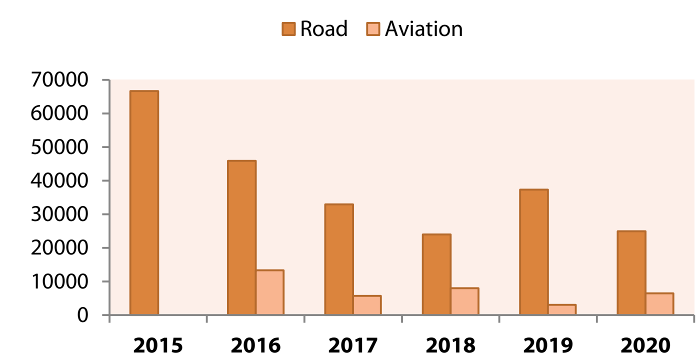
With its position and robust infrastructure investment in Vietnam in the two recent years, the Company reported encouraging earnings in 2014. In 2015, the capital disbursement plan for infrastructure is maintained mostly stable as compared to the previous year's (~VND86,600 bn), though dropping sharply (-35%) from the actual disbursement in 2014. Monitoring the progress of infrastructure projects, especially key projects that must be completed in 2015, we believe the bitumen segment will continue to shine on its target this year. The 2015 bitumen sale volume is targeted at 228,000 tons (a slight increase from 2014), however, we expect the actual volume to be higher than the guidance with an estimated growth of 10% yoy. In the 2016-2018 period, the expected investment in land transportation infrastructure will decline, bringing the bitumen segment's growth back the pace before FY2015.

(See Appendix 2: List of high-priority investment projects – Page 10)

The tailwind of low oil price is to pick up strength in 2015

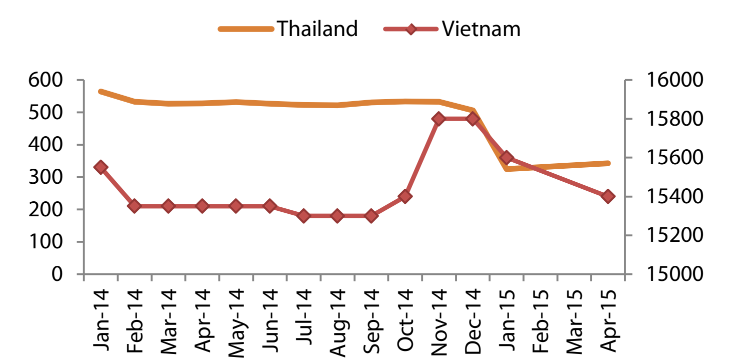
Like base oils, bitumen is also a substance based on crude oil but the main difference is that bitumen tends to react to slower crude oil price variations than base oil. According to consulting firm Argus, Thailand bitumen price declined slightly in December, 2014 but just went for a sharply drop in the beginning of 2015. It can be implied from this the improvement of PLC's bitumen segment in 2014 was not an effect of the global oil glut, which emerged to the surface in late 2014. However, with the sharp decline earlier this year, we expect the historically low oil price will put in place another tailwind for PLC's bitumen segment. At the present, PLC is importing bitumen mainly from providers in Korea, Singapore and Thailand; hot bitumen price has fallen by 5% since 2014 end-year while the price on the world market has dropped by 36%. Yet we notice that the effect of this factor is only short-term and difficult to predict since bitumen price could be drive more by demand than oil price. For now, the demand for infrastructure upgrade in South East Asia is quite high. Besides, the sale commissions PLC has on its bitumen is very high (minimum 20%); thus, we maintain a cautious forecast on the profit margin of this segment, about 16%, in 2015.

Figure 9: Infrastructure capital spending plan, 2015-2020



Source: MoT, RongViet Research

Figure 10: Thailand bitumen price (USD/ton) **and Vietnam bitumen price** (VND/kg)



Source: PLC, Bloomberg, RongViet Research

Monopolistic advantage in polymer bitumen products

Polymer bitumen is new product developed by the PLC since 2010. The Company has a monopolistic advantage in this kind of product with 3 production lines at Hai Phong, Da Nang and HCMC. The Company said the profit margin of polymer bitumen is very high (20-50%) as compared to that of ordinary bitumen (7%). However, this product makes up only a small proportion (6-8%) of the total sale volume of the bitumen segment. With applicability for high quality structures such as highway and airport, we expect the sale volume of polymer bitumen to increase in the upcoming time, enhancing the Company's profit margin.

(See Appendix 3: Applications of polymer bitumen – Page 10)

Account receivables risk is an inherent risk in the bitumen business

The flipped side of easy sales in bitumen segment is the difficult account receivables control. In 2014, the rate of funds disbursement for infrastructure project was very high yet doubtful and bad debts still increased sharply, which we consider an inherent risk in this business. While bitumen revenue increased by 40.5%, the allowance for doubtful receivables grew by 53% to approximately VND164 bn. According to the PLC, due to the credit risk on its account receivables, the Company is not too eager to push sales in 2015. In addition, the management of account receivables depends mainly on the Company's ability to evaluate customers (i.e. collect information) as well as its experience. The Company reassesses its doubtful debt every six months at the middle and the end of the year, which makes net profits in the corresponding quarters vulnerable to the provision of bad debts.

Bright 2015 outlook

Having analyzed the two lubricant and bitumen segments, we see 2015 as a positive year for the Company. There could be a decrease in bitumen price and revenue growth could be slowed down, yet better profit margins remain a positive factor. The Company expects 2015 revenue and profit to be little changed from 2014, which are VND6,052 bn of revenue and VND273 bn of NPAT. We forecast PLC's 2015 revenue to be approximately VND6,944 bn (+2% yoy) while NPAT can reach VND308 bn (+16% yoy). We also note that the cost of goods sold can increase quickly this year as the Companies lay its focus on searching for customers in the lubricant segment and increase sale commissions for distributors or direct buyers.

Given the plan of PLC to increase its share capital to VND1,000 bn, which has been in place for several years now, the Company plans to provide 15% bonus shares executed in 2Q2015.

Figure 11: Revenue breakdown, 2010-2015F

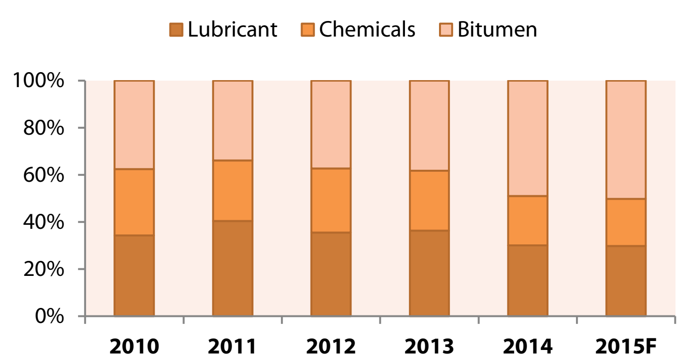


Figure 12: Gross profit breakdown, 2010-2015F

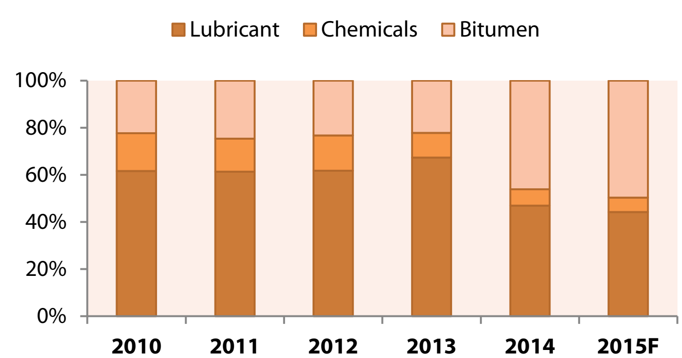
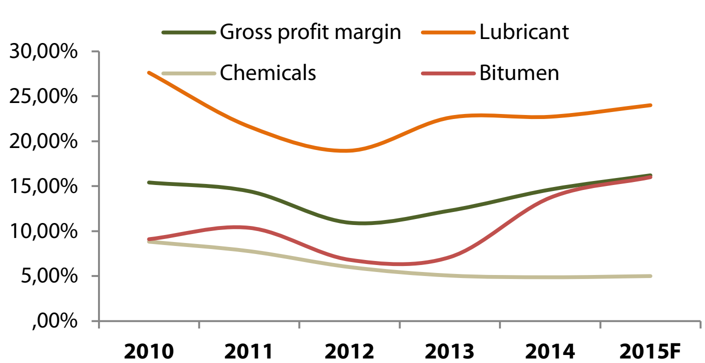
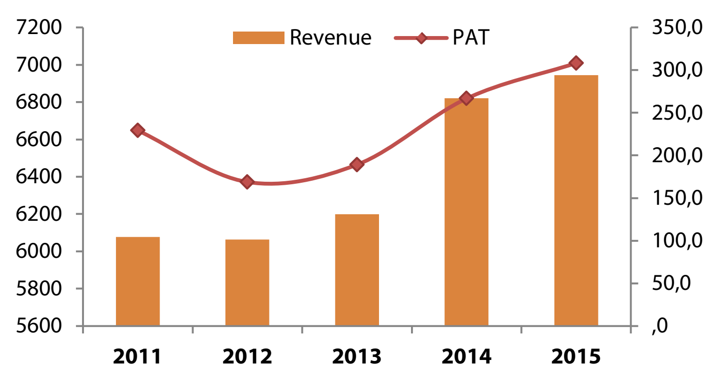


Figure 13: Gross profit margin, 2010-2015F



Source: PLC, RongViet Research

Figure 14: Revenue and PAT (VND bn)**, 2010-2015F**



Source: PLC, RongViet Research

Outlook and valuation:

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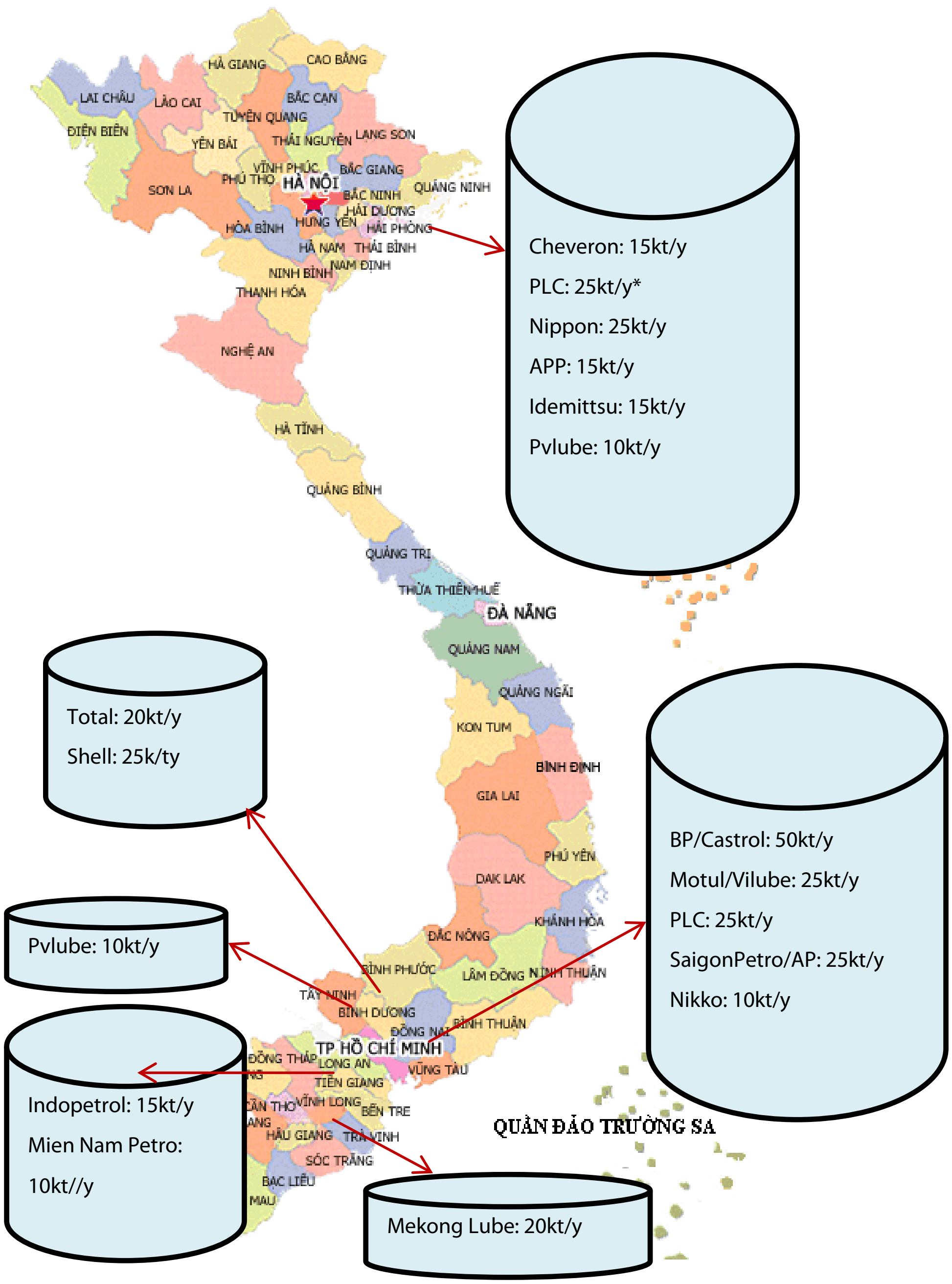
Valuation model	Price	Weight	Average
FCFF	40,213	25%	10,053
FCFE	40,461	25%	10,115
P/E	39,704	50%	19,852
Average price			**40,021**

Appendix 1: Current production capacity of lubricant companies in Vietnam



Source: Lubricant of Expert, RongViet Research

Appendix 2: List of high-priority investment projects

No.	Name	Scale	Implementation Time
I	Roads		
1	Expand and upgrade 1A National highway	1,440 km	Complete in 2015
2	Connect and upgrade Ho Chi Minh road	1,342 km	Complete in 2015
3	Sections of North-South highway		
-	Ninh Binh – Thanh Hoa	121 km	2014-2018
-	Da Nang – Quang Ngai	125 km	2012-2016
-	La Son (Hue) – Da Nang	79 km	2013-2017
-	Dau Giay – Phan Thiet	100 km	2013-2017
-	Trung Luong – My Thuan – Can Tho	86 km	2013-2018
4	Other highways		
-	Ha Noi – Hai Phong	105 km	2008-2015
-	Ha Noi – Lao Cai	264 km	2009-2014
-	Ha Noi – Thai Nguyen	62 km	2009-2013
-	Noi Bai – Ha Long	147 km	2015-2020
-	Bien Hoa – Vung Tau (Phase 1: Bien Hoa – Phu My)	70 km	2014-2018
-	Ben Luc – Long Thanh	48 km	2012-2017
-	Ring Road 3 – Ho Chi Minh	89 km	2013-2020
-	Ring Road 4 – Ha noi	98 km	2013-2020
II	Aviation		
1	Noi Bai International Airport – Terminal T2	10 million passengers/year	2011-2014
2	Upgrade Cai Bi International Airport	4 million passengers/year	2013-2018
3	Tan Son Nhat International Airport (upgrade domestic terminal, runway)	23,5 million passengers /year	2013-2020
4	Long Thanh International Airport (Phase 1)	25 million passengers /year	2014-2020
5	Upgrade Cam Ranh International Airport	2 million passengers /year	2015-2018
6	Van Dong International Airport	2 million passengers /year	na
	Notes:		
	PLC provided		
	PLC is providing		

Source: Ministry of Transportation, RongViet Research

Appendix 3: Applications of polymer bitumen

	Purpose	PMB-I	PMB-II	PMB-III
1	Intensity cutting asphalt	+	++	+++
2	Drainage asphalt	-	++	+++
3	Plastic mortar stone concrete	+	++	+++
4	Asphalt overlay – thin and very thin (VTO) to create rough	+	++	-
5	Asphalt with stone layer to create rough	+	++	-
6	Hard road asphalt overlay	-	++	+++
7	Airport: taxiways, runways, parking area	-	++	+++
8	Highway, roads for heavy trucks	+	++	+++
9	Sphere asphalt overlay	-	++	+++
10	Asphalt charging station	-	++	+++
11	Production of emulsion, plastic oil	+	-	-
12	Obturate cracks and joints	-	-	++
13	Crack reflection coating - SAMI	+	++	-
	Notes:			
	-: less appropriate	++: good		
	+: appropriate	+++: very good		

Source: Ministry of Transportation

VND Billion

INCOME STATEMENT	2012A	2013A	2014A	2015F
Revenue	6,063	6,198	6,821	6,944
COGS	5,400	5,437	5,826	5,819
Gross profit	**663**	**761**	**995**	**1,125**
Selling Expense	327	373	477	556
G&A Expense	67	75	152	160
Finance Income	39	16	20	17
Finance Expense	88	88	52	40
Other profits	7	12	8	8
PBT	**227**	**253**	**343**	**395**
Prov. of Tax	58	64	76	87
Minority's Interest	0	0	0	0
PAT to Equity Shareholder	**169**	**189**	**267**	**308**
EBIT	**304**	**310**	**371**	**419**
EBITDA	341	354	423	484

%

FINANCIAL RATIO	2012A	2013A	2014A	2015F
Growth				
Revenue	-0.2	2.2	10.0	1.8
Operating Income	-40.7	16.4	17.2	11.8
EBITDA	-15.3	3.8	19.5	14.5
EBIT	-19.7	2.1	19.6	13.0
PAT	-26.4	12.0	41.0	15.6
Total Assets	-12.8	21.4	14.9	9.2
Equity	3.2	14.5	-2.7	25.7
Internal growth rate	13.0	8.6	5.0	15.1
Profitability				
Gross profit/Revenue	10.9	12.3	14.6	16.2
Operating profit/ Revenue	4.4	5.0	5.4	5.9
EBITDA/ Revenue	5.6	5.7	6.2	7.0
EBITDA/ Revenue	5.0	5.0	5.4	6.0
Net margin	2.8	3.1	3.9	4.4
ROAA	6.3	6.9	8.2	8.5
ROIC or RONA	30.5	29.0	33.2	33.4
ROAE	17.3	17.8	23.9	24.8
Efficiency				
Receivable Turnover	6.4	6.7	6.8	6.8
Inventory Turnover	6.7	6.9	6.5	6.3
Payable Turnover	11.0	9.2	5.9	4.7
Liquidity				
Current	1.4	1.3	1.2	1.3
Quick	0.9	0.9	0.8	0.9
Solvency				
Total Debt/Equity	152.5	168.0	216.5	174.3
Current Debt/Equity	108.0	100.1	104.5	84.1
Long-term Debt/ Equity	1.0	1.6	0.0	2.2

VND Billion

BALANCE SHEET	2012A	2013A	2014A	2015F
Cash and equivalents	483	568	885	1,145
Short-term investment	0	0	0	0
Receivables	847	1,005	1,011	1,042
Inventories	709	876	917	931
Other current assets	47	31	26	26
Total Current Asset	**2,086**	**2,481**	**2,839**	**3,144**
Tangible Fixed Assets	226	244	342	371
Intangible Fixed Assets	0	3	1	0
Construction in Progress	76	140	122	115
Investment Property	0	0	0	0
Long-term Invest ment	43	62	59	59
Other long-term assets	62	97	113	113
Long-term Asset	**406**	**546**	**637**	**658**
Total Asset	**2,493**	**3,027**	**3,477**	**3,802**
Payables	361	686	959	931
Other current liabilities	69	65	275	288
Current Debt	1,067	1,133	1,151	1,164
Long-term Debt	10	18	0	30
Other long-term liabilities	0	0	0	0
Total Liability	**1,508**	**1,902**	**2,384**	**2,413**
Owner's Equity	**989**	**1,132**	**1,101**	**1,389**
Capital	602	651	703	808
Retained Earnings	117	188	77	230
Funds & Reverses	265	289	319	348
Others	**0**	**0**	**0**	**0**
Total Equity	**989**	**1,132**	**1,101**	**1,389**
Minority's Interest	0	0	0	0
TOTAL RESOURCE	**2,496**	**3,033**	**3,485**	**3,802**

CASH FLOW STATEMENT	2012A	2013A	2014A	2015F
Net Income	227	253	343	395
-Depreciation	38	44	52	65
-Adjustments	*70*	*62*	*70*	*37*
+/- Working capital	40	-152	65	-146
Net Operating CFs	**375**	**208**	**531**	**352**
+/- Fixed Asset	-42	-128	-131	-85
+/- Deposit, equity investment	0	-32	5	-50
Interest, dividend, cash profit received	13	8	12	0
Net Investing CFs	**-29**	**-152**	**-114**	**-135**
+/- Capital	0	0	0	104
+/- Debt	-272	71	-2	0
Dividend paid	-73	-42	-97	-60
Net Financing CFs	**-345**	**29**	**-99**	**45**
+/- cash & equivalents	0	85	317	261
Beginning cash & equivalents	**483**	**483**	**568**	**885**
Impact of exchange rate	0	0	0	0
Ending cash & equivalents	**483**	**568**	**885**	**1,145**

COMPANY RESEARCH REPORT

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%

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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

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