

AN PHAT PLASTIC & GREEN ENVIRONMENT JSC (AAA) - INITIATION

Market Price VND20,950 **Target Price** VND25,300 **Dividend Yield** 9.7% **Rating** ADD **Sector** INDUSTRIALS

Outlook – Short term



Outlook – Long term



Valuation



15 June 2018

Nguyen Nhu Binh Minh

minh.nguyennhu@vndirect.com.vn

An Phat Plastic and Green Environment JSC (AAA) is the largest plastic packaging manufacturer and exporter in South East Asia, with current production capacity of 8,000 tonnes/month. We initiate coverage on AAA with an ADD rating and target price of VND25,300/share.

Price performance



Source: VNDIRECT

AAA will be able to capture market share globally in countries such as Japan, as well as the U.S and EU in coming years. AAA has successfully produced biodegradable and high valued-added products in line with trends in developed markets, enabling it to meet tough environmental norms. We expect that the EU will be the company's main export market in 2018 (accounting for 58.7% of total output), and that export volume to Japan and the U.S will account for 23.0% and 4.5% of 2018 total sales volume, respectively.

AAA aims to expand its production and adopt effective cost controls. We expect AAA to produce 90,051 tonnes of plastic bags (+28.3% YoY) and 44,000 tonnes of calbest additives (+82.0% YoY) in 2018 due to the addition of Factory 6 and Factory 7. We project that AAA will increase its total production tonnage at a CAGR of 21.4% over the next 5 years. AAA has also adopted flexible pricing policies to enable pass through of increases in plastic packaging input costs on the back of recovering global oil prices. Thus, AAA has been able to maintain gross margins at between 13-14%, despite a 65.7% rise input prices over the last 12 months.

Positive outlook for AAA in 2018. We project that AAA's FY2018 consolidated revenue and EAT will reach VND6,079bn (+49.4% YoY) and VND306bn (+36.6% YoY), driven by 40.8% volume growth and a 6.0% rise in ASP. The company's increased focus on value-added products (including biodegradable packaging) will help expand gross margins by 70bps to touch 14.2% this year.

AAA's valuation is attractive in light of its strong revenue growth and improving profitability. AAA is currently trading at a TTM P/E of 9.0x (TTM P/E pro-forma for the upcoming dilution is 13.7x), a 18.9% discount to the average P/E of both domestic and regional plastic producers (11.1x). Given its comparative advantages in terms of scale and regional market leadership, we think that AAA should trade in line with its peer group. After factoring in the dilution from the rights issue and ESOP, we arrive at a target price of VND25,300/share, which presents a 20.8% upside to the current share price.

Key statistics

52w high (VND)	33,100
52w low (VND)	18,101
3m Avg daily volume (shares)	1.04
3m Avg daily value (VNDmn)	21,547
Market cap (VNDbn)	3,528
Outstanding shares (m)	167
Free float (%)	57
TTM P/E	9.0
Current P/B	1.7

Ownership

An Phat Holdings JSC	29.9%
Kallang Limited	7.8%
PYN Fund Elite (Non-Ucits)	4.1%

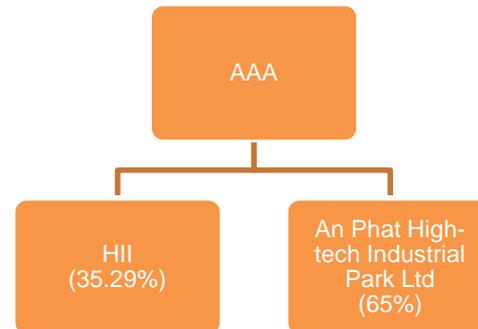
Source: VNDIRECT

Financial summary (VND)	12-15A	12-16A	12-17A	12-18E
Net revenue (bn)	1,615	2,144	4,070	6,079
Revenue growth	3.5%	32.8%	89.8%	49.4%
Gross margin	11.8%	14.3%	13.5%	14.2%
EBITDA margin	9.8%	13.4%	14.2%	14.9%
Net profit (bn)	40	142	224	306
Net profit growth	(2.4%)	255.0%	57.7%	36.6%
Recurring profit growth	(7.5%)	278.4%	58.6%	36.9%
Basic EPS	951	2,855	3,725	2,277
Adjusted EPS	832	2,795	3,642	2,024
BVPS	16,364	16,570	16,471	16,396
ROAE	5.0%	16.2%	19.3%	14.6%

COMPANY PROFILE

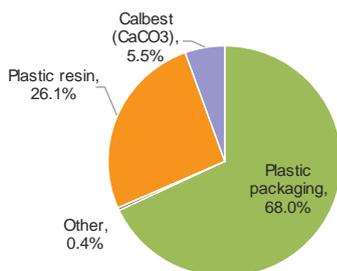
An Phat Plastic and Green Environment JSC (AAA) was established in 2002 and equitized in 2007 with registered capital of VND30bn. The company has been trading on the Ho Chi Minh Stock Exchange (HOSE) since 2016.

Figure 1: AAA's organizational structure



Source: AAA, VNDIRECT

Figure 2: AAA's revenue breakdown by product category



Source: AAA, VNDIRECT

AAA's vertically integrated production assets and presence in demanding foreign markets are key advantages.

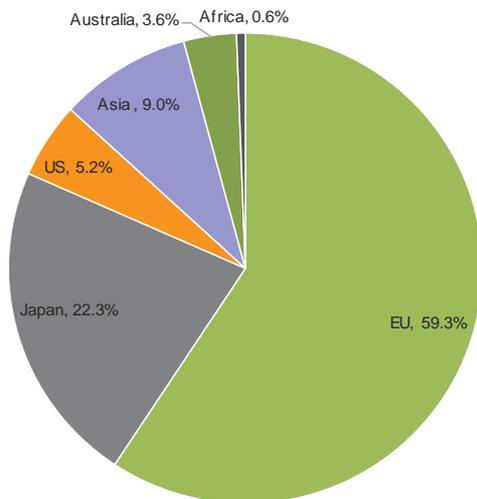
AAA, the parent company, specializes in manufacturing high-quality plastic packaging bags including shopping bags, garbage bags and biodegradable packaging. The segment contributed 68% of the company's FY2017 total revenue. An Phat Yen Bai Plastic and Mineral Company (HII: HOSE), AAA's associate, trades plastic pellets and produces Calbest (CaCO₃) additives, which are used in plastic bag production for cost reduction and whitening. However, 10% of HII's products are used to meet AAA's demand and the remaining 90% are distributed by AAA to foreign markets including the EU and Middle-east countries.

The main barrier to entry for domestic plastic manufacturing companies that want to export products to the EU, US and Japan is the strict quality and design requirements for plastic packaging products. AAA has targeted foreign markets since its inception, and has focused on equipping itself with modern production lines that meet the standards of international markets. The manufacturer's long-term strategy also prioritizes the development of eco-friendly products to meet the increasingly stringent requirements of developed markets, particularly the EU. AAA has turned this into a key competitive advantage vis-à-vis other domestic plastic packaging manufacturers.

AAA is looking to expand its global presence via new products and an alternative distribution channel.

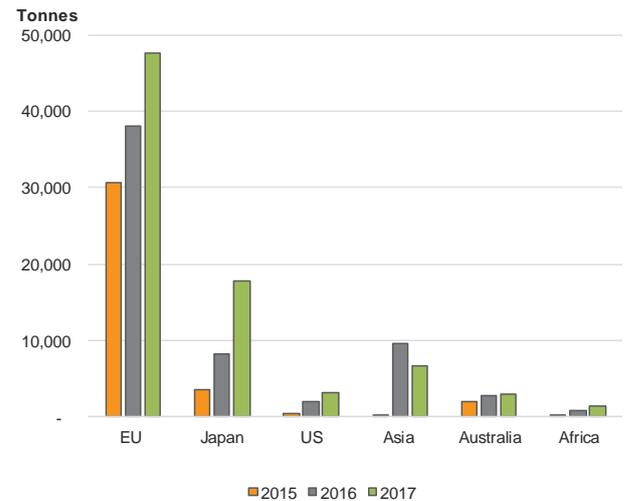
The EU has been AAA's largest export destination but it plans to grow its presence in other markets, especially Japan and the U.S. The EU has been AAA's key market as there are no anti-dumping duties applied to plastic imports from Vietnam while plastic imports from other Asian countries such as China are subject to anti-dumping duties of 8-30%. In 2017, the EU market consumed nearly 50,000 tonnes of plastic bags supplied by AAA, accounting for 59.3% of AAA's total revenue. The company is now eyeing opportunities in the Japanese and U.S markets. In particular, export turnover to Japan and the US improved sharply during 2016-2017, with Japan contributing 22.3% and the US contributing 5.2% of FY2017 revenue.

Figure 3: AAA's export markets in 2017



Source: AAA, VNDIRECT

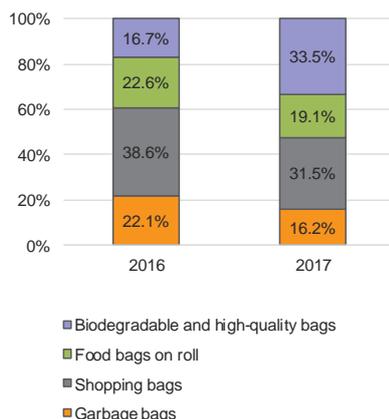
Figure 4: AAA's annual export volume to each market in 2015-2017



Source: AAA, VNDIRECT

According to data from Japanese trading company Sojitz Corporation, Japan's plastic packaging import volume from China has declined since 2012, while Vietnam's export volume to Japan has soared at CAGR rate of 16.3% during 2012-2016. AAA could also benefit from free trade agreements (FTAs) in coming years, as tariffs will be removed in multiple markets. We expect AAA's FY2018 export volume to Japan and the US to reach 30,900 tonnes (+74.3% YoY) and 6,000 tonnes (+84.0% YoY), respectively.

Figure 5: AAA's estimated contribution of product category in total plastic packaging output in 2016-2017



Source: AAA, VNDIRECT

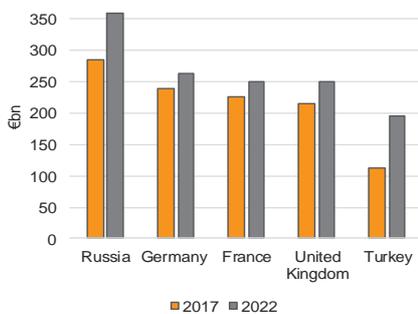
Introducing high quality and eco-friendly products to penetrate deeper into developed markets. Developed countries such as European countries are tough markets as they have rigorous requirements regarding product quality, and are increasingly proactive in using bio-based plastic packaging. Thus, AAA has introduced biodegradable plastic packaging as the new long term strategic product. This product has the same characteristics as traditional plastic bags, but is able to reduce the composting period to between 3 months to 2 years versus decades for traditional plastic bags. AAA's biodegradable products are certified to meet European standards by achieving the "Seeding logo" and "OK HOME COMPOST" certifications.

The global biodegradable packaging market is estimated to grow at a CAGR of 14.6% over the period 2018-2023 to reach US\$15.2bn by the end of the forecast period (Source: Mordorintelligence). To catch up with the global sustainability trend, AAA will push production of biodegradable packaging products but will face challenges due to the limited availability of raw inputs. The market for bio-based and biodegradable plastic is small and only accounts for around 1% of total global plastic production (Source: Wageningen Research). However, AAA has taken the first step in resolving this problem by becoming the only plastic packaging producer in Vietnam to secure direct supply of biodegradable plastic inputs from BASF – the largest chemical producer in the world. The company aims to increase its access to raw inputs and boost biodegradable packing production from 900 tonnes in 2017 to 2,000 tonnes (+122.2% YoY) in 2018.

Besides, AAA has put more focus on producing high-quality plastic packaging products which have been well-received especially in Japan after meeting stringent criteria for quality acceptance of plastic packaging products. AAA has been able to double the contribution of high quality products (including biodegradable packaging) to total

plastic packaging output from 16.7% in 2016 to 33.5% in 2017 and equivalent to around 24,000 tonnes/year. We project this product category to increase its contribution in plastic packaging sales volume to 45%-55% over the period 2018-2022. AAA is planning to gradually shift completely to high value-added products, like biodegradable bags, to enhance margins.

Figure 6: Top 5 European grocery markets in 2022 by retail sales value



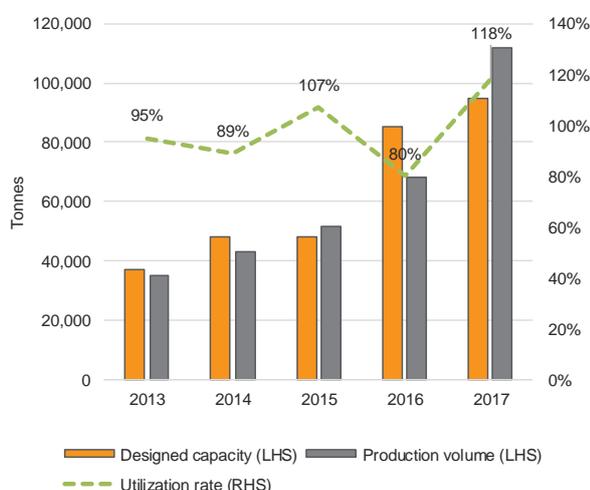
Source: IGD (2018)

AAA could rely on its distributional channel in order to gain more market share in Europe. In addition to directly supplying products to large enterprises namely Mitsubishi in Japan and Walmart in the U.S., AAA targets European customers via large distributors such as Publi Embal and Compoplast. These companies distribute the products to big supermarket chains that have a presence in European markets including Kaufland (Germany) and Lidl (United Kingdom). According to research from the Institute of Grocery Distribution (IGD), the European grocery retail market is estimated to grow at a CAGR of 3.7% between 2017 and 2022 to reach €2,289bn in 2022. The trend will drive demand for plastic packaging in Europe, especially across the top 5 markets and their signature supermarket chains. Therefore, the EU market is still expected to see strong demand in the future. In FY2018, the region is expected to remain AAA's largest export market, accounting for 58.7% of AAA's total output, even as the Japanese and US markets increase their contribution in the total revenue mix.

AAA has improved its financial performance by upgrading and raising production capacity and adopting a flexible pricing policy.

AAA has been expanding its production capacity by developing new factories to accommodate the growing and changing demand in foreign markets. Currently, the company's plastic packaging manufacturing relies on 6 factories, which are equipped with modern production lines using technology adopted from Taiwan, Singapore and Japan. Calbest (CaCO₃) additives are produced at Yen Bai factory to supply both internal consumption and external sales of Calbest (CaCO₃) additives to other domestic and international plastic manufacturers.

Figure 7: AAA's production capacity and volume in 2013-2017



Source: AAA, VNDIRECT

Figure 8: AAA's current production factories

Factory	Main product types	Year of operation	Target market	Designed capacity (tonnes/year)
Factory 1	Large garbage bag	2004	EU	10,800
Factory 2	T-shirt bag and shopping bag on roll	2008	EU	15,600
Factory 3	Biodegradable bags, food bags	2009	EU	10,800
Factory 4 (Yen Bai factory)	Calbest CaCO ₃	2009	Vietnam, EU, Middle East	220,000
Factory 5	High quality T-shirt bags and flat bags for Japanese market	2014	Japan	11,000
Factory 6	Japanese-qualified bag, food bag, zipper bag	2016-2017	Japan	37,000
Factory 7	Drawstring bag	2017	U.S.	9,600

Source: AAA, VNDIRECT

In 2017, the first 4 plastic packaging plants (Factory 1, Factory 2, Factory 3 and Factory 5) have been running well above their installed capacity of 48,200 tonnes/year and reached total production output of 60,790 tonnes/year in 2017 (average utilization rate of 126%). Without further room to increase its production output, AAA promptly commenced the operation of Factory 6 and 7, thus nearly doubling total designed plastic packaging capacity to 94,800 tonnes/year. In 2018, we expect Factory 6 to nearly double its utilization rate from 36.1% to 70.0% and Factory 7 to increase its utilization rate from 6.9% to 35.0%. In total, the two factories will produce 29,260 tonnes of plastic bags this year.

AAA will develop Factory 8 and 9 in order to further diversify its product portfolio. AAA recently raised VND1,170.4 bn via a rights issue at a price of VND14,000/share to finance the development of the 2 factories. As the two projects are estimated to have a total investment of VND1,358.9bn, the remaining amount will be funded via borrowings. Notably, AAA will invest in Factory 9 through its subsidiary, An Phat High-tech Industrial Park Ltd, by raising its holdings in the subsidiary with a phased capital injection over the period Q2/2018 to Q1/2019.

Figure 9: AAA's investment plan

Project	Company	Total investment (VNDbn)	Contribution from share issuance (VNDbn)	Contribution to Total investment (%)	Construction starting time	Operation starting time
Factory 08	AAA	498.6	360.4	72.3%	Mar-18	Dec-19
Factory 09	An Phat High-tech Industrial	860.3	810.0	94.2%	Mar-18	1Q2019

Source: AAA, VNDIRECT

Factory 8, with designed capacity of 7,200 tonnes/year, will supply biodegradable plastic bags and laminated packaging for the food processing industry to both domestic and foreign markets. Factory 9 will provide injection molding spare parts for mobiles, automobiles, as well as plastic components for other supporting industries and industrial packaging. The factory has total designed capacity of 210 million units per year and 14,000 tonnes of industrial plastic bags per year. Notably, the new injection molding segment will allow AAA to become a supplier to FDI enterprises, which is an important milestone for the company, as it will be able to step into a new area outside the packaging industry. The company also anticipates that Factory 9 will contribute around VND2,362bn in annual revenue with injection molding products account for 65.4% of total sales.

Figure 10: Forecast of AAA's production volume in 2018-2022

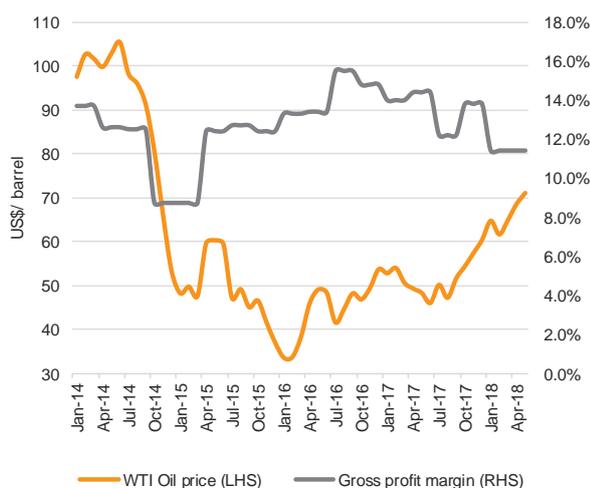
	2018E	2019E	2020E	2021E	2022E
Plastic packaging (tonnes)					
Factory 1	12,034	12,034	12,034	12,034	12,034
Factory 2	23,104	23,104	23,104	23,104	23,104
Factory 3	13,226	13,226	13,226	13,226	13,226
Factory 5	12,427	12,427	12,427	12,427	12,427
Factory 6	25,900	31,450	37,000	37,000	37,000
Factory 7	3,360	4,800	7,200	9,600	11,520
Factory 8	-	1,440	3,600	5,400	7,200
Factory 9	-	2,800	7,000	10,500	14,000
Total	90,051	101,281	115,591	123,291	130,511
%yoy	28.3%	12.5%	14.1%	6.7%	5.9%
Calbest resins (tonnes)					
Yen Bai factory	44,000	66,000	99,000	148,500	222,750
%yoy	82.0%	50.0%	50.0%	50.0%	50.0%
Other ('000 units)					
Factory 9	-	42,000	105,000	157,500	210,000
%yoy			150.0%	50.0%	33.3%

Source: VNDIRECT

We assume that Factory 8 and 9 will reach their installed capacities by 2022 and that AAA will not build other new factories in the next 5 years. Accordingly, the plastic packaging segment and calbest additive segment will enjoy a FY18-22 CAGR of 7.7% and 38.3%, respectively. Similarly, injection molding segment will also achieve robust FY19-22 CAGR of 49.5%.

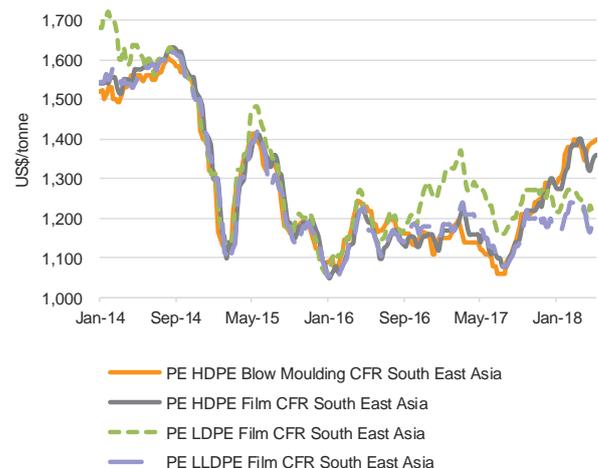
Measures to prevent margin erosion due to the rising raw input prices. The main inputs, PE resins (HDPE, LDPE), are produced from oil and are highly correlated to the global crude oil price. Thus, the fluctuation of oil prices impacts AAA's material costs and, consequently, its gross margins.

Figure 11: The correlation between the oil price and AAA's gross profit margin



Source: AAA, VNDIRECT

Figure 12: Historical price of Polyethylene (PE)



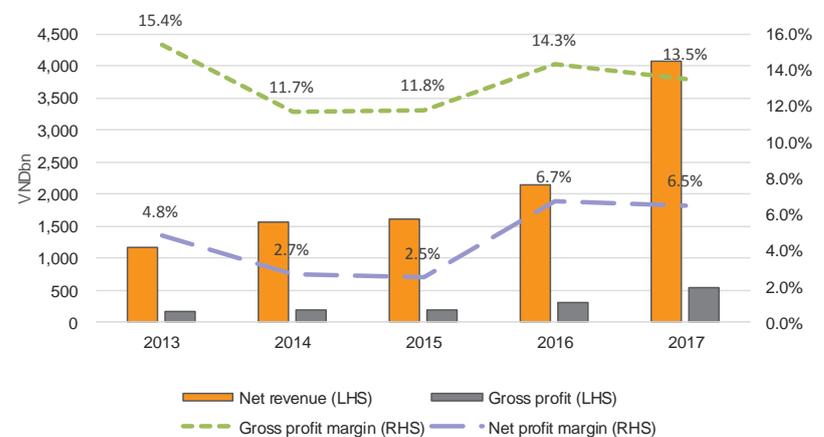
Source: BLOOMBERG

The sharp 163% plunge in crude oil prices during 2014-2015 put AAA in a difficult situation, as clients demanded lower selling prices and AAA had stocked up on raw material inventory that was purchased in a higher price environment. As a result, AAA's revenue saw flat growth and its gross profit margin (GPM) declined from

15.4% in 2013 to 11.8% in 2015. To mitigate the risk associated with the fluctuation in input prices, the company had to develop a new pricing policy and revisit its raw material purchase contracts.

Since 2016, the company stopped signing long term purchase contracts and instead transitioned to renewed short-term orders with adjustment in purchase price of +/-5% in the event of a +/-10% or greater fluctuation in plastic raw material prices. Moreover, AAA has also adopted a “back-to-back” ordering method which implies that the company places raw material purchase orders only after securing finished goods supply orders. The producer would then determine the selling price based on the raw material purchase costs. According to AAA, 70% of its customers are long term clients who have been working with the company for over 3 years. Thus, the company understands their demands very well and is in a good position to negotiate pricing terms. This allowed AAA protect itself against the fluctuation of oil prices and secure a stable GPM.

Figure 13: AAA's financial performance in the period 2013-2017



Source: AAA, VNDIRECT

AAA financial performance has improved dramatically, with strong topline growth and an improved GPM. Due to the rapid expansion capacity and the rise in output of plastic packaging and Calbest additive manufacturing, AAA's net revenue reached VND4,070bn in 2017 (+89.6% YoY), resulting in a 2013-2017 CAGR of 28.6%. Furthermore, the company's GPM recovered, after previously falling to 11.8% in 2015. Due to AAA's new procurement policy and the self-supply of CaCO₃ additives from Yen Bai factory, raw material expenses have been stable in recent years with gross margins improving to 13.5%¹ in 2017.

AAA's valuation is appealing, supported by robust revenue growth and continued improvements in profitability in FY2018

We estimate that AAA's FY18 consolidated revenue and EAT will reach VND6,079bn (+49.4% YoY) and VND306bn (+36.6% YoY), respectively, based on a projected 40.8% increase in the expected total selling volume and 6.0% increase in its ASP. Accordingly, we arrive at the fully-diluted forward EPS of VND2,277. Our earnings forecast is slightly different from AAA's business target, which aims for consolidated revenue and EAT of VND6,000bn and VND330bn during FY2018.

¹ The 2016-2017 margin decline was due to the higher depreciation from the new factories in 2017 which were then operated at low utilization rates.

Figure 14: 2018 production forecast

Total capacity (tonnes/year)	314,800
Expected utilization rate	42.6%
Expected total production (tonnes)	134,051

Source: VNDIRECT

Following are a few key underlying assumptions which serve as our basis for our FY2018 forecast:

- Since AAA's products are made-to-order, we assume that sales volume will equal the production volume in the year.
- We expect that ASP will increase by 6.0% YoY in 2018 due to the greater contribution of biodegradable products with higher selling prices in the total revenue mix.

Figure 15: 2018 business result forecast

	Plastic bags	PE resins	Calbest (additives)	Total
Estimated sales volume (tonnes, at selling rate of 100%)	90,051	55,751	44,000	189,802
% yoy	28.3%	38.0%	82.0%	40.8%
Estimated ASP (VND/kg)	45,400	27,640	10,220	32,000
%yoy	15.0%	5.0%	10.0%	6.0%
Expected revenue (VNDbn)	4,088	1,541	450	6,079
%yoy	47.5%	44.9%	100.0%	49.4%
Revenue contribution	67.3%	25.3%	7.4%	100.0%
Gross profit (VNDbn)	621	70	174	865
%yoy	51.5%	38.3%	102.1%	56.8%
Gross margin	15.2%	4.5%	38.6%	14.2%

Source: VNDIRECT

Dilution risk is imminent. AAA announced that it will issue 4mn shares via ESOP to support working capital, in addition to the rights issuance. The total number of shares is expected to increase by 87.6mn shares by the end of 2018, which presents a large dilution risk for shareholders. However, as the two plants 8 and 9 run efficiently starting from 2019, we believe that earnings growth can soon compensate for this strong dilution.

AAA is currently trading at a TTM P/E of 9.0x, a 18.9% discount to the average P/E of both domestic and regional plastic producers (11.1x). We view this as an attractive valuation for AAA due to 1) its relatively large market capitalization, 2) its leading position in plastic exports in South East Asia, 3) improving profitability with the development of sustainable value-added products (including biodegradable packaging) which could help expand GPM by 70bps to 14.2% this year. However, taking accounting for the dilution from the upcoming rights issue and ESOP, we arrive at a target price of VND25,300/share, which presents a 20.8% upside.

Figure 16: Valuation

Valuation method	Amount	Unit
Forecasted 2018 EAT	306	VNDbn
Weighted average fully diluted shares in 2018	134,366,648	shares
EPS forward 2018	2,277	VND/share
Target P/E (equal to peers' average)	11.1x	
Target price	25,300	VND/share

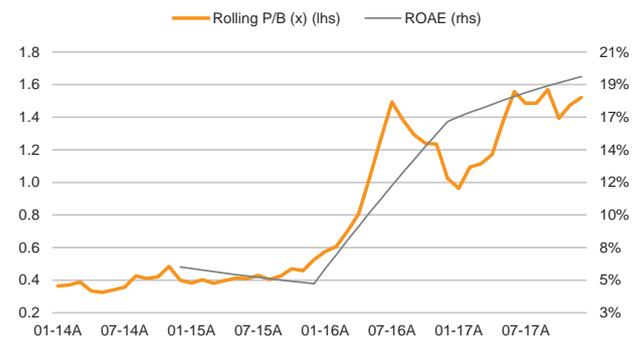
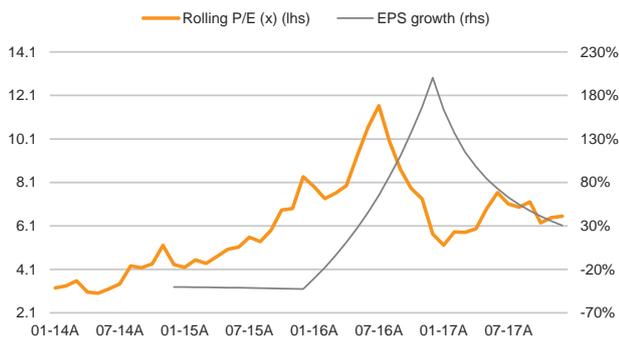
Source: VNDIRECT

Figure 17: Peer comparison

Company	Country	Market cap (mn US\$)	TTM NPAT growth (%)	TTM EPS growth (%)	ROE (%)	ROA (%)	D/E (x)	TTM P/E (x)	P/B (x)
TPBI Public Co	Thailand	119	(53.2)	(57.7)	7.1	4.5	N/A	22.0	1.5
Tomypak Holdings BHD	Malaysia	86	(48.2)	(39.4)	5.0	3.5	0.2	7.1	1.7
Tan Dai Hung Plastic JSC	Vietnam	11	1.7	38.1	9.1	4.7	0.4	9.7	0.8
Saigon Plastic Packaging JSC	Vietnam	5	4.4	4.7	8.1	2.0	2.4	5.4	0.4
Average		55	(23.8)	(13.6)	7.3	3.7	1.0	11.1	1.1
Median		49	(23.3)	(17.4)	7.6	4.0	0.4	8.4	1.2
AAA		154	13.9	(10.6)	19.3	5.9	1.1	9.0	1.7

Source: BLOOMBERG, VNDIRECT

Valuation



Income statement

(VNDbn)	12-16A	12-17A	12-18E
Net revenue	2,144	4,070	6,079
Cost of sales	(1,837)	(3,519)	(5,216)
Gen & admin expenses	(63)	(79)	(122)
Selling expenses	(57)	(106)	(182)
Operating profit	187	366	559
Operating EBITDA	280	534	839
Depreciation and amortisation	(93)	(168)	(280)
Operating EBIT	187	366	559
Interest income	30	56	64
Financial expense	(54)	(95)	(174)
Net other income	2	2	2
Income from associates & JVs	2	0	0
Pre-tax profit	167	329	451
Tax expense	(24)	(65)	(90)
Minority interest	(1)	(40)	(55)
Net profit	142	224	306
Adj. net profit to ordinary	142	224	306
Ordinary dividends	(86)	(100)	(86)
Retained earnings	56	124	220

Balance sheet

(VNDbn)	12-16A	12-17A	12-18E
Cash and equivalents	407	510	691
Short term investments	0	50	61
Accounts receivables	456	961	1,432
Inventories	451	537	833
Other current assets	49	85	121
Total current assets	1,363	2,143	3,138
Fixed assets	1,444	2,313	3,228
Total investments	44	0	0
Other long-term assets	227	120	120
Total assets	3,078	4,576	6,486
Short-term debt	801	1,418	1,418
Accounts payable	304	519	790
Other current liabilities	35	54	70
Total current liabilities	1,140	1,991	2,278
Total long-term debt	983	960	1,098
Other liabilities	0	0	0
Share capital	570	836	1,712
Retained earnings reserve	162	284	458
Shareholders' equity	944	1,377	2,807
Minority interest	11	248	303
Total liabilities & equity	3,078	4,576	6,486

Cash flow statement

(VNDbn)	12-16A	12-17A	12-18E
Pretax profit	167	329	451
Depreciation & amortisation	93	168	280
Tax paid	(23)	(57)	(90)
Other adjustments	78	113	(22)
Change in working capital	(234)	(633)	(494)
Cash flow from operations	81	(80)	125
Capex	(106)	(285)	(1,209)
Proceeds from assets sales	54	0	14
Others	12	163	(11)
Other non-current assets changes	(972)	(577)	0
Cash flow from investing activities	(1,012)	(699)	(1,206)
New share issuance	84	407	1,210
Shares buyback	0	0	0
Net borrowings	870	575	138
Other financing cash flow	0	0	0
Dividends paid	(86)	(100)	(86)
Cash flow from financing activities	868	882	1,262
Cash and equivalents at beginning of period	470	407	510
Total cash generated	(63)	103	181
Cash and equivalents at the end of period	407	510	691

Key ratios

	12-16A	12-17A	12-18E
Dupont			
Net profit margin	6.6%	5.5%	5.0%
Asset turnover	0.85	1.06	1.10
ROAA	5.6%	5.9%	5.5%
Avg assets/avg equity	2.87	3.30	2.64
ROAE	16.2%	19.3%	14.6%
Efficiency			
Days account receivable	77.8	86.2	86.0
Days inventory	89.9	55.7	58.3
Days creditor	60.6	53.8	55.3
Fixed asset turnover	2.05	2.17	2.19
ROIC	5.2%	5.6%	5.4%
Liquidity			
Current ratio	1.20	1.08	1.38
Quick ratio	0.80	0.81	1.01
Cash ratio	0.36	0.28	0.33
Cash cycle	107	88	89
Growth rate (yoy)			
Revenue growth	32.8%	89.8%	49.4%
Operating profit growth	156.2%	95.7%	52.7%
Net profit growth	255.0%	57.7%	36.6%
EPS growth	200.4%	30.4%	(38.9%)
Share value			
Basic EPS (VND)	2,855	3,725	2,277
BVPS (VND)	16,570	16,471	16,396

Source: VNDIRECT

DISCLAIMER

The content of this report (including the views and opinions expressed therein, and the information comprised therein) has been prepared by and belongs to VNDIRECT Securities Corporation, and is distributed by CGS-CIMB or CIMB Investment Bank Berhad (“CIMB”), as the case may be, pursuant to an arrangement between VNDIRECT Securities Corporation and CGS-CIMB. VNDIRECT Securities Corporation is not an affiliate of CGS-CIMB or CIMB.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.

By accepting this report, the recipient hereof represents and warrants that he is entitled to receive such report in accordance with the restrictions set forth below and agrees to be bound by the limitations contained herein (including the “Restrictions on Distributions” set out below). Any failure to comply with these limitations may constitute a violation of law. This publication is being supplied to you strictly on the basis that it will remain confidential. No part of this report may be (i) copied, photocopied, duplicated, stored or reproduced in any form by any means or (ii) redistributed or passed on, directly or indirectly, to any other person in whole or in part, for any purpose without the prior written consent of CGS-CIMB or CIMB, as the case may be.

The information contained in this research report is prepared from data believed to be correct and reliable at the time of issue of this report. VNDIRECT Securities Corporation may or may not issue regular reports on the subject matter of this report at any frequency and may cease to do so or change the periodicity of reports at any time. None of VNDIRECT Securities Corporation, CGS-CIMB or CIMB is under any obligation to update this report in the event of a material change to the information contained in this report. None of VNDIRECT Securities Corporation, CGS-CIMB or CIMB has any and will accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant, (ii) ensure that the content of this report constitutes all the information a prospective investor may require, (iii) ensure the adequacy, accuracy, completeness, reliability or fairness of any views, opinions and information, and accordingly, VNDIRECT Securities Corporation, CGS-CIMB and CIMB and their respective affiliates and related persons including China Galaxy International Financial Holdings Limited (“CGIFHL”) and CIMB Group Sdn. Bhd. (“CIMBG”) and their respective related corporations (and their respective directors, associates, connected persons and/or employees) shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof. In particular, VNDIRECT Securities Corporation, CGS-CIMB and CIMB disclaim all responsibility and liability for the views and opinions set out in this report.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of CGS-CIMB, CIMB, or VNDIRECT Securities Corporation, or their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) to any person to buy or sell any investments.

CGS-CIMB, CIMB and/or VNDIRECT Securities Corporation and/or their respective affiliates and related corporations (including CGIFHL, CIMBG and their respective related corporations), their respective directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CGS-CIMB, CIMB and/or VNDIRECT Securities Corporation, and/or their respective affiliates and their respective related corporations (including CGIFHL, CIMBG and their respective related corporations) do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

CGS-CIMB, CIMB and/or VNDIRECT Securities Corporation and/or their respective affiliates (including CGIFHL, CIMBG and their respective related corporations) may enter into an agreement with the company(ies) covered in this report relating to the production of research reports. CGS-CIMB, CIMB and/or VNDIRECT Securities Corporation may disclose the contents of this report to the company(ies) covered by it and may have amended the contents of this report following such disclosure.

The analyst responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. No part of the compensation of the analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations(s) or view(s) in this report. The analyst(s) who prepared this research report is prohibited from receiving any compensation, incentive or bonus based on specific investment banking transactions or for providing a specific recommendation for, or view of, a particular company. Information barriers and other arrangements may be established where necessary to prevent conflicts of interests arising. However, the analyst(s) may receive compensation that is based on his/their coverage of company(ies) in the performance of his/their duties or the performance of his/their recommendations and the research personnel involved in the preparation of this report may also participate in the solicitation of the businesses as described above. In reviewing this research report, an investor should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additional information is, subject to the

duties of confidentiality, available on request.

The term “VNDIRECT Securities Corporation” shall, unless the context otherwise requires, mean VNDIRECT Securities Corporation and its affiliates, subsidiaries and related companies. The term “CGS-CIMB” shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case except as otherwise stated herein, CIMB Securities International Pte. Ltd. and its affiliates, subsidiaries and related corporations.

CGS-CIMB

Country	CGS-CIMB Entity	Regulated by
Hong Kong	CGS-CIMB Securities Limited	Securities and Futures Commission Hong Kong
India	CGS-CIMB Securities (India) Private Limited	Securities and Exchange Board of India (SEBI)
Indonesia	PT CGS-CIMB Sekuritas Indonesia	Financial Services Authority of Indonesia
Singapore	CGS-CIMB Research Pte. Ltd.	Monetary Authority of Singapore
South Korea	CGS-CIMB Securities Limited, Korea Branch	Financial Services Commission and Financial Supervisory Service
Thailand	CGS-CIMB Securities (Thailand) Co. Ltd.	Securities and Exchange Commission Thailand

CIMB

Country	CIMB Entity	Regulated by
Malaysia	CIMB Investment Bank Berhad	Securities Commission Malaysia

(i) As of 15 June 2018 VNDIRECT Securities Corporation has a proprietary position in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

(ii) As of 15 June 2018, the analyst(s) who prepared this report, and the associate(s), has / have an interest in the securities (which may include but not limited to shares, warrants, call warrants and/or any other derivatives) in the following company or companies covered or recommended in this report:

(a) -

This report does not purport to contain all the information that a prospective investor may require. CGS-CIMB, and VNDIRECT Securities Corporation and their respective affiliates (including CGIFHL, CIMBG and their related corporations) do not make any guarantee, representation or warranty, express or implied, as to the adequacy, accuracy, completeness, reliability or fairness of any such information and opinion contained in this report. None of CGS-CIMB, CIMB and VNDIRECT Securities Corporation and their respective affiliates nor their related persons (including CGIFHL, CIMBG and their related corporations) shall be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

This report is general in nature and has been prepared for information purposes only. It is intended for circulation amongst CGS-CIMB’s, CIMB’s and their respective affiliates’ (including CGIFHL’s, CIMBG’s and their respective related corporations’) clients generally and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. The information and opinions in this report are not and should not be construed or considered as an offer, recommendation or solicitation to buy or sell the subject securities, related investments or other financial instruments or any derivative instrument, or any rights pertaining thereto.

Investors are advised to make their own independent evaluation of the information contained in this research report, consider their own individual investment objectives, financial situation and particular needs and consult their own professional and financial advisers as to the legal, business, financial, tax and other aspects before participating in any transaction in respect of the securities of company(ies) covered in this research report. The securities of such company(ies) may not be eligible for sale in all jurisdictions or to all categories of investors.

Australia: Despite anything in this report to the contrary, this research is provided in Australia by CIMB Securities (Singapore) Pte. Ltd. and CIMB Securities Limited. This research is only available in Australia to persons who are “wholesale clients” (within the meaning of the Corporations Act 2001 (Cth) and is supplied solely for the use of such wholesale clients and shall not be distributed or passed on to any other person. You represent and warrant that if you are in Australia, you are a “wholesale client”. This research is of a general nature only and has been prepared without taking into account the objectives, financial situation or needs of the individual recipient. CIMB Securities (Singapore) Pte. Ltd. and CIMB Securities Limited do not hold, and are not required to hold an Australian financial services license. CIMB Securities (Singapore) Pte. Ltd. and CIMB Securities Limited rely on “passporting” exemptions for entities appropriately licensed by the Monetary Authority of Singapore (under ASIC Class Order 03/1102) and the Securities and Futures Commission in Hong Kong (under ASIC Class Order 03/1103).

Canada: This research report has not been prepared in accordance with the disclosure requirements of Dealer Member Rule 3400 – Research Restrictions and Disclosure Requirements of the Investment Industry Regulatory Organization of Canada. For any research report distributed by CIBC, further disclosures related to CIBC conflicts of interest can be found at <https://researchcentral.cibcwm.com>.

China: For the purpose of this report, the People’s Republic of China (“PRC”) does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. The distributor of this report has not been approved or licensed by the China Securities Regulatory Commission or any other relevant regulatory authority or governmental agency in the PRC. This report contains only marketing information. The distribution of this report is not an offer to buy or sell to any person within or outside PRC or a solicitation to any

person within or outside of PRC to buy or sell any instruments described herein. This report is being issued outside the PRC to a limited number of institutional investors and may not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose.

France: Only qualified investors within the meaning of French law shall have access to this report. This report shall not be considered as an offer to subscribe to, or used in connection with, any offer for subscription or sale or marketing or direct or indirect distribution of financial instruments and it is not intended as a solicitation for the purchase of any financial instrument.

Germany: This report is only directed at persons who are professional investors as defined in sec 31a(2) of the German Securities Trading Act (WpHG). This publication constitutes research of a non-binding nature on the market situation and the investment instruments cited here at the time of the publication of the information.

The current prices/yields in this issue are based upon closing prices from Bloomberg as of the day preceding publication. Please note that neither the German Federal Financial Supervisory Agency (BaFin), nor any other supervisory authority exercises any control over the content of this report.

Hong Kong: This report is issued and distributed in Hong Kong by CIMB Securities Limited ("CHK") which is licensed in Hong Kong by the Securities and Futures Commission for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) activities. Any investors wishing to purchase or otherwise deal in the securities covered in this report should contact the Head of Sales at CIMB Securities Limited. The views and opinions in this research report are of VNDIRECT Securities Corporation as of the date hereof and are subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. CHK has no obligation to update its opinion or the information in this research report.

This publication is strictly confidential and is for private circulation only to clients of CHK.

CHK does not make a market on other securities mentioned in the report.

India: This report is issued and distributed in India by CIMB Securities (India) Private Limited ("CIMB India") which is registered with the National Stock Exchange of India Limited and BSE Limited as a trading and clearing member under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992. In accordance with the provisions of Regulation 4(g) of the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013, CIMB India is not required to seek registration with the Securities and Exchange Board of India ("SEBI") as an Investment Adviser. CIMB India is registered with SEBI as a Research Analyst pursuant to the SEBI (Research Analysts) Regulations, 2014 ("Regulations").

This report does not take into account the particular investment objectives, financial situations, or needs of the recipients. It is not intended for and does not deal with prohibitions on investment due to law/jurisdiction issues etc. which may exist for certain persons/entities. Recipients should rely on their own investigations and take their own professional advice before investment.

The report is not a "prospectus" as defined under Indian Law, including the Companies Act, 2013, and is not, and shall not be, approved by, or filed or registered with, any Indian regulator, including any Registrar of Companies in India, SEBI, any Indian stock exchange, or the Reserve Bank of India. No offer, or invitation to offer, or solicitation of subscription with respect to any such securities listed or proposed to be listed in India is being made, or intended to be made, to the public, or to any member or section of the public in India, through or pursuant to this report.

The research analysts, strategists or economists principally responsible for the preparation of this research report are segregated from the other activities of CIMB India and they have received compensation based upon various factors, including quality, accuracy and value of research, firm profitability or revenues, client feedback and competitive factors. Research analysts', strategists' or economists' compensation is not linked to investment banking or capital markets transactions performed or proposed to be performed by CIMB India or its affiliates.

CIMB India has not received any investment banking related compensation from the companies mentioned in the report in the past 12 months.

CIMB India has not received any compensation from the companies mentioned in the report in the past 12 months.

Indonesia: This report is issued and distributed by PT CIMB Sekuritas Indonesia ("CIMBI"). The views and opinions in this research report are our own as of the date hereof and are subject to change. CIMBI has no obligation to update its opinion or the information in this research report. Neither this report nor any copy hereof may be distributed in Indonesia or to any Indonesian citizens wherever they are domiciled or to Indonesian residents except in compliance with applicable Indonesian capital market laws and regulations.

This research report is not an offer of securities in Indonesia. The securities referred to in this research report have not been registered with the Financial Services Authority (Otoritas Jasa Keuangan) pursuant to relevant capital market laws and regulations, and may not be offered or sold within the territory of the Republic of Indonesia or to Indonesian citizens through a public offering or in circumstances which constitute an offer within the meaning of the Indonesian capital market law and regulations.

Ireland: CGS-CIMB is not an investment firm authorised in the Republic of Ireland and no part of this document should be construed as CGS-CIMB acting as, or otherwise claiming or representing to be, an investment firm authorised in the Republic of Ireland.

Malaysia: This report is distributed by CIMB solely for the benefit of and for the exclusive use of our clients. CIMB has no obligation to update, revise or reaffirm its opinion or the information in this research reports after the date of this report.

New Zealand: In New Zealand, this report is for distribution only to persons who are wholesale clients pursuant to section 5C of the Financial Advisers Act 2008.

Singapore: This report is issued and distributed by CIMB Research Pte Ltd ("CIMBR"). CIMBR is a financial adviser licensed under the Financial Advisers Act, Cap 110 ("FAA") for advising on investment products, by issuing or promulgating research analyses or research reports, whether in electronic, print or other form. Accordingly CIMBR is a subject to the applicable rules under the FAA unless it is able to avail itself to any prescribed exemptions.

Recipients of this report are to contact CIMB Research Pte Ltd, 50 Raffles Place, #16-02 Singapore Land Tower, Singapore in respect of any

matters arising from, or in connection with this report. CIMBR has no obligation to update its opinion or the information in this research report. This publication is strictly confidential and is for private circulation only. If you have not been sent this report by CIMBR directly, you may not rely, use or disclose to anyone else this report or its contents.

If the recipient of this research report is not an accredited investor, expert investor or institutional investor, CIMBR accepts legal responsibility for the contents of the report without any disclaimer limiting or otherwise curtailing such legal responsibility. If the recipient is an accredited investor, expert investor or institutional investor, the recipient is deemed to acknowledge that CIMBR is exempt from certain requirements under the FAA and its attendant regulations, and as such, is exempt from complying with the following :

- (a) Section 25 of the FAA (obligation to disclose product information);
- (b) Section 27 (duty not to make recommendation with respect to any investment product without having a reasonable basis where you may be reasonably expected to rely on the recommendation) of the FAA;
- (c) MAS Notice on Information to Clients and Product Information Disclosure [Notice No. FAA-N03];
- (d) MAS Notice on Recommendation on Investment Products [Notice No. FAA-N16];
- (e) Section 36 (obligation on disclosure of interest in securities), and
- (f) any other laws, regulations, notices, directive, guidelines, circulars and practice notes which are relates to the above, to the extent permitted by applicable laws, as may be amended from time to time, and any other laws, regulations, notices, directive, guidelines, circulars, and practice notes as we may notify you from time to time. In addition, the recipient who is an accredited investor, expert investor or institutional investor acknowledges that a CIMBR is exempt from Section 27 of the FAA, the recipient will also not be able to file a civil claim against CIMBR for any loss or damage arising from the recipient's reliance on any recommendation made by CIMBR which would otherwise be a right that is available to the recipient under Section 27 of the FAA, the recipient will also not be able to file a civil claim against CIMBR for any loss or damage arising from the recipient's reliance on any recommendation made by CIMBR which would otherwise be a right that is available to the recipient under Section 27 of the FAA.

CIMBR, its affiliates and related corporations, their directors, associates, connected parties and/or employees may own or have positions in securities of the company(ies) covered in this research report or any securities related thereto and may from time to time add to or dispose of, or may be materially interested in, any such securities. Further, CIMBR, its affiliates and its related corporations do and seek to do business with the company(ies) covered in this research report and may from time to time act as market maker or have assumed an underwriting commitment in securities of such company(ies), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform significant investment banking, advisory, underwriting or placement services for or relating to such company(ies) as well as solicit such investment, advisory or other services from any entity mentioned in this report.

As of 15 June 2018,, CIMBR does not have a proprietary position in the recommended securities in this report.

CIMBR does not make a market on the securities mentioned in the report.

South Korea: This report is issued and distributed in South Korea by CIMB Securities Limited, Korea Branch ("CIMB Korea") which is licensed as a cash equity broker, and regulated by the Financial Services Commission and Financial Supervisory Service of Korea. In South Korea, this report is for distribution only to professional investors under Article 9(5) of the Financial Investment Services and Capital Market Act of Korea ("FSCMA").

Spain: This document is a research report and it is addressed to institutional investors only. The research report is of a general nature and not personalised and does not constitute investment advice so, as the case may be, the recipient must seek proper advice before adopting any investment decision. This document does not constitute a public offering of securities.

CGS-CIMB is not registered with the Spanish Comision Nacional del Mercado de Valores to provide investment services.

Sweden: This report contains only marketing information and has not been approved by the Swedish Financial Supervisory Authority. The distribution of this report is not an offer to sell to any person in Sweden or a solicitation to any person in Sweden to buy any instruments described herein and may not be forwarded to the public in Sweden.

Switzerland: This report has not been prepared in accordance with the recognized self-regulatory minimal standards for research reports of banks issued by the Swiss Bankers' Association (Directives on the Independence of Financial Research).

Thailand: This report is issued and distributed by CIMB Securities (Thailand) Co. Ltd. ("CIMBT") based upon sources believed to be reliable (but their accuracy, completeness or correctness is not guaranteed). The statements or expressions of opinion herein were arrived at after due and careful consideration for use as information for investment. Such opinions are subject to change without notice and CIMBT has no obligation to update its opinion or the information in this research report.

CIMBT may act or acts as Market Maker, and issuer and offerer of Derivative Warrants and Structured Note which may have the following securities as its underlying securities. Investors should carefully read and study the details of the derivative warrants in the prospectus before making investment decisions.

AAV, ADVANC, AMATA, ANAN, AOT, AP, BA, BANPU, BBL, BCH, BCP, BCPG, BDMS, BEAUTY, BEC, BEM, BJC, BH, BIG, BLA, BLAND, BPP, BTS, CBG, CENTEL, CHG, CK, CKP, COM7, CPALL, CPF, CPN, DELTA, DTAC, EA, EGCO, EPG, GFPT, GLOBAL, GLOW, GPSC, GUNKUL, HMPRO, INTUCH, IRPC, ITD, IVL, KBANK, KCE, KKP, KTB, KTC, LH, LHBANK, LPN, MAJOR, MALEE, MEGA, MINT, MONO, MTLs, PLANB, PSH, PTL, PTG, PTT, PTTEP, PTTGC, QH, RATCH, ROBINS, S, SAWAD, SCB, SCC, SCCC, SIRI, SPALI, SPRC, STEC, STPI, SUPER, TASCO, TCAP, THAI, THANI, THCOM, TISCO, TKN, TMB, TOP, TPIPL, TRUE, TTA, TU, TVO, UNIQ, VGI, WHA, WORK.

Corporate Governance Report:

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CIMBT does not confirm nor certify the accuracy of such survey result.

Score Range:	90 - 100	80 – 89	70 - 79	Below 70 or	No Survey Result
Description:	Excellent	Very Good	Good	N/A	

United Arab Emirates: The distributor of this report has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This report is strictly private and confidential and has not been reviewed by, deposited or registered with UAE Central Bank or any other licensing authority or governmental agencies in the United Arab Emirates. This report is being issued outside the United Arab Emirates to a limited number of institutional investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. Further, the information contained in this report is not intended to lead to the sale of investments under any subscription agreement or the conclusion of any other contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom and European Economic Area (EEA): In the United Kingdom and European Economic Area, this material is also being distributed by CIMB Securities (UK) Limited (“CIMB UK”). CIMB UK is authorized and regulated by the Financial Conduct Authority and its registered office is at 27 Knightsbridge, London, SW1X7YB. The material distributed by CIMB UK has been prepared in accordance with CGS-CIMB’s policies for managing conflicts of interest arising as a result of publication and distribution of this material. This material is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of CIMB UK; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (c) fall within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc”) of the Order; (d) are outside the United Kingdom subject to relevant regulation in each jurisdiction, material(all such persons together being referred to as “relevant persons”). This material is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

Where this material is labelled as non-independent, it does not provide an impartial or objective assessment of the subject matter and does not constitute independent “research” (cannot remove research from here under the applicable rules of the Financial Conduct Authority in the UK. Consequently, any such non-independent material will not have been prepared in accordance with legal requirements designed to promote the independence of research (cannot remove research from here) and will not subject to any prohibition on dealing ahead of the dissemination of research. Any such non-independent material must be considered as a marketing communication.

United States: This research report is distributed in the United States of America by CIMB Securities (USA) Inc, a U.S. registered broker-dealer and a related company of CIMB Research Pte Ltd, PT CIMB Sekuritas Indonesia, CIMB Securities (Thailand) Co. Ltd, CIMB Securities Limited, CIMB Securities (India) Private Limited, and is distributed solely to persons who qualify as “U.S. Institutional Investors” as defined in Rule 15a-6 under the Securities and Exchange Act of 1934. This communication is only for Institutional Investors whose ordinary business activities involve investing in shares, bonds, and associated securities and/or derivative securities and who have professional experience in such investments. Any person who is not a U.S. Institutional Investor or Major Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein. CIMB Securities (USA) Inc, is a FINRA/SIPC member and takes responsibility for the content of this report. For further information or to place an order in any of the above-mentioned securities please contact a registered representative of CIMB Securities (USA) Inc.

CIMB Securities (USA) Inc. does not make a market on other securities mentioned in the report.

CIMB Securities (USA) Inc. has not managed or co-managed a public offering of any of the securities mentioned in the past 12 months.

CIMB Securities (USA) Inc. has not received compensation for investment banking services from any of the company mentioned in the past 12 months.

CIMB Securities (USA) Inc. neither expects to receive nor intends to seek compensation for investment banking services from any of the company mentioned within the next 3 months.

Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

- Add The stock's total return is expected to reach 15% or higher over the next 12 months.
- Hold The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
- Reduce The stock's total return is expected to fall below negative 10% over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

Anirban Lahiri – Head of Research

Email: anirban.lahiri@vndirect.com.vn

Nguyen Nhu Binh Minh –

Email: minh.nguyennhu@vndirect.com.vn

VNDIRECT Securities Corporation

1 Nguyen Thuong Hien Str – Hai Ba Trung Dist – Ha Noi

Tel: +84 2439724568

Email: research@vndirect.com.vn

Website: <https://vndirect.com.vn>