

Annual General Shareholder Meeting in 2023

NOT RATED

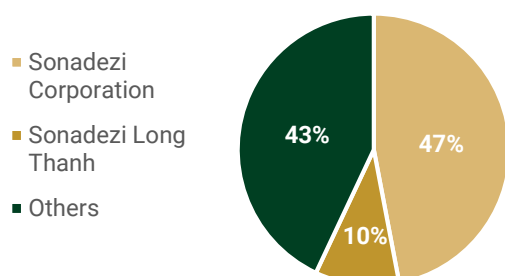
Updated on: 19/04/2022

Fair price *N/a*
Current price 30,950 VND

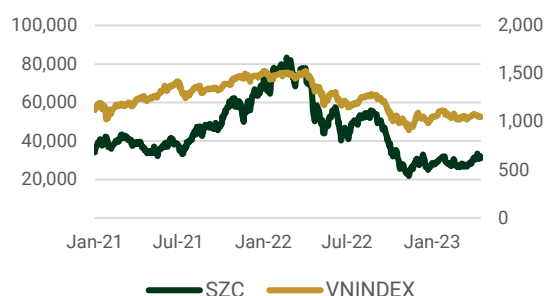
STOCK INFORMATION

Outstanding shares (mil) 100.00
Free float (mil) 40.00
Market cap. (billion VND) 3,095.00
3m avg. volume (shares) 1,002,543
Foreign ownership (%) 3.29%
First listing date 15/01/2019

MAJOR SHAREHOLDERS



PRICE MOVEMENT COMPARED TO THE INDEX



HISTORICAL VALUATION



Business plan in 2023:

SZC has approved its 2023 business plan with a net revenue target of VND 914 billion (+6.4% YoY) and NPAT target of VND 210 billion (+6.4% YoY). Revenue contributed from two main activities: (1) lease revenue at Chau Duc Industrial Park with a planned revenue of VND 555.8 billion (-26% yoy); and (2) revenue from the residential area Huu Phuoc with a target revenue of VND 255 billion.

Dividends and Shares Issuance plan:

- SZC has agreed to distribute a 20% stock dividend in 2023.
- The company will issue new shares to existing shareholders at a ratio of 2:1, the purpose of this share issuance is (1) restructuring current loans (2) investing in industrial parks, urban areas, and the Chau Duc Golf Course projects. The issuance is expected to take place between 2023-2024 and the issuance price will not be lower than the book value of the financial statements in 2022.
- Additionally, the maximum foreign ownership ratio in SZC has been adjusted down to 20%.

Investment and development strategy:

- Estimated construction costs for 2023 are about VND 385.7 billion. In which, costs for urban areas, industrial parks, and the golf project are VND 194.7 billion, VND 164 billion, and VND 23 billion, respectively.
- The total compensation for land clearance in 2023 is estimated at VND 1,325 billion. In which, compensation for Chau Duc IPs is VND 660 billion for 46ha; for land in the urban area is VND 308 billion for 23.25ha. The accumulative compensated area reaches 1,849 ha, and the total compensation cost is VND 3,312 billion.
- Adjustment of investment capital for Chau Duc urban area: It has a total area of 690.55ha, including three component projects: (1) Huu Phuoc residential area (40.5ha); (2) North - Chau Duc Urban Area (498 ha); and (3) Chau Duc Golf Course (152ha). SZC proposes to increase the investment capital for this area from VND 1,237 billion to VND 9,804 billion.

Financial Situations:

Updated for Q1/2023: The new contracted leased land is 3ha. The contracted leased land from 2022 has been carried over to 2023 amounts to 62ha. The rental price at Chau Duc IP has increased by 10% YoY.

Investment risks:

(1) low rental demand due to the impact of global economic difficulties; and (2) increasing land clearance costs since 2022 affecting the investment progress of projects and reducing the rate of return on investment.

Financial Indicators	2018A	2019A	2020A	2021A	2022A
Net Income (VND billion)	290	329	433	713	859
Net Profit (VND billion)	97	134	186	324	197
EPS (VND)	916	1,274	1,770	3,136	1,974
EPS Growth (%)	n/a	39%	39%	77%	-37%
Book Value (VND)	11,564	11,959	12,642	14,656	15,343
P/E	35.06	25.19	18.14	10.24	16.26
P/B	2.78	2.68	2.54	2.19	2.09
Cash dividends (VND)	n/a	8%	10%	10%	10%