August 26th, 2026

Shinhan Securities

Kinh Bac City Development Holding Corporation

[Vietnam / Industrial real estate]

Bloomberg Ticker (KBC VN) | | Reuters Ticker (KBC.HM)

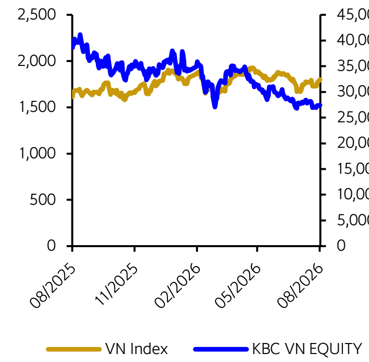
BUY

Update Report

Target price (12 months)	**VND 38,500**
Current price (26/08/2026)	VND 27,600
Upside/downside	**39%**

VNINDEX		1,8211
Market P/E		281
Market Cap (bn VND)		25,992
Outstanding shares (mn)		942
Free-Floating (mn)		684
52-Wk High/Low (VND)		43,100/26,200
90-day avg. trading volume (mn)		2.13
90-day avg. turnover (bn VND)		45
Major shareholders (%)	DTT Investment and Development JSC	9.19%
	Kinh Bac Investment and Consulting JSC	6.61%

Performance	3M	6M	12M
Absolute (%)	-12.4	-23.5	-29.0
Relative to VN-Index (%)	-7.9	-20.2	-40.5



Source: Bloomberg

Attract FDI with ESG strategies and a large land bank

Update coverage with BUY call and target price of VND 38,500

Kinh Bac City Development Corporation (KBC) is one of the leading companies in industrial park and real estate development. Kinh Bac owns projects across all three regions of Vietnam, including major cities and provinces such as Bac Giang, Hai Phong, Da Nang, Ho Chi Minh City, and Long An. Despite US tariff pressures and escalating geopolitical tensions in the Middle East, FDI inflows into Vietnam continued to show strong growth. Although 1H2026 business performance declined, KBC successfully signed MOUs covering more than 170 ha, laying a solid foundation for the second half of the year. The continuous signing of MOUs and increased investment in ESG solutions are expected to strengthen KBC's competitive advantages. Based on the RNAV valuation method, we value KBC at VND 38,500.

1H2026 earnings declined, but signed area provides a positive foundation

Kinh Bac City recorded Q2/2026 net revenue of approximately VND 589 billion (+16% YoY), while net profit after tax declined sharply to just over VND 34 billion (-91% YoY). In 1H2026, net revenue reached nearly VND 1,925 billion (down approximately 46% YoY), while net profit after tax reached approximately VND 269 billion (down 78% YoY). The decline was mainly attributable to lower land leasing revenue as projects remained in the compensation and site clearance stages. Nevertheless, with more than 170 ha of land leasing contracts signed in 1H2026, KBC is expected to gain significant momentum upon completion of handovers in late 2026.

FDI disbursement maintained strong growth amid global uncertainties

According to the National Statistics Office, as of July 2026, FDI inflows remained positive, with realized FDI estimated at USD 15.20 billion (+12% YoY) and total registered FDI reaching USD 38.06 billion (+58% YoY). The strong surge in FDI inflows indicates that Vietnam continues to maintain strong investment attractiveness despite global risks. Meanwhile, Resolution No. 10-NQ/TW is also reshaping the industrial park landscape, prioritizing the attraction of FDI associated with high technology and green development.

Revenue growth driven by projects ready for development

We expect land leasing and real estate activities to accelerate in 2H2026 as key projects such as Trang Due 3 Industrial Park and Trang Cat Urban Area commence development and operations. Entering 2027, revenue is expected to continue expanding, supported by contributions from new industrial parks, including Kim Thanh 2 (234 ha), expanded Que Vo 2 (140 ha), Binh Giang (148 ha), Song Hau 2 (380 ha), and Phu Binh (675 ha).

We estimate: Industrial park land leased will reach approximately 161 ha in 2026 and 191 ha in 2027. KBC's revenue is expected to reach approximately VND 11,158 billion (+67% YoY) in 2026 and VND 15,105 billion (+35% YoY) in 2027. Net profit after tax is forecast at VND 3,167 billion (+42% YoY) in 2026 and VND 4,908 billion (+55% YoY) in 2027.

Risks: (1) Risk of weakening FDI capital flows; (2) Risk of real estate market decline; (3) Risk of slow project implementation; (4) Legal risks.

Year to Dec.	2025	2026F	2027F	2028F	2029F
Revenue (bn VND)	**6,687**	**11,158**	**15,105**	**18,378**	**18,627**
OP (bn VND)	2,597	4,048	6,279	7,841	7,864
NP (bn VND)	**2,227**	**3,167**	**4,908**	**6,129**	**6,147**
EPS (VND)	2,500	3,242	5,024	6,274	6,292
BPS (VND)	28,932	27,623	32,147	37,921	43,713
OPM (%)	39%	36%	42%	43%	42%
NPM (%)	33%	28%	32%	33%	33%
ROE (%)	**9%**	**12%**	**16%**	**18%**	**15%**
PER (x)	14.26	8.44	5.44	4.36	4.35
PBR(x)	1.25	0.99	0.85	0.72	0.63
EV/EBITDA (x)	14.63	4.96	3.45	2.84	2.82

Source: Company data, Shinhan Securities Vietnam

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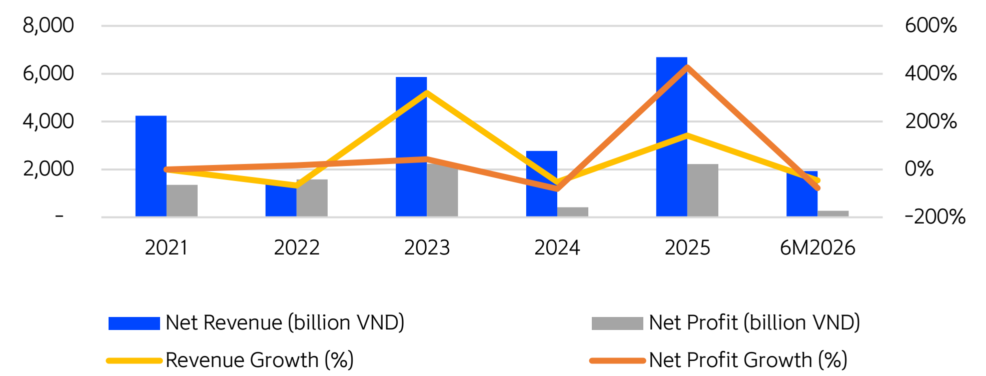
Update business results update

Update business results Q2/2026

Kinh Bac revenue and profit 2021 – Q2/2026 (billion VND)



Source: Company report, Shinhan Vietnam Securities

Kinh Bac City recorded net revenue of approximately VND 589 billion in Q2/2026 (+16% YoY), while net profit after tax declined sharply to just over VND 34 billion (-91% YoY).** For 1H2026, net revenue reached nearly VND 1,925 billion (down approximately 46% YoY), while net profit after tax stood at approximately VND 269 billion (down 78% YoY), including:

Industrial park land leasing: Revenue reached approximately VND 827 billion, with handover of approximately 15–20 ha. Gross profit margin increased from 53% in 1H2025 to 65% in 1H2026. Land leasing revenue declined YoY as projects remained in the compensation and site clearance stages and were not yet eligible for revenue recognition. Nevertheless, during 1H2026, KBC successfully signed land leasing contracts covering more than 170 ha in total. This signed area provides a solid foundation and is expected to generate significant momentum for business performance once handovers are completed in 2H2026.

Urban real estate transfers: Revenue reached approximately VND 717 billion (+74% YoY), mainly driven by the continued handover of products at the Nenh Social Housing project (Evergreen Bac Giang) and Trang Due Social Housing project. Notably, the Trang Cat Urban and Service Area continued to account for the largest share of inventory, with a carrying value of more than VND 17,800 billion. The project is expected to begin recognizing revenue in 2H2026.

Other revenue: Service provision activities (clean water, electricity, and wastewater treatment) generated VND 266 billion (+28% YoY), while factory leasing revenue reached VND 113 billion (+1% YoY), both maintaining stable performance. Notably, financial income surged to more than VND 431 billion (+164% YoY) in Q2/2026, mainly driven by approximately VND 345 billion in gains from share transfers.

Against the ambitious 2026 business plan, which targets VND 3,000 billion in net profit, Kinh Bac City has so far achieved only 19% of its full-year revenue target and approximately 8% of its full-year profit target.

KBC project implementation update

Trang Due 3 Industrial Park (Hai Phong): The project covers 652.73 ha with total estimated investment capital of more than VND 8,000 billion, and is positioned to prioritize attracting investment from high-tech, electric vehicle, and environmentally friendly supporting industries. According to the latest update from the Hai Phong Economic Zone Management Board in July 2026, the project had completed site clearance for more than 302 ha, marking a significant improvement from 163.8 ha as of end-April. Within the cleared area, KBC is accelerating infrastructure construction across more than 172 ha, with construction progress currently estimated at 12%. On the commercial front, KBC's continued ability to attract foreign investment was reaffirmed by the 22.45 ha land leasing agreement signed with CTP Asia B.V. (Europe) in May 2026.

Trang Cat Urban Area (Hai Phong): The project has largely completed key legal procedures and fulfilled its financial obligations related to land use fees. As of Q1/2026, several sub-zones had recorded progress in internal infrastructure development, with the road network and land plots relatively well-defined, reflecting preparations for the expected launch or commercialization phase from late 2026 or in 2027. Notably, the development orientation of Trang Cat has been shifted from a traditional urban township model toward an integrated smart city with high-tech applications (AI City), focusing on the use of artificial intelligence in urban management, operations, and development.

Binh Giang Industrial Park (Hai Phong): The industrial park officially broke ground on May 14, 2026. According to the plan, construction of Binh Giang Industrial Park is expected to commence in Q3/2026 and the project is scheduled to become operational in Q4/2027.

Strengthening Strategic Partnerships and ESG Development to Attract FDI

Expanding Partnerships with International Partners, Particularly Korean Companies

In 2026, KBC continued to expand cooperation with international partners to enhance its ability to attract FDI into its industrial park portfolio. On April 23, 2026, KBC signed a Memorandum of Understanding (MOU) with Rsquare Vietnam Co., Ltd., a leading industrial real estate consultancy and investment promotion firm from South Korea in Vietnam. Under the agreement, Rsquare will support KBC in investment promotion, industrial real estate solution development, and connecting FDI enterprises, particularly Korean clients. We believe this partnership will help KBC expand its access to one of the largest groups of foreign investors in Vietnam.

Continuously securing large-scale land leasing agreements

KBC continued to secure multiple land leasing contracts and MOUs with major investors, reinforcing the outlook for industrial park occupancy:

- On March 11, 2026, KBC, together with Accelerated Infrastructure Capital (AIC) and international partners, launched an AI data center project at Tan Phu Trung Industrial Park, with total estimated investment capital of approximately USD 2.1 billion. The project is expected to complete disbursement by the end of Q1/2027 and is expected to enhance the monetization value of KBC's land bank while attracting high-tech clients.
- In addition, on April 23, 2026, Soosan Vina Motor signed a land leasing contract at Nam Son – Hap Linh Industrial Park to develop a mechanical manufacturing project with total investment capital of approximately VND 1,000 billion (USD 37.9 million). The project focuses on manufacturing specialized vehicles and mechanical products, contributing to higher occupancy rates and improving tenant quality.
- On May 22, 2026, CTP Asia B.V. – a member of CTP Group (Europe) – signed an agreement to lease 22.45 ha at Trang Due 3 Industrial Park and submitted its investment license application. The company also expressed interest in leasing at least an additional 30 ha across KBC's industrial parks in Bac Ninh. In our view, this is a positive signal for the occupancy outlook of Trang Due 3 and opens up opportunities for long-term cooperation with one of Europe's leading logistics developers.

Accelerating ESG investments to enhance attractiveness to high-quality FDI

Alongside tenant acquisition activities, KBC continued to invest in ESG solutions to meet the sustainable development standards of multinational corporations.

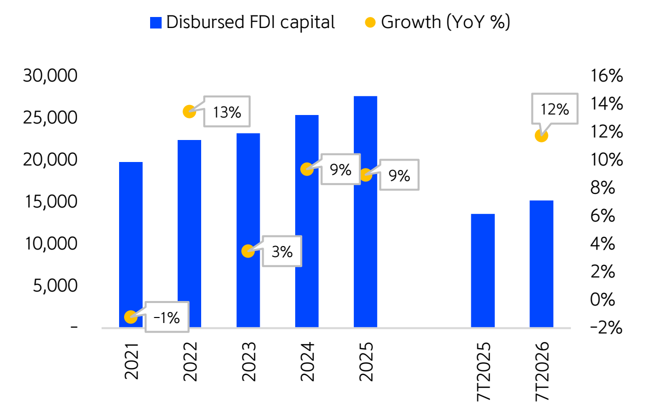
On May 22, 2026, KBC partnered with SP Group (Singapore) to study district cooling systems and energy efficiency solutions for industrial parks in Hai Phong and Tay Ninh. We view this as a strategic move aligned with the development trend of green industrial parks, helping optimize operating costs, reduce carbon emissions, and enhance KBC's competitive advantage in attracting high-quality FDI enterprises.

On June 2, 2026, KBC signed an MOU with Houselink and Glassdome Korea to deploy a carbon data management platform across key industrial parks, including Trang Due 3, Binh Giang, and Phu Binh. The system will support enterprises in meeting international ESG standards while contributing to the development of eco-industrial park models and attracting green FDI.

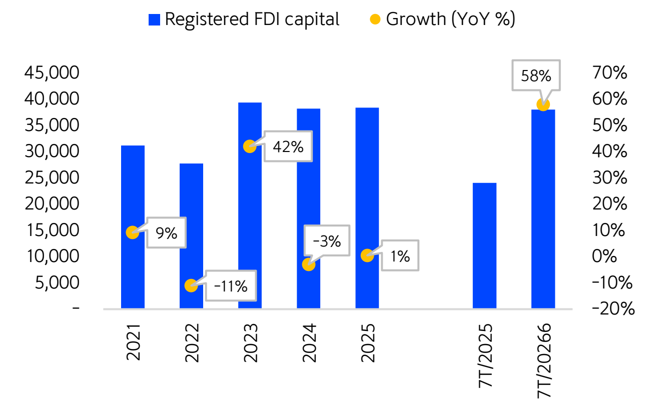
Expect FDI inflows to maintain growth amid tariff and geopolitical uncertainties

FDI disbursement maintains strong growth amid global uncertainties

FDI disbursement capital in 2021 – Q7/2026 (million USD)



Registered FDI capital 2021 – 7T/2026 (million USD)

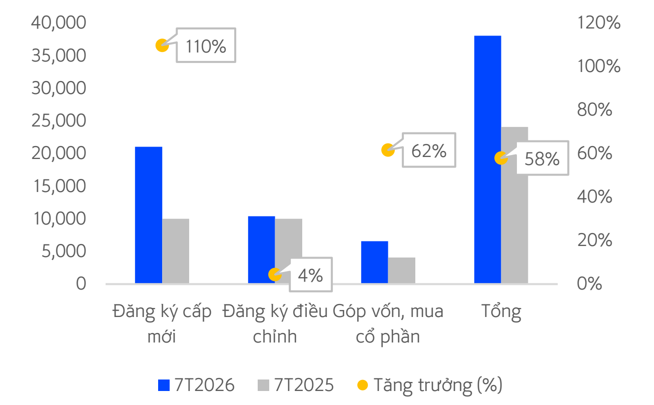


Source: General Statistics Office, Ministry of Finance

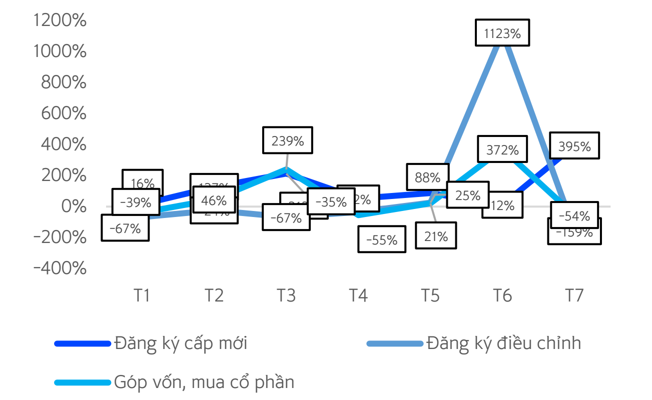
According to data from the National Statistics Office as of July 31, 2026, FDI inflows continued to show positive momentum, with realized FDI estimated at USD 15.20 billion (+12% YoY), while total registered FDI reached USD 38.06 billion (+58% YoY). The strong growth in registered FDI highlights Vietnam's continued attractiveness as a destination for foreign investment.

A sudden surge in FDI inflows

Registered FDI capital in the first 7M2025 and 7M2026 (billion USD)



Change in registered FDI capital by month (YoY%)



Source: General Statistics Office, Ministry of Finance

Registered FDI inflows recorded growth across all three components: newly registered capital, adjusted registered capital, and capital contributions and share purchases. Of these, newly registered capital recorded strong growth, reaching USD 21.05 billion (2.1x YoY), while adjusted registered capital added a further USD 10.43 billion (+4.4% YoY), and capital contributions and share purchases reached USD 6.58 billion (+61.6% YoY).

In terms of the investor structure for newly registered capital, Singapore was the largest investor with USD 7.5 billion (35.6% of the total), followed by South Korea with USD 5.61 billion, Hong Kong (China) with USD 2.91 billion, and China with USD 1.73 billion.

In terms of sectoral composition, manufacturing and processing remained the largest recipient of newly registered FDI, accounting for 55% of total newly registered capital at USD 11.58 billion. This was followed by electricity, gas, and water production and distribution, which attracted USD 3.13 billion (14.9%). For realized FDI, manufacturing and processing also maintained an overwhelming share, attracting USD 12.55 billion, equivalent to more than 82.6% of total FDI disbursed directly into factories and production facilities.

Resolution No. 10-NQ/TW to accelerate the attraction of high-quality fdi and reshape the industrial park landscape

Resolution No. 10-NQ/TW on the development of the foreign-invested economic sector, issued on June 8, 2026, is expected to serve as a key catalyst for attracting FDI and improving the quality of FDI inflows, with a focus on high-tech sectors. Accordingly, FDI is expected to play a critical role in fostering innovation, digital transformation, green transformation, and enhancing strategic autonomy. The Government has set out specific targets, including:

a. Targets by 2030

- Vietnam aims to rank among ASEAN leaders in terms of the business environment and competitiveness, with specific quantitative targets for the 2026–2030 period.
- Capital inflows: Attract USD 200–300 billion in registered FDI (USD 40–50 billion per year) and USD 150–200 billion in realized FDI.
- Quality of capital inflows: 75% of FDI should originate from developed economies. Increase by 30% the number of Fortune Global 500 multinational corporations investing in Vietnam, with a particular focus on attracting at least three leading global technology groups to establish headquarters or R&D centers in Vietnam.
- Spillover effects: Achieve an average localization rate of 45–50% in key industries. Target approximately 10,000 domestic enterprises participating in the supply chains of FDI enterprises, including 500–1,000 Tier-1 suppliers.
- Labor & environment: Raise the proportion of trained workers to 80%. Eco-industrial parks are targeted to account for approximately 10% of the total number of industrial parks nationwide.

b. Vision for 2045

- Position Vietnam as one of Asia's highly competitive regional hubs for manufacturing, services, innovation, and business operations.
- The FDI sector is expected to account for approximately 25% of total social investment and contribute around 30% of GDP, supporting Vietnam's transition into a developed, high-income country.

Assessment: Resolution No. 10-NQ/TW indicates that Vietnam is moving away from a "FDI at all costs" approach and instead prioritizing projects associated with high technology and the green economy. At the same time, the policy aims to strengthen the role of FDI enterprises in the country's development and modernization. Accordingly, industrial parks oriented toward developing infrastructure for high-tech industries, green development, and compliance with ESG standards are expected to have stronger growth prospects going forward.

Accelerating ESG development to strengthen competitive advantages in attracting high-quality FDI

Against the backdrop of major economies collectively pursuing net-zero emissions targets by 2050, ESG is no longer a trend but is gradually becoming a prerequisite for participation in global supply chains. Multinational corporations (MNCs) are facing increasing pressure from the EU's Carbon Border Adjustment Mechanism (CBAM) and stringent reporting frameworks such as the ISSB. To achieve Net Zero targets, MNCs are required to closely monitor indirect emissions across their supply chains. An industrial park without renewable energy infrastructure or circular waste management systems may be automatically excluded from the investment due diligence process for billion-dollar high-tech projects. In addition, meeting ESG criteria enables companies to access international financing and green bonds at preferential interest rates, thereby contributing to lower cost of capital.

With FDI enterprises typically holding land leases for 30–50 years, meeting these standards is considered a prerequisite for attracting FDI enterprises. To capitalize on this trend, in 2025, KBC established an ESG subcommittee headed by Ms. Dang Nguyen Quynh Anh (daughter of Mr. Dang Thanh Tam). The ESG subcommittee operates under the Board of Directors and was established to implement and oversee activities related to environmental, social, and governance (ESG) matters, ensuring that the company operates in accordance with sustainable development standards. KBC's increasing cooperation with international organizations such as SP Group, Houselink, and Glassdome Korea to implement ESG solutions and establish carbon data monitoring systems is viewed as a strategic move to meet the requirements of FDI enterprises.

Tariff pressures and geopolitical tensions have intensified again

New tariff mechanisms indicate that the Trump administration remains committed to pursuing tariff measures:

Regarding the tariff mechanism under Section 122 of the Trade Act of 1974, which imposed a 10% import tariff on goods from all countries, the 150-day tariff measure officially expired on July 24, 2026, without being extended.

Following the expiration of the measure, the US continued to pursue tariff measures under Section 301 of the Trade Act of 1974. On July 23, 2026, the Office of the United States Trade Representative (USTR) announced its final findings and proposed remedial measures under the Section 301 investigation involving 60 economies, which was initiated in March 2026.

Accordingly, President Trump directed the USTR to announce punitive tariff measures against the 60 economies involved. The tariff rates were divided into three groups:

- Group 1: An additional 10% tariff will be imposed on 17 economies, including Argentina, Bangladesh, Cambodia, Canada, Ecuador, El Salvador, Guatemala, Honduras, India, Indonesia, Jordan, Malaysia, Mexico, Pakistan, Sri Lanka, Trinidad and Tobago, and the United Kingdom.
- Group 2: Tariffs ranging from 10% to 12.5% will be imposed on five economies. The "MFN deduction" mechanism will apply, under which the combined existing MFN tariff and additional tariff under the Section 301 forced labor investigation will be 10% for the EU and Taiwan (China), and 12.5% for Japan, South Korea, and Switzerland.
- Group 3: An additional 12.5% tariff will be imposed on all remaining economies, including Vietnam.

The US and Iran seek a diplomatic solution, but the cycle of conflict remains unresolved

The US and Iran signed the Islamabad Memorandum of Understanding (MoU) on June 14, 2026, providing a framework for maintaining a 60-day ceasefire and reopening transit through the Strait of Hormuz. However, the agreement quickly broke down after Iran's IRGC was accused of attacking a Cyprus-flagged container vessel on July 7, 2026. President Donald Trump immediately declared the MoU null and void, reinstated a maritime blockade against Iran, and launched large-scale airstrikes during July 11–14. Notably, regarding President Trump's earlier announcement that the US would impose a 20% fee on all goods transported through the Strait of Hormuz, he officially withdrew the measure on July 14, 2026, following opposition from the International Maritime Organization (IMO).

Entering August 2026, the situation in the Middle East has shifted markedly from direct military confrontation toward financial containment. Amid diplomatic efforts by intermediary countries such as Oman, the intensity of military clashes around the Strait of Hormuz has eased to some extent, allowing Brent crude prices to temporarily retreat from a peak of USD 95/bbl in late July to trade around USD 78–82/bbl in early August 2026.

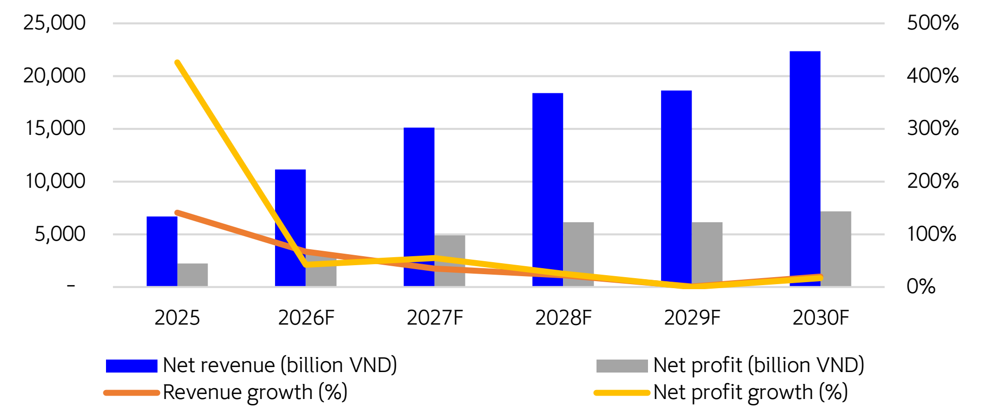
However, geopolitical risks have not diminished but have instead shifted into another form. On August 20, 2026, President Donald Trump officially announced the launch of an "economic war and unprecedented isolation" campaign against Iran. Notably, the US is not only imposing direct sanctions but is also threatening to introduce extremely stringent secondary financial sanctions against any country or organization worldwide that assists Tehran in circumventing sanctions.

Impact assessment: US tariff measures and escalating US–Iran geopolitical tensions could trigger a degree of caution among foreign investors when expanding their operations in Vietnam. Nevertheless, registered FDI in July and cumulative 7M2026 continued to record positive growth, reaffirming the resilience of Vietnam's investment attractiveness amid global volatility. Supported by its existing competitive advantages, we expect FDI inflows to maintain positive growth momentum in 2H2026.

Earnings estimates

Revenue growth to be driven by projects ready for operation

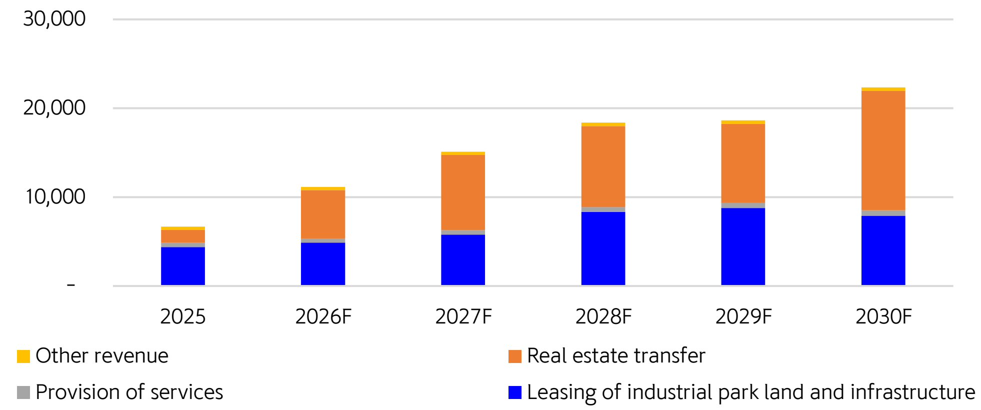
Kinh Bac net revenue and net profit forecast 2025 – 2030F



Source: Company report, Shinhan Securities Vietnam

We forecast Kinh Bac City Development Corporation's net revenue to reach approximately VND 11,158 billion (+67% YoY) in 2026 and VND 15,105 billion (+35% YoY) in 2027. Net profit after tax is expected to reach VND 3,167 billion (+42% YoY) in 2026 and VND 4,908 billion (+55% YoY) in 2027.

Kinh Bac revenue structure 2025 – 2030F (billion VND)



Source: Company report, Shinhan Securities Vietnam

The majority of KBC's revenue and profit in 2026 is expected to come from industrial park land leasing and real estate project transfers.

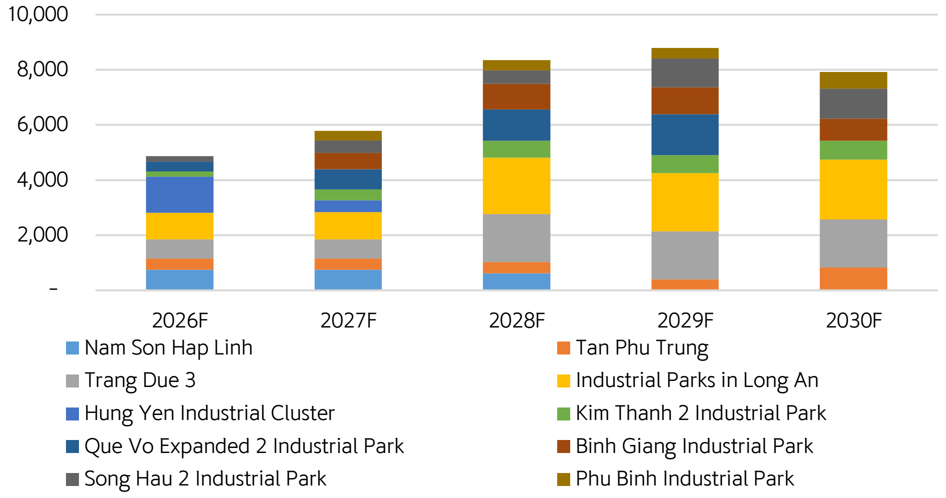
Industrial park real estate: Revenue is estimated at VND 4,873 billion (+11% YoY), supported by several key projects that completed major legal procedures and entered the infrastructure development phase in 2025.

Residential real estate: Revenue is expected to reach VND 5,467 billion (+274% YoY), primarily driven by the Trang Cat Urban Area project. We expect KBC to begin recognizing revenue from project launches in 2026.

Ancillary services and factory leasing: Revenue from ancillary services, including clean water, electricity, service fees, and wastewater treatment, as well as factory leasing, is expected to maintain stable growth of around 10%, supported by the continued expansion of KBC's industrial park portfolio.

Industrial park segment revenue is expected to grow strongly, supported by an ample industrial land bank

Forecast of Kinh Bac's industrial park revenue 2026F – 2030F (billion VND)



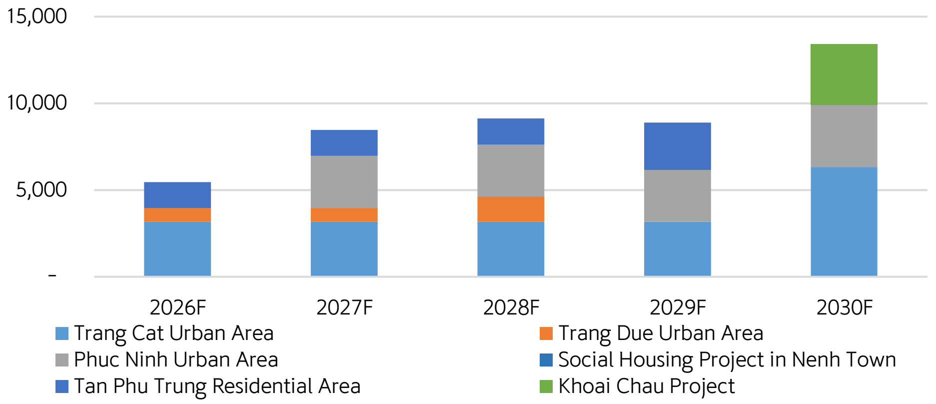
Source: Company report, Shinhan Securities Vietnam

We estimate that KBC will lease approximately 160 ha in 2026, mainly from Nam Son Hap Linh Industrial Park (20 ha), Tan Phu Trung Industrial Park (15 ha), Hung Yen Industrial Cluster (50 ha), and Trang Due 3 Industrial Park (20 ha).

Entering 2027, industrial park real estate revenue is expected to continue expanding, supported by increasing contributions from new industrial parks, including Kim Thanh 2 Industrial Park (234 ha), expanded Que Vo 2 Industrial Park (140 ha), Binh Giang Industrial Park (148 ha), Song Hau 2 Industrial Park (380 ha), and Phu Binh Industrial Park (675 ha). We estimate that KBC could lease approximately 190 ha in 2027.

Real estate revenue is expected to accelerate, driven by contributions from the Trang Cat Urban Area

Forecast of Kinh Bac's real estate transfer revenue 2025F - 2029F (billion VND)



Source: Company report, Shinhan Securities Vietnam

For the real estate transfer segment, the Trang Cat Urban Area project is expected to be a key long-term growth driver for KBC. We forecast KBC to recognize approximately 10 hectares in 2026, with stable handover volumes in the following years.

Long-term potential from Khoai Chau Integrated Urban, Eco-tourism and Golf Complex (Trump International Hung Yen)

In terms of long-term outlook, we have a positive view on the Khoai Chau Integrated Urban, Eco-tourism and Golf Complex project (Trump International Hung Yen). With construction expected to span from Q2/2025 to Q2/2029, we anticipate the project to begin contributing to KBC's revenue from 2030 onwards, with estimated annual revenue exceeding VND 3,500 billion.

Valuation and Recommendation

Update valuation with BUY recommendation, target price VND 38,500

We update our valuation following the share issuance and land bank expansion of Kinh Bac City Development Holding Corporation (KBC). We issue a Buy recommendation with a target price of VND 38,500, implying an upside of 39%. For long-term investment perspectives, KBC may be considered based on the following strengths:

1) One of the leading industrial park developers with a sizable land bank
2) Steady FDI inflows supporting industrial land leasing demand
3) Strong growth outlook driven by an extensive land bank and a robust project pipeline

Valuation method

We apply the revalued net asset value (RNAV) method to value KBC. Based on the RNAV method, we estimate the value of KBC shares at VND 38,500.

The RNAV method

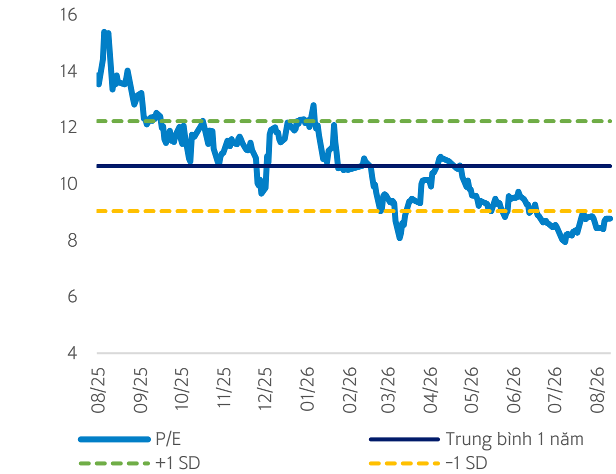
Project Name	**Ownership (%)**	**Valuation method**	**Discount (%)**	**Value (billion VND)**
- Industrial Park				19,309
Nam Son Hap Linh	100%	RNAV		1,161
Tan Phu Trung	73%	RNAV		1,347
Trang Due 3	89%	RNAV		5,450
Hung Yen Industrial Cluster	89%	RNAV		804
Kim Thanh 2 Industrial Park	94%	RNAV		397
Que Vo Industrial Park Expansion 2	100%	RNAV		1,016
Binh Giang Industrial Park	100%	RNAV		1,307
Song Hau 2 Industrial Park	100%	RNAV		310
Phu Binh Industrial Park	100%	RNAV		885
Industrial Parks in Long An		RNAV		4,537
Service Fees of Industrial Parks		DCF		2,095
- Urban Area				**26,682**
Trang Cat	100%	DCF	10%	18,762
Trang Due Urban Area	100%	DCF		862
Khoai Chau Urban Complex, Eco-tourism, Golf Course Project	85%	DCF	30%	5,097
Other Projects		DCF		1,961
Total				**45,991**
+ Cash and short-term investments				10,303
+ Long-term investments, fixed assets			20%	10,506

- Debt				28,638
- Minority interests				1,900
Equity value (VND billion)				**36,262**
Number of shares				941,754,759
Target price (VND)				**38,500**
Current price (VND)				27,600
Upside (%)				**39%**

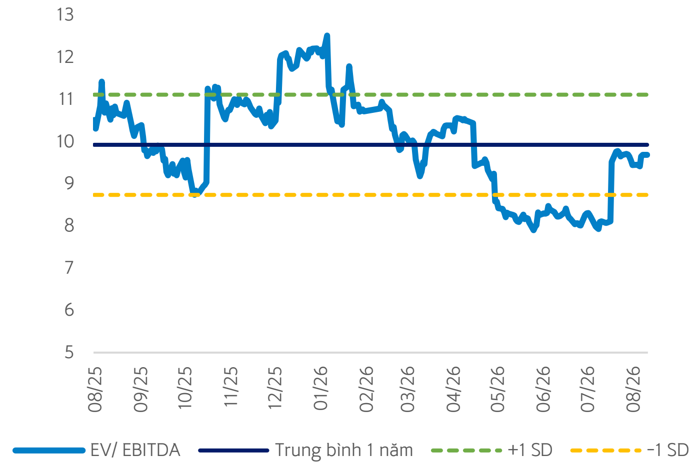
Variable	Value
D/E	1.12
Beta	1.4
Risk-free rate	4.4%
Cost of equity	19.2%
Cost of debt	9.8%
WACC	13.2%

For the Weighted average cost of capital (WACC), we use the 10-year Vietnamese government bond yield at 4.3% as the risk-free rate. Beta is calculated based on historical data of the last 5 years of KBC and VNINDEX.

P/E 1 year

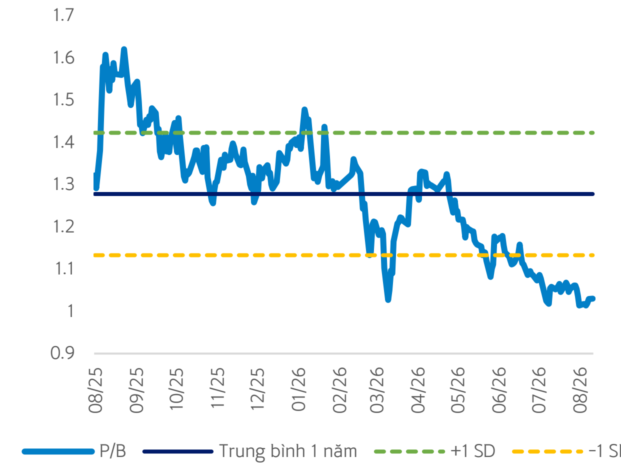


EV/EBITDA 1 year

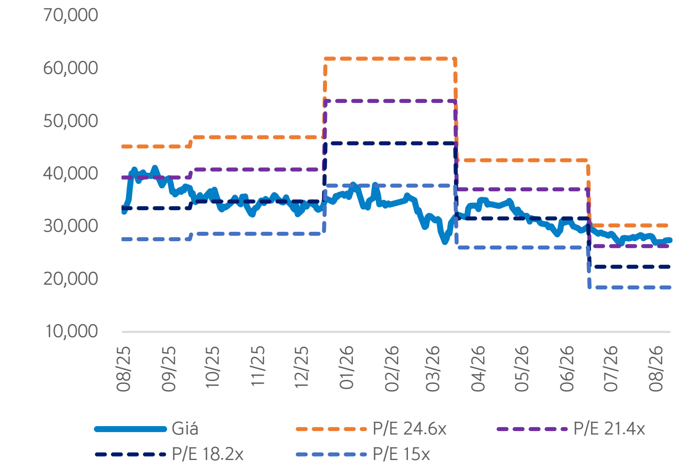


Source: Bloomberg data, Shinhan Securities Vietnam

P/B 1 year

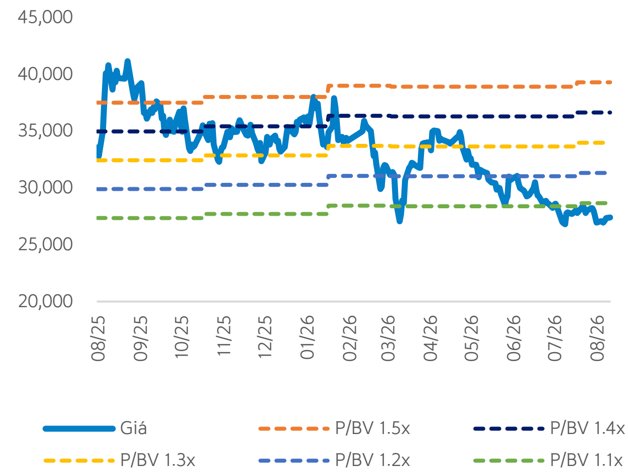


P/E band

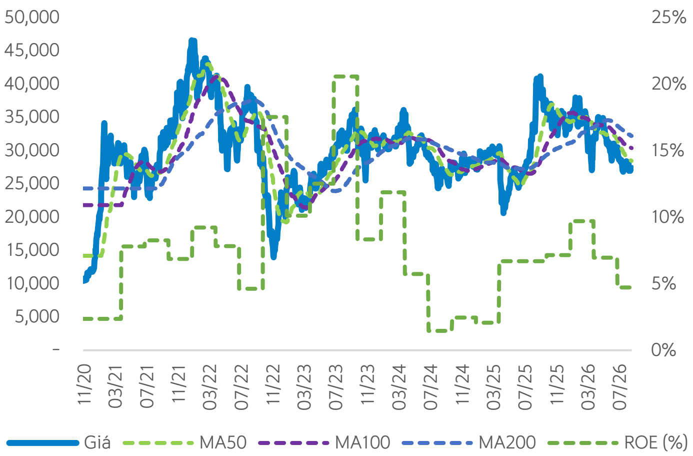


Source: Bloomberg data, Shinhan Securities Vietnam

P/B band

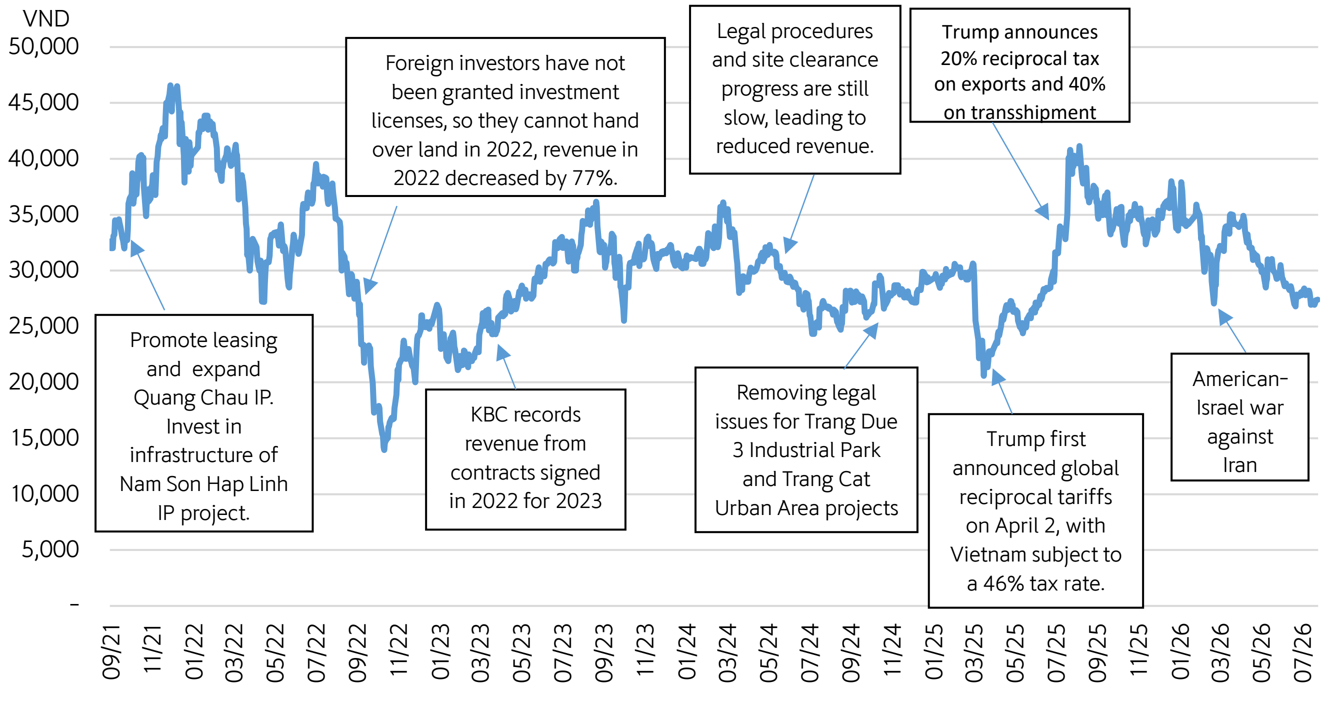


ROE and MA



Source: Bloomberg data, Shinhan Securities Vietnam

KBC's important events



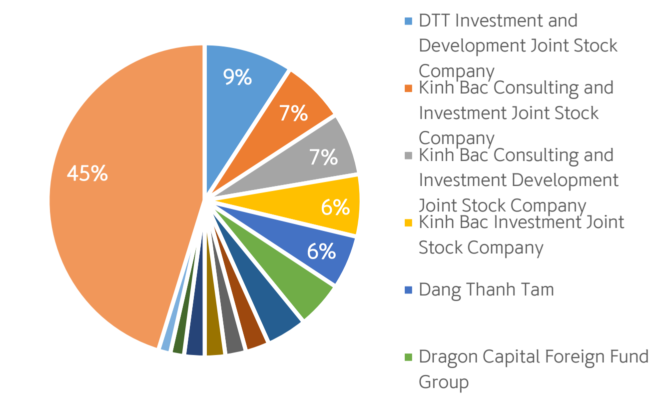
Source: Bloomberg, Company data, Shinhan Securities Vietnam

Company background

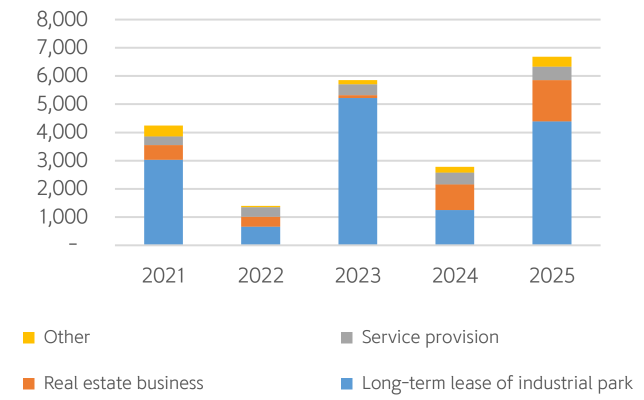
Company history

Kinh Bac City Development Holding Corporation (HoSE: KBC), established in 2002, is one of the leading industrial real estate development enterprises in Vietnam. KBC has experience working with and attracting leading FDI corporations in Vietnam. More than 90% of customers at KBC's industrial park are foreign corporations, from countries such as Japan, Taiwan, Korea, and China with big names such as Canon, Foxconn, LG... By the end of 2023, KBC owned a land fund of up to 6,611 ha of industrial park land from North to South.

Shareholder structure of KBC Q2/2026



KBC's revenue structure from 2021 – 2025 (billion VND)

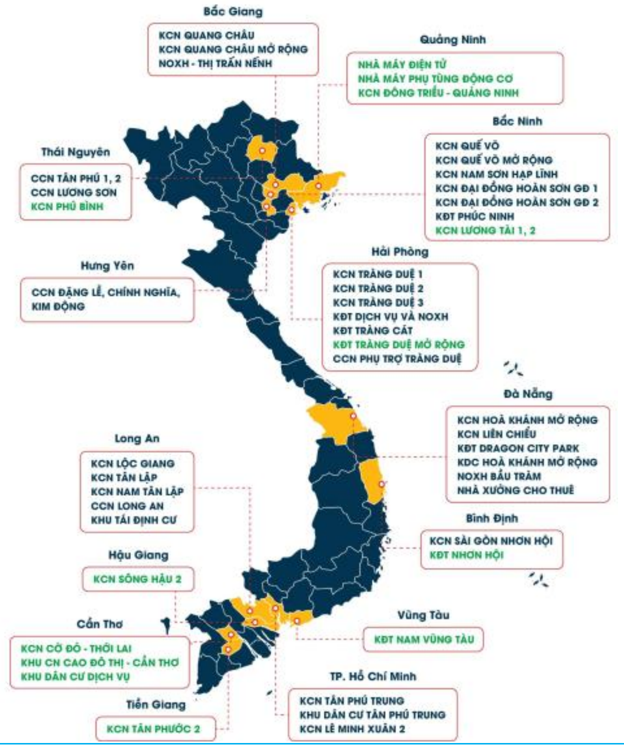


Source: Company report, Shinhan Vietnam Securities

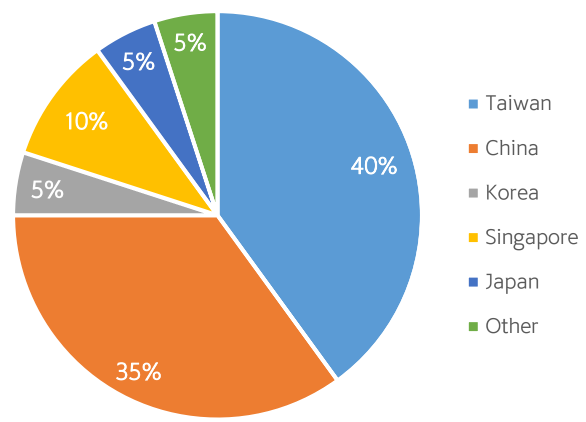
Kinh Bac is mostly owned by the Chairman of the Board of Directors Dang Thanh Tam and his related companies. Major shareholders account for 53% of the shareholder structure.

Kinh Bac's revenue mainly comes from long-term leasing of land and infrastructure in industrial parks, accounting for 50% - 70% of KBC's revenue structure. In addition, real estate business and service provision in industrial parks account for about 15% and 10%, respectively.

Overview of KBC's industrial parks in 2024



KBC's customer structure by country in 2025 (%)

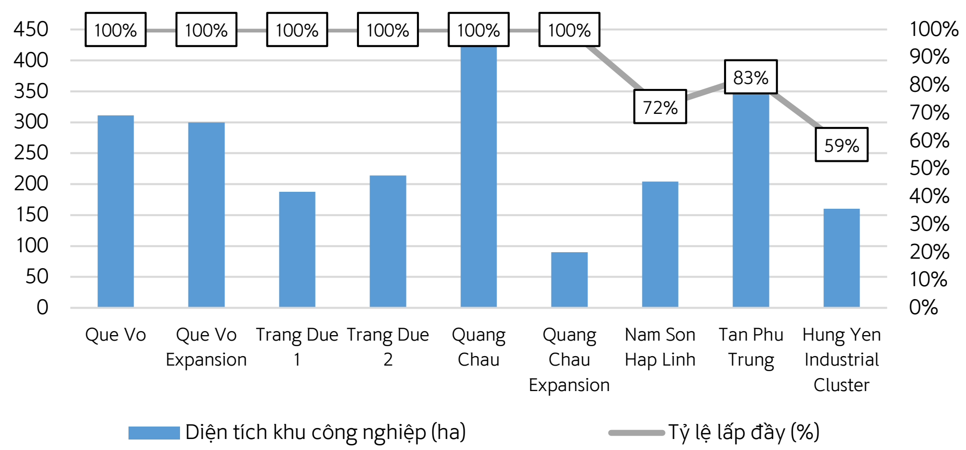


Source: Company report, Shinhan Vietnam Securities

KBC's projects are distributed in all three regions: North - Central - South, in large cities such as Bac Giang, Hai Phong, Da Nang, Ho Chi Minh, and Long An. Along with operating current projects, KBC is also establishing new projects in Hung Yen, Hai Duong, Quang Ninh, Tay Ninh, Vung Tau, Tien Giang,...

More than 90% of customers in KBC's industrial parks are foreign businesses from Japan, Taiwan, Korea, China, Hong Kong, etc. Some large corporations rent KBC industrial parks include Canon, Foxconn, LG, JA Solar, Luxshare – ICT, Goertek, Fuyu, Jufeng, and Ingrasys, ... Which customers from Taiwan and China are the main customer groups at KBC industrial parks.

Industrial parks area and occupancy rate of KBC's current operating industrial parks in 2025



Source: Company report, Shinhan Vietnam Securities

KBC's industrial parks are located mainly in big cities with high occupancy rates. Of the total 6,611 ha of industrial park land mentioned above, 05 industrial parks have a total area of 1,529 ha and achieve a 100% occupancy rate. Normally, it takes KBC about 6 years to reach an occupancy rate of over 90%.

Appendix: Financial Statements

Statement of financial position

Year to Dec. (bn VND)	2025	2026F	2027F	2028F	2029F
Total assets	69,751	70,139	76,070	82,555	90,408
Current assets	55,217	55,501	61,292	67,647	75,362
Cash & equivalents	8,387	5,960	10,461	15,247	21,078
Short-term financial asset	1,917	1,917	1,917	1,917	1,917
Accounts receivable	17,959	19,860	21,983	24,360	27,028
Inventories	26,955	27,763	26,931	26,123	25,339
Non-current assets	14,534	14,638	14,778	14,909	15,046
Net fixed assets	489	514	544	566	578
Investment assets	-	-	-	-	-
Other long-term assets	14,045	14,125	14,233	14,343	14,468
Total liabilities	43,006	42,226	43,895	44,943	47,341
Current liabilities	14,964	13,570	14,371	14,100	14,374
Accounts payable	595	562	579	571	575
Short-term borrowings	2,793	2,849	2,924	3,016	3,109
Others	11,576	10,159	10,867	10,513	10,690
Non-current liabilities	28,042	28,656	29,524	30,843	32,966
Long-term borrowings	25,845	26,403	27,158	28,077	29,009
Other financial liabilities	2,196	2,252	2,366	2,766	3,958
Total shareholders' equity	26,745	27,914	32,175	37,613	43,067
Charter capital	9,418	9,418	9,418	9,418	9,418
Capital surplus	5,163	5,163	5,163	5,163	5,163
Retained earnings	6,927	8,096	12,357	17,795	23,250
Other capital	3,336	3,336	3,336	3,336	3,336
Non-controlling interest equity	1,900	1,900	1,900	1,900	1,900
*Total debt	28,638	29,252	30,083	31,093	32,118
*Net debt (cash)	20,252	23,291	19,622	15,846	11,040

Source: Company data, Shinhan Securities Vietnam

Statement of cash flow

Year to Dec. (bn VND)	2025	2026F	2027F	2028F	2029F
Cash flow from operations	(18,053)	(1,047)	4,264	4,370	5,402
Net profit	2,925	4,070	6,308	7,876	7,899
Depreciation expense	163	84	93	103	112
(Gain) from investing activities	(622)	-	-	-	-
Interest expense/ income	(105)	(1,042)	(1,068)	(1,101)	(1,138)
Change in working capital	(20,172)	(2,997)	720	(275)	851
Others	(242)	(1,162)	(1,788)	(2,232)	(2,323)
Cash flow from investments	(2,247)	(109)	(124)	(124)	(124)
Change in fixed assets	(498)	(109)	(124)	(124)	(124)
Change in investment assets	133	-	-	-	-
Others	(1,881)	-	-	-	-
Cash flow from financing	22,120	(1,270)	360	540	554
Change in equity	4,164	-	-	-	-
Net borrowing	17,957	614	831	1,011	1,025
Dividends	(0)	(1,884)	(471)	(471)	(471)
Change in total cash	1,821	(2,426)	4,500	4,786	5,831
Beginning cash	6,566	8,387	5,960	10,461	15,247
Change in FX rates	-	-	-	-	-
Ending cash	8,387	5,960	10,461	15,247	21,078

Source: Company data, Shinhan Securities Vietnam

Statement of comprehensive income

Year to Dec. (bn VND)	2025	2026F	2027F	2028F	2029F
Revenue	6,687	11,158	15,105	18,378	18,627
Growth (%)	141%	67%	35%	22%	1%
COGS	(3,496)	(5,442)	(6,904)	(8,354)	(8,450)
Gross profit	3,191	5,715	8,201	10,023	10,177
GPM (%)	48%	51%	54%	55%	55%
SG&A	(750)	(1,281)	(1,538)	(1,755)	(1,789)
Operating profit	2,442	4,434	6,664	8,269	8,388
Growth (%)	237%	82%	50%	24%	1%
OPM (%)	37%	40%	44%	45%	45%
Non-operating profit	483	(365)	(356)	(392)	(489)
Financial income	681	279	287	258	177
Financial expense	(705)	(1,042)	(1,068)	(1,101)	(1,138)
In which: interest expenses	(639)	(1,042)	(1,068)	(1,101)	(1,138)
Net other non-operating profit	507	399	425	451	472
Pre-tax profit	2,925	4,070	6,308	7,876	7,899
Income tax	(698)	(903)	(1,399)	(1,747)	(1,752)
Net profit	2,227	3,167	4,908	6,129	6,147
Growth (%)	426%	42%	55%	25%	0%
NPM (%)	33%	28%	32%	33%	33%
Controlling interest	2,147	3,053	4,732	5,909	5,926
Non-controlling interest	80	114	176	220	221
EBIT	3,564	5,112	7,376	8,978	9,037
Growth (%)	260%	43%	44%	22%	1%
EBIT Margin (%)	53%	46%	49%	49%	49%
EBITDA	3,727	5,196	7,469	9,080	9,149
Growth (%)	223%	39%	44%	22%	1%
EBITDA Margin	56%	47%	49%	49%	49%

Source: Company data, Shinhan Securities Vietnam

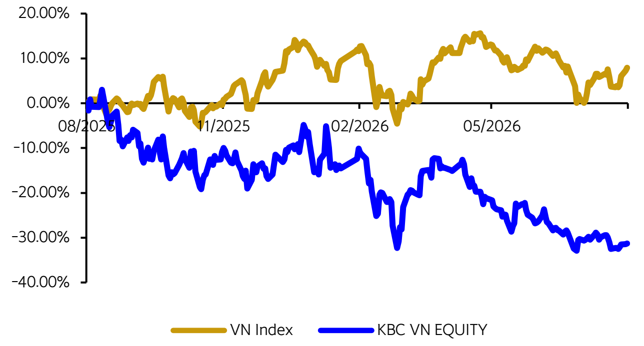
Key ratios

Year to Dec.	2025	2026F	2027F	2028F	2029F
EPS (VND)	2,500	3,242	5,024	6,274	6,292
BPS (VND)	28,932	27,623	32,147	37,921	43,713
DPS (VND)	0	2,000	500	500	500
PER (x)	14.26	8.44	5.44	4.36	4.35
PBR (x)	1.25	0.99	0.85	0.72	0.63
EV/EBITDA (x)	14.63	4.96	3.45	2.84	2.82
Dividend payout ratio (%)	0%	7%	2%	1%	1%
Dividend yield (%)	0%	7%	2%	2%	2%
Profitability					
EBITDA margin (%)	56%	47%	49%	49%	49%
OPM (%)	37%	40%	44%	45%	45%
NPM (%)	33%	28%	32%	33%	33%
ROA (%)	4%	5%	7%	8%	7%
ROE (%)	9%	12%	16%	18%	15%
Stability					
Debt to equity ratio (%)	107%	105%	93%	83%	75%
Net debt ratio (%)	543%	448%	263%	175%	121%
Cash ratio (%)	56%	44%	73%	108%	147%
Interest coverage ratio (x)	5.57	4.90	6.90	8.15	7.94
Activity (%)					
Inventory turnover (days)	1,114	895	661	527	504
Accounts receivable turnover (days)	839	599	486	440	477
Accounts payable turnover (days)	59	39	30	25	25

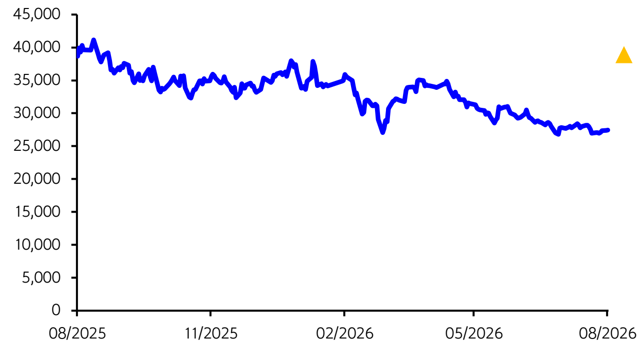
Source: Company data, Shinhan Securities Vietnam

Kinh Bac City Development Holding Corporation (KBC)

Stock price



Target price



Date	Rating	TP (VND)	TP gap (%)	
			TB	TB
29/12/2023 (Initiate)	BUY	42,400	50	16/114
11/03/2024 (Update)	BUY	42,400	48	16/103
26/11/2024 (Update)	BUY	34,600	14	-5/43
24/03/2025 (Update)	BUY	38,000	25	5/57
17/07/2025 (Update)	BUY	38,100	48	22/90
28/08/2025 (Update)	HOLD	43,300	27	2/116
11/11/2025 (Update)	BUY	41,300	40	3/121
09/04/2026 (Update)	BUY	39,500	25	-8/97
26/08/2026 (Update)	BUY	38,500	40	3/121

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

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

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