

Ticker: TDH
Address: 13-15-17 Truong Dinh St., HCM City.
Telephone: (84-8) 3933 3090

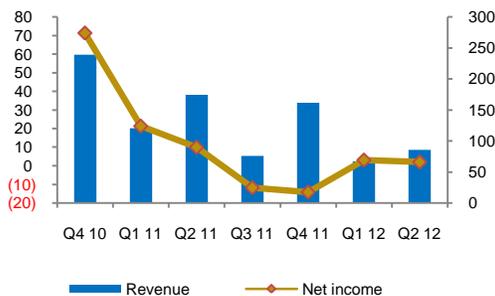
Key statistic

Price (VND)	12,300
Market cap (Bil VND)	464
Outstanding shares	37,695,010
Beta:	1.82
Enterprise value (Mil VND):	1,054
% of Foreign:	34%
% Free float:	77%
Trailing P/E:	(35.56)
Forward P/E:	
P/B:	0.35
Dividend Yield:	0.10

Growth rate (CAGR) summary

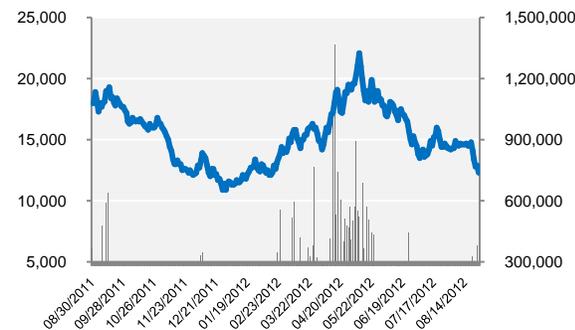
	1 year	3 years
Revenue	-4.4%	5.2%
EBIT	-63.5%	-41.2%
EBITDA	-62.3%	-40.1%
Net income	-82.1%	-61.1%
Asset	-3.1%	11.2%
Total Equity	22.0%	3.5%

Revenue structure

Revenue movement

THU DUC HOUSING DEVELOPMENT CORPORATION

Industry: Financials **Revenue 2012 plan (Bil VND):** 720
Sector: Real Estate Holding & Devel **Net income plan (Bil VND):** 59
Website: www.thuduchouse.com **DPS plan (VND):** 1,200

Start	End	Period	Index
08/30/2011	08/27/2012	D	HSX



Price change	
1 day	-4.7%
1 month	-14.0%
3 months	-27.2%
6 months	-22.2%
1 year	-35.3%

Average volume

Av 1M	109,467
Av 3M	129,733
Av 6M	251,853
Av 1Y	187,442

Financial statement summary

Year end 31 Dec		2008	2009	2010	2011
Revenue	Bil VND	600	481	557	533
Gross profit	Bil VND	312	265	229	185
Net income	Bil VND	198	294	249	45
EBIT	Bil VND	282	358	339	124
EBITDA	Bil VND	288	365	347	131
EPS	VND	7,857	7,772	6,571	1,178
P/E	x	1.57	1.58	1.87	10.44
P/S	x	0.5	1.0	0.8	0.9
P/B	x	0.3	0.4	0.3	0.4
ROE	%	23%	27%	19%	3%
Net debt/Equity	x	0.1	0.1	0.4	0.5

Q22012 Business result

Unit: Bil VND	Q2 2012	Growth (%)	6M	Growth (%)	% plan
Revenue	86	-50.9%	153	-48.3%	21.2%
Gross profit	13	-72.9%	23	-74.1%	
Gross margin (%)	15.5%	-44.7%	15.2%	-49.9%	
Interest expense	18	103.8%	27	43.9%	
Net income	2	-80.7%	5	-84.3%	8.2%
NPM (%)	2.2%	-60.7%	3.2%	-84.2%	
Working capital	496	3.4%	496	62.8%	
Short-term borrowings	252	1.6%	252	-1.3%	
Long-term borrowings	365	18.5%	365	0.6%	
Shareholders' equity	1,312	0.1%	1,312	0.1%	
Total assets	2,242	-1.6%	2,242	3.5%	

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Please see important disclosure and analyst certification at the end of this report

Analysis of Q2 12 operation

TDH posted weak earnings for both Q212 and 1H2012, reporting second quarter earnings of VND 1.9 bil (EPS 51 VND/share) on revenue of VND 85.7 bil. Q212's revenue declined by 50.9% and net income plunged by 80.7% yoy. This slowdown is largely due to the unrecovered real estate in Vietnam, where unsold lands and apartments are soaring and few successful deals transacted. Given the wobbly economy, real estate buyers are still hesitant to disburse.

Sales breakdown by project in 1H2012: Truong Tho: VND 9 bil; Phuoc Binh: VND 3 bil; Long Hoi City: VND 2.5 bil and the remains of old projects such as Binh Chieu (VND 2.5 bil), An Phu (VND 4 bil), etc.

Far distance to year target. After 1H2012, TDH only fulfilled 21.2% and 8.2% revenue and earnings target. Very big pressure puts on the second half of the year.

Operating income suffered from loss since Q311 due to shrunk margin from apartment sales, high bank interest and SG&A cost.

Highlight

Information	Effect	Comment
Deposit rate decreased from 14% to 9% in 1H2012.	↑	Average borrowing rate of TDH decreased to 15% by end Q212.

Q312 Estimate

	Q312E	2012E
Revenue	76,000	342,640
Gross profit	13,680	57,388
EBIT	5,842	59,332
Net income	(7,143)	(4,786)
EPS	(189)	(127)

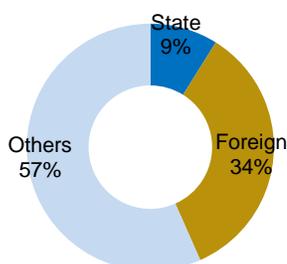
BVSC forecast

The company keeps its year target, without lowering unsold apartments' prices. It hopes that the sales of Dong Mai project (Hanoi) can close successfully before year end to boost the company's 2H2012 earnings. TDH invested VND 40 bil. as cost in this project and is asking for VND 80 bil. However, even if it succeeds as expected, such disposals can fuel its bottom line, as this asset is a long-term investment.

Meanwhile, top line remains poor due to sparse core business. Currently, TDH has 182 units unsold (Truong Tho 60 apartments, Phuoc Binh 36 apartments and Long Hoi City 86 land plots). which can be recorded as of disposed. Total value of these units is approximately VND 180 bil. However, selling all of them within 2H2012 seems beyond TDH's reach.

In the event that TDH does not source revenue and profit from financial investment or other activities, it's bottom line Q312 and 2H2012 may suffer from loss as gross profit is not able to cover financial income and SG&A cost.

Holder information



Comparison

Peer	Market cap	PE	PB	PS	ROE	D/E
NBB	589,400	9.7	0.6	1.6	6.1%	1.23
KDH	536,250	52.0	0.5	3.6	0.7%	0.32
ITC	562,900	(4.2)	0.3	3.6	-7.4%	0.23
HDC	419,784	7.3	0.8	1.2	10.3%	0.81
TDH	463,649	(35.6)	0.4	1.0	-1.0%	0.47
Average		6.9	0.5	2.3	0.0	0.6

Major Projects

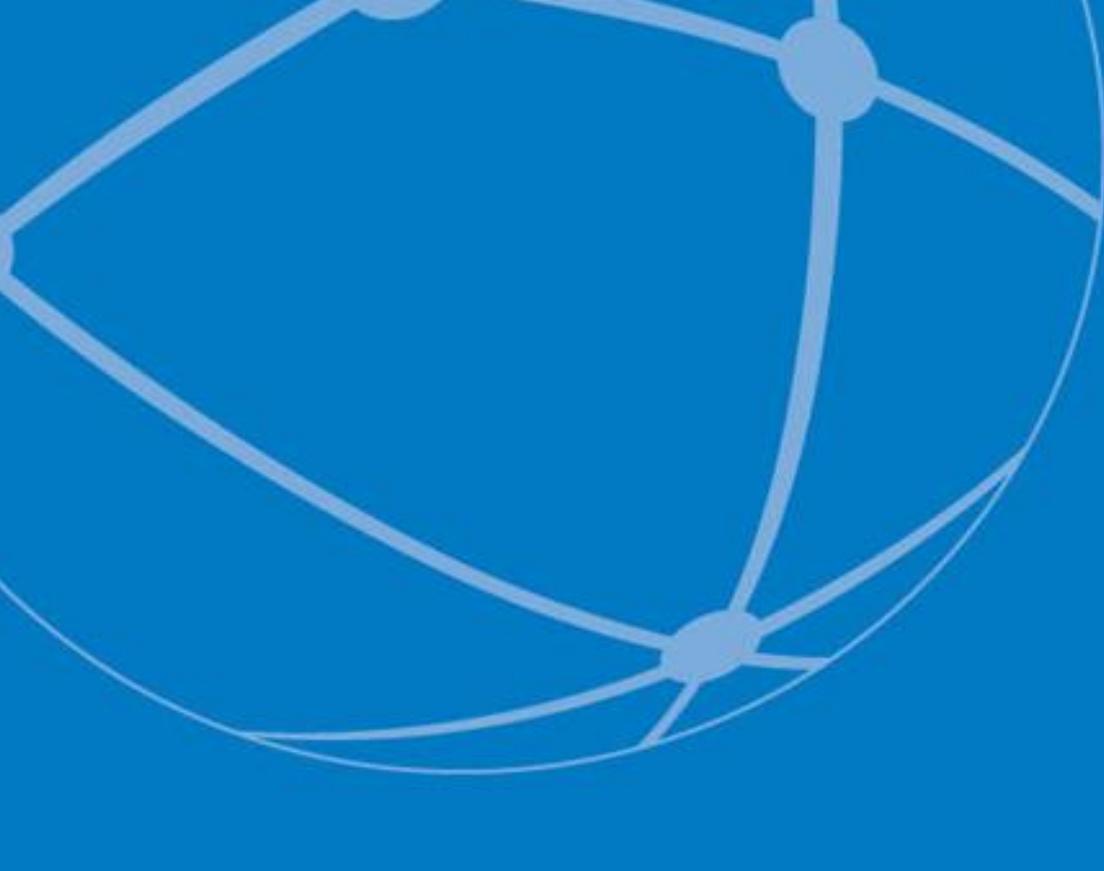
Project	TDH owns	Total investment (VND bil)	Location	Land size (n	Description
TDH Truong Tho	100%	314	Thu Duc	6,994	Sold 202/262 units.
TDH Phuoc Binh	100%	109	D.9	2,314	Sold 50/86
Long Hoi City	49%	315	Long An	267,000	Sold 100/186 units.
Phuoc Long Spring Tc	67%	1,000	D.9	37,140	Sold 14/38 land plots of Phase 1 (Antigone)
378 Minh Khai-HN	10%	1,695	Hanoi	2,250,000	Being designed

BVSC recommendation

TDH has a big projects portfolio, including apartments and land plots in moderate price range, with 265 units are available for sales, of which 182 units can be recorded as revenues and earnings upon their disposals as they are completed construction phase. This quite rich inventory of finished products can facilitate TDH in slowing down their new capex disbursement into new projects and thus capital pressure is somehow mitigated.

However, since the Vietnam housing market has weakened, the sales of any type of housing products has become increasingly challenging because consumers and investors have been very reluctant. Although TDH insists on their year plan to go, there's no guarantee that all their offering land plots and apartments will actually be sold out. Meanwhile, interest expenses from the short-term borrowings (VND 252 bil), long-term loan (VND 156 bil) and convertible bond (VND 209 bil) still burden the company and may threat bottom line if there is no other income from either financial or other activities. Loan to equity ratio Q212 was 0.47x.

Nevertheless, investors can consider the stock as it is on way returning to its all time low price in history (10,900 VND/share on Dec 27th and Dec 29th 2011), while the company has been making best effort to keep the bottom line stay away from loss this year, waiting for the recovery of the real estate market next year, expectedly.



ANALYST CERTIFICATION

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