VINCONSHIP JSC (VSC – HSX)

Ready for a high and sustainable growth period

- Competitive advantages are built upon high services quality, established brand and expandable capacity
- New Vip-Greenport would elevate VSC's industry position and support short-term earnings growth
- Port operators in Hai Phong could expect a phase of rapid growth but divergent

Outlook and Valuation:

Vinconship JSC (VSC-HSX) is regarded as Vietnam's leading private provider of container related services (trucking, warehousing and seaport services). The firm headquarters in Hai Phong but does have presences at the country's major trade hubs. VSC's competitive advantages are built on 30 year-operating experience, high services quality, integrated asset base (seaport-truck fleet-warehousing facility) and importantly expandable seaport capacity (new Vip Greenport put Phase 1 online in November 2015). In short-term, the initial operation of the new seaport may yet make a major impact on VSC's earnings given pressure from operating cost and VSC's ownership at this JV just over half (50.08%).

Nevertheless, in mid and long-term horizon, VSC is expected to be among the most beneficiaries from the increasing trade and export-import cargo activities fostered by FTAs and TPP. In addition, we believe that VSC would soon increase its holding stake at Vip Greenport JV that would eventually inject growth to its bottom-line. Besides, more FDIs coming to Northern Vietnam provinces also lessens the reliance on traditional trade partner China and means healthier sources of cargos. With the above analyses, we recommend investors to ***ACCUMULATE*** *VSC share on* ***LONG-TERM*** *basis at target price of* ***VND76,000/share*** *(29% upside to the share's closing price on 14 April 2016).*

Key financials

Y/E Dec (VND bn)	FY2014	FY2015	FY2016F	FY2017F
Net Revenues	891	928	1,205	1,383
% chg	13%	4%	30%	15%
PAT	248	279	256	302
% chg	3%	13%	-8%	18%
EBIT margin (%)	28	30	21	22
ROA (%)	19	15	10	11
ROE (%)	24	21	17	18
EPS (VND)	6,464	6,068	*5,567	*6,565
Adjusted EPS (VND)	5,391	6,068	5,567	6,565
Book value (VND)	35,201	34,556	39,137	39,783
Cash dividend (VND)	2,000	2,000	3,000	3,000
P/E (x)	6.2	12.7	11.0	11.0
P/BV (x)	1.1	2.2	1.5	1.5

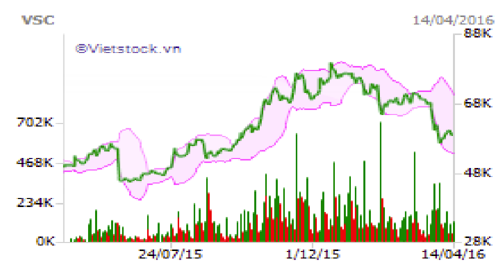
*Sources: VSC, RongViet Research estimated. * Accounted for welfare provision expense and computed based on total share number on 14 April 2016.*

ACCUMULATE

CMP (VND)	59,000
Target Price (VND)	76,000
Investment Period	**Long-term**

Stock Info

Sector	Seaport services
Market Cap (VND bn)	2,422
Current Shares O/S	41,416,042
Beta	0.8
Free float (%)	65.2
52 weeks High	80,000VND
52 weeks Low	40,200VND
Avg. Daily Volume (in 20 sessions)	162,000



Source: Vietstock

Performance (%)

	3M	1Y	3Y
VSC	-23.5	45.9	152.2
Industrial	-6.6	24.2	117.2
VN30 Index	-1.7	3.1	11.6
VN Index	-2.2	-0.3	0.0

Major Shareholders (%)

Vietnam Holding Limited	6.9
SwiftCurrent Offshore Ltd	6.3
Forum one – VCG Partners Vietnam Fund	4.9
Foreigner Investor Room (%)	0.0

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Business credentials, high services quality and expandable capacity constitute VSC's competitiveness

Vinconship JSC (VSC-HSX) joins big state enterprises including Hai Phong port (PHP-HNX), Sai Gon NewPort (SNP) and Sai Gon port JSC in Vietnam's leading seaport operator list. Established over 30 years, VSC basically provides container related services such as stevedoring, trucking, warehousing and shipping agency in Hai Phong and Vietnam's busy trading points. To provide clients an integrated logistics services, the firm decided to venture into seaport services with Greenport project (capacity 360,000Teus/year) going online in 2003. Amid fierce industry competition and Greenport's full capacity issue, the firm still managed to achieve commendable CAGR of 4% for revenue and 7.8% for PAT during 2011-2015.

VSC currently has 07 subsidiaries and 03 associates all providing logistics services(Table 01). Notably, Vip Greenport JSC (chartered capital VND575 bil) is directly responsible for the operation of new Vip Greenport project (total capacity 500,000Teus/year). The new port commences Phase 1 (capacity 250,000Teus/year) in late November 2015 and expectedly Phase 2 (remaining capacity) in September 2016. Vip Greenport, situated at Dinh Vu peninsula, is a strategic investment because: (1) solving VSC's issue of Greenport under-capacity, (2) deeper before berth water depth (-9 to -10m) enables the firm to serve vessel weighed up to 30,000 DWT and (3) prepared to capture the projected strong increase in cargo volume as Vietnam pushes for global economic integration.

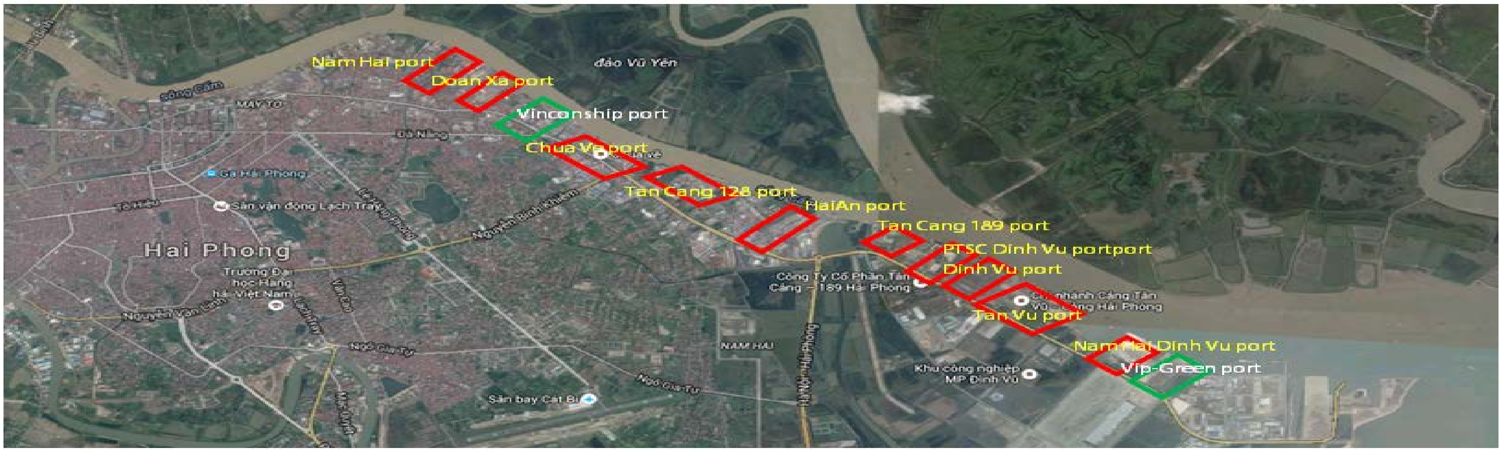
Table 01: VSC's subsidiaries and associates (Unit: VND billion)

Company name	VSC's capital contribution	Ownership	Business lines
Subsidiaries			
Green Star Lines	15	100%	Trucking, stevedoring
Vinconship Vietnam	6	100%	Trucking, stevedoring
T.S Lines	0.2	100%	Shipping agency
Green Depot	25	100%	Stevedoring, warehousing
Green Logistics Center	90	100%	Stevedoring, warehousing
Vinconship Central	20	65%	Trucking, stevedoring
Vip Greenport	293	50.8%	Seaport, stevedoring and warehousing
Associates			
Green Future Star	3	49%	Shipping agency, warehousing
Da Nang Logistics	12	37%	Depot, warehousing
PTSC	93	22%	Seaport, stevedoring and warehousing

Source: RongViet Research compiled

VSC's revenue could be structured into three main services: (1) seaport (60%), Depot-warehousing (30%) and trucking (10%). With 2 ports under operation (Greenport and Vip-Greenport), the firm has joined the group of seaports with largest container handling capacity in Hai Phong. In specifics, after Phase 2 going online, VSC's total seaport capacity would reach 860,000 Teus/year (~2.4 times higher than beginning 2015). Industry wise, only PHP-HNX (Tan Vu and Chua Ve port), GMD-HSX (Nam Hai and Nam Hai Dinh Vu port) and DVP-HSX (Dinh Vu port) have port handling capacity over 500,000Teus/year in Hai Phong. In 2015, VSC handled 350,000 Teus (down slightly 2.7% to 2014) and holds equivalently 8.8% Hai Phong's container port market share. For Depot and warehousing services, the firm is exploiting nearly 25ha Depot area and a CFS system of 20,000m2 located mainly in Hai Phong. Also, the firm is running a fleet of 140 trucks in Vietnam's central and northern provinces. *So, we believe that VSC's above competitive advantages would be significant in its business strategy to attract and retain clients (shipping lines).*

Map: Location of ports in Hai Phong city

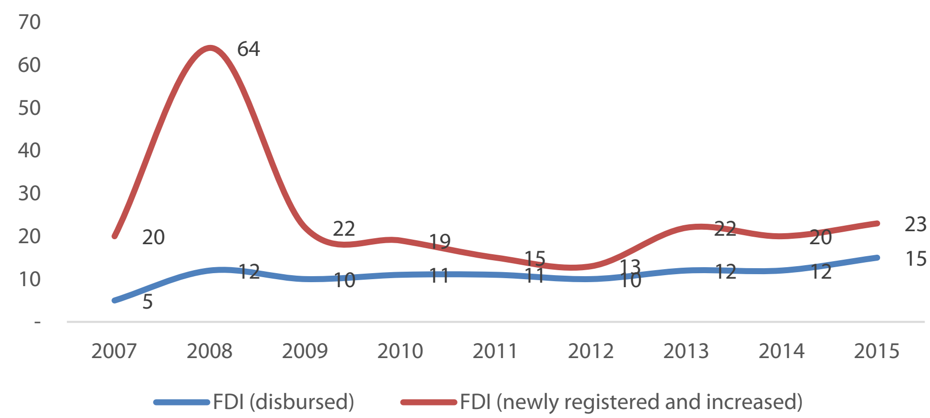


Source: RongViet Research compiled

Hai Phong port operators' earnings prospects would benefit from a strong growth in cargo throughput, however, at uneven proportion

Rising FDIs is a vital growth driver of cargo volume

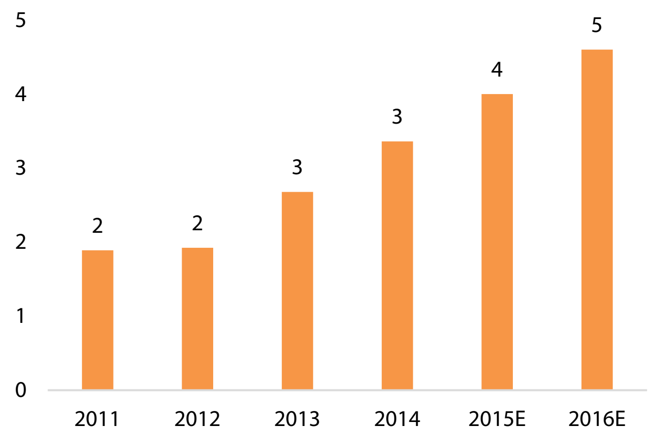
Graph 01: FDI to Vietnam



Source: RongViet Research compiled, FIA

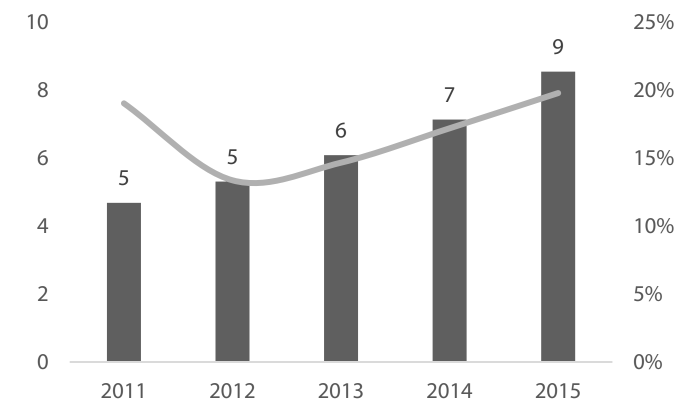
Demand for logistics services, especially at seaport, is positively related to Vietnam economy's trading activity. In the backdrop set by sluggish recovery of developed countries and slowing down China, Vietnam becomes a bright spot by continuingly posting a 10% annualized growth in 2015 trade value. FDI sector, as we analyzed, is key contributor to the "two-digit" growth rate achieved in the past years. According to Vietnam Foreign Investment Agency (FIA), total FDI disbursement to Vietnam has risen to average USD10.2 billion per annum since joining WTO in 2017. Therefore, by quickening the global economic integration process via FTAs, Vietnam would be able to lure more FDI, especially in manufacturing sector, capitalizing on still competitive labor cost, large consumer market and lower tax regime. In fact, nearly 2/3 of Vietnam's 2015 total trade value came from FDI companies. As a result, port operators and logistics services providers would benefit from increasing demand for imports (raw material, machinery) and exports (garment, wood products and footwear).

Graph 02: Container throughput via Hai Phong (mil Teus)



Source: RongViet Research compiled

Graph 03: Hai Phong's total trade turnover (USD bil)



Source: RongViet Research compiled

From FIA statistics, Vietnam's Northeastern provinces (Bac Ninh, Ha Noi, Hai Duong, Hai Phong,…) attracted almost half total registered FDI in 2015 (about USD10 billion). Hai Phong, having the following advantages: (1) being Northern Vietnam's major trade gateway by sea, (2) hugely improved public infrastructure (Highway 5B, 10, Hanoi-Hai Phong expressway,) and (3) situated on Northeastern Asian shipping route (Vietnam-China-Koreas-Japan), expects to become a "busy" cargo hub in the coming years. Actually, total trade turnover and cargo passing via Hai Phong saw CAGR of 12.5% and 9.6% respectively during 2011-2015. In 2016, the People committee of Hai Phong forecasts a continuing 16% annualized growth of cargo thanks to large FDI projects going online such as LG Electronics Vietnam, Bridgestone tyre plant and Japanese rare earth producer Shin-Etsu.

However, geopolitical matter between Vietnam and China is a possible risk to logistics operation in Northern Vietnam (Hai Phong in particular). Given the fact nearly 2/3 of cargos going through ports here are Chinese destined "temporary import for re-export" goods via border trade (mainly agricultural and frozen food product), any negative development between the two countries could hamper the cargo flow and create short-term pressure on Hai Phong port infrastructure. Looking forwards, we believe increasing FDI to Northern Vietnam's industrial zones would help diversify cargo origins and hence bring healthy growth to logistics business here.

Hai Phong port operators' performances would see a strong divergence

In mid-term, we expect Hai Phong seaport sector would experience "a surplus in capacity from small upstream ports and capacity shortage of container ports in Dinh Vu ". Actually, international shipping firms would prefer to be serviced at ports in Dinh Vu area with deeper water depth allowing them to minimise cost by using bigger vessel. As a result, competition between upstream ports (Doan Xa, Nam Hai, Greenport, Chua Ve,…) would greatly intensify.

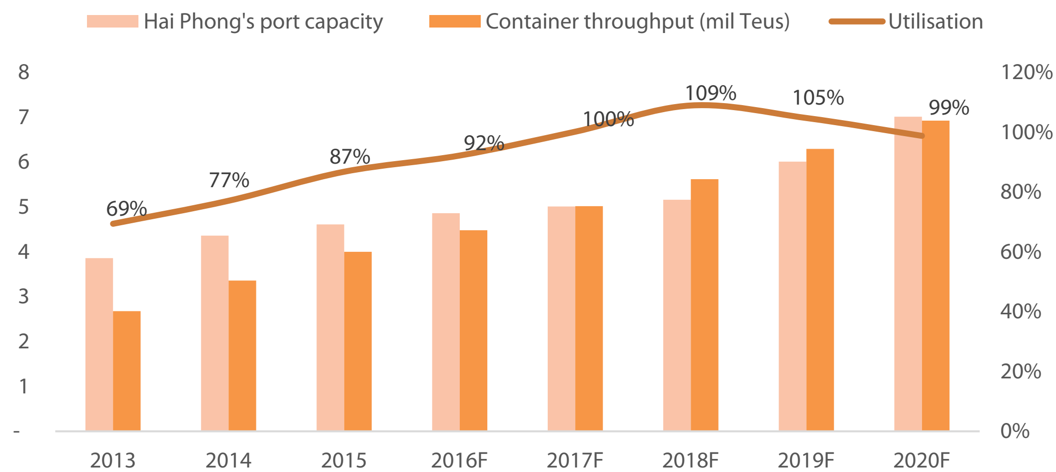
Table 02: Hai Phong port sector outlook to 2020

Position	Ports	Capacity (Teus/year)	Capacity expansion	Mid and long-term outlook
Cam river "upstream" ports	Chua Ve (PHP-HNX)	800,000	Limited	"Stable" outlook : (1) shallow channel depth only able to serve vessel 10 thousand DWT (reduced load), (2) container ports like SNP 128, Hai An, Greenport, Nam Hai are under-capacity, (3) some ports only service domestic containers or dry bulk cargo, (3) aging facility could lead to low services quality provided and (4) Bach Dang bridge construction could have impact on vessel operation.
	Nam Hai (GMD-HSX)	200,000		
	Doan Xa (DXP-HNX)	200,000		
	Transvina	100,000		
	Greenport (VSC-HSX)	360,000		
	SNP 128	200,000		
	Hai An (HAH-HSX)	200,000		
Cam river "downstream" ports (Dinh Vu area)	SNP 189	200,000	Limited	Full capacity and unfavorably located nearby the bridge constructing site.
	PTSC Dinh Vu (PSP-Upcom)	200,000		Full capacity
	Dinh Vu (DVP-HSX)	600,000		
	Tan Vu (PHP-HNX)	800,000	Able to expand 150,000 – 200,000 Teus more with further stevedoring facility investments	**Directly benefit from anticipated rising export-import cargos during 2016-2020**
	Nam Hai Dinh Vu (GMD-HSX)	500,000	Able to expand 150,000 – 200,000 Teus more with ICD Nam Hai online in 2017	
	Vip Greenport (VSC-HSX)	500,000	Able to expand 150,000 – 200,000 Teus more with investment in new Depot	
Lach Huyen deep seaport	Lach Huyen Phase 1	1,000,000	In operation in 2019	A deep seaport at strategic location. Built to serve mother vessel up to 80,000DWT going on inter-continental routes (Asia-Europe-America). Hence, Lach Huyen port won't be a direct threat to ports in Dinh Vu area mainly serving feeder vessels (<40.000 DWT) until 2020.
	Lach Huyen Phase 2	1,000,000	In operation in 2020	

Source: RongViet Research

The current port utilization rate in Hai Phong area is approximately 90%. Many of listed ports such as Hai An (HAH-HSX), Nam Hai (GMD-HSX), Dinh Vu (DVP-HSX) are running 20-25% over designed capacity. So, given the high likelihood that container via port continued to grow at 15-16% per annum, Hai Phong is likely to face a shortage in container seaport capacity in late 2017. More importantly, as we emphasize, the expected additional volume of containers in the future would be unevenly allocated between ports. In other words, 04 ports in Dinh Vu area including Nam Hai Dinh Vu (GMD-HSX), Vip-Green (VSC-HSX), Dinh Vu (DVP-HSX) và Tan Vu (PHP-HNX) are those that service much of cargo increase.

Graph 04: Port supply and demand in Hai Phong



Source: RongViet Research compiled

Vip Greenport would lift up VSC's industry position in the long-term and support short-term earnings growth

Table 03: Vip Greenport project

	Capacity	Operating in
Phase 1	250,000 Teus	November 2015
Phase 2	250,000 Teus	September 2016 (scheduled)
Total	**500,000 Teus**	

Source: RongViet Research compiled, VSC

New Vip Greenport expects to be VSC bottom-line's growth engine in the coming years. Essentially, Vip Greenport's geographically advantageous location with deeper channel depth, wider water surface and sitting just next to Dinh Vu industrial zone (cargo source) shows VSC management's vision and enables it to capture a surge in cargo throughput as FTAs taking effects. Currently, VSC is exploiting Phase 1 of the new port with one berth (200m long) and schedules to put Phase 2 in operation in September 2016.

In short-term, the main cargo source for Vip Greenport would come from strategic shipping line Evergreen with 3-4 vessels per week and increase to 6-8 vessels per week after Phase 2 coming online. VSC also serves a list of respectable liners such as TS Lines, APL, OOCL and Cosco. Due to Phase 2's operation time in 3Q2016, Vip Greenport could handle 300,000 Teus in 2016 (~ 60% capacity) and could increase to 450.000Teus in 2017 (or 90% capacity). So, the new port is estimated to record 2016 PAT of VND36 billion and VND106 billion in 2017 (Vip Greenport would pay corporate tax rate of 0% in the first 4 years of making profits and incur preferential tax rate of 5% in the following 9 years).

In mid and long-term, we strongly believe cargo growth rate would maintain from 12-15% a year given the positive impact from FTAS and TPP. With this scenario, ports in Hai Phong would run full capacity in 2017 (graph 04) and face "under-capacity" situation starting in 2018 (additional cargo amount of 460,000Teus). To be prepared to capitalize on that, VSC plans to invest a new Depot located near the new port (area of 10ha) with estimated cost of VND160billion. The addition of new depot could help VSC to handle an extra 200,000-250,000Teus/year if cargo movement uninterrupted. Based on our experience, the acquisition of new land and Depot surface construction could take up to a year. So, It is likely that the new Depot would come online in late 3Q2016 and hence just in time to add needed stevedoring room in

2018. As a result, we project the new port could handle a total of 600,000 Teus in 2018 (or 120% its capacity) and reach its maximum in 2020 of 750,000Teus.

From 2020 onwards, we expect the port sector here would experience a drastic change. That is the operation of Lach Huyen (Phase 2) and fast rising cargo volume at that time would be sufficient for international liners to open more inter-continental routes operated by "mother vessels" from Hai Phong. This would hence have negative impact on feeder vessel services from Vietnam and hence cargo throughput at ports in Dinh Vu could reduce subsequently. However, we see a strong reason for Vip Greenport (VSC-HSX) and other ports in Dinh Vu area to continue to benefit from rising cargo passing by at least until 2020 when competition threat from Lach Huyen would start to kick in.

Table 04: Estimated Vip Greenport earnings performance

	2016	2017	2018	2019	2020
Utilization rate	60%	90%	120%	140%	150%
Throughput (Teus)	300,000	450,000	600,000	700,000	750,000
Revenue	418	627	697	836	1,045
Profit before tax	36	106	150	196	279
Capex		80	80		

Source: RongViet Research estimated

VSC's earnings result forecast

Currently, Greenport runs at full capacity (360,000Teus) and VSC has had 70,000-80,000 Teus per year serviced at PTSC Dinh Vu (PSP-Upcom). With the outlook in Table 02, Cam river upstream ports are likely to get in a fierce services price competition, that then puts pressure on Greenport services fee. We forecast Greenport's 2016 throughput to remain as last year (or 350,000Teus) and contract 10,000 Teus per year subsequently. ***In summary, total throughput handled by VSC port system (2 ports) could reach 650,000 Teus in 2016 and record a rise of 33% to VND705 billion in revenue (included reefer services).***

While CFS's business growth is limited to the warehouse capacity and the rate of cargo movement, the commencement of Vip Greenport Phase 1 promises to add 200,000-250,000 containers to be handled at Depot. This would hence bring up VSC's total Depot throughput to 600,000 Teus and the equivalent revenue recorded VND227 billion in 2016.

For trucking services, unexpected truck fleet expansion in late 2014 subsequent to the truckload control policy imposed by Vietnam MOT has resulted in oversupply situation in Northern market. In addition, higher operating cost (driver wage and road toll) would reduce VSC's trucking operation profitability this year. Similarly, we estimate revenue of reefer services to record 2/3 of that in 2015 on basis of normal Vietnam-china border trade circumstances. ***With the above analyses, we estimate VSC's 2016 revenue to grow 30%yoy and Gross profit up 12.4%yoy.***

Positive cargo outlook would boost Vip Greenport project's return measure and VSC increasing stake at this Joint venture enhances VSC's bottom-line.

To measure Vip Greenport's effectiveness, we did compute this project's IRR based on the 10 year- Free cash flow (FCF) from 2016 to 2025 (equivalent to expected project lifetime). The FCF is divided into 2 periods: (1) annual FCF is projected based on port utilization rate (Table 04) from 2016 to 2020 and (2) non-growing annual FCF during 2020-2025 period. The result comes up with the project IRR of 14.6%, higher than project WACC of 10.8%. In addition, Hai Phong is considered as the transit port for frozen foods temporarily imported and re-exported to Southern China provinces via border trade. VSC, therefore, could repeat the extraordinary earnings as seen in 2015 during our forecasted timeline and consequentially shorten investment payback period and boost project's return.

Regarding the financing structure for Vip Greenport, we project VSC debt would peak in 2016 after Vip Greenport completes all required investments and could run at its designed capacity. In particulars, the firm's borrowing estimated at VND 800 billion as of 2016 year-end and go down ~~VND100billion each year down the road. Accordingly, 2016 interest expense could be VND 50 billion (capitalized interest expense in 2016 of VND6 billion-mainly construction expense) and goes down to VND 38 billion in 2020. With the forecast of Vip Greenport exceeding its designed capacity from 2018, we are confident that VSC would be able repay its borrowings early and hence reduce financial expense pressure.

Table 05: VSC financials

	2016	2017	2018	2019	2020
Total borrowings	800	700	600	500	400
Interest cost	50	64	55	46	38

Source: RongViet Research estimated

Currently, VSC stake at Vip Greenport JSC is at 50.08%(down from 65%) after the JV made a share issue to Evergreen worth VND125 billion. We see the participation of the large international shipping line Evergreen strategic which not only help guarantee the source of cargo for Vip Greenport at initial stages but also show the trust on VSC's long-term upheld value in high services quality provided. To create earnings growth driver in the long-term, it is highly possible that VSC would increase its ownership at the new port by acquiring additional 23.5% stake held by VIPCO(VIP-HSX)- whose BOD would like to divest non-core business. If so, VSC would need to pay out at least VND135 billion (equivalent to 23.5% VIPCO stake at JV at par value). With a sound financial position and the annual operating cash flow (~VND300 billion), we believe VSC is financially capable of completing this deal in the future.

Valuation

We use a combined valuation method of DCF (FCFF) and relative valuation (P/E and EV/EBITDA) to determine VSC value. For relative method, we think the respective the EV/EBITDA of 7.8x and 12x for P/E are appropriate given VSC business scale and growth prospect.

Table 06: Relative valuation

Ticker	Name of company	Country	Market cap (mil USD)	EV/EBITDA trailing 12M	P/E trailing 12M
GMD VN Equity	GEMADEPT CORP	Vietnam	210	6.3	11.2
DVP VN Equity	DINH VU PORT	Vietnam	130	6.6	10.2
GTIC IN Equity	GATI LTD	India	157	10.7	25.3
RCL TB EQUITY	REGIONAL CONTAINER	Thailand	150	6.7	12.0
NYT TB Equity	NAMYONG TERMINAL	Thailand	244	9.1	19.0
TNL MK Equity	TIONG NAM LOGISTICS	Malaysia	140	9.5	7.0
PHP VN Equity	PORT OF HAI PHONG	Vietnam	331	7.1	19.0
Average				**8.0**	**14.8**

Table 07: Share valuation

Methods	Stock price	Proportion	Average
FCFF	90,385	30%	27,116
P/E	61,200	40%	24,495
EV/EBITDA	80,798	30%	24,239
Price per share			**76,000**

Source: RongViet Research estimated

Outlook and Valuation:

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Nevertheless, in mid and long-term horizon, VSC is expected to be among the most beneficiaries from the increasing trade and export-import cargo activities fostered by FTAs and TPP. In addition, we believe that VSC would soon increase its holding stake at Vip Greenport JV that would eventually inject growth to its bottom-line. Besides, more FDIs coming to Northern Vietnam provinces also lessens the reliance on traditional trade partner China and means healthier sources of cargos. With the above analyses, we recommend investors to **ACUMULATE** VSC share on **LONG-TERM** basis at target price of **VND76,000/share** (29% upside to VSC's closing price on Apr 14 2016).

VND Billion

INCOME STATEMENT	2014	2015	2016F	2017F
Revenue	891	928	1,205	1,383
COGS	579	557	789	892
Gross profit	**312**	**371**	**417**	**491**
Selling Expense	3	8	11	12
G&A Expense	45	41	54	62
Finance Income	16	14	15	15
Finance Expense	-8	2	50	64
Other profits	1	2	1	2
PBT	**302**	**346**	**330**	**382**
Prov. of Tax	54	69	56	53
Minority's Interest	0	-3	18	27
PAT to Equity Shareholder	**248**	**279**	**256**	**302**
EBIT	**303**	**347**	**380**	**446**
EBITDA	373	418	494	604

FINANCIAL RATIO	2014	2015	2016F	2017F
Growth				
Revenue	13%	4%	30%	15%
Operating Income	-2%	22%	9%	19%
EBITDA	1%	12%	18%	22%
EBIT	-1%	15%	10%	17%
PAT	3%	13%	-8%	18%
Total Assets	32%	49%	23%	-2%
Equity	38%	18%	13%	2%
Internal growth rate	24%	15%	9%	11%
Profitability				
Gross profit/Revenue	35%	40%	35%	36%
Operating profit/ Revenue	30%	35%	29%	30%
EBITDA/ Revenue	42%	45%	41%	44%
EBITDA/ Revenue	34%	37%	32%	32%
Net margin	28%	30%	21%	22%
ROAA	19%	15%	10%	11%
ROIC or RONA	29%	23%	18%	20%
ROAE	24%	21%	17%	18%
Efficiency				
Receivable Turnover	647%	751%	1129%	1069%
Inventory Turnover	6562%	6443%	7240%	7076%
Payable Turnover	229%	176%	234%	285%
Liquidity				
Current	178%	156%	197%	183%
Quick	175%	154%	194%	180%
Solvency				
Total Debt/Equity	23%	55%	68%	62%
Current Debt/Equity	0%	0%	6%	6%
Long-term Debt/ Equity	1%	29%	43%	36%

VND Billion

BALANCE SHEET	2014	2015	2016F	2017F
Cash and equivalents	216	332	496	428
Short-term investment	52	79	94	113
Receivables	154	93	121	138
Inventories	7	10	12	13
Other current assets	51	72	76	79
Total Current Asset	**480**	**586**	**798**	**772**
Tangible Fixed Assets	405	945	1,360	1,340
Intangible Fixed Assets	11	14	14	13
Construction in Progress	6	83	0	0
Investment Property	0	0	0	0
Long-term Investment	100	109	109	109
Other long-term assets	493	488	446	435
Long-term Asset	**1,015**	**1,638**	**1,928**	**1,897**
Total Asset	**1,495**	**2,224**	**2,727**	**2,670**
Payables	90	205	118	107
Other current liabilities	176	163	187	214
Current Debt	4	7	100	100
Long-term Debt	9	418	700	600
Other long-term liabilities	0	0	1	0
Total Liability	**279**	**793**	**1,106**	**1,022**
Owner's Equity	**1,216**	**1,431**	**1,621**	**1,648**
Capital	345	414	414	414
Retained Earnings	251	275	242	314
Funds & Reverses	593	706	929	883
Others	**0**	**0**	**0**	**0**
Total Equity	**1,216**	**1,431**	**1,621**	**1,648**
Minority's Interest	0	0	0	0
TOTAL RESOURCES	**1,495**	**2,224**	**2,727**	**2,670**

CASH FLOW STATEMENT	2014	2015	2016F	2017F
Profit before tax	304	302	330	382
-Depreciation	0	70	-113	-158
-Adjustments	*0*	*-36*	*-76*	*-61*
+/- Working capital	-137	-375	-448	-374
Net Operating CFs	**167**	**-39**	**-307**	**-212**
+/- Fixed Asset	-172	-34	-212	184
+/- Deposit, equity investment	261	28	55	24
Interest, dividend, cash profit	27	24	56	56
Net Investing CFs	**116**	**-4**	**-101**	**264**
+/- Capital	0	23	0	0
+/- Debt	-32	4	425	-50
Dividend paid & other	-90	-49	147	-71
Net Financing CFs	**-121**	**-22**	**572**	**-121**
+/- cash & equivalents	162	-66	164	-68
Beginning cash & equivalents	**47**	**282**	**332**	**496**
Impact of exchange rate	0	0	0	0
Ending cash & equivalents	**282**	**216**	**496**	**428**

Company Report

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective which is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings / Return Potential	BUY	ACCUMULATE	NEUTRAL	REDUCE	SELL
Intermediate- term (up to 6 months)	>20%	10% to 20%	-5% to10%	-15% to- 5%	<-15%
Long-term (over 6 months)	>30%	15% to 30%	-10% to 15%	-15% to -10%	<-15%

ABOUT US

RongViet Securities Corporation (RongViet) was established in 2007, licensed to perform the complete range of securities services including: brokerage, financial investment, underwriting, financial and investment advisory and securities depository. RongViet now has an operating network that spreads across the country. Our major shareholders, also our strategic partners, are reputable institutions, i.eEximbank, Viet Dragon Fund Management, etc... Along with a team of the professional and dynamic staffs, RongViet has the man power as well as the financial capacity to bring our clients the most suitable and efficient products and services. Especially, RongViet was one of the very first securities firms to pay the adequate attention to the development of a team of analysts and the provision of useful research report to investors.

The **Analysis and Investment Advisory Department** of RongViet Securities provides research reports on the macro-economy, securities market and investment strategy along with industry and company reports and daily and weekly market reviews

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