



OIL & GAS SECTOR REPORT 2H.2019

OIL & GAS SECTOR REPORT 2H.2019 – AUGUST 29th, 2019

CONSERVATIVE

BRENT OIL AMID ONGOING UNREST

TABLE OF CONTENT

World Oil & Gas Industry

Brent oil price movement 3
 Recommendation 4

VietNam Oil & Gas Industry

Nam Con Son 2 – Phase 2 5
 Sao Vang – Dai Nguyet 5
 Long Son Petrochemical 6

Investment Strategy 7
 Recommendation Up%
 PVB BUY 32%
 PXS BUY 42%

Recommendation Matrix

Phụ Lục I – ANOVA

Phụ Lục II – PVB

Phụ Lục III – PXS

SENIOR EQUITY ANALYST

Ngô Duy Tai
 ndtai@vcbs.com.vn
 (+84) 345 406 727

VCBS's Report System

www.vcbs.com.vn/vn/Services/Analysis/Research

❖ **World Oil & Gas Industry**

We set Brent Oil price of USD65/barrel at the base case for the next 6M.2019. However, VCBS consider Brent Oil price in the worst case of China stepping up in placing more impact on large oil exporters, especially Iran & Venezuela which are among in top 10 of OPEC.

Given the unpredictable fluctuation of Brent oil's movement in recent times, VCBS revise our recommendation from "OUTPERFORM" to "CONSERVATIVE" for Viet Nam Oil & Gas industry prospect in the next 6M.2019.

❖ **VietNam Oil & Gas Industry**

- **Nam Con Son 2 – Phase 2**

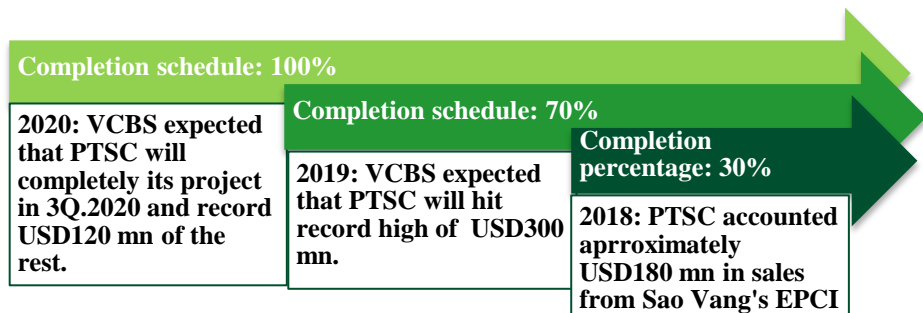
Nam Con Son 2 – Phase 2 pipelines and gas distribution's process



Source: VCBS

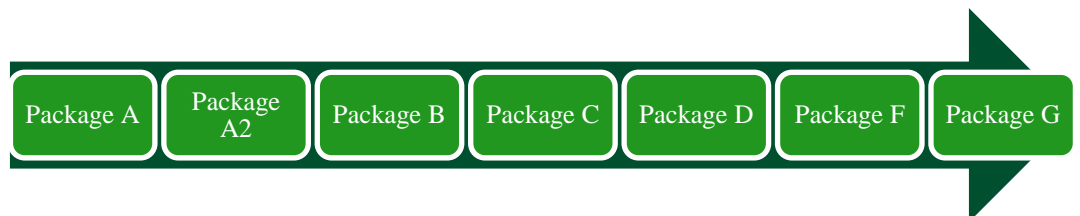
- **Sao Vang – Dai Nguyet**

Figure: Sao Vang – Dai Nguyet EPCI project process



Source: VCBS

- **Long Son Petrochemical**



Source: VCBS

❖ RECOMMENDATION

All in all, given our recommendation as **CONSERVATIVE** of Brent Crude Oil price in the last 6M.2019, we remain our positive point of view toward those companies which are least affected by the Brent Oil price movement.

VCBS review our Oil & Gas portfolio's performance as our recommendation in "[VCBS - 2019 OIL & GAS SECTOR REPORT](#)". VCBS realize that only **PVB** is trading undervalued. VCBS keep our rating **BUY** to **PVB** stock for the last 6M.2019.

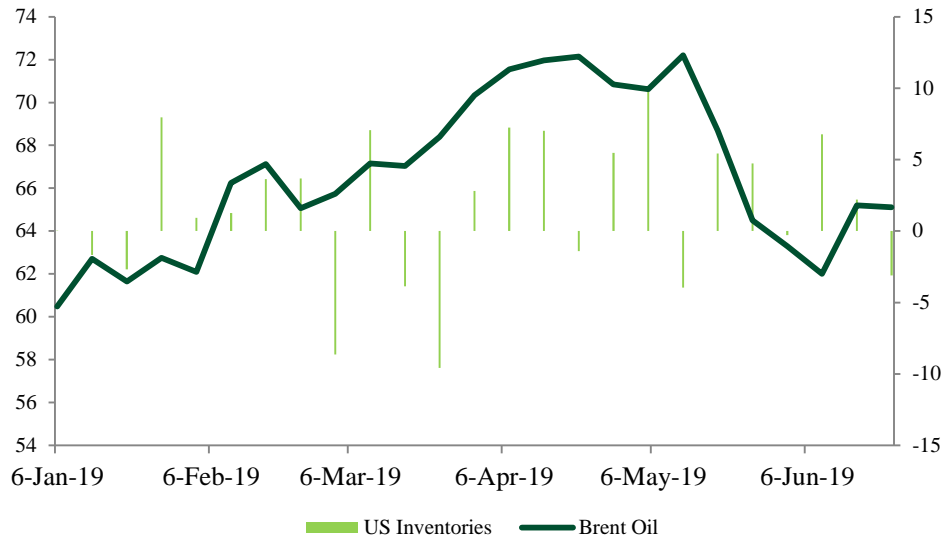
Beside, highlight of Viet Nam Oil & Gas industry was **PXS** which has been turned around in late 2019 – 2020.

GLOBAL OIL & GAS INDUSTRY

Brent Oil Price Movement

As our forecast, in early 6M.2019, Brent oil price climbed in a row from early 2019 primarily based on tightened supply. Unfortunately, the oil price pattern repeated when it slumped as quickly as in late 2018. Therefore, we see some signals indicating manipulation in Brent oil market recently.

Figure 1: 1H.2019 Brent Oil movement



Source: VCBS research

In late June 2019, OPEC’s members agreed to cut off their productions as their negotiation in 2018. Their actions made Brent market gloomy due to the falling short of observer’s expectation.

In additions, VCBS keep tracking on news at Venezuela & Iran in term of their politics amid ongoing unrest. We are concerned about China involving in recent events in these countries. We also saw an increasing risk in Brent oil market if China replaces its current Brent oil suppliers with Iran & Venezuela which are sanctioned by the US.

Update Brent Oil Model

As our mention in previous report, VCBS continue to use this function:

$$P = -13,4S + 10,9D + 4,75G + 310,6(*) \text{ Appendix I}$$

In which:

P: Brent oil price

S: Total supply

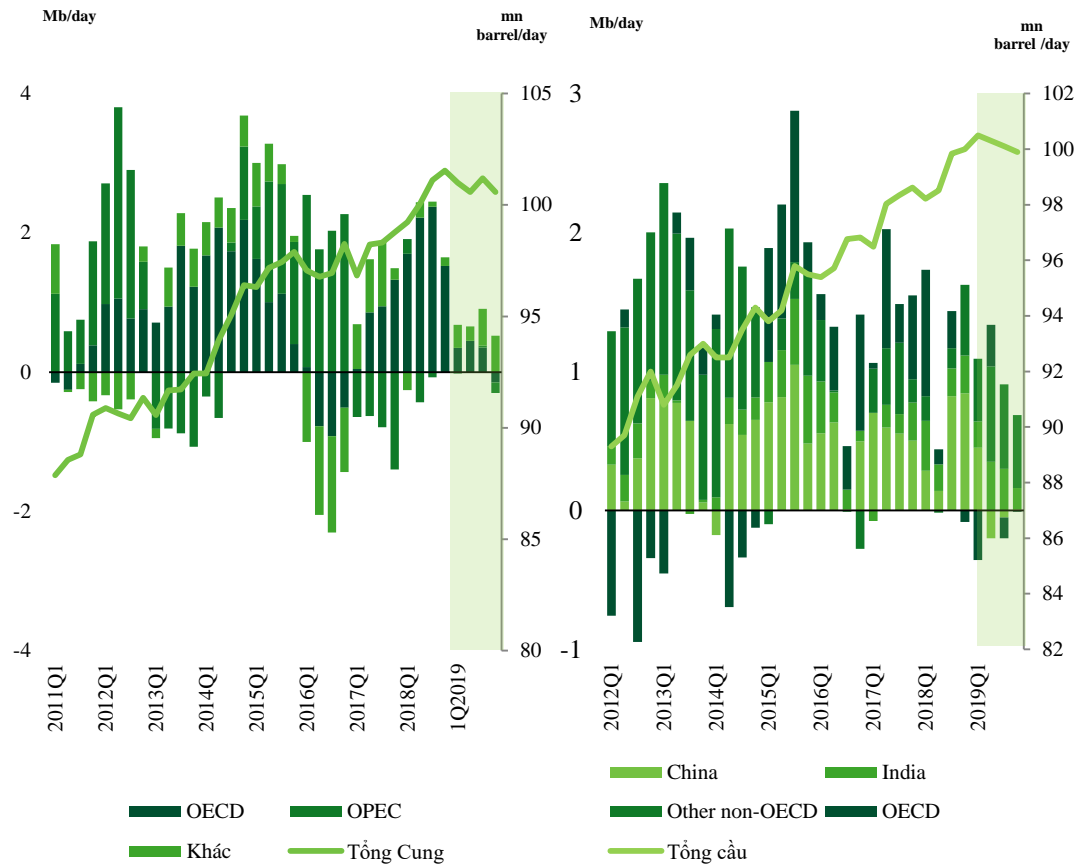
D: Total demand

G: US's GDP

❖ Assumption

(1) VCBS revise our forecast for Brent Oil’s global supply & demand down to 100.850 barrel/day & 100.200 barrel/day, respectively due to the trade war between US & China which is likely to make the global economy slow down.

Figure 2: Total supply & demand of Brent Oil



Source: VCBS

(2) We maintain our expectation for the US’GDP growth at 2,7% compared to previous Oil & Gas Sector Report.

❖ **2H.2019 Brent Oil expectation:**

Given two assumption as our mentions, VCBS expects Brent Oil price to reach USD65/barrel for 2H.2019.

Rec: **CONSERVATIVE**

We set Brent Oil price of USD65/barrel at base case for the next 6M.2019. However, *VCBS still consider Brent Oil price in worst case of China stepping up in placing more impact on large oil exporters, especially Iran & Venezuela which are among in top 10 of OPEC.*

Given the unpredictable fluctuation of Brent oil’s movement in recent times, VCBS revise our recommendation from “**OUTPERFORM**” to “**CONSERVATIVE**” for Viet Nam Oil & Gas industry prospect in the next 6M.2019.

DOMESTIC MARKET HIGHLIGHTS

VietNam Oil & Gas Industry VCBS update some detail information about VietNam Oil & Gas project in 6M.2019.

Nam Con Son 2 – Phase 2: Nam Con Son 2 – Phase 2 include two separate parts:

Pipeline Part

Part I: Nam Con Son 2 pipeline onshore and offshore

Part II: Nam Con Son 2 GPP Plant

In which, Nam Con Son 2 pipelines’s project would be launched earlier than Nam Con Son 2 GPP Plant to distribute the natural gas from Sao Vang – Dai Nguyetfield in time.

Figure 3: Nam Con Son 2 – Phase 2 pipelines and gas distribution’s project process



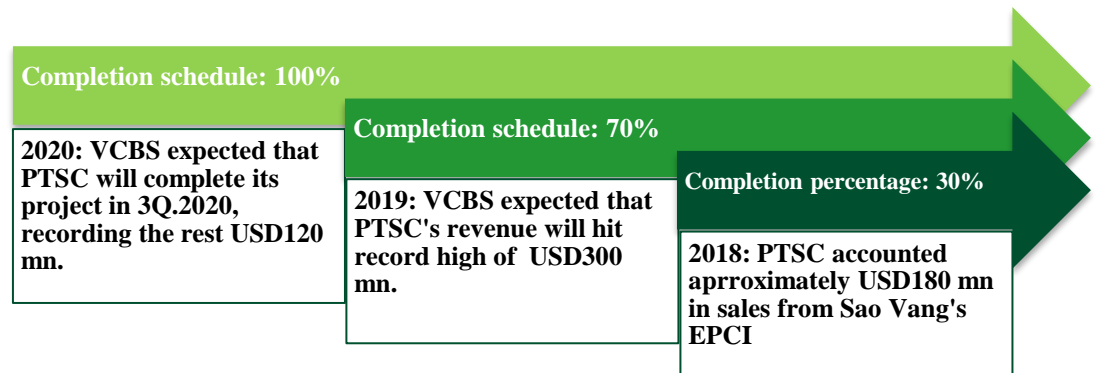
Source: VCBS

In which, GAS offered two major EPCI packages including offshore & onshore pipelines (which do not include coating’s pipelines implemented by PVB). VCBS expected PVS will obtain this bidding package to be the main contractor of Nam Con Son 2 – Phase 2.

Sao Vang – Dai Nguyet

In 2019, PTSC continued to do the backlog EPCI construction of Sao Vang (Dai Nguyet WHPs will be built and installed 2 year later after the well – timed Sao Vang CPP & WHPs). Additionally, PTSC also succeed in bidding of Sao Vang’s FSO represented by MVOT venture (PTSC & MISC). PTSC has spent Sao Vang’s FSO capex of USD120 mn.

Figure 4: Sao Vang – Dai Nguyet EPCI project process



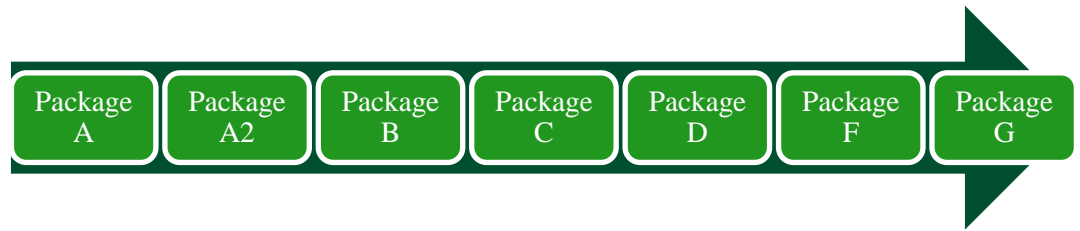
Source: VCBS

VCBS think that PVS’s performance continues going well which is generated by Sao Vang – Dai Nguyet. As our forecast, PVS will hit a high record on M&C sale from completing 60% of EPCI.

Long Son Petrochemical

VCBS list of some major package of Long Son Petrochemical in Figure. Obviously, most of package of Long Son Petrochemical, which requires high technical should be launched by foreign partners while almost domestic ones will take part in outsourcing process with poor margin of profit.

Figure 5: Long Son Petrochemical project process



Package A: Olefins Plant: Technip (Malaysia) + SK (Korea).

Package A2: Tank Farm & Interconnecting pipelines: POSCO E&C (Korea) + PVC MS (Vietnam).

Package B: HDPE (High-density polyethylene) + Air Separation Unit (ASU): Samsung Eng (Korea) + Linde (Germany).

Package C: PP + ASU: Samsung Eng (Korea) + Linde (Germany).

Package D: LLDPE: Toyo Thai + MESS (Japan).

Package F: Jetty (civil, marine structure & dredging): POSCO E&C (Korea).

Package G: Utility (CTU, steam, water plants): Hyundai E&C (Korea).

Source: VCBS

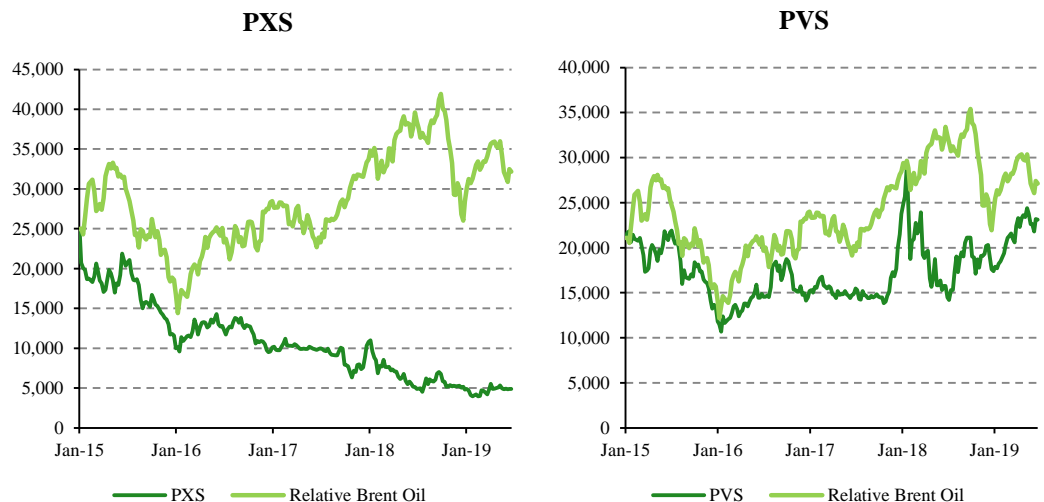
Accumulated to 6M.2019, 15% of Long Son Petrochemical project has been completed. PVC – MS has successfully bid to become an EPC major contractor as well as PVS. In which, PVC – MS took responsibility for package A2 with total value contract of USD110 mn. PTSC co-operates with Posco E&C to be responsible for package F with total value contract of USD300 mn.

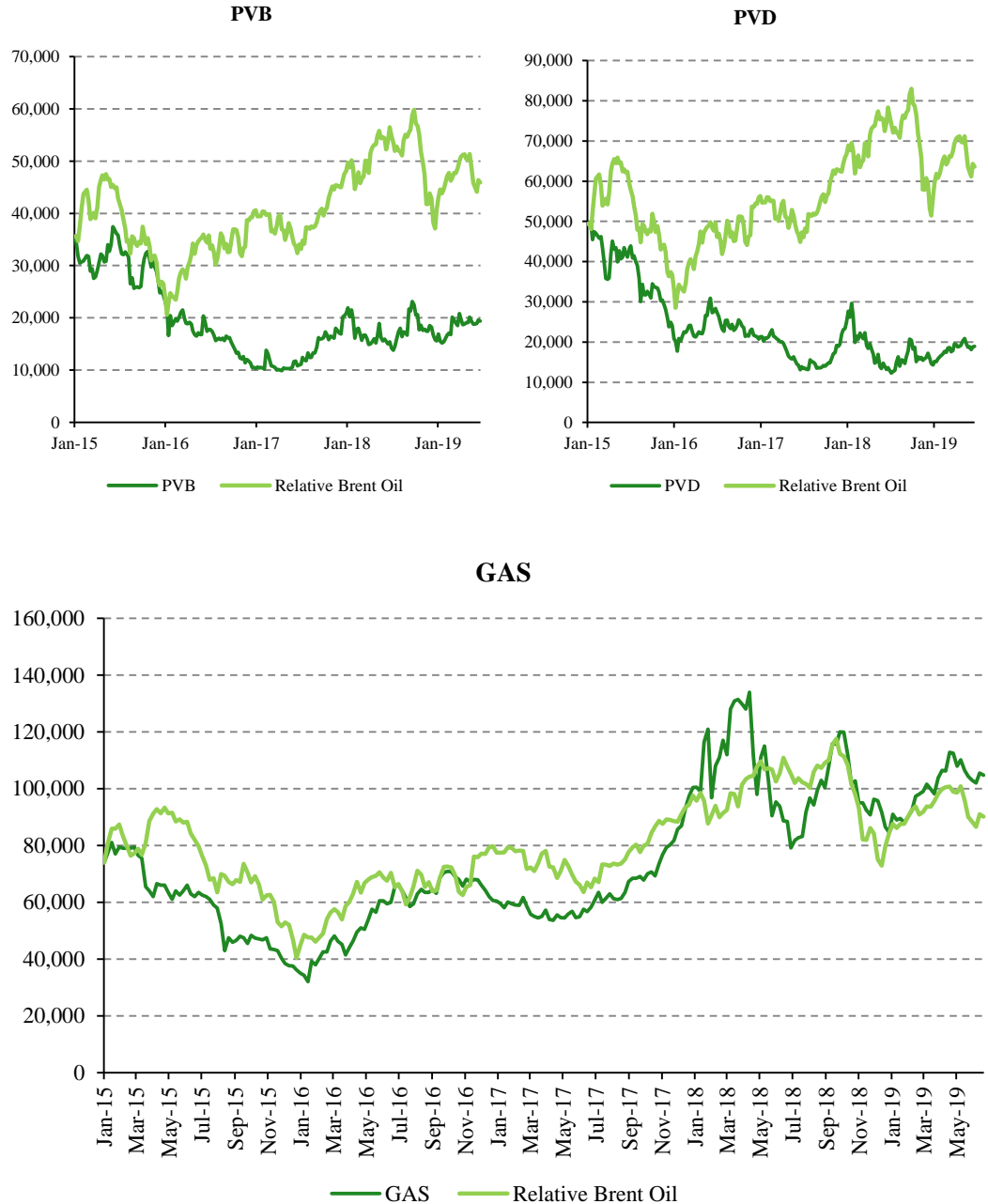
INVESTMENT STRATEGY

Correlation between Oil & Stock

It is obvious that Oil price impact on performance of industry should vary among companies and segments. Therefore, VCBS illustrate the correlation in the movement of some Viet Nam Oil & Gas stocks and Brent Oil price in Figure...

Figure 6: Correlation between Brent Oil & Oil & Gas companies's share prices





Source: VCBS

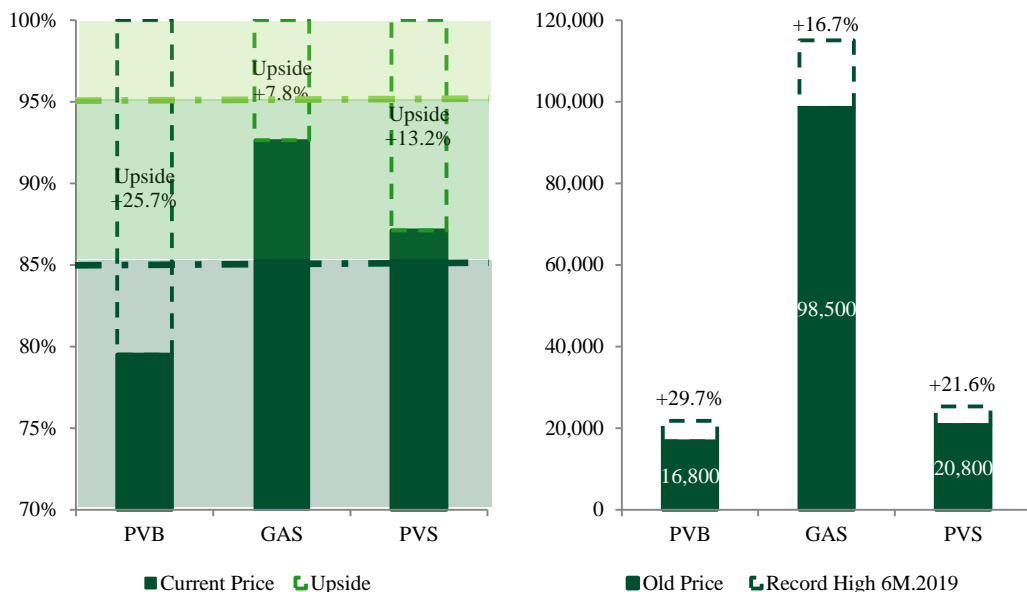
Obviously, share price of such companies operating in upstream sector as PXS, PVB, PVS... have lower sensitivity against Brent Oil than those of midstream companies, especially GAS.

Investment thesis

In particular, it is no doubt about that Brent Oil's price movement in this time was different from its previous pattern. It fluctuates dramatically with a wide range of amplitude in the short term.

All in all, given our recommendation as CONSERVATIVE of Brent Crude Oil price in the last 6M.2019, we remain our positive point of view toward those companies which are least affected by the Brent Oil price movement.

Figure 7: Review VCBS Oil & Gas's recommendation portfolio



Source: VCBS

VCBS review our Oil & Gas portfolio's performance as our recommendation in "[VCBS - 2019 OIL & GAS SECTOR REPORT](#)". In which, PVS & GAS were most likely to reach our target except PVB.

Given the **CONSERVATIVE** recommendation of Oil & Gas industry mentioned in previous part, VCBS realize that only **PVB** is trading undervalued. VCBS keep our rating **BUY** to **PVB** stock for the last 6M.2019.

Highlight of Viet Nam Oil & Gas industry was PXS which has been turned around in late 2019 – 2020.

PVB – BUY

• UPDATE INFORMATION

Nam Con Son 2 – Phase 2: As our mention at the previous part, Nam Con Son 2 – phase 2 are being implemented on schedule in order to catch up with Sao Vang – Dai nguyet project. PVB is responsible for coating 118km of pipe line in 2019-2020 with total value of USD40 mn in combination with 46km of internal pipe line of Sao Vang CPP & Thien Ung CPP.

As our expectation, Hyosung Corporation will act as steel materials supplier for PV Pipe on Sep, 2019. After that, PV Pipe will deliver steel pipes to PV Coating on Oct, 2019. According to PVB, 40% of total value of this project will be recorded in 4Q.2019 which generates VND360 bn of sales and VND50 bn of NPAT. Although, PVB reduced a significant amount in its depreciation cost from 2018 that did not help improving its margin of Nam Con Son 2 – phase 2.

The potential projects: PVB is following some potential projects such as: White Lion, Block B – O Mon, Blue Whale... In detail, Block B – Omon is a major project which PVB will set as its priority due to its scale. Also, VCBS expect that Kinh Ngu Trang Field, which is owned by VSP, will be launched in the beginning of 2020. PVB is likely to successfully bid for 37km pipeline package with total value of USD7 mn.

• RISK

STOCK STATISTIC

Stock exchange	HNX
Current price (VND)	20,500
Target price (VND)	27,045
Avg 10 day vol	233,819
Market Cap	442.8
Upside	32%

INDEX CORRELATION



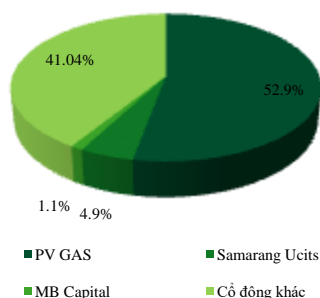
An unexpected decline in undistributed earning account. According to PVB, the auditor will adjust PVB's undistributed earning account down an amount of VND80 bn at the end of this fiscal year due to the lack of evidence document base in recording earning of Nam Con Son 2 – phase 1. PVB also deducts from its inventories the same amount as its undistributed earning.

Corporate governance risk: PVB is one of PV GAS's subsidiaries. As a result PVB is supposed to have the approval of the government to be a contractor of Nam Con Son 2 – Phase 2 which is invested by PV Gas. If there are any changes by PVGas in earning distribution from the project, performance of PVB will be affected.

- **VALUATION**

**VCBS remove discount in our current valuation because Nam Con Son 2 – phase 2 has already been put into construction on Sep, 2019.*

EQUITY STRUCTURE



ASSUMPTION	Worst case	Base case	Good case
Brent Oil	50	65	80
Gross Profit Margin			
- Nam Con Son 2 – Phase 2	15.4%	20%	25%
- White Lion – Phase 2	13.8%	18%	22%
- Block B – O Mon	15.4%	20%	25%
- Blue Whale	11.5%	15%	20%
BUSINESS RESULT			
REVENUE	417,856	417,856	417,856
NPAT	252	16,410	32,568
VALUATION			
DCF	21,337	27,045	32,691
Target price	21,337	27,045	32,691
Upside (%)	+5%	+32%	+59%

Source: VCBS

- **RECOMMENDATION**

VCBS maintain **BUY** recommendation on **PVB** with 6 month target price of **VND27,045**.

- **INVESTMENT THESIS**

Robust from Long Son Petrochemical project: In 1H.2019, under an EPC contract, PXS did Engineering segment as well as structure design. In 3Q.2019, PXS will do Procurement segment

PXS – BUY

STOCK STATISTIC

Stock exchange	HSX
Current price (VND)	5,300
Target price (VND)	7,548
Avg 10 day vol	212,879
Market Cap	338.4
Upside	42%

including of procuring the necessary materials. From 4Q.2019 – 4Q.2021, PXS will do Construction segment which has highest earning margin compared to the rest. PXS is responsible for Tankfarm segment in A2 package with total value of USD110 mn.

Highlight of PXS outlook was Thang Long Wind Project owned by Enterprize Energy PTE. Ltd (PTE). Accumulated to 1H.2019, Thang Long Wind has already been approved by Vietnamese government in term of its survey license. Currently, PTE has the simultaneous goals to conduct surveys and make additional planning, environmental and feasibility reports of the project to ensure its first phase (Thang Long Wind I) with a capacity of 600 MW on 64 wind towers to be synchronized with the national power system by the end of 2022 or beginning of 2023. The next phases of the project development including Thang Long Wind II, Thang Long Wind III, Thang Long Wind IV and Thang Long Wind V with capacity of 600 MW each will be in turn put into operation from 2023-2026. The final stage as Thang Long Wind VI has a capacity of 400 MW.

PXS & VSP are the major contractors in which PXS is responsible for processing and manufacturing of wind tower meanwhile VSP deliveries and installs it in offshore area of Ke Ga Cape (Binh Thuan province). VCBS estimated that each windtower has total value of VND50 bn excluded purchasing material costs.

• RISK

Weak financial health. PXS is one of subsidiaries as well as a sub contractor of PVX which has already discontinued its business activities since violations of management at Thai Binh 2 & Song Hau Power Plant (invested by PVN). Both of projects are pending that put PXS into difficult circumstances especially in its bottom line as well as its cashflow.

According to PXS, it is supposed to increase its charter capital to meet the reciprocal capital requirement of Thang Long Wind Project. PXS plans to issue 20 million shares equivalent to VND200 bn in 2020 with its denomination. VCBS think that PXS is not likely to find a strategic investor if its share price remain under facevalue of VND 10,000.

Risk of each internal project: Both of Long Son & Thang Long Wind projects contain specific risk. In which, in term of Long Son Petrochemical, it has delayed for 6M in 2019 due to the juridical issue. In addition, Long Son project is classified into onshore project category, which results in low earning margin in construction packages. In term of Thang Long Wind, it suffers from some problems such as electricity industry, regulation, feasibility... before put into operation.

• VALUATION

Assumption:

- Long Son Project could launch on its schedule.
- Gross profit margin of A2 package implemented by PXS is 7%.
- Thang Long Wind plant to be approved and run from 2022.

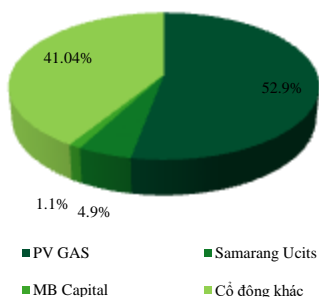
Valuation:

DCF	2019
Risk Free rate (Rf)	4.00%
Equity Risk Premium for VN: (Rm - Rf)+CP	10.27%

INDEX CORRELATION



EQUITY STRUCTURE



**VCBS enable discount in our valuation due to the special PVB's business model*

Beta	1.45
$WACC = Re * E/(E+D) + Rd*(1-Tc)*D/(E+D)$	19.49%
FCFF	7,548

Source: VCBS

- **RECOMMENDATION**

VCBS forecast PXS's revenue and profit will reach VND474.5 bn and VND-77.7 bn, respectively. Currently, PXS is listing on HSX exchange which would enforce those companies be delisted if they loss for two consecutive year. We saw 2019 will be 2nd year continuously which PXS's bottom line is negative.

All in all, VCBS strongly believe 2020 will be a turning point of PXS's performance based on its outlook as our mention.

VCBS issue a **BUY** recommendation of PXS with a half year target price of **VND7,548**.

VCBS's recommendation of Oil & Gas companies matrix

OIL PRICE		50-55 USD	60-65 USD	70-75 USD	INVESTMENT THESIS
UPSTREAM	PVS	OUTPERFORM	OUTPERFORM	BUY	Robust from Sao Vang – Dai Nguyet EPCI as well as restructuring business model supporting PVS's bottom line
	PVB	BUY	BUY	BUY	Nam Con Son 2 – phase 2 is key driven growth for PVB in 2019-2020
	PVD	OUTPERFORM	OUTPERFORM	BUY	PVD's outlook depends on TAD's bidding result on August, 2019.
	PXS	BUY	BUY	BUY	Currently, PXS is listing on HSX exchange which would enforce those companies be delisted if they loss for two consecutive year. We saw 2019 will be 2 nd year continuously which PXS's bottom line is negative.
MIDSTREAM	GAS	UNDERPERFORM	OUTPERFORM	OUTPERFORM	In case of fluctuation in Brent oil price, GAS's business activities face some risks in its COGs.
	BSR	OUTPERFORM	OUTPERFORM	OUTPERFORM	-
DOWNSTREAM	PGS	OUTPERFORM	OUTPERFORM	OUTPERFORM	-
	CNG	OUTPERFORM	OUTPERFORM	OUTPERFORM	-
	PGD	OUTPERFORM	OUTPERFORM	OUTPERFORM	-
	PLX	OUTPERFORM	OUTPERFORM	OUTPERFORM	30 days inventories mechanism issued by government resulting in the inflexible of business activities of PV Oil & PLX.
	OIL	OUTPERFORM	OUTPERFORM	OUTPERFORM	

Note

- : BUY (>15%)
- : OUTPERFORM (5% - 15%)
- : HOLD (-5% - 5%)
- : UNDERPERFORM (< -5%)

APPENDIX I

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.715054
R Square	0.511303
Adjusted R Square	0.473711
Standard Error	18.96771
Observations	43

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	14680.23	4893.409	13.60134	3.21E-06
Residual	39	14031.19	359.7741		
Total	42	28711.42			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	310.6553	69.99973	4.43795	7.24E-05	169.0675	452.2432	169.0675	452.2432
X Variable 1	-13.4035	3.068991	-4.3674	8.99E-05	-19.6111	-7.19589	-19.6111	-7.19589
X Variable 2	10.90625	3.353788	3.25192	0.002367	4.122573	17.68993	4.122573	17.68993
X Variable 3	4.757612	1.290603	3.686348	0.000691	2.147121	7.368104	2.147121	7.368104

APPENDIX II: PVB

INCOME STATEMENT	2017	2018	2019F	2020F	BALANCE SHEET	2017	2018	2019F	2020F
Revenue	83,079	202,561	417,856	607,304	Assets				
- Cost of goods sold	117,241	157,641	379,285	510,843	+ Cash & equivalent	80,770	35,613	73,466	106,774
Gross profit	-34,163	44,921	38,571	96,461	+ Short-term investments	30,000	148,000	148,000	148,000
- Sales & marketing	0	0	0	0	+ Accounts receivable	70,287	61,687	139,285	202,435
- General & admin	38,479	22,792	33,428	48,584	+ Inventories	151,144	135,172	75,857	102,169
Operating profit	-72,642	22,129	5,143	47,876	+ Other current assets	19,220	12,304	12,304	12,304
- Forex gains/(losses)	6,793	5,496	11,338	16,479	Total current assets	351,421	392,776	448,912	571,681
- Net non-op gains	123,312	2,105	2,105	2,105	+ Gross fixed assets	598,096	600,827	612,226	630,411
EBIT	57,463	29,730	18,586	66,460	- Accum. depreciation	-512,085	-527,193	-543,251	-560,825
- Interest expense	12	0	736	4,289	+ Net fixed assets	86,011	73,634	68,974	69,586
EBT	57,452	29,730	17,849	62,171	+ Long-term investments	0	0	0	0
- Income tax expense	1,175	6,637	1,440	6,722	+ Other long-term assets	717	879	1,814	2,636
Profit after tax	56,276	23,093	16,410	55,449	Total long-term assets	86,727	74,513	70,788	72,222
CASH FLOW					Total Assets	438,148	467,289	519,700	643,903
Cash flow	97,155	80,770	35,613	73,466	Liabilities & Equity				
Beginning cash	57,452	29,730	16,410	55,449	+ Accounts payable	14,834	13,871	25,973	34,982
Net Income	18,090	15,108	16,058	17,574	+ Short-term borrowings	0	0	22,661	9,316
+ Depreciation	-46,877	5,058	-935	-822	+ Other ST liabilities	19,317	17,533	83,571	121,461
+ Other non-cash adjust.	-92,511	28,661	59,856	-42,562	Current liabilities	34,151	31,404	132,205	165,759
+ Changes in non-cash	-63,846	78,557	91,390	29,638	+ Long-term debt	0	0	0	100,000
Cash from Operations	0	0	0	0	+ Other LT liabilities	0	8,796	8,796	8,796
+ Disposal fixed assets	-4,077	-2,731	-11,399	-18,185	Total LT liabilities	0	8,796	8,796	108,796
+ Capex	0	0	0	0	Total Liabilities	34,151	40,200	141,001	274,555
+ Change in investments	51,536	-120,983	0	0	+ Share capital	216,000	216,000	216,000	216,000
+ Other investments	47,459	-123,714	-11,399	-18,185	+ Total preferred equity	0	0	0	0
Cash from Investing	0	0	-64,800	-64,800	+ Paid in capital	9,850	9,850	9,850	9,850
+ Dividends paid	0	0	0	0	+ Retained earnings	178,147	201,239	152,849	143,498
+ Change in capital	0	0	22,661	-13,345	+ Minority interest	0	0	0	0
+ Change in ST debt	0	0	-42,139	21,855	Total equity	403,997	427,089	378,699	369,348
Cash from Financing	-16,387	-45,157	37,852	33,308	Liabilities & equity	438,148	467,289	519,700	643,903
Ending cash	80,770	35,613	73,466	106,774					

APPENDIX III: PXS

INCOME STATEMENT	2017	2018	2019F	2020F	BALANCE SHEET	2017	2018	2019F	2020F
Revenue	835,865	232,543	474,517	852,575	Assets				
- Cost of goods sold	756,149	318,334	550,766	766,986	+ Cash & equivalent	60,508	245,667	34,350	61,718
Gross profit	79,716	-85,791	-76,249	85,589	+ Short-term investments	0	0	0	0
- Sales & marketing	0	0	0	0	+ Accounts receivable	632,334	389,506	237,258	426,288
- General & admin	66,575	43,407	28,471	51,155	+ Inventories	247,551	239,407	110,153	153,397
Operating profit	13,142	-129,198	-104,720	34,435	+ Other current assets	16,440	17,330	17,330	17,330
- Forex gains/(losses)	4,859	2,442	2,673	6,238	Total current assets	956,832	891,909	399,091	658,732
- Net non-op gains	16,820	24,387	13,803	18,336	+ Gross fixed assets	1,064,979	1,042,649	1,050,683	1,056,475
EBIT	34,821	-102,369	-88,244	59,009	- Accum. depreciation	-366,586	-413,634	-482,634	-534,647
- Interest expense	32,783	36,169	14,658	22,205	+ Net fixed assets	698,393	629,014	568,049	521,828
EBT	2,038	-138,538	-102,902	36,804	+ Long-term investments	895	270	270	270
- Income tax expense	1,094	867	-25,190	9,514	+ Other long-term assets	104,184	110,610	110,610	110,610
Profit after tax	944	-139,405	-77,712	27,290	Total long-term assets	803,472	739,894	678,929	632,708
CASH FLOW					Total Assets	1,760,304	1,631,803	1,078,020	1,291,440
Cash flow	400,379	60,508	245,667	34,350	Liabilities & Equity				
Beginning cash	2,038	-138,538	-77,712	27,290	+ Accounts payable	408,218	288,950	220,306	306,794
Net Income	69,434	64,313	69,000	52,012	+ Short-term borrowings	410,532	256,217	121,091	316,034
+ Depreciation	42,325	74,521	0	0	+ Other ST liabilities	114,401	456,931	456,931	456,931
+ Other non-cash adjust.	-495,705	370,863	212,857	-145,785	Current liabilities	933,151	1,002,099	798,328	1,079,760
+ Changes in non-cash	-381,908	371,159	204,145	-66,483	+ Long-term debt	58,140	23,009	50,708	195,407
Cash from Operations	67,897	1,368	0	0	+ Other LT liabilities	24,196	1,284	1,284	1,284
+ Disposal fixed assets	-2,130	-210	-8,034	-5,792	Total LT liabilities	82,336	24,293	51,992	196,691
+ Capex	0	0	0	0	Total Liabilities	1,015,487	1,026,391	850,320	1,276,451
+ Change in investments	5,702	2,280	0	0	+ Share capital	600,000	600,000	600,000	600,000
+ Other investments	71,470	3,438	-8,034	-5,792	+ Total preferred equity	0	0	0	0
Cash from Investing	-77,993	0	-300,000	-240,000	+ Paid in capital	13,251	13,251	13,251	13,251
+ Dividends paid	0	0	0	0	+ Retained earnings	131,565	-7,840	-385,552	-598,262
+ Change in capital	433,886	287,884	-135,126	194,943	+ Minority interest	0	0	0	0
+ Change in ST debt	-29,423	-189,446	-407,427	99,642	Total equity	744,817	605,412	227,699	14,990
Cash from Financing	-31,179	-33,764	0	0	Liabilities & equity	1,760,304	1,631,803	1,078,020	1,291,440
Ending cash	60,508	245,667	34,350	61,718					

DISCLAIMER

This report is designed to provide updated information on the fixed-income, including bonds, interest rates, some other related. The VCBS analysts exert their best efforts to obtain the most accurate and timely information available from various sources, including information pertaining to market prices, yields and rates. All information stated in the report has been collected and assessed as carefully as possible.

It must be stressed that all opinions, judgments, estimations and projections in this report represent independent views of the analyst at the date of publication. Therefore, this report should be best considered a reference and indicative only. It is not an offer or advice to buy or sell or any actions related to any assets. VCBS and/or Departments of VCBS as well as any affiliate of VCBS or affiliate that VCBS belongs to or is related to (hereafter, VCBS), provide no warranty or undertaking of any kind in respect to the information and materials found on, or linked to the report and no obligation to update the information after the report was released. VCBS does not bear any responsibility for the accuracy of the material posted or the information contained therein, or for any consequences arising from its use, and does not invite or accept reliance being placed on any materials or information so provided.

This report may not be copied, reproduced, published or redistributed for any purpose without the written permission of an authorized representative of VCBS. Please cite sources when quoting. Copyright 2012 Vietcombank Securities Company. All rights reserved

CONTACT

Tran Minh Hoang

Head of Research

tmhoang@vcb.com.vn

Le Duc Quang

Equity Research Manager

ldquang@vcb.com.vn

Ngo Duy Tai

Senior Equity Analyst

ndtai@vcb.com.vn