

HUNG VUONG CORPORATION (HVG)

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COMPANY UPDATE BRIEFS



HVG: Q4/2015 net profits reached VND40 billion (USD1.8 million)

Hung Vuong Corporation (HVG) has announced its consolidated financial results for Q4/2015, which is also the first quarter of HVG's financial year 2016 which runs from October 1, 2015 to September 30, 2016. Net revenue was VND5,584 billion (USD249.3 million) in Q4/2015, increasing 35.7 percent y-o-y, which fulfills 23.3 percent of management's FY2016 target.

Financial income fell dramatically by 39.7 percent y-o-y in Q4/2015, to VND23 billion (USD1.0 million), due to HVG recording negative goodwill of VND15 billion (USD0.7 million) in Q4/2014. In contrast, financial expenses climbed 18.4 percent y-o-y to VND116 billion (USD5.2 million) due to higher interest expenses.

Q4/2015 profits before tax reached VND68 billion (USD3.0 million), compared with a loss of VND46 billion (USD2.1 million) in Q4/2014, completing only 13.7 percent of management's full-financial-year target. Net profit in Q4/2015 was VND40 billion (USD1.8 million), compared with a loss of VND53 billion (USD2.4 million) in Q4/2014.

HVG today closed at its ceiling price of VND10,700 per share, currently trading at LTM P/E of 11.1x and P/B of 0.7x.

VND billion	Q4/2014	Q4/2015 (Q1/FY2016)	% y-o-y	FY2016 Management target	% Management target
Net revenue	4,114	5,584	35.7%	24,000	23.3%
Gross profit	202	344	70.5%	N/A	N/A
% Gross margin	4.9%	6.2%		N/A	N/A
Financial income	37	23	-39.7%	N/A	N/A
Financial expenses	98	116	18.4%	N/A	N/A
Profits before tax	(46)	68	N/A	500	13.7%
Net profit	(53)	40	N/A	N/A	N/A

Source: Company data, VPBS

CONTACT INFORMATION

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

Luu Bich Hong

Director - Fundamental Analysis
honglb@vpbs.com.vn

Nguyen Anh Minh

Research Assistant
minhna@vpbs.com.vn

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

Nguyen Thanh Cong

Institutional Sales and Brokerage Department
congnt@vpbs.com.vn
+848 3823 8608 Ext: 259

Ly Dac Dung

Director of Retail Sales and Brokerage
dungld@vpbs.com.vn
+84 1900 6457 Ext: 1700

Tran Cao Dung

Director, Head of Wealth Advisory
PRESTIGE VP Private Banking
dungtc@vpbs.com.vn
+848 3910 0868

Vo Van Phuong

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

Domalux

Vice President 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

Vice President of Retail Sales and Brokerage
Lang Ha - Hanoi
vinhtd@vpbs.com.vn
+844 3835 6688 Ext: 369

Nguyen Danh Vinh

Associate Vice President 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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