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Impact of Large Ownership, State Ownership on Share Price of Listed Firms in Vietnam Stock Exchange

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Abstract: This research using data of 630 listed firms which are listed on Vietnam Stock Exchange 2011-2018 in Vietnam, with variables related to ownership structure, to investigate the effect of different ownership structure characteristics on these firms' market price. By using OLS, REM, FEM model, the results show that, the variables relate to the large shareholders, the company's size and rate of return on total assets significantly impacted on the stock market price. Particularly, large shareholder variables, company's size and variable rate of return on total assets have been shown the positively impact on the share price.

Key words: share price; large shareholder; state ownership; firm size; return on total assets
JEL code: G3

1. Introduction

Share price movement is always attracting investors and businesses during investment process. In addition, ownership structure in enterprises also affects the share price through impact on management and corporate governance. Currently, the share price of enterprises in the field of essential consumer goods such as food, cosmetics, leverage and so on tends to grow strongly and these groups have relatively stable and less sensitive to the economic cycle. Stocks of essential firm in services industry which have large market capitalization leading the market and their prices greatly effect to share prices. Therefore, investors are particularly interested in the share price in this industry when the stock market and the economic cycle grow, the recession cycle.

The target of this research is to find the answers to the questions: (1) Does the board of director's ownership affect to the share price? (2) Does the rate of state's ownership affect the share price? (3) Does major shareholder of the company affect the share price?

This study research used econometrics models to quantify the influence of factors affecting share prices. We have studied and used 7 elements divided into 2 groups: type of ownership (independent variables), including the total ownership proportion of firms' board of director, the state's ownership, the ownership proportion of major shareholders of companies under the research. Second, group of company attributes (control variables) include: company's size, financial leverage of the company, rate of return on total assets and number of company establishment's year.

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This research includes the following sections: (1) Research background and hypothesis development; (2) Methodology, data and research models; (3) Research results; and (4) Conclusions and recommendations.

2. Research Background and Hypothesis Development

Theoretically, the ownership structure in the enterprise reflects overall the relationship of interests and responsibilities for the contributed capital of the owner, thereby determining other relationships in production and relations of products distribution as well as economic benefits which are brought by production and business processing.

Regarding the impact of ownership structure on stock price, there are huge of researches related to this topic with many different points of view. Alipour and Amjadi (2011) analyzed the impact of different aspects of ownership structure such as individual shareholders or large shareholder, internal shareholders or external shareholders, concentrated ownership or institutional ownership to the stock prices of companies listed on the Tehran stock exchange. The result indicated that the largest shareholder has much impact on the stock price, and companies' stock price with a lower percentage of shares held by individual shareholders. Besides, the rest variables have no relationship to stock prices.

Research by Alexandru et al. (2013) has developed models to measure the stock prices of 51 Jordan's companies from 2005 to 2009. The two research models were Ordinary Least Square method (OLS) and Seemingly Unrelated Regression method (SUR). The result shows that there is no significant relationship between individual shareholder and institutional shareholders to the stock prices, this means two variables do not affect stock prices much.

There have been many researches around the world about this topic, however, in Vietnam, there are not many researches about this topic.

Phuoc (2017) used data of listed companies in Vietnam in the period of 2009-2016, with description statistical method, the author has analyzed quantitative data with dependent variable to measure the performance of the companies, and the result shows that, enterprises have higher ownership will affect the firm value and lead to higher performance.

Besides, stock is a type of securities that is simply understand as the ownership certification of the amount of capital, which investors contribute to the issuing company when buying shares. The stock price index can be influenced by various factors such as the domestic and oversea economic situations, the company's business performance, market volatility, reputation and potential of the company. This research is going to develop hypothesis related to ownership structure and impact on stock prices.

Firstly, the board of director ownership is one of the factors that have the greatest impact on the stock price of enterprises. Morey et al. (2008) have shown that an enterprise with board of directors hold high percentage of firm proportion will have higher firm value than others. Meanwhile, Obradovich et al. (2012), Rouf (2011) have concluded that board of director with small amount of company's proportion will show the lower the value of enterprises, leading to the enterprises' stock prices will decrease.

H_1: Board of Director Hold High Proportion of Shares in the Enterprise Will Positively Impact on Stock Price of Listed Firms in Vietnam

Secondly, State ownership also affects stock market prices. According to research by Ben-Nasr and Cosset (2014), high state ownership often leads to a less transparent corporate information environment. This makes it

more difficult to collect information of specific companies. Research by Hue, (2016) assessed the impact of state ownership on the stock prices of listed companies on Vietnam stock market has resulted in state ownership have a positive effect on share prices.

H_2: State Ownership Has Negatively Influence to Stock Price of Listed Firms in Vietnam

Thirdly, large shareholder is also investigated that affects stock prices. Two studies by Brockman and Yan (2009) and Lam (2016) shown that large shareholders in the company help improving corporate governance and increasing the quality of public information. So that it has a positive impact on stock prices on the stock exchange.

H_3: Large Shareholders Have Positively Impact on Stock Price of Listed Firms in Vietnam

In addition, this research also used control variables to find out the relationship between them and stock price of listed firms in Vietnam. The company' size is one of the variables affecting the stock prices. Research by Sharif (2016) has shown that company' size has a positive impact on stock prices. This means large enterprises with financial potential as well as high competitiveness and high reputation in the market will easily mobilize large amounts of capital from investors with high stock prices. Regarding to financial leverage, there are the number of different views on the impact of the financial leverage on stock prices, focusing on 3 opinions. The first view is that the impact of financial leverage is negligible, as the results of Heydarreza (2010) on the impact of financial indicators on food industry enterprises. The second view on financial leverage is a factor that has a positive influence on stock prices, according to the research results of Kohansal et al. (2013), indicating that the effects come from the financial leverage of the food industry has a significant influence on stock prices. The third view shows that financial leverage has a negative impact on stock prices. Specifically, Kohansal et al. (2013) emphasizes that the lower the financial leverage, the higher the value of the company.

The rate of return on total assets (ROA) is also considered by many studies to affect stock prices. Based on the value of profitability, people can know how many co-profits a company co-produces, the higher the ROA, the more effective it will be to use the asset. According to Idawati and Wahyudi (2015), ROA has a positive relationship and significantly impact on stock prices.

3. Methodology, Data and Research Models

3.1 Methodology

This research combines qualitative and quantitative methods to build and run models based on panel data. The multiple-regression with the Ordinary Least Squares method (OLS), Fixed Effects Method model (FEM), Random Effects Method model (REM), Hausman test model.

3.2 Data Analysis

This research collected secondary data, with the sample data focus on 630 listed firms on Vietnam stock exchange (including Ho Chi Minh Stock Exchange and Hanoi Stock Exchange) in the period 2011-2018. Over the 8-year period under the research, the total number of research samples of 630 enterprises, which is officially used in the research paper, is 5040 samples. All data such as financial Statements, annual reports, prospectus are taken from the company website. Turning to share price data, the price and the volume are taken from the website of Ho Chi Minh Stock Exchange (HOSE) and Hanoi Stock Exchange (HNX).

3.3 Models

The offered model of the group focuses on developing and testing the factors, which affect the dependent variables: share price, including 7 variables divided into 2 groups: group of factors of ownership types (independent variables) and group related to the company attributes (control variables). Based on the study of models related to the impact of ownership structure and stock price, determine the relevant influencing factors, consistent with the economic environment characteristics in Vietnam, the group chooses 7 variables. Independent variables are owned variables, control variables are variables that effect the business performance of the company, the dependent variable is stock price.

Table 1 Calculate Variables

The variables	Symbol	Method of measurement
Dependent Variables		
Share price	PRI	Average price in the year
Independent Variables		
Board of director ownership	BDO	$\frac{\text{Total shares owned by board of director}}{\text{Total of outstanding shares in the year}}$
State shareholder[1]	STA	$\frac{\text{Total shares owned by government}}{\text{Total of outstanding shares in the year}}$
Large shareholder of the company[2]	ENT	$\frac{\text{Number shares owned by large shareholder}}{\text{Total of outstanding shares in the year}}$
Control Variables		
Company size	SIZE	Log (Total Assets)
Financial Leverage	LEV	$\frac{\text{Total debt}}{\text{Total equity}}$
Return on Assets	ROA	$\frac{\text{Net profit after taxes}}{\text{Toal Assets}}$
Number of years in operation	YEAR	2018 – Founded year

Research Model:

$PRI_{i,t} = \beta_0 + \beta_1 BDO_{i,t} + \beta_2 STA_{i,t} + \beta_3 ENT_{i,t} + \beta_4 SIZE_{i,t} + \beta_5 LEVit + \beta_6 ROA_{i,t} + \beta_7 YEAR_{i,t} + \varepsilon$

Which: β_0: Block coefficient; $\beta 1$, $\beta 2$: Coefficients; ε: Error; i: enterprise i; t: year t

4. Research Results

4.1 Descriptive Data

The descriptive statistics table shows an overview of stock price movements over the last 8 years as well as factors that affect stock prices listed on HOSE and HNX. In total 630 listed firms under the research, there are 215 state shareholder firms and 415 non-state shareholder firms. Table 3 shows that the average share price of 630 companies in the period of 2011-2018 is VND 31,582.02, with a standard deviation of VND 29,229.46. Besides, the share price of enterprises has a big gap from VND 2,090 to VND 208,600. For the leading companies in the industry, stock prices are often much higher than small and medium enterprises so the share price difference of more than VND 200,000 reflects the operating situation of companies.

[1] Ownership ratio above 5%.
[2] Ownership ratio above 5%.

Table 2 The Number of State Shareholder Firms and Non-state Shareholder Firms

Firm type	The number of firms
State shareholder firms	215
Non-state shareholder firms	415
Total firms	630

Table 3 The Descriptive Statistics for All the Variables for Period

Variable	Obs	Mean	Std. Dev.	Min	Max
PRI	5040	31582.02	29229.46	2090	208600
BDO	5040	0.3742726	0.2372444	0	0.8657
STA	5040	0.5833333	0.4941518	0	1
ENT	5040	0.6481481	0.4786573	0	1
SIZE	5040	12.09294	0.6496592	10.2735	13.86356
LEV	5040	2.389623	1.89511	0.0440062	11.28056
ROA	5040	0.07593	0.1045147	-0.6455064	0.7836998
YEAR	5040	15.2963	6.141372	8	40

In addition, based on Table 3, we can make assessments of independent variables — factors affecting stock prices through mean, standard deviation and volatility range. Specifically, with the independent variables, the total average ownership ratio of the Board members (BDO) is 37.42726% with a standard deviation of 23.72444% and a very large fluctuation range of up to 86.57%. This suggests that the average membership of the Board of Directors owns a large share of the company, which will affect the company's executive decisions. In addition, the state ownership and major shareholders of the company accounted for a very high proportion of 58% of the company, it will greatly affect the company's operation plan. For control variables, the average index of scale, financial leverage, net profit on total assets, the number of years of establishment of enterprises is at an average level, indicating that most of the companies in this sector operates effectively, the structure of using capital and assets is relatively stable, after-tax profit grows steadily over the years. The average number of years established over 15 years, which shows the essential consumer goods enterprises have been born for a long time and are still developing steadily.

4.2 Regression Model Results

4.2.1 Correlation Test (Correlation)

Based on the table of correlation matrix below, it is generally shown that the correlation between most variables is relatively low. However, the correlation coefficients between PRI and the variables of ENT and ROA are quite high with values of 52.17% and 55.03% respectively. However, this model is still suitable because the correlation coefficients of all variables are less than 80% so this model is meaningful. Therefore, the research results show that most of the variables in the model do not have a correlation relationship with each other, and this will be a positive sign in testing and selecting appropriate econometric models.

Table 4 Correlation Matrix Between Variables in the Model

	PRI	BDO	STA	ENT	SIZE	LEV	ROA	YEAR
PRI	1							
BDO	-0.0388	1						
STA	0.2344	0.0245	1					
ENT	0.5217	0.0361	0.2032	1				
SIZE	0.3116	-0.1172	0.2714	0.2088	1			
LEV	-0.2797	0.2370	0.0638	-0.2464	0.1166	1		
ROA	0.5503	0.0028	0.1838	0.2242	0.1650	-0.3534	1	
YEAR	0.0958	-0.0284	-0.0128	0.2492	-0.2738	-0.3469	0.0974	1

4.2.2 Multivariate Linear Regression Model (OLS)

Based on the results of Table 5, the coefficient of determination of R-square is 0.4987 (49.87%) and the adjusted R-square is 0.4818 (48.18%). These two R values are used to measure the suitability of the regression model. The closer R = 1, the better the model is built to fit the regression data. Besides, R^2 = 49.87%shows that in 100% of stock price volatility, 49.87% is due to 7 factors in the model, and 50.13% is due to random factors and other factors not in the model. Thus, both R values are close to 50%, indicating that the PRI dependent variable is explained by independent variables of nearly 50%.

Besides, the Table 5 above results show us which variables have an impact on stock prices. Looking at p-value, it shows that most of the independent variables in ownership structure do not affect the share price because they are larger than 0.05. Particularly, there are 3 variables having the same directional impact on share price which are ENT, SIZE and ROA.

Table 5 Results of Multivariate Regression Model

PRI	Coef.	Std. Err.	t	P > |t|	[95% Conf.	Interval]
BDO	-0.0852088	0.1959698	-0.43	0.664	-0.4715506	0.3011329
STA	0.0810356	0.0949468	0.85	0.394	-0.1061458	0.2682171
ENT	0.7069257	0.1033827	6.84	0.000	0.5031135	0.9107379
SIZE	0.2088329	0.0780336	2.68	0.008	0.0549948	0.3626711
LEV	-0.029484	0.028157	-1.05	0.296	-0.0849937	0.0260256
ROA	3.521255	0.4716951	7.47	0.000	2.591339	4.451171
YEAR	-0.0027548	0.0081489	-0.34	0.736	-0.0188198	0.0133103
_cons	6.830079	0.9672996	7.06	0.000	4.923111	8.737047

Number of obs = 5040, F (7, 208) = 29.55, Prob > F = 0.0000, R-squared = 0.4987, Adj R-squared = 0.4818, Root MSE = 0.64317

Table 6 Results of Multicollinearity Testing

Variable	VIF	1/VIF
LEV	1.48	0.675732
SIZE	1.34	0.758654
YEAR	1.30	0.768218
ENT	1.27	0.785725
ROA	1.26	0.791658
STA	1.14	0.874046
BDO	1.12	0.890113
MEAN VIF	1.27	

In general, all the variables of the model in the study have a magnification coefficient of variance VIF less than 10. Moreover, the coefficients are only between 1 and less 2 and the average of all 7 variables is 1.27. Therefore, the variables in the model do not have multicollinearity phenomenon.

4.3 Fixed Effects Model (FEM)

Table 7 Result Fixed Effects Model (FEM)

Fixed-effect (within) regression				Number of obs = 5040		
				Number of groups = 8		
R-sq:				Obs per group:		
Within = 0.5019				Min = 27		
Between = 0.2946				Avg = 27.0		
Overall = 0.4989				Max = 27		
corr(u_1, Xb) = -0.0011				F (7,201) = 28.93		
				Prob > F = 0.0000		
PRI	Coef.	Std. Err.	t	p>|t|	[95% Conf.	Interval]
BDO	-0.0527041	0.2065747	-0.26	0.799	-0.4600357	0.3546274
STA	0.0931247	0.1045448	0.89	0.374	-0.1130206	0.29927
ENT	0.7039567	0.1047082	6.72	0.000	0.4974891	0.9104242
SIZE	0.2093936	0.0801467	2.61	0.010	0.0513573	0.3674299
LEV	-0.0233093	0.0286812	-0.81	0.417	-0.079864	0.0332453
ROA	3.558703	0.4918842	7.23	0.000	0.588788	4.528618
YEAR	-0.002034	0.0082064	-0.25	0.804	-0.0182157	0.0141467
-cons	6.777382	0.9900703	6.85	0.000	4.825125	8.729639
Sigma_u	0.1048096					
Sigma_e	0.64655175					
Rho	0.02560533 (fraction of variance due to u_i)					
F test that all u_i = 0: F(7, 201) = 0.69					Prob > F = 0.6803	

First of all, we ran the FEM model on Stata software based on panel data. When considering the FEM model, it is appropriate to test variables when P-value coefficient is less than 0.05 (5%). Based on the results of the FEM model running on Stata, the value of p-value = 0.6803 (68.03%) is greater than 0.05. Therefore, the random impact model is a model that is not statistically significant with the data set. If the statistically significant model results in three major shareholder variables (ENT), company scale (SIZE) and return on total assets (ROA) all affect the same side variable to share price (PRI) like the OLS model.

4.3 Random Effects Model (REM)

Next, to see clearly which variables affect the dependent variable, research is based on the p-value of each explanatory variable. The results are similarly to the results of the OLS regression model and the FEM model, which are three major shareholder variables (ENT), company scale (SIZE) and return on total assets (ROA) all affect the stock price (PRI). Moreover, if the regression coefficient β of these variables is greater than 0, the variable acts in the same direction and vice versa. Through the results table, the group found all three variables have the same effect on the dependent variable PRI. Therefore, three variables ENT, SIZE, ROA can explain the change of PRI variable.

Table 8 Result Random Effects Model (REM)

Random-effects GLS regression				Number of obs = 5040		
				Number of groups = 8		
R-sq:				Obs per group:		
	within = 0.5016			min = 27		
	between = 0.3314			avg = 27.0		
	overall = 0.4987			max = 27		
				Wald chi2(7) = 206.88		
Corr (u_i, X) = 0 (assumed)				Prob>chi2 = 0.0000		
PRI	Coef.	Std. Err	Z	p> |Z|	[95% Conf.	Interval]
BDO	-0.0852088	0.1959698	-0.43	0.664	-0.4693027	0.298885
STA	0.0810356	0.0949468	0.85	0.393	-0.1050567	0.267128
ENT	0.7069257	0.1033827	6.84	0.000	0.5042994	0.909552
SIZE	0.2088329	0.0780336	2.68	0.007	0.0558899	0.361776
LEV	-0.029484	0.028157	-1.05	0.295	-0.0846707	0.0257026
ROA	3.521255	0.4716951	7.47	0.000	2.59675	4.445761
YEAR	-0.0027548	0.0081489	-0.34	0.735	-0.0187264	0.0132168
_cons	6.8300790	0.9672996	7.06	0.000	4.934207	8.725951
sigma_u	0					
sigma_e	0.64655175					
Rho	0	(fraction of variance due to u_i)				

4.4 Select the Appropriate Model by Testing Hausman Test

After testing two models of FEM and REM, we found that the REM model was more relevant and statistically significant than the FEM model. However, to ascertain the most accurate and accurate model of the data set, the team ran the Hausman test with two hypotheses.

H_0: REM Random Effects Model

H_1: FEM Fixed Effects Model

If the p-value is less than 5%, we reject H_0, accept H_1. Conversely, if p-value is greater than 0.05 (5%) then we have no basis to reject H_0, therefore, H_0 is accepted. The result of Table 9 shows that p-value equals 0.9693 (96.93%) greater than 0.05, we accept the hypothesis H0 given. The model of random effects is the most suitable model to choose research. Therefore, the research team selected REM random effects model to test the model and get the results of REM model to draw conclusions and recommendations.

According to the results obtained from the REM models above, we synthesized the table of hypothetical test results (Table 10). As shown in the table below, in the 7 research factors was selected, there are 3 factors that are major shareholders (ENT), company scale (SIZE) and return on total assets (ROA) has an impact on stock price (PRI).

Table 9 Test Results of Hausmn Test

	Coefficients			
	(b)	(B)	(b-B)	sqrt (diag(V_b-V_B))
	Fe	re	Difference	S. E.
BDO	-0.0527041	-0.0852088	0.0325047	0.0653371
STA	0.0931247	0.0810356	0.0120891	0.0437576
ENT	0.7039567	0.7069257	-0.002969	0.0166084
SIZE	0.2093936	0.2088329	0.0005607	0.0182827
LEV	-0.0233093	-0.029484	0.0061747	0.0054584
ROA	3.558703	3.521255	0.0374474	0.1394769
YEAR	-0.002034	-0.0027548	0.0007208	0.0009695
	b = consistent under Ho and Ha; obtained from xstreg			
	B = inconsistent under Ha, efficient under Ho; obtained from xtreg			
Test:	Ho: difference in coefficients not systematic			
	chi2 (7)	= (b-B) ' [(V_b-V_B) ^ (-1)] (b - B)		
		= 1.82		
	Prob>chi2	= 0.9693		

Table 10 Summary of Test Results of Assumptions

Variable name	Impact direction
Group of factors of different types of ownership in the company (Independent variables)	
Board of director ownership (BDO)	No effect
State ownership ratio (STA)	No effect
Major shareholder of the company (ENT)	Positive
Group elements of attributes in the company (Control variable)	
Company scale (SIZE)	Positive
Financial Leverage (LEV)	No effect
Return on total assets (ROA)	Positive
Number of years of establishment (YEAR)	No effect

As can be seen from Table 10, the firms which have large shareholder have positive impact on the stock price. This means, when there is the participation of large shareholders, the stock price has a positive change and vice versa.

For control variables, firm size (SIZE) also has the same directional impact on stock prices. The larger the scale of the business, the higher the share price and vice versa. This is in line with the research paper of Sharif (2016)which assumes that the firm size has a positive impact on share prices.

For the return-to-asset ratio (ROA) variable, the results show that ROA has a positive impact on PRI. When profits increase, then stock prices will rise and vice versa. This result is consistent with the research hypothesis, that firms have high profits indicate that these companies is doing well, and the dividend rate is also higher, which makes investors expect stock prices to increase in the future.

5. Conclusions and Recommendations

5.1 Conclusions

Our study show that large shareholders have a positive impact on stock prices. Similar to the research results of Brockman and Yan (2009), it showed that the large shareholders of the company improve corporate governance problem and increase the quality of published information, which impacting positively to share price.

The research results also show that control variables of Company size having a positive impact on stock prices. This result is similar to the research of Sharif (2016), the research of Chaudhary and Nishat (2002), this means, large-scale enterprises or expanding the size into more industries, having great financial ability as well as great competitiveness will be hard to be defeated economically, consolidated the reliability and high reputation in the market so it will be easier to mobilize a large amount of capital from investors with high stock price.

In addition, return on total assets (ROA) has a positive impact on stock prices. When ROA of company increases, the stock price will also rise and vice versa. This result is consistent with hypothesis that the higher ROA, higher profits, the company uses assets more effectively. This result is similar to the research of Kartika et al. (2018) that the higher the ROA, the better for the company. Saeidi and Okhli (2012) also conclude that ROA has a high correlation with stock prices at all of industry's level and it can be used as the main efficiency factor affecting stock prices.

5.2 Recommendations

Research results about the impact of ownership structure on stock market are quite useful for the related objects to have suitable solutions or decisions, especially for regulatory agencies, companies and investors.

5.2.1 For Enterprises

Firstly, enterprises need to attract investors, shareholders who are huge organizations with experience in managing and operating company. This will improve the reliability of corporate's information of the stock price, therefore reduce the negative impact on stock prices and increasing investor's trusty.

Secondly, corporations should have a clear directions and strategies for each step of development and expansion of their business, focus on the development of product quality on a single field. After creating a well position, gaining the trust of customers and investors, the company can expand scale to another field or industry with a suitable and strict management. In addition, firms should avoid investing in many fields but unprofitable will reduce the value of the corporate's stock.

Thirdly, firms should provide accurate information on their financial statements about their business situation in recent years to create a trusty believe for investors. When companies' return on total assets grows steadily over the years, investors will prioritize investing in that stock, helping stock prices increase. Corporations need to set specific targets for production and revenue in the future, so that they can determine the number of machines or materials needed to achieve the goal, avoid unreasonable use of assets, avoid buying too many materials or great value assets. If the corporate's ROA is lower than the previous year due to scaling up, buying more machines but not yet gaining profits, the corporate should also specify in the explanation or give a detailed notice to analysts, investors understand.

5.2.2 For the Investors

Firstly, investors need to care about corporate governance factor to determine which corporates are owned by which individuals or organizations. If corporate have large organizations owned, investing in corporate is good.

Therefore, when investors care about firm's stocks, they should consider the major shareholders in the company.

Secondly, investors should consider selecting large company size because the bigger companies, the higher the capitalization demand to create a good effect on the corporate's business performance, which means this corporate has a good financial position (equity ratio is greater than 1 compared to loan capital, the proportion of equity in total investment capital is greater than or equal to 50%) as well as develop and compare in many different industries.

Thirdly, investors should carefully consider the information published by the corporate before investing in one or more types of stocks. When considering, investors should pay special attention to the performance of corporates, like performance indicators, especially return on total assets (ROA) to see if the corporate doing effectively business. If the company has ROA increase, it should be invested. However, it is necessary to carefully analyze whether the increase in ROA is due to which factors, sometimes due to the company falsifying the data. A company with reduced ROA is not sure if the company is doing poorly and inefficiently, but that the size of the company's factory is expanding so the total assets increase while the profit has not been recovered, or because the price of input materials is expected to increase, so the company buys to accumulate, making the inventory increase and so the assets increase. Therefore, investors need to accurately calculate the ROA and determine the cause of an increase or decrease in ROA, making the correct choice in investment.

5.2.3 For the Regulatory Agencies

Firstly, the results from the research show that major shareholders of the company have a positive impact on share price. Market managers may offer solutions or policies that increase the concentration of ownership of large shareholders in public listed companies, with more corporate investors investing in the company can also bring benefits to the company and create trust for investors. Therefore, regulators can create opportunities for companies by making requirements on the ownership rates of major shareholders in companies, as a result, this can increase stock prices.

Secondly, the size of the company has a positive impact on stock prices. Policymakers should have specific requirements for corporates which they want to expand their scale or develop new industries must ensure that, there are clear research and specific development strategies to avoid inefficient business.

Thirdly, the results of the research show that the company's ROA has a positive impact on stock prices. However, there are many cases of companies falsifying information on financial statements to cover up the company's loss or overrunning profit indicators to attract investors' investment. Therefore, the Ministry of Finance and the State Securities Commission in Vietnam should have a strict monitoring mechanism and coordinate with related organizations to measure and evaluate the quality of information given by public listed companies, like unexpected inspection or specific sanctions for violations. Therefore, this will help the users when using information will make more accurate decisions.

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