NAM KIM STEEL JSC (NKG - HSX)

CAPITAL RAVELS TO BE UNTANGLED

Particulars (VND bn)	2QFY15	1QFY15	*+/- qoq*	2QFY14	*+/-yoy*
Net Revenues	1,426.0	1,321.3	8%	1,381.3	3%
PAT	37.3	45.3	-18%	22.7	65%
EBIT	62.8	83.0	-24%	46.9	34%
EBIT margin (%)	4.4%	6.3%	-188bps	3.4%	101bps

Source: NKG and RongViet Securities

- **9M2015 performance and Q4/2015 potential**
- **Keeping the second highest share in the coated steel market**
- **Problematic leverage and the new project's capital**
- **Risks on domestic oversupply, competition against Chinese imports and anti-dumping pressure**

Outlook and Valuation:

Nam Kim Steel JSC (HSX: NKG) manufactures and distributes coated steel sheets in coil, steel pipes and other cold rolled products. NKG, whose sales volume ranked the second in market share, has certain advantages on expanding their markets. Focusing on completing its production line benefits its COGS and product prices, thus enables NKG to stay competitive. However, there is an ongoing concern on the fierce competition and NKG's financial ability for Nam Kim 3 plant.

*NKG's potential is weighted by assessing its prominent strength and weakness, which are its capability of boosting sales and the risky financial situation. These two particulars have direct correlation, as higher sales helps with debt payments and new loans. At the end of Q3/2015, NKG's D/E ratio was 4.6 and could increase due to its new investment. Hence, NKG is a share that is worth considering, yet needs thorough assessment before any investment decision. Under discounted cash flow and P/E valuation method, the fair price for NKG shares was estimated at VND 17,400, 13.7% higher than the closing price on November 5th 2015 Therefore, RongViet's recommendation is "**NEUTRAL**" in the **MEDIUM TERM** horizon.*

Key financials

Y/E Dec (VND bn)	FY2013	FY2014	Year to date	FY2015E	FY2016
Net Revenues	4,663.4	5,835.4	3,923.8	5,376.1	6,537.9
% chg	59.3%	25.1%	-10.4%	-7.9%	21.6%
PAT	51.8	76.5	103.0	137.1	159.2
% chg	-149.3%	47.5%	80.1%	79.3%	16.1%
EBIT margin (%)	1.1%	1.3%	2.6%	2.5%	2.4%
ROA (%)	2.3%	2.9%		4.2%	4.0%
ROE (%)	17.1%	18.3%		23.0%	17.4%
EPS (VND)	1,732	2,206		3,123	2,491*
Adjusted EPS (VND)	504	2,020		3,123	2,491
Book value (VND)	11,031	12,689		15,567	17,881
Cash dividend (VND)					
P/E adjusted (x)	4.7	5.6		5.1	6.4
P/BV (x)	0.7	1.0		1.0	0.9

Sources: NKG and RongViet Securities; Stock price as of November 5th, 2015

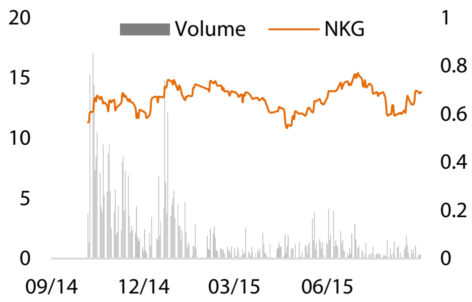
**EPS based on 63,889,920 outstanding shares.*

NEUTRAL

CMP (VND)	15,300
Target Price (VND)	17,400
Investment Period	**MEDIUM TERM**

Stock Info

Sector	Basic materials
Market Cap (VND bn)	586
Current Shares O/S	43.092
Beta	0.86
Free float (%)	30.8
52 weeks High	16,300
52 weeks Low	10,833
Avg. Daily Volume (in 20 sessions)	213,659



Source : RongViet Research

Performance (%)

	3T	1N	3N
NKG	6	17	53
Basic materials	1	24	-
VN30 Index	-2	-2	39
VN-Index	1	3	62

Major Shareholders (%)

P & Q Service & Transport Ltd	25.06
Ho Minh Quang	17.93
Foreigner Investor Room (%)	46.34

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Exhibit 1: 3QFY2015 and YTD Results

Particulars (VND bn)	Q3-FY15	Q2-FY15	+/- (qoq)	Q3-FY14	+/- (yoy)	Year to date	+/-(yoy)
Net Revenues	1,426.0	1,321.3	7.9%	1,381.3	3.2%	3,923.8	-10.4%
Gross profits	137.3	114.2	20.3%	7.6	1715.7%	321.1	91.1%
SG&AC	39.2	24.4	60.5%	30.1	30.4%	92.6	4.4%
Operating Income	43.5	49.7	-12.4%	20.9	108.4%	114.4	137.1%
EBITDA	148.1	135.3	9.5%	117.8	25.7%	347.6	21.8%
EBIT	62.8	83.0	-24.4%	46.9	34.0%	185.4	29.2%
Financial expenses	64.6	44.4	45.5%	27.0	139.1%	131.0	23.5%
- Interest Expenses	18.0	26.0	-30.6%	24.2	-25.5%	57.2	-33.8%
Dep. and amortization	-85.3	-52.2	63.4%	-71.0	20.3%	-162.2	14.3%
Non-recurring Items (*)							
Extraordinary Items (*)	1.3	7.4	-82.4%	1.8	-27.8%		
PBT	44.8	57.1	-21.5%	22.7	97.5%	128.3	124.2%
PAT	37.3	45.3	-17.5%	22.7	64.6%	103.0	80.1%
(*) Adjusted PAT	36.2	39.4	-8.0%	20.9	73.7%	103.0	

Source: NKG, RongViet Securities

Exhibit 2: 3QFY2015 performance analysis

Particulars	Q3-FY15	Q2-FY15	+/- (qoq)	Q3-FY14	+/- (yoy)
Profitability Ratios (%)					
Gross Margin	9.6%	8.6%	99bps	0.5%	908bps
EBITDA Margin	10.4%	10.2%	15bps	8.5%	186bps
EBIT Margin	4.4%	6.3%	-188bps	3.4%	101bps
Net Margin	2.6%	3.4%	-81bps	1.6%	98bps
Adjusted Net Margin	2.5%	3.0%	-44bps	1.5%	103bps
Turnover *(x)					
-Inventories	5.2	4.9	0.4	6.1	-0.9
-Receivables	11.3	11.0	0.3	11.5	-0.2
-Payables	4.8	4.5	0.3	5.2	-0.4
Leverage (%)					
Total Debt/ Equity	4.6	4.6	0.0	4.6	0.0

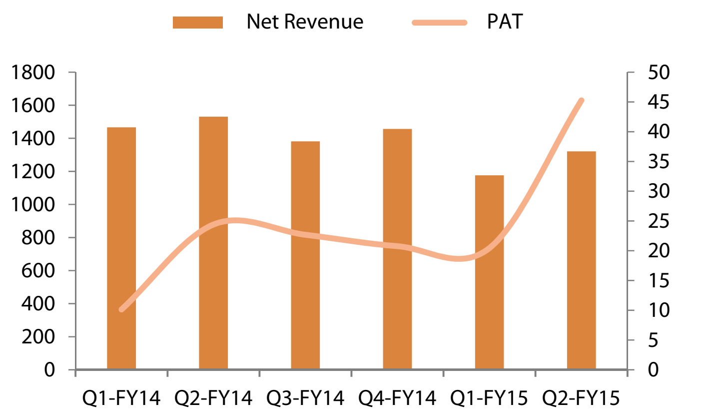
Source: NKG(*) Annualised turnover

3Q2015: gross margin improved owing to enhanced production process

NKG has had the most profitable three-quarter period since listed. Net revenue was around VND 3,924 billion, 10% decrease from the same period. However, 3Q PAT was at VND 103 billion, 80% higher than that of 2014.

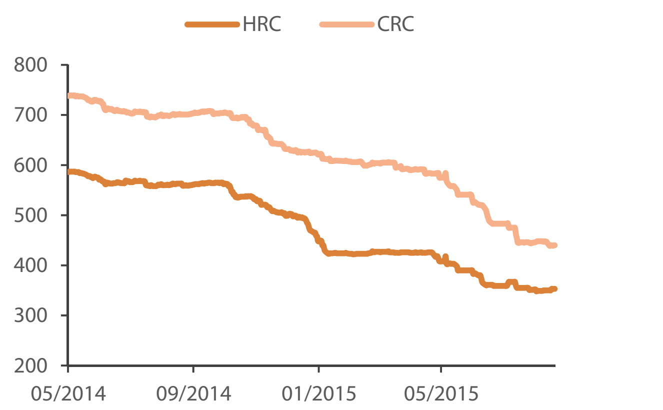
The decline in revenue was attributed to both external and internal movements. The average selling price for 9M2015 went down by 25% y.o.y, following the downward trend in both domestic and global markets for steel products since late 2014. However, NKG's sales volume rose by 11% y.o.y to 257,000 tons thanks to the two new production lines and NKG's sales boost. Thus, despite the decreased revenue, the growth in NKG's sales volume has been a bright signal for the business.

Figure 01: Net revenue and PAT



Source: NKG, RongViet Securities compiled

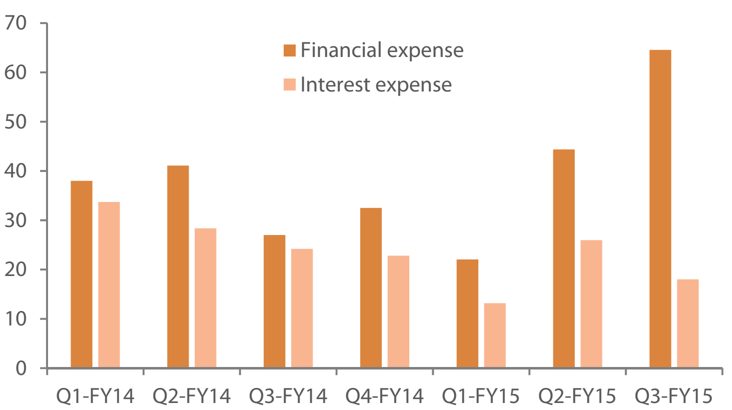
Figure 02: HRC and CRC prices (China)



Source: Bloomberg, RongViet Securities compiled

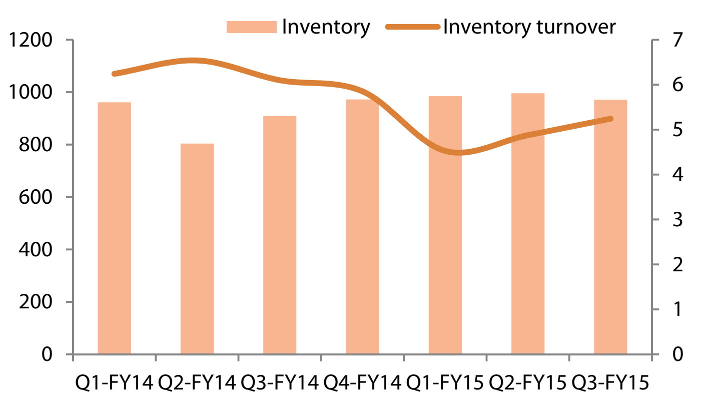
The improved gross profit margin contributed a major proportion to profit growth. NKG's gross profit for the first 9 months of 2015 was VND 323 billion, increasing by 37% y.o.y, mainly owing to the decrease in Cost of goods sold and the enhanced production process. The cost of Hot rolled coil (HRC) and Cold rolled coil (CRC) imports, which accounts for a large part of COGS, tumbled by an average of 30% y.o.y. However, selling price also went down by 25%, thus changes in HRC, CRC and sales prices altogether did not greatly affected the gross margin. It can be inferred that factors concerning prices would not influence the company's performance in the long term. Remarkably, the gross profit's improvement resulted from the enhancement in Nam Kim 2's production process. The new cold-rolling line (200,000 ton capacity p.a.) doubled the plant's cold-rolling capacity to 400,000 tons p.a., thus enables NKG to produce all CRC needed and to import only HRC. Meanwhile, HRC price is around 20% lower than CRC price, the upgraded production flows raised NKG's gross profit margin to 8.6% in Q2, comparing to 5.9% in Q1/2015. While the majority of coated steel sheet producers have low cold-rolling capacity, which means they have to import CRC, Nam Kim has owned the second completed production process in the industry, after Hoa Sen Group (HSG- HSX), distinguishing itself from other producers.

Figure 03: NKG's Finance expense and Interest expense



Source: NKG, RongViet Securities compiled

Figure 04: NKG's inventory and Inventory turnover



Source: NKG, RongViet Securities compiled

NKG's unusual profit partly resulted from lowered finance expense. Comparing to the 9M2014, 9M2015's finance expense decreased by VND 24 billion and interest expense also went down by VND 29 billion. Interest rate declined by 1-2% on average compared to last year. Even though NKG's debts have been mounting, the decrease in interest rate has relieved the interest burden on the NKG who has been using a high leverage.

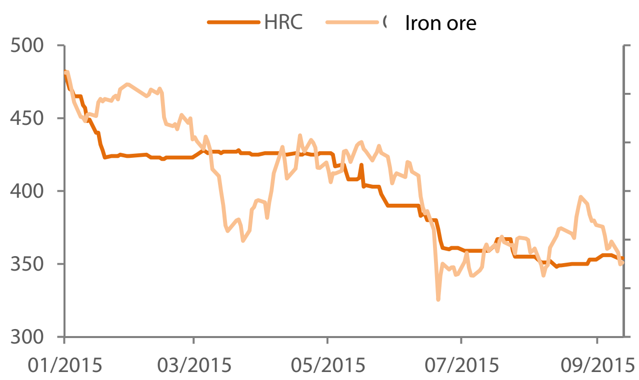
Besides the improvements in performance, NKG's inventory management, input and output control have displayed remarkable changes. Overseas orders, which account for almost half of NKG sales, are usually placed 2 months prior to delivery. Therefore, the current inventory turnover ratios around 4.5 and 6.5 appear to be appropriate, which shows that NKG stocks an inventory amount equal to 2 months of production and there could be no speculative activities.

Q4/2015 prospect: continuously raising gross margin and volume.

New production lines at Nam Kim 2 are likely to increase Q3 and Q4 output. Along with the new cold rolling line, a newly operated Al-Zn coating line added 150,000 tons p.a. to the company's total capacity, which is now 450,000 tons p.a. Q3's monthly production grew gradually and is predicted to stabilised for Q4 at 35,000 tons per month. In addition, both domestic and foreign demands are expected to remain high. The market for construction materials benefits from the re-growing real estates market and the construction season of the year (October to next year's May) is predicted to boost Q4 sales volume. Therefore, under a sensible assumption that NKG's sales volumes could grow parallel to production volumes, NKG's sales can reach 105,000 tons in Q4, equivalent to a 23% increase y.o.y. 2015's annual volume is estimated at 357,000 tons, 15% more than that of 2014.

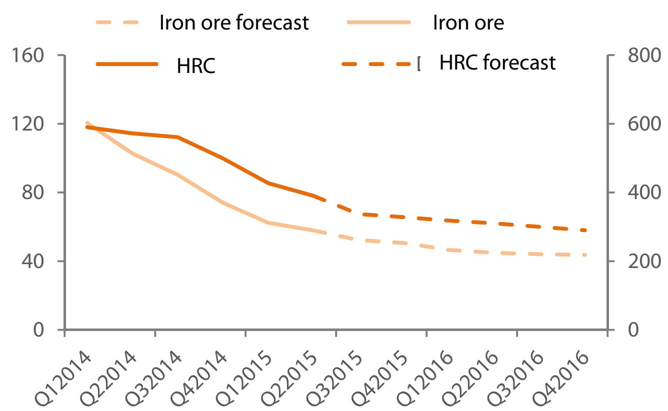
Raw material prices are unlikely to recover. Iron ore, which is the original material for steel products, was price at 60% lower than it was in 2014 due to China's demand plummet and the trend is predicted to continue in 2016. According to IMF's commodity forecast, iron ore price in Q4/2015 could go down to $50/MT and might bottom at $44/mt in Q4/2016. Since HRC and iron ore share a strong direct relationship and China has been cutting HRC price to boost imports, NKG might anticipate the continuing benefits from low COGS.

Figure 05: Iron ore and HRC price relationship



Source: Bloomberg, RongViet Research compiled

Figure 06: Iron ore and HRC price forecasts



Source: IMF, RongViet Research estimated

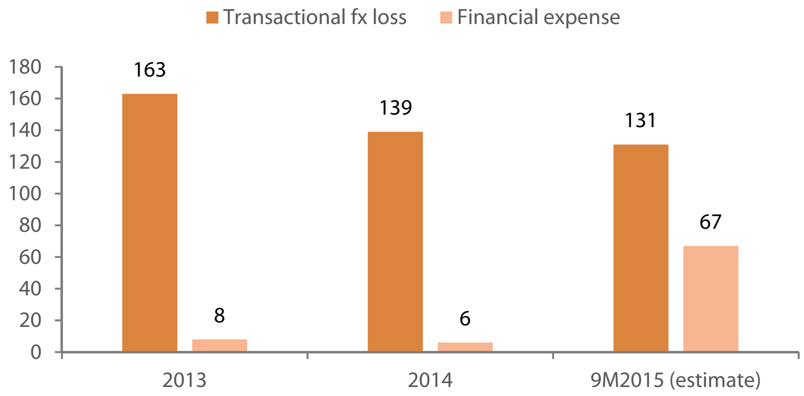
Sales prices could as well decrease in order for NKG to maintain its competitiveness. The price for the last 3 months of 2015 could be 11% lower than that of the first half of the year, making the annual average price 25% lower than that of 2014. Consequently, NKG's Q4/2015 revenue is expected VND1,449 billion, hence the annual sales estimate is VND 5,376 billion, 8% less than that of 2014.

Gross margin is going to be kept stable as the new cold-rolling line is running at capacity. When reaching full capacity of 400,000 tons p.a., NKG will import mainly HRC and only buy CRC when demand is unexpectedly high. The annual gross margin could be improved by 2 to 3% compared to 2014.

Q4 PAT could be around the same level as Q3's. VND's 3% devaluation during August has resulted in a considerable foreign exchange loss, yet Q3's PAT was higher than the average of Q1 and Q2. It is expected that the devaluation will be modest toward the end of the year, thus is not likely to affect Q4 PAT. However, NKG has an uneven interest payment schedule, which can result in higher interest expense for the last quarter. Generally speaking, our pessimistic scenario anticipates a VND 34 billion of Q4 PAT for NKG.

*2015 PAT is estimated at VND 137.*1 billion, 79% higher than that of 2014, equivalent to VND 3,123 EPS, within the company's target PAT of between VND 120-140 billion.

Figure 07: Transactional foreign exchange loss and Finance expense

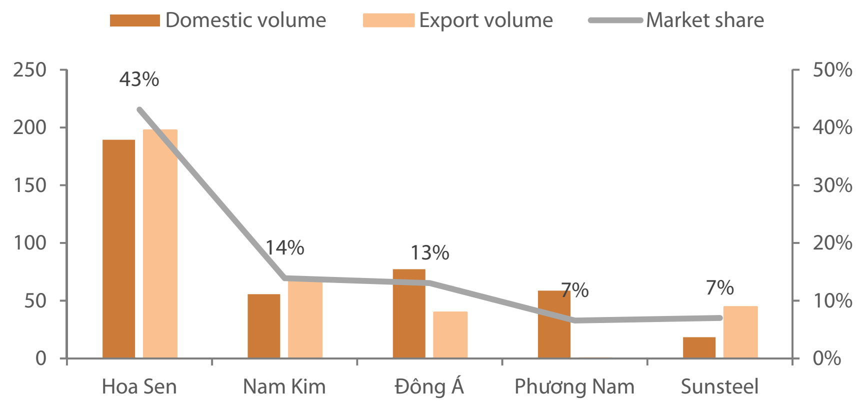


Source: NKG, RongViet Securities compiled

Remaining in the top 2 in the domestic competition

Nam Kim 2 production plant started its operation during the strong growing period of the coated steel sheet market, averaging 10% annual growth during 2012-2014. Thanks to the expansion, NKG gained the second highest position in market share, being a runner-up to HSG. Regarding the first 8 months of 2015, NKG' s market share reached 13.8%, equivalent to 174,000 tons. NKG also occupied 4.9% of market share in the steel pipe segment, equivalent to 44,500 tons, among the top 10 sellers.

Figure 08: Sales volumes and market shares of major coated steel sheet producers in 9M2015



Source: VSA, RongViet Research compiled

NKG is not only scaling up but also completing its production process in order to capture more added values and to gain price competitiveness. The second highest rank can be explained by the second most completed production process in the industry that NKG has owned, being second to HSG. Currently NKG is capable of producing 400,000 tons of CRC over 450,000 tons of products per year. Other competitors have not updated their production to NKG's level yet. For instance, Phuong Nam's new mill does not produce CRC and Dong A's new project completed in 2017 is going to produce only one quarter of CRC amount needed, which helps NKG to prevail.

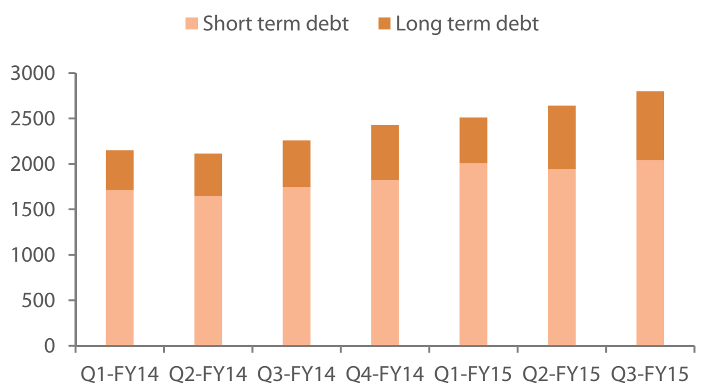
In addition, NKG's customers are mostly retailers to whom NKG has been a supplier for a long time, thus NKG's sales volume can expand as the retailers scale up. Dong A, for example, is raising their sales volume since their new lines operated and had the same market share as Nam Kim, yet the production process is less completed due to low cold-rolling capacity, meaning higher cost of sales. Hence, it can be said that Nam Kim would have to go a long way to challenge HSG, but already placed its position above other competitors.

In a longer term, NKG is expected to maintain its growth since 2012 when Nam Kim 2 mill went into production. NKG sales are going to climb up and its gross profit can subsequently increase as its capacity is expanding owing to Nam Kim 3. However, its financial expenses are likely to rise back due to a higher level of debt. In the following years when domestic sales levels out, NKG's investment in high quality machineries shows its intention to boost exports into developed countries. At the moment, besides selling to regional markets, NKG has started taking orders from Africa and America.

High financial leverage and new project's funding are raising concern

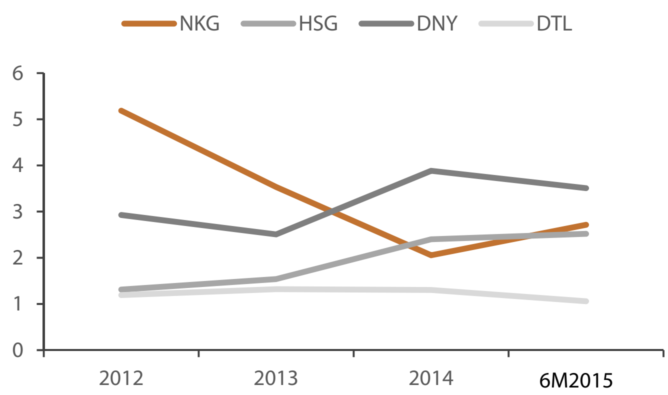
The risk of heavy gearing can be seen as NKG possesses a high D/E ratio, putting interest payment burden on profit. During the last phase of Nam Kim 2 in 2012, NKG's interest expense peaked at VND 160 billion. The figure even though decreased afterwards, still consumed more than 30% of pre-tax profit. In 2015, NKG's total debt went up again and continues to increase as NKG has been building the new plant Nam Kim 3.

Figure 09: NKG's debt structure



Source: NKG, RongViet Research compiled

Figure 10: D/E ratios of other companies of the same industry



Source: RongViet Research compiled

The PAT's interest rate sensitivity analysis below shows changes in PAT as interest rate and debt level changes. From 2014 to September 2015, NKG's short and long term debts have already increased by VND 628 billion. Its current long term interest rates are 5.5% for USD and 9.2% for VND borrowing. It is estimated that NKG would not incur a significant amount of debt in Q4 and the rates would remain stable, generating VND 137 billion PAT.

Table 1: PAT's interest rate sensitivity analysis

2015 PAT		Change in interest rate comparing to Q3/2015				
		-1,0%	-0,5%	+0%	+0,5%	+1,0%
Change in total debt comparing to 2014	+500	154.6	148.1	141.7	135.2	128.8
	+600	151.6	144.8	138.1	131.4	124.7
	+700	148.5	141.5	134.6	127.6	120.7
	+800	145.5	138.2	131.0	123.8	116.6
	+900	142.4	135.0	127.5	120.0	112.6

Source: RongViet Research compiled

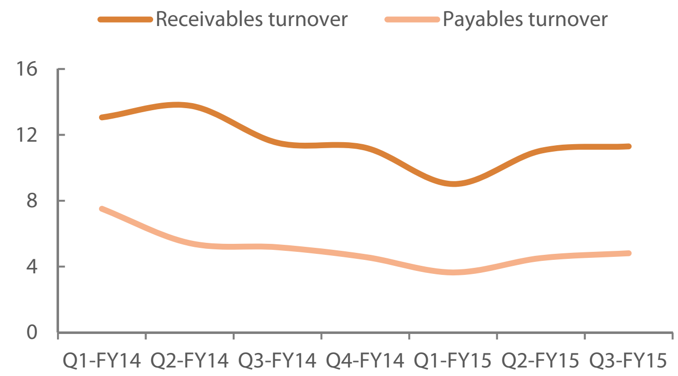
Nam Kim faces risks on raising funds for new project. Nam Kim 3 is a three-phase new production plant whose total value is approximately VND 2,330 billion. According to the company's update, the project is at its first phase and new machinery is being purchased and set up. The company plans to start running the first lines in September 2016 and the whole project is to complete in late 2017. The new mill is capable of manufacturing the existing product types with higher quality with the aim of exporting to Europe and America.

NKG's 2015 shareholder meeting has passed the resolution that allows the Company to issue 20 million shares to a strategic partner at no lower than VND 15,000 per share to invest in NKG 3. At the present, the target has not been fulfilled because numerous new plants are being built locally making it less feasible to find a partnership. Under the circumstance, the company may have to borrow as an alternative plan, which increases its credit risk. Interest expense was a drawback in NKG's 2012 performance, thus the investment is quite risky considering the unstable financial health.

NKG has been using multiple sources of fund including short term loans. At the end of Q3/2015 compared to the beginning of the year, NKG's short term debt went up by VND 476 billion, as fixed assets and construction in progress went up by VND 564 billion collectively. Short term borrowing brings an advantage of lower interest rate than long term ones and can be circulated to use as a long term funding source. NKG who has USD revenues is able to borrow at a special rate of 2% in USD under banks' loan policy for material purchase, paying off in 3 to 6 months. If successful at circulating the loan and maintaining stable foreign exchange inflow, NKG may take the advantage for the purpose of buying new machineries. However, it is basically a mismatch risk where long term assets are funded by short term loans which display inefficient finance management by definition.

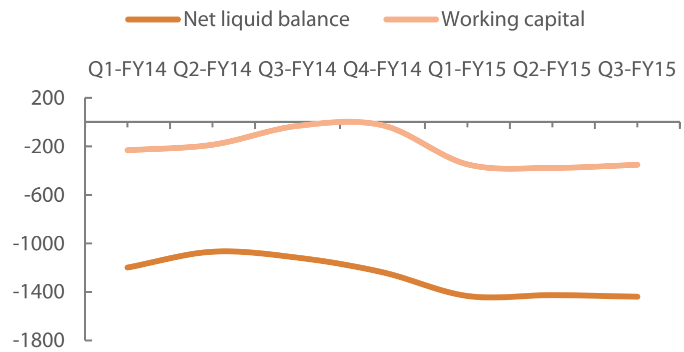
The gap between NKG's receivable and payable turnover is a reason for funding long term assets by short term debts. NKG's accounts payable days are more than its accounts receivable days, demonstrating that the Company's short term cash in and outflows are somehow being safe. Receivable turnovers have doubled payable turnovers since 2014, benefiting NKG's liquidity capability. However, its negative working capital and negative net liquid balance have been obstacles on the pathway. Default risks would lead to operation risk should NKG faces difficulties in sales or collecting customer debts. Looking toward the long-term, the liquidity risk is a problem that needs resolving.

Figure 11: NKG's receivables and Payables turnover



Source: NKG, RongViet Research compiled

Figure 12: NKG's Net liquid balance and Working capital



Source: NKG, RongViet Research compiled

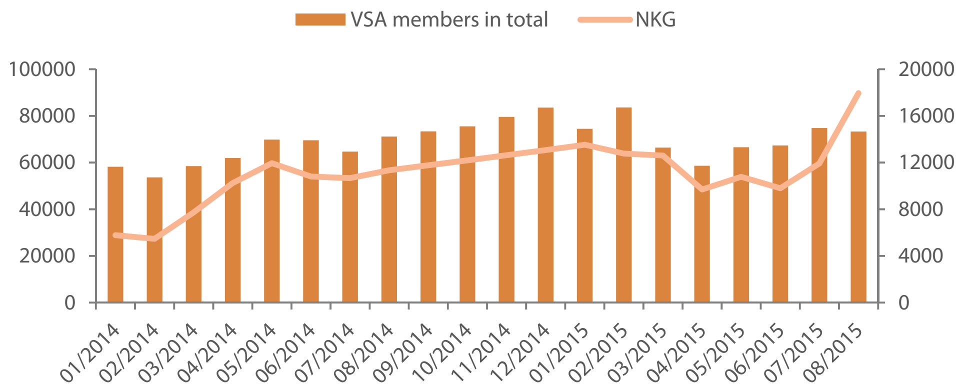
Domestic oversupply risk, competition against Chinese products and facing safeguard measures are putting pressure on sales

Domestic oversupply is foreseeable, as (1) Chinese coated steel is flooding the market and (2) various new coated steel production plants are in progress. According to Customs' statistics, colour coated steel imports in 9M2015 went up by more than 50% while that of zinc coated steel was up by 190% y.o.y. Chinese steel price is 30% cheaper than locally made products, however has lower quality or false thickness, thus are not likely to affect medium and high quality segments that domestic producers are selling.

As a countervailing measure, Vietnam Steel Association (VSA) is reported to preparing an anti-dumping legal case against Chinese steel with the hope of easing the pressure on price and encouraging local companies' sales. Besides, NKG's more completed production process than those of Dong A and Phuong Nam has gained the company an active power in pricing its products, which can help NKG remain stable in case of oversupply.

NKG is facing Anti-dumping (AD) cases and sunset reviews in ASEAN markets. According to VSA, 2014 export of coated steel products was 640,000 tons, growing 29% in the 2013-2014 period, concentrating in the regional countries including Indonesia, Malaysia and Thailand. All three countries are conducting legal cases or already imposed duties on Vietnamese products. The fact that 1H2015 exports were 7% lower than that of 2H2014 displays the safeguard measures' effects on Vietnamese coated steel exports.

Figure 13: VSA members' coated steel exports



Source: VSA, RongViet Research compiled

*NKG switched to selling non-*AD products, which however is only a temporary solution. NKG recorded 99,057 tons of exports for 8M2015, growing 34% y.o.y but is currently levied an AD duty of 5.68% in Malaysia and 86-89% in Thailand. The former tariff might still let NKG compete, as Chinese steel gets 52.1% duty, whereas Thailand's defense measurement appears to be a harsh stop to NKG sales in the country.

Table 2: NKG's current AD duties

Market	Product	Initiation time	AD tariff
Thailand	Colour coated steel Aluminum- Zinc coated steel Zinc coated steel	11 September 2015	86-89%
Malaysia	Colour coated steel	28 April 2015	5,68%

Source: VSA, RongViet Research compiled

Nam Kim is seeking alternative markets to reduce risk in ASEAN markets. Particularly, American, European and Australian countries can be favourable as they are defending Chinese steel's invasion. Vietnamese products once were investigated by Australia yet the country concluded on a negative AD case because of Vietnam's low market share. Therefore, the AD risk is minimised in these markets and can be increasingly open since various FTAs such as VN-EU FTA and TPP are completed. On the other hand, coated steel quality could be an obstacle, and orders from these markets have not recorded any considerable growth.

Outlook and Valuation:

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VND Billion

PERFORMANCE	FY2013	FY2014	FY2015E	FY2016F
Revenue	4,663.4	5,835.4	5,376.1	6,537.9
COGS	4,361.5	5,518.0	4,936.3	6,038.2
Gross profit	**302.0**	**317.4**	**439.9**	**499.7**
Selling Expense	45.9	75.6	96.1	129.5
G&A Expense	64.1	53.1	49.0	59.5
Finance Income	16.9	11.0	22.7	25.3
Finance Expense	163.4	138.6	162.3	160.1
Other profits	6.3	22.7	18.9	22.9
PBT	**51.8**	**83.8**	**174.1**	**199.0**
Prov. of Tax	0.0	7.4	37.0	39.8
Minority's Interest	0.0	0.0	0.0	0.0
PAT to Equity Shareholder	**51.8**	**76.5**	**137.1**	**159.2**
EBIT	**209.1**	**192.9**	**270.3**	**334.0**
EBITDA	130.7	98.1	432.5	554.2

%

FINANCIAL RATIO	FY2013	FY2014	FY2015E	FY2016F
Growth				
Revenue	59.3%	25.1%	-7.9%	21.6%
Operating Income	311.4%	-1.7%	56.2%	5.4%
EBITDA	716.0%	-24.9%	340.7%	28.1%
EBIT	277.3%	-7.7%	40.1%	23.6%
PAT	-149.3%	47.5%	79.3%	16.1%
Total Assets	2.1%	26.4%	24.8%	16.6%
Equity	18.7%	53.5%	35.0%	67.2%
Internal growth rate	17.1%	18.3%	23.0%	17.4%
Profitability				
Gross profit/Revenue	6.5%	5.4%	8.2%	7.6%
Operating profit/ Revenue	4.1%	3.2%	5.5%	4.8%
EBITDA/ Revenue	2.8%	1.7%	8.0%	8.5%
EBITDA/ Revenue	4.5%	3.3%	5.0%	5.1%
Net margin	1.1%	1.3%	2.5%	2.4%
ROAA	2.3%	2.9%	4.2%	4.0%
ROIC or RONA	23.1%	19.1%	17.9%	15.6%
ROAE	17.1%	18.3%	23.0%	17.4%
Efficiency				
Receivable Turnover	14.0	11.9	9.5	10.8
Inventory Turnover	5.2	6.1	5.4	6.4
Payable Turnover	6.3	5.0	3.7	4.4
Liquidity				
Current	0.9	1.0	0.9	1.0
Quick	0.3	0.5	0.4	0.5
Solvency				
Total Debt/Equity	604.1%	479.9%	436.3%	274.1%
Current Debt/Equity	177.7%	86.0%	70.8%	38.6%
Long-term Debt/ Equity	175.5%	119.5%	179.4%	107.3%

BALANCE SHEET	FY2013	FY2014	FY2015E	FY2016F
Cash and equivalents	19	32	43	106
Short-term investment	8	0	0	0
Receivables	377	604	533	674
Inventories	825	972	870	1,006
Other current assets	63	190	190	190
Total Current Asset	**1,292**	**1,799**	**1,637**	**1,976**
Tangible Fixed Assets	956	895	1,452	1,724
Intangible Fixed Assets	63	62	60	58
Construction in Progress	1	171	500	500
Investment Property	0	0	0	0
Long-term Investment	0	0	0	0
Other long-term assets	11	11	15	15
Goodwill	0	0	0	0
Long-term Asset	**1,031**	**1,138**	**2,027**	**2,298**
Total Asset	**2,323**	**2,937**	**3,664**	**4,273**
Payables	776	1,359	1,191	1,366
Other current liabilities	51	30	80	97
Current Debt	586	436	484	441
Long-term Debt	579	605	1,226	1,226
Other long-term liabilities	0	0	0	0
Total Liability	**1,992**	**2,430**	**2,981**	**3,131**
Owner's Equity	**330**	**506**	**683**	**1,142**
Capital	299	399	439	639
Retained Earnings	-39	37	174	333
Funds & Reverses	8	8	8	8
Others	**0**	**0**	**0**	**0**
Total Equity	**330**	**506**	**683**	**1,142**
Minority's Interest	0	0	0	0
TOTAL RESOURCES	**2,322**	**2,936**	**3,664**	**4,273**

CASH FLOW STATEMENT	FY2013	FY2014	FY2015E	FY2016F
Profit before tax	51.8	83.8	174.1	199.0
-Depreciation	78.4	94.8	162.2	220.2
-Adjustments	*180.5*	*116.1*	*128.4*	*174.9*
+/- Working capital	146.3	-60.2	-89.9	-272.0
Net Operating CFs	**457.0**	**234.5**	**374.8**	**322.1**
+/- Fixed Asset	-166.3	-198.5	-1,047.4	-490.4
+/- Deposit, equity investment	5.6	0.0	-19.7	-18.9
Interest, dividend, cash profit	2.3	1.0	1.0	1.0
Net Investing CFs	**-158.4**	**-197.6**	**-1,066.1**	**-508.3**
+/- Capital	0.0	100.0	8.0	300.0
+/- Debt	-284.0	-124.4	651.8	-63.5
Dividend paid& other	0.0	0.0	42.7	12.0
Net Financing CFs	**-284.0**	**-24.4**	**702.5**	**248.4**
+/- cash & equivalents	14.7	12.5	11.2	62.2
Beginning cash & equivalents	**4.5**	**19.3**	**32.1**	**43.3**
Impact of exchange rate	0.2	0.3	0.0	0.0
Ending cash & equivalents	**19.3**	**32.1**	**43.3**	**105.6**

RESULT UPDATE

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.e Eximbank, 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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