

Sung Nam  
 August 5, 2013

<b>Name</b>	<b>Silla Trading</b>	Number of Shares	16,000,000
<b>Ticker</b>	<b>004970</b>	Market Cap	475,200,000
Market Price	29.70	Cash	79,000,000
<b>SNV Opinion:</b>	<b>BUY</b>	Debt	31,000,000
<b>5 Yr Target Price:</b>	<b>39.00</b>	Net Cash	48,000,000
		Enterprise Value	427,200,000
		EBIT	73,000,000
		EV/EBIT	5.85

\*Figures converted using USDKRW 1000 FX rate.

**Business Overview**

Co. has been in business for 46 years. Subsidiaries are located in Russia and Ghana. The Co. runs a fleet of tuna ships and a steel business. Not sure how the 2 were incorporated. We thought they would catch the tuna and pack them into cans, like canned tuna.

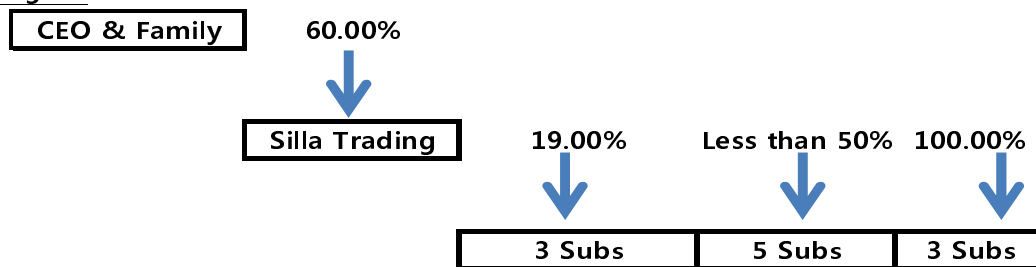
**Shareholder**

CEO and family (박준형) owns 61% of the shares. KB Asset is a 7% shareholder. 3686 shareholders own 23%.

**Subsidiaries**

Owns 5 domestic and 6 foreign based subsidiaries.

**Holdings Diagram**



**Cash flow**

Op. Cash flow is 30BB and cap ex is difficult to categorize, but we estimate about 10BB, so 4% FCF/Price yield. 2012 FY numbers reflect 440BB KRW in revenue, 29% GM, 17% EBIT, 15% NI.

**Dividend**

Co. pays out 4BB KRW in dividends, or a 0.8% dividend yield..

**Valuation**

Net tangible book value, excluding cash, is near 393BB KRW. Add on top of this 8 years of op. cash flow and you have 633BB KRW, which is 133% of market value. 83% downside protection.

**Summary**

The company is not on the cheap side. Although we have a buy rating, we have seen cheaper companies. Not sure why the revenue grew 36% YoY. Should this trend continue, the stock may exceed our 5 year target price at a faster clip. We will include the stock in our Follow list.

# SN Valuation Korean Portfolio

As of 2013-08-05

## Buy

Name	Ticker	Market Price*	Entry Price	Date	Gain/(Loss)
Idis Holdings	054800	15.10	13.00	07/16/2013	16.15%
Moatech	033200	3.75	3.61	07/12/2013	3.88%
Danawa	119860	9.99	9.38	07/22/2013	6.50%
Kishin Elec.	092440	7.55	6.64	07/23/2013	13.70%
BYC	001460	196.50	196.50	07/29/2013	0.00%
Korea Exp. Exc.	002200	26.85	25.90	07/31/2013	3.67%
Biosmart	038460	2.61	2.58	08/01/2013	0.97%

Average Total Return

6.41%

## Follow

Name	Ticker	Market Price*	Entry Price	Date	Gain/(Loss)
China King	900120	2.32	2.30	07/17/2013	0.87%
Silla Trading	004970	29.70	29.70	08/05/2013	0.00%

\*Intraday Market Price