



Company Report: Cotecons Construction JSC

Analyst

Ngo Dieu Linh

Mail: linhd@gtjas.com.vn – ext 705

June 26, 2024

Lead and Flourish

INVESTMENT THESIS

1/ The company's position in the industry is strong with a significant backlog. We estimate that the backlog for 2024-2025 will continue to remain high, reaching approximately 26,000 billion VND.

2/ Solid revenue growth potential thanks to "redirecting" to the industrial park construction segment: The backlog rate of the industrial segment increased sharply from 10% in the period 2020-2022 to 35% in 2023 and is expected to reach 45% by the end of FY2025.

3/ Good financial potential helps increase competitiveness: CTD holds 2,382 billion VND in cash, equivalent to 11% of total assets (Q3.FY24 financial statements), the Loan/Equity ratio reaches 0.13 times, among the lowest in the industry and help businesses increase their competitiveness when bidding.

RECOMMENDATIONS

Using the FCFE method, we evaluate the target price of CTD stock at **83,500 VND/share** (upside 15% compared to the closing price on June 25, 2024), recommending **BUY** for CTD.

INVESTMENT RISKS

1/ The real estate market has not recovered as expected

2/ Bad debts increase, provision costs increase if low-priced bidding packages are signed and risk management is ineffective

3/ Pressure from rising construction material prices

Recommendation:

Buy

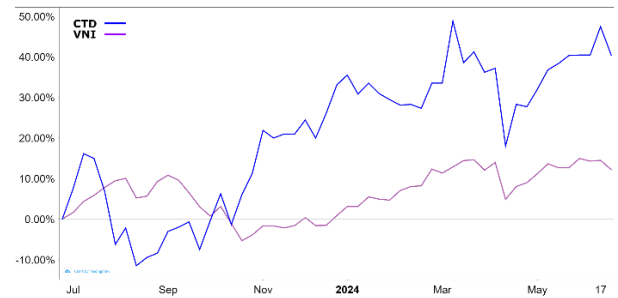
6-18m TP:

VND83,500

Current price:

VND72,600

Price performance



Price changes

1M

3M

1Y

Abs. %

1.54%

0.14%

51.2%

Relative to VN index

-0.43%

-0.89%

18.0%

Avg price (VND)

73,500

70,500

66,500

Sources: Fiin X, Guotai Junan (VN)

12/31	Net rev. (VND b)	Net rev. (Δ %)	Net Profit (VND b)	EPS (VND)	EPS (Δ %)	ROE (%)	ROA (%)
2021A	9,078	-37.64%	24	323	-92%	0.29	0.17
2022A	14,537	60.14%	21	280	-13%	0.25	0.12
2023A	16,528	13.70%	188	2,267	709%	2.26	0.93
2024F	22,000	33.10%	304	3,200	41%	3.50	1.40

Shares in issue (m)	99.93	Major shareholders (%)	Kustoshem Pre Ltd	17.89%
Market cap (VND b)	7,375		Thanh Cong Trading and Investment Company Limited	14.40%
3-month average vol. ('000)	1,439		The8th Pre Ltd	10.62%
52w high/low (VND)	77,000/ 43,800		Vina Capital Fund	5.26%
		Debt/Assets (%)		0.17%
		Free float (%)		55%

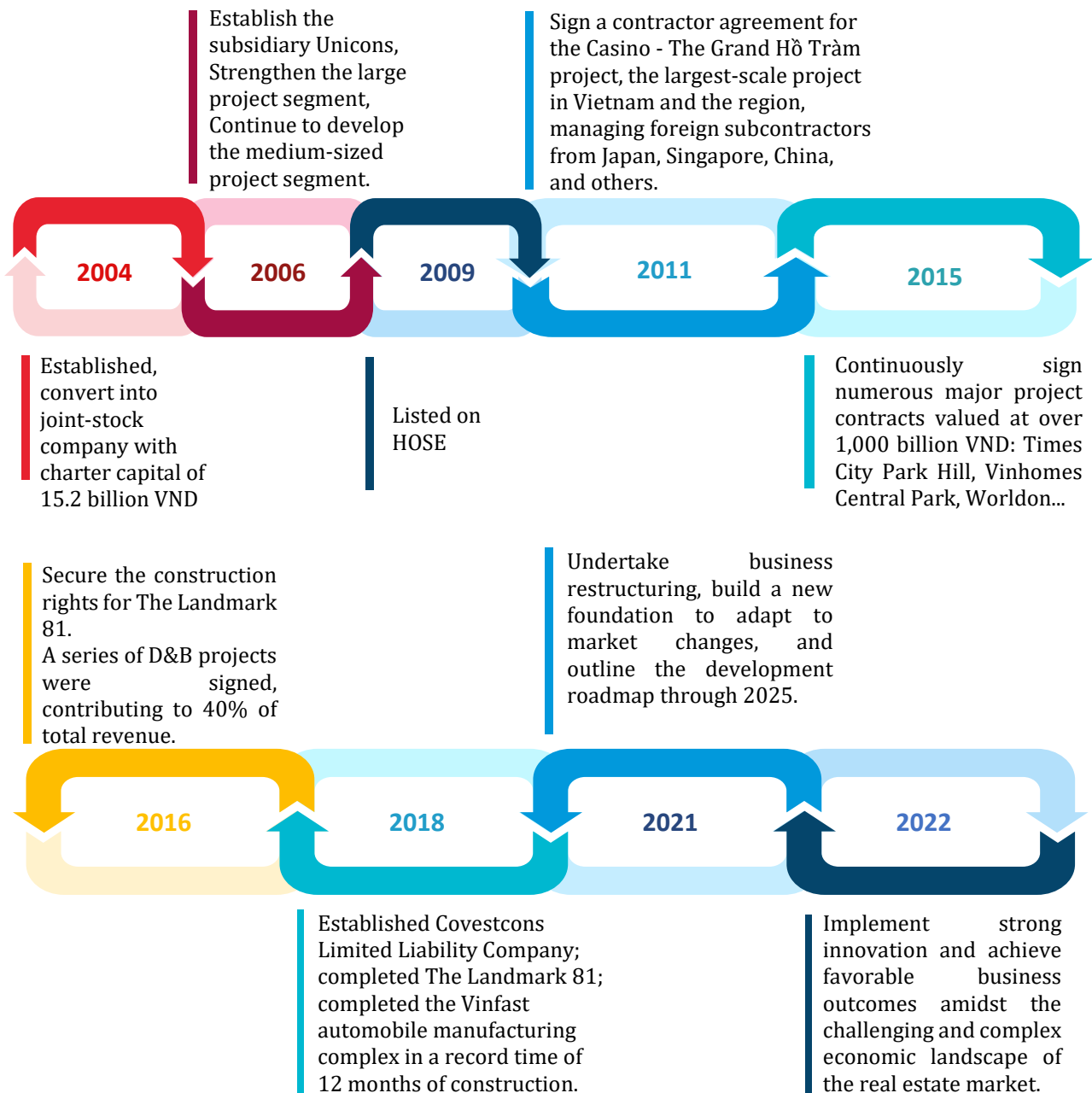
Sources: the Company, Guotai Junan (VN)

I. OVERVIEW OF THE BUSINESS

CTD is known as the leading construction brand in Vietnam with outstanding construction progress

Coteccons Construction Joint Stock Company (CTD), formerly known as Cotec Construction Joint Stock Company, was established in 2004 and listed on the Ho Chi Minh City Stock Exchange (HOSE) since December 2009. The company operates in the field of construction and installation of civil, industrial and infrastructure projects.

Historical milestones of Coteccons



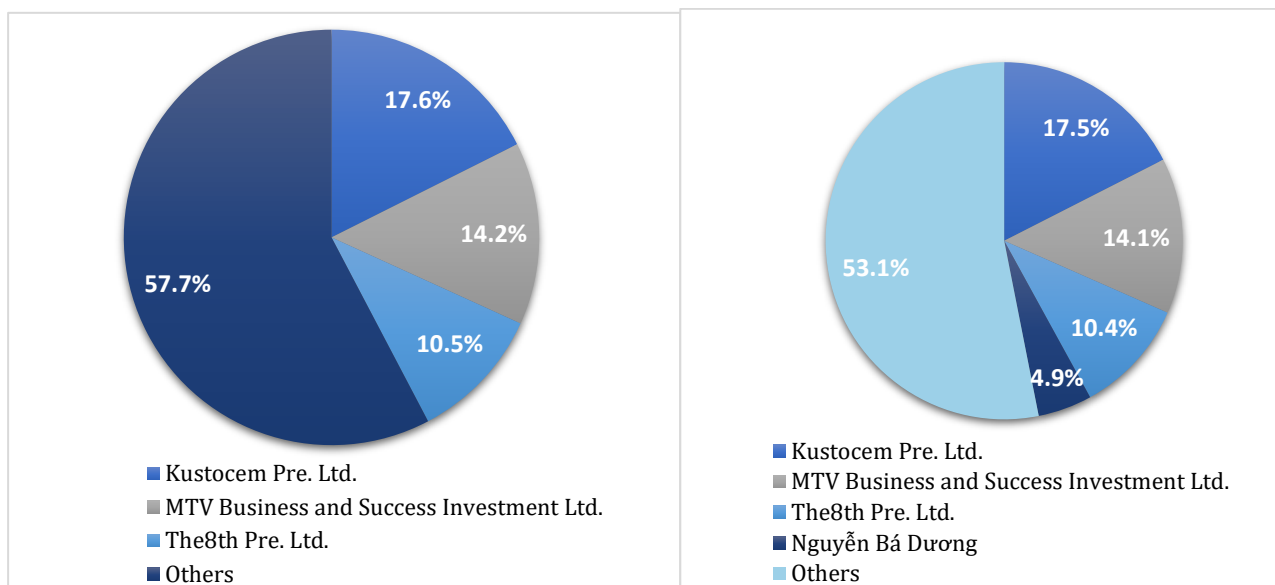
CTD's leadership team are individuals/organizations with many years of experience in the profession both in Vietnam and abroad, through which the business operates with an effective and applicable project management model with the most advanced construction technologies. CTD is also a pioneering construction company in applying the management model according to ESG standards in the Vietnamese market. This is a great advantage when FDI investors are increasingly paying attention to sustainable development activities, helping CTD win high-value industrial construction contracts.

II. INVESTMENT THESIS

1/ The company regained its peak, come back strong after the upheaval

The period 2017-2020 was a difficult time for the business when there were fierce internal conflicts among CTD's major shareholders. CTD's revenue and profit during this period seriously decreased due to the business strategy being affected by changes in key personnel, in addition to the cause of market stagnation due to the Covid epidemic.

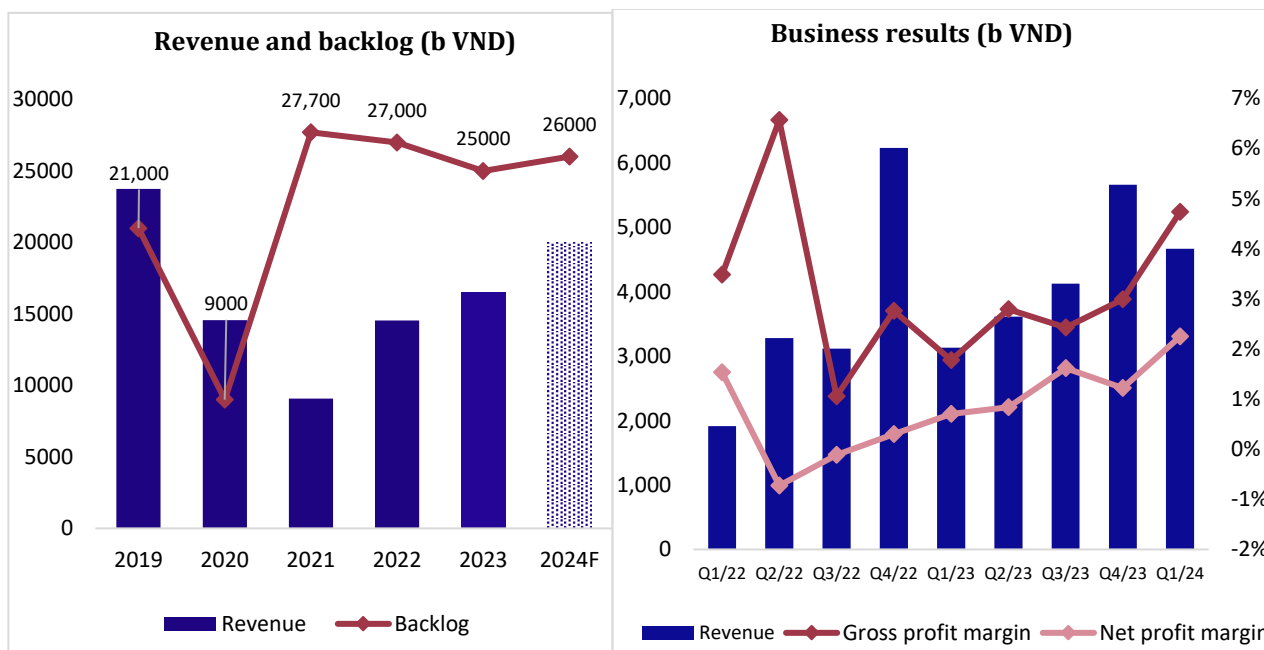
Shareholder structure (current – left; 2019 – right)



Source: CTD, GTJAS VN Research

Coteccons' management apparatus has stabilized since 2021, reached consensus and is ready for a long-term development strategy. At the end of 2021, businesses signed 25,000 billion VND worth of new contracts, recovering strongly compared to the previous 2 years, marking a turning point after conflicts, epidemics and raw material price storms. CTD started to return to the growth track.

The huge amount of backlog helps CTD regain its peak



Source: CTD, GTJAS VN Research

The value of the enterprise's transitional contract in 2023 reached 25,000 billion VND, a sharp increase compared to 2020 at 9,000 billion VND. Since 2021, CTD's backlog value has always reached above 25,000

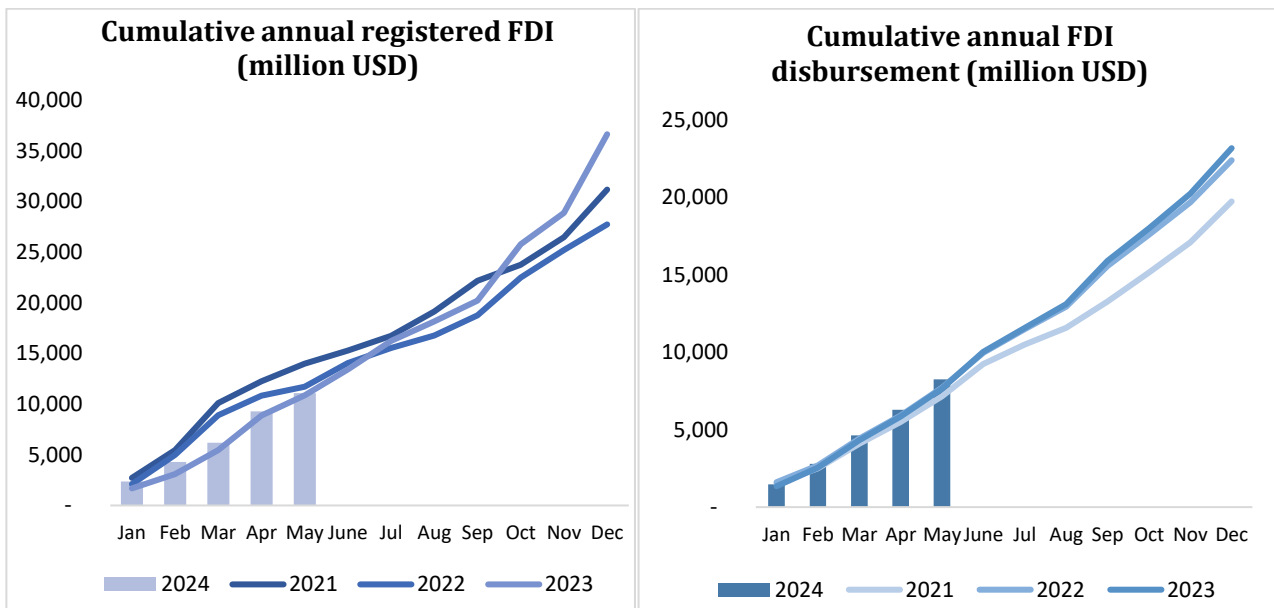
billion VND. We estimate the amount of backlog for 2024-2025 will continue to remain high, reaching about 26,000 billion VND. Some typical projects that the company is implementing in 2024 include Suntory Pepsico factory, Vinfast Hai Phong automobile manufacturing complex, Yen Phong industrial development project CN14.1, Crystal Holiday Harbour Van Don, Hai Phong Mandarin Oriental beach villas, etc

Thanks to signing large construction value contracts, CTD's revenue in Q3.FY24 (corresponding to Q1/24 on the chart) reached 4,665.85 billion VND, an increase of 49%; NPAT reached 104.9 billion VND, an increase of 3.75 times compared to the previous year; Gross profit margin improved from 1.8% to 4.7%. In the first 9 months of FY24, the company recorded 19,000 billion VND in revenue, accounting for 79% of the 2024-2025 forward backlog plan. At the end of 9M FY2024, CTD completed 81.3% of the initial profit plan of VND 296 billion. Revenue growth rates through 2022 and 2023 are both high, reaching 60.1% and 13.7%, respectively.

2/ Solid revenue growth potential thanks to "redirecting" to industrial park construction

The infrastructure industry construction market becomes a bright spot given strong foreign direct investment (FDI) inflow

The continuous increase in FDI disbursement capital shows that Vietnam is an attractive place to invest in the world market. The industrial park construction segment promises a lot of growth potential. Registered FDI capital in May increased slightly, increasing by about 1.797 billion USD including projects registered to increase capital, new projects and share purchases at enterprises Karma. FDI disbursement capital in the first 5 months of the year reached 8.25 billion USD, up 7.8% over the same period in 2023. The positive growth of FDI investment continues to be the basis for showing that Vietnam is becoming more and more prosperous destination for production supply chains around the world, and also a premise for completing the goals of industrialization and modernization of the economy set by the Government from now until 2030. Continuously receiving record FDI inflows is considered a great success of Vietnam's economy, which is very open.



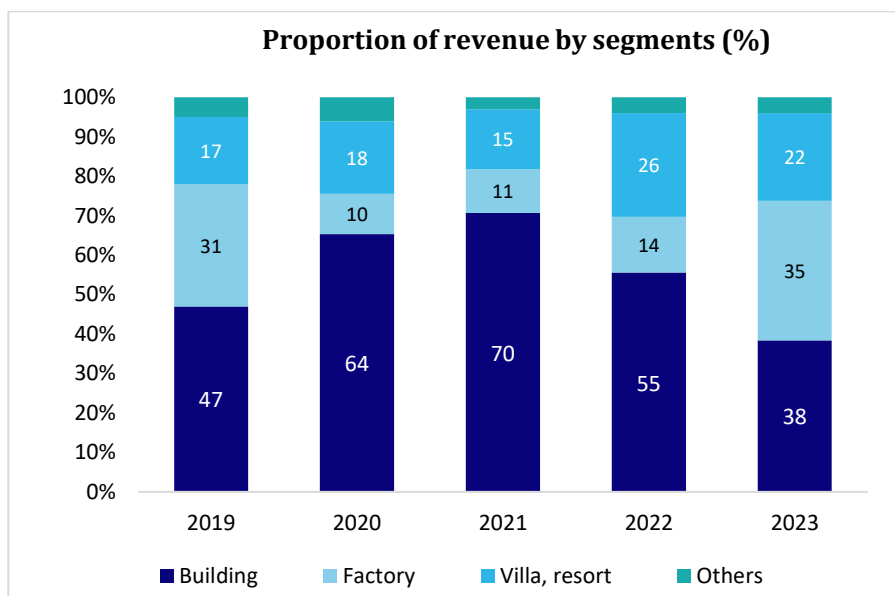
Source: GTJAS VN Research

Strong increases in FDI capital flow come with great demand for industrial park infrastructure. Accordingly, CTD quickly took advantage of this trend when promoting the construction of industrial parks.

Furthermore, CTD's potential in the industrial construction sector is significant due to its advantage in

applying ESG (Environmental, Social, Governance) standards, a strategy rarely adopted by other enterprises. This will be a point of attraction for FDI investors when choosing contractors for construction projects. Coteccons has won the billion-dollar Lego project in Binh Duong, surpassing its competitor Newtecons, and recently secured the Foxconn factory project in Bac Giang. Although the contract value with Foxconn is not large, this partnership has broken the "monopoly" position of Ricons with one of the most important manufacturers in East Asia. With the Lego project, CTD has already recognized approximately 2,200 billion VND, which accounts for about 22% of its revenue in Phase 1. We estimate that the company will continue to generate revenue of 2,500 billion VND in Q4.FY24 and 3,000 billion VND in Q1.FY25 upon completing Phase 1 construction of the factory scheduled for August 2024.

The proportion of industrial backlog increases sharply from 10% in the 2020-2022 period to 35% in 2023.



Source: CTD, GTJAS VN Research

We expect the industrial construction segment to continue to account for a larger proportion, reaching 40% by the end of FY2025, replacing revenue from civil construction. This shift comes as the residential construction market remains negatively impacted without clear signs of significant recovery.

3/ Residential construction segment will need more time to show a clear recovery after the recent boom and slowdown

The real estate market has only experienced a mild recovery with limited supply.

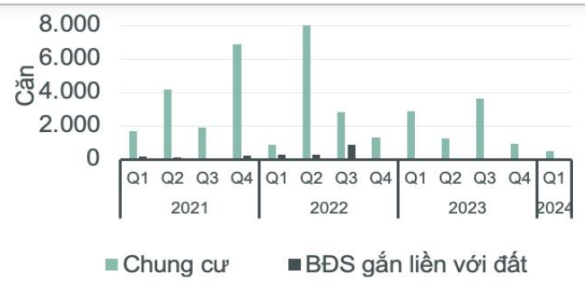
According to CBRE's report, the first three months of 2024 continue to record limited supply in the residential real estate market in Hanoi and Ho Chi Minh City. Specifically, in Hanoi, the supply of new apartments for sale in Hanoi in the first quarter of 2024 increased by 11%. However, this number is still quite low compared to the 3,000 - 4,000 new units launched for sale in the first quarter of the previous 2021 and 2022 years. In Ho Chi Minh, the number of apartments offered for sale was recorded as the lowest in a quarter in the past 15 years and only equal to about 17% compared to the same period last year.

New supply of social housing in Hanoi and HCM City

Hà Nội



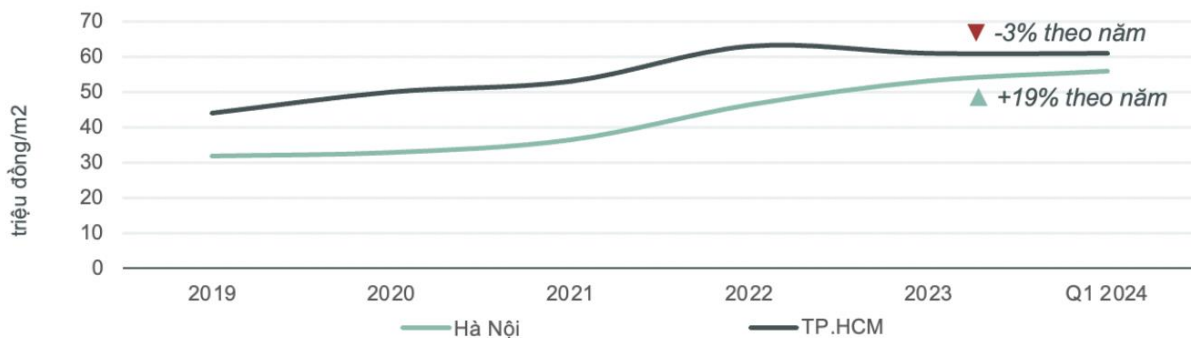
TP.HCM



Source: CBRE, GTJAS VN Research

In terms of price level, residential real estate prices in Hanoi and Ho Chi Minh City this quarter recorded mixed developments. At the end of Quarter 1/2024, the primary price of Ho Chi Minh City apartments reached 61 million VND/m², unchanged compared to the previous quarter and down about 3% compared to the same period last year. In contrast to the price movements in Ho Chi Minh City, in Hanoi, most of the new supply continues to be in the high-end segment, pushing up the primary selling price of Hanoi apartments. The average primary selling price currently reaches 56 million VND/m² (excluding VAT and maintenance costs), an increase of 5% quarter-on-quarter and 19% year-on-year.

Apartment market in Hanoi and Ho Chi Minh City, average primary price

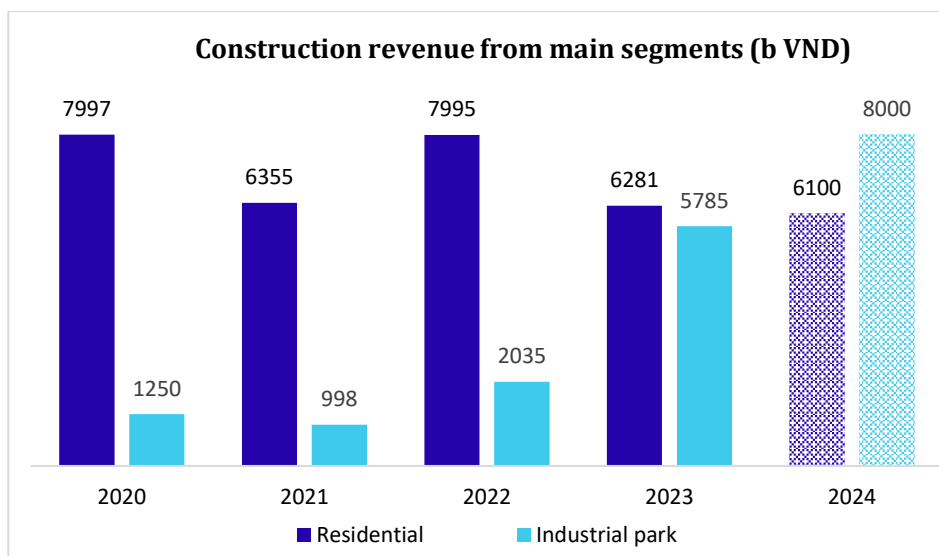


Source: CBRE, GTJAS VN Research

The selling price in the secondary market of Hanoi apartments this quarter recorded the highest annual price increase ever, increasing by 17%yoy and reaching an average of more than 36 million VND/m². In the context of limited supply in Ho Chi Minh City, while the villa and adjacent house market in Hanoi has moved up modestly after the booming period of 2021-2022, it has urged a part of investors to move to the apartment market, especially in Hanoi. According to CBRE, it is expected that in 2024, Hanoi will continue recording new supply on the high-end segment, causing primary prices in Hanoi in 2024 to remain anchored at a high level and possibly increase by 10% year-on-year. Meanwhile, the secondary selling price level of apartments after many fluctuations in the past two years is expected to gradually stabilize due to more abundant new supply in the coming quarters. In Ho Chi Minh City, primary apartment prices in Ho Chi Minh City are expected to increase less than Hanoi, by about 3% year-on-year in 2024, contributing to narrowing the gap in primary apartment prices in Hanoi and Ho Chi Minh City. For the ready-built low-rise housing market in Ho Chi Minh City, with limited future supply, mainly concentrated in the western area of the city, secondary selling prices are also expected to increase by 4% year-on-year in 2024.

Currently, CTD continues to be a trusted contractor and is in charge of large-scale real estate projects in

Vietnam such as Crystal Holidays Harbor Van Don, The Legend City, IMPERIA SMART CITY – THE SOLA PARK, The Emerald 68 Binh Duong...



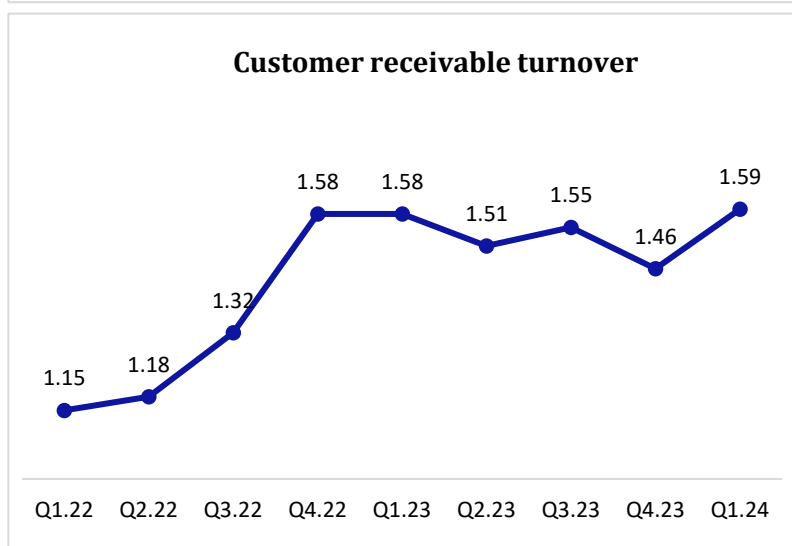
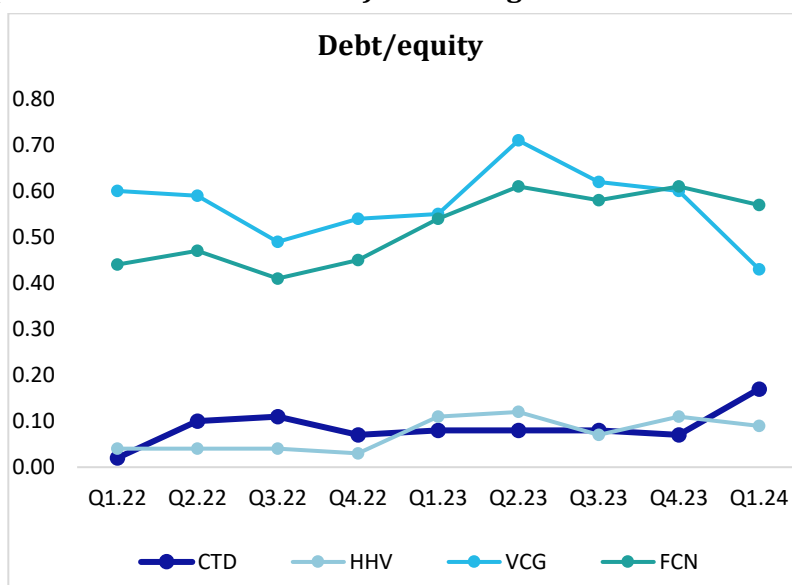
The civil construction segment still accounts for a large proportion of CTD's total revenue, but it tends to gradually decrease and shift focus to the industrial construction segment - which has higher profit margins for the business. Revenue growth in the industrial construction segment increased significantly in 2022 and 2023, reaching 104% and 184%, respectively and is expected to continue to grow by about 40% in 2024. On the contrary, the residential segment recorded a gradual decrease in revenue, with a decrease of 21% in 2023. However, with a large proportion in the revenue component and business position in the construction industry in Vietnam, the residential real estate construction segment is still considered the company's "reserve" in the long term when the market prospered again.

Some typical projects in 2024

Type	Project	Total capital	Progress
Industrial infrastructure	Vinfast automobile manufacturing complex	175,000 billion VND	Expected completion is September 2024
	Suntory Pepsico	7,500 billion VND	Signed in May 2024, expected to operate from Q1.2026
	Pandora	3,750 billion VND	Construction starts May 2024
	Luong Hoa Street - Binh Chanh	1,250 billion VND	Construction starts April 2024
	Apache Shoe Factory	1,050 billion VND	Under construction phase 3
	Factory of Stronkin Co., Ltd	250 billion VND	Starts in February 2024, expect completed by the end of 2024
Civil	Eaton Park luxury apartment	26,000 billion VND	Construction starts March 2024
	Lancaster Legacy	3,270 billion VND	Roof topping in April 2024, handover Q2.2025
	LA Home	3,000 billion VND	Construction starts January 2024
Villas, resorts	Crystal Holidays Harbor Van Don	5,500 billion VND	Expected completion Q2.2025
	Mandarin Oriental	2,100 billion VND	Construction starts March 2024

Source: CTD, GTJAS VN Research

4/ Financial potential is guaranteed with good financial indicators (large amount of cash, low leverage ratio, improved receivable turnover) increasing the chance of winning large projects.



Source: FiiinX, GTJAS VN Research

According to Q3.FY24 financial statements (corresponding to January 1, 2024 - March 31, 2024), CTD holds 2,382 billion VND in cash, equivalent to 11.4% of total assets, the Loan/Equity ratio reaches 0.17 times, at a safe level and among the lowest in the industry. Possessing a fairly safe capital structure as it is now will create room for CTD to increase leverage in the future, thereby expanding, optimizing business operations and creating competitiveness in bidding. The enterprise still has about 1,600 billion VND in bad debt, most of which comes from Viet Star Company (under Tan Hoang Minh) - 484 billion, Saigon Glory Company (under Bitexco - investor of The Spirit of Saigon project) - 143 billion, and Minh Viet Investment Company (investor of Tricon Towers project) - 122 billion. Coteccons has set aside 530.2 billion VND out of total customer receivables of 1,458.2 billion VND, corresponding to a provisioning rate of 36.4% of total doubtful receivables.

Customer receivables turnover tends to be stable and gradually improves. In addition, in the civil construction segment, applying the repeat-sales strategy when cooperating with old customers with good financial backgrounds such as Ecopark, Vinhomes, Doji, etc. helps CTD minimize bad debt risks.

Last April, CTD's major shareholder, Kusto Group, committed to investing 200 million USD in the company,

starting in 2024 until 2028. It is known that this capital will be allocated strategically to take advantage of the combined strength of Kusto Group and Coteccons Construction. At the same time, the two sides will also expand investment development in fields to anticipate future growth opportunities, such as high technology, industrial real estate ecosystems, expanding and upgrading the construction value chain of the Company such as: mechanical and electrical, construction materials (steel structures, aluminum and glass...), precast concrete and infrastructure construction; and continue to seek opportunities in the social housing segment.

According to Coteccons, in the first 9 months of FY.2023 - 2024, Coteccons and member units such as Unicons won many large bidding packages in the fields of industrial and civil construction with a total value of more than 19,000 billion VND.

5/ Completing the M&A deal, CTD moves towards the goal of supply chain autonomy and improving gross profit margin

In the third quarter of FY24, CTD completed the acquisition of 100% of the capital contribution of two companies in the field of aluminum glass and M&E, Sinh Nam Metal Vietnam Co., Ltd. and UG Vietnam Mechanical and Electrical Company Limited (UG M&E). Sinh Nam Metal owns a 10,000 m² factory located in VSIP industrial park - Binh Duong with a capacity of 300 m² of windows and doors, 100-150 m² of aluminum and glass facades, 200-300 m² of panels per day. In addition to apartment and hotel projects, Sinh Nam Metal has constructed indoor glass walls, doors and spider glass for Noi Bai airport. The remaining enterprise is UG M&E with a charter capital of 6.4 billion VND owned by Greatearth Pte. Ltd (Singapore) owns 100% capital. The acquisition of two businesses helps CTD complete its supply chain, prepare to conquer foreign markets, and at the same time expect to improve the business's still low gross profit margin (according to the survey, profit margin Gross profit of the aluminum and glass segment ranges from 15-18%). We expect CTD will need 1-2 years to bring the above two companies into stable operation before making a more significant contribution to Coteccons' core business activities.

III. VALUATION AND INVESTMENT RECOMMENDATION

In the fiscal year 2023 - 2024 (from July 1, 2023 to June 30, 2024), Coteccons has raised its revenue plan from 17,793 billion VND, to 20,000 to 20,500 billion VND; and the targeted profit increases from 274 billion VND, up to 288 billion VND and to 296 billion VND. We believe that the revenue plan is completely feasible and based on positive results, continuing the growth trend in the first 9 months of the new fiscal year. The average revenue growth rate for the period 2024-2028 is 14.5%, reflecting the industry's leading position in construction capacity and safe financial situation. Gross profit margin will gradually increase from 3.6% to 4.1% in 2028.

In addition, thanks to owning a large amount of cash, CTD does not have much pressure on interest costs. Total debt is about 1,500 billion VND, including 1,000 billion VND short-term loans from banks and 500 billion VND in bonds (fixed interest rate 9.5%/year, due after 3 years from January 14, 2022).

Using the FCFE method, we evaluate the target price of CTD stock at **83,500 VND/share** (upside 15% compared to the closing price on June 25, 2024), recommending **BUY** for CTD.

Summary of FCFE valuation (in VND)

Assumptions:

WACC ~14.5%;

Terminal growth rate ~2.0%

Total present value of FCFE	2,000
Terminal Value	3,015
Current value of Terminal Value	4,467
Enterprise value	6,467
+ Cash	3,000
-In debt	1,200
Equity value	8,267
Total number of shares	0.099
Value per share (VND)	83,500
Upside expected	15%

Source: Bloomberg, GTJAVN Research

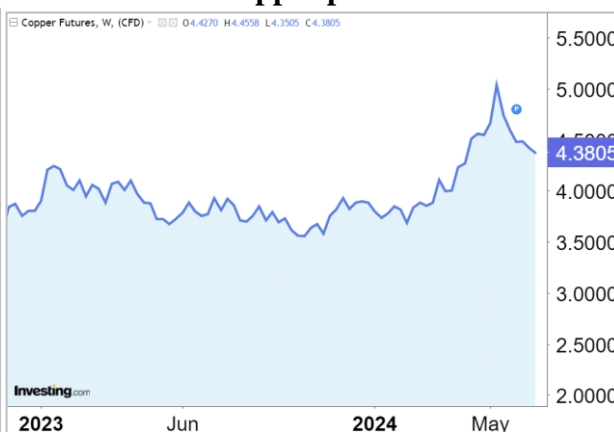
IV. INVESTMENT RISKS

Raw material price fluctuations can affect profit margins

Steel price



Copper price



Aluminum price



Steel prices tended to decrease in the first quarter of the year, but showed signs of increasing at the end of May and are expected to move sideways or increase slightly compared to the previous quarter. Copper and aluminum prices also tend to increase compared to prices at the end of 2023, along with construction demand gradually recovering.

Market risks

Interest rate fluctuations affect interest costs, however as analyzed above, CTD has a low debt ratio so the impact from interest rate risk is not material.



APPENDIX 1: FINANCIAL REPORT

Business results – Billion VND	2022A	2023A	2024F
Revenue	14,536.95	16,528.21	22,000.00
Compound interest	486.73	425.98	700.00
Financial income	380.96	347.79	200.00
Financial expenses	-162.65	-130.35	-30
Profit/(loss) from joint venture company	-23.82	-6.95	-14
Selling expenses	0.00	-0.04	0.00
Enterprise cost management	-734.76	-398.18	-500.00
Profit/(loss) from business activities	-53.54	238.25	356.00
Other income	88.36	6.02	40.00
Net profit/(loss) before tax	34.83	244.27	396.00
Corporate income tax expenses	-14.03	-56.35	91.35
Net profit/(loss) after tax	20.79	187.92	304.65
Shareholder Profit of the Parent Company	20.71	187.94	304.00
Accounting balance – Billion VND			
Short-term assets	17,465.00	19,889.44	20,200.00
Cash and cash equivalents	1,064.44	2,842.18	1,700.00
Short-term financial assets	1,778.38	1,768.45	1,768.45
Receivables	11,235.43	11,845.19	12,381.55
Inventory	2,837.86	2,602.82	3,500.00
Other current assets	548.90	830.80	850.00
Long-term assets	1,502.07	1,762.45	1,800.00
Long-term receivables	403.41	602.89	415.00
Fixed assets	560.04	474.51	400.00
Net value of investment assets	37.58	68.13	330.00
Long unfinished property	24.93	119.74	150.00
Long-term investment	311.02	306.08	305.00
Other long-term assets	165.09	191.10	200.00
Commercial advantage	0.00	0.00	0.00
TOTAL ASSETS	18,967.07	21,651.89	22,000.00

LIABILITIES	10,753.11	13,244.46	12,700.00
Short-term debt	10,226.58	12,745.68	12,250.00
Long-term liabilities	526.52	498.78	450.00
EQUITY	8,213.96	8,407.43	9,300.00
TOTAL FUNDING	18,967.07	21,651.89	22,000.00

Cash flow - Billion VND			
Net cash flow from business activities	-1,627	1,467	-342
Net cash flow from investment activities	733	307	-400
Net cash flow from financial activities	1073	4	-400
Net cash flow during the period	180	1,778	-1,142
Cash & cash equivalents at the beginning of the period	885	1,064	2,842
Cash & cash equivalents at the end of the period	1,064	2,842	1,700

FINANCIAL INDICATORS

Growth			
Revenue	60.14%	13.70%	33.10%
PAT	-13.77%	795.24%	61.70%
Total assets	36.21%	14.16%	1.61%
Equity	-0.41%	2.36%	10.62%
Profitability			
Gross profit margin	3.35%	2.32%	3.18%
Net profit margin	0.14%	0.77%	1.38%
ROA	0.12%	0.93%	1.40%
ROE	0.25%	2.26%	3.50%
Operational efficiency			
Receivable turnover	1.58	1.46	1.53
Inventory turnover	5.66	5.78	6.00
Payable turnover	4.25	2.94	3.00
Solvency			
Quick payout ratio	1.23	1.17	1.30
Current payout ratio	1.71	1.56	1.75
Financial structure			
Debt/Equity	1.31	1.58	1.31
Debt/Total asset	0.57	0.61	0.56

Source: FiinX, GTJAS VN Research

APENDIX 2: ENTERPRISES IN THE SAME INDUSTRY

Valuation comparison

MÃ	VỐN HÓA (TỶ VND)	EPS	P/E	P/S
CTD	7,304.88	2,728.65	26.79	0.40
VCG	11,373.28	1,378.13	13.79	0.85
LGC	11,185.58	4,092.34	14.17	5.75
SJG	8,899.94	1,084.04	18.26	1.56
CC1	5,227.49	684.28	21.33	0.81
HHV	5,146.00	981.19	12.74	1.54
Trung bình	8,189.53	1,824.7	17.85	1.82

Business results

MÃ	BIẾN LN GỘP	BIẾN LN RÒNG	ROA	ROE	ROIC
CTD	3.27%	1.50%	1.28%	3.23%	0.27%
VCG	12.00%	5.98%	2.73%	11.37%	1.65%
LGC	68.61%	53.36%	4.47%	22.35%	0.27%
SJG	20.48%	10.57%	2.12%	7.44%	0.90%
CC1	5.80%	3.81%	1.67%	6.42%	0.30%
HHV	40.71%	13.85%	0.93%	4.47%	0.55%
Trung bình	25.15%	14.84%	2.20%	9.21%	0.65%

Financial structures

MÃ	NỢ RÒNG/ VCSH	NỢ VAY/ VCSH	TỔNG NỢ/ VCSH	TỶ LỆ BAO PHỦ EBITDA TRÊN LÃI VAY	ĐÒN BẨY TÀI CHÍNH
CTD	-0.10	0.18	1.46	1.33	2.46
VCG	0.76	0.88	1.71	2.57	2.71
LGC	2.41	2.47	3.30	3.56	4.30
SJG	0.62	0.79	1.48	2.00	2.48
CC1	0.54	1.00	2.50	0.31	3.50
HHV	1.98	2.05	2.83	2.01	3.83
Trung bình	1.03	1.23	2.21	1.96	3.21

Source: FiinX, GTJAS VN Research

APENDIX 3: TYPICAL COMPLETED PROJECTS BY CTD

Project	Information
The Diamond Crown project in Hai Phong	<p>The project top out in May 2023. This apartment - hotel - commercial complex has a scale of 1.3 hectares, including a 45-storey hotel building and a 39-storey luxury apartment building. In Vietnam, Asia and the whole world, this is the first project to use an external column frame structure system called Diagrid columns as a load-bearing element. Usually, other projects in Dubai or the US use Diagrid structures for decorative purposes. Meanwhile, with the Diamond Crown Hai Phong project, the entire column frame of this Diagrid column system is a highly complex I- and H-shaped steel system. Materials and types of steel to build these Diagrid column systems must also be ordered from abroad, prolonging construction time. However, CTD has achieved a progress record of more than 2 days/floor, the project was topped off in more than 300 days of construction in the context of the construction industry facing many difficulties, affirming its leading position in construction capacity in the industry. branch.</p>
LEGO Binh Duong toy factory	<p>It was assigned to CTD as the general construction contractor after going through a series of rigorous construction unit selection processes, with complex technical requirements and high difficulty, especially in standards related to the environment and sustainability factors. The toy factory with a scale of up to 1.36 billion USD is one of the largest foreign investment (FDI) projects in the 'industrial capital' of Binh Duong. As a general contractor, Coteccons undertakes all construction, structural, mechanical and electrical items and construction floor area up to 163,000m². This is considered the LEGO Group's most sustainable factory ever because it completely uses solar energy. The panels will be installed on a solar farm next to the factory and on the roofs of buildings. Lego Group chose Binh Duong to deploy its 6th factory globally with a big idea, expressed by the phrase "Future Factory". The factory is 44 hectares large and will create jobs for 4,000 workers after being put into operation. The factory is expected to go into operation from August 2024</p>
Vinfast Hai Phong factory	<p>It has a world-record construction progress. In phase 1, in just 21 months, the factory was completely built and put into operation on a scale of 500,000 m². In 2022, Coteccons will continue to be assigned to construct the Plastic Molding Workshop and Metal Assembly Workshop in phase 2 of VinFast. The two projects were started simultaneously in May and were completed for handover in December 2022. Vingroup has continued to give Coteccons the opportunity to implement new parts in phase 3 of VinFast.</p> <p>Recently, Coteccons was selected as the main contractor for the Pandora Production Vietnam Factory project. This is considered the next mega factory project undertaken by Coteccons Construction, similar to other mega factory projects that this enterprise has been implementing for PepsiCo and LEGO</p>

COMPANY RATING DEFINITION

Benchmark: VN – Index . Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% Or T he Fundamental outlook of the sector is unfavorable

DISCLAIMER

The views expressed in this report accurately reflect personal views on securities codes or the issuer of the analyst(s) in charge of the preparation of the report. Investors should consider this report as reference and should not consider this report as securities investment consulting content for making decisions on investments and Investors shall be responsible for the investments decisions. Guotai Junan Securities (Vietnam) Corp. may not be responsible for the whole or any damages, or an event(s) considered as damage(s) arising from or in relation to the act of using all or part of the information or opinions stated in this report.

The analyst(s) responsible for the preparation of this report receive(s) remuneration based upon various factors, including the quality and accuracy of the research, clients' feedbacks, competitive factors and the revenue of the company. Guotai Junan Securities (Vietnam) Corp. and/or its members and/or its General Director and/or its staffs may have positions in any securities mentioned in this report (or in any related investments).

The analyst(s) responsible for the preparation of this report endeavors to prepare the report based on information believed to be reliable at the time of publication. Guotai Junan Securities (Vietnam) Corp. makes no representations, promises and covenants on the completeness and accuracy of the information. Opinions and estimates expressed in this report represent views of the analyst responsible for the preparation of the report at the date of publication only and shall not be considered as Guotai Junan Securities (Vietnam) Corp.'s views and may be subject to change without notice .

This report is provided, for information providing purposes only, to Investor including institutional investors and individual clients of Guotai Junan Securities (Vietnam) Corp. in Vietnam and overseas in accordance with laws and regulations explicit and related in the country where this report is distributed, and may not constitute an offer or any specified recommendations to buy, sell or hold securities in any jurisdiction. Opinions and recommendations expressed in this report are made without taking differences regarding goals, needs, strategies and specified situations of each and every Investor(s) into consideration. Investors acknowledge that there may be conflicts of interests affecting the objectiveness of this report.

The content of this report, including but not limited to this recommendation shall not be the basis for Investors or any third party to refer to with the aim to require Guotai Junan Securities (Vietnam) Corp. and/or the analyst responsible for the preparation of this report to perform any obligations towards Investors or the third party in relation to the investment decisions of Investors and/or the content of this report.

This report may not be copied, reproduced, published or redistributed by any person(s) for any purposes unless upon a written acceptance by an authorized representative of Guotai Junan Securities (Vietnam) Corp. Please cite sources when quoting.



GUOTAI JUNAN VIETNAM RESEARCH DEPARTMENT

Ngo Dieu Linh

Research Analyst

linhd@gtjas.com.vn - ext:705

Tran Thi Hong Nhung

Deputy Director

nhungth@gtjas.com.vn

(024) 35.730.073 – ext:703

26 June 2024



CHỨNG KHOÁN GUOTAI JUNAN (VIỆT NAM)
GUOTAI JUNAN SECURITIES (VIETNAM)

CONTACT	Hanoi Head Office	HCMC Branch
Advising: (024) 35,730,073	R9-10, 1st ^{Floor} , Charmvit Tower, 117 Tran Duy Hung, Hanoi	3rd ^{Floor} , No. 2 BIS, International Construction Site, Ward 6, District 3, Ho Chi Minh City
Stock ordering: (024) 35,779,999	Tel: (024) 35,730,073	Tel: (028) 38.239.966
Email: gtja@gtjas.com.vn Website: www.gtjai.com.vn	Fax: (024) 35.730.088	Fax: (028) 38.239.696

CTD

Company Report