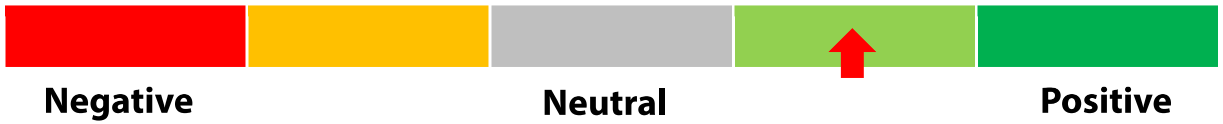
REAL ESTATE

BASIS FOR A STRONGER FUTURE

Nguyen Thi Quynh Giao – giao.ntq@vdsc.com.vn
Do Thach Lam, CFA – lam.dt@vdsc.com.vn

REAL ESTATE - BASIS FOR A STRONGER FUTURE



Overview

In 2024, the real estate market will continue to recover, especially in the North, when new projects for sale from reputable investors (Vinhomes, Capitalland, Gamuda Land,...) all have a high absorption rate (from 50 to 100%). In 2025, we believe that supply will continue to improve in the Northern market, which is a springboard for the spread of supply in the Southern market when: 1/ The National Assembly approves the pilot expansion of the land fund to be transferred for the purpose of building commercial housing; 2/ The new land price list helps to shorten the time for compensation and calculation of land used fee, helping many new projects to be implemented and previously suspended projects to be restarted; 3/ The Southern region is accelerating the project approval process.

Looking at the longer term, we believe that when the three laws on real estate are implemented, it will provide a complete legal framework, aiming for the civil real estate sector to develop more sustainably, and at the same time have policies to remove legal problems of real estate projects. Accordingly, we believe that developers with good financial resources, owning clean land bank with valid investment policies, will be the beneficiaries of this market. KDH continues to be our favorite company, with a potential land bank in Ho Chi Minh City. HCM. In addition, DXG is also a notable stock with the project ready to launch in 2025.

Highlights

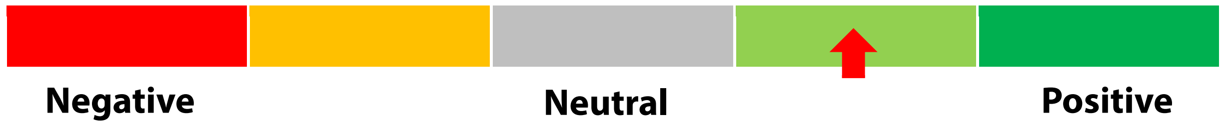
Legal issues with real estate projects are gradually being removed

- The three land laws have provided a relatively complete legal framework, which has a clear impact on companies in the industry, with: i/ Measures to support supply improvement, especially in the Southern region; ii/ Protection of the interests of home buyers. In addition, a number of new policies effective in the period of 2024-2025 will support the promotion of legal dismantling of real estate projects such as: 1/ Pilot the implementation of commercial housing projects through agreements on receiving land use rights with others land; 2/ Provinces begin to promulgate new land price lists.

Supply and transaction volume are expected to continue to improve in 2025

- In the Hanoi market, the supply will come from projects of large developers such as: VHM (Vinhomes Global Gate), Capitaland (The Senique). The heat in the Hanoi market can spread to the Ho Chi Minh City market and satellite cities after: 1/ The National Assembly approves the pilot expansion of the land fund for commercial housing construction; 2. The new land price list helps to shorten the time for compensation and calculation of land use levies, helping many new projects to be implemented and previously suspended projects to be resumed; and 3/ The Southern region is accelerating the project approval process. Expected supply from a number of listed investors such as: KDH (Clarita & Emeria), NLG (Mizuki Park), DXH (DXH Riverside)...

REAL ESTATE - BASIS FOR A STRONGER FUTURE



Highlights

Presales value and investment options

- With a positive supply outlook in 2025, we expect presales value and revenue from real estate handover of businesses in our coverage list to grow in 2025. In which, the presales value of each company is estimated at: 1/KDH (VND 8,836 billion, + 976%YoY), NLG (VND 5,303 billion, -17%), HDG (VND 909 billion), DXG (VND 9,436 billion).
- We choose KDH (Buy, target price: VND 41,300 per share), when expecting positive growth in presales value in 2025, coming from: 1/ Binh Trung Dong Ward project cluster (Clarira and Emeria) with a total product of ~200 low-rise units, 2/ Binh Hung 11A project (phase 1). In addition, one of the prominent companies that can be noted is DXG with the expectation of presales value expected to have a positive recovery when the business continues to sell products at Gem Sky World and restart the DXH Riverside project in 2025.

Risks to our recommendations

- The new land price list increases land used fee in the long term for projects that have not completed land used fee payment.
- The new laws limits access to the cheapest source of capital (a deposit from homebuyers) for developers, increasing the cost of capital.

TABLE OF CONTENTS

TIER I MARKETS – IMPROVEMENT IN BOTH SUPPLY AND TRANSACTION

- According to VARS, the supply in Q3/2024 recorded 22,412 products offered on the market, with more than 70% being apartments. This supply mostly comes from the Northern market (accounting for 46% and 48% of the total supply in Q3/24 and in 9M24, respectively) and most of them are in the high-end and luxury segments (selling price is over VND 80 million per m2 for apartments).
- The whole market recorded 10,400 successful transactions, down 25% compared to Q2, but still 80% higher than the same period in 2023. This shows that the shortage of mid-range apartment supply is affecting the psychology of homebuyers, making them willing to spend more to be able to own a house.

Figure 1: Supply of residential real estate from 2018 - 9M24

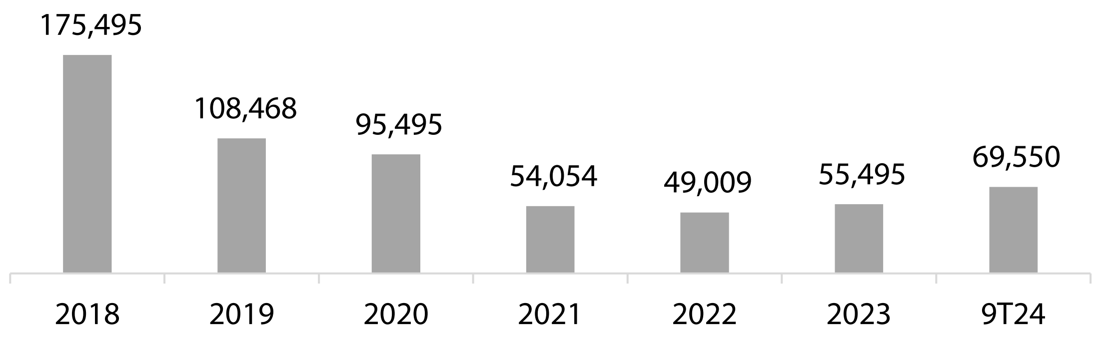


Figure 3: The number of successful real estate transactions

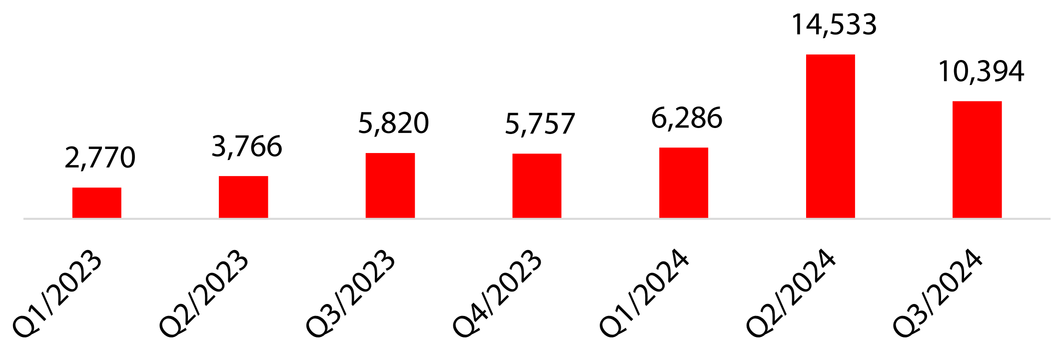
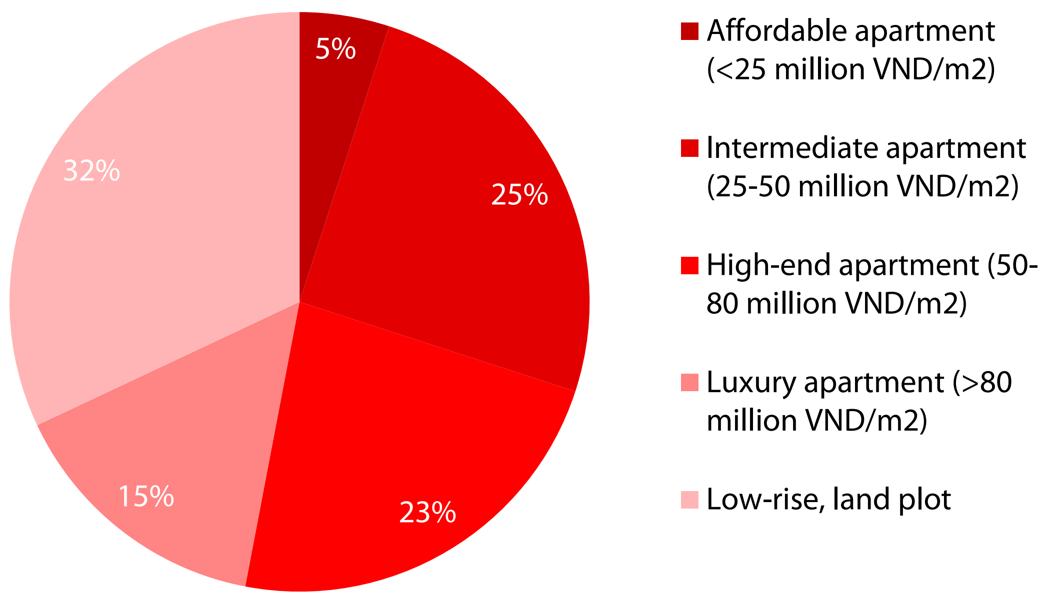


Figure 2: Supply structure in 3Q24

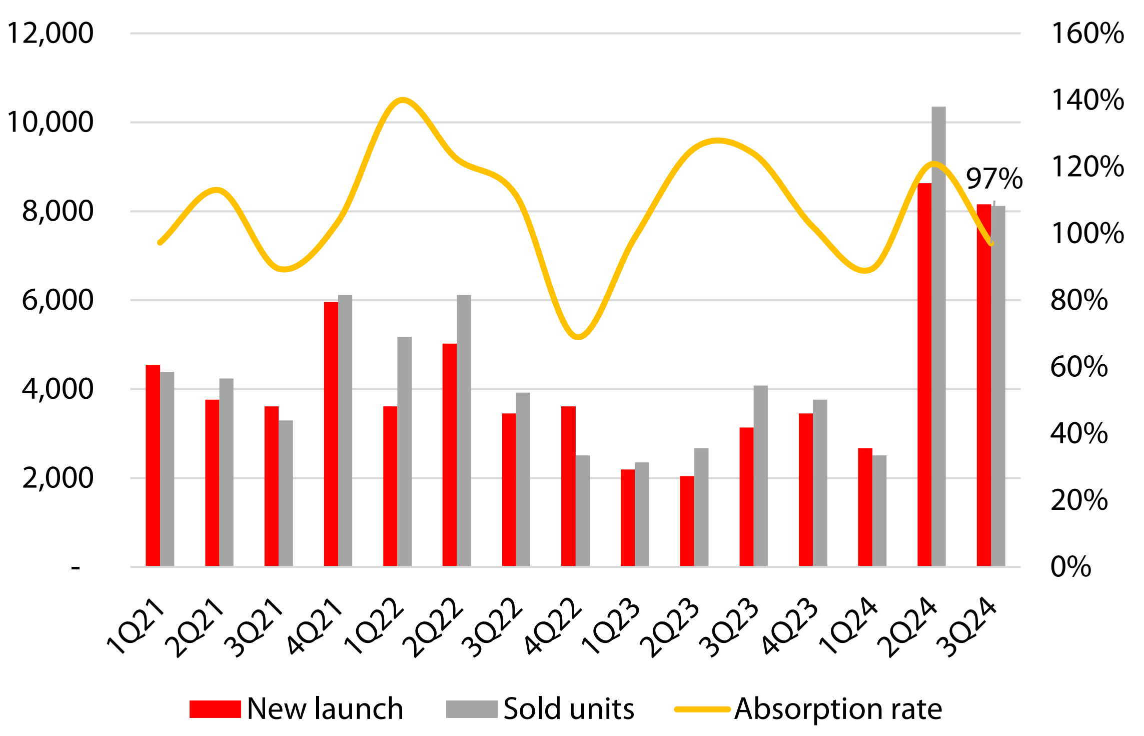


Sources: VARS, RongViet Securities

Hanoi's apartment market shows clear signs of recovery

- In Q3/2024, the supply and number of apartments sold in Hanoi recorded ~8,000 units, with an absorption rate of 97%. One of the main supporting factors for the recovery in demand comes from lending interest rates that remain low along with preferential policies of investors.
- Primary and secondary selling prices of apartments both recorded price increases. Notably, the average primary selling price is close to VND 64 million per m2 (+9%QoQ, +26%YoY), due to: 1/ most of the newly launched apartments in the high-end and luxury segments "accidentally" pushing the average price up, 2/ in addition to residential demand, attractive interest rates also attract speculators to participate to enjoy the price difference.

Figure 4: Supply and number of apartments sold in Hanoi



Sources: CBRE, RongViet Securities

Figure 5: Interest rates – a supporting factor for demand recovery

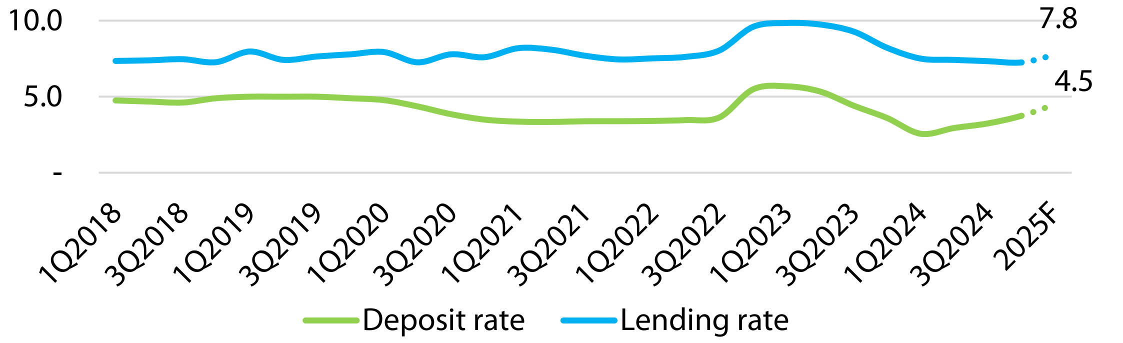
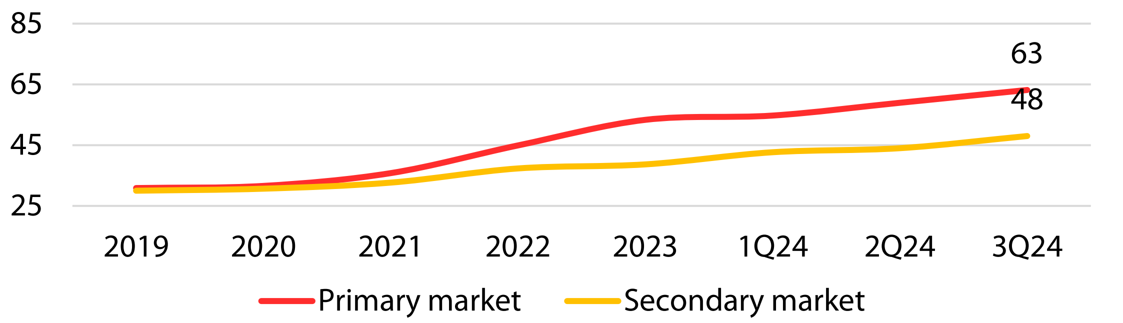


Figure 6: Primary and secondary selling prices of CHCC in Hanoi

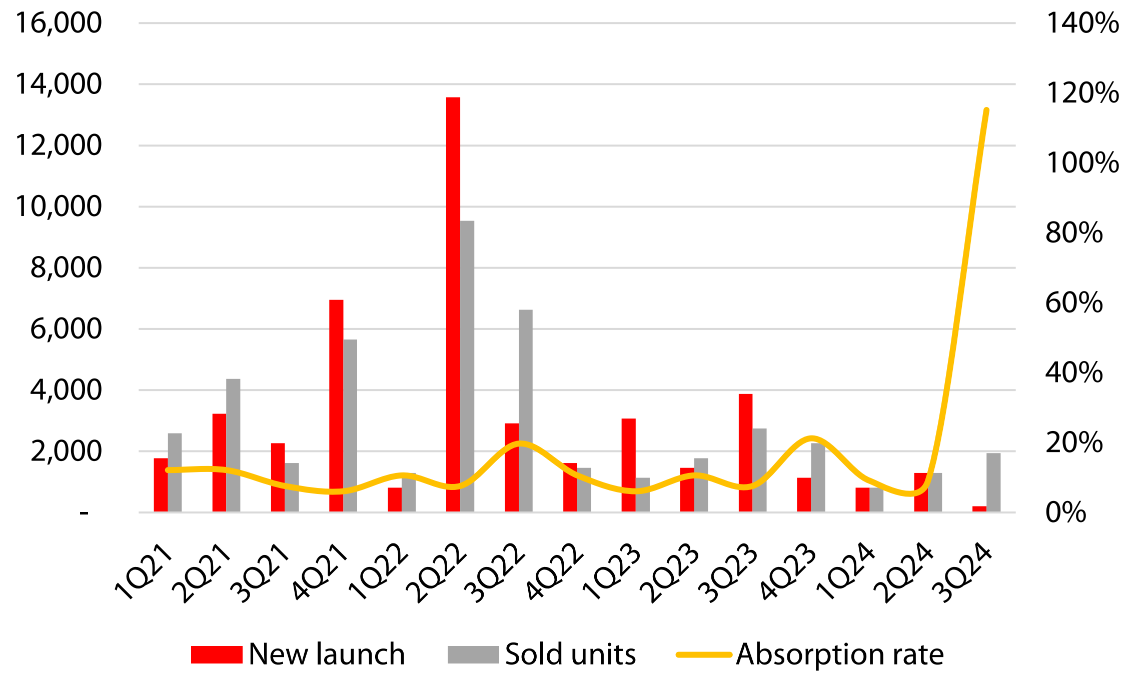


Sources: CBRE, RongViet Securities

The shortage of new supply continues in the Southern market

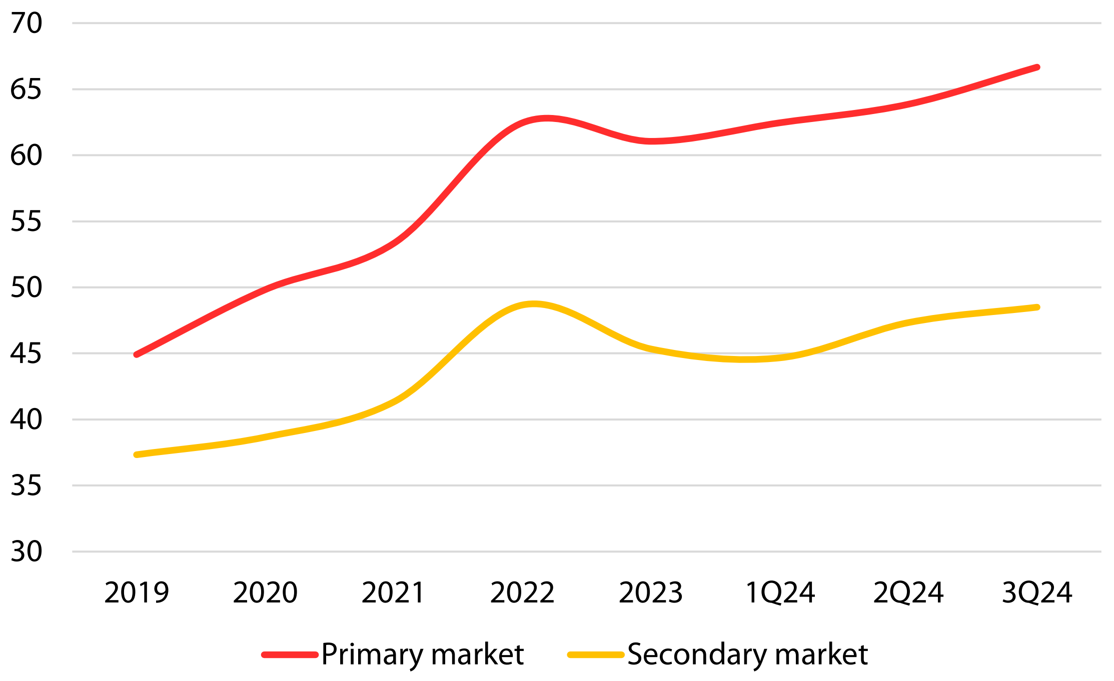
- Primary supply in the Ho Chi Minh City market still shows no signs of recovery when only 127 units were opened for sale in the quarter due to legal delays affecting the number of approved projects.
- The secondary market in HCMC has become more vibrant, with secondary supply coming from previously opened projects, as shown by: 1/ The average secondary selling price continues to increase to about VND 49 million per m2 (+3% QoQ, +5% YoY); 2/ The total number of apartments transactions in HCMC in Q3/2024 reached 1,939 units (+69% QoQ, -33% YoY) while the new supply was only recorded at 127 units. This shows that the demand for buying apartments for residence is still high, and the demand for buying for investment purposes has also begun to recover.

Figure 7: Supply and number of apartments sold in HCMC



Sources: CBRE, RongViet Securities

Figure 8: Selling price in HCMC market



Sources: CBRE, RongViet Securities

BUSINESS RESULTS OF ENTERPRISES HAVE SLOWED DOWN

Real estate businesses recorded a slowdown in revenue and a decline in profit in Q3/2024

- Real estate companies recorded modest business results in 3Q2024, when: 1/ The project handover plan is concentrated in Q4/2024 such as: KDH (The Privia), NLG (Akari2, Can Tho, Waterpoint); 2/ Modest presales results in 2023 make companies unable to record revenue in 2024.

Figure 9: Revenue and profit of real estate companies in the period Q2/2022-Q3/2024 (bn VND) (*)

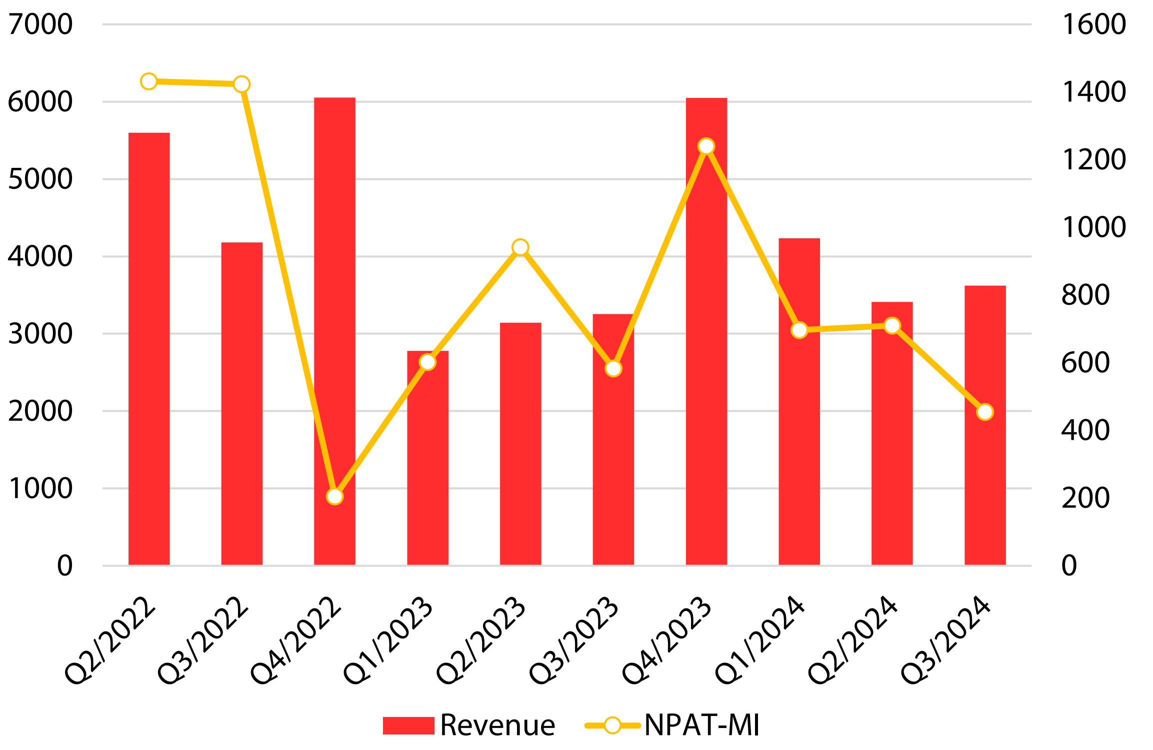
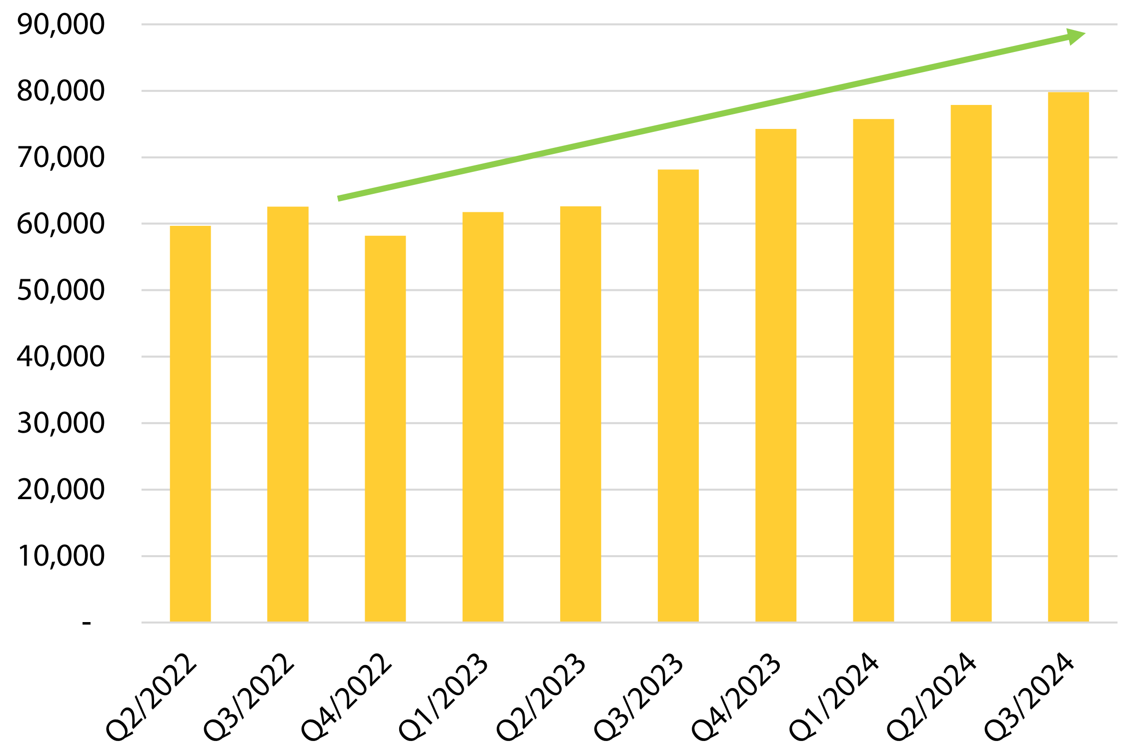


Figure 10: Inventory of real estate companies in the period Q2/2022-Q3/2024 (bn VND) (*)

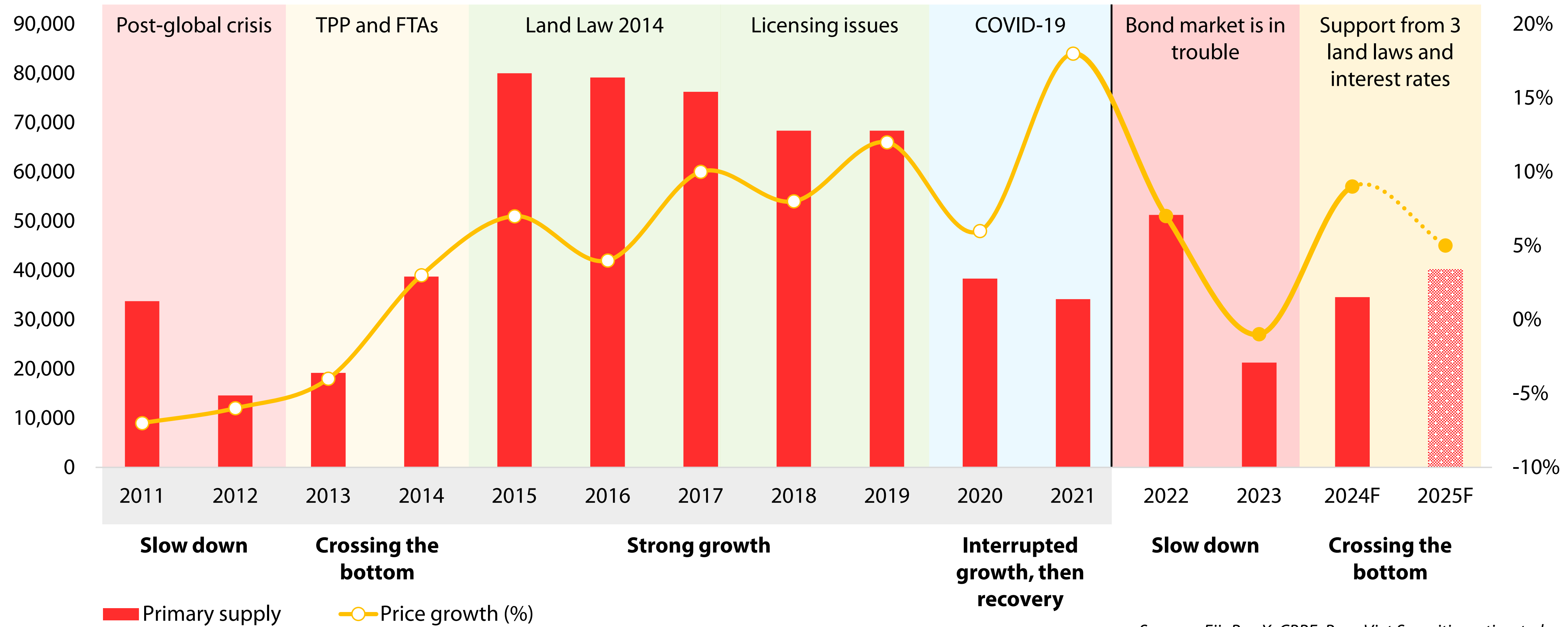


Sources: Finnpro, RongViet Securities. (*) Includes data from KDH, NLG, HDG, PDR, TCH, DXG.

WHERE IS THE REAL ESTATE MARKET IN THE GROWTH CYCLE?

Table 1: Growth cycle of the real estate market in the period 2011 – 2025F

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	2025F
GDP growth	6.2%	5.3%	5.4%	6.0%	6.7%	6.2%	6.9%	7.1%	7.0%	2.9%	2.6%	8.0%	5.1%	6.8%	**6.8%**
Lending rate	17.0%	13.5%	10.4%	8.7%	7.1%	7.0%	7.1%	7.4%	7.7%	7.6%	7.8%	8.0%	9.3%	6.5%	**7% - 7.5%**
CPI (yearly)	18.1%	6.8%	6.6%	1.8%	0.6%	2.7%	3.7%	3.5%	2.8%	3.2%	1.8%	3.2%	3.3%	3.8%	**4.0%**
FDI (USD mn)	15.6	16.4	22.4	21.9	24.1	26.9	35.9	35.5	38	28.5	31.2	27.7	36.6	34.6	**36**



Sources: FiinPro-X, CBRE, RongViet Securities estimated

LEGAL ISSUES ARE GRADUALLY BEING RESOLVED

The three land codes have provided a relatively complete legal framework, which has a clear impact on companies in the industry, with: i/ Measures to support supply improvement, especially in the southern region; ii/ Protection of the interests of home buyers. In addition, a number of new policies effective in the period of 2024-2025 will support the promotion of legal dismantling of real estate projects such as: 1/ Pilot the implementation of commercial housing projects through land use rights with other land; 2/ Provinces begin to promulgate new land price lists.

Table 2: Legal issues in the period 2024-2025

	Key drivers
Factors Supporting Supply Recovery	➢ The National Assembly's Resolution on piloting commercial housing projects through agreements on receiving land use rights or having land use rights, with a term of 5 years. Specifically, investors are allowed to implement commercial housing projects with agricultural and non-agricultural land other than residential land, residential land and other land in the same plot as the case of agreement on land use right receipt. ➢ The new land price list built close to the market price not only helps to shorten the time for compensation for site clearance, but also minimizes the situation of prolonged lawsuits due to unsatisfactory compensation prices. This helps increase supply, when projects are entangled in legal problems, the compensation for site clearance is resolved as well as shorten the implementation time for new projects. ➢ The southern region is accelerating the project approval process. Some typical projects include: 1/ Accelerating the approval of 1/500 of Can Gio coastal encroachment urban area (2,870 hectares); 2/ DXH Riverside project has received a construction permit. ➢ Provinces and cities expect to have specific regulations on reviewing, publicly announcing and making a list of narrow and interspersed land plots managed by the state and the allocation and lease of land for these land plots.
Factors that support homebuyers	➢ Officially, there is no regulation on the term of ownership of apartment buildings (to help apartment owners feel at ease), and at the same time give preferential regulations/regulations on apartment renovation; ➢ Detailed regulations related to the business of future-built houses, including regulations that real estate project investors are only allowed to collect a deposit of not more than 5% of the selling price, in order to protect the interests of home buyers ➢ Decrees to support the development of social housing, including: 1/ Decree 100/2024/ND-CP regulating the development and management of social housing, 2/ Decree 115/2024 stipulating a number of articles and measures to implement the Law on Bidding to select investors to implement investment projects using land, It is expected to remove obstacles and bottlenecks over the past years regarding the procedures for approving investment policies for projects in general and social housing in particular

Source: RongViet Securities.

Figure 11: Supply and number of units sold in Hanoi market

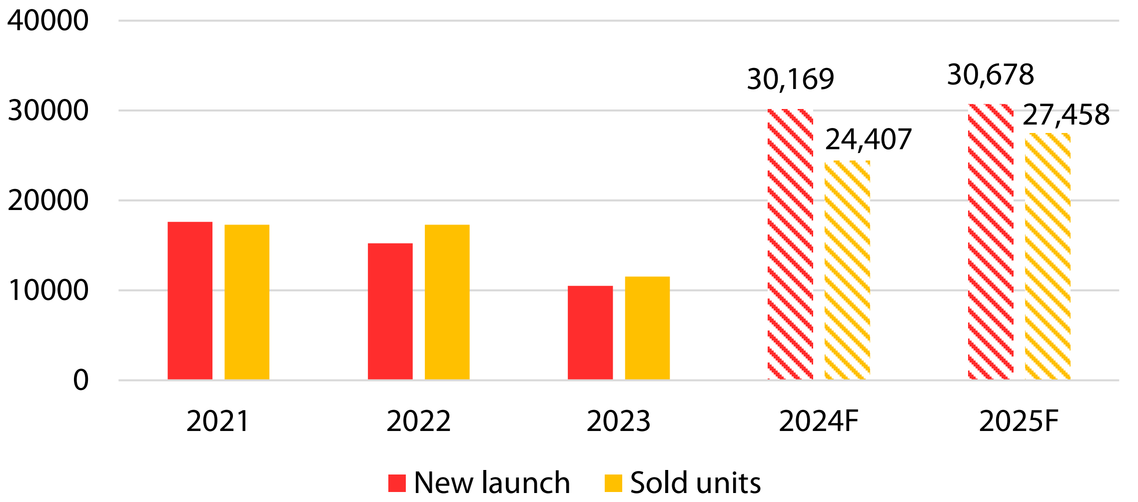


Figure 12: Supply and number of units sold in HCMC

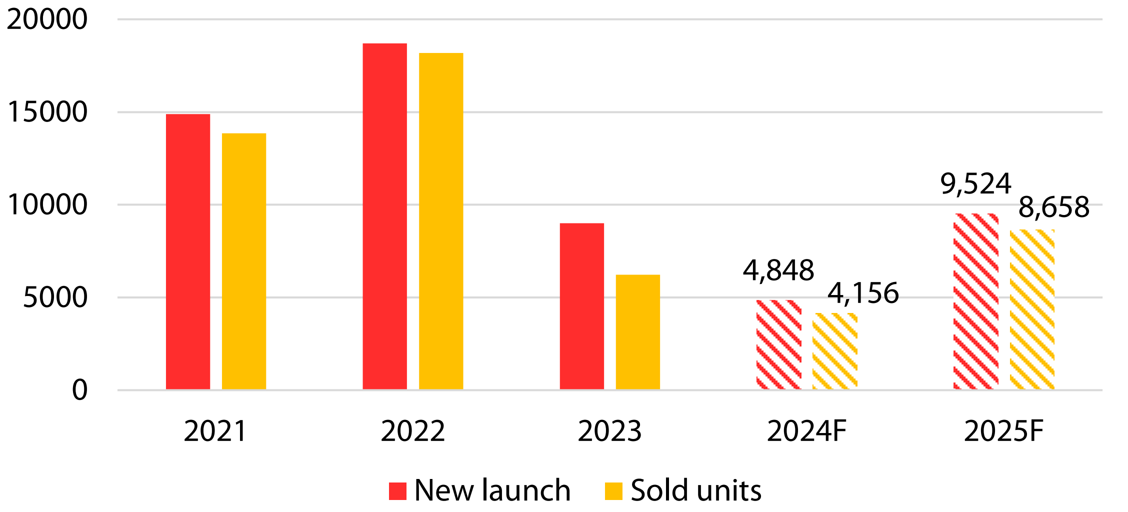
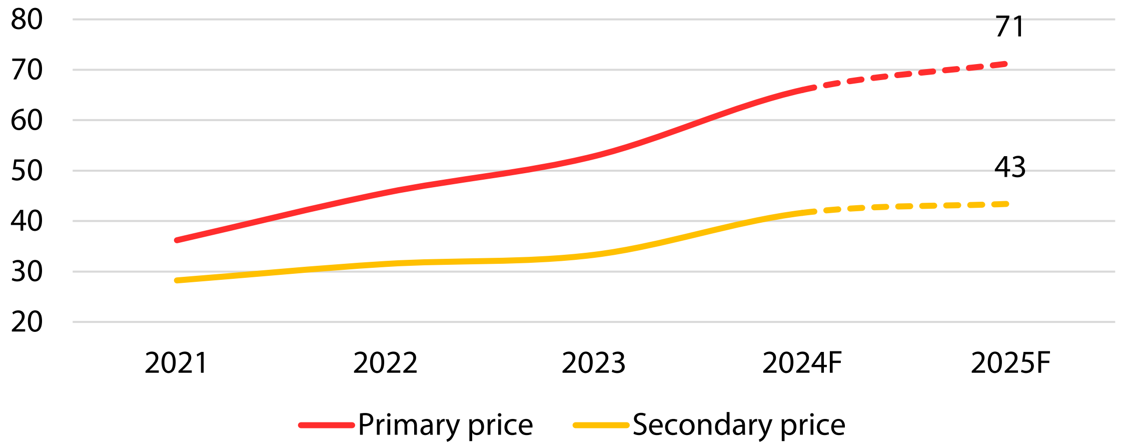
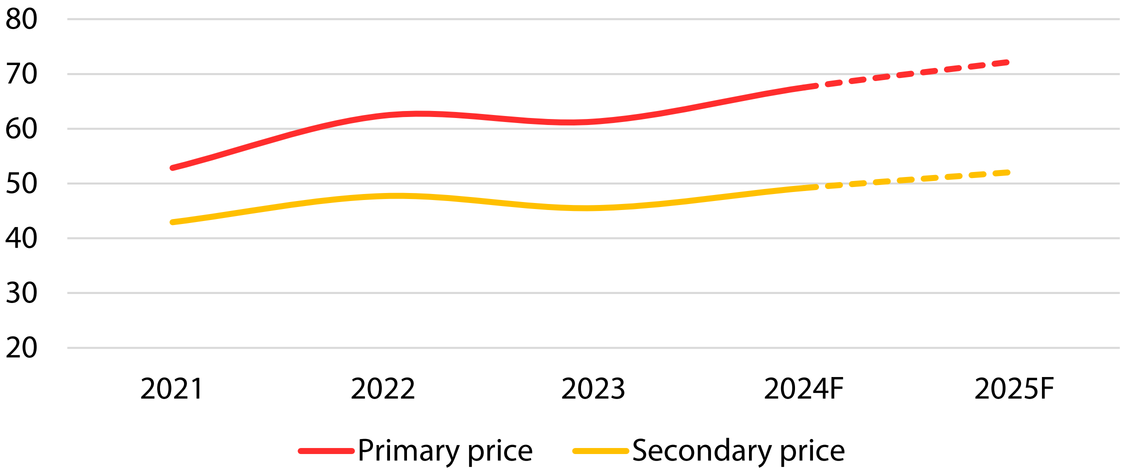


Figure 13: Primary and secondary selling prices in HN in 2025F



Sources: CBRE, RongViet Securities

Figure 14: Primary and secondary selling prices in HCMC in 2025F



Sources: CBRE, RongViet Securities

In 2025, supply is expected to recover in both Hanoi and Ho Chi Minh City markets

- For the Hanoi market, supply continues to come from projects of large investors such as: VHM (Vinhomes Global Gate), Capitaland (The Senique),...
- For the Ho Chi Minh City market, the supply is mostly low-rise products and high-end segment apartments from investors: KDH (Clarita & Emeria), NLG (Mizuki Park), DXH (DXH Riverside),...

Table 3: Projects expected to be launched in 2025 in Tier I markets

Project	Location	Supply	Developer
Vinhomes Global Gate	Hanoi	12,000 units	Vinhomes
The Senique	Hanoi	2,000 units	Capitaland
The Metropolitan	Hanoi	3,500 units	Mitsubishi
No11	Hanoi	364 units	NTL
Clarita & Emeria	HCMC	200 units	KDH & Keppel
Mizuki Park (CC5 & LK11)	HCMC	800 apartments & 25 low-rise units	NLG
DXH Riverside	HCMC	3,200 units	DXG
The Global City	HCMC	3,000 units	Masterise
Vinhomes Can Gio	HCMC	3,000 units	Vinhomes

Source: RongViet Securities

The recovery will spread to satellite cities

- When the market begins to be vibrant again for Tier I cities, investors/home buyers will pay attention to satellite cities such as Binh Duong, Dong Nai, Long An,... At that time, businesses with projects ready to open for sale will benefit from this trend.

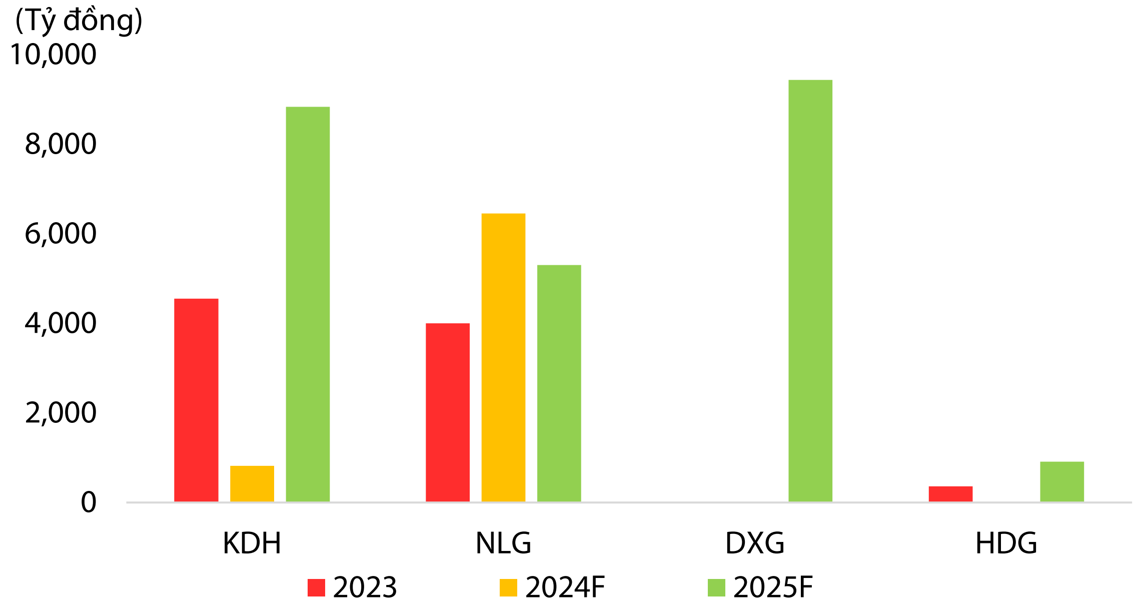
Table 4: Projects expected to be launched in 2025 in satellite cities

Project	Location	Supply	Developer
Nguyen Thi Minh Khai	Binh Duong	5,970 apartments	PDR
Nam Long Can Tho	Can Tho	Land plots and social housing	NLG
Waterpoint	Long An	Low-profile products	NLG
Izumi City	Dong Nai	Low-rise Products	NLG
Gem Sky World	Dong Nai	3,900 low-rise products	DXG
The Gió Riverside	Binh Duong	3,000 apartments	AGG
Sabinco	Binh Duong	400 low-rise products	ITC

Source: RongViet Securities

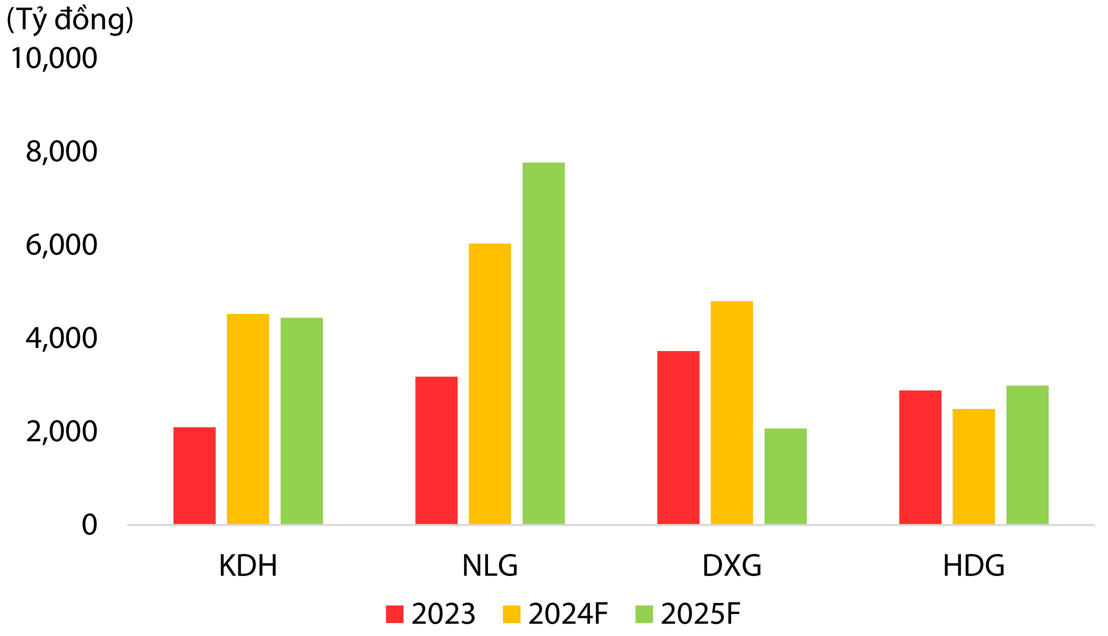
- With a positive supply outlook in 2025, we expect presales value and revenue from real estate handover of businesses in the tracking portfolio to grow in 2025. In which, the presales value of each company is estimated at: 1/KDH (VND 8,836 billion, + 976%YoY), NLG (VND 5,303 billion, -17%), HDG (VND 909 billion), DXG (VND 9,436 billion).
- We choose KDH (Buy, target price: VND 41,300 per share), when expecting positive growth in presales value in 2025, from: 1/ Binh Trung Dong ward project cluster (Clarita and Emeria) with a total product of ~200 low-rise units, 2/ Binh Hung 11A project (phase 1). In addition, one of the prominent companies that can be noted is DXG with the expectation of presales value expected to have a positive recovery when the business continues to sell products at Gem Sky World and restart the DXH Riverside project in 2025.

Figure 15: Estimated presales value in coverage list



Sources: KDH, NLG, HDG, RongViet Securities estimated.

Figure 16: Revenue of companies in coverage list



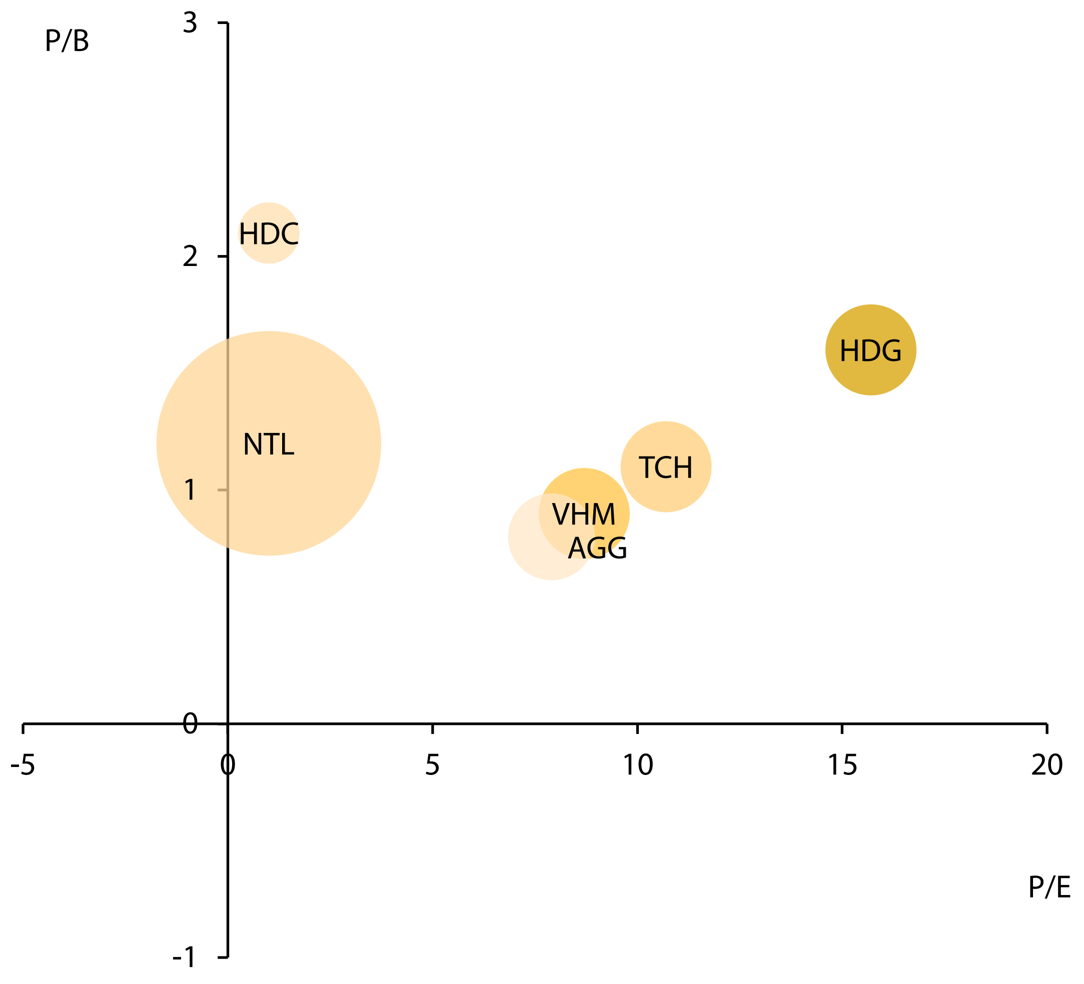
Sources: Finnpro, RongViet Securities estimated.

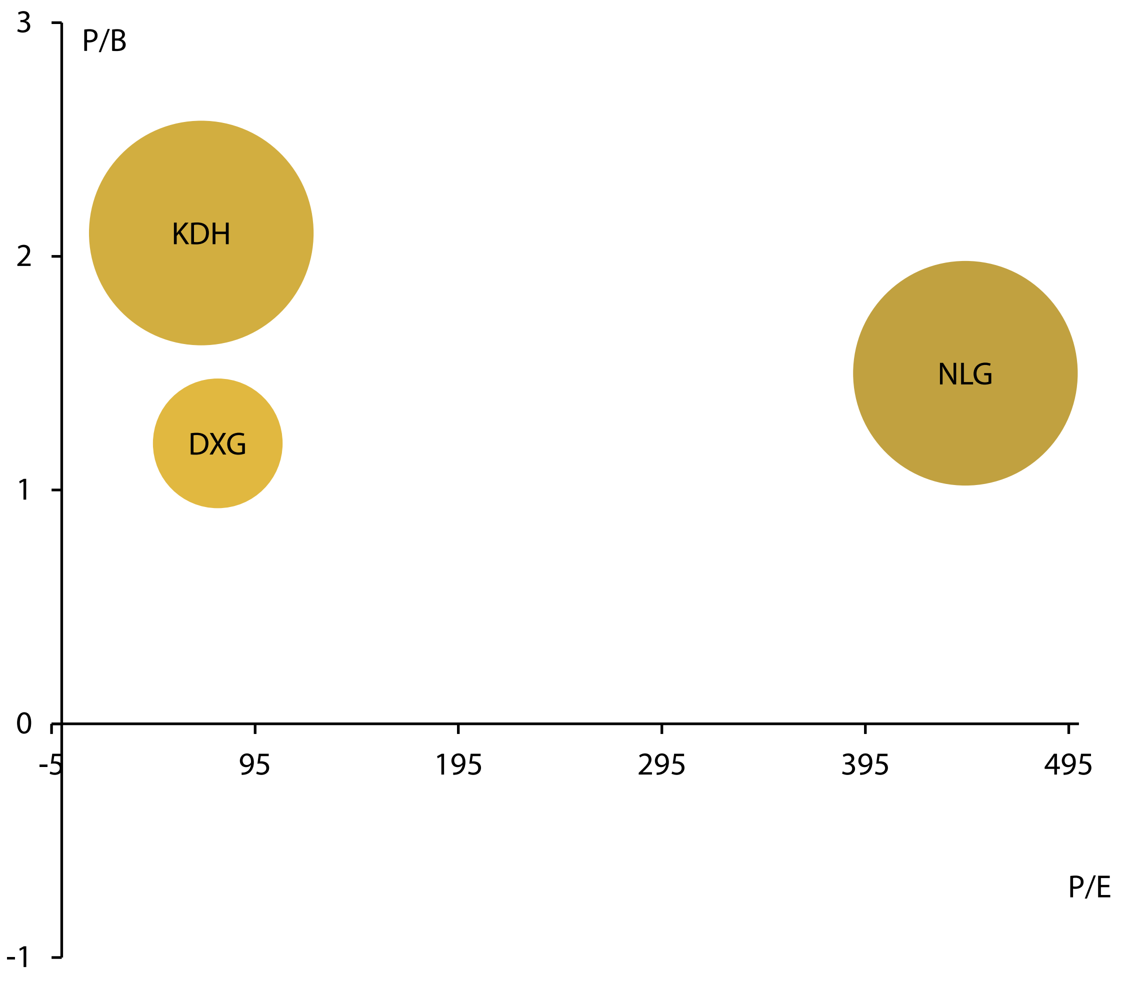
COMPARE FINANCIAL SITUATION (TTM)

Ticker	Market Cap. (USD mm)	3M.daily turnover AVG. (USD mn)	Current P/E (x)	Current P/B (x)	Trailling 12 M ROE (%)	Target price	Market price as of 12/19/24	Expected return	2023A		2024E		2025F		Revenue Growth		NPAT Growth	
									EPS	BVPS	EPS	BVPS	EPS	BVPS	2024E	2025F	2024E	2025F
KDH	35,997	92,718	68.62	2.12	2.9%	41,303	35,600	16.0%	764	15,298	979	19,668	819	21,243	116.0%	-1.8%	47.5%	-16.4%
NLG	14,006	54,081	444.15	1.53	3.2%	37,999	36,400	4.4%	1,187	24,386	446	22,953	859	22,947	69.7%	41.0%	-64.2%	92.0%
HDG	10,140	98,281	15.74	1.64	11.2%	30,900	30,150	2.5%	1,977	17,593	2,186	19,036	2,939	21,524	-13.8%	20.2%	7.1%	34.5%
DXG (*)	12,865	59,666	76.69	1.20	1.3%	20,200	15,000	N.A	259	14,596	196	18,090	235	15,277	-11.7%	-37.1%	-75%	44.3%
NVL	20,379	80,336	N.A	0.60	-7.5%	N.R	10,450	N.A	311	19,510	N.A	N.A	N.A	N.A	N.R	N.R	N.R	N.R
PDR	18,380	175,922	N.A	1.67	4.5%	N.R	21,050	N.A	906	11,643	N.A	N.A	N.A	N.A	N.R	N.R	N.R	N.R
DIG	11,923	172,767	78.41	1.54	0.4%	N.R	19,550	N.A	195	12,544	N.A	N.A	N.A	N.A	N.R	N.R	N.R	N.R
VHM	165,118	552,078	8.69	0.87	11.0%	N.R	40,200	N.A	7,664	41,177	N.A	N.A	N.A	N.A	N.R	N.R	N.R	N.R
TCH	10,090	87,085	10.72	1.09	10.7%	N.R	15,100	N.A	890	12,856	N.A	N.A	N.A	N.A	N.R	N.R	N.R	N.R
NTL	2,305	46,877	2.26	1.19	66.8%	N.R	18,900	N.A	2,777	11,987	N.A	N.A	N.A	N.A	N.R	N.R	N.R	N.R
HDC	4,646	71,361	36.31	2.07	5.4%	N.R	26,050	N.A	876	11,338	N.A	N.A	N.A	N.A	N.R	N.R	N.R	N.R
AGG	2,535	6,083	7.94	0.80	10.4%	N.R	15,600	N.A	1,122	17,894	N.A	N.A	N.A	N.A	N.R	N.R	N.R	N.R

Source: Bloomberg, RongViet Securities. Data was updated as of 02/12/2024
N.R: Non rate; N.A: Not available
EPS: Earning per share
BVPS: Book value per share
The data was retrieved on January 8th, 2025. The target price has been adjusted after the ex-dividend date.

PE, PB AND ROE (TTM)



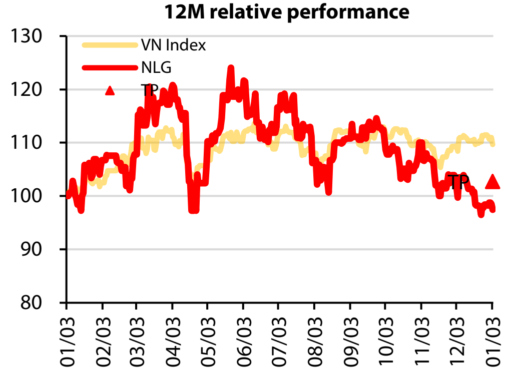


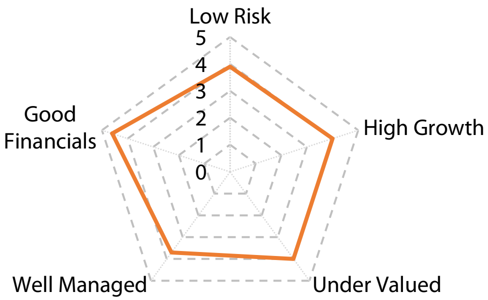
Source: Fiinpro, RongViet Securities. Bubble size equals respective ROE. Share price as of 02 Dec 2024. Excluding companies recorded TTM loss.

"GOLDEN" LAND FUND – THE FOUNDATION OF SUSTAINABLE REVENUE

HSX: KDH

BUY: 24% **MP: 33,000** **TP: 41,300**





STOCK INFO

Sector	Bất động sản
Market Cap (USD Mn)	27,097
Current Shares O/S (Mn shares)	799
3M Avg. Volume (K)	3,445
3M Avg. Trading Value (VND bn)	121
Remaining foreign room (%)	11.1
52-week range ('000 VND)	25.09 – 38.95

FINANCIALS

FINANCIALS	2023A	2024F	2025F
Revenue (VND bn)	2,093	4,523	4,440
NPATMI (VND bn)	717	1,058	885
ROA (%)	3.4	4.0	5.3
ROE (%)	6.2	6.8	8.3
EPS (VND)	831	979	819
Book Value (VND)	19,427	19,668	21,243
Cash dividend (VND)	831	979	819
P/E (x)	49.7	42.2	50.4
P/B (x)	2.1	2.1	1.9

INVESTMENT HIGHLIGHTS

Business prospects – Binh Trung Dong project cluster is ready to launch and record revenue in 2025

- As of December 2024, the project has almost completed ~85% of the construction schedule, is currently completing the infrastructure and applying for a sales license to be able to launch in Q1/2025. We expect the company to be able to sell 70% of the total project (~140 units) in 2025, with an estimated presales value of VND 6,320 billion. In the base scenario, we estimate that the handover rate will reach at least 40%, bringing in VND 3,611 billion in revenue for KDH in 2025.
- In addition, revenue in the year was also contributed by ~10% of the remaining products from The Privia project (expected to be completed in Q1/2025). Thereby, KDH's revenue in 2025 is estimated at VND 4,440 billion (equivalent to 2024).

Business results 2025 – keep momentum stable

- In the baseline scenario, we expect KDH's business results in 2025 to continue to maintain a stable momentum when the company hands over the project cluster in Binh Trung Dong; gross profit margin improved at 61% due to the majority of low-rise product handovers.

Binh Hung 11A project – Promising to bring cash flow to 2026

- We expect the Solina project phase 1 (13ha) to have a construction permit and start construction of the low-rise subdivision in the second half of 2025. With an estimated 484 low-rise products, the total presales value of the whole project can reach VND 12,584 billion, bringing relatively large cash flow to businesses in the period of 2026 and later. In addition, phase 2 (3ha) is expected to be able to complete compensation procedures, apply for land allocation and pay land used fee in 2026.

RISKS TO RECOMMENDATION

- The project handover progress is faster than estimated.
- The progress of legal completion and the level of product absorption are lower than expected, affecting the future cash flow of the business.

Figure 17: Profit and profit margin of KDH in the period of 2020 - 2025

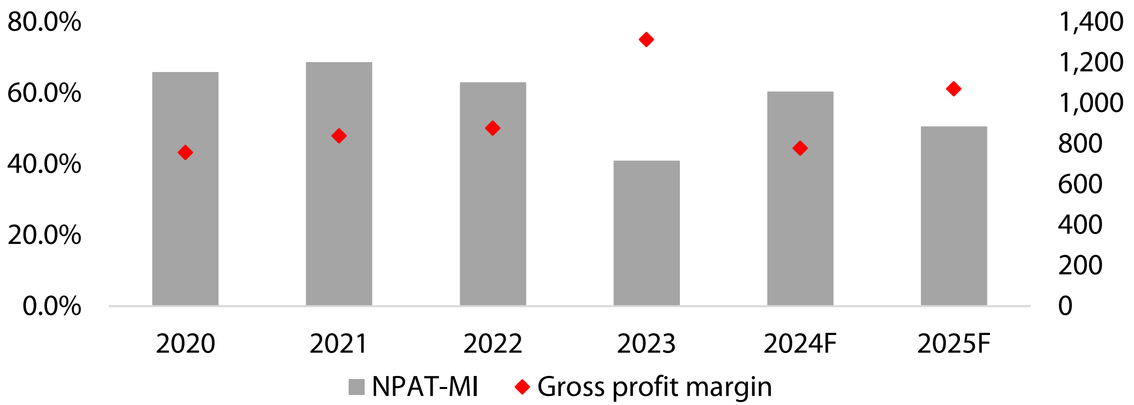


Figure 18: KDH project expected to develop in the period of 2025-2026

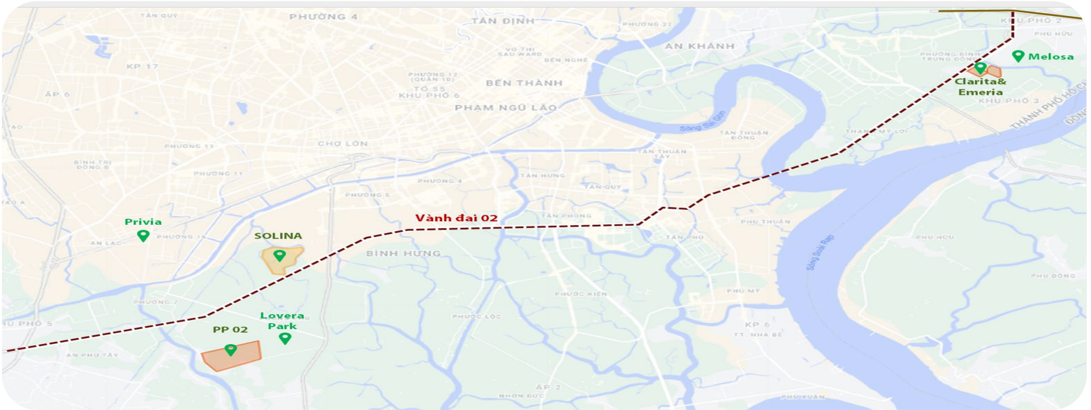


Figure 19: Binh Trung Dong project cluster – expected to open for sale and record revenue in 2025

Sources: KDH, RongViet Securities

Figure 20: Solina Phase 1 project has completed land use levy, expected to be implemented in 2025

Sources: KDH, RongViet Securities

APPENDIX: ABILITY TO SELL AND DEVELOP THE LAND FUND OF THE ENTERPRISE

Table 5: Summary of KDH valuation

Project	% Staked	Method	NPV (bn VND)
Classia	100%	DCF	124
Privia	100%	DCF	786
Binh Trung Moi - Binh Trung Dong	51%	DCF	1,800
Doan Nguyen - Binh Trung Dong	51%	DCF	1,896
Solina (GĐ1)	100%	DCF	4,845
Solina (GĐ2)	100%	DCF	571
Phong Phu 2	100%	DCF	6,673
Tan Tao mega township	100%	DCF	17,451
Le Minh Xuan IP expansion	51%	DCF	3,694
Binh Trung - Binh Trung East	100%	DCF	8,658
Others	100%	BV	1,416
Total			**47,914**
(+) Money and cash equivalents			3,295
(+) Financial Investment			0
(+) Others			(2,070)
(-) Debt			(7,808)
Net asset value			**41,331**
Number of shares outstanding (million shares)			1,001
Target price (VND per share)			**41,300**

Figure 21: Inventory value of KDH in the period of 2020 – 2023 (billion VND) – Binh Trung project cluster (Foresta) is expanded

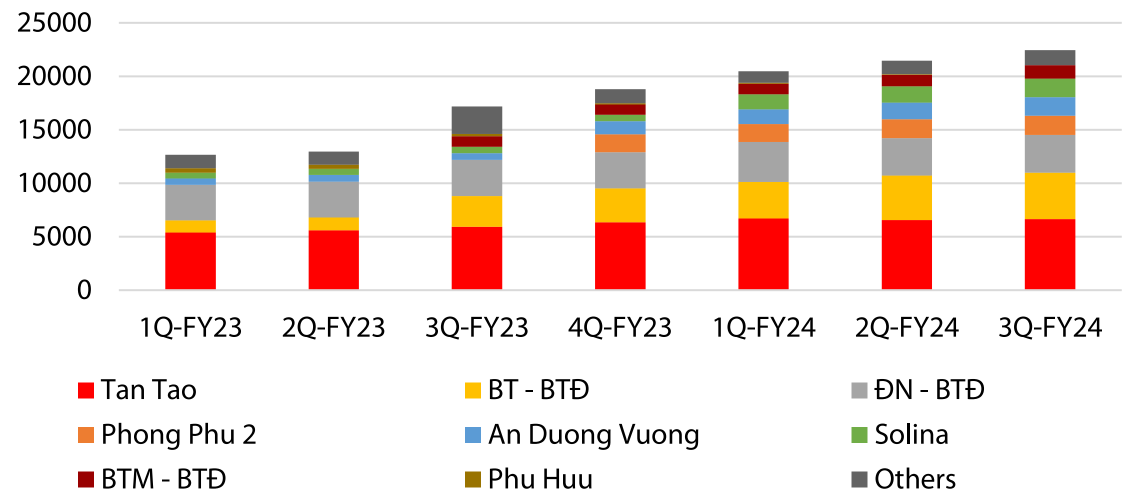
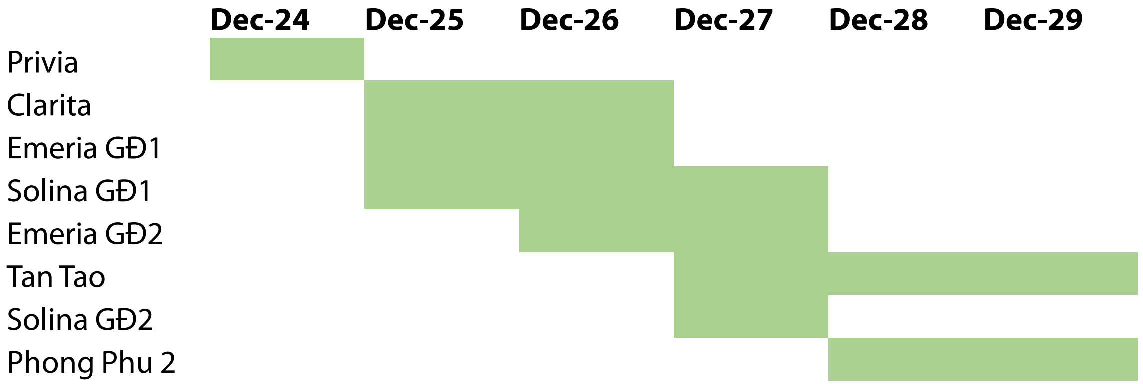


Figure 22: Estimate of KDH's sales plan for the period 23-29



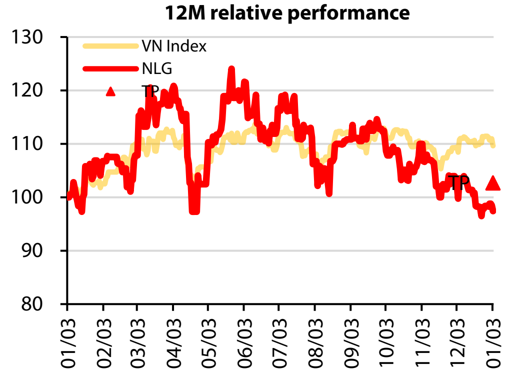
Sources: RongViet Securities estimated

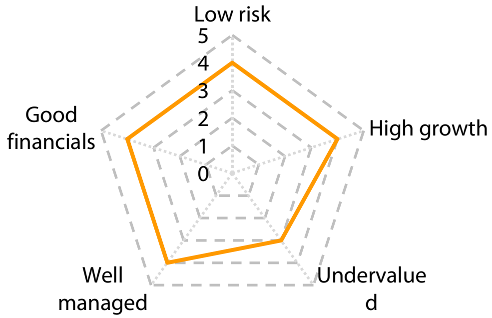
Notes: BT-BTĐ (Binh Trung – Binh Trung Dong); DN – BTĐ (Doan Nguyen – Binh Trung Dong); BTM – BTD (Binh Trung Moi – Binh Trung Dong)

ABSORPTION RATE IN TIER II CITIES – A STORY OF TIME

HSX: NLG

ACUMULATIVE: 4.3% **MP: 38,000** **TP: 39,000**





STOCK INFO

Sector	Real estate
Market Cap (USD Mn)	15,314
Current Shares O/S (Mn shares)	385
3M Avg. Volume (K)	3,875
3M Avg. Trading Value (VND bn)	161
Remaining foreign room (%)	2.0
52-week range ('000 VND)	28.6 – 46.15

FINANCIALS

FINANCIALS	2023A	2024F	2025F
Revenue (VND bn)	3,181	5,398	7,614
NPATMI (VND bn)	484	173	332
ROA (%)	1.7	0.6	1.1
ROE (%)	5.2	1.9	3.8
EPS (VND)	1,263	446	859
Book Value (VND)	24,423	22,953	22,947
Cash dividend (VND)	500	500	500
P/E (x)	30.9	87.5	45.5
P/B (x)	1.6	1.7	1.7

INVESTMENT HIGHLIGHTS

Preales value in 2025 has slowed down

- The sales value in 2025 has slowed down, estimated at VND 5,303 billion (-5% YoY) due to: 1/ The remaining products of the Waterpoint Long An project are mostly in the high-value low-rise segment that needs time to absorb, 2/ The legal progress of the Mizuki CC5 and Izumi projects is slower than expected, with the expected opening time to fall in the second half of 2025, 3/ Projects expected to open for sale are concentrated in second-tier cities (Long An, Can Tho, Dong Nai,...).
- We estimate that the presales value for 2025 will come from: 1/120 villas in Park Village and The Pearl subdivisions, Waterpoint Long An urban area, 2/510 land plots and 845 social housing units under Nam Long Can Tho project, 3/ 155 apartments in subdivisions CC5 and LK11 – Mizuki Park urban area.
- For 2024, we estimate NLG's revenue and EBITDA to reach VND 5,398 billion (+70YoY) and VND 173 billion (-64%YoY), respectively, mainly from the handover: 1/ Akari 2 project (VND 3,448 billion), 2/ Nam Long Can Tho project (VND 1,284 billion).
- Business results in 2025 are expected to improve further in terms of profit, with revenue and NPAT-MI estimated at VND 7,614 billion (+41% YoY) and VND 322 billion (+92% YoY), respectively, most of the contributions from the handover of projects launched for sale in the period 2023-2024, including: Akari 2 (VND 2,298 billion), Nam Long Can Tho (VND 2,010 billion) and more actively from Waterpoint Long An (VND 3,168 billion).

RISKS TO RECOMMENDATIONS

- The delay in the legal completion of the projects.
- The absorption rate is lower than expected (especially in high-value villa products) affecting the cash flow of businesses.

PROJECTS EXPECTED TO BE HANDED OVER IN 2024 AND 2025F

Figure 23: Projects handed over in 2024 and 2025F

Figure 24: Profit margin and profit margin of NLG in the period of 2020-2025F

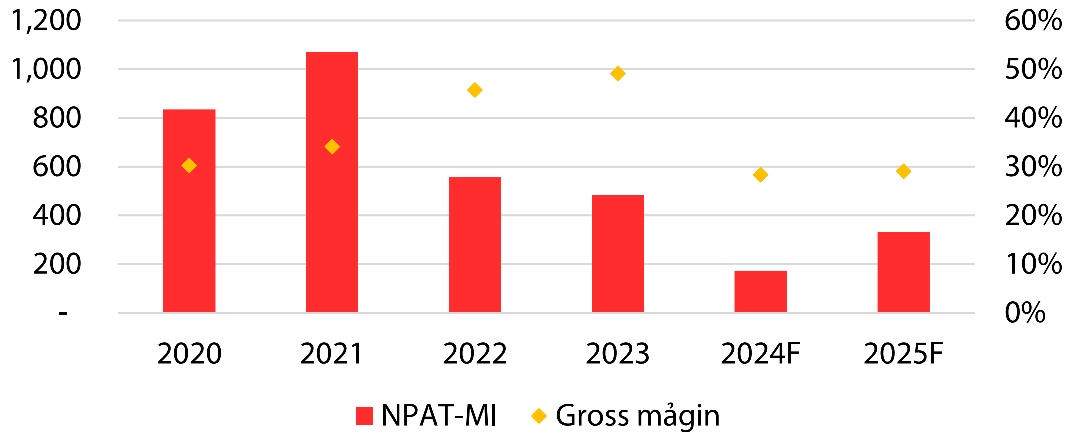
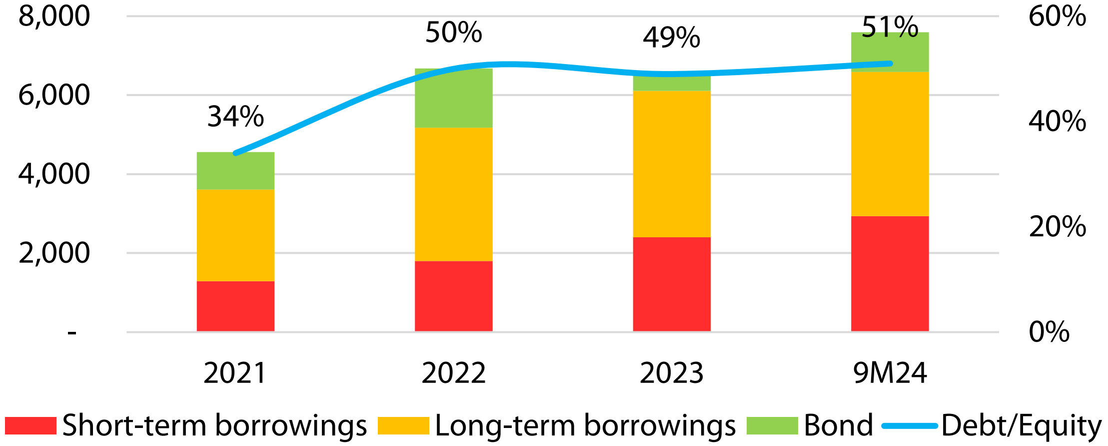
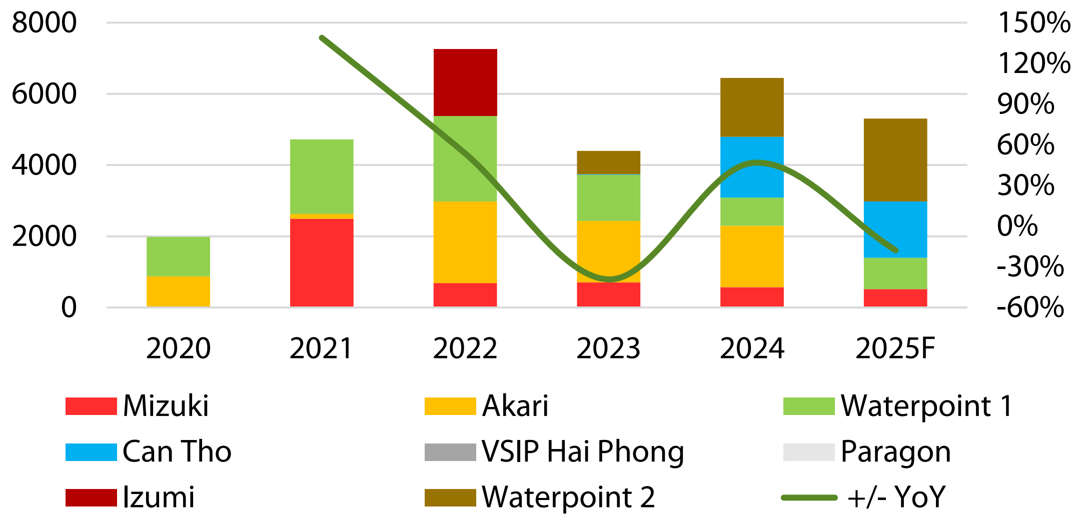


Figure 25: Debt structure and debt/VCSH ratio of NLG from 2021-9M24



Sources: VSA, HPG, RongViet Securities

Figure 26: Presales value of NLG in the period 2020-2025F



- NLG's presales value in 2024 is estimated at VND 6,452 billion (+48% YoY, 60% compared to the plan set out at the 2024 General Meeting of Shareholders), with the main contribution by projects: Akari 2, Nam Long Can Tho and Waterpoint Long An.
- For 2025, we expect presales to reach VND 5,303 billion (-21% YoY), continued to be the main contribution from Nam Long Can Tho and Waterpoint (Long An) projects. However, there is a slowdown due to: 1/ The products launched at Waterpoint in 2025 are mainly high-value low-rise products from projects: Park Village, The Pearl,... Therefore, it takes more time to absorb; 2/ The legal completion process of the Izumi and Mizuki Park projects (subdivisions CC5 and LK11) is slower than planned, pushing back the estimated opening time in the second half of 2025.

Table 6: Summary of NLG's valuation

Project	Method	NPV
Mizuki	DCF	1,122
Akari	DCF	1,537
Southgate	DCF	3,865
Can Tho	DCF	453
VSIP Hai Phong	BV	34
Paragon Dai Phuoc	MV	1,324
Izumi	DCF	6,061
Waterpoint phase 2	MV	4,035
Others	BV	1,197
Total		**19,629**
(+) Cash & Cash equivalents		2,200
(+) Investment		935
(+) Others		(4,072)
(-) Debt		(3,655)
Net Asset Value		**15,039**
Number of shares outstanding (Mn shares)		385
Target price		**39,100**

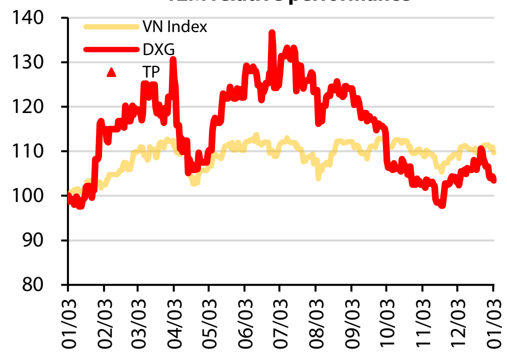
Sources: NLG, RongViet Securities

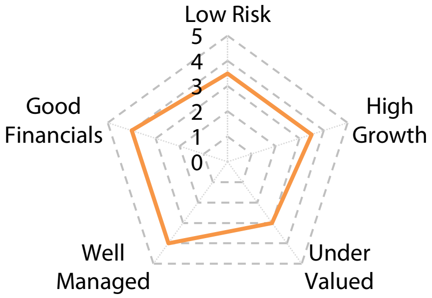
SIGNS OF RECOVERY IN KEY BUSINESS SEGMENTS

HSX: HDG

ACCUMULATE: 10% **MP: 28,600** **TP: 30,900**

12M relative performance





STOCK INFO

Sector	Real Estate
Market Cap (USD Mn)	398
Current Shares O/S (Mn shares)	336
3M Avg. Volume (K)	3,401
3M Avg. Trading Value (VND bn)	97
Remaining foreign room (%)	32.0
52-week range ('000 VND)	22.32 - 33

FINANCIALS	2023A	2024F	2025F
Revenue (VND bn)	2,882	2,485	2,986
NPATMI (VND bn)	712	762	1,025
ROA (%)	7.0	6.1	7.5
ROE (%)	14.7	12.0	14.4
EPS (VND)	2,244	2,186	2,939
Book Value (VND)	19,635	19,036	21,524
Cash dividend (VND)	0	0	0
P/E (x)	13.8	14.1	10.5
P/B (x)	1.6	1.6	1.4

INVESTMENT HIGHLIGHTS

Business outlook in 2025 – positive results from key business activities

- Energy: according to ENSO's forecast, the La Nina is expected to last until 1H25, before switching to the Neutral/El Nino. So, we expect that the output of hydropower plants will continue to record positive results in 2025, with hydropower output expected to reach 1.28 bn Kwh (+10%YoY); thereby, the total output of HDG's power plants can reach 1.56 bn Kwh (+8% YoY).
- Residential real estate: With the prospect of recovery of the real estate market in Tier I cities, we believe that phase 03 of the Charm Villa project (~110 low-rise units) can be opened for sale in 2025 with a relatively good absorption rate (~40% of the total products and expected presales value of VND 900 billion). Revenue and gross profit from real estate are expected to reach VND 545 billion (+200%YoY, when the company can hand over products in 2025) and VND 381 billion (+200%YoY), respectively.
- In summary, HDG's revenue and gross profit in 2025 are expected to reach VND 2,986 bn (+20%YoY) and VND 2,072 billion (+20%YoY), respectively. Along with the company's restructuring of loans to help interest expenses decrease slightly and reach VND 450 billion (-5% YoY), profit after profit – the parent company of the enterprise can reach VND 1,045 billion (+34% YoY).

Policy Movement – Restarting Potential Projects

- With the pilot implementation of commercial housing projects through land use rights with other land approved in 2024, we believe that the Green Lane project (District 8, HCMC) will be on the list to be piloted (with the project still in Decision 4151/QD-UBND/2021 on the housing development plan of HCMC for the period of 2021-2025), through which the project can issue construction permits and conduct investment in the period of 2026 onwards. For renewable energy projects, we believe that it is necessary to monitor the bidding mechanism and negotiate electricity prices (Decree 115/2024/ND-CP) before including it in the pricing model.

RISKS TO RECOMMENDATIONS

- Delays in the legal completion of projects can have a negative impact on the company's future cash flow.
- El Nino phase arrives earlier than expected, affecting the electricity output of businesses

Figure 27: HDG's electricity output in the 2021-2025 period

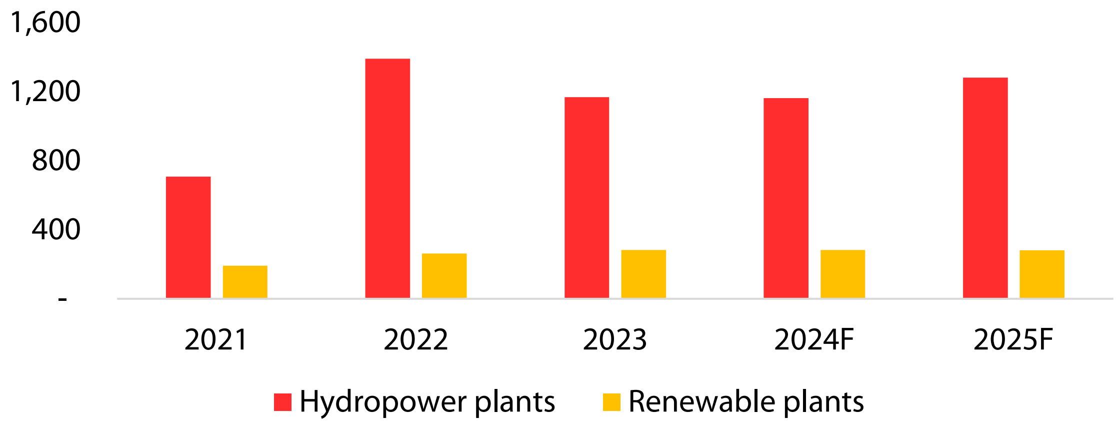


Figure 28: ENSO's forecast (%) – La Nina phase is expected to last until 1H25

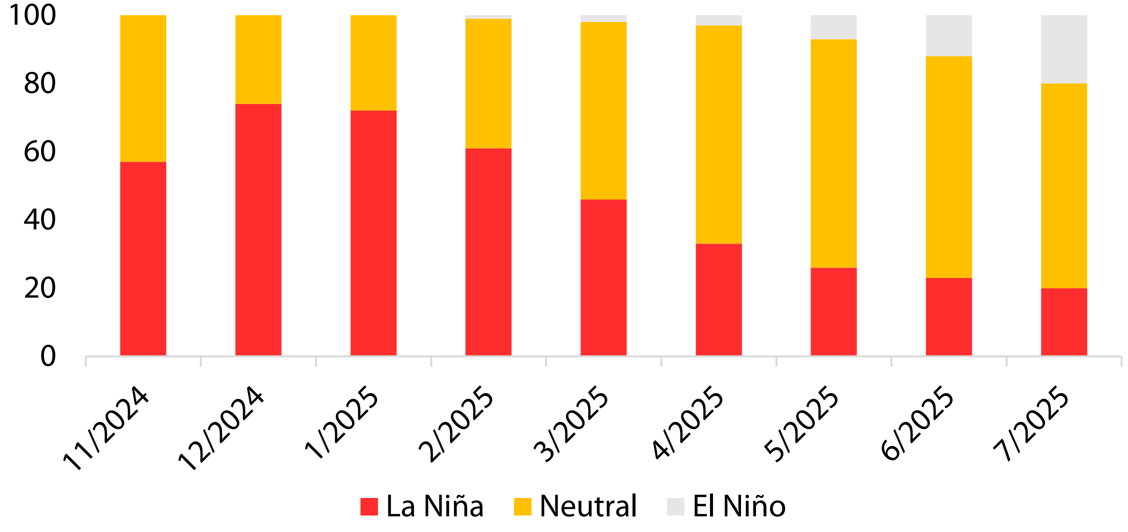
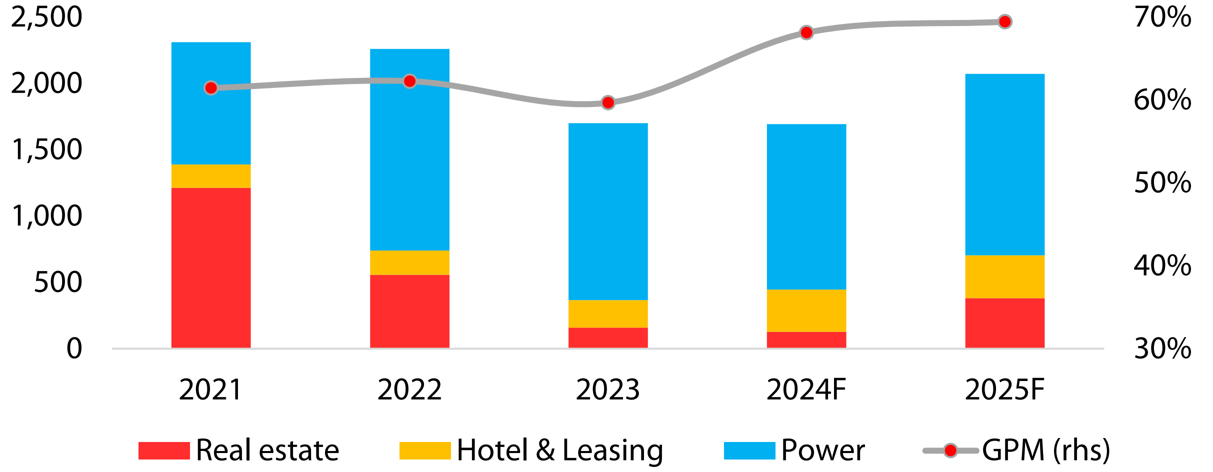


Table 7: Progress of the company's real estate projects.

Project	Area (ha)	Product	Location	Status
Charm Villas	30	Villas/townhouses/ Shophouses	Hoai Duc, HN	Complete construction for the whole project. Phase 3 is expected to open for sale in early 2025
Green Lane	2.3	Apartment	District 8, HCMC	Carrying out procedures for obtaining a construction license, expected to be able to open for sale in 2026
Minh Long	2.7	Attached Houses/Apartments	Thu Duc, HCMC	Carrying out procedures for changing the land use purpose to residential land

Figure 29: HDG's gross profit in the period of 2021-2025 (VND bn)



Sources: ENSO, HDG, RongViet Securities.

Table 8: HDG stock valuation results

Project	Method	NPV (billion VND)
Charm Villa	DCF	1,045
Green Lane	DCF	1,391
Other real estate projects	BV	982
Rental buildings (IBIS, Airport,...)	DCF	2,073
Existing power plants	DCF	5,017
Total		**10,509**
(+) Money & Cash Equivalents		130
(+) Financial Investment		713
(+) Different		0
(-) Debt		(964)
Net Asset value		**10,388**
Number of shares outstanding (million shares)		306
Target price		**30,900**

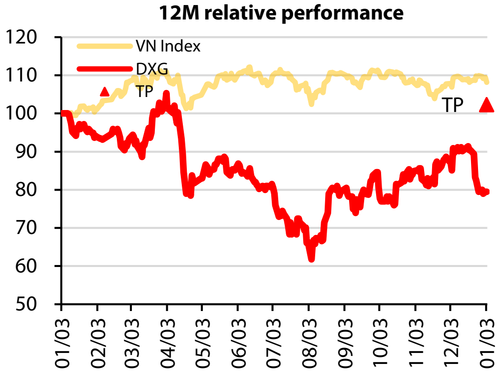
Sources: HDG, GGmap, RongViet Securities

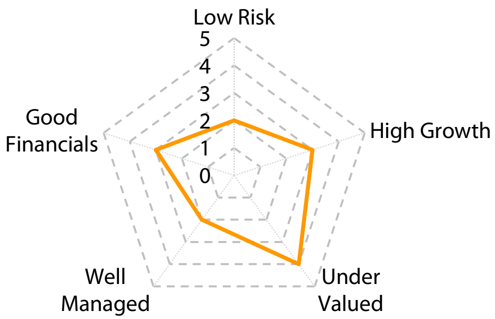
Figure 30: Location and current status of Green Lane project (District 8, HCMC)

RELAUNCH OF DATXANHOMES RIVERSIDE PROJECT

HSX: DXG

BUY: 35% **MP: 15,000** **TP: 20,200**





STOCK INFO

Sector	Bất động sản
Market Cap (USD Mn)	466
Current Shares O/S (Mn shares)	870
3M Avg. Volume (K)	15,580
3M Avg. Trading Value (VND bn)	255
Remaining foreign room (%)	26.7%
52-week range ('000 VND)	12,200 – 20,800

FINANCIALS

FINANCIALS	2023	2024F	2025F
Revenue (VND bn)	3,725	3,288	2,068
NPATMI (VND bn)	565	142	205
ROA (%)	0.6	0.7	1.5
ROE (%)	1.8	2.0	2.4
EPS (VND)	259	196	235
Book Value (VND)	14,596	18,090	15.277
Cash dividend (VND)	0	0	0
P/E (x)	92.56	113.03	77.76
P/B (x)	2.01	1.22	1.20

INVESTMENT HIGHLIGHTS

Presales value in 2025 – 2026 will come from Gem Sky World (GSW) and Datxanhhomes Riverside (DXHR) projects.

- In 2025, sales are estimated to reach VND 9,947 billion when DXG: 1/ opens for sale the remaining 1,700 units of the Gem Sky World project (Dong Nai), 2/ restarts the Datxanhhomes Riverside project and is expected to open for sale in 2025.
- For the Gem Sky World project (Dong Nai), DXG is currently continuing to hand over the remaining 30% of the total 2,300 low-rise units that have been sold. With 1,700 products not yet available for sale, we expect DXG to open for sale in the second half of 2025 when the market has a clearer recovery. Selling value is estimated at VND 1,530 billion (when the selling price is estimated at 25 million VND/m2)
- The Datxanhhomes Riverside project is licensed for construction in 10/2024 and is expected to restart in 1H2025, with a total expected product of 3,175 apartments out of a total of 12 buildings. We expect this project to be launched in 2025 and the estimated presales value will reach VND 7,907 billion (assuming an average selling price of VND 85 million per m2).

DXG's 2025 business results are expected to be positive

- In the baseline scenario, we estimate DXG's revenue and NPAT-MI in 2025 to reach VND 2,068 billion (-57% YoY) and VND 205 billion (+43% YoY), mainly from the handover of products at the Gem Sky World project (~700 products) and revenue from services activities (estimated revenue of VND 460 billion, +10%YoY)

RISKS TO RECOMMENDATIONS

- Lack of cash flow to finance the DXHR project.
- Sales progress was slower than expected.

Table 9: Summary of DXG's projects

Project	Location	Area (ha)	Product	Status
Opal Skyline	Thuan An, Binh Duong	1	Apartment	• ~95% of the apartments have been handed over.
Gem Sky World	Long Thanh, Dong Nai	92	Townhouses, shophouses	• Currently, 1,600 books have been handed over out of a total of 2,300 products sold. • Handover products: ~700 products are expected to start selling from Q4/24. • There are ~1,700 products expected to go on sale in 2025.
DXH Riverside	Thu Duc City, HCMC	6.7	Apartment	• There is a construction permit. • Construction has started in early October, it is expected to complete the foundation and basement to open for sale in Q1/2025. • Open for sale at market price (expected > 85 million/m2).
DXH Parkview	Thuan An, Binh Duong	5	Apartment	• Product number: 6,900. • In the process of completing legal procedures.
Opal City View	Thu Dau Mot, Binh Duong	0.97	Apartment	• Product number: 1,583. • In the process of completing legal procedures.
Opal Luxury	Binh Duong	0.86	Apartment	• Number of products: 3,400. • In the process of completing legal procedures.
DXH Park City	Thuan An, Binh Duong	10.5	Apartment	• Product number: 6,900. • In the process of completing legal procedures.

Sources: DXG, RongViet Securities

PERSPECTIVE OF PROJECTS EXPECTED TO BE IMPLEMENTED IN 2025

Figure 31: Gem Sky World (Dong Nai)

Figure 32: Estimated presales value of DXG in the period of 2025F – 2027F

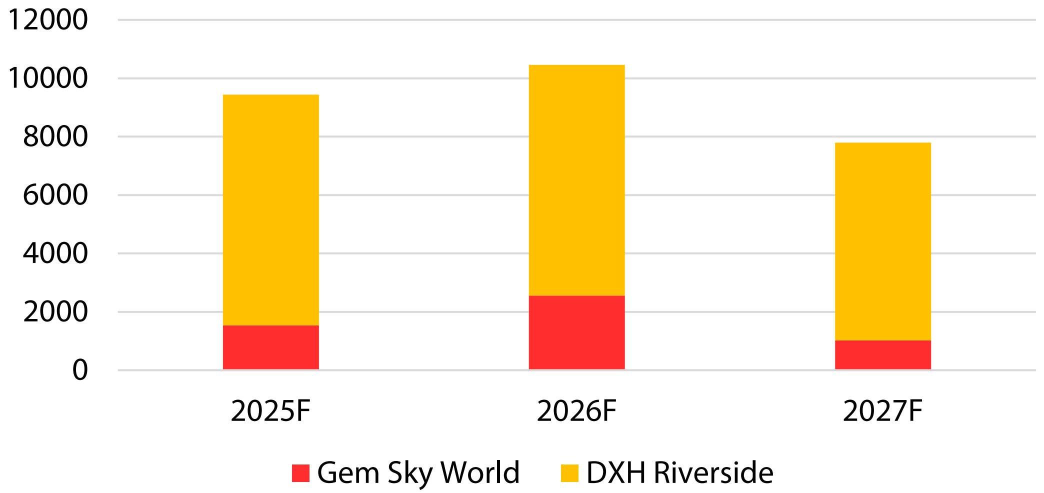


Figure 33: Datxanhhomes Riverside

Table 10: DXG valuation after issuing

RNAV	**23,073**
(+) Money and cash equivalents	2,964
(-) Debt	(5,421)
Net Asset Value	**20,659**
Number of shares outstanding (mn shares)	870
Price/share	**23,746**
Discount Rate	**15%**
Target price	**20,184**
Current Price	15,000
Upside	**35%**

Sources: DXG, RongViet Securities.

RONG VIET
SECURITIES

VIET DRAGON SECURITIES CORPORATION

Floor 1 to Floor 8, Viet Dragon Tower, 141 Nguyen Du Street., Dist.1, HCMC, Vietnam.

www.vdsc.com.vn