Dat Xanh Group JSC (DXG)

Issuer Credit Rating (ICR): BBB+

Issue Date

December 10, 2025

Outlook

Positive

Rating Methodology

Corporate Rating Methodology

Rating snapshot and Criteria

Business Profile	: **4.5/8**
Financial Profile	: **3.8/8**
Governance	: **Neutral**
Liquidity	: **Neutral**
External Support	: **Neutral**

**Ratings range from 1 to 8, with 1 being Best and decreasing from 1 to 8.*

Contact

Long Nguyen Phi, ACCA

longnp1@sniratings.com.vn

Rating Rationale

Dat Xanh Group JSC (DXG) is widely regarded as one of Vietnam's leading real estate brokers and developers in the mid-range and high-end residential segments. As of Q2 2025, the company's total assets place it among the top three listed firms in the residential real estate sector. The company's credit profile is primarily underpinned by two flagship projects – The Privé and Gem Sky World – which are expected to generate strong cash flows over the 2026 – 2028 period.

DXG's brokerage operations are positioned to benefit from the rising housing supply in Vietnam's two core markets, Hanoi and Ho Chi Minh City. In property development, the company's land bank of more than 800 hectares offers capacity for medium- to long-term growth. Its strategy of expanding land holdings through M&A is expected to accelerate future development opportunities. Meanwhile, selling prices are likely to be supported by provincial-level consolidation, improved infrastructure connectivity to key projects, and the government's strategic push to establish international financial centers (IFCs).

DXG's gross margin has consistently remained above the industry average, driven by strong contributions from its brokerage operations, which hold market-leading positions with a diversified presence across key regions. However, profitability indicators such as ROAA and ROAE have yet to reach optimal levels. The company's planned organizational streamlining initiatives are expected to improve these metrics in the coming period.

DXG's interest-bearing debt has been on a declining trend, and its leverage remains below the industry average. Nonetheless, the company's Debt/EBITDA and EBITDA/Interest Expense ratios are not yet at comfortable levels, while free cash flow since 2022 has remained negative due to relatively weak sales performance and sizable Capex requirements. That said, the approval for The Privé to commence pre-sales in August 2025 is expected to generate substantial cash inflows during 2026 – 2028, thereby improving the company's debt servicing capacity.

Dat Xanh Group's weighted average debt maturity is less than two years; nonetheless, liquidity risk over the next 18 months is considered low. The company has already secured financing arrangements to meet upcoming debt obligations. A further consideration is its complex ownership structure, comprising 85 subsidiaries under both direct and indirect control, which presents challenges for oversight and governance. In addition, the operating performance of its associates has not been favourable. These issues, however, are expected to improve with the implementation of more effective governance measures in the near term.

S&I Ratings expects DXG's credit profile to improve meaningfully over the medium to long term, driven by strong cash inflows from its existing projects and supported by positive developments in the regulatory framework – forming the foundation for sustainable long-term growth. Based on these considerations, together with an assessment of the inherent risks in the residential real estate sector, S&I Ratings assigns DXG a long-term credit rating of **BBB+** with a **Positive** Outlook.

KEY HIGHLIGHTS

Strengths

- DXG's cash flows are expected to strengthen significantly during 2026 – 2028, driven by two key projects – The Privé and the next phase of Gem Sky World.
- The brokerage segment remains among the market leaders in terms of market share and delivers high profit margins.
- Gross margins consistently exceed both the industry average and the top-10 average.
- The Debt/Total Assets ratio (18.3%) has remained lower than the industry average and the top-10 average.
- Selling prices of current projects are beneficial from provincial consolidation, infrastructure upgrades for key projects, and the strategy of developing an IFC in Ho Chi Minh City.
- The new policy framework (Resolution 171/2024/QH15) offers significant opportunities for DXG to access and expand land bank aligned with its existing strategic segments.
- Floor area ratios (FAR) for projects in Ho Chi Minh City are increasing in line with the master plan of Thu Duc City, supporting higher development potential.

Challenges

- Free cash flow (FCF) has remained weak since 2022, reflecting relatively soft sales performance and sizable Capex requirements.
- ROAA and ROAE for 2022 – 2024 have been below both the industry average and the top-10 average.
- Debt/EBITDA and EBITDA/Interest Expense coverage since 2022 have not shown outperformance relative to the industry and top-10 averages; meanwhile, the average debt maturity remains below two years.
- Projects scheduled for development during 2025–2026 are concentrated primarily in Ho Chi Minh City and former Binh Duong areas; the business profile remains undiversified, exhibiting high correlation to legal-policy conditions and macroeconomic fluctuations.
- The company has a complex ownership structure with 85 subsidiaries (direct and indirect ownership), while the performance of associates has yet to reach satisfactory levels.

OUTLOOK

S&I Ratings assigns a Positive Outlook to DXG over the medium to long term, reflecting expectations that upcoming regulatory changes will have a favorable impact on the market and create substantial opportunities for the company to expand its land bank and strengthen its brokerage activities. However, sales progress, profitability, and funding plans will need to be closely monitored, as these remain the key factors influencing the issuer's debt-servicing capacity and overall credit quality.

Upgrade scenarios

DXG's credit rating could be upgraded under the following circumstances:

- Sales progress or selling prices materially exceed expectations, resulting in stronger free cash flow (FCF) and a greater liquidity buffer for meeting debt obligations.
- Significant expansion of the land bank, providing long-term development visibility; or greater diversification across business segments.
- Leverage continues to decline over the upcoming quarters, accompanied by a marked improvement in debt-servicing capacity, with metrics sustained above both the industry average and the top-10 average.
- Streamlining of the organizational structure, leading to lower operating costs and improved profitability, with returns maintained above the industry and top-10 averages.

Downgrade scenarios

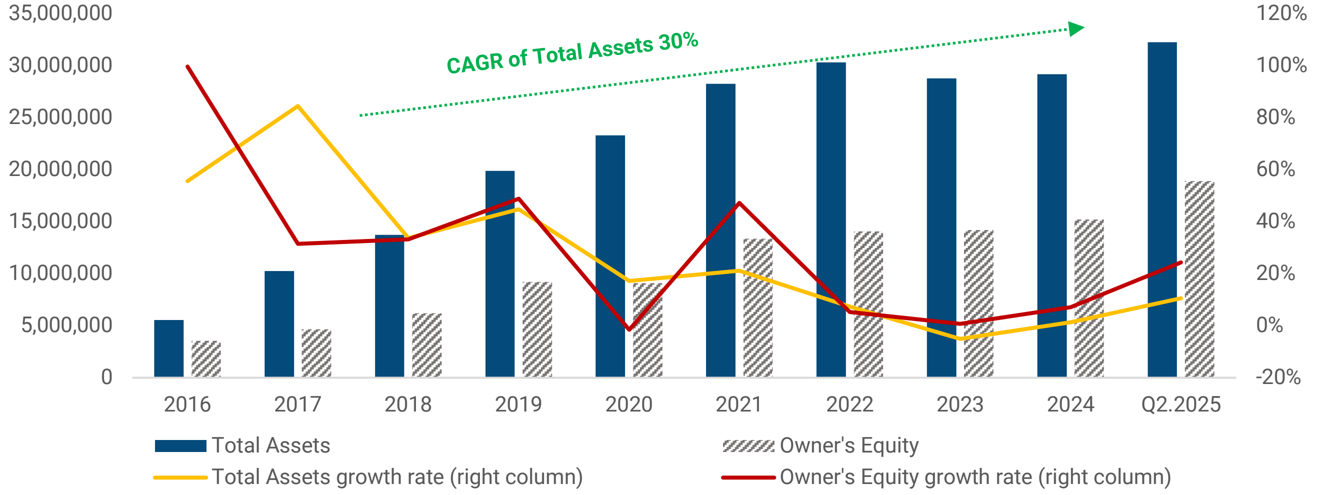
DXG's credit rating could be downgraded under the following circumstances:

- Legal or regulatory obstacles in project execution, or delays in sales progress, resulting in sales performance falling short of expectations and adversely affecting debt-servicing capacity.
- Weaker operating cash flow, driven by sluggish market demand.
- A material increase in leverage beyond expectations, or the use of funding sources for non-core activities or dispersed investments in low-return segments.
- A significant deterioration in debt-servicing capacity, with metrics remaining below both the industry average and top-10 average.

COMPANY PROFILE

Dat Xanh Group JSC (DXG) was established in 2003, initially operating as a distributor of real estate projects. In 2007, the company expanded into property development and gradually built its market position through projects in the apartment, housing, and township segments, primarily concentrated in Ho Chi Minh City and surrounding provinces. DXG was listed on the Ho Chi Minh City Stock Exchange (HoSE) in 2009 and began its transition into a group structure in 2013. Currently, the company is the developer of several large-scale projects, including the The Privé complex in Ho Chi Minh City and the Gem Sky World township in Dong Nai. DXG is also recognized for its extensive nationwide real estate distribution network. Dat Xanh Real Estate Services JSC (DXS), of which DXG holds a 59.5% stake, is one of Vietnam's leading real estate brokerage company, accounting for approximately 33% of market share as of Q2.2025, according to DXS's statistics. As of the end of Q2.2025, DXG ranked third in total assets among listed companies in the commercial residential real estate segment, with a land bank of more than 800 hectares.

Chart 1: Total assets and Owner's equity of DXG over 2016 – Q2.2025 period (VND million)



Source: DXG.

CREDIT RATING HISTORY

Issue Date	Rating Type	Rating	Outlook	Action
December 10, 2025	Long-term – Issuer Rating	BBB^{+}	Positive	First-time Rating

OWNERSHIP DISCLOSURE

To ensure the independence and objectivity of credit rating activities relating to the issuer and/or debt instruments, S&I Ratings discloses the following ownership information as of the report issuance date:

- DXG's ownership in S&I Ratings: 0%
- S&I Ratings' ownership in DXG: 0%
- Ownership in DXG by S&I Ratings employees: 0%
- Bond and other debt instruments of S&I Ratings held by DXG: 0%
- Bond and other debt instruments of DXG held by S&I Ratings: 0%
- Bond and other debt instruments of DXG held by S&I Ratings employees: 0%

S&I Ratings affirms its commitment to maintaining full independence and objectivity throughout the credit rating process for both issuers and debt instruments. We strictly adhere to applicable regulations and maintain robust internal controls to identify and manage potential conflicts of interest. The ownership data disclosed above is reviewed from the contract signing date with the issuer and updated as of the report issuance date.

Personnel directly involved in the credit rating process are prohibited from holding or transacting in any shares or debt instruments of the rated issuer from the time of contract execution and for as long as the rating remains in effect.

For additional disclosures related to credit rating activities, please visit: www.sniratings.com.vn.

Analyst Team:

Long Nguyen Phi, ACCA – Lead Analyst; email: longnp1@sniratings.com.vn

Rating Committee Members:

Phuong Hoang, CPA, MBA – Chairman; email: phuongh@sniratings.com.vn

Tu Vo Anh, MSc – Committee Member; email: tuva@sniratings.com.vn

Tuan Nguyen Anh, MSc – Committee Member; email: tuanna@sniratings.com.vn

S&I Credit Rating Joint Stock Company

Credit Rating Report No.: 08.2025/S&I-DXG

Hoang Viet Phuong

Chief Executive Officer

December 10, 2025

APPENDIX 1: RATING SCALES AND DEFINITION

Rating scales	Definition and explanation
AAA	Indicates the issuer/debt instrument has the lowest risk of default and extremely high credit quality.
AA	Indicates a very low risk of default and very high credit quality.
A	Indicates a low risk of default and high credit quality.
BBB	Indicates a moderately low risk of default and adequate credit quality.
BB	Indicates a high risk of default and low credit quality.
B	Indicates a very high risk of default and very low credit quality.
CCC	Indicates an extremely high risk of default and extremely low credit quality.
CC	Indicates the issuer/debt instrument is at risk of partial default on obligations at maturity.
C	Indicates a risk of partial or full default on obligations at maturity.
D	The issuer/debt instrument is in default.

Note: Ratings from AA to CCC may be modified with a plus (+) or minus (–) sign to indicate relative standing within the same rating category.

S&I Credit Rating Joint Stock Company

1C Ngo Quyen, Hoan Kiem Ward, Ha Noi City, Vietnam

Phone: (+84) 24 3208 1356