November 12nd, 2024

Shinhan Securities



Hoa Phat Group JSC

[Vietnam / Steel]

Bloomberg Code (HPG VN) | Reuters Code (HPG.HM)

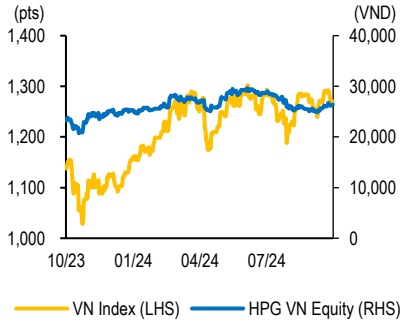
BUY

Update Report

Target price (12 months)	**37,400 VND**
Current price (12/11/24)	27,500 VND
Return (%)	36%

VNINDEX		1,261
HNXINDEX		238.23
Market Cap (bn VND)		172,379
Outstanding shares (mn)		6,396
Free-Floating (mn)		3,578
52-Wk High/Low (VND)		29,950/22,909
90-day avg. trading volume (mn)		19.49
90-day avg. turnover (bn VND)		528
Major shareholders (%)	Tran Dinh Long	26.08%
	Dragon Capital	7.65%

Performance	3T	6T	12T
Absolute (%)	2.5	1.2	15.1
Relative to VN-Index (%)	-1.7	-0.4	-0.6



Source: Bloomberg

Le Thien Huong

☎ (84-28) 6299-8004

✉ huong.lt1@shinhan.com

Ly Bui – Head of Research

☎ (84-28) 6299-8029

✉ ly.btt@shinhan.com

Back on track

Update coverage with BUY call and target price of VND 37,400

Hoa Phat Group Joint Stock Company (HPG) is one of the leading steel companies in Vietnam, holding the largest market share in construction steel (38%) and steel pipes (27%). We value HPG shares at VND 37,400, corresponding to a 36% return, using the P/E and DCF valuation methods with weights of 50% and 50%, respectively. We expect HPG to continue to be the leading company based on the recovery of the steel industry in 2025.

Q3/2024 business results update

In Q3/2024, HPG achieved revenue of VND 34,300 billion (-13.2% QoQ, +19% YoY), and net profit of VND 3,021 billion (-10% QoQ, +51% YoY). Production and consumption output decreased slightly compared to Q2/2024 due to seasonal factors, but still maintained positive growth YoY. Specifically, in Q3/2024, construction steel output reached 1.1 million tons (+19% YoY, -14% QoQ), steel pipes reached 185 thousand tons (+14% YoY, -1% QoQ). GMP in Q3 reached 13.9%, up from 13.2% in Q2/2024 thanks to: **(1)** Input prices decreased faster than output prices (Iron ore and coke decreased by 11% and 13% QoQ respectively while steel prices decreased by 3% QoQ), **(2)** Agriculture segment was favorable thanks to stable pork prices and increased output (Revenue increased by 21% YoY, after-tax profit increased by 80% YoY). By the end of Q3/2024, HPG achieved total revenue of VND 105,329 billion (+24% YoY) and after-tax profit of VND 9,210 billion (+140% YoY), completing 92% of the annual profit plan.

Driving force from Dung Quat 2 and HRC anti-dumping tax decision in early 2025

_Steel segment: In 2024/2025, we expect Hoa Phat's steel consumption output to reach 8.7 million tons (+15% YoY) and 10.6 million tons (+21% YoY) respectively thanks to: **(1)** Dung Quat 2 mega project coming into operation in early 2025, at the same time as the HRC anti-dumping tax decision will be issued; **(2)** The domestic real estate market recovers; **(3)** The progress of public investment disbursement is accelerated from Q4/2024; **(4)** Steel prices bottom out and raw material prices increase slowly, contributing to improving profit margins. We assume Hoa Phat's steel prices will decrease by 1% YoY in 2024 and increase by 5% YoY in 2025. From there, the steel segment's GPM could reach 13.7% in 2024 and 15% in 2025.

Dung Quat 2 project update: completed 80% of phase 1 and 50% of phase 2, the first rolling mill is expected to be tested in late 2024, and officially put into operation in early 2025.

_ Agriculture segment: expected to continue to grow steadily in 2024/2025. GPM remains at 13-14% in the context of possible increase in pork prices and decrease in input grain prices.

We remain optimistic about HPG's business results, while increasing our revenue and net profit forecasts to VND138,608 billion (+16.5% YoY) and VND12,003 (+75.6% YoY) in 2024.

Risks : (1) Risk of fluctuations in steel and coke prices; (2) Slow penetration of real estate market support policies; (3) Risks of the real estate market situation in China, (4) Risks of exporting to Europe; (5) Risks of competing with cheap steel from China.

Year to Dec.	2022	2023	2024F	2025F	2026F
Revenue (bn VND)	**141,409**	**118,953**	**138,608**	**176,036**	**234,396**
OP (bn VND)	9,794	7,651	12,143	19,680	36,731
NP (bn VND)	**8,444**	**6,800**	**12,003**	**18,921**	**34,092**
EPS (VND)	1,452	1,117	1,869	2,682	4,399
BPS (VND)	16,511	17,674	18,845	20,589	23,805
OPM (%)	7%	6%	9%	11%	16%
NPM (%)	6%	6%	9%	11%	15%
ROE (%)	**9%**	**7%**	**10%**	**13%**	**18%**
PER (x)	11.0	23.8	14.1	9.8	6.0
PBR (x)	1.1	1.6	1.4	1.3	1.1
EV/EBITDA (x)	7.8	11.9	9.2	6.9	4.1

Source: Company data, Shinhan Securities Vietnam

Shinhan Securities Vietnam Co., Ltd. does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision. Analysts employed by Shinhan Securities Vietnam Co., Ltd. , or a non-US affiliate thereof, are not registered/qualified as research analysts with FINRA, may not be associated persons of the member and may not be subject to FINRA restrictions on communications

Update 9M2024 business results and 2024 forecast

Items	9M2024 (Billion VND)	%YoY	2024F (Billion VND)	%YoY	Chú thích
Net revenue	**105,329**	**+24%**	**138,608**	**17%**	9M2024 revenue recorded positive results thanks to the improvement in sales volume (+28% YoY), while the construction steel price decreased compared to the same period. We expect HPG's steel sales volume to reach 8.7 million tons (+15% YoY) in 2024, contributing to revenue growth.
Output (thousand tons)					
Construction steel	3,323	31%	4,544	20%	Construction steel output in 9M/2024 will recover well in both domestic and export markets. We forecast construction steel sales volume to grow 20% YoY.
HRC	2,268	15%	3,100	11%	Good production growth especially in the domestic market, despite fierce competition with Chinese steel. We forecast HRC production to grow ~11% YoY.
Steel Pipe	502.3	14%	710	3.9%	
Galvanized Steel	344.7	43%	387	15%	
Gross Profit	**14,132**	**70%**	**18,903**	**46%**	In Q3/2024, iron ore and coking coal prices fell 11% and 13% respectively, while steel prices only adjusted 3%. We expect HPG's gross margin to reach 13.7% in 2024.
Gross Profit Margin	13.4%		13.7%		
SG&A expenses	3,135	25%	3,764	15%	
Profit from Operating Activities	**9,964**	**130%**	**12,143**	**59%**	
EBIT	10,406	136%	13,943	79%	
NPAT	**9,210**	**140%**	**12,003**	**76%**	

Valuation and recommendation

Update valuation with BUY recommendation, target price 37,400 VND

We make our first valuation of Hoa Phat Group Joint Stock Company (HPG) with a buy recommendation and target price of 37,400 VND, corresponding to an increase of 36%. For a vision in the next 12 months, HPG can be considered with the following advantages:

(1) Vietnamese Steel "tycoon" and the prospect of Dung Quat 2 project operating in early 2025

(2) The "nudge" from the Residential Real Estate and Public Investment

(3) Profit margins improve by taking advantage of low input costs

(4) Initiation of anti-dumping tax on HRC steel from China and India helps increase domestic sales volume

Valuation method

We apply a combination of P/E and Discounted Cash Flow (FCFF) valuation methods with proportions of 50% and 50% respectively, to valuate Hoa Phat Group Joint Stock Company (HPG).

Method	Density	Price (VND)
P/E	50%	37,300
FCFF	50%	37,400
Target price		**37,400**
Current price		27,500
Profit rate (%)		**36%**

Discounted Cash Flow method (DCF) – FCFF

Variable	Value
D/E	0.46
Beta	1.10
Risk - free rate	2.9%
Cost of equity	12.79%
Cost of debt	5.92%
WACC	10.86%

For the Average Cost of Capital (WACC), we use the 10-year Vietnamese government bond interest rate at 2.9% as the risk-free interest rate. Beta is calculated based on the most recent 5-year historical data of HPG and VNINDEX. Based on those assumptions, the target price according to the FCFF method of HPG is valued at 37,400 VND.

HPG's FCF valuation model					
Unit: billion VND	**2024F**	**2025F**	**2026F**	**2027F**	**2028F**
Net profit	12,003	18,921	34,092	36,570	39,806
Plus: Interest after tax	4,863	5,421	5,121	4,544	3,055
Plus: Depreciation	7,863	8,678	9,898	9,938	8,954
Minus: Change in working capital	5,732	3,399	15,473	12,556	6,816
Minus: Investment capital	19,711	30,980	6,413	5,907	5,839
Free Cash Flow (FCFF)	-714	-1,360	27,224	32,589	39,161
Present value of free cash flow		-1,226	22,149	23,915	25,920
Present value of long term value	238,518				
Enterprise value	309,275				
In debt	78,697				
Cash and cash equivalents	8,500				
Number of outstanding shares (billion units)	6.396				
Target price	**37,400**				

Source: Company data, Shinhan Securities Vietnam

P/E method

Based on the P/E method, we collect data from domestic and foreign steel companies. We estimate HPG's target P/E at 14.x. Combined with forecast EPS of 2,682 VND, HPG's target price in 2025 is valued at 37,300 VND.

Ticker	Company name	Market Cap (bn USD)	GPM (%)	ROE (%)	ROA (%)	P/E
HPG	Hoa Phat Group	6.6	13.3	8	5.83	15.5
HSG	Hoa Sen Group	0.5	12.33	2.46	1.31	21.30
NKG	Nam Kim Steel	0.2	9.04	3.87	1.7	12.50
600019	Baoshan Iron &Steel	19.7	4.75	6.04	3.13	13.40
000709	HBIS Co	2.7	8.91	1.92	0.38	26.00
Average						17.74
Median						15.50
Average P/E 5 years						13.93
P/E forward						13.9x
HPG EPS Forward (VND)						2,682
Target price (VND)						**37,300**

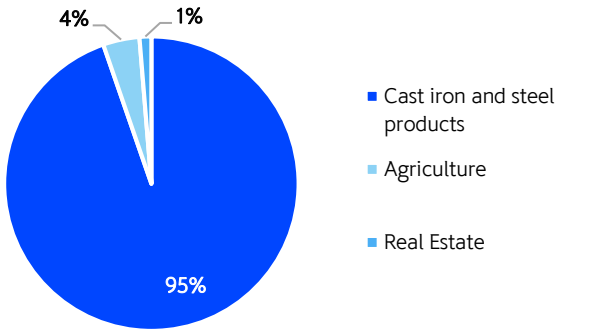
Company background

Company history

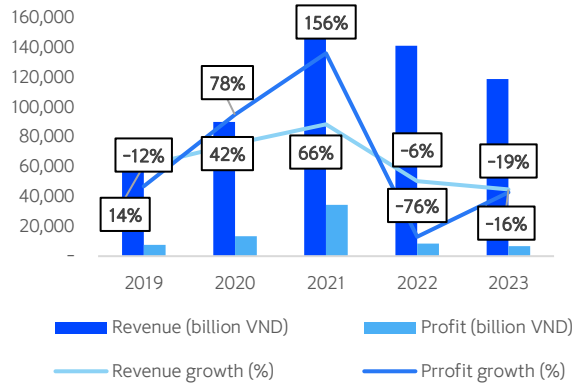
Hoa Phat was established in August 1992, beginning as a construction machine trading company, then expanded to other fields such as furniture, steel pipes, construction steel, refrigeration, real estate, and agriculture. On November 15, 2007, Hoa Phat officially listed shares on the Vietnam stock market with the stock ticker HPG.

Currently, the group operates in 05 fields: **Iron and steel (construction steel, hot rolled steel), Steel products (including steel pipes, galvanized steel sheets, wire drawing steel, pre-stressed steel), Agriculture, Real estate and household electrical appliances**. Hoa Phat's core business is Steel, contributing over 90% of the group's revenue and profit. With an average capacity of 8.5 million tons of crude steel/year, Hoa Phat holds the top 1 market share in Vietnam for construction steel and steel pipes, the top 10 largest private enterprises in Vietnam and is in the top 15 steel companies with largest capitalization in the world steel industry. Hoa Phat's average revenue and profit growth rate from 2019-2023 reaches 22% and 35%.

Hoa Phat revenue structure in 2023 (%)

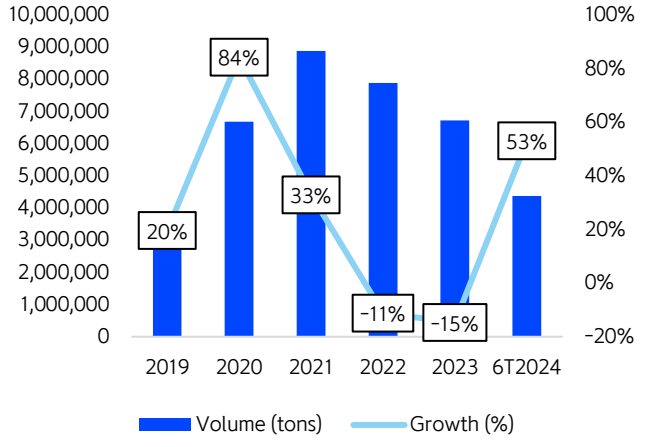


Hoa Phat revenue and profit 2019-2023

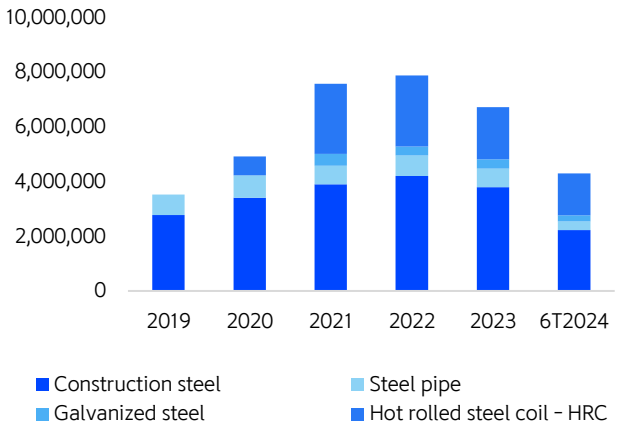


Source: Company report, Shinhan Securities Viet Nam

Hoa Phat sales volume 2019 – 6M2024



Consumption volume by product 2019-6T2024 (tons)



Source: Company report, Shinhan Securities Viet Nam

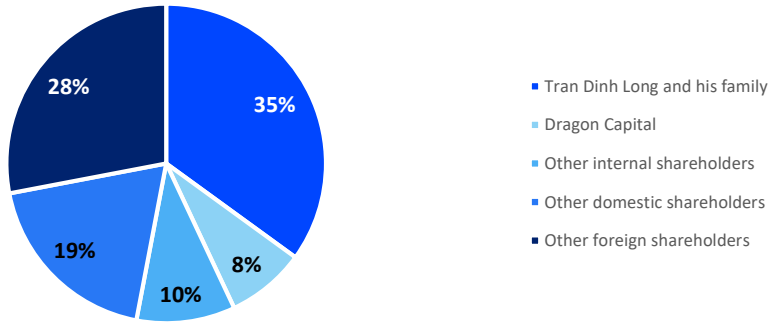
Hoa Phat's main steel products include: construction steel, hot rolled steel coil - HRC, steel billets, steel pipes and galvanized steel sheets. Of which, the largest contributions are construction steel (50%) and hot rolled steel - HRC (37%).

Hoa Phat Steel's sales volume also increased significantly. Within 5 years, Hoa Phat's steel output has nearly doubled from 3.5 million tons in 2019 to 6.7 million tons in 2023.

1. Shareholders structure

HPG's outstanding share volume as of July 30, 2024 is nearly 6.4 billion shares. Of which, the total ownership of Mr. Tran Dinh Long - Chairman of the Board of Directors of HPG and his family is 35%. In addition, Dragon Capital fund holds 8%, other internal shareholders hold 10%, and the remaining are other domestic and foreign shareholders.

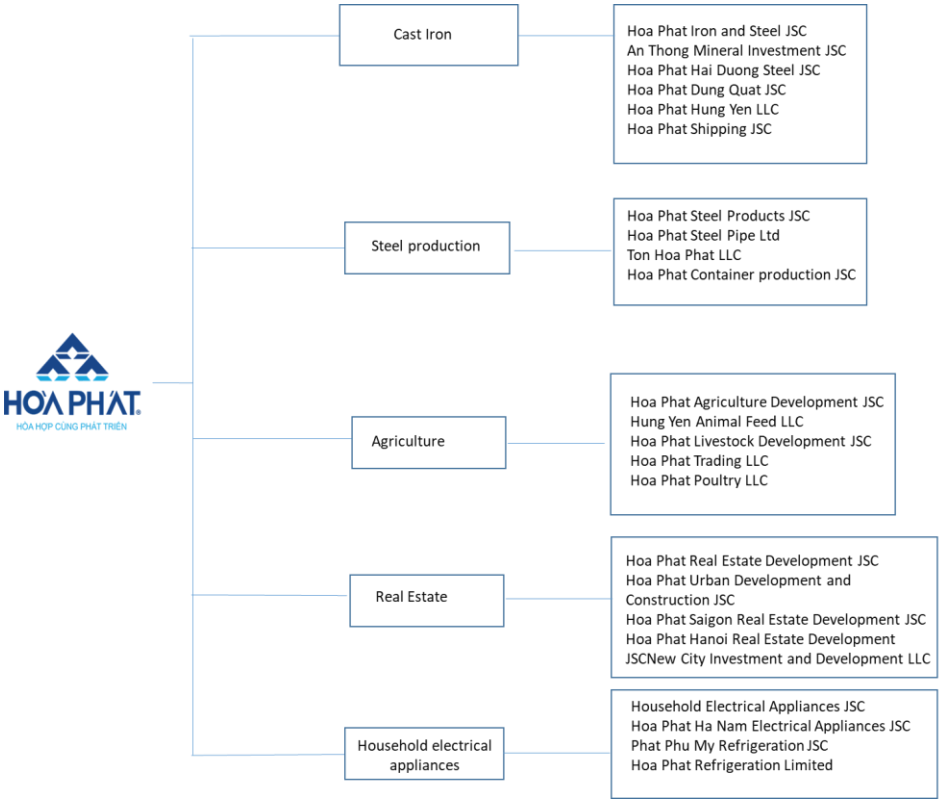
Shareholders structure of Hoa Phat (%)



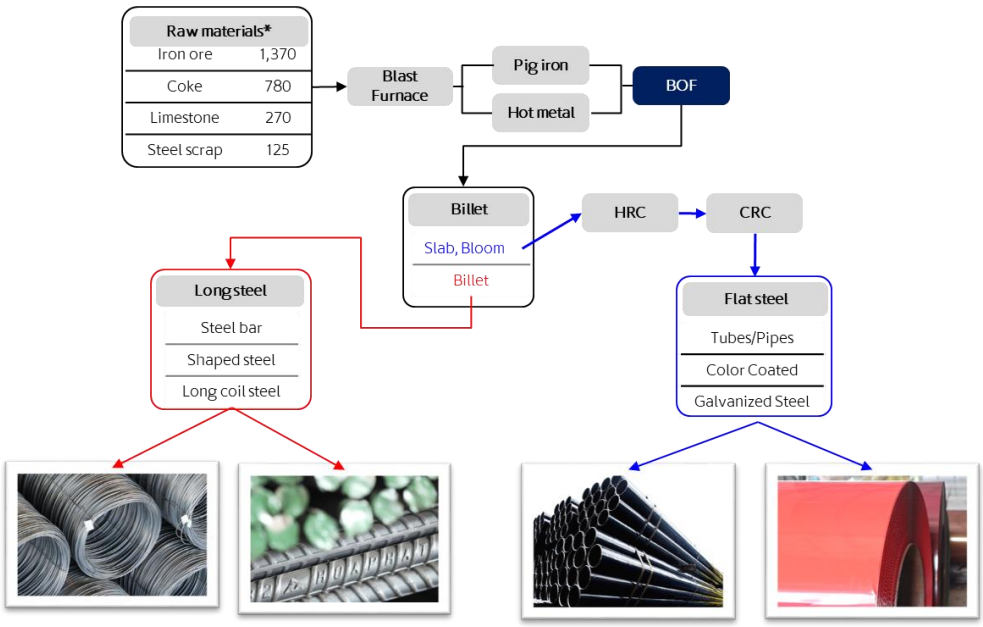
Source: Company report, Shinhan Securities Viet Nam

2. Organizational structure

HPG's business activities include 5 segments: **Iron and Steel, Steel Products, Agriculture, Real Estate, and Electrical Appliances.** HPG owns a total of 24 subsidiaries with many different fields.



3. Value chain of steel segment

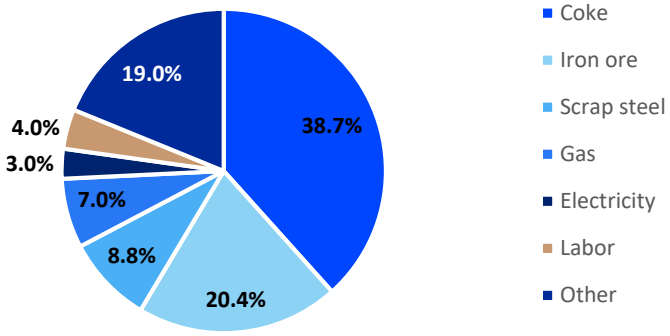


(*) Unit: ton

3.1. Input:

Coke, iron ore and scrap steel are the three main components in HPG's steel production cost. The enterprise uses blast furnace technology to refine iron and blowing oxygen furnace (BOF) to refine steel. In 2023, coke (38.7%), iron ore (20.4%), and scrap steel (8.8%) account for 67.9% of the cost of making 1 ton of steel using BOF furnace technology.

Cost structure of Hoa Phat steel segment (%)



Source: Company report, Shinhan Securities Viet Nam

3.2. Manufacture:

HPG uses modern European closed cycle steel production technology, with main stages including: Refining raw materials (sintering, pelletizing iron ore + coke refining) -> Blast furnace -> Blowing furnace -> Billet casting -> Steel rolling. With a designed capacity by 2023 of 8.5 million tons of crude steel/year, HPG's steel production activities are concentrated in 3 provinces of Hai Duong, Hung Yen and Quang Ngai.

The enterprise has plans to expand its iron and steel segment by building Hoa Phat Dung Quat 2 factory, expected to come into operation in early 2025 and increase Hoa Phat's crude steel capacity to 14.5 million tons/ year.

3.3. Output:

HPG's product portfolio is more extensive than other businesses on the market. HPG's steel segment output includes trading steel billets and post-rolled products including **construction steel, special steel (black wire, galvanized wire,...)**, **HRC steel, steel pipes and galvanized steel sheets.** In Vietnam, only HPG has the capacity to produce special steel products such as prestressed steel (PC Bar and PC strand), galvanized steel wire, container shells, to serve export to demanding markets such as EU, US, Canada,...

Steel billet



Rebar steel



Rolled steel wire



HRC



Black steel pipe



Galvanized steel pipes



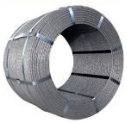
Color-coated galvanized steel coils



Color-coated zinc-aluminum coated steel coils



Pre-stressed steel

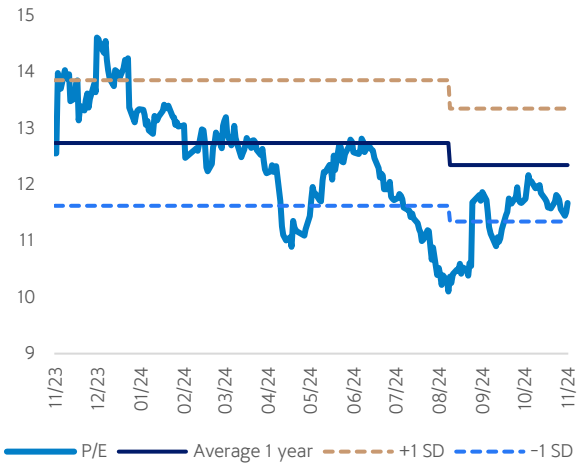


Steel wire drawstring

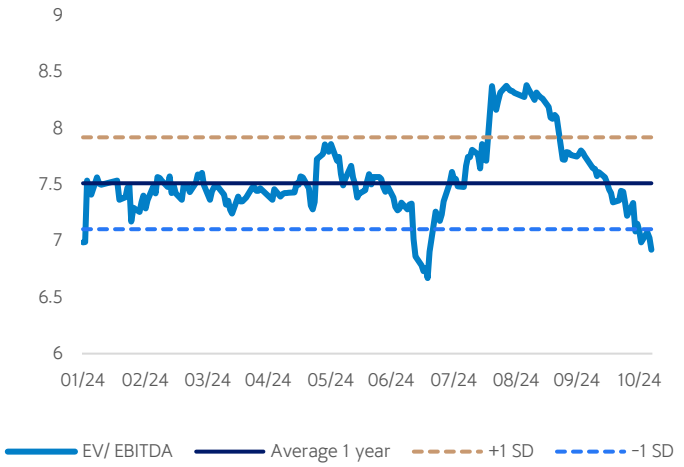


Despite experiencing many ups and downs in the domestic and world steel market, HPG's market share not only maintained but also continuously grew. As of June 2024, **HPG supplies 38% and 27% of domestic construction steel and steel pipes, respectively.**

P/E 1 year

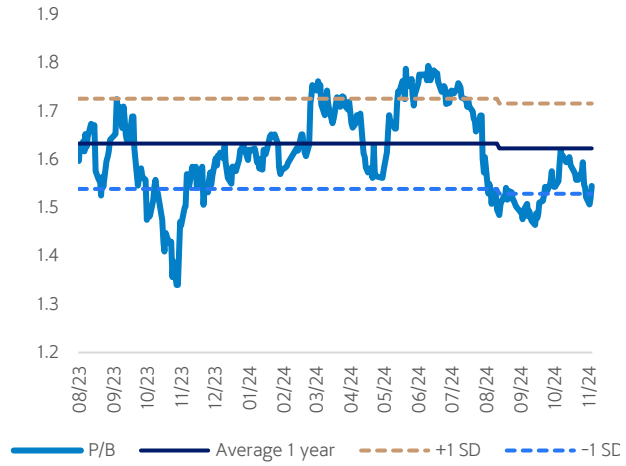


EV/EBITDA 1 year

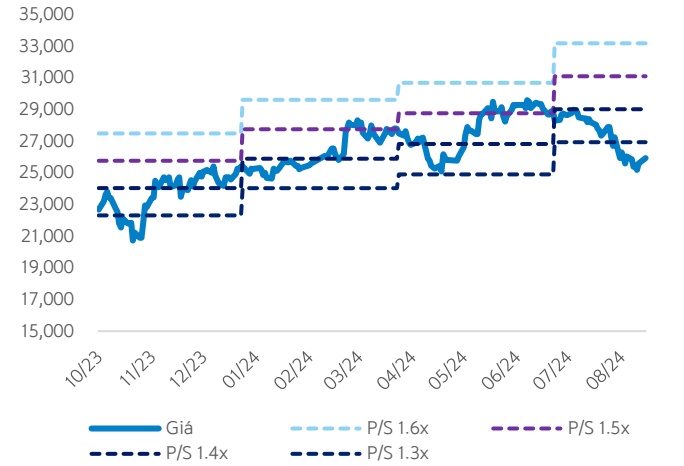


Source: Bloomberg data, Shinhan Securities Vietnam

P/B 1 year

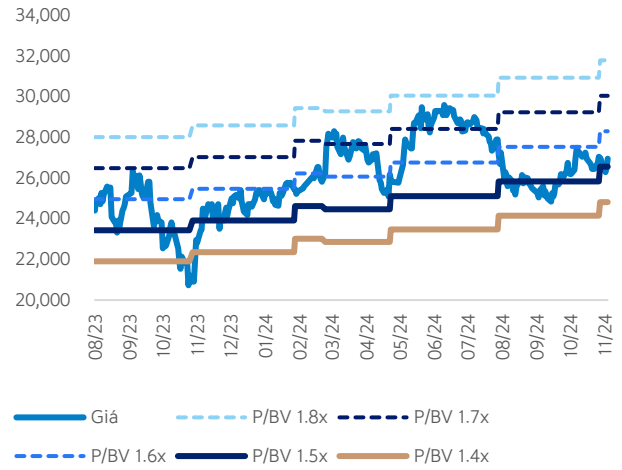


P/S band

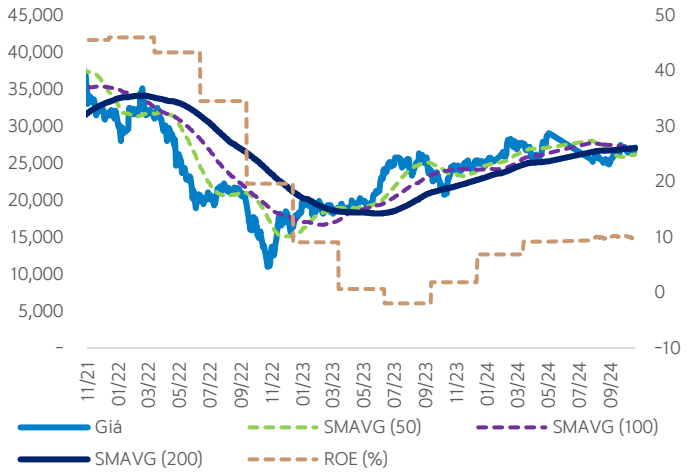


Source: Bloomberg data, Shinhan Securities Vietnam

P/B band

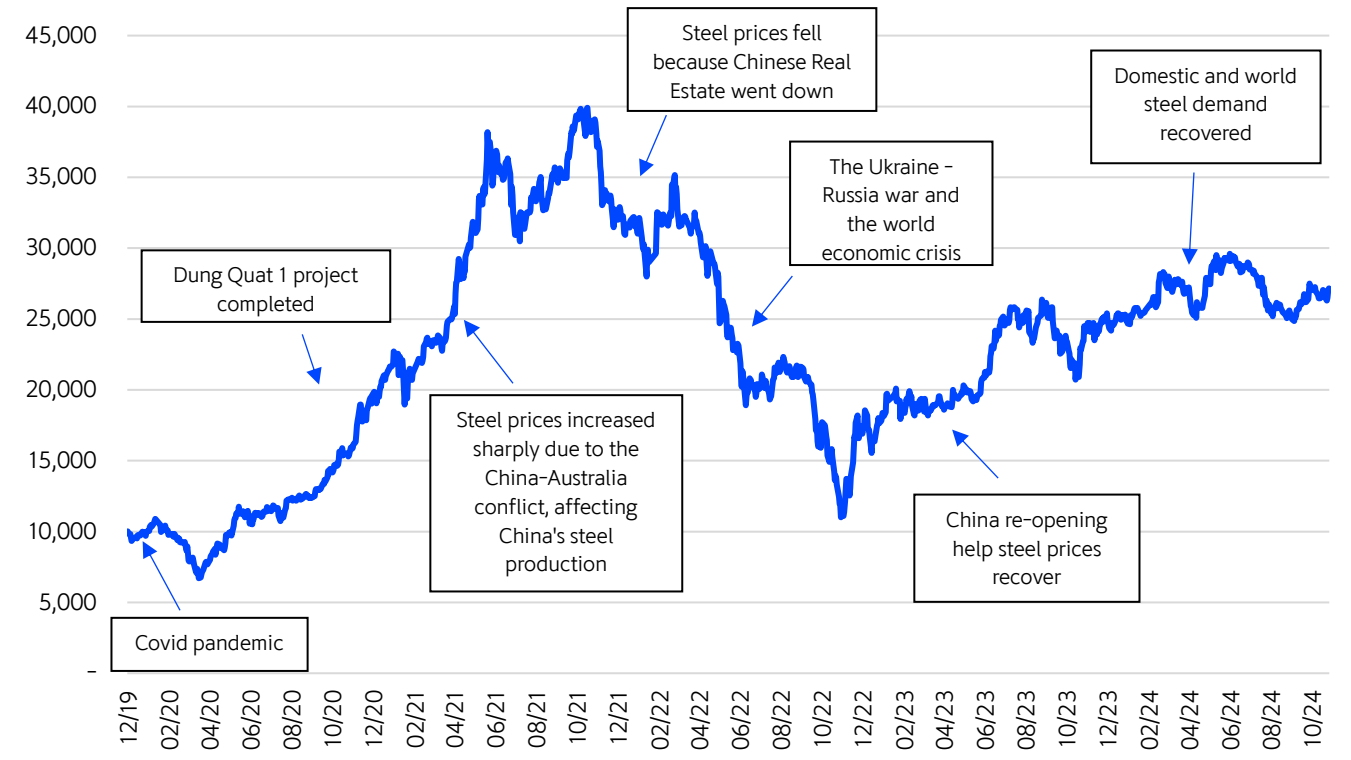


ROE and MA 1 year



Source: Bloomberg data, Shinhan Securities Vietnam

Key event chart of HPG



Source: Bloomberg, Company data, Shinhan Securities Vietnam

Risks

Risk of fluctuations in steel and coke coal prices

Steel price fluctuations have a great impact on Hoa Phat's selling price. With the ratio of export revenue accounting for 20% - 30% of Hoa Phat's revenue, steel selling prices are influenced by changes in domestic and world steel prices. Coke coal price directly affects Hoa Phat's input costs, thereby directly affecting Hoa Phat's profit margin.

Risk of unstable domestic real estate market

The real estate market directly affects Hoa Phat's steel consumption. Steel consumption in the real estate sector accounts for more than 30% of domestic steel consumption. Unstable developments in the real estate situation will negatively affect the steel industry.

Risks of the real estate market situation in China

Vietnam is currently importing a large amount of Chinese steel (especially hot rolled steel products - HRC). Unstable developments in China's real estate market will cause the country's steel prices to stay low, affecting Vietnam's domestic steel prices.

Risks of exporting to Europe

The European Commission (EC) has issued a decision to investigate anti-dumping tax on imported steel until the end of June 2026, and at the same time apply a 15% quota for steel imported from other countries (equivalent to 142 thousand tons/quarter for Vietnam). In addition, the EC has also received a request for an anti-dumping investigation on HRC imports from Vietnam. If this tax is applied, HPG must reduce its dependence on the European market.

Risk of competition with cheap steel from China

As the data mentioned in the report, Chinese steel imports into Vietnam increased sharply in Q2/2024, while import prices decreased due to severe oversupply in the country. If this problem is not overcome by protection measures, domestic steel prices will continue to be affected, negatively impacting the business results of domestic steel enterprises.

Appendix: Financial statements

Statement of financial position

Year to Dec. (bn VND)	2022	2023	2024F	2025F	2026F
Total assets	**170,336**	**187,783**	**205,710**	**241,321**	**278,150**
Current assets	80,515	82,716	89,641	102,951	143,263
Cash & equivalents	8,325	12,252	14,354	15,373	29,897
Short-term financial asset	26,268	22,177	23,563	28,989	38,600
Accounts receivable	9,893	10,702	13,002	13,633	15,569
Inventories	34,491	34,504	38,722	44,955	59,198
Non-current assets	89,821	105,066	116,069	138,371	134,887
Net fixed assets	70,199	71,787	93,551	106,722	127,529
Investment assets	1	40	136	88	88
Other long-term assets	4,100	4,454	4,454	4,454	4,454
Total liabilities	**74,223**	**84,946**	**85,057**	**96,294**	**93,697**
Current liabilities	62,385	71,513	61,828	69,911	70,507
Accounts payable	15,637	16,532	13,290	16,754	17,412
Short-term borrowings	46,749	54,982	48,538	53,157	53,095
Others	4,530	4,144	4,123	5,855	7,891
Non-current liabilities	11,837	13,433	23,229	26,384	23,190
Long-term borrowings	11,152	10,399	20,239	23,393	20,200
Other financial liabilities	686	3,034	2,990	2,990	2,990
Total shareholders' equity	**96,113**	**102,836**	**120,653**	**145,027**	**184,453**
Capital stock	58,148	58,148	63,963	70,359	77,395
Capital surplus	3,212	3,212	3,212	3,212	3,212
Other capital	34,648	41,411	53,365	71,294	103,636
Retained earnings	33,834	40,593	52,546	70,476	102,818
Non-controlling interest equity	106	66	114	162	211
*Total debt	57,900	65,381	68,777	76,550	73,295
*Net debt (cash)	23,307	30,952	30,859	32,188	4,799

Statement of comprehensive income

Year to Dec. (bn VND)	2022	2023	2024F	2025F	2026F
Revenue	**141,409**	**118,953**	**138,608**	**176,036**	**234,396**
Growth (%)	-5.5	-15.9	16.5	27.0	33.2
COGS	**(124,646)**	**(106,015)**	**(119,704)**	**(148,233)**	**(188,372)**
Gross profit	**16,763**	**12,938**	**18,903**	**27,803**	**46,024**
GPM (%)	11.9	10.9	13.6	15.8	19.6
SG&A	**(3,685)**	**(3,269)**	**(3,764)**	**(4,634)**	**(6,322)**
Operating profit	**9,794**	**7,651**	**12,143**	**19,680**	**36,731**
Growth (%)	(0.7)	(0.2)	0.6	0.6	0.9
OPM (%)	6.9	6.4	8.8	11.2	15.7
Non-operating profit	**(3,154)**	**(1,876)**	**(2,396)**	**(2,488)**	**(2,171)**
Financial income	3,744	3,173	2,650	3,266	3,719
Financial expense	(7,027)	(5,192)	(5,646)	(6,755)	(6,690)
In which: interest expenses	(3,084)	(3,585)	(4,266)	(4,755)	(4,492)
Net other non-operating profit	129	142	600	1,001	800
Pre-tax profit	**6,640**	**5,774**	**9,747**	**17,192**	**34,560**
Income tax	(477)	81	(1,940)	(2,431)	(4,374)
Net profit	**8,444**	**6,800**	**12,003**	**18,921**	**34,092**
Growth (%)	(75.5)	(19.5)	76.5	57.6	80.2
NPM (%)	6.0	5.7	8.7	10.7	14.5
Controlling interest	8,484	6,835	11,954	18,873	34,044
Non-controlling interest	(39)	(35)	48	48	48
EBIT	**13,007**	**11,378**	**18,209**	**26,107**	**42,958**
Growth (%)	(67.1)	(12.5)	60.0	43.4	64.5
EBIT Margin (%)	9.2	9.6	13.1	14.8	18.3
EBITDA	**19,502**	**17,736**	**26,072**	**34,785**	**52,856**
Growth (%)	(56.2)	(9.1)	47.0	33.4	52.0
EBITDA margin (%)	13.8	14.9	18.8	19.8	22.5

Statement of cash flow

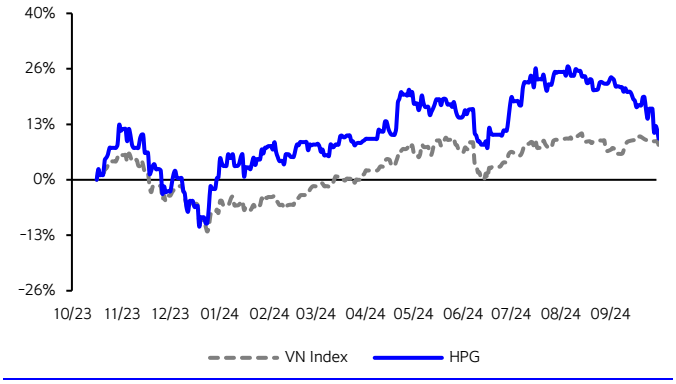
Year to Dec. (bn VND)	2022	2023	2024F	2025F	2026F
Cash flow from operations	**12,278**	**8,643**	**12,956**	**22,460**	**26,201**
Net profit	8,444	6,800	12,003	18,921	34,092
Depreciation expense	6,495	6,359	7,863	8,678	9,898
(Gain) from investing activities	(1,832)	(1,928)	(1,178)	(1,739)	(2,316)
Change in working capital	(6,274)	(2,151)	(5,732)	(3,399)	(15,473)
Others	5,445	(437)	-	-	-
Cash flow from investments	**(24,626)**	**(11,995)**	**(20,015)**	**(34,619)**	**(13,708)**
Change in fixed assets	(7,950)	(7,947)	(28,449)	(20,110)	(28,388)
Change in investment assets	-	-	(1,482)	(5,378)	(9,611)
Others	(16,676)	(4,048)	9,916	(9,131)	24,291
Cash flow from financing	**(1,778)**	**7,276**	**9,161**	**13,178**	**2,030**
Change in equity	-	-	5,815	6,396	7,036
Net borrowing	(1,778)	7,276	3,396	7,773	(3,255)
Dividends	-	-	(49)	(992)	(1,751)
Change in total cash	**(14,127)**	**3,924**	**2,102**	**1,019**	**14,523**
Beginning cash	22,471	8,325	12,252	14,354	15,373
Change in FX rates	-	-	-	-	-
Ending cash	8,325	12,252	14,354	15,373	29,897

Key ratios

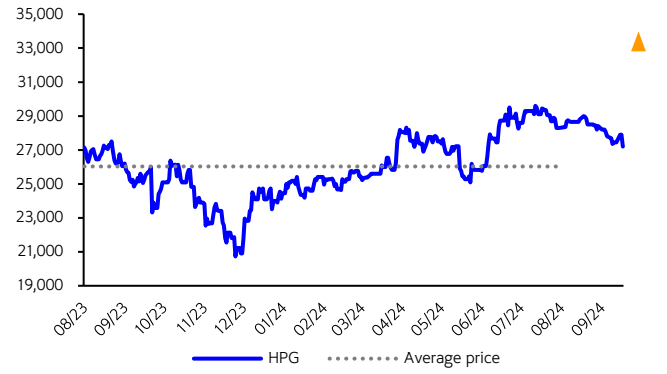
Year to Dec.	2022	2023	2024F	2025F	2026F
EPS (VND)	1,452	1,117	1,869	2,682	4,399
BPS (VND)	16,511	17,674	18,845	20,589	23,805
PER (x)	11.0	23.8	14.1	9.8	6.0
PBR (x)	1.1	1.6	1.4	1.3	1.1
EV/EBITDA (x)	7.8	11.9	9.2	6.9	4.1
Dividend payout ratio (%)	26%	0%	0%	5%	5%
Dividend yield (%)	5.0	0.0	0.0	5.0	5.0
Profitability					
EBITDA margin (%)	13.8	14.9	18.8	19.8	22.5
OPM (%)	6.9	6.4	8.8	11.2	15.7
NPM (%)	6.0	5.7	8.7	10.7	14.5
ROA (%)	5.0	3.6	5.8	7.8	12.3
ROE (%)	8.8	6.6	9.95	13.0	18.5
Stability					
Debt to equity ratio (%)	60.2	63.6	57.0	52.8	39.7
Net debt ratio (%)	119.5	174.5	118.4	92.5	9.1
Cash ratio (%)	55.5	48.1	61.3	63.5	97.1
Interest coverage ratio (x)	4.2	3.2	4.3	5.5	9.6
Activity (%)					
Working capital turnover (times)	45.0	36.0	28.4	20.8	15.9
Inventory turnover (days)	112.2	118.8	111.6	103.0	100.9
Receivable turnover (days)	22.7	31.6	31.2	27.6	22.7

Hoa Phat Group JSC (HPG)

Share price



Target price (VND)



Date	Rating	TP (VND)	TP gap (%)	
			TB	Max/Min
27/08/2024 (Initiation)	BUY	34,000	35.46	14.19/66.46
06/11/2024 (Update)	BUY	37,400	32.63	28.20/35.30

Note: Calculation of target price gap based on past 12 months

Shinhan Securities Vietnam

Stock	Sector
◆ **BUY:** Expected 12-month gain of 15% or more ◆ **HOLD:** Expected 12-month loss of 15% to gain of 15% ◆ **SELL:** Expected 12-month loss of 15% or more	◆ **OVERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated BUY ◆ **NEUTRAL:** Based on market cap, largest share of sector stocks under coverage is rated HOLD ◆ **UNDERWEIGHT:** Based on market cap, largest share of sector stocks under coverage is rated SELL

Compliance & Disclosure Notice

Analyst Certification

- The following analysts hereby certify that their views about the companies and securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Huong Le

Important Disclosures & Disclaimers

- As of the date of publication, Shinhan Securities Vietnam Co., Ltd. does not beneficially own 1% or more of any class of common equity securities of the following companies mentioned in this report: HPG VN
- Shinhan Securities Vietnam Co., Ltd. or one of its affiliates, and/or their respective officers, directors, or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities of the companies mentioned in this report.
- As of the date of publication, research analysts responsible for this report and members of their households do not have any financial interest in the debt or equity securities of the companies mentioned in this report.
- Research analysts responsible for this report receive compensation based upon, among other factors, the overall profitability of Shinhan Securities Vietnam Co., Ltd. including profits derived from investment banking. The analysts responsible for this report may also receive compensation based upon, among other factors, the overall profitability of sales and trading businesses relating to the class of securities or financial instruments for which such analysts are responsible.
- All opinions and estimates regarding the companies and their securities are accurate representations of the research analysts' judgments and may differ from actual results.
- This report is intended to provide information to assist investment decisions only, and should not be used or construed as an offer or a solicitation of an offer to buy or sell any securities. The information herein has been obtained from sources deemed reliable, but such information has not been independently verified and no guarantee, representation, or warranty, expressed or implied, is made as to its accuracy, completeness, or correctness. Shinhan Securities Vietnam Co., Ltd. makes the best effort but does not guarantee the accuracy, completeness, or correctness of information and opinions translated into English from original Vietnamese language materials. Shinhan Securities Vietnam Co., Ltd. accepts no liability whatsoever for any direct, indirect, and/or consequential loss arising from any use of this material or its contents. Stock selection and final investment decisions should be made at the investor's own and sole discretion.
- This report is distributed to our customers only, and any unauthorized use, duplication, or redistribution of this report is strictly prohibited.
- Investing in any Vietnamese securities or related financial instruments discussed in this research report may present certain risks. The securities of Vietnamese issuers may not be registered with, or be subject to the regulations of, the US Securities and Exchange Commission. Information on Vietnamese securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the US. The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in currencies other than the Vietnamese won is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Distribution

- United States: This report is distributed in the US by Shinhan Investment America, Inc., a member of FINRA/SIPC, and is only intended for major US institutional investors as defined in Rule 15a-6(a)(2) of the US Securities Exchange Act of 1934. All US persons that receive this document by their acceptance thereof represent and warrant that they are major US institutional investors and have not received this report under any express or implied understanding that they will direct commission income to Shinhan Securities Vietnam Co., Ltd. or its affiliates. Pursuant to Rule 15a-6(a)(3), any US recipient of this document wishing to effect a transaction in any securities discussed herein should contact and place orders with Shinhan Investment America, Inc., which accepts responsibility for the contents of this report in the US. The securities described herein may not have been registered under the US Securities Act of 1933, as amended, and, in such case, may not be offered or sold in the US or to US persons unless they have been registered or are in compliance with an exemption from registration requirements.
- All Other Jurisdictions: Customers in all other countries who wish to effect a transaction in any securities referenced in this report should contact Shinhan Securities Vietnam Co., Ltd. or its affiliates only if distribution to or use by such customer of this report would not violate applicable laws and regulations and not subject Shinhan Securities Vietnam Co., Ltd. and its affiliates to any registration or licensing requirement within such jurisdiction.



Shinhan Investment Network

SEOUL
Shinhan Securities Co., Ltd
Shinhan Investment Tower
70, Youido-dong, Yongdungpo-gu,
Seoul, Korea 150-712
Tel : (82-2) 3772-2700, 2702
Fax : (82-2) 6671-7573

NEW YORK
Shinhan Investment America Inc.
1325 Avenue of the Americas Suite 702,
New York, NY 10019
Tel : (1-212) 397-4000
Fax : (1-212) 397-0032

Hong Kong
Shinhan Investment Asia Ltd.
Unit 7705 A, Level 77
International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong
Tel : (852) 3713-5333
Fax : (852) 3713-5300

Indonesia
PT Shinhan Sekuritas Indonesia
30th Floor, IFC 2, Jl. Jend. Sudirman Kav.
22-23, Jakarta, Indonesia
Tel : (62-21) 5140-1133
Fax : (62-21) 5140-1599

Shanghai
Shinhan Investment Corp.
Shanghai Representative Office
Room 104, Huaneng Union Mansion No.958,
Luijiazui Ring Road, PuDong, Shanghai, China
Tel : (86-21) 6888-9135/6
Fax : (86-21) 6888-9139

Ho Chi Minh
Shinhan Securities Vietnam Co., Ltd.
18th Floor, The Mett Tower, 15 Tran Bach Dang Street,
Thu Thiem Ward, Thu Duc City, Vietnam
Tel : (84-8) 6299-8000
Fax : (84-8) 6299-4232

Ha Noi
Shinhan Securities Vietnam Co., Ltd.
Hanoi Branch
2nd Floor, Leadvisors Building, No. 41A Ly Thai To,
Ly Thai To Ward, Hoan Kiem District, Hanoi, Vietnam.
Tel : (84-8) 6299-8000