Shinhan Securities

Industrial park real estate

Prospects for a boost in the H2/2025



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Industrial real estate absorption in both the Southern and Northern regions continued to record a slight decline in H1/2025, driven by weaker land leasing demand in Q2/2025 amid tariff-related headwinds. Occupancy rates remained at elevated levels, while rental prices posted modest growth during H1/2025.

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FDI inflows continued to grow steadily despite volatility stemming from U.S. tariff policies. Vietnam has maintained its attractiveness and competitive advantage in attracting foreign direct investment.

3. Update on industrial park real estate stocks

Industrial real estate developers recorded improvements in H1/2025 with both leased land area and rental prices increasing. Earnings are expected to rebound strongly in H2/2025 following a temporary slowdown in Q2/2025 due to tariff impacts.

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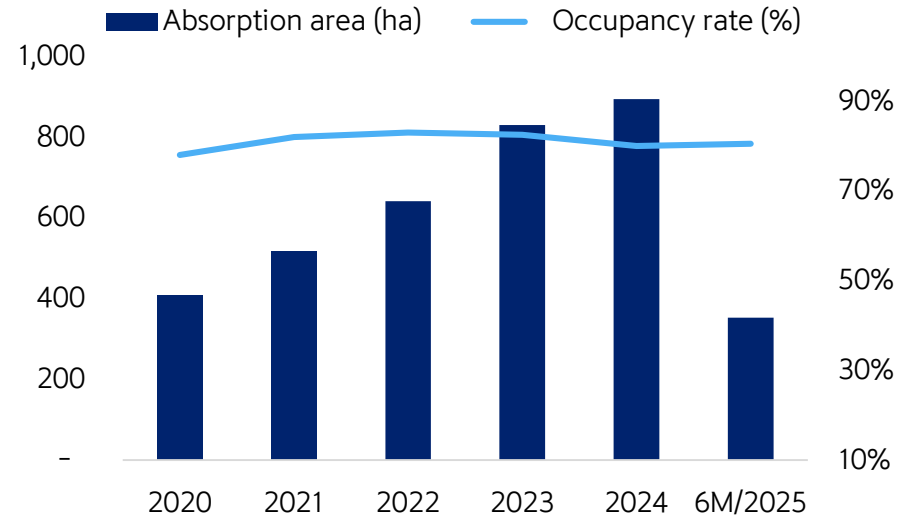
Update on industrial real estate situation

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Update on industrial real estate situation

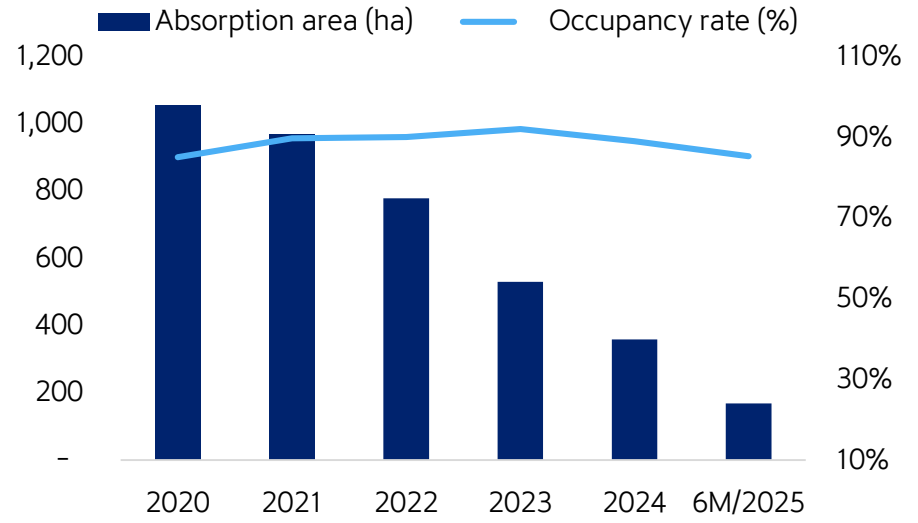
Occupancy rates remained high with a slight increase in rental prices

Industrial real estate absorption and occupancy rate from 2020 – 6M/2025 in the North



Source: JLL, Shinhan Securities Vietnam

Industrial real estate absorption and occupancy rate from 2020 – 6M/2025 in the South



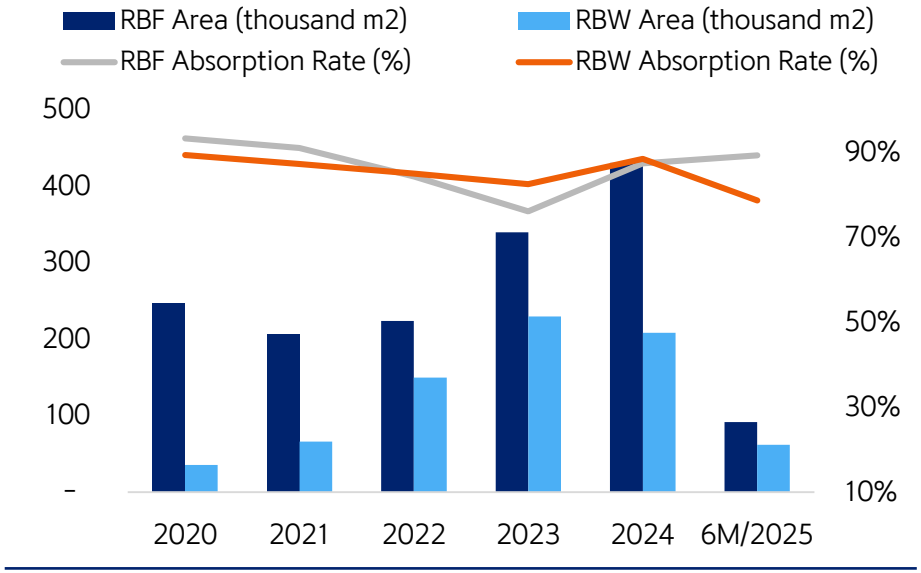
Source: JLL, Shinhan Securities Vietnam

- In 6M/2025, the Northern region recorded a slight decline in absorption, reaching 353 ha with an occupancy rate of 80.5%. The Southern region also posted a modest decline, with total absorption at over 168 ha and an occupancy rate of 85.3%. Average rental prices in the North stood at USD 165/sqm/term (+4.9% YoY), while the South averaged USD 207.9/sqm/term (+2.2% YoY).
- Industrial land leasing in both the North and South slowed in Q2/2025 under the impact of U.S. reciprocal tariffs. Leasing activity is expected to recover in Q3/2025 following the announcement of U.S. tariff measures for other countries on August 1, 2025. Northern IPs are projected to continue benefiting from the China+1 trend, as tariffs imposed on China (55%) remain significantly higher than those on Vietnam (20%).

Update on industrial real estate situation

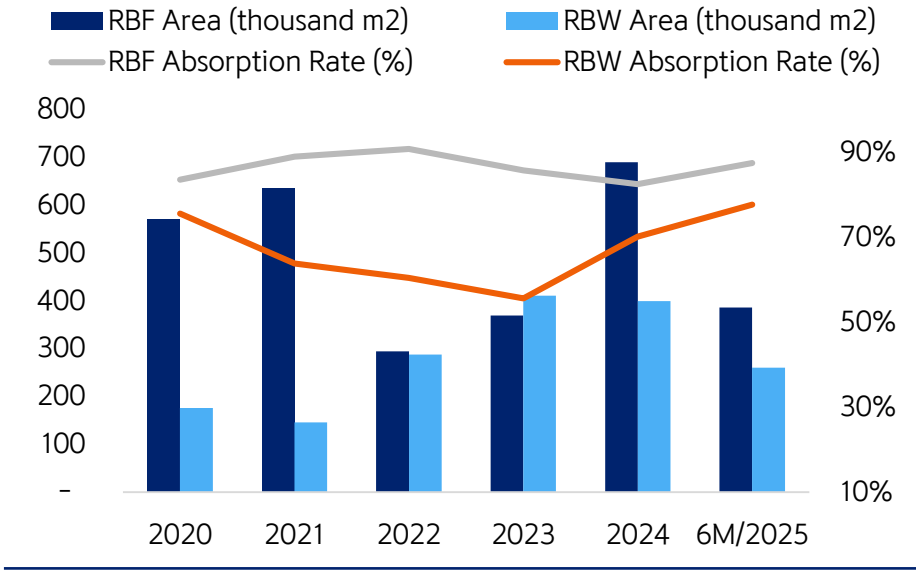
Demand for RBW and RBF remains high, with a strong absorption rate.

RBW/RBF absorption and occupancy rate from 2020 – 6M/2025 In the North



Source: JLL, Shinhan Securities Vietnam

RBW/RBF absorption and occupancy rate from 2020 – 6M/2025 In the South



Source: JLL, Shinhan Securities Vietnam

- In 6M/2025, the Northern region recorded a decline in absorption compared to the same period in 2024, mainly due to weaker leasing activity in Q2/2025 amid U.S. tariff volatility. Absorption rates reached 87.4% for ready-built factories (RBF) and 88.8% for ready-built warehouses (RBW). In contrast, the Southern region posted stable growth despite tariff impacts, with absorption rates of 87.5% for RBF and 77.7% for RBW.
- Rental prices for RBF and RBW increased YoY. In the North, RBF and RBW rents reached USD 5.1/sqm (+2.0% YoY) and USD 4.7/sqm (+3.5% YoY), respectively, while in the South, RBF and RBW rents stood at USD 4.9/sqm (+1.6% YoY) and USD 5.0/sqm (+2.2% YoY), respectively.

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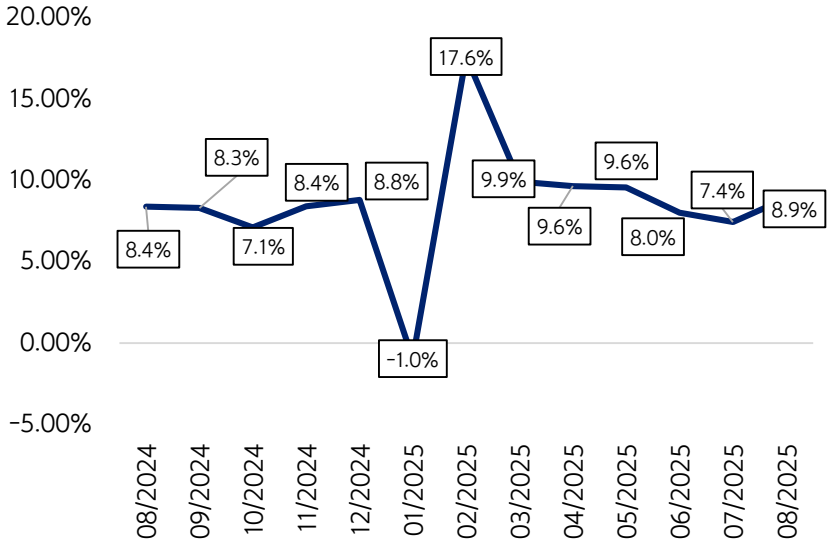
FDI capital flow and industrial real estate development strategy

FDI inflows continued to grow steadily despite volatility stemming from U.S. tariff policies. Vietnam has maintained its attractiveness and competitive advantage in attracting foreign direct investment.

FDI capital flow and industrial real estate development strategy

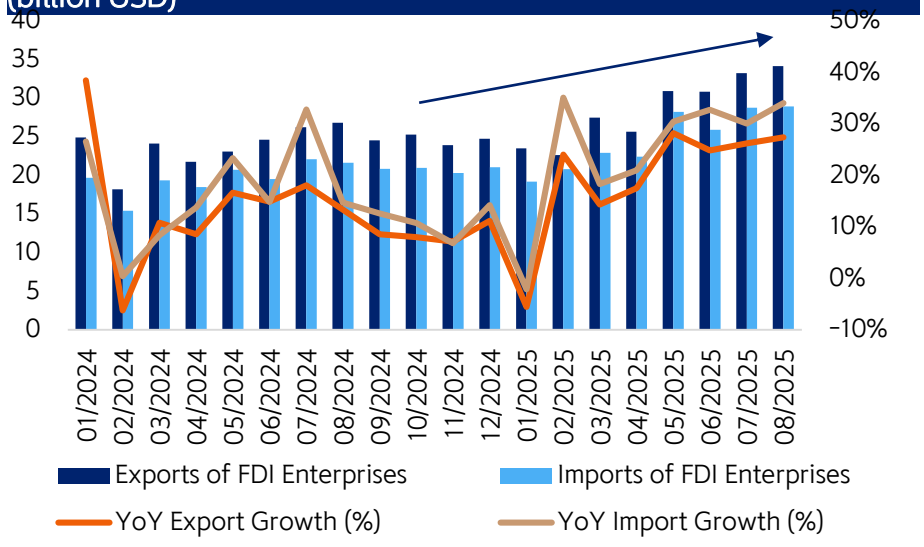
Production situation of FDI enterprises in Vietnam

Industrial Production Index – IIP 08/2024 – 08/2025 (%)



Source: GSO, Shinhan Securities Vietnam

Import and export of FDI enterprises 01/2024 – 08/2025 (billion USD)



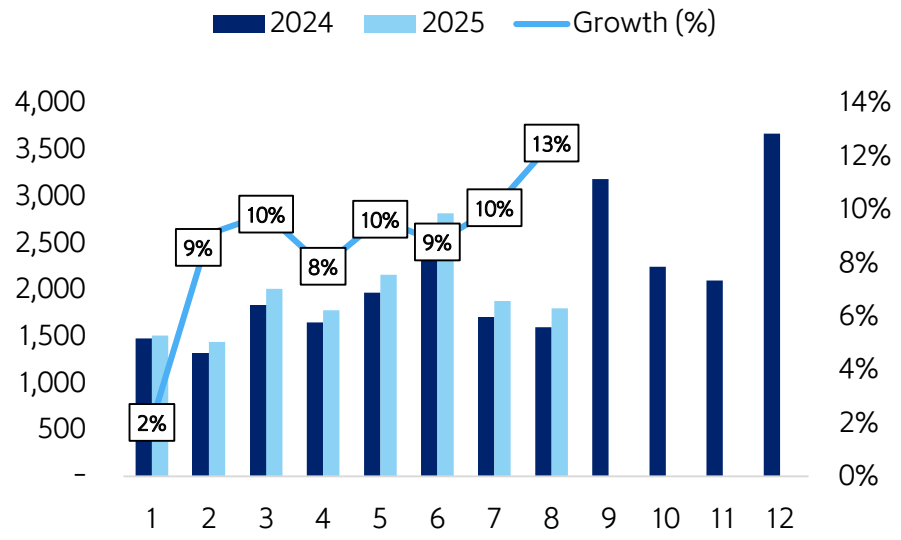
Source: Fiinpro, Shinhan Securities Vietnam

- The industrial production index remained stable during the first eight months of 2025, despite pressures from the global trade war, reflecting the resilience of domestic manufacturing activity.
- Cumulative exports from FDI enterprises in 8M/2025 reached USD 228.38 billion (+19.66% YoY). Trade activities of the FDI sector recorded strong growth starting from April 2025, following the U.S. announcement of global reciprocal tariffs combined with later deferral for 90 days. This policy prompted enterprises to accelerate deliveries and front-load exports. Notably, export values in August 2025 remained robust even after the official implementation of reciprocal tariffs, indicating that Vietnam continues to demonstrate stability and competitiveness amid intensifying global trade tensions.

FDI capital flow and industrial real estate development strategy

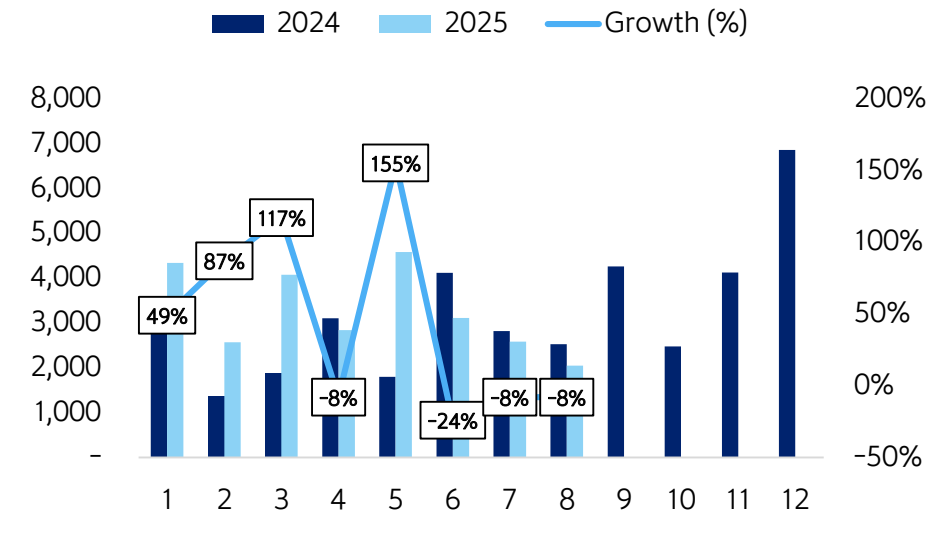
FDI inflows remained positive in the 8M2025

FDI capital disbursed in 2024 and 4M2025 (million USD)



Source: Fiinpro, Shinhan Securities Vietnam

Registered FDI capital in 2024 and 4M2025 (million USD)



Source: Fiinpro, Shinhan Securities Vietnam

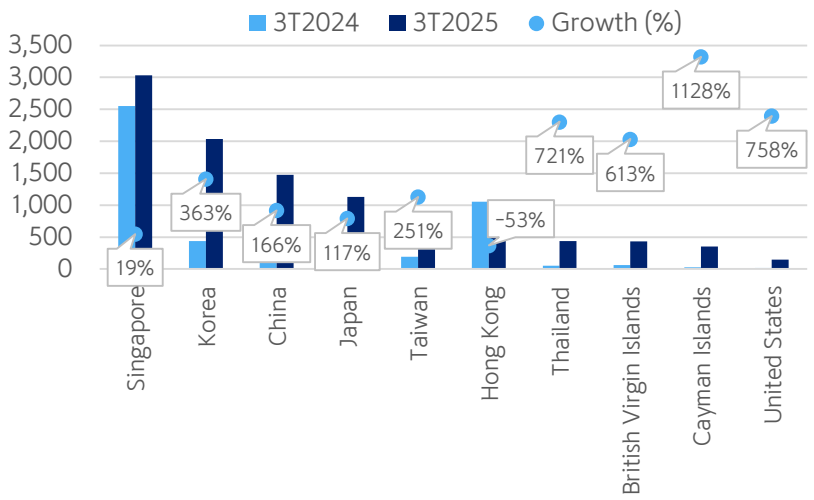
- According to data from the General Statistics Office, realized foreign direct investment (FDI) in 8M2025 reached USD 15.4 billion, up 8.8% YoY and marking the highest level in the past five years. In addition, total registered FDI capital amounted to over USD 26.14 billion, a sharp increase of 27.4% YoY.

- Following the White House's announcement of reciprocal tariff measures on August 1, 2025, Vietnam's disbursed FDI in August continued to post positive growth compared to the same period last year. This underscores Vietnam's sustained appeal to foreign investors. Moreover, the tariff rate faced by Vietnam (20%) is considered competitive in the region, while peers such as India and Brazil are subject to significantly higher rates (~50%), thereby reinforcing Vietnam's relative advantage and accelerating the trend of multinational corporations shifting production to the country.

FDI capital flow and industrial real estate development strategy

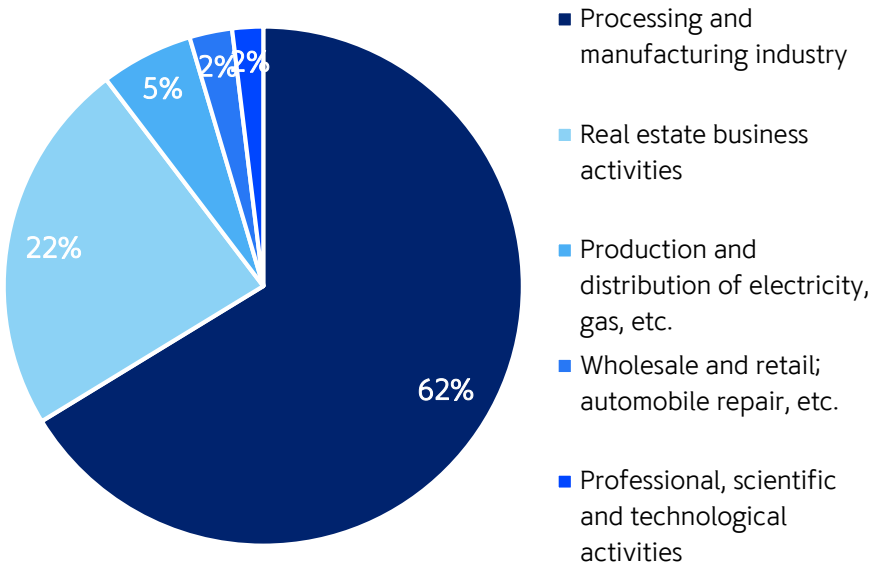
Asian countries play an important role in the structure of registered FDI capital.

Top 10 countries investing in Vietnam 3M2024 and 3M2025 (million USD)



Source: Fiinpro, Shinhan Securities Vietnam

Structure of registered FDI investment capital sectors in 3M2025 (%)



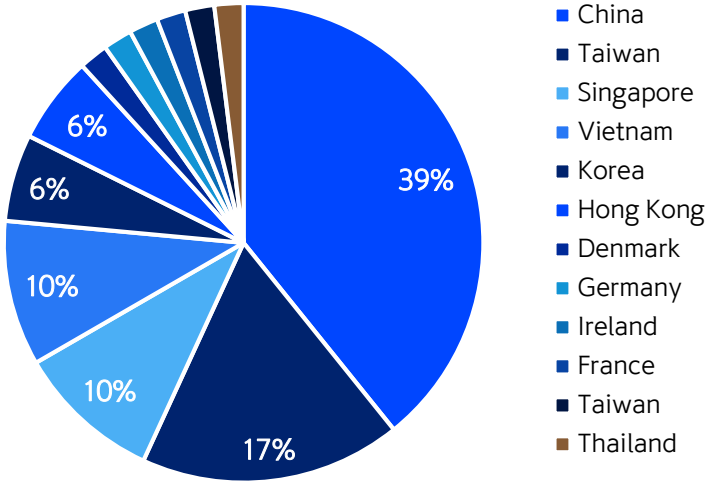
Source: Fiinpro, Shinhan Securities Vietnam

- Asian investors (Singapore, Japan, China, South Korea, Taiwan) recorded impressive growth in Q1/2025. In addition, Vietnam also witnessed a notable increase in FDI capital from several Western countries such as the United Kingdom and the United States.
- The manufacturing and processing sector remained the primary area of interest for foreign investors, accounting for 62% of total FDI into Vietnam. Notably, total registered FDI capital in the real estate sector reached USD 2,394 million (+51% YoY). Industrial real estate, residential, and office real estate are among the segments benefiting most from FDI inflows.

FDI capital flow and industrial real estate development strategy

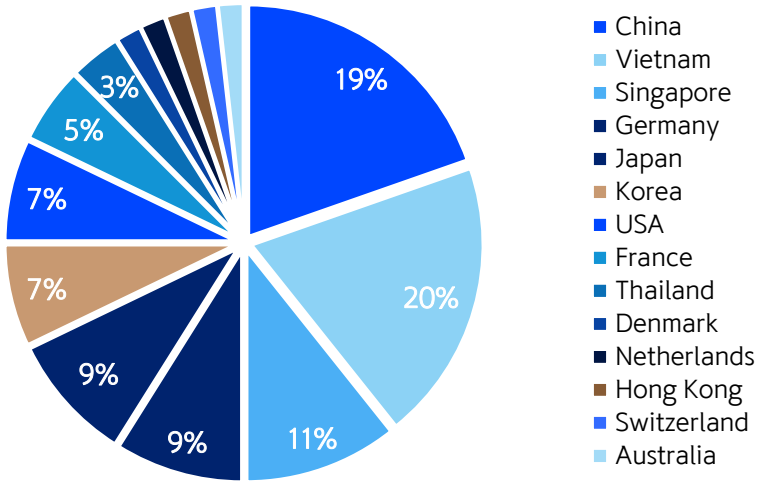
Chinese FDI enterprises are mainly concentrated in the North, while the Southern region recorded more evenly.

National structure in Northern Industrial Parks from 2022 - 2024 (%)



Source: CBRE, Shinhan Securities Vietnam

National structure in Southern Industrial Parks from 2022 - 2024 (%)



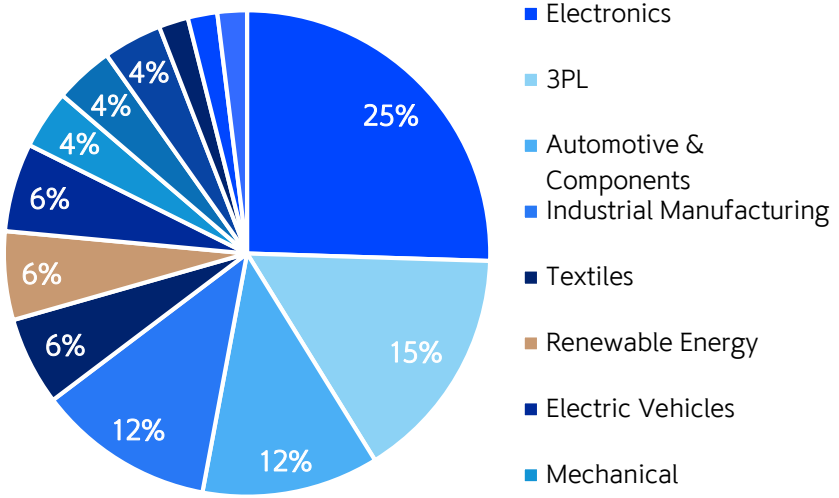
Source: CBRE, Shinhan Securities Vietnam

- According to data from projects during the 2022–2024 period compiled by CBRE, Chinese enterprises accounted for approximately 39% of the FDI capital structure in Northern industrial zones. This significant share is largely attributed to the geographical advantage of the Northern region, being close to the Chinese border, facilitating convenient transportation and cross-border trade. In addition, the "China +1" strategy has been a key driver encouraging Chinese manufacturers to relocate part of their operations to Vietnam as a means to diversify and mitigate supply chain risks.
- Meanwhile, the Southern region presents a more diversified investor profile, with a strong presence of investors from the United States and other Western countries. The share of FDI from these markets in the South is notably higher than in the North, reflecting differences in strategic orientation and international connectivity between the two regions in attracting high-quality FDI inflows.

FDI capital flow and industrial real estate development strategy

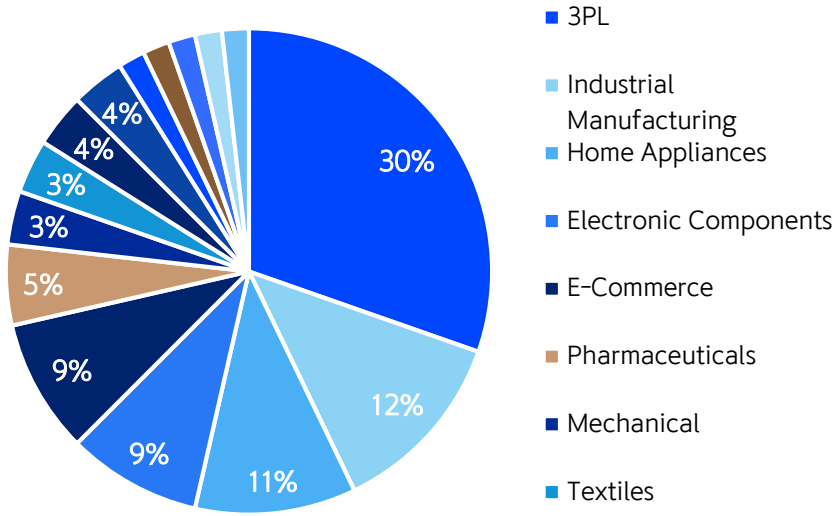
Northern FDI Prioritizes High Technology, Southern Focuses on Production and Logistics

Enterprise structure by industry in Northern Industrial Parks from 2022 – 2024 (%)



Source: CBRE, Shinhan Securities Vietnam

Enterprise structure by industry in Southern Industrial Parks from 2022 – 2024 (%)



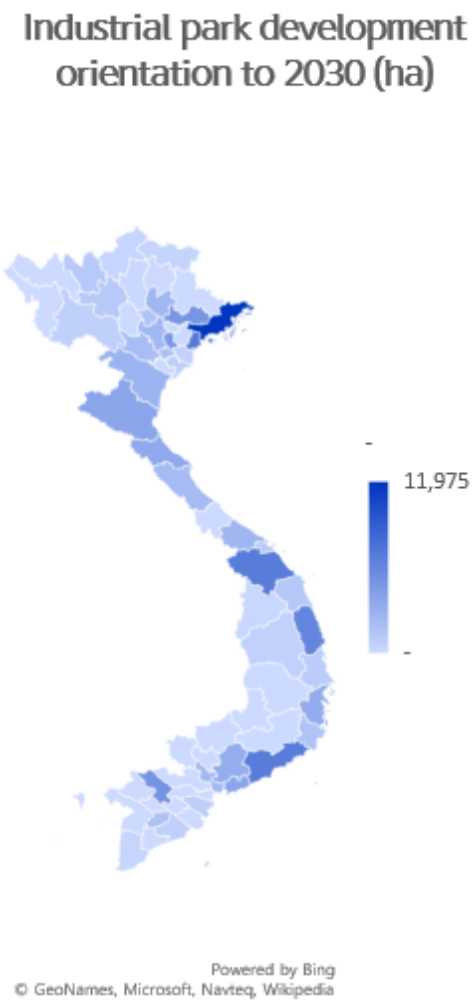
Source: CBRE, Shinhan Securities Vietnam

- The sectoral structure of FDI enterprises shows clear regional differentiation between the North and the South. In the Northern region, FDI capital is primarily concentrated in high-tech sectors such as electronic component manufacturing, third-party logistics (3PL), the automotive industry, and renewable energy. These projects are predominantly located in areas with developed infrastructure and strategic positioning, such as Hanoi, Bac Ninh, and Hai Phong — key industrial hubs of the region.
- In contrast, the Southern region records a more diversified sectoral distribution of FDI, with significant presence in 3PL, e-commerce, and traditional manufacturing industries, including processing, pharmaceuticals, mechanical engineering, and textiles. FDI investment activities are primarily concentrated in Ho Chi Minh City, Binh Duong, Dong Nai, and Long An — localities with strong advantages in labor supply, regional connectivity, and well-developed industrial infrastructure.

FDI capital flow and industrial real estate development strategy

Orientation to expand industrial parks by 2030 by province

Province	Industrial park area (ha)
Quang Ninh	11,975
Hai Phong	7,034
Quang Nam	6,855
Binh Thuan	6,852
Binh Dinh	6,191
Dong Thap	5,188
Bac Giang	5,034
Hung Yen	4,788
Nghe An	3,864
Ba Ria - Vung Tau	3,850
Ha Tinh	3,526
Khanh Hoa	3,320
Dong Nai	3,260
Thanh Hoa	2,853
Thua Thien Hue	2,640
Thai Nguyen	2,574
Hanoi	2,480
Ho Chi Minh	2,465
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Total	108,324

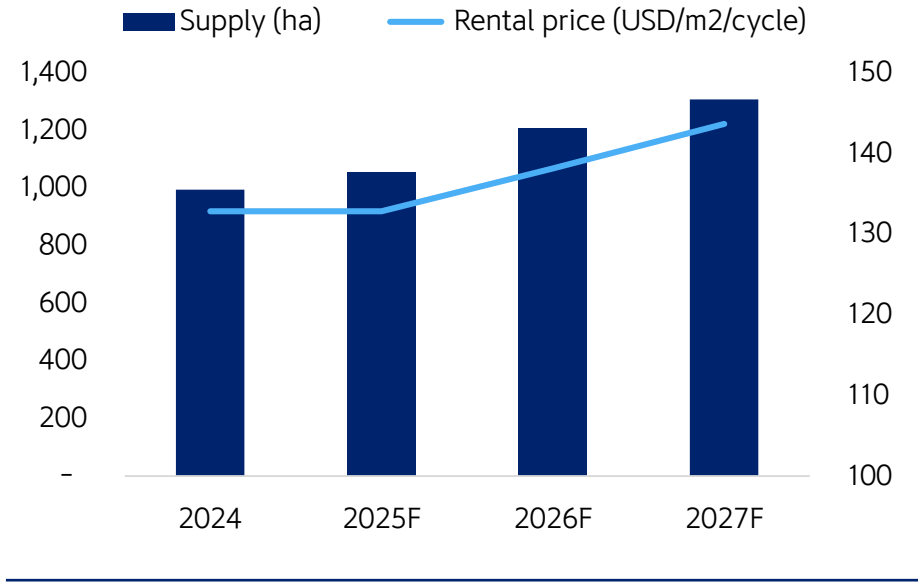


- According to the national industrial park (IP) development master plan to 2030 approved by the Government, Vietnam will add 221 new IPs, expand 76 existing ones, and adjust the planning of 22 IPs, resulting in a total additional area of approximately 108,324 hectares.
- The industrial park development strategy is clearly zoned according to each region's strengths. In the North, provinces such as Hanoi, Bac Ninh, Hai Phong, and Quang Ninh are planned to attract high-tech industries, particularly electronics. The Southern region, with Ho Chi Minh City, Binh Duong, and Dong Nai, will focus on smart manufacturing, logistics, and supply chain industries. Meanwhile, the Central region — including Da Nang, Quang Nam, and Nghe An — is oriented toward supporting industries and leveraging seaport advantages.
- Notably, coastal provinces and areas near major ports such as Quang Ninh, Hai Phong, Quang Nam, and Ba Ria–Vung Tau are set to become focal points in the strategy to expand IP land, thanks to their advantages in international trade connectivity.

FDI capital flow and industrial real estate development strategy

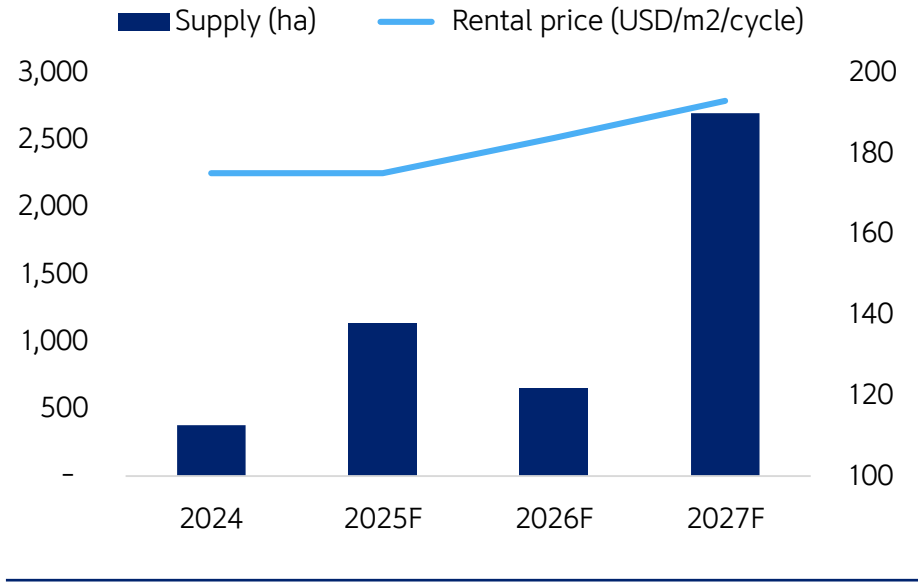
Industrial real estate prospects continue to maintain stable growth in the future

Projected cumulative area and industrial park land rental price from 2024 – 2027F in the North



Source: CBRE, Shinhan Securities Vietnam

Projected cumulative area and industrial park land rental price from 2024 – 2027F in the South



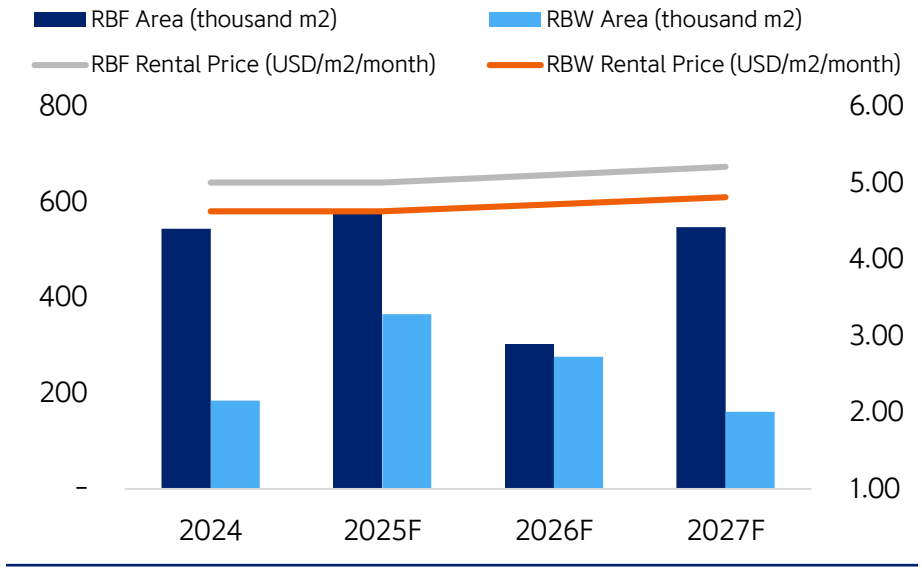
Source: CBRE, Shinhan Securities Vietnam

- We estimate that the supply of industrial real estate in 2025 will grow by approximately 1,000 hectares in the Northern region and 1,100 hectares in the Southern region. In the North, the majority of new supply will be concentrated in provinces such as Hai Phong, Vinh Phuc, and Hung Yen. In the South, the new supply is expected to be primarily located in Binh Duong, Dong Nai, and Long An.
- Industrial land prices are projected to remain flat in 2025, as uncertainties stemming from global trade tensions may lead to slower demand growth. The occupancy rate is expected to remain high, at around 83% in the Northern region and 90% in the Southern region.

FDI capital flow and industrial real estate development strategy

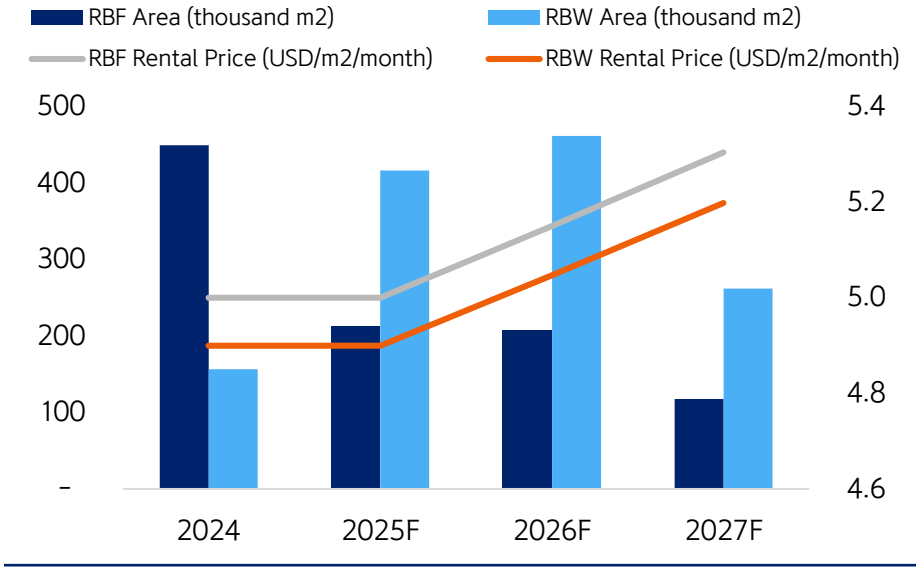
RBF and RBW supply continues to grow in line with market demand

Projected absorption area and RBF/RBW price 2024 – 2027F in the North



Source: CBRE, Shinhan Securities Vietnam

Projected absorption area and RBF/RBW price 2024 – 202F in the South



Source: CBRE, Shinhan Securities Vietnam

- According to CBRE's forecast for the 2025F–2027F period, the supply of Ready-Built Factories (RBF) is expected to remain around 500,000 m² in the Northern region, while the Southern region is projected to see approximately 200,000 m². In contrast, the supply of Ready-Built Warehouses (RBW) in the North is anticipated to reach around 300,000 m², while in the South, it is estimated at around 400,000 m².
- Rental prices and absorption rates are expected to remain flat in 2025 due to ongoing uncertainties related to global trade tensions. However, moving into 2026F, we expect rental prices to resume growth, at a projected rate of around 2%–3% per year.

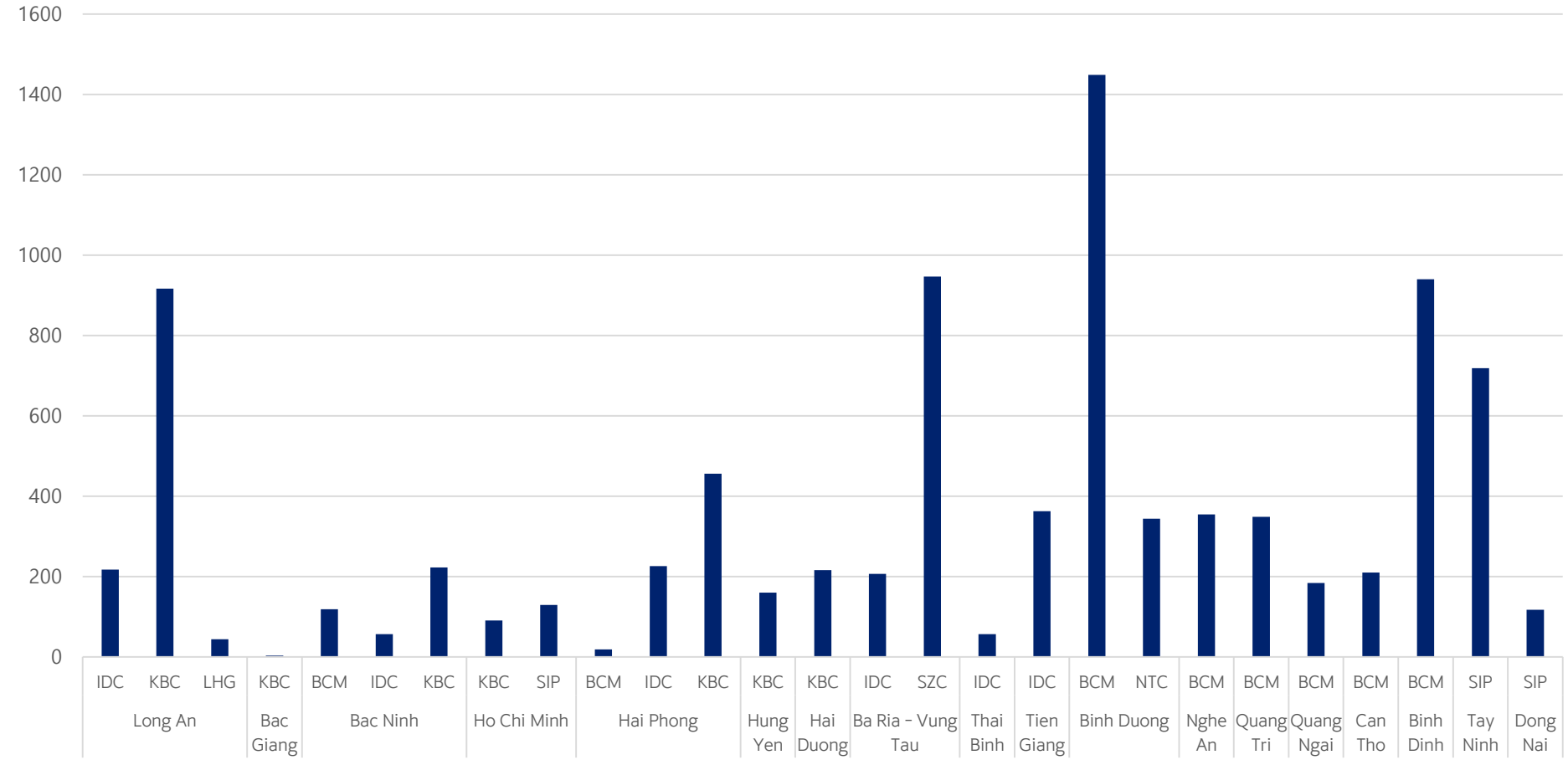
03

Update on industrial park real estate stocks

Industrial real estate developers recorded improvements in H1/2025 with both leased land area and rental prices increasing. Earnings are expected to rebound strongly in H2/2025 following a temporary slowdown in Q2/2025 due to tariff impacts.

Update on industrial park real estate stocks

Land area available for lease of some industrial park real estate enterprises by province (ha)



Source: Corporate Report, Shinhan Securities Vietnam

Update on industrial park real estate stocks

Ticker	Market price (VND)	Target Price* (VND)	Upside (%)	Market cap (Billion VND)	Revenue 1H2025 (billion VND)	Revenue growth (% YoY)	Net profit 1H2025 (billion VND)	Net profit growth (% YoY)	Revenue 2025F (Billion VND)	Revenue growth (% YoY)	Net profit 2025F (Billion VND)	Net profit growth (% YoY)	ROA - TTM (%)	ROE - TTM (%)	Cash ratio	D/E	P/E - TTM	P/B - TTM
BCM	67,700	77,000	14%	70,070	4,746	141%	1,847	354%	7,848	50%	2,034	-15%	4%	13%	0.05	1.11	26.01	3.17
KBC	37,600	43,300	15%	35,410	3,691	254%	1,251	539%	8,330	200%	1,873	390%	3%	7%	1.04	0.82	15.87	1.03
IDC	40,400	61,700	53%	15,332	3,557	-23%	833	-40%	8,363	-5%	1,899	-21%	9%	31%	0.43	0.48	8.43	2.54
SZC	35,000	45,400	30%	6,300	632	33%	221	32%	961	10%	337	11%	4%	12%	0.25	0.63	16.5	1.87
NTC	162,000	226,700	40%	3,867	277	124%	169	29%	488	33%	493	68%	5%	26%	0.08	2.09	11.84	2.97
LHG	31,600	40,000	27%	1,580	457	92%	200	106%	539	27%	216	15%	9%	16%	0.15	0.09	5.58	0.84
SIP	57,500	83,000	44%	13,921	4,071	8%	720	22%	8,048	3%	1,190	-7%	5%	30%	0.14	0.78	11.17	3.05

* Target price (fair value) in the next 12 months

Source: SSV Research, Bloomberg, Fiipro, Company Reports
Data as of 26/09/2025

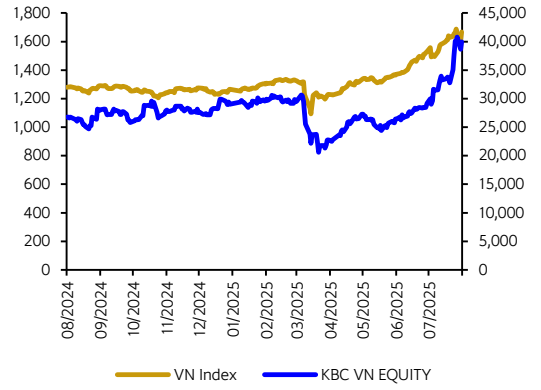
- In 6M/2025, the industrial real estate developer group reported solid earnings growth, with the majority of contributions coming from Q1/2025 (prior to the announcement of global tariff measures). Moving into Q2/2025, revenues showed signs of stagnation as land leasing activities were temporarily delayed by clients awaiting clarity on U.S. reciprocal tariff outcomes. However, most companies maintained stable profitability, supported by resilient growth in land rental prices. Developers with ready-to-lease land banks in key Northern provinces (Hai Phong, Bac Ninh, Hung Yen, Quang Ninh) and Southern provinces (Binh Duong, Dong Nai, Long An, Ba Ria–Vung Tau) continued to benefit from steady demand and rising rental levels.

- The outlook for H2/2025 is expected to improve as FDI enterprises accelerate land leasing demand following the temporary pause in Q2/2025. We recommend monitoring KBC and SZC, supported by: (1) strategic location advantages, (2) ample commercial land bank, (3) potential for complementary residential development, and (4) solid financial foundations, which together provide room for sustainable growth and long-term stability.

Kinh Bac Urban Development Corporation – (KBC VN)

Target price (12 months)	**43,300 VND**
Current price (26/09/25)	37,600 VND
Return (%)	15%
VNINDEX	1,660
Market P/E (x)	13.8
VNINDEX	35,410
Market P/E (x)	942
Market cap (billion VND)	660
Outstanding shares (mil shares)	43,100/20,050
Free-float (mil shares)	8.43
52-week high/low (VND)	315
Major SHDs (%) Dang Thanh Tam	11.25%
Major SHDs (%) Kinh Bac Consulting and Investment JSC	8.11%

Performance	3T	6T	12T
Absolute (%)	43.3	23.6	31.6
Rel.to VN-Index (%)	21.4	-1.5	2.1



Growth expectation after reciprocal tariff announcement

Kinh Bac City Development Holding Corporation (HoSE: KBC), established in 2002, is one of the leading industrial real estate developers in Vietnam. KBC has extensive experience in collaborating with and attracting major FDI corporations into Vietnam. Over 90% of KBC's industrial park tenants are foreign enterprises, originating from countries such as Japan, Taiwan, South Korea, and China, with notable clients including Canon, Foxconn, and LG.

Kinh Bac City recorded Q2/2025 net revenue of VND 579 billion (-35% YoY) and net profit after tax of VND 399 billion (+46% YoY). For 1H2025, the company achieved revenue of VND 3,691 billion, up 3.5x YoY, and net profit after tax of VND 1,250 billion, up 6.4x YoY. We estimate that industrial park (IP) land leased in 1H2025 reached approximately 86 ha (accounting for 43% of the full-year target of 200 ha). Compared to its 2025 business plan, Kinh Bac City has completed 37% of its revenue target and 39% of its net profit target. Q2/2025 results declined compared to Q1/2025, mainly due to foreign investors temporarily postponing land lease decisions while awaiting official tariff policy updates from the U.S. We expect business performance to accelerate in 2H2025 as global tariff conditions gradually stabilize.

We estimate KBC's 2025 revenue will reach approximately VND 8,188 billion (+195% YoY) with net profit after tax of VND 1,433 billion (+212% YoY). Our expectations are based on: (1) IP land lease area of around 158 ha in 2025 and 197 ha in 2026, primarily contributed by Nam Son Hap Linh, Trang Due 3, Long An IPs, and a series of newly approved projects in 2025; (2) the residential real estate segment continuing to grow in 2025, supported by the Nen Social Housing project and Trang Due Township, and expected to accelerate sharply in 2026 as the Trang Cat Township project starts recognizing revenue.

Risks:

(1)Decline in demand for industrial real estate leasing;

(2) High debt-to-equity ratio;

(3) Weakened FDI inflows;

(4) Delays in industrial project implementation progress.

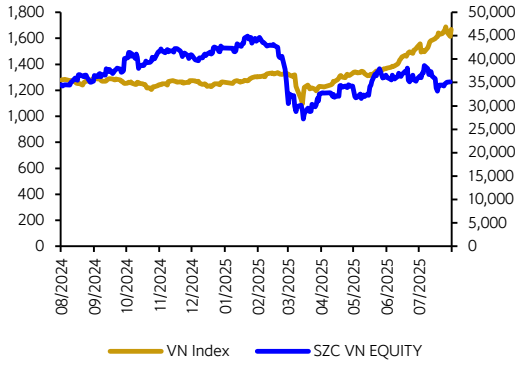
Year	2022	2023	2024	2025F	2026F
Revenue (bn VND)	950	5,618	2,776	8,330	15,220
OP (bn VND)	-245	2,883	657	3,449	6,785
OP margin (%)	(25.7)	51.3	23.7	41.4	44.6
NPATMI (bn VND)	1,526	2,031	426	1,873	3,722
NP margin (%)	160.6	36.1	15.4	22.5	24.5
EPS (VND)	1,993	2,646	555	1,989	3,953
ROE (%)	10.1	11.9	2.3	8.0	13.9
P/E (x)	12.14	12.00	49.01	20.11	10.12
P/B (x)	1.16	1.34	1.12	1.61	1.41

Source: Bloomberg, Shinhan Securities, Data as of Sep 26, 2025

Sonadezi Chau Duc Joint Stock Company – (SZC VN)

Target price (12 months)	**45,400 VND**
Current price (26/09/25)	35,000 VND
Return (%)	**30%**
VNINDEX	1,660
Market P/E (x)	13.8
Market cap (billion VND)	6,300
Outstanding shares (mil shares)	180
Free-float (mil shares)	76
52-week high/low (VND)	47,200/27,700
90-day avg. trading volume (mil shares)	2.57
90-day avg. turnover (bn VND)	101
Major SHDs (%) – Industrial Park Development JSC	46.84
Major SHDs (%) – Sonadezi Long Thanh JSC	10.08

Performance	3T	6T	12T
Absolute (%)	-3.6	-21.2	-7.3
Rel.to VN-Index (%)	-25.5	-46.3	-36.7



Solid fundamentals amid reciprocal tariff headwinds

Sonadezi Chau Duc JSC (HoSE: SZC), established on June 26, 2007, formerly known as Sonadezi Infrastructure Development JSC, primarily operates in industrial land leasing, real estate development, and BOT project investments. The industrial real estate segment accounts for over 80% of SZC's total revenue structure. SZC owns a large land bank of 2,287 hectares in Chau Duc District, Ba Ria – Vung Tau Province, of which 1,556 hectares are allocated for industrial parks, while the remainder is mainly designated for residential areas and golf courses.

SZC announced Q2/2025 net revenue of VND 218 billion (-17% YoY) and net profit after tax (NPAT) of VND 95 billion (-7% YoY). Q2/2025 results saw some decline as foreign investors expressed concerns over tariff developments. For H1/2025, revenue reached VND 632 billion (+32% YoY) and NPAT came in at VND 221 billion (+32% YoY).

- Industrial Park (IP) segment: SZC recorded revenue of VND 555 billion (+30% YoY) in H1/2025, mainly from MOUs signed in 2024, including ~30 ha contributed by Tripod (18 ha) and Vina One Steel Plant (12 ha). We expect SZC's earnings growth to decelerate in H2/2025 as most large-value MOUs were already recognized in H1/2025.

- Residential real estate segment: Revenue declined to VND 4.9 billion (-61% YoY) due to weak housing sales in H1/2025. However, recovery is expected as the real estate market improves and SZC launched pre-sales of 210 social housing units starting June 2025.

- BOT revenue: The BOT 768 project resumed toll collection on April 5, 2025, enabling SZC to record VND 31.8 billion in BOT revenue.

We expect SZC's revenue in 2025 to reach VND 961 billion (+10% YoY), while net profit is estimated at VND 337 billion (+11% YoY).

Risks:

(1) Weakened demand for industrial land leasing;

(2) Slowdown in FDI inflows;

(3) Legal and compensation issues related to Chau Duc IP;

(4) Delays in industrial park project implementation.

Year	2022	2023	2024	2025F	2026F
Revenue (bn VND)	859	818	871	961	1,076
OP (bn VND)	260	295	369	405	464
OP margin (%)	30	36	42	42.2	43.1
NPATMI (bn VND)	197	219	302	337	383
NP margin (%)	23	27	35	35.0	35.6
EPS (VND)	1,197	1,410	1,616	1,871	2,131
ROE (%)	12	13	11	10.0	10.5
P/E (x)	15	26	26	18.63	16.36
P/B (x)	2	3	2	1.87	1.72

Source: Bloomberg, Shinhan Securities, Data as of Sep 26, 2025