Sonadezi Chau Duc Joint Stock Company

[Vietnam / Industrial real estate]

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

BUY

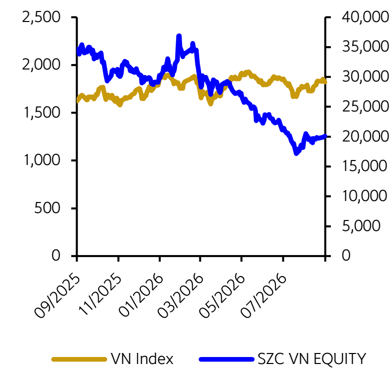
Update Report

Target price (12 months)	**VND 33,300**
Current price (09/09/2026)	VND 19,600
Upside/downside	**70%**

VNINDEX	1,827
Market P/E	279
Market Cap (bn VND)	3,527
Outstanding shares (mn)	180
Free-Floating (mn)	77
52-Wk High/Low (VND)	37,400/16,900
90-day avg. trading volume (mn)	0.51
90-day avg. turnover (bn VND)	9

Major shareholders (%)	Industrial Park Development Corporation	46.84%
	Sonadezi Long Thanh JSC	10.08%

Performance	3M	6M	12M
Absolute (%)	-13.1	-30.7	-42.8
Relative to VN-Index (%)	-15.0	-41.3	-54.4



Source: Bloomberg

Core business operations remain positive

Update coverage with BUY call and target price of VND 33,300

Sonadezi Chau Duc Joint Stock Company (SZC) is one of the developers of industrial park and real estate projects in Chau Duc District, Ba Ria – Vung Tau Province. Sonadezi Chau Duc owns a large land bank with a total area of 2,287 ha for the development of industrial parks (IPs), urban areas and a golf course. SZC's business performance has been affected by the new accounting policy, although cash flows from its industrial park operations remained highly positive in 1H2026. We expect industrial land lease area in 2026 to remain broadly in line with the previous year at approximately 45 ha, reflecting a balance between supporting catalysts and potential risks facing the company. The commencement of commercial operations at Long Thanh International Airport is expected to generate positive spillover effects, thereby enhancing the area's attractiveness to investors. However, tariff-related uncertainties and geopolitical risks will remain key headwinds for SZC. Based on the RNAV valuation method, we value SZC at VND 33,300 per share.

1H2026 earnings decline due to accounting changes, while underlying cash flows remain positive

SZC's consolidated revenue in Q2/2026 was approximately VND 132 billion (-39% YoY), while profit after tax reached VND 19 billion (-80% YoY). The decline reported in the financial statements was primarily attributable to the company's transition from one-off recognition of industrial park (IP) revenue to periodic revenue recognition under Circular 99/2025/TT-BTC. Nevertheless, in 1H2026, SZC recorded net revenue of VND 234 billion and profit after tax of VND 36 billion, fulfilling 64% of its full-year plan. Notably, SZC signed additional IP land lease contracts for nearly 33 ha, generating highly positive operating cash flows of approximately VND 460 billion.

Both disbursed and registered FDI capital surged despite global uncertainties

According to data updated by the General Statistics Office as of August 31, 2026, realized FDI was estimated at USD 17.25 billion (+12% YoY), marking the highest disbursement level in the past five years. Notably, total registered FDI reached USD 40.63 billion (+55.4% YoY), surpassing the USD 40 billion mark, supported by strong growth in both newly registered and additional capital. Registered FDI continued to surge despite geopolitical tensions and tariff-related uncertainties, reaffirming Vietnam's position as an attractive destination for foreign investment.

Reported revenue to decline, while core businesses from IP and urban development remain intact

We forecast FY2026 net revenue of approximately VND 522 billion (-52% YoY), with net profit expected to reach VND 76 billion (-78% YoY), mainly due to changes in the revenue recognition method. With Long Thanh International Airport expected to commence commercial operations by the end of 2026, we expect SZC's IP land leasing and residential real estate businesses to become increasingly attractive. Accordingly, we estimate new land lease area to remain stable at 45 ha despite global uncertainties. Revenue from the residential real estate segment is also expected to provide a potential source of income, supported by the continued launch of inventory from the Sonadezi Huu Phuoc project and the sale and leasing of 210 social housing units.

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)	**1,098**	**522**	**581**	**588**	**659**
OP (bn VND)	474	97	124	142	171
NP (bn VND)	**345**	**76**	**97**	**111**	**133**
EPS (VND)	1,766	425	539	614	738
BPS (VND)	17,797	17,722	17,761	17,875	18,113
OPM (%)	43%	19%	21%	24%	26%
NPM (%)	31%	15%	17%	19%	20%
ROE (%)	**11%**	**2%**	**3%**	**3%**	**4%**
PER (x)	15.20	46.85	36.90	32.40	26.96
PBR(x)	1.64	1.12	1.12	1.11	1.10
EV/EBITDA (x)	15.53	4.55	10.90	8.46	7.70

Source: Company data, Shinhan Securities Vietnam

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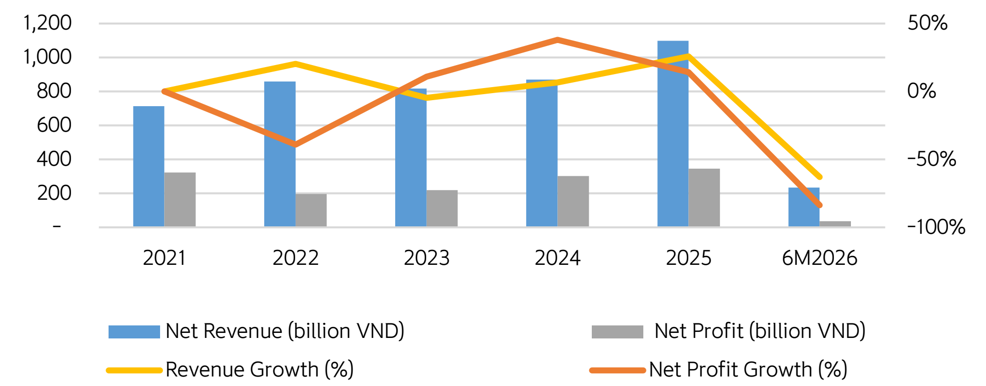
Update business results

Updated business results for 6M2026.

Revenue and Profit of Sonadezi Chau Duc JSC 2021 – 6M2026 (billion VND)



Source: Company report, Shinhan Securities Vietnam

SZC's consolidated revenue in Q2/2026 reached approximately VND 132 billion (-39% YoY), while profit after tax stood at VND 19 billion (-80% YoY). The decline in reported financial results primarily reflected the company's adoption of the new accounting policy, under which revenue recognition shifted from one-off recognition to recognition over the lease term of industrial park (IP) land. Nevertheless, in 1H2026, SZC recorded consolidated net revenue of VND 234 billion (45% of the full-year plan) and profit after tax of VND 36 billion (64% of the full-year plan), including:

Revenue from IP land leasing: Customer acquisition and contract execution progress remained key highlights. In 1H2026, SZC signed 06 contracts and 04 agreements, leasing an additional nearly 33 ha of IP land. This area corresponds to expected contract revenue of approximately VND 1,000 billion. Revenue from IP land leasing reached VND 68 billion (-88% YoY), mainly due to the change in revenue recognition under Circular 99/2025/TT-BTC, whereby one-off revenue recognition is replaced by periodic recognition, while proceeds from land leasing are transferred to unearned revenue. Total unearned revenue reached VND 826 billion, up VND 516 billion from the beginning of the year. Cash inflows from IP business operations remained positive at approximately VND 460 billion.

Revenue from residential real estate: Amid declining liquidity in the broader market, the residential real estate segment recorded 1H2026 revenue of approximately VND 46 billion (25% of the full-year plan), mainly from the handover of the Sonadezi Huu Phuoc Residential Area and social housing projects. SZC also recorded its strongest positive signal from the social housing project at the Sonadezi Huu Phuoc Residential Area, as SZC successfully leased all 105 units in Phase 1 (100% occupancy) to Tripod, a major customer in the IP. Accordingly, the company recorded approximately VND 1.1 billion in revenue from social housing leasing in Q2/2026.

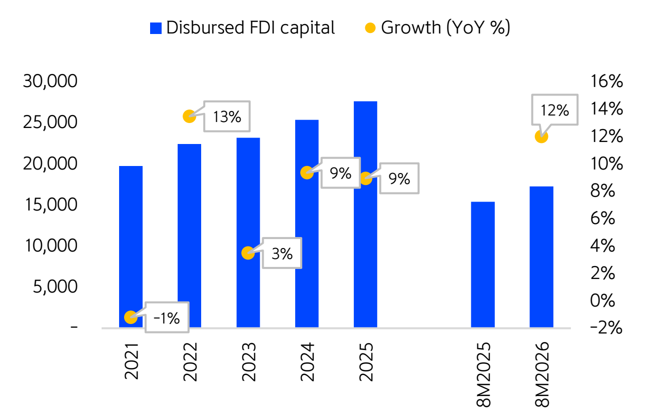
BOT revenue: The BOT 768 Road project continued to provide a stable source of revenue, recording approximately VND 73 billion (+131% YoY) in 1H2026, equivalent to 56% of the full-year plan.

Golf course revenue: The Chau Duc Golf Course generated approximately VND 25 billion in revenue in 1H2026, achieving 41% of the 2026 full-year plan. The restructuring and establishment of Chau Duc Golf Services One Member Co., Ltd. are expected to improve operational efficiency and professionalism in this premium service segment.

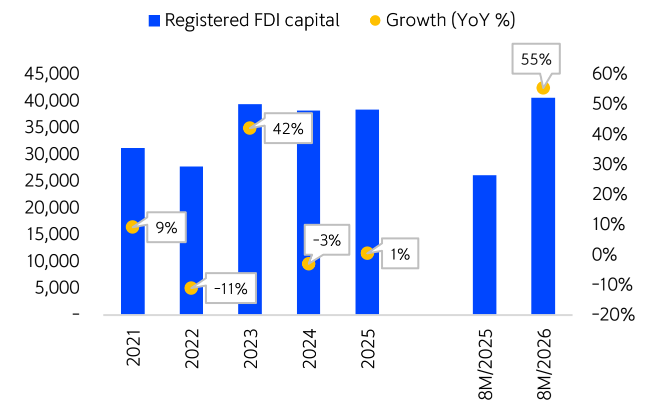
FDI inflows expected to maintain growth amid tariff and geopolitical uncertainties

FDI disbursement maintained strong growth amid global uncertainties

FDI disbursement capital in 2021 – 8M/2026 (million USD)



Registered FDI capital 2021 – 8M/2026 (million USD)

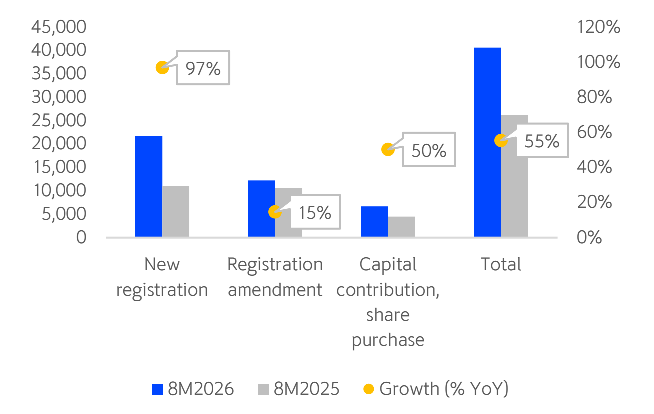


Source: Statistics Department, Ministry of Finance

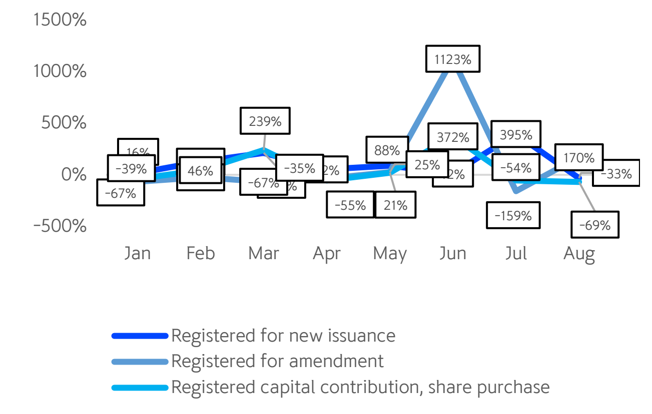
According to data updated by the General Statistics Office as of August 31, 2026, FDI inflows continued to show positive momentum. Disbursed FDI was estimated at USD 17.25 billion (+12% YoY), marking the highest disbursement level in the past five years. Total registered FDI reached USD 40.63 billion (+55.4% YoY), surpassing the USD 40 billion mark and recording robust growth, highlighting Vietnam's continued attractiveness as a destination for foreign investment.

Surge in FDI inflows

Registered FDI in 8M2025 and 8M2026 (USD billion)



Monthly Change in Registered FDI (YoY%)



Source: Statistics Department, Ministry of Finance

Registered FDI inflows recorded strong growth across all three components: newly registered capital, additional registered capital, and capital contribution/share purchases. Of these, newly registered capital reached USD 21.72 billion, with the average project size increasing sharply (the number of projects rose 9.4%, while registered capital surged 96.8% YoY); additional registered capital reached USD 12.21 billion (+14.7% YoY); and capital contribution/share purchases reached USD 6.70 billion (+50.1% YoY).

In terms of the investor structure for newly registered capital, Singapore continued to lead with USD 7.62 billion (accounting for 35.1%), followed by South Korea with USD 5.67 billion (26.1%); Hong Kong (China) reached USD 2.96 billion, mainland China USD 1.93 billion, and Japan USD 1.42 billion...

By sector, manufacturing and processing remained the largest recipient of newly registered FDI, accounting for 55.9% (USD 12.15 billion). This was followed by electricity, gas, water and air-conditioning production and distribution, with USD 3.13 billion (14.4%). For disbursed FDI, manufacturing and processing also maintained an overwhelming lead, attracting USD 14.24 billion, accounting for more than 82.6% of total FDI directly disbursed 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 an important catalyst for attracting FDI and improving the quality of capital inflows, with a focus on high-tech sectors. Accordingly, FDI is expected to play an important role in innovation, digital transformation, green transformation, and strengthening strategic self-reliance. The Government has set specific targets, including:

a. Targets by 2030

- Vietnam aims to rank among ASEAN's leading countries in terms of business environment and competitiveness, with specific quantitative targets for the 2026-2030 period.
- Capital: Attract USD 200-300 billion in registered FDI (USD 40-50 billion/year) and USD 150-200 billion in disbursed FDI.
- Capital quality: 75% of FDI capital to come from developed economies. Increase by 30% the number of multinational corporations (Fortune 500) investing in Vietnam, particularly targeting at least 3 leading global technology corporations to establish headquarters or R&D centers in Vietnam.
- Spillover effects: Average localization rate in key industries to reach 45-50%. Aim to have approximately 10,000 domestic enterprises participate in the supply chains of FDI companies, including 500-1,000 Tier-1 suppliers.
- Labor & environment: Increase the share of trained workers to 80%. Eco-industrial parks to account for approximately 10% of total industrial parks nationwide.

b. Vision to 2045

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

Assessment: Resolution No. 10-NQ/TW indicates that Vietnam is no longer prioritizing FDI attraction at all costs, but instead focusing on projects associated with high technology and the green economy. At the same time, the role of FDI enterprises in the country's development and modernization is expected to increase. Accordingly, industrial parks oriented toward infrastructure development for high-tech and green industries and compliance with ESG standards are expected to see stronger growth going forward.

Tariff pressures and geopolitical tensions have resurfaced.

The new tariff framework indicates 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 measure officially expired on July 24, 2026 after 150 days of implementation and was not 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 the final findings and proposed remedial measures from its Section 301 investigation into 60 economies, which was initiated in March 2026.

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

- Group 1 applies an additional 10% tariff to 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 applies tariff rates ranging from 10%-12.5% to 5 economies. The "MFN deduction" mechanism is applied, whereby the combined MFN tariff currently in effect

and the additional tariff under the Section 301 Forced Labor Investigation is 10% for the EU and Taiwan (China), and 12.5% for Japan, South Korea, and Switzerland.

- Group 3 applies an additional 12.5% tariff to all remaining economies, including Vietnam.

US–Iran Armed Conflict Flares Up Again, Confrontation 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 the Strait of Hormuz. However, the agreement quickly broke down after Iran's Islamic Revolutionary Guard Corps (IRGC) was accused of attacking a Cyprus-flagged container ship on July 7, 2026. President Donald Trump immediately declared the MoU null and void, reimposed a maritime blockade on Iran, and launched large-scale airstrikes during July 11–14.

Entering August 2026, the situation in the Middle East showed signs of shifting from direct military confrontation toward financial containment. Diplomatic efforts by intermediary countries such as Oman helped partially ease the intensity of military clashes in the Strait of Hormuz, allowing Brent crude prices to temporarily cool from a peak of USD 95/barrel in late July to fluctuate around USD 78–82/barrel in early August 2026. However, on August 20, 2026, President Donald Trump officially launched an "economic war and isolation on an unprecedented scale" against Iran, threatening to impose extremely stringent secondary financial sanctions on any country or organization supporting Tehran.

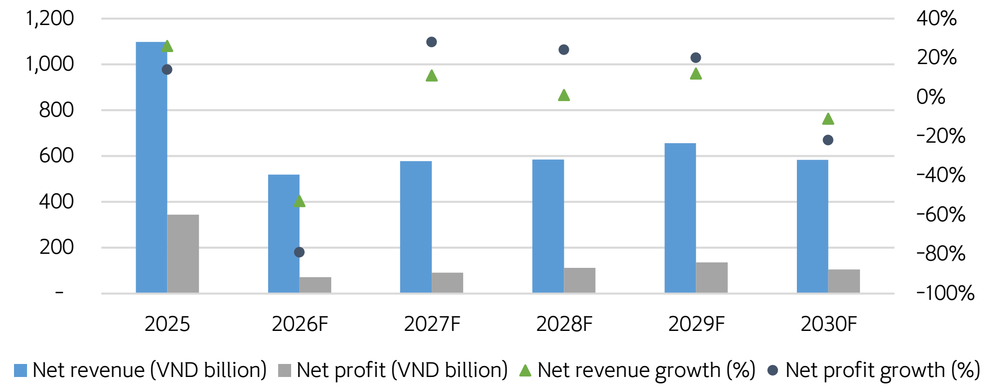
Geopolitical risks have extended beyond the economic front and escalated back into a serious armed conflict in early September 2026. The US military launched intense bombardments against multiple military targets and, for the first time, directly targeted Iranian oil tankers. In response, Tehran launched successive missile strikes against US bases across the region. Iranian forces also tightened control over the Strait of Hormuz by deploying additional naval mines and detaining commercial vessels, leaving hundreds of ships stranded. The blockade of this critical energy shipping route has pushed transportation costs higher and sent global crude oil prices back toward USD 90/barrel in early September 2026.

Impact assessment: US tariff measures and escalating military tensions, particularly the risk of disruptions to oil flows through the Strait of Hormuz, could prompt a degree of caution among foreign investors when expanding their presence in Vietnam. Nevertheless, cumulative registered FDI in the first eight months of 2026 continued to post robust growth, exceeding USD 40 billion, underscoring the resilience and attractiveness of the Vietnamese market amid global volatility. Supported by its existing competitive advantages, we expect FDI inflows to maintain positive growth momentum in the final months of 2026.

Earnings estimates

Adjusted revenue due to changes in accounting policy, while business operations remain stable

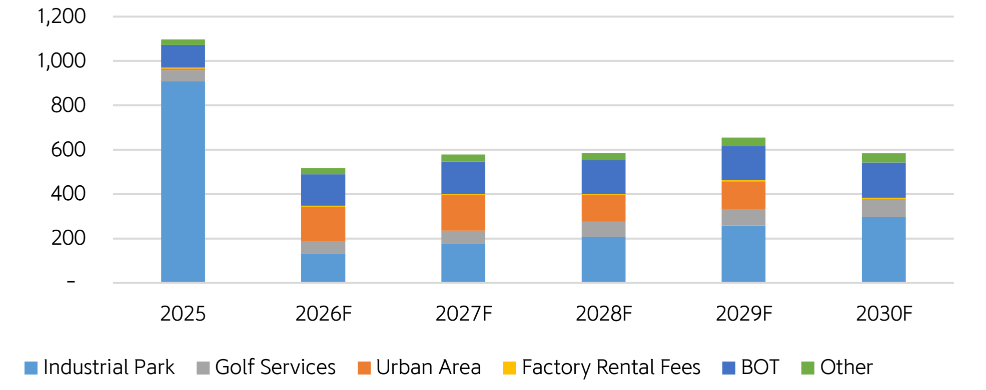
Net revenue and net profit forecast of Sonadezi Chau Duc Joint Stock Company 2025 – 2030F



Source: Company report, Shinhan Securities Vietnam

We forecast net revenue of Sonadezi Chau Duc Joint Stock Company (SZC) at approximately VND 522 billion (-52% YoY) in 2026 and VND 581 billion (+11% YoY) in 2027. Net profit after tax is expected to reach VND 76 billion (-78% YoY) in 2026 and VND 97 billion (+27% YoY) in 2027.

Revenue structure of Sonadezi Chau Duc Joint Stock Company 2025 – 2030F (billion VND)



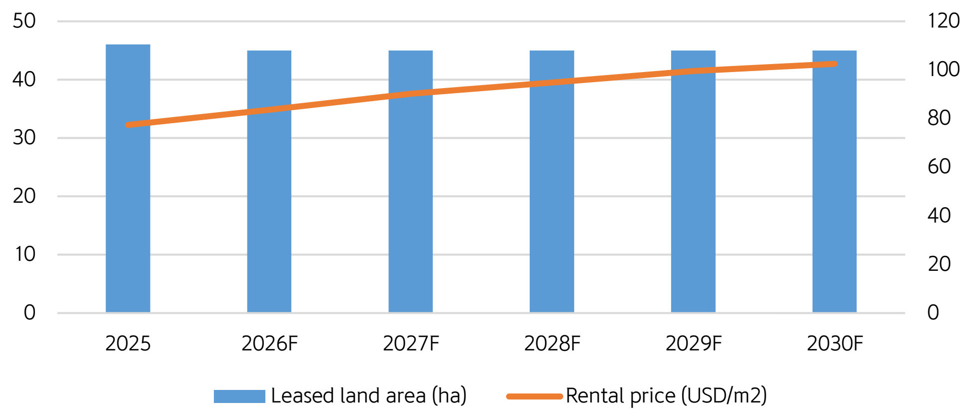
Source: Company report, Shinhan Securities Vietnam

Sonadezi Chau Duc Joint Stock Company (SZC)'s business operations remain primarily focused on industrial park land leasing. However, following the change in revenue recognition method under Circular 99/2025/TT-BTC, from one-off recognition to recognition over the lease term, we expect industrial park leasing activities to remain stable, while the company will only recognize the portion of revenue allocated to each year, with the remaining amount recorded as unearned revenue. Accordingly, revenue from the industrial park segment is expected to decline significantly in 2026 and account for only approximately 25% of total revenue.

SZC's business performance is expected to maintain stable growth in the coming years, supported by key drivers including sustainable income from industrial park land leasing, contributions from the Sonadezi Huu Phuoc Residential Area project, as well as the recovery prospects of golf course services and revenue from the BOT 768 project.

Stable IP leasing area with improving rental rates driven by infrastructure development

Projected industrial park area of Sonadezi Chau Duc JSC 2025 – 2030F

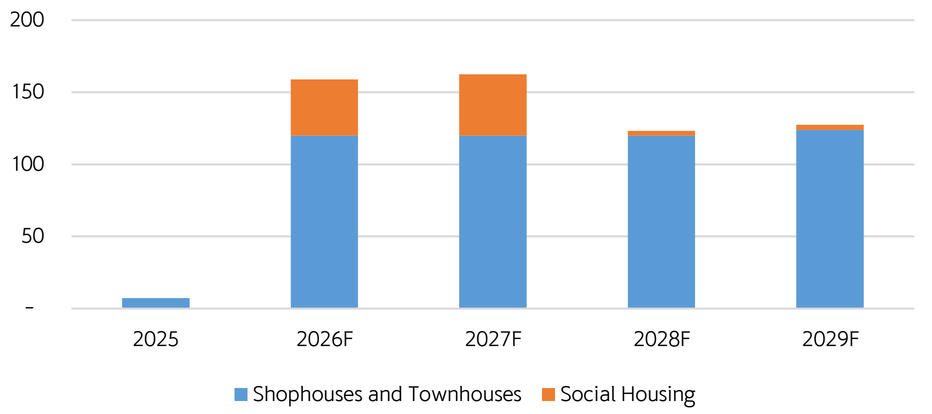


Source: Company report, Shinhan Securities Vietnam

With the Long Thanh International Airport expected to commence commercial operations by the end of 2026, alongside the expansion of Cai Mep Port, we believe Ba Ria – Vung Tau Province will remain an attractive destination for FDI inflows. In addition, industrial land rental rates at Chau Duc Industrial Park are forecast to grow by 5%–8% during 2025–2028. However, factors such as tariff uncertainty and ongoing geopolitical tensions remain key risks to future demand for industrial land. Accordingly, we estimate that the company's new industrial land leased area will reach approximately 45 ha in 2026, broadly in line with the previous year.

Urban real estate revenue grows thanks to the Sonadezi Huu Phuoc Residential Area project

Projected revenue from the transfer of Sonadezi Huu Phuoc Residential Area project 2025 – 2029F (billion VND)



Source: Company report, Shinhan Securities Vietnam

The Sonadezi Huu Phuoc Residential Area project is expected to contribute to the future revenue potential of Sonadezi Chau Duc Shareholding Company as remaining inventory continues to be carried forward and additional units are launched for sale in the coming years. We believe the completion of Long Thanh International Airport will act as a catalyst for the real estate market in the Ba Ria–Vung Tau area, thereby supporting sales at the Sonadezi Huu Phuoc project. In addition, the launch of 105 units for sale and the leasing of 105 social housing units in early 2026 will further contribute to SZC's residential real estate revenue.

Valuation and Recommendation

Update valuation with BUY recommendation, target price VND 33,300

We offer an updated valuation of SONADEZI Chau Duc Shareholding Company (SZC) with a buy recommendation and a target price of VND 33,300, representing a 70% increase from the current price. With a strong outlook from both the industrial park and real estate business segments, we expect growth for SZC with the following views:

1) Stable FDI inflows support the industrial park real estate segment.
2) Large amount of land available for lease, with steadily rising prices
3) Rising revenue from urban areas, golf courses, and the BOT 768 projects

Valuation method

We apply the revalued net asset value (RNAV) method to value SONADEZI Chau Duc Shareholding Company (SZC). Based on the RNAV method, we estimate the value of SZC shares at VND 33,300.

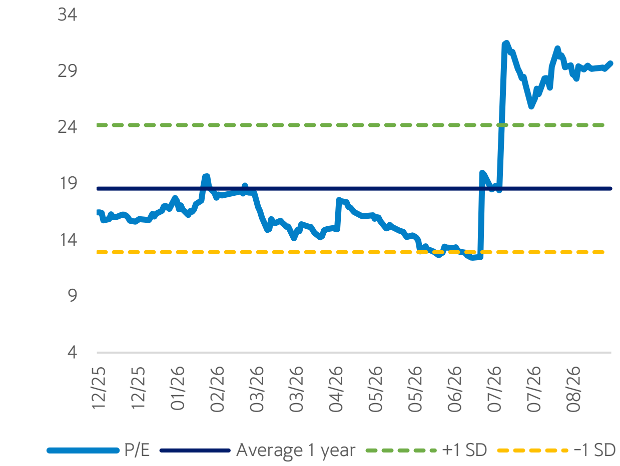
The RNAV method

Project Name	Valuation Method	Value (billion VND)
Chau Duc Industrial Park	DCF	4,320
Chau Duc Urban Area	BV	1,600
Huu Phuoc Urban Area	DCF	210
Golf Course Project	DCF	165
Factory Project	DCF	27
BOT 768 Project	DCF	228
Total		6,551
+ Cash and Short-term Investments		475
+ Long-term Investments, Fixed Assets		1,482
- Debt		2,509
Equity Value		5,999
Number of Shares		179,985,863
Target Price (VND)		**33,300**
Current Price (VND)		19,600
Upside (%)		**70%**

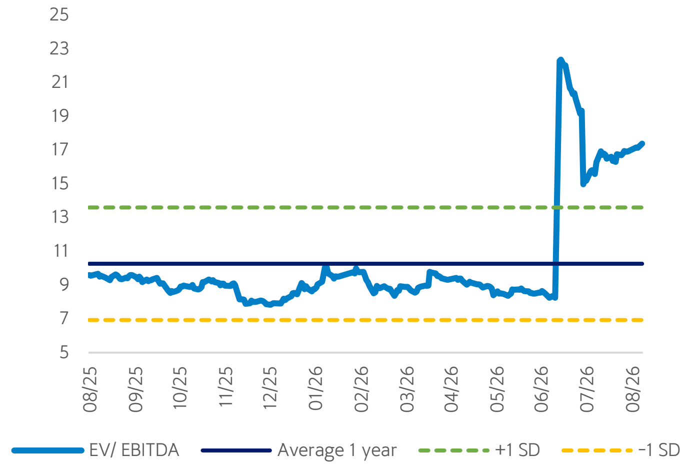
Variable	Value
D/E	0.69
Beta	1.3
Risk-free rate	4.5%
Cost of equity	22.5%
Cost of debt	8.8%
WACC	16.2%

For the Weighted average cost of capital (WACC), we use the 10-year Vietnamese government bond yield at 4.5% as the risk-free rate. Beta is calculated based on historical data of the last 5 years of SZC and VNINDEX. We raise the cost of equity discount rate to 22.5% (approximately 5% higher than previously) to reflect risks associated with the tariff environment and geopolitical tensions.

P/E 1 year



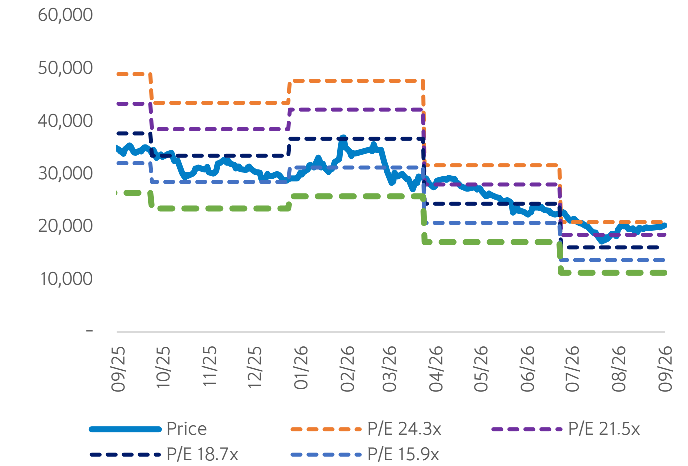
EV/EBITDA 1 year



Source: Bloomberg data, Shinhan Securities Vietnam

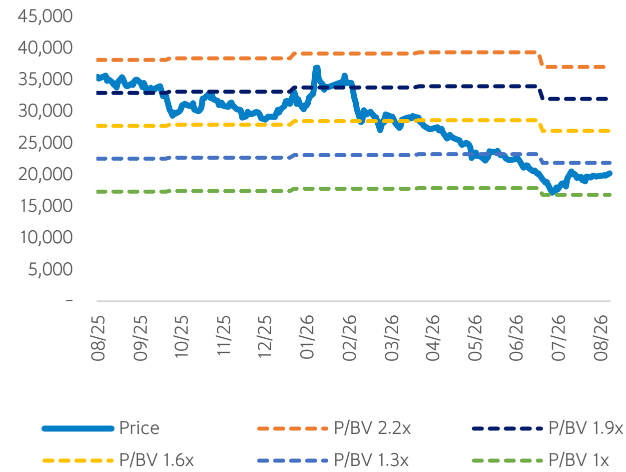
P/B 1 year

P/E band

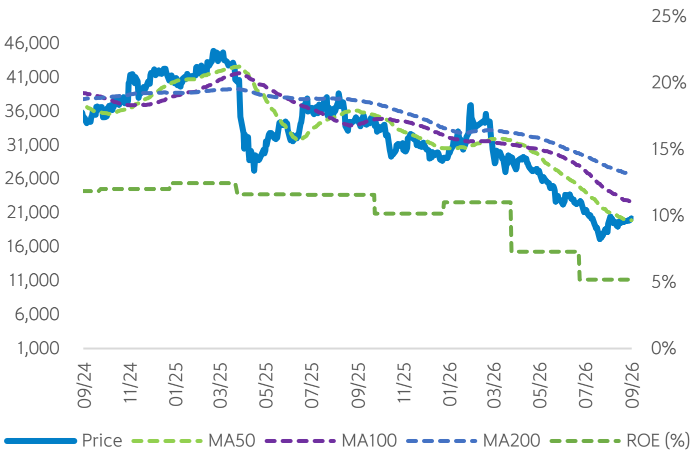


Source: Bloomberg data, Shinhan Securities Vietnam

P/B band

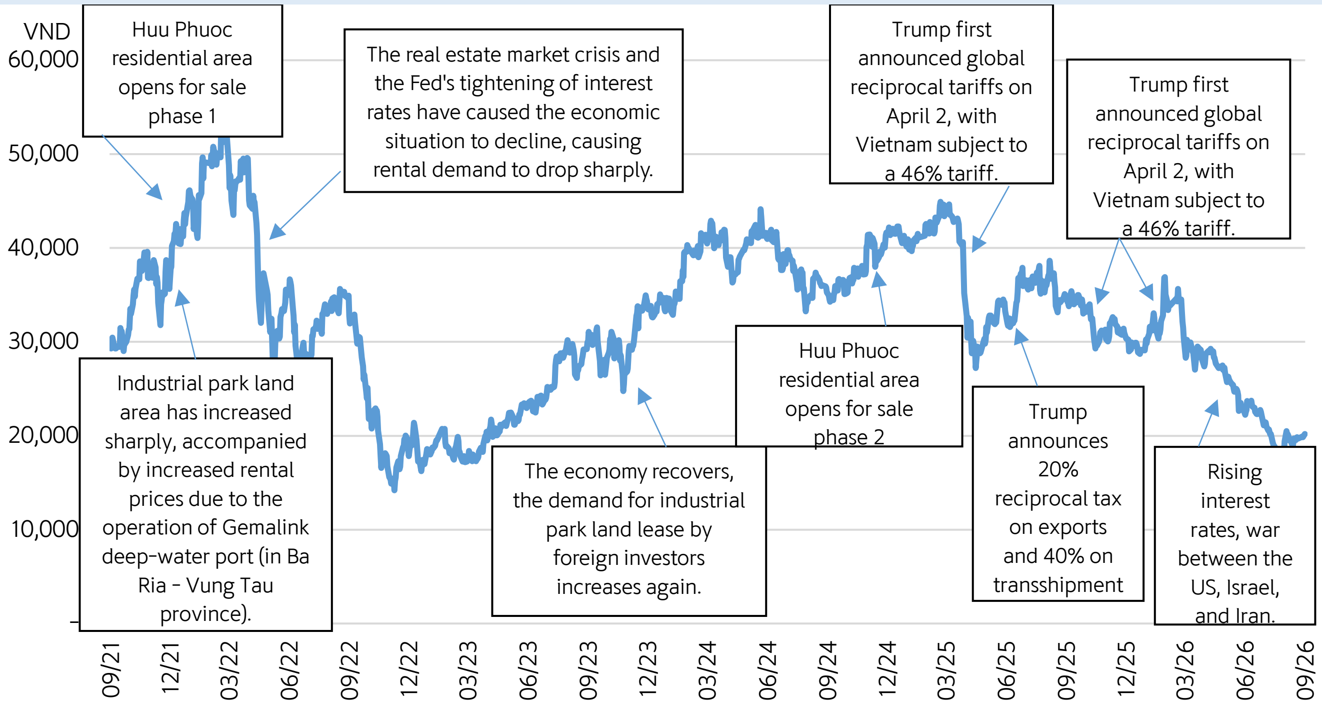


ROE and MA



Source: Bloomberg data, Shinhan Securities Vietnam

Key event chart of SZC



Source: Bloomberg, Company data, Shinhan Securities Vietnam

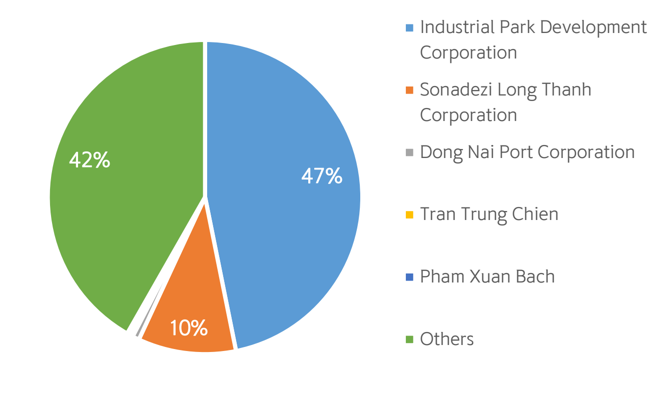
Company background

Company history

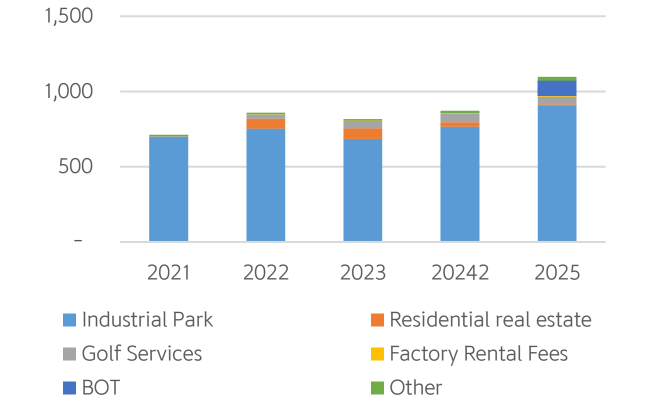
Sonadezi Chau Duc Joint Stock Company (HoSE: SZC), established in 2007 and listed on the Ho Chi Minh City Stock Exchange in late 2018, is a key player in Vietnam's industrial real estate investment and development sector.

Headquartered in Chau Duc Industrial Park, SZC manages a 2,287-hectare estate in Ba Ria - Vung Tau province, comprising an integrated industrial, urban, and golf course complex. The company also operates the BOT 768 project, which provides a consistent revenue stream.

Shareholder structure of SZC Q2/2026



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

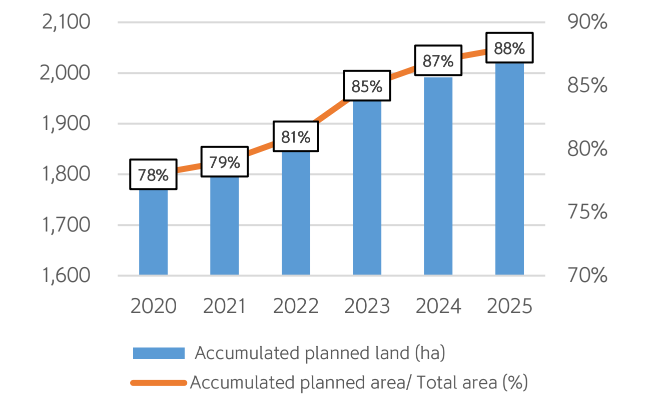


Source: Company report, Shinhan Securities Vietnam

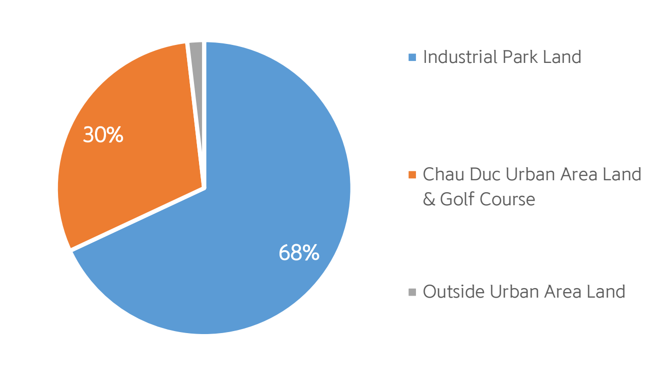
SZC is primarily owned by the Industrial Park Development Corporation, under the Dong Nai Provincial People's Committee, holding a 47% stake.

The company's revenue is largely derived from long-term industrial and residential land leases, which comprise 88% of its revenue structure. Additionally, SZC generates income from ready-built factory leasing services, a golf course, and the BOT 768 road project.

Industrial park land reserve accumulated by SZC for development from 2020 to 2025



SZC's land fund structure (ha)

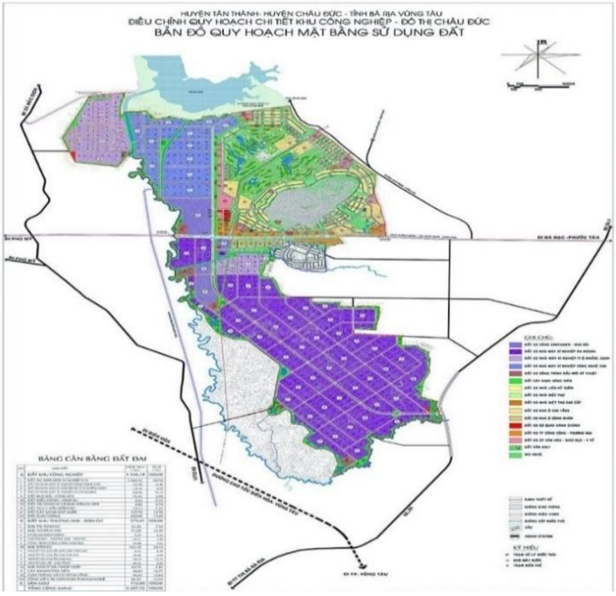


Source: Company report, Shinhan Securities Vietnam

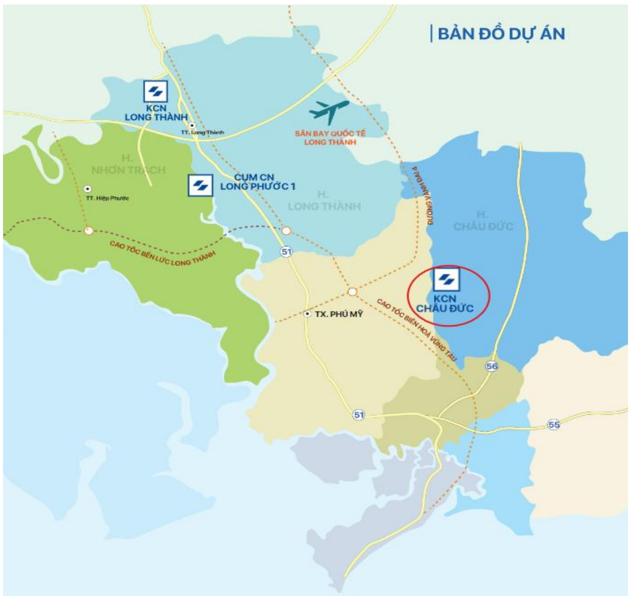
SZC holds 2,287 ha of industrial land in Chau Duc district, with 1,556 ha allocated for residential purposes and 689 ha for a combination of residential and golf course land. As of now, SZC has planned 1,951 ha, representing 85% of the allocated land area. To maximize its leasable land fund, SZC has consistently advanced site clearance and infrastructure development initiatives over the years. Besides, Chau Duc Industrial Park still maintains its attractiveness to businesses by maintaining an occupancy rate of over 60% of the total planned area over the years.

Chau Duc Industrial Park

Chau Duc Industrial Park planned map



Geographical location of Chau Duc Industrial Park



Source: Company report, Shinhan Securities Vietnam

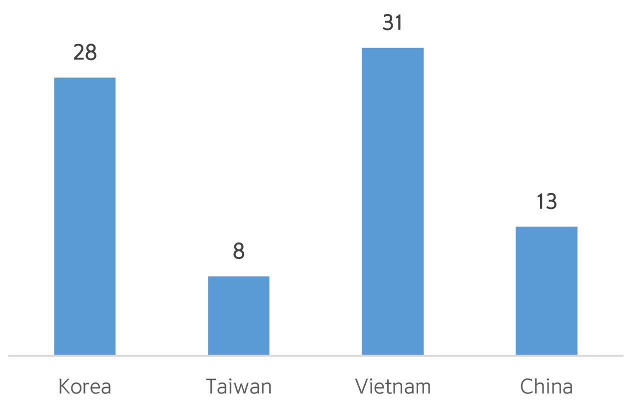
Chau Duc Industrial Park spans 1,556 ha, strategically positioned for optimal connectivity to the city's key transportation networks:

- 9 km from National Highway 51
- 0.5 km from the Bien Hoa - Vung Tau Expressway
- 22 km from the Ben Luc - Long Thanh Expressway
- 34 km from Long Thanh International Airport (projected to open in 2025)
- 12 km from the Cai Mep - Thi Vai International Port Cluster

The proximity to Cai Mep International Port, through which 90% of international goods are shipped, significantly enhances Chau Duc Industrial Park's appeal to foreign enterprises. The development of major infrastructure projects, such as the Bien Hoa - Vung Tau Expressway, the Ben Luc - Long Thanh Expressway, and Long Thanh International Airport, further strengthens the park's potential to attract FDI enterprises.

Leased area and occupancy rate in Chau Duc Industrial Park from 2020 - 2025 (ha)

Number of enterprises leasing land from Sonadezi Chau Duc JSC



Source: Company report, Shinhan Securities Vietnam

Chau Duc Industrial Park continues to attract land-leasing enterprises, with annual leased areas ranging from 45 to 50 ha from 2020 to 2023. The park maintains a high occupancy rate, exceeding 60% of its planned area. Notably, foreign enterprises from South Korea, Taiwan, and China represent the majority of its customer base, making up 62% of SZC's tenant portfolio.

Chau Duc Urban Area Land & Golf Course

Situated within the Chau Duc Industrial and Urban Area, the Chau Duc Urban Area & Golf Course spans 689 ha, allocated across distinct sections: Chau Duc Urban Area (498 ha), Sonadezi Huu Phuoc Residential Area (40 ha), and the Chau Duc Golf Course (152 ha).

The Chau Duc Urban Area involves a total investment of VND 8,117 billion, with its implementation divided into six phases over 10 years from 2022 to 2032. Currently, the project is undergoing investment policy adjustments and executing urban infrastructure investment packages. Additionally, housing initiatives like the Golf Villa Investment and Business Project and the Type 2 Villa Investment and Business Project are in the construction drawing design phase.

Detailed planning map of Sonadezi Huu Phuoc Residential Area

Shophouse Project Sonadezi Huu Phuoc Residential Area

Source: Company report, Shinhan Securities Vietnam

Sonadezi Huu Phuoc Residential Area has a total investment of 652 billion VND with the project implementation period in the period of 2020 - 2023 (phase 1: 25ha 2020 - 2022; phase 2: 16ha 2022 - 2024). Sonadezi Huu Phuoc Residential Area projects include 153 Shophouses (phase 1: 94 units, phase 2: 64 units), 126 Townhouses (phase 1: 72 units, phase 2: 54 units) and 210 social housing units. Phase 1 of the shophouse and townhouse projects completed sales during 2021–2022, with phase 2 sales commencing in 2024. The social housing project began construction in Q3/2024, with sales anticipated to launch in 2025.

Chau Duc Golf Course Project

Source: Company report, Shinhan Securities Vietnam

The Chau Duc Golf Course, spanning 152 ha, completed construction and officially opened in November 2023. This 36-hole course includes an 18-hole Resort course and an 18-hole Tournament course, designed to meet PGA international competition standards, with a total investment exceeding VND 1,800 billion. In 2024, the golf course attracted over 42,000 visitors from Ho Chi Minh City, Binh Duong, Dong Nai, Ba Ria - Vung Tau, and other provinces. Visitor numbers are growing steadily, with an average monthly increase of 15-20%.

Other projects

The BOT Project 768 spanning over 48 km, connects Bien Hoa City with Vinh Cuu District (Dong Nai) and Binh Duong Province, originally involving six routes with a total investment of over 534 billion VND, excluding site clearance costs. Toll collection began in November 2010, initially planned for a 30-year capital recovery period plus an additional five years for profit generation. Tolling was temporarily suspended on January 1, 2021, to implement a Government-mandated non-stop toll collection system (ETC). By November 2024, the Dong Nai Provincial People's Committee approved adjustments to the project, reducing its scope to three routes with a total length of nearly 24 km and lowering the investment to 425 billion VND. Consequently, the toll collection period was reduced from 35 years to approximately 24 years, with a remaining toll collection period of around 9 years and 3 months. Toll collection is scheduled to resume on December 1, 2024, to facilitate capital recovery for investors.

Factory for lease: SZC continues to maintain the lease of about 5,600 m² of factory space, with a rental rate of VND 80,500/m²/month, providing a stable income stream for the business.

Appendix: Financial Statements

Statement of financial position

Year to Dec. (bn VND)	2025	2026F	2027F	2028F	2029F
Total assets	8,170	9,418	10,851	12,338	14,100
Current assets	2,678	3,859	5,117	6,038	7,199
Cash & equivalents	417	1,274	2,240	2,776	3,511
Short-term financial asset	35	35	35	35	35
Accounts receivable	334	422	563	711	899
Inventories	1,893	2,130	2,280	2,517	2,754
Non-current assets	5,492	5,559	5,733	6,300	6,901
Net fixed assets	716	812	1,028	1,558	2,116
Investment assets	-	-	-	-	-
Other long-term assets	4,776	4,747	4,706	4,741	4,785
Total liabilities	4,967	6,229	7,654	9,121	10,840
Current liabilities	1,325	1,427	1,553	1,658	1,803
Accounts payable	195	197	210	203	220
Short-term borrowings	377	404	433	462	495
Others	752	827	911	993	1,088
Non-current liabilities	3,643	4,802	6,101	7,463	9,037
Long-term borrowings	2,099	2,125	2,154	2,184	2,217
Other financial liabilities	1,543	2,677	3,946	5,279	6,820
Total shareholders' equity	3,203	3,190	3,197	3,217	3,260
Charter capital	1,800	1,800	1,800	1,800	1,800
Capital surplus	604	604	604	604	604
Retained earnings	591	578	585	605	648
Other capital	208	208	208	208	208
Non-controlling interest equity	-	-	-	-	-
*Total debt	2,476	2,529	2,587	2,646	2,711
*Net debt (cash)	2,059	1,255	347	(130)	(800)

Statement of comprehensive income

Year to Dec. (bn VND)	2025	2026F	2027F	2028F	2029F
Revenue	1,098	522	581	588	659
Growth (%)	26%	-52%	11%	1%	12%
COGS	(537)	(341)	(363)	(351)	(381)
Gross profit	561	181	218	237	278
GPM (%)	51%	35%	38%	40%	42%
SG&A	(87)	(84)	(94)	(95)	(106)
Operating profit	474	97	124	142	171
Growth (%)	28%	-79%	28%	14%	21%
OPM (%)	43%	19%	21%	24%	26%
Non-operating profit	(30)	(2)	(3)	(4)	(5)
Financial income	34	34	34	34	34
Financial expense	(27)	(30)	(31)	(31)	(32)
In which: interest expenses	(27)	(30)	(31)	(31)	(32)
Net other non-operating profit	(38)	(6)	(7)	(7)	(8)
Pre-tax profit	444	96	121	138	166
Income tax	(99)	(19)	(24)	(28)	(33)
Net profit	345	76	97	111	133
Growth (%)	14%	-78%	27%	14%	20%
NPM (%)	31%	15%	17%	19%	20%
Controlling interest	345	76	97	111	133
Non-controlling interest	-	-	-	-	-
EBIT	470	126	152	170	198
Growth (%)	16%	-73%	21%	12%	17%
EBIT Margin (%)	43%	24%	26%	29%	30%
EBITDA	788	329	423	465	530
Growth (%)	9%	-58%	29%	10%	14%
EBITDA margin (%)	72%	63%	73%	79%	80%

Statement of cash flow

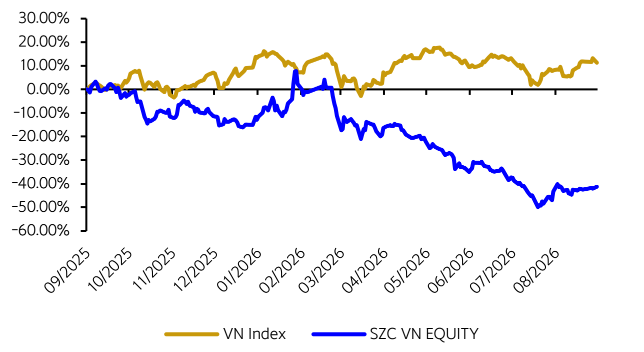
Year to Dec. (bn VND)	2025	2026F	2027F	2028F	2029F
Cash flow from operations	34	1,166	1,443	1,430	1,692
Net profit	444	96	121	138	166
Depreciation expense	317	203	271	296	331
(Gain) from investing activities	-	-	-	-	-
Interest expense/ income	-	-	-	-	-
Change in working capital	(420)	948	1,158	1,130	1,367
Others	(178)	(81)	(107)	(134)	(172)
Cash flow from investments	(347)	(272)	(445)	(862)	(932)
Change in fixed assets	(644)	(272)	(445)	(862)	(932)
Change in investment assets	-	-	-	-	-
Others	296	-	-	-	-
Cash flow from financing	25	(38)	(32)	(31)	(24)
Change in equity	-	-	-	-	-
Net borrowing	144	52	58	59	66
Dividends	(119)	(90)	(90)	(90)	(90)
Change in total cash	(288)	856	966	536	736
Beginning cash	705	417	1,274	2,240	2,776
Change in FX rates	-	-	-	-	-
Ending cash	417	1,274	2,240	2,776	3,511

Key ratios

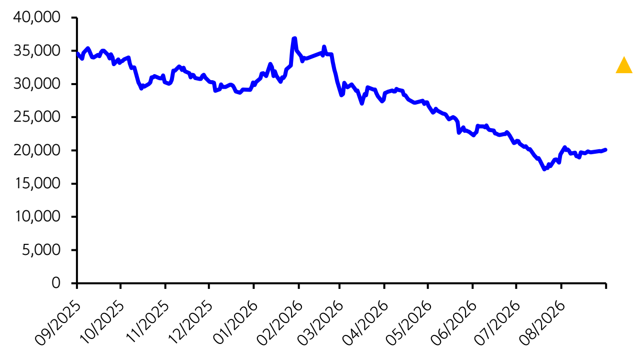
Year to Dec.	2025	2026F	2027F	2028F	2029F
EPS (VND)	1,766	425	539	614	738
BPS (VND)	17,797	17,722	17,761	17,875	18,113
DPS (VND)	662	500	500	500	500
PER (x)	15.20	46.85	36.90	32.40	26.96
PBR (x)	1.64	1.12	1.12	1.11	1.10
EV/EBITDA (x)	15.53	4.55	10.90	8.46	7.70
Dividend payout ratio (%)	37%	118%	93%	81%	68%
Dividend yield (%)	2%	3%	3%	3%	3%
Profitability					
EBITDA margin (%)	72%	63%	73%	79%	80%
OPM (%)	43%	19%	21%	24%	26%
NPM (%)	31%	15%	17%	19%	20%
ROA (%)	4.2%	0.9%	1.0%	1.0%	1.0%
ROE (%)	10.9%	2.4%	3.0%	3.4%	4.1%
Stability					
Debt to equity ratio (%)	77%	79%	81%	82%	83%
Net debt ratio (%)	261%	382%	82%	-28%	-151%
Cash ratio (%)	31%	89%	144%	167%	195%
Interest coverage ratio (x)	17.55	4.18	4.95	5.40	6.16
Activity (%)					
Inventory turnover (days)	604	1,406	1,385	1,489	1,460
Accounts receivable turnover (days)	45	95	111	141	151
Accounts payable turnover (days)	127	210	204	215	203

Sonadezi Chau Duc Joint Stock Company (SZC)

Stock price



Target price



Date	Rating	TP (VND)	TP gap (%)	
			TB	TB
28/11/2024 (Initiate)	BUY	49,800	34	7/79
28/02/2025 (Update)	BUY	48,100	19	3/41
05/09/2025 (Update)	BUY	45,400	25	-1/59
11/11/2025 (Update)	BUY	45,400	23	-2/66
09/03/2026 (Update)	BUY	42,900	15	-8/55
09/09/2026 (Update)	BUY	33,300	23	-11/97

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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