

January 06, 2015

HAI MINH JSC

Positive outlook from various supporting factors

Particulars (VND bn)	3QFY14	2QFY14	% (qoq)	3QFY13	% (yoy)
Net Revenues	37.7	18.9	99%	23.6	60%
PAT	7.8	13.9	-44%	10.0	-22%
EBIT	9.0	17.1	-47%	11.2	-20%
EBIT margin (%)	23.8	90.2	-6,645bps	47.5	-2,373bps

Sources: HMH

- **Stable performance results and high profitability given small capital scale**
- **Growth opportunities open for core businesses**
- **Divested capital from join-venture is refinanced to core-operations**
- **Higher EPS growth rate would propel P/E up**

Outlook and Valuation:

HMH is a relatively small logistics firm specializing in transport and depot services. Despite the scale of operation, the firm has managed to maintain stable performance results and an attractive dividend policy over period of bottoming economy. In 2014, HMH's core businesses saw positive developments from the overall increase in freight charge as a result of the truckload tightening policy and the recovery in trade activities. Also, the recent plunge in fuel prices would further support the firm's profitability.

In the long-term, increasing government spending on public infrastructure (roads, Inland waterways, highways...) would enhance logistics companies' operational effectiveness by shortening trip length and reducing maintenance costs. Simultaneously, the imminent completion of various free trade agreements would definitely push domestic transport demand up. More importantly, HMH itself looks to pre-recognize the arising opportunity by actively expanding its truck fleet, replacing ageing barges and increasing Depot area. With the above analysis and on a prudent basis, we think that the HMH shall be fairly priced at **VND33,800/share** and recommend investors to **ACCUMULATE** the share in the **LONG-TERM**.

Key financials

Y/E Dec (VND bn)	FY2012	FY2013	9M/FY2014	FY2014E	FY2015F
Net Revenues	120.4	107.5	80.1	110.5	121.6
% chg	2.2	-10.7	-2.9	2.8	10.1
PAT	39.3	39.0	33.0	47.2	39.2
% chg	-1.2	-0.8	12.5	21.0	-17.0
EBIT margin (%)	32.7	36.3	41.2	42.8	32.2
ROA (%)	19.1	17.4		18.5	13.6
ROE (%)	22.6	19.4		20.1	14.8
EPS (VND)	5,021	3,990		4,713	3,911
Adjusted EPS (VND)	4,887	3,904		4,713	3,911
Book value (VND)	18,705	21,581		25,323	27,557
Cash dividend (VND)	1,500	1,700		1,700	1,700
P/E adjusted (x)	5.4	6.8		5.6	6.8
P/BV (x)	0.7	0.9		1.1	1.2

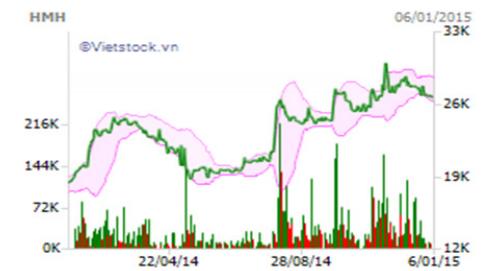
Sources: HMH and RongViet Securities ; Stock price as of January 06, 2015

ACCUMULATE

CMP (VND)	VND26,800
Target Price (VND)	VND33,800
Investment Period	LONG-TERM

Stock Info

Sector	Transport & Depot Services
Market Cap (VND bn)	246.69
Current Shares O/S	9,204,958
Beta	0.95
Free float (%)	94.40
52 weeks High	31,670
52 weeks Low	16,436
Avg. Daily Volume (in 20 sessions)	33,839



Source: Vietstock

Performance (%)

	3M	1Y	3Y
HMH	-1.5	44.1	125.2
Logistics	-26.8	109.8	
VN30 Index	-9.4	5.9	
VN-Index	-11.3	6.9	59.7

Major Shareholders (%)

Nguyen Mai Phuong	5.5
Nguyen The Quan	3.8
Nguyen Quoc Hung	3.6
Foreigner Investor Room (%)	14.5

Hoang Nguyen

(084) 08- 6299 2006 – Ext 328

hoang.nh@vdsc.com.vn

Exhibit 1: 3QFY2014 and YTD Results

Particulars (VND bn)	3QFY14	2QFY14	% chg (qoq)	3QFY13	% chg (yoy)	9M/FY14	% chg (yoy)
Net Revenues	37.7	18.9	99.2	23.6	59.9	80.1	-2.9
Gross profits	6.8	7.5	-9.3	7.1	-4.0	20.2	-15.1
SG&AC	2.4	2.4	3.3	2.4	1.3	6.9	-9.2
Operating Income	4.4	5.1	-15.1	4.7	-6.8	13.3	-26.1
EBITDA	17.0	22.3	-23.6	19.6	-13.2	47.1	7.4
EBIT	9.0	17.1	-47.5	11.2	-20.0	39.3	15.1
Financial expenses	0.2	0.0	838.9	0.1	136.3	0.3	177.6
- Interest Expenses	0.0	0.0	0.0	0.0	0.0	0.09	0.0
Dep. and amortization	0.0	5.2	-100.0	8.4	-100.0	7.8	-54.7
Non-recurring Items (*)							
Extraordinary Items (*)							
PBT	9.0	17.1	-47.5	11.2	-20.0	39.2	14.9
PAT	7.8	13.9	-43.9	10.0	-22.2	33.0	12.5
(*) Adjusted PAT	7.8	13.9	-43.9	10.0	-22.2	33.0	

Sources: HMM, RongViet Securities

Exhibit 2: 3QFY2014 performance analysis

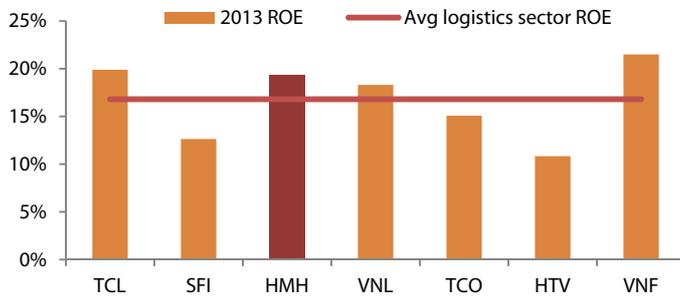
Particulars	3QFY13	2QFY13	% Chg. (qoq)	3QFY12	% Chg.(yoy)
Profitability Ratios (%)					
Gross Margin	18.0	39.6	-2,156bps	30.0	-1,199bps
EBITDA Margin	45.2	117.9	-7,271bps	83.3	-3,810bps
EBIT Margin	23.8	90.2	-6,645bps	47.5	-2,373bps
Net Margin	20.7	73.4	-5,277bps	42.5	-2,182bps
Adjusted Net Margin	20.7	73.4	-5,277bps	42.5	-2,182bps
Turnover *(x)					
-Inventories	106.4	55.9	50.5	151.0	-44.6
-Receivables	3.9	1.7	2.2	1.8	2.1
-Payables	9.8	3.1	6.7	2.0	7.8
Leverage (%)					
Total Debt/ Equity	0.1	0.1	0.0	0.2	-0.2

Sources: HMM(*) Annualized turnover

Stable performance results and high profitability are HMM's highlights

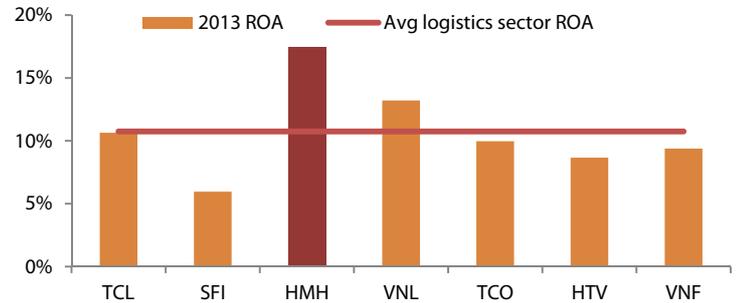
HMM, being a logistics firm, is currently offering services in road freight transport, inland waterways transport (IWT), Depot leasing and ship forwarding. The company's business strongholds are HCMC and Hai Phong. If the majority of depot capacity is situated in Hai Phong port vicinity, HMM's road transport ability is equally shared between the two areas. Besides, HMM also holds stakes in some joint ventures with several foreign and domestic shipping parties such as K-line (Japan), Dongbu (Korea) and Hung Phu Company Ltd.,. As specializing in road freight transport and Depot leasing services, the Company's tangible asset and equity value are relatively moderate, which probably helps keep profitability indicators (ROE and ROA) comparatively high. However, asset base limitation and the Company's cautious approach in expanding its business have certainly hampered its ability to tap in high value added services such as 3PL, container stuffing and warehousing consolidation services...

Exhibit 1: 2013 ROE of logistics companies



Source: HMH, RongViet Securities

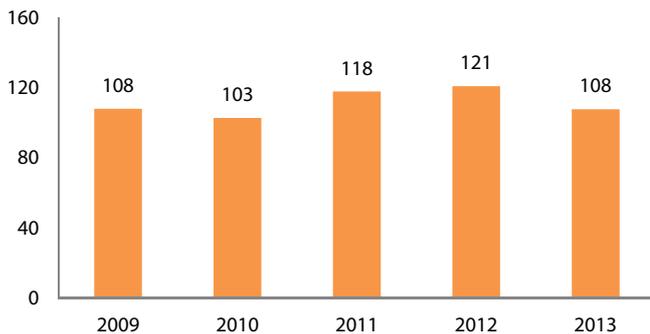
Exhibit 2: 2013 ROA of logistics companies



Source: HMH, RongViet Securities

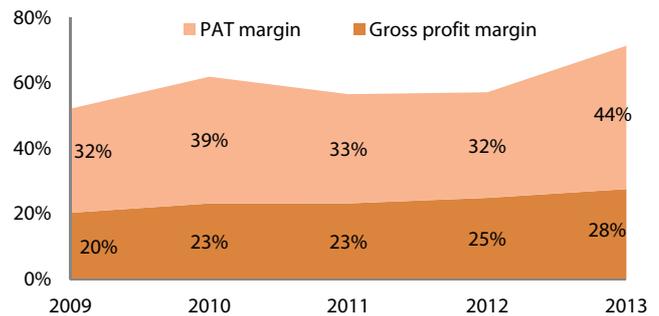
In general, the picture of HMH's business results has always looked stable; whereby gross profit and PAT margin saw steady improvement during 2010-2013 period. However, as logistics sector going through tough patches during this time plus cautious investment appetite from the Company itself, growth in Revenue and PAT almost did not exist. In fact, in this period, average annual growth rate of revenue swung modestly from 1% to 2% and PAT average growth fluctuated from 4% to 5% per year.

Exhibit 3: HMH's Revenue over the years (VND bn)



Source: HMH, RongViet Securities

Exhibit 4: HMH's Profit margins over the years



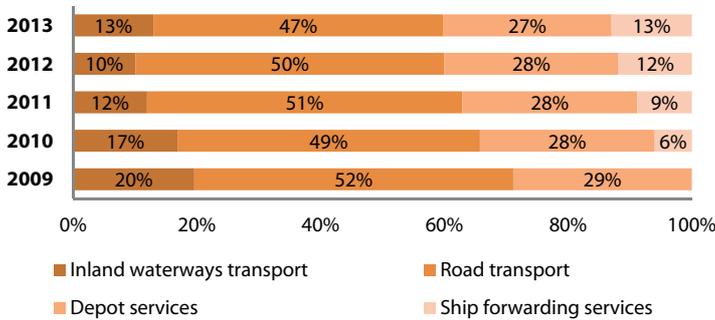
Source: HMH, RongViet Securities

In 9M2014, the company's business performance saw positive developments thanks to warming trade activities and increasing demand for goods transport. Also, the new policy on truckload control and falling petrol prices give further incentives to HMH's road freight transport business. As a result, 9M2014 revenue fell slightly 2.9% compared to corresponding period, though inland waterways business (accounting for 13% of 2013 total revenue) was disrupted considerably as the company restructured the entire barge fleet in the first half of 2014. Nevertheless, the profitable liquidation of barge fleet saw 9M2014 PAT increase by 12.5% (y-o-y) and subsequently helps the company to complete 91.7% of total income target as well as 98.6% PAT plan of FY2014.

Growth opportunities open for core businesses

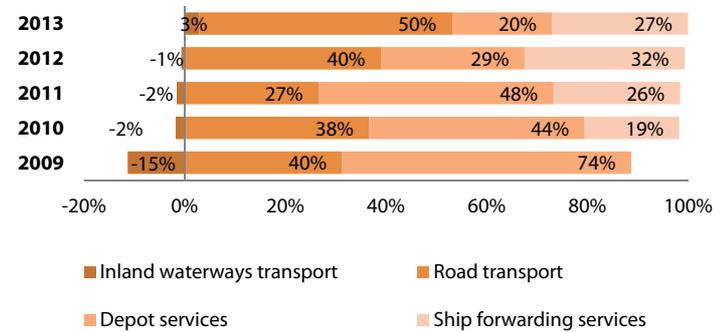
Plunging petrol prices and truckload control policy are leverages for road transport business growth

Exhibit 5: HMH's Revenue structure



Source: HMH, RongViet Securities

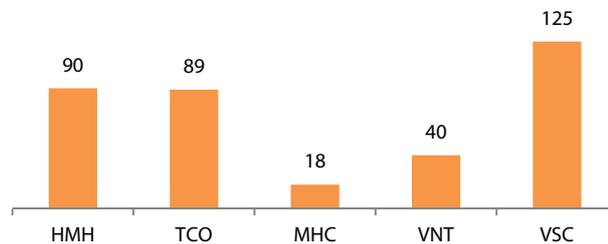
Exhibit 6: HMH's Gross profit structure



Source: HMH, RongViet Securities

Road freight transport business with a trailer fleet of 90 heads plays a key role in HMH's revenue and gross profit margin structure. Specifically, this activity contributes almost 50% of the firm's total revenue. By observing the yearly gross profit structure, it is discernible road freight transport business has been replacing Depot leasing services to become the highest contributor to the firm's total gross profit. Also, Exhibit 7 shows HMH road transport capacity is not way behind that of other big port services firms in Hai Phong area despite its far smaller operation scale. Moreover, in the South, the firm is also providing transport services for many large customers such as Nike and Unilever from adjacent industrial zones including Loi Binh Nhon, VSIP.

Exhibit 7: Road transport fleet comparison (heads)



Sources: HMH, RongViet Securities

During 2012-2013 period, when the economy was at its trough with distressing trade activities, many small road freight transport companies engaged in unhealthy practices of "excessive carriage" to be able to offer competitive freight charge and attracted more customers' orders. As a result, HMH's road transport segment was impacted negatively at great extent during these years. In 2013 alone, revenue of the Company's road freight transport business dropped considerably 16% compared to 2012's. Fortunately, the introduction of tightening truckload policy, implemented in 2Q2014 nationwide, has brought major changes to how these logistics firms do business. In particular, road transport companies are now facing two hard choices: (1) convert or replace old trucks to comply with new truckload policy, (2) increase freight charges to maintain operation profitability. While the first choice requires these firms to have available capital, increasing freight charges is not easy either when putting logistics firms at risk of losing customer's orders.

In contrast, HMH has expected the truckload control policy to bring much positivity by increasing trips number and creating a more level playing field in the long-term. In fact, trip number has gone up 15% since then and is expecting to double in 2015. Thus, the Company already bought additional 10 new container trucks in 2014 to meet increasing demand. On the new policy's possible negative impacts,

HMH revealed only 1/3 of its truck fleet is required for conversion and replacement. Hence, the firm not only could mobilize resources for other purposes, but also avoid being locked in the sensitive position of having to increase freight charge as other firms to remain profitable. In the long run, when the new level of freight charge in the market is set, HMH gross profit margin would improve accordingly.

In addition, the downward trend in petrol prices is another supporting factor for transport business. As freight charge is hardly increased due to high industry competition, It is therefore unsurprising to see some laggings in the timing of freight charge adjustment when petrol prices decreases. Actually, despite the ~ 25% fall in diesel prices compared to the start of 2014; there is little sign from transport companies to adjust services fees. Even though after being requested by document from the Ministry of Transportation regarding this issue, only passengers transport businesses have done so. Our research has shown fuel expenses accounts for nearly 30-40% of road transport business's COGS. Therefore, gross profit margin of HMH and its fellows would certainly benefit if petrol prices continue the downtrend in 2015.

HMH believes that if the Government and functional bodies are serious in the enforcement of the new truckload control policy in conjunction with the strong recovery of domestic economy in the coming years, the prospect for road transport business is very bright. According to Business Monitor International, Vietnam road transport volume for the whole 2015 is expected to grow 8.28%, up from 6.01% in 2014. Therefore, the Company's plan in increasing its truck fleet capacity each year with 10 new trailers is highly appreciated and well in line to meet rising transport demand.

For 2014 as a whole, revenue of road transport business is estimated to grow 13% compared to 2013 reaching VND56.81 billion. On profitability front, because petrol prices has only decreased in the last 3 months after soaring in the first half of 2014, gross profit margin for 2014 is forecasted to remain as 2013's (30%). However, gross profit margin could go up to 33% in 2015 if petrol prices continue to remain low at least until the end of 2Q2015 affected by the slow recovery in world oil prices.

Restructuring plan would see Inland waterways transport reach its potential

The restructuring of Inland waterways transport (IWT) business (cutting unprofitable trip route to Cambodia and replacing the aging barge fleet) has yielded some initial success. In fact, HMH's IWT operation went passed break-even point in 2013 with encouraging goods fulfillment ratio per trip of ~ 80%. In the first half of 2014, HMH liquidated the entire aging barge fleet receiving ~VND12 billions. In replacement, a new barge (56TEUS) has been deployed into operation and another one with similar capacity has been ordered by HMH. On the one hand, the IWT operation restructuring would help rejuvenate the current aging barge fleet, hence, reducing repair and maintenance expense. On the other hand, the relatively new smaller barge capacity (the old barge average capacity ~70 TEUS) would increase the exploitation effectiveness per trip and trip frequency.

As a result, the suspension in IWT operation in 2014 was inevitable causing this segment's revenue to slump nearly 2/3 compared to 2013, posting only VND4.32 billion. In 2015, when IWT operation capacity increases as the barge fleet expands together with the aforementioned positive factors showing effects, revenue of IWT operation is projected to grow 41% compared to 2014. Profitability wise, if freight charge level for IWT would hardly see a major shift in the short-run as customers need time to get used to this new mode of transport, the forecasted prolonged low fuel prices could become an important support for this operation's gross profit margin to improve slightly to 7% in 2014 and 2015 from 6% in 2013.

On the one side, IWT is benefiting from the truckload control policy which makes many goods owner to switch to IWT mode to save shipping cost. On the other side, IWT operation in Vietnam also possesses many advantages: (1) the naturally extensive river networks in Mekong Delta region and (2) the

Government's priority in developing IWT mode to relieve pressure on current road infrastructure by offering incentives such as preferential corporate income tax rate and lending benefits for companies investing in IWT ports and ships with large capacity.

HMH's main IWT trip route is HCMC to Mekong Delta provinces such as Can Tho and Vinh Long with agricultural produces, rice and building materials being the main transport goods. Collected data in 2013 showed An Giang achieved the highest border trade figures in the Mekong Delta region – posting approximately USD1.5 billion which implies a huge potential of border trade in this area. In the coming years, if these Southwestern provinces could successfully mobilize resources to develop a network of markets and trade centers along the Cambodia border as well as increasing Government investment on basic infrastructure (bridges, roads,...), border trade activities would further flourish with more companies setting up factories base in this region increasing transport demand subsequently.

Depot leasing segment – growth from increasing exploitation area in strategic location

To 3Q2014, HMH has 7.5ha of total Depot area, 80% of which is in Hai Phong. In September 2013, the new Depot Long Binh (1.5ha), double the area of the old Depot Thu Duc, was put into exploitation with total investment of VND3.5 billion. The new Depot is situated near Dong Nai port- one of the busiest port in the south of Vietnam and sits at the heart of the Southeastern provinces quadrilateral with annual growth of throughput from 20%-30%. In the coming years, HMH could utilize the unused land bank to expand Depot Long Binh to 2.5ha subject to market demand. This is considered a right move and aligned with HCMC localities policy in relocating ICD and Depots to city outskirts.

In the North, HMH is currently exploiting nearly 6.3ha of Depot and one CFS (3,000m²) with plan to acquire an additional 2.3ha Depot area in Cam River downstream to decrease land lease cost in the long-term. Likewise, Hai Phong port is the major seaport in the northern region. Due to the expansion in Depot exploiting area, forecasted revenue for Depot leasing business is expected to grow by 21% in 2014 compared to 2013, posting VND35.3 billion, while gross profit margin is estimated to remain at 20%.

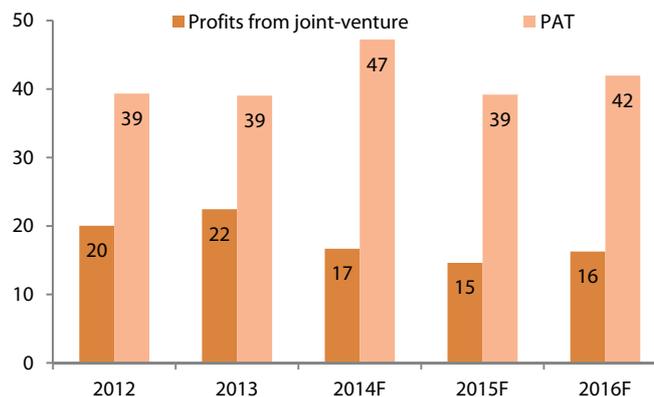
Although not having many favors as transport businesses, Depot leasing operation has big growth potential in the long-term with great outlook from FTA and TPP deals. In fact, Depot and warehousing business of TCL, GMD and HMH always achieve a very high utilization rate (~100%) with the three all planning to expand their respective Depot and warehousing capacity. Moreover, though Vietnamese logistics firms may have difficulties in competing with foreign firms in operation experience and technology, the ability to access and accumulate strategic land bank is certainly an advantage for domestic firms in developing Depot and warehousing services. Therefore, HMH's move in expanding Depot exploitation area is very strategic. Besides, Dong Nai and Hai Phong ports are among the major seaports in Vietnam with high growth in throughput volume, developed surrounding infrastructure and adjacent to important industrial zones. According to VPA statistics, to November 2014, Hai Phong area's throughput volume grew by 15.83% (y-o-y), accounting for nearly 80% throughput in the north. With all the supporting factors analyzed, we see a very positive outlook for Depot leasing services in the coming years.

Divested capital from join-venture is refinanced to core-operation

At the time being, HMH is participating in three joint-ventures with foreign and domestic ship operators including K-line (Japan), Dongbu (Korea) and Hung Phu. Of which, K-line joint-venture has been very influential with almost 100% contribution to the company's total joint-ventures profits and accounting for ~50% of the company's PAT each year. However, in 2Q2014, HMH already transferred 24% ownership stake back to K-line as initially agreed between the two sides, bringing back nearly VND17

billions in cash and consequently lowering HMH's ownership ratio at K-line joint-venture to 25% from initial 49%. In the future, HMH is expected to transfer the rest 25% of ownership to the Japanese ship operator in 2019. The company also shared that the capital received from the liquidation of barge fleet and partial divestment at K-line joint venture, totally ~VND30billions, would be refinanced to expanding Depot exploitation area (depot Long Binh) as well as purchasing new container trucks and barge fleet.

Exhibit 8: Joint-venture profits over the years (VND bn)



Source: HMH, RongViet Securities

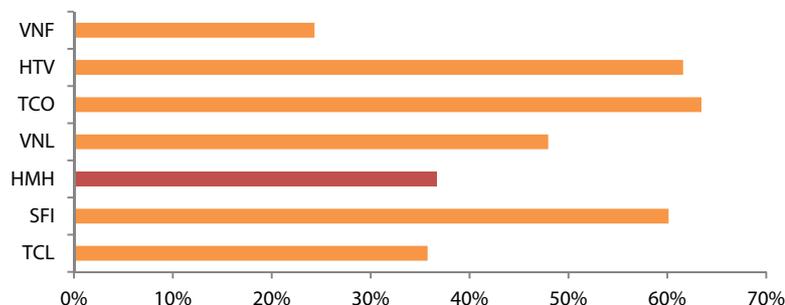
In consequence, the partial divestment of K-line joint venture would cause HMH's bottom-line to fall about ~VND5-6billions in 2014 and later years. Nevertheless, in the context of trade activities speeding up and joint venture's operations still having room to grow until 2019. More importantly, HMH itself looks more active than before in making investment in its core-businesses: transport and Depot leasing services. For these reasons, we can believe that additional growth in profits from the expansion of core operation could help fill the void left by the divestment in K-line joint-venture. In fact, excluding the income from tangible asset liquidation, we see HMH's PAT still can grow about 3% in 2015 and on average 4% from 2016 to 2019.

Higher EPS growth rate would propel P/E up

Basically, share price appreciation is determined by EPS and P/E growth. Currently, HMH shares are trading at P/E trailing of ~5.8x, lower than average logistics industry P/E (~8.0x) and is among the lowest for listed logistics firms. However, the low P/E also reflects investors' concern on potential growth outlook of the company, especially when HMH's EPS growth has remained very modest though posted a high absolute value. This could be the result of the Company's lack of urgency with regard to business expansion plan over the past difficult years. Also, being financed entirely by equity could on the one hand relieve the firm from periodic interest payment pressure, but would limit HMH from future growth opportunity as the economy recovers.

However, with 2014's expected PAT growth from core business activities to be 23% and 8.5% on average in 2015-2018 period, HMH's PEG is relatively attractive compared to fellow logistics firms (Exhibit 9). Therefore, the current P/E has not reflected the true potential of the company with the view to its core-business expansion plan such as increasing Depot exploitation area, truck and barge fleets... So, we believe when these new investments start to bring effect, HMH could achieve a higher PAT growth rate compared to previous period and so would P/E ratio.

Exhibit 9 : Estimated PEG 2015 of logistics firms



Sources: HMH, RongViet Securities

Description	Revenue (VND bn)			Gross profit (VND bn)			Gross profit margin	
	2013	2014F	YoY	2013	2014F	YoY	2013	2014F
Inland waterways	13,973	4,312	-69.1%	842	280	-66.7%	6%	7%
Road transport	50,503	56,816	12.5%	14,924	16,790	12.5%	30%	30%
Depot leasing	29,254	35,309	20.7%	5,894	7,062	19.8%	20%	20%
Ship forwarding	13,988	14,268	2.0%	8,010	8,561	6.8%	57%	60%
Total	107,718	110,704	2.8%	29,671	32,693	29.5%	27.5%	29.5%

Sources: HMH, RongViet Securities

Outlook and Valuation:

HMH is a relatively small logistics firm specializing in transport and depot services. Despite the scale of operation, the firm has managed to maintain stable performance results and an attractive dividend policy over period of bottoming economy. In 2014, HMH's core businesses saw positive developments from the overall increase in freight charge as a result of the tightening truckload policy and the recovery in trade activities. Also, the recent plunge in fuel prices would further support the firm's profitability.

In the long-term, increasing government spending on public infrastructure (roads, Inland waterways, highways...) would enhance logistics companies' operational effectiveness by shortening trip length and reducing maintenance costs. Simultaneously, the imminent completion of various free trade agreements would definitely push domestic transport demand up. More importantly, HMH itself looks to pre-recognize the arising opportunity by actively expanding its truck fleet, replacing ageing barges and increasing Depot area. Using DCF valuation method and on a prudent basis, we think that the HMH shall be fairly priced at **VND33,800/share** and recommend investors to **ACCUMULATE** the share in the **LONG-TERM**.

VND Billion					VND Billion				
INCOME STATEMENT	2012A	2013A	2014E	2015F	BALANCE SHEET	2012A	2013A	2014E	2015F
Revenue	120.4	107.5	110.5	121.6	Cash and equivalents	30.5	22.1	67.4	78.8
COGS	90.3	77.8	77.8	83.3	Short-term investment	0.8	0.8	20.0	21.3
Gross profit	30.1	29.7	32.6	38.3	Receivables	28.1	34.5	36.5	40.1
Selling Expense	0.0	0.0	0.0	0.0	Inventories	1.3	0.4	0.6	0.7
G&A Expense	11.6	10.3	10.8	11.9	Other current assets	2.3	3.7	2.6	2.9
Finance Income	4.8	2.3	5.9	4.6	Total Current Asset	63.0	61.6	127.1	143.8
Finance Expense	0.0	0.1	0.1	0.1	Tangible Fixed Assets	73.9	73.3	83.6	81.0
Other profits	1.0	1.0	12.0	1.0	Intangible Fixed Assets	1.1	1.1	1.1	1.1
PBT	44.3	45.0	56.3	46.5	Construction in Progress	1.7	19.7	11.1	5.1
Prov. of Tax	4.6	5.7	8.7	7.0	Investment Property	0.0	0.0	0.0	0.0
Minority's Interest	0.4	0.2	0.3	0.3	Long-term Investment	68.2	74.2	50.1	65.6
PAT to Equity Shareholder	39.3	39.0	47.2	39.2	Other long-term assets	1.6	3.6	2.4	2.6
EBIT	44.3	45.0	56.3	46.5	Goodwill	3.0	2.2	1.5	0.7
EBITDA	55.5	56.3	69.1	60.4	Long-term Asset	149.5	174.2	148.3	155.3
				%	Total Asset	212.6	235.8	275.4	299.1
FINANCIAL RATIO	2012A	2013A	2014E	2015F	Payables	15.1	13.3	13.2	14.2
Growth					Other current liabilities	6.9	5.0	5.5	6.1
Revenue	2.2	-10.7	2.8	10.1	Current Debt	0.0	0.0	0.0	0.0
Operating Income	11.4	4.7	12.6	21.0	Long-term Debt	0.0	0.0	0.0	0.0
EBITDA	2.8	1.4	22.6	-12.5	Other long-term liabilities	0.2	0.5	0.3	0.4
EBIT	-1.1	1.5	25.2	-17.3	Total Liability	22.2	18.9	19.1	20.6
PAT	-1.2	-0.8	21.0	-17.0	Owner's Equity	187.1	215.8	253.8	276.2
Total Assets	6.1	10.9	16.8	8.6	Capital	100.0	100.0	100.2	100.2
Equity	16.4	15.4	17.6	8.8	Retained Earnings	83.3	112.1	140.9	161.9
Internal growth rate	14.0	10.9	12.9	8.4	Funds & Reverses	6.4	6.3	7.5	8.9
Profitability					Others	0.0	0.0	0.0	0.0
Gross profit/Revenue	25.0	27.6	29.5	31.5	Total Equity	187.1	215.8	253.8	276.2
Operating profit/ Revenue	15.4	18.0	19.7	21.7	Minority's Interest	3.3	1.1	2.6	2.3
EBITDA/ Revenue	46.1	52.4	62.5	49.7	TOTAL RESOURCES	212.6	235.8	275.4	299.1
EBITDA/ Revenue	36.8	41.8	51.0	38.2	CASH FLOW STATEMENT	2012A	2013A	2014E	2015F
Net margin	32.7	36.3	42.8	32.2	Profit before tax	44.3	45.0	56.3	46.5
ROAA	19.1	17.4	18.5	13.6	-Depreciation	11.2	11.3	12.8	13.9
ROIC or RONA	25.0	22.0	23.7	17.4	-Adjustments	-29.7	-28.3	-65.9	-63.9
ROAE	22.6	19.4	20.1	14.8	+/- Working capital	-13.8	-17.0	-9.5	-9.5
Efficiency					Net Operating CFs	12.0	11.0	-31.9	-40.8
Receivable Turnover	3.6	3.4	3.1	3.2	+/- Fixed Asset	-21.3	-31.6	17.7	28.9
Inventory Turnover	108.6	90.8	152.2	129.3	+/- Deposit, equity investment	-31.8	-4.7	-24.7	-65.6
Payable Turnover	3.1	3.9	4.2	4.3	Interest, dividend, cash profit	25.0	22.7	60.0	58.2
Liquidity					Net Investing CFs	-28.1	-13.6	53.0	21.5
Current	2.9	3.4	6.8	7.1	+/- Capital	3.6	0.0	8.0	0.0
Quick	2.8	3.3	6.7	7.1	+/- Debt	-0.1	0.0	50.0	50.0
Solvency					Dividend paid& other	-14.5	-5.7	-33.8	-19.4
Total Debt/Equity	11.9	8.7	7.5	7.5	Net Financing CFs	-11.0	-5.7	24.2	30.6
Current Debt/Equity	0.0	0.0	0.0	0.0	+/- cash & equivalents	-27.2	-8.3	45.3	11.3
Long-term Debt/ Equity	0.0	0.0	0.0	0.0	Beginning cash & equivalents	57.7	30.5	22.1	67.4
					Impact of exchange rate	0.0	0.0	0.0	0.0
					Ending cash & equivalents	30.5	22.1	67.4	78.8

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% to 10%	-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, 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

Network

Headquarter

Address: Floor 1-2-3-4, Viet Dragon Tower, 141 Nguyen Du, Ben Thanh Ward, Dist.1, Tp.HCM

Phone: 84.8 6299 2006 Fax: 84.8 6291 7986

Website: www.vdsc.com.vn

Ha Noi Branch

2C Thai Phien – Hai Ba Trung District
– Ha Noi

NhaTrang Branch

50Bis Yersin - NhaTrang

Can Tho Branch

08 PhanDinhPhung –Cần Thơ

DISCLAIMERS

This report is prepared in order to provide information and analysis to Rong Viet’s clients only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase or subscribe for any investment. No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient. The readers should be aware that Rong Viet may have a conflict of interest with investors when does this research. Investors are advised make their own financial decisions based on their independent financial advisors as they believe necessary and based on their particular financial situation and investment objectives. Rong Viet will not take any responsibility for any loss/damages occurred as a result of using the information herein.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

The information herein is believed by Rong Viet to be reliable and is based on public Sources believed to be reliable. We do not warrant its accuracy or completeness. Opinions, estimations and projection expressed in this report represent the current views of the author as of the original publication date appearing on this report only and the information, including the opinions contained herein, are subject to change without notice.

Copyright 2013 Viet Dragon Securities Corporation. This report shall not be copied, reproduced, published or redistributed by any person for any purpose without the express permission of Rong Viet in writing.

Copyright 2015 Viet Dragon Securities Corporation.