KINH DO GROUP JSC (KDC)

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COMPANY UPDATE BRIEFS

KDC: To increase the volume of share buyback to 77 million shares

KDC plans to ask for shareholders' approval in the Extraordinary Shareholder Meeting on December 1, 2014 to buy back 75.4 million shares, thus increasing its treasury shares from 1.5 million shares to 76.6 million shares, equivalent to 30% of its current shares outstanding. According to the proposal of a group of shareholders with over 10% holdings, its share buyback plan has changed from buying back 20 million shares (resolution dated November 11, 2014) to buying back 75.4 million shares. With a maximum price of VND60,000 per share, KDC is expected to pay approximately VND4,524 billion (USD215 million) to buy the treasury shares. The source of capital for the share repurchase comes from: capital surplus (VND3,617 billion or USD172 million), development fund (VND25 billion or USD1.1 million), retained earnings (VND1.022 billion or USD48,000) and other funds under equity (VND16 billion or USD760,000). With this volume of share buyback, KDC's share price is expected to appreciate 10 to 15% from its current trading price.

With a current price of VND54,500 per share, KDC is currently trading at a P/E of 23.4x and a P/B of 2x. EPS trailing is at VND2,328.

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