

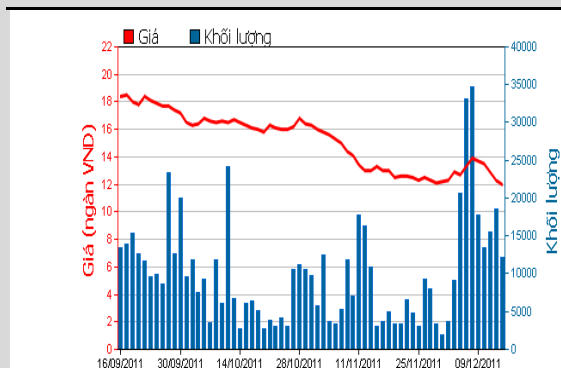
## STOCK CODE: TDH (HSX)

## THUDUC HOUSING DEVELOPMENT CORPORATION

## REAL ESTATE

**HOLD** **LONG TERM****TARGET PRICE** **VND 15,600****Analyst: Vo Thu Thuy****Email: thuy.vt@vdsc.com.vn****Phone: 08 6299 2006 – Ext 313****Stock Data**

Price (12/12/2011)	13,500
52- week high	38,800
52- week low	12,100
Outstanding shares	37,875,000
Volume	102,505
(last 10 trading days average)	
Market capitalisation (VND million)	508,9
Trailing P/E (x)	5.7
Forward P/E 2011 (x)	6.5
P/BV (30/09/2011) (x)	0.4

**52- week chart**

Source: HSX

**Financial Data**

Unit: VND bil.	2010	2011F	2011P	9M/11
Total revenue	557	487	832	371
Pre-tax profit	328	94	213	28
Net profit	249	79	179	19
Charter cap.	379	379	379	379
Total assets	2,338	2,438		2,342
Owners' equity	1,379	1,422		1,303
ROA	10.6%	3.2%		
ROE	18.1%	5.5%		
EPS (VND)	6,308	6,303		
BV (VND)	36,397	37,554		
Dividend (%)	20%	20%	20%	

Source: TDH, VIET DRAGON SECURITIES' estimations

This is the updated version of THUDUC HOUSING DEVELOPMENT CORPORATION report, issued by VDSC on April 25<sup>th</sup> 2011. Since property market and macroeconomics have changed, we publish this report in order to update its nine-month business performance, and then reevaluate TDH share.

**2011 9M business result is quite modest compared with its target.** In details, the company gained net sales of VND371 billion and after-tax profit of VND19 billion, fulfilling 45% and 11% of the whole year target, respectively. In last third quarter, TDH has a deduction of VND89 billion due to a return of whole sale clients of TDH- Truong Tho apartment project. Besides that, TDH has been suffering high financial expenses (mostly interest cost). TDH 9M-accumulated interest cost is of VND32 billion, over fivefold increase compared with last year.

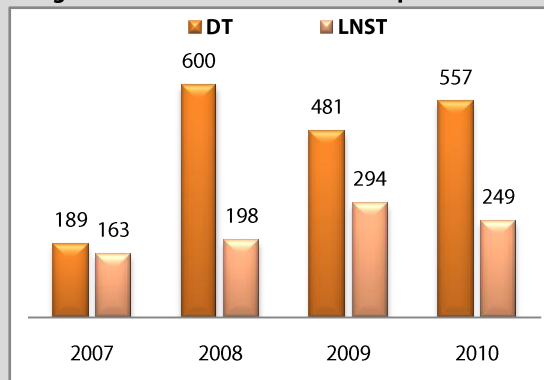
**The estimated net profit in this year is of VND79 billion, which is 44% of the company's own target and off 56% compared with our forecast in the last April's report.** In that report, the analyst expected that TDH would generate revenue from TDH- Truong Tho, TDH- Phuoc Binh, TDH- Phuoc Binh, TDH- Phuoc Long, Cantavil Premier apartments, Ben Luc urban town's 2<sup>nd</sup> phase; and Phuoc Long – Spring Town projects. However, due to tough property market in 2011, especially in apartment segment, this expectation is unlikely to be true. Particularly, TDH- Phuoc Binh apartment, which has been sold out about 30% of its units so far, will be transferred to buyers in the 2<sup>nd</sup> quarter of 2012 when revenue will be recognised; TDH- Phuoc Long apartment was just finished foundation construction and has not been launched into market; Cantavil Premier's 6<sup>th</sup> floor is being built.

**Fair price of TDH share is now 15% higher than market price on December 12<sup>th</sup> 2011.** Under our analysis and assumptions, reasonable price of TDH is now at VND15,600, equivalent to market capitalisation of VND591 billion. Due to poor property market performance, TDH's decent business result is neither a surprise nor exception. In our opinion, bad news has been reflected completely in the decline of its share's price. We switch our recommendation for long-term investors from BUY to HOLD.

**TDH has some potential sources of revenue in next years thanks to several in-progress projects.** At present, TDH possesses some projects that are being sold or going to be launched into the market such as TDH- Truong Tho, TDH- Phuoc Binh, TDH- Phuoc Long, Cantavil apartments, Ben Luc Town urban towns' 2<sup>nd</sup> phase, and Phuoc Long – Spring Town projects... Our rough estimations of the company's sales and gross profit for the coming year are of VND663 billion and VND131 billion, respectively, provided that TDH will boost the sales of its products. Also, TDH owns 16 projects with a land bank of about 300 hectares in district 2, 9, Thu Duc district, Hanoi city, and Hue province; including 7 newly-announced projects. All those new projects are joint ventures. It is, therefore, an advantage for TDH in widening its clean land bank and avoiding strict rules of 69- decree.

***Gloomy real estate market and rising interest cost are the two main systematic risks for TDH's operations.*** In Ho Chi Minh city, it is now difficult to see any clear prospect for real estate segment. This forecast, therefore, negatively influences the operations of TDH. If there is no uptrend in the market, the business performance of TDH in coming years will even be worse than in 2011. On the other hand, TDH is now suffering high interest cost. If cash flow from the company's projects is not as expected in order to pay the company's loans and TDH has to borrow more, interest expense will become a huge burden for the company.

The growth of total revenue and net profit



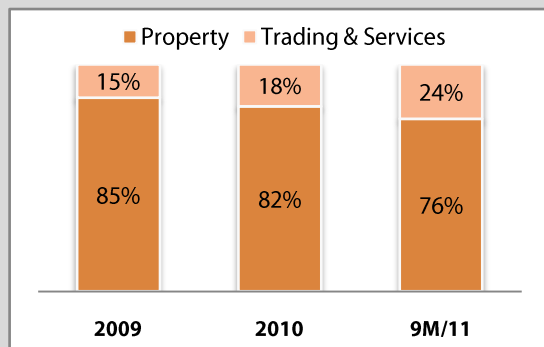
Source: TDH, VIET DRAGON SECURITIES' estimations

Profitability

	2008	2009	2010	Industry
Gross margin	52.0%	55.0%	41.2%	41%
Operating profit margin	43.3%	43.5%	25.6%	-
Net profit margin	33.1%	61.2%	44.7%	34%
ROA	13.8%	16.1%	10.6%	9%
ROE	20.1%	23.9%	18.1%	21%

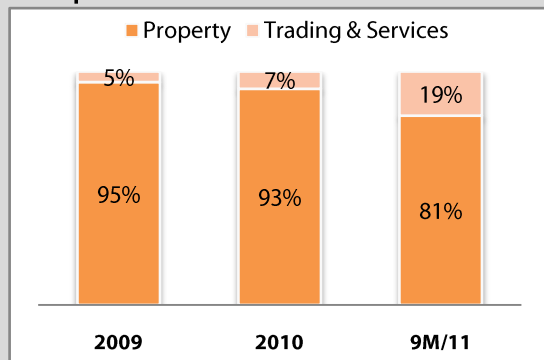
Source: TDH, VIET DRAGON SECURITIES' estimations

Sales breakdown



Source: TDH, VIET DRAGON SECURITIES' estimations

Gross profit breakdown



Source: TDH, VIET DRAGON SECURITIES' estimations

ANALYSIS – FORECAST

Revenue – Gross profit

As mentioned in our previous TDH reports, TDH has two principal business segments –trading & services, and real estate. For trading & services sector, TDH provides services of market leasing, trading, ice producing... through its subsidiaries. This activity usually accounts for around 15% to 18% of the company's annual revenue; although its gross profit is negligible. For real estate segment, the company's core business operation, TDH develops both its own projects and joint ventures.

Property investment activities

In 2011, the company has set the target for its total consolidated revenue of VND832 billion (+9.5% y/y), and the target for its earnings after tax of VND180 billion (-28% y/y). Under this plan, TDH projected that in this year the company would continue to record the balance of revenues from some completed projects like Binh Chieu, B and C markets; and also gain return from its new product line – TDH- Apartment such as TDH- Truong Tho, TDH- Phuoc Binh, TDH- Phuoc Long apartments.

However, due to a drop in demand in the apartment market, the sale of this product line in 2011 was not as good as TDH's expectation. According to our study about the company, the market and our discussion with the company representative, we anticipated that the main drivers of TDH's revenue and profit in this year are as below:

*Binh Chieu project* (470 land lots) has been entirely sold out and begun to post revenue from 2008. We expected that in this year TDH would book all the outstanding balances of the revenue and gross profit of the project which are of about VND26 billion and VND13.5 billion, respectively.

*Market B* has been completed. 90% of spaces in this market is rented in long term, while 10% of its is rented in short term. Most of the revenue has been booked in previous years (VND101 billion in 2008, VND71.7 billion in 2009, VND10 billion in 2010). We supposed that in this year TDH would generate from the project a return and gross profit of approximately VND12 billion and VND9 billion, respectively.

*Market C* has opened to lease in the 2<sup>nd</sup> quarter, 2010. 90% of spaces in this market is rented in long term, whereas 10% of its is available for rent. In 2010, this project contributed VND15.5 billion to the company's total revenue. In 2011, we expected that this project will bring about about VND18 billion and VND12.9 billion of revenue and gross profit, respectively.

*TDH- Truong Tho apartment project* (consisting of 262 flats, which cover an area of from 84 to 152 sqr meters each) has been completed in the 2<sup>nd</sup> quarter, 2010 and launched into the market in the 1<sup>st</sup> quarter, 2009. Prices of those flats have been adjusted during the time and are now at VND15.5 million per sqr meters. Up till now, TDH has sold out 136 flats in this apartment. The quantity of sold units of this project is now the same with what we have mentioned in our last April's report. This slow sale is the result of gloomy apartment market and the project's bad location as settling in a non-developed residential area. In last year, TDH- Truong Tho has contributed VND160 billion to the company's total return. For this whole year, we forecasted that TDH will only be able to book the outstanding balances of return and profit from its sold units, equivalent to VND68.6 billion and VND22.3 billion, respectively (enjoying a gross margin of about 32%).

*Ben Luc urban town project's 2<sup>nd</sup> phase* (Long Hoi city, 160 land lots). This project is

**Forecasted sales**

	2009	2010	2011F
Property investment	408	450	303
Trading & services	71	103	134
Property trading	3	4	50
<b>Total</b>	<b>481</b>	<b>557</b>	<b>487</b>

Source: TDH, VIET DRAGON SECURITIES' estimations

**Forecasted gross profit**

	2009	2010	2011F
Property investment	251	210	131
Trading & services	12	17	25
Property trading	2	3	30
<b>Total</b>	<b>265</b>	<b>229</b>	<b>186</b>

Source: TDH, VIET DRAGON SECURITIES' estimations

a cooperation between PPI and TDH (TDH's ownership is 49%). To date, TDH has sold out 100 land lots at VND 3-6.7 million per sqr meters. We anticipated that in this year TDH will book 70% of the project's revenue, leading to an amount of VND149 billion, equivalent to a gross profit of VND 61 billion (enjoying a gross margin of about 41%).

*Phuoc Long – Spring Town project* (Tang Nhon Phu street, Phuoc Long B ward, district 9) was constructed on November 10<sup>th</sup> 2011. TDH owns 67% ownership of this project and intended to sell its land lots in 4<sup>th</sup> quarter, 2011. Commercial area of this project covers 4.261 sqr meters and comprises 38 land lots for townhouses, adjoining houses and garden houses. The predicted average price of this project is of VND23 million per sqr meters.

TDH believes that sales of this project will be good due to its small commercial area and its convenient location – inside a crowded residential area of Tang Nhon Phu street and nearby Long Thanh – Dau Giay high way. For us, the selling price of this project is quite higher than the average price of other near-by projects, which is now ranging at VND18-20 million per sqr. However, it is un-doubtful that this project has some outstanding advantages such as 1. Locating in a complete infrastructure area; 2. Inheriting many facilities as a part of a complex project comprising trade centre – office building – apartment, luxurious apartment. In our valuation, in this year TDH will sell 50% of the land lots and gain around VND30 billion of revenue and VND12 billion of earnings before tax from this project (enjoying a gross margin of about 41%).

**Property trading activities** is the business segment that usually contributes small revenue and profit to TDH. In the first 9 months of 2011, TDH has gained VND45.8 billion of revenue and VND20.7 billion of gross profit from this operation by selling the building in Pham Ngoc Thach street (district 3). However, this is just extraordinary earnings. We, therefore, forecasted for the whole year that the return and profit before tax generating from this business sector will be at VND50 billion and VND30 billion, respectively.

**Trading and services activities** are assumed to keep its previous growth rate of revenue at 30% per year, equivalent to VND134 billion.

Under our above analysis and assumption, the estimated total consolidated revenue is at VND457 billion (-18% y/y), and gross margin is at about 38%.

**Operating expenses** are estimated to be at VND68 billion, accounting for 14.8% of revenue.

**Financial investment activities:** By the end of 3<sup>rd</sup> quarter, 2011, TDH's financial investment amounted to VND1.033 billion, accounting for 44% of total assets. In details, investment in associates, listed stocks and joint ventures represented for 21%, 7.9%, and 17% of total assets, respectively. This shows that the company tries to make the best use of its capital, not only from its core business activity but also from other financial investment operations.

The total value of TDH's financial investment has increased by VND186 billion, compared to the end of 2010. During the period, TDH has invested VND107 billion in Phuoc Long – Spring Town project and VND54 billion in Gia Dinh Star investment joint stock company (majoring in building houses and civil works).

Quantity	Investment Cost	Provision	Value per share	Price 29/11/ 2011	Profit/ Loss*
	(VND mil.)	(VND mil.)	(VND thousand)		(VND mil.)
<b>Associates &amp; joint ventures</b>		<b>0</b>			

Other long-term investment						
Government bond						0
CII	940,001	9,914		10.5	21.3	10,108
PVI	109,350	8,594	6,855	15.9	17.6	186
SC5	118,896	10,227	8,170	17.3	9.7	(1,452)
BF1	1,250,000	12,875	6,750	4.9	4.4	(904)
Viet Long growth fund	3,000,000	30,450	8,298	7.4		0
HCM	315,795	6,284	1,042	16.6	16.0	(189)
OCB	3,505,458	31,868		9.1		0
Phong Phu co.	2,700,000	33,780		12.5		0
PPI	1,843,200	30,010		16.3	5.7	(19,504)
TT Hue import & export	306,000	4,500	1,231	10.7		0
HCMC housing development	320,000	3,200		10.0		0
ABBank	3,732	30		8.0		0
NNC	10,702	145		13.5	28.1	156
Hue house construction & development	200,000	2,000		10.0		0
Joint real estate ventures		397,303				0
<b>Total</b>		<b>581,180</b>	<b>32,346</b>			<b>(11,599)</b>

Source: TDH, VIET DRAGON SECURITIES' estimations

(\*) For OTC stocks, we assumed that there is no more provision for loss by this time.

The decline of Vietnam stock market has made a negative impact on TDH's financial investment portfolio. Although the company could take profit by selling some listed stocks such as CII, NNC... its financial income in this year is unlikely to be as high as last year.

**Financial income** consists of interest from bank deposit, stock investment income and dividends. In the first 9 months of 2011, the accumulated financial income of TDH is of VND28.5 billion, mostly from stock investments and dividends. We predicted that in this year TDH will not liquidate any investment in its portfolio and the company's financial earnings will be at VND52 billion.

**Financial expenses** are mainly interest cost. By the end of 3<sup>rd</sup> quarter, 2011, the accumulated financial expenses of TDH is of VND52.7 billion; mostly from interest cost (VND31.9 billion). By this time, TDH's short-term and long-term bank loans are of VND282 billion and VND368 billion, respectively. For long-term bank loan, there is an amount of VND209 billion convertible bonds (with an interest rate of 7% per annum). Given our assumptions that cash flow from the company's projects will be used to pay short-term borrowings, the estimated interest cost in this year will be of VND60.7 billion, over fivefold increase compared with last year.

*In conclusion, according to our above analysis and assumptions the estimated total revenue and net profit of TDH in 2011 will be of VND487.3 billion, and VND78.8 billion, respectively. On the other words, we expected that the company will fulfil 59% and 44% of the company targets for total return and net profit, respectively, giving us a forward EPS of VND2,080 per share (calculated on 37,695,010 shares). This EPS is 68% lower than last year.*

#### Forecasted pre-tax profit

	2009	2010	2011F
Operating income	209	142	114
Financial income	98	75	(21)
Other income	50	110	1
<b>Pre-tax profit</b>	<b>357</b>	<b>328</b>	<b>94</b>

Source: TDH, VIET DRAGON SECURITIES' estimations

## TDH's real estate portfolio

Name	Location	Invest-ment (VND bil.)	Scales (m <sup>2</sup> )	Owner-shi-p (%)	Quantity	Comme-rcial area	Note
<b>Completed and in-progress projects</b>							
<b>Binh Chieu urban town</b>	Ngo Chi Quoc str., Binh Chieu, HCM	-	212.000	100	*323 flats (130 m <sup>2</sup> -284m <sup>2</sup> ), *147 flats (87 m <sup>2</sup> -244m <sup>2</sup> )	92.000	Completed. Estimated revenue and gross profit of the project in this year are of about VND26 billion and VND13.5 billion, respectively.
<b>TDH -Truong Tho apartment</b>	Truong Tho ward, Thu Duc dist., HCM	234	6.994	100	262 flats	23.827	Construction completed and sold out 50% of its flats so far at an average price of VND15.5 million per sqr meters. Total forecasted revenue and gross profit of the project are VND381 billion and VND147 billion, respectively. Our 2011's forecasted return and pre-tax profit of this project are of VND68.6 billion and VND22.3 billion, respectively.
<b>Trade Centre &amp; La Sapinette hotel</b>	Da Lat	200	7.902	65	91 rooms	14.220	Inaugurate on December 28th, 2009.
<b>Market B</b>	Thuduc Wholesale Agriculture Market	45	12.078	100	258 spaces	5.340	Completed. 90% of spaces in this market is rented in long term, while 10% of its is rented in short term. Most of the revenue has been booked in previous years (VND101 billion in 2008, VND71.7 billion in 2009, VND10 billion in 2010). Expected return and gross profit in this year are of approximately VND12 billion and VND9 billion, respectively.
<b>Market C</b>	Thuduc Wholesale Agriculture Market	20	6.278	100	70 spaces	1.900	Opened to lease in the 2nd quarter, 2010. 90% of spaces in this market is rented in long term, whereas 10% of its is available for rent. In 2010, this project contributed VND15.5 billion to the company's total revenue. In 2011, its predicted revenue and gross profit are of about VND18 billion and VND12.9 billion, respectively.
Nhan Phu urban area – Phuoc Long Spring Town	Phuoc Long B ward, dist. 9, HCM	1,000	37.140	50	*Town house: 4,261 * Flats: 20,770 *Trade centre: 1,800	4.261	Invested by Phuoc Long investment co., and was constructed on November 10th 2011. TDH intended to sell the project's land lots in 4th quarter, 2011. In our valuation, in this year TDH will gain around VND30 billion of revenue and VND12 billion of earnings before tax from this project.
Ben Luc residential area (2 <sup>nd</sup> phase) – Long Hoi city	Ben Luc town, Long An	315	267.000	49	* Resident: 101.227 * Đất TMDV: 7.277	101.227	Cooperation between PPI and TDH. Under infrastructure construction. To date, TDH has sold out 100 land lots over 160 land lots of this project. Our anticipated revenue and gross profit of this project in 2011 are of VND149 billion, and VND 61 billion, respectively.
TDH – Phuoc Binh apartment	Phuoc Binh ward, Thu Duc dist., HCM	109	2.314	100	86 flats	7.650	In completion stage. This project's flats will be transferred to buyers in the 2nd quarter of 2012 when revenue will be recognised. Sold out 40 flats over 86 flats of this project at average price of VND17 million per sqr meters. Total forecasted revenue and gross profit of the project are of VND189 billion and VND36 billion, respectively.
TDH – Phuoc Long apartment	Dist. 9, HCM	192	3.573	100	118 flats	11.815	Constructed in July, 2010. Foundation construction completed. Sold out 41 flats in 1 <sup>st</sup> phase. Going to be launched its 2 <sup>nd</sup> phase into the market. Total forecasted revenue and gross profit of the project are of VND308 billion and VND59 billion, respectively.
Cantavil Premier (2 <sup>nd</sup> phase)	An Phu ward, dist. 2, HCM	USD60 mil.	11.170	40	184 flats & 15 penthouse	*Flats: 26,140 & Office: 23,723	Building 6 <sup>th</sup> floor.

## Pipeline projects

Name	Location	Invest-ment (VND	Scales (m <sup>2</sup> )	Ow-ner	Quantity	Note
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		<i>bil.)</i>		<i>- shi p (%)</i>		
Binh Chieu apartment	Binh Chieu, HCM	422	10,502	100	280 flats	Under design.
Centum Wealth luxury apartment (Hiep Phu)	Hiep Phu ward, dist. 9, HCM	USD50 mil.	11,582	49	44,319 m <sup>2</sup> (343 flats)	Waiting for construction license. Hold by Bach Phu Thinh co. (TDH 49%, Daewon 51%).
Complex project at 378 Minh Khai	378 Minh Khai, Hai Ba Trung dist., HN	USD80.708 mil	28,726	14	*Trade centre & office: 28,875 *Flats: 76,668 *Garden house: 3,600	Waiting for approval of 1/500 master plan (for luxury apartments). Hold by Phong Phu co. (TDH 14%, Phong Phu co. and Vinatex land co., Daewon co., Daewon Thu Duc housing development co.). Estimated annual return and gross profit are of VND494 billion and VND86 billion, respectively.
Dong Mai residential area	Ha Dong dist., HN	1,265	2,250,000	10	-	Preparing for procedures of changing from an industrial park project to a residential are project.
Complex building at Lang Co, Hue	Chan May economic zone, Lang Co, Hue	USD150 mil.	137,840	100	-	Got land provision approval. Preparing for land compensation scheme.
Tam Tan resettlement village	Cu Chi dist., HCM	1,012	200,000	40	-	Got approval for infrastructure plan. Designing sample flat.
Phuc Thinh Duc apartment	146/2 Nam Hoa, dist. 9, HCM	912	14,680	70	*Trade centre: 3,420 *Flats: 59,320	Got certificate of land use right. Waiting for approval of 1/500 master plan. Hold by Phuc Thinh Duc co. (TDH 70%, Vinatex land co. 30%). Comprising three blocks of 20-floor apartment. Estimated total return and gross profit are of VND1,778 billion and VND503 billion, respectively. Intended to sell.
Resort La Sapinette – Hue	Lang Co, Hue	159	50,000	-	-	Got investment license. Settling levelling price and preparing general plan. Intended to sell.
Phuoc Long B residential zone	Dist. 9, HCM	530	17.231	70	70,000	Cooperate with Sai Gon sundries export – import co. Under design.
<i>Binh Khanh – Thu Thiem</i>	Dist. 2, HCM	USD358.4 mil.	*Resettle-ment area: 46,971 * Office building: 63.592	20	*Resettlemen-t area: 236,836 *Trade centre – office - apartment: 253,805	Under design. Resettlement area will be constructed in 2011-2013, Apartment will be constructed in 2012-2015. Total forecasted return: VND9,613 billion; pre-tax profit: VND1,922 billion.
<i>Hang Xanh trade center &amp; office building</i>	219-221 XVNT, Binh Thanh dist., HCM	42.2	607	40	3,306	Cooperate with Satra co. Under construction.
<i>Project of 10.3 ha in Hiep Binh Chanh</i>	Thu Duc dist., HCM		1,030,000	-		Got approval from the government to invest in this project on 30 <sup>th</sup> August, 2010. TDH has responsibility to perform its modified detailed plan (building apartment instead of adjoining houses). TDH has to sell 200 flats to 200 land-buyers of Hai Dang housing trading & construction co. at a fixed price.
<i>Aquila Plaza (120 Dang Van Bi)</i>	Binh Tho ward, Thu Duc dist., HCM	1,000	12,667	30		Cooperate with VinatexLand and Viet Thang textile co. Under design.
<i>Land lot at 236 Dien Bien Phu</i>	Ward 17, Binh Thanh dist., HCM		1,433	-		Cooperate with Vitaco co. Under design.
<i>Land lot at 78 Ba Van</i>	Ward 14, Tan Binh dist., HCM		2,210	-		Cooperate with Tan Phu Cuong chemical co. Under design.
<i>Land lot at 53/1 Phan Van Hon</i>	Tan Thoi Nhat ward, dist. 12, HCM		14,176	-		Cooperate with Tan Phu Cuong chemical co. Under design.

Source: TDH, VIET DRAGON SECURITIES' estimations

**Bold projects: completed projects***Italic projects: newly-announced projects.***Average P/E, P/BV ratios of property industry**

Stock code	Market	Trailing	P/BV
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**VALUATION****Comparables method**

We incorporately used P/E and P/B methods to estimate the fair price of TDH

	Capital (billion VND)	P/E	30/09/11
KBC	4230,5	7,2	1,0
SJS	1900,7	8,5	1,0
ITA	2096,9	5,2	0,5
DIG	1950	4,7	0,6
BCI	1084	5	0,6
NTL	1180,8	3,1	1,3
HDG	591,3	6,4	1
NBB	853,7	10,7	0,9
TDH	542,8	3	0,4
LHG	517,6	3,1	0,9
HDC	393,1	4,3	0,8
TIX	386,4	3,5	0,7
TDC	930	4,7	0,8
<b>Average</b>		<b>6,0</b>	<b>0,8</b>

Source: Stox.vn on November 17<sup>th</sup> 2011

share. At present, the average P/E, P/B ratios for real estate industry are at 6.0 times and 0.8 time.

In our opinion, reasonable P/E, P/B ratios for TDH share are now at 4.8 times and 0.6 time, 20% lower than the average ratios of real estate industry.

#### Valuation Matrix

Valuation models	Price	Weight	Average
P/E 2011F	9.982	60%	5.989
P/BV	24.035	40%	9.614
<b>Price</b>		<b>100%</b>	<b>15.603</b>

#### Financial data of typical peers

Stock Code	Market Cap	Return	Net income	EPS	BV	Trailing	P/BV	9M/2011			
	01/12/2011	2010	2010	4Qs	30/09/11	P/E	30/09/2011	Return		Net income	
	(VND bill.)	(VND bill.)	(VND bill.)	(VND/cp)	(VND/cp)	(x)	(x)	(VND bill.)	%P	(VND bill.)	% P
SJS	1693.6	1,067	457	2,375	19,000	7.2	0.9	102.4	3%	15.7	-
DIG	1560	1,382	449	2,000	20,000	6	0.6	565.8	46%	105.2	21%
BCI	1098.5	815	283	2,269	25,333	6.7	0.6	151	12%	35	11%
NTL	885.6	1,460	577	5,143	16,000	2.8	0.9	491	26%	72	-
HDG	526.5	967	271	2,281	14,444	5.7	0.9	475.5	40%	38.9	13%
TDH	459.9	706	249	2,346	30,500	5.2	0.4	371	45%	19	11%
NBB	841.2	580	122	3,541	58,875	13.3	0.8	357.7	56%	60.7	38%
HDC	390.8	454	101	3,479	23,857	4.8	0.7	296.9	66%	51.8	-

Source: TDH, VIET DRAGON SECURITIES' estimations

APPENDIX

Unit: VND bill.

PROFIT & LOSS	2008	2009	2010	2011E
Net sales	599.5	481.3	557.2	487.3
Cost of goods sold	287.7	216.6	327.9	301.4
<b>Gross profit</b>	<b>311.8</b>	<b>264.7</b>	<b>229.4</b>	<b>185.9</b>
Selling expenses	1.8	0.6	11.8	10.0
Administrative expenses	50.4	24.7	33.5	62.4
<b>Operating income</b>	<b>259.6</b>	<b>209.2</b>	<b>142.5</b>	<b>113.5</b>
Financial income	9.6	98.2	74.7	(20.8)
Other income	13.0	49.7	110.3	1.0
<b>EBIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Earnings before tax</b>	<b>282.2</b>	<b>357.1</b>	<b>327.5</b>	<b>93.8</b>
Corporate income tax	70.1	58.1	79.3	15.0
Minority interest	13.7	4.6	(0.6)	-
<b>Earnings after tax</b>	<b>198.4</b>	<b>294.4</b>	<b>248.9</b>	<b>78.8</b>

Unit: %

FINANCIAL RATIOS	2008	2009	2010	2011E
<b>Growth rate</b>				
Revenue	218.0%	-19.7%	15.8%	0.0%
Operating income	459.9%	-19.4%	-31.9%	-20.3%
EBIT	0.0%	0.0%	0.0%	0.0%
Earnings before tax	50.9%	26.5%	-8.3%	-71.4%
Earnings after tax	21.4%	48.4%	-15.5%	-68.4%
Total assets	34.1%	27.2%	28.8%	3.1%
Shareholders' equity	32.4%	24.6%	10.5%	3.2%
Internal growth	21.2%	14.7%	12.5%	0.2%
<b>Profitability</b>				
Gross margin	52.0%	55.0%	41.2%	38.1%
Operating profit margin	43.3%	43.5%	25.6%	23.3%
EBIT margin	47.9%	75.7%	61.5%	34.0%
Pre-tax profit margin	47.1%	74.2%	58.8%	19.2%
Net profit margin	33.1%	61.2%	44.7%	16.2%
ROA	13.7%	16.0%	10.5%	3.2%
ROIC or RONA	16.1%	19.0%	13.5%	4.0%
ROE	19.8%	26.2%	19.0%	10.4%

<b>Activity</b>				
Receivables turnover	4.9	1.6	1.0	1.1
Inventory turnover	0.7	0.5	0.8	0.7
Payables turnover	1.5	1.0	1.7	1.3
Fix assets turnover	9.4	6.1	2.4	2.1
Total assets turnover	0.4	0.3	0.2	0.2

<b>Liquidity ratios</b>				
Current ratio	3.5	3.1	2.3	2.1
Quick ratio	1.5	1.5	1.5	1.2
Cash ratio	0.9	0.4	0.3	0.2

<b>Capital structure</b>				
Total debt/ Total equity	41.1%	42.9%	61.6%	62.1%
Total debt/ Total assets	28.7%	29.2%	36.3%	36.2%
Short-term loan/ Equity	1.4%	5.2%	21.8%	17.1%
Long-term loan/ Equity	6.6%	7.2%	19.6%	23.1%

Unit: VND bill.

BALANCE SHEET	2008	2009	2010	2011
Cash	103.7	97.9	103.6	98.5
Short-term investment	80.8	5.6	22.1	33.1
Receivables	123.0	309.2	575.4	428.9
Inventory	395.3	470.1	419.2	422.0
Other assets	0.6	7.5	10.1	8.8
<b>Current assets</b>	<b>703.5</b>	<b>890.4</b>	<b>1,130.4</b>	<b>991.4</b>
Fixed assets	58.3	56.9	209.2	206.0
Cost	78.9	83.3	237.2	243.7
Accrued depreciation	(20.6)	(26.4)	(28.0)	(37.6)
Intangible assets	5.4	21.5	22.8	22.1
Cost	5.6	22.4	25.8	26.7
Accrued depreciation	(0.2)	(1.0)	(3.1)	(4.6)
Construction in-progress	13.0	122.2	14.9	22.3
Property for sale	635.2	701.0	879.8	1,055.8
Long-term investment	17.6	34.4	74.6	97.0
Other assets	-	-	-	-
<b>Non-current assets</b>	<b>740.2</b>	<b>946.1</b>	<b>1,235.0</b>	<b>1,447.1</b>
<b>TOTAL ASSETS</b>	<b>1,443.7</b>	<b>1,836.5</b>	<b>2,365.4</b>	<b>2,438.5</b>

<b>Current liabilities</b>	<b>200.9</b>	<b>285.3</b>	<b>489.5</b>	<b>469.8</b>
Trade and advanced billings to clients	135.5	84.3	39.9	84.4
Other short-term payables	51.3	135.7	149.6	141.7
Short-term debt	14.0	65.3	300.0	243.7
<b>Non-current liabilities</b>	<b>210.8</b>	<b>250.1</b>	<b>359.4</b>	<b>413.8</b>
Long-term debt	66.5	90.0	270.3	328.8
Other long-term payables	144.3	160.1	89.1	85.0
<b>Total debt</b>	<b>411.7</b>	<b>535.3</b>	<b>848.9</b>	<b>883.6</b>
<b>Shareholders' equity</b>	<b>986.9</b>	<b>1,230.4</b>	<b>1,378.5</b>	<b>1,421.6</b>
Subscribed capital	252.5	378.8	378.8	378.8
Additional paid-in capital	509.1	433.9	434.9	434.9
Treasury stocks	(68.5)	-	-	-
Retained earnings	153.1	-	-	-
Development & investment fund	112.8	218.5	306.9	356.7
Financial reserve fund	27.5	32.5	42.9	55.3
Others	0.4	0.0	-	-
<b>Other reserves</b>	<b>14.1</b>	<b>17.3</b>	<b>-</b>	<b>0.8</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,001.0</b>	<b>1,247.7</b>	<b>1,378.5</b>	<b>1,422.4</b>
Minority interest	20.3	50.5	110.4	132.5
<b>TOTAL LIABILITIES</b>	<b>1,433.0</b>	<b>1,833.4</b>	<b>2,337.9</b>	<b>2,438.5</b>

STOCK DATA	2008	2009	2010	2011E
Outstanding shares (mil.)	25.3	37.9	37.9	37.9
Market capitalisation	28,700	67,000	34,500	
EPS (VND)	7,857	7,772	6,571	2,080
Book value (VND)	39,644	32,941	36,397	37,554
Cash dividend VND	-	3,000	2,000	2,000
P/E (x)	3.7	8.6	5.3	-
P/B (x)	0.7	2.0	0.9	-
Dividend Yield (%)	0.0%	4.5%	5.8%	-

### HISTORIC ANALYSIS

Issued date	Report type	Recommendation	Market price	Estimated price
08/11/2010	1 <sup>st</sup> updated report	HOLD	31.000	38.700
25/04/2011	2 <sup>nd</sup> updated report	BUY	25.000	34.100

### COMPANY REPORT

This report has been prepared for information purposes only. In this research, we have analyzed the company operations, forecasted its business performance and valued the fair price of the company based on our updated data at the date of issuance. We have tried our best to fully express all of our views and judgement about the company in this research. For feedback and further information, please contact our analyst or customer services department.

#### Rating system

- 'BUY': is applied when estimated price is 25%-30% over market price.
- 'SELL': is applied when estimated price is lower than market price.
- 'HOLD' is a neutral recommendation, meaning 'hold' or 'sell' for the stock holders; and neutral for others.
- Long-term, middle-term, short-term investment recommendations are applied as 'over twelve months', 'over the next three to twelve months' and 'in three months'.

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