

ANALYSIS FOR INVESTMENT PURPOSE
SUDICO
(SJS-HOSE)

Hanoi, January 2009

INFORMATION (31/12/2008)

Market price	54,000
Highest price in 52 weeks	246,000
Lowest price in 52 weeks	41,600

Transaction statistics

Outstanding stocks	40,000,000
Par value	10,000
Capitalization	VND2,160 b
Average trading volume in 10 days	298,314 shares

Stock details

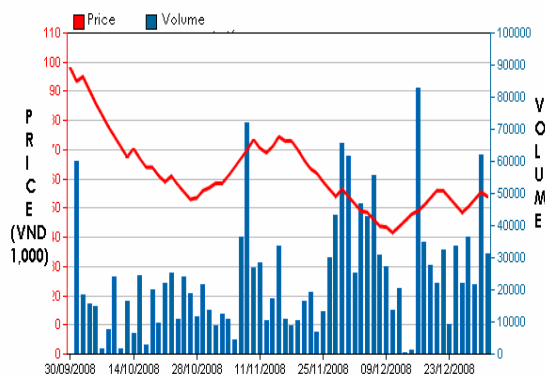
EPS (4 previous quarters)	7,990
P/E	6,76
P/B	1.71
ROA	20.48%
ROE	25.35%
Beta	1,01

Structure of ownership

State-owned	51%
Foreign-owned	23.4%
Others	25.6%

Major shareholders

Song Da Corporation	36.3%
Deutsche Bank AG London	4.99%

PRICE CHART

Operation in the first 9 months of 2008

At the end of the first quarter of 2008, net revenue of Sudico was VND103.9 b, an increase of 55% against the same period last year. Profit after tax of the Company was VND57.5b, a 61% increase against the same period last year. Basic earnings per share was VND1,439.

Operating results for the second quarter of 2008 were dramatically decreased, net revenue was VND62.1 b only, a 69% decrease against that of the corresponding period in 2007. Profit after tax reduced to VND1.9 b which is 97% less than that in the same period of 2007. Basic earning per share in the second quarter of 2008 was merely VND48. This is an unefficient operating period of the Company due to its serious loss in revenue and high expenses (which might be a result of increase in prices of construction materials)

The general overview of the third quarter was better with VND141.5 b and VND73 b of net revenue and profit after tax, equivalent to 17% and 29% increases, respectively, against the same period last year.

Net revenue and profit gained by Sudico in the first 9 months of 2008 were respectively VND307.6 b, (a reduction of VND83.3 b or 21% against the corresponding in 2007), and VND132.7 b, (a reduction of 15% compared to the same period last year.) Basic earning per share was VND3,317.

As per 2008 business plan, the Company expected revenue and profit of VND1,285.7 b and VND506.5 b, respectively. **After the first 9 months of 2008, Sudico has only achieved 24% of its planned revenue and 26% of planned profit.** This may be due to the common difficult situation of the construction market in 2008.

The current question is that, amid the warming-up of construction market in the year-end period and a speed-up of a variety of projects, including those of Sudico, to meet the progress planned, whether the operating results for last quarter of 2008 are better and whether the Company can fulfil its plan or not.

Current projects carried out by Sudico

Project	Area	Location	Invested value	Construction period
Nam An Khanh New Urban Area	288 ha	An Khanh & An Thuong commune, Hoai Duc, Hanoi	VND15,022. 7 b	2004
Van La – Van Khe Housing	-	Ha Dong City, Hanoi	-	-
Tien Xuan New Urban Area	1,400 ha	Luong Son District, Hoa Binh	VND1,900 b	2007
Song Da- Ngoc Vung Ecotourism Park	39 ha	Van Don District, Quang Ninh	VND248 b	2006-2010
Long Tan – Song Da Living Quarter	65 ha	Nhon Trach, Dong Nai	VND296 b	2006-2010

Source: Sudico

Nam An Khanh New Urban Area is highly appreciated in terms of profit potentiality thanks to its priority in position which is:

- On the side of Lang-Hoa Lac highway, the most modern highway in Vietnam which connects the suburb of Hanoi City, and is 5 km far from the National Conference Center.
- The connecting point of Hanoi and other urban areas and among different urban areas such as: Quoc Oai, Xuan Mai, Son Tay, Mieu Mon, Hoa Lac.
- Nam An Khanh New Urban Area shall be located between the two belt-line roads No. 3 and 4 connecting Hanoi and the surrounding provinces, according to the planning and development orientation of Hanoi and surrounding areas.
- With the planning of industrial zones, tourism parks, entertainment parks in the west of Hanoi such as Dong Mo, Suoi Hai Golf Courses, Ngoc Liep Ecotourism Park, Hoa Lac Hi-tech Park, Hanoi National University, Van Canh University-urban Area, so on, the position of Nam An Khanh New urban area shall be very convenient for trading and housing business.

Sudico is investing in the technical infrastructure and other works within the scope of Nam An Khanh New Urban Project. Total investment of the Company into this project is nearly VND700 b.

In September 2008, Sudico informed of the transfer of land use right of Nam An Khanh New urban area to Song Da Trading and Transport Joint Stock Company (Sotraco). Accordingly, Sudico shall transfer the land use right of the total area of temporarily estimated 50,000 m² for low floor building (the total area of the project is 500,000 m²) to Sotraco. The transfer contract value is temporarily estimated at VND735.5 b. If the whole amount is recorded as a gain in the Company's revenue in the forth quarter of 2008, the operating result of the Company shall be much better compared to 3 preceding quarters.

The transfer of part of the project is considered the right step of the Company as it brought more funds for the Company's investment and research on market demand while it is investing in the project. As mentioned in the latest report for the third quarter of 2008, the Company's cash has reduced dramatically compared to 2 preceding quarters. Accumulated retained earnings of the first 3 quarters of 2008 were more than VND90 b, which means that this resource has mostly been used up. VND700 b from the land transfer to Sotraco shall be a great supplement so that the Company can continue its project.

Recently, Sudico has been awarded with more than 120,000 m² in Phu La ward, Ha Dong city to implement the project of Van La Building Project, Ha Dong City. The Company has fully paid the compensation fee for site clearance to the local inhabitants. Van La, Van Khe Housing Project is also highly valued thanks to its convenient position. If Sudico successfully mobilizes capital to recover amid common hard time of the market, the projects invested by the Company shall bear sweet fruits in the future.

FINANCIAL STATEMENTS
INCOME STATEMENT

(Unit: VND)

	Q1-2008	Q2-2008	Q3-2008	Accumulated from the beginning of the year
Net revenue	103,898,156,588	62,168,239,542	141,555,622,653	307,622,018,783
Cost of goods sold	54,220,732,393	42,132,619,735	36,155,535,279	132,508,887,407
Gross profit	49,677,424,195	20,035,619,807	105,400,087,374	175,113,131,376
Financial income	12,293,878,546	13,492,921,635	19,640,520,615	45,427,320,796
Financial expenses	21,139,040	17,600,649,405	4,678,657	17,626,467,102
Selling expense	248,833,020	353,123,344	176,727,897	778,684,261
General and administration expenses	4,140,709,210	2,400,518,259	7,314,792,565	13,856,020,034
Net revenue from operating activities	57,560,621,471	13,174,250,434	117,544,408,870	188,279,280,775
Current tax expense		11,250,824,335	44,350,132,087	55,600,956,422
Profit after tax	57,566,621,471	1,923,426,099	73,202,390,430	132,692,438,000
Earnings per share (EPS)	1,439	48	1,830	3,317

BALANCE SHEET

(Unit: VND)

	Q1-2008	Q2-2008	Q3-2008
Current assets	491,926,028,725	444,909,614,534	280,940,942,716
Cash and cash equivalents	62,189,996,867	64,364,621,279	20,737,088,626
Short-term financial investments	8,061,100,000	0	0
Receivables	405,702,782,190	367,949,418,928	248,957,016,393
Inventories	9,093,379,676	1,271,749,046	2,305,658,530
Other assets	6,878,769,992	11,323,825,281	8,941,179,167
Non-current assets	1,126,444,809,277	1,135,097,768,384	1,214,965,574,610
Fixed assets	795,566,408,036	814,597,718,504	867,181,914,801
<i>Tangible fixed assets</i>	<i>14,251,127,605</i>	<i>13,886,714,226</i>	<i>13,933,785,527</i>
<i>Intangible fixed assets</i>	<i>3,166,666,661</i>	<i>3,041,666,660</i>	<i>2,916,666,659</i>
<i>Work in progress</i>	<i>778,148,613,770</i>	<i>797,669,337,618</i>	<i>850,331,462,615</i>
Long-term financial investments	329,613,988,833	318,540,014,133	345,044,988,833
Other long-term assets	1,264,412,408	1,960,035,747	2,738,670,976
Total assets	1,618,370,838,002	1,580,007,382,918	1,495,906,517,326
Liabilities and borrowings	305,909,578,949	287,100,843,281	309,196,806,262
Short-term borrowings	273,929,360,323	255,124,763,605	278,792,634,517
Long-term borrowings	31,980,218,626	31,976,079,676	30,404,171,745
Resource	1,312,461,259,053	1,292,906,539,637	1,186,709,711,064
Owner's equity	1,312,461,259,053	1,279,664,158,444	1,178,822,129,871
<i>Legal capital</i>	<i>400,000,000,000</i>	<i>400,000,000,000</i>	<i>400,000,000,000</i>
<i>Share premium</i>	<i>199,717,594,267</i>	<i>199,717,594,267</i>	<i>199,717,594,267</i>
<i>Treasury stock</i>	<i>-15,977,323,700</i>	<i>-27,069,986,200</i>	<i>-27,069,986,200</i>
<i>Funds</i>	<i>281,699,842,674</i>	<i>567,526,502,807</i>	<i>512,722,529,784</i>
<i>Retained earnings</i>	<i>447,021,145,812</i>	<i>139,490,047,570</i>	<i>93,451,992,020</i>
Total resources	1,618,370,838,002	1,580,007,382,918	1,495,906,517,326

Source: Sudico

Research and Analysis
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