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Credit Rating Surveillance

FiinRatings reaffirmed the Issuer rating for Coteccons Construction Joint Stock Company ('Coteccons') at 'BBB+'; outlook 'Stable'

Hanoi, 15 January 2025

Key Updates:

- **Coteccons recorded remarkable profit growth driven by its strategic shift towards industrial projects (FDI) within its project portfolio**. In the second half of 2024, the company achieved stable revenue growth, reaching VND 11,645 billion (+19% year-on-year), with profit increasing to VND 407 billion (+51.1% year-on-year). This performance resulted from proactively restructuring the project portfolio to prioritize higher-margin industrial construction projects, which are estimated to account for 35–40% of total revenue. This boosted the gross profit margin to 3.7% at year-end 2024, up from 2.6% in 2023, while reducing exposure to the domestic residential market.
- **The backlog value surged significantly to nearly VND 35,000 billion by the end of 2024, reflecting the success of the company's medium- to long-term growth strategy.** In the second half of 2024, Coteccons signed new contracts totaling VND 16,800 billion, involving 41 projects from existing clients—demonstrating the effectiveness of its "repeat sales" model and strong reputation with international partners. FDI projects are expected to remain key revenue drivers, as their share in the backlog grows. Coteccons is also expanding internationally, entering markets like India and Indonesia, and pursuing M&A to build a long-term overseas presence.
- **Coteccons maintains a robust financial foundation characterized by low leverage and improved receivables quality.** The debt-to-equity ratio stood at a conservative 0.3x at the end of 2024 – the industry's lowest. Receivables rose 14% to VND 14,200 billion, accounting for 52% of assets, but the company prudently set aside VND 1,420 billion for bad debt. The receivables turnover period fell to 213 days for 2024 (down from 220 days in H1 and 267 days in 2023), reflecting effective cash flow and strict debt collection management.

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Recent Publication: Surveillance Rating: Coteccons Construction Joint Stock Company on 27 September 2024

** This rating is an Issuer Credit Rating (ICR). An ICR reflects our view of the senior unsecured credit rating of an issuer and is not specific to an individual insurance such as bond that it may issue.*

The rating scale used by FiinRatings is the national scale, therefore, it must not be equated with or represented as a rating on the scale used by any other rating agencies. The rating presented in this announcement is effective from the rating date, until and unless we make any further updates.

This document is prepared in both English and Vietnamese. The English translation is for reference only and the Vietnamese version will prevail in the event of any inconsistency between the English version and the Vietnamese version.

RATING SUMMARY

Industry Classification: Construction and Engineering

Rating Rationale: FiinRatings reaffirmed Coteccons' issuer credit rating at 'BBB+' with a 'stable' outlook, reflecting the company's solid business risk profile, improved profitability, and prudent financial strategy. The 2024 results show that Coteccons is entering a phase of strong recovery and strategic adjustment, with notable profit growth and improved backlog quality due to a focus on higher-margin FDI projects with stable cash flows. The deliberate decision to reduce dependence on the domestic residential real estate market and instead shifting towards FDI clients such as LEGO, Suntory PepsiCo, Pandora, and Foxconn not only mitigates cyclical risks but also demonstrates strategic adaptability amid the volatile construction sector. Notably, a prudent financial management approach, characterized by low leverage and stringent receivables control, remains a key factor supporting the company's credit profile. The combination of quality revenue streams, an improved project portfolio with higher profit margins, and a solid financial position, is enhancing Coteccons' creditworthiness, thereby facilitating access to lower-cost capital and enabling sustainable expansion both domestically and internationally.

Coteccons' business risk profile continues to stay at 'strong' level thanks to steady growth in revenue and profitability, strengthened by growing backlog with record-high contract wins.

- In 2H2024, Coteccons saw strong growth in revenue to VND 11,645 billion (+19% YoY) and profitability to VND 407 billion (+51.1% YoY). Gross margin rose to 3.5% from 2.8% in 2H2023, driven by higher-margin industrial construction. SG&A expenses in 2H2024 decreased by 13.3% YoY, further boosting profitability. Net income for 2H2024 reached VND 200 billion, achieving 46% of FY2025[1] targets (VND 25,000 billion in revenue and VND 430 billion in net profit).
- Coteccons secured VND 16.8 trillion in new contracts in 2H2024, bringing its total backlog to nearly VND 35 trillion by year-end 2024, covering 58% of FY2025 targets. Notably, 40% of the backlog consists of FDI-invested projects carried forward to 2025, reinforcing Coteccons' strategic market positioning. The "repeat sales" strategy continues to drive contract renewals, with key clients such as Vingroup, Sun Group, Ecopark, and Capital Land, contributing 70% of total newly signed projects.
- Receivables remain under control amid improved provisions: Receivables rose to VND 14.2 trillion (+14% YTD), representing 52% of total assets, but provisions for doubtful debts remained prudent at VND 1.42 trillion. Bad debt provisions showed a positive reversal in Q4/2024, with a VND 1.1 billion write-back on receivables in Q4/2024 compared to a VND 50 billion provision expense in Q4/2023.

Despite higher short-term borrowings, the Company's financial risk profile is expected to remain 'modest' driven by good net cash position. Coteccons maintained a modest financial risk profile, despite an increase in short-term debt. In Q4/2024, the company fully repaid VND 432 billion in principal and VND 20 billion in interest for its three-year bonds issued on January 14, 2022. Following this repayment, Coteccons has no outstanding bond liabilities, with the remaining debt consisting of short-term loans. Total liabilities rose by 29% to VND 18.4 trillion, primarily due to a 73% increase in short-term borrowings to VND 2.63 trillion. However, Debt-to-Equity slightly rise to 0.3x in 2H2024 from 0.2x in 1H2024, maintaining Coteccons' position as the least leveraged player in the sector.

Liquidity remains solid as Coteccons' key strength over industry peers. Coteccons' cash and cash equivalents remained strong at VND 2.5 trillion (-12.8% YTD), while bank deposits increased by 20% to over VND 1.9 trillion, both accounting for 16.2% of total assets. This ensures ample short-term liquidity and financial flexibility, reinforcing Coteccons' ability to navigate working capital demands and sustain its operations without significant reliance on external financing.

Criteria	Previous Surveillance	Current Surveillance
Business Risk Profile	**Satisfactory (3/6)**	**Satisfactory (3/6)**
Industry Risk	*High Risk (5/6)*	*High Risk (5/6)*
Competitive Position	*Strong (2/6)*	*Strong (2/6)*
Financial Risk Profile	**Modest (2/6)**	**Modest (2/6)**
Company Anchor	**bbb**	**bbb**
Modifiers:		
Diversification	*Not applicable*	*Not applicable*
Capital structure	*Neutral (+0)*	*Neutral (+0)*
Liquidity	***Strong (+1)***	***Strong (+1)***
Financial policy & Management	*Neutral & Satisfactory (+0)*	*Neutral & Satisfactory (+0)*
Stand-alone Credit Profile ('SACP')	**bbb+**	**bbb+**
External Support	**Not applicable**	**Not applicable**
Issuer Credit Rating	**BBB+**	**BBB+**
Outlook	**Stable**	**Stable**

Outlook: The Stable outlook of Coteccons reflects our expectation that the Company will maintain its issuer credit rating for the next 24 months. Key monitoring factors for the next credit update include cash flow management, project execution risks, and the impact of market conditions on new contract acquisitions.

Upgrade Scenarios: We assess that, given a significant improvement in the risk level of the construction industry, or if the Company can operate with virtually no debt—maintaining a near-zero leverage ratio—and its financial risk profile improves from 'Modest' (2/6) to 'Minimal' (1/6), a review for positive rating action or upgrade for Coteccons can be considered.

Downgrade Scenarios: Factors that could, individually or collectively, lead to our review for negative rating action or downgrade for Coteccons:

- Coteccons' advance payments deteriorate, the quality of receivables weakens, an/or other operating deteriorations that impair working capital inflows; Lengthened receivable days that put pressures on debt coverage ratio;
- Rising operating costs and/or project cost overruns that hinder the profitability;
- Coteccons' business expansion (for example, into more property development that destabilize working capital) is overly aggressive, as indicated by the debt coverage ratios declining;
- Sizeable investments into risky assets versus equity size (such as equity investment over bond investment and/or more money spent on buying low-quality properties from financially distressed developers);
- Worsen and unfavorable macro trends that impact the real estate and construction industry.

Exhibit 01: Key Metrics of Coteccons (2019 – 2024)

Key Metrics (YE on Dec. 31)	Unit	2019	2020	2021	2022	2023	6M2024*	2024*
Net revenue*	*VND bn*	23,733.0	14,558.1	9,077.9	14,536.9	16,528.2	21,045.2	22,905.8
EBITDA margin*	*%*	4.2%	3.7%	1.6%	1.5%	2.7%	2.8%	2.7%
Return on capital*	*%*	10.8%	5.1%	0.5%	1.3%	3.6%	4.9%	5.5%
Working capital turnover	*Times*	3.4	2.0	1.3	2.0	2.3	3.4	3.5
Total debt	*VND bn*	0.0	0.0	1.7	1,077.2	1,078.3	1,540.3	2,652.5
Debt / EBITDA *	*Times*	0.0	0.0	0.0	4.9	2.5	2.6	4.2
Debt / Equity	*Times*	0.0	0.0	0.0	0.1	0.1	0.2	0.3
EBITDA Interest coverage *	*times*	-	-	133.4	3.9	4.5	6.8	5.8
Cash & short-term investments	*VND bn*	4,042.4	3,377.7	3,285.4	2,842.8	4,610.6	4,078.3	4,667.4

Source: FiinRatings, Coteccons;
Notes: The financial year of Coteccons ends on 30/6. However, FiinRatings has converted into a Financial year ending on 31/12 for the purpose of analysis and comparison. (*) Financial indicators are calculated on an annual basis, using a 12-month trailing period based on the last four quarters.

PROJECTION

Key assumptions

- We expect Coteccons' revenue to grow at a CAGR of 15% within 2023-2026, driven by an expanding backlog (primarily consisting of factories and buildings). Construction progress is expected to accelerate compared to 2021-2023 as more real estate projects are launched to meet the improved housing demand from individual buyers. Coteccons' use of the fast-track model for more projects (usually factories) will also help boost completion rates. We also expect some growth in Coteccons' international business based on its offshore expansion following its clients and two newly acquired subsidiaries.
- Coteccons' profitability is expected to steadily recover, with a gross profit margin of around 4% and an EBITDA margin of around 3% throughout 2024-2026. For the gross margin, we expect material prices to keep rising in 2H2024 and then stabilise in 2025-2026 in line with a lower inflationary environment. For operating margin, we assume the Company can maintain its current cost management strategy with SGA expenses/ Revenue staying around 1.9% and Provision expenses /Revenue are expected to stay within the 1.1%-1.3%
- Capital expenditure is expected to be around VND 200 – 350 billion annually, and a part of VND 250 billion will be on vertical acquisition in 2025. Working capital outflow is expected to moderate as the Company has witnessed a reduction in receivable and inventory days.
- A borrowing of VND 250 billion in long-term debt for more vertical acquisition in 2025, while short-term debt is expected to maintain a moderate rate as the Company keeps relying on short-term revolving credit facilities.
- No new share issuance and ESOP issuance is estimated to be less than VND 10 billion each year. No cash dividends for the 2024-2026 period.

Based on these assumptions, we arrive at the following credit measures for 2023-2025:

Exhibit 02: Coteccons' base-case key metrics

	2022A	2023A	2024A	2025F	2026F
Unit: VND billion; Year-end 31 December					
Cash and short-term investments	2,842.8	4,610.6	4,667.4	3,748.9	4,091.4
Net revenue	14,536.9	16,528.2	22,905.8	25,172.8	28,943.2
Total Debt	1,077.2	1,078.3	2,652.5	1,829.2	2,169.7
EBITDA Margin (%)	1.5%	2.7%	2.7%	2.9%	2.7%
Return on capital (%)	1.3%	3.6%	5.5%	6.1%	6.3%
Working capital turnover (x)	2.0	2.3	3.5	3.5	3.7
Funds from operations (FFO)	387.7	235.5	769.9	778.9	845.3
EBITDA	220.3	439.1	628.5	737.5	791.6
Capital expenditure	(192.8)	(415.2)	(439.1)	(202.7)	(242.2)
Debt / EBITDA	4.9	2.5	4.2	2.5	2.7
FFO /Debt	0.4	0.2	0.3	0.4	0.4
EBITDA Interest coverage	3.9	4.6	5.8	6.8	6.4
Debt/ Equity	0.1	0.1	0.3	0.2	0.2
Receivables days	239	267	214	225	237
Payables days	108	134	119	108	125
Inventory days	59	62	63	46	54

Source: FiinRatings, Coteccons
Note: A – Actual, F – Forecasted

LIQUIDITY

Coteccons' liquidity is underpinned by its manageable debt-maturity profile. As of December 31, 2024, the Company's total outstanding debt rose to VND 2,652.5 billion, with factoring reaching VND 507 billion. Although increased reliance on short-term revolving debt may heighten repayment pressure within one year and introduce some refinancing risk, the Company's current cash and short-term investments, totaling VND 4,667.4 billion, are ample to meet its obligations

Exhibit 03: Coteccons' adjusted debt maturity profile as of December 31, 2024

Time horizon	Due Period	Principal amount (VND billion)	Type
<1 year	Year-end 2025	3,140.9	~ 6-month bank loan principal (84%) and Factoring principal (16%)
>1-5 years	2030	18.6	Bank loan secured by equipment of a solar energy project and a car

Source: FiinRatings, Coteccons
Notes: The average interest rates of Coteccons are 4.7% for short-term loans, 9% for factoring, 9.5% for bonds, and 9.9% for long-term loans.

We consider Coteccons' liquidity to be strong, reflected via our estimate liquidity sources will exceed the needs within 1.7-2.3 times in 2025-2026, hence maintaining the one notch-up from its anchor

Exhibit 04: Updated base-case liquidity for Coteccons within 2025-2026

(Unit: VND billion)	2025F	2026F
Liquidity Sources:		
Beginning cash and short-term investments	3,365.4	3,748.9
FFO	778.9	845.3
Proceeds from borrowings	3,042.6	2,792.6
Equity issuance (ESOP)	4.2	5.6
Total Sources	**7,191.2**	**7,392.4**
Liquidity Uses:		
Working capital outflows	(960.3)	(496.4)
Capital expenditure and acquisition	**(452.7)**	**(242.2)**
Loan principal payment	(2,884.1)	(2,452.1)
Total Uses	**(4,297.1)**	**(3,190.7)**
Total Sources / Total Uses	**1.7**	**2.3**

Source: FiinRatings, Coteccons
Note: F – Forecasted

SUMMARIZED FINANCIAL STATEMENTS

Balance sheet (VND billion)	2020	2021	2022	2023	2024
Current assets	**12,867.7**	**12,751.1**	**17,465.0**	**19,889.4**	**24,884.9**
Cash and cash equivalents	1,396.8	884.7	1,064.4	2,842.2	2,478.6
St investments	1,981.0	2,400.7	1,778.4	1,768.5	2,188.8
Accounts receivable	7,648.3	7,424.6	11,235.4	11,845.2	13,695.9
Inventories	1,492.0	1,692.3	2,837.9	2,602.8	4,999.0
Other current assets	349.7	348.8	548.9	830.8	1,522.7
Non-current assets	**1,289.7**	**1,173.6**	**1,502.1**	**1,762.5**	**2,199.6**
Accounts receivable	0.0	0.0	403.4	602.9	515.8
Fixed assets	603.8	531.1	560.0	474.5	453.5
Investment properties	46.8	40.7	37.6	68.1	314.6
LT assets in progress	161.5	185.2	24.9	119.7	64.7
LT financial investments	365.2	334.8	311.0	306.1	316.5
Other LT assets	112.3	81.6	165.1	191.1	534.4
Total assets	**14,157.4**	**13,924.6**	**18,967.1**	**21,651.9**	**27,084.5**
Liabilities	**5,759**	**5,677**	**10,753**	**13,244.5**	**18,394.2**
Current liabilities	**5,753**	**5,675**	**10,227**	**12,745.7**	**18,334.7**
ST trade payables	3,307	3,133	5,189	5,770.2	7,141.9
Advances from customers	510	416	2,121	2,471.4	3,409.8
ST accrued expenses	1,563	1,768	2,022	2,752.0	4,147.1
ST loan and finance lease	94	13	16	581.9	2,633.9
Other current liabilities	372.9	355.8	342.1	1,170.1	1,002.0
Non-current liabilities	**6**	**3**	**527**	**498.8**	**59.5**
In which: LT loan and finance lease	-	-	524	496.3	18.6
Owners' equity	**8,399**	**8,248**	**8,214**	**8,407.4**	**8,690.4**
Contributed capital	793	793	788	1,036.3	1,036.3
Share premium	3,039	3,039	3,019	2,958.3	2,879.7
Retained earnings	365	315	336	524.0	797.1
Other	4,201.9	4,100.6	4,070.1	3,888.7	3,977.2
Total resources	**14,157.4**	**13,924.6**	**18,967.1**	**21,651.9**	**27,084.5**
Income Statement (VND billion)	2020	2021	2022	2023	2024
Net revenue	**14,558.1**	**9,077.9**	**14,536.9**	**16,528.2**	**22,905.8**
Cost of sales	(13,701.7)	(8,802.7)	(14,050.2)	(16,102.2)	(22,055.7)
Gross profit/(loss)	**856.4**	**275.2**	**486.7**	**426.0**	**850.1**
Financial income	228.2	277.1	381.0	347.8	238.7
Financial expenses	(0.5)	(12.9)	(162.6)	(130.3)	(114.4)
In which: Interest expense	-	(1.1)	(79.2)	(96.1)	(115.0)
Profit/(Loss) in associates	(27.0)	(30.3)	(23.8)	(6.9)	(0.0)
Administration expenses	(655.9)	(516.3)	(734.8)	(398.2)	(599.7)
Net operating profit/(loss)	**401.3**	**(7.3)**	**(53.5)**	**238.3**	**373.7**
Other income	39.3	57.6	93.6	10.0	101.9
Other expenses	(12.7)	(12.2)	(5.2)	(4.0)	(13.0)
Other profit/(loss)	26.7	45.4	88.4	6.0	88.9
Profit/(loss) before tax	**428.0**	**38.2**	**34.8**	**244.3**	**462.6**
Current income tax expense	(168.4)	(43.4)	(37.9)	(83.1)	(145.9)
Deferred income tax expense	75.0	29.3	23.8	26.8	56.3
Net profit/(loss) after tax	**334.6**	**24.1**	**20.8**	**187.9**	**373.0**
Cashflow Statement (VND billion)	2020	2021	2022	2023	2024
Profit before tax	**428.0**	**38.2**	**34.8**	**244.3**	**462.6**
Depreciation, amortization	107.8	104.5	106.3	98.7	50.9
Interest expenses	-	1.1	79.2	96.1	115.0
Other adjustments	126.2	107.8	167.4	(203.6)	141.5
Op. profit b/f WC changes	**661.9**	**251.6**	**387.7**	**235.5**	**769.9**
WC changes	(1,228.8)	169.5	(2,014.8)	1,231.9	(1,522.2)
Cash from operations	**(566.8)**	**421.2**	**(1,627.1)**	**1,467.4**	**(752.3)**
Net capital expenditures	(5.1)	(47.1)	(194.8)	(415.2)	(439.1)
Others	1,396.7	(633.5)	928.2	721.8	(365.4)
Cash from investments	**1,391.6**	**(680.5)**	**733.5**	**306.6**	**(804.5)**
Changes in share capital	-	-	-	5.5	7.1
Proceeds from borrowings	-	554.8	2,241.9	1,993.0	5,767.6
Repayment of borrowings	-	(554.8)	(1,167.7)	(1,994.0)	(4,481.7)
Dividends paid	(229.1)	(73.8)	-	-	(99.9)
Others	-	(178.9)	(0.8)	(0.9)	-
Cash from financing	**(229.1)**	**(252.7)**	**1,073.4**	**3.6**	**1,193.1**
Net cash change	**595.7**	**(512.1)**	**179.7**	**1,777.7**	**(363.6)**
Beginning cash balance	**800.8**	**1,396.8**	**884.7**	**1,064.4**	**2,842.2**
FX adjustments	0.3	0.1	(0.0)	0.0	0.1
Ending cash balance	**1,396.8**	**884.7**	**1,064.4**	**2,842.2**	**2,478.6**

Source: FiinRatings, Coteccons

KEY METRICS AND FORMULA

- Interest expense = interest expense reported + Capitalized interest + Operating lease interest expense + hybrid dividend accrual + Other adjustments
- Cash interest paid = Interest expense paid + Hybrid cash dividend
- EBITDA (reported) = Revenue - COGS- SG&A - R&D + D&A - Tax and additional expense - Other operating expenses
- EBITDA = EBITDA (reported) + Operating lease rent -Capitalized development cost + Capitalized interest + Dividend received from equity investments + Other adjustments
- EBIT = EBITDA - D&A - Operating lease depreciation + Non-operating income + Other adjustments
- FFO = EBITDA - Interest expense + interest and dividend income - Current tax + Other adjustments
- CFO = CFO reported - Capitalized interest + Operating lease depreciation - Capitalized development cost - hybrid dividend cash payment - interest paid/received + Dividends received + Other adjustments
- Capital expenditure = Capital expenditure reported - Capitalized interest - Capitalized development cost + Other adjustments
- EBITDA interest coverage = EBITDA/interest expense
- FFO interest coverage = (FFO + Cash interest paid)/ interest expense
- EBITDA Margin = EBITDA / Revenue
- Cash ratio = Cash & cash equivalents/Current liabilities
- Quick ratio = (Cash & cash equivalents + Short-term investments + Short-term receivables)/ Current liabilities
- Short-term coverage ratio: (Cash & cash equivalents + Short-term investments)/(Current liabilities – Prepayments from customers – Unearned revenue + Interest paid + Dividend paid)
- Current ratio = Current asset/ Current liabilities
- Debt/Equity = (Short-term debt+Long-term debt)/Equity
- Total liabilities/Equity = (Short-term liabilities+Long-term liabilities)/Equity
- Debt/EBITDA (*) = (Short-term debt+Long-term debt)/EBITDA
- Return on asset (“ROA”) = Net income/Average total assets
- Return on equity (“ROE”) = Net income/Average total equity
- Total asset turnover = Net revenue/ Average total assets
- Receivable days = Average account receivables*365/Net revenue
- Inventory days = (Average inventories +Average Long-term asset in progress) *365/Cost of goods sold
- Payables days = Average trade payables*365/Cost of goods sold
- Cash conversion cycle = Receivables days + Inventory days – Payables days
- Gross margin = Gross profit/Net revenue
- EBIT margin = EBIT/Net revenue
- EBITDA margin = EBITDA/ Net revenue
- Operating margin = Operating profit/Net revenue
- Pre-tax margin = Pretax income/Net revenue
- Net margin = Net income/Net revenue

RATING SCALE

We employ below rating scale in assigning ratings for all issuers across industries and sectors that we cover in Vietnam. The rating scale used by FiinRatings is the national scale, therefore, it must not be equated with or represented as a rating on the scale used by any other rating agencies.

Definition and explanation	Rating scale
Group 1: Extremely strong capacity to meet financial obligation.	**AAA**
Group 2: Very strong capacity to meet financial obligation.	**AA+**
	AA
	AA-
Group 3: Strong capacity to meet financial obligations but somewhat susceptible to adverse economic conditions and changes in circumstances.	**A+**
	A
	A-
Group 4: Adequate capacity to meet financial commitments but more vulnerable to adverse developments and economic conditions.	**BBB+**
	BBB
	BBB-
Group 5: Moderate capacity to meet financial obligations but less vulnerable than other speculative issuers.	**BB+**
	BB
	BB-
Group 6: Weak capacity to meet financial obligations. Sensitive to business, financial and economic conditions. High risk.	**B+**
	B
	B-
Group 7: Very weak capability or very likely to get into default. Very sensitive to business, financial and economic conditions. Substantial risk.	**CCC+**
	CCC
	CCC-
	CC
	C
Group 8*:* Default. Payments on an obligation are not made on the date due (**SD**) or the issuer becomes insolvent (**D**). The '**D**' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action.	**SD, D**

RATING METHODOLOGY

The rating methodology explains FiinRatings approach to assessing credit risk of companies in Vietnam. This methodology is intended as a general guidance to help companies, investors, and other market participants to understand how FiinRatings looks at quantitative and qualitative factors significant in explaining rating outcomes in general and specific for each sector that we cover.

In addition, certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please follow the link below for the Rating Methodology and Related Criteria:

- Corporate Rating Methodology

Or refer to the following link for more details on the general rating methodology:

- General Rating methodology

CREDIT RATING HISTORY

Ha Do Group JSC ("HDG")			
Credit Rating Type	**Date**	**Issuer Credit Rating**	**Outlook**
Initial	14 June 2023	BBB	Stable
Surveillance	15 January 2024	BBB	Stable
Surveillance	27 September 2024	BBB+	Stable
Surveillance	15 January 2025	BBB+	Stable

OWNERSHIP DISCLOSURE

At the time of the publication, the following information is provided as required by current regulations and as a part of our compliance policies in providing credit ratings:

- Coteccons' percentage of equity ownership at FiinRatings: *none***
- FiinRatings' percentage of equity ownership at Coteccons: *none*
- FiinRatings' other employee percentage of equity ownership at Coteccons: *none*
- Coteccons' investment value of bond(s) issued by FiinRatings: *none*
- FiinRatings' investment value of bond(s) issued by Coteccons: *none*
- Coteccons' investment value of other debt instruments issued by FiinRatings: *none*
- FiinRatings' investment value of other debt instruments issued by Coteccons: *none*

FiinRatings aforementioned includes FiinRatings JSC., its directors, Credit Rating Committee members, and analysts of FiinRatings engaged in this rating action. The information above was examined during the client acceptance process and before the signing date of Credit Rating Agreement with the Company and was updated on the issue date of this report.

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** *Additional disclosures as of 15 January 2025:*

- *Mr. Bolat Duisenov holds 7.002% of common shares of FiinGroup Joint Stock Company ("FiinGroup") as an individual shareholder. Meanwhile, FiinGroup holds a 99.994% ownership stake in FiinRatings Joint Stock Company.*
- *Mr. Bolat Duisenov does not participate in the management of FiinGroup or FiinRatings, and his roles and stake holdings at FiinGroup level do not violate the independence requirement for a licensed credit rating agency as stipulated in Article 38 of Decree 88/2014/ND-CP issued on September 26, 2014, governing credit rating services in Vietnam.*

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FIINRATINGS JOINT STOCK COMPANY

Credit Rating Report No.: 04-C21-2025

Nguyen Quang Thuan, FCCA

Chief Executive Officer

Hanoi, 15 January 2025

CONTACT

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