J.P.Morgan

Vietnam Vista

Weekly Market Update (10 - 14/11/2008)

Vietnam

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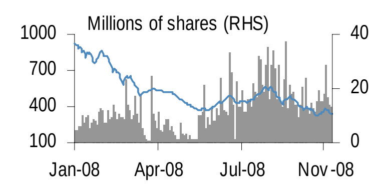
- **Stock market round-up:** Fluctuating global market movements have affected local sentiments this week. VNINDEX fell 3.8% W/W to 352.07 and trading value dropped 19.7% W/W to US$141.5MM. In Hanoi, VHINDEX declined 2.8%W/W to 113.07, while trading value fell 25% W/W to US$72.1MM. Foreigners were net sellers this week, net selling US$18.4MM on HOSE and US$2.2MM on HASTC.
- **Economy:** NA meetings in Hanoi approved the FY09 Budget plan, which includes a government expenditure of VND491.3T in FY09 and budget deficit at 4.82% of the GDP. A positive point is that Vietnam has continued the discussions between ministers and NA representatives, most notably discussions with the prime minister, the governor, and minister of industry and trade. Under WTO commitments for price liberalization, MOF announced an increase in coal prices for domestic manufacturers of paper, fertilizer and cement from November; it will be freed to market forces from 2Q09.
- **Strategy perspectives:** The Vietnamese economy has become increasingly integrated with the global economy, given the contribution of exports to GDP that has risen significantly from 30% in the 1990s to c.68% by end of FY07. Export growth remained strong at 39%+ year-to-Sept08, is now at c.70% of GDP; however, in our view weaker global demand, especially the US economic slowdown, will directly affect export orders and lower them, and indirectly due to constraints on local business expansion. As the local market valuation has become more reasonable now at a consensus FY08E P/E of 9.3x, and liquidity has improved as local investors have become familiar with the market movements, we see opportunities to acquire leading stocks. However, given the weak appetite for risk assets, we believe there is not much chance of sustained short-term returns; investors should enter Vietnamese markets with a 12-month investment horizon, in our view.
- **Corporate developments:** This week, we highlight GMD, one of the leading port and shipping service providers in Vietnam.

Vietnam: Markets at a glance

	HOSE	HASTC
Index	352.07 (-3.8% W/W)	113.07 (-2.8% W/W)
T/O (US$mm)	141.5 (-19.7% W/W)	72.1 (-25.1% W/W)
Market cap (US$bn)	10.4	3.5
Number of stocks	165	155
2007 Market P/E	9.5	8.2
Foreign Net Buy/(Sell), US$mn)	(18.4)	(2.2)
Foreign TO as % of Market	13.0	3.1
Exchange rate (VND/US$)		16,980
O/N interbank (%)		7.5

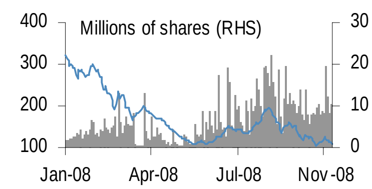
Source: VSE, HASTC, Bloomberg.

Ho Chi Minh City Stock Exchange: VNINDEX vs. trading volume



Source: Bloomberg.

Hanoi Stock Trading Center: VHINDEX vs. trading volume



Source: Bloomberg.

VND rates (%)

Government bond		VND deposit	
1Year	13.2	O/N	7.5
2Year	12.9	1 Week	8.3
3Year	12.8	1 Month	11.0
5Year	12.5	2 Month	13.5
7Year	12.2	3 Month	12.5
10Year	12.1	6 Month	14.5

Source: Bloomberg.

See page 19 for analyst certification and important disclosures, including non-US analyst disclosures.

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Weekly statistics

Ranked sector returns (%)				Top and bottom five stocks (% W/W)			
One week		One month		HOSE		HASTC	
Information Technology	(2.5)	Information Technology	23.1	RIC VM	16.1	DC4 VH	33.8
Consumer Discretionary	(2.7)	Consumer Discretionary	(1.7)	SAV VM	7.3	SDY VH	23.9
Consumer staples	(5.9)	Financials	(1.8)	ANV VM	6.4	SRA VH	17.4
Financials	(6.4)	Energy	(2.9)	HRC VM	6.4	DBC VH	15.4
Health care	(7.4)	Consumer staples	(3.9)	SJS VM	6.0	SPP VH	11.5
Industrials	(9.0)	Utilities	(4.1)				
Materials	(10.6)	Health care	(4.3)	TRI VM	(16.8)	PVE VH	(18.3)
Energy	(10.8)	Telecommunication services	(7.1)	KDC VM	(17.2)	VSP VH	(19.7)
Utilities	(10.8)	Industrials	(9.7)	PET VM	(17.5)	CAP VH	(21.2)
Telecommunication services	(13.3)	Materials	(14.9)	PVF VM	(19.1)	HPS VH	(22.7)
				OPC VM	(22.3)	SGD VH	(24.8)

Source: Bloomberg, VSE, HASTC, J.P. Morgan.

Top and bottom five most active stocks (shares)			
HOSE		HASTC	
STB VM	3,199,260	KLS VH	1,635,440
SSI VM	912,750	ACB VH	1,335,640
FPT VM	635,996	PVI VH	664,340
HPG VM	604,474	PVS VH	577,980
SAM VM	575,114	VCG VH	423,080
PMS VM	714	CTC VH	280
SFN VM	466	BTH VH	220
SGH VM	378	CID VH	160
OPC VM	366	VBH VH	120
FPC VM	112	HSC VH	-

Source: Bloomberg.

HOSE: Bid/offer

Date	Bid volume	Offer volume
11/10/08	25,510,330	29,022,650
11/11/08	19,085,810	28,798,070
11/12/08	24,181,380	23,529,560
11/13/08	31,623,730	24,267,330
11/14/08	27,509,080	27,523,300
Total	127,910,330	133,140,910

Source: VSE, ATP.

HOSE: Foreign activities

Date	Bid volume	Offer volume	Bid value (VNDk)	Offer value (VNDk)
11/10/08	777,300	1,870,560	32,630,466	111,266,483
11/11/08	1,239,500	2,186,930	58,438,638	84,410,049
11/12/08	1,020,090	4,175,730	50,298,260	165,817,007
11/13/08	986,380	2,073,660	56,718,485	100,798,073
11/14/08	496,280	2,053,250	15,170,016	63,082,714
Total	4,519,550	12,360,130	213,255,865	525,374,326

Source: VSE, ATP.

HOSE profile

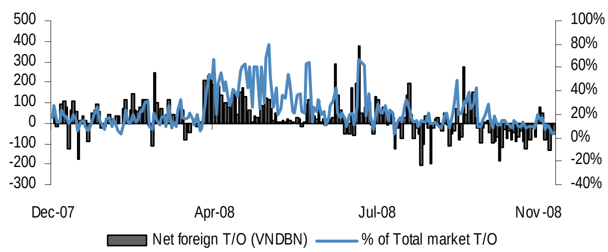
Sector *	EPS growth (%)			P/E (x)			Dividend yield (%)		P/BV (x)		ROE (%)	
	2006	2007	2008E	2006	2007	2008E	2006	2007	2006	2007	2006	2007
Consumer staples	69.0	-22.9	3.7	6.9	9.0	8.7	3.3	2.2	2.2	1.6	39.4	20.6
Consumer discretionary	46.5	48.4	9.1	23.8	16.1	14.7	1.8	2.9	4.1	2.8	19.4	20.9
Energy	851.7	32.9	-7.0	14.7	11.0	11.9	3.0	0.0	3.6	2.7	24.8	27.8
Financials	77.6	192.3	-11.1	19.4	6.6	7.5	5.6	0.0	3.5	1.2	21.1	26.7
Health care	43.6	22.2	18.4	19.2	15.7	13.3	1.8	2.0	5.3	2.4	31.0	21.1
Information technology	171.7	32.1	28.2	10.1	7.6	6.0	7.7	1.8	2.9	2.4	40.6	34.9
Industrials	87.7	-1.0	-11.7	7.6	7.7	8.7	4.4	3.5	1.9	1.2	28.0	19.0
Materials	29.4	-18.2	60.8	12.8	15.5	9.7	1.4	5.0	2.5	2.2	21.8	15.1
Utilities	32.5	7.9	-16.6	12.5	11.6	13.9	5.4	0.6	2.0	1.3	16.4	14.0
Universe	83.1	10.6	2.0	10.5	9.5	9.3	3.6	2.4	2.6	1.6	27.5	21.0

Source: PXP AM. *Sector classified by J.P. Morgan.

Market review

Fluctuating global market movements have affected local sentiments this week. VNINDEX fell 3.8% W/W to 352.07 and trading value dropped 19.7% W/W to US$141.5 million. In Hanoi, VHINDEX declined 2.8%W/W to 113.07, while trading value dropped by 25% W/W to US$72.1 million. Foreigners were net sellers this week on both floors, net selling US$18.4 million on HOSE and US$2.2 million on HASTC.

Figure 1: Net daily foreign activity on HOSE



Source: Bloomberg.

All sectors fell this week. Information technology and consumer discretionary were the best performers, with a respective W/W drop of 2.5% and 2.7%. Telecommunication services performed the worst, with a 13.3% W/W decrease, followed by utilities which was down 10.8% W/W.

RIC and SAV led the HOSE floor, with respective W/W increase of 16.1% and 7.3%. OPC and PVF continued to drop, since its listings, declining by 22.3% and 19.1%, respectively. STB, SSI and FPT were the most active stocks.

On the HASTC, the top gainer was DC4 (+33.8% W/W), followed by SDY (+23.9% W/W). Top losers on HASTC were SGD (-24.8%) and HPS (-22.7%). KLS, ACB and PVI were the most active stocks.

Economic review

NA meetings in Hanoi approved the Budget plan for 2009, which included a 2009 government budget projected expenditure of VND491.3 trillion and budget deficit at 4.82% of the GDP. A positive development that Vietnam continued to implement is the discussion between ministers and NA representatives. In the NA meetings in Hanoi, the Governor disclosed that up to end of October, the credit growth was 19%, while deposit growth was 16%. There were more than 20 banks in Vietnam whose credit growth exceeded the proposed cap of 30% in FY08. The property loans were VND115 trillion, while securities were controlled and lowered to VND6,000 billion from VND20,000 billion in early 2007. The SBV has been questioned about the excess property loans, whether there will be further policy response in 2008, and if these is the possibility of bankruptcies among banks but the Governor did not provide any detailed answer for that. (VNExpress).

Coal price hike for domestic producers of paper, fertilizers and cement from November 2008. Domestic manufacturers of paper, fertilizers, and cement will pay the cost price of crumble coal and 81% of the cost of production of stone coal, from November under a Ministry of Finance (MOF) decision designed to limit coal exports and boost coal traders' revenues. Earlier, producers were paying around 38%-79% of the cost of production, with state-owned coal producers absorbing the difference. Coal producers were trying to offset their losses from selling to domestic industries by boosting coal exports, which they were able to sell at much higher prices; this could have affected national energy security. Vietnam is projected to have to import coal in 2012, after exporting around 20 million tons of coal a year over the past few years.

From the second quarter of 2009, domestic coal prices will not be set by the government but will fluctuate according to supply and demand, according to MOF. The government did not change the price of coal sold to electricity producers. However, the ministry said the price will rise in the future. In a move to curb inflation and stabilize domestic prices, the government had ordered state-owned Vietnam National Coal-Mineral Industries Group (Vinacomin) and other coal traders to freeze coal selling prices during 10M08. (Intellasia, Thanh Nien)

Strategy perspectives

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The Vietnamese economy has become increasingly integrated with the global economy, given the contribution of exports to GDP, which has risen significantly from 30% in the 1990s to c.68% by end-FY07. Export growth remained strong at 39%+ year-to-Sept08, driven by manufacturing exports, seafood, and crude oil; exports are now at c. 70% of GDP but weaker global demand, especially the US economic slowdown will directly affect and lower export orders, and indirectly from constraints on local business expansion.

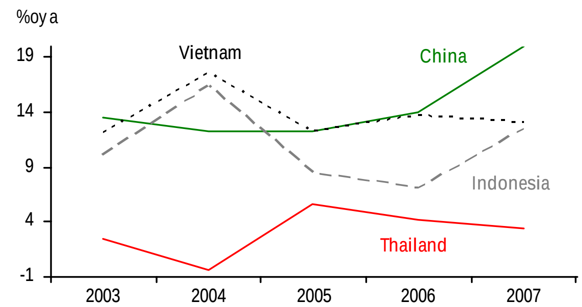
Export growth remained strong in FY08, but signs of softening are increasing. During 9M08, exports rose by 39%, quite strong compared with 19% growth in 9M07 and 21.5% in FY07, mainly driven by better prices of crude oil, agricultural products and manufacturing exports in 1H08. However, in 3Q08 weakening external demand has begun to have an impact, abetted by rising interest cost and reduced financing availability that has hampered L/C issuance in the wake of global financial turmoil. Monthly exports in 3Q09 fell over the quarter, mainly due to decreasing oil and rubber prices. Among key and traditional export commodities like crude oil, agriculture products and seafood, the major factor that drove increased contribution to exports growth was price increase rather than volume increase, which we believe will be hard to extend further in 2009 given weaker global demand.

Vietnam's exports are quite vulnerable to risks from developed markets as traditional and major markets continued to be US, EU and Japan, accounting for more than half of total exports. During 9M08, the US continued to be the biggest export market, growing by 17% Y/Y to account for 17.5% of total exports, but slightly less than the 20% share in previous years. Apart from weaker demand, major exports like textiles& footwear, seafood to US, EU and Japan could face other barriers from anti-dumping law cases and strict technical requirements.

Vietnam's exports in FY09 could find it hard to avoid the global hit of falling manufactured exports and flat commodity prices. Due to increasing global integration with WTO and AFTA commitments, Vietnam's exports could post a lower growth in FY09. Seafood, rubber, and agricultural exports could be affected by falling prices and slower orders for manufactured exports due to weaker demand. The recent National Assembly (NA) meetings in Hanoi have set out a more modest 18% export growth target in 2009 to reflect both the weaker global demand and lower capacity from slowing local production expansion.

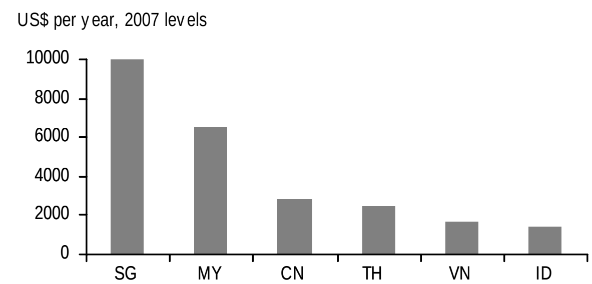
However, Vietnam's labor cost competitiveness may help to maintain a resilient demand for its low-cost manufactured exports. A point to note is the low-cost advantages of Vietnam's manufactured exports, which remain quite competitive with China and other regional countries. Moreover, in the 40% FDI flows disbursed so far in Vietnam, the feedbacks from foreign-invested enterprises in Vietnam remained strong as most are quite happy with the improved investment environment and the strong track record of their operating financials.

Figure 2: Vietnam manufacturing sector wage growth



Source: Macdata, CEIC, J.P. Morgan.

Figure 3: Average manufacturing wage levels



Source: Macdata, CEIC.

Market implications: We continue to have a positive view on the sustainable growth of domestic purchasing power driven by a young demographic profile and high savings ratio. Sector-wise, rubber and agricultural exports are unlikely to avoid the global hit. However, consumer staples and health care with strong cash positions and leading market coverage will remain to be good defensive stocks due to strong support from solid domestic demand. As local market valuation has become more reasonable now at consensus FY08E P/E of 9.3x and liquidity has been improved as local investors have become familiar with the market movements, we see opportunities to acquire leading stocks. However, given the weak appetite for risk assets, we see little prospect of sustained short-term returns; investors should enter Vietnam with a 12-month investment horizon or longer, in our view.

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Table 1: Vietnam's exports by industry

	% Y/Y change			% breakdown		
	2006	2007	9M08	2006	2007	9M08
Manufactured products	19.3	25.0	24.8	39.3	40.4	36.3
Textiles & footwear	18.7	24.6	19.5	23.7	24.3	21.1
Computer & misc machinery	24.0	27.5	25.5	4.3	4.5	3.9
Electrical appliances	34.0	25.4	18.1	1.8	1.8	1.5
Plastic raisin	36.6	51.4	33.8	1.2	1.5	1.4
Petroleum products	12.9	2.6	52.0	20.7	17.5	18.1
Other minerals	38.5	11.3	55.5	2.3	2.1	2.3
Vehicle, parts & accessories	(25.9)	(32.6)	10.1	0.3	0.2	0.1
Pearl, precious stone & Jewelry	26.9	22.2	433.7	0.4	0.4	1.4
Other manufactured products	15.6	22.9	21.5	7.7	7.8	6.8
Agricultural products	21.7	25.3	42.2	12.2	12.5	13.7
Rice	(7.2)	13.9	89.7	3.2	3.0	5.0
Rubber	58.3	8.8	33.6	3.2	2.9	2.6
Fishery products	23.1	12.9	21.9	8.4	7.8	6.8
Others	27.3	40.9	20.7	5.7	6.6	6.1
Total exports	22.1	21.5	39.0	100.0	100.0	100.0

Source: GSO.

Table 2: Vietnam's exports by markets

	% Y/Y change			% Breakdown		
	2006	2007	9M08	2006	2007	9M08
United States	32.4	28.6	17.0	19.7	20.8	17.5
Japan	20.7	15.8	N/A	13.2	12.5	N/A
Australia	37.5	(5.0)	67.0	9.4	7.3	7.2
China	0.5	3.5	43.0	8.1	6.9	6.8
Singapore	(5.5)	21.5	N/A	4.5	4.5	N/A
Germany	33.1	28.4	N/A	3.6	3.8	N/A
United Kingdom	16.1	21.3	N/A	3.0	2.9	N/A
Malaysia	21.9	10.8	N/A	3.1	2.9	N/A
Korea, Rep.	27.0	48.6	N/A	2.1	2.6	N/A
Netherlands	30.1	37.9	N/A	2.2	2.4	N/A
Others	25.3	30.8	N/A	31.0	33.3	N/A

Source: GSO.

Corporate news

Financials

Vietcombank revised 2008 credit growth target. Vietcombank has sought shareholders' approval to halve annual credit growth this year to 15% from 29%. That fact shows that Vietcombank, which handles a quarter of Vietnam's export and import payments, is feeling the effects of the global economic slowdown. The bank has also asked shareholders to approve several new targets including bad debt ratio of below 5.8% of loans by end FY08, instead of the previous planned 2.6%. Vietcombank expects deposits to be flat this year, while total assets at the end of 2008 are forecast to be VND200 trillion, 5.2% below its initial projection.

Vietcombank made a gross profit of VND3 trillion in the first 10 months of 2008, state media said last week, without giving any comparable figures. The bank has said its net profit stood at nearly VND2 trillion in 2007. (DTCK)

20% of small and medium enterprises (SMEs) could go bankrupt according to VINASME. Currently, there are 350,000 SMEs in Vietnam, accounting for 95% of total enterprises, with charter capital of VND1,400 billion. 60% of SMEs suffer due to the slowing GDP growth and have posted lower sales and earnings in 9M08. Almost of all their projects are 60%-70% financed by bank loans. Following the rate cuts of SBV, most banks have started to offer incentive loans to SMEs at around 12% per annum to support business expansion projects of these companies. (DTCK)

Vietinbank Securities is planning to float its IPO on the HASTC in December 2008. The State will retain a 72.2% stake and the company will offer 27.8% or 24.48 million shares to the public, including 13% of 11.7 million shares for strategic partners, 0.9% or 8.15 million shares for staff, and others 13.3 million shares. After this IPO, the charter capital of Vietinbank Securities will increase to VND900 billion. In 9M08, the company gained VND125 billion in sales and VND26.5 billion in net profit. The broker currently has 30 agents in Vietnam and expects to increase it to 50 agents by end FY08. (DTCK).

New listings

HAGL licensed to list 119.9 million shares on HOSE. The company's market cap is US$88 million at its current OTC-traded price. HAGL was established in 1990 in Gia Lai and is a leading wood furniture manufacturer. The company has grown to diversify into construction materials, rubber plantations and property. It target earnings is VND1,800 billion in FY08. (DTCK)

J.P.Morgan

Asia Pacific Equity Research
18 November 2008

Company Visit Note

General Forwarding and Agency Corp

Gemadept or GMD is the second-largest port operator in Vietnam, with operations ranging from ports and shipping to agency and warehousing, and geographically from Haiphong to HCMC. The company diversified into the property business in 1H08, with an A-class office building in the centre of HCMC.

Key takeaways from the meeting

- **A total-solution shipping agency:** Currently, GMD operates five ports, two in the north and three in the south. The company will start operating two new ports, one in the Central Vietnam and the other in Northern Vietnam, by YE08. The network of ports throughout Vietnam, and a container fleet of six ocean ships and 11 river ships have according to management made GMD one of the leaders in the shipping market.
- **Future port expansion:** GMD believes it will benefit from Vietnam's growth plans as its ports are located in almost all the dynamic economic zones. The Cai Mep deep sea container port is part of a port complex in the government's master plan, which lies on international navigation routes and will be a key to resolve the import/export bottleneck in the Southern economic zone, in the management's view.
- **Record MTM writedowns:** Management says it is investing in strategic industries with a strong growth potential. However, there have been large markdowns in 9M08, more than the growth in its core businesses.
- **Share price performance:** On a relative basis, the stock underperformed the VNINDEX by 7.8% last month or fell 20.3% in absolute terms.

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Reuters: GMD.HM; Bloomberg: GMD VM
VND in millions, year-end December

	FY05	FY06	FY07
Sales	1,103,477	1,211,978	1,171,917
Net income	135,980	156,108	202,685
EPS (VND)	6,724.7	5,652.3	5,199.0
DPS (VND)	1,200.0	1,200.0	1,500.0
Net debt (cash)/equity (%)	Net cash	45.5	10.0
Sales growth (%)	33.8	9.8	-3.3
Net profit growth (%)	20.6	14.8	29.8
EPS growth (%)	12.4	-15.9	-8.0
ROE (%)	26.4	25.7	13.9
P/E (x)	5.4	6.4	6.9
P/B (x)	1.3	1.6	0.6
Dividend yield (%)	3.3	3.3	4.2

Source: Company reports, Bloomberg.

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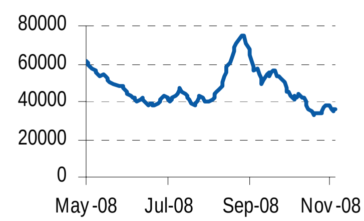
GMD VM, Not Covered
Transport

VND36,000, November 14, 2008

Share price performance

VND



Source: Bloomberg.

One-year price performance

	1M	3M	12M
Absolute (%)	-20.3	-18.6	-74.6
Relative (%)	-7.8	8.5	-28.4

Source: Bloomberg.

Company data

52–week range (VND)	143,000 - 31,900
Mkt cap. (VNDB)	1,708
Mkt cap. (US$MM)	6023678.80
Shares O/S (MM)	47.4
Free float (%)	81.84
Daily volume (MM)	0.1
Daily liquidity (US$MM)	0.3
Exchange rate (VND/US$)	16,980.0
Index: VNI	352.1
Year-end	December

Source: Bloomberg.

See page 19 for analyst certification and important disclosures, including non-US analyst disclosures.

Key takeaways from the meeting

Company description

General Forwarding and Agency Corp (GMD or Gemadept) is one of the leading shipping service companies in Vietnam. Established in 1990 as a state-owned company, it was among the first to be equitized in 1993. Currently, GMD's businesses include port operations, container liner services, shipping agency, container liner agency, container leasing, sea and air freight forwarding, project cargo handling, warehousing, depot service, and real estate. The company was listed on the Ho Chi Minh Stock Exchange (HOSE) on April 22, 2002; the state still holds a 16.9% stake.

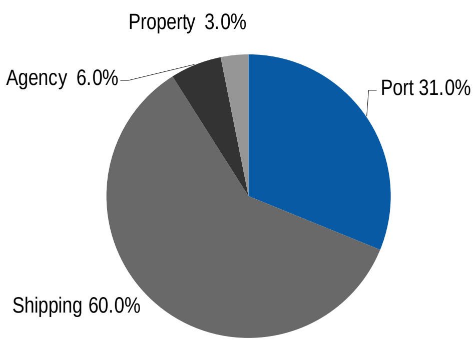
Core business grew robustly in 9M08, however earnings were hit by MTM writedowns

GMD posted very strong top-line growth, with sales soaring by 86.5% Y/Y to VND1,410 billion; it is on track to meets its FY08 target.

- GMD continued to benefit from rising trade and limited port development in the country. All of its core business segments grew, with an 86.5% sales growth in the first nine months or fulfilling 96.9% of its FY08 target.
- Shipping services remained the biggest sales contributor, with a 60% share in GMD's 9M08 sales, followed by port operations (31% share) and agency services (6% share).
- In the third quarter, GMD leased out 98% of its GMD tower, from 85% as of end June 2008 and management hopes to increase this to 100% by this year end. The current average rate is now US$50++ per sqm (US$6 for services and 10% VAT), competitive compared with other A-class office building in the centre districts according to the management. Property contributed a higher share to sales and gross profit, 3% and 7%, respectively.
- Even though crude oil prices started to decline in the third quarter, GMD says it suffered from the record increase in crude oil prices during 1H08 and was able to pass only part of the cost burden to its customers, by raising the tariff by 10%-15%. The company's gross margin declined by 9.1% over the year to around 17% in 9M08, according to management.

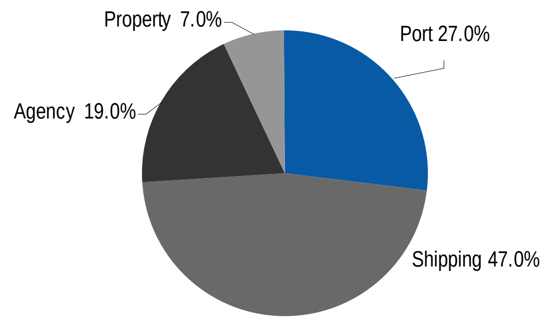
Despite healthy growth of all the core businesses, GMD announced a loss of VND117 billion in 9M08, mainly due to strong MTM writedown of its financial investments. The company made a writedown of VND253.8 billion for its financial investments, an increase of VND189 billion compared to end-FY07. Management said that most of its financial investments are strategic holdings at very low costs, nearly par value, in OTC-traded stocks in key support industries such as banks, transport, power, telecommunications and construction. Under current regulations in Vietnam, GMD does not have to mark-to-market the OTC stocks. However, the company has been conservative and decided to make provisions for all of its OTC stocks.

Figure 4: GMD—9M08 sales breakdown



Source: Company reports.

Figure 5: GMD—9M08 gross profit breakdown



Source: Company reports.

Table 3: GMD—9M08 financials

	9M08	9M07	% change
Net revenue	1,410,047	756,175	86.5%
COGS	1,170,182	558,368	109.6%
Gross profit	239,866	197,808	21.3%
Selling expenses	1,875	117	1503.3%
G&A expenses	71,748	57,685	24.4%
Operating income	166,242	140,006	18.7%
Net non-operating gains	-284,673	57,339	-596.5%
Interest expenses	*29,999*	*N/A*	N/A
Income before extraordinary items	-118,431	197,345	-160.0%
Other income	1,263	(359)	451.8%
EBIT	-87,169	N/A	N/A
Pre-tax income	-117,167	196,986	-159.5%
Margins			pct change (%)
Gross margin	17.0%	26.2%	-9.1%
EBIT margin	-6.2%	N/A	N/A
Pre-tax margin	-8.3%	26.1%	-34.4%
Major expenses as % of sales			
Selling expenses	0.1%	0.0%	0.1%
G&A expenses	5.1%	7.6%	-2.5%

Source: Company reports.

Company says port investments are progressing as planned; should benefit from the economic growth map

With Vietnam joining the WTO, waterway transportation has become increasingly important for the development of the economy. Since 2000, the cargo volume has grown at an 11% CAGR. Container transportation is actually growing faster than the industry at 20% per annum. 70% of the volume is handled in the Saigon area. The country currently needs more ports to reduce the cargo congestion and help local corporates save on costly freight and time.

GMD operates five ports, two in the north (Cai Lan, Hai Phong), and three in the south (Ho Chi Minh City, Binh Duong, and Vung Tau). The port network in the north and the south of Vietnam has enabled GMD to be a total-solution shipping agency in Vietnam (ports, logistics, shipping, and agency), according to management. Currently, GMD ranks third in the nation in terms of container throughput.

GMD has five port development projects in the pipeline, located in the key economic development zones, one is a strategic deep-water seaport. The company has finished construction of two ports—Dung Quat and Le Chan—which will be ready for operation in December 2008. The company is also the contractor for Cai Mep Port project, and the Nhon Hoi and Hoa Sen delayed to 2009.

Management said that Dung Quat and Le Chan ports will initially serve its own fleet and gradually increase their capacity to offer services to others by 2009. Dung Quat port in Quang Ngai province can serve ships of up to 30,000 DWT and total capacity is 2 million tons per year, while Le Chan Port in Hai Phong has a capacity of 1.4 million tons per year, with 144-meter berths, 9-meter draft and is able to serve 10,000 DWT vessels. With Dung Quat and Le Chan slated to be in operation from December 2008, GMD's network of ports will connect almost the whole of Vietnam.

Cai Mep deep sea container port

The port is part of a port complex in the government's master plan. The complex lies on international navigation routes and will be a key development to resolve the import/export bottleneck in the Southern Economy Zone.

GMD's port has one of the best locations, right on the mouth of the river, among the five ports in the economic zone. The new port will have a total area of 74 hectares, with three mother ship berths (1.1 km) and two feeder ship berths (400m). The port will be able to handle vessels of up to 80,000 DWT and 16 meters. The total investment on this project will be US$520 million (equity portion is US$123 million). Phase I will have a capacity of 1 million TEUs, which is expected to be completed in 2010. GMD has contributed to a joint venture with CMA-CGM, the third-biggest container carrier in the world to carry out the Cai Mep deep sea container port.

The company is choosing contractors for the project and plans to start construction in 1Q09 and finish by 2011.

Nhon Hoi International port and Hoa Sen-GMD port

Management has indicated that the Nhon Hoi and Hoa Sen port projects will be delayed until 2009; however it gave no detailed timeline. There has been a surge in raw materials and funding costs, and the overall direction of the government is to cut investments.

Nhon Hoi International Port is located over 120-ha land in the Binh Dinh Province, in Central Vietnam. GMD holds a 55% equity stake, in a project that needs a total investment of US$230 million. Under the original plan, Phase I is expected to be completed in 2010 on a 60 ha area, with two 480m berths supporting up to 30,000 DWT. Phase 2 will include the development of 10 berths of 2,117 meter long for containers and general cargo ships, scheduled from 2011 to 2020.

Hoa Sen-GMD logistics and international port: GMD will cooperate with Hoa Sen Group, a leading construction material producer in Southern Vietnam, to develop a port spread over 55 hectares, to serve 70,000 DWT vessels. Its capacity will be 2 million tons per year for Phase 1 from 2008 to 2010 and will be raised to 4 million tons per year in Phase 2 after 2010. The total investment will be US$53 million, with GMD contributing 51%, Hoa Sen 45% and others 4%.

Tan Son Nhat Air cargo service project

Realizing the high demand for air freight services in Vietnam, which is now mainly dominated by the monopoly of Vietnam Airlines service companies, GMD with a 23% stake, established the Saigon Cargo Services Corp together with the Ministry of Defense (24% stake) and Southern Airport Authority (25% stake). This company will have a charter capital of US$18.8 million. GMD plans to start the construction of the Tan Son Nhat Air Cargo Terminal in December 2008 and expects to make it operational by the fourth quarter of FY09.

Tripled capacity to catch up with rising demand

According to management, shipping has become the biggest sales contributor in 9M08, even though it started this business only in 2003. During the third quarter, the company bought one more ocean ship of 12,368 DWT, raising its total fleet to six ocean ships and 11 river ships. The company has become one of the largest big carriers in the ASEAN region, with its current strong fleet. Toward the end of FY08, the company plans to invest US$20-30 million to purchase 1-2 more container ships, build four new river ships, and increase the number of boxes to 15,000 from the current 5,000.

Real estate development

Although the past projects will be followed, real estate development will not be a core business for the company, according to management.

Le Loi Plaza

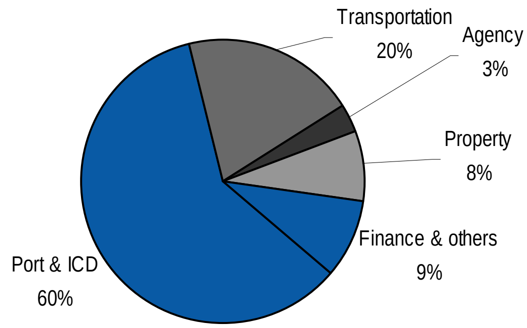
The 5,000 sqm land is among the golden locations in District 1, Ho Chi Minh City. The company plans to build a complex of hotel, shopping center, office for rent, and high class apartments. The company says that total investments will approximately be US$250 million, in which it will contribute US$125 million. Up to date, GMD has contributed its part into the joint venture, with the land use right value of the 5,000 sqm lot. Construction is expected to start in 2009.

2008 outlook

According to management, GMD’s 9M08 sales were in line with the yearly target, while its earnings were much below its target given the huge writedown of its financial investments. Management expects revenue from its core business in the final quarter to be the same as the third quarter or slightly better. The recent drop in sea freight regionally, will have limited impact on GMD as almost 75% of its contracts are with big customers and fixed for a one-year term, according to the management. The current utilization of GMD’s fleet is at 90% and the company says it is on track to meet its sales target. As for FY08 earnings, management says it is finding it hard to forecast the stock market performance and therefore the MTM writedowns.

The Cai Mep deep water seaport port, which the company expects to be a major catalyst, will not be completed until 2010. Until then, new joint ventures (agencies and logistic), Dung Quat Port and Le Chan Port (2009), will be the main earnings drivers, according to management.

Figure 6: Management's revenue forecast breakdown



Source: Company reports.

Balance sheet and capital-raising

In 2007, GMD had successfully done a private placement to garner US$83 million in premium. The company plans to retain a traditional funding scheme, with 30% equity and 70% loans. With over US$90 million in estimated yearly capex for the next few years, the company says it is waiting for better market and liquidity to raise funds on the stock market for its coming projects, around 24.5 million shares in the fourth quarter of 2008.

By the end of 9M08, the company had net D/E of 33.6%, up from 11% in June 2008 and 10.5% by end FY07. The company had taken new loans at a rate of interest of 11% to finance its new ocean ships.

Strong competition in the agency business and delays in project construction could be risks to the company's performance, according to management.

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GMD: Summary of historical financials

VND in millions, year-end December

Profit and loss statement

	FY05	FY06	FY07
Revenues	1,103,477	1,211,978	1,171,917
% change Y/Y	33.8	9.8	-3.3
Gross margin (%)	22.2	20.4	19.5
EBITDA	310,038	387,595	336,120
% change Y/Y	60.2	25.0	-13.3
EBITDA margin (%)	28.1	32.0	28.7
EBIT	200,322	297,144	374,290
% change Y/Y	26.0	48.3	26.0
EBIT margin (%)	16.7	13.0	11.0
Net interest	-5,653	-13,858	-32,281
Earnings before tax	181,663	211,708	252,493
% change Y/Y	17.3	16.5	19.3
Tax	45,683	55,600	49,808
as % of EBT	25.1	26.3	19.7
Net income (reported)	135,980	156,108	202,685
% change Y/Y	20.6	14.8	29.8
Shares outstanding (MM)	19	20	28
EPS (reported) (VND)	6,724.72	5,652.29	5,198.98
% change Y/Y	12.4	-15.9	-8.0

Cash flow statement

	FY05	FY06	FY07
EBIT	200,322	297,144	374,290
Depreciation & amortization	112,066	96,522	-38,170
Change in working capital	-146,781	-27,802	-209,564
Taxes	45,683	55,600	49,808
Cash flow from operations	101,265	224,828	-45,048
Capex	-234,086	-348,884	-548,332
Disposal/ (purchase)	0	0	0
Net interest	5,653	13,858	32,281
Free cash flow	-18,649	-215,879	89,769
Equity raised/ (repaid)	127,487	57,864	1,647,083
Debt raised/ (repaid)	192,536	192,459	111,802
Other	-116,013	-110,859	-134,423
Dividends paid	-31,055	-44,155	-58,478
Beginning cash	217,632	250,319	103,897
Ending cash	250,319	103,897	275,755
DPS (VND)	1,200.0	1,200.0	1,500.0

Balance sheet

	FY05	FY06	FY07
Cash and cash equivalents	250,319	124,202	479,061
Accounts receivable	201,979	281,608	652,210
Inventories	2,843	5,612	9,380
Others	104,357	157,948	118,132
Current assets	559,498	569,369	1,258,782
Long-term investments	89,869	208,067	792,951
Net fixed assets	339,806	592,169	1,178,670
Total assets	1,033,274	1,392,877	3,286,537
Liabilities			
Short-term loans	54,716	95,175	64,953
Payables	163,202	236,802	350,150
Others	71,215	105,802	117,444
Total current liabilities	289,134	437,779	532,547
Long-term debt	146241	298241	440265
Other liabilities	1,056	1,401	0
Total liabilities	436,431	737,421	972,813
Shareholders' equity	578,793	636,657	2,283,740
BVPS (VND)	28,623.5	23,051.8	58,579.2

Ratio analysis (%)

	FY05	FY06	FY07
EBITDA margin	28.1	32.0	28.7
Operating margin	16.7	13.0	11.0
Net profit margin	12.3	12.9	17.3
SG&A/sales	5.5	7.4	8.5
Sales per share growth	24.7	-19.6	-31.5
Sales growth	33.8	9.8	-3.3
Net profit growth	20.6	14.8	29.8
EPS growth	12.4	-15.9	-8.0
Interest coverage (x)	35.4	21.4	11.6
Net debt to total capital	Net cash	28.1	8.2
Net debt to equity	Net cash	45.5	10.0
Sales/assets	127.7	99.9	50.1
Assets/equity	1.7	2.0	1.6
ROE	26.4	25.7	13.9
ROCE	32.3	32.8	19.6

Source: Company reports, Bloomberg.

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Appendix I: List of listing candidates

No	Company	Trading floor	Sector	Charter capital (VNDB)
1	Hoang Anh – Gia Lai	HOSE	Financials	1,200
2	Hoa Sen Group	HOSE	Industrials	570
3	BCCI	HOSE	Industrials	542
4	Saigon - Hanoi bank	HASTC	Financials	500
5	Dai Viet Securities	HASTC	Financials	250
6	Intresco	HOSE	Financials	200
7	Minh Hai Seafood	HOSE	Consumer Staples	139
9	PV Gas North	HOSE	Energy	135
10	Thien Long Pen	HOSE	Consumer discretionary	120
11	577 Investment	HOSE	Construction	119
12	Thanh Hoa Beer	HASTC	Consumer staples	114
13	Viconship Saigon	HOSE	Industrials	110
14	NTACO	HOSE	Consumer Staples	100
16	Cao Son Coal	HASTC	Materials	100
17	Song Da Thang Long	HASTC	Industrials	100
18	PITCO	HOSE	Energy	98
19	BASA	HOSE	Consumer staples	96
20	Casumina	HOSE	Materials	90
21	An Giang Coffee	HASTC	Consumer Staples	83
25	Serrano Vietnam	HOSE	Consumer discretionary	80
26	Tan Hoa Plastic	HOSE	Consumer Discretionary	80
28	Traphaco	HOSE	Health care	80
29	Cadovimex	HOSE	Consumer Staples	80
30	Deo Nai Coal	HASTC	Materials	80
31	Cement Trading	HASTC	Consumer discretionary	60
32	Thanh Cong	HASTC		55
33	Sao Vang Rubber	HOSE	Materials	50
34	Ha Tay Pharma	HASTC	Pharmaceuticals	41
35	Vinaconex 25	HASTC	Industrials	40
36	Bien Hoa Packaging	HASTC	Consumer discretionary	39
37	Energy Construction	HASTC	Industrials	33
38	Song Da 8	HASTC	Industrials	28
39	VNECO SSM	HASTC	Industrials	28
40	Can Tho Cement	HASTC	Materials	28
41	Lighting Power	HASTC	Consumer discretionary	20
42	Ben Tre Pharma	HOSE	Pharmaceuticals	20
43	Da Nang Book and School equipments	HASTC	Consumer discretionary	20
44	Constrexim 8	HASTC	Industrials	20
45	Global Electronic Technology	HASTC	Industrials	18
46	Binh Phuoc Imexco	HOSE	Industrial goods & services	15
47	Pisco Dong An Wood Processing	HASTC	Consumer discretionary	15
48	CNC Accurate Molding and Machine	HASTC	Industrials	13
49	Construction material 720	HASTC	Industrials	13
50	Quang Nam Transport Construction	HASTC	Industrials	12
51	Binh Thuan Books and School Equipment	HASTC	Consumer Discretionary	11
52	Thai Binh Cement	HASTC	Materials	10
53	Cai Lay Venitary Pharma	HASTC	Pharmaceuticals	10
54	Binh Duong Book and School Equipments	HASTC	Consumer discretionary	10

Source: ATP, VSE, HSE.

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Appendix II: Key annual macroeconomic data on Vietnam

	2000	2001	2002	2003	2004	2005	2006	2007
Domestic economic structure and performance								
Real GDP (%, official data)	6.8	6.9	7.1	7.3	7.8	8.4	8.2	8.5
GDP contribution (% point)								
Agriculture	1.1	0.7	0.9	0.8	0.9	0.8	0.7	0.6
Industry and construction	3.5	3.7	3.5	3.9	3.9	4.2	4.2	4.3
Services	2.2	2.5	0.6	4.6	2.9	3.4	3.3	3.5
Nominal GDP (US$ billion)	30.4	31.9	34.8	39.2	45.3	52.7	60.7	71.4
GDP per capita (US$)	391.9	405.5	436.3	484.6	552.8	634.4	720.7	838.0
Employment (million)	37.6	38.4	39.5	40.5	41.6	42.5	43.3	44.2
Share of total (%)								
Agriculture	64.4	63.3	58.7	57.0	55.3	53.9	52.2	54.6
Industry and construction	10.1	10.9	11.1	12.1	12.5	12.9	13.2	19.6
Services	25.5	25.8	30.1	30.9	32.2	33.2	34.6	25.9
Saving - investment balance (% of GDP)	2.1	1.6	(1.9)	(4.8)	(3.4)	0.4	0.3	(0.8)
Gross national saving	31.7	32.8	31.3	30.6	32.3	35.6	35.8	35.9
Gross national investment	29.6	31.2	33.2	35.4	35.7	35.2	35.5	36.7
Inflation (% YOY, end-period)	(0.6)	0.5	4.1	2.9	9.7	8.8	6.5	12.6
Inflation (% YOY, average)	(1.7)	(0.4)	3.8	3.1	7.8	8.3	7.5	8.3
Monetary indicators								
Broad money (%YOY, end-period)	56.2	25.5	17.6	24.9	29.5	29.7	33.6	46.0
Net domestic banking assets (VND trillion)	127.2	162.2	211.7	279.8	386.4	499.7	N/A	N/A
Real effective exchange rate (2000=100)	100.1	101.1	96.6	89.3	91.3	101.8	N/A	N/A
Exchange rate (VND per US$, end-period)	14,514	15,084	15,403	15,646	15,777	15,916	16,054	16,017
Exchange rate (VND per US$, average)	14,168	14,725	15,280	15,510	15,741	15,859	15,994	16,077
Government balance								
Fiscal balance (% of GDP)*	(5.0)	(5.0)	(4.7)	(6.4)	(2.8)	(5.9)	(6.3)	N/A
Total revenue (VND trillion)	90.7	103.9	121.7	158.1	198.6	217.1	264.3	N/A
Grants (VND trillion)	2.0	2.0	2.3	3.0	2.9	2.3	3.6	N/A
Total expenditure, excluding on-lending (VND trillion)	109.0	129.8	148.2	181.2	214.2	226.9	267.8	N/A
External balance of payments								
Current account balance (US$ million)	1,107.0	682.0	(604.0)	(1,931.0)	(957.0)	(519.0)	(299.0)	N/A
% of GDP	3.6	2.1	(1.7)	(4.9)	(2.1)	(1.0)	(0.5)	N/A
Trade balance (US$ million)	376.0	481.0	(1,054.0)	(2,581.0)	(2,287.0)	(2,654.0)	(2,776.0)	N/A
- Total Merchandise Exports (FOB)	14,448.0	15,027.0	16,706.0	20,149.0	26,485.0	32,438.0	39,826.0	N/A
- Total Merchandise Imports (FOB)	14,072.0	14,546.0	17,760.0	22,730.0	28,772.0	35,092.0	42,602.0	N/A
Capital account balance (US$ million)	(1,212.0)	275.0	1,637.0	4,944.0	2,859.0	1,873.0	5,534.0	N/A
Gross foreign direct investment (US$ million)	1,101.0	1,252.0	2,023.0	1,894.0	1,878.0	1,972.0	2,315.0	N/A
Errors & ommissions (US$ million)	(218.0)	(917.0)	(676.0)	(862.0)	(1,019.0)	777.0	(913.0)	N/A
Overall balance (US$ million)	(323.0)	40.0	357.0	2,151.0	883.0	2,131.0	4,322.0	N/A
FX reserves (US$ billion)	3.4	3.7	4.1	6.2	7.0	9.0	13.4	N/A
Import coverage (in weeks of imports)	8.6	9.4	7.2	8.7	8.5	9.8	11.2	N/A
External debt								
External debt (US$ billion)	12.3	12.8	12.6	14.0	16.8	19.1	21.2	N/A
Medium- and long-term (US$ billion)	11.5	12.2	12.0	13.1	15.2	16.9	18.3	N/A
Short-term (US$ billion)	0.8	0.6	0.6	0.9	1.6	2.2	2.9	N/A
External debt service (US$ billion)	1.8	1.9	1.5	1.7	2.2	2.5	2.8	N/A
Amortization paid (US$ billion)	1.3	1.5	1.1	1.3	1.5	1.7	1.9	N/A
Interest (US$ billion)	0.5	0.4	0.3	0.4	0.7	0.8	0.9	N/A
External debt service ratio (% of current account receipts)	9.6	9.8	6.8	6.6	6.5	6.2	5.8	N/A

Source: GSO.

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Appendix III: 1H08 results of top 20 listed companies

No.	Symbol	Industry	Market Cap.	Revenue (VNDBN)			Net Profit (VNDBN)			Operating income (VNDBN)		OP/NP	Investment revenue (VNDBN)		Investment profit (VNDBN)		MTM Write downs (VNDBN)
			(US$m)	1H08	Y/Y	%Target	1H08	Y/Y	%Target	1H08	Y/Y		1H08	Y/Y	1H08	Y/Y	1H08
1	DPM VM	Materials	1,329.2	3,043.2	NA	69.1%	1,103.2	NA	92.7%	1,186.8	NA	107.6%	72.0	N/A	43.1	N/A	-
2	ACB VH	Financials	985.3	4,843.9	85.1%	N/A	894.6	9.9%	49.7%	N/A	NA	N/A	N/A	N/A	N/A	N/A	
3	KBC VH	Financials	947.2	760.3	NA	63.9%	284.9	NA	46.6%	483.0	NA	169.6%	6.8	N/A	(1.8)	N/A	0.6
4	PVD VM	Energy	770.4	1,680.0	83.1%	56.0%	504.0	135%	72.0%	489.9	129%	97.2%	51.2	1140.8%	(19.8)	-2115%	1.2
5	VIC VM	Financials	724.4	127.4	46.8%	31.8%	77.1	15.5%	28.6%	76.7	5.8%	99.5%	160.8	483.4%	26.1	2.3%	9.5
6	VPL VM	Financials	712.8	242.0	NA	N/A	19.8	N/A	N/A	17.2	NA	86.8%	7.3	N/A	(32.5)	N/A	-
7	HPG VM	Industrials	693.9	4,927.1	106%	64.3%	848.1	234%	114.6%	969.8	225%	114.4%	57.3	-328.9%	(51.3)	N/A	-
8	STB VM	Financials	692.2	4,006.2	N/A	N/A	637.8	N/A	31.9%	1,202.3	NA	188.5%	31.7	N/A	31.7	N/A	151.7
9	PPC VM	Utilities	565.8	2,132.8	4.1%	70.5%	571.4	1.5%	82.4%	570.7	1.7%	99.9%	89.6	304.3%	(74.2)	11.5%	-
10	ITA VM	Financials	524.5	593.0	31.0%	44.0%	225.1	54.0%	37.5%	N/A	NA	N/A	N/A	N/A	N/A	N/A	-
11	FPT VM	Information Technology	394.0	8,676.6	47.1%	59.3%	518.9	19.0%	60.9%	615.5	43.0%	118.6%	86.1	450.5%	(173.7)	1074.0%	-
12	SSI VM	Financials	298.3	536.7	-35.5%	56.5%	(27.3)	-104%	-5.0%	21.5	-97.1%	-78.9%	99.6	N/A	99.6	N/A	439.3
13	PVS VH	Energy	273.1	39.3	N/A	0.6%	167.5	N/A	55.8%	7.4	NA	4.4%	206.4	N/A	163.6	N/A	-
14	VSH VM	Utilities	251.7	295.5	66.1%	60.8%	215.5	106%	76.7%	215.5	106%	100.0%	17.3	-7.3%	11.2	7.3%	-
15	KDC VM	Consumer Staples	196.6	513.9	11.9%	32.0%	68.3	-6.5%	32.5%	71.5	28.6%	104.6%	51.6	67.8%	27.1	64.0%	-
16	SJS VM	Financials	181.3	166.1	-38.7%	12.9%	59.5	-41.3%	11.7%	70.7	-30.2%	118.9%	25.8	357.9%	8.2	45.0%	17.6
17	ANV VM	Consumer Staples	181.1	1,350.9	-23.9%	35.2%	154.6	-21.7%	36.8%	163.5	-21.7%	105.8%	95.1	240.2%	17.8	797.1%	-
18	PVI VH	Financials	166.1	526.9	N/A	29.3%	100.8	N/A	35.5%	83.7	N/A	83.0%	193.6	N/A	16.7	N/A	-
19	DHG VM	Health Care	157.0	764.3	39.4%	52.7%	68.5	31.0%	65.6%	77.2	32.9%	112.6%	9.7	1312.9%	(18.1)	77.0%	8.4
20	DPR VM	Materials	152.2	223.4	3.7%	31.2%	90.5	-14.5%	42.5%	75.0	-29.0%	82.9%	4.1	-34.4%	(9.9)	-661.9%	9.9

Source: VSE, ATP, HSE. Data as at August 8, 2008.

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Appendix IV: HOSE—Top 20 weekly valuations

Price as of Nov 14, 2008 Exchange rate = 16,979.50	Bloomberg	Price & relative performance (VNDk)	1M (%)	3M (%)	6M (%)	Mkt Cap (US$MM)	Avg. daily turnover (Shares)	Cur. foreign ownership (%)	EPS 2006A (VNDk)	EPS 2007A (VND)	EPS Y/Y Growth 2006A (%)	EPS Y/Y Growth 2007A (%)	P/E 2006A (x)	P/E 2007A (x)	P/B 2006A (x)	P/B 2007A (x)	ROE 2006A (%)	ROE 2007A (%)	Div. yield 2006A (%)	Div. yield 2007A (%)
PETROVIETNAM FERT & CHEMICAL	DPM VM	42.1	-9.6	-8.8	34.3	941	699,030	18.2	4.52	3.50	79.6	-22.5	9.3	12.0	0.9	3.7	24.9	29.4	0.0	0.0
SAIGON THUONG TIN COMMERCIAL	STB VM	23.6	21.4	27.8	19.7	711	2,629,644	30.0	1.95	2.79	20.9	43.0	12.1	8.5	2.1	1.5	22.8	27.4	6.4	6.4
PETROVIETNAM FINANCE JSC	PVF VM	20.8	NA	NA	NA	613	NA	29.9	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
VINPEARL JSC	VPL VM	98.5	13.5	9.3	NA	580	57,875	15.9	NA	1.24	NA	NA	NA	79.3	NA	9.6	NA	12.4	NA	NA
PETROVIETNAM DRILLING AND WE	PVD VM	72.0	-2.3	-6.3	55.3	560	235,924	30.2	1.83	3.66	48.9	100.0	39.3	19.7	10.3	4.0	16.4	43.1	2.1	5.6
VINCOM JSC	VIC VM	78.0	0.3	-4.0	100.7	515	66,127	1.6	7.57	3.07	246.6	-59.4	10.3	25.4	11.3	4.9	75.7	22.1	0.0	0.0
FPT CORP	FPT VM	60.0	39.2	56.2	1.2	499	604,317	35.5	9.26	5.38	33.1	-42.0	6.5	11.2	3.9	3.7	48.3	41.6	2.5	5.0
PHA LAI THERMAL POWER JSC	PPC VM	24.2	-3.7	5.7	22.0	463	314,832	17.6	3.19	2.58	4748.5	-19.1	7.6	9.4	3.8	1.8	26.0	21.9	5.0	5.0
HOA PHAT GROUP JSC	HPG VM	33.2	-10.0	-30.3	NA	384	634,706	23.3	2.40	3.77	2141.0	57.3	13.8	8.8	6.7	1.4	24.4	37.0	6.0	0.0
SAIGON SECURITIES INC	SSI VM	35.1	-4.9	16.1	-40.6	279	662,016	48.3	6.52	8.38	29.7	28.5	5.4	4.2	3.0	1.2	37.8	32.8	8.5	8.5
TAN TAO INVESTMENT INDUSTRY	ITA VM	31.5	-3.0	-35.5	-12.9	245	308,322	34.9	3.45	3.34	-3.4	-3.3	9.1	9.4	6.7	3.5	30.5	19.0	5.7	5.7
VINH SON - SONG HINH HYDROPO	VSH VM	27.9	9.0	11.4	65.4	226	233,593	27.8	2.18	1.98	203.9	-8.8	12.8	14.1	3.5	1.8	20.8	15.3	4.3	4.3
SONGDA URBAN & INDUSTRIAL ZO	SJS VM	74.5	16.9	20.8	-9.0	174	173,311	31.6	5.99	9.15	-27.5	52.7	12.4	8.1	4.0	7.9	24.5	39.6	2.7	2.7
PETROVIETNAM TRANSPORTATION	PVT VM	18.3	6.5	99.5	NA	155	298,449	26.4	NA	NA	NA	NA	NA	NA	NA	2.4	NA	3.1	NA	NA
DHG PHARMACEUTICAL JSC	DHG VM	116.0	7.8	9.0	25.9	137	31,304	40.6	8.71	6.36	57.2	-27.0	13.3	18.3	6.6	3.2	46.3	31.0	2.2	1.7
REFRIGERATION ELECTRICAL ENG	REE VM	25.0	-8.2	20.8	-30.4	119	309,305	46.5	7.19	3.72	172.1	-48.2	3.5	6.7	1.1	1.1	27.9	17.5	6.4	6.4
GEMADEPT CORP	GMD VM	36.0	-7.8	8.5	-28.4	101	108,442	48.2	3.85	4.53	-1.7	17.7	9.4	7.9	3.2	0.8	21.9	13.9	3.3	4.4
KINHDO CORP	KDC VM	29.7	-16.2	-37.2	-47.8	98	97,072	36.9	6.21	5.48	40.8	-11.7	4.8	5.4	4.0	0.7	31.0	15.8	5.4	5.4
NAM VIET CORP	ANV VM	23.5	-20.0	-34.0	NA	91	115,593	19.8	4.44	5.61	267.8	26.4	5.3	4.2	2.7	0.9	40.7	NA	0.0	8.5
SAIGON TELECOMMUNICATION & T	SGT VM	25.4	2.1	-5.8	NA	88	71,463	18.3	NA	2.93	NA	NA	NA	8.7	NA	2.5	NA	NA	NA	NA

Source: Company, Bloomberg.

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Appendix V: HASTC—Top 20 weekly valuations

Price as of Nov 14, 2008 Exchange rate = 16,979.50	Bloomberg	Price & relative performance (VNDk)	1M (%)	3M (%)	6M (%)	Mkt cap (US$MM)	Avg. daily turnover (Shares)	Cur. foreign ownership (%)	EPS 2006A (VNDk)	EPS 2007A (VND)	EPS Y/Y growth 2006A (%)	EPS Y/Y growth 2007A (%)	P/E 2006A (x)	P/E 2007A (x)	P/B 2006A (x)	P/B 2007A (x)	ROE 2006A (%)	ROE 2007A (%)	Div. yield 2006A (%)	Div. yield 2007A (%)
ASIA COMMERCIAL BANK	ACB VH	42.8	10.2	21.5	28.4	1,166	1,019,387	30.0	3.91	5.22	27.0	33.6	10.9	8.2	3.0	2.4	30.0	44.5	8.9	5.6
KINHBAC CITY DEVELOPMENT SHA	KBC VH	44.7	-29.6	-47.1	-50.6	342	41,380	14.5	2.45	3.02	-61.2	23.5	18.3	14.8	3.6	2.7	15.0	NA	0.0	0.0
PETROLEUM TECHNICAL SERVICES	PVS VH	46.8	17.3	22.3	70.3	276	516,413	9.4	1.34	3.19	2.5	138.1	34.9	14.7	4.7	4.0	17.0	NA	2.6	0.0
PETROVIETNAM INSURANCE JSC	PVI VH	27.6	18.7	18.5	17.9	168	462,933	12.5	1.70	3.65	-60.7	115.2	16.3	7.6	2.8	1.4	13.7	20.2	3.6	3.8
VIET NAM CONSTRUCTION & IMPO	VCG VH	18.5	-9.9	NA	NA	163	416,680	16.0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
VIETNAM NATIONAL REINSURANCE	VNR VH	27.0	-0.5	8.0	2.9	107	12,633	30.2	1.31	1.84	0.7	40.9	20.7	14.7	3.0	1.0	15.7	14.2	4.8	5.2
BAO VIET SECURITIES CO	BVS VH	28.0	-11.0	5.8	-38.5	74	167,880	23.6	5.28	5.28	126.3	0.0	5.3	5.3	1.0	1.1	19.6	41.9	7.1	7.5
BIM SON CEMENT JSC	BCC VH	12.4	-4.2	20.0	6.6	70	142,983	13.1	0.81	1.51	-15.5	86.5	15.3	8.2	1.2	1.0	7.6	NA	5.6	3.8
VINASHIN PETROLEUM INVESTMEN	VSP VH	79.9	-31.2	-28.1	70.0	65	194,210	1.5	4.36	12.84	482.2	194.4	18.3	6.2	5.0	0.7	40.7	78.0	1.3	1.9
BUT SON CEMENT JSC	BTS VH	11.0	-3.2	8.8	-16.6	62	18,200	9.2	0.81	1.10	11.3	34.5	13.5	10.0	1.0	0.9	7.6	NA	5.5	7.1
TIEN PHONG PLASTIC JSC	NTP VH	45.3	-2.2	-0.6	35.9	58	198,423	14.6	6.76	5.79	-10.1	-14.4	6.7	7.8	4.0	2.3	50.4	42.9	15.5	15.5
KIM LONG SECURITIES CORP	KLS VH	17.3	27.5	67.4	28.9	51	1,091,890	2.4	NA	1.93	NA	NA	NA	9.0	NA	NA	NA	NA	NA	NA
THAC BA HYDROPOWER JSC	TBC VH	13.7	10.3	30.6	21.9	51	263,770	1.3	0.87	1.26	-1601.6	44.0	15.7	10.9	1.3	NA	8.4	NA	8.8	8.8
NAM VANG CORP	NVC VH	39.3	21.6	49.4	57.3	35	103,080	-2.7	NA	2.69	NA	NA	NA	14.6	NA	2.7	NA	NA	NA	NA
DABACO VIETNAM CORP	DBC VH	24.5	13.3	62.0	62.8	27	233,041	24.7	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
HAIPHONG SECURITIES JSC	HPC VH	18.5	10.5	49.9	-8.3	26	192,403	11.7	3.03	9.56	NA	215.4	6.1	1.9	2.2	1.1	40.8	53.9	6.5	11.0
SONG DA NO 9 JSC	SD9 VH	28.2	29.1	60.3	40.0	25	135,827	2.0	2.25	6.66	NA	195.8	12.5	4.2	2.1	1.7	16.8	38.4	5.3	18.5
VINACONEX ADVANCED COMPOUND	VCS VH	31.1	-6.8	-12.4	33.2	24	60,850	11.8	NA	5.52	NA	NA	NA	5.6	NA	1.8	NA	NA	NA	NA
PETROLIMEX PETROCHEMICAL	PLC VH	24.2	9.0	-0.4	37.8	23	15,520	6.5	2.41	3.65	NA	51.5	10.1	6.6	1.7	1.2	18.9	21.6	5.0	5.0
VINACOMIN COC SAU COAL JSC	TC6 VH	38.6	28.1	28.3	NA	23	67,097	11.0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Source: Company, Bloomberg.

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