HO CHI MINH INFRASTRUCTURE INVESTMENT JSC (CII - HSX)

March 14, 2016

COMPANY UPDATE

CII: Optimistic 2016 profit target on strong financial activities

Ho Chi Minh Infrastructure Investment JSC (CII – HSX) held an Investors' Meeting on March 14, mapping out a long-term strategy for the next years. CII expects net profit after tax (NPAT) to the parent company to grow at double-digit rates to VND848 billion (USD38.1 million) in 2016, VND998 billion (USD44.8 million) in 2017 and VND1,257 billion (USD56.5 million) in 2018. Although NPAT target for 2016 almost doubles 2015's actual number, CII is still confident thanks to the bookings of key financial activities, including income of VND430 billion (USD19.3 million) from the conversion of convertible bonds held by MPTC and VND150 billion (USD6.7 million) from the sale of Truong Thuan Phat. Besides, the contribution to NPAT of CII B&R will be around VND170 billion (USD7.6 million), CII E&C around VND120 billion (USD5.4 million). From 2017, profit is expected to be driven by CII's core businesses.

CII's projected income statement			
VND billion	2016	2017	2018
Revenue	**2,876**	**4,960**	**5,579**
Gross profit	941	1,692	2,227
Gross profit margin	*33%*	*34%*	*40%*
Financial income and other income	990	562	533
Financial expenses	529	574	674
EBITDA	**2,385**	**2,792**	**3,271**
Net profit after tax	**1,081**	**1,279**	**1,678**
Net profit margin	*38%*	*26%*	*30%*
Net profit to parent company	**848**	**998**	**1,257**

Source: CII

Other updates included:

- CII expects to own 51 percent of NBB's stakes in Q2/2016 and acquire entirely in mid-or late 2017 and establish CII Land with charter capital of VND1,000 billion (USD44.9 million), in which CII invests 51 percent. The M&A with NBB is delayed due to disagreement with NBB's foreign shareholders on the purchase price, which CII is offering at VND27,200 per share.
- CII will fully scrap its foreign ownership limit after negotiation of a new potential project is finished and transferring the property trading segment to Bac Thu Thiem Ltd. - a CII's project company established in December 2015 with charter capital of VND340 billion (USD15.3 million). By law, the property segment is still not eligible for 100% foreign ownership.
- Over the next years, the priority will be given to the Thu Thiem project, which CII is deciding on an optimal development plan. Also, CII will purchase completed BOT/BT projects and collect toll fees on these projects. CII will also develop highway projects in Ho Chi Minh City with support from the government and participate in the equitization of state-owned enterprises in the water generation and waste water distribution and processing network.

CII increased 1.3 percent to VND24,100 per share after today's session. CII is trading at a LTM P/E of 7.4x, and a LTM P/B of 1.6x.

CONTACT INFORMATION

For further information regarding this report, please contact the following members of the VPBS research department:

Le Anh Minh, CFA
Associate Director - Fundamental Analysis
minhla@vpbs.com.vn

Vu Ngoc Tram
Research Assistant
tramvn@vpbs.com.vn

For any questions regarding your account, please contact the following:

Ly Dac Dung
Head of Retail Sales and Brokerage
dungld@vpbs.com.vn
+84 1900 6457 Ext: 335

Tran Cao Dung
Director, Head of Wealth Advisory
Prestige VP Private Banking
dungtc@vpbs.com.vn
+848 3910 0868

Vo Van Phuong
Director of Retail Sales and Brokerage
Nguyen Chi Thanh 1 - Ho Chi Minh City
phuongvv@vpbs.com.vn
+848 6296 4210 Ext: 130

Domalux
Director of Retail Sales and Brokerage
Nguyen Chi Thanh 2 - Ho Chi Minh City
domalux@vpbs.com.vn
+848 6296 4210 Ext: 128

Tran Duc Vinh
Director of Retail Sales and Brokerage
Lang Ha - Ha Noi
vinhtd@vpbs.com.vn
+844 3835 6688 Ext: 369

Nguyen Danh Vinh
Associate Director of Retail Sales and Brokerage
Le Lai - Ho Chi Minh City
vinhnd@vpbs.com.vn
+848 3823 8608 Ext: 146

Hanoi Head Office

362 Hue Street,

Hai Ba Trung District, Hanoi

T - +84 1900 6457

F - +84 (0) 4 3974 3656

Ho Chi Minh City Branch

76 Le Lai Street,

District 1, Ho Chi Minh City

T - +84 (0) 8 3823 8608

F - +84 (0) 8 3823 8609

Danang Branch

112 Phan Chau Trinh Street,

Hai Chau District, Danang

T - +84 (0) 511 356 5419

F - +84 (0) 511 356 5418

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