Saigon General Service Corporation (HSX- SVC)

Firing up the engine

- **Automotive retail: all hands on deck**
- **Real estate segment: Positive contribution if restructuring process suceeds**
- **Positive earning result thanks to concentration on core business**

Outlook:

In contrast to lagging parts like taxi and real estate, auto retail is a bright spot in SVC's operating picture. Of the Company's many strengthes, a decent annual growth rate in auto distribution and a widespread and standardized showroom system are factors that guarantee SVC positive mid and long-term growth. As a matter of fact, cash flows from operation have improved remarkably in recent periods.

To consolidate the bases for future growth, SVC has been actively divesting from the real estate and motorbike retail businesses in order to refocus of its core businesses. However, the firm's substantial landbank has been the main reason for the slow and somewhat unfruitful restructuring process. We believe SVC can upgrade its current financial status if the company manages to push the liquidation of certain real estate projects for positive cash inflows.

Combining different valuation methods with careful examination of industry risk, we believe the reasonable price for SVC's stock is **VND24,100/share**, **19,3%** higher than the closing price on 20/07/2015 and thus recommend **ACCUMULATE** this stock in the **INTERMEDIATE TERM.**

Key financials

EoY (VND bn)	FY2012	FY2013	FY2014F	FY2015F
Net Revenue	5,414.1	6,582.4	7,940.0	9,276.8
% chg	-12.0%	21.6%	20.6%	16.8%
NPAT	44.8	41.2	52.2	63.3
% chg	0.5%	-8.2%	26.8%	21.2%
EBIT margin (%)	0.8%	0.6%	0.7%	0.7%
ROA (%)	1.6%	1.5%	1.9%	2.3%
ROE (%)	6.1%	5.6%	7.0%	8.2%
EPS (VND)	1,796	1,648	2,091	2,532
Adjusted EPS (VND)	1,794	1,647	2,089	2,532
Book value (VND)	29,327	29,670	30,165	31,484
Cash dividend (VND)		1,000		1,200
P/E (x)	7.0	9.1	9.3	8.2*
P/BV (x)	0.4	0.5	0.6	0.7*

*Source: SVC, RongViet Securities, * Market price@ 20/07/2015*

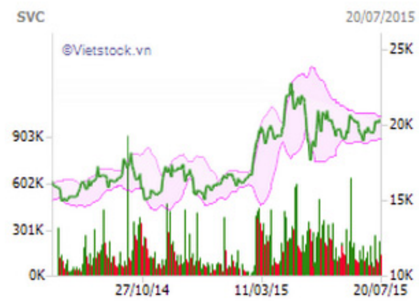
ACCUMULATE

Market price (VND)	20,200
Target price (VND)	24,100
Investment period	INTERMEDIATE TERM

Stock Info

Sector	Retail
Market Cap (VND bn)	504
Current Shares O/S	24,975,507
Beta	0.7
Free float (%)	12.3
52 weeks High*	22,800
52 weeks Low*	13,900
Avg. Daily Volume (20 sessions)	120,055

**Adjuted price*



Price peformance (%)

	3M	1Y	3Y
Retail	-14,6	-35	-27
VNIndex	11	6	51
VN30	9	2	32
SVC	-7	25	96

Major Shareholders (%)*

Ben Thanh Group	40.8
Jom Silkkities Invesment Fund	9.8
SSIVF	4.95
SSI Asset Management Limited Company	4.9
VOF Invesment Limited	4.01
Foreigner investor room (%)	21.5

** As of 20/07/2015*

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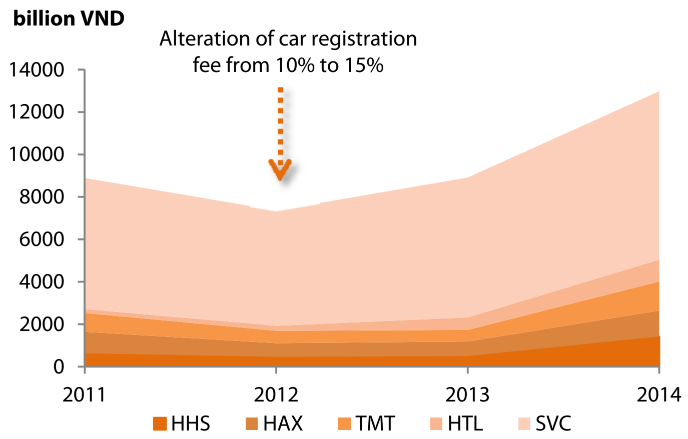
Established in 1982 and equitized in 2005, SAVICO Corporation (HOSE: SVC) has eperiemented many fields operations before streamlining its activities to focus on 3 main areas: financial investment, real estate, commerce and retails. Such inefficient activities as financial investments, taxi, motorcycle retail and real estate services have limited revenue contribution. SVC is best known for its auto retail business and the firm's large land bank. In 2015, we have positive outlook with regard to the firm's earnings considering (1) the bright prospect from the automotive retail market, (2) SVC's solid experience and long-term, market orientation in this business and (3) the ability to enhance financial strength with cash flows from the disposal of some real estate projects.

Automotive retail: All hands on deck

Vietnam automotive industry is fast on the rise

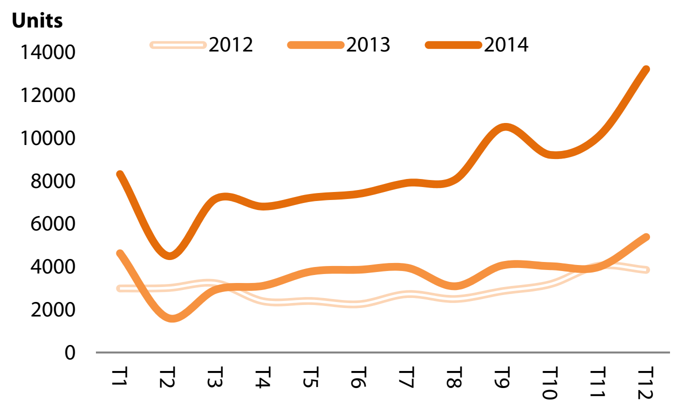
The automobile industry recorded impressive growth for the past few years, averging over 30% from 2013 to 2014. In the short term, thanks to high growth potential of the market and the issuance of favourable policies, the automotive industry outlook is forecasted to move on in an uptrend. The total number of passenger cars per person in Vietnam is only 33/1000, against 325/1000 in Malaysia, 67/1000 Thailand and 117/1000 in Singapore (Indexmundi). Despite, a yearly growth rate 20%-40%, the absolute number of commercial and passenger vehicles sold each year is just about 200,000 units, which is dwarfed by Vietnam's entire population of nearly 90 million people. On the other hand, the automotive industry was also supported by various government policies such as (1) the tightening control of truckload (2) the reduction of car registration fee from 15% to 10% and (3) the decrease in import tariff as a result of the ASEAN Trade in Good Agreement (ATIGA). Those policies boosted car demand dramatically in 2014 and guarantes healthy demand growth in the short term. We expect certain policies such as truckload controls policy and the reduction of import tariff to have a more apparent effect in car demand in 2015.

Exhibit : Correlation between alteration of car registration fee and revenue of aumotobile retail companies



Source: RongViet Research

Exhibit: Sale volume of passenger car from 2012-2014



Source: VAMA, RongViet Research

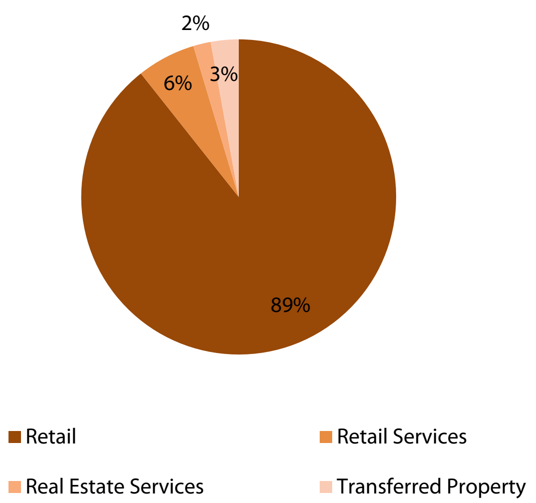
The automobile sector is subject to changes in market-control policies that may have huge impacts on the industry's growth rate. In 2012, for example, the revenue of many retailers took a hard hard hit for the adjustment of the registration fee (Figure 1). Thus, despite the sector's potential, we still use BMI's rather conservative forecast for 2015 industry-wide sales growth of 15% (lower than actual growth rate of 40% in 2014). In term of product structure, BMI forecasts the sales passenger SUVs will experience optimistic growth of 15% yoy but truck sales will grow faster at 22% yoy with tightened truckload control regulations.

Inner strength of automotive retail segment is reinforced through distribution system and distrbituted brand

Over 80% of SVC's revenue comes from passenger car sales. As the result, the firm's revenue growth was in line with that of its passenger car retail sales at 20% between 2013 and 2014. SVC is currently distributing products of Ford, Toyota, GM… some of the most popular brands of imported cars in Vietnam according to VAMA. In 2014, car sales increased 15%-70% yoy depending on the brands. Growing at a CAGR of 20%, Toyota vehicles accounted for 60% of the sold units. Ford came up second at 23% of total unit sales and recorded a growth rate of 73% in 2014.

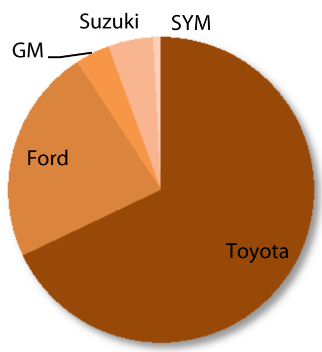
As a distributor for both Toyota and Ford, SVC has quite a competitive edge. Of 40 Toyota showrooms in Vietnam (for both new and used cars) 8 belong to SVC; the Company also runs 8 out of 26 Ford showrooms across the country. As compared to other Toyota dealers in as SAMCO, Imperial Group, IDMC and HT, SVC has the largest number of showrooms, which makes it the biggest Vietnamese agent of the world-renowned automobile brand. Generally, Toyota and Ford showrooms are scattered so systematically that there is one store in each district, which aims to mitigate direct competition between dealers. However, this also put SVC in a position unlikely threatened by other competitors.

Exhibit: Revenue structure of SVC in 2014



Source: RongViet Research

Exhibit: Distribution system of passenger car



Source: RongViet Research

Not only does it sell branded cars, SVC also has a widespread distribution system. These advantages combined brought SVC a share of 10.3% of Vietnam's automobile retail market (VAMA). SVC presently owns and operated about 23 showrooms across the country (See Apendix 1). According to our survey, among other car retailers such as Thaco Truong Hai, Misubishi, and Honda, SVC holds a significantly lower number of showrooms. Furthermore, the majority of SVC's showrooms are up to 2 or 3S standard, providing after-sale services such as mantenance, repair and part sales and replacement. Given its gross profit margin of roughly 30% after-sale services is a lucrative segment. However, its contribution in the revenue of SVC is now only 6%.

Table 1: Number of passenger car showrooms of some distributed car retailers

No	Company	Total passenger car showrooms	Distributed brands
01	Thaco Truong Hai	15 showrooms	Kia, Mazda, Peugeot…
02	Mitsubishi	19 showrooms	Mitsubishi
03	Hàng Xanh	04 showrooms	Mercedes
04	Honda	13 showrooms	Honda
05	Hyundai Thanh Cong	27 showrooms	Hyundai
06	Toyota	32 showrooms *	Toyota
07	Ford	18 showrooms *	Ford
08	**SVC**	**25 showrooms**	**Toyota, Ford, GM, Suzuki…**

**Excluding SVC's showrooms*

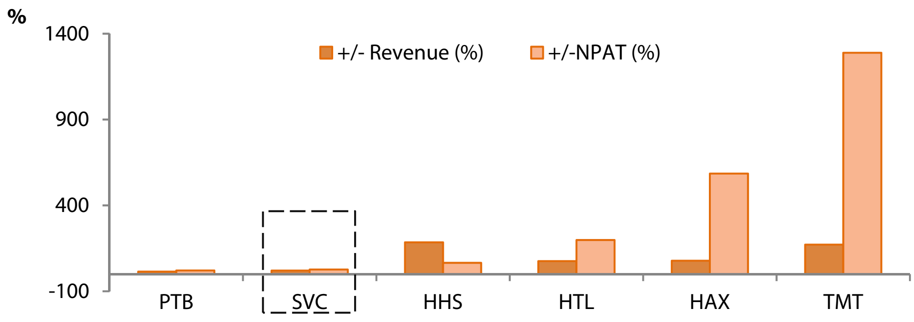
Source: VAMA, RongViet Research

SVC is consolidating competitive advantages in both dimensions

On the basis of its current competitive advantages, SVC sets out to develop its automotive retail business in 2015 with two new strategies (1) expansion of its distribution system and (2) investment in the commercial vehicle retail segment (i.e. truck, buses…). We estimate these strategies would not only increase SVC's market shares but also reinforce its market power as a automobile retailer.

It is noticeable that commercial vehicle distributors like HHS, TMT and HTL all achieved better revenue and NPAT 2014 growth rates than SVC, who mainly distributed passenger cars. In its latest report on the automobile retail industry, BMI forecasted the market commercial vehicles will grow at 22% yoy in 2015, faster than the market for passenger cars at 15% yoy. With the current market trend, SVC plans to increase its market presence by distributing medium-sized and heavy trucks. In or opinion, SVC will face fewer competitors in these two segments than in the light trucks market (see the below table). However, since this has been no more than a proposal of SVC's BOD, we did not include it in our valuation model.

Exhibit: Revenue and NPAT growth rate of some distributed car retailers



Source: SVC, RongViet Research

Table 2: Strongest distributed commercial segment of some companies

	Thaco Trường Hải	TMT	HHS	HTL	ISuzu	VEAM	Vinamotor	Suzuki
Light duty trucks (500kg-1.5T)	X					X	X	X
Medium duty trucks (1.5T-8T)		X		X				
Heavy duty trucks (>8T)			X		X			
Sale volume unit (2014)	42,238	2914	1,400	870	4,738	2,409	2,674	4,348

Source: VAMA, Thaco Truong Hai, HHS, HTL, RongViet Research

Regarding the upgrade of its distribution system, SVC plans to increase the number of showrooms across the nation; from 23 to 35-40 showrooms. From what we understand, upgrading a showroom costs VND5-7 billion whereas the construction a new one requires a total outlay of approximately VND40-50 billions. The implementation of strategy will be financed partly by the sales real estate projects and the firm's financial services (in 2014, the total real estate sale proceeds equaled VND200 billion). The Company has repeatly emphasized its ambition of higher revenue growth through the opening of new showrooms in towns surrounding HCMC in the near future. According to our survey, car dealers in smaller towns and provinces can make better profits than their big-city counterparts thanks to the lower concentration of showrooms and competition.

Starting 2015, SVC's growth will depend mainly on the automotive segment in which SVC will collaborate with other companies in joint ventures or set up subsidiaries. As metioned above, we are positive regarding the intermediate outlook of this particular segment. However, investors should note that as SVC would hold from 30% to 70% (mostly about 51%) of these joint ventures and subsidiaries, the interest for its shareholders will be limited to these percentages.

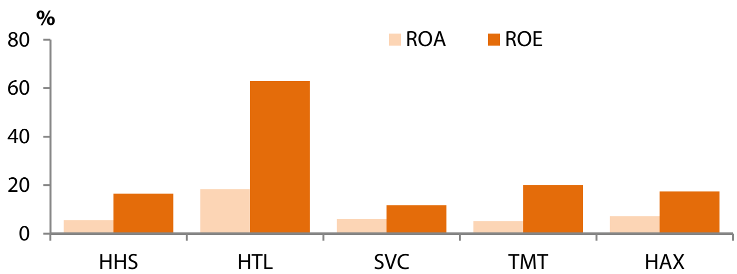
Real estate segment: Positive contribution if restruturing process succeeds

Real estate segement and its impact on core business

In contrast to the positive outlook of automotive retail segment, SVC's real estate business seemed pale after a series of unsucessful projects such as Mercure Son Tra, Savico Plaza Pho Quang, Ho Tung Mau, Boulevard 13, Ho Tram, Xuyen Moc, Can Gio... These projects faced either legal problems or financial of capital and thus have been delayed for years. According to the Company (Appendix 2), there are nearly 10 projects in its pipepline that are in progress. As of the end of 1Q2015, the book value of these projects is estimated around 400 VND billion.

Looking the firm's financials, we noticed SVC's ROA and ROE ratios are far lower than the multiples of other car retailers in **the same** and **different segments**. One of the reasons is likely to be the burden of high interest expense incurred during the delay of the Company's real estate projects. SVC interest expense was reported in Q1 at 1.25 times its EBIT (excluding minority interest). There are other explanations for such the differences as well: (1) in the market segment, HAX has a better financial ratios thanks to the impressive growth of Mercedes car sales (+63% y-o-y); SVC's flagship brand, i.e. Toyota, recorded only 22% y-o-y of sales growth; (2) since it has only 1 commercial vehicle showroom, SVC enjoyed modest benefit from the tightening of the truck load control policy.

Exhibit: Comparing ROA , ROE of some distributed car retailers in 2014



Source: RongViet Research

If the process of restructuring and liquidation of real estate investments is proved to be effective, an substantial additional capital for business operations shall be expected

SVC currently owns a long list of real estate projects (Appendix 2). Among them, we are particularly interested in 4 projects, all four of which (i.e. Nam Cam Le, Mercure Son Tra, Boulevard 13 and Savico Plaza Pho Quang) are either calling out for collaboration or being considered for divestment

Savico Plaza 104 Pho Quang

With the total land area of 9,000m^2, SAVICO PLAZA is the collaboration between SAVICO and VINALAND; the project serve two main functions, i.e. commercial department (2,500m^2 of GFA) and highrise condo (6,500m^2 of GFA). In January 2015, SVC opened the office area and a car showroom on the land on the former lot. For the remaining land, SVC has decided to collaborate with NOVALAND instead of selling its entire stakes in the projects. Under the partnership, SAVICO contributes the right to land (LUR) whereas NOVALAND will be the constructor. In 1Q2015, The Botanica, opened for sale at 104 Pho Quang Street at a price starting from 33.9 million per square meter or roughtly VND1.8 billion for one-bedroom apartment unit. We estimate that this collaboration could bought a significant nonrecurring profit.

Boulevard 13 Project, Thu Duc District

SVC's project on National Route 13 is located on a land area of 1.8 ha and the total invesment for the project estimated around VND200 billion. Due to its less favorable location as compared with other projects, the project's overall sales outlook may not be as good. In addtion, we see that the initial plan to build low-end apartment may be more or less unrealistic. Thus, in 1Q2015, SVC finally decided to withdraw from this project to concentrate resources on its core businesses. We believe that the liquidation of project on National Route 13 may not supplement SVC's profit by any means significant but it would certainly add to the Company's working capital, which may then be applied against the outstanding debts

Mercure Son Tra, Da Nang

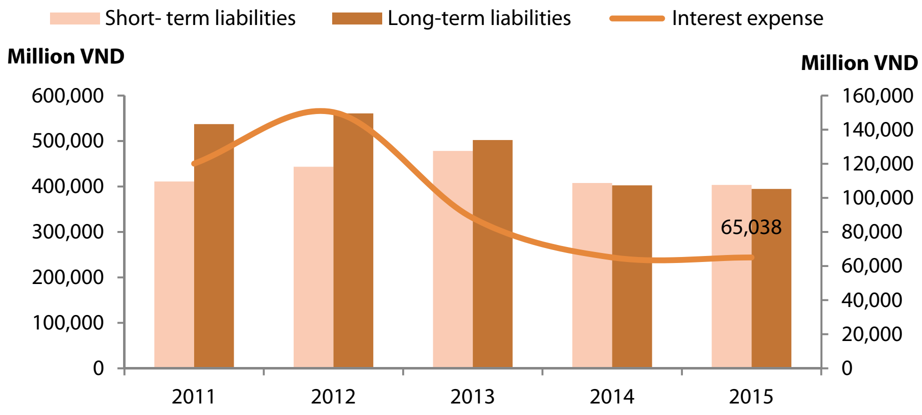
Mercure Son Tra (Da Nang city) has a total land area of 5.7 ha, planned with 22 villas and a 120-room, 4-star hotel. The estimated total invesment is about USD20 million. After a long construction period, the overall planning and infrastructures remain incomplete and more than 40% of the construction works are still in progress. SVC has finished all the villas; however, these villas have not been sold but instead are being leased at around VND150 million/month/unit. Due to the stretched construction time and lack of capital, SVC is currently looking to liquidate the entire project to an outside investor.

Dự án Nam Cẩm Lệ, Đà Nẵng

The Nam Cam Le project has a total land area of 21,000m^2, including a shopping mall, highrise condo, an auto showroom and 39 townhouses. By now, SVC have sold more than 60% of the townhouses for a price around VND5 million per square meter. The Comapny is looking for business partners to help with the development of the shopping mall.

Assuming SVC can withdraw from all these incomplete projects, given the projects' combined total book value VND429 billion, interest expense could be significantly reduced and SVC could also improve its depressed net profit margin (0.65%). Realizing the potentially positive impact of the divestment on its financial status, SVC has been pushing its restructuring progress to widraw from real estate business and focus on automotive retail and recorded consecutively lowered interest expense in the last two years.

Exhibit: Interest expense and liabilities of SVC in 2010-2014



Source: SVC, RongViet Research

Positive earning result in 2015 thanks to concentration on core business

On the basis of prudence, we believe SVC's passenger car sales and the Company's distribution of branded passenger cars (i.e. Toyota and Ford) could both reach a growth rate of 15% y-o-y this. For the entire automotive retail segment, we forecast a revenue growth rate about 20% y-o-y to more than VND8,400 billion. Meanwhile, the real estate, automotive service and taxi segments are forecasted to remain unchanged. However, considering a saturated market, the dismissal of two automobike agents and the limitation of wholesales since 2014, we forecast SVC's automobike revenue could decrease 20% y-o-y in 2015. In overall, total revenue and NPAT of SVC in 2015 are estimated about VND9,276 billion and VND69.8 billion respectivelyl; the corresponding 2015 EPS would be VND2,793.

Indicators (billion VND)	Q2-FY15E	Q1-FY15	*+/- qoq*	Q2-FY14	*+/- yoy*
Revenue	2,005.6	1,856.6	8%	1,795.2	12%
NPAT	13.8	10.4	30%	10.1	37%
EBIT	46.2	44.5	4%	46.7	-1%
EBIT margin	2.3%	2.4%	-9bps	2.6%	-30bps

Source: RongViet Research

Outlook and valuation

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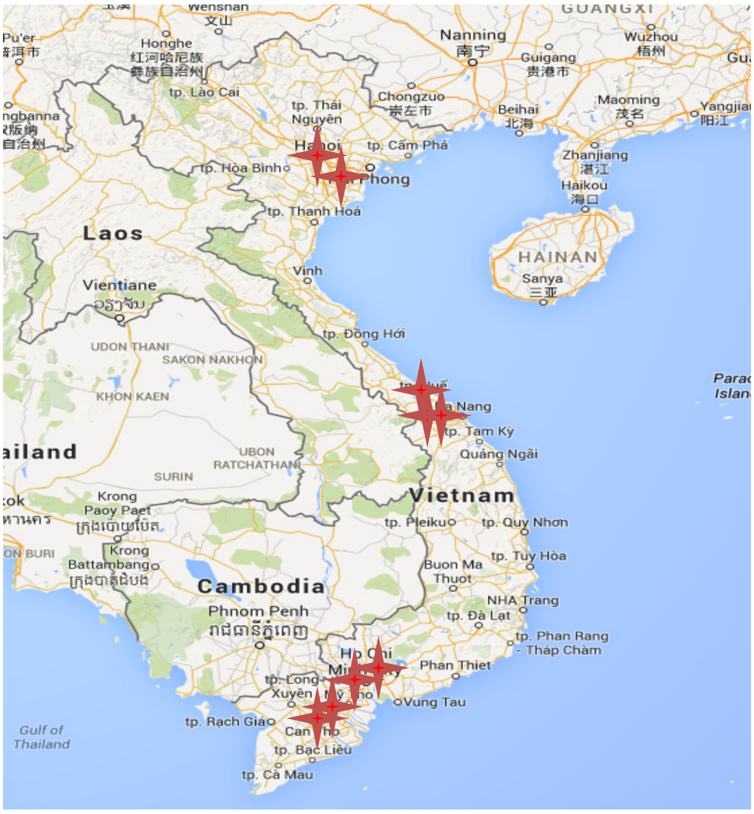
APPENDIX

Appendix 1: Distribution system passenger car of SVC in Vietnam



Source: SVC, Rong Viet Research

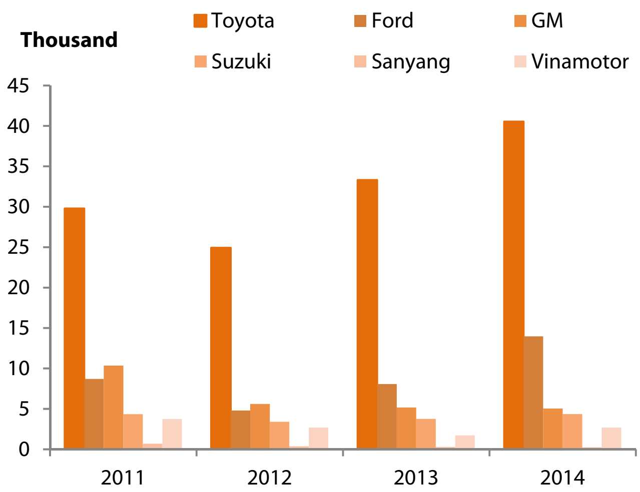
Appendix 2:

Table 3: SVC Real estate projects

Projects	Name	Address	Ownership	Area	Project's stage and oriented for 2015
Complex building	SAVICO PLAZA	115-117 Ho Tung Mau Str., District1, HCM	25%	3,023m2	25% is being transferred to Vinaland
	SAVICO PLAZA*	104 Pho Quang Str., Tan Binh Disitrict, HCM	100%	9,028.3 m2	Cooperating with Novaland General planning license pending
	Nam Cam Le	Pham Hung Boulevard, Da Nang	100%	21,822 m2	Completed preliminary infrastruture 60% of the townhouses have been sold Looking for business partner
	SAVICO Da nang	Da Nang	100%	4,739 m2	Operating since 2007
	SAVICO Can Tho	Can Tho	100%	2,500m2	Operating since 2007
	SAVICO MEGAMALL	Nguyen Van Ling Str., Ha Noi	100%		Operating at total capacity over 90%
Office Building	Building 91 Pasteur	91 Pasteur District 1, TPHCM	51%	1,604m2	Operating with full capacity since 2010
	Office Building 277-279 Ly Tu Trong	277-279 Ly Tu Trong, District 1		476m2	Completed the design and offcial document for 2nd stage
	Building 95B-97-99 Tran Hung Dao	95B-97-99 Tran Hung Dao Str., District 1, HCM city	100%	143m2	Rented by Canon Corporation
	Building 35 Dong Khoi	35 Dong Khoi Str., District 1, HCM city	100%	460m2	Rented by Rado
	Buiding 555 Tran Hung Dao	555 Tran Hung Dao Str., District 1, HCm city	100%	914m2	Operateng
	Office building 66-68 Nam Ki Khoi Nghia	66-68 Nam Ki Khoi Nghia, District 1, Ho Chi Minh City	100%	582 m2	Finished financial responsibilities and currently looking for business partner
House- Apartment	Highrise condo Hiep Binh Phuoc	Thu Duc District, HCM city	100%	55,340m2	Apartments transferred to DXG 8 units have been sold
	Highrise condos QL13 , Thu Duc	Highway 13, Hiep Binh Phuoc Ward, Thu Duc District, HCM city	100%	18,247m2	In the progress of transferring land use right Looking for business partner
	Ho Tram- Xuyen Moc project	Phuoc Thuan Ward, Xuan Moc District, Vung Tau	100%	96,300 m2	Collaborating with local government for land clearance compensation
	Villas Long Hoa –Can Gio	Can Gio	50%		Land use tax paid
	9-15 Le Minh Xuan	Le Minh Xuan	Collaborate with Titco& Khahomex		
	Cn 4-3 Nam Sai Gon	Nam Sai Gon	N/A		Transferred to business partner with revenue and profit equal to VND 76.4 bn and 21.4bn
	Binh An	Binh An Ward, District 2 , HCM city	SVC- nhà Thủ Đức		N/A
Hotel-Resort	Resort Mercure Son Tra	Son Tra peninsula, Da Nang	100%	57,650 m2	Completed model villas Looking for partners
	Sandy Beach	Da Nang			Operating
	Tropicana Beach Resort	Ba Ria, Vung Tau		25,000m2	Operating
Wedding Center	Melisa wedding center	1014B Thoai Ngoc Hau str., Tan Phu Distr.	30%	13,000m2	Operating since October 2014
Others	Hyundai Gia Lai	278 Le Duan Str., Pleiku city	N/A		Operating since March 2015

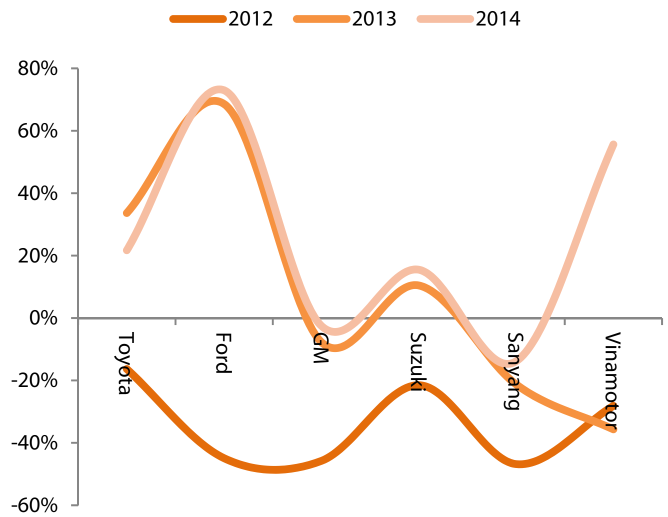
Appendix 3:

Exhibit: Numeber of car sold by distributed brands



Source: VAMA, RongViet Research

Exhibit: Growth rate of passenger car by distributed brands



Source: VAMA, Rong Viet Resarch

Unit: billion VND

INCOME STATEMENT	FY2012	FY2013	FY2014	FY2015F
Revenue	5,414.1	6,582.4	7,940.0	9,276.8
COGS	5,029.5	6,186.7	7,432.5	8,705.4
Gross profit	**384.6**	**395.7**	**507.5**	**571.4**
Selling Expense	171.7	169.5	186.8	218.0
G&A Expense	150.0	147.3	165.8	182.8
Finance Income	28.0	44.5	11.4	10.7
Finance Expense	183.1	84.8	67.4	70.6
Other profits	147.6	42.2	20.5	26.4
PBT	**61.5**	**84.7**	**118.8**	**146.4**
Prov. of Tax	14.7	23.6	32.1	32.2
Minority's Interest	1.9	19.9	34.5	45.4
NPAT	**44.8**	**41.2**	**52.2**	**63.3**
EBIT	**211.7**	**172.9**	**183.8**	**213.5**
EBITDA	373.3	301.9	285.1	305.7

Unit:%

FINANCIAL RATIO	FY2012	FY2013	FY2014	FY2015F
Growth				
Revenue	-12.0	21.6	20.6	16.8
Operating Income	-46.4	25.6	96.4	10.1
EBITDA	-14.5	-19.1	-5.6	7.2
EBIT	-11.0	-18.4	6.3	16.2
PAT	0.5	-8.2	26.8	21.2
Total Assets	-0.4	4.6	-6.8	7.7
Equity	-1.1	1.2	1.7	4.4
Internal growth rate	1.0	2.2	3.0	4.3
Profitability				
Gross profit/Revenue	7.1	6.0	6.4	6.2
Operating profit/ Revenue	1.2	1.2	2.0	1.8
EBITDA/ Revenue	6.9	4.6	3.6	3.3
EBITDA/ Revenue	3.9	2.6	2.3	2.3
Net margin	0.8	0.6	0.7	0.7
ROAA	1.6	1.5	1.9	2.3
ROIC or RONA	11.7	9.3	10.3	12.7
ROAE	6.1	5.6	7.0	8.2
Efficiency (x)				
Receivable Turnover	23.7	23.9	27.5	34.8
Inventory Turnover	17.7	21.4	22.8	24.0
Payable Turnover	10.5	13.5	14.3	13.8
Liquidity (x)				
Current	0.8	1.0	0.8	0.8
Quick	0.5	0.6	0.5	0.5
Solvency				
Total Debt/Equity	240.8	238.7	227.8	234.7
Current Debt/Equity	60.5	64.5	54.1	58.9
Long-term Debt/ Equity	76.5	67.7	53.4	50.1

Unit: billion VND

BALANCE SHEET	FY2012	FY2013	FY2014	FY2015F
Cash and equivalents	222	187	186	190
Short-term investment	13	43	48	48
Receivables	230	322	255	278
Inventories	251	327	325	400
Other current assets	32	25	29	32
Total Current Asset	**747**	**904**	**842**	**948**
Tangible Fixed Assets	137	120	182	216
Intangible Fixed Assets	46	44	51	55
Construction in Progress	493	617	455	455
Investment Property	790	766	748	763
Long-term Invest ment	393	274	300	331
Other long-term assets	109	88	69	82
Goodwill	0	26	0	0
Long-term Asset	**1,967**	**1,935**	**1,806**	**1,902**
Total Asset	**2,715**	**2,839**	**2,648**	**2,851**
Payables	248	221	328	383
Other current liabilities	221	230	260	295
Current Debt	443	478	408	464
Long-term Debt	561	502	403	395
Other long-term liabilities	293	339	320	310
Total Liability	**1,765**	**1,770**	**1,718**	**1,847**
Owner's Equity	**733**	**742**	**754**	**787**
Capital	250	250	250	250
Retained Earnings	125	133	142	173
Funds & Reverses	37	38	41	42
Others	**0**	**0**	**0**	**0**
Total Equity	**733**	**742**	**754**	**787**
Minority's Interest	169	176	217	217
TOTAL RESOURCES	**2,668**	**2,688**	**2,688**	**2,851**

CASHFLOWSTATEMENT	FY2012	FY2013	FY2014	FY2015F
Pretax Income	61.5	84.7	118.6	146.4
-Depreciation	47.1	46.7	46.3	92.2
-Adjustments	*134.7*	*60.7*	*49.4*	*47.5*
+/- Working capital	-190.7	-85.2	117.3	-42.2
Net Operating CF	**52.7**	**106.9**	**331.7**	**243.9**
+/- Fixed Asset	-146.6	-110.2	-107.0	-144.1
+/- Deposit, equity investment	163.7	13.1	-44.2	163.0
Interest, cash dividend, shared profits received	14.8	8.8	5.4	5.9
Net Investing CF	**26.0**	**-82.3**	**-145.7**	**24.8**
+/- Capital	23.4	3.2	29.1	0.0
+/- Debt	56.1	-23.7	-170.3	46.2
Dividend paid + Other exp. from retained profits	-37.5	-35.4	-44.9	-310.9
Net Financing CF	**42.0**	**-55.9**	**-186.1**	**-264.6**
+/- cash & equivalents	120.7	-31.3	-0.1	4.1
Beginning cash & equivalents	**112.2**	**222.1**	**187.2**	**185.8**
Impact of exchange rate	0.0	0.0	0.0	0.0
Ending cash & equivalents	**222.1**	**187.2**	**179.9**	**190.0**

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%

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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, Satra, 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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