

28.05.2012  
HOSE – Vietnam  
Real Estate

**Neutral**

**Price (2012/05/28): VND 19,000**

Tu Cao Anh  
(+84-8) 5413-5479  
[Anhthu@phs.vn](mailto:Anhthu@phs.vn)

### Key Data

Chartered capital	380 bil dong
Outstanding shares	38 mil shares
52-week price range	10,900 - 22,100 dong/share
Market cap	722 bil dong
Total assets (Q4/11)	2,266 bil dong
Net Value (Q4/11)	1,318 bil dong
(QFII) Total Room	19 mil shares
(QFII) Current Room	12 mil shares
Foreign Holding (%)	16.25%
EPS 2012E	1,178 dong/share
P/E	2.57
P/B	0.60
Cash dividend % (Face Value)	-
Dividend yield (%) (Dividend/Market price)	-
ROE 2011	25.03%
ROA 2011	17.24%

\* The holding cap for foreign strategic investors is 49%.

## 2012 profit doesn't see improvement yet

### Overview

- TDH JSC was established in 1990 under the name of Thu Duc House management and development. After that, the company was listed on HOSE in 2006.

- The sales growth speed in 2009-2011 was -3% and net profit growth was -23%, in which, 2011 profit dropped by 82% in 2010.

- HCMC Urban development fund holds 8.93%, KITMC Worldwide Vietnam RSP Balance Fund holds 6.91%, Red River Holding holds 5.98%, Mr. Tran Quang Nghi holds 5.33%, Deutsche Bank AG London holds 5.06%, and Deutsche bank Aktiengesellschaft & Deutsche Asset Management (Asia) Ltd holds 5.05%.

### 2011 Activities

Total sales of 2011 were 606 billion dong, reaching only 73% target of 832 billion dong. 2011 net profit was nearly 45 billion dong, reaching 25% target.

For 2011 sales structure, the selling and service supplying accounted 88%, the finance and other income accounted 7.6% and 4.5%.

### 2012 target

- 2012 sales target is 720 billion dong, up by 18% compare to 2011. Parent company net profit target of 2012 is 60 billion dong, 35% higher than 2011.

### Business result of Q1/2012

Q1/2012 sales were nearly 67 billion dong, down by 45% YOY. Q1/2012 profit was onl 2.3 billion dong, onl 11% of the same period last year.

According to the report on the usage of the capital from the convertible bond issuance of 208.8 billion dong. According to that, the investment in Phuc Thinh Duc project was 100 billion dong, the project of Minh Khai – Hanoi was 100 billion dong, TDH – Phuoc Binh apartment building was 48 billion dong, and TDH – Phuoc Long apartment building was 4 billion dong.

### Trading information

#### Trading information of major and internal shareholders

- Mr. Tran Quang Nghi registered to sell 500,000 shares, the owning after the trade was 1.35 million shares, the trades will be carried out from May 28<sup>th</sup> to July 27<sup>th</sup> 2012.

**Average trading volume of 2 weeks** was 380,000 shares a session, 1 month was 460,000 shares a session.

**Foreign trade in the most recent week:** total bought-in was 669,000 shares; sold-out was 106,000 shares.

### Valuation

We expect a profit of 53 billion dong in 2012 and EPS of 1,400 dong/share. Besides, TDH's book value in 2012 is about 35,400 dong/share. Therefore, at the price on May 28<sup>th</sup> 2012 of 19,000 dong/share, we initiate a Neutral rank for TDH.

### Financial Abstract:

Year	Revenue (bil)	(%)	Net Profit (bil)	(%)	Outstanding Shares (mil)	EPS (VND)	P/E (x)	ROE	ROA
2008	600	218%	198	21%	25	7,857	2.4	23%	16%
2009	482	-20%	280	41%	38	7,405	2.6	25%	17%
2010	557	16%	249	-11%	38	6,571	2.9	19%	12%
2011	533	-4%	45	-82%	38	1,178	16.1	3%	2%
2012E	650	22%	53	19%	38	1,404	13.5	4%	2%

Source: Phu Hung Securities

**P&L Statement (billion dong)**

	2009	2010	2011	2012E
<b>Sales</b>	<b>482</b>	<b>557</b>	<b>533</b>	<b>650</b>
COGS	217	328	348	410
<b>Net profit</b>	<b>265</b>	<b>229</b>	<b>185</b>	<b>241</b>
Finance sales	87	91	46	52
Finance expense	4	16	110	130
In which: loans expense	1	11	81	98
Selling expense	1	12	20	24
Management expense	54	75	65	78
<b>Operational profit</b>	<b>301</b>	<b>217</b>	<b>37</b>	<b>60</b>
Other income	47	112	27	28
Other expense	4	7	24	22
<b>Other profit</b>	<b>43</b>	<b>105</b>	<b>4</b>	<b>6</b>
<b>EBT</b>	<b>344</b>	<b>328</b>	<b>43</b>	<b>66</b>
Present income tax	59	82	8	13
Delayed income tax	-	(2)	4	-
Minority benefit	5	(1)	(14)	-
<b>Net profit</b>	<b>280</b>	<b>249</b>	<b>45</b>	<b>53</b>

**Balance sheet (billion dong)**

	2009	2010	2011	2012E
<b>A. Current assets</b>	<b>892</b>	<b>1,130</b>	<b>933</b>	<b>988</b>
Cash and equivalent	98	104	49	74
Short-term investment	6	22	4	5
Receivables	311	575	470	480
Inventory	469	419	399	416
Other short-term assets	8	10	11	12
<b>B. Non-current assets</b>	<b>928</b>	<b>1,208</b>	<b>1,332</b>	<b>1,280</b>
Long-term receivables	-	-	-	-
<b>Fixed assets</b>	<b>207</b>	<b>247</b>	<b>226</b>	<b>203</b>
Long-term finance investment	674	846	1,033	1,000
Other long-term assets	29	81	59	52
<b>Total assets</b>	<b>1,820</b>	<b>2,338</b>	<b>2,266</b>	<b>2,268</b>
<b>A. Liabilities</b>	<b>531</b>	<b>835</b>	<b>850</b>	<b>907</b>
Short-term debt	281	476	410	435
Long-term debt	250	359	440	472
<b>B. Equity source</b>	<b>1,240</b>	<b>1,392</b>	<b>1,318</b>	<b>1,361</b>
Source – Fund	1,222	1,379	1,318	1,361
Other source and capital	17	13	-	-
<b>Minority shares</b>	<b>49</b>	<b>110</b>	<b>97</b>	<b>-</b>
<b>Total source</b>	<b>1,820</b>	<b>2,338</b>	<b>2,266</b>	<b>2,268</b>

**Cash flow**

	2009	2010	2011	2012E
Net operating cash flow	-72	-104	21	57
Net investing cash flow	-7	-204	-46	-20
Net finance cash flow	73	314	-30	-12
Net cash in the period	-6	6	-55	25
Cash and equivalent at the beginning	104	98	104	49
Exchange rate influence				
<b>Cash and equivalent at the end of the period</b>	<b>98</b>	<b>104</b>	<b>49</b>	<b>74</b>

**Growth speed (%)**

	2009	2010	2011	2012E
Sales	-20%	16%	-4%	22%
EBT	22%	-5%	-87%	54%
EAT	41%	-11%	-82%	19%
EPS	-6%	-11%	-82%	19%
Total assets	27%	28%	-3%	0%
Equity	24%	12%	-5%	3%

**Profitability (%)**

	2009	2010	2011	2012E
Gross profit/sales	55%	41%	35%	37%
Operational profit/sales	62%	39%	7%	9%
EBT/sales	71%	59%	8%	10%
EAT/sales	58%	45%	8%	8%

**Effectivity**

	2009	2010	2011	2012E
Fixed assets circle	3.4	2.5	2.3	3.0
Total assets circle	0.3	0.3	0.2	0.3
Equity circle	0.4	0.4	0.4	0.5
Receivables circle	4.9	2.4	1.9	5.8
Inventory circle	1.1	1.3	1.3	1.6

**Liquidity**

	2009	2010	2011	2012E
Current payment ratio	3.2	2.4	2.3	2.3
Quick payment ratio	1.5	1.5	1.3	1.3
Cash payment ratio	0.3	0.2	0.1	0.2

**Finance structure**

	2009	2010	2011	2012E
Total debt/total asset	0.29	0.36	0.38	0.40
Total debt/total equity	0.43	0.60	0.65	0.67
Long-term loans/short-term loans	89%	76%	107%	108%
Long-term assets/long-term assets	104%	107%	143%	130%

Source: TDH and PHS

### **Analyst Certification**

---

Each research analyst(s), strategist(s) or research associate(s) responsible for the preparation and content of all or any identified portion of this research report hereby certifies that, with respect to each issuer or security or any identified portion of the report with respect to each issuer or security that the research analyst, strategist or research associate covers in this research report, all of the views expressed by that research analyst, strategist or research associate in this research report accurately reflect their personal views about those issuer(s) or securities. Each research analyst(s), strategist(s) or research associate(s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that research analyst, strategist or research associate in this research report.

### **Ratings Definition**

---

**Overweight (OW)** = Expected to outperform the local market by >10%

**Neutral (N)** = Expected to in line with the local market by +10%~ -10%

**Underweight (UW)** = Expected to underperform the local market by >10%.

**Not Rated (NR)** = The stock is not rated in Phu Hung's coverage universe or not listed yet.  
Performance is defined as 12-month total return (including dividends).

### **Disclaimer**

---

This information has been compiled from sources we believe to be reliable, but we do not hold ourselves responsible for its completeness or accuracy. It is not an offer to sell or solicitation of an offer to buy any securities. Phu Hung Securities and its affiliates and their officers and employees may or may not have a position in or with respect to the securities mentioned herein. Phu Hung Securities (or one of its affiliates) may from time to time perform investment banking or other services or solicit investment banking or other business for any company mentioned in this report. All opinions and estimates included in this report constitute our judgment as of this date and are subject to change without notice.

© **Phu Hung Securities Corporation.**

5th Fl., Lawrence S. Ting Bldg., 801 Nguyen Van Linh St, Tan Phu Ward, Dist 7, HCMC  
Tel: (+84-8) 5413-5479 – Fax: +84 8 54135472 Web: www.phs.vn