

March, 2025

KINH BAC CITY DEVELOPMENT HOLDING CORPORATION (HOSE: KBC)

Unlocking the Potential of Large-Scale Projects

We set a 12-month target price for KBC stock at VND 40,300 using a blended Price-to-Book (P/B) approach, suggesting P/B ratios of 1.5x for 2025 and 1.3x for 2026, which implies an expected return of 33%.

Industrial Land Leasing – Growth Era Returns

We believe KBC's competitive advantage in industrial park (IP) development will remain strong, driven by: 1/ Strategic project locations in Tier-1 markets – KBC's industrial parks are situated in high-demand areas with well-developed infrastructure, including Hai Phong and Bac Ninh in the North, as well as Ho Chi Minh City and Long An in the South. 2/ KBC's customers are large-scale FDI enterprises (LG and Foxconn), KBC has established a solid reputation among multinational corporations seeking industrial land in Vietnam. We expect the Northern market to continue leading growth, especially in low-occupancy industrial zones like NSHL, TD03, and the Hung Yen Industrial Cluster. Meanwhile, the Southern market starts to contribute significantly from 2026 onward as KBC ramps up land sales in Long An after focusing on land clearance in 2025.

Residential Real Estate – Unlocking Trang Cat's Potential

The Trang Cat Urban Area project (585ha, Hai Phong) is expected to finalize investment approval and pay land use fees by 2025. This will allow significant revenue contributions starting in 2026, estimated at VND 5,300 bn (USD 209mn), making up 40% of KBC's total revenue.

High Capital Demand in Development

In 2025–2026, KBC will focus on the Trang Cat Urban Area project, paying land use fees and starting construction. Industrial park (IP) land reserves, especially in the South, will expand as the company clears land, meets financial obligations, and develops infrastructure. We estimate KBC will need about VND 15,000 bn (USD 591mn) in capital for its real estate projects. Along with financial leverage, a private share placement in 2025 will be a strategic funding source for the company.

Risks

The approval of several industrial parks in 2024–2025 has increased competition, resulting in slower occupancy rates.

Trang Cat Project is falling behind schedule projections.

Key financial indicators

Y/E Dec (VND billions)	FY2021	FY2022	FY2023	FY2024	FY2025F	FY2026F
Net revenue	4,246	950	5,618	2,776	8,011	13,137
Growth (%)	3092%	-78%	491%	-51%	189%	64%
EBITDA	1,849	(245)	2,883	657	3,893	5,070
NPAT	1,385	1,507	2,031	426	2,786	3,247
Growth (%)	280%	9%	35%	-79%	554%	17%
Net margin (%)	33%	159%	36%	15%	35%	25%
ROA (%)	5%	5%	6%	1%	6%	6%
ROE (%)	12%	10%	12%	2%	12%	11%
Basic EPS (VND)	2,430	1,964	2,646	555	2,738	3,191
Book Value (VND)	24,929	20,933	23,679	24,234	26,915	30,105
Cash dividend (VND)	0	0	0	0	0	0
P/E (x)	23.6	18.8	12.3	12.0	52.2	10.6
P/BV (x)	0.9	1.8	1.2	1.3	1.2	1.1

Source: KBC, RongViet Securities. Based on the closing price as of March 20, 2025.

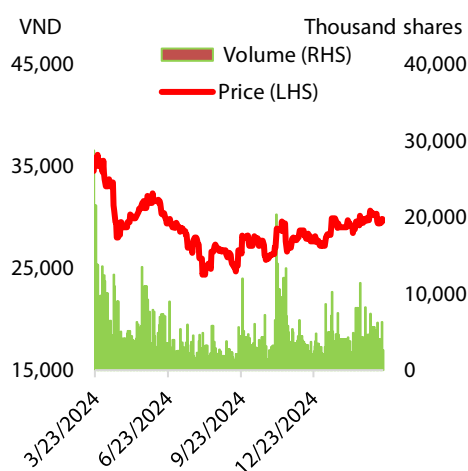
BUY

+ 36%

Market price (VND)	29,650
Target price (VND)	40,300

Stock info

Sector	Real Estates
Market Cap (VND Bn)	22,759
Share O/S (Mn)	768
Beta	1.1
Free Float (%)	48
52 weeks high	35,000
52 weeks low	26,500
Average trading volume (20 sessions)	5,076,580



Performance (%)

	3M	1Y	2Y
KBC	7.4	-9.9	35.4
VN30 Index	5.3	5.1	29.4
VN-Index	4.6	9.5	34.6

Major shareholders (%)

Dang Thanh Tam (and related parties)	32
Others	68
Remaining Foreign Room (%)	36.63

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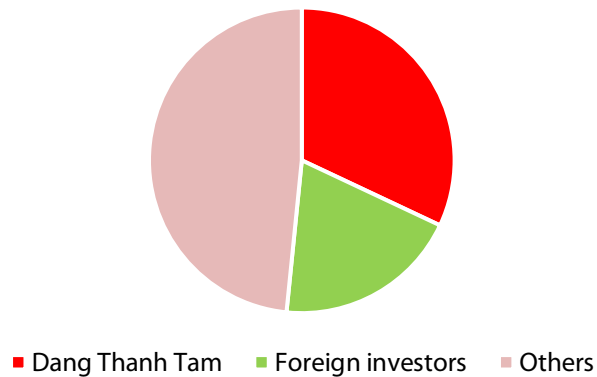
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COMPANY OVERVIEW

Kinh Bac City Development Holding Corporation (KBC) was established in 2002 and listed on the Ho Chi Minh Stock Exchange in 2007. The company mainly operates in the following sectors:

- Industrial Land Leasing: KBC and its subsidiaries own and develop large-scale industrial parks (IPs) throughout in both Northern and Southern Vietnam, with a potential leasable land bank of about 2,000 ha.
- Ready-Built Factory/Warehouse Leasing
- Residential Real Estate Development: Focused on urban projects near KBC's industrial parks where the company is the developer.
- Industrial Park Services & Others: mainly focusing on KBC tenants.

Figure 1: KBC's Shareholder Structure



KBC's Shareholding Structure – Dispersed but Controlled by Major Shareholders

Chairman Dang Thanh Tam and related parties hold 32% of the shares. Foreign investors, mainly institutional funds, hold roughly 19%, while other investors hold 49%. KBC's free float ratio averages 49%.

Source: KBC, RongViet Securities

Corporate Structure: KBC operates through 17 subsidiaries, primarily focused on its core activities. These subsidiaries develop KBC's industrial park and residential real estate projects. The parent company oversees the Nam Son Hap Linh Industrial Park and Phuc Ninh Urban Area in Bac Ninh.

Table 1: Key Subsidiaries and Associates of KBC

Company's name	Ownership (%)	Major projects (*)
Subsidiary		
Saigon – Bac Giang Industrial Park Corporation	89.0	Quang Chau Industrial Park Expansion (Hai Phong), Phuoc Vinh Dong 2 Industrial Cluster (Long An)
Saigon – Hai Phong Industrial Park Corporation	89.3	Trang Due Industrial Park 03 (TD03, Hai Phong) Trang Due Urban and Social Housing Area
SG – Tay Bac Urban Development JSC	72.8	Tan Phu Trung Industrial Park (HCMC), Loc Giang Industrial Park (Long An)
Trang Cat Urban Development LLC	100	Trang Cat Urban Area (Hai Phong)
Hung Yen Development and Investment Corporation	93.9	03 Industrial Clusters in Hung Yen
Tan Phu Trung Industrial Park LLC- Long An	72.8	Phuoc Vinh Dong 04 Industrial Cluster (Long An)
Tan Tap Industrial Infrastructure Development LLC	89.2	Tan Tap Industrial Cluster (Long An)
Long An Development Investment JSC	57.4	Tan Tap Industrial Park (Long An)
Associates		
Saigon Tel Jsc (HSX: SGT)	21.5	Dai Dong Hoan Son Industrial Park (Bac Ninh, Phase 02)

Saigontel Long An Co., Ltd.	22.3	Nam Tan Tap Industrial Park (Long An)
Saigon - Danang Investment JSC	48	Lien Chieu Industrial Park (Da Nang)

Source: KBC, RongViet Securities; (*) Italicized names indicate industrial parks with less than 60% occupancy rate and a scale of over 200 hectares. The remaining industrial parks are either smaller in scale or already fully occupied, thus having an insignificant impact on the company's business performance in the coming years.

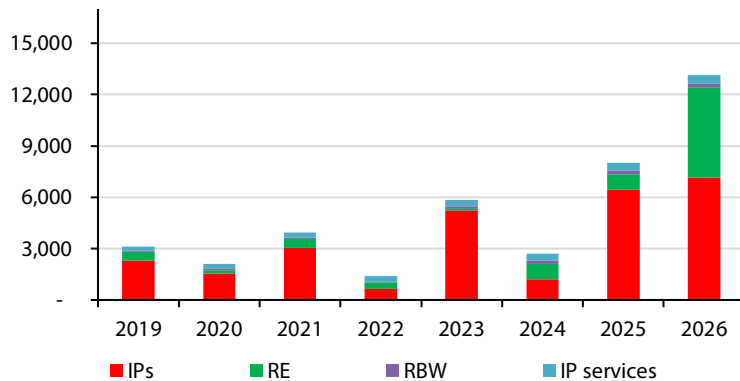
Business Operations Analysis

By Business Segment

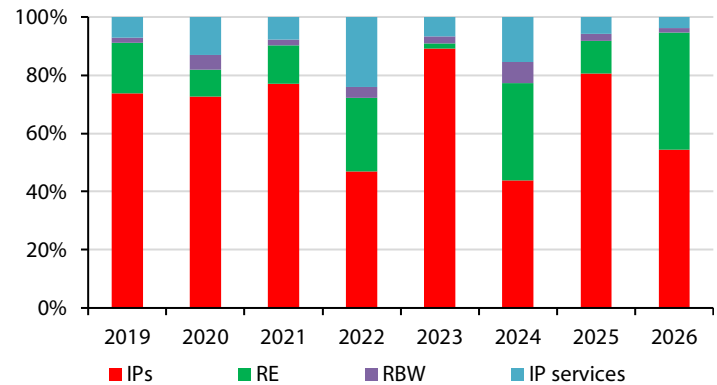
- **Industrial Land Leasing:** Before 2020, KBC focused on large industrial parks in Northern Vietnam, including Que Vo IP (Bac Ninh, 611ha), Trang Due IP (Hai Phong, 402ha), and Quang Chau IP (Bac Giang, 516ha). Full occupancy took 10 to 12 years. From 2020–2024, KBC expanded its portfolio by investing in the infrastructure and leasing of new projects: Tan Phu Trung IP (TPT, Ho Chi Minh City, 543ha) and Nam Son Hap Linh IP (NSHL, Bac Ninh, 300ha). Revenue from industrial land leasing fluctuates annually, highly dependent on KBC's one-off revenue recognition method and its large-scale FDI customers, who usually lease plots over 5ha. Revenue realization also relies on timely land handovers period.
- **Residential Real Estate:** Besides industrial land leasing, KBC is actively involved in residential real estate development, focusing on urban areas and affordable housing projects located near its industrial parks. This strategy allows the company to capitalize on urbanization trends and rising housing demand in these regions. Key projects include: Phuc Ninh Urban Area (Bac Ninh, 115ha) – Currently under development. Trang Cat Residential Area (Hai Phong, 582ha) – Expected revenue from project transfers in 2025–2026.
- **Other Business Activities:** KBC earns revenue through industrial park services such as water supply, electricity distribution, and wastewater treatment for tenants. It also leases and sells ready-built factories (RBFs) to improve operational efficiency, especially in industrial parks where occupancy rates over 90%.

For 2025–2026, we project KBC's revenue to reach VND 7,000 billion (USD 276 million) in 2025 (+156% YoY) and VND 13,000 billion (USD 512 million) in 2026 (+64% YoY). The main growth driver will be industrial land leasing, which remains the primary revenue contributor. We estimate the new leased land area will reach 174 hectares in 2025 (+770% YoY) and 176 hectares in 2026 (+0% YoY), supported by industrial parks (IPs) with approved investment policies in Northern Vietnam: Nam Son Hap Linh, Trang Due 03, and Hung Yen Industrial Cluster, as well as Southern Vietnam: Tan Tap and Loc Giang Industrial Parks.

Additionally, we expect KBC to pay land use fees for the Trang Cat Urban Area in 2025. This will enable the company to sell about 10 hectares of commercial land in bulk to partners and recognize residential real estate revenue in 2026.

Figure 2: KBC's Net Revenue by Business Segment (VND Billion)


Source: KBC, RongViet Securities

Figure 3: KBC's Revenue Contribution by Business Segment (%)


Source: KBC, RongViet Securities

1. Industrial Land Leasing

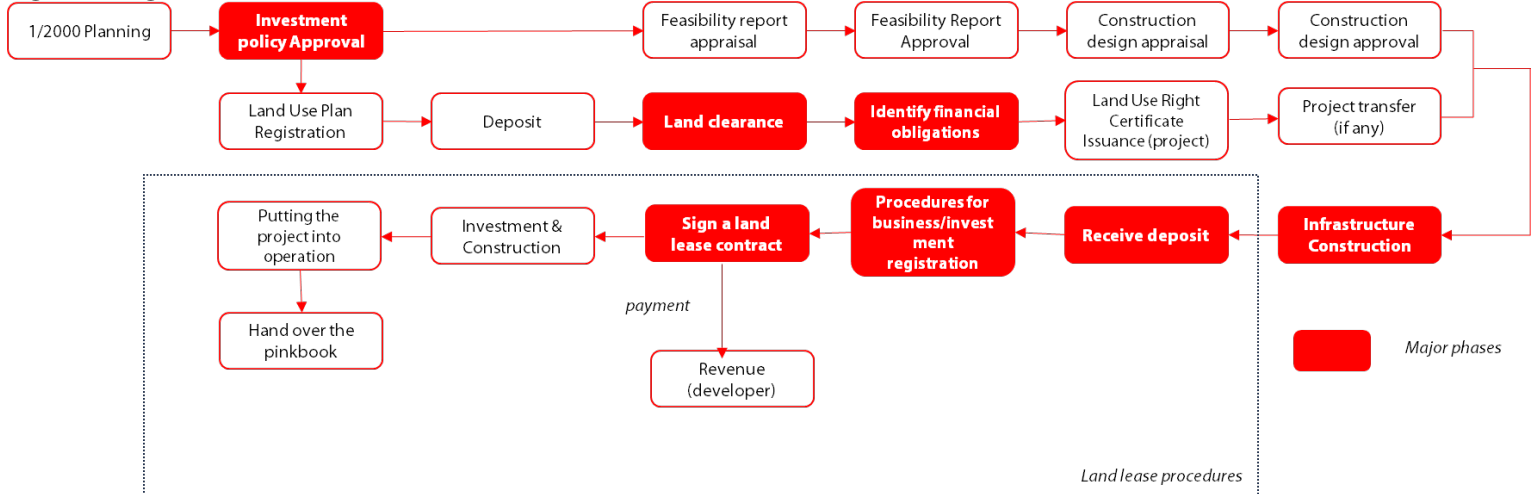
We believe that KBC's position in the development of industrial park (IP) will remain strong, driven by: 1. Strategic focus on Tier-1 markets – KBC's IPs are located in high-demand regions with well-developed infrastructure, including Hai Phong and Bac Ninh in the North, as well as Ho Chi Minh City and Long An in the South. 2. A robust tenant base of large-scale FDI enterprises – KBC's established relationships with major multinational corporations such as LG and Foxconn enhance its reputation and attractiveness among foreign investors seeking industrial land in Vietnam. In 2025, the Northern market is expected to drive growth, particularly in low occupancy industrial zones such as Nam Son Hap Linh (NSHL), Trang Due 03 (TD03), and the Hung Yen Industrial Cluster (CCN Hung Yen). The Southern market is expected to make a significant contribution from 2026, following an increase in land sales in Long An, where land clearance will likely finish in 2025. Lease rates are expected to increase by 2% each year, in line with the trend since 2022, highlighting the prime locations of KBC's industrial parks in Tier-1 markets. KBC uses a one-off revenue recognition method, recording the full contract value upon signing the year.

Table 2: List of Operating Industrial Parks (IPs) Managed by KBC

Ips	Provinex	Area (ha)	Occupancy Rate (% end of 2024)	Estimated rental price for 2025 (USD/m2/lease period)	Major customers
Deployed					
Que Vo	Bac Ninh	611	100		Canon, Foxconn, Mitac
Trang Due 01 & 02	Hai Phong	401	100		LG, Haesung
Quang Chau	Bac Giang	516	96	135	Foxconn, Luxshare
Tan Phu Trung	HCMC	543	80	225	C.P. Vietnam, Shopee
Nam Son Hap Linh	Bac Ninh	300	50	148	Goertek
In progress					
Trang Due 03	Hai Phong	621	N/A	175	
Tan Tap	Long An	654	N/A	150	
Loc Giang	Long An	466	N/A	150	
Hung Yen Industrial Clusters	Hung Yen	225	N/A	135	

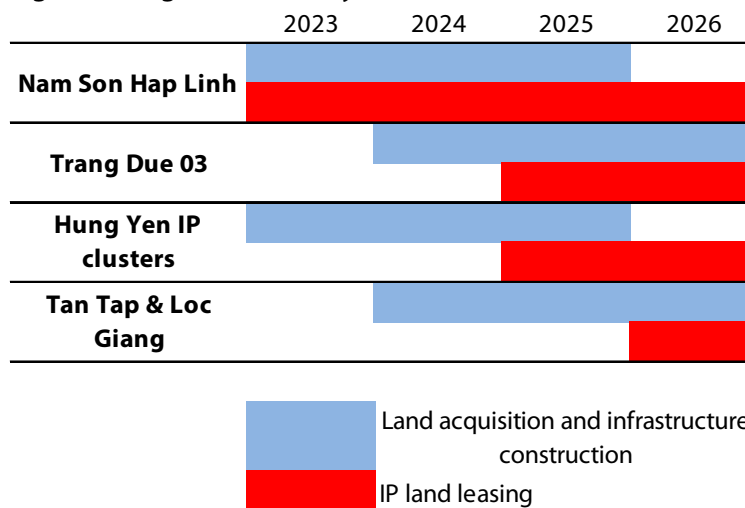
Source: KBC, RongViet Securities

Figure 3: Legal, Investment, and Sales Process of an Industrial Park (IP)



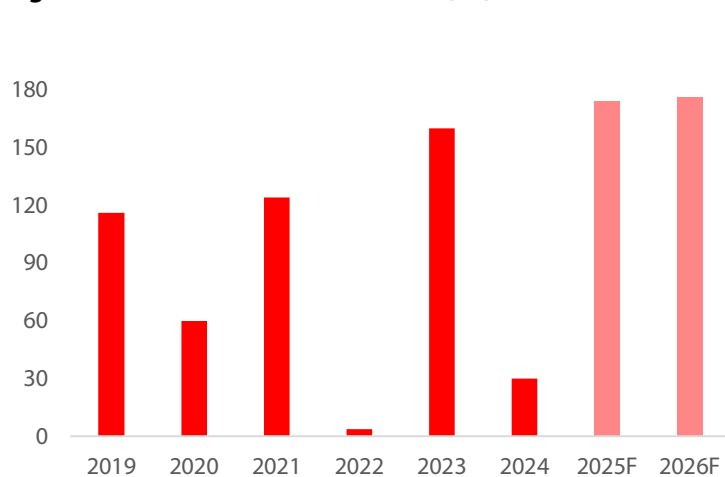
Source: KBC, RongViet Securities

Figure 5: Progress of KBC key Industrial Parks (IPs) (2023-2026)



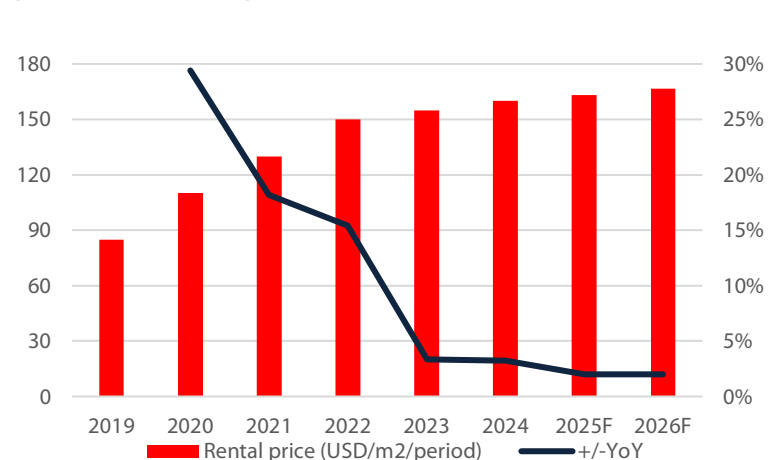
Source: KBC, RongViet Securities

Figure 6: Industrial Park Leased Area (ha) for 2019-2026



Source: KBC, RongViet Securities

Figure 7: Average Rental Price at KBC's Industrial Parks (USD/m²/lease term)



Source: KBC, RongViet Securities

1.1. Northern region

Since its establishment in 2020, KBC has focused on developing large-scale industrial parks (IPs) in Northern Vietnam, particularly in Bac Ninh and Hai Phong, with projects over 300ha (Table 2). We believe

that KBC can further expand its industrial park portfolio in the Northern region, supported by: 1/ Well-developed infrastructure – Expressways to Hai Phong's deep-water ports enhance logistics tenants. 2/ Competitive lease rates – Average industrial land lease is USD 137/m² per lease cycle, which remains lower than the Southern market's USD 174/m² per lease cycle, providing attractive tenant value. 3/ High demand from high-tech manufacturing FDI enterprises – Major multinational corporations such as LG and Foxconn require large land plots for factories and supply chains, boosting demand for KBC's Northern IPs. We estimate KBC's leased land will reach 174ha in 2025 (+521% YoY) and 95ha in 2026 (-45% YoY), from:

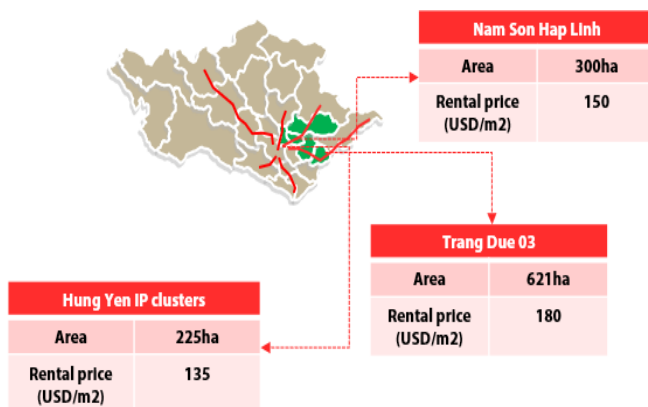
- **Nam Son Hap Linh Industrial Park (300ha):** Nam Son Hap Linh (NSHL) Industrial Park in Bac Ninh (Tier-1 market) received investment approval in January 2019. KBC started land clearance and infrastructure development in 2020, achieving ~70% progress by late 2024. The current occupancy rate is 50%, the key tenant is Goertek - a major phone component manufacturer. KBC is set to clear 100ha of land during 2025–2026. The main bottlenecks are 26ha designated for farmland conversion and national defense. Once resolved, KBC will provide enough contiguous land for tenants. In 2025, we predict leased land will reach 90ha, mainly from Goertek and a key Apple supply chain partner.

- **Trang Due 03 (621ha, with 2 phases):** Located in Hai Phong, near Trang Due Industrial Parks 01 and 02, this project gained investment approval in January 2025. Trang Due 03 has advantages: 1/ A strategic location in Northern Vietnam's industrial hub, Hai Phong City, with developed road infrastructure and proximity to Lach Huyen deep-water port. 2/ High potential to attract FDI, especially from companies expanding in Trang Due 01 and 02 (e.g., LG).

We believe Trang Due 03 will be a key contributor to KBC's leased industrial land from 2026-2035. Land clearance will start in 2025 to ensure timely handover to customers, with an estimated average annual lease of 45 ha per year.

- **Hung Yen Industrial Clusters (225ha, including Kim Dong, Dang Le, and Chinh Nghia ICs):** Three industrial clusters have received investment approval for 2022-2023, with land clearance set for 2024-2025, paving the way for leasing in 2025 (90ha total, 45ha secured via MOUs in 2024). If the 2025 leasing target is met, the remaining 68ha of commercial land is expected to be fully occupied for 2026-2030.

Figure 8: Tier-1 Industrial Park Markets in Northern Vietnam (Highlighted in Blue) and KBC's Operating Industrial Parks



Source: RongViet Securities. Tier-1 Industrial Markets in Northern Vietnam (as classified by CBRE) include: Hanoi, Hai Phong, Hai Duong, Hung Yen, and Bac Ninh.

Figure 9: LG's Manufacturing Complex at Trang Due Industrial Park 1&2



Source: KBC, RongViet Securities

1.2. Southern Region

Before 2023, KBC focused on developing and leasing the 543-ha Tan Phu Trung Industrial Park in the Southern market of HCMC. Key tenants include light manufacturing firms in plastics, packaging, and food processing. KBC also developed warehouses and ready-built factories through self-development or land leasing. Recognizing the strong demand for industrial land in Southern Vietnam, particularly in the Southeastern provinces (Tier-1 market), KBC has proactively expanded its project portfolio, securing potential industrial park sites in Long An through its subsidiaries. This strategic expansion is expected to increase KBC's total leasable landbank to 1,300ha over the long term. These industrial parks are currently remain in the land inventory, acquisition, and clearance phase. We anticipate completion by 2026-2027, at which point KBC will be able to start recognizing revenue from land leasing. For 2026, we estimate leased land could reach 81ha, accounting for 50% of the company's total leased area for the year.

Table 3: KBC's developing industrial parks in Long An

Ips	KBC's ownership (%)	Commercial area (ha)	Leasable area in 2026 (ha)	Expected rental price (USD/m2/term)
Tan Tap	57	458	23	153
Loc Giang	73	326	33	153
02 IP clusters (Tan Tap, Phuoc Vinh Dong 2)	89	84	25	150

Source: KBC, RongViet Securities

1.3. The industrial park projects are located within affiliated companies.

In addition to the industrial park projects managed by its subsidiaries, KBC's affiliated companies also have significant industrial park projects that could be developed from 2026 onwards. However, these projects are relatively smaller in scale compared to those managed by KBC's subsidiaries. As a result, KBC's net profit will continue to be primarily driven by consolidated revenue, especially from the industrial parks mentioned above.

Table 4: Statistics of industrial parks operating in affiliated companies

IPs	Province	Developer	Area (ha)	KBC's ownership (%)
Dai Dong Hoan Son (phase 2)	Bac Ninh	SGT	95.8	21.5
Nam Tan Tap	Long An	SGT	244.7	22.3
Lien Chieu	Da Nang	Sai Gon - Da Nang Investment	289	48
Thai Nguyen IP clusters	Thai Nguyen	SGT	131	21.5

Source: KBC, RongViet Securities

2. Residential Real Estate

Before 2024, real estate revenue did not constitute a significant portion of KBC's total revenue, with contributions mainly from urban area and affordable housing projects located adjacent to the company's industrial parks. We believe this strategy is well-aligned with the growing demand for worker and expert housing, as manufacturing facilities within KBC's industrial parks become operational.

From 2026, we expect the residential real estate segment to play an important role in KBC's financial performance. Notable real estate projects under KBC's portfolio include:

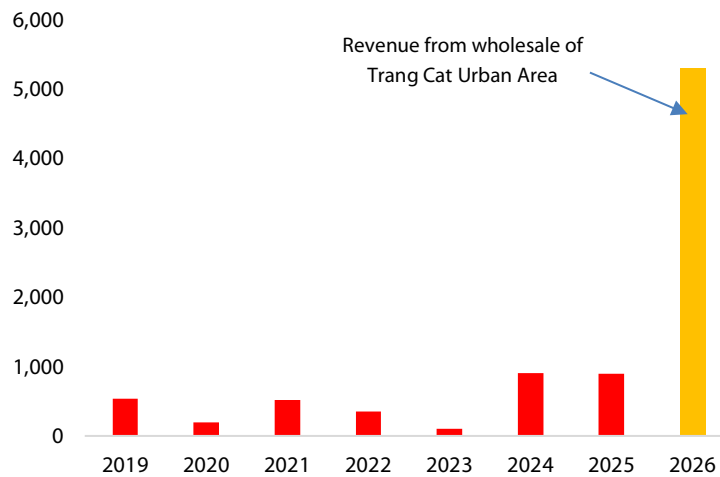
- Trang Cat Urban Area (585ha):** The Trang Cat Urban Area, situated in Trang Cat Ward, Hai Phong City, within the Dinh Vu - Cat Hai Economic Zone, spans a total area of 584.91 ha and is projected to accommodate a population of 90,110 residents. this project aims to create a premium coastal urban development, making it one of the first large-scale land reclamation areas in Hai Phong. It mainly offers

villas and townhouses, with an estimated investment of VND 69 trillion (USD 2.717 billion) due to significant infrastructure and land reclamation costs. Given the project's scale, we expect KBC to adopt a phased wholesale strategy to generate early cash flow for initial infrastructure development.

We specifically expect KBC to obtain investment approvals and pay land use fees in 2025, followed by the wholesale transfer of 10 hectares in 2026, which will generate an estimated revenue of VND 4.3 trillion (USD 169 million). After 2026, once KBC secures sufficient cash flow from its ongoing industrial park developments, the company is expected to progress on subsequent phases of the Trang Cat project.

- **Phuc Ninh Urban Area (114.6 ha):** Covering 114.6 ha, the Phuc Ninh Urban Area boasts a prime location, bordered by National Highway 1A-AH1 along the Hanoi - Bac Giang Expressway and located 20 km from Que Vo Industrial Park. The project focuses on low-rise residential options (villas, townhouses) with a total commercial land area of 44.5ha. By the end of 2024, KBC completed Phase 2 sales, totaling 12ha of commercial land sold across both phases. However, delays in land use fee calculations leave about 10ha of commercial land unreleased and unrecognized as revenue. We believe that issues related to land use fees will gradually be resolved by 2026. Decree 71/2024, which offers detailed regulations on land valuation methods, along with guidelines from provincial governments regarding land price determination, is expected to facilitate the handover and revenue recognition of the remaining commercial land area beyond 2026.
- **Nenh Affordable Housing Project (12.6ha):** Situated near Quang Chau Industrial Park (KBC), the Nenh Affordable Housing Project aims to provide 7,000 units, primarily for workers from nearby industrial zones. Currently, Phase 1 comprises five apartment buildings with around 3,000 units, each priced at an average of VND 600 million (USD 24,000), and is anticipated to be completed between 2024 and 2025. We anticipate that Phase 2 (~2,000 units) will also be completed and handed over during 2025-2026. Given the project's relatively low gross profit margin (~11%), we do not expect it to be a significant contributor to KBC's overall profitability structure.

Figure 10: KBC Residential Real Estate Revenue for 2019-2026 (VND Billion)



Source: KBC, RongViet Securities

Figure 11: Trang Cat Urban Area 1/500 Master Plan



Source: KBC, RongViet Securities

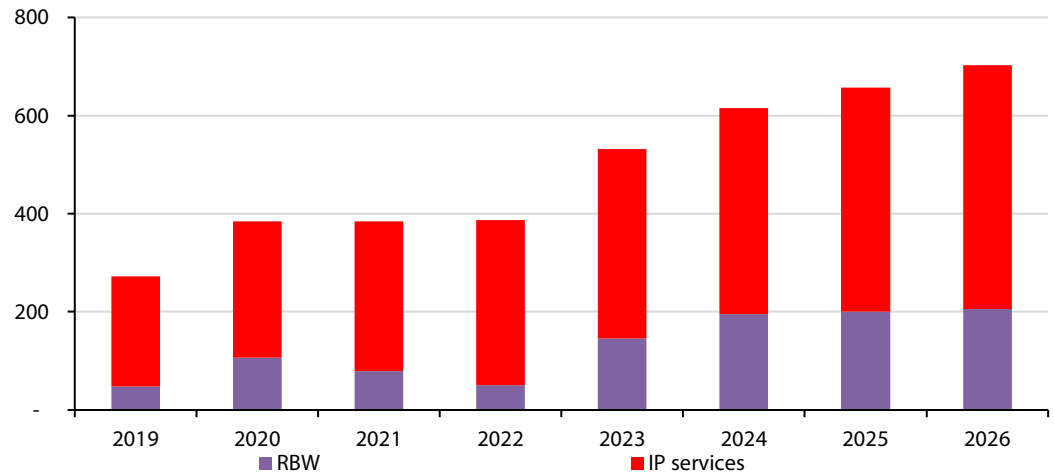
3. Other Services

Other Services for Customers: In addition to leasing industrial land, KBC offers infrastructure management, clean water supply, and wastewater treatment. These services generate stable cash flows for the company. As occupancy rates in KBC's industrial parks rise, service revenue is projected to increase. From 2019 to 2024, service revenue grew at a CAGR of 13%. We expect an average annual growth rate for these services to be about 9% for 2025-2026.

Ready-built factory for lease or sale: For industrial parks with high occupancy rates (above 90%, like Quang Chau and Tan Phu Trung), KBC is expanding its ready-built factory and warehouse model, offering units

that range from 2,000m² to 8,000m². These facilities are designed for SMEs requiring short- to medium-term leases, especially in light manufacturing, electronics, and logistics. We believe this model is ideal for cost-conscious businesses, as it allows them to pay annual rent instead of a large upfront payment for a 30- to 50-year lease. Additionally, with pre-built infrastructure, tenants can begin production immediately. This offering is very attractive to e-commerce companies aiming to establish urban distribution hubs in major cities such as Hanoi and Ho Chi Minh City. KBC anticipates stable annual revenue of VND 200 billion (USD 8mn) from this segment for 2025-2026

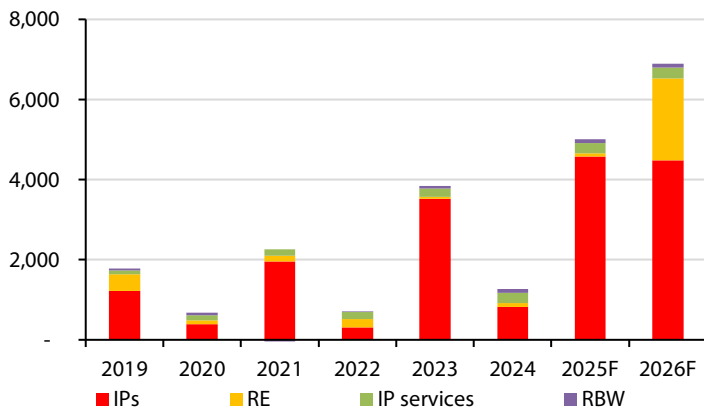
Figure 12: Revenue from KBC's Service Provision and Manufacturing Facility Leasing for 2019-2026 (VND Billion)



Source: KBC, RongViet Securities

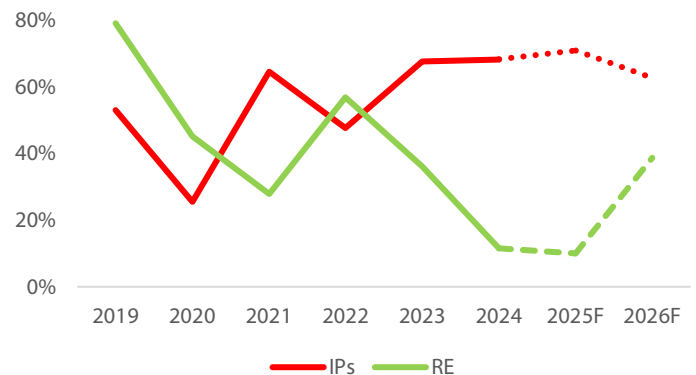
Gross Profit Margin (GPM): KBC's gross profit margin (GPM) closely aligns with the GPM of its industrial land leasing segment, which contributes nearly 90% of total gross profit in 2023-2024. For the 2025-2026 period, we estimate that GPM for industrial land leasing will reach 71% in 2025 before declining to 63% in 2026 (Lower than in 2025, when new industrial parks in the Southern region—developed with relatively high investment costs—become operational).

Figure 13: KBC's Gross Profit (VND Billion)



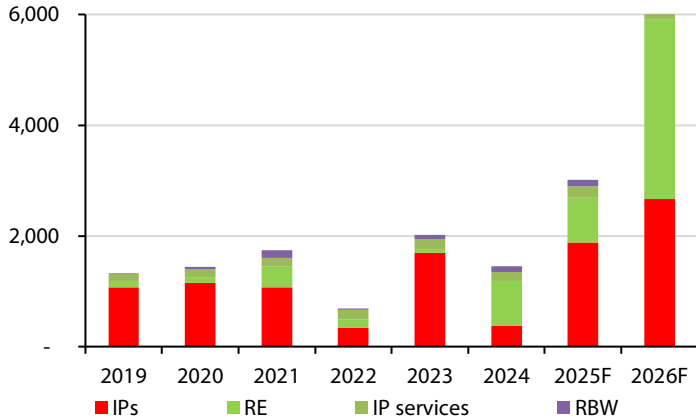
Source: KBC, RongViet Securities

Figure 14: KBC's Gross Profit Margin by Key Business Segments (Industrial Parks & Residential Real Estate)



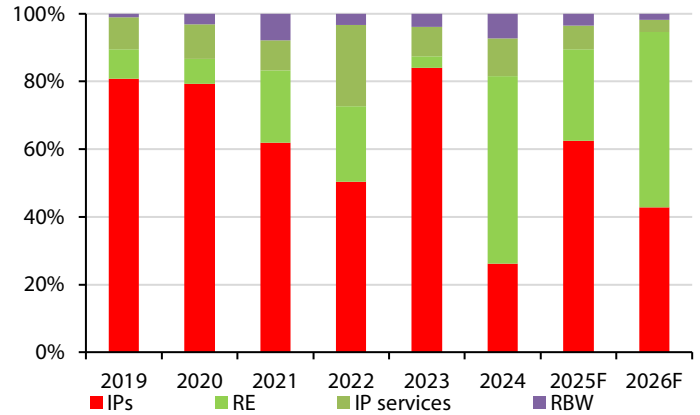
Source: KBC, RongViet Securities

Figure 15: COGS by Business Segment (VND Billion)



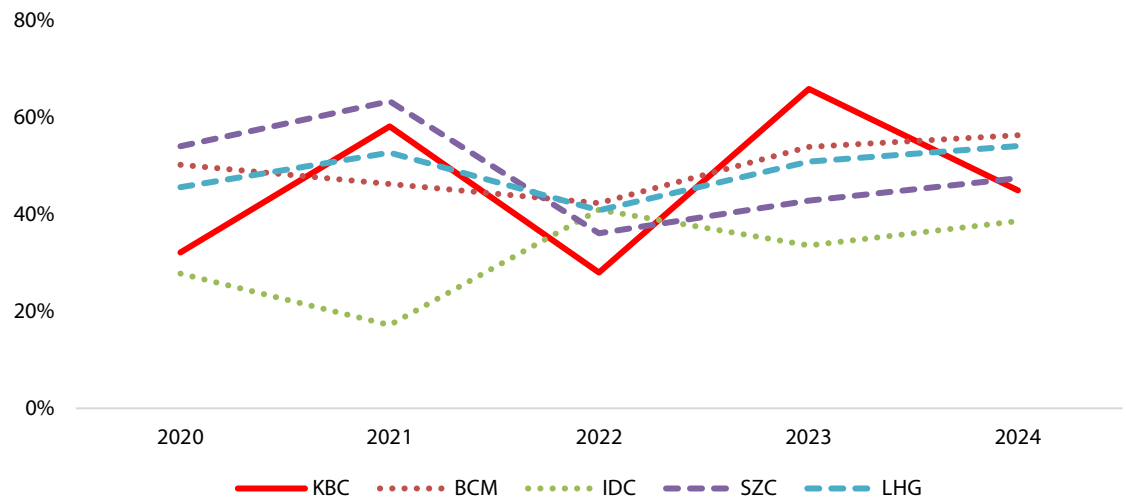
Source: KBC, RongViet Securities

Figure 16: COGS Proportion of KBC by Business Segment (%)



Source: KBC, RongViet Securities

Figure 17: KBC's Gross Profit Margin – Comparison with Industry Peers



Source: Finnpro, RongViet Securities

Industrial Land Leasing: COGs for leased industrial land reflect the cumulative investment costs allocated to the corresponding leased area, including: 1/ Land Clearance & Land Use Fees (~70% of total project investment). 2/ Infrastructure Development (~20% of total project investment). 3/ Other Costs (~10% of total project investment). We estimate that COGS for each industrial park will be recognized based on the area delivered to tenants each year. Specifically:

- For industrial parks that have nearly completed land clearance and are awaiting land allocation decisions (primarily in Northern Vietnam), the uptrend in industrial land lease prices from 2019 to 2023 has improved gross margins (increase from 53% in 2019 to 68% in 2024) supported by higher land lease rates. We estimate that GPM will remain stable at 70% for 2025-2026.
- Industrial parks in Southern Vietnam are still in land clearance and accumulation phases, with investment costs averaging VND 20 billion/ha, compared to VND 17-18 billion in Northern Parks Vietnam. The expected lease price is set at USD 150/m² to enhance competitiveness in Long An, a new market for KBC. This strategy could yield a gross profit margin of only 55%, lower than previous industrial parks projects.

Residential Real Estate: Similar to leasing industrial land, COGS for residential real estate are recognized based on the total investment costs attributed to the delivered and revenue-recognized land area. The breakdown is as follows: 1/ Land Clearance & Land Use Fees (~50% of total project investment). 2/ Infrastructure Development (~40% of total project investment). 3/ Other Costs (~10% of total project investment).

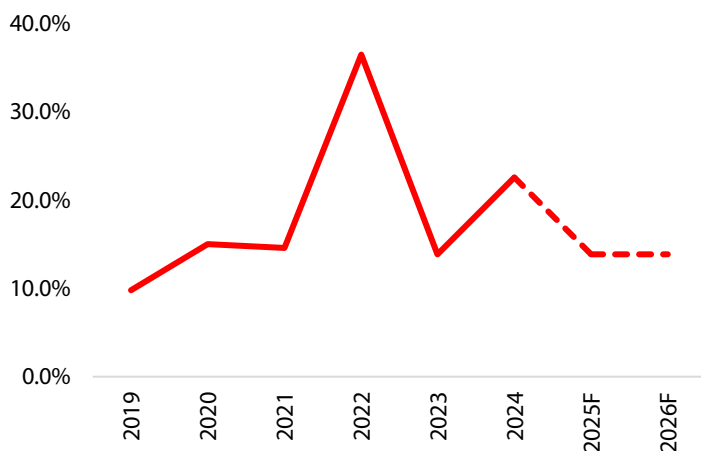
investment). In the Trang Cat Urban Area, infrastructure costs represent about 50% of the total project investment, which is higher than other residential projects due to significant land reclamation and initial infrastructure deployment. However, we believe that KBC can partially pass costs to buyers due to the project's prime coastal location and upscale positioning. As a result, we expect Trang Cat's gross profit margin to reach 29% by 2026.

Other Costs & Net Profit

We expect total SG&A expenses to average 14% of total revenue for 2025-2026, which is in line with cost structures among publicly listed real estate developers. In 2022 and 2024, this ratio was significantly higher, at 36.6% and 22.6%, respectively, primarily due to a decline in revenue, as KBC faced a shortage of available industrial land for leasing.

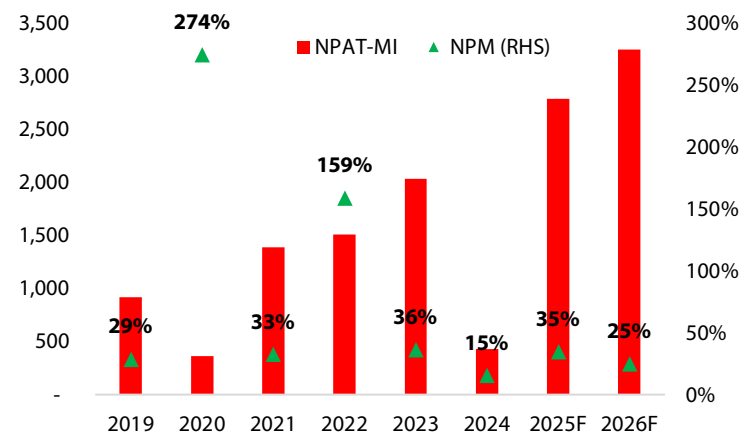
For 2025 – 2026, NPAT is projected to reach VND 2.786 trillion (USD 110mn, +554% YoY) in 2025 and VND 4.154 trillion (USD 164mn, +49% YoY) in 2026. Profit growth in 2025 will be primarily driven by strong industrial land leasing activity, with new leased areas reaching 174ha (+770% YoY) in 2025 and 186ha (+7% YoY) in 2026. Additionally, significant revenue recognition from residential real estate in 2026 is expected, about VND 7.7 trillion (USD 303mn). Consequently, net profit margins are expected to stay strong at 35% in 2025 and 26% in 2026, highlighting the lower margin profile of residential real estate in comparison to industrial land leasing.

Figure 18: SG&A/Net revenue (%)



Source: KBC, RongViet Securities

Figure 19: Profit after tax và net profit



Source: KBC, RongViet Securities

Key Asset Highlights

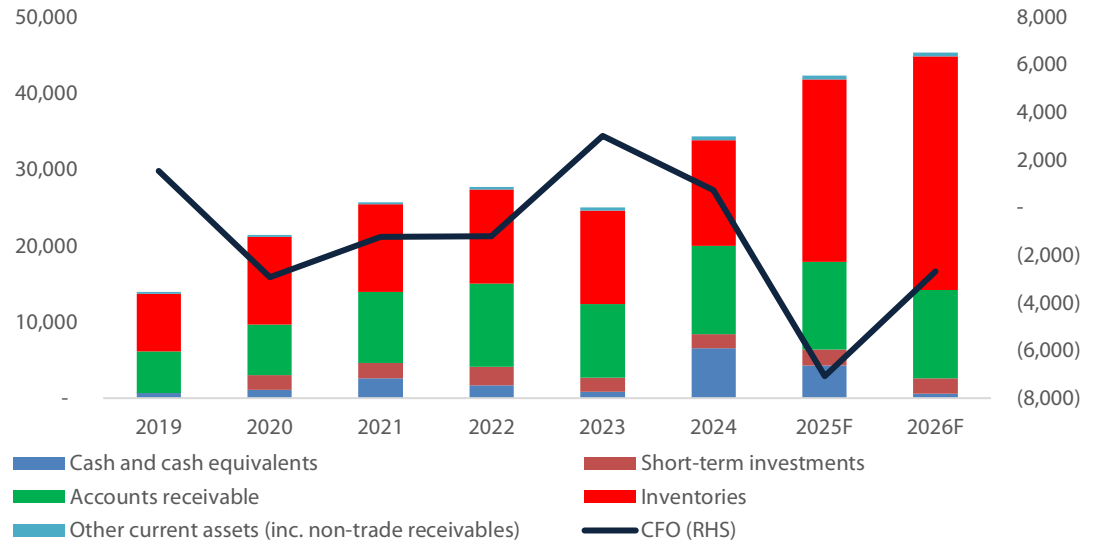
Current Assets

For real estate companies, including industrial park operators like KBC that recognize revenue on a one-time basis, inventory usually constitutes the largest part of current assets. For 2022 - 2024, KBC's inventory was mainly focused on residential real estate projects, such as the Trang Cat Urban Area and the Phuc Ninh Urban Area, since these projects were still in the early investment phase with no revenue recognition. In 2025-2026, the company will continue to prioritize investment in the Trang Cat Urban Area, focusing on paying land use fees and starting construction. Moreover, inventory levels in industrial parks, especially in Southern Vietnam, are anticipated to rise as KBC finalizes land inventory assessments, meets financial obligations, and initiates infrastructure development. KBC is projected to need around VND 15 trillion (USD 591 million) in capital investment for real estate projects during 2025-2026.

Accounts receivable also constitute a significant portion of the company's asset structure (~30% of current assets), primarily consisting of the major items: 1. Advance payment to suppliers (short-term), with most of the balance allocated to related parties (Kinh Bac Consultancy and Investment JSC, Kinh Bac Services JSC); 2. Receivables from lending activities, where related parties account for about 30-40% of the total outstanding balance; 3. Other receivables are mainly categorized under advances to employees and prepayments to the Investment Project Management Board of Duc Hoa District (the location of Loc

Giang Industrial Park – Long An). These notable asset items of KBC primarily facilitate land clearance and land bank accumulation for potential projects (awaiting investment policy approval). For 2025-2026, we expect this balance to be maintained due to the lack of information regarding new projects from the company.

Figure 20: KBC's Short-Term Assets and CFO for 2019-2026 (VND Billion)



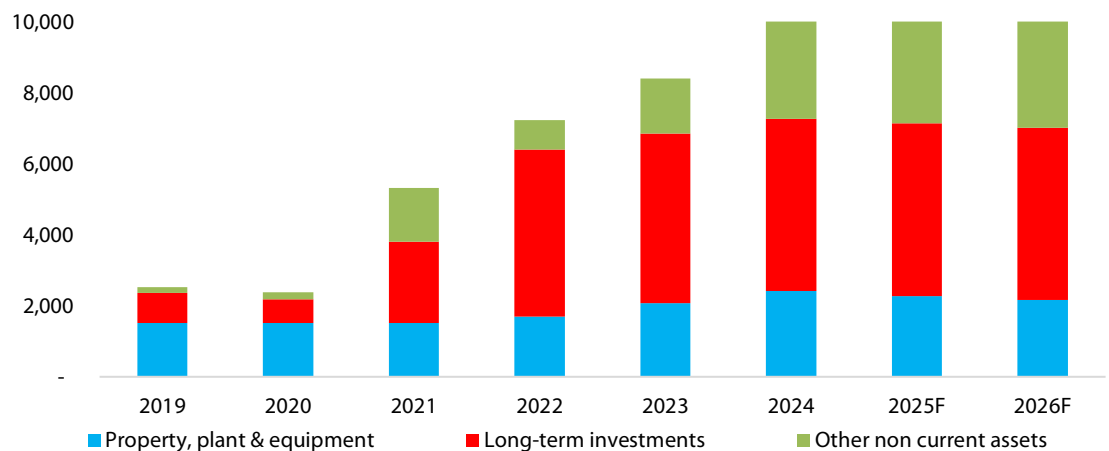
Source: KBC, RongViet Securities

Long term assets

In the business model of a real estate company, most risks and benefits related to land lots are transferred to buyers. As a result, fixed assets (assets utilized across multiple business cycles) account for a small percentage of the company's asset structure. Fixed assets (both tangible and intangible) mainly consist of commercial and service utilities offered to customers in industrial parks and urban areas, such as water treatment facilities and commercial zones. The company also has long-term receivables from lending activities with related parties, and we anticipate this balance will remain stable in the near future.

Notably, the company has investments in associate companies, including: 1/ a mid-sized industrial park (as mentioned in section 1.3); and 2/ Saigon – Da Nang Investment JSC, which is developing an industrial park project (section 1.3) and the Dragon City Park urban project (70 hectares in Da Nang). As these projects are still in the investment phase, they are not expected to generate significant profits during 2025-2026 period.

Figure 21: KBC's Long-Term Assets Structure for 2019-2026 (VND Billion)



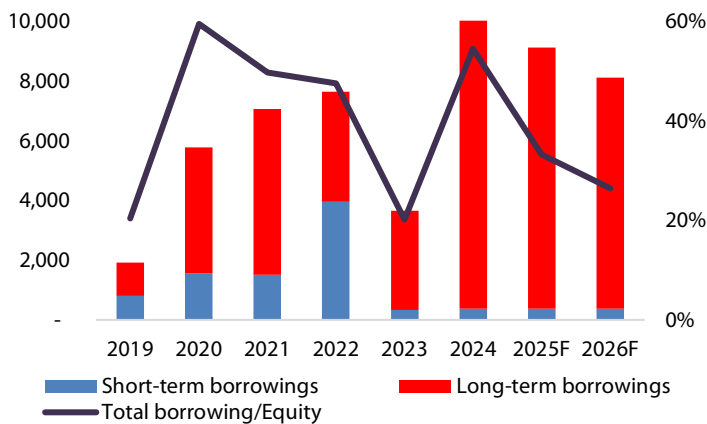
Source: KBC, RongViet Securities

Key Highlights of Capital Structure

Liabilities.

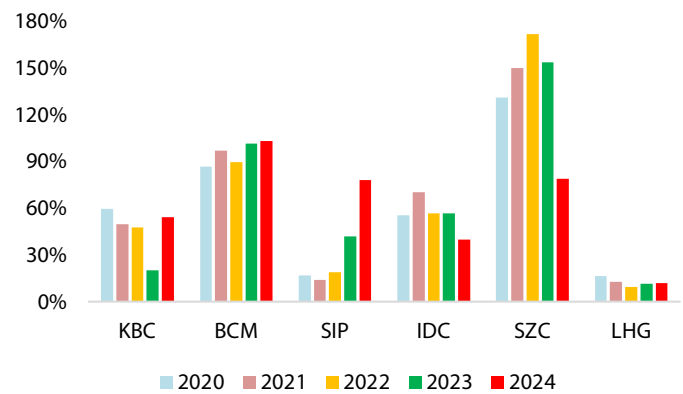
The real estate industry (both industrial and residential) requires high capital investment and liabilities, particularly in the early stages of project development, companies require substantial cash flow to fulfill financial obligations related to land acquisition, including site clearance and land fees—critical prerequisites for infrastructure development and land handover to customers. Therefore, we estimate that the company will increase its debt, primarily long-term debt, to finance investment in its projects (~VND 15 trillion, as mentioned in the short-term assets). With upcoming debt maturities in the following years, we believe that cash flows from industrial parks (driven by accelerated leasing from 2025, as previously discussed), along with capital raised through strategic shareholder equity issuance, will help mitigate financial leverage risks and strengthen the company's financial position

Figure 22: KBC Total Debt (2019-2026, VND Billion)



Source: KBC, RongViet Securities

Figure 23: Debt-to-Equity Ratio Comparison



Source: KBC, RongViet Securities

Equity

KBC utilizes both liabilities and equity capital, primarily through retained earnings and share issuances, for project investments. In 2021, it issued 100 million shares via private placement to restructure debt and fund the Trang Cat Urban Area project. For 2024-2025, KBC plans to issue 250 million shares to strategic investors, expecting about VND 6,000 billion in capital inflow. This is projected to lower the debt-to-equity ratio to 37%, reducing long-term financial leverage risks.

Cash Dividend Policy

For 2020-2024, KBC did not pay cash dividends, choosing to retain earnings for real estate projects. KBC is unsuitable for dividend-focused investors' strategy.

Table 5: Projected Revenue by Business Segment (VND Billion)

REVENUE	2019	2020	2021	2022	2023	2024	2025	2026
Total Revenue	3,210	2,151	4,246	950	5,618	2,776	8,011	13,137
IPs land leasing	2,289	1,537	3,036	657	5,221	1,195	6,454	7,143
RE	540	196	515	353	105	910	900	5,292
RBW	48	107	80	50	145	196	200	206
IP services	224	277	305	337	386	420	457	496
%YoY		-33%	97%	-78%	491%	-51%	189%	64%
IPs land leasing		-33%	97%	-78%	695%	-77%	440%	11%
RE		-64%	162%	-31%	-70%	768%	-1%	488%

RBW	123%	-26%	-37%	190%	35%	2%	3%
IP services	24%	10%	10%	15%	9%	9%	9%
% Total revenue	100%	100%	100%	100%	100%	100%	100%
IPs land leasing	71%	71%	72%	69%	93%	81%	54%
RE	17%	9%	12%	37%	2%	11%	40%
RBW	2%	5%	2%	5%	3%	2%	2%
IP services	7%	13%	7%	35%	7%	6%	4%

Source: KBC, RongViet Securities

Table 5: Projected Gross Profit by Business Segment (VND Billion)

GROSS PROFIT	2019	2020	2021	2022	2023	2024	2025	2026
Total	1,847	689	2,467	266	3,695	1,283	5,004	6,893
IPs land leasing	1,214	392	1,960	312	3,527	815	4,574	4,476
RE	427	89	144	201	38	105	90	2,047
RBW	35	62	(57)	27	69	91	94	97
IP services	97	131	151	173	209	258	246	274
GPM								
Total	58%	32%	58%	28%	66%	46%	62%	52%
Cho thuê đất KCN	53%	25%	65%	48%	68%	68%	71%	63%
BDS dân dụng	79%	45%	28%	57%	36%	12%	10%	39%
Nhà xưởng	73%	58%	-71%	54%	47%	47%	47%	47%
Dịch vụ KCN	43%	47%	49%	51%	54%	61%	54%	55%

Source: KBC, RongViet Securities estiamtes

5. Business Risks

Project Timeline Risks: In real estate development, the progress of land clearance and the calculation of land use fees play a critical and complex role in project execution. Delays in land clearance could affect the company's business performance, similar to what happened in 2022 and 2024, when KBC lacked available land for leasing.

Competitive Risks: For 2024-2025, the approval and development of new industrial parks (IPs) are being accelerated, posing long-term competitive risks between existing IPs and newly developed ones. New entrants may offer competitive rental rates and increase infrastructure investments to attract tenants. We believe that KBC, with its experiences in attracting FDI over the years, will mitigate this risk effectively.

Asset Risks: Receivables (short-term and long-term) currently account for a significant proportion of KBC's short-term asset structure. Investors should closely monitor fluctuations in these assets.

Short-Term Valuation

We use the Price-to-Book (P/B) valuation method for KBC, with the target price shown in the table below.

Table 6: KBC's 2- year projected Target Price

	2024	2025F
P/B Valuation		
BVPS	24,234	26,915
P/B forecasted (VND/share_	1.5	1.5
KBC's target price (VND/share)		40,300
Total		40,300

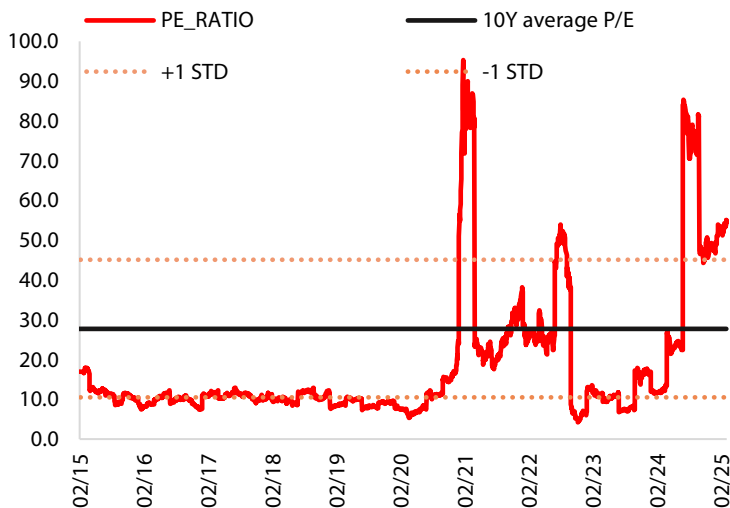
We estimate KBC's 12-month target price at VND 40,300 per share, with P/B ratios for 2025 and 2026 at 1.5x and 1.3x, respectively. These valuations are +1 standard deviation above KBC's 10-year average P/B, reflecting its market position, supported by: 1/ An industrial land bank of about 2,000 ha for long-term development. 2/ The Trang Cat urban project in Hai Phong is now in the investment implementation phase. Investors can refer to our sensitivity analysis table to guide their investment decisions based on their risk profile appetite.

Table 7: Average P/E and P/B Ratios (x) of Industry Peers

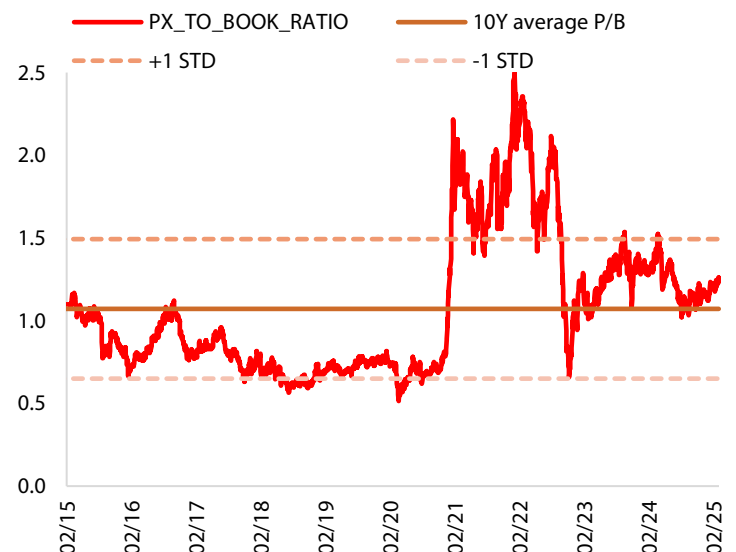
Ticker	Market capitalization (USD million)	2024 Revenue (Mn USD)	2024 NPAT (mnUSD)	GPM (%)	NPM (%)	ROE (TTM, %)	P/E 2024	P/B 2024
KBC	867	111	17	45	19	2	51.4	1.2
BCM	2,894	208	84	56	34	15	26.0	3.8
SIP	664	312	47	14	17	31	13.9	3.9
IDC	710	354	80	39	28	43	8.1	3.4
SZC	295	35	12	47	31	11	22.0	2.4
NTC	202	15	13	67	111	25	19.2	4.4
LHG	68	17	7	54	42	13	8.4	1.0
5-year Average							24	3.0

Table 8: Sensitivity Table for KBC's Per-Share Value and P/B Ratio

			P/B				
			1.2	1.35	1.5	1.65	1.8
BVPS	2024	24,234	29,081	32,716	36,351	39,986	43,621
	2025	26,915	32,297	36,335	40,372	44,409	48,446

Figure 24: KBC 10-Year P/E Ratio


Source: Finnpro, RongViet Securities

Figure 25: KBC 10-year P/B


Source: Finnpro, RongViet Securities

APPENDIX – COMPARABLE COMPANIES TO KBC

In this report, we use 6 industrial park (IP) land leasing companies with business models similar to KBC as benchmarks for our analysis and forecasting.

Becamex IDC Corp– CTCP (HOSE: BCM)

BCM is a leading corporation in Vietnam that specializes in industrial parks, urban development, and transportation infrastructure investment. Founded in 1976, Becamex IDC has over 40 years of experience and is a trusted brand in the industry. The company develops many industrial parks across the nation, managing about 32,000 hectares. Key projects include the My Phuoc and Bau Bang Industrial Parks. Additionally, Becamex IDC partners with Sembcorp Group to develop the Vietnam-Singapore Industrial Park (VSIP) in Binh Duong, Hai Phong, Bac Ninh, Hai Duong, Nghe An, and Quang Ngai.

Saigon VRG Investment Corporation (HOSE: SIP)

Saigon VRG Investment Corporation (SIP) is a company involved in investment, construction, and infrastructure development for industrial parks, factories, and residential areas in Vietnam. Currently, SIP manages 4 key industrial parks in Southern Vietnam, covering a total land area of over 3,600 hectares. These include: Phuoc Dong Industrial – Urban – Service Park (Tay Ninh) – 2,436.11 ha; Dong Nam Industrial Park (Cu Chi, Ho Chi Minh City) – 342 ha; Le Minh Xuan 3 Industrial Park (Binh Chanh, Ho Chi Minh City) – 330 ha; and Loc An – Binh Son Industrial Park (Dong Nai) – 500 ha. With a strategic presence in key economic zones, SIP plays an important role in Vietnam’s industrial real estate sector, serving FDI enterprises and domestic manufacturers.

IDICO Corporation– CTCP (HNX: IDC)

IDICO Corporation (IDC) is one of Vietnam’s foremost companies specializing in the investment, development, and management of industrial park (IP) infrastructure. With over 20 years of experience, IDICO has established a strong reputation in Vietnam’s industrial real estate sector. The company currently invests in and manages 12 industrial parks across the country, covering a total land area of nearly 4,000 hectares. These industrial zones have attracted nearly 400 enterprises with investment capital of about USD 9 billion. Key Industrial Parks: My Xuan A & My Xuan B Industrial Parks (Ba Ria - Vung Tau), Huu Thanh Industrial Park (Long An), Phu My II & Phu My II Expansion Industrial Parks (Ba Ria - Vung Tau), Cau Nghin Industrial Park (Thai Binh).

Sonadezi Chau Duc JSC(HOSE: SZC)

Sonadezi Chau Duc JSC (SZC) is a subsidiary of Sonadezi Corporation, primarily engaged in the investment and development of industrial parks, urban areas, and golf courses. Established on June 26, 2007, it began with an initial charter capital of VND 110 billion. The company is currently investing in and developing the Chau Duc Industrial - Urban & Golf Park project located in Ba Ria - Vung Tau province. The total project area is 2,287.55 hectares, which includes: industrial park land of 1,556.14 hectares and Chau Duc urban area land of 537.01 hectares..

Nam Tan Uyen Industrial Park JSC (Upcom: NTC)

Nam Tan Uyen Industrial Park JSC (NTC) is a company focused on investment, construction, and infrastructure development for industrial parks in Vietnam. Established on February 21, 2005, the company started with an initial charter capital of VND 70 billion. Key Industrial Park Project: Nam Tan Uyen Industrial Park Expansion (Located in Uyen Hung Ward and Hoi Nghia Ward, Tan Uyen City, Binh Duong Province): Total area: 345 ha, Industrial land available for lease: 200.75 ha.

Long Hau Corporation (HSX: LHG)

Established on May 23, 2006, LHG is the developer and operator of the Long Hau Industrial Park (IP) projects, with a total area of nearly 500 hectares. The industrial park is strategically located within Ho Chi Minh City's "Gateway to the East Sea" economic development zone. The company is developing Long Hau 3 Industrial Park – Phase 1 (123.98 ha)

Table 9: Compare financial indicators of KBC and peers

Ratio	2020	2021	2022	2023	2024	Peer's average
Proportion	20%	20%	20%	20%	20%	
GPM %						
KBC	32%	58%	28%	66%	45%	46%
Mean	42%	47%	38%	49%	48%	45%
Median	46%	53%	41%	51%	47%	47%
NPM %						
KBC	15%	32%	166%	40%	19%	54%
Mean	39%	28%	49%	29%	40%	37%
Median	31%	27%	27%	28%	31%	29%
Total borrowing/Equity						
KBC	59%	50%	48%	20%	54%	46%
Mean	64%	64%	65%	64%	50%	61%
Median	56%	56%	50%	49%	40%	50%
ROE %						
KBC	2%	9%	10%	12%	2%	7%
Mean	24%	18%	20%	17%	20%	20%
Median	16%	16%	13%	14%	15%	15%
ROA %						
KBC	1%	4%	5%	6%	1%	3%
Mean	6%	5%	6%	5%	6%	6%
Median	6%	4%	5%	5%	5%	5%
P/E						
KBC	107.2	18.4	15.6	10.5	51.4	40.6
Mean	40.8	21.8	16.4	17.5	21.3	23.6
Median	36.4	13.8	12.8	14.8	19.2	19.4
P/B						
KBC	2.5	1.0	1.5	1.2	1.2	1.5
Mean	4.4	2.4	2.4	2.7	2.9	3.0
Median	4.7	2.1	2.2	3.2	3.4	3.1

Source: Finnpro, RongViet Securities

Company Report

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Ratings	BUY	ACCUMULATE	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-20% to -5%	<-20%

In some cases, we do not provide specific buy/sell recommendations but instead offer a few reference valuations to give investors additional insights, categorized under the recommendation of **OBSERVE**.

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