

## VAN PHAT HUNG JSC (HSX- VPH)

### Emerging from its lowest

- VPH is a experienced property developer at the bottom of the its business cycle
- 2014 saw the first improvements in VPH's financial status
- Sales are unblocked at Nhon Duc Residential Area
- More solid cash flows and revenue for La Casa
- A jump in profits is seen for 2015; unfinished legal matters remain a concern

#### Outlook:

Despite its modest capital size, VPH has much experience in township development and has been a prominent name in the South-Saigon real estate market. 2014 saw the earliest signs of recovery in VPH's cash flows, bolstered by the sale of a building (block 5) at the La Casa project to An Gia Real Estate JSC and major progress in the negotiations to whole-sell 30ha at Nhon Duc Residential Area.

We expect VPH to continue seeing positive cash flows and strengthened revenue and earnings growth in 2015 thanks to the liquidation of Block 2 of La Casa, again to An Gia, for VND173 billion. The liquidation of a large part of the Nhon Duc project may also contribute to the cash inflows of this year. On top the cash from new equity issuance (offered to existing shareholders at face value by a ratio of 2:1), the transactions will help solidify the Company's financial capacity to the extent that it would enable a debt restructuring simultaneously with more aggressive investments in VPH's project pipeline.

Combining the Net asset value (NAV) and the relative value (P/B) methods, we have estimated price for VPH's equity at **VND15,300/share**, 33.0% lower than the close price as of 04/05/2015 and translating into a market cap of VND462.2 billion. For all those reasons, we rate the stock as **BUY** in the **INTERMEDIATE TERM**. What can adversely affect the conclusion of the large transactions and thus VPH's business performance in 2015 is the risk of prolonged legal works at La Casa and Nhon Duc RA.

#### Key financials

YoY (VND bn)	FY2012	FY2013	FY2014F	FY2015F
Net Revenue	115.2	403.9	279.8	613.0
% chg	27.9	250.6	-30.7	119.1
NPAT	7.0	6.3	2.9	95.2
% chg	5.5	-10.7	-53.1	3,133.3
EBIT margin (%)	6.1	1.6	1.1	15.5
ROA (%)	0.4	0.4	0.2	5.5
ROE (%)	1.5	1.3	0.6	15.6
EPS (VND)	254	208	98	1,576**
Adjusted EPS (VND)	233	208	98	1,576**
Book value (VND)	17,271	16,042	16,140	12,145**
Cash dividend (VND)	-	-	-	-
P/E (x)	16.1	40.9	107.6	5.2*
P/BV (x)	0.2	0.5	0.7	0.7*

Source: VPH, RongViet Securities, \* Market price@ 04/05/2015, \*\* Adjusted for additional shares

## BUY

Market price (VND)	11,500
Target price (VND)	15,300

Investment period INTERMEDIATE TERM

#### Stock Info

Sector	Real estate
Market Cap ( VND bn)	347.0
Current Shares O/S	30,208,684
Beta	0.8
Free float (%)	39.0
52 weeks High*	13,500
52 weeks Low*	5,900
Avg. Daily Volume (20 sessions)	60,722

\* Adjusted price



#### Price performance (%)

	3T	1N	3N
VPH	7.3	34.5	51.9
Real estate	2.2	17.9	n/a
VN30 Index	-2.1	-8.8	6.3
VNIndex	-2.9	-28.1	14.4

#### Major Shareholders (%)\*

Vo Anh Tuan	20.0
Mutual Fund Elite (NON-UCITS)	9.2
Tran Thi Minh Duyen	8.1
Phan Tiet Hong Minh	7.2
Vietnam Construction Bank	5.8
Nguyen Kim Thanh	5.4
Vo Nguyen Nhu Nguyen	5.3
Foreigner investor room (%)	32.8

\* As of 27/04/2015

#### Nguyen Ba Phuoc Tai

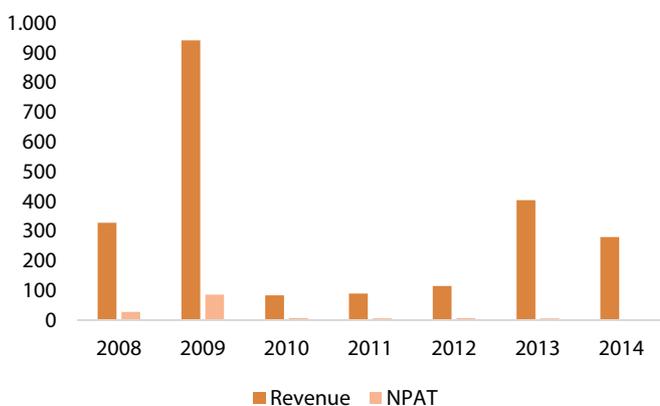
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**VPH is an experienced property developer at the lowest of the its business cycle**

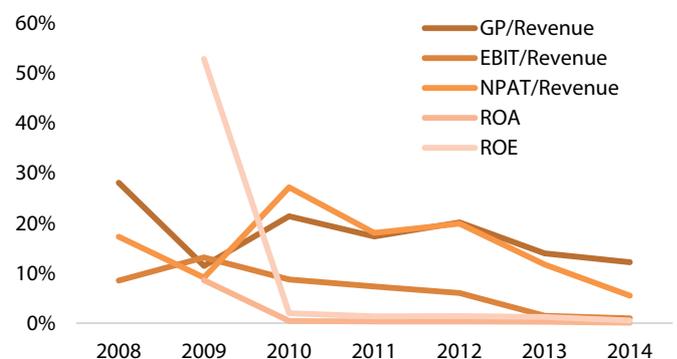
Started in 1999, VPH has made a solid foothold in the real estate market of South Saigon (District 7 and Nha Be), leaving its marks on projects such as Phu My RA (22ha), Phu Xuan RA (36.4 ha), Phu Thuan RA (3.3ha). Entering the market in the early days, VPH has accumulated a low-cost land bank and extensive experience in township development (land plots, townhouses and villas). VPH’s early projects were adjacent to and developed at the same time as Phu My Hung New Urban Area, a modern model for metropolitan areas in Vietnam. The projects attracted numerous quite some market attentions when they were launched and has now become densely populated urban-styled residential areas. Their large land size has also been a source of construction business for VPH over the years.

**Exhibit 1: Revenue and NPAT, 2008-2014**



Source: VPH, RongViet Research

**Exhibit 2: Selected profitability measures, 2008-2014**



Source: VPH, RongViet Research

Since 2010, VPH has put the priority in the construction and sales at Nhon Duc Residential Area (Nha Be) and La Casa (District 7). The Nhon Duc project occupied a land area of over 40ha but prolonged clearance and infrastructure development as the result of underinvestment has delayed the project’s official launch since 2012. La Casa, on the other hand, is a condo-villa complex marketed to higher-income buyers, which put a drag on the project’s sales during the real estate market downturn between 2010 and 2013.

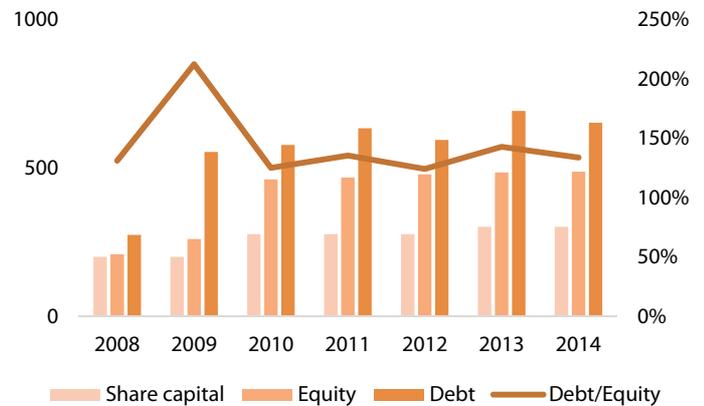
Lacking complete products for sale and revenue recognition, VPH saw its profits sliding on the downside in the four years to 2014. Between 2013 and 2014, revenue picked up as the Company started to hand over sold units at La Casa (Block 1A & B). Nonetheless, many costs were incurred during the early development of the project, the gross profit margin of the first building was modest at around 25% and pre-sales were just enough to cover construction costs (Exhibit 3). Committed to deliver the units on time, VPH had to take on more debt for the finishing of the building, causing a jump in the debt level in 2013 following the stability in the previous 2 years (Exhibit 4).

**Exhibit 3: Cash flow breakdown, 2008-2014**



Source: VPH, RongViet Research

**Exhibit 4: Capital structure, 2008-2014**



Source: VPH, RongViet Research

**2014 saw the first improvements in VPH’s financial status**

2014 marked the turnaround of VPH as it was the first year since 2010 the Company experienced positive operating cash flows (VND47.9 billion) which was made possible by the sale of a condo block at La Casa (Block 5) to An Gia Real Estate JSC in latter months of the year. VPH used the proceeds to reduce its debt by VND40 billion and negotiated with its major lender, Agribank, to extend the term of its loans to 2017 and 2018. This helped increase the quick ratio to 1.9% at the end of 2014 from 1.5% a year earlier. We would like to note, however, that the Debt/Equity ratio remained relatively high at 139% and VPH had up to VND173 billion of interest due at the end of the year. The Land Use Tax payable at La Casa (VND290 billion) and the Nhon Duc project were not reported and can be significant future obligations.

In another effort to solidify its financials, VPH has brought forth a plan to offer existing shareholders in 2015 15,1 million shares at face value (by a ratio of 2:1) and then issue another 15,1 million shares (by a ratio of 3:1) as a bonus. The issuances, when fully implemented, will fetch VPH about VND151.4 billion of cash while bringing the Company’s share capital up to a total VND604.2 billion. We think the plan may be executed somewhere in Q2-Q3 this year when the firm’s business performance likely experiences a boost from the above-transactions.

The issuance proceeds, on top of the incremental cash flows from La Casa and Nhon Duc would be probably applied against the Company outstanding debts. If VPH manages to collect a part of the payment from the Nhon Duc project, the firm may pay off its entire debt with Agribank (VND465.9 billion), rotating for another loan, most likely with lower cost and more favorable terms. Otherwise, the payment would be just according to schedule (VND108 billion). We see more chances for the second scenario where the Debt/Equity ratio will decline to around 105%. Despite some uncertainties regarding the timing of the Nhon Duc payment, VPH’s cash flow prospect has indeed improved significantly from the previous periods.

**Exhibit 5: 2015 material cash flows**

Inflows	414,224
<i>Sale of Block 5 La Casa</i>	36,715
<i>Sale of Block 2 La Casa</i>	86,750
<i>La Casa condo sales</i>	124,585
<i>Nhon Duc RA land plot sales</i>	15,131
<i>Nhon Duc RA university sale</i>	-
<i>Equity issuance</i>	151,043
Outflows	300,642
<i>Due debt principal payment</i>	108,360
<i>La Casa investment</i>	106,032
<i>Nhon Duc investment</i>	58,250
<i>Hoang Quoc Viet project investment</i>	28,000
Net inflows	113,582

Source: RongViet Research estimates

**Sales have been unblocked at Nhon Duc Residential Area**

Nhon Duc Residential Area (Nha Be, HCM - See Exhibit: VPH real estate project map), VPH's largest land-plot-for-sale project so far, occupies a land area of 40ha. However, the project's large size proved to be an obstacle to the development works such as clearance, compensation and infrastructure construction. About 2.5ha at Nhon Duc RA, the majority of which lies on the 30-hectare whole-sale plot, is still uncompensated. At 12km away from the city center and 7km from the heart of Phu My Hung and in a sparsely populated neighborhood, Nhon Duc RA does not have the locational advantage of VPH's other projects. More importantly, VPH has yet to pay the Land Use Tax for the project, a crucial step to obtain the LURs for individual plots.

*The whole-sale plot (30ha)*

Between 2012 and 2014, VPH was in constant search for a whole-buyer for the southern, 30-hectare section of the Nhon Duc project and approached more than one universities in the region to offer the land. Yet the legal processes to obtain the authority's decision on land use modification and investment approval (on the schools' side) were complex and time-consuming. Good news came in late 2014 when the University of Physical Education And Sports and the University of Natural Resources and Environment were approved by the Ministry of Education and Training to buy land at Nhon Duc RA for their new campuses. The estimated transaction value was announced at VPH's AGM at VND624 billion for total land area of 260 thousand square meters or VN2.4 million/m<sup>2</sup>

What stands between VPH and the recognition of the transaction now are (1) the approval of the People Committee of HCMC on the contracted price (since the schools are both state-run) and (2) the LUR for the land area. We believe there would not be much change with regard to the contract price, since the proposed price is already in line with the price issued earlier this year by the HCMC municipality in its 2015 Land Price Framework. On the other hand, the final amount of Land Use Tax was also agreed by the government before 2010 at a price that could be largely offset by the amount VPH has paid for compensation under Vietnam laws, which makes the payment well within the Company's current financial capacity.

On its part, VPH is working with the local Compensation Committee to push the compensation at the Nhon Duc project. The Company plans to have all legal-related matters settled in 2H2015. On a prudent basis, however, we expect the transaction to be recognized in 2016.

The retail plot (10ha)

VPH plans to open the remaining area for sale as soon as it can finalize the transactions with the universities, which means the latter half of 2015 or worse, the first half of 2016; the initial offering price would probably about VND7.5-8 million/m<sup>2</sup>. The marketability of this plot again depends largely on the issuance of the LURs given the project disadvantageous location. We believe once the LURs are granted and the universities begin their construction, the commercial value of the retail section will be increased considerably.

**Exhibit 06: VPH real estate project map**



Source: VPH

**Solidified cash flows and revenue streams for La Casa in 2015**

La Casa (District 7, HCMC – See Exhibit: VPH real estate project map) is a high-end condominium-villa complex covering a land area of 6.1ha with 5 condo blocks, 1,795 units and 66 plots of villa land for sale. The first two blocks (Block 1A & 1B) was launched in 2011 and finished in 4Q2013. By now, over 330/352 units have been sold but just over 80 units recognized. In 2014, VPH modified the project’s detail planning (1/500), downsizing the land portion for condo development and setting aside an area for the building of villas. The Company sold 40/66 units of villa land plots during the year and plans to dispose of the remaining units in 2015.

An important note in the development of La Casa in 2014 was the sale of the land area (over 1,000m<sup>2</sup>) on which Block 5 is to be built to An Gia Real Estate JSC. The transaction value of VND73 billion, roughly half of which has been collected, was recognized entirely as revenue in late 2014. In February 2015, VPH signed with An Gia another contract to sell the land and foundation of block 2 (1,200m<sup>2</sup>) for VND173.5 billion. A payment of about VND40 billion was made shortly after the deal was struck and VPH should be able to collect up to VND60 billion by September. An Gia plans to invest up to VN280 billion for the construction of Block 5 and about VND630 billion for Block 2.

The liquidation of the land areas of the two condo blocks is positive to VPH in two aspects: (1) the Company would be able to recover its investment with a decent profit while reducing the capex for La Casa in the following years; (2) the sale proceeds will strengthen the Company's cash position so that it can finish the remaining works at the Nhon Duc project and build up its land bank for future development.

### A profit jump is seen in 2015; unfinished legal matters remain a problem

We estimate VPH will recognize the sales for 80 condo units and over 50 villa land plots for a revenue of VND324 billion in 2015. The retail plot of Nhon Duc RA may be marketed in Q3 and VPH targets sales of 5,000m<sup>2</sup> and VND37.5 billion here this year. However, we forecast the dollar sales will be lower at VND21 billion.

The factor of surprise will come from the booking of Block 2 at La Casa (VND173.5 billion) and the 30-hectare plot of Nhon Duc (VND624 billion), which, as we mentioned above, both depends heavily on the finishing of projects' legal works. We believe the whole-sale revenue for Nhon Duc will only come in 2016 while VPH will have little problem booking that of La Casa this year. In that scenario, 2015 aggregate revenue and NPAT is estimated at VND611 billion and VND91 billion, or VND1.527 per share (after the additional issuances). On the last trading day of April, the stock closed at about 7.8 times its forward EPS.

#### Exhibit 7: 2015 real estate sales

Project	Area sold (m <sup>2</sup> )	Sales (billion VND)	Revenue booked* (billion VND)
Nhon Duc RA (10ha)	3,088	21.6	149.5
Nhon Duc RA (30ha)	260,000	624.0	-
La Casa (Block 1)	2,852	53.9	76.0
La Casa (Block 2)		173.5	173.5
La Casa (Villas)	3,920	82.3	174.9
Hoang Quoc Viet	2,000	40.0	-
<b>Total</b>		<b>995.3</b>	<b>574.0</b>

Source: RongViet Research estimates

\*Revenue is book at the time of unit handover

For 1Q2015, VPH reported revenue of VND58.2 billion and NPAT of VND2.5 billion, a jump from the previous year but still unimpressive in absolute term. This could have been caused by slowed sales and collection at La Casa due to the prolonged holiday whereas the Nhon Duc generated neither sales nor cash flows. Nonetheless, operating cash flows continued to strengthen in Q1 to VND34 billion thanks to lighter investment in inventories as compared to the 3-month period ended March 2014 (VND2 billion).

**Exhibit 8: 1QFY2015 performance**

Particulars (VND bn)	Q1-FY15	Q4-FY14	+/- (qoq)	Q1-FY14	+/- (yoy)
Net Revenues	58.2	151.1	-61.5%	49.4	17.7%
Gross profits	12.6	18.6	-32.5%	7.6	65.8%
SG&AC	5.7	7.9	-27.9%	5.2	9.6%
Operating Income	6.8	10.7	-35.9%	2.4	190.3%
EBITDA	4.9	8.6	-43.5%	4.2	15.9%
EBIT	5.8	9.6	-39.2%	5.0	15.7%
Financial expenses	3.6	-7.3	-150.1%	4.0	-8.8%
- Interest Expenses	2.5	-9.2	-127.2%	3.9	-35.5%
Dep. and amortization	1.0	1.0	-0.8%	0.8	14.6%
Non-recurring Items					
Extraordinary Items					
PBT	3.3	18.8	-82.3%	1.1	188.9%
NPAT	2.5	17.0	-85.4%	0.9	186.6%
Adjusted NPAT	2.5	17.0	-85.4%	0.9	186.6%

Source: RongViet Research

**Exhibit 9: 1QFY2015 financial analysis**

Particulars	Q1-FY15	Q4-FY14	+/- (qoq)	Q1-FY14	+/- (yoy)
<b>Profitability (%)</b>					
-Gross Margin	21.6	12.3	929bps	15.3	627bps
-EBITDA Margin	8.4	5.7	267bps	8.5	-13bps
-EBIT Margin	10.0	6.3	368bps	10.2	-18bps
-Net Margin	4.2	11.2	-698bps	1.7	250bps
-Adjusted Net Margin	4.2	11.2	-698bps	1.7	250bps
<b>Turnover *(x)</b>					
-Inventories	0.1	0.3	-0.2	0.1	0.0
-Receivables	2.8	7.2	-4.5	1.5	1.2
-Payables	0.3	0.9	-0.6	0.3	0.0
<b>Leverage (x)</b>					
	2.5	2.5	-0.1	2.3	0.2

Source: RongViet Research, \*annualized metrics

**Land bank expansion - a justified but strenuous strategy**

Apart from La Casa and Nhon Duc, the other projects in VPH's pipeline included the Hoang Quoc Viet project, an eighteen-storey condo-apartment nearing La Casa. The project occupies 1,000m<sup>2</sup> of land area with 10,700 m<sup>2</sup> of GFA and 103 units sizing from 50m<sup>2</sup> to 80m<sup>2</sup> per unit. As its foundation is already under construction, the project may be open for sale in late 2015 for a retail price of over VND20 million/m<sup>2</sup> (not including VAT). Despite its small size, the Hoang Quoc Viet project has a favorable location and is to be positioned somewhere between the low and the high-end segment, one of the most liquid part of the real estate market at the moment. This should allow shorter leading time and easier sales so that the project may be ready for revenue booking for the 2016-2018 period.

Southern-city projects on the side, VPH is gazing the land in District 2 and District 9, where the Company hopes to find smaller, more liquid and legal-issue-free assets for commercial development. As the first step, VPH has acquired a 2.5-hectare plot of land in District 2 (Binh Trung Dong), which the

firm intends to divide up and sell the smaller pieces in this year and the next. We find VPH's expansion to the Eastern side of the city understandable now that the Company's financial is much more solid. However, this may not be an easy ride after all. In a recent land rush, many prominent players such as KDH, CII, TDH, Novaland, Keppel Land, Dai Quang Minh... have had a solid foothold in District 2 and 9. Besides, VPH is not the only company still wanting to go east. In fact, at their 2015 AGMs, BCI, NLG, TDH and KDH all revealed plan to accumulate more land in the two fast-developing districts. As demand climbs quickly, unfragmented or parceled land in the area is increasingly rare; and, the presence of speculators may continue to drive up land price for a foreseeable period. As a result, finding a reasonably-priced, well-located property free from legal complications can be quite difficult for VPH.

### Valuation

To determine the reasonable equity value for VPH, we combine the Net asset value (NAV) and the relative value (P/B) methods. For the NAV approach, we revalue the real estate projects in VPH's pipeline according to the assets' realizable value provided for all additional investments needed to make them ready for sale. For the relative value approach, we estimate the market-cap-weighted-average P/B ratio of real estate companies as 0.9x. However, considering of the characteristics particular to VPH's real estate projects, we believe the appropriate P/B for the Company is just 0.8x.

#### Exhibit 10: Revaluation of VPH's real estate projects (billion VND)

Project	Book value	Revaluation	Method
La Casa	690.5	737.1	NAV
Nhon Duc RA	505.2	518.8	NAV + DCF
District 2	84.6	84.6	
Phu Xuan RA	69.8	69.8	
District 9	59.8	59.8	
Hiep Phuoc	42.2	42.2	
Phu My RA (expansion)	32.3	32.3	
Hoang Quoc Viet Condo	18.2	18.2	
Phu My RA	9.3	9.3	
Phu My Condo	3.4	3.4	
Others	0.2	0.2	
<b>Total</b>	<b>1,515.4</b>	<b>1,575.7</b>	

Source: RongViet Research

**Exhibit 11: Revaluation of VPH's equity (billion VND)**

Particulars	31/12/2014 (Audited)	Revaluation
Cash and cash equivalents	5.8	5.8
Short-term investments	0.6	0.6
Receivables	152.9	152.9
Inventory	1,493.8	1,554.1
Other short-term assets	5.0	5.0
Tangible fixed assets & construction in progress	19.2	19.2
Intangible fixed assets	0.0	0.0
Investment property	4.6	4.6
Long-term investments	14.6	14.6
Other long-term assets	16.3	16.3
Long-term receivables	0.0	0.0
Goodwill	0.0	0.0
<b>Total</b>	<b>1,712.8</b>	<b>1,773.1</b>
<i>Deduct</i>		
Liabilities	1,225.3	1,238.4
Minority shareholders' interest	0	0
<b>Net asset value</b>	<b>487.6</b>	<b>534.7</b>
Total outstanding shares	30,208,684	30,208,684
<b>Net asset value per share (VND)</b>	<b>16,140</b>	<b>17,701</b>

Source: VPH, RongViet Research estimates

**Exhibit 12: P/B of listed real estate companies**

Ticker	Market cap (billion VND)*	P/B (x)*
FLC	3,974	0.88
IJC	3,016	0.98
KDH	2,722	1.16
QCG	2,421	0.49
NLG	2,385	1.23
DIG	2,181	0.9
BCI	1,575	0.89
SCR	1,333	0.58
HQC	1,280	0.61
NBB	1,228	0.78
CEO	885	1.9
NTL	793	0.93
TDH	743	0.53
HDC	576	0.97
ITC	529	0.36
TIX	506	0.87
FDC	494	0.91
HAR	464	0.79
C21	389	0.75
<b>Average</b>		<b>0.90</b>

Source: VPH, RongViet Research estimates, \* as of 27/04/2015

Valuation method	Price (VND)	Weight	Average (VND)
NAV	17,701	50%	8,851
P/B	12,912	50%	6,456
<b>Average</b>			<b>15,307</b>

Source: RongViet Research estimates

### Outlook

Despite its modest capital size, VPH has much experience in township development and has been a prominent name in the South-Saigon real estate market. 2014 saw the earliest signs of recovery in VPH's cash flows, bolstered by the sale of a building (block 5) at the La Casa project to An Gia Real Estate JSC and major progress in the negotiations to whole-sell 30ha at Nhon Duc Residential Area.

We expect VPH to continue seeing positive cash flows and strengthened revenue and earnings growth in 2015 thanks to the liquidation of Block 2 of La Casa, again to An Gia, for VND173 billion. The liquidation of a large part of the Nhon Duc project may also contribute to the cash inflows of this year. On top the cash from new equity issuance (offered to existing shareholders at face value by a ratio of 2:1), the transactions will help solidify the Company's financial capacity to the extent that it would enable a debt restructuring simultaneously with more aggressive investments in VPH's project pipeline.

Combining the Net asset value (NAV) and the relative value (P/B) methods, we have estimated price for VPH's equity at **VND15,300/share**, 33.0% lower than the close price as of 04/05/2015 and translating into a market cap of VND462.2 billion. For all those reasons, we rate the stock as **BUY** in the **INTERMEDIATE TERM**. What can adversely affect the conclusion of the large transactions and thus VPH's business performance in 2015 is the risk of prolonged legal works at La Casa and Nhon Duc RA.

Unit: billion VND

INCOME STATEMENT	FY2012	FY2013	FY2014F	FY2015F
Revenue	115.2	403.9	279.8	613.0
COGS	92.0	347.3	245.6	435.1
<b>Gross profit</b>	<b>23.3</b>	<b>56.6</b>	<b>34.2</b>	<b>177.9</b>
Selling Expense	5.7	5.4	5.8	12.3
G&A Expense	18.0	20.8	20.1	30.6
Finance Income	13.6	13.7	5.8	1.4
Finance Expense	19.1	27.2	13.7	19.9
Other profits	14.2	5.7	5.6	5.6
<b>PBT</b>	<b>8.3</b>	<b>22.6</b>	<b>6.0</b>	<b>122.0</b>
Prov. of Tax	2.6	9.1	3.0	26.8
Minority's Interest	-1.3	7.3	0.0	0.0
<b>NPAT</b>	<b>7.0</b>	<b>6.3</b>	<b>2.9</b>	<b>95.2</b>
EBIT	23.0	47.6	15.6	136.1
EBITDA	23.0	47.6	15.6	139.0

Unit: billion VND

BALANCE SHEET	FY2012	FY2013	FY2014F	FY2015F
Cash and equivalents	3.5	1.6	5.8	56.7
Short-term investment	44.3	31.2	0.6	0.6
Receivables	196.2	197.9	152.9	277.5
Inventories	1,447.5	1,474.4	1,493.8	1,369.2
Other current assets	7.6	4.5	5.0	4.7
<b>Total Current Asset</b>	<b>1,699.2</b>	<b>1,709.6</b>	<b>1,658.1</b>	<b>1,708.7</b>
Tangible Fixed Assets	20.2	21.1	18.7	13.6
Intangible Fixed Assets	0.0	0.0	0.0	0.0
Construction in Progress	18.0	17.9	0.5	0.0
Investment Property	5.5	5.1	4.6	4.6
Long-term Investment	21.5	21.0	14.6	14.6
Other long-term assets	26.5	16.7	16.3	16.3
Goodwill	0.0	0.0	0.0	0.0
<b>Long-term Asset</b>	<b>91.7</b>	<b>81.8</b>	<b>54.7</b>	<b>49.0</b>
<b>Total Asset</b>	<b>1,790.9</b>	<b>1,791.4</b>	<b>1,712.8</b>	<b>1,757.8</b>
Payables	338.8	141.3	105.6	87.0
Other current liabilities	318.6	406.0	466.6	392.3
Current Debt	408.5	603.0	294.3	269.1
Long-term Debt	186.0	89.0	357.9	274.7
Other long-term liabilities	0.8	0.8	0.9	0.8
<b>Total Liability</b>	<b>1,252.7</b>	<b>1,240.2</b>	<b>1,225.3</b>	<b>1,024.0</b>
<b>Owner's Equity</b>	<b>478.7</b>	<b>484.6</b>	<b>487.6</b>	<b>733.8</b>
Capital	277.1	302.1	302.1	604.2
Retained Earnings	25.0	5.7	8.7	103.9
Funds & Reverses	10.4	10.7	10.7	10.7
<b>Others</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Equity</b>	<b>478.7</b>	<b>484.6</b>	<b>487.6</b>	<b>733.8</b>
Minority's Interest	54.5	61.8	0.0	0.0
<b>TOTAL RESOURCES</b>	<b>1,785.8</b>	<b>1,786.5</b>	<b>1,712.8</b>	<b>1,757.8</b>

Unit:%

FINANCIAL RATIO	FY2012	FY2013	FY2014F	FY2015F
<b>Growth</b>				
Revenue	27.9	250.6	-30.7	119.1
Operating Income	-98.4	-7153.1	-72.7	1529.9
EBITDA	41.0	107.3	-67.3	791.6
EBIT	41.0	107.3	-67.3	773.0
PAT	5.5	-10.7	-53.1	3133.3
Total Assets	5.5	0.0	-4.4	2.6
Equity	2.3	1.2	0.6	50.5
Internal growth rate	1.5	1.3	0.6	15.6
<b>Profitability</b>				
Gross profit/Revenue	20.2	14.0	12.2	29.0
Operating profit/ Revenue	-0.4	7.5	3.0	22.0
EBITDA/ Revenue	19.9	11.8	5.6	22.7
EBITDA/ Revenue	19.9	11.8	5.6	22.2
Net margin	6.1	1.6	1.1	15.5
ROAA	0.4	0.4	0.2	5.5
ROIC or RONA	2.6	7.0	2.1	14.7
ROAE	1.5	1.3	0.6	15.6
<b>Efficiency (x)</b>				
Receivable Turnover	0.6	2.0	1.6	2.8
Inventory Turnover	0.1	0.2	0.2	0.3
Payable Turnover	0.2	0.6	0.4	0.8
<b>Liquidity (x)</b>				
Current	1.6	1.5	1.9	2.3
Quick	0.2	0.2	0.2	0.5
<b>Solvency</b>				
Total Debt/Equity	261.7	255.9	251.3	139.5
Current Debt/Equity	85.3	124.4	60.4	36.7
Long-term Debt/ Equity	38.9	18.4	73.4	37.4

CASHFLOW STATEMENT	FY2012	FY2013	FY2014E	FY2015F
Pretax Income	8.3	22.6	6.0	122.0
-Depreciation	3.5	3.7	3.8	2.9
-Adjustments	1.4	36.6	3.9	-50.0
+/- Working capital	-43.0	-180.6	34.2	-119.5
<b>Net Operating CF</b>	<b>-29.8</b>	<b>-117.7</b>	<b>47.9</b>	<b>-44.5</b>
+/- Fixed Asset	0.0	-3.9	-1.4	7.8
+/- Deposit, equity investment	-1.6	13.1	5.3	-50.0
Interest, cash dividend, shared profits received	1.9	9.1	1.8	45.0
<b>Net Investing CF</b>	<b>0.3</b>	<b>18.3</b>	<b>5.7</b>	<b>2.8</b>
+/- Capital	0.0	0.0	-9.7	151.0
+/- Debt	30.9	97.5	-39.8	-58.4
Dividend paid + Other exp. from retained profits	0.0	0.0	0.0	0.0
<b>Net Financing CF</b>	<b>30.9</b>	<b>97.5</b>	<b>-49.5</b>	<b>92.7</b>
+/- cash & equivalents	1.4	-1.9	4.2	50.9
<b>Beginning cash &amp; equivalents</b>	<b>2.2</b>	<b>3.5</b>	<b>1.6</b>	<b>5.8</b>
Impact of exchange rate	0.0	0.0	0.0	0.0
<b>Ending cash &amp; equivalents</b>	<b>3.5</b>	<b>1.6</b>	<b>5.8</b>	<b>56.7</b>

**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.

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

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