VIETNAM DAILY NEWS

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Market Analysis

1. Shares advance but bank stocks pressure indices

.Viet Nam's benchmark VN-Index gained slightly on Friday, supported by the rise of heavyweight stocks, but the VN-Index failed to conquer 1,450 points as some other blue-chips in the banking group dropped pressuring the indices.

On the Ho Chi Minh Stock Exchange, the VN-Index increased 0.1 per cent to close at 1,345.31 points.

The index had increased 0.78 per cent to close Thursday at 1,343.98 points.

Nearly 599 million shares worth VND19 trillion (US$835.8 million shares) were traded on the southern exchange.

The market breadth was positive as 194 stocks declined, while 213 rose and 43 ended flat.

The 30 biggest stocks tracker, VN30-Index, rose 0.07 per cent to finish at 1,448.33 points.

Of the VN30 basket, 10 stocks increased while 15 decreased.

In the VN-30 basket, Phu Nhuan Jewelry (PNJ) gained 3.9 per cent, followed by insurer Bao Viet Holdings (BVH) and Vincom Retail (VRE) rising 2 per cent.

VPBank (VPB), beer producer Sabeco (SAB) and dairy firm Vinamilk (VNM) all advanced above 1 per cent.

Hung Vuong Joint Stock Corporation (HVG), Angiang Fisheries Import Export JSC (AGF) and Kien Hung JSC (KHS) were the most prominent stocks in the seafood industry, all reaching the ceiling prices.

I.D.I International Development & Investment Corporation (IDI) bounced back more than 6 per cent and is heading to the old peak of January 2021. Minh Phu Corporation (MPC) and Sao Ta Foods Joint Stock Company (FMC) both surpassed 4 per cent.

On the other side, banking stocks lost ground and put pressure on the market, with losers including Vietcombank (VCB), Military Bank (MBB), Tien Phong Bank (TPB), Sacombank (STB), Vietinbank (CTG) and HDBank (HDB).

"After yesterday's correction, the market struggled in the morning but gained at the end of the afternoon," said BIDV Securities Co.

"Market breadth turned positive with reduced liquidity compared to the previous session, showing signs of positive sentiment again when the market touched the support level of 1,330 points. Meanwhile, foreign investors were net sellers on both HoSE and HNX. The recovery at 1,330 points is supporting the recovering trend back to 1,350 points," it said.

Foreign investors net sold VND538.92 billion on HOSE. They were net sellers on HNX with a value of VND357.67 billion.

On the Ha Noi Stock Exchange, the HNX-Index lost 0.11 per cent to end at 350.05 points.

Some 121 million shares worth nearly VND2.4 trillion were traded on the northern exchange..

Macro & Policies

2. Hanoi continues to support businesses affected by COVID-19

The Chairman of the Ha Noi People's Council has issued Official Dispatch No 20/CD-UBND on accelerating the control of the COVID-9 pandemic in the city to promote socio-economic development.

Chairman of the Ha Noi People's Council Chu Ngoc Anh requested authorities to guide and support businesses to maintain safe production and business activities to ensure regulations on prevention and control of the pandemic, ensuring that production and circulation chains are not disrupted.

A representative of the Suntravel JSC, an enterprise which received tax support last year, said that Ha Noi created favourable conditions for businesses in the area to delay payment of a number of taxes, so that businesses were still able to operate and pay salaries.

Director of CNC Viet Nam Technology JSC Nguyen Trong Luc said that businesses were interested in policies such as tax extensions and reductions as most of them were suffering heavy consequences from the pandemic.

Ha Noi had always stood with businesses and promptly adjusted policies in a flexible manner, he added.

Questions and suggestions on accommodation and travel expenses of individual employees, whether they were supported or exempt from tax, were promptly answered by the tax authorities. This not only solved difficulties, but also created a more confident mentality, said the director.

Recently, the Government submitted Report No 289/TTr-CP on August 13 to the National Assembly Standing Committee and a draft resolution on a number of tax exemption and tax reduction policies to support businesses and people affected by the COVID-19 pandemic.

Experts and businesses said that the support was necessary and urgent to help the business community and people overcome difficulties.

According to the draft resolution, it will continue to reduce 30 per cent of payable corporate income tax this year for enterprises, co-operatives, non-business units and other organisations affected by the pandemic as applied last year.

In addition, the Ministry of Finance has also submitted to the Prime Minister a 30 per cent reduction in land rent payable this year for those affected by the COVID-19 pandemic.

3. Fish harvesting teams need to be set up amid pandemic

Localities should establish groups and teams for harvesting fish that could facilitate the issuance of travel permits in groups instead of individual travel permits amid the COVID-19 pandemic, Deputy Minister of Agriculture and Rural Development Tran Thanh Nam has said.

Team 970 of the Ministry of Agriculture and Rural Development (MARD) will send a document to six Mekong Delta provinces, urging them to set up fish harvesting teams and create the most favourable conditions for the teams to enter fish farming areas to ensure disease safety, Nam said at the online meeting reviewing the team's performance in Ha Noi last week.

Truong Thi Le Khanh, chairwoman of Vinh Hoan Joint Stock Company, said tra fish processors and exporters had to cope with the growing pressure of travel for workers and the implementation of the "3 on-site" model had caused many difficulties.

"The tra fish are waiting to be harvested while farmers are facing high risk of losses. However, people in fisheries trade unions are required to quarantine for 14 days when they come to farming areas to harvest fish even though all of them have been fully vaccinated with test certificates," she said.

Khanh suggested localities shorten the quarantine period for fully vaccinated people of her fisheries trade union, which also runs the "3 on-site" model.

She added that Vinh Hoan planned to expand production to release the amount of stockpiled tra fish, but it was hard for her company to call for employees to work under the "3 on-site" model because they could encounter difficulties going through COVID-19 checkpoints due to lack of travel permits.

Without travel permits our employees cannot go outside, not to mention having to undergo COVID-19 tests in order to come back to work, Khanh said.

Meanwhile, the implementation of "3 on-site" model was also problematic.

The chairwoman said that the longer the time her company runs the "3 on-site" model, the higher production costs it had to face.

"We have implemented this model for two months. Every week, we have to conduct PCR tests, which is very costly."

She suggested that only 20 per cent of workers should be tested instead of 100 per cent of them as at present.

At the event, Nguyen Tan Nhon, deputy director of Can Tho Department of Agriculture and Rural Development, said the city now had 38,500 tonnes of tra fish in stock while 90 per cent of its processing plants had to temporarily stop operating due to their failure to implement "3 on-site" model.

Thus, he petitioned the MARD to send documents to localities and functional sectors, requesting them to prioritise vaccination for workers in the agricultural production chains.

"Currently, vaccination priority is given to workers in processing factories rather than those in raw material harvesting areas as each group can have between 40 and 50 people," Nhon said. "Without vaccination for the above-mentioned workers, it will be difficult for processing firms to reorganise their productions,"

Nhon added that these workers also found difficulties in travelling from their houses to harvesting areas as some localities prioritise travel permits for individuals working at agencies or businesses providing essential services or those allowed to transport essential goods.

Sharing Long An's story in facilitating the transport and circulation of agricultural products, Dinh Thi Phuong Khanh, deputy director of the provincial Department of Agriculture and Rural Development, said that the province had fisheries trade unions in two districts - Tan Thach and Tan Hung.

When the fisheries trade union in Tan Thach was short of people, the department would request the functional forces to facilitate the support of Tan Hung in farming fish, Khanh said, adding that tests for SARS-CoV-2 were essential.

Over the past seven months, Viet Nam earned US$906.6 million from exporting tra fish, up 14.6 per cent over the same period of last year. Mainland China, Hong Kong and the US were the three largest importers of Vietnamese basa with respective turnovers of $238 million and $202 million.

According to the Viet Nam Association of Seafood Exporters and Producers (VASEP), the pandemic has had a significant impact on the sales strategy of Vietnamese seafood enterprises.

Besides reducing trade activities due to social distancing in many countries, high transportation costs and shortage of containers had also had a great impact on Viet Nam's seafood exports, it said.

This forced local seafood processing and exporting enterprises to change their sales strategies to keep customers and overcome difficulties, according to VASEP.

4. Cold storage, sweet but high-hanging fruit

"Recently we installed a cold storage with a large capacity for a customer in HCM City's Thu Duc City, but while carrying out trial operation we found that the voltage there dropped, affecting the storage's performance," Le Khoa Huy, deputy director of Hai Long Industrial Refrigeration Company, said.

Stable power supply is only one of several difficult requirements for enterprises to meet if they want to invest in cold storage supply chains, according to Huy.

Analysts concur with Huy, saying cold storage facilities is a highly profitable segment in the logistics industry, but exploiting its potential is not easy for domestic or foreign investors.

The trend of shoppers going online en masse is driving demand for cold storage facilities in most countries, with Viet Nam seemingly among those with a severe short supply.

Forrester forecasts online retail sales in Asia Pacific will grow from US$1.5 trillion in 2019 to $2.5 trillion in 2024, with a compound annual growth rate (CAGR) of 11.3 per cent.

A study by Mercatus and Incisiv published by https://www.bloomberg.com said global online grocery sales would reach $250 billion by 2025, or more than 60 per cent higher than pre-pandemic estimates.

The 'eGrocery's New Reality"survey said online would account for 21.5 per cent of total sales.

In Viet Nam, nearly half the population has shopped online in recent years.

The 2021 E-commerce White Book released by the Viet Nam E-Commerce and Digital Economy Agency says the country has the highest number of people shopping on e-commerce platforms in Southeast Asia, at some 49.3 million.

The e-commerce retail market grew at 18 per cent last year to $11.8 billion.

A report from Google, Temasek va Bain & Company at the beginning of this year said 41 per cent of Vietnamese population use the internet, the highest in the region.

Some 94 per cent of new users plan to continue to use the digital services they used during social distancing after the pandemic ceases to be an issue.

According to an e-commerce development plan approved by the government last year, revenues should reach $35 billion by 2025, or 10 per cent of total sales. The government expects 55 per cent of the population to shop online.

Analysts say all this will create a firm foundation for the development of e-commerce.

Vietnamese consumers have been getting much more interested in online shopping in recent months since localities, especially big cities, severely hit by the COVID pandemic have been forced to apply strict social distancing measures, making it very difficult to physically shop for daily-use consumer products.

Experts have pointed to another reason for the surge in demand for cold storage in Viet Nam: the increasing exports of agricultural products, which have always required the industry to have large cold storage capacity.

Of the agricultural exports, seafood tops the list.

Many seafood processing plants do have cold storage facilities but their capacity is very small and so they only partly meet demand, with the rest having to be outsourced.

Many import and export enterprises complained that the pandemic had worsened the shortage of cold storage space since goods had piled up due to supply chain and logistics disruption.

They said goods could not be exported or sold because of limited spending by consumers due to lockdown and social distancing in many countries including Viet Nam.

Trang Bui, senior director of markets, JLL Viet Nam, said during the peak COVID period, 30-50 per cent of seafood export orders were cancelled.

This resulted in a sharp increase in inventories, which required more storage space including refrigerated warehousing, she said.

Hard-to-meet conditions

Obviously, the domestic logistics industry is facing a serious shortage of cold storage space, which has encouraged the development of the cold storage segment.

To exploit this profitable segment, some large corporations have in recent years pumped in hundreds of billions of dong in large cold storage properties.

In 2019, Vietnam Holding Limited invested VND139.8 billion ($6 million) to become the sole holder of convertible bonds issued by Mekong Capital-backed logistics company ABA Cooltrans, which is the provider of services and solutions in the field of cold storage supply chain, and wants to expand its cold chain logistics solution in Viet Nam.

In June 2020 THACO Group set up a 4,800sq.m fruit cold storage plant with a capacity of 2,400 tonnes at Chu Lai Port in the central province of Quang Nam.

Hung Vuong Joint Stock Company recently installed a VND1.3 trillion cold storage system at the Tan Tao Industrial Park in HCM City with a capacity of 60,000-70,000 tonnes.

Some international funds have invested in this segment, including FinExpro in cold storage projects in the Cuu Long (Mekong) River Delta and the International Finance Corporation granting a $70 million loan to ITL Corp to build a cold storage system in HCM City.

Analysts say however only such giant companies with deep pockets could enter the segment.

Trang of JLL said supply was lacking in the global and domestic markets because it would need much more time and money to build cold storage facilities than other types of logistics properties.

Some industry insiders agree with her, saying it takes at least six months to build a storage facility while the construction costs are sometimes two or three times higher than that of a conventional warehouse. But the ground lease usually lasts only 15-20 years.

There are also other difficulties in building cold storage properties.

They say investors are required to have comprehensive understanding of cold chains and know how to operate them.

Besides, they need land with long-term lease and in a location where large vehicles like container trucks can ply, and power supply with voltage stability.

On top of all this, certain cold storage facilities - like those used for seafood products - need to be situated at no more than 50 kilometres from ports, while those used for fruit and vegetable products should be near urban areas.

Storage properties require staff with great expertise in temperature maintenance since each fruit, vegetable, meat, and fish has its own requirements, they point out.

These disadvantages keep investors out and explain why only a few of the thousands of companies operating in the logistics sector are able to set up cold chains, they say.

A majority of domestic logistics companies are small or medium-sized with limited resources, meaning cold storages are out of their reach and they have to depend on the leasing market.

Rental

Cold storage leasing prices have increased rapidly since the beginning of 2020, and now stand at VND1.2-2 million ($52-87) per tonne.

Consequently, many exporters of agricultural products have had to turn down new orders.

Analysts say cold storage demand will continue to grow strongly for at least the next half decade as global consumers change their shopping behaviours and due to the rapid development of digital technology.

As a result, real estate for cold storage will continue to attract the attention of both local and overseas investors, venture capital funds and lenders.

Meanwhile, logistics industry insiders have called for policies that would encourage investment in this segment.

5. VN should focus on diffusion and adoption of new technologies

Vietnam's strategy regarding the development of science, technology and innovation should focus on the diffusion and adoption of new technologies in companies, not just research and invention, to bring about significant productivity and economic gains, said the Vietnam: Science, Technology and Innovation Report 2020 released by the Ministry of Science and Technology and the World Bank.

The country's innovation capacity, in comparison with its structural peers and its regional and aspirational set of countries, leaves much room for improvement

According to the Global Competitiveness Index 2017-2018, Vietnam ranks 55th out of 137 countries, behind Singapore (3rd), Malaysia (23rd), China (27th), and Indonesia (36th), and just above the Philippines (56th).

While the country has successfully expanded and diversified its exports, structural change towards high-technology and more knowledge-intensive production has been slow compared to its peers. In 2016, Viet Nam ranked 95th in the Economic Complexity Index (ECI), while China ranked 18th.

According to the report, Vietnamese firms showed a lower innovation level than what is expected for the country's level of development, particularly in terms of product or process innovation. While Vietnamese firms innovate more than those in Malaysia, Indonesia, Thailand and Turkey but less than those in China, South Korea, Singapore and the Philippines they trail behind all of their peers on radical product innovation. Fewer firms in Viet Nam (53 per cent of product innovators) report their main innovation to be new to their market, compared to Malaysia (75 per cent), the Philippines (62 per cent), and Thailand (86 per cent).

A similar pattern could be observed among firms in the manufacturing sector, one of the country's most important economic pillars. In a recent survey conducted by the National Agency for Science and Technology Information (NASATI) only 49 per cent of firms reported innovating in terms of product or process.

While larger and joint-venture firms in Viet Nam are more likely to undertake product innovation than are smaller and domestic firms they are no more likely to undertake radical product (new to the market) or process innovation. On balance, firms operating in the services sector are less likely to undertake innovation compared to firms in the manufacturing sector.

As Viet Nam seeks to reach high-income status by 2035, global trends in automation, export concentration and servicification present new opportunities and challenges for the country's export-led manufacturing growth model. The country cannot count on less innovative tasks for an accessible pathway to continue to grow rapidly. With the rapid development of technology and automation, Viet Nam's major manufacturing and export sectors, which often are characterised as labour-intensive may soon find themselves in a disadvantageous position.

In order to address the mentioned above issues, the report has made a number of recommendations for the country's policymakers and firms including a strong focus on the adoption of new technologies in firms, especially in small-to-medium-sized firms.

Government must play an active role in the promotion of technology and innovation and in encouraging innovative ventures and finance through a simplified and streamlined process of granting firms support.

Firms must find ways to attract skilled workers, especially Vietnamese workers from abroad and to improve managerial skills for innovation through business associations network.

A number of long-term solutions to support the country's STI development included more robust public-private sector collaboration, increase the allocation of resources to instruments to facilitate technology adoption, as well as to strengthen the overall capacity of the Intellectual Property Rights protection system to enforce patent protection copyrights, and industrial property rights..

6. Banks tighten loans for real estate businesses

The banking industry sharply reduced outstanding loans for real estate business in the first half of 2021 and will continue such limits in the second half.

According to audited half-yearly financial statements, many banks have reduced outstanding loans for real estate business in the first 6 months.

LienVietPostBank's financial statements show that outstanding loans for real estate business fell by 52 per cent to VND1.67 trillion (US$72.6 million), leaving the proportion of real estate loans at the bank at only 0.87 per cent.

At VPBank, outstanding loans for real estate activities decreased by 12 per cent to VND32.4,42 trillion. Meanwhile, the cash flow into personal loans to buy houses, and receive land use rights was still strong, with outstanding loans increasing by 26 per cent to more than VND45.8 trillion.

Outstanding loans for real estate business at ABBank decreased by 13 per cent to VND2.69 trillion, while cash flow was strong and grew in other areas.

At MBBank, loan balance for real estate business decreased slightly by VND75 billion to VND9.32 trillion, while the bank promoted credit flows into other areas such as household employment; wholesale and retail loans; automobiles and motorbikes; as well as manufacturing and processing.

MB's total credit balance increased by 10.9 per cent in the first half of the year and reached more than VND314.9 trillion. Currently, lending to real estate business only accounts for a very small proportion at MB of 3.31 per cent.

On the contrary, there was some growth in loans for the real estate industry. The outstanding loans for real estate business and consulting activities increased by 3.7 per cent to VND4.91 trillion at ACB, by 11 per cent to more than VND101 trillion at Techcombank, and by 10.7 per cent to VND8.98 trillion at TPBank.

After a survey of credit trends of credit institutions by the Department of Forecasting and Statistics, the State Bank of Viet Nam (SBV) and credit institutions said they would slightly relax their overall credit standards for most customer groups in the last six months of 2021.

However, banks are still expected to tighten loans for securities, real estate, finance, banking and insurance and tourism.

During the pandemic, though there has been reduction in lending interest rates to support businesses and people, and some banks have emphasised that support has not been applied for real estate business but by businesses providing accommodation services, restaurants, and manufacturing businesses that were essential for the economy.

Vietcombank recently said that it would continue to reduce interest rates up to 0.5 per cent per year for all outstanding loans of customers in HCM City and Binh Duong province and reduce interest rates to 0 .3 per cent per year for the entire loan balance of customers in other southern provinces and cities that apply social distancing according to Directive 16.

However, the bank noted, the above interest rate reduction does not apply to securities loans, real estate business loans and mortgage loans of valuable papers.

Meanwhile, many real estate businesses said they faced many difficulties in the pandemic and suggested that the banks should reduce the support interest rate for them as well.

Nguyen Thi Thanh Huong, general director of Dai Phuc Land Company, told local media: "Real estate company are facing many difficulties, especially cash flow when their revenue stagnated in the pandemic but they still have to pay the bank interest and interest from borrowing from other sources without any support."

Huong asked the banks to consider reducing interest rates, and freezing debts for real estate investors to have more resources to develop projects to launch in the fourth quarter of the year.

Previously, the HCM City Real Estate Association (HoREA) sent a written request to SBV and commercial banks, asking them to support businesses including reducing loan interest rates by about 2 per cent per year for real estate businesses, investors and home loan customers.

At the same time, HoREA suggested that commercial banks consider and create conditions for businesses, including real estate businesses, to access new loans for project implementation.

Responding to the real estate businesses, many experts said that the real estate lending interest rate had been very low for many years, and if it continued to decrease, the risk for the market was very high.

The recent land boom has left banks afraid to pour money into the industry while SBV keeps saying that it will continue to strictly control credit flowing into risky areas, including real estate.

In order to help those who want to buy a house to live, many banks still have policies to reduce interest rates for their demand. However, they will carefully appraise loans to avoid loosening for speculators, according to expert

7. Real estate remains attractive to foreign investors

With a total registered capital of nearly US$1.6 billion during January-August, real estate continued to rank third among 18 sectors attracting foreign direct investment (FDI).

Although the figure was much lower than the US$2.87 billion in the same period last year, experts said it was reasonable as the impact of the COVID-19 pandemic had made it difficult for investors to take fact-finding tours and make investment decisions.

However, the industrial property segment is still considered a bright spot with new industrial zones established and key industrial projects beginning operations.

This year has witnessed new M&A deals and improvement in industrial land supply. The largest manufacturing projects in the first half of 2021 came from Hong Kong (China) and Singaporean investors that targeted northern Quang Ninh and Bac Giang provinces.

According to Savills Hong Kong, Viet Nam is still an attractive investment destination for foreign investors. In the context of the complicated developments of the pandemic, Viet Nam is the only country in the world that has been upgraded to a positive rating by all three international credit rating agencies: Moody's, S&P and Fitch.

Foreign investors such as Japan, the Republic of Korea and Singapore that have a strategy of expanding and diversifying investment channels look to emerging markets or frontier markets like Viet Nam to seek profits, Savills experts said.

Economist Dinh Trong Thinh attributed an increase in FDI inflows into Viet Nam 's real estate sector to political stability, positive economic growth, stable inflation, no major fluctuations in the financial and monetary market and high determination to fight the COVID-19 pandemic.

In addition, the urbanisation process in Viet Nam, a rapid increase in the urban population and rising per capita income, had also created more room for development of the property sector, he added.

Experts said that the signing of many free trade agreements, most recently the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the EU-Viet Nam Free Trade Agreement (EVFTA) and the Regional Comprehensive Economic Partnership (RCEP), had made Viet Nam an attractive destination for many foreign investors.

In Viet Nam's real estate market, leasing demand also recorded positive signals, with the amount of absorption in HCM City and Ha Noi in the first two quarters of 2021 close to pre-pandemic levels.

Although this was considered an improvement compared to the negative absorption rate of last year, experts said the segment still faced challenges in the last months of this year because Viet Nam was continuing to apply strict measures to control the disease, which lead to a very limited possibility of growth in rental price in the last months of the year.

The new variants of COVID-19, with restriction measures in many markets, continue to be a major risk affecting the economy and real estate market of the Asia-Pacific region in the next 12 months, especially for emerging economies in Asia, CBRE said.

Therefore, experts expect the governments of Asia - Pacific countries to maintain an appropriate monetary policy to support economies in a fragile recovery stage. Accordingly, the low interest rate environment will aid continued investment in cumulative yielding assets such as real estate.

This trend is reflected by the fact that investment volume has grown far beyond rental activity, said Dr Henry Chin, global head of Investor Thought Leadership & Head of Research at CBRE Asia Pacific.

CBRE's survey in the Asia-Pacific market showed that this year, office leasing activity was gradually improving, as rental demand had recovered compared to the previous year. The absorption rate increased by about 20 per cent in the first half of 2021, driven by strong performance in the North Asian market.

Full-year rental demand is expected to increase by 10-15 per cent over the same period last year, higher than the 5 percent forecast at the beginning of the year. Markets that are still maintaining positive performance include Singapore, Taipei (China), Seoul (the Republic of Korea).

According to Ada Choi, head of Leasing Operations Research, Intelligence Data Management at CBRE Asia Pacific, office tenants in the Asia-Pacific region will continue to have an advantage for the remainder of the year as 60 per cent of the year's new supply is expected to come into operation at this time.

Thus, they should renegotiate the lease or consider moving offices to selected locations of better quality, while being able to ensure lease agreements have more flexible terms, she said.

For the owners of office buildings, this is the time to prioritise ensuring occupancy rates by offering attractive terms to attract good quality tenants, said Ada Choi.

The CBRE forecasts that rental fees in the Asia-Pacific region will stabilise in 2022, in which fees at shopping centres serving daily necessities will have a stronger recovery.

For the Vietnamese market, although retail sales have recovered from the first quarter of this year, most retail sectors, except for essential items, experienced a decrease in sales growth in the second quarter when Viet Nam imposed a period of social distancing in many provinces and cities in both the north and south, it said.

Faced with the situation, many retailers have turned to online sales. This is forecast to be the new retail business standard and is welcomed by both shopping centres and retailers as Viet Nam gradually overcomes the pandemic.

Notably, CBRE experts predicted that rental prices will have a strong recovery in the south. Regarding the northern region, although most investors and tenant sentiment is quite positive, the large supply in the next two years will make landlords likely prefer a high occupancy rate rather than rental growth, they said.

Corporate News

8. CLL: Cat Lai Port about to pay cash dividend at the rate of 22%

↓ -0.43%

Cat Lai Port Joint Stock Company (HOSE : CLL) has just announced that it will pay 2020 cash dividend to shareholders.

The exercise ratio is 22% (2,200 VND/share). The ex-dividend date is September 30, 2021 and the settlement date is October 14, 2021.

With 34 million shares outstanding , CLL plans to spend nearly 75 billion dong to pay dividends to shareholders.

Regarding the business situation, at the end of the second quarter, CLL reported a decrease in net profit of 19% compared to the same period last year, to only VND 20 billion because during the period, the parent company was still allocating investment costs to upgrade the port in phase 2, the cost allocation value is more than 3 billion VND. In addition, the outbreak of the Covid-19 epidemic severely affected the transportation and logistics activities of the Subsidiary, leading to losses.

Accumulated in the first 6 months of 2021, CLL 's business results are still not better when net revenue decreased by 12% over the same period to nearly 146 billion dong. Net profit also decreased by 12%, to more than 42 billion dong. However, with the profit after tax in the first half of the year reaching more than 41 billion dong, CLL still achieved nearly 51% of the target set for the whole year of 2021.

On the market, CLL stock closed on September 10 at 34,600 dong/share, up 12% over the past 1 quarter, the average trading volume was more than 26,500 shares/session.

9. MML: Masan MEATLife about to raise VND 7,284 billion in bonds to restructure the animal feed segment

↑ 2.60%

Masan MEATLife (MML) recently released a document to collect written shareholders' opinions, approving a restructuring plan by separating independent businesses, including the possibility of splitting the animal feed business (feed) and enable the company to transform into a branded meat-only business platform.

Along with that, to raise capital for the restructuring plan, MML also consulted on the plan to issue separate bonds with a total value of VND 7,284 billion, with a term of 3 years.

Bonds offered for sale are non-convertible, unsecured and unwarranted bonds. Subjects are MML shareholders as listed on August 31st and meet the conditions of professional securities investors.

The interest rate is 2%/year with one-time payment, and the principal of a part or all of the bonds can be paid with shares of MNS Feed JSC (a company owned by MML) up to 99.99% charter capital of MNS Feed. Trading price is 10,000 VND/share.

It is known that MML was formerly known as Masan Nutri Science (MNS), renamed and put on the floor from 2019. Accordingly, MML is the result of transforming the business model of agricultural products to a business model of branded packaged meat for consumers.

According to statistics, pork is the largest segment in the F&B industry with a market value of more than 10 billion USD, 2.5 times that of milk. However, this is also a market that has not been standardized, is fragmented and has many products that are not safe for health. Therefore, MML sets an ambition to reach VND 35,000 billion to VND 45,000 billion in revenue by 2025, about 10% of the national market share. The target gross profit margin is 30 - 35% and the profit before tax and interest margin (EBIT) is 20 - 25%.

In the first half of 2021, the high demand for food storage during the holiday season promotes strong growth of MML. Notably, in the period pork brought in a net revenue of VND 1,438 billion, accounting for 14.1% of MML's total net revenue excluding '3F Viet'. Correspondingly, MEATLife's whole unit revenue increased by 34% to 9,635 billion in revenue - contributing more than 23% of Masan Group's total revenue.

With positive developments from the market, Masan's management is aiming to bring the meat business to a net profit by the end of this year when the meat processing complex reaches 25 - 30% of its capacity in the last quarter of the year. now, compared with the current capacity of nearly 11%.

MML is also accelerating its transformation to become a branded consumer goods business. Currently, the MEATDeli brand is present at more than 2,700 points of sale and more than 2,300 stores of the Vinmart/Vinmart ecosystem.

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