

NON-RATING

Current price: VND 24,100

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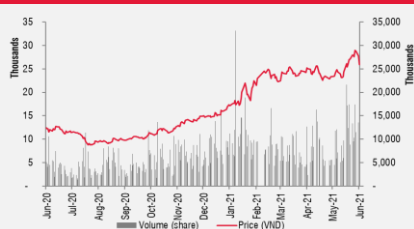
09 June 2021

REAL ESTATE - VIETNAM

Key figures

Market cap (USD mn)	543
Market cap (VND bn)	12,491
Outstanding shares (mn)	518
52W high/low (VND 1,000)	29.45/8.5
Average 3M volume (share)	8,820,664
Average 3M value (USD mn)	9.63
Average 3M value (VND bn)	221.04
Foreign ownership (%)	32.52
State ownership (%)	0
Management ownership (%)	N.a

DXG Price & Trading Volume



Source: Bloomberg

Company Snapshot

Established in 2003, DXG is renowned as a professional brokerage firm with initial charter capital of only VND 800 million. From 2007, DXG has been aiming to become a professional real estate developer focusing on low-end property segment but still ensuring function and quality standards. Although gross margin from this segment is low, DXG considers it as the unique feature of the company. With advantage of strong and experienced product distribution network and healthy financial status, DXG expects that it may achieve good prospect in the long term. Mr. Luong Tri Thin – chairman has extensive experience of 20 years on real estate market and strong commitment with the development of the company since the beginning.

Update on DXG's private placement plan

- We decided to shift our view on DXG from Outperform as noted in our update report on 8 June 2021 to Non-Rating until further details on the company's recent private placement plan is decided. In the recently released AGM documents, DXG proposes a private placement plan of 200 million shares – equivalent to ~38.6% of total current outstanding shares. The offering price is proposed at a 20% discount to the average of the latest 20 consecutive trading sessions prior to BoD approval and no specific timeline is set yet. The AGM will be held by the end of June for the capital raising plan to be approved.
- We believe the execution approach of the private placement would affect benefits of existing shareholders in terms of dilution risk as well as issuance price. Investors might also recall the Company's historical capital raising plans via private placement at significant discounted price and high dilution ratio (two such capital raising activities in 2014) and right issuance at par value in 2016 and 2019. All undistributed shares of these issuances were purchased by the Company's top management. The share price also dropped considerably before the execution period, around the ex-right date.
- As such, investors might have reasons to concern over the upcoming private placement and this could make stock price fluctuate in the coming time. We will update our view once the details on issuance plan is officially decided.

ANALYST CERTIFICATION

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RATING

Buy: Expected to provide price gains of at least 10 percentage points greater than the market over next 12 months

Outperform: Expected to provide price gains of up to 10 percentage points greater than the market over next 12 months.

Market Perform: Expected to provide price gains similar to the market over next 12 months.

Underperform: Expected to provide price gains of up to 10 percentage points less than the market over next 12 months.

Sell: Expected to provide price gains of at least 10 percentage points less than the market over next 12 months

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