



Company Report: Military Commercial Joint Stock Bank (MBB)

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2024 AGM Update

On the morning of April 23rd, Khang Dien Real Estate Corporation (HoSE: KDH) held its Annual General Meeting of Shareholders for 2024, with the following notable points: **2023 profit distribution plan:** It is projected to issue nearly 91 million shares to distribute stock dividends for 2023 at a rate of 10%. This rate is expected to remain unchanged in 2024. However, the value and number of shares for the 2023 dividend payment may be fluctuated depending on the timing of the company's completion of the private placement of over 110 million shares.

Previously, at the end of February - early March 2024, KDH received approval for the plan to privately place over 110 million shares to 20 professional investors, thereby potentially raising 3 trillion VND. According to the plan, KDH intends to use 300 billion VND to repay loans at OCB bank, and the remaining 2,700 billion VND for investment in Khang Phuc.

ESOP payment plan: Issuing 10.8 million ESOP shares to employees at a price of 17,000 VND/share, which is 49% lower than the opening price on April 23rd. The shares will be restricted from transfer for one year after issuance. With nearly 184 billion VND potentially raised if the issuance is successful, KDH will use the entire amount from the ESOP issuance to supplement its business development.

Business plan for 2024: Revenue and after-tax profit attributable to shareholders are projected to be 3,900 billion VND (+87% YoY) and 790 billion VND (+10% YoY), respectively.

Change in management: Shareholders approved the dismissal of a member of the supervisory board, Ms. Luu Thi Xuan Lai, and appointment of the newly added board member, Ms. Le Thi Thuy Trang.

Recommendation: **BUY**

6-18m TP: **VND 40,000**

Current price: VND34,650

Price performance



Price change	1 M	3 M	1Y
% Abs.	-7.55	-2.95	7.87
% Rel to VNIndex	-5.72	-4.52	1.58
Avg price (VND)	36,183	34,468	31,009

Source: FiiX, Guotai Junan (VN)

Shares in issue (m)	799.31	Major shareholder	Thien Loc Investment JSC. 10.83%
Market cap. (VND b)	26,736.99	Free float (%)	60%
3-month average vol. ('000)	3,664	D/E	0.71
52 week high/ low (VND)	38,600/25,682		

Source: the Company, Guotai Junan (VN).

2024 Business Strategy

Management stated that in 2024, the company targets to launch and handover its key projects as follows:

- 1) Completion of construction and handover, starting issuance of pink books to residents at The Privia project (Binh Tan District, Ho Chi Minh City, total scale of 1,040 high-rise units, occupancy rate approximately 100% as of February 2024, all three blocks have fully topped-off as of January 2024),
- 2) Continue construction for the 11.8-hectare joint venture project with Keppel (Emeria & Clarita), with the project expected to start its sales launch by the end of 2024 when requirements for the launch are satisfied,
- 3) The management anticipates that KDH could launch sales for the expanded Le Minh Xuan Industrial Park (Ho Chi Minh City; total area of ~110ha total) in 2025 as the legal procedures for phase 1 (~90ha) are nearly completed, and KDH has made decisions regarding land lease payments, which could be leased from 2025 onward.
- 4) Simultaneously, the company is in the process of land clearance and completing legal procedures for its upcoming projects in HCMC (such as The Solina and Binh Trung Dong), in order to prepare for construction and sales launches in coming years

KDH anticipates maintaining a strong financial position, supported by proceeds from upcoming new project launches.

One of the most significant concerns of Khang Dien shareholders is ensuring the ability to repay the outstanding bond debt of 1,100 billion VND due in 2025. The management expressed confidence in the ability to repay the debt with various future revenue sources.

Specifically, as of the end of 2023, Khang Dien still had over 3,000 billion VND in cash. In 2024, Khang Dien plans to hand over The Privia project houses to customers and is expected to receive an additional 25% of the contract value from customers in Q4/ 2024. Furthermore, the sale of low-rise housing in collaboration with Keppel Land and commencing leasing from 2025 will not only ensure the repayment of bond debt but also serve to develop other upcoming projects.

COMPANY RATING DEFINITION

Benchmark: VN – Index.

Time Horizon: 6 to 18 months

Rating	Definition
Buy	Relative Performance is greater than 15% Or the Fundamental outlook of the company or sector is favorable
Accumulate	Relative Performance is 5% to 15% Or the Fundamental outlook of the company or sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the company or sector is neutral
Reduce	Relative Performance is -15% to -5% Or the Fundamental outlook of the company or sector is unfavorable
Sell	Relative Performance is lower than - 15% Or the Fundamental outlook of the company or sector is unfavorable

SECTOR RATING DEFINITION

Benchmark: VN – Index

Time Horizon: 6 to 18 months

Rating	Definition
Outperform	Relative Performance is greater than 5% Or the Fundamental outlook of the sector is favorable
Neutral	Relative Performance is -5% to 5% Or the Fundamental outlook of the sector is neutral
Underperform	Relative Performance is lower than -5% OrThe Fundamental outlook of the sector is unfavorable

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