

Bamboo Capital Group (BCG - HOSE)

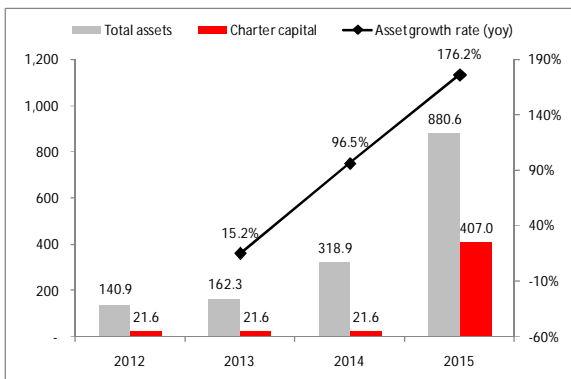
Recommendation: BUY

KEY INDICATORS

Current Price (VND)	6,700.0
Target Price (VND)	11,300.0
Upside Potential (%)	68.7
YTD Return (%)	(65.5)
1-Year Return (%)	N/A
Outperform/(Underperform) (%)	N/A
Market Cap (VND billion)	272.7
Outstanding Shares (million)	40.7
Dividend Yield (%)	-
P/E Trailing (x)	10.1
P/B (x)	0.6
P/E VN-Index (x)	14.1

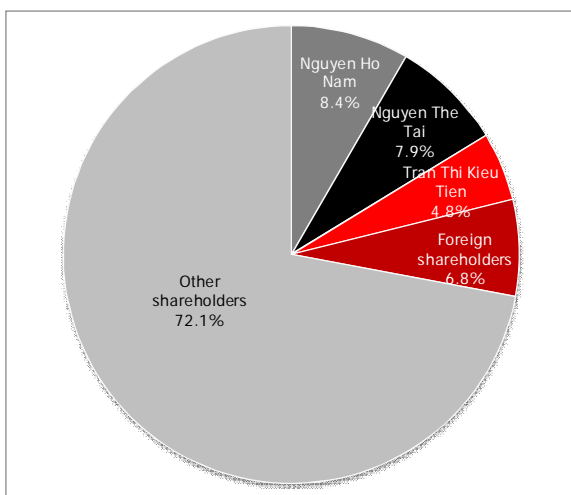
Source: BCG, MSI

Charter capital and total assets 2012-2015 (VND billion)



Source: Audited financial reports of BCG, MSI

Shareholding structure (updated 06/2016)



Source: BCG, MSI

COMPANY OVERVIEW

Bamboo Capital Group (BCG) was founded in 2011 and operated in two main business areas as investment banking services and information technology solutions. By 2013, the company has transformed into an investment company with two other business divisions - agricultural product trading and investment with M&A approach. In July 2015, BCG officially listed on Ho Chi Minh City Stock Exchange as a diversified enterprise operating in areas such as: (1) advisory and investment banking service, (2) M&A investment, (3) commercial activities, and (4) project development.

Currently, BCG aims to become one of the leading multi-industry companies in Vietnam, which focuses on building strategic M&A to acquire high valuable assets and huge growth potential of small and medium businesses. Through strategic investments, BCG pays attention on developed direction with great potentials, and invests and manages the portfolio sustainably for long-term returns. At present, BCG has seven subsidiaries and eight associates operating in various sectors. By the end of 2016, the number will increase to 10 subsidiaries and 08 associates mainly in sectors such as agriculture, mining, real estate, transportation, automobile manufacturing, furniture... As a corporation rising from financial advisory services and management, BCG offers specific administration improvements, financial supports and some other value-added services to its invested companies, and also helps its member companies develop rapidly and realize the leap from outstanding to excellent.

BGC'S CHARTER CAPITAL AND TOTAL ASSETS INCREASED RAPIDLY

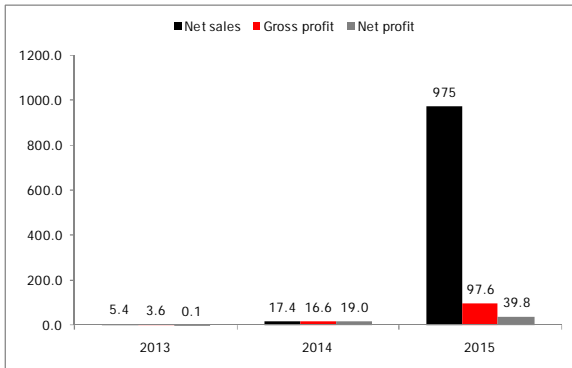
In the past five years, BCG has raised its charter capital twice from VND500 million (2011) up to VND21.6 billion (2012), and reached VND407 billion in 2015, eight hundred times higher than its establishment. Total assets of BCG have constantly increased over the years as the value increased slightly in 2013 by 15.2% yoy. At the end of 2014, total assets of the company reached VND318.9 billion, increased 96.4% over the previous year. By 2015, BCG's total assets reached VND880.6 billion, corresponding to the growth rate of 176.1% yoy.

OWNERSHIP STRUCTURE

BCG's shareholding structure is quite diluted when most shareholders are individual. At the beginning of June 2016, BCG only has 2 major shareholders: Mr. Nguyen Ho Nam - Vice Chairman of the Board - holds 8.37% stake of BCG, and Mr. Nguyen The Tai - CEO of BCG - with 7.91% of stock. In July 2015, Mrs. Tran Thi Kieu Tien had reduced her ownership to 4.83% and was no longer a major shareholder of BCG. Foreign shareholders keeps approximately 6.84% of BCG's shares while the remaining shares are held by other shareholders.

BUSINESS PERFORMANCE OF BCG (2013-Q1.2016)

Business performance 2013-2015
(VND bln)



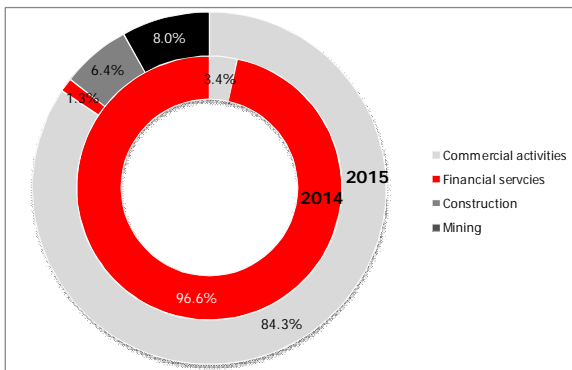
Source: Financial reports of BCG, MSI

Period 2013-2015

In 2013, BCG achieved net sales of VND5.4 billion, an increase of 128.2% compared to 2012. Accordingly, BCG's 2013 revenue came mainly from financial advisory services including consulting M&A contracts, high value contracts of investment banking services and project divestments, which brought large revenues to the company. Thus, net profit also recorded a positive result, from VND18.9 billion loss in 2012 into a profit of VND141.7 million in 2013. Gross profit margin of BCG was rather high (67.2%) and net profit margin also improved, at 7.8%.

In 2014, net sales and net profit of the company rose unexpectedly 2.2 times and 132.8 times higher than 2013, reaching VND17.4 billion and VND18.9 billion. This exceptional achievement was due to revenue from financial advisory services still remained high, reached VND16.8 billion, up 211.1% over the previous year. Moreover, in 2014, financial investment segment also began to record VND4.9 billion revenue from the capital divestment out of Indochina Real Estate Development Investment Corporation.

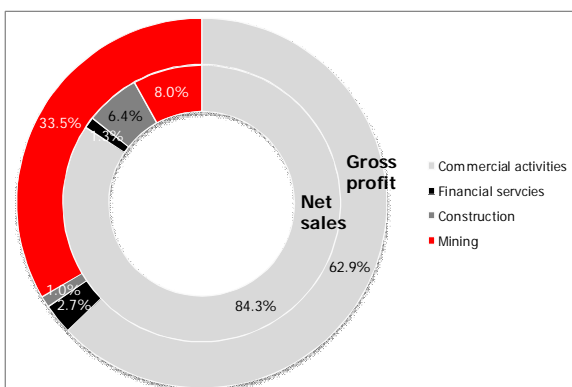
Net sales structure 2014-2015



Source: Financial reports of BCG, MSI

Entering 2015, revenue of BCG dramatically increased by 50 times compared to 2014, reaching VND975 billion. Similarly, the net profit of the company grew to VND39.8 billion, up 110% over the same period previous year. This positive result was achieved thanks to BCG took steps to strengthen and improve its commercial business segment, as the domestic economy began to show signs of positive recovery. Accordingly, the revenue from selling goods has increased from VND600 million in 2014 to VND821.6 billion in 2015. In addition, BCG also expanded its business into the field of construction and mining. Among them, the mining segment from the joint venture company - Antraco - contributed VND78.5 billion (accounted for 8% of total revenue). For the construction segment, BCG has partnered with PPI and Bang Duong JSC to implement BOT projects (accounted for 6.4% of the total revenue).

Net sales and Gross profit structure 2015



Source: Financial reports of BCG, MSI

Similar to net sales, gross profit of the company grew significantly, from VND16.6 billion in 2014 to nearly VND97.6 billion in 2015. In 2013-2014, financial advisory services contributed the highest in gross profit structure of BCG. However by 2015, commercial activities accounted for 62.9% of total gross profit, which indicated there was a shift in BCG's gross profit structure, from financial advisory services to commercial business segment. In particular, despite contributing only 8% of the revenue structure in 2015, the mining segment accounted for a large proportion of 33.5% of the gross profit structure. This showed that the profit margin of the mining segment was much higher than the company's other business areas.

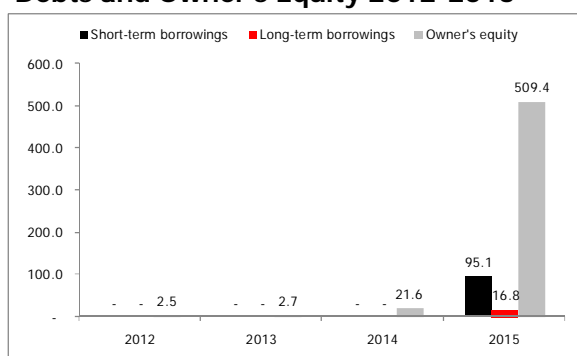
Business results in Q1.2016

In the first quarter of 2016, nets sales increased by 183.2% compared to the same period last year, reaching VND265.7 billion and fulfilled 14.5% the business plan that the Company set for 2016. As a result, the net profit of BCG rose by 243.2% compared to Q1.2015, corresponding to VND15.1 billion, fulfilled about 20% the company's business plan. The earnings surged mainly due to higher return of securities investments, which recorded VND18.5 billion, much larger comparing to the amount VND0.2 billion of the first quarter of 2015.

DEBTS STRUCTURE

In the 4-year period 2011-2014, BCG did not have any outstanding loan and was one of the few enterprises could mainly use their own capital to operate. However, since 2015, BCG has started using debt to fund their expansion plan of production and business activities, and investments into its subsidiaries. At the end of 2015, the total borrowings of the company was VND111.8 billion, in which short-term debts accounted for 80% of the total in order to support high level of production activities within subsidiaries and associates. Accordingly, BCG debt to total assets ratio was 13% and the ratio of debt on owner's equity was 22%. The figures at the end of Q1.2016 were 9% and 16%. This could be considered as an advantage of BCG as low debt ratio means there is more room for company to expand the scale of production with less difficulty in raising additional capital.

Debts and Owner's Equity 2012-2015



Source: Audited financial reports of BCG, MSI

Share issuance plan in 2016

	No of shares (unit)	Value (VND bln)
Charter capital at 1/1/2016	40,700,000	407.00
Issuing shares to pay dividend of 2015	3,256,000	32.56
Issuing ESOP shares for staff	3,000,000	30.00
Issuing shares to increase capital	61,050,000	610.50
Estimated charter capital at 31/12/2016	108,006,000	1,080.06

Source: BCG

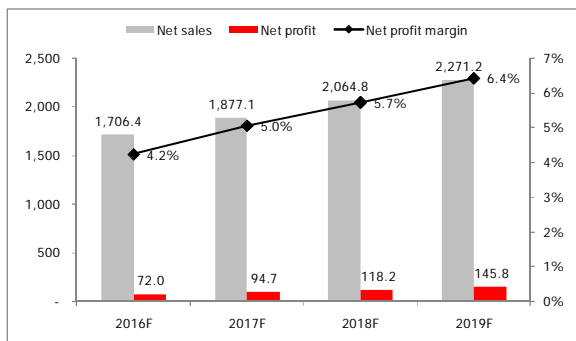
SHARE ISSUANCE PLAN IN 2016

BCG's charter capital has grown rapidly over the past few years for the purpose of conducting M&A, restructuring and supporting subsidiaries and associates to implement their strategies. Specifically, BCG has increased its charter capital from VND21.6 billion to VND407 billion in 2015, equivalent to an increase of 17.8 times. In 2016, the company planned to raise its charter capital to VND1,080 billion by: (1) offering 61.05 million common shares to the public, (2) offering at least 3 million ESOP shares to employees; (3) issuing nearly 3.26 million shares to pay dividends (8%) in 2015. The expected total number of shares to be issued is nearly 67.3 million shares, equal to VND670.3 billion.

The raised funds will be distributed as follows: (1) VND128 billion for Transport and Industry Development Investment JSC - Tracodi, (2) VND30 billion for Nguyen Hoang JSC, (3) VND20 billion capital increase for Thanh Phuc JSC, (4) VND30 billion contributing to Casa Marina Quy Nhon Resort construction, (5) VND50 billion for Viet Golden Farm JSC, (6) VND352.5 billion will be invested in other industries such as automobile manufacturing, producing and processing of agricultural businesses, and purchasing, processing and trading of exported coffee ...

BUSINESS DEVELOPMENT PROSPECTS OF BCG

Financial Prospects in 2016F-2019F
(VND billion)



Source: MSI forecast

In recent years, BCG has increased the value of its M&A deals by investing in companies have good growth potential, and operating in sectors that in line with the development orientation of the company. With its owned business consulting experience, BCG has analyzed, evaluated the operation of the acquired business's development potential to provide suitable restructuring solutions and cooperated with their subsidiaries and associates during the transforming period.

Forecasted earnings of BCG

In 2016, BCG has planned to achieve net revenue of VND1,829.9 billion and VND75.8 billion in term of net profit, increasing 87.7% and 90.3% compared to 2015. BCG will focus and develop the real estate business with many valuable projects. Accordingly, the company has participated through the implementation of various commercial and tourist projects, such as Casa Marina Resort project (Quy Nhon), Xuan An - Ha Tinh urban area, Tracodi Tower (District 1, HCMC), Cu Chi Trade Center... These projects are expected to bring huge revenues for BCG in the future.

However, in order to implement the above projects, the company requires lots of money and based on the business plan in 2016, BCG will issue shares to raise additional capital for the project development. Currently, BCG is focusing on the handling of the issue, legal procedures related to its real estate projects. In particular, unlike other pure product manufacturing enterprises, real estate business needs to consider feasibility and efficiency during the implementation process (3-5 years on average). Therefore, we have projected that the business results of BCG in 2016 will be lower than the company plan. We estimates revenue will reach VND1,706.4 billion (+75% yoy) and net profit of VND72 billion (+80.8% yoy). EPS forward is VND666.5 and P/E forward 2016F is 10.1x, which is 28.7% lower than the P/E of VN-Index of 14,1x. The net profit margin of BCG will increase slightly to 4.2%.

The period of 2017-2019: We expect BCG will maintain revenue growth rate of 10%/year. Accordingly, the company will gain revenue in the next 3 years as VND1,877.1 billion, VND2,064.8 billion and VND2,271.2 billion. The net profit margin during this period can be improved positively, reaching 5%, 5.7% and 6.4% due to real estate projects have been completed and BCG will be able to start recording profit from those projects. Besides, its subsidiaries and associates will end the restructuring process, improving their operational and business results. We project net profit for the three years from 2017 to 2019 will reach respectively VND94.7 billion (+31.5% yoy), VND118.2 billion (+24.8% yoy) and VND145.8 billion (+23.4% yoy).

BCG's M&A activities

Within the last two years, BCG had transformed into a multidisciplinary consulting, project development, construction and operation management group. The company's leaders said that M&A activities of BCG will be separated into three periods: short term, medium term and long term. Especially, in the short term, the company will continue to conduct M&A which specialized and focused on agriculture, services and trading sectors. In the medium term, BCG will choose to M&A medium-sized businesses to restructure, increase working capital by issuing shares, and plan to participate in the capital market (equitization, listed on stock exchanges) for long-term growth. In the longer term, the company's revenues will come mainly from the real estate projects and infrastructure, waste treatment, thermoelectric...

As we can see, the M&A activity of BCG in recent time is targeting high growth small to medium-sized enterprises that have the potential to generate sustainable earnings and cash flow. In fact, the business results in 2015 and Q1.2016 showed that the M&A strategy of the company was reasonable (focused on investing in the manufacturing sector is one of industries can benefit from the TPP) besides maintaining financial consulting services segment. In overall, BCG was initially successful with this M&A strategy, reflected in the financial results of its member companies. Particularly, the Board of Directors of BCG said three M&A deals will be completed in Q2.2016 and expand its strategic focus to agriculture, automotive and construction sectors.

BCG'S MAJOR SUBSIDIARIES AND ASSOCIATES

Transport and Industry Development Investment JSC (Tracodi)

Tracodi was established in 1990 and has 25 years of operating history in various fields such as infrastructure construction, transportation, industrial and civil works. The company's labour export business has been recognized as top 3 in Vietnam with average of 3,000-4,000 workers per year to markets like Japan, Taiwan and South Korea.

After taking over Tracodi in April 2015, BCG has taken steps to accelerate structural reforms of business operation of Tracodi. Specifically, for labor export segment, the new BOD has changed the development strategy, which focusing on the Japan - a market with high demand for Vietnamese workers. In 2015, the labor supply centers and vocational training of Tracodi - Lamatcen - has brought to Taiwan 1,709 employees and 338 trainees to Japan, up 14% compared to the plan. Besides, BCG has made some improvements to revitalize and grow construction business of Tracodi.

In addition to the core business, Tracodi also has a decent investment in Antraco - a joint venture company specializing in quarrying stone for construction. In 2015, Antraco achieved net revenues of VND256.9 billion (+40.1% yoy) and net profit of VND37 billion (+52% yoy). This profit margin is very impressive while Antraco only has a charter capital of VND17.9 billion.

In the area of taxi service, Tracodi owns 30% stake in the joint venture Vinataxi and is negotiating to raise the ownership to 49%. Currently there are more than 400 taxicab of Vinataxi operating in HCMC, with steady annual revenue from VND60-70 billion, NPAT of VND10-12 billion.

Earnings in 2015 have reflected the efforts of the new Board of Directors with a net sales of VND112 billion (+45.7% yoy), reaching VND6.5 billion in term of net profit, improving from a loss of more than VND1.2 billion in 2014.

Nguyen Hoang JSC (BCG owns 90%)

This is a business with 15 years operating in the field of manufacturing furniture and exteriors, which are exported to international markets. The company owns factories in Binh Dinh province with an area of 55,000 m² and more than 400 employees. Besides to furniture manufacture, Nguyen Hoang also owns the largest stone quarry in Quy Nhon with an exploitation permit that is valid for 23 years. Quarry has a total mining area of 7 hectares wide, estimated reserves of over 11 million m³ and the current capacity is 48,000 m³/year. Currently, the company is implementing the system operates with three continuous production lines and has began to supply stone for the locally key projects as National Route 1, National Route 1D, National Route 19 and some other real estate projects in Binh Dinh province. Besides, Nguyen Hoang also owns land with an area of over 18,000 m² in Ghenh Rang, the region has the longest and most beautiful beach in Quy Nhon. The company has construction permits for this resort, scheduled to begin operation in mid-2016 and will record revenues from this project.

In 2015, Nguyen Hoang recorded good business results with VND194.4 billion in term of net revenue (+76% yoy). The net profit reached VND12.4 billion (86 times higher than the previous year). In 2016, Nguyen Hoang is expected to continue investing in additional quarry production lines to achieve the targeted net sales of VND136 billion and net profit of VND 15.1 billion.

BCG will also perform M&A activity to acquire 34.2% of stock of **Dalat Coffee Import and Export JSC** (Vinacafe Dalat), and is expected to raise the ownership level to 55% in order to take the right to govern the company in Q3.2016. Vinacafe Dalat is currently among the top 20 coffee exporters in Vietnam, and owns 4 hectares of land and factory with a production capacity of 60,000 tons/year. BCG assessed that this asset acquisition is cheap as Vinacafe Dalat possesses great potential to

grow and large areas of land, which enable BCG to expand into other agricultural products like tea, artichoke and vegetables.

In addition, Bamboo Capital expects to buy and hold 66.67% of **1-5 Auto JSC**'s stock (this company is planning to be listed on stock exchanges in Q4.2016). 1-5 Auto is one of the leading enterprises in the automotive manufacturing industry in Vietnam with the central system of displaying and introducing products, and the product distribution system throughout the North, the Central and the South. The main product lines of the company are passenger cars and buses from 29 to 80 seats, trucks and special purpose vehicles, various types of Asphalt's concrete batching plants. 1-5 Auto currently owns a continuous workshop system, technological production chain and modern equipments with the capacity to produce over 5,000 units/year.

Business plans 2016 -2018 of the subsidiaries and associated companies of BCG

Company name	The ownership rate of BCG	2015A		Plan 2016		Plan 2017		Plan 2018	
		Sales (VND bln)	NPAT (VND bln)	Sales (VND bln)	NPAT (VND bln)	Sales (VND bln)	NPAT (VND bln)	Sales (VND bln)	NPAT (VND bln)
Transport & Industry Development Investment JSC (TRACODI)	68%	112.1	6.5	800.0	50.1	n/a	n/a	n/a	n/a
Nguyen Hoang Development JSC	90%	130.0	10.0	156.0	12.1	171.6	13.3	188.8	14.6
Thanh Phuc JSC	90%	50.2	7.3	108.0	6.1	118.8	6.7	130.7	7.4
Viet Glden Farm JSC	51%	-	(0.1)	98.0	7.0	127.4	9.0	165.6	11.8
1-5 Auto JSC	51%	n/a	n/a	1,020.0	67.2	2,226.4	178.5	3,666.3	256.3

Source: Prospectus of BCG

NOTABLE POINTS

The ability to manage cash flow and financial pressure when BCG consecutively raises capital to compensate for the shortage of investment capital in recent years is a matter that concerns investors. However, BCG's investment activities are gradually showing good results, reflected by positive cash flow from 2015 onwards.

The performance in short term of BSG's subsidiaries – In 2015, BCG carried out dominative investments with the shareholding rate more than 50% in these companies: Thanh Phuc JSC, Nguyen Hoang Development JSC, Transport and Industry Development Investment JSC (TRACODI). The merger with the subsidiaries increased most of sales and expenses quota, which caused the company's business results were not high.

Extensive and lack of concentrative investments – Investment activities of the company have many potential business risks as they are significantly impacted from objective factors. The changes in macroeconomic/ microeconomic environment and in each industry, investors' sentiment, the instability of the world' politic and security, and the region's issues... have largely influenced to the performance of BCG's financial investments.

Human resource issues in M&A activity – Human resource greatly affect to the final results of M&A implementation. The instability of personnel in a company might impact greatly on a company's business activities; in particular, each M&A case needs a separate processing method. Furthermore, new joining members usually have to face lots of challenges, especially the issue of cultural harmony between the old administration and the new one. Additionally, the shortage of personnel with high expertise and experience in the areas that BCG performs M&A business is also one of the top problems, which are difficult to solve. Failure in management of human resource will degrade the value and brand name of the new enterprise, and it will be much harder to revive the business.

Weighted Average Cost of Capital (WACC)				
COE				19.0%
COD				7.7%
Tax Rate				20.0%
WACC				17.7%
Growth				5.0%
Valuation Methods	Proportion	Share Value	Market Price	Potential growth
Free Cash Flow to Firm (FCFF)	100%	11,293		
Weighted average share value		11,300	6,700	69%

VALUATION AND RECOMMENDATION OF BCG SHARES

Valuation

We used the valuation method Free Cash Flow of the Firm (FCFF) to evaluate the value of BCG share in 3 stages: strong growth, stable growth and infinite growth. Details include operating cash flow of sales, business advisory services and financial investments, the weighted average cost of capital (WACC) of 17.7% and an average infinite growth rate of 5%.

Accordingly, we did not evaluate the real estate projects of BCG's subsidiaries nor bring the total value of property projects into the process of valuation of BCG's shares. The achieved result showed that the fair value of BCG stock is VND11,000/share, 68.7% higher than the current market price.

Recommendation

We recommend to BUY shares of BCG for medium term and long term invested target due to the following reasons:

- BCG's shares are evaluated according to the valuation method Free Cash Flow of the Firm (FCFF) with the fair value is VND11,300/share, the potential growth comparing to the current market price is 68.7%.
- BCG stocks are being traded at prices lower than their actual value with P/B ratio is 0.6x and P/E forward 2016F is 10.1x, 28.7% lower than the current P/E of market at 14.1x.
- The liquidity of BCG's shares is improved; recorded average trading volume in one year is more than 1 million units/transaction day.
- BCG has increased the ownership for foreign investors up to 100 percent. Besides, the company also approved for foreign shareholders to own 50% of charter capital without making a public bid procedure.
- BCG and its subsidiaries own a large amount of valuable property and minerals - the foundation created enormous growth potential in the future.
- Since 2015, the results of production and business activities of BCG have improved and began to record a significant profit. The financial indicators of BCG in 2015 were quite well when total revenues and profit significantly increased compared with 2014, the amount of cash and cash equivalents also rose higher than previous years, the goodwill was recognized in 2015 was VND269.5 billion, the short-term debt and long-term debt were not much (equal to 27.5% of charter capital). The company has also set aside sufficient provisions for bad debts. Payment index was at appropriate level, the settlement risk was negligible. The business performance in the last 2 years positively grew, and the estimated average growth rate of the period 2016-2019 is 40.1%/year.

Some risks of BCG's shares

- The real estate projects of BCG have just deployed and still need more time for BCG to begin to record revenue and profit, however, we believe that the company is on track in both methods and investment objectives, and economic potential of BCG is expected to develop greatly in the future thanks to new revenues from those property projects.
- With the current business model of BCG, risks of multidisciplinary activities are also those related to the operations of the subsidiaries. BCG's subsidiaries have also participated in the business sectors that have high risk ratios such as mining and real estate.

FINANCIAL SUMMARY	2012A	2013A	2014A	2015A	Plan 2016	2016F	2017F	2018F
Net sales (VND billion)	2.4	5.4	17.4	975.0	1,829.9	1,706.4	1,877.1	2,064.8
Sales growth rate (%)	(100.0)	128.2	221.8	5,505.4	87.7	75.0	10.0	10.0
Net profit (VND billion)	(18.9)	0.1	19.0	39.8	75.8	72.0	94.7	118.2
Net profit growth rate (%)	(142.5)	(100.7)	13,276.9	110.0	90.3	80.8	31.5	24.8
Net profit margin (%)	(799.6)	2.6	109.0	4.1	4.1	4.2	5.0	5.7
Owner's equity (VND billion)	2.5	2.7	21.6	509.4	N/A	1,230.0	1,292.4	1,371.0
Total assets (VND billion)	140.9	162.3	318.9	880.6	N/A	1,659.5	1,695.7	1,882.8
ROE (%)	(750.3)	5.3	87.7	7.8	N/A	5.9	7.3	8.6
ROA (%)	(13.4)	0.1	5.9	4.5	N/A	4.3	5.6	6.3
EPS (VND)	(8,766.9)	65.6	8,774.3	978.0	N/A	666.5	876.6	1,094.0
BVPS (VND)	1,168.4	1,234.0	10,008.3	12,516.9	N/A	11,389.0	11,966.6	12,694.9
Cash Dividend (VND)	-	-	-	-	-	-	-	-
P/E (x)	-	-	-	19.8	N/A	10.1	7.6	6.1
P/B (x)	-	-	-	1.5	N/A	0.6	0.6	0.5

Source: BCG, MSI forecast

Project list of BCG

No	Project name	Investor name	Area (m2)	Estimated investment (VND billion)	Construction schedule	Investment purpose	Construction status
1	Casa Marina Quy Nhon Resort	Nguyen Hoang Development JSC	19,061.4	30	09/2015-09/2017	7-star resort with 18 bungalows, 8 deluxe rooms, 24 basic rooms, swimming pool, spa and restaurant.	Completion in Q3.2016
2	Bamboo Prince Court Building (District 1, HCMC)	Transport and industry development investment JSC (TRACODI)	2,300.0	2,860	Q2.2016 - Q2.2018	5-star commercial and office building.	Completion in Q3.2018
3	Cu Chi Trade Center	Transport and industry development investment JSC (TRACODI)	78,291.4	379	Q1.2017 - Q4.2018	A modern commercial, residential complex to meet the need of the ward.	Completion in Q1.2018
4	Xuan Anh Residence Zone	Dong Duong JSC - Thang Long JSC - BCG	1,190,200.0	3,000	Q1.2016	Service, commercial zone and office for rent.	n/a
5	Soldier and Officer housing (Hanoi)	Ministry of Public Security	3,500.0	712	2016 - Q3.2017	45 floors apartment to address the urgent need of accommodation for soldiers and officers.	Completion in Q3.2017
6	Waste treatment plant (Lam Dong province)	n/a	n/a	n/a	n/a	n/a	n/a
7	Thermal power plant (Lang Son province)	n/a	n/a	n/a	n/a	n/a	Estimated capacity: 100MW
8	BOT project to upgrade and expand the DT830 Road (Long An province)	n/a	n/a	n/a	n/a	n/a	n/a
9	Develop and distribute Aussino's bedding products (US)	n/a	n/a	n/a	n/a	n/a	n/a
10	Develop coffee and coffee capsules of Nesso brand	n/a	n/a	n/a	n/a	n/a	n/a
11	Cold storage for agricultural products at Lang Son border customs	n/a	n/a	n/a	n/a	n/a	n/a
12	Luxury apartments (District 2, HCMC)	n/a	n/a	n/a	n/a	n/a	n/a

Source: BCG, MSI

List of subsidiaries and associates of BCG at the end of 2016 (expected)

No	Company name	Head office	Charter capital (VND billion)	Ownership rate of BCG	Industry	Note
1	Transport and industry development investment JSC (TRACODI)	HCMC	78.50	68.01%	TRACODI provides business in various industries like transportation, construction, industrial and civil work...	The company will be listed in Q3.2016.
2	Thanh Phuc JSC	Phu Yen	25.00	90%	Manufacturing and exporting hardwood floor to market such as EU, Australia, Singapore, Japan...	Non listed company
3	Nguyen Hoang Development JSC	Binh Dinh	52.00	90%	The company is the biggest outdoor furniture manufacturer in the Central of Vietnam.	Non listed company
4	ACG Vietnam JSC	HCMC	0.55	51%	ACG is an IT solution and management company in partnership with Salesforce. Business categories include management software solution and developments, specific systematic solution for companies, research and development and supplying other software products to service companies wanting a globalization process.	Non listed company
5	Antraco Joint Venture Co., Ltd. (ANTRACO)	An Giang	17.98	51%	ANTRACO is a joint venture between TRACODI and An Giang Machinery Company to exploit the largest stone mine (mining area: 70 hectares, remaining reserve: 20 million m3) in Tri Ton, An Giang province.	Non listed company
6	Viet Golden Farm JSC (VGF)	HCMC	100.00	51%	Agricultural activities: raise beef cattle, cultivation and provides auxiliary services. VGF also conducts business in trading coffee and coffee capsules for Nesso brand.	
7	Phu Thuan Service and Trade Co., Ltd.	HCMC	10.00	50.20%	The company operates in marketing and distributing consumer products to retailers and HORECA channel in HCMC. Phu Thuan also conducts business in maize drying at Mekong JVC factory in Laos with the capacity of 150 metric tons/day, hotel, education and other industries.	Non listed company
8	Bac Ha Mineral JSC	Lang Son	70.46	70%	The company obtained mining permits in 2013 to exploit 4 bauxite mines (total mining area: 80 hectares, remaining reserve of Bauxite: 36 million tons) in Lang Son province until 2027. The main export market is China.	Non listed company
9	Central Office JSC	HCMC	6.00	35%	Central Office is a virtual office services provider that providing the full package of office services, from representative offices, shared offices to virtual offices for FDI investors.	
10	Vinataxi	HCMC	87.00	30%	The company is a joint venture between TRACODI and ComfortDelgro, providing taxi services.	
11	Bamboo Solution JSC	HCMC	2.00	12%	Software development	
12	Tracodi Invest JSC	HCMC	n/a	56%	Properties investment	
13	Truong Thanh Dai Nam Security JSC	HCMC and Hanoi	4.00	40%	Security services	
14	Dai Nam Security JSC	HCMC	n/a	20%	Security services	
15	Truong Thanh Forestry JSC	Quang Ngai	n/a	20%	Trading wood materials	
16	1-5 Auto JSC	Hanoi	97.50	51%	Automotive manufacturer, specializing in passenger cars, buses, trucks, special purpose vehicles, cement batching plant... Capacity: 5,000 vehicles/year and 100 batching plants/year.	The company will be listed in Q4.2016.
17	Thanh Vu Tay Ninh JSC	Tay Ninh	n/a	60%	Producing and processing cassava starch, modified starch, cassava and other agriculture products and selling materials and equipment for starch industry. TVTN is the only company in Vietnam exporting starch to Japan - one of the most demanding markets in the world. Total land area: 20 hectares, capacity: 140 metric tons/year.	The company will be listed in Q4.2016.
18	Dalat Coffee Import & Export Co., Ltd (Vinacafe Dalat)	Lam Dong	67.00	34.24%	One of top 20 coffee exporters in Vietnam. Main business: purchasing, processing and exporting Robusta, Arabica to markets such as US, EU, Russia, Japan, the Middle East... The current capacity is 60,000 metric tons/year, total land area: 442,318 m2.	Non listed company. BCG will increase the ownership to 55% in Q3.2017.

Source: BCG, MSI

RECOMMENDATION

BUY - The expected return of 1-year investment is at least 15%.

HOLD - The expected return of 1-year investment is between +/-15%.

SELL - The expected return of 1-year investment is lower than -15%.

NO RATING - Due to lack of necessary information thus we can not make recommendation.

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