VIETNAM INVESTORS SERVICE

RATING ANNOUNCEMENT
06 January 2026

VIS Rating revises the outlook of GEX's A long-term issuer rating to positive, from stable

Hanoi, 06 January 2026 - Vietnam Investors Service and Credit Rating Agency Joint Stock Company (VIS Rating) has affirmed Gelex Group Joint Stock Company (GEX)'s A long-term issuer rating.

At the same time, VIS Rating has revised the rating outlook to positive from stable.

RATING RATIONALE

The affirmation of GEX's A rating and the change to a positive rating outlook are driven by our expectation that GEX's revenue and operating cash flow will continue to strengthen over the next 12-18 months, underpinned by its core electrical equipment and construction materials businesses.

GEX is an investment holding company with two main subsidiaries, namely GELEX Electric (GEE) – comprising the group's electrical equipment business; and GELEX Infrastructure (GEX Infra) – comprising construction materials, real estate, and utilities businesses.

During 2024 – 9M2025, GEX achieved robust revenue growth of nearly 15%, exceeding the compounded annual growth rate of 3% in 2021 – 2023. EBITDA margin (Earnings Before Interest, Taxes, Depreciation, and Amortization) improved to around 23%, from 22%. Strong profitability and operating cash flows drove improvements in the group's EBIT (Earnings Before Interest, Taxes)/Interest expense ratio at 4.5–5.0x and CFO (Operating Cash Flow)/Debt coverage ratio at 15-20%.

GEX's electrical equipment business was a major contributor to the recent revenue and profit growth, supported by market share gains that reinforced its leadership position through new product development, market expansion, and group-level production optimization. Cadivi – GEE's key subsidiary in cable manufacturing – accelerated penetration into northern Vietnam from early 2024, securing a significant presence and lifting its nationwide market share. This contributed to GEE's revenue increasing 27% in 2024 and 25% in 9M2025, and EBITDA margin widening from around 13% to above 20% by 9M2025.

We expect steady growth for this business segment, supported by strong demand for electrical products amid robust public and private investment in power infrastructure nationwide.

For GEX Infra, we expect construction materials to benefit from stronger margins driven by the recent real estate market recovery, reduced competition from imported construction glass after Vietnam's July 2025 anti-dumping investigation, and sales channel restructuring.

Utilities, with EBITDA margins above 70%, will strengthen further after it completes the plan to double water supply capacity by Q1 2026.

The strong demand for industrial infrastructure will support robust leasing activity and cash flow for the industrial real estate business.

GEX Infra plans to begin market sales of its new residential real estate project in Hai Phong city, ANmaison – a joint development with Frasers Property (Singapore), comprising low-rise and high-rise components, in Q1 2026. GEX Infra also intends to continue expanding its land bank and developing new projects.

Over 2026-2027 period, we expect GEX's annual revenue growth to average 14%, and EBIDTA margins to stay above 20%.

Management intends to increase investment in new projects in 2026-2027, including industrial parks, residential real estate, an Office–Retail–Hospitality complex in Hanoi, and Song Da's water plant expansion. We expect the additional capital expenditure to raise the group's total debt from 2025 levels and drive a mild deterioration in its interest coverage.

Stronger operating cash flow from its core manufacturing business, supported by successful residential project sales and timely management of collections and payables, will be key to stabilizing GEX's leverage profile, ensuring groupwide liquidity remains well-managed, and positioning GEX's rating for an upgrade. Conversely, delays in new project launches or handovers, or aggressive growth in new project development, could pressure operating cash flows and liquidity.

Factors that could lead to an upgrade

The A issuer rating could be upgraded if the group demonstrates sustained improvement in revenue, resulting in strong profitability, more stable operating cash flow. For example, (1) maintaining an EBITDA margin consistently above 20%, or (2) CFO/Debt ratio consistently exceeding 20%.

Factors that could lead to a revision to stable outlook

The outlook could revert to Stable if (1) the group's improvements in profitability and operating cash flow prove unsustainable as weaker than expected core business performance, or (2) significant change in GEX's business strategy such as more aggressive expansion, possibly leading to higher reliance on debt and increased liquidity risk, or (3) the group and/or parent company face heightened liquidity risk due to restricted access to bank financing or difficulties in refinancing at market rates.

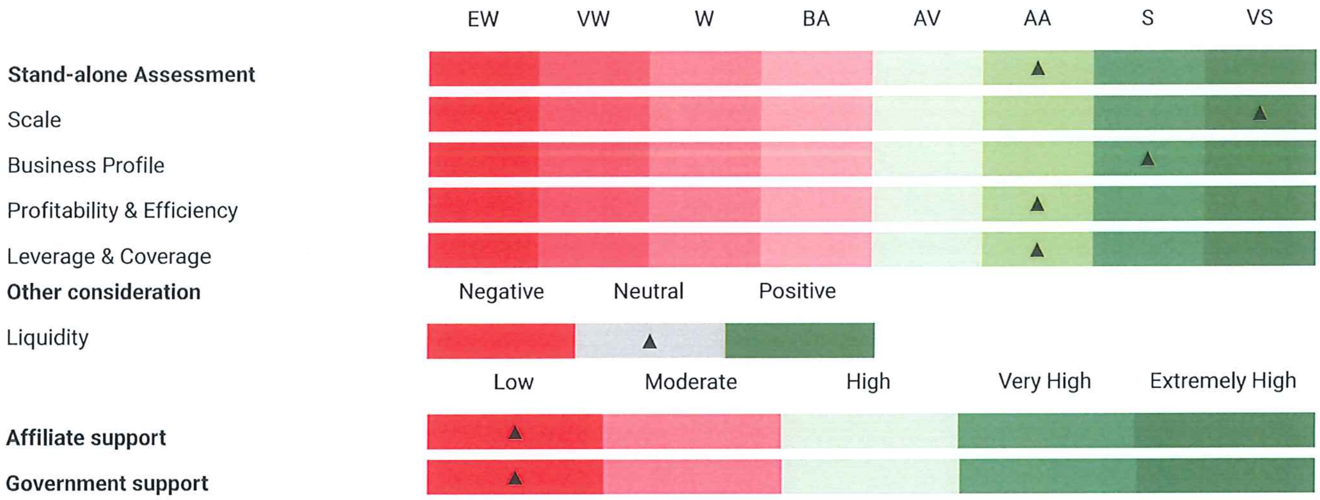
RATING METHODOLOGY

Rating Methodology: Non-Financial Corporates.

For detailed information, please see our full methodologies at:

https://visrating.com/how-to-get-rated/view/non-financial-corporates-rating-methodology.1

SUMMARY OF KEY FACTORS



Source: VIS Rating
Note: EW- Extremely Weak, VW- Very Weak, W- Weak, BA Below-Average, AV- Average, AA Above-Average, S- Strong, VS- Very Strong

CREDIT RATING HISTORY

Date	Rating type	Rating	Outlook	Action
25 October 2024	Long-term Issuer	A	Stable	First-time Assignment
06 January 2026	Long-term Issuer	A	Positive	Update

RATING SCALE

Long-Term Rating

AAA	Issuers or debt instruments demonstrate the **strongest** creditworthiness relative to other domestic entities and transactions.
AA	Issuers or debt instruments demonstrate **very strong** creditworthiness relative to other domestic entities and transactions.
A	Issuers or debt instruments demonstrate **above-average** creditworthiness relative to other domestic entities and transactions.
BBB	Issuers or debt instruments demonstrate **average** creditworthiness relative to other domestic entities and transactions.
BB	Issuers or debt instruments demonstrate **below-average** creditworthiness relative to other domestic entities and transactions.
B	Issuers or debt instruments demonstrate **weak** creditworthiness relative to other domestic entities and transactions and may be approaching default, with strong recovery prospects.
CCC	Issuers or debt instruments demonstrate **very weak** creditworthiness relative to other domestic entities and transactions and are likely in or near default, typically with moderate recovery prospects.
CC	Issuers or debt instruments demonstrate **extremely weak** creditworthiness relative to other domestic entities and transactions and are typically in default, typically with poor recovery prospects.
C	Issuers or debt instruments demonstrate the **weakest** creditworthiness relative to other domestic entities and transactions and are typically in default, with very poor recovery prospects.

Note: VIS Rating appends the modifiers + and – to each generic rating classification from AA through CCC. The modifier + indicates that the obligation ranks in the higher end of its generic rating category; no modifier indicates a mid-range ranking; and the modifier – indicates a ranking in the lower end of that generic rating category

REGULATORY DISCLOSURES

For further specification of VIS Rating's Rating Symbols and Definitions, please see: https://visrating.com/how-to-get-rated/

GEX's ownership stake in VIS rating: 0%

The ownership ratio of GEX held by VIS Rating's staff: 0%

Cases in which analysts and credit rating council members cease their participation in the credit rating contract before the contract expires and the reason for the cessation: 01
Tran Quoc Thang - Associate Analyst – Reason: Employment contract terminated at VIS Rating, effective 25 February 2025
VIS Rating adheres to a stringent independence policy by current regulations governing the provision of credit rating services in Vietnam. This commitment extends to compliance with our conflicts-of-interest policy, aiming to uphold objectivity and independence when expressing opinions on credit ratings.

The rating has been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

This rating is solicited.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see https://visrating.com for any updates on changes to the lead rating analyst and to the Vietnam Investors Service's legal entity that has issued the rating.

Please see the rating tab on the issuer/entity page on https://visrating.com for additional regulatory disclosures for each credit rating.

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