

DAMSAN JSC (HSX: ADS)

Growth positioning through a production platform and land assets

Using the Sum-of-the-Parts (SoTP) method, we determine the fair value of ADS to be **VND 14800/share**, along with an expected cash dividend of VND 1.000/share, equivalent to an expected return of 75%, based on the closing price on June 03, 2026.

The 2026 – 2029 period is expected to be a favorable revenue growth cycle for ADS, led by real estate projects. Meanwhile, the cotton, yarn, and towel segments maintain stable growth, continuing to serve as the Company's revenue foundation. Revenue is forecast to grow at a CAGR of 6%.

- **Real estate development sector:** The portfolio includes 131 hectares of commercial land in Industrial Clusters (IC) with a target of 100% occupancy within 6 – 8 years, including (1) An Ninh IC, which is 85% occupied and preparing for phase 2, (2) the 74-hectare Ninh An IC, which is expected to be operational from 2027 with a target occupancy of 60% in the first two years, and (3) the 37.5-hectare expanded Vu Ninh IC, currently undergoing site clearance. Additionally, the 582-unit Phu Xuan Social Housing project, with a total investment of VND 650 bn, is expected to contribute to revenue starting in 2027.
- **Cotton, yarn, and towel sector:** Expected to grow steadily with a CAGR of approximately 7% during the forecast period. Sales volume is projected to grow in line with national growth thanks to low labor costs and an increasingly elevated position in the textile supply chain. Yarn and towel product prices are forecast to fluctuate in line with cotton prices, with an increase of about 2%/year due to the USD/VND exchange rate, reflecting the impact of the exchange rate under normal supply-demand conditions.

Promoting the real estate sector, which has high gross/net margins, will create a profit peak in the 2026 – 2030 period. Accordingly, net profit attributable to parent company shareholders in 2026 is forecast to slow down compared to 2025 due to shrinking revenue from commercial housing, while IC projects have not yet made a significant contribution. However, net profit will grow strongly in 2027 when new IC and real estate projects become operational, thereby helping business results gradually stabilize in the 2028 – 2030 period.

Risks to the recommendation:

- The cotton, yarn, and towel sector has thin GPM, while working capital management policies are not yet optimized, making business operations sensitive to negative industry cycle fluctuations.
- Growth depends on the real estate segment; delays in site clearance and slower-than-expected sales will affect the Company's cash flow.

Key financial indicators

Unit: VND bn	FY2022	FY2023	FY2024	FY2025	FY2026F	FY2027F
Net revenue	1,693	1,642	1,629	1,870	1,959	2,431
Growth (%)	11.9	-3.0	-0.8	13.5	4.8	24.1
EBITDA	163	183	155	189	175	260
Net profit	67	58	50	97	110	156
Growth (%)	-20.9	-13.3	-14.3	98.3	13.3	42.3
Net margin (%)	4.0	3.6	3.1	5.2	5.6	6.4
ROA (%)	3.1	2.3	1.9	3.9	4.2	5.8
ROE (%)	10.4	6.5	5.3	9.6	10.5	14.0
Basic EPS (VND)	1,505	976	655	1,266	1,435	2,042
BVPS (VND)	14,061	12,644	11,862	12,684	13,615	14,616
Cash dividend (VND)	0	0	1,000	500	1,000	1,000
P/E (x)	8.35	10.43	12.36	6.39	10.31	7.25
P/BV (x)	0.91	0.72	0.68	0.65	1.09	1.01

Source: ADS, RongViet Securities. Based on the closing price on June 03, 2026.

BUY

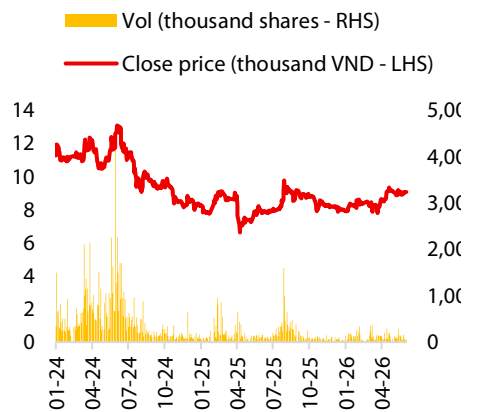
+75%

Market price (VND)	9,050
Target price (VND)	14,800

Expected cash dividend	VND 1,000 /share
------------------------	------------------

Stock information

Industry	Personal & Household Goods
Market cap (VND bn)	691
Outstanding shares (million shares)	76
Beta	0.8
Free Float (%)	55
52-week high	9,760
52-week low	7,800
20-day average trading volume	104,000



Return (%)

	3M	1Y	2Y
ADS	7.2	14.0	-23.0
VN30 Index	3.7	38.8	54.4
VN-Index	2.9	36.1	43.6

Major shareholders (%)

Vu Huy Dong	12.05
Duc Tuan Construction and Trading Investment JSC	5.33
Do Duc Khang	5.31
Do Van Khoi	5.20
Others	72.11
Remaining foreign ownership limit (%)	49.8

Textile Sector Analysis Department

phantich@vdsc.com.vn

VALUATION

We have conducted valuation of each Damsan JSC's (HSX: ADS) business segment, including: (1) production and trading of cotton, yarn, and towels (textiles), (2) industrial cluster real estate, (3) residential real estate, and (4) BOT projects.

- 1. Non-real estate sector (textiles, batteries, and other):** Valued using the FCF method for the enterprise. We use a WACC discount rate of 12.8% and an exit EV/EBITDA multiple of 6.0x.
- 2. Industrial cluster real estate:** Based on the legal completion level and specific development plans of each project. We use the NPV (Net Present Value) method, where the input cash flow is the project's free cash flow, discounted to the present with a discount rate of $K_e = 15\%$ and $K_d = 10\%$.
- 3. Residential real estate:** The residential real estate portfolio includes the Quang Trung social housing (NOXH), Bo Xuyen commercial housing, Quang Trung adjacent housing, and Phu Xuan social housing. Among these, the Phu Xuan social housing project has just started construction, is expected to generate future cash flow for ADS, and is discounted with a K_e rate of 10%. For the remaining projects, the unsold portion accounts for a small proportion and is determined based on book value.
- 4. BOT projects:** The Thai Binh - Cau Nghin road project was approved by the Thai Binh Provincial People's Council on 12/13/2019 (approximately 23.89 km long) and implemented under the public-private partnership (PPP) model. Subsequently, the project was converted to public investment and handed over to the Hung Yen provincial management agency. ADS will recover its investment in 2026. Therefore, we determine the value of this item based on book value.

Using the Sum-of-the-Parts (SoTP) method, the target price for ADS is **VND 14,800/share**, along with a dividend of VND 1,000/share, corresponding to an expected return of 75%, based on the closing price on June 03, 2026. The attractive upside potential is due to the portfolio of projects currently being implemented, but which are not yet fully reflected in the current market price. Therefore, we recommend **BUY**.

Table 1: Valuation summary

Asset	Valuation method	Value	ADS ownership	Contribution value
Textiles	FCFF	437	100%	437
Real estate		1,240		
Industrial clusters		1,147	85%	975
Ninh An	NPV	416		
An Ninh 1	NPV	268		
An Ninh 2	NPV	222		
Vu Ninh 2	NPV	240		
Residential real estate		93	85%	79
Quang Trung social housing	Book value	17		
Bo Xuyen commercial housing project	Book value	6		
Quang Trung adjacent housing	Book value	10		
Phu Xuan social housing	NPV	60		
BOT projects	Book value			182
Cau Nghin BOT				
Total enterprise value		1,641		1,673
+ Cash and cash equivalents				462
- Debt				1,007
Equity value				1,128
Outstanding shares (million shares)				76
Target price				14,800

Source: RongViet Securities

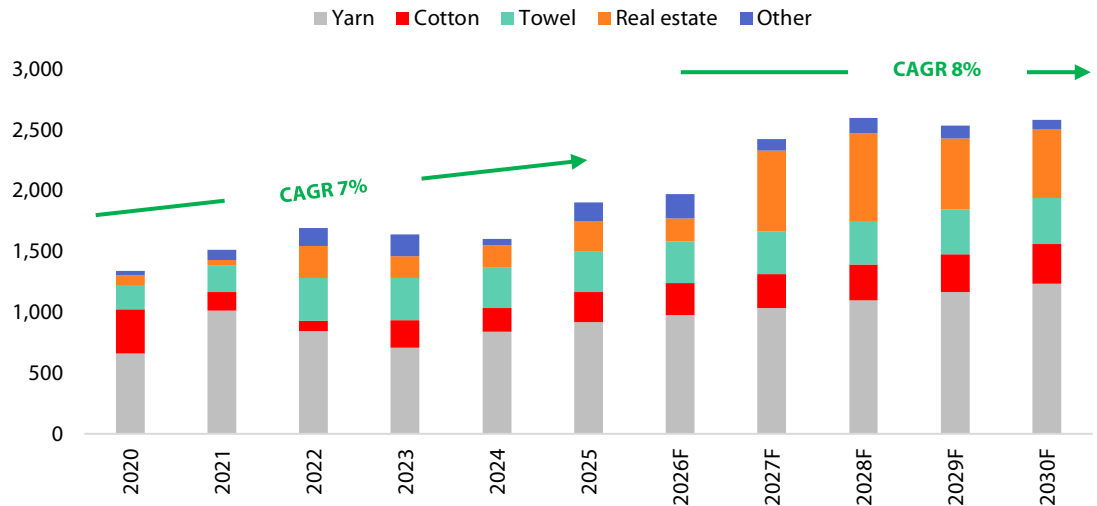
REPORT TABLE OF CONTENTS

A. FINANCIAL ANALYSIS AND FORECAST FOR THE 2026 – 2030	Page 3
B. APPENDIX 1 – FINANCIAL ANALYSIS AND FORECAST FOR THE 2026 – 2030	Page 12
C. APPENDIX 2 – COMPARABLE COMPANIES IN THE TEXTILE INDUSTRY	Page 13
D. APPENDIX 3 – ENTERPRISE VALUE CHAIN ANALYSIS	Page 15
1. Business overview	Page 15
2. Operating model	Page 15
3. Business sectors	Page 16
E. APPENDIX 4 – TEXTILE INDUSTRY OUTLOOK	Page 28
F. APPENDIX 5 – INDUSTRIAL REAL ESTATE OUTLOOK IN HUNG YEN PROVINCE	Page 33
G. APPENDIX 6 – NATIONAL INDUSTRIAL REAL ESTATE OUTLOOK	Page 35

FINANCIAL ANALYSIS AND FORECAST ([Back to Table of Contents](#))

Revenue: During the 2026 – 2030 period, revenue is projected to maintain a compound annual growth rate (CAGR) of 8%/year, equivalent to the growth in the last 5 years, with the main growth driver coming from the real estate sector. During this period, ADS will implement three IC projects and one social housing project. Conversely, the cotton, yarn, and towel production sector maintains single-digit growth amid of relatively sluggish demand for cotton-based products, contributing an average of about 70% of total revenue.

Figure 1: ADS revenue forecast

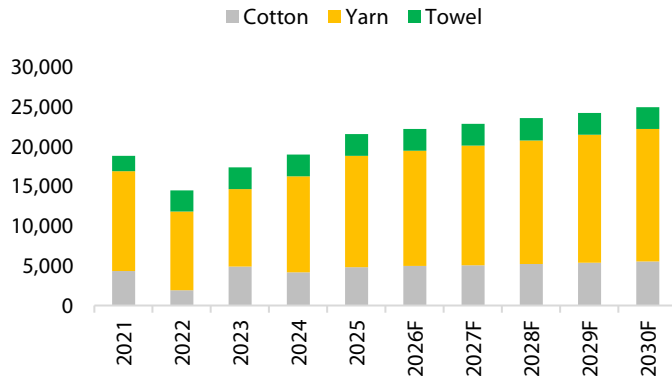


Source: ADS, Rong Viet Securities

Cotton, yarn, and towel sector: In the 2021 – 2025 period, ADS's cotton, yarn, and towel production achieved a compound growth rate of 4% and is gradually entering a stable growth trajectory. In the forecast period, we expect the textile segment to improve its compound growth rate to 5%, reaching VND 1,485 bn in 2026 and VND 1821 bn in 2030 ([see more on page 16](#)).

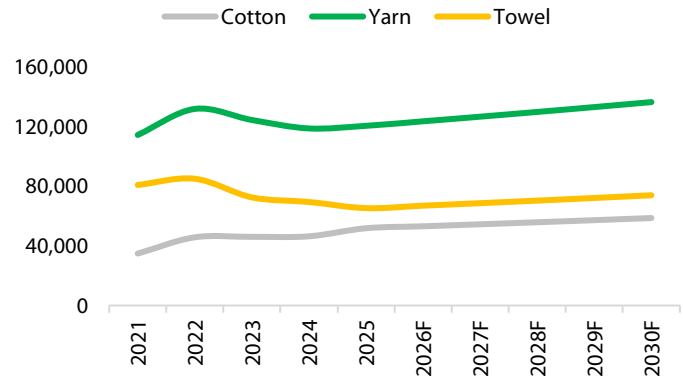
- Demand for cotton and cotton-based products is forecast to maintain a slow growth trend in the medium to long term, due to competition from synthetic fibers and the shift in the global textile supply chain. Global cotton demand is expected to increase by about 1.2%/year until 2030, and the proportion of cotton fiber in the textile material structure continues to shrink. In this context, Vietnam still plays an important role in the spinning and garment chain in Asia, with cotton import demand increasing by about 3%/year thanks to low-cost advantages and an increasingly improved position in the supply chain. Output growth for cotton products is generally moderate, with momentum coming from the trend of increasing cotton yarn imports by China and the stability of the cotton towel market in Japan.
- Cotton yarn and cotton towel products – which are the direct output of cotton raw materials – generally have price levels that fluctuate in line with cotton prices. In the medium and long term, cotton prices are forecast to remain flat in USD/ton, but increase by about 2%/year when converted to VND/ton due to exchange rate factors. Price increase prospects are limited by the lack of a breakthrough in cotton demand before the trend of shifting to alternative materials and the expected continued oversupply.

Figure 2: Production volume forecast by product (tons)



Source: ADS, RongViet Securities

Figure 3: Average selling price forecast by product (VND/kg)



Source: ADS, RongViet Securities

Industrial cluster real estate and ready-built factories: In the 2025 – 2030 period, ADS's IC portfolio, including the An Ninh, Ninh An, and Vu Ninh projects, is expected to be implemented and put into operation respectively. With relatively low absorption risk, these projects are expected to be important drivers of ADS's revenue and profit growth ([see more on page 23](#)).

- **Occupancy rate:** ADS owns a land fund of up to 186.4 ha with a commercial area of 130.9 ha; all projects have been approved for investment policy and are gradually being built. We expect the industrial clusters (IC) developed by ADS to reach 100% occupancy in about 6 – 8 years, consistent with the absorption rate at An Ninh IC phase 1 and the trend of shifting production activities out of the central Thai Binh ward area.
 - **An Ninh IC:** is ADS's first industrial real estate project, established by the Thai Binh Provincial People's Committee under Decision No. 960/QD-UBND dated 04/19/2017 with a scale of 49.9 ha and a total investment of VND 320 bn. Currently, the project has an occupancy rate of about 85%. In 2022, An Ninh IC was approved for expansion to 74.9 ha under Decision No. 1931/QD-UBND, with an estimated phase 2 total investment of VND 210 bn. The company expects to complete site clearance in Q2-FY26.
 - **Ninh An IC:** was formed in the context of implementing the project to relocate production and business facilities along the Tra Ly river according to Resolution No. 07/NQ-HDND dated 04/29/2022 of Thai Binh province, with nearly 80 businesses are expected to relocate to this area. The project was established under Decision No. 1257/QD-UBND dated 06/21/2023, with a planned scale of 74 ha, including 52 ha of commercial land and 5 ha for ready-built factories, with an estimated total investment of about VND 900 bn. By Q4-FY25, ADS is carrying out site leveling and expects to put the project into operation from the beginning of 2027. Thanks to existing relocation demand, Ninh An IC is expected to reach an occupancy rate of about 60% in the first two years of operation and complete occupancy in about 6 years.
 - **Expanded Vu Ninh IC:** was approved for investment policy by the Thai Binh Provincial People's Committee under Decision No. 02/QD-UBND dated 01/15/2024, with a scale of 37.5 ha, including 25 ha of commercial land and 5 ha for ready-built factories, with an expected total investment of VND 310 bn. The project is expected to complete site clearance in Q2-FY26.
- **Land rental price:** ADS's ICs have a competitive advantage in rental prices, increasing the ability to attract investors and FDI capital. Rental prices are estimated at USD 90/m² and grow steadily by 1% per year. This price level is significantly lower than the average for industrial zones in the North (averaging about USD 142/m²).
- **Ready-built factory leasing:** In the ICs, ADS reserves about 10 – 15% of commercial land to build factories for lease with a rental cost of about USD 3/m²/month. In addition to ready-built factories in the ICs, ADS plans to lease a portion of its solar panel production plant starting from Q2-FY26, with

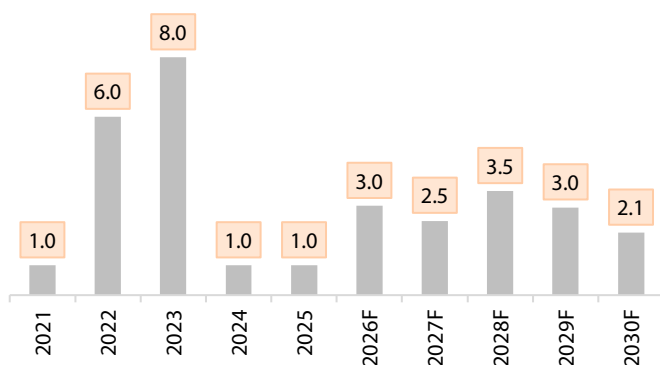
an average revenue of VND 48 bn per year. The ready-built factory leasing sector brings steady and stable long-term revenue for ADS, projected to reach an average of VND 100 – 120 bn/year.

Residential real estate: ADS is implementing the Phu Xuan social housing project in the 2025–2027 period with a scale of 582 apartments, including 546 social housing units and 36 commercial apartments, with a total investment of about VND 650 bn. The project is located in the Phu Xuan area – where residential areas and infrastructure have been relatively completed – creating an advantage for easy product absorption. ADS started the project in November 2025 and expects to implement it in two phases. We expect the project to be opened for sale and handed over in the 2027–2032 period, with an expected price of about VND 19 mn/m² for social housing and VND 30 mn/m² for commercial apartments.

Solar panel production and other business sector: ADS produces solar panels and has had revenue starting from 2023 with impressive growth but a relatively low proportion, about 3% of net revenue. Meanwhile, other sectors are irregular, accounting for about 10% of total revenue in the 2022 – 2023 period, mostly coming from factory construction activities at An Ninh IC for land tenants with construction needs. Construction demand increased strongly when this IC started operation, thereby creating a sudden revenue level for other sectors in 2022 - 2023.

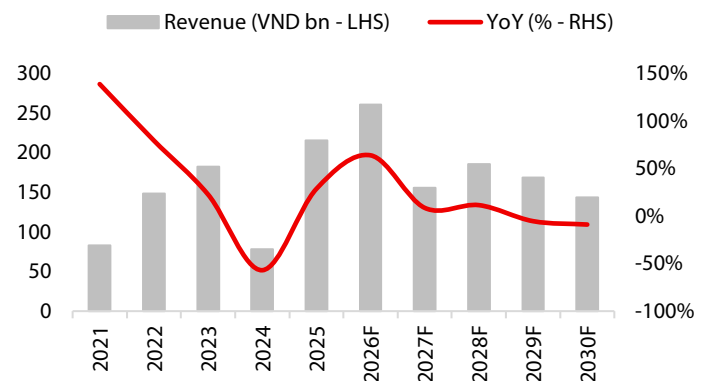
In the forecast period, with a ready-built factory area of about 16 ha and a construction unit price of VND 3 mn/m², we estimate that revenue from the two related segments will maintain an average of about VND 110 bn/year, with the peak concentrated in the 2027F – 2029F period, similar to the 2021 – 2025 period, when many factory projects were implemented at An Ninh IC phase 1.

Figure 4: Factory construction area (ha)



Source: ADS, RongViet Securities

Figure 5: Revenue from solar panel and other sectors



Source: ADS, RongViet Securities

Gross profit margin

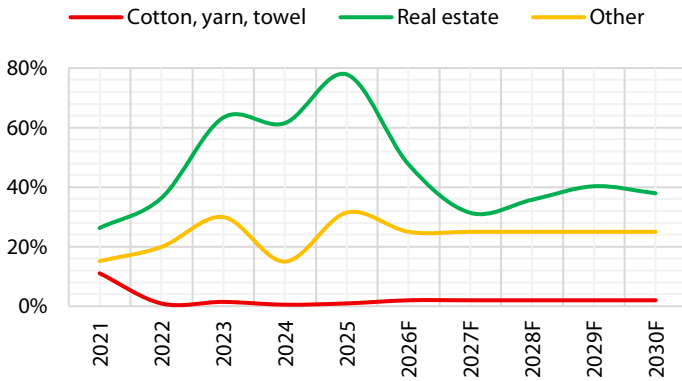
We expect ADS's gross profit margin in the 2026 – 2030 period to maintain an average of about 11% - 12%, mainly contributed by profit from the real estate sector. Meanwhile, the gross margin of the cotton, yarn, and towel production sector remains low and does not contribute significantly to ADS's gross profit.

- **Cotton, yarn, and towel production sector:** The US imposing an average tax of about 15% on Chinese textiles during the first trade war created downward price pressure across the entire industry value chain, thereby reducing the profit margins of enterprises in the industry. Against a backdrop of falling cotton prices, ADS's gross profit margin in the cotton, yarn, and towel segments narrowed sharply, from 6% in 2018 to 1% in 2019 and remained low in the last 5 years. Since 2026, ADS has finished depreciation for machinery and equipment assets. Therefore, ADS's production costs have reduced fixed costs by about VND 25 bn, and we expect ADS's gross profit margin to improve to 2% during the forecast period.
- **Real estate sector:** The gross margin continuously expanded in the 2021 – 2025 period as ADS strongly developed commercial housing projects in Phu Xuan, Quang Trung, and Bo Xuyen wards. Along with that, An Ninh IC phase 1 brought to the market contributed to the strong expansion of the gross margin, from 26% (2021) to 78% (2025). In 2025, ADS recorded revenue from several adjacent apartments in Bo Xuyen ward, estimated to contribute about VND 42 bn in gross profit,

corresponding to a gross profit margin of 39%. This contribution is the main factor driving the expansion of the enterprise's gross profit margin in 2025. In the forecast period, the real estate sector's gross margin is expected to maintain at 40% thanks to contributions from three new ICs and Phu Xuan social housing.

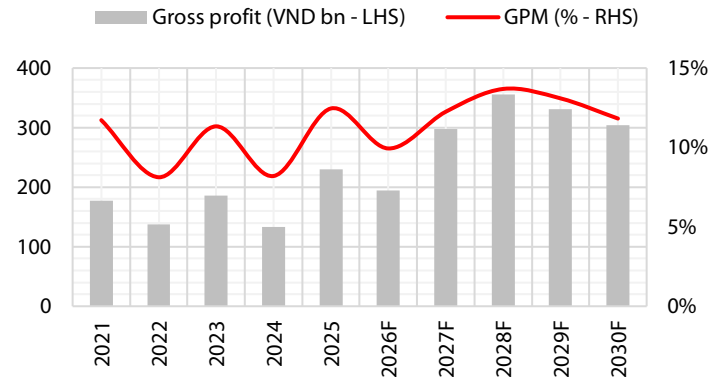
- **Solar panel production and other sector:** With a similar context between the forecast period and the 2021 – 2025 period, we assume this sector will maintain a profit margin of 25% on average.

Figure 6: Gross profit margin by business segment



Source: ADS, RongViet Securities

Figure 7: ADS gross profit and gross margin

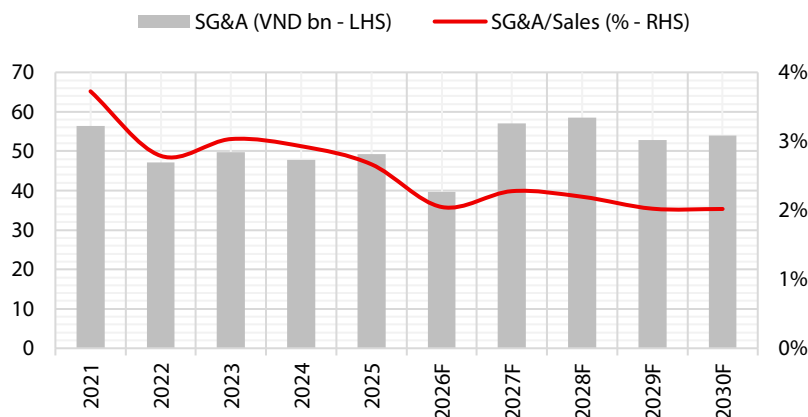


Source: ADS, RongViet Securities

Selling and administrative expenses (SG&A): ADS maintains effective operating cost control discipline, with stable spending around VND 45 – 50 bn per year. Before expanding into the real estate sector, the textile segment's SG&A expenses averaged about VND 35 bn/year. In the last 5 years, expenses have tended to increase slightly, mainly due to real estate brokerage commissions. However, textile revenue growth has not led to a corresponding increase in expenses.

As a result, the ratio of SG&A expenses to net revenue improved significantly, decreasing from 3.7% in 2021 to 2.7% in 2025. In the forecast period, we expect the enterprise to continue maintaining strict cost control, at about VND 55 bn/year, reflecting the strategy of promoting activities in the real estate sector.

Figure 8: Selling and administrative expenses

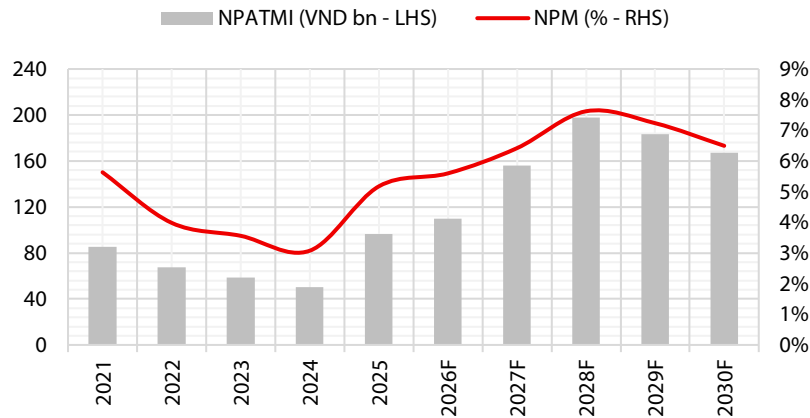


Source: ADS, RongViet Securities

NPAT-MI: Due to high dependence on the real estate sector, ADS's net profit tends to fluctuate strongly, depending on the timing of revenue recognition from this segment. In 2025, ADS's net profit grew suddenly thanks to recording revenue from selling adjacent apartments in Bo Xuyen ward, reaching VND 97 bn (+93% YoY). However, this also created a high base for 2025, and net profit is expected to slow down in 2026 when commercial housing projects have been almost completely sold, while ICs have not yet gone into operation, projected to reach VND 110 bn (+13% YoY). From 2027 onwards, NPATMI is

expected to grow strongly when new IC and real estate projects go into operation, thereby helping business results gradually stabilize in the 2028 – 2030 period.

Figure 9: Net profit and net profit margin



Source: ADS, RongViet Securities

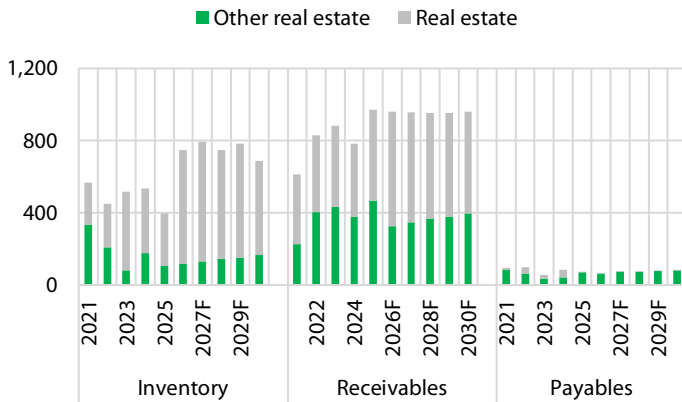
Asset highlights

Working capital: ADS has the characteristics of the textile industry with high working capital demand to serve input material reserves. At the same time, the real estate segment with significant investment capital scale makes the Company's inventory (work-in-progress production costs) and receivables mainly reflect the value from this sector. Therefore, when evaluating working capital indicators, we exclude values related to the real estate sector in inventory, receivables, and payables items, as they are not liquid in the short term.

- ADS's inventory days were longest in 2021 at 82.5 days because the Company increased inventory reserves during the supply chain disruption period, and the trend has been decreasing rapidly in recent years to an average of 30 days. ADS's inventory days are significantly lower than those of industry peers (median of about 100 days). In addition to yarn and towel production, the Company also provides commercial services for cotton and yarn products, so storage days are not too long. In the forecast period, inventory days will gradually increase to the historical average, from 25 days (2026) to 29 days (2030).
- ADS's receivable days have tended to decrease sharply in the last two years from 75 days to 47 days but are relatively high compared to the industry median (about 34 days). This reflects the difference in customer structure when revenue is concentrated mainly in the Chinese market (cotton yarn) and domestic market (raw cotton), which often require payment terms of 60 – 90 days. This decline is showing signs of tightening payment conditions for customers, demonstrating an elevated bargaining position. In the forecast period, we maintain ADS's receivable days at an average of 50 days.
- Payable days have averaged 11 days in the last five years, significantly lower than the industry median (about 33 days) and have tended to decrease in recent years, from 23 days (2021) to 7.5 days (2025). We maintain the downward trend of receivable days, assuming 9 days for the forecast period.

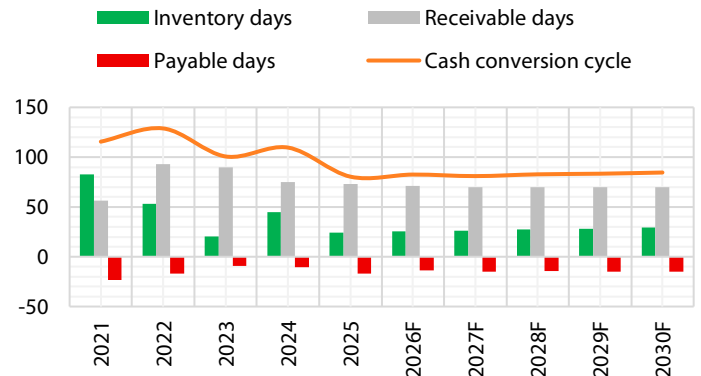
In general, ADS has improved working capital turnover in recent years. In the context of high competition in the industry, the Company's commercial policies are "goodwill" oriented to support customers and partners, thereby creating a foundation for market share expansion in the medium term.

Figure 10: Estimated value of working capital items by business segment (VND bn)



Source: ADS, RongViet Securities

Figure 11: Working capital indicators (days)

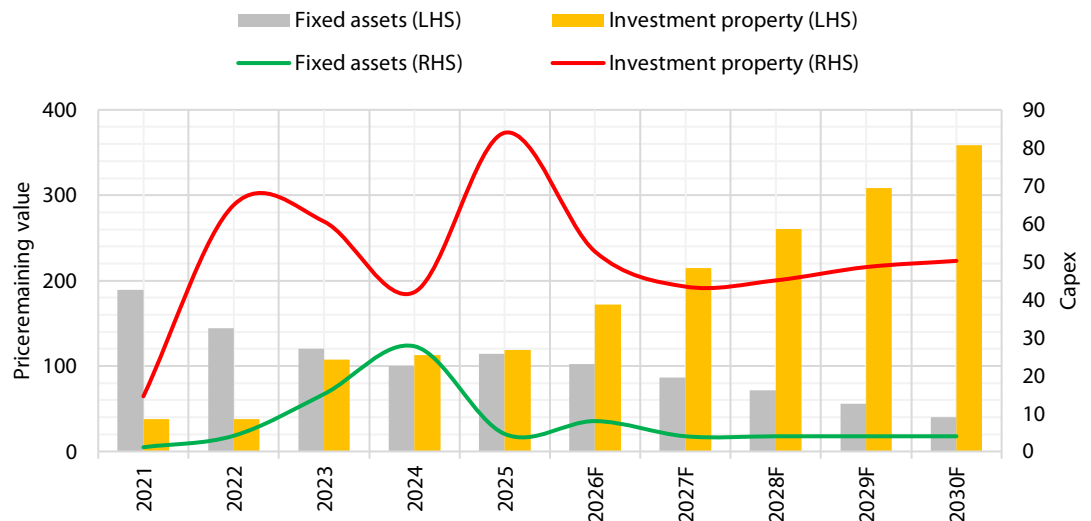


Source: ADS, RongViet Securities

Fixed asset investment: ADS's fixed asset investment costs are concentrated heavily on investment property (ready-built factories at An Ninh IC phase 1). In the 2023 – 2024 period, ADS invested VND 40 bn in machinery, equipment, and transport vehicles.

In the 2026 – 2030 period, the Company has no new investment plans for the textile sector, so we maintain an investment level of about VND 5 – VND 10 bn/year for the purpose of maintaining and repairing existing machinery. In this period, the value of investment property increases by an average of VND 50 bn/year as ADS builds factories in the ICs.

Figure 12: Fixed asset value (VND bn)

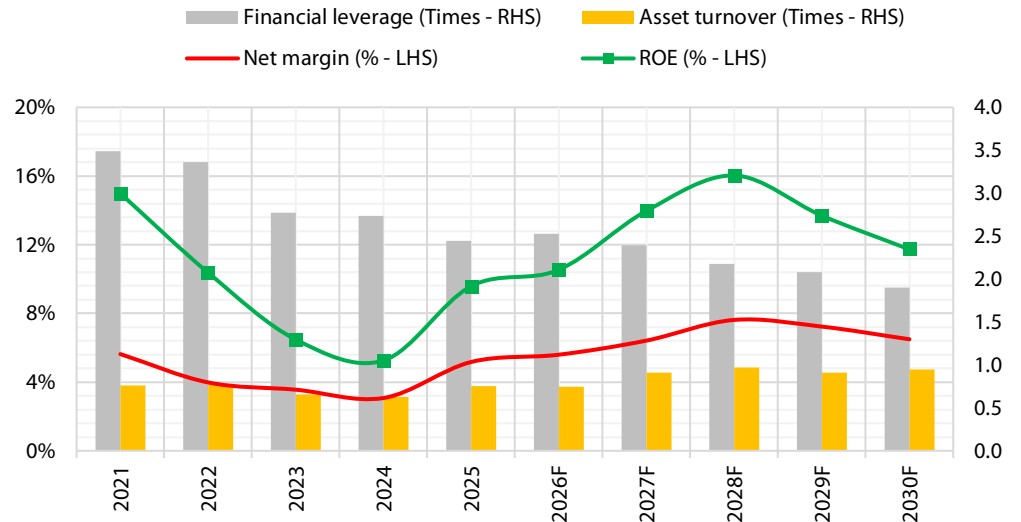


Source: ADS, RongViet Securities

Return on Equity (ROE)

ADS's business results are heavily impacted by the real estate segment, causing ROE and profitability indicators to fluctuate significantly in the 2021 – 2025 period. In the medium term, when sales progress at ICs is accelerated and social housing absorption remains positive, the enterprise's capital efficiency is expected to improve, reflected in asset turnover increasing from an average of 0.7 to 0.9. At the same time, financial leverage tends to decrease as real estate projects are gradually completed.

Figure 13: ROE index according to the three-factor Dupont model

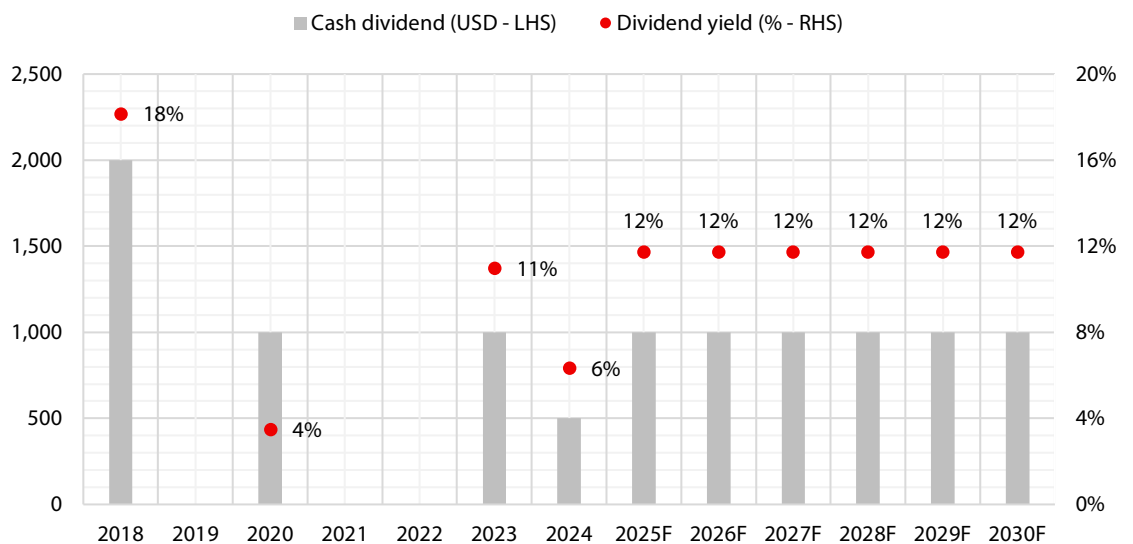


Source: ADS, RongViet Securities

Cash dividend policy: Since listing, ADS has maintained a stable dividend payment policy in both shares and cash. However, in 2019, 2021, and 2022, due to difficulties in the textile industry and the Company prioritizing resources for investing in industrial real estate projects such as An Ninh IC, ADS chose to pay dividends in shares instead of cash.

According to leadership, the Company expects to pay regular cash dividends of VND 1,000/share in the 2026 – 2030 period, equivalent to a dividend yield of 11% (based on the closing price of VND 9.050 on 03/06/2026), higher than the one-year savings interest rate at Vietcombank (5.9%/year). Therefore, ADS is suitable for a dividend investment strategy.

Figure 14: ADS dividend payment policy



Source: Fiinx, RongViet Securities

Table 2: Income statement (VND bn)

INCOME STATEMENT	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F
Revenue	1,693	1,642	1,629	1,870	1,959	2,431	2,596	2,532	2,573
Cost of goods sold	1,555	1,456	1,495	1,618	1,764	2,133	2,241	2,200	2,268
Gross profit	138	186	134	252	195	298	355	331	304
Selling and administrative expenses	47	50	48	55	40	57	59	53	54
Other financial expenses	32	27	9	6	0	0	0	0	0
EBITDA	163	183	155	189	175	260	316	298	270
Non-operating expenses	2	6	3	20	2	2	3	3	3
Non-operating income	39	4	10	0	0	0	0	0	0
Financial income	34	47	31	25	31	26	25	24	23
Interest expense	44	60	42	56	41	53	54	55	50
Earnings before tax (EBT)	85	94	72	140	142	212	265	245	221
Corporate income tax expense	11	11	8	35	23	38	46	42	38
Profit/loss at joint ventures/associates	1	-7	-9	1	0	0	0	0	0
Minority interest	8	17	5	10	10	18	21	20	17
Net profit	67	58	50	97	110	156	198	183	167
Net margin	4.0%	3.6%	3.1%	5.2%	5.6%	6.4%	7.6%	7.2%	6.5%
Earnings per share (VND/share)	1,540	1,001	655	1,266	1,435	2,042	2,590	2,397	2,187

Source: ADS, RongViet Securities

Table 3: Balance sheet (VND bn)

BALANCE SHEET	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F
ASSETS									
Operating cash	55	152	272	150	53	53	56	58	60
Short-term investments	326	380	377	359	341	324	307	292	278
Receivables	830	881	784	859	875	851	841	842	840
Inventory	448	518	535	397	787	821	820	900	802
Other short-term assets	11	14	19	22	23	29	31	30	31
Short-term assets	1,670	1,945	1,987	1,787	2,079	2,078	2,056	2,123	2,010
Net fixed assets	183	227	213	233	274	302	332	365	399
Investment in associates	303	295	350	370	188	188	188	188	188
Intangible assets	1	1	1	1	0	0	0	0	0
Other long-term assets	26	36	54	80	84	104	112	109	111
Long-term assets	511	558	617	684	547	595	631	662	698
Total assets	2,182	2,504	2,604	2,470	2,626	2,673	2,687	2,784	2,708
LIABILITIES									
Short-term debt	711	822	980	878	698	496	284	178	136
Payables	100	57	85	36	45	45	45	49	50
Other short-term payables	554	594	548	416	416	419	419	444	440
Short-term liabilities	1,365	1,473	1,613	1,329	1,160	960	749	671	626
Long-term liabilities	160	113	33	122	407	559	646	698	562
Total liabilities	1,525	1,586	1,647	1,452	1,567	1,519	1,395	1,368	1,188
MINORITY INTEREST									
Minority interest	8	17	5	10	19	37	59	79	95
EQUITY									
Preferred stock									
Common stock	438	584	764	764	764	764	764	764	764
Retained earnings	100	78	66	125	156	232	350	453	540
Other equity accounts	112	240	122	121	121	121	121	121	121
Equity	650	902	952	1,009	1,040	1,117	1,234	1,337	1,425
Total capital	2,182	2,504	2,604	2,470	2,626	2,673	2,687	2,784	2,708

Source: ADS, RongViet Securities

APPENDIX 1 – FINANCIAL ANALYSIS AND FORECAST FOR THE 2026 – 2030
Table 4: Revenue forecast by business segment ([Back to Table of Contents](#))

REVENUE (VND bn)	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F
Cotton, yarn, and towel sector	1,280	1,282	1,364	1,408	1,485	1,563	1,644	1,731	1,821
YoY growth	-8%	0%	6%	3%	6%	5%	5%	5%	5%
Proportion	76%	78%	84%	75%	76%	64%	63%	68%	71%
Real estate sector	264	178	187	247	190	665	719	585	561
YoY growth	531%	-33%	5%	32%	-23%	250%	8%	-19%	-4%
Proportion	16%	11%	11%	13%	10%	27%	28%	23%	22%
Solar panel and other sector	148	182	78	215	284	203	233	216	191
YoY growth	79%	22%	-57%	176%	32%	-29%	15%	-7%	-12%
Proportion	9%	11%	5%	12%	14%	8%	9%	9%	7%
Total	1,693	1,642	1,629	1,870	1,959	2,431	2,596	2,532	2,573
YoY growth	12%	-3%	-1%	15%	5%	24%	7%	-2%	2%

Source: ADS, RongViet Securities

Table 5: Profitability

UNIT: VND bn	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F
Gross profit	138	186	134	252	195	298	355	331	304
Gross profit margin	8%	11%	8%	13%	10%	12%	14%	13%	12%
YoY growth	-22%	35%	-28%	89%	-23%	53%	19%	-7%	-8%
Selling and administrative expenses	47	50	48	55	40	57	59	53	54
Selling and administrative expenses/net revenue	3%	3%	3%	3%	2%	2%	2%	2%	2%
YoY growth	-16%	5%	-4%	16%	-28%	44%	3%	-10%	2%
EBIT	58	109	76	191	155	241	297	279	250
EBIT margin	3%	7%	5%	10%	8%	10%	11%	11%	10%
YoY growth	-50%	87%	-30%	150%	-19%	55%	23%	-6%	-10%
Net profit	67	58	50	97	110	156	198	183	167
Net profit margin	4%	4%	3%	5%	6%	6%	8%	7%	6%
YoY growth	-21%	-13%	-14%	93%	13%	42%	27%	-7%	-9%

Source: ADS, RongViet Securities

Table 6: Operating indicators of the textile segment

WORKING CAPITAL	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F
Receivable days	92.7	89.4	75.3	46.5	50.0	50.0	50.0	50.0	50.0
Inventory days	53.0	20.6	45.0	23.6	24.6	25.6	26.6	27.6	28.6
Payable days	16.9	9.4	10.6	7.5	9.2	9.1	8.6	8.9	8.9

Source: ADS, RongViet Securities

Table 7: ADS annual cash dividends

	2022	2023	2024	2025	2026F	2027F	2028F	2029F	2030F
Cash dividend (VND/share)	0	0	1,000	500	1,000	1,000	1,000	1,000	1,000
Dividend payout ratio	0%	0%	179%	34%	93%	51%	40%	44%	48%
Dividend yield	0%	0%	11%	6%	12%	12%	12%	12%	12%

Source: ADS, RongViet Securities

APPENDIX 2 – COMPARABLE COMPANIES IN THE TEXTILE INDUSTRY ([Back to Table of Contents](#))

In this report, we use 10 companies in the textile and yarn sector with business models similar to ADS as a reference for analysis and forecasting.

Vardhman Textiles Ltd (VTEX IN Equity): is one of the large textile enterprises in India, operating in the fields of spinning, weaving, and garment manufacturing. The company owns a large-scale factory system with diverse yarn and fabric production capacity, serving both domestic and export markets. Vardhman maintains a competitive position thanks to its large production scale, diverse product portfolio, and stable international customer network, thereby benefiting from the growth trend of the Indian textile industry.

Nitin Spinners Ltd (NSPL IN Equity): is an enterprise specializing in the production of yarn, woven fabric, and garments in India, with a relatively integrated value chain from spinning to dyeing and weaving. The company possesses significant production capacity in the cotton yarn and blended yarn segments, serving international brands. NSPL maintains stable growth by focusing on the mid-to-high-end segment and a selective capacity expansion strategy.

Texhong International Group Ltd (2678 HK Equity): is one of the largest yarn groups in China, operating in the field of cotton spinning and blended yarn, with a factory system in China and Southeast Asia. Texhong owns a large-scale production chain, focusing on the mid-to-high-end yarn segment, serving key export markets. The enterprise benefits from economies of scale, its position in the global textile supply chain, and a strategy of shifting production to lower-cost countries.

Weiqiao Textile Company Limited (2604406D HK Equity): is one of the largest cotton textile enterprises in China, belonging to the Shandong Weiqiao Entrepreneurship Group. Weiqiao Textile has been listed on the Hong Kong Stock Exchange since 2003 and owns many modern production facilities, applying automation technology and smart management throughout the entire production chain. Thanks to its large scale and advanced technology, the enterprise maintains a high competitive position in the global cotton textile industry.

Huafu Fashion Co., Ltd (002042 CH Equity): is a large cotton spinning enterprise in China, owning a factory system in China and Vietnam. The company maintains an important position in the global cotton yarn supply chain thanks to its scale and technology advantages.

Sri Rejeki Isman Tbk – Sritex (SRIL IJ Equity): is a large integrated textile group in Indonesia, operating from spinning to garment manufacturing. The enterprise serves both domestic and export markets, but its performance is clearly affected by the industry cycle.

Indo-Rama Synthetics Tbk (INDR IJ Equity): is a manufacturer of polyester yarn and synthetic chemicals, owning an integrated production chain and holding an important role in the Indonesian textile supply chain.

Century Synthetic Fiber Corp (STK VN Equity): is a leading polyester yarn manufacturer in Vietnam, focusing on recycled and environmentally friendly yarn. The company benefits from the sustainable material trend and its increasingly improved position in the global supply chain.

Phu Phong Phat Textile JSC (PPH VN Equity): is a spinning and textile enterprise, focusing on cotton yarn and blended yarn, with stable production operations serving domestic and export markets.

Vietnam National Textile and Garment Group – Vinatex (VGT VN Equity): is the largest textile group in Vietnam, operating according to a complete value chain from yarn to garment manufacturing, holding a central role in the national textile industry.

Table 8: Financial indicators of comparable port operating companies in the industry

Indicator	2019	2020	2021	2022	2023	2024	Industry average
Proportion	15%	15%	15%	15%	20%	20%	
Receivable days							
Average	36.7	42.5	41.5	33.4	39.2	38.9	38.7
Median	30.7	34.8	35.8	28.9	35.6	36.8	34.0
Inventory days							
Average	113.8	121.5	122.1	113.6	118.5	125.8	119.5
Median	100.7	101.4	100.8	98.3	108.7	102.2	102.4
Payable days							
Average	34.7	41.3	37.2	34.5	39.2	43.8	38.8
Median	29.9	39.0	36.2	27.3	32.3	33.2	33.0
Gross margin (%)							
Average	9.4%	9.0%	7.0%	3.6%	3.9%	7.2%	6.6%
Median	8.0%	9.2%	13.4%	8.6%	4.2%	5.4%	7.8%
EBITDA margin (%)							
Average	11.6%	11.0%	1.4%	7.4%	4.5%	7.3%	7.1%
Median	11.6%	11.0%	11.0%	9.6%	7.3%	9.0%	9.7%
Net margin (%)							
Average	5.6%	4.6%	-4.0%	0.0%	-1.3%	3.2%	1.3%
Median	5.2%	2.6%	5.8%	4.5%	1.0%	1.9%	3.3%
EV/EBITDA							
Average	7.5x	7.2x	9.4x	9.x	9.5x	15.5x	8.4x
Median	5.2x	5.3x	6.7x	5.3x	6.x	5.7x	7.7x
P/E							
Average	8.9x	10.x	9.7x	9.4x	30.6x	38.9x	19.6x
Median	8.x	8.2x	9.8x	6.8x	13.8x	13.9x	10.5x
P/B							
Average	0.9x	0.7x	1.2x	0.9x	0.9x	1.0x	0.9x
Median	1.0x	0.7x	1.0x	0.8x	1.0x	1.2x	0.9x

Source: Bloomberg, RongViet Securities

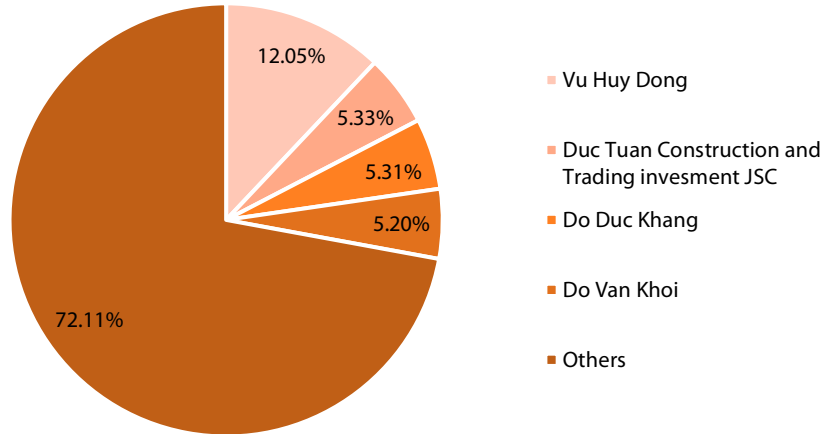
APPENDIX 3 - ENTERPRISE VALUE CHAIN ANALYSIS ([Back to Table of Contents](#))

Business overview

Damsan JSC (HSX: ADS) was established in 2006, with two co-founding shareholders: Thai Binh Investment Trading JSC and members of the Hanoi Handicraft Export-Import Company. ADS operates mainly in the fields of yarn production, cotton towels, and real estate. ADS stock has been officially listed on the Ho Chi Minh City Stock Exchange since July 2016.

ADS's ownership structure has four major shareholders, accounting for 27.9% of outstanding shares: Vu Huy Dong (Chairman of the Board) (12.05%), Do Van Khoi (Board member) (5.2%), Do Duc Khang – son of Mr. Do Van Khoi (5.31%), and Duc Tuan Construction and Trading Investment JSC (5.33%).

Figure 15: ADS shareholder structure



Source: Fiinx, RongViet Securities

Operating model ([Back to Table of Contents](#))

After nearly 20 years of development, ADS directly owns one subsidiary and four joint ventures and associates. The company provides diverse services, a closed value chain from cotton raw materials to cotton products. In addition, ADS has expanded its ecosystem by investing in high-yield sectors such as residential real estate, IC real estate, and expanding into green energy. ADS's subsidiary – Eiffel Yarn JSC is managing a spinning mill and is also fully responsible for ADS's real estate development segment.

Table 9: System of subsidiaries and associates directly owned by ADS

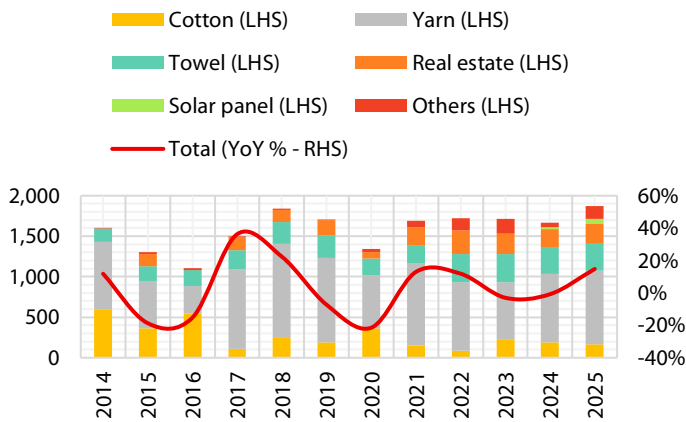
Ownership form	Company name	Business sector	Ownership ratio	Voting rights ratio
Subsidiary	EIFFEL Yarn JSC	Textiles, real estate development	85%	85%
Associate	Textile and Garment Research Institute JSC	Textile product research	30%	30%
	Thai Binh An Ninh Investment JSC	Yarn production	47.27%	47.27%
	Thai Binh Cau Nghin Investment JSC	Bridge and road construction	45%	45%
	AD Green Energy Group JSC	Solar panel and accumulator production	43.12%	43.12%

Source: ADS, RongViet Securities

Main business activities ([Back to Table of Contents](#))

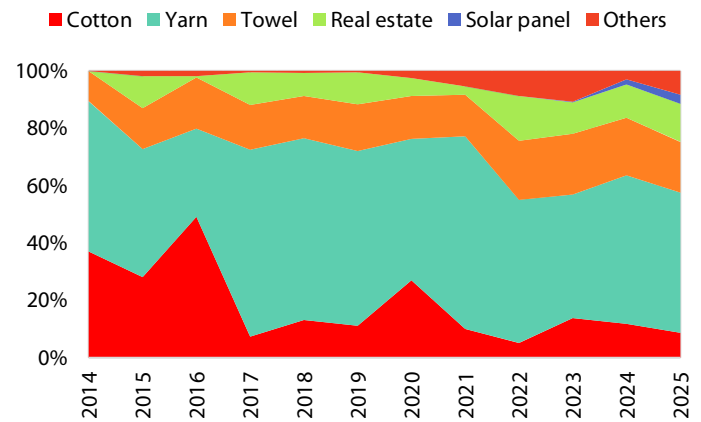
In the 2014 – 2025 period, ADS's revenue fluctuated relatively strongly around an average of about VND 1.600 bn/year, mainly due to the impact of the real estate segment. The enterprise's revenue structure is concentrated on cotton, yarn, and towel products, accounting for about 85 – 90% of annual total revenue. The real estate segment started contributing from 2015 but recorded instability, due to dependence on sales progress and product handover, with the proportion maintained in the range of 3 – 14% of total revenue. Besides that, the solar panel segment – implemented by ADS from 2023 to provide solar panels for large-scale solar power projects and rooftop systems – only contributed a small revenue level, about 2% of total revenue. Other business segments are irregular, accounting for about 10% of total revenue in the 2022 – 2023 period. Revenue from this segment largely comes from factory construction activities at An Ninh IC for land tenants with construction needs; when this IC started operation, construction demand increased strongly, thereby creating a sudden revenue level for other sectors.

Figure 16: Revenue by business sector



Source: ADS, RongViet Securities

Figure 17: Revenue structure by business sector (%)

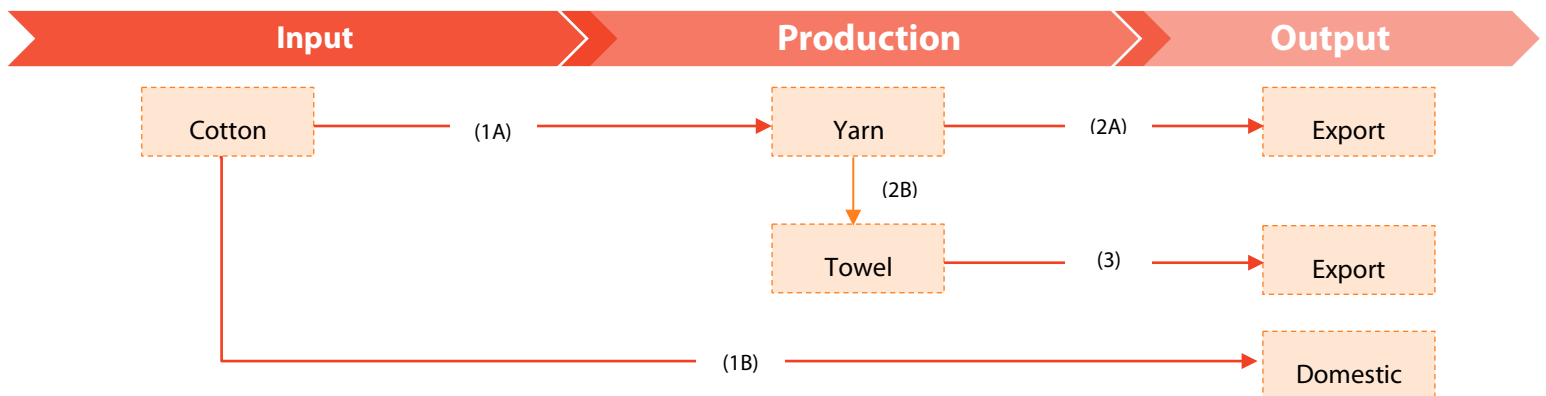


Source: ADS, RongViet Securities

Textile and yarn production sector ([Back to page 4](#))

ADS operates mainly in the production and trading of cotton-based products including: Cotton yarn production, cotton towel production, and raw cotton trading. ADS's textile value chain has high resonance, starting from the stage of importing cotton raw materials to the stage of producing finished cotton towels and distributing them to domestic and international markets. ADS currently owns three yarn factories with a total capacity of 12,000 tons of yarn/year and 2,000 tons of towels/year.

Figure 18: ADS cotton, yarn, and towel production process



Source: ADS, RongViet Securities

Production process at ADS

(1) Importing raw materials

Cotton is the main input material, imported mainly from India and processed at the factory before being put into production stages. From raw cotton, the Company implements two main directions of use:

- (1A) Cotton is put into the spinning line to produce cotton yarn. The proportion of imported cotton used to produce yarn is estimated at 65%.
- (1B) Cotton is consumed directly in the domestic market in the form of raw cotton, helping to increase revenue for the Company, accounting for about 35% of import volume.

(2) Yarn production process

Cotton is spun into yarn through carding – this is an important intermediate stage, determining the quality of the final product. From here, the production chain continues to divide into two directions:

- (2A) Cotton yarn is exported mainly to China, where there is a large-scale fabric dyeing and finishing system.
- (2B) A portion of cotton yarn is transferred to the towel weaving stage right in the factory. This is the stage of converting from intermediate industrial products to complete consumer products, which have high added value.

(3) Towel production process

ADS's towel products include: face towels, sports towels, bath towels... created from 100% cotton yarn produced by ADS. Towels are exported a lot to markets in Japan, China, South Korea, and Taiwan.

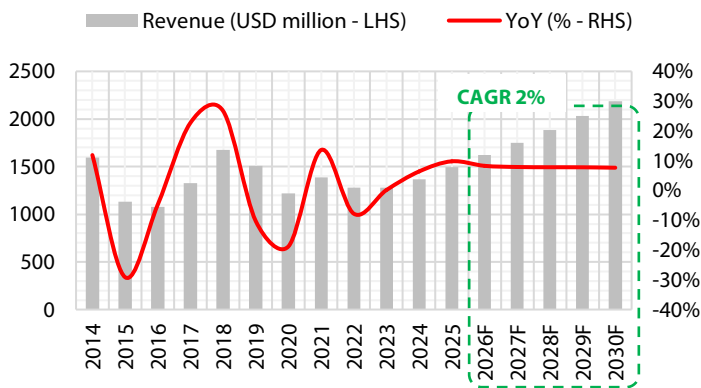
Overview of revenue – gross profit margin indicators of the textile product chain

In the last 10 years, ADS's textile product revenue has experienced many fluctuations and is gradually entering a stable growth trajectory. The 2015 – 2019 period recorded positive growth thanks to business expansion into OE (Open-End) yarn. However, after withdrawing from this activity, revenue decreased by 20% in 2020. From 2021 – 2025, business results recovered and maintained compound growth with a CAGR of about 3%. In the forecast period, we expect the textile segment to improve its compound growth rate to 5%, reaching VND 1,485 million in 2026 and VND 1,821 million in 2030.

For the cotton yarn and cotton towel product group – which are the direct output of cotton raw materials – price levels generally fluctuate in line. In the medium and long term, cotton prices are forecast to remain flat in USD/ton, but increase by about 2%/year when converted to VND/ton due to exchange rate factors. Price increase prospects are limited by the lack of a breakthrough in cotton demand before the trend of shifting to alternative materials and the expected continued oversupply.

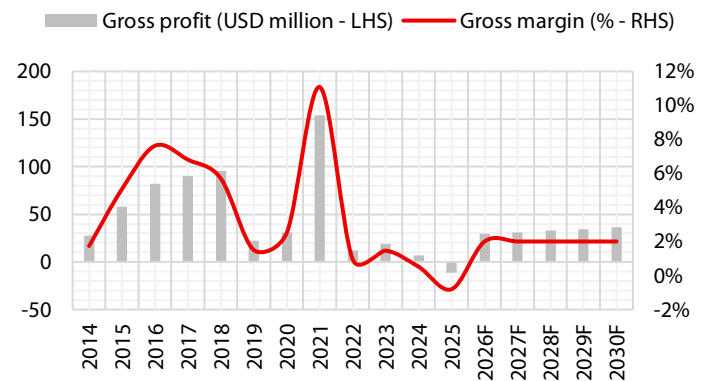
Since the first US-China trade war, the US imposing taxes (average 15%) on textiles from China has had a negative impact on unit price levels across the entire industry value chain. Reduced order pressure has prompted businesses to shift to using cheap alternative materials (synthetic, semi-synthetic fibers), while accepting lower selling prices to maintain exports, even selling close to cost. In the context of weakening demand and falling cotton prices, the gross profit margin of ADS's cotton, yarn, and towel segments narrowed from 6% in 2018 to 1% in 2019 and remained low in the last 5 years. Except for 2021, when the impact of COVID-19 disrupted the supply chain, the Company took advantage of cheap inventory and sold it when cotton prices rose sharply, thereby recording a sudden high gross profit margin of up to 11%.

Figure 19: Cotton, yarn, and towel sector revenue



Source: ADS, RongViet Securities

Figure 20: Cotton, yarn, and towel segment gross profit margin



Source: ADS, RongViet Securities

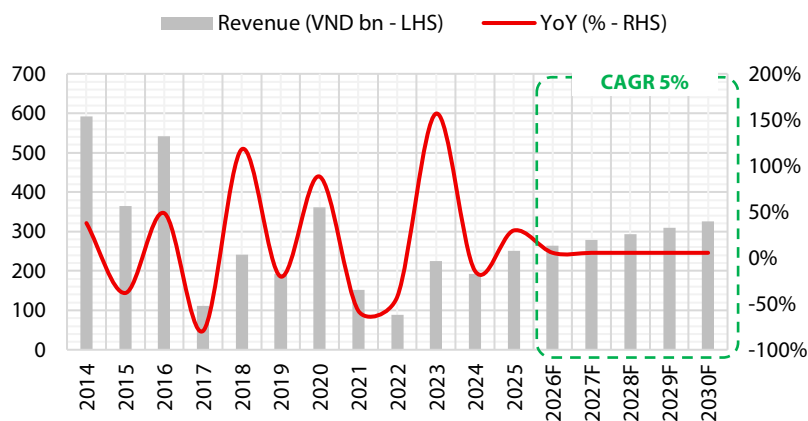
Cotton business sector

In the period before 2017, ADS's cotton business brought in average revenue of about VND 400 bn/year, accounting for about 40% of net revenue. However, since 2017, ADS has actively narrowed this business sector, focusing resources on producing products from cotton such as cotton yarn and cotton towels. In the 2018 – 2025 period, revenue from cotton reached an average of about VND 200 bn/year, accounting for about 12% of net revenue, and fluctuated strongly during the period of global economic weakness in 2022.

ADS's commercial cotton output maintained an average of about 5,000 tons/year in the 2018 – 2025 period, a significant decrease compared to the 14,000 tons/year of the period before 2017. Revenue from commercial cotton is mainly affected by sales volume, as the market's average selling price did not have many major fluctuations in this period.

In the 2026 – 2030 period, we project ADS's cotton business revenue to reach a compound growth rate of 5%, corresponding to VND 172 bn in 2026 and VND 212 bn in 2030, with the main growth driver being high cotton consumption demand in Vietnam.

Figure 21: Cotton trading segment revenue forecast

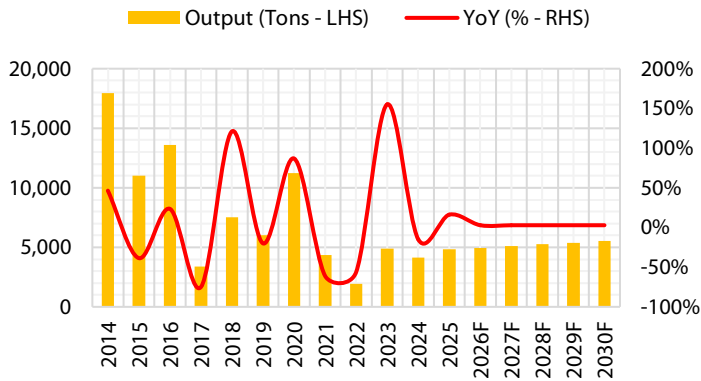


Source: ADS, RongViet Securities

- According to OECD forecasts, Vietnam's import demand for raw cotton will grow at a compound rate of about 3% per year, reaching 1.6 million tons in 2026 and 1.8 million tons in 2030. Growth momentum comes from Vietnam increasingly becoming an attractive destination for global fashion brands in the garment and spinning sector, thanks to competitive labor cost advantages, reduced tariff risks from the US-China 2.0 trade war wave, along with the fact that domestic cotton raw material sources almost have to rely entirely on imports.

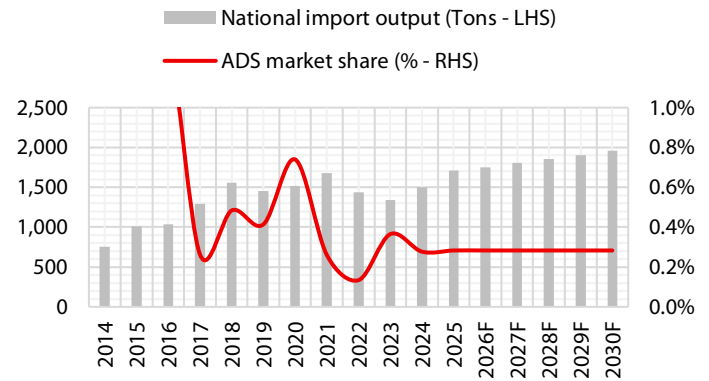
In the last 5 years, ADS's cotton supply capacity for the domestic market accounted for an average of 0.28% of the country's total cotton imports. We maintain this ratio in the forecast period because the cotton market has been relatively stable in recent years. Accordingly, ADS's cotton output is forecast to grow at a compound rate of about 3%, reaching 4.9 thousand tons in 2026 and 5.5 thousand tons in 2030.

Figure 22: Cotton output supplied by ADS to the market



Source: ADS, RongViet Securities

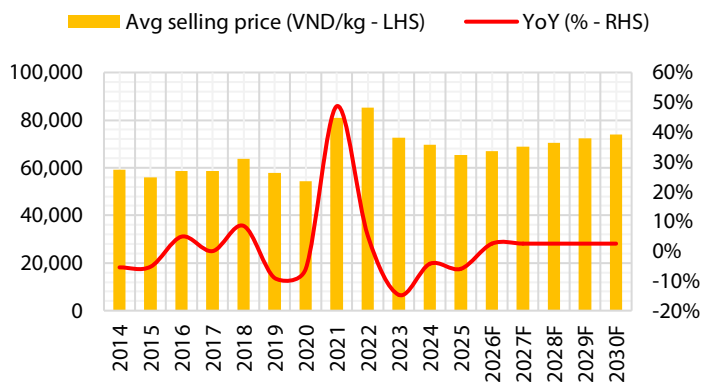
Figure 23: ADS market share compared to national import demand



Source: ADS, General Department of Customs, RongViet Securities

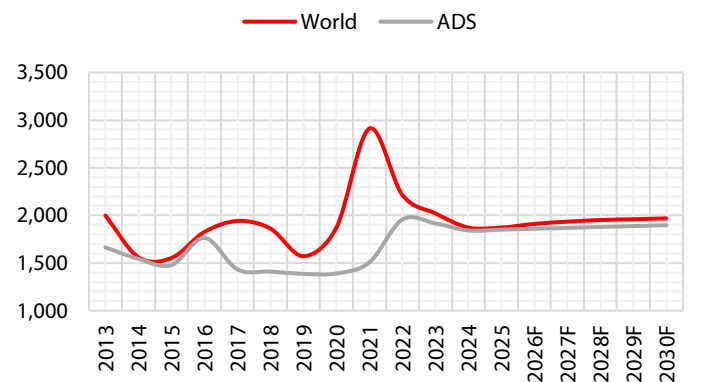
- ADS's average cotton selling price has a close correlation with global cotton price trends, but often reflects with a certain lag. Based on global cotton price forecasts, we assume ADS's selling price in USD will increase slightly by about 0.5% per year, corresponding to an increase of about 2.5%/year when converted to VND, assuming VND depreciates by an average of 2% per year against USD. Although ADS supplies cotton to the domestic market, the enterprise still needs to maintain a certain gross profit margin. Therefore, domestic selling prices are expected to continue to follow the developments of imported cotton prices.

Figure 24: ADS average cotton selling price



Source: ADS, RongViet Securities

Figure 25: Correlation between ADS cotton selling price and global cotton price (USD/ton)



Source: ADS, OECD, RongViet Securities

Cotton yarn production and trading sector

ADS's yarn products include two types, CD yarn and OE yarn, which are used relatively commonly in the textile industry. The two types of yarn have differences in the production process, so they have different product characteristics and applications.

- **CD yarn (Carded Cotton):** is produced according to the traditional spinning process, characterized by high durability and high fiber fineness. Raw cotton is cleaned and blended, carded to remove impurities and parallelize fibers, and spliced to create sliver and finally spun on a ring spinning machine – where the yarn is stretched, twisted tightly, and wound onto a bobbin. Thanks to the strong mechanical twisting process, CD yarn has a tight structure, high durability, a smooth surface, less fuzz, and a soft hand feel.

This type of yarn has good absorbency and color adhesion, suitable for high-quality products such as knitted fabrics, high-end t-shirts, cotton towels, voile fabrics, or fine cotton fabrics.

- **OE yarn (Open End):** is produced using modern rotor spinning technology, in which cotton fibers after being cleaned, carded, and spliced are fed directly into a high-speed rotating rotor chamber to form yarn thanks to centrifugal force and suction airflow. In terms of characteristics, OE yarn has a porous structure, a rough surface, and uneven twist, so tensile strength is lower and it is easier to fuzz than CD yarn. OE yarn is often used in thick, durable fabrics such as denim, khaki, cleaning towels, industrial fabrics, and common textiles.
- In general, CD yarn is preferred in the high-end segment thanks to its fineness, durability, and soft feel, while OE yarn dominates in common and industrial goods production thanks to low cost and high production speed. CD demand is stable and higher than OE yarn due to markets requiring high quality and export fashion.

Figure 26: CD yarn production process



Source: RongViet Securities

Figure 27: OE yarn production process



Source: RongViet Securities

The OE yarn factory operated inefficiently in 2019 when the line utilization rate only reached 70% and by 2020 had to temporarily stop production due to the COVID-19 pandemic. By the end of 2020, ADS stopped producing OE yarn, proceeded to liquidate assets, and leased out the factory. Therefore, the Company currently only produces CD yarn and distributes the majority to the Chinese market.

Table 10: List of ADS production factories

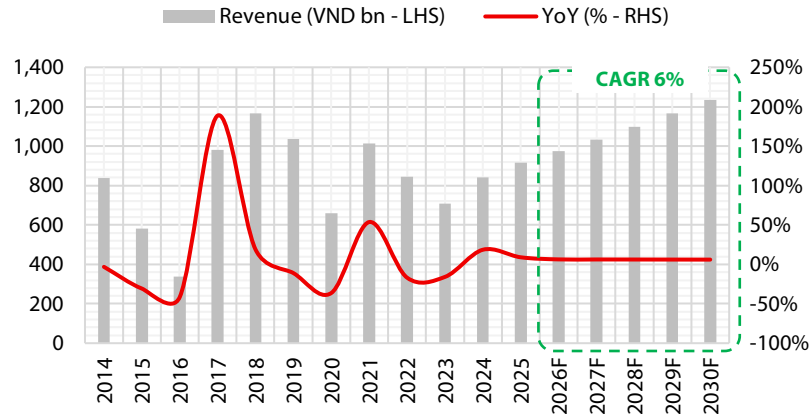
Factory name	Year established	Total investment	Design capacity
Damsan 1	2006	VND 121 bn	<ul style="list-style-type: none"> • 3,000 tons OE yarn/year • 2,300 tons CD yarn/year
Damsan 2	2010	VND 210 bn	<ul style="list-style-type: none"> • 3,600 tons OE yarn/year • 720 tons towels/year

Source: ADS, RongViet Securities

ADS only produced OE yarn in the 2017 – 2019 period with an average output of about 18 thousand tons per year, corresponding to average revenue of approximately VND 1,000 bn/year. After stopping OE yarn production, in the 2021 – 2025 period, yarn output decreased to an average of 12 thousand tons/year, yarn revenue reached an average of about VND 865 bn/year, and the compound growth rate was 7%. ADS's revenue grew strongly in 2024 – 2025 thanks to expanding more new customers in the Chinese market such as Xiamen ITG Group, Weihai Textile Group, and Sumisho.

In the 2026 – 2030 period, we project ADS's cotton yarn business revenue to reach a compound growth rate of 5%, corresponding to VND 971 bn in 2026 and VND 1,232 bn in 2030. Based on the trend that ADS is expanding market share in China and cotton yarn prices tend to increase slightly when input material prices increase.

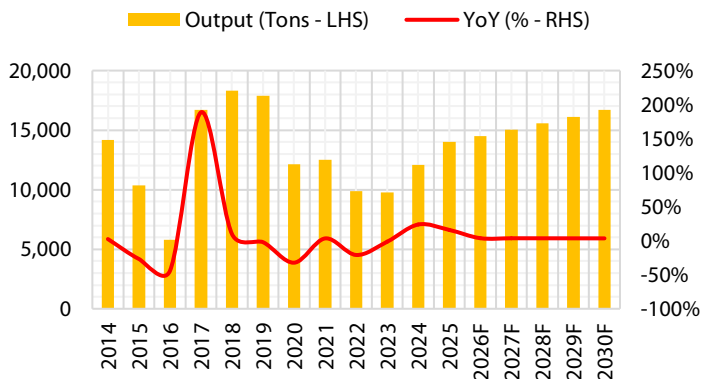
Figure 26: Cotton yarn production segment revenue forecast



Source: ADS, RongViet Securities

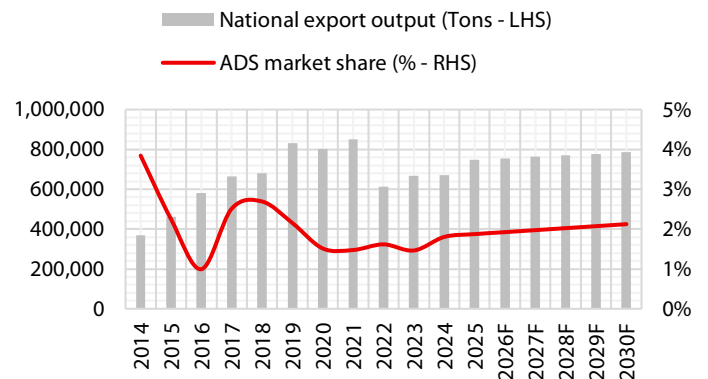
- ADS's export output in the 2021 – 2025 period accounted for about 1.65% of Vietnam's total carded cotton yarn output exported to China. Market share expanded from 1.5% in 2021 to 1.9% in 2025, corresponding to an expansion of 10 bps/year. We expect ADS to be able to expand market share in China but the speed is somewhat slower at 5 bps/year because it has stabilized its customer base and started to slow down in 2025. Based on the country's carded cotton yarn export output to China ([see more on page 30](#)) and ADS's contribution proportion, we forecast the enterprise's cotton yarn export output will increase slightly with a compound growth rate of about 4%/year, reaching 14.5 thousand tons in 2026 and 16.7 thousand tons in 2030.

Figure 27: ADS yarn output



Source: ADS, RongViet Securities

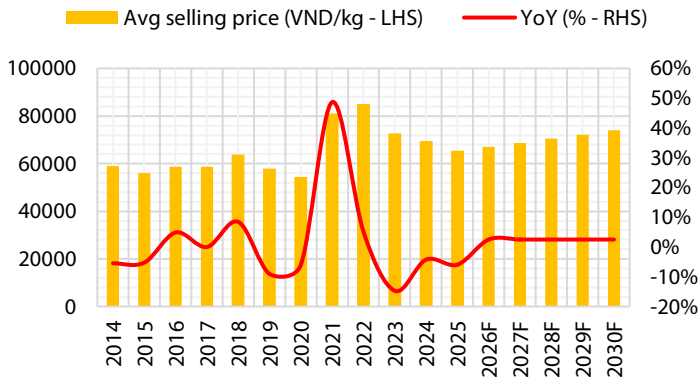
Figure 28: ADS carded yarn proportion in Vietnam's yarn export output to China



Source: ADS, UN Comtrade, RongViet Securities

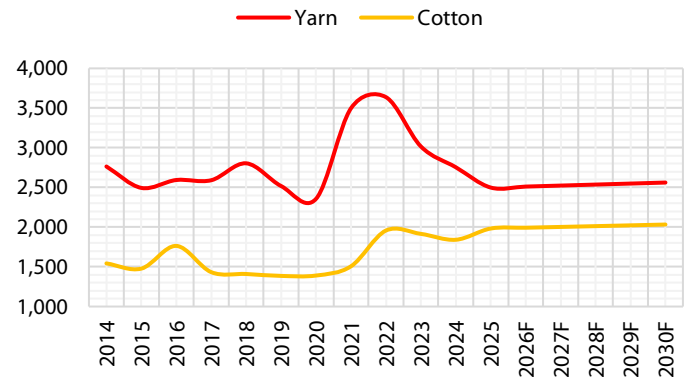
- Carded cotton yarn prices have a close correlation with cotton prices because cotton is the main input material in the production process. In the forecast period, we estimate that average yarn prices will grow by about 2.5%/year, moving in line with the cotton price trend according to the forecast above.

Figure 29: ADS average yarn selling price



Source: ADS, RongViet Securities

Figure 30: ADS yarn and cotton price developments (USD/ton)



Source: ADS, USDA, RongViet Securities

Towel production sector

A portion of carded cotton yarn produced by ADS is used as input material for the cotton towel product line. ADS's Towel Factory is responsible for weaving, to transform yarn raw materials into raw towel fabric. Subsequent processing stages including washing, dyeing, finishing, and packaging into finished products are outsourced by ADS. ADS's towel products are cotton towels used for hotels, with 90% of output exported to the Japanese market.

Figure 31: ADS towel production process

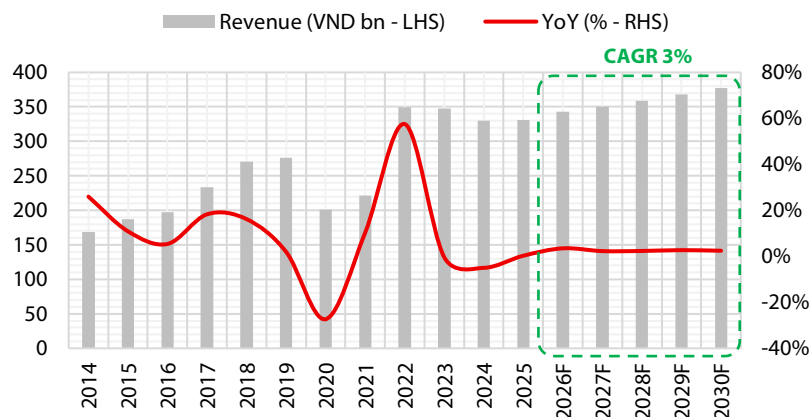


Source: RongViet Securities

ADS's towel business revenue once maintained impressive growth before the COVID-19 pandemic broke out, with a compound growth rate of about 10%/year. However, in recent years, the growth momentum has slowed down and gradually entered a stable state, mainly because towel import demand from the Japanese market did not record many fluctuations.

In the 2026 – 2030 period, we project ADS's cotton towel business revenue to reach a compound growth rate of 3%, corresponding to VND 343 bn in 2026 and VND 377 bn in 2030 with cotton towel prices tending to increase slightly when input materials increase.

Figure 32: Cotton towel production segment revenue forecast

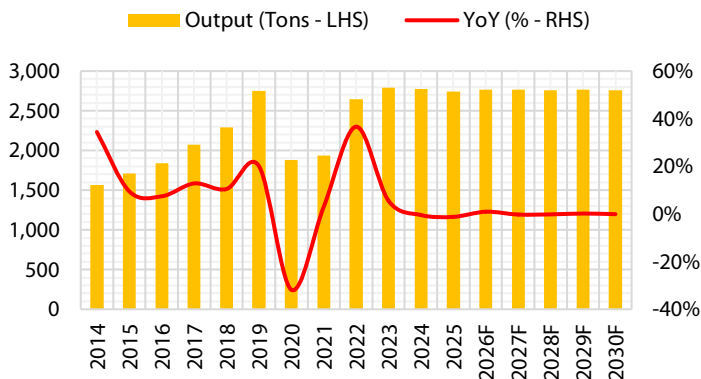


Source: ADS, RongViet Securities

- Cotton towel export output in the last 5 years is equivalent to about 8.5 – 9% of Vietnam's total cotton towel yarn output exported to Japan. We expect ADS to keep its export market share in the forecast period. Based on the country's cotton towel export output to Japan ([see more on](#)

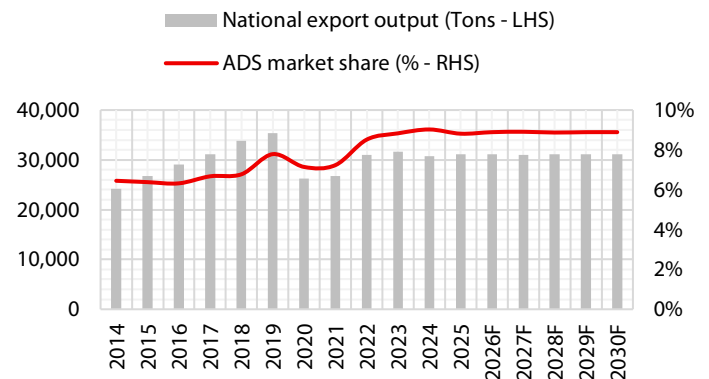
[page 31](#)) and ADS's contribution proportion, we forecast the enterprise's cotton towel export output will remain flat in the forecast period, reaching an average of 2,750 tons/year.

Figure 33: ADS towel output



Source: ADS, RongViet Securities

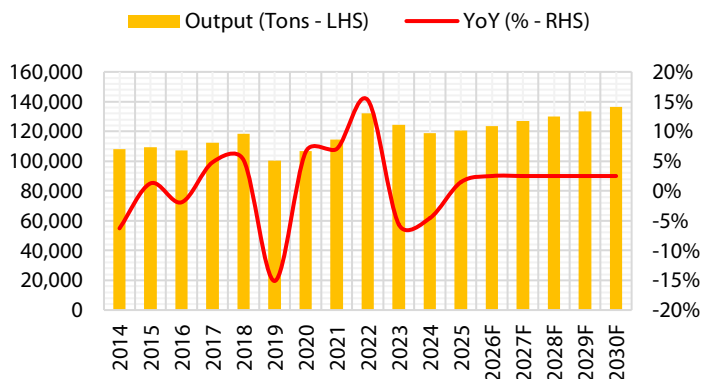
Figure 34: ADS cotton towel proportion in Vietnam's towel export output to the Japanese market



Source: ADS, UN Comtrade, RongViet Securities

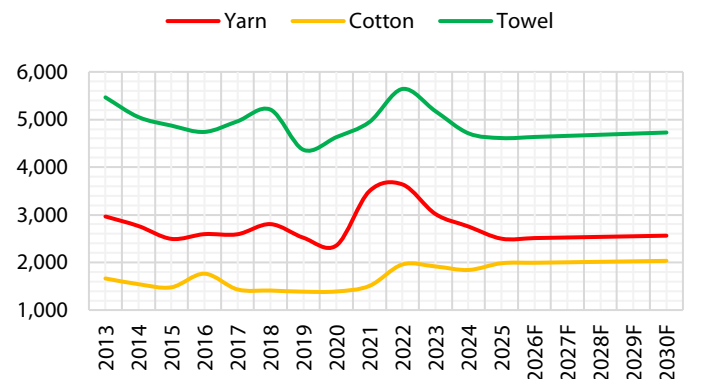
Cotton towel prices have a close correlation with cotton yarn prices because cotton is the main input material in the production process. In the forecast period, we estimate that average towel prices will grow by about 2.5%/year, moving in line with the cotton and yarn price trends according to the forecast above.

Figure 35: ADS towel selling price



Source: ADS, RongViet Securities

Figure 36: ADS cotton, yarn, and towel price developments (USD/ton)



Source: ADS, RongViet Securities

Real Estate Sector (Back to page 5)

In the context of high competition in the textile industry, and modest growth in the cotton and yarn material market, ADS has officially entered an important transformation phase when expanding its operations into real estate investment since 2014 – a strategic direction to diversify revenue sources and increase long-term value.

Based on the experience accumulated from many residential real estate projects, ADS has expanded its investment into the industrial cluster (IC) real estate segment, focusing on Thai Binh province. Currently, the An Ninh IC project invested by the Company has been exploited effectively with an occupancy rate reaching 100% after four years of operation. Continuing this project, ADS focuses on developing three new projects including Ninh An IC, expanded An Ninh IC, and expanded Vu Ninh IC, expected to be completed and put into operation in the 2025 – 2027 period. The total scale of the three projects reaches 136.6 ha with a total investment of about VND 1,200 bn.

Table 11: List of ADS real estate projects

Project	Implementation year	Project scale	Status
Adjacent, commercial housing			
Quang Trung	2015	37 units	Completed
Phu Xuan	2016	324 units	Completed
Bo Xuyen	2020	41 units	Completed
Social housing			
Quang Trung	2015	289 units	Completed
Le Hong Phong	2018	256 units	Completed
Phu Xuan	2025	582 units	Under construction
Industrial cluster			
An Ninh (phase 1)	2021	49.9 ha	100% occupancy rate
Ninh An	2025	74.0 ha	Site leveling
An Ninh (phase 2)	2026F	25.0 ha	Site clearance
Vu Ninh (expanded)	2026F	37.6 ha	Site clearance

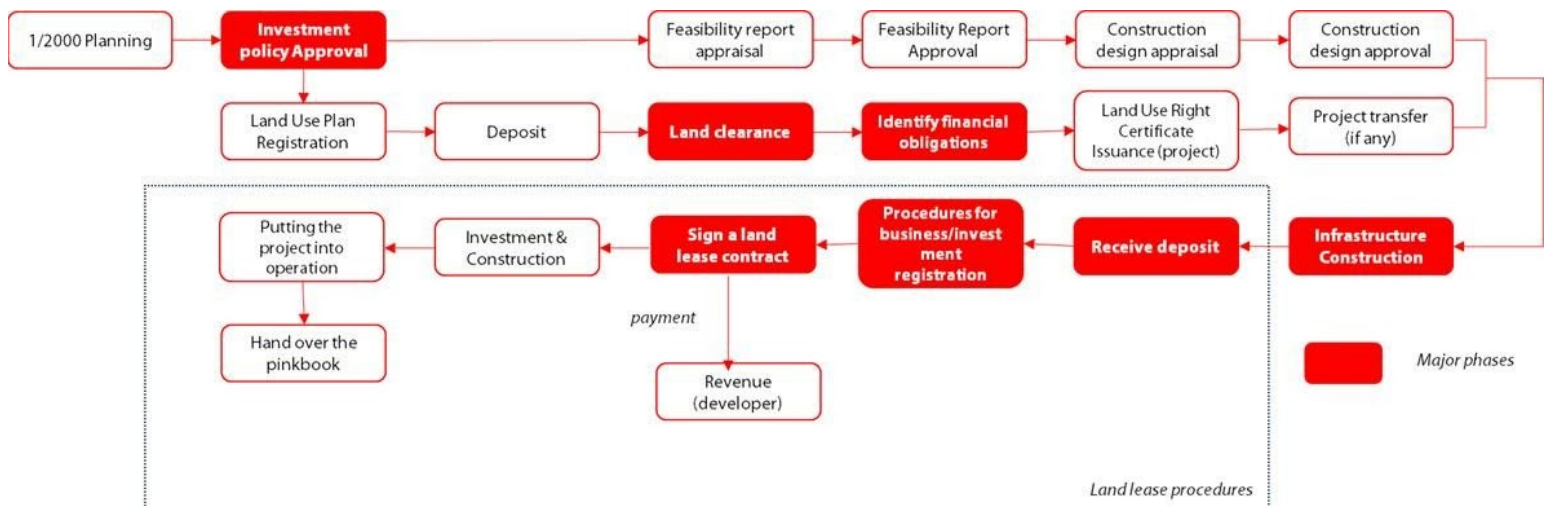
Source: ADS, RongViet Securities

IC development sector

ADS accounts for revenue from IC land leasing using the one-time recognition method (the entire value of the lease contract will be recorded in the year), so revenue often fluctuates greatly annually, depending on the ability to hand over land to customers in each period. In addition, the Company has leased ready-built factories on IC land since 2023, with stable revenue of about VND 30 bn/year from the An Ninh IC project. In the forecast period, ADS will add 16 ha of ready-built factories from three new IC projects, with a rental level of about USD 3/m2/year. In addition to ready-built factories in the ICs, ADS expects to lease a portion of its solar panel production plant starting from Q2-FY26, with average revenue of VND 48 bn per year. The ready-built factory leasing sector brings steady and stable long-term revenue for ADS, projected to reach an average of VND 100 – VND 120 bn/year, an increase of about VND 80 bn/year compared to the end of 2025.

ADS's IC land fund is quite abundant with a total area of up to 137 ha, in which expanded An Ninh IC and expanded Vu Ninh IC have been approved for investment policy and Ninh An IC is in the site leveling stage, so these projects are expected to be put into operation respectively from 2027 – 2029.

Figure 37: Legal, investment, and sales process of an Industrial Zone



Source: RongViet Securities

ADS's ICs are located at the gateway of the city, convenient for connecting to logistics centers in Hai Phong (seaport, Cat Bi international airport) and Hanoi (Noi Bai international airport), creating favorable conditions for import-export activities. In addition, land rental costs here are also lower than the general level of Hung Yen and many northern provinces, becoming an important factor helping to attract FDI capital. ([see more on page 33](#))

Table 12: Information and assumptions about ADS's new IC projects in the 2026 – 2030 period

Indicator	Unit	An Ninh phase 2	Ninh An	Vu Ninh expanded
Total area	Ha	25.0	74.0	37.6
Commercial area	Ha	16.3	52.2	25.0
Site clearance cost	VND bn	60	169	75
Infrastructure construction cost	VND bn	122	626	200
Other costs	VND bn	32	93	30
Total investment	VND bn	214	888	305
% Annual rental price increase		1%	1%	1%
Expected occupancy time		2027 – 2032	2026 – 2031	2028 – 2033

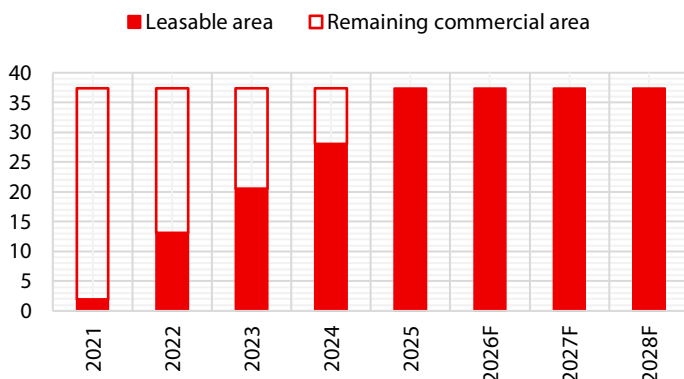
Source: ADS, RongViet Securities

Currently, rental prices at ICs in Vu Ninh and An Ninh communes are about USD 85 – USD 90/m². We believe that IC rental prices can continue to be maintained at this level because:

- Hung Yen's transport infrastructure system is connected to major logistics centers in the North by road. National Highways 10, 58, and DT456 create a direct connection axis with Hai Phong at a distance of about 100 km. For air transport, high-value goods can be transported through Cat Bi airport (Hai Phong) or Noi Bai airport, at distances of about 100 km and 140 km, respectively. The connection route to Noi Bai airport has a North-South expressway that helps shorten travel time compared to regular national highways.
- Although not located in optimal positions, near major logistics centers in the North such as Hai Phong and Bac Ninh, rental prices in Vu Ninh and An Ninh communes are significantly lower than the general level in the North. This helps reduce initial investment costs, thereby creating a competitive advantage in attracting FDI enterprises. Industrial zone (IZ) land rental prices in the North average about USD 142/m². In Bac Ninh and Hai Phong, higher price levels are recorded at USD 150/m², while Hung Yen has a popular price level of about USD 100 – USD 120/m².

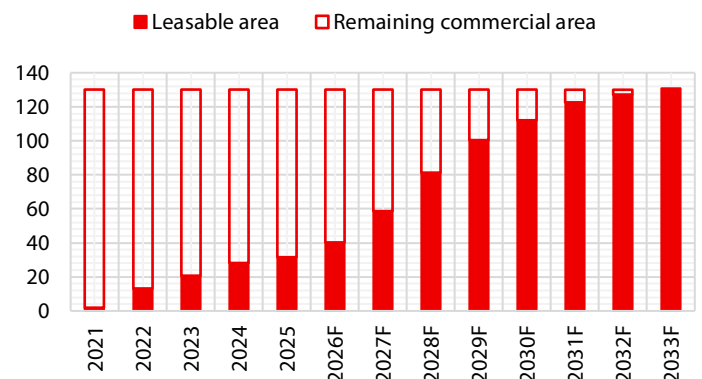
We expect the occupancy rate for each industrial zone to reach 100% within 6 – 8 years, equivalent to the sales speed at the An Ninh IC phase 1 project and consistent with the trend of shifting industrial production out of the central Thai Binh ward area.

Figure 38: Sales progress at An Ninh 1 IC (ha)



Source: ADS, RongViet Securities

Figure 39: Expected sales progress at ADS ICs (ha)



Source: ADS, RongViet Securities

An Ninh IC

An Ninh IC (phase 1) was established by the Thai Binh Provincial People's Committee under Decision No. 960/QD-UBND dated 04/19/2017 with a total area of 49.9 ha, the project's total investment is VND 320 bn. This is the first and only industrial real estate project currently being exploited by ADS. Currently, the project's occupancy rate reaches 100%, the average IC land rental price is USD 85, and the ready-built factory rental price is USD 3/m²/month.

On 08/30/2022, the Thai Binh Provincial People's Committee decided to expand An Ninh IC (phase 2) from 49.9 ha to 74.9 ha according to Decision No. 1931/QD-UBND, the total investment of phase 2 is estimated at about VND 210 bn. The company expects to complete site clearance in Q2-FY26. After expansion, An Ninh IC is a multi-industry general industrial cluster, mainly attracting processing and manufacturing industrial projects that cause little environmental pollution.

Ninh An IC

According to Resolution No. 07/NQ-HDND of Thai Binh province issued on 04/29/2022, the project to relocate production and business facilities in the Tra Ly river area to develop Thai Binh city urban area was approved. Accordingly, nearly 80 production and business enterprises will relocate to the Ninh An IC area.

On 06/21/2023, Ninh An IC was established under Decision No. 1257/QD-UBND with a planned area of 74 ha. The commercial land area is 52 ha, of which 5 ha is used to build ready-built factories. The project's total investment is estimated at about VND 900 bn. In Q4-FY25, ADS is in the process of site leveling, expected to be put into operation from the beginning of 2027.

Benefiting directly from the Thai Binh city urban development project, Ninh An IC is expected to reach an occupancy rate of about 60% in just the first two years of operation, corresponding to 30 ha of land already registered for relocation by businesses. Thanks to existing demand, the progress of filling the entire project is forecast to take place quickly (projected to be filled in about 6 years), reducing dependence on sales ability compared to regular industrial zone projects.

Expanded Vu Ninh IC

Expanded Vu Ninh IC was approved for investment policy by the Thai Binh Provincial People's Committee under Decision No. 02/QD-UBND dated 01/15/2024 with a total area of 37.5 ha. The commercial land area is 25 ha, of which 5 ha is used for ready-built factories. The expected total investment is VND 310 bn.

According to the decision of the Provincial People's Committee, the construction progress of expanded Vu Ninh IC is divided into two phases:

- **Phase 1:** Started construction from Q2-FY25 to the end of Q2-FY26 and put into operation from Q3-FY26.
- **Phase 2:** Started construction from Q1-FY27 to the end of Q4-FY27 and put into operation from Q1-FY28.

However, ADS currently has not completed site clearance (this is the main reason for slowing down the investment progress of the ICs) and the Company expects to complete it in Q2-FY26. Therefore, we project ADS will spend 2 years developing the entire expanded Vu Ninh project and may record revenue from Vu Ninh IC starting from 2029.

Residential real estate sector

ADS has accumulated a lot of experience in the residential real estate sector when implementing many projects in Thai Binh province (Table 11). In the 2025 – 2027 period, the Company will implement the Phu Xuan social housing project with a scale of 582 apartments (546 social housing units and 36 commercial apartments), with an expected total investment of VND 650 bn.

The Phu Xuan social housing project possesses advantages:

- Part of the Phu Xuan villa and adjacent commercial housing project, which is a densely populated area with completed landscape.

- Synchronous transport infrastructure. In November 2025, ADS started construction of this project, expected to be divided into two investment phases for two sub-areas.

We expect the Company to be able to sell and hand over products in the 2027 – 2032 period, with an expected selling price of VND 19 mn/m² for social housing and VND 30 mn/m² for commercial housing.

Figure 40: Groundbreaking ceremony of Phu Xuan social housing project



Source: ADS, RongViet Securities

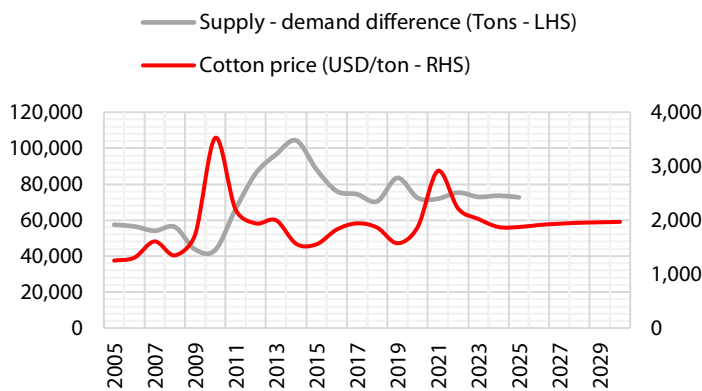
APPENDIX 4 – TEXTILE INDUSTRY OUTLOOK ([Back to Table of Contents](#))

The natural cotton market continues to be in a state of oversupply and prices tend to move sideways

The global cotton market is lacking growth momentum in the context of an oversupply situation that has lasted for more than 40 years. Because producers can adjust production output according to consumption levels, price fluctuations mainly depend on the demand side. Except for the 2021 – 2022 period, cotton price fluctuations did not depend on supply – demand because the COVID pandemic outbreak affecting the global supply chain caused commodity prices to increase.

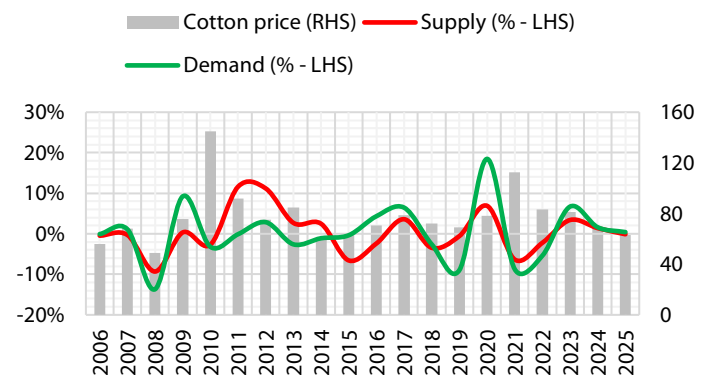
According to OECD forecasts, the trend of shifting strongly to alternative materials such as synthetic fibers continues to weaken demand for natural cotton, making it difficult for prices to recover, maintaining a low level and following a sideways trend in the medium to long term.

Figure 41: Supply – demand and price forecast of the cotton market



Source: OECD, RongViet Securities

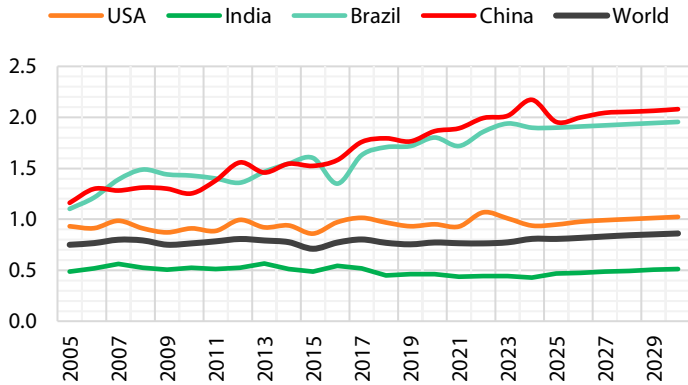
Figure 42: Correlation between supply – demand growth and cotton prices



Source: OECD, RongViet Securities

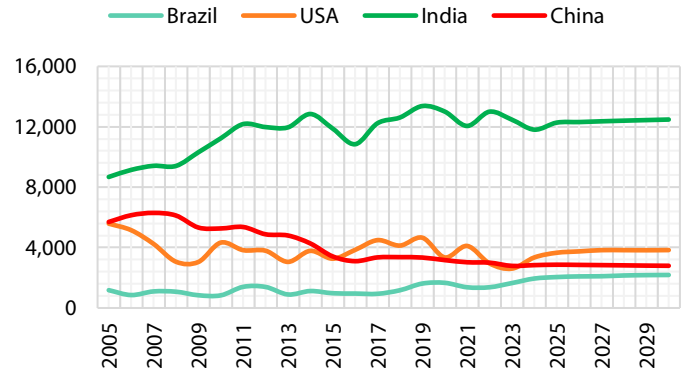
- **Supply:** India, China, the US, and Brazil are the countries with the largest cotton output in the world, accounting for 75% of global output in the 2025/2026 crop year. According to OECD, global supply is projected to grow at a compound rate of 1.5% in the 2026 – 2030 period, reaching 28.2 million tons in 2030. Improving cotton cultivation efficiency when applying technology to seeds and expanding cultivation area are two main factors to promote supply.
 - **Improvement in cotton cultivation efficiency:** Global exploitation productivity is forecast to grow at a compound rate of 1.3%, reaching about 0.8 tons/ha in 2026 to 0.9 tons/ha in 2030. China is still the leading country in exploitation efficiency, reaching about 2.1 tons/ha (3 times higher than the world average) (figure 43) thanks to (1) applying smart irrigation technology using sensors, using drones,... and (2) planting genetically modified cotton capable of drought tolerance and resistance to bollworms.
 - **Expanding cultivation area:** Global cotton cultivation area is expected to increase by 4% compared to the base period, with the strongest increase in Brazil (CAGR +1.1%), thanks to expectations of increased exports and large agricultural land funds, encouraging farmers to expand cultivation area. Meanwhile, China is gradually narrowing its cultivation area (CAGR - 0.5%) due to changes in Government policy.

Figure 43: Cotton exploitation productivity of major producing countries in the world (tons/ha)



Source: OECD, RongViet Securities

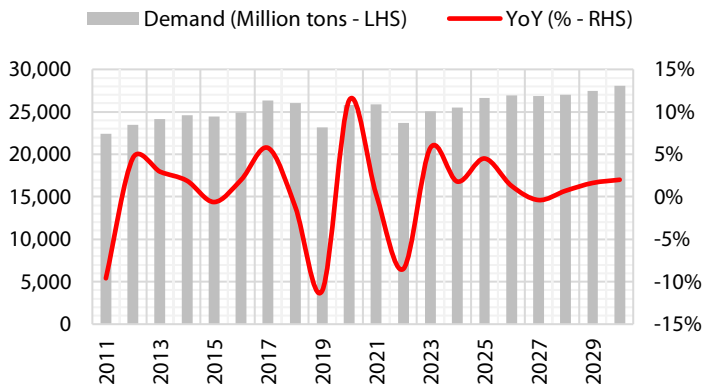
Figure 44: Cotton cultivation area of major producing countries in the world (ha)



Source: OECD, RongViet Securities

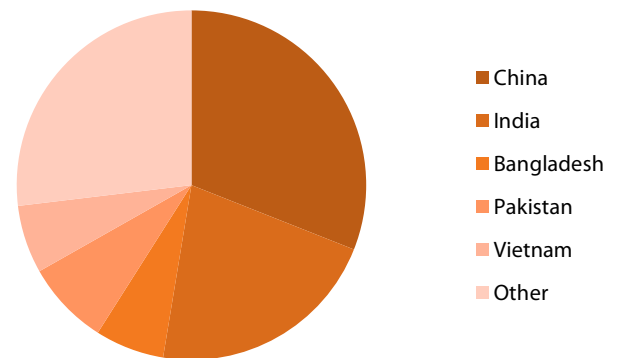
- Demand:** The largest cotton-consuming countries in the world include China, India, Vietnam, Bangladesh, and Turkey, accounting for 70% of global cotton usage in the 2025/2026 crop year. Vietnam and Bangladesh have to import entirely because they do not have natural cotton cultivation areas, while China, despite being a large producer, continues to import to meet the raw material needs of the expanding domestic textile industry. Global cotton usage demand is forecast to grow slowly, reaching about 27 million tons in 2026 and up to 28.3 million tons in 2030, equivalent to a compound growth rate of about 1.2%. The main momentum comes from the Asian region – where the majority of global textile capacity is concentrated, thanks to competitive labor cost advantages and cotton raw materials in spinning mills still being widely used.

Figure 45: Global cotton consumption demand forecast



Source: OECD, RongViet Securities

Figure 46: Cotton consumption proportion of major countries in 2030



Source: OECD, RongViet Securities

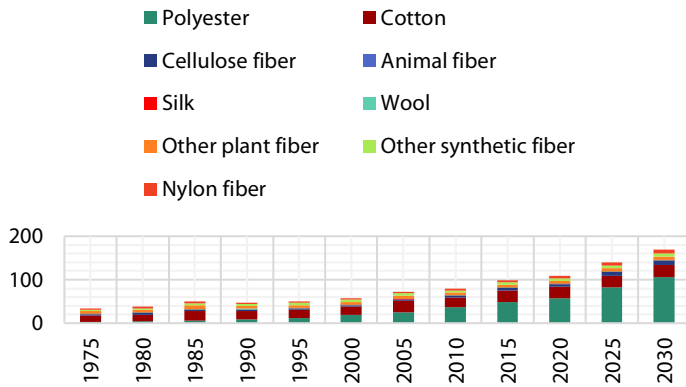
The cotton yarn market grows slowly due to changing apparel consumption trends

Cotton yarn production output has decreased significantly in the last 2 decades. The proportion of textile materials from cotton yarn has decreased from 37.6% in 2005 to 18.6% in 2025 and is expected to decrease to 16.5% in 2030 (figure 47) because synthetic fiber is becoming a preferred material.

The trend of shifting from natural fiber to synthetic fiber is driven by manufacturers choosing competitive costs (figure 48), stable supply (not dependent on weather conditions), and suitability for consumer preferences (light, quick-dry, and stretchy sportswear).

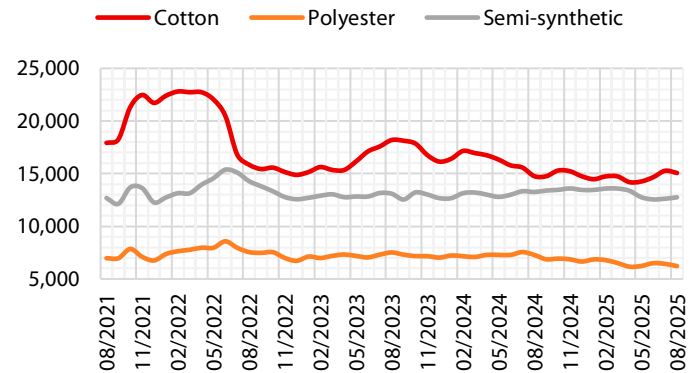
According to Textile Exchange, global cotton production output is forecast to grow slowly at 1.2% in the 2025 – 2030 period, which is consistent with the demand for using cotton raw materials as mentioned above.

Figure 47: Yarn production output by material



Source: Textile Exchange, RongViet Securities

Figure 48: Synthetic fiber has a cheaper cost than cotton fiber (Yuan/million tons)



Source: Cotton China, RongViet Securities

Vietnam's carded cotton yarn export output to the Chinese market grows slowly ([Back to page 21](#))

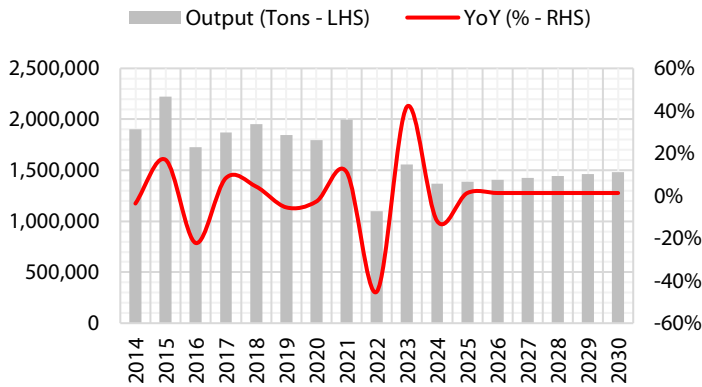
Vietnam's carded cotton yarn export output to the Chinese market is projected to reach a compound growth rate of 2% in the 2026 – 2030 period, corresponding to 692 thousand tons in 2026 and 729 thousand tons in 2030. Based on the assessment that China's cotton yarn import demand will increase slightly and Vietnam's ability to maintain market share in this market.

- Import demand for carded cotton yarn (HS Code 5205) of China has tended to decrease gradually year by year, with a compound growth rate of -3% in the 2014 – 2024 period. This trend is consistent with the general context of the global cotton industry when consumers prefer fashion products from synthetic fiber materials. At the same time, the Xinjiang cotton embargo (UFLPA) of major markets (US and EU) has indirectly increased domestic cotton supply, indirectly reducing China's cotton yarn import demand. However, China still needs to maintain cotton yarn imports from abroad to obtain standard raw materials (not originating from Xinjiang) to meet textile and garment exports to the US and EU markets. Therefore, we believe that China's cotton yarn import output will no longer decrease sharply and will grow in line with cotton raw material import demand, reaching a CAGR of 1.2% in the 2026 – 2030 period, corresponding to 1.4 million tons in 2026 and 1.5 million in 2030.

UFLPA (Uyghur Forced Labor Prevention Act) is a US law, effective from June 2022, aimed at preventing goods produced by child labor from the Xinjiang Uyghur Autonomous Region (XUAR) of China from entering the US market.

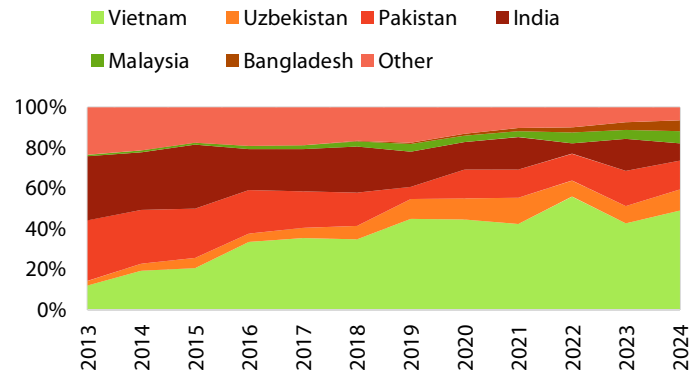
- In the last 10 years, Vietnam has risen to become the largest exporter of carded cotton yarn to the Chinese market. In 2025, cotton yarn export output reached 748 thousand tons (+11% YoY), accounting for 56% (+7 pps YoY) of China's cotton yarn import output. Vietnam possesses higher competitive advantages compared to other countries thanks to: (1) ideal geographical location to supply goods to China when the two countries share a border, helping to minimize costs and transportation time and (2) Chinese enterprises using cotton yarn produced in Vietnam, with raw materials not originating from Xinjiang, to avoid trade barriers. With those advantages, we expect Vietnam's market share to continue to be maintained stably at 56% in the forecast period, equivalent to the 2022 – 2024 average (after the time of applying UFLPA).

Figure 49: China's cotton yarn import output (HS Code 5205)



Source: UN Comtrade, RongViet Securities

Figure 50: Vietnam is the main supplier of carded cotton yarn for China (HS Code 5205)



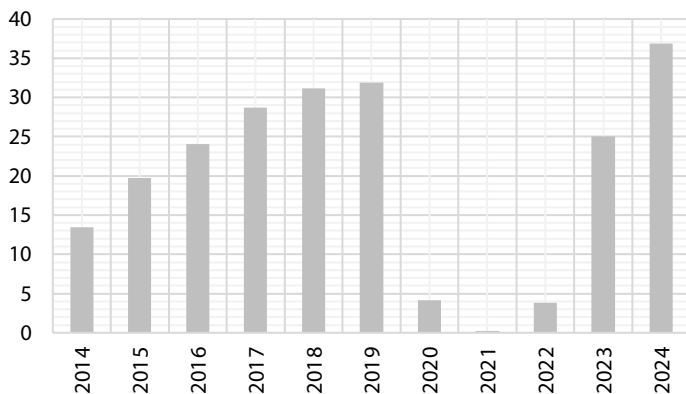
Source: UN Comtrade, RongViet Securities

Vietnam is dominating the Japanese cotton towel market (Back to page 22)

Vietnam's cotton towel output to the Japanese market is projected to remain flat in the 2026 – 2030 period, reaching an average of 66 thousand tons/year. Based on the assessment that Japan's cotton yarn import demand will remain flat and Vietnam's ability to maintain market share in this market.

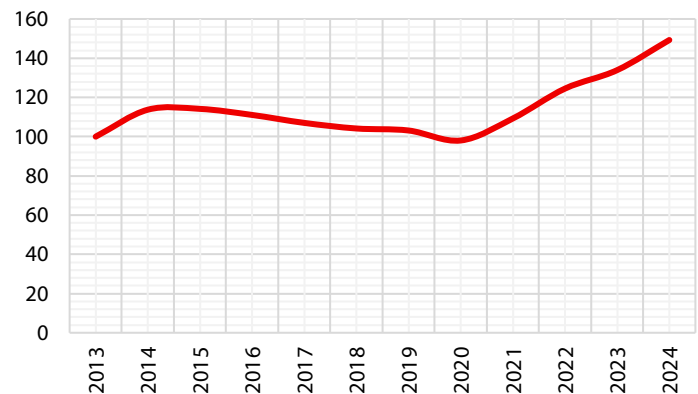
- In the 2014 – 2019 period, Japan's cotton towel import demand (HS Code 6302) was relatively stable, reaching an average of about 76 thousand tons/year. However, the 2020–2021 period recorded a sharp decline due to the impact of the COVID-19 pandemic and global economic recession, reducing the number of tourists, reducing towel import demand from hotels and accommodation facilities (units that import large quantities). From 2022 to now, along with the recovery of international tourism, import demand has improved again. However, the continuous depreciation of the JPY against the USD has caused import costs to increase, thereby hindering the recovery momentum, with output only reaching an average of about 66 thousand tons/year.

Figure 51: Number of international visitors to Japan (million visitors)



Source: Japan Tourism Statistics, RongViet Securities

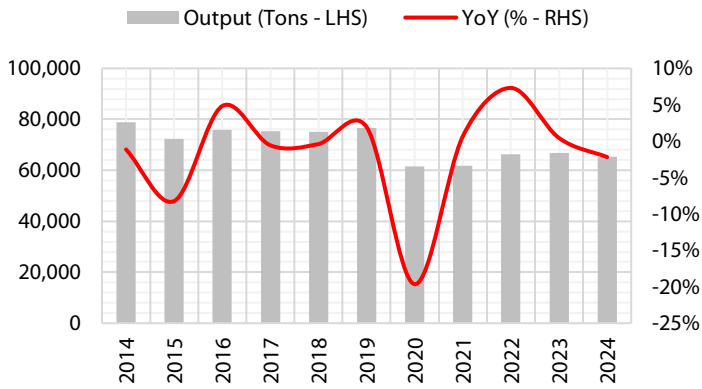
Figure 52: Volatility of USD/JPY showing JPY depreciation against USD over many years (2013 = 100)



Source: Bloomberg, RongViet Securities

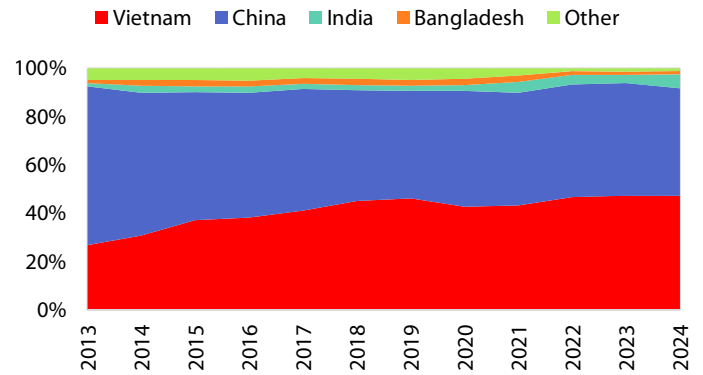
- Vietnam is currently one of the largest cotton towel exporters to Japan and has officially surpassed China since 2019 to lead market share in this market. The main momentum comes from Vietnam participating in the CPTPP Agreement (signed in 2018), thereby being completely exempted from import taxes on textiles to Japan. Conversely, China and Japan do not have a bilateral trade agreement, only participating in RCEP (signed in 2022), according to which Chinese cotton towels are only reduced in tax according to the roadmap from an average of 6 – 7% to 0% within 15 years, instead of being exempted from tax immediately. Thanks to policy advantages, Vietnam has higher competitive capacity compared to Chinese goods. On that basis, we expect Vietnam to continue to maintain market share at about 47% in the forecast period.

Figure 53: Japan's cotton towel import output (HS Code 6302)



Source: UN Comtrade, RongViet Securities

Figure 54: Vietnam surpasses China to become the country dominating the cotton towel market share



Source: UN Comtrade, RongViet Securities

APPENDIX 5 – INDUSTRIAL REAL ESTATE OUTLOOK IN HUNG YEN PROVINCE ([Back to Table of Contents](#)) ([Back to page 24](#))

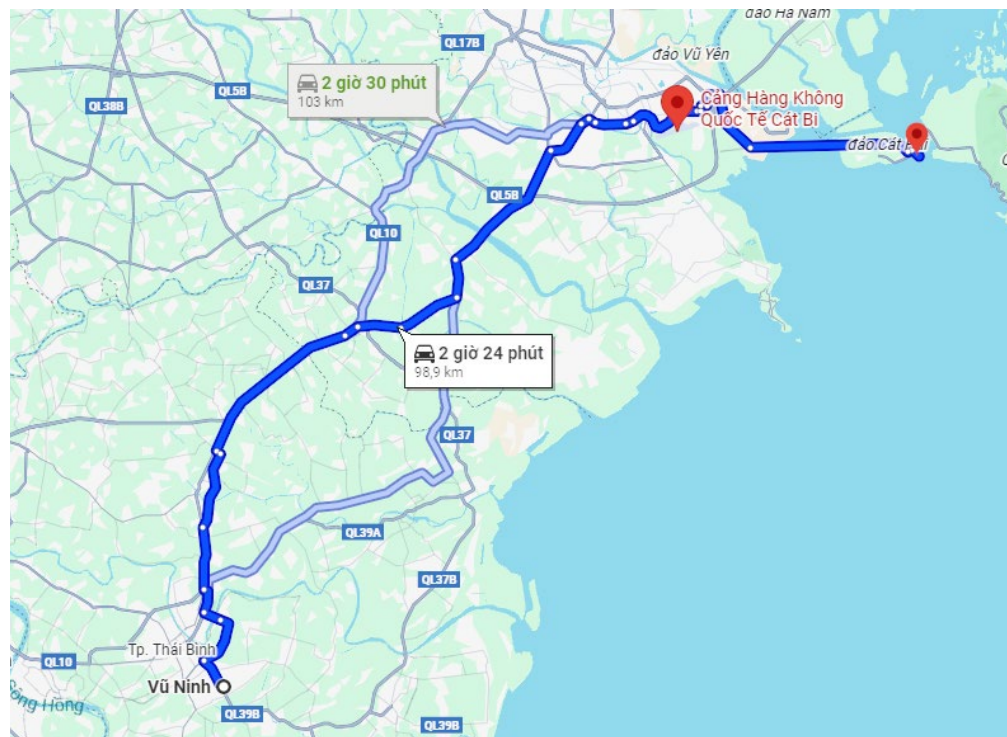
Provinces in the Red River Delta (RRD) are the growth poles of the North and are always hot spots for attracting FDI in Vietnam. Hung Yen is a bright spot for attracting industry and FDI, which tends to shift from "core" provinces (Bac Ninh, Vinh Phuc) to other provinces such as Hung Yen and Hai Phong thanks to strongly invested transport infrastructure, abundant industrial land, and competitive costs. The province is transforming from an agricultural location to an important industrial - logistics center of the Red River Delta (RRD) region.

Transport infrastructure connecting to Northern logistics centers

The area of Vu Ninh and An Ninh communes (Hung Yen) is connected mainly by road to major logistics centers in the North. National Highways 10, 58, and DT456 create a direct connection axis with Hai Phong at a distance of about 100 km, helping to access the deep-water seaport system of this region.

For air transport, high-value goods can be transported through Cat Bi airport (Hai Phong) or Noi Bai airport, at distances of about 100 km and 140 km, respectively. Although further away, the connection route to Noi Bai airport has a North-South expressway that helps shorten travel time compared to regular national highways.

Figure 55: There are many transport routes connecting Vu Ninh commune, Hung Yen province with Hai Phong city



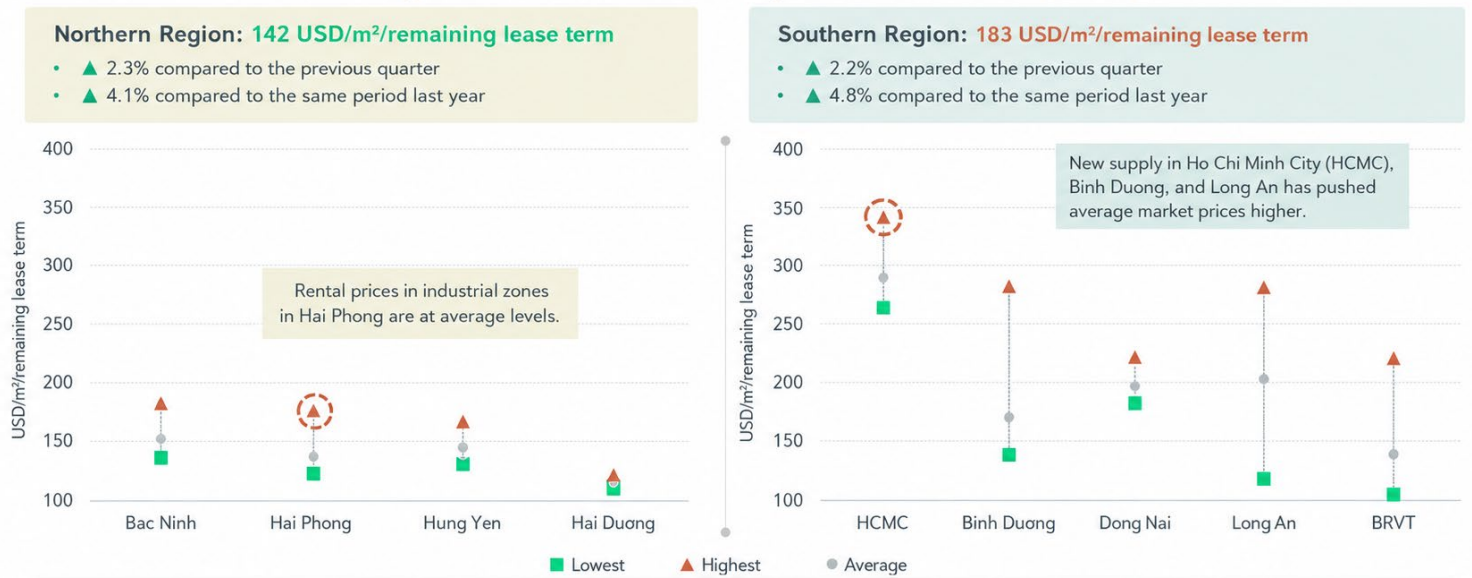
Source: Maps, RongViet Securities

Land rental prices are significantly lower than the general level in northern provinces

Industrial zone (IZ) land rental prices in the North average about USD 142/m², about 23% lower than in the South. In the region, Bac Ninh and Hai Phong record higher price levels due to being located near major logistics centers and seaports, while Hung Yen has a popular price level of about USD 100 – USD 120/m². Specifically, ICs in Vu Ninh and An Ninh communes have estimated rental prices of USD 85 – USD 90/m², significantly lower than the general level in the North. This price level helps reduce initial investment costs, thereby creating a competitive advantage in attracting FDI enterprises.

Figure 56: IZ land rental price level by region

Remaining Land Lease Prices in Key Industrial Zones (KCNs) in Vietnam



Source: CBRE, RongViet Securities

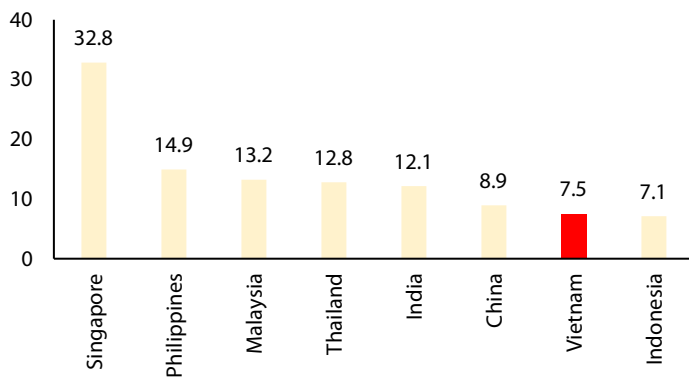
APPENDIX 6 – NATIONAL INDUSTRIAL REAL ESTATE OUTLOOK ([Back to Table of Contents](#))

Expectation to maintain the “China+1” trend

The US-China trade tension in the 2017–2024 period, starting from US trade investigations against China, has caused many multinational corporations to reassess risks when concentrating the production chain in a single market. This promotes the “China+1” trend, in which Vietnam is one of the chosen destinations thanks to competitive production costs, preferential policies for FDI, geographical location near the East Asian supply chain, and deep-water seaport system, along with a network of 19 free trade agreements that have taken effect. In this period, the value of FDI registered in Vietnam increased by about 30% compared to the 2013–2016 period.

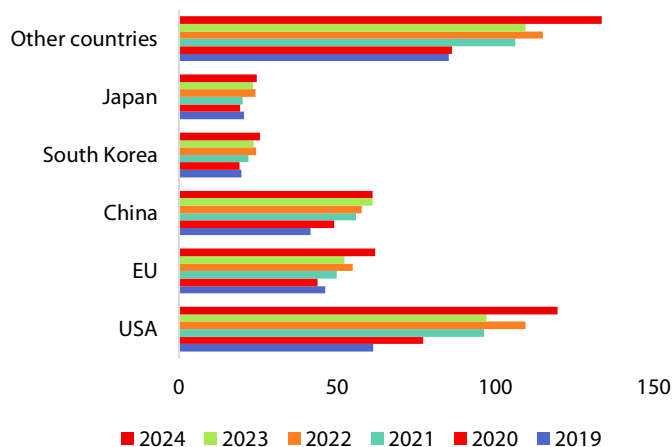
Regarding the export market, the US is still Vietnam's largest partner thanks to FDI capital shifting in previous years. However, from August 2025, the US applied a 20% tariff on some Vietnamese export items, partially reducing the momentum of production shifting. Vietnam is currently negotiating to clarify the countervailing tax level and regulations related to transshipped goods. In the period of waiting for negotiation results, the expansion speed of FDI investment tends to slow down because more information about tax policy is needed. However, this is considered a short-term factor. In the long term, FDI in the manufacturing sector has the potential to recover with a growth rate of about 5%/year when trade policy is more stable, Vietnam's competitive advantages are maintained, and domestic demand increases thanks to a young population structure.

Figure 57: Average electricity selling price in countries (US cent/kWh)



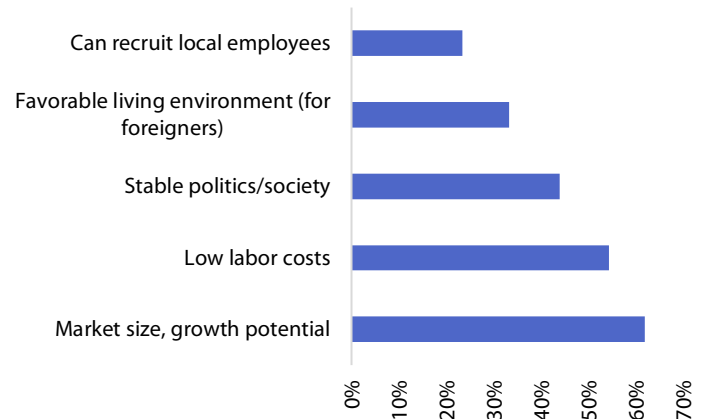
Source: Statista, Globalpetroprices

Figure 59: Vietnam's main export markets, 2019-2024 period (USD billion)



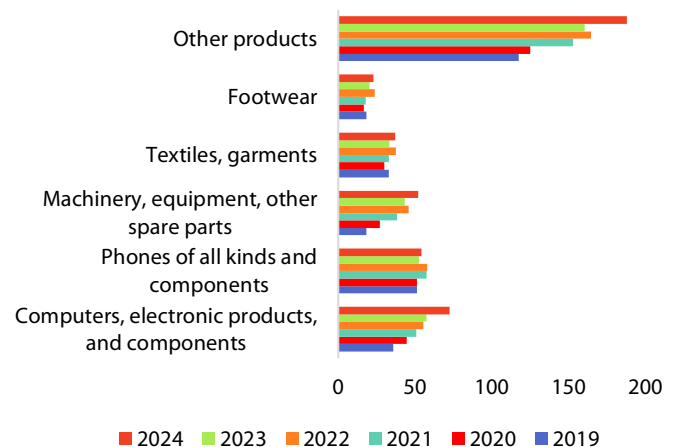
Source: Customs, RongViet Securities

Figure 58: Advantages of the business environment in Vietnam - survey of Japanese enterprises in 2024 (%)



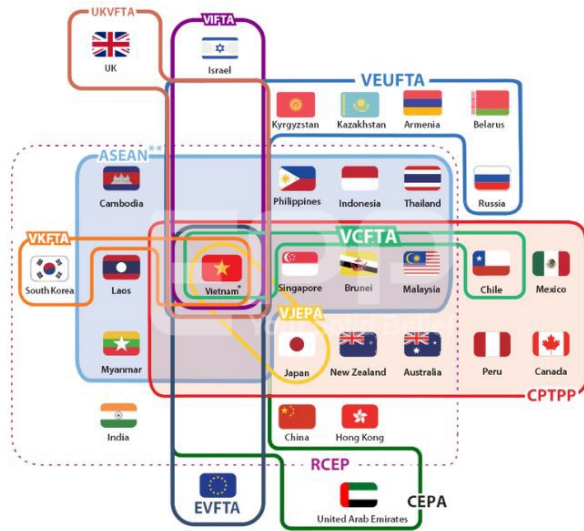
Source: Jetro, RongViet Securities

Figure 60: Industry groups with large export value, 2019-2024 period (USD billion)



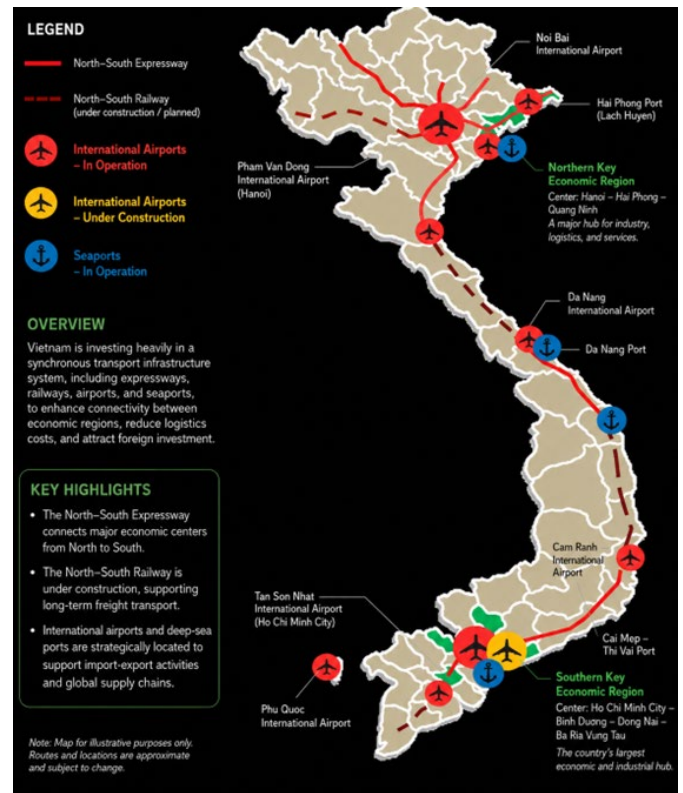
Source: Customs, RongViet Securities

Figure 61: Free trade agreements that Vietnam is participating in, as of 2024



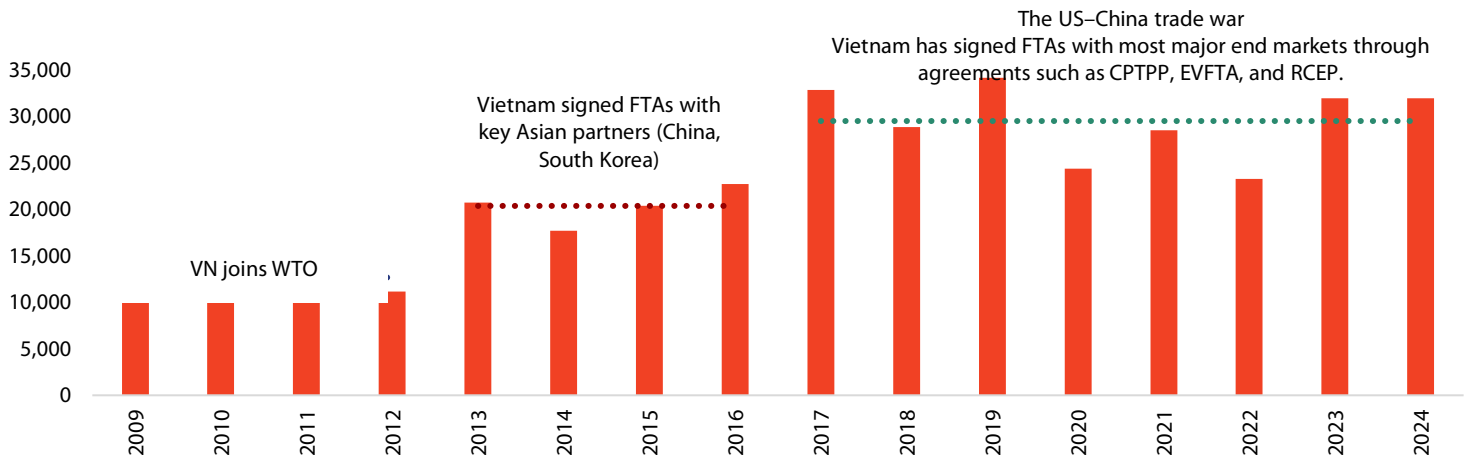
Source: MOIT, RongViet Securities

Figure 62: Advantages from Vietnam's seaport system



Source: RongViet Securities

Figure 63: Registered FDI value in the 2008-2024 period (million USD, excluding real estate) and average value across periods



Source: Finnpro, RongViet Securities

Long-term development trend of IZs and ICs

To attract large-scale customers, IZs need to follow long-term development trends of the economy and industry, thereby building infrastructure investment strategies, preferential policies, and appropriate sales plans.

Formation of Free Trade Zones (FTZ)

FTZ are special economic zones established to promote import-export activities, logistics, high-tech production, and attract domestic and foreign investment. Main characteristics of FTZs include:

- Separate preferential mechanisms and policies for investors.
- Testing new mechanisms to orient digital technology and artificial intelligence development.
- Greater decentralization for local authorities in implementing policies according to specialized resolutions passed by the National Assembly.

In 2025, the National Assembly passed a separate Resolution to develop FTZs in key provinces for IZ/Logistics (Hai Phong, Da Nang, and expected in the near future is Dong Nai). In the long term, these are areas that will attract relatively large attention from FDI enterprises.

Development of IZs serving the high-tech sector

After a period of focusing on attracting FDI into traditional processing industries such as textiles, footwear, or mechanics, Vietnam's FDI attraction orientation is shifting towards improving the "quality" of capital flows, with a focus on high technology and sustainable development, while minimizing environmental risks.

Some notable policies include:

- Decree 182/2024/ND-CP on the Investment Support Fund (ISF), aimed at supporting high-tech enterprises.
- The Law on Digital Technology Industry was passed by the National Assembly in June 2025, creating a legal framework for development orientation and support policies for the digital industry.

In this context, IZs in digital industry development centers or located in FTZ areas (Hanoi, HCMC, Da Nang, Hai Phong) have the ability to attract digital technology customer groups and related ecosystems (hardware, software, digital content). This group of enterprises often prioritizes locations near large cities to take advantage of high-quality human resources, while requiring stable technical infrastructure and clear preferential mechanisms.

Trend of shifting factories out of large urban areas

The first IZs in Vietnam were built near the centers of large cities, such as Bien Hoa 01 IZ (340ha, Vietnam's first IZ, established in 1961), Tan Thuan IZ (HCMC, established 1991),... After a 50-year land lease period, some IZs (especially IZs located near urban centers) will need to be relocated because:

- No longer suitable for city planning.
- Orientation to develop the high-tech sector (non-polluting) in large cities, while existing factories (with environmental pollution risks) will be supported to relocate to neighboring IZs. Notably in the coming time is the relocation of enterprises at Bien Hoa 01 IZ (including 76 enterprises) with a deadline until the end of 2025.

Reducing Carbon emissions at IZs

Large-scale export markets, such as the EU (accounting for ~12% of Vietnam's export value) will start introducing the CBAM (Carbon Border Adjustment Mechanism) from 2026. With importers buying carbon credits (based on emissions, mainly according to scope 01 and 02), this will be a factor narrowing the cost advantage of manufacturers placing factories in Asian countries. FDI enterprises are also in the process of reducing carbon emissions in their production areas, and IZ developers can provide services to customers and increase competitiveness in the long term, notably including: Wastewater treatment and circulation

system and Providing renewable energy sources (in the form of rooftop solar panels) for land-leasing customers.

Table 12: Emission scope of a manufacturing plant

Scope	Description	Main emission source
1 - Direct emissions	Direct emissions from activities owned or controlled by the company	<ul style="list-style-type: none"> • Combustion process in production equipment • Wastewater treatment
2 – Indirect emissions from imported energy	Emissions from the production of electricity, steam, heating, or cooling purchased or bought by the company	<ul style="list-style-type: none"> • Electricity from the power grid • Heat from suppliers
3 – Other indirect emissions	All other indirect emissions (not included in Scope 2) occurring in the company's value chain	<ul style="list-style-type: none"> • Raw materials for production activities • Transport vehicles

Source: RongViet Securities

Company Report

This report is created for the purpose of providing investors with an insight into the discussed company that may assist them in the decision-making process. The report comprises analyses and projections that are based on the most up-to-date information with the objective that is to determine the reasonable value of the stock at the time such analyses are performed. Through this report, we strive to convey the complete assessment and opinions of the analyst relevant to the discussed company. To send us feedbacks and/or receive more information, investors may contact the assigned analyst or our client support department.

RATING GUIDANCE

Ratings	BUY	ACCUMULATE	HOLD	REDUCE	SELL
Total Return including Dividends in 12-month horizon	>20%	5% to 20%	-5% to 5%	-20% to -5%	<-20%

In some cases, we do not provide specific buy/sell recommendations but only offer some reference valuations to give investors additional information, classified under the **OBSERVE** recommendation.

ABOUT US

RongViet Securities Corporation (RongViet) was established in 2006, licensed to perform the complete range of securities services including brokerage, financial investment, underwriting, financial and investment advisory and securities depository. RongViet now has an operating network that spreads across the country. Our major shareholders, also our strategic partners, are reputable institutions, i.e. Eximbank, Viet Dragon Fund Management, etc... Along with a team of the professional and dynamic staffs, RongViet has the man power as well as the financial capacity to bring our clients the most suitable and efficient products and services. Especially, RongViet was one of the very first securities firms to pay the adequate attention to the development of a team of analysts and the provision of useful research report to investors.

The **Analysis and Investment Advisory Department** of RongVietSecurities provides research reports on the macro-economy, securities market and investment strategy along with industry and company reports and daily and weekly market reviews.

CONTACT INFORMATION
Lam Nguyen
Head of Research

lam.ntp@vdsc.com.vn

+ 84 28 6299 2006 (1313)

Lam Do
Senior Manager

lam.dt@vdsc.com.vn

+ 84 28 6299 2006 (1524)

Ha Tran
Operation Manager

ha.ttn@vdsc.com.vn

+ 84 28 6299 2006 (1526)

DISCLAIMERS

This report is prepared in order to provide information and analysis to clients of Rong Viet Securities only. It is and should not be construed as an offer to sell or a solicitation of an offer to purchase any securities. No consideration has been given to the investment objectives, financial situation or particular needs of any specific. The readers should be aware that Rong Viet Securities may have a conflict of interest that can compromise the objectivity this research. This research is to be viewed by investors only as a source of reference when making investments. Investors are to take full responsibility of their own decisions. VDSC shall not be liable for any loss, damages, cost or expense incurring or arising from the use or reliance, either full or partial, of the information in this publication.

The opinions expressed in this research report reflect only the analyst's personal views of the subject securities or matters; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or opinions expressed in the report.

The information herein is compiled by or arrived at Rong Viet Securities from sources believed to be reliable. We, however, do not guarantee its accuracy or completeness. Opinions, estimates and projections expressed in this report are deemed valid up to the date of publication of this report and can be subject to change without notice.

This research report is copyrighted by Rong Viet Securities. All rights reserved. Therefore, copy, reproduction, republish or redistribution by any person or party for any purpose is strictly prohibited without the written permission of VDSC. Copyright 2022 Viet Dragon Securities Corporation.

IMPORTANT DISCLOSURES FOR U.S. PERSONS

This research report was prepared by Viet Dragon Securities Corp. ("VDSC"), a company authorized to engage in securities activities in Vietnam. VDSC is not a registered broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Additional Disclosures

This research report is for distribution only under such circumstances as may be permitted by applicable law. This research report has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient, even if sent only to a single recipient. This research report is not guaranteed to be a complete statement or summary of any securities, markets, reports or developments referred to in this research report. Neither VDSC nor any of its directors, officers, employees or agents shall have any liability, however arising, for any error, inaccuracy or incompleteness of fact or opinion in this research report or lack of care in this research report's preparation or publication, or any losses or damages which may arise from the use of this research report.

VDSC may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups, or affiliates of VDSC.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States.

The value of any investment or income from any securities or related financial instruments discussed in this research report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Past performance is not necessarily a guide to future performance and no representation or warranty, express or implied, is made by VDSC with respect to future performance. Income from investments may fluctuate. The price or value of the investments to which this research report relates, either directly or indirectly, may fall or rise against the interest of investors. Any recommendation or opinion contained in this research report may become outdated as a consequence of changes in the environment in which the issuer of the securities under analysis operates, in addition to changes in the estimates and forecasts, assumptions and valuation methodology used herein.

No part of the content of this research report may be copied, forwarded or duplicated in any form or by any means without the prior.

RESEARCH DISCLOSURES**Third Party Research**

This is third party research. It was prepared by Rong Viet Securities Corporation (Rong Viet), with headquarters in Ho Chi Minh City, Vietnam. Rong Viet is authorized to engage in securities activities according to its domestic legislation. This research is not a product of Tellimer Markets, Inc., a U.S. registered broker-dealer. Rong Viet has sole control over the contents of this research report. Tellimer Markets, Inc. does not exercise any control over the contents of, or the views expressed in, research reports prepared by Rong Viet.

Rong Viet is not registered as a broker-dealer in the United States and, therefore, is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. This research report is provided for distribution to "major U.S. institutional investors" and other "U.S. institutional investors" in reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act").

Any U.S. recipient of this research report wishing to effect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through Tellimer Markets, Inc., located at 575 Fifth Avenue, 27th Floor, New York, NY 10017. A representative of Tellimer Markets, Inc. is contactable on +1 (212) 551 3480. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through Rong Viet. Tellimer Markets, Inc. accepts responsibility for the contents of this research report, subject to the terms set out below, to the extent that it is delivered to a U.S. person other than a major U.S. institutional investor.

None of the materials provided in this report may be used, reproduced, or transmitted, in any form or by any means, electronic or mechanical, including recording or the use of any information storage and retrieval system, without written permission from.

Rong Viet is the employer of the research analyst(s) responsible for the content of this report and research analysts preparing this report are resident outside the U.S. and are not associated persons of any U.S. regulated broker-dealer. The analyst whose name appears in this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA") and may not be an associated person of Tellimer Markets, Inc. and, therefore, may not be subject to applicable restrictions under FINRA Rules on communications with a subject company, public appearances and trading securities held by a research analyst account.

Tellimer Markets, Inc. or its affiliates has not managed or co-managed a public offering of securities for the subject company in the past 12 months, has not received compensation for investment banking services from the subject company in the past 12 months, and does not expect to receive or intend to seek compensation for investment banking services from the subject company in the next three months. Tellimer Markets, Inc. has never owned any class of equity securities of the subject company. There are no other actual, or potential, material conflicts of interest of Tellimer Markets, Inc. at the time of the publication of this report. As of the publication of this report, Tellimer Markets, Inc. does not make a market in the subject securities.

About Tellimer

Tellimer is a registered trade mark of Exotix Partners LLP. Exotix Partners LLP and its subsidiaries ("Tellimer") provide specialist investment banking services to trading professionals in the wholesale markets. Tellimer draws together liquidity and matches buyers and sellers so that deals can be executed by its customers. Tellimer may at any time, hold a trading position in the securities and financial instruments discussed in this report. Tellimer has procedures in place to identify and manage any potential conflicts of interests that arise in connection with its research. A copy of Tellimer's conflict of interest policy is available at www.tellimer.com/regulatory-information.

Distribution

This report is not intended for distribution to the public and may not be reproduced, redistributed or published, in whole or in part, for any purpose without the written permission of Tellimer. Tellimer shall accept no liability whatsoever for the actions of third parties in this respect. This report is for distribution only under such circumstances as may be permitted by applicable law.

This report may not be used to create any financial instruments or products or any indices. Neither Tellimer, nor its members, directors, representatives, or employees accept any liability for any direct or consequential loss or damage arising out of the use of all or any part of the information herein.

United Kingdom: Distributed by Exotix Partners LLP only to Eligible Counterparties or Professional Clients (as defined in the FCA Handbook). The information herein does not apply to, and should not be relied upon by, Retail Clients (as defined in the FCA Handbook); neither the FCA's protection rules nor compensation scheme may be applied.

UAE: Distributed in the Dubai International Financial Centre by Exotix Partners LLP (Dubai) which is regulated by the Dubai Financial Services Authority ("DFSA"). Material is intended only for persons who meet the criteria for Professional Clients under the Rules of the DFSA and no other person should act upon it.

Other distribution: The distribution of this report in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restriction.

Disclaimers

Tellimer and/or its members, directors or employees may have interests, or long or short positions, and may at any time make purchases or sales as a principal or agent of the securities referred to herein. Tellimer may rely on information barriers, such as "Chinese Walls" to control the flow of information within the areas, units, divisions, groups of Tellimer.

Investing in any non-U.S. securities or related financial instruments (including ADRs) discussed in this report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on such non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in effect within the United States. The value of any investment or income from any securities or related financial instruments discussed in this report denominated in a currency other than U.S. dollars is subject to exchange rate fluctuations that may have a positive or adverse effect on the value of or income from such securities or related financial instruments.

Frontier and Emerging Market laws and regulations governing investments in securities markets may not be sufficiently developed or may be subject to inconsistent or arbitrary interpretation or application. Frontier and Emerging Market securities are often not issued in physical form and registration of ownership may not be subject to a centralised system. Registration of ownership of certain types of securities may not be subject to standardised procedures and may even be effected on an ad hoc basis. The value of investments in Frontier and Emerging Market securities may also be affected by fluctuations in available currency rates and exchange control regulations. Not all of these or other risks associated with the relevant company, market or instrument which are the subject matter of the report are necessarily considered.

OPERATING NETWORK

HEADQUARTER IN HO CHI MINH CITY

Floors 1-8, Viet Dragon Tower, 141 Nguyen Du, Ben Thanh Ward, District 1, Ho Chi Minh City

T (+84) 28 6299 2006 **E** info@vdsc.com.vn
W www.vdsc.com.vn **Tax code** 0304734965

HANOI BRANCH

10th floor, Eurowindow Tower, 2 Ton That Tung, Kim Lien Ward, Dong Da District, Hanoi

T (+84) 24 6288 2006
F (+84) 24 6288 2008

NHA TRANG BRANCH

7th floor, 76 Quang Trung, Loc Tho Ward, Nha Trang City, Khanh Hoa

T (+84) 25 8382 0006
F (+84) 25 8382 0008

CANTHO BRANCH

8th floor, Sacombank Tower, 95-97-99, Vo Van Tan, Tan An Ward, Ninh Kieu District, Can Tho City

T (+84) 29 2381 7578
F (+84) 29 2381 8387

VUNG TAU BRANCH

2nd floor, VCCI Building, 155 Nguyen Thai Hoc, Ward 7, Vung Tau City, Ba Ria – Vung Tau Province

T (+84) 25 4777 2006

BINH DUONG BRANCH

3rd floor, Becamex Tower, 230 Binh Duong Avenue, Phu Hoa Ward, Thu Dau Mot City, Binh Duong Province

T (+84) 27 4777 2006

DONG NAI BRANCH

8th floor, TTC Plaza, 53-55 Vo Thi Sau, Quyet Thang Ward, Bien Hoa City, Dong Nai Province

T (+84) 25 1777 2006



RONGVIET SECURITIES CORPORATION (VDSC)

**BEST INVESTMENT RESEARCH
VIETNAM 2025**
GLOBAL BANKING & FINANCE AWARDS