



KHÁT VỌNG VƯƠN XA

2020 ANNUAL REPORT



GO BEYOND

With aspirations and strong beliefs in the future, We - Coteccons has been constantly advocating and changing to reach sustainable development goals ahead.

Abbreviation

AGM : Annual General Meeting of Shareholders	GMS : General Meeting of Shareholders
AR : Annual Report	HCMC : Ho Chi Minh City Stock Exchange
BIM : Building Information Modeling	HR : Human resources
BOD : Board of Directors	IA : Internal Audit
BOM : Board of Management	IT : Information Technology
BOS : Board of Supervisors	JSC : JOINT STOCK COMPANY
CAGR : Compound Annual Growth Rate	KPI : Key Performance Indicator
CCM : Cost and Contract Management	LEED : Leadership in Energy and Environmental Design
CEO : Chief Executive Officer	M&E : Mechanical and Electrical
CG : Corporate Governance	PAT : Profit After Tax
Co., Ltd. : Limited Liability Company	PBT : Profit Before Tax
CTA : Coteccons Academy	PR : Public Relations
CTD : Stock ticker of Coteccons	R&D : Research and Development
Dept. : Department	ROAA : Return On Average Assets
EPC : Engineering, Procurement and Construction	ROEA : Return On Average Equity
ERP : Enterprise Resource Planning	VAS : Vietnamese Accounting Standards
FDI : Foreign Direct Investment	VND : Vietnam Dong
GDP : Gross Domestic Product	SWOT : Strengths - Weaknesses - Opportunities - Threats



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General Information

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Aspiration

MESSAGE FROM CHAIRMAN



Mr. Bolat Duisenov - Chairman

Dear Shareholders and Colleagues,

In 2020, we were confronted with complex circumstances in which the Covid-19 pandemic dominated the world in general and the Vietnam economy in particular, we also faced tough decisions and many changes that were unprecedented in the internal structure of the business.

I'm pleased to report that these challenges have been consolidated recently with a settled Leadership Team.

In reviewing the first quarter of 2021, we observe that the social situation in general and construction industry in particular are still impacted by the ongoing effects of the pandemic. We have also seen miss-information and rumors influencing market perceptions about Coteccons. However, we are also grateful to be part of this time. Indeed, this difficult time represents an appropriate point to mark the beginning of the 5-year journey from 2020 to 2025, a new era where we will focus on positioning the brand "Coteccons Inside" in the marketplace with a fresh identity and thinking as a world class construction enterprise with a fully integrated model including design, engineering and delivery to create maximum value for our clients and give a beneficial advantage over our competitors. The products with "Coteccons Inside" brand will bring confidence to investors, peace of mind for our clients as well as home buyers and credibility for all stakeholders. Any project built by Coteccons comes with absolute commitments on safety, quality, schedule and budget.

Toward the future, we need to keep in mind the mission of Coteccons is to build a "harmonious ecosystem" with construction as its core business and related sectors such as renewable energy, construction & finance and infrastructure which can meet the demands of the market and our customers, with a suitably experienced and qualified team backed up by dynamic business development.

Our dear Shareholders and Colleagues!

In this reporting period, we have delivered a number of achievements in the face of stiff challenges, these are mainly reflected in the transformation of the management team and organizational structure following last year's turbulent period.

The modest results with 05 new projects awarded in 4Q2020 and 04 awarded in 1Q2021 are notable achievements in the market circumstances. They represent a small step in the journey ahead in which we plan to grow sustainably and leverage the value potential of the Coteccons brand. A parallel step in this journey is to build a multidisciplinary corporation.

We are proud of the values and heritage of the 1,659 staff members under the flag of Coteccons which are based on a history of landmark achievements. We rely on the consensus and support of stakeholders and we all play equally important roles to reinforce our collective strength that sees us through our challenges.

Looking ahead and the journey to 2025, Coteccons legacy proves that when we unite as one team and face challenges together, we can take responsibility for building Coteccons' future prosperity in confidence.

I am convinced that working together as one team, we will overcome all challenges and build a better world for our staff, our stakeholders and the communities and environments in which we work.

One team, we go beyond together.

Bolat Duisenov
Chairman

ABOUT US

With outstanding capabilities, undertaking projects of international stature, Coteccons continues to affirm its leading position in the Vietnam and taking further steps in the world. We confidently affirm the bravery of a brand proven by the prestige, quality and absolute trust of customers.



Vietnamese name	: Công ty Cổ phần Xây dựng Coteccons
English name	: Coteccons Construction Joint Stock Company
Abbreviated name	: COTECCONS
Business Registration Certificate	: 0303443233 issued for the 1 st time by Ho Chi Minh City Department of Planning and Investment on August 24 th , 2004
Total owners' equity	: VND 8,398,669,476,041
Charter capital	: VND 792,550,000,000
Address	: 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC
Phone	: (84-28) 3514 2255 - (84-28) 3514 2266
Fax	: (84-28) 3514 2277
Email	: contact@coteccons.vn
Website	: www.coteccons.vn
Stock Ticker	: CTD

MAIN BUSINESS LINES



- Construction all kinds (Business Code: 4100 (Main))
- Production of concrete and products from cement and plaster (Business Code: 2395)
In detail: Production of construction structures; Production of construction materials (not at the head office).
- Production of machinery for mining and construction (Business Code: 2824)
In detail: Production of machinery and equipment for construction.
- Construction of roads and railways (Business Code: 4210)
In detail: Construction of roads.
- Construction of utility project (Business Code: 4220)
- Construction of other civil engineering projects (Business Code: 4290)
In detail: Building civil and industrial works, technical infrastructure of urban and industrial areas, traffic works, irrigating work.
- Demolition (Business Code: 4311)
- Site preparation (Business Code: 4312)
- Electrical system installation (Business Code: 4321)
In detail: Installation of mechanical - electrical - refrigeration systems, installation of lines, transformer stations and industrial equipment.
- Installation of water supply, drainage, heating and air conditioning (Business Code: 4322)

OUR PRESENCE



COTECCONS STAFF
(STAFF)

1,659



PROJECTS ACROSS VIETNAM
(PROJECTS)

400+

WE ARE CONSTRUCTING LOCAL AND INTERNATIONAL PROJECTS

INTERNATIONAL EXPERIENCE:
LAOS, MYANMAR, CAMPUCHIA

Ba Ria - Vung Tau Khanh Hoa
Bac Ninh Kien Giang
Binh Duong Lao Cai
Binh Phuoc Long An
Can Tho Nam Dinh
Da Nang Nghe An
Dong Nai Phu Quoc
Ha Nam Phu Yen
Ha Noi Quang Nam
Ha Tinh Quang Ngai
Hai Duong Quang Ninh
Hai Phong Tay Ninh
Hau Giang Thai Binh
Hue HCM City
Hung Yen

- Other construction system installation (Business Code: 4329)
In detail: Installation of non-electrical equipment, irrigation systems, heating or air conditioning systems or industrial machinery for the construction and for civil facilities; Installation of industrial equipment for the construction and for civil facilities such as elevator, escalator, automatic doors, lighting system, vacuum system, sound system, equipment for entertainment.
- Building completion and finishing (Business Code: 4330)
- Other specialized construction activities (Business Code: 4390)
In detail: Repairing civil and industrial works, technical infrastructure of urban and industrial areas, traffic works, irrigating work.
- Wholesale of other machinery and equipment and spare parts (Business Code: 4659)
In detail: Wholesale of construction machinery and equipment, construction materials, spare parts, technological lines for construction and construction material production.
- Wholesale of other construction materials, installation equipment (Business Code: 4663)
In detail: Wholesale of construction machinery, equipment and materials.
- Other unclassified specialized wholesales (Business Code: 4669)
In detail: Import and export, import and export rights of the following items: iron, steel, constructional frameworks, materials, other installation equipment in construction; materials - machineries - equipment - spare parts, plant and machinery for producing construction equipment and materials.
- Unclassified financial support (Business Code: 6619)
In detail: Investment consultancy.
- Architectural activities and related technical consultancy (Business Code: 7110)
In detail: The overall layout design; Architectural design of civil and industrial projects; Interior and exterior design; Design of heat supply, ventilation, air conditioning system for civil and industrial works; Mechanical and electrical system; Design of civil and industrial projects; Design of urban technical infrastructure.
- Specialized design activities (Business Code: 7410)
In detail: Interior design activities.

Note: Business code 7730 has been submitted to the General Meeting of Shareholders in 2021 for consideration and elimination by the BOD.

VISION, MISSION, CORE VALUES








Vision

To become a world class engineering and construction group of Vietnam in the 21st century.

Mission

Based on the reputation, quality and customer satisfaction for brand value, Coteccons commits to deliver our clients' state of the art projects at competitive cost as well as contribute to the sustainable growth of society through these projects.

Core values

-  → **To Customer** Open | Sincere | Effective
-  → **To Works** Determined | Innovative | Passionate
-  → **To Partner** Cooperative | Fair | Mutually developed
-  → **To Colleague** Caring | Supportive | More than a family
-  → **To Company** Loyal | Transparent | Committed

HISTORY OF ESTABLISHMENT AND DEVELOPMENT

Established on August 24th, 2004, over 17 years of development, Coteccons Construction Joint Stock Company has become the number one enterprise in Vietnam in terms of capital scale and prestige in the industry. From the initial charter capital of only VND15.2 billion, up to now, the Company's charter capital has increased by more than 52 times, reaching VND792.55 billion by 2020.

- 2004**
 - Converting operation model into Joint Stock Company under the Decision No. 1242/QĐ-BXD dated July 30th, 2004 signed by the Minister of Construction. The initial charter capital was VND15.2 billion.
- 2006 - 2008**
 - Collaborating in major projects of RMIT University, The Manor, Grand View, etc.
 - Attracting investment from large funds such as Dragon Capital, Indochina Capital, Tainan Spinning. Increasing charter capital to VND120 billion.
 - Conquering high-end real estate market with typical projects such as Ho Tram Sanctuary, River Garden, The Center Point, etc.
- 2009 - 2011**
 - Starting Coteccons office building 100% owned by Coteccons on May 10th, 2009.
 - Listing and trading Coteccons stock (Ticker: CTD) on Ho Chi Minh City Stock Exchange (HOSE) on January 20th, 2010.
 - Signing the general contractor for the Grand Ho Tram Casino Complex, the largest and most modern casino in the region invested by Asia Coast Development Ltd. (ACDL) on September 8th, 2011.
- 2012 - 2014**
 - Signing a strategic cooperation agreement with Kustocem Pte. Ltd. (Singapore) to issue 10,430,000 shares (equivalent to USD25 million).
 - Raising the stake of Coteccons in Unicons to 51.24% and officially operating under the corporation model.
 - Initially gaining success in the Design & Build (D&B) model. Many D&B contracts have been signed with big investors such as Masteri Thao Dien, Regina, etc.
- 2015 - 2017**
 - Dealing with many large D&B contracts. Marking a record high growth in revenue and profit.
 - Constructing the Landmark 81 project, one of the tallest buildings in the world.
 - Starting the Hoi An Casino project with a total value of VND7,000 billion in August 2017.
- 2018 - 2020**
 - Completing The Landmark 81 project, a national symbol and one of the Top 10 highest towers in the world.
 - Completing Vinfast automobile production complex with a record time of 12 months of construction.
 - Coteccons continues to maintain its position as the No. 1 private enterprise in the construction industry, marking the 7th consecutive year that Coteccons has lead this ranking and Coteccons is also honored in the Top 50 most excellent and largest enterprises in Vietnam in 2019.
 - In 2020, ranked as one of the leading contractors in Vietnam. Charter capital reached VND792.55 billion.

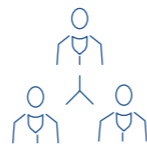
OUTSTANDING FIGURES



400+
PROJECTS



1,659
ENGINEERS AND
EMPLOYEES



3,500
SUB-CONTRACTORS, SUPPLIERS,
CONSTRUCTION TEAMS

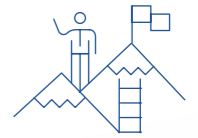


TOP 1
5 CONSECUTIVE YEARS

THE BEST PLACE TO WORK
IN VIETNAM
*Construction/Construction materials/
Architecture*



TOP 15
LISTED COMPANIES
*with best business performance for
3 consecutive years*



TOP 50
LARGEST AND MOST
EXCELLENT ENTERPRISES



14,558
REVENUE
(VND BILLION)



14,157
TOTAL ASSETS
(VND BILLION)



1,397
CASH AND CASH
EQUIVALENTS
(VND BILLION)



TOP 500
7 CONSECUTIVE YEARS
LARGEST ENTERPRISES
IN VIETNAM



TOP 50
8 CONSECUTIVE YEARS
BEST LISTED COMPANIES
IN VIETNAM



105,970
BOOK VALUE/SHARE
(VND)



4,164
EPS (VND)



30%
CASH DIVIDEND
IN 2020



2014 - 2020 FINANCIAL OVERVIEW

BALANCE SHEET									
Item (Unit: VND billion)	2014	2015	2016	2017	2018	2019	2020	Increase/ Decrease %	CAGR 14 - 20
Current assets	3,636	6,486	9,944	14,323	15,323	14,728	12,868	-13%	23%
Cash and cash equivalents	469	1,462	1,997	1,221	553	801	1,397	74%	20%
Short-term investments	629	928	2,675	4,568	3,907	3,242	1,981	-39%	21%
Short-term receivables	2,129	2,609	3,484	6,344	9,054	8,798	7,648	-13%	24%
Inventory	270	1,051	1,241	1,874	1,443	1,626	1,492	-8%	33%
Other short-term assets	139	436	547	316	366	261	350	34%	17%
Non-current assets	1,227	1,329	1,797	1,554	1,500	1,471	1,289	-12%	1%
Fixed assets	255	440	585	726	744	704	604	-14%	15%
Investment property	105	92	78	50	52	50	47	-5%	-13%
Long-term assets in progress	0	48	18	0	1	161	161	0%	-
Long-term investments	781	493	715	377	351	394	365	-7%	-12%
Other long-term assets	86	256	401	401	352	162	112	-31%	4%
TOTAL ASSETS	4,863	7,815	11,741	15,877	16,823	16,199	14,157	-13%	19%
Liabilities	2,154	4,572	5,507	8,571	8,861	7,729	5,759	-25%	18%
Short-term liabilities	2,140	4,559	5,495	8,560	8,852	7,710	5,753	-25%	18%
Long-term liabilities	14	13	12	11	9	19	6	-68%	-14%
Owner's equity	2,709	3,243	6,234	7,306	7,962	8,470	8,398	-1%	21%
TOTAL RESOURCES	4,863	7,815	11,741	15,877	16,823	16,199	14,157	-13%	19%

BUSINESS RESULT									
Item (Unit: VND billion)	2014	2015	2016	2017	2018	2019	2020	Increase/ Decrease %	CAGR 14 - 20
Net revenue	7,634	13,669	20,782	27,153	28,561	23,733	14,558	-39%	11%
Cost of goods sold	(7,078)	(12,557)	(18,983)	(25,137)	(26,728)	22,685)	(13,702)	-40%	12%
Gross profit	556	1,112	1,799	2,016	1,833	1,048	856	-18%	8%
Financial income	119	126	170	326	321	264	228	-14%	11%
Financial expenses	-	(2)	(0)	(0)	(0)	(0)	(1)	5,249%	-
Share of profit of investments in associates	(9)	14	33	32	97	4	(27)	-764%	20%
General and administrative expenses	(215)	(363)	(299)	(395)	(505)	(459)	(656)	43%	15%
Net operating profit	450	887	1,703	1,979	1,746	857	401	-53%	4%
Net other income	14	40	60	82	127	34	27	-20%	12%
Profit before tax	464	927	1,763	2,061	1,873	891	428	-52%	4%
Corporate income tax	(107)	(194)	(341)	(408)	(363)	(180)	(93)	-48%	3%
Profit after tax	357	733	1,422	1,653	1,510	711	335	-53%	4%

Net revenue 2020 (VND billion)	Profit before tax 2020 (VND billion)	Total resources 2020 (VND billion)
CARG: 11% 14,558	CARG: 4% 428	CARG: 19% 14,157

CASH FLOW									
Item (Unit: VND billion)	2014	2015	2016	2017	2018	2019	2020	Increase/ Decrease %	
Net cash flow from operating activities	131	1,229	901	1,152	(934)	(339)	(567)	67%	
Net cash flow from investing activities	(209)	(114)	(1,984)	566	1,021	769	1,392	81%	
Net cash flow from financing activities	(72)	(121)	1,618	(404)	(756)	(183)	(229)	25%	
Net change in cash and cash equivalents	(150)	993	535	1,314	(668)	248	596	140%	
Cash and cash equivalents at the end of the reporting period	469	1,462	1,997	3,311	553	801	1,397	74%	

FINANCIAL INDICATOR									
Item	2014	2015	2016	2017	2018	2019	2020	Increase/ Decrease %	
Profit margin									
Gross profit/ Revenue	7.3%	8.1%	8.7%	7.5%	6.4%	4.4%	5.9%	33%	
Profit before tax/ Revenue	6.1%	6.8%	8.5%	7.6%	6.6%	3.8%	2.9%	-22%	
Profit after tax/ Revenue	4.7%	5.4%	6.8%	6.1%	5.3%	3.0%	2.3%	-23%	
ROAA	7.6%	11.8%	15.3%	11.7%	9.2%	4.3%	2.2%	-49%	
ROEA	13.1%	23.1%	30.0%	24.4%	19.8%	8.7%	4.0%	-57%	
Liquidity									
Current ratio	1.7x	1.4x	1.8x	1.7x	1.7x	1.9x	2.2x	17%	
Quick ratio	1.5x	1.1x	1.6x	1.5x	1.6x	1.7x	1.9x	15%	
Financial leverage									
Liabilities/Owners' equity	79.5%	141.0%	88.3%	117.3%	111.3%	91.3%	68.6%	-25%	
Debts/Owners' equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	
Total assets/Owner's equity	179.5%	241.0%	188.3%	217.3%	211.3%	191.3%	168.6%	-12%	
(Cash + short-term investments)/ Total assets	22.6%	30.6%	39.8%	36.5%	26.5%	25.0%	23.9%	-4%	

COTECCONS - EFFORTS IN 2020

SHAREHOLDERS



- JUNE** **Annual General Meeting of Shareholders 2020**

Approved the 2020 business plan with revenue and profit targets of VND16,000 billion and VND600 billion respectively, as well as a cash dividend of 30%.
- JULY** **Honor Ceremony for Listed Companies on Vietnam Stock Market**

Received the medal honoring VN30 member for considerable contribution to the stock market at the 20th anniversary of the Vietnam stock market.
- AUGUST** **Approval of 30% cash dividend**

Paid a total cash dividend of VND229 billion with VND3,000 per share.
- OCTOBER** **“Top 50 listed companies in Vietnam” - Forbes**

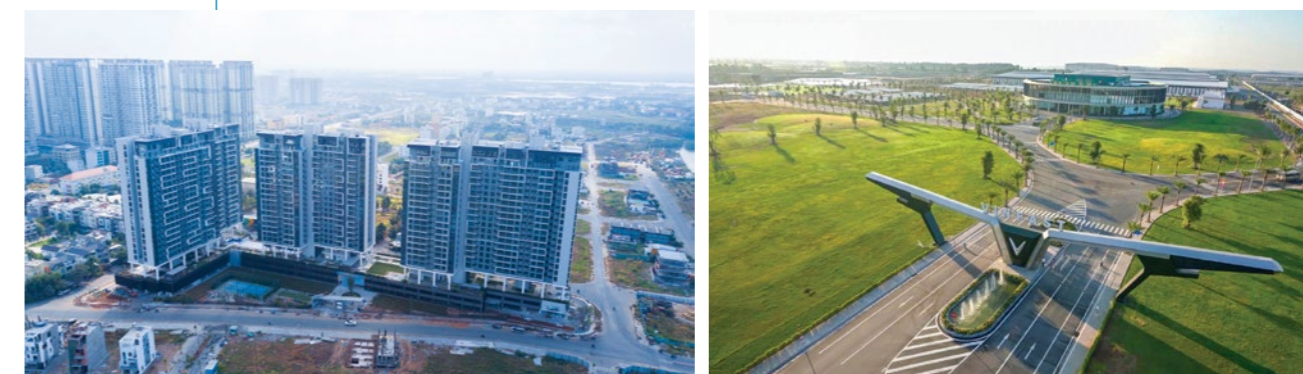
Recognized as one of the Top 50 listed companies in Vietnam by Forbes Vietnam for 8 consecutive years.
- DECEMBER** **Approval of the plan to buy back shares as treasury shares**

Approved the plan to purchase 4.9 million shares as treasury shares - a source of ESOP. The transaction took place from December 30th, 2020 to January 28th, 2021.

“Top 15 listed companies with best business performance for 3 consecutive years”

Named as one of the “Top 15 listed companies with best business performance for 3 consecutive years”, which evaluates listed companies’ annual financial statements based on 21 criteria, related to all production activities business.

BUSINESS



- JANUARY** **“Top 500 Largest enterprises in Vietnam 2019” and “Top 50 Largest and Most excellent enterprises 2019”**

Maintained the position as the No.1 private enterprise in the construction industry, marking the 7th consecutive years that Coteccons leads the VNR500 list.
- FEBRUARY** **Commencement of the construction of automobile interior Factory - Vinfast automobile manufacturing complex**

Carried out all construction and M&E works on an area of 1.1 ha within a timeline of 2.5 month.

Handing over of Block C - Diamond Lotus Riverside Project

Designed and constructed the project in compliance with U.S. Green Building Standards (Leadership in Energy and Environmental Design - LEED), aimed at energy savings, water efficiency, CO₂ emissions reduction, improved indoor and outdoor environmental quality.
- MARCH** **Handing over of One Verandah Project**

Constructed piles, structure, finishes, M&E of One Verandah Project, ensuring a timely project handover.

Signing of the construction contract

 - Complex Building - District 1 and Metropole Thu Thiem Project (Phase 1).
 - 2 high-end projects, increasing the total value of contracts signed in 1Q2020 to over VND5,000 billion.
- APRIL** **Handing over of Capital Palace - Hanoi**

Completed construction of 2 office towers in Grade-A Capital Palace Project - a prime project in Hanoi in terms of architecture and function.
- MAY** **Topping out the 5-star Hilton Saigon Hotel**

Held the topping-out ceremony of 5-star Hilton Saigon Hotel, which claims to be one of the highest hotels in HCMC.

Topping out the MARQ Luxury Apartment Project

Located in the heart of the city, the building offers 515 high-end apartments that follow the highest standards in construction.

BUSINESS

JULY

Commencement Ceremony of Sun Grand City Project - SunGroup

The project shall build 243 villas within the precincts of Ha Long Ocean Park.

Commencement of Park Hyatt Phu Quoc Project - six-star class

Carried out M&E construction and installation package for 65 sea view villas and six-star Park Hyatt Hotel in Phu Quoc.

AUGUST

Commencement of The Origami Vinhomes Grand Park in District 9

Constructed basements, as well as the structure and basic finishing of 6 towers at The Origami - Vinhomes Grand Park with a total contract value of over VND1,200 billion.

Commencement of PiCity High Park Project Tower C4 - C5 in District 12

Constructed structure and basic finishing of C4 and C5 Tower simultaneously with a total contract value of nearly VND560 billion.

OCTOBER

Meeting subcontractors and suppliers for sustainable cooperation - comprehensive development

Exchanged opinions and reinforced long-standing partnerships between subcontractors, suppliers and excellent construction teams.



NOVEMBER

Official topping out of the A-class apartment complex - The Matrix One



Marked a milestone of timely and professional service, highlighting the quality and reliability of Cotteccons as General Contractor.

DECEMBER

Winning new contracts continuously

- + Won the construction bid contract of Condotel and Villa - Ho Tram Fusion Resort;
- + Won the D&B contract, along with technical infrastructure, utilities and M&E works of Project 6 - BW Industrial Development Hai Duong One Member Limited Liability Company.

SOCIETY

JANUARY

Lawrence S.Ting Charity Walk 2020

Donated to charity in order to help local disadvantaged families enjoy a happier new year.

FEBRUARY

Agrifood Rescue Campaign

Bought 25 tons of watermelons to support farmers affected by the Covid-19 pandemic.

Green day Campaign - Ho Tram Strip Project

Organized Green Day at all Cotteccons' sites in order to support the community and promote sustainable construction.

MARCH

"One Heart" Charity Fund

Established 'One Heart' fund in order to help employees undergoing financial stress and underprivileged people in society.

Response to the movement "Vietnam joins forces to prevent Covid-19 pandemic"

Donation of VND2 billion, equal to 1,000 test kits, to facilitate the detection and treatment of Covid-19 at the Hospital for Tropical Diseases of HCMC.

JUNE

Sponsoring and co-hosting "We Are Civil Engineers" Competition - 6th edition

Coordinated with HCMC University of Technology to organize "We Are Civil Engineers" Competition, helping students gain construction experience while studying.

OCTOBER

Best place to work 2020 - Construction/Construction materials/Architecture Industry

For 5 consecutive years, ranked first place among construction enterprises with the best working environment.

DECEMBER

Signing ceremony of charity sponsorship agreement and commencement of construction - repair of 20 houses

Cooperated with the Saigon Times and the People's Committee of Huong Phung Commune to build and repair 20 houses in Huong Phung Commune, Quang Tri Province.

National Construction Worker Championship 2020

Won 15 important prizes at "National Construction Worker Championship 2020" which honors the skills of Vietnamese construction workers.



2 BOARD OF DIRECTORS'

REPORT

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Consistency



BOARD OF DIRECTORS' CAPABILITY

As a governance body, The Board of Directors plays a central role in upholding the Company's leading position in terms of prestige, brand and market share, by ensuring high-quality appointments with not only advanced value-addition but also accumulated core values promotion.



Mr. Bolat Duisenov
Chairman of the Board

Nationality: Kazakhstani
Year of birth: 1981
Qualifications:
Master of Laws

Date of appointment

As the BOD Member: June 30th, 2020
As the BOD Chairman: October 05th, 2020

Employment history

2020 - present: BOD Chairman, Coteccons Construction JSC.
2014 - present: BOD Member, FiinGroup JSC.
2013 - present: BOD Member, Gemadept JSC.
2012 - present: Founder, PilotX
2008 - present: CEO, Kusto Vietnam
2005 - 2008: CEO, Tandem Group - Kazakhstan

Professional experience

Mr. Bolat is the Chairman of the Board of Coteccons Construction JSC, the largest construction company in Vietnam, in 2020. Having been with Coteccons for over eight years as both an investor and a board executive, he is fully committed to delivering the highest quality standards across the company to create value for our clients.

He is focused on building a healthy future for Coteccons by enhancing the business strategy and ensuring that safety remains a core part of our business and that we meet the expectations of our clients.

Also, Mr. Bolat is the co-founder and CEO of Kusto Vietnam. This private equity fund has contributed to the success of many market leaders of the country by providing necessary growth capital. He has also served as a BOD member in several private and public companies and managed investments over USD1 Billion.

Share ownership at the Company: 0%.



Mr. Yerkin Tatishev
Non-Executive BOD Member

Nationality: Kazakhstani
Year of birth: 1976
Qualifications:
Bachelor of Law
Bachelor of Economics

Date of appointment

As the BOD Member: June 29th, 2017

Employment history

2013 - present: BOD Chairman, Kusto Real Estate Capital Pte. Ltd
2013 - present: Member of the Board of Trustees, Almaty Management University
2010 - 2013: CEO, Kusto Management Ltd
2007 - 2010: Vice Chairman, Sekerbank T.A.S
2006 - 2009: Vice Chairman, BTA Bank
2004 - 2006: Vice Chairman, Bank TuranAlem JSC.
2002 - 2004: BOD Chairman, Orenbourg Minerals OJSC

Professional experience

Having graduated with Bachelor of Economics in Russia (1999), Bachelor of Laws in Kazakhstan (2002), Mr. Yerkin obtained his Master's degree from Oxford University, UK in 2009. Backed by 22 years of experience, he has held various positions, namely Monetary Supervisor, Deputy Investment Director, Executive Vice President, BOD Chairman in numerous banks and investment funds in Eastern Europe and Singapore. He is also the Founder and President of Kusto Group, as well as BOD Chairman of Kusto Real Estate Capital Pte. Ltd. In 2017, he joined the Coteccons Board of Directors for 2017 - 2022 term.

Share ownership at the Company: 0%.



Mr. Talgat Turumbayev
Non-Executive BOD Member

Nationality: Kazakhstani
Year of birth: 1971
Qualifications:
Master of Business Administration

Date of appointment

As the BOD Member: March 3th, 2016

Employment history

2011 - present: Director, Kusto Real Estate Capital Private Ltd
2010 - 2011: CEO, Kusto Management Ltd
2008 - 2010: CEO, Eurasia FM Consulting Ltd
2005 - 2008: CEO, BTA Bank
2002 - 2005: CEO, Eurasia FM Consulting Ltd

Professional experience

Having graduated with a Master's degree in Finance and Accounting, he is now a member of the Association of Chartered Certified Accountants (ACCA) with more than 27 years of experience in finance, accounting and auditing.

He joined the Coteccons Board for the 2012 - 2017 term as the representative of major shareholders in 2016 and continued to be elected to the Board of Directors by the AGM for 2017 - 2022 term.

Share ownership at the Company: 1,590,150 shares, equal to 2.0%.



Mr. Herwig Guido H. Van Hove
Non-Executive BOD Member

Nationality: Belgian
Year of birth: 1969
Qualifications:
Master of Business Administration
Master of Applied Economics

Date of appointment

As the BOD Member: June 30th, 2020

Employment history

2019 - present: Founder and Director, The8th Pte. Ltd
2018 - present: Portfolio Manager, Insead Alumni Ventures Pte. Ltd
2015 - present: Founder and CEO, Vahoca Pte. Ltd
2009 - 2014: Managing Partner and Head of Executive Committee, Notz Stucki Group
1998 - 2009: Executive Director and Board Member of Morgan Stanley Pension Fund

Professional experience

Having graduated with a Master of Business Administration from Insead, he has more than 30 years of experience in finance and investment at many large financial institutions. In addition, he is Founder and Director of The8th Investment Fund Pte. Ltd., as well as Founder and CEO of Vahoca Investment Fund Pte. Ltd. in Singapore.

In 2020, he was elected to the Board of Directors by the AGM for 2017 - 2022 term.

Share ownership at the Company: 0%.



Mr. Tan Chin Tiong
Independent BOD Member

Nationality: Singapore
Year of birth: 1949
Qualifications:
Ph.D.

Date of appointment

As the BOD Member: June 29th, 2017

Employment history

2013 - present: Senior Advisor to President and Professor of Marketing, Singapore Management University
2009 - 2013: President, Singapore Management University
2007 - 2009: Deputy President and Professor of Marketing, Singapore Management University

Professional experience

Completing his doctoral thesis at University of Pennsylvania in 1977, he has more than 43 years of experience in teaching Marketing at Singapore's prestigious universities such as the National University of Singapore and Singapore Management University.

In 2017, he joined the Board of Directors for the 2017 - 2022 term as an Independent Member.

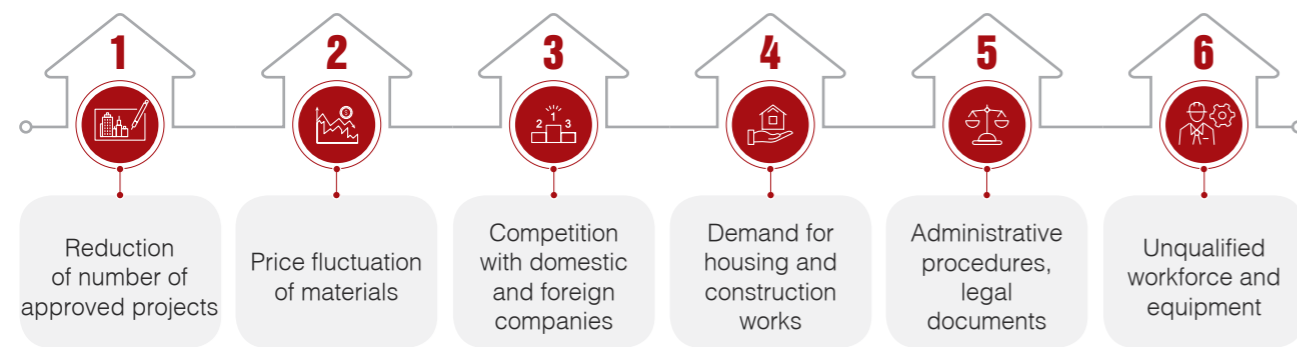
Share ownership at the Company: 0%.

BUSINESS ENVIRONMENT

Construction industry outlook in 2020

The booming of the real estate market from 2014 - 2018 led to a remarkable development of the construction industry. However, in 2019 - 2020, this development slowed down as the government tightened credit in the real estate industry and stopped granting construction permits for new projects in 2 major cities, Hanoi and Ho Chi Minh. While the overall picture of the construction industry was full of uncertainty, the outbreak of Covid-19 set in motion much more difficulties. Some project activities were heavily affected, particularly in the case of hotel and resort projects which had already been in much trouble due to an ailing tourism industry; equipment and material import experienced many difficulties, financial health and cash flow of investors are limited...

6 difficulties affecting construction companies



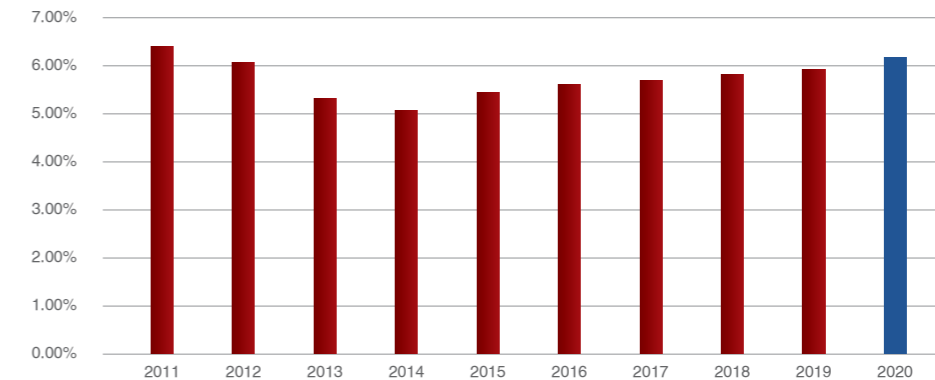
Source: Vietnam Report

Covid-19 was a “test” to all companies. Big companies with massive financial resources could see this as an opportunity for business development and market dominance. In contrast, small and medium-sized enterprises were not able to compete, seeing their market share contracted or closed down. Enhancing financial management capability, building response plans and stability strategies to prepare for the recovery period were considered important factors for companies’ survival and remarkable development. This was also the main strategy of Coteccons in 2020.

“In every challenge lies an opportunity”. Despite many difficulties, Vietnam’s economy had a shining year, allowing the growth of construction sector in infrastructure and industrial zone. Reporting a GDP growth of 2.91%, Vietnam was considered one of the 10 nations with the GDP growth in the world and one of the 16 most successful emerging economies in 2020. With 3 Free Trade Agreements (FTAs) in effect, including European - Vietnam FTA (EVFTA), the Regional Comprehensive Economic Partnership (RCEP) and the UK - Vietnam FTA (UKVFTA), Vietnam has demonstrated a steady and deep integration into the global supply chain. Meanwhile, under the impact of the US - China trade war and the strategy of supply chain independence from China, the massive shift of production away from China seems not to be slowing down. Effective pandemic containment made

Vietnam become more attractive for investing. Vietnam’s FDI inflows in 2020 reached USD28.5 billion. Although this figure was 25% lower compared to that in 2019, this was a remarkable achievement in the context of global economic recession. In order to seize growth opportunities, Vietnam increased investment in infrastructure (such as highways, deep water ports), improved the water supply and electric power networks, including renewable energy systems. These has brought Vietnam to the next stage of the industrial zone and logistics development journey. These positive factors resulted in a growth rate of 6.76% for Vietnam’s construction sector in 2020, higher than the forecast of 5.5%. The contribution of construction sector to GDP in 2020 was 6.19%, marking the highest level in the past decade, only lower than that in 2011 (6.41% GDP).

Contribution to GDP of construction sector



Source: GSO

Promising future in 2021

Considering both positive and negative impacts on Vietnamese economy, Vietnam Institute for Economic and Policy Research (VEPR) has come up with 2 scenarios for Vietnam’s economy in 2021:

Optimistic scenario	Pessimistic scenario
<ul style="list-style-type: none"> Vietnam successfully controls the pandemic for most of the year. Small outbreaks may recur in global economic and financial hubs. Domestic economic activities stay stable with the global economic recovery. The impacts of Covid-19 on the agriculture, forestry, fishery, manufacturing and processing sectors as well as service sector will be controlled better than in 2020. 	<ul style="list-style-type: none"> Outbreak of new Covid-19 variant causes economic disruption. Pandemic situation in global economic and financial hubs is far from over. Travel restrictions are still in place all over the world and within the country, making it difficult for accommodation and food services to recover. Many business systems, especially private companies, begin to show symptoms of exhaustion after long battle against Covid-19. Government expands its investment to support the increased demand.
Economic growth forecasted at: 5.6% - 5.8%	Economic growth forecasted at: 1.8% - 2.0%

In the short term, the construction sector has opportunities to rise in both scenarios.

- With scenario 1**, the economic rebound will be followed by an increasing demand for housing, office buildings, resort, etc. In particular, a series of policies from the 2020 Law on Construction and the Law on Investment will take effect in January 2021. The new laws are expected to remove many bottlenecks and problems for real estate companies, mitigate administrative procedures and prompt a strong recovery of the construction industry.
- With scenario 2**, as the government expands its investment to overcome downturn and boost economic growth, infrastructure construction companies are expected to see great benefits.

In the long term, the demand for housing in the period 2021 - 2030 will continue to increase. This trend is led by urban areas, as a result of population growth and urbanization. Many experts believe higher income shall increase the payment ability as well as the willingness to pay for new housing or house renovation due to quality degradation. Currently, 40% of Vietnam’s population lives in urban areas. As the share is expected to rise to 45% by 2030, it means that urban housing will see an increase of 70 million m² each year.

Smart infrastructure, energy sector - especially renewable energy and healthcare facilities will continue to be the future trend. As planned, from 2020 to 2026, Vietnam will welcome more than VND384,000 billion invested in key infrastructure projects.







Key public investment projects in 2020 - 2026

Project	Total investment (VND billion)	Commencement date	Expected completion date
Metro 1 (Ben Thanh - Suoi Tien)	43,757	2012	4Q2021
Metro 1 (Ben Thanh - Tham Luong)	47,800	2021	2026
HCM - Thu Dau 1 - Chon Thanh Expressway	24,150		2021 - 2025
HCM - Moc Bai Expressway	10,668	2021	2026
Parallel road of National Highway No. 50	3,816		2021 - 2025
Ring road No. 2	6,500		2021 - 2025
Ring road No. 3	19,871		2022 - 2025
Long Thanh International Airport	109,112	2021	2025
11 sub-projects of Eastern North - South Expressway project	118,716	2020	2021 - 2025

Source: VNDirect Report

Regarding the renewable energy sector, the Central Committee has issued Resolution No.55-NQ/TW on Vietnam's National Energy Development Strategy to 2030, with a vision to 2045. Accordingly, total capacity of all sources of power is expected to reach 125 - 130GW by 2030, meaning the share of renewable energy sources in total primary power supply shall rise to 15% - 20% by 2030 and 25% - 30% by 2045. On February 22nd, 2021, the Ministry of Industry and Trade issued a letter No. 828/BCT-DL to consult relevant Ministries on the draft Power Development Master Plan VIII (Master Plan VIII). As Vietnam's GDP growth is forecast to achieve an average of 6.6%/year from 2021 to 2030 and 5.7%/year from 2031 to 2045, the target of the total installed capacity is 137.2GW by 2030 and 276.7GW by 2045. In the power generation structure, the share of renewable energy increases from nearly 13% in 2020 to nearly 30% in 2030 and 44% in 2045. It indicates the strong support of Master Plan VIII toward renewable energy and a great opportunity for both investors and contractors of renewable energy projects.

Vietnam's National Energy Development Strategy to 2030, with a vision to 2045

Resolution No. 55-NQ/TW	Letter No. 828/BCT-DL
 <p>Total installed capacity: 2030: 125 - 130 GW</p>	 <p>Total installed capacity: 2030: 137.2 GW 2045: 276.7 GW</p>
 <p>Commercial electricity: 2030: 550 - 600 billion KWh</p>	 <p>Commercial electricity: 2030: 491 billion KWh 2045: 877 billion KWh</p>
 <p>Share of renewable energy: 2030: 15% - 20% 2045: 25% - 30%</p>	 <p>Share of renewable energy: 2030: 30% 2045: 44%</p>

Per guidance issued by the Government, Coteccons has made flexible adjustment in the 5-year strategy in order to maximize its strengths, overcome weaknesses and go beyond. By targeting fields that receive high investments by the government, the Company has shown a flexible and proactive approach to improve business efficiency, expand market share and maximize profits.

SWOT ANALYSIS



STRENGTHS

- A leading company in the construction industry with outstanding capacity in performing various types of construction works.
- A pioneer in the application of new technologies.
- Good reputation in the market.
- Strong financial health.
- Experienced management team.
- Highly qualified employees.
- Diversified products and services (design, construction, finance ...) in accordance with investors' requirements.
- Proactive engagement with the customers by offering advice, optimizing designs and method statements and using Value Engineering methods to minimize project's cost.
- The only Vietnamese construction company that focuses on after-sales service and commits to support the customers along their entire journey.
- Strategic partnership with many important partners.
- Strongly associated with more than 3,500 subcontractors, suppliers and construction teams.



WEAKNESSES

- Lack of experience in developing renewable energy projects.
- Heavy dependence on imported materials and equipment, exposing the company to shortages caused by Covid-19 related supply chain disruptions.
- Fluctuation in human resources.
- Contraction in the gap among construction companies as a result of their emphasis on technique improvement.
- Ineffective cash management.



OPPORTUNITIES

- Vietnam has a young population which is set to increase. This will boost demands for all kinds of services and goods, including real estate.
- The US-China trade war forces many companies to move manufacturing to Vietnam.
- The Government directs focus to public investment and renewable energy.
- Law on Construction and Law on Investment provides numerous policies to support the industry.
- Investors are looking for reputable partners to implement big projects together.



CHALLENGES

- Covid-19 pandemic's trajectory is still unpredictable.
- Legal bottlenecks of real estate are still unaddressed.
- Competitive bidding as many competitors lower its bid price to survive.
- Business restructuring takes long time to achieve its target results.

STRATEGIES IN 2021-2025

Construction has played an important role in Coteccons' activities over the last 17 years since its inception. Coteccons' high specialization successfully positioned the Company in the market and enabled us to gain credibility with our customers and partners. However, the ever-changing market necessitates constant renovation by companies that want to stay in business. Coteccons was forced to make flexible adjustments to its sustainable development strategy as a result of challenges in the real estate market and an increasing number of competitors.

4 main pillars in Coteccons' long-term sustainable growth strategy



Quality - Safety - Timeliness are success-driven factors of a construction company. After facing numerous challenges in 2020, Coteccons has set out an objective of achieving "Operational excellence", through constant capacity strengthening to earn the customers' trust. The Company has reviewed and standardized the entire system to improve construction quality, reduce processing time, minimize costs and mitigate risks during construction. Coteccons always manages to achieve investor and community satisfaction and contentment by taking an active approach to new construction technology.

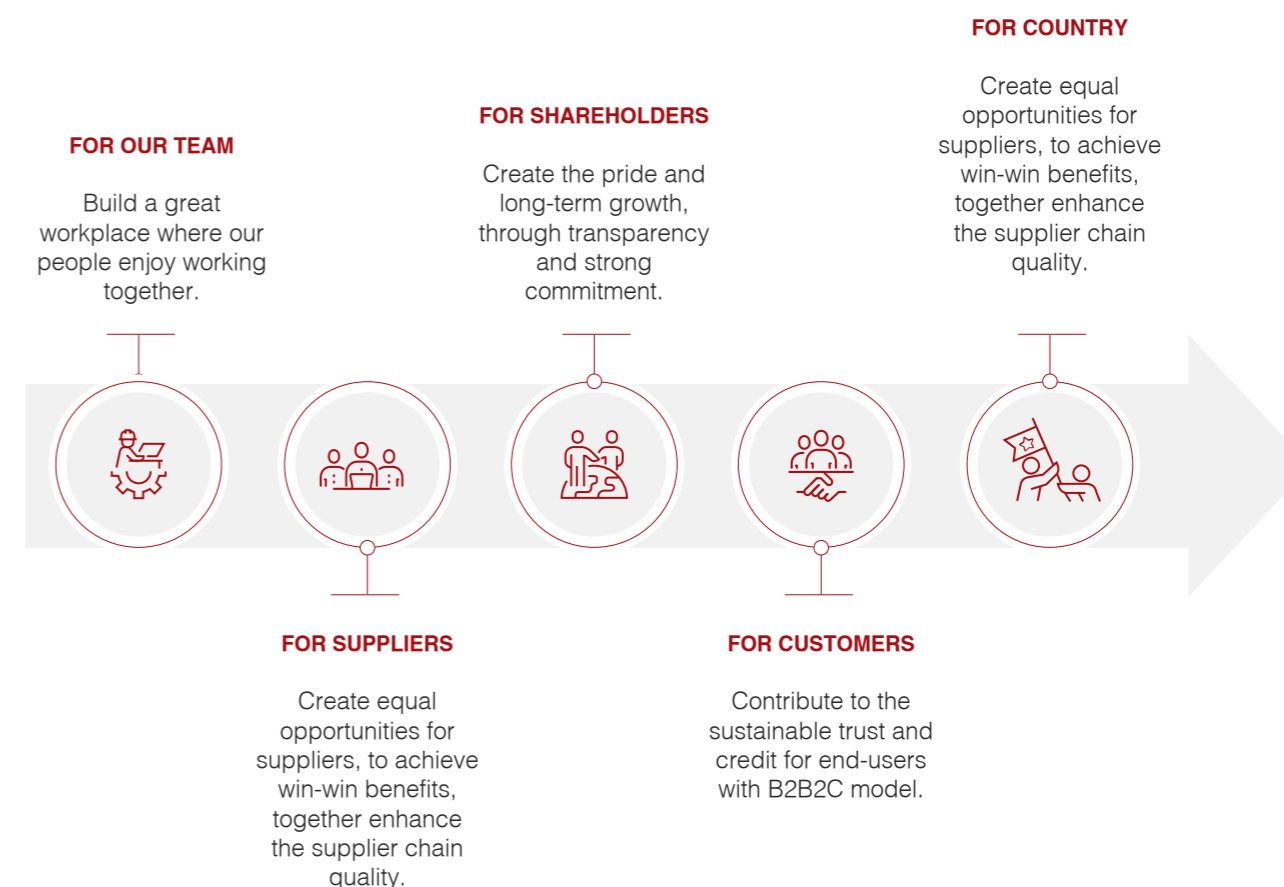
As an industry leader in Vietnam, all activities of the Company are heavily dependent on the real estate cycle. In fact, Coteccon's major revenue comes from the residential and commercial while a modest contribution is attributable to infrastructure and industrial parks. Hence, **diversification** will be one of Coteccons' key future strategies.

In a landscape where the real estate market is facing significant difficulties and investors are experiencing liquidity issues, Coteccons offers a Finance - Design & Build package to assist inventors, increase competitiveness and accompany customers throughout the project after meeting and working with numerous financial institutions to create financial packages for our customers. The collaborative partnership with Military Commercial Joint Stock Bank (MB Bank) demonstrates Coteccons' initial success.

On the strength of R&D, the Company has conducted research and expanded into new construction-related fields, such as EPC contractors for renewable energy

projects, infrastructure, among others. Extremely promising as a magnet to significant government investment, these are planned to increase the Company's profit margin. As a result, Coteccons established a Business Development Division and a Wind Power R&D Team to materialize the strategy, diversify customer segments and focus on researching new areas. This is a stepping stone for Coteccons toward the long-term objectives, targeting a revenue of USD3 billion by 2025.

Since "People are the core of development", the Company is dedicated to focusing on building HR capacity and providing the best working environment, granting employees and professionals enjoyment at work and freedom to express their talent and passion. Every individual should be acknowledged and rewarded accordingly. On top of that, Coteccons aims at a primary goal - shaping a corporate culture of unity, sharing and dedication to **unlock values** for the benefit of the Company, our partners and customers as well as shareholders.



LEGAL COMPLIANCE



Legal compliance is a prerequisite for sustainable growth and an important framework for the development and implementation of risk control mechanisms in operation and governance. In fact, the law affects and governs almost all business activities including company establishment, internal governance, production, product circulation, service delivery, relationship with employees, contract formation, partnership, etc. For that reason, it is important to build a compliance management system in accordance with culture, organizational structure and development needs. It shall contribute effectively to legal risk management, profit maximization, brand uplift and sustainable development.

Under BOD's guidance and oversight, the BOM is responsible for developing and updating legal documents to ensure Coteccons operates efficiently within the law. 2020 was the year of restructuring and consolidating the compliance management system upon the enforcement of numerous new laws since January 01st, 2021 (such as the Law on Enterprises, Securities, Investment, Labor, etc.). By reviewing and summarizing all adjusted contents in the new laws/by-laws, the Legal Department proactively formulated and implemented specific plans to adapt to changes.

No.	Document	Key content	Issue date	Effective date	Aspect subject to adjustment	Adjustment with direct impacts on Coteccons
1	Law on Enterprises No. 59/2020/QH14	Amendments and supplements to a number of articles in the 2014 Law on Enterprises	June 17 th , 2020	January 01 st , 2021	Business	Regulatory changes encourage business flexibility, break barriers to market entry, improve investor confidence, protect shareholders' rights and enhance CG quality.
2	Decree No. 01/2021/NĐ-CP	Business registration	January 4 th , 2021	January 4 th , 2021		
3	Law on Securities No. 54/2019/QH14	Amendments and supplements to a number of articles in the 2006 Law on Securities (amended and supplemented in 2010)	November 26 th , 2019	January 01 st , 2021	Stock market, CG	With stricter regulations on information transparency, IPO criteria, private placement criteria, financial statement quality, a trading mechanism in the securities market and process of registration - depository - clearing - settlement, Coteccons needs to have long-term strategies for investor selection and CG improvement.
4	Decree No. 155/2020/NĐ-CP	Guidance on the implementation of a number of articles in the Law on Securities	December 31 st , 2020	January 01 st , 2021		
5	Circular No. 96/2020/TT-BTC	Guidance on information disclosure on the stock market	November 16 th , 2020	January 01 st , 2021		
6	Law on Construction No. 62/2020/QH14	Amendments and supplements to a number of articles in the 2014 Law on Construction	June 17 th , 2020	January 01 st , 2021	Construction, land	Regulatory changes help create a transparent, healthy and competitive business environment, address problems and bottlenecks in the investment procedures of real estate/construction projects and provide a springboard for Coteccons breakthroughs in 2021.
7	Decree No. 148/2020/NĐ-CP	Amendments and supplements to a number of articles in the Law on Land	December 18 th , 2020	February 08 th , 2021		
8	Decree No. 164/2020/NĐ-CP	Addressing problems arising in urban construction projects	November 05 th , 2020	November 05 th , 2020		

No.	Document	Key content	Issue date	Effective date	Aspect subject to adjustment	Adjustment with direct impacts on Coteccons
9	Law on Investment No. 61/2020/QH14	Amendments and supplements to a number of articles in the 2014 Law on Investment	June 17 th , 2020	January 01 st , 2021	Investment	New law helps improve investment procedures, simplify administration, eliminate regulatory overlap, ensure consistency in investment incentives and support policies. This facilitates Coteccons investment strategies and allows easier access to foreign funds.
10	Law on Labor No. 45/2019/QH14	Amendments and supplements to a number of articles in the 2012 Law on Labor	November 20 th , 2019	January 01 st , 2021		
11	Decree No. 135/2020/NĐ-CP	Regulation on retirement age	November 18 th , 2020	January 01 st , 2021	Labor	In 2021, besides consideration of external factors regarding investment and construction policies, Coteccons also strengthens internal forces with positive changes in labor policies, contracts, salary, etc. to align with new law on labor and build a workplace with energy and enthusiasm.
12	Decree No. 145/2020/NĐ-CP	Guidance on the implementation of a number of articles in the Law on Labor concerning working condition and labor relations	December 14 th , 2020	January 01 st , 2021		
13	Circular No. 10/2020/TT-BLĐTBXH	Guidance on the implementation of a number of articles in the Law on Labor concerning labor contract, collective bargaining and professions that adversely affect reproductive function and child-rearing	November 12 th , 2020	January 01 st , 2021		

Source: Coteccons' compilation

Coteccons in particular and the market in general are expected to face more challenges but also more opportunities in the implementation of compliance policies in 2021. With a completed legal framework, private sector-friendly policies and the advancement of the real estate market in 2021 as a result of bilateral trade agreements and a shift in FDI inflows post Covid-19, the construction industry promises robust recover.



RISK MANAGEMENT

Operating in the construction industry which is impacted by many factors (including laws, market, customers, location, materials, human resources, etc.), Coteccons is constantly exposed to varying degrees of potential risks. For efficient risk identification, classification, analysis and mitigation, an ERM platform has been developed with appropriate methods and tools to determine and assess material risks and have an effective response plan.

The risk management system at Coteccons identifies and analyzes material risks, thereby helping to:

- Fulfill set targets and plans;
- Preserve Coteccons' values, assets and reputation;
- Assist the decision-making process;
- Ensure alignment between operational strategies with core values;
- Communicate risk management strategy to all employees.

INTERNAL AUDIT COMMITTEE

In order to improve CG, an IA Board was established under the BOS as an independent and objective line of defense. Key objectives of the IA Board include:

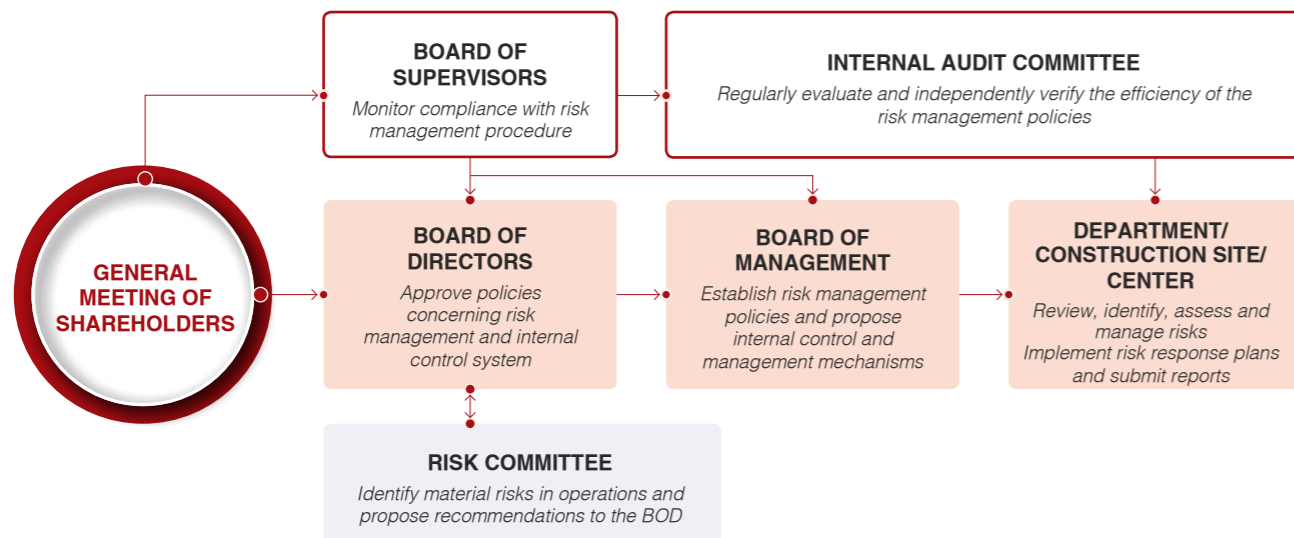
- Evaluate risk management system;
- Evaluate compliance to the internal control system;
- Review and finalize internal processes, regulations and practices;
- Monitor financial statement preparation.

The IA Board is responsible for evaluating material risks having significant impacts on the Company's operations and financial position. The evaluation covers HR management, regulations, processes, internal financial control and business performance. Based on data collected and analyzed, the Board shall put forward proposals on management improvement, risk prevention and enhancement of operation activities.

IA also has monitored third-parties' activities and implemented analysis reports on macro economy and operational risks of the entire industry. These reports play vital role in decision making process at management level.

COTECCONS APPROACH IN RISK MANAGEMENT

RISK MANAGEMENT STRUCTURE



RISK MANAGEMENT METHODS

At Coteccons, the risk management system adopts international expertise and best practices including ISO 31000:2009 on risk management and COSO's integrated framework of enterprise risk management.

ASSESSMENT ON MATERIAL RISKS



STRATEGY RISK

MARKET

Risk factors

The expansion of business to new construction sectors such as infrastructure or energy, leads to financial risks, debt collection, price fluctuation and technical issues.

Development of Design-Build-Finance model for General Contractor to real estate projects can generate high-profits, as the financial bottleneck of the projects has been unlocked. However, it may create cash flow and debt recovery risks to contractors in the future.

Risk responses

- Thoroughly assess risk analysis of the projects and carefully review all contract terms to protect the Company interest.
- Coordinate with experienced partners to broaden information, experience and network.
- Proactively analyze sources of capital and cash flows to ensure financial efficiency even higher risks exposed.

BRAND NAME

Risk factors

Although Coteccons remains the leading brand in the construction industry for years, with several events of the year related to the apparatus management and personnel, trust of investors, customers, partners as well as the spirit of employees may be affected, especially when information sources is not reliable enough.

Risk responses

- Continue to comply with the law, fulfill commitments to customers, partners and employees.
- Build a high-performing marketing team and establish partnerships with trustworthy agencies to ensure authenticity and transparency of information.
- Proactively handle communication crisis.



OPERATIONAL RISK

WORK SAFETY

Risk factors

By nature, the construction industry involves extreme working conditions such as harsh weather, work at height, heavy machinery and equipment, labor-intensive need, time-pressed schedule, etc. which pose safety risks.

Risk responses

- Tighten safety procedures and uphold the slogan "Safety First".
- Invest in new construction equipment, ensure safety control and periodic maintenance.
- Adopt new construction technologies to improve safety and effectiveness.
- Provide personal protective equipment to all construction teams, site management team and all workers of subcontractors.
- Regularly organize training, group meetings and safety assessment.
- Implement safety control, monthly and quarterly risk assessment reports.

TENDER RISK

Risk factors

Tendering often exposes to numerous risks: an increasing number of competitors, price war, unhealthy competition, lack of input information, mismanagement of works to be performed, incomplete drawing design, inaccurate estimates, time constraint...

Risk responses

- Perform SWOT analysis of competitors.
- Build a team to connect various departments: Procurement, CCM, Equipment, Workforce Development, etc. to optimize initial costs and gain competitive advantage.
- Utilize available cash to support developers or launch Finance-Build products to differentiate Coteccons from competitors.

HUMAN RESOURCES

Risk factors

People are always key to development of Coteccons. However, recent changes in personnel partially affect the employees' behavior.

Brain drain incurs due to higher numbers of competitors who also are looking top-quality employees.

Risk responses

- Succession planning is always a top priority of the Company to promote sustainable growth. Propose clear career path, effective performance appraisal and appropriate remuneration packages.
- Provide hard skill and soft skill training, promote and empower employees to develop themselves.
- Implement university engagement programs to ensure succession planning for long term stability.
- Coordinate with reputable recruiters to find talents upon the expansion of the business.



FINANCIAL RISK

PRICE FLUCTUATION

Risk factors

A construction project includes many phases such as planning, implementation, handover and warranty. During the process, financial management plays a vital role. Price fluctuation, policy changes, unexpected events, or investor capital all create significant impacts on the success of the project.

Risk responses

- Implement centralized procurement and contracting management model for main materials and utilize financial advantage to reduce material costs.
- Improve supply and price fluctuation forecast to actively manage and mobilize resources.
- Negotiate fixed-price or more preferable terms, with investors to mitigate material price fluctuation.
- Actively search for new supplies with high quality and reasonable prices, avoid relying business on a single supplier.

LATE PAYMENT

Risk factors

Cash flow issues due to delayed payment from investors shall diminish project profitability.

Covid-19 has affected the entire market, including the investors. Decline in Investors' cash position indicate delayed payments, causing doubtful debts, impacting the balance of income and expenses and affecting the cash flow of Coteccons.

Risk responses

- Strictly regulate and negotiate contract payment terms in the quotation process.
- The Debt Collection Committee along with the Finance & Accounting Department, CCM Department and Legal Board evaluate investors' financial position and work closely with them to come up with the most appropriate proposals.

CAPITAL MANAGEMENT

Risk factors

A business with strong financial health gained through consistently winning projects from renowned developers and effective cash flow management, Coteccons has accumulated large pile of cash, ensure high liquidity and project on schedule. However, there is a potential risk in inflation related cash in VND, particularly during the last period when surplus cash mainly banked at humble interest rates.

Risk responses

- Find solutions to maximize yield on sources of capital, including make investments in high-return assets such as bonds etc.,.
- Promote investment activities, especially from Covestcons, to optimize sources of capital and seek cooperation opportunities. The goal is to build long-term values for shareholders and Company.



COMPLIANCE RISK

LAW

Risk factors

- Coteccons' business activities are governed by Law on Enterprises, Construction, Commerce, Real Estate, Labor, Investment, Securities, Tax and Social Insurance. Building and updating legal documents require consistent monitoring, adaptation and significant and timely adjustments. Coteccons always upholds the legal compliance, act responsibly with the society and focus on minimizing environmental impacts.

Risk responses

- Building and recruiting a professional legal team who keeps updating on new policies. Cooperate with legal experts and reputable legal consulting firms for advisory service.
- In terms of compliance with securities law, the Company needs to ensure regulatory compliance with Securities Law, Enterprise Law, charter, CG code, etc. to prevent risk of fraud, strengthen transparency and the Company's reputation on the market.
- Apply ISO 14001:2015 to the management of environmental issues, proactively control to ensure response meet the requirements of the law.

CONTRACT

Risk factors

- Pressure from clients and construction deadlines may create gaps in the contract - These are disadvantages that cause disagreement, dispute and litigation.

Risk responses

- Consistently assess risks of contract terms.
- Enhance contract control via multiple assessments including Procurement Department, CCM Department, Finance & Accounting Department and Legal Board.
- Build a system of contract templates.
- Build a project legal risk assessment system.

PLANS FOR 2021

With constant improvement and development, Coteccons is having new development orientations to expand the business activities; this mean Coteccons will also be facing various risks. Therefore, enhancing the development and improvement of risk management system is crucial. The following practices will be adopted:



1

To update and develop a risk portfolio with risk analysis and evaluation to assist decision-making process and produce a response plan.

2

To build training programs on skills and advanced risk management methods.

3

To consult risk management experts to identify areas that need improvement.

4

To improve risk management awareness based on levels: fundamental, awareness, identification, management and optimization.

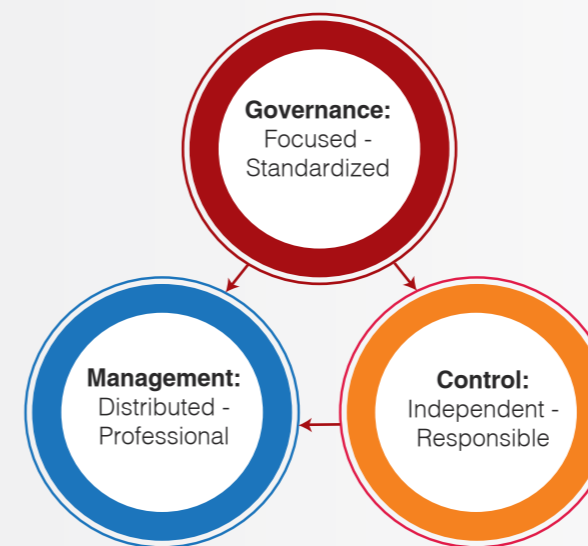
REPORT OF THE BOARD OF DIRECTORS

The Covid-19 pandemic left many countries in economic difficulties. In addition to increasing foreign direct investment (FDI) inflows, attracting capital from indirect investment (FII) is found to be very effective for countries' post-pandemic recovery. In Vietnam, the Prime Minister clearly defined the goal of upgrading the stock market to attract international capital flows in Decision No. 242/QD-TTg approving the Project "Restructuring the stock market and insurance market by 2020, with a vision to 2025" with the central goal of elevating Vietnam's stock market to the status of Emerging Markets by 2025.



IMPROVEMENT OF GOVERNANCE - OPERATIONS

Governance and Operations Mechanism at Coteccons



Coteccons is currently implementing a governance model in which the General Meeting of Shareholders, BOD, BOS and BOM are present. The GMS is the highest decision-making authority for Law provisions, Company Charter and CG Codes. All common shareholders have the right to attend the GMS and vote in proportion to their current holdings. The BOD plays critical role in the CG framework, as it is responsible for business strategy, finance and BOD activity control. The BOS is in charge of corporate management and administration as well as supervision of the BOD and BOM. It is also accountable to the GMS for the performance of assigned tasks. The increase of business size, adoption of new standard from authority and market require Coteccons to transform drastically, to meet the higher requirement from clients and enhance competitive advantages.

The year 2020 is considered as a pivotal year for Coteccons to look back, evaluate and change, leading the Company to a sustainability development, ensuring transparency in the Governance - Management. Shareholders have long debated over defining a long-term strategy as well as the requirement to adhere to best practices in Corporate Governance to ensure sustainable growth. Shareholders with their statutory rights finally had the common voice in accordance with the new conditions.



The structure of the leaders has many changes. Members of the BOD, the BOM who were not entirely focused on protecting shareholders' interests, have been requested to choose and some members decided to resign. Coteccons have actively appointed new BOD members to replace open seats, to stabilize the business operation.

- Mr. Nguyen Sy Cong and Mr. Tran Quyet Thang resigned from Coteccons' Board and Mr. Bolat Duisenov and Mr. Herwig Guido H. Van Hove have been elected to the BOD for the term 2017-2022. With their global governance experience, the two new Coteccons BOD members contribute to increased transparency and CG;
- Mr. Bolat Duisenov was elected as BOD Chairman on October 5th, 2020 to replace Mr. Nguyen Ba Duong;
- Mr. Michael Tran and Mr. Pham Quan Luc were appointed as Deputy CEO to improve the entire management operation. Mr. Pham Quan Luc has been with Coteccons since its early stage and has a deep understanding of the Company's operations. Mr. Michael Tran has over 26 years of experience in

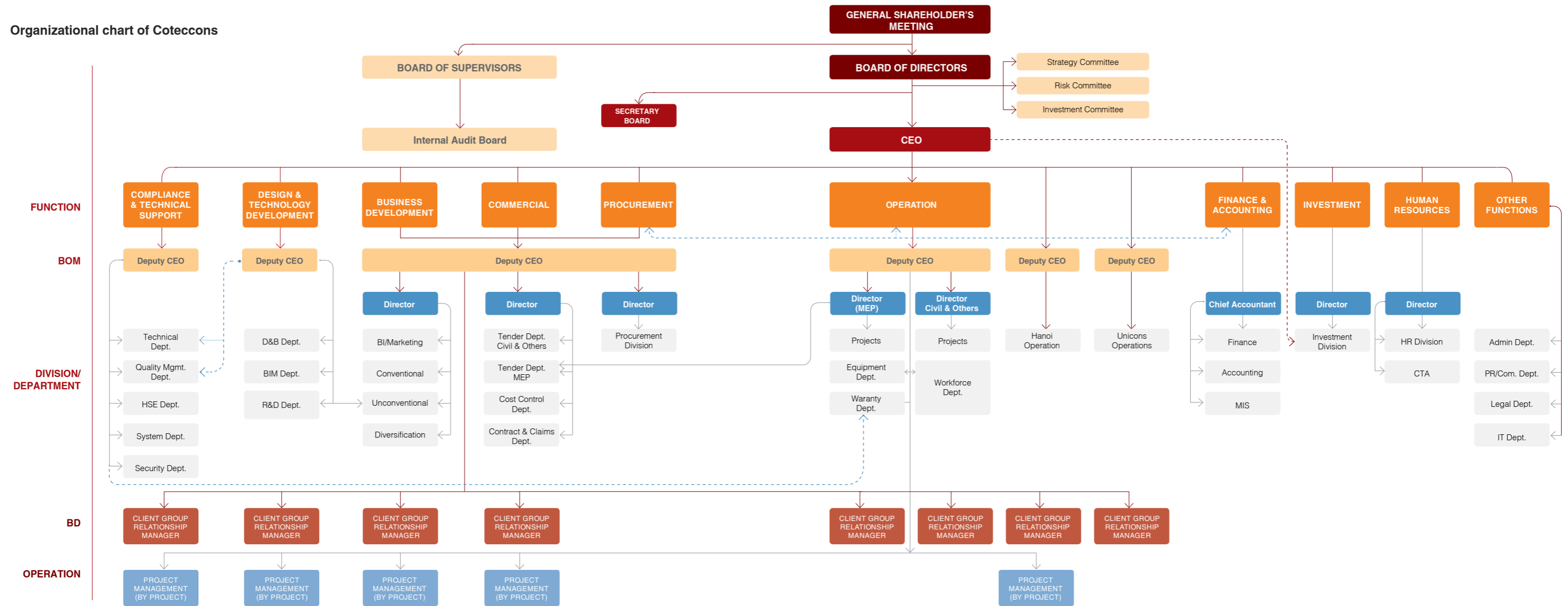
large construction corporations such as Transfield, Multiplex, Bauderstone Hornibrook and Abigroup Australia and Hoa Binh Construction JSC;

- To assist the decision-making process for the BOD, strengthen strategic and technical aspects, Mr. David Evans and Mr. Hoang Don Dung were appointed as strategic advisors and technical advisors respectively. Mr. David Evans, with more than 35 years of experience in the field, is the CEO of Al Naboodah Construction Group, a leading construction corporation of the United Arab Emirates. Meanwhile, Mr. Hoang Don Dung, with 40-year experience, is currently the Chairman of the Board of Saigon Construction Quality Control JSC;
- Mr. Nguyen Anh Vu also appointed as BOD Secretary and person in charge of CG to enhance the Board performance. The role and functions of BOD secretary is currently in line with the Vietnam CG Code of Best Practice for Public Companies;
- At the beginning of March 2021, The Company has appointed 4 more Deputy CEO, with different strengths in construction engineering, project management and development, infrastructure and underground works, etc. to strengthen operation capability, including Mr. Phan Huu Duy Quoc - Former Deputy Representative of Shimizu Vietnam, Mr. Vo Hoang Lam - General Manager Director of Unicons and Mr. Nguyen Ngoc Lan - Construction Division Director of Coteccons and Mr. Chris Senekki - Former General Director of Turner Vietnam.

Structural changes in BOD and BOM of Coteccons in 2020

No.	Full name	Current Position	Date of Appointment	Date of Resignation/ Dismissal	Reason
I BOARD OF DIRECTORS					
1	Mr. Bolat Duisenov	BOD Chairman	October 5 th , 2020		Appointed
2	Mr. Herwig Guido H. Van Hove	BOD Member	June 30 th , 2020		Appointed
3	Mr. Nguyen Ba Duong	BOD Chairman	August 24 th , 2004	October 02 nd , 2020	Resigned
4	Mr. Nguyen Quoc Hiep	BOD Member	June 29 th , 2017	October 12 th , 2020	Resigned
5	Mr. Tran Quyet Thang	BOD Member	March 30 th , 2016	June 20 th , 2020	Resigned
6	Mr. Nguyen Sy Cong	BOD Member	June 29 th , 2017	June 21 st , 2020	Resigned
II BOARD OF MANAGEMENT					
1	Mr. Vo Thanh Liem	Acting CEO	August 06 th , 2020	February 06 th , 2021	Resigned
2	Mr. Pham Quan Luc	Deputy CEO	October 09 th , 2020		Appointed
3	Mr. Tran Tri Gia Nguyen (Michael Tran)	Deputy CEO	October 09 th , 2020		Appointed
4	Mr. Nguyen Sy Cong	CEO	July 03 rd , 2017	August 05 th , 2020	Resigned
5	Mr. Tran Quang Quan	Deputy CEO	May 02 nd , 2007	August 05 th , 2020	Resigned
6	Mr. Tran Van Chinh	Deputy CEO	October 03 rd , 2009	September 30 th , 2020	Resigned
7	Mr. Tu Dai Phuc	Deputy CEO	April 02 nd , 2014	October 12 th , 2020	Resigned
III OTHERS					
1	Ms. Cao Thi Mai Le	Chief Accountant	September 14 th , 2020		Appointed
2	Mr. Nguyen Anh Vu	Person in charge of CG and authorized to disclose information	September 14 th , 2020		Appointed
3	Ms. Vu Thi Hong Hanh	Chief Accountant	June 01 st , 2016	September 14 th , 2020	Resigned
4	Ms. Ha Tieu Anh	Head of Finance - Accounting Department	November 25 th , 2004	September 14 th , 2020	Dismissed

Organizational chart of Coteccons

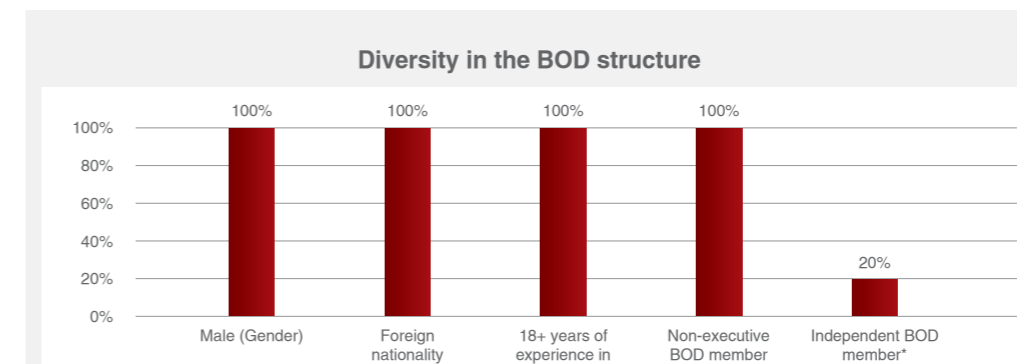


As of December 31st, 2020, there are 5 BOD members who have committed the followings in 5-year terms:

- ✓ Fully understand CG and Code of Conduct;
- ✓ Understand the roles and responsibilities of the BOD;
- ✓ Effectively plan the activities of the BOD and Board Committees;
- ✓ Ensure objectivity, promote the Company's long-term interests and raise the concerns;
- ✓ Dedicate to the assigned duties;
- ✓ Fully perform the duty of care;
- ✓ Make the best use of one's own knowledge and capacity to contribute to the Company's growth;
- ✓ Have abilities to resolve significant problems;
- ✓ Participate in all BOD meetings;
- ✓ Conduct discussions in an effective and constructive manner;
- ✓ Make prompt and informed decisions.

Due to the distinctive characteristics of the construction industry, all BOD members are male with different backgrounds such as Kazakhstan, Singapore, or Belgium. They are equipped with over 18 years of management experience in the fields of Economics, Management, Legal, Finance, Investment, etc. The structural diversity will strengthen comprehensive perspectives, enrich idea banks, foster governance efficiency, as well as monitor strategic decisions.

To improve the BOD governance capacity, the Legal Board conducted internal training sessions to the BOD, BOM and BOD Secretary for them to stay updated with the new 2020 Law on Enterprise, 2019 Law on Securities, Circular No. 116/2020/TT-BTC on CG, Circular No. 96/2020/TT-BTC on Information Disclosure and other related laws.



Note: *In accordance with Clause 3 - Article 26 - Circular No. 116/2020/-BTC: "The Company should have at least 1 independent member if the total number of members is from 3 to 5".

Diversity in capacity and expertise

	Law	Economics	Business Management	Banking	Finance and Accounting	Investment	Marketing
Mr. Bolat Duisenov	X		X	X		X	
Mr. Yerkin Tatishev	X	X		X		X	
Mr. Talgat Turumbayev			X	X	X	X	
Mr. Herwig Guido H. Van Hove		X	X			X	
Mr. Tan Chin Tiong			X				X

IMPLEMENTATION OF THE BOD AND ANNUAL GENERAL MEETING OF SHAREHOLDERS' RESOLUTIONS

In June 2020, the Company conducted one shareholders' written opinion ballot and an AGM to seek approval of 10 issues. The Company has fulfilled 100% of Resolutions as committed to Shareholders and Investors.

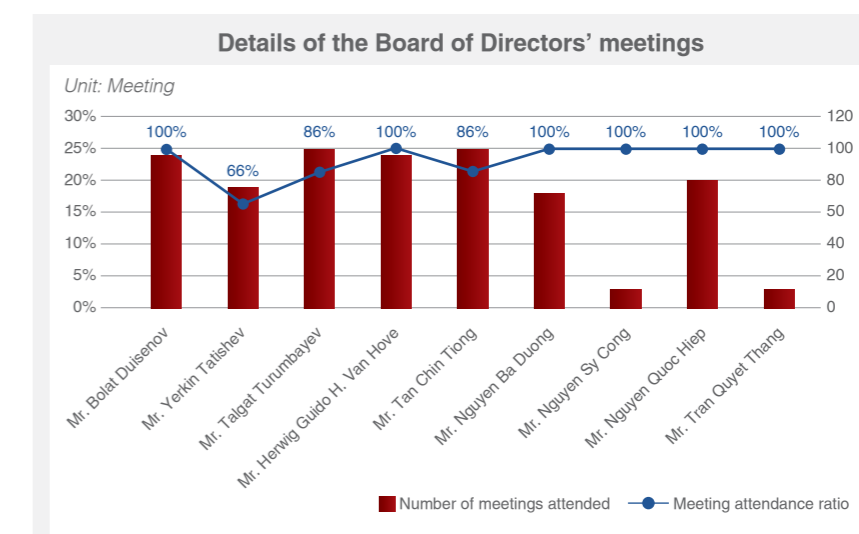
COLLECTING SHAREHOLDER'S WRITTEN OPINIONS

No.	No. of Resolution	Date	Content	Status
1	01/2020/NQ-DHCD	June 12 th , 2020	Amended the Company Charter to organize AGM online	Unapproved

2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS

No.	No. of Resolution	Date	Content	Status
1	01/2020/NQ-DHCD	June 30 th , 2020	Approved the 2019 AR and Business results	» Revenue: VND23,733 billion, 88% as planned; » PAT: VND711 billion, 55% as planned
			Fund provision, profit and dividend distribution, in 2019	» Provision for Bonus and welfare fund: 5% » Provision for Investment and development fund: 65% » Dividend: 30%
			Business plan for 2020	» Revenue: VND14,558 billion, 91% as planned; » Profit after tax: VND335 billion, 56% as planned
			Profit distribution in 2020	» Provision for Bonus and welfare fund: 5% » Provision for Investment and development fund: 65% » Dividend: 30%
			Remuneration for the BOD and BOS in 2019: 0.5% of 2019 PAT as Parent Company's shareholders - equivalent to VND3.56 billion	Accomplished
			Remuneration for the BOD and BOS in 2020: 0.4% of the 2019 PAT as Parent Company's shareholders	Submitting the 2021 AGM to approve the payment of over VND1.3 billion
			Selected an auditor for FY2020	Accomplished
			Amended a number of articles of the Company Charter	Accomplished
			Dismissed BOD members: Mr. Tran Quyet Thang and Mr. Nguyen Sy Cong	Accomplished
			Elected new BOD members: Mr. Bolat Duisenov and Mr. Herwig Guido H. Van Hove	Accomplished

In 2020, in order to implement issues approved by the AGM and support the BOM actively respond to fluctuations of the macro-market and the industry, the BOD conducted 29 meetings (both regular and extraordinary, whether online or face-to-face), issued 39 resolutions on Governance, Finance, HR, etc. All decisions by the BOD were well-informed and in compliance with the Law to ensure objectivity and transparency, protect legitimate rights and interests of shareholders, investors and stakeholders.



Details of the Board of Directors' Resolutions in 2020

BOARD OF DIRECTORS' RESOLUTION

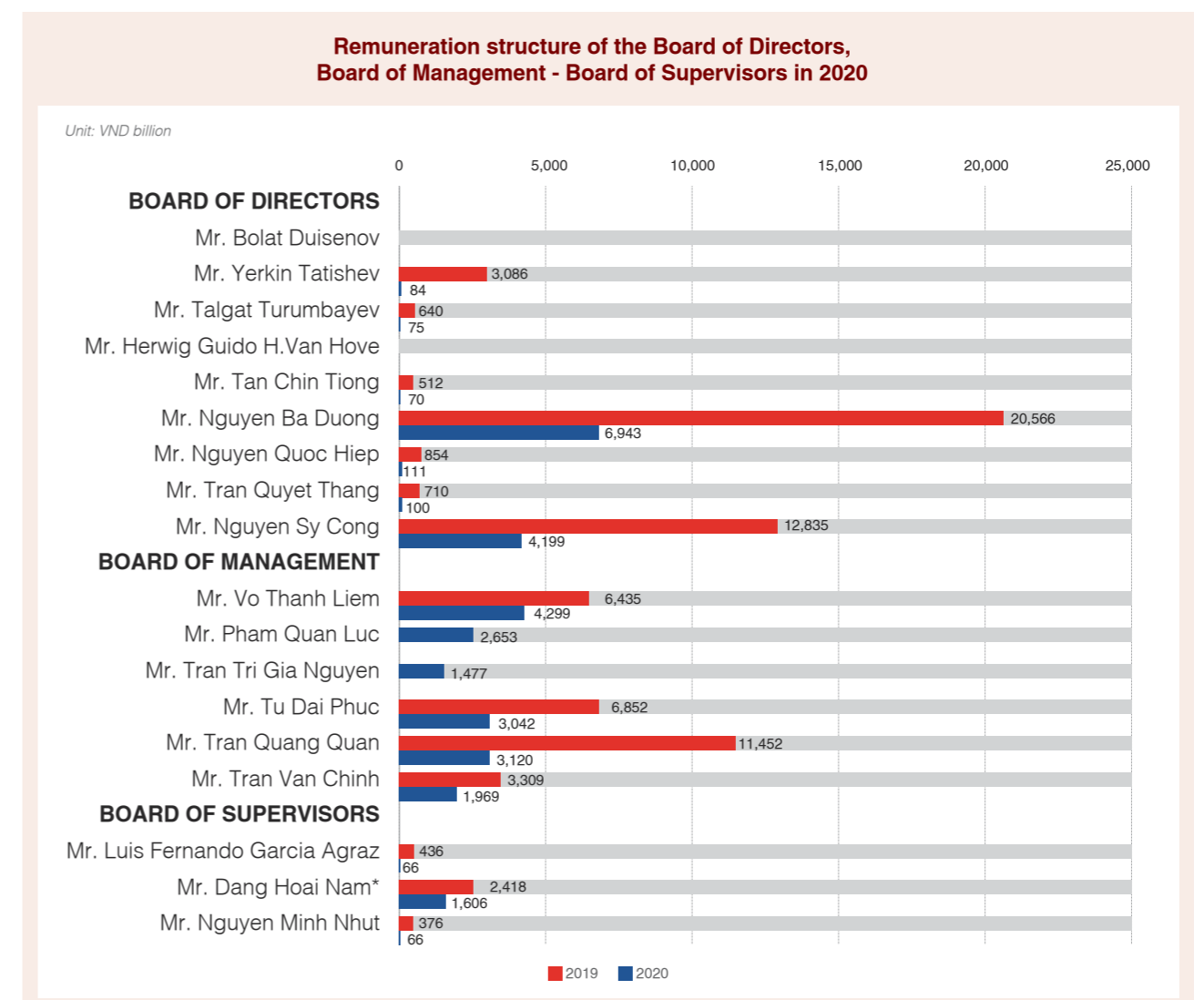
No.	No. of Resolution	Date	Content	Status
01	01/2020/NQ-HDQT	April 07 th , 2020	Extended the AGM 2020	Accomplished
02	02/2020/NQ-HDQT	May 07 th , 2020	Collected shareholders' opinions on online AGM in writing	Accomplished
			Decided on the date of AGM: June 30 th , 2020	
03	03/2020/NQ-HDQT	June 16 th , 2020	Last registration date for AGM	Accomplished
04	04/2020/NQ-HDQT	June 22 nd , 2020	Approved the resignation of two BOD members	Accomplished
			Appointed two BOD members in replacement of resigning members	
05	05/2020/NQ-HDQT	June 29 th , 2020	Supplement to the AGM documents	Accomplished
			Supplemented to the AGM agenda	
06	06/2020/NQ-HDQT	July 29 th , 2020	Addressed a number of issues on CG	Accomplished
07	07/2020/NQ-HDQT	July 29 th , 2020	Addressed a number of issues on Company operations	Accomplished
08	08/2020/NQ-HDQT	August 06 th , 2020	Approved EY as the Company's auditor	Accomplished
			Approved the resignation of Deputy CEO and CEO	
09	09/2020/NQ-HDQT	August 06 th , 2020	Approved the appointment of Acting CEO	Accomplished
			Approved dividend payment plan for 2019	
10	10/2020/NQ-HDQT	August 06 th , 2020	Appointed legal representative	Accomplished
11	11/2020/NQ-HDQT	August 12 th , 2020	Last registration date for 2019 dividend payment	Accomplished
12	12/2020/NQ-HDQT	September 08 th , 2020	Appointed Strategy Director and legal representative	Accomplished

No.	No. of Resolution	Date	Content	Status
13	13/2020/NQ-HDQT	September 14 th , 2020	Approved the resignation of members of the BOD Secretariat Appointed the Company Secretary cum Person responsible for CG	Accomplished
14	14/2020/NQ-HDQT	September 14 th , 2020	Approved the resignation of the Chief Accountant and the appointment of a new Chief Accountant	Accomplished
15	15/2020/NQ-HDQT	September 17 th , 2020	Appointed the legal representative of the subsidiary	Accomplished
16	16/2020/NQ-HDQT	September 17 th , 2020	Authorized representative for capital contribution in investment company	Accomplished
17	17/2020/NQ-HDQT	September 17 th , 2020	Authorized representative for capital contribution in associate	Accomplished
18	18/2020/NQ-HDQT	September 18 th , 2020	Approved the 2020 budget for the IA Board	Accomplished
19	19/2020/NQ-HDQT	September 21 th , 2020	Approved related parties' transactions	Accomplished
20	20/2020/NQ-HDQT	September 24 th , 2020	Appointed members of the Strategy Committee	Accomplished
21	21/2020/NQ-HDQT	September 24 th , 2020	Appointed the Head of the Strategy Committee	Accomplished
22	22/2020/NQ-HDQT	October 05 th , 2020	Accepted the resignation of the Chairman of the Board	Ongoing
23	23/2020/NQ-HDQT	October 05 th , 2020	Elected a new Chairman of the BOD	Accomplished
24	24/2020/NQ-HDQT	October 09 th , 2020	Approved the resignation of Deputy CEO Appointed the Deputy CEO Appointed the Board Advisors	Accomplished
25	25/2020/NQ-HDQT	October 09 th , 2020	Authorized Person to sign credit limit contracts with the banks	Accomplished
26	26/2020/NQ-HDQT	October 13 th , 2020	Approved the resignation of the BOD member	Ongoing
27	27/2020/NQ-HDQT	October 16 th , 2020	Agreed on the credit limit contract	Accomplished
28	28/2020/NQ-HDQT	November 16 th , 2020	Approved the resignation of the Deputy General Director	Accomplished
29	29/2020/NQ-HDQT	November 16 th , 2020	Approved the resignation of CEO of the subsidiary Appointed CEO of the subsidiary Appointed the Chief Accountant of the subsidiary Appointed the BOM of the subsidiary	Accomplished
30	30/2020/NQ-HDQT	November 16 th , 2020	Appointed the BOD Advisors	Accomplished
31	31/2020/NQ-HDQT	November 16 th , 2020	Abolished outdated BOD regulations	Accomplished
32	32/2020/NQ-HDQT	November 16 th , 2020	Appointed members of the Committees under the BOD	Accomplished
33	33/2020/NQ-HDQT	November 16 th , 2020	Addressed issues regarding collaboration with Vietcombank	Accomplished
34	33.1/2020/NQ-HDQT	November 18 th , 2020	Addressed investment by capital contribution	Accomplished

No.	No. of Resolution	Date	Content	Status
33	33/2020/NQ-HDQT	November 16 th , 2020	Addressed issues regarding collaboration with Vietcombank	Accomplished
34	33.1/2020/NQ-HDQT	November 18 th , 2020	Addressed investment by capital contribution	Accomplished
35	34/2020/NQ-HDQT	November 23 rd , 2020	Appointed additional legal representative	Accomplished
36	35/2020/NQ-HDQT	December 09 th , 2020	Approved the purchase of treasury shares	Accomplished*
37	36/2020/NQ-HDQT	December 09 th , 2020	Addressed a number of issues regarding the purchase of treasury shares	Accomplished*
38	37/2020/NQ-HDQT	December 28 th , 2020	Signed the credit limit contracts with the banks	Accomplished
39	38/2020/NQ-HDQT	December 28 th , 2020	Approved internal transactions with subsidiaries	Accomplished

Note:
On February 01st, 2021, CTD repurchased 2,008,900 shares, raising its total treasury shares to 4,971,327, or 6.3% of charter capital.

Remuneration structure of the Board of Directors - Board of Management - Board of Supervisors



Note:
(* Mr. Dang Hoai Nam is a member of the BOS cum Head of the IA Board.

PERFORMANCE OF THE BOARD OF DIRECTORS IN 2020

Material areas	Activities - results
Corporate governance	<ul style="list-style-type: none"> Removed outdated BOD's regulations; Reorganized the Board Committee's structure to improve the Committees' performance to support BOM in governance and management; Reviewed the charter and CG codes in accordance with the 2019 Law on Securities, 2020 Law on Enterprise and other legal regulations; Developed integrated process and automatic control of related parties' transactions to ensure the transparency related potential conflicts of interest; Focus on the financial audit: Signed VND1 billion contract with E&Y auditor in 2020 in order to enhance auditor's independence and quality, the Company hired other independent consulting firms to advise on Strategy, Valuation, supply chain development, Cost management, Site inventory, etc. with a total contract value of VND8.7 billion; Appointed Person responsible for CG in compliance with the law and the best governance practices; Met with majority shareholders to discuss Company strategies and foster future companionship; Developed IR Department to facilitate IR activities and strengthen the relationship between the Company, shareholders and investors; Maintained and fostered the employee-oriented culture.
Management and Operation	<ul style="list-style-type: none"> Completed the Company's organizational chart focus on specialization; Adopted a transparent segregation system for all levels of governance and management; Restructured the Finance-Accounting Department and the HR Department towards a higher level of professionalism and transparency; Established ERP board to produce comprehensive management technology solutions; Assisted the BOM in interaction with existing customers and investors to affirm commitments on safety, quality, progress, finance as well as expanding customer base; Organized conferences with suppliers and subcontractors to ensure payment and develop long-term strategic cooperation; Met with employees to explain their concerns, communicate clearly the company's short-term and long-term remuneration policies and ensure the company's commitments on each employee's career advancement roadmap.
Development strategy	<ul style="list-style-type: none"> Established Business Development Department to enhance the search for customers and investment cooperation opportunities and to expand into new business and new customers, new products and services such as Design-Build-Finance. Moreover, the expansion to the renewable energy and infrastructure sectors will reduce the competitive pressure in the construction industry and to improve profit margins.

GENERAL ASSESSMENT ON THE PERFORMANCE OF THE COMMITTEES

In order to enhance transparency in CG activities and increase the BOD's effectiveness in decision-making with a high level of responsibility and prudence, Coteccons established the Strategy Committee, Investment Committee, HR & Remuneration Committee and Risk Committee. Annually, the BOD shall evaluate each committee's performance on the basis of objectivity, accuracy, honesty and completeness.

On November 16th, 2020, the BOD issued a resolution to appoint Committee members, replace the resigned members and promote the Committees' activities. According to the assessment of the BOD, the Strategy Committee and Investment Committee have been actively operated in 4Q2020, 2 remaining Committees, thanks to the close cooperation with the Strategy committee have also achieved initial results, but these Committees need to put more effort in order to successfully restructure the Company CG system.



STRATEGY COMMITTEE

Members

No.	Full name	Position in the Company	Position in the Committee	Service time in the Committee
1	Mr. Bolat Duisenov	BOD Chairman	Head of the Strategy Committee	September 24 th , 2020 - present
2	Mr. Yerkin Tatishev	Non-executive BOD member	Member	July 3 rd , 2017 - present
3	Mr. Talgat Turumbayev	Non-executive BOD	Member	November 16 th , 2020 - present
4	Ms. Trinh Quynh Giao	Investment Director	Member	November 16 th , 2020 - present
5	Mr. David Evans	Strategic Advisor	Member	November 16 th , 2020 - present

Overall assessment by the Board of Directors

In 2020, the Strategy Committee closely supported the BOM to stabilize the operation, improvement the system, assist on training and recruiting new management, manage internal and public relation, plan the development strategy. In particular:

- ✓ Evaluate the business environment, business lines and perform SWOT analysis;
- ✓ Develop short-term and long-term strategies to achieve sustainable development and create values added to shareholders;
- ✓ Develop the Company's structure in accordance with the proposed strategies;
- ✓ Identify risks in strategy implementation, propose risk management policies and risk control measures;
- ✓ Review the Company's strategies and reach Board consensus before submitting the strategies to the AGM for approval.



INVESTMENT COMMITTEE

Members

No.	Full name	Position in the Company	Position in the Committee	Service time in the Committee
1	Mr. Bolat Duisenov	BOD Chairman	Head of the Investment Committee	November 16 th , 2020 - present
2	Mr. Yerkin Tatishev	Non-executive BOD member	Member	November 16 th , 2020 - present
			Head of the Investment Committee	July 03 rd , 2017 - November 15 th , 2020
3	Ms. Trinh Quynh Giao	Investment Director	Member	November 16 th , 2020 - present

Overall assessment by the Board of Directors

The Investment Committee effectively reviewed and evaluated all Company's investments, proposed solutions for each case, including capital withdrawal and disposal of ineffective investments. In addition, the Investment Committee also proposed options to optimize cashflow, strategic cooperation with financial institutions to bring benefits to shareholders, specially:

- ✓ Evaluate the investment activities and report to BOD the status, risks and effectiveness of each investment;
- ✓ Source and analyze investment opportunities (including mergers and acquisitions, financial investment, technology and equipment, etc.) in line with the Company's strategy;
- ✓ Prepare investment policies and monitor the compliance;
- ✓ Analyze and evaluate risks, propose the preventive measures to BOD who will make final decision and supervise the compliance of investment policies in accordance with the Company Charter.



HR AND REMUNERATION COMMITTEE

Members

No.	Full name	Position in the Company	Position in the Committee	Service time in the Committee
1	Mr. Tan Chin Tiong	Independent BOD member	Head of the HR & Remuneration Committee	November 16 th , 2020 - present
2	Mr. Talgat Turumbayev	Non-executive BOD member	Member	July 03 rd , 2017 - present
3	Mr. Ly Xuan Hai	Strategic Director	Member	November 16 th , 2020 - present

Overall assessment by Board of Directors

In 2020, the HR & Remuneration Committee has been flexible and proactive in reinforcing and promoting senior managers to strengthen the entire CG and management. In the context of significant changes in HR, the Committee advised and guided the HR Department to evaluate and finalize the short-term and long-term remuneration system to ensure employees' benefits and keep them motivated.



RISK COMMITTEE

Members

No.	Full name	Position in the Company	Position in the Committee	Service time in the Committee
1	Mr. Talgat Turumbayev	Non-executive BOD member	Head of the Risk Committee	November 16 th , 2020 - present
			Member	July 03 rd , 2017 - November 15 th , 2020
2	Mr. Herwig Guido H. Van Hove	Non-executive BOD member	Member	November 16 th , 2020 - present
3	Mr. To Quang Tung	Risk Director	Member	November 16 th , 2020 - present

Overall assessment by Board of Directors

The Covid-19 outbreak has brought unprecedented challenges, showing the importance of risk management. In 2020, the risk committee has built the risk evaluation system for each level: Company level, department level and construction site level. The system addresses human resources management, regulations, processes, internal financial control and business performance in order to come up with effective response.

ASSESSMENT ON THE BOARD OF MANAGEMENT'S PERFORMANCE

The BOM's performance was assessed by Committees which reported directly to the BOD, at the same time the BOM needs to provide periodic reports to ensure the implementation of the AGM and BOD's resolutions. In 2020, under BOD guidance, BOM has made properly adjustments to maintain safety, quality and keep projects stay on schedule, especially during the lockdown. As a result, revenue and PAT reported positive results of VND14,558 billion and VND335 billion respectively (91% and 56% of 2020 target). The results were fair and reasonable given that the Company is restructuring and facing unfavorable market which impacted significantly by Covid-19.

Evaluate the Company's operation before October 2020	Solutions and plans in 4Q2020 and 2021
<ul style="list-style-type: none"> The Company does not have a Business Development department, which leads to a lack of diversified sources of customer database and potential projects, ignoring opportunities to participate in project bidding. The signing of new contracts was delayed after Q1/2020. In Q2 and Q3 / 2020, the Company did not announce any new projects. Delayed implementation projects come from uncontrolled market factors. 	<ul style="list-style-type: none"> The Company makes a decision to establish a Business Development Division, diversify business sector to promote customer search, follow up with each investor, capture opportunities in the market, contribute to increased sales revenues and profits for the Company. The BOD, BOM and Business Development Department have promoted meeting with partners, investors, signing strategic cooperation. As a result, in the last 40 days of 2020, the Company successfully signed new contracts amounting to VND6,000 billion. The BOD has directed the Site Steering Committee to closely follow the implementation, ensuring the progress of handover to the investor, safety and quality for each project.
<ul style="list-style-type: none"> The control of debt is subjective, there is no effective management mechanism/policy. The provision for bad debts is not consistent with the prudent principle of accounting. 	<ul style="list-style-type: none"> The Company has reviewed all the data and established specific policies for provision recognition based on qualitative and quantitative factors.
<ul style="list-style-type: none"> Cost control mechanism is loose and ineffective. 	<ul style="list-style-type: none"> The Finance & Accounting Department is responsible for controlling costs, ensuring the suitability and maximizing profits.
<ul style="list-style-type: none"> Financial figures were not recorded accurately, leading to a difference between reporting and actual situation. 	<ul style="list-style-type: none"> The BOD directs the Finance - Accounting Department to participate in the tracking and counting at the construction sites. Based on such result, the Company has adjusted to reduce the historical difference of VND 26 billion in the Audited financial statement of 2020. Planning the implementation of ERP Enterprise Resource Planning System to manage all operations of the Company comprehensively.
<ul style="list-style-type: none"> Inappropriate reporting mechanism leads to lagging information among division/ departments, construction sites, creating potential risks in the operation of the Company. 	<ul style="list-style-type: none"> The Company has built a new risk control mechanism, ensuring information is continuously updated, increasing efficiency for decision-making.
<ul style="list-style-type: none"> The Company has not built a mechanism to evaluate the work efficiency of employees, applied an equal bonus mechanism to everyone, so it has not been able to properly assess the contribution of each individual, lack of fairness. 	<ul style="list-style-type: none"> HR Department has built a KPI evaluation system for each department and individual; ensure that each individual's abilities and contributions are recognized and rewarded.

Operational orientation in 2021

Grasping the Government's direction, Coteccons has made flexible adjustments in the 5-year strategy to maximize strengths in order to seize opportunities and overcome weaknesses to go beyond challenges. Entering potential fields being developed by the government shows the initiative and flexibility of the Company to increase business efficiency, expand market share and maximize profits. For 2021, the Company set the targets:

- Revenue: VND17,413 billion, an increase of 20% as compared with the 2020 actual;
- PAT: VND340 million, an increase of 2% as compared with the 2020 actual.

REPORT OF THE INDEPENDENT BOARD OF DIRECTORS



Full Name	Position	Time of appointment
Mr. Tan Chin Tiong	Independent BOD member	June 29 th , 2017
	Head of HR and Remuneration Committee	
	Member of Strategic Committee	
Mr. Nguyen Quoc Hiep	Independent BOD member	June 2017 - October 2020
	Head of Risk Committee	July 2017 - October 2020
	Head of Investment Committee	
Mr. Tran Quyet Thang	Independent BOD member	June 2017 - October 2020
	Head of HR and Remuneration Committee	July 2017 - June 2020

In the first six months of 2020, the number of independent BOD members were 3 out of 7 BOD members, equivalent to 43% BOD membership, higher than requirement of Decree 71/2017/ND-CP guidelines on CG of public companies dated June 06, 2017 ("Decree 71").

Before 2020 AGM, Mr. Tran Quyet Thang resigned from BOD members due to personal reason and his resignation has been officially approved on June 30, 2020. The ratio of independent BOD member was 2/6, meeting the requirements stipulated in Decree 71.

In October 2020, due to personal reasons, Mr. Nguyen Quoc Hiep resigned as BOD member. The ratio of independent BOD members decreased to 1/5; still satisfying the requirement to have at least 1 independent member if the number of BOD members is less than 5.

The main activities of the independent Board in 2020

During the year, independent BOD members have worked objectively to ensure the independence, protecting the best interest of the Company and complying with Law on Enterprise, relevant legislations and Company's Charter as follows:

- Advise on amending and supplementing the Charter, Internal regulations on CG;
- Advise on improving CG, strengthen supervision over related party transactions;
- Supervising the implementation of the resolutions of the General Meeting of Shareholders, the resolutions of the BOD comply with the Law, Company charter and CG practices.

As members of the Strategic Committee, HR and Remuneration Committee, Investment Committee and Risk Committee, independent BOD members supported BOD in many areas including growth strategy, talent development and HR strategy as well as risk appetite assessment and risk mitigation of Coteccons.

2021 Plans

In 2021, independent BOD members will continue to support BOD to fulfill their roles and responsibilities, ensuring the independence and objectivity in the decision-making process of BOD, specifically:

- Advise on development strategy for the period 2021 - 2025;
- Amend and supplement the Charter and Internal Regulations on CG in accordance with Securities Law, Enterprise Law, Circular 116/2020/TT-BTC on guiding on CG and Decree 155/2020 / ND-CP detailing in the implementation some sections of the Securities Law;
- Accompany with the BOD, support to make fair decisions, avoid conflicts of interest;
- Risk management, ensure potential risks in business operations are always identified and controlled properly.

BOARD OF SUPERVISORS' CAPABILITY



Mr. Luis Fernando Garcia Agraz
Head of the Board of Supervisors

Nationality: Mexican
Year of birth: 1970
Qualifications:
Master of Business Administration

Date of appointment:

As Head of the BOS: June 29th, 2017

Professional experience:

Luis received a Master's degree in Business Administration from the University of Texas at Austin, USA. He has been active in corporate management for 27 years.

From 2002 to 2014, he held numerous important positions at world's leading building materials company: Director of Strategy & Business Development at CEMEX Group; CEO at Puertas Acerostermicas SA de CV; Deputy Director at Eagle Engineering & Construction LLC, Building Materials Group; and Vice President of Management & Planning at HT 360 Consortium SA.

In 2014, he joined Kusto Management Vietnam Co., Ltd as Planning Director in Cement Holding. Now he serves as Chief Operations Officer.

In June 2017, he was elected Head of Coteccons BOS for the term 2017 - 2022.

Share ownership at the Company: 0%.



Mr. Nguyen Minh Nhut (Jack)
Member of the Board of Supervisors

Nationality: Canadian
Year of birth: 1971
Qualifications:
Bachelor of Chartered Accountancy (Honors)

Date of appointment:

As Member of the BOS: June 29th, 2017

Experience:

He obtained a Bachelor's degree in Chartered Accountancy (Honors) from the University of Waterloo, Canada and was licensed with the Canadian Certificate of Chartered Accountant.

From 2012 to 2017, he held various executive titles at the Institute of American Education and VinaCapital. In 2017, he was appointed CEO of TMF, a Vietnam-based provider of international business service.

In June 2017, he was elected a BOS Member at Coteccons for the term 2017 - 2022.

Share ownership at the Company: 0%.



Mr. Dang Hoai Nam
Member of the Board of Supervisors

Nationality: Vietnamese
Year of birth: 1976
Qualifications:
Bachelor of Finance, Bachelor of English language

Date of appointment:

As Member of the BOS: June 29th, 2017

Experience:

Mr. Nam holds a bachelor's degree in Finance from the National Economics University - Hanoi and a bachelor's degree in English language from the University of Languages and International Studies - Hanoi. He has more than 21 years of experience in financial accounting management.

From 1998 to 2006, he was an Accountant for Ba Ria - Vung Tau Petrolimex Company, FDC Company and COTEC Construction Company.

From 2006 to 2015, he worked as Chief Accountant and Deputy General Director of Uy Nam Investment Construction JSC, later known as Unicons Investment Construction Co., Ltd.

He joined Coteccons in 2015. Since then, he was elected Head of the Finance Board, Head of the General Department and Head of the Legal Board.

In June 2017, he was elected Member of the BOS for the term 2017 - 2022. As assigned by the BOS, he also serves as Head of the IA Board.

Share ownership at the Company: 39,648 shares, equal to 0.05%.

REPORT OF THE BOARD OF SUPERVISORS



In 2020, the world economy dived into a chain of chaos due to the adverse effect of the Covid-19 pandemic on the global supply chain and production capacity. A sharp decline in GDP and a steep increase in debt, as seen in numerous countries, has exerted a long-term impact on the world's economic recovery and growth.

In that context, Vietnam managed to achieve a GDP growth of 2.91% with the construction sector alone reporting growth of 6.76%. The average inflation rate saw an increase of 2.31% compared to 2019.

As the 2020 financial statement revealed, the Company would continue to witness a decrease in both revenue and PAT compared to 2019. The breakdown is as follows:

No.	Item	Unit	2019	2020	Differentiate	Percentage (%)
1	Revenue	VND billion	23,733	14,558	-9,175	61%
2	Profit after tax	VND billion	711	335	-376	47%

Activities of the Board of Supervisors and Internal Audit Board

The BOS for the term 2017 - 2022 was elected at the AGM. BOS activities during the year are specified below:

No.	Board of Supervisors	Title	Date of appointment	Number of meetings attended	Percentage	Reason for absence
1	Mr. Luis Fernando Garcia Agraz	Head of the BOS	June 29 th , 2017	10/10	100%	
2	Mr. Nguyen Minh Nhut (Jack)	Member	June 29 th , 2017	10/10	100%	
3	Mr. Dang Hoai Nam	Member	June 29 th , 2017	10/10	100%	

In 2020, the BOS held a total of 10 meetings to strengthen supervision at the Company. The key contents included:

- Reviewing business operation;
- Selecting an independent auditor;
- Approving independent audit work of the company's financial statements;
- Properly performing the role of the BOS in checking the legal requirements of shareholders, thereby requesting the BOD to perform obligations as required by laws;
- Supervising the BOD to ensure the transparency and accuracy of information disclosure and handle misinformation if occurs;
- Requiring the BOD to provide resources and ensure the effective performance of the IA Board.

The meeting details can be read below:

No.	Meeting	Date	Contents
1	Meeting No.1	March 10 th , 2020	Discussed the letter dated March 6 th , 2020 sent by BOD Secretary. The letter cited the warning by the HCM Stock Exchange about the Company's non-compliance with the CG Code, which directly concerned the BOS responsibilities
2	Meeting No.2	March 12 th , 2020	Approved 2020 IA Plan
3	Meeting No.3	March 16 th , 2020	Discussed the implementation of IA and the preparation of reports to the BOD and the BOM
4	Meeting no.4	April 28 th , 2020	Discussed BOS section in the 2019 AR and presented the results at 2020 AGM of Coteccons
5	Meeting No.5	May 29 th , 2020	Discussed the calling of the extraordinary general meeting and the performance of the BOD and the BOM
6	Meeting No.6	June 22 nd , 2020	Supervised the BOD activities during the calling of AGM
7	Meeting No.7	July 16 th , 2020	Required KPMG, Ernst & Young and PwC (Company's auditor at that time) to send the audit proposal. Ernst & Young was elected independent auditor for the fiscal year 2020 by voting Prepared BOS section in the CG report to disseminate required information
8	Meeting No.8	September 17 th , 2020	Prepared BOS section in the CG report to disseminate required information Discussed Internal Audit Plan and completed the election of the IA Board Discussed accounting problems raised by E&Y after 6 months of financial review
9	Meeting No.9	November 19 th , 2020	Met with Ernst & Young to review the audit process and discuss matters related to the six-month review
10	Meeting No.10	December 12 th , 2020	Discussed IA report on Equipment Department Discussed and approved the 2021 IA Action Plan and 2021 Budget Plan

Supervision of the activities of the BOD and the BOM

- On January 22nd, 2020, BOS issued the report, included in the 2019 CG report, to BOD Secretary in compliance with legal requirements about information disclosure;
- On March 3rd, 2020, Head of the BOS required the Chair of the Board to adjust the CG reports to the HCM Stock Exchange, aiming to fully disclose BOS activities in 2019;
- On March 17th, 2020, BOS required the BOD to provide the review of 2019 financial statements;
- On March 20th, 2020, Head of the BOS informed HCM Stock Exchange and State Securities Commission about the operational transparency of the BOD and Executive Board;
- On March 24th, 2020, BOS met with PwC to discuss 2019 audited financial statements. PwC reserved the right to review audited financial statements with the BOS under the guidance of the Executive Board;
- On May 31st, 2020, BOS responded to Kusto's calling of an extraordinary general meeting.



Risk management by the Board of Supervisors through the Internal Audit Board

- 1 Required the BOM to arrange office layout to make room for the BOS and IA Board;
- 2 Required the BOD to approve the budget plan for IA Board;
- 3 Submitted IA report to the BOD's Strategy Committee for information and corrective actions;
- 4 Met with Ernst & Young to discuss accounting issues after a 6-month review.

ASSESSMENT ON PRIMARY FINANCIAL RATIOS OF CONSOLIDATED FINANCIAL STATEMENTS

No.	Item	Unit	2019	2020
I Profit Margin				
1	Gross profit margin	%	4.4%	5.9%
2	PBT/Revenue	%	3.8%	2.9%
3	PBT/Owner's equity	%	10.5%	5.1%
4	PBT/Total assets	%	5.5%	3.0%
II Efficiency Ratio				
1	Inventory turnover ratio	Day	24	41
2	Receivables turnover ratio	Day	129	198
3	Payables turnover ratio	Day	82	104
III Liquidity Ratio				
1	Current ratio	Time	1.9	2.2
2	Quick ratio	Time	1.7	1.9
3	Leverage	%	48%	41%

EVALUATION OF IMPLEMENTATION OF ANNUAL GENERAL MEETING RESOLUTIONS

Accomplished tasks

- Appointed E&Y Vietnam Company Limited, one of the 4 auditors approved at the AGM for 2020 audited financial statements;
- Paid out 2019 dividend as approved in AGM.

Pending or Unaccomplished tasks

- Assessing the performance of business plans approved in 2020 AGM, as follows:

No.	Items	2020 Accomplishment (VND billion)	2020 Plan (VND billion)	Differentiate	% Plan
1	Revenue	14,558	16,000	-1,442	91%
2	Profit before Tax	335	600	-265	56%



PROPOSALS

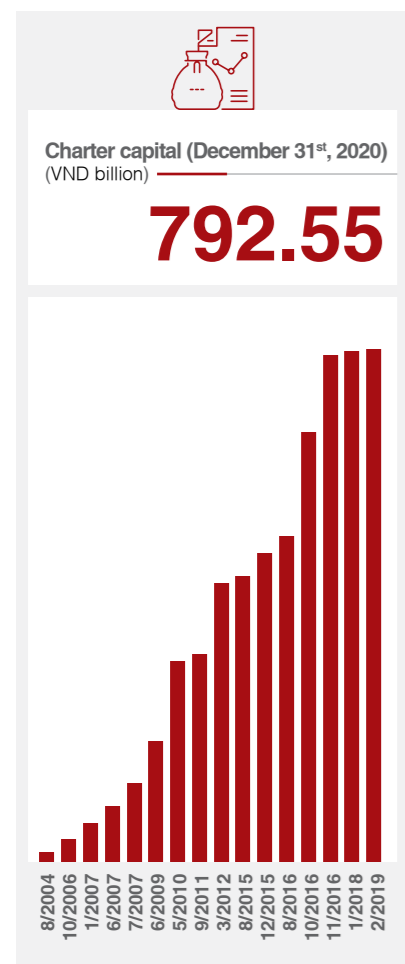
- 1 In 2021, it is anticipated that the global and Vietnam economies shall continue to be affected by the Covid-19 pandemic. Meanwhile, delays in granting construction permits to projects located in the surrounding areas of Ho Chi Minh City put pressure on the timing of new projects. Finally, the constant change in senior management would certainly impact the Company's business activities. These risks require the Company to focus and provide preventive plan.
- 2 Regarding the domestic construction industry, many infrastructure projects have been launched, this is an opportunity for leading companies like Coteccons. However, the expansion to infrastructure construction, becoming a Design - Build - Finance General Contractor or an EPC General Contractor may impose the risk of higher account receivables. the Company should implement appropriate preventive plans for business expansion.
- 3 The BOD and the BOM should give focus on management of debts, assets, machinery and equipment before - during and after handover, ensuring that assets are handed over in full and optimized.
- 4 Strengthening information security in business operation.
- 5 Improve CG, transparency and utilize all resources to increase business performance.
- 6 The AGM, BOD should continue to focus on long-term development strategies to drive the Company towards sustainability, ensuring a balance of interests among stakeholders, customers, employees, shareholders, partners and the community.



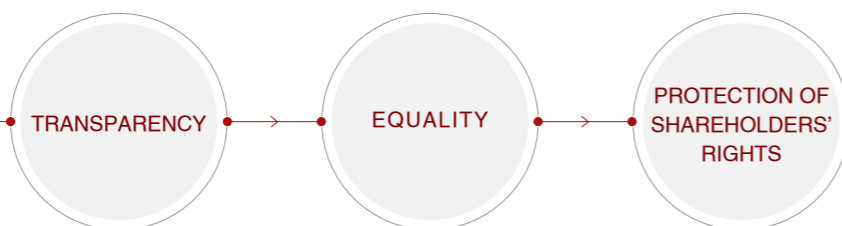
INVESTOR RELATIONS POLICY

Changes in charter capital

Unit: VND billion

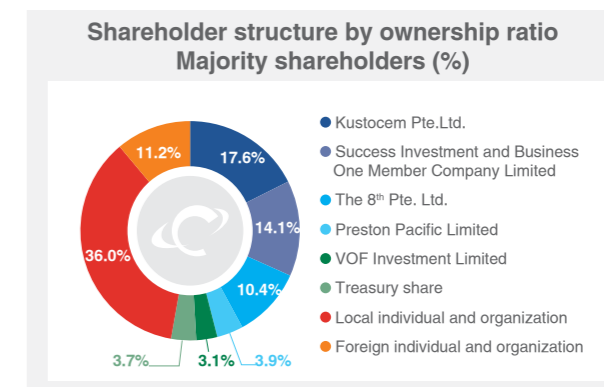
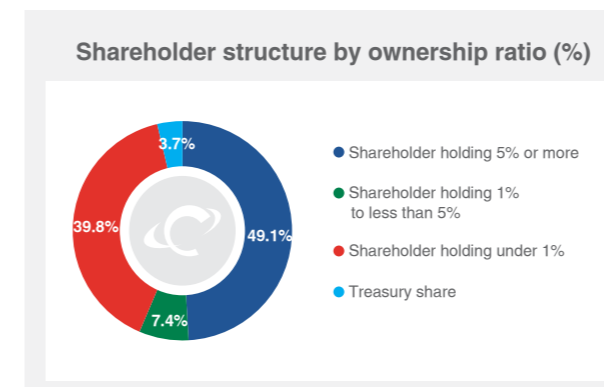
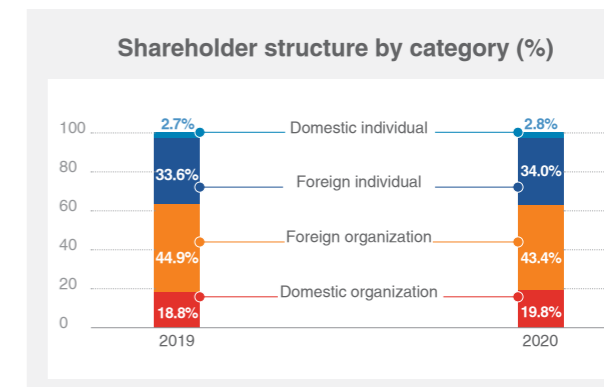
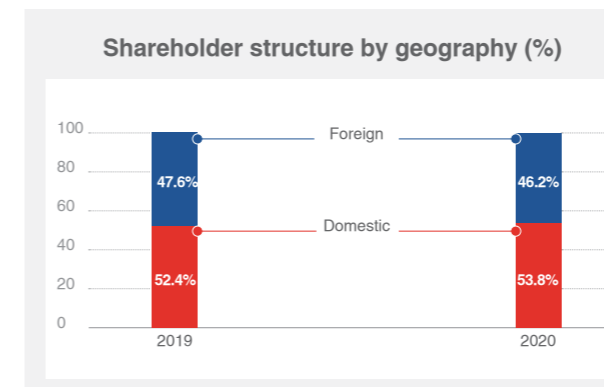


Time	Charter capital	Detail
August 2004	15.2	Initial charter capital
October 2006	35.0	Issue of 1:1 bonus shares Issue of shares under ESOP program
January 2007	59.5	Issue of 2:1 bonus shares Issue of private shares to strategic shareholders
June 2007	86.2	Issue of 5:2 bonus shares Issue of shares under ESOP program
July 2007	120.0	Issue of private shares to strategic shareholders
June 2009	184.5	Issue of 2:1 bonus shares Issue of shares under ESOP program
May 2010	307.5	Issue of 3:2 bonus shares
September 2011	317.7	Issue of shares under ESOP program
March 2012	422.0	Issue of private shares to strategic shareholders
August 2015	432.5	Issue of shares under ESOP program
December 2015	468.6	Issue of shares to swap for Unicons' outstanding shares
August 2016	492.0	Issue of shares under ESOP program
October 2016	655.7	Issue of 3:1 shares to existing shareholders
November 2016	770.5	Issue of private shares to strategic shareholders
January 2018	783.6	Issue of shares under ESOP program
February 2019	792.55	Issue of shares under ESOP program



Transparency - Equality - Protection of Shareholders' rights are high-priority items in Coteccons' 2020 Investor Relations policy.

As of December 31st, 2020, Coteccons has 6,975 shareholders, an increase of 83% from 3,802 shareholders at the end of 2019. Coteccons has 5 major institutional shareholders holding 49.1% of charter capital and 4 shareholders holding 1% to less than 5% of share capital, accounted for 7.4% of charter capital. As a leading company in the construction industry, Coteccons has managed to maintain foreign ownership ratio of +40% for 11 years.



Source: VSD

Changes in Coteccons' shareholder structure December 31st, 2020 - December 31st, 2019

No.	Category	Number of shareholders				Number of shares		Ratio (%)	
		Individual		Organization		2019	2020	2019	2020
		2019	2020	2019	2020				
I	Majority shareholders holding 5% or more	0	0	5	5	38,882,168	38,882,168	49.1%	49.1%
1	Domestic	0	0	1	1	11,192,652	11,192,652	14.1%	14.1%
2	Foreign	0	0	4	4	27,689,516	27,689,516	35.0%	35.0%
II	Shareholders holding 1% to less than 5%	6	1	4	3	14,969,505	5,826,626	18.9%	7.4%
1	Domestic	5	0	0	1	8,928,059	1,257,040	11.3%	1.6%
2	Foreign	1	1	4	2	6,041,446	4,569,586	7.6%	5.8%
III	Shareholders holding under 1%	3,663	6,847	123	118	22,440,900	31,583,779	28.3%	39.8%
1	Domestic	3,441	6,580	56	58	18,450,921	27,277,390	23.3%	34.4%
2	Foreign	222	267	67	60	3,989,979	4,306,389	5.0%	5.4%
IV	Treasury shares	0	0	1	1	2,962,427	2,962,427	3.7%	3.7%
V	TOTAL	3,669	6,848	133	127	79,255,000	79,255,000	100%	100%
1	Domestic	3,446	6,580	58	61	41,534,059	42,689,509	52.4%	53.8%
2	Foreign	223	268	75	66	37,720,941	36,565,491	47.6%	46.2%

Source: VSD

Stock transactions of Major shareholders, Internal persons and Related parties in 2020

No.	Individual/ Organization	Title/Relation to Internal persons	Number of shares December 31 st , 2019		Number of shares December 31 st , 2020		Reason
			Number of shares	Ratio (%)	Number of shares	Ratio (%)	
I MAJOR SHAREHOLDERS							
1	Kustocem Pte. Ltd.	Major shareholder	13,906,666	17.6%	13,906,666	17.6%	
2	Success Investment and Business One Member Company Limited	Major shareholder	11,192,652	14.1%	11,192,652	14.1%	
3	The 8 th Pte. Ltd.	Major shareholder	8,256,500	10.4%	8,256,500	10.4%	
4	Preston Pacific Limited	Group of major shareholders	3,108,000	3.9%	3,108,000	3.9%	
5	VOF Investment Limited		2,418,350	3.1%	2,418,350	3.1%	
II INTERNAL PERSONS AND RELATED PARTIES							
1	Mr. Bolat Duisenov	Chairman	0	0%	0	0%	
2	Mr. Yerkin Tatishev	BOD Member	0	0%	0	0%	
3	Mr. Talgat Turumbayev	BOD Member	1,590,150	2.0%	1,590,150	2.0%	
4	Mr. Herwig Guido H. Van Hove	BOD Member	0	0%	0	0%	
5	Mr. Tan Chin Tiong	BOD Member	0	0%	0	0%	
6	Mr. Luis Fernando Garcia Agraz	BOS Head	0	0%	0	0%	
7	Mr. Dang Hoai Nam	BOS Member	89,648	0.11%	39,648	0.05%	Sold shares according to personal needs
8	Mr. Nguyen Minh Nhut	BOS Member	0	0%	0	0%	
9	Mr. Vo Thanh Liem	Acting General Director	151,750	0.19%	151,750	0.19%	
9.1	Mr. Vo Thanh Cang	Sibling	33,001	0.04%	33,001	0.04%	
10	Mr. Pham Quan Luc	Deputy General Director	3,066 ⁽¹⁾	0.004%	3,066	0.004%	
11	Mr. Michael Tran	Deputy General Director	0 ⁽¹⁾	0%	0	0%	
12	Ms. Cao Thi Mai Le	Chief Accountant	0 ⁽¹⁾	0%	0	0%	

No.	Individual/ Organization	Title/Relation to Internal persons	Number of shares December 31 st , 2019		Number of shares December 31 st , 2020		Reason
			Number of shares	Ratio (%)	Number of shares	Ratio (%)	
13	Mr. Nguyen Anh Vu	Responsible for CG and authorized to disclose information	0 ⁽¹⁾	0%	0	0%	
III RESIGNED INTERNAL PERSONS							
1	Mr. Nguyen Ba Duong	Chairman	3,901,754	4.92%	3,222,374 ⁽²⁾	4.07%	Sold shares according to personal needs Resigned on Oct 2 nd , 2020
2	Mr. Nguyen Quoc Hiep	BOD member	0	0%	0	0%	Resigned on Oct 12 th , 2020
3	Mr. Tran Quyet Thang	BOD member	0	0%	0	0%	Resigned on Jun 20 th , 2020
4	Mr. Nguyen Sy Cong	BOD member cum CEO	1,181,006	1.49%	1,181,006 ⁽³⁾	1.49%	Resigned on Aug 5 th , 2020
5	Mr. Tran Quang Quan	Deputy CEO	1,180,107	1.49%	1,180,107 ⁽³⁾	1.49%	Resigned on Aug 5 th , 2020
6	Mr. Tu Dai Phuc	Deputy CEO	261,094	0.33%	261,094 ⁽³⁾	0.33%	Resigned on Oct 12 th , 2020
7	Mr. Tran Van Chinh	Deputy CEO	154,700	0.21%	154,700	0.21%	Resigned on Sep 30 th , 2020
8	Ms. Vu Thi Hong Hanh	Chief Accountant	641,014	0.81%	641,014 ⁽³⁾	0.81%	Resigned on Sep 14 th , 2020
9	Ms. Ha Tieu Anh	Head of Finance & Accounting	618,510	0.78%	425,260 ⁽³⁾	0.54%	Sold shares according to personal needs Resigned on Sep 14 th , 2020

Note:

- (1): Number of owned shares starting at the time of becoming an internal person
(2): Number of owned shares reported at the time of no longer being a major shareholder
(3): Number of shares owned at the time of no longer being an internal person

Activities to improve transparency, ensure equitable treatment of shareholders and protection of their rights

Information plays a vital role for investment decisions. With that in mind, Coteccons has always strived to diversify and improve the quality of information channels and kept all shareholders well-informed on the Company's activities. With respect to the proportion of 46.2% of foreign shareholders, the Company has published bilingual materials, driving transparency and disclosure above Vietnam's minimum level and towards higher international standards.

In 2020, Coteccons has appointed Mr. Nguyen Anh Vu as Secretary of the BOD cum Person in charge CG and at the same time established a department of Investor Relations to strengthen effective administration, disclosure of information, protection of shareholders' interests, ensure equality among shareholders large

and minority shareholders, the focal point stakeholder communications and participate in solving problems about governance, implementation of policies. The company pays special attention to comply with regulations, information disclosure, Annual/Extraordinary General Meeting of Shareholders, written shareholders' opinions, creating conditions for shareholders to perform voting rights, notice of dividend payment, etc. In addition, the Company also develop the process of synthesis and control automatic control of transactions with parties related to the objective of transparency potential conflicts of interest.

2020 AR marked the first time Coteccons evaluated its CG in accordance with the Vietnam CG Code of Best Practices for Public Companies. The results provided shareholders with complete visibility into Coteccons governance and the Company with the basis for improvement plans.

By meeting all key criteria for brand name, CG, sustainable development prospects and 5-year business performance, Coteccons has been named as one of "Top 50 best listed companies in Vietnam 2020" by Forbes for the 8th consecutive year. Coteccons has also been ranked as "Top 15 listed companies with the best business performance for 3 consecutive years", an award of the "Vietnam the Best Company" program hosted by the Vietnam Chamber of Commerce and Industry (VCCI), with other coordinators, namely the Institute of Business Studies and Development (INBUS), the Vietnam Association of Accountants and Auditors (VAA) and the Vietnam Association of Corporate Administrators (VACD).

These awards have been a testimony to Coteccons' merits, reputation and leading position, thereby providing partners, credit institutions, investors and particularly shareholders with insights to make more effective investment decisions.



Efforts in stock price stabilization and value gains for shareholders

In 2020, the Vietnamese and global stock market was impacted significantly by Covid-19 pandemic. Upon the rapid escalation of pandemic in March 2020, the Vietnamese stock market dropped sharply. However, thanks to containment strategies and economic policies taken by the government, the stock market has recovered in the remaining of the year since early April.

CTD stock price also began to show a sign of recovery in the second half of 2020 when its CG resumed stability with positive financial data - results of effective measures taken by the new Board of Management. On December 10th, 2020, the Company disclosed a repurchase of 4.9 million shares as treasury shares. This plan, approved by the BOD, demonstrated Coteccons' effort to increase shareholder value in the light of undervalued CTD shares. New treasury shares also provide a source to ESOP going forward.

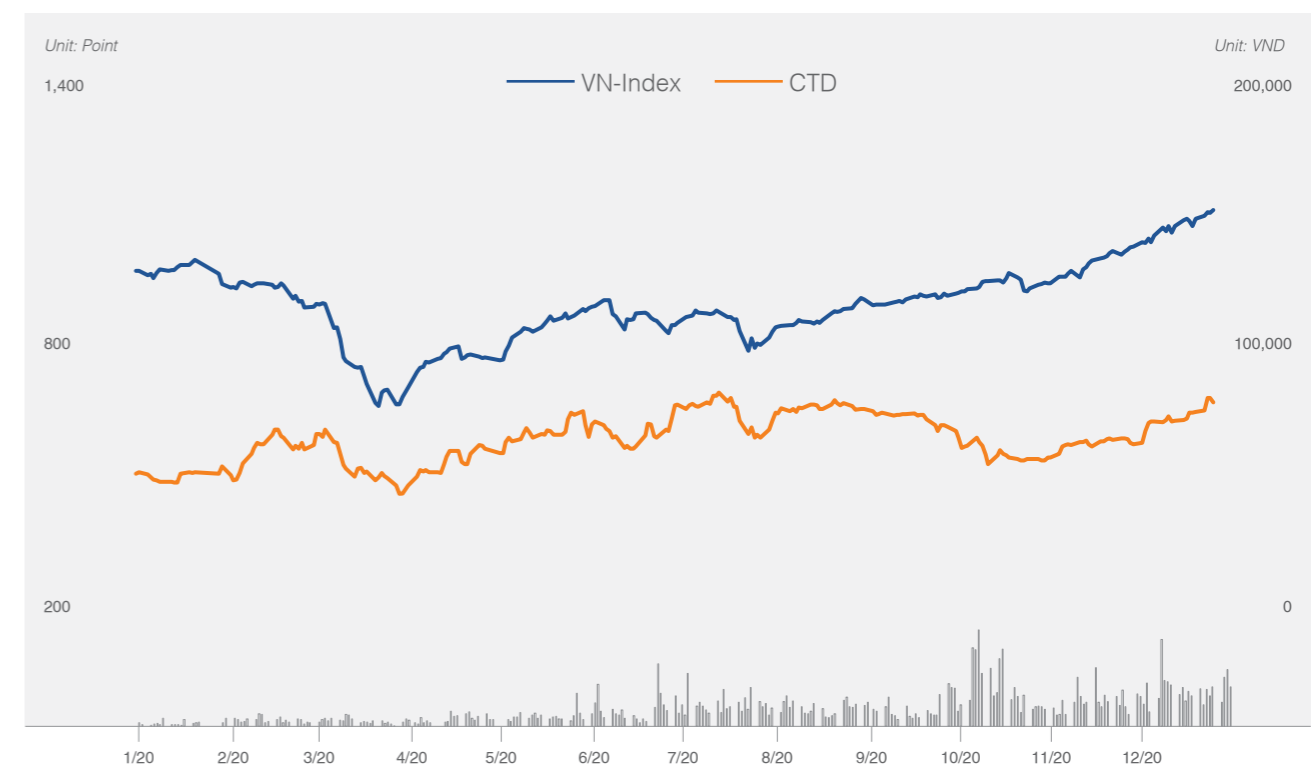
On December 31st, 2020, CTD's closing price stood at VND77,700 per share, up 84% from the lowest adjusted price of VND42,340 per share in 2020. .

Compared to the closing price at the end of 2019, CTD price saw an increase of 57% in 2020, higher than VN-Index's increase 15%. The liquidity also improved with the average trading volume of 670,726 shares per day in 2020, a rise of 561% from 101,462 shares per day in 2019.

Stock ticker		CTD
Index		HOSE
Outstanding Shares		79,255,000
As of December 31 st , 2020		
Basic price (VND)		77,700
Market Cap (VND bn)		5,853
Book Value (VND)		105,970
52-Week High (VND)		82,270
52-Week Low (VND)		42,340
Average Volume (52 weeks) (Shares/session)		670,726
52-Week Average Selling Price (Bn/session)		45.6
Foreign Ownership Limit		49%
Foreign Ownership Ratio		46.2%
Free Float Ratio		43.7%
Indicators		
12-month EPS (VND)		4,164
P/E (x)		18.7
P/B (x)		0.7

Source: Finnpro, Vietstock

CTD stock price and VN-Index

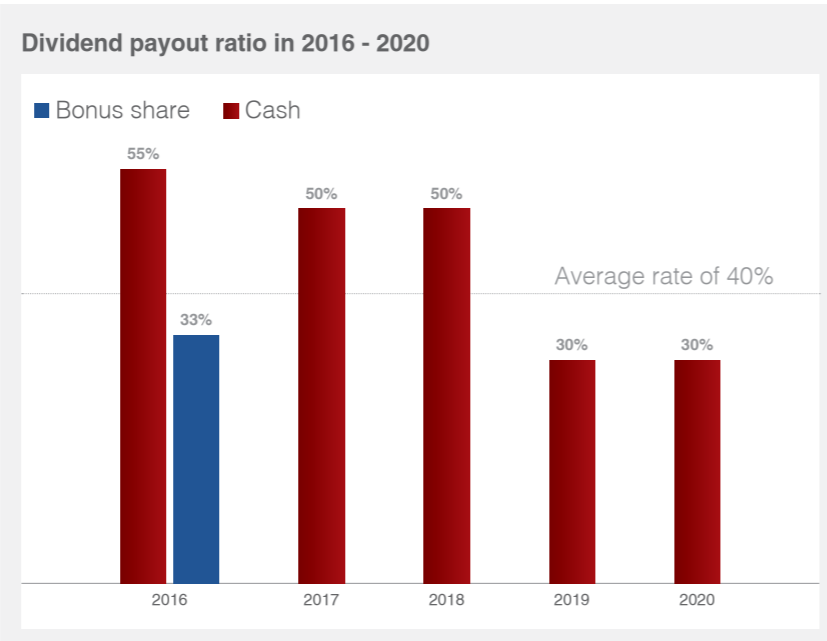


¹ On February 01st, 2021, Coteccons repurchased 2,008,900 shares, raising its total treasury shares to 4,971,327 or 6.3% of charter capital.

Source: Vietstock

Regular cash dividend policy

Coteccons understands that one of the most significant rights of shareholders is to receive dividends. Under regular cash dividend policy, the Company ensures a stable dividend payment and a steady income for shareholders. Coteccons primarily pays dividends in cash with an average rate of 40% per year - an attractive offer in perspective with the general rate from other listed companies.



2021 Outlook



- To build and expand communication channels with stakeholders, proactively provide information to the market.
- To continue publicizing bilingual materials (English Vietnamese) on the company's website.
- To hold more meetings with investors, analyze their needs and attract favorable local and global investors.
- To organize analyst meetings to share information on business activities, coordinate in the implementation of Company research reports.
- To increase both the quality and quantity of information included AR, Sustainable development reports, CTD stock analysis.
- To focus on CG training.

Financial Agenda of FY 2021

<p>January 2021</p> <p>4Q2020 Financial Statements 2020 CG Report</p>	<p>March 2021</p> <p>2020 Audited Financial Statement</p>	<p>April 2021</p> <p>1Q2021 Financial Statements 2020 AR 2021 AGM</p>
<p>July 2021</p> <p>2Q2021 Financial Statements 2021 Semi-annual CG Report</p>	<p>August 2021</p> <p>2021 Reviewed Semi-annual Financial Statements</p>	<p>October 2021</p> <p>3Q2021 Financial Statements</p>

3 Board of Management's

REPORT

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Conquer

BOARD OF MANAGEMENT'S CAPABILITY

Proactively facing the changes, Coteccons has the combined capability of both experienced members from inside and outside to the Board of Management.

These are experts in the construction field, who have held senior management positions in many large companies in the world and in Vietnam. Under the leadership of the Board of Management, Coteccons is expected to have new vitality and promote the development of the whole Company.



Mr. **Tran Tri Gia Nguyen (Michael Tran)**
Deputy CEO

Nationality: Australian
Year of birth: 1970
Qualifications: Bachelor of Construction Management

Date of appointment:
As Deputy CEO: October 09th, 2020

Employment history
2020 - present: Deputy CEO, Coteccons Construction JSC.
2017 - 2020: Deputy CEO, Hoa Binh Construction JSC.
2014 - 2016: Senior Project Director, Hoa Binh Construction and Real Estate Corporation

Professional experience
Backed by 26 years of experience, Michael has held various management positions at major construction companies in the world and in Vietnam including Transfield, Multiplex, Bauderstone Hornibrook, Abigroup Australia, Deputy CEO of Hoa Binh Construction JSC.

Share ownership at the Company: 0%.



Mr. **Pham Quan Luc**
Deputy CEO

Nationality: Vietnamese
Year of birth: 1974
Qualifications: Architect

Date of appointment:
As Deputy CEO: October 09th, 2020

Employment history
2020 - present: Deputy CEO, Coteccons Construction JSC.
2019 - 2020: Director of Technical Division, Coteccons Construction JSC.
2014 - 2019: Deputy CEO, Ricons Construction JSC.

Professional experience
Luc has been with Coteccons since its establishment and has held many positions from Site Manager, Division Director, to DCEO. He has worked in various industries: commercial, residential, industrial with typical projects such as The Manor, Ecopark, ITG Phong Phu Da Nang. With more than 19 years of working experience in construction with local and international clients, he brings top level leadership to the team.

Share ownership at the Company:
3,066 shares, equal to 0.004%.



Mr. **Phan Huu Duy Quoc**
Deputy CEO

Nationality: Vietnamese
Year of birth: 1973
Qualifications: Doctor of Construction

Date of appointment:
As Deputy CEO: March 05th, 2021

Employment history
2021 - present: Deputy CEO, Coteccons Construction JSC.
2017 - 2020: Deputy Chief Representative of Shimizu Construction Group Vietnam

Professional experience
Mr. Phan Huu Duy Quoc is an expert in the construction field with 19 years of experience in Japan and is one of the key personnel involved in the construction of Metro No. 1, Binh Khanh Bridge (Ben Luc - Long Thanh Expressway). Before being appointed as Deputy General Director at Coteccons, he used to hold the position of Deputy Representative of Shimizu Construction Group Vietnam. Mr. Quoc is currently a member of the 8th Central Committee of Vietnam Fatherland Front and an expert of State Council for Construction Quality Control for key projects.

Share ownership at the Company: 0%.



Mr. **Chris Senekki**
Deputy CEO

Nationality: British
Year of birth: 1974
Qualifications: Bachelor of Management and Finance

Date of appointment:
As Deputy CEO: March 05th, 2021

Employment history
2021 - present: Deputy CEO, Coteccons Construction JSC.
2018 - 2021: CEO of Turner Vietnam Company Ltd.
2015 - 2018: Project Director of Turner Vietnam Company Ltd.

Professional experience
Mr. Chris Senekki used to hold the position of CEO of Turner Vietnam Company. He has over 22 years of experience in the construction field, prominent with many international and domestic projects such as Qatar oil and gas zone, port, marina and Cyprus International Airport (Cyprus), Porsche Autohaus (HCMC), Hilton Saigon Hotel... Mr. Chris Senekki officially joined Coteccons on Apr 12th, 2021.

Share ownership at the Company: 0%.



Mr. **Vo Hoang Lam**
Deputy CEO

Nationality: Vietnamese
Year of birth: 1978
Qualifications: Architect

Date of appointment:
As Deputy CEO: March 05th, 2021

Employment history
2021 - present: Deputy CEO, Coteccons Construction JSC.
2020 - present: CEO, Unicons Investment Construction Co., Ltd.
2019 - 2020: Deputy CEO, Unicons Investment Construction Co., Ltd.
2017 - 2019: Project Director, Coteccons Construction JSC.

Professional experience
With more than 15 years of working experience, Mr. Vo Hoang Lam used to be the Director of Economic Division cum Project Director of large-scale projects such as: MGM Grand Ho Tram, D'Capitale, Viettel Headquarters and other projects. As a BOM member of Coteccons and Unicons, Mr. Vo Hoang Lam will contribute his experience in project management and advanced construction methods to bring high quality products to customers, enhance the reputation of Coteccons and Unicons in both domestic and international markets.

Share ownership at the Company:
8,507 shares, equal to 0.01%.



Mr. **Nguyen Ngoc Lan**
Deputy CEO

Nationality: Vietnamese
Year of birth: 1978
Qualifications: Bachelor of Civil Engineering

Date of appointment
As Deputy CEO: March 05th, 2021

Employment history
2021 - present: Deputy CEO, Coteccons Construction JSC.
2018 - 2021: Project Director cum Equipment Manager, Coteccons Construction JSC.
2013 - 2016: Construction Division Director, Coteccons Construction JSC.
2010 - 2013: Project Director, Coteccons Construction JSC.

Professional experience
Mr. Nguyen Ngoc Lan has over 20 years of experience working in the construction industry. He has been accompanying throughout the establishment and development of Coteccons. In March 2021, he was appointed as Deputy CEO of Coteccons. With his solid expertise in construction techniques, enthusiasm and sincere relationships with customers, Mr. Nguyen Ngoc Lan continues to dedicate his capabilities, accompanies with the Company's management to maintain the leading position of Coteccons and develop good partnership with clients.

Share ownership at the Company:
9,820 shares, equal to 0.01%.

BOARD OF MANAGEMENT'S REPORT

OVERVIEW OF COMPANY'S MANAGEMENT IN 2020

Despite being a year of many challenges and difficulties in human resources and operation management, 2020 is actually an opportunity for the BOM to review the organizational structure, implement changes and innovations, arrange personnel in a professional, efficient and optimal model. Only within the last 6 months, a series of policies and management directions have been set out so that the entire Company can quickly catch up and continue a stable and effective operation.

At the end of FY 2020, the BOM achieved consolidated revenue of VND14,558 billion and PAT of VND334 billion. Although the target was not achieved, these results still show great efforts of the BOM in the context of market, political, pandemic and human fluctuations, as well as partially reflect the transparency in operations of the Company.



In addition, the new members of the BOM, receiving active support from Board members and senior advisors, have closely followed construction sites across the country to ensure the completion of construction with the highest level of commitment on safety, progress and quality as required by the developers.

HIGHLIGHTS OF 2020

Since October 2020, the BOM has implemented many new improvements to strengthen the system, develop business and increase labor productivity of the Company:

ORGANIZATIONAL STRUCTURE:

1. Revise the Company organization chart to promote specialization. Issue a transparent delegation system for all levels of execution and management.
2. Restructure the Finance & Accounting Department and the HR Department towards more professionalism and transparency. Focus, reorganize and analyze data to get relevant information to support decision making of the BOD and BOM.
3. Establishment of the R&D Team for Wind Power Project to optimize investment from the first days of implementation and perform the entire work from technical design, material supply to construction. Members of the R&D team include representatives from departments such as CCM, Procurement, M&E Division, etc.
4. Establish an Enterprise Resource Planning Project Implementation Board (ERP Board). The ERP Board is responsible for investing in and implementing ERP systems in business operations to improve business efficiency. Personnel structure of the ERP Board includes members of the BOD or the Strategy Committee; the BOM, Accounting and Finance Department and IT Department, etc. At the same time, there was the participation of functional departments so that the ERP Board could be implemented consistently and throughout.
5. Set up Commercial and Cost Optimization Team with the coordination of many key departments such as the Tender Department, the Equipment Department, the CCM Department and the Workforce Building and Development Department... The goal of this team is to build the foundation of the logistics system, effective expenses management to support the tender, business development and project execution.

6 Establish a Business Development Department to develop customer network and catch investment cooperation opportunities. Coteccons will not only work as contractor but also expand to comprehensive cooperation, bring added value to customers; research market and explore new potential opportunities in the field of infrastructure, industrial construction, EPC contractors. Therefore, Coteccons has established a Business Development Division with the mandate:

- Research and develop markets, potential new business areas in line with the Company's direction and market trends; look for and expand operating markets, develop new projects, expand potential local and foreign customers (developers);
- Aggregate local and foreign customers' information; identify customers' needs, thereby offer appropriate product design and pricing;
- Organize research, survey and assess direct and indirect competitors in domestic and foreign markets, thereby propose suitable business and communication strategies.

COMMUNICATION:

1 Meet and have dialogue with employees to stabilize working spirit and affirm short-term and long-term remuneration and benefits policies, ensure staff peace of mind to work and have a clear development roadmap; maintain and improve the Company culture towards Coteccons employees.

2 Communicate with existing customers and developers to affirm commitments on safety, quality, progress, finance and expand potential customers; Organize conferences with suppliers, subcontractors to ensure finance as well as continue building long-term strategic cooperation.

OPERATION:

1 Enhance Coteccons Core system features. With the aim of digitizing the operations, Coteccons has invested in applications directly related to operations from departments/ offices to construction sites such as: site organizational chart application, workforce management software, construction site documents management software, weekly reporting software, logistics software for equipment transportation and many other applications. These applications are combined with Coteccons core invested in 2018 such as: e-office, core of finance and accounting, core of cost and contract control, core of material and equipment management... to form a network of centralized applications, fully meet the professional work requirements and management of the Company's departments.

2 Strengthen system security and information safety. Always emphasizing the importance of the intellectual property of the Company, in the past year, Coteccons has invested a new external attack prevention system (IPS)



into the network system. Coteccons has successfully prevented hundreds of attacks every day from hackers around the world.

In order to protect users from the increasing risks from the Internet space, while still ensure uninterrupted work efficiency, Coteccons invests in an Internet Access Management System (IAM), which helps identify and divide stream of network applications, filter dangerous addresses on the Internet, allocate all available bandwidth to critical business needs and improve business efficiency and productivity.

Furthermore, continue to optimize existing information security systems such as detection systems, network intrusion prevention (IDS, IPS), firewalls, anti-malware systems (Antivirus), data loss prevention system (DLP), Email security gateway system (Email security gateway), form a solid defense system that helps to reduce the risks of information insecurity from many sides, ensure that the business activities of Coteccons are always smooth and safe.

3 Complete the notification of salary, bonus and allowances on Hris software, create favorable conditions for employees to easily access.

4 Comply with State regulations on disease control and prevention Covid-19, ensure the highest level of pandemic prevention measures for all employees and workers at construction sites and offices. Also contribute test kits and negative pressure rooms to support the community to overcome Covid-19 pandemic together.

5 Safety and quality control are continuously guaranteed. The operation of all construction sites at all times is always under effective control whether it is affected by the Covid-19 pandemic or natural disasters.

FINANCE:

1 Tighten the financial management of the construction site. Apply level-based project risk assessment system. Enhance the training of all site commanders on the Cost-Value Report, initially showing the improvement of the project's profit margin compared to 2019.

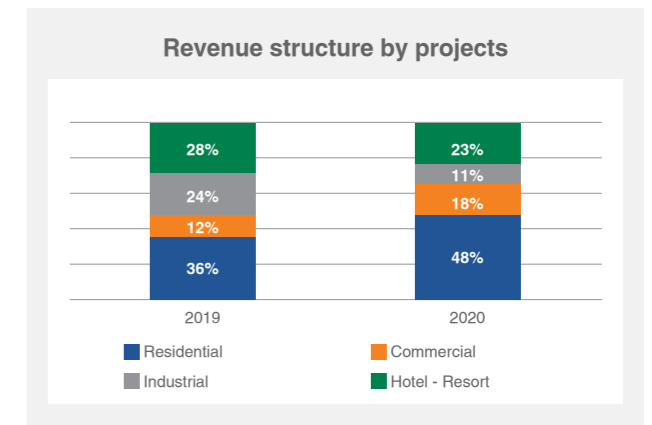
2 Carry out a mass inventory count of assets and equipment at all construction sites and warehouses to get an overall picture of the Company's assets, thereby assessing and completing the physical control and equipment management system.

ANALYSIS OF FINANCIAL INDICATORS

Consolidated revenue

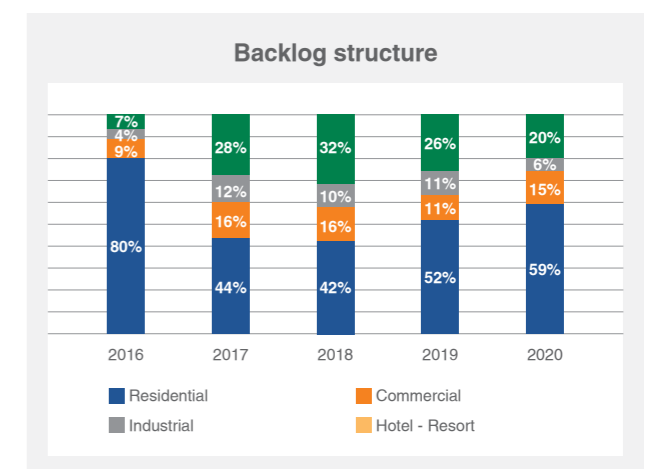
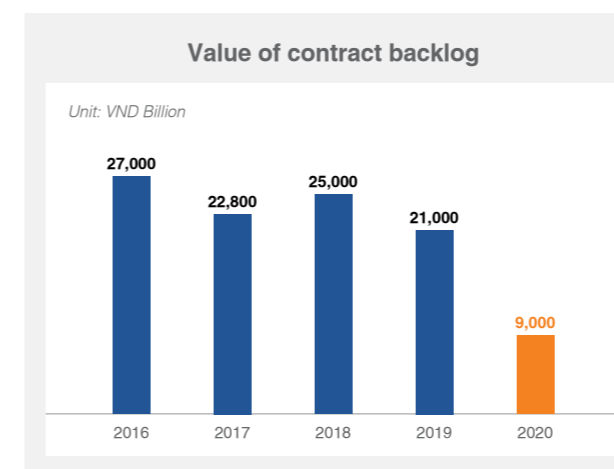
In FY 2020, in spite of objective challenges of the market, Coteccons still completed 91% of the revenue plan. Coteccons' consolidated revenue was recorded at VND14,558 billion, in which the parent company's revenue was VND10,284 billion, accounting for 71% of consolidated revenue.

Maintaining this position is the result of the BOM who has made decisive judgments about the market through timely assessment of potential risks to quickly formulate risk response and policies to complete the targets together with all staff. This result has surpassed most of its competitors in the market, further demonstrating Coteccons' ability to cope with big waves.



The year 2020 witnessed an increase in the proportion of revenue coming from residential projects with the contribution of 48% to the total revenue compared to 36% of 2019. Besides, the commercial and office segment also increased from 12% in 2019 to 18% in 2020. The hotel-resort and industrial segments all decreased, in which the proportion of revenue from the industrial segment decreased more than 50% from 24% in 2019 to 11% in 2020. This clearly shows the impact of the Covid-19 pandemic on the construction market, in which the new development of hotel and resort projects slowed down due to the negative impact on the tourism industry, which led to the delay in construction progress, the decline in investor finance and the adverse effect of the industry's expectation. Moreover, restricting traffic between countries makes foreign developers, especially from China, have difficulty in accessing to the domestic market, thereby the number of industrial factory projects decreased markedly.

Value of contract backlog



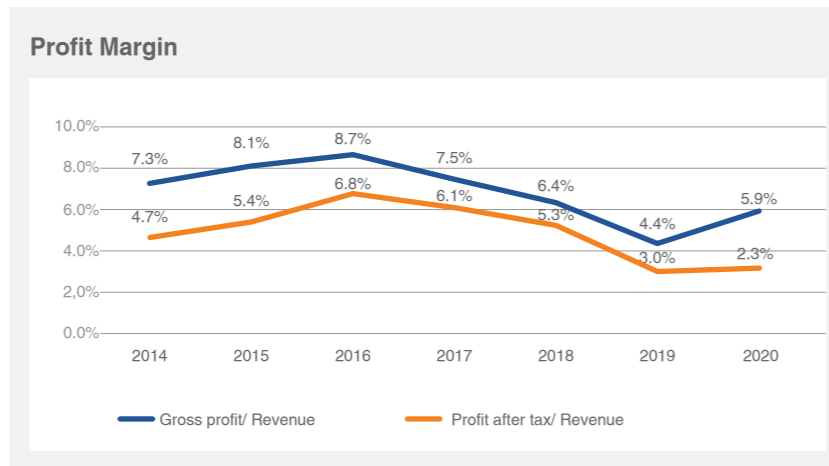
According to statistics, the value of construction contracts signed in 2020 is about VND 9,000 billion (including consolidated figures from Unicons). Based on the contract progress, most of this value will be recorded in the revenue of 2021. Market factors and internal factors of the Company such as Covid-19 pandemic, the stagnant real estate market, the lower number of licensed projects, the difficulties of developers, the fluctuation of personnel caused difficulties in finding jobs, signing contracts and converting into backlog for the following years. This poses a challenge for the BOM to win new projects to create a driving force for the growth of the following years. In fact, at the end of 2020 and early 2021, in addition to the value of the backlog value mentioned above, the BOM has consecutively won and signed many cooperation projects from the developers with the total value up to more than VND10,000 billion. Coteccons also started to expand into a potential renewable energy segment. This will be the premise for business expansion and product diversification of Coteccons.

In terms of structure, the trend of the construction - real estate market in 2020 will continue to be reflected in the value of backlog, in which the proportion of residential segment accounts for 59%. With the decline of the industrial segment from 11% in 2019 to 6% in 2020, this will be a major area that requires the concentration of the BOM. Specifically, Coteccons has strategic cooperation

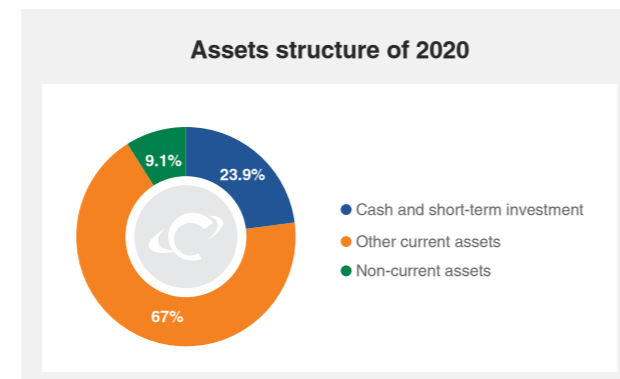
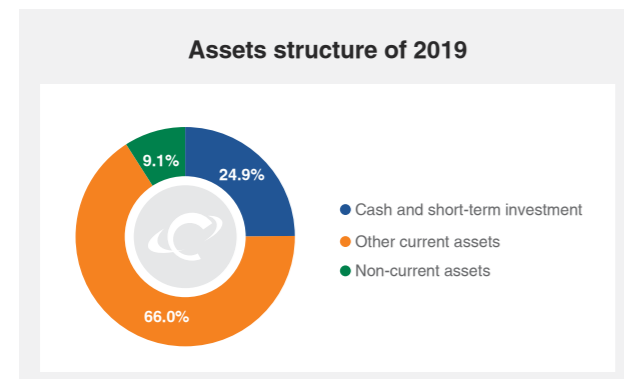
with a number of leading enterprises in various fields such as wind power construction partners - to increase experience and strengthen expertise in infrastructure engineering and renewable energy, to ensure ample financial resources and credit lines to be able to quickly grasp investment and construction opportunities.

Profit margin over revenue

During the quiet period of the real estate market, the number of new projects decreased while competitors increased, many other construction companies even accepted negative profits to keep market share and maintain cash flow, dragging the profit margin of the industry down. Therefore, to ensure profits for the Company and its shareholders, the BOM has determined that cost control is the priority. Many measures to improve the performance of construction sites have been applied and achieved important results. Gross profit margin in 2020 reached 5.9%, up 34% compared to 4.4% of 2019. Additionally, the control of G&A expense will also be strengthened through investment in information management systems, data analysis, control processes to optimize Company's financial performance. The decline in PAT margin comes from the additional provision for bad debts which aims to improve the Company's transparency.



ASSETS STRUCTURE



Coteccons is not only a leader in the construction industry, but also a construction company with a sustainable balance sheet with abundant cash. As of December 31st, 2020, cash and short-term investments (term deposits, corporate bonds) amounted to VND3,376 billion, equivalent to 23.9% of total assets. In addition, short-term assets continued to account for a large proportion in the structure of total assets with 91% or VND12,868 billion. This asset structure is a solid foundation for the Company to participate in many large-


scale projects, actively invest in construction equipment and increase customers' confidence in financial capacity of Coteccons.

Managing and using assets effectively is always one of the top responsibilities of the BOM of every company. Assets and inventory count is an indispensable and challenging task of an enterprise, especially the construction industry with many complex and diverse properties of assets. For a large-scale enterprise like Coteccons, this work is even


more difficult, the enterprise has to make the stocktaking of all assets, particularly construction machinery, scaffolding, gang form, shaped steel, steel box, ring lock... on construction sites in progress, in locations with many blind spots or in specialized tanks... The work requires enterprises to mobilize large human resources, material resources, along with the highly meticulous staffing, the organization and comprehensive coordination among the relevant departments, the count team and the construction sites. And that is also the reason why the previous financial and accounting system assigned the stocktaking to the construction sites, warehouses to self-organize the count and the equipment department to be responsible for the physical management. Accountants stand isolated in

the control of constructional assets, only to perform the bookkeeping and depreciation in accordance with VAS.


The value of machinery, equipment and construction tools of Coteccons accounts for 7% of the total assets and the cost of using them accounts for 5% of the project's revenue (depending on the scale and difficulty of the project). With the view of strict control and building of data to analyze the efficiency of asset use, the new financial and accounting system of the Company organized a detailed count of all machinery, equipment and tools for the first time throughout Coteccons and Unicons sites including Company-owned and outsourced assets.



40
PROJECTS
FROM THE NORTH TO
THE SOUTH



300
MEMBERS
PARTICIPATED IN THE
STOCKTAKING



20
DAYS
TIME OF THE COUNT

The inventory results reflected in the financial statements are very valuable "beginning balance" data of the Finance & Accounting Department, recording the first effort in controlling assets and efficiency in using assets of Coteccons. This is a premise for the management data system of the Equipment Department and the Finance & Accounting Department, narrowing the gaps in management and financial information, enhancing transparency in the management and use of Company's assets.

Receivables

Receivables mainly come from contracts that are under construction or awaiting final settlement. For the finalized works, most of them are the cash withheld for warranty. Short-term receivables reached VND7,648 billion, down by 13%, equivalent to VND1,149 billion compared to December 31st, 2019. This came from the accelerated collection of debt from developers at the end of the year.

In addition, collection of bad debts is being strongly concentrated and there are drastic solutions from the BOM, Finance & Accounting Department and the Legal Board of the Company. For construction enterprises, slow debt collection and reduction of construction contract value are unavoidable risks, especially projects in the handover and finalization phases. The initial appraisal of the "financial health" of the developers and the organization of construction documents are the measures that Coteccons is taking to minimize these risks. However, during the construction process, it is necessary to regularly re-evaluate receivables and work in progress through a data recording system and professional process along

with objective criteria to reflect reasonably the potential risks of asset indicators on the balance sheet, enhancing the transparency of Coteccons' financial statements. This was the priority target in the first 6 months of taking over the financial system of the new BOM. Previously, the Company did not have clear policies in controlling debts, so many overdue receivables were not allowed to make provisions. In 2020, the Finance & Accounting Department carried out a comprehensive review, all of these receivables were assessed for risks and set up full provisions in accordance with regulations. Along with the participation in reviewing the records of the new team of the Legal Board and the Finance & Accounting Department, the BOM have carefully evaluated the receivables of the construction sites with negative cash flows, long-overdue debts, clients who are seriously affected by the macro economy (Covid, recession, etc.) to set up the provision for bad debts of nearly VND280 billions of 19 projects, together with the provision for decrease in construction value of unfinished 9 other projects.

Provisions for doubtful short-term receivables

	31/12/2019 (VND billion)	Increase in 2020 (VND billion)	31/12/2020 (VND billion)
Provision - Short-term accounts receivable	188.47	270.53	459.00
Provision - Other short-term assets	26.04	9.41	35.45
Total	214.51	279.94	494.45

Investments and capital contributions to associates and other entities

Coteccons and Covestcons have implemented many investments through capital contribution, in-principle agreement. In which, many projects have been incurred since 2017, especially there are investments arising from 2007 that have made 100% provision. These projects are mostly related to real estate projects and there has been almost no progress since the time of deposit or capital contribution. In 2020, the company has conducted meetings with all shareholders and partners in the company's portfolio, as well as reviewed and analyzed the potential of these items and carried out different solutions including focusing on recovering and discontinuing ineffective investments, investments with delays in implementation, setting up related provisions, or continuing to monitor and develop an appropriate development investment strategy.



As of December 31st, 2020, the Company still did not incur any bank loans. However, in order to optimize the cash flow and create the best efficiency for both operations and investment, Coteccons is and will cooperate with a number of reputable financial institutions in the coming time.

Owners' equity

Compared to 2019, owners' equity decreased by 0.8%, equivalent to VND 71 billion due to the main factors from:

Increase of VND 334.5 billion from the profit in 2019,

Decrease of VND 76.1 billion from purchasing the Company's shares as treasury shares,

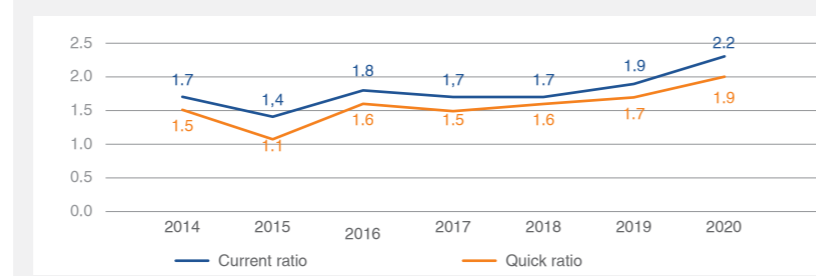
Decrease of VND 51.5 billion from distributing to bonus and welfare fund,

Decrease of VND 228.9 billion from dividend payments to shareholders.

Liabilities structure

Corresponding to the 2020 revenue, liabilities reduced by VND1,971 billion, equivalent to 25% compared to 2019. This proves that the Company always prioritizes the interests of suppliers and subcontractors who join in the value chain of Coteccons. Although the clients' finances may face difficulties, the payment to Coteccons' partners are always concerned and prioritized. Maintaining prestige, fair and transparent behavior is the key to mobilizing construction workforces when Coteccons implements large-scale projects with urgent progress. The Company's payment ratios for the year all increased compared to 2019; in particular: the current ratio increased from 1.9 times in 2019 to 2.2 times in 2020 and the quick ratio also increased from 1.7 times in 2019 to 1.9 times in 2020. It can be seen that Coteccons is still a highly effective company in controlling receivables compared to the benchmark.

Liquidity ratios



DIRECTION FOR BUSINESS OPERATION IN 2021

Expecting the difficulties of the construction and real estate industry will continue in 2021, especially with the new developments of the Covid-19 pandemic, the new BOM, with support from the BOD and other Senior advisors will need to pay special attention, to consider the market, to assess risks and to set out directions to win contracts. Aiming to improve and fulfill the targets as set out by the BOD in 2021, the BOM focuses on implementing solutions in the management and operation of the Company as follows:



STRATEGY

- 1 Continue to stabilize the human resources, perfect the system to be ready for a new business development strategy in the next 5 years. Promote and expand the operation of the Business Development Department; diversify products, services, new customer segments and new business fields: Finance & Build, renewable energy, infrastructure... to generate more revenue, profit and minimize the impact of the real estate market cycle.
- 2 Set up the financial strategy, use borrowings effectively, develop financial products to optimize cash, invest in profitable financial instruments with the main goal of improving ROE ratio. Expand cooperation with financial institutions, other business units to expand network relationships and potential investment opportunities.
- 3 Implement PR and Marketing strategies to improve the image and reputation of the Company comprehensively in both internal and external communication aspects.

HUMAN RESOURCE

- 1 Improve the culture and information exchange system in the Company. Build and maintain the culture of the Coteccons people, aiming to the vision, mission and core values to unite people, gather the common strength to act together to have new achievements in the future.
- 2 Apply a KPI system with specific, relevant and reliable indicators for each division, department, construction site and each individual. The objectives will be reviewed/evaluated periodically and objectively from top to bottom and vice versa. The completion of the action plans of each individual and department will be the key to create a premise to achieve the overall goals of the Company.
- 3 Ensure that each person in the Company has a clear and relevant development roadmap. Build a system of suitable benefits and remuneration for each employee in the short and long-term. Accordingly, employees can work with peace of mind and contribute to the overall development and success of the Company.

OPERATION

- 1 At the same time, we continue to take safety and quality as the core elements to affirm Coteccons' reputation as the leading construction company in the country. The Technical Division and the R&D Board have applied technical innovation measures to construction and equipment, including improvement of construction materials, building methods, design of new products... to save construction time, improve quality or reduce product costs.
- 2 Research and aim to apply ERP system to figure out comprehensive management technology solutions for enterprises, ensure consistent and transparent data, reduce the workload of direct processing tasks, enhance transparency, minimize adjustment and data loss.

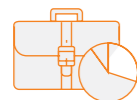
SUBSIDIARIES AND ASSOCIATES

As of December 31st, 2020, Coteccons has 2 direct subsidiaries, 1 indirect subsidiary and 3 associates.

<p>1. Covestcons Co., Ltd. ("Covestcons")</p> <p>Ownership ratio Charter Capital 100% 1,872 (VND billion)</p> <p>Headquarter: 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC, Vietnam</p> <p>Business line: Real estate consultancy and real estate business</p>	<p>2. Unicons Investment Construction Co., Ltd. ("Unicons")</p> <p>Ownership ratio Charter Capital 100% 94.5 (VND billion)</p> <p>Headquarter: 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC, Vietnam</p> <p>Business line: Construction and equipment installation services</p>	<p>3. Phu Nhuan 168 JSC. ("Phu Nhuan 168")</p> <p>Ownership ratio Charter Capital 69.98% 180 (VND billion)</p> <p>Headquarter: 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC, Vietnam</p> <p>Business line: Real estate business, owned, used and leased land use right business</p>
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<p>4. FCC Infrastructure Investment JSC. ("FCC")</p> <p>Ownership ratio Charter Capital 42.36% 280 (VND billion)</p> <p>Headquarter: 2nd Floor, CEO Tower, HH2-1 Lot, Me Tri Ha Urban area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi, Vietnam</p> <p>Business line: Civil and industrial project construction</p>	<p>5. Quang Trong Commercial JSC. ("Quang Trong")</p> <p>Ownership ratio Charter Capital 36% 100 (VND billion)</p> <p>Headquarter: 427/9 Nguyen An Ninh Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam</p> <p>Business line: Real estate business and project management services</p>	<p>6. Hiteccons Investment JSC. ("Hiteccons")</p> <p>Ownership ratio Charter Capital 31% 300 (VND billion)</p> <p>Headquarter: Hoa Lac Hi-Tech Park, Km 29, Thang Long Boulevard, Thach Hoa Commune, Thach That District, Hanoi</p> <p>Business line: Real estate business and construction</p>
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UNICONS INVESTMENT CONSTRUCTION COMPANY LIMITED



Revenue of 2020:
(VND billion)

5,541

Profit of 2020
(VND billion)

141

Total assets of 2020
(VND billion)

3,331

Owners' equity of 2020
(VND billion)

1,684

A leading industrial construction company who has delivered some of the largest industrial complexes in Vietnam.

Unicons was established in 2006 as a joint stock company, with a current total asset of VND3,331 billion. In 2016, after a continual increase of ownership ratio, Coteccons officially acquired 100% of Unicons' authorized capital.

The company's strength is their team of talented professionals who are innovative and dynamic in their approach to ensuring the successful delivery of industrial projects across Vietnam.

Unicons has confirmed its position in the market by remaining in the top largest private construction companies in Vietnam with an average annual growth rate of over 20%. Unicons has continued to grow and now is regarded as the contractor of choice when it comes to industrial projects. They continue to deliver outstanding support to their local and international clients through project management, innovation, value engineering and unbeatable access to construction resources.

Unicons highly experienced in obtaining LEED and Green Building manages to deliver LEED-certified projects and Green standards valued customers.

Ownership ratio | Charter Capital
100% | **94.5 (VND billion)**

COVESTCONS COMPANY LIMITED



Financial income of 2020
(VND billion)

109

Profit of 2020
(VND billion)

80

Total assets of 2020
(VND billion)

2,128

Owners' equity of 2020
(VND billion)

1,993

Ownership ratio | Charter Capital
100% | **1,872 (VND billion)**

Covestcons was officially established on March 31st, 2017 with the mission of providing support to our clients by delivering tailored investment and financing solutions, since it is a trusted partner of clients. Covestcons is also seeking investment in construction-related sectors, such as real estate consultancy and real estate business.

FCC INFRASTRUCTURE INVESTMENT JOINT STOCK COMPANY



FCC's main business field is to build infrastructure, civil and industrial works, road construction and public utility.

Ownership ratio | Charter Capital
42.36% | **280 (VND billion)**

From 2014, the FCC started to implement an investment project to build the National Highway 1 section which avoids Phu Ly City and reinforced road surface section Km215 + 775 7 Km235 + 885, Ha Nam province in the form of BOT contract worth more than USD86 million. The project has been conducted ahead of schedule, put into operation and started toll collection from November 2016. Although this is just a medium scale project, the capacity in infrastructure construction of Coteccons, in particular and that of the FCC, in general, has initially been built and confirmed. This project is a stable launch platform for Coteccons to participate in more and more infrastructure projects in the future.

Currently, FCC is proactively looking for researching and developing other critical infrastructure projects, contributing to promoting economic development changing the country's outlook as well as responding to the whole Group's sustainable development goals.

CONSTRUCTION ENGINEERING

Operation of Construction Engineering Department in 2020

Each construction or work project requires different qualifications and techniques. To ensure the adherence of the project's design, technical expertise and experience are the prerequisites in the contractor selection. Significant constraints caused by the Covid-19 pandemic and the intense competition of the industry entail the Construction Engineering Department to focus on strengthening the apparatus, improve systems and internal management procedures, conduct research and drive R&D innovations to improve competitiveness.



Install tole formwork for the basement foundation

Shorten calculating time

- Conduct research to improve method statement calculation.

Optimize design, reduce equipment costs, shorten construction progress while ensuring quality

- Supervise the construction of special components;
- Install tole formwork for the basement foundation;
- Conduct research on:
 - » Standardization of Gang-Form construction;
 - » Soil cement deep mixing (CDM) poles;
 - » Blueprint of supporting tunnels;
 - » Design of automatic floor reinforcement;
 - » Analysis of rounded pits;
 - » Ringlock lookup table to reduce the number of diagonal braces;
 - » Incidences at tower crane foundation.

Standardize construction

- Modify and supplement construction procedures on the Company's Portal system;
- Develop and issue 10 construction guidelines for the Site Management Board;
- Implement 6 technical themes.

Research construction techniques for renewable energy projects

- Conduct research and field survey on wind power projects to prepare method statements.

2021 Plans

- To design and well-control method statements to ensure safety, reasonable load-bearing capacity;
- Prevent quality defects in important structure;
- Support the Site Steering Board in warning quality issues when developers use inappropriate solutions.
- To conduct research and apply technology in method statement calculations.



Conduct acceptance test of special components

CONSTRUCTION QUALITY MANAGEMENT



Built on years of experience in managing Vietnam's largest construction projects, Coteccons has consistently maintained quality control and ensured high quality of the construction. The Company has proactively coordinated with clients and subcontractors to meet expectations of project's quality upon completion. With optimal quality management methods, Coteccons has brought not only completed products but premium properties.

Construction quality management activities in 2020

OBJECT	PLAN
<ul style="list-style-type: none"> • Renovate, improve the operating systems and streamline operational apparatus; • Reduce costs, satisfy customers' requirements on construction progress and quality in the best way; • Increase labor productivity; • Ensure construction quality and work safety; • Contribute to the Company's overall development. 	<ul style="list-style-type: none"> • Finalize the apparatus, organizational chart and operational regulations; • Update the instructions for construction; • Coordinate efforts to train human resources; • Improve the supervision and acceptance of the mock-ups and ensure the projects follow Coteccons quality standard; • Periodically evaluate suppliers; • Coordinate with the Site Management Board to conduct research and apply innovations.
ACTION	
<ul style="list-style-type: none"> • Finalize the organizational chart and operational regulations of the Departments; • Develop and issue the regulations on construction quality control; • Develop and issue 4 new construction guidelines; • Fully update and supplement measures and procedures on the Portal to shorten time and easily access to information; • Complete filming 5 Elearning movies, coordinate with the Coteccons Training Academy (CTA) to organize training sessions on watercolor painting, acotec and tiling for sub-contractors and construction teams and arrange 44 hours of training for on-site workforce; • Oversee construction quality of 7 mock-ups and 23 construction projects; 	<ul style="list-style-type: none"> • Coordinate to implement and communicate 6 technical topics within the Company; • Evaluate 16 suppliers and update the list of qualified suppliers on the Coteccons system; • Exchange technology and technical insights with experienced suppliers and contractors; • Contribute opinions to the 2 draft Laws and Decrees; • Participate in the National Construction Worker Championship in 2020: Coteccons team achieved high results with 7 Golden Hand Prizes and 8 Excellent Worker Prizes. These results once again confirmed the Company's prestige; • Continue R&D projects to improve efficiency and profitability.

2021 Plans

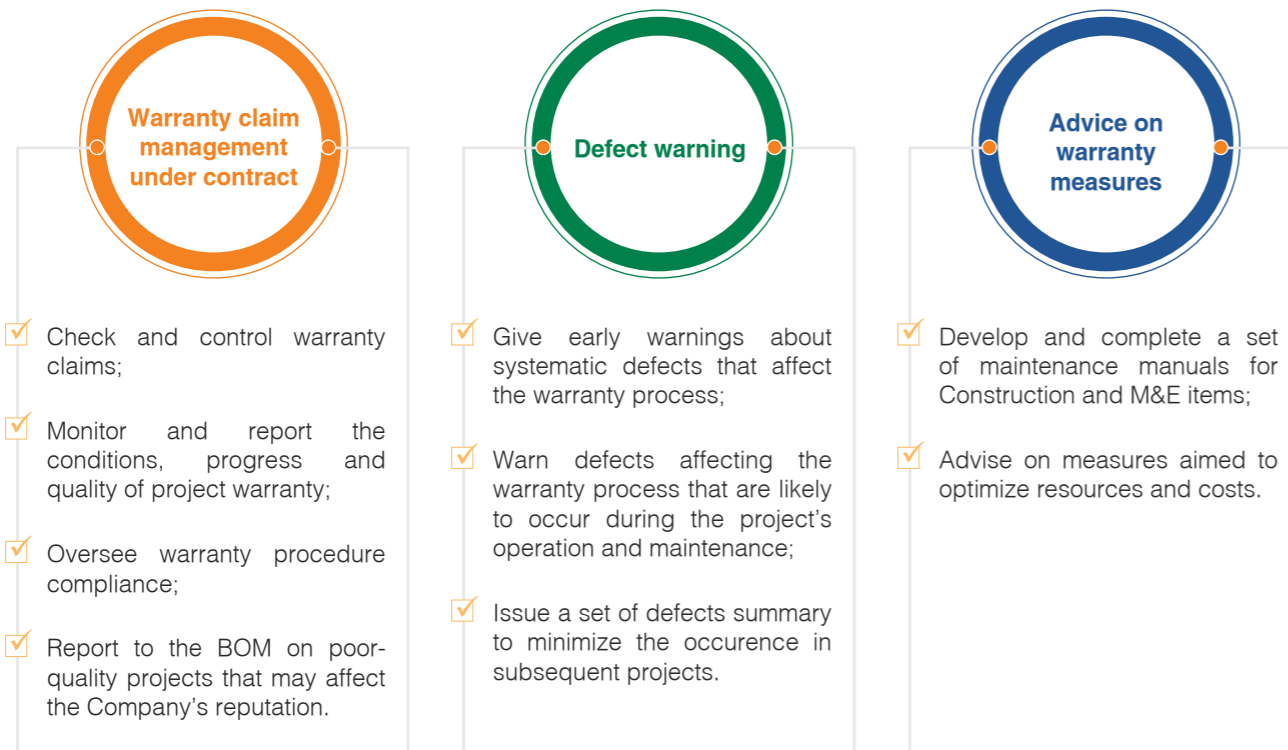
Costs:	Quality:	Products:
<ul style="list-style-type: none"> • To keep operating costs below the budget; • To keep defect costs below 0.5% of the contract value; • To conduct research and drive innovation to save costs of more than VND3 billion. 	<ul style="list-style-type: none"> • 100% of mock-ups are directly supervised; • 100% of projects' quality is examined periodically; • No complaint about the mock-up quality from investors. 	<ul style="list-style-type: none"> • To complete research and apply 3 innovative topics.

WARRANTY MANAGEMENT

Coteccons is proud to be one of a few contractors having a professional Warranty Management Department, performing properly warranty service and project maintenance post-handover. Adhering to the “Customer-centric” principle, the Company always strives to bring clients the highest satisfaction, increase Coteccons brand reputation and build customer loyalty.



Main functions and duties of Warranty Management Department



Achievements in 2020

<p>Projects were under warranty</p> <p style="font-size: 2em; font-weight: bold; text-align: center;">42</p> <p>in details:</p> <p>In the North: 23 projects in total, including 23 Construction items and 12 M&E items</p> <p>In the South: 17 projects in total, including 17 Construction items and 13 M&E items</p> <p>In the Central region: 2 projects in total, including 2 Construction items and 2 M&E items</p>	<p>In 100% of the projects, Coteccons has coordinated with the Building Management Boards to instruct residents how to use the equipment to ensure longevity and efficiency</p> <p>13 projects received defect warnings. In these cases, Coteccons developed precautionary measures to manage potential risks after handover</p> <p>03 innovative themes have been implemented, saving more than VND937 million and reducing execution time</p>	<p>In 14 projects, Coteccons assisted the Building Management Boards in warranty and maintenance to ensure project quality during operation</p> <p>Decreased 23% of total defects were reduced compared to 2019</p> <p>The average cost for a project was reduced to below < 0.3% of the contract value lower than that of 2019</p> <p>01 E-learning movie: Instruct to handle permeation defects during the warranty period</p>
<p>Develop and complete of a set of maintenance manuals for the Building Management Boards and the investors</p>		

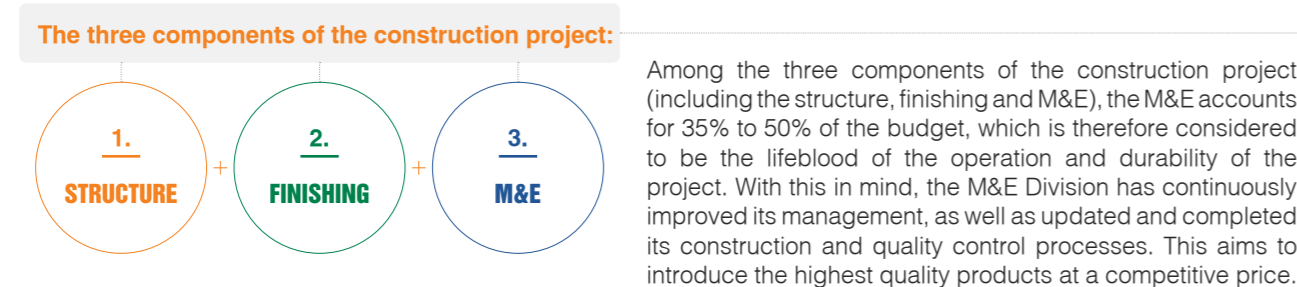
2021 Plans

In pursuit of quality assurance and efficiency, the Warranty Management Department sets up the following objectives:

- Properly oversee 100% projects and give warnings on building defects such as: cracking, permeation, blockage, leakage, etc.;
- Manage and locate warranty information at 52 projects;
- Keep warranty costs below 0.3% of the contract value;
- Provide 3 months of warranty closing period after the end of the warranty period as specified in the contract;
- Provide technical support and instructions for building maintenance to the Building Management Boards and the developers.



The M&E Division is in charge of Technical Design Consulting and M&E Construction - an indispensable part of the project implementation.



Operation of the M&E Division in 2020

Facing market volatility and Company's common difficulties, the M&E Division has made numerous adjustments to the management upgrade. This provides solutions throughout the implementation of the projects, helping the Company, as well as its clients and partners, to optimize techniques and costs.

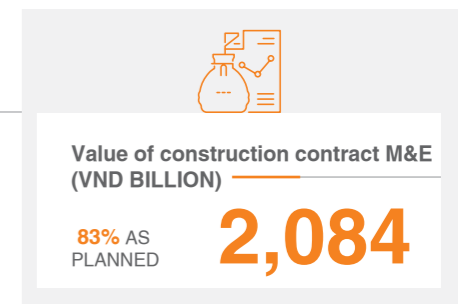
In 2020, with the successful completion of the assigned projects, the M&E Division again confirmed its brand value and its compliance with **Safety - Quality - Timeliness**. In particular:

- Advise on design solutions and equipment**
 - Optimize the system to save investment costs;
 - Early ensure stable operation of the system from the bidding stage.
- Control the project quality from the beginning to end**
 - Supervise construction quality to minimize risks, incidents and faults during the M&E construction;
 - Save construction costs by precisely execute from the beginning.
- Complete the management system and standardize the construction process and standards, the material arrangement and management, as well as the centralized processing**
 - Control product quality, from the sources and from the first steps of the project;
 - Ensure the system fulfills the acceptance tests by authorities before handover and operation;
 - Shorten construction time and save costs;
 - Enhance reputation and professionalism.

- Coordinate construction and the BIM model**
 - Resolve collisions and ensure proper arrangement of systems
 - Strengthen the coordination in construction in order to ensure consistency and improve product quality in projects that Coteccons acts as the general contractor. Typical projects include Landmark 81, Nam Hoi An Casino, D'capitale, Viettel Head Office, etc.
- Conduct Testing and Commissioning (T&C) and provide after-sales service**
 - Monitor the stable operation of the system
 - Gain experience
 - Increase customer satisfaction
- Meet with suppliers and design service providers to propose improvement measures**
 - Discuss technology solutions, understand the current trends for practice application
 - Apply innovative measures to shorten construction progress and save costs

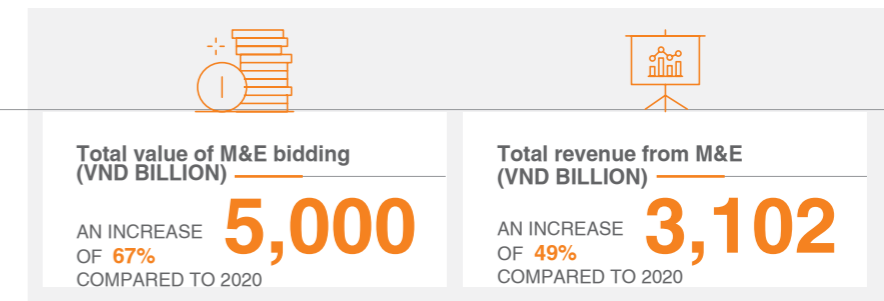
Achievements in 2020

Despite market challenges, the M&E Division made tireless efforts to perform construction contract amounting to VND2,084 billion (83% as planned), helping to increase the Company's overall consolidated revenue.

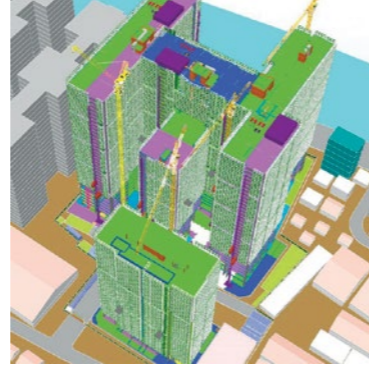


2021 Plans

In order to achieve these goals, the M&E Division has set out specific operation plans for 2021:



Task	Operation plan
Improvement of project quality control	<ul style="list-style-type: none"> To deliver quality projects with the highest level of safety; To calculate, inspect, install and operate the systems stably to prevent unexpected incidents, ensure human safety and offer trust and peace of mind to customers.
Expansion to potential areas	<ul style="list-style-type: none"> To expand to the renewable energy field, including solar and wind power, as a general contractor; To make use of the advantages in factory construction, expand cooperation in industrial zone investment.
Completion of the M&E operation model	<ul style="list-style-type: none"> To establish a model with full functions of a small M&E company: Tendering, Cost-Contract Management (CCM), Technology, BIM/Shop, Quality Control, T&C, After-sales service, Site Steering Board, etc. to ensure the best coordination, consistency and quality of products.
Reasonable appointment of employees and succession planning	<ul style="list-style-type: none"> To optimize human capital and save costs; To provide training to important positions including Head of Tendering Department, M&E Chief /Deputy Chief, M&E Investment Manager, M&E Investment Specialist.



DESIGN AND BUILDING INFORMATION MODELING

Technology plays an important role in innovation in the modern economy, helping enterprises to increase competitiveness. In the field of construction, a number of new technologies have been developed and applied to design, construction and management processes. One of the highlights of this is BIM. Coteccons led the pack in adopting BIM in construction. As a result, the building information is digitized into a 3D model and benefits project participants: investors, designers, contractors and operators.

BIM application in the projects

Coordinate with Structural - Technical and M&E Departments to reduce design faults and clarify Requests For Information (RFI) in projects.



Simulate 3D for intricate details.

Control structural - estimated volume right from the stage of building model for design.



Apply new technologies such as VR (Virtual Reality) and AR (Augmented Reality) in complicated projects.

2021 Plans

In line with 2020 global trends and the Vietnam BIM Steering Committee's vision, BIM Board of Coteccons shall drive focus to BIM application in order to improve data management and promote the application of AR/VR technologies, Models on Cloud and Digital Twins technology.

Specifically:

- To embrace data sharing in clouds to improve communication among project participants and shorten the gap between construction sites and offices.
- To develop internal solutions to manage data from the model in accordance with the centralized digital data management.
- To apply Quality Check model and information quality are the prerequisites for successful BIM application.
- To concentrate on 4D progress management solutions for gradual application of BIM and LEAN into construction management.
- To handover Digital Twins to the investors and operators.
- To collaborate with institutes and universities to fund BIM innovation in project management.

4

SUSTAINABLE

Development Report

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Believe



SUSTAINABLE DEVELOPMENT COMMITMENT

Facing the double crisis posed by external threats and internal challenges in 2020, as a leader in the construction sector, Coteccons weathered the storm and conducted a radical restructuring. We have upheld our business principles and implemented projects of the highest quality. **Safety - Quality - Timeliness is our approach.**



The sustainable development strategy of Coteccons is characterized by a balance of growth among economic, society and environment for long-term prosperity. Over the years, the Company has managed to deliver projects at LEED Gold standard, employ state-of-the-art technology and use environmentally friendly building materials such as Acotec wall panels, aggregate concrete blocks, lightweight blocks (AAC), etc. With "Go beyond" desire, the BOD outlined the next step: In a fast-changing business environment, we are obliged to work closely to promote professionalism, innovation and efficiency. This aims to maintain the No.1 position of Coteccons, to keep Coteccons' brand name at the national and regional levels and to ensure the best interests of shareholders, employees, clients, society and the government.

STAKEHOLDERS ENGAGEMENT

Every decision taken by the stakeholders has certain implications on the Company's long-term performance. As a result, trust building and stakeholders engagement always play a critical role in the Company's development strategies, particularly in this restructuring period. The BOD and the BOM are taking proactive approaches to engage stakeholders and to find effective solutions addressing their concerns about CG, economic efficiency, environmental protection and social responsibility.

Scope of the Report

The report is compiled in Vietnam and included in the category of construction industry. The report covers business activities conducted by Coteccons Construction JSC. and its subsidiaries.

Reporting period: January 1st, 2020 to December 31st, 2020.

The financial data stated in this report are excerpted from the 2020 Consolidated Financial Statements audited by E&Y Limited Company. The report is available online at the website www.coteccons.vn.

Contact Information

Any inquiry concerning Sustainable Development, please do not hesitate to contact us:

COTECCONS PUBLIC RELATION DEPARTMENT

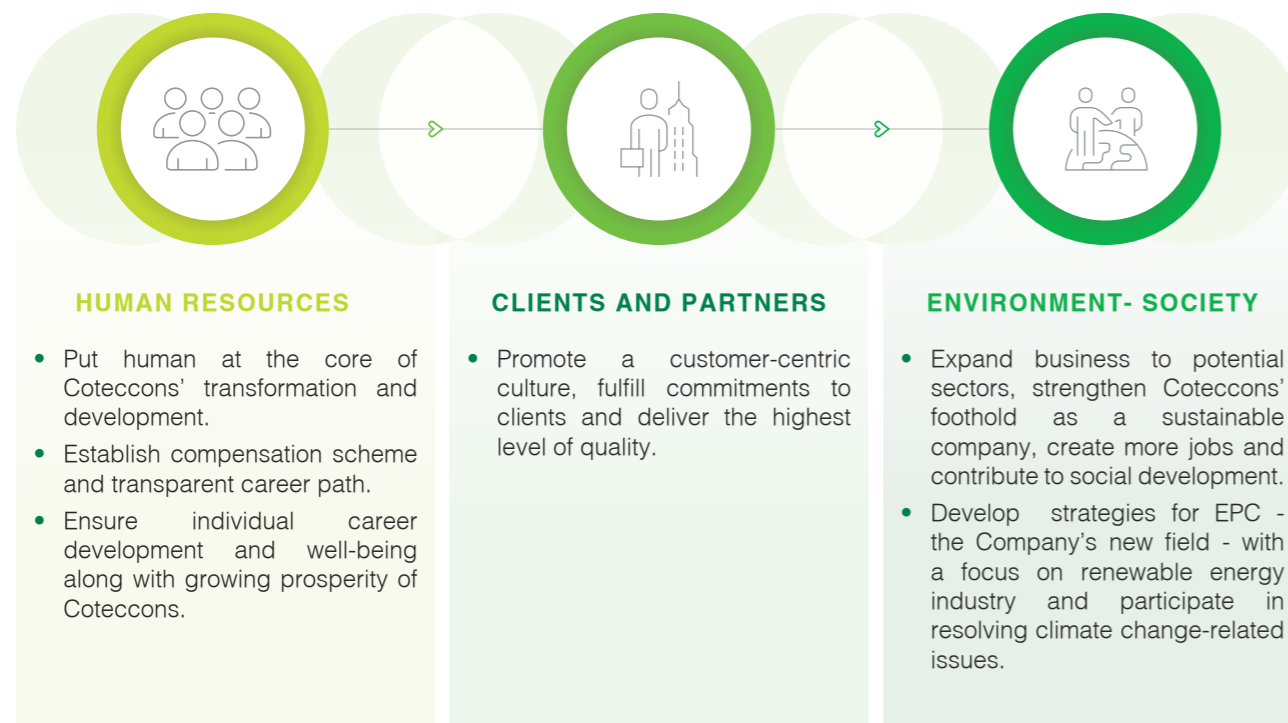
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Tel: (84-28) 3514 22 55
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To achieve these objectives, the Company's strategy for the next 5-10 years covers the following:

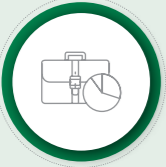





Coteccons is driving a transformation journey, drawing on its years of experience and rich heritage. Following suit, all its members are committed to achieving these ambitious goals with their hearts and minds.

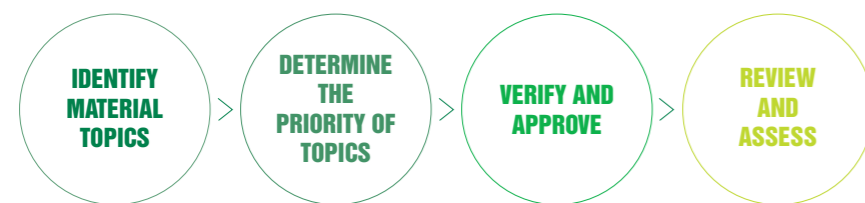
Harmony in needs and interests - Stakeholder engagement

Stakeholder	Mode of communication	Concern	Coteccons' achievements in fulfilling stakeholders' expectations
 EMPLOYEES	<ul style="list-style-type: none"> Annual surveys on the working environment, salary, welfare and remuneration policy Annual employee conferences Review conferences Training programs Internal communication Direct meetings, grievance mechanism and mutual consultation 	<ul style="list-style-type: none"> Job stability, professional working environment, equal treatment, occupational health and safety Adequate salary, welfare and remuneration policy, appropriate working conditions Recognition of achievements/contributions Career promotion roadmap and succession planning Training programs for knowledge broadening and skill improving 	<ul style="list-style-type: none"> Vietnam's best working environment in the construction industry Developing competitive salary, welfare and remuneration package that are at or above market Considering rewarding and fair HR policy and career path 14,698 training hours in 2020 Organizing sports events and health promotion activities for employees Disclosing information on the repurchase of shares as a source for ESOP issuance Developing a succession plan
 DEVELOPERS	<ul style="list-style-type: none"> Via meetings, phone calls and emails Seminars and conferences regarding construction technical consultancy Workshops on safety at construction site Website, social media, forum, etc. Market research 	<ul style="list-style-type: none"> Quality Brand name and prestige Progress of construction projects Occupational health and safety Construction cost Construction techniques On-site workforce 	<ul style="list-style-type: none"> 100% projects are supervised Certificate of Construction Activity Capability Management system built and operated under latest international standards such as ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 Impressive capacity in construction equipment Equipment imported from Europe and neighboring developed countries Fulfilling commitments to clients and deliver the highest level of project quality
 END USERS	<ul style="list-style-type: none"> Via meetings, phone calls and emails after handover Website, social media, forum, etc. Market research 	<ul style="list-style-type: none"> Project quality for end users Practical safety and effectiveness 	<ul style="list-style-type: none"> Fulfilling commitments to clients and deliver the highest level of project quality
 PARTNERS (SUPPLIERS, SUB-CONTRACTORS, CONSTRUCTION TEAMS)	<ul style="list-style-type: none"> Via meetings and discussions Annual conferences and seminars for subcontractors, suppliers and construction teams External communication via website, email, phone, etc. 	<ul style="list-style-type: none"> Selection and evaluation of subcontractors, suppliers and construction teams Support and development policy for on-site workforce who accompany with Coteccons Payment process for subcontractors, suppliers and construction teams Job stability for partners Transparency and equity Cooperation for mutual development 	<ul style="list-style-type: none"> New signed contracts in 2020: VND11,000 billion Working with more than 3,500 subcontractors, suppliers and technical teams Making timely payments to subcontractors, suppliers and technical teams Meeting partners to find ways to improve work quality

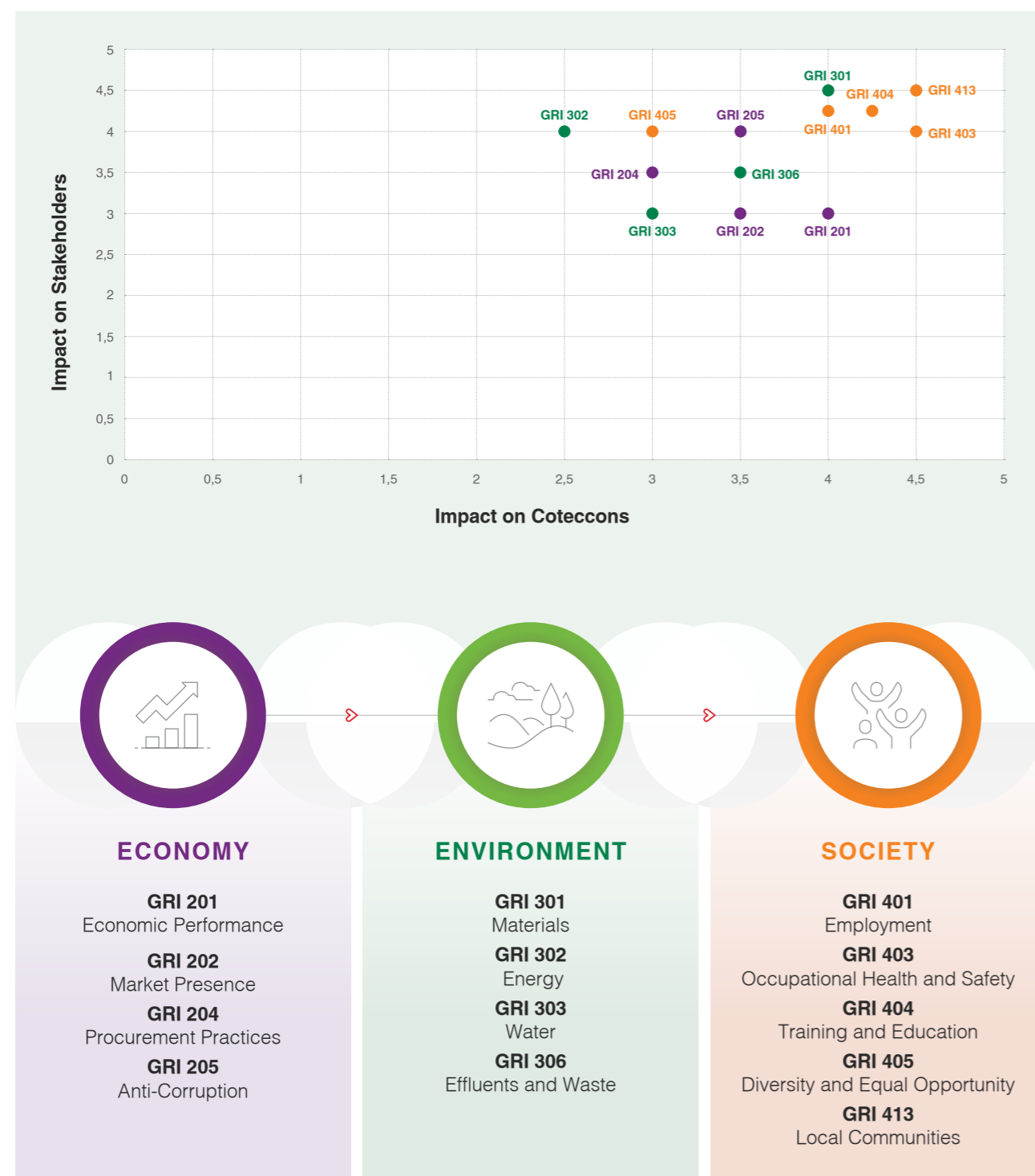
Harmony in needs and interests - Stakeholder engagement

Stakeholder	Mode of communication	Concern	Coteccons' achievements in fulfilling stakeholders' expectations
 <p>SHAREHOLDERS - INVESTORS</p>	<ul style="list-style-type: none"> AGM, collecting shareholders' written opinions Meetings and discussion Domestic and international roadshows to expand investor and professional analyst network, etc. IR channel: email, phone, website, social media, forum, etc. 	<ul style="list-style-type: none"> Corporate governance Governance and management capability of the Board Mid-term and long-term development strategies Stable and improved business performance Information disclosure and transparency Equal treatment of shareholders and protection of investor's rights Company's prospects Company's intrinsic value and share market price 	<ul style="list-style-type: none"> Complying with regulations on information disclosure Improving CG by adopting international best practices such as OECD, ASEAN Scorecard, IFC and the Vietnam CG Code of Best Practices for Public Companies Proactively seeking for opportunities to collaborate with strategic shareholders and investors Flexibly adjusting business strategies to maximize profits and ensure shareholders' interests 2019 cash dividend payout ratio of 30%
 <p>GOVERNMENT</p>	<ul style="list-style-type: none"> Updating, adopting new policies and regulations Working with local authorities in fire protection, environmental protection and construction safety Participating in seminars and conferences held by the Government authorities Participating in the legal documents drafting Effectively interacting with Government authorities 	<ul style="list-style-type: none"> Law-abiding Business responsibility Government budget contribution Advocating policies and activities initiated by the Government 	<ul style="list-style-type: none"> Complying with applicable laws and regulations during operation Ensuring safety on all construction sites Minimizing negative impacts on the environment Fulfilling tax obligations Member of Vietnam Association of Construction Contractors, BIM Board, etc.
 <p>COMMUNITY</p>	<ul style="list-style-type: none"> Working with local authorities in community activities Promote bilateral communication via events Charity activities at local communities Cooperation programs with universities 	<ul style="list-style-type: none"> Business responsibility and local economic development Job creation and income improvement for local household. Job opportunities for undergraduates and young talents Local infrastructure development Practices to minimize negative impacts of construction on communities 	<ul style="list-style-type: none"> Over 400 nation-wide projects Creating jobs for 1,650 people Establishing "One Heart" fund Donating VND6.4 billion to charity Building and renovating 20 houses in Quang Tri Collaborating with universities including HCMC University of Technology, University of Architecture HCMC, National University of Civil Engineering No violations against the environment or social regulations
 <p>MEDIA</p>	<ul style="list-style-type: none"> Press releases Website and social media Seminars, conferences, forums on economy and construction 	<ul style="list-style-type: none"> Accurate and transparent information that fairly represents the Company's operation and development strategies. 	<ul style="list-style-type: none"> Disclosing transparent information on timely basis to the public Promptly tackling information crises and correcting disinformation about the Company

ASSESSMENT OF MATERIAL TOPICS



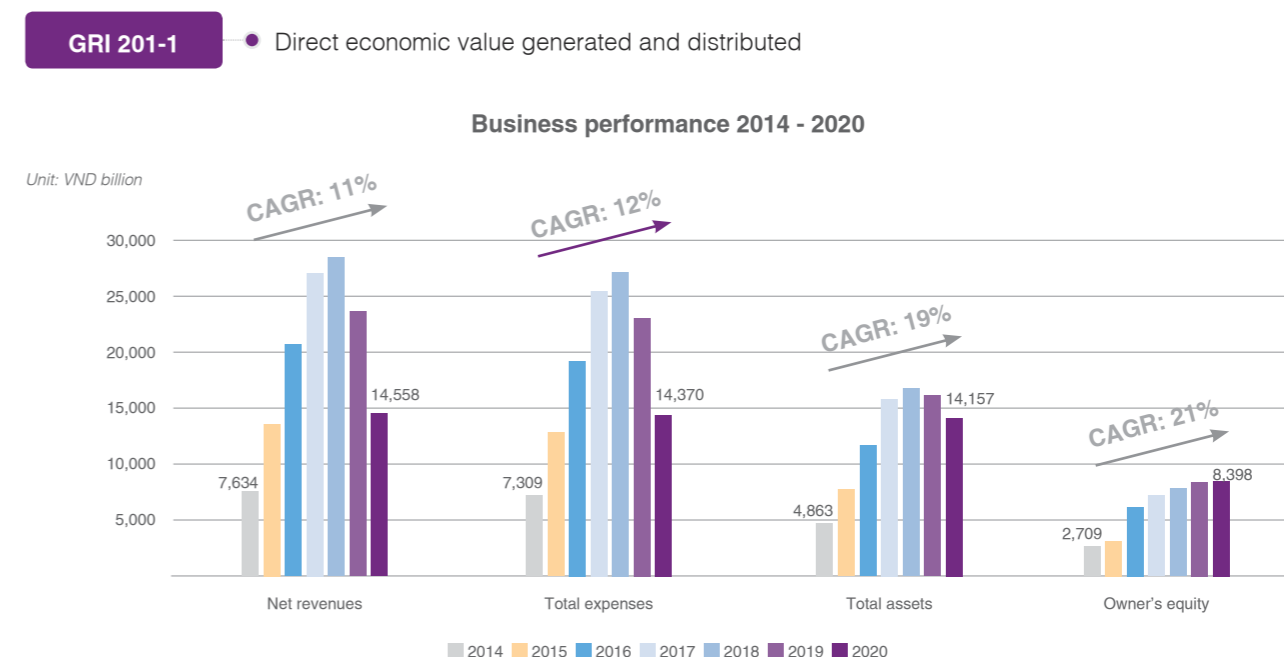
Based on the results of the assessment of two-dimensional key concerns between Coteccons and its stakeholders, the Board has identified a matrix of 13 key issues on 3 areas including Economy, Environment and Society.



ECONOMIC GROWTH PROMOTION

At Coteccons, sustainable economic development goals entail not only business performance, but also shared prosperity for everyone and long-term efficiency for all related parties. Sustainable economic growth is the fundamental foundation to expand the Company's footprint in almost every field. In order to achieve this goal, it requires practical contributions to the State budget and society; equal treatment for both shareholders and investors and protection of their rights; support to staff's livelihoods; provision of local employment opportunities and delivery of safe products to consumers.

ECONOMIC EFFICIENCY



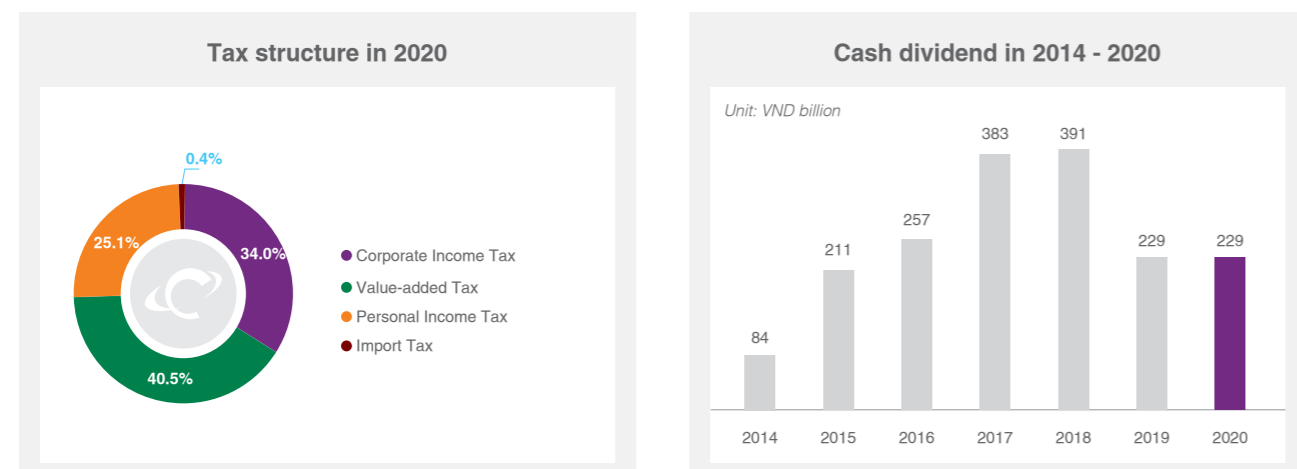
Between 2019-2020, Coteccons took a heavy hit on business activities due to unfavorable movement in the real estate market. The year 2020 marked a turning point as the Company implemented a comprehensive restructuring in terms of CG, operation and HR to achieve long-term and sustainable business performance. There were new projects commenced this year (such as Vinfast Auto Furniture Factory, Sun Grand City, Park Hyatt Phu Quoc, the Origami Vinhomes Grand Park, PiCity High Park tower C4-C5) and also projects handed over (such as Diamond Lotus Riverside, One Verandah, Capital Palace). At the end of the year, Coteccons reported VND14,558 billion of revenue and VND335 billion of PAT, amounting to 91% and 56% of the target respectively.

Although the numbers were down yoy, this is a fair and reasonable demonstration of the Company's effort considering the heavy impact of Covid-19 on the construction industry. In general, from 2014-2020, the Company recorded a 11% CAGR in revenue. The Company's business scale is still growing. At the end of 2020, the total assets and owner's equity reached VND14,157 billion and VND8,398 billion respectively, equal to 20% and 21% CAGR respectively for 2014 - 2020 period.

Restructuring requires massive spending. Total operating expenses in 2020 were VND14,370 billion, with cost of goods sold accounting for the most significant portion of 95% and 5% for administrative expenses, other costs were negligible. Effective cost management contributed to

increasing gross profit margin in 2020 to 5.9% compared to 4.4% in 2019. Administrative expenses recorded VND656 billion, increasing by 43% compared to 2019, mainly because the Company made provision for short-term doubtful debts. This practice aimed to enhance transparency of financial data and control over debt collection. The Legal Department, Finance & Accounting Department and debt collection team of the Company are working closely together to supervise and address these overdue receivables.

With full compliance with tax regulations since establishment, Coteccons has managed to fulfill its responsibility to the State and localities where it operates. The total tax and other payables to the State budget in 2020 was VND485 billion; in which the largest proportion is VAT (40.5%), followed by CIT (34%), Personal Income Tax (25.1%) and Import Tax (0.4%). Besides, the Company also ensures shareholder's rights through regular dividend payment. Cash dividend payout rate in 2020 was 30%, or nearly VND229 billion.



Source: 2020 Audited Financial Statements

MARKET PRESENCE

GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum salary

After more than 17 years in construction, Coteccons' projects can be found in most major provinces/cities, in both domestic and overseas market. The Company aims to provide job employment and upskilling programs to local workers, contributes to the nation's socio-eco development. With better-than-average remuneration, Company offers its employees an entry level wage which is higher than that found regionally. The ratio of employees' income to the regional minimum salary varies depending on positions and locations, however it remains higher than 177%. Average income per employee in 2020 was VND23.8 million/month, increase by 10% yoy. This helps increase motivation in the workplace, enhance employee's loyalty, promote productivity, increase business efficiency, make Coteccons stand out as a best place to work and enhance its market presence.

Region	Minimum wage	The ratio of income of Coteccons' staff to regional minimum wage		
		Unskilled labor	Employee	Specialist
Region I	4,420,000	177%	415%	724%
Region II	3,920,000	213%	480%	829%
Region III	3,430,000	257%	563%	961%
Region IV	3,070,000	299%	641%	1,086%

Source: Coteccons

In addition, Coteccons actively sponsors universities in terms of education and training, demonstrating its strong commitment to providing highly-skilled human resources. In 2020, the Company was affiliated with HCMC University of Technology, University of Architecture HCMC, University of Civil Engineering, etc. Coteccons focuses its sponsorship to training programs, industry seminars and scholarships for internships. This also helps Coteccons grow the talent pool of future engineers.

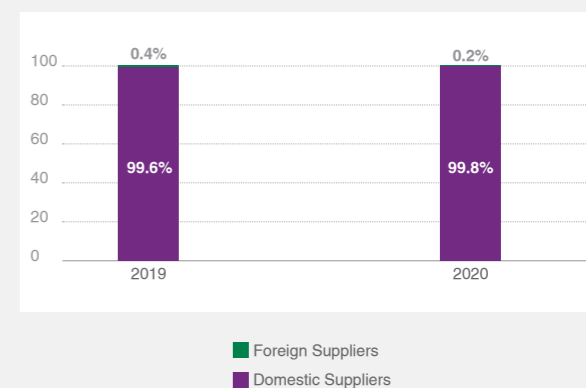
PROCUREMENT PRACTICES - ANTI-CORRUPTION

GRI 204-1 Proportion of spending on local suppliers

GRI 205-1 Operations assessed for risks related to corruption

Suppliers remain an important link in the supply chain and business activities, ensuring projects stay on schedule and contributing greatly to the success of the Company. Therefore, the policies are always built on "strategic partnerships" to ensure stable supplies, high quality products and competitive prices. The Company also diversifies suppliers and develops supply contingency plans to avoid relying on an exclusive supplier. The processes of supplier selection, procurement and bidding are also well-structured in order to promote centralized management, supply chain control, materials coordination and procurement cost optimization. In 2020, the total payment made to the suppliers was VND11,475 billion, with 99.8% from local suppliers and 0.2% from international suppliers.

Share of transactions with suppliers by location



Source: Coteccons

Commitments to the suppliers:

- ✓ Equal treatment, win-win cooperation, prevention against actual or potential conflicts of interest with suppliers;
- ✓ Compliance with regulations on contract bidding, negotiation and signing;
- ✓ Refuse to accept gifts or commissions from suppliers;
- ✓ Refuse to disclose confidential information of a supplier to its competitors.

Besides, the Company also pays attention to anti-corruption and anti-bribery. Its Labor regulations strictly prohibit embezzlement, fraud, abuse of position for personal gain and any action that hurts the Company's reputation and benefits. In order to uphold compliance, the IA Board should monitor, receive reports of violation and inspect acclaimed violations, propose measures to prevent risks of corruption. In terms of management, the Company also sets up a system to manage, monitor and disclose information about family of key management personnel and employees. This aims to control related party transactions, prevent fraud and conflicts of interest, act as a basis for transparency of economic activities.



ENVIRONMENTAL PROTECTION EFFORTS

Environmental pollution is one of the most urgent problems to be addressed. Rapid urbanization has resulted in a myriad of urban management issues, affecting quality of life and sustainable development objectives. As part of corporate social responsibility, Coteccons adopts ISO 14001:2015 to identify and address environmental issues in a comprehensive manner, proactive management to ensure compliance with legal requirements. Hazardous waste is properly managed, risk factors and losses caused by environmental incidents are effectively prevented.



MATERIALS

- GRI 301-1** • Used materials by weight or volume
- GRI 301-2** • Recycled materials

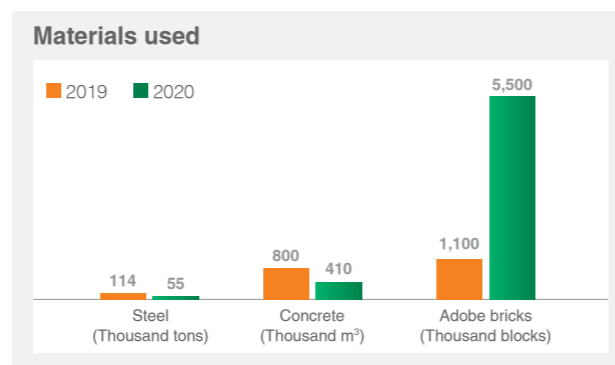
By the fact that conventional building materials are resource-intensive, emit harmful substances and require complex recycling processes, high-tech solutions and smart materials are key alternatives. The adoption of these energy-saving and environmentally friendly strategies is one of the trends in sustainability that attracts global attention and advocacy.

At Coteccons, the Technical Division and the Site Steering Board have thoroughly inspected all materials used in the project, starting with the suppliers' selection process, to ensure that all project requirements are met. Coteccons has developed a set of criteria for evaluating subcontractors and suppliers in order to find the highest quality suppliers and to deliver the best finished products to developers and clients.

In order to minimize environmental impacts, the Company has expanded its use of unburnt construction materials and



alternative materials for baked clay bricks such as Acotec wall panels, aggregate concrete blocks, AAC lightweight blocks, etc. Coteccons has also been coordinating with concrete suppliers to increase the proportion of fly ash (recycled materials) and to use concrete and mass concrete in most of its projects.



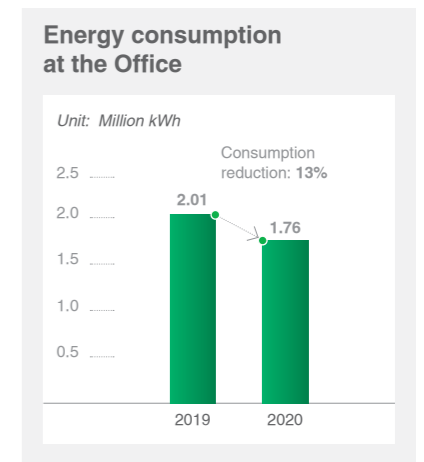
Source: Coteccons

ENERGY

- GRI 302-1** • Energy consumption within the organization
- GRI 302-4** • Reduction of energy consumption
- GRI 302-5** • Reduction in energy requirements of products and services

Given the nature of the construction industry, energy is mainly consumed during the usage of construction equipment, transportation and system operation. At Coteccons, business activities involve numerous subcontractors. However, within the scope of the energy section, only data on Office operations is disclosed in this report.

- Construction sites:**
 In order to optimize energy consumption, the Company developed detailed plans, ensured harmonized implementation among functions and controlled operating time of heavy machinery (such as tower cranes, hoists, etc.). The Company also imported modern machinery and equipment from Europe and Asian technologically-advanced countries, applied new technology to save energy and minimize material losses
- Warehouse system:**
 The Company located 3 warehouses with a total area of 41,600 m² in 3 regions to optimize logistic operations, save transportation time and reduce energy consumption (gasoline, oil)
- Offices:**
 At 2 offices in Ho Chi Minh City and Hanoi, the Company uses LED lights in place of fluorescent lamps, installs inverter air conditioners, increases exposure to natural light, applies scheduled switching and encourages employees to turn off electrical equipment not in use. Electricity consumption in 2020 of the offices decrease by 13%, recorded at 1.76mn kWh
- Project implementation:**
 The Company worked with developers to build projects at the LEED Gold standard including: Diamond Lotus, Friendship, Hoi An South Integrated Resort, etc. LEED is a green building rating system developed by the United States Green Building Council. LEED encourages construction practices that save energy and protect the living environment. Currently, there are only 165 projects located in Vietnam met LEED standard

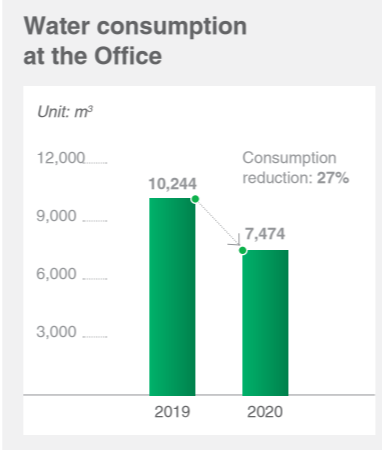


Source: Coteccons

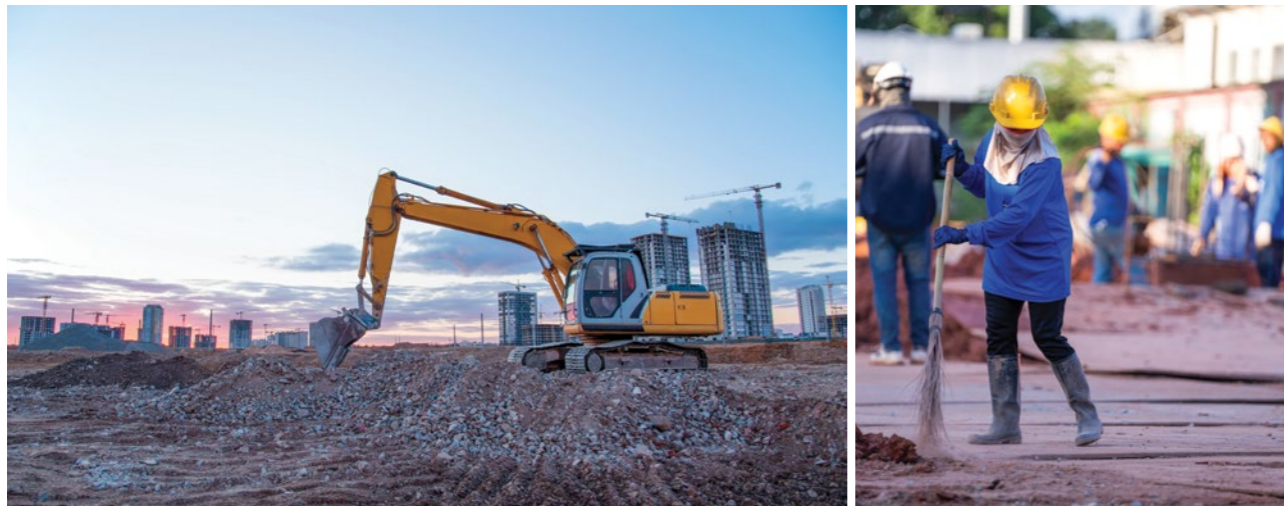
WATER, EFFLUENTS AND WASTE

- GRI 301-1** • Interactions with water as a shared resource
- GRI 306-1** • Water discharge by quality and destination
- GRI 306-2** • Waste by type and disposal method

During construction, Coteccons focused on saving domestic water, controlling water supply points and using natural water sources such as rainwater. In line with our concerns about water consumption at construction sites, water-saving solutions met LEED Gold standard have been adopted. Staff in HCMC and Hanoi offices were encouraged to apply water-saving practices and as a result, the Office's water consumption in 2020 was recorded at only 7,474 m³, decrease by 27% compared to that of 2019.

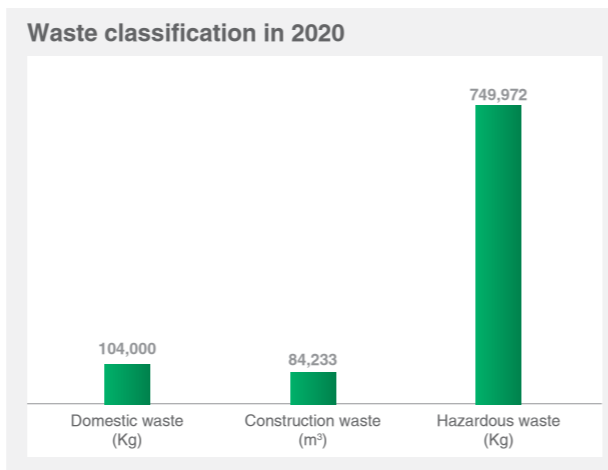


Source: Coteccons



At Coteccons, effluents and waste from construction activities were strictly monitored:

- Domestic wastewater, generated from the construction of concrete pile foundations and equipment maintenance, was treated in compliance with environmental regulations before discharging into the urban drainage system.
- Construction waste, particularly hazardous waste, was collected, sorted and disposed safely by qualified organizations. The practices followed environmental standards and helped minimize environmental impacts.



Source: Coteccons

In 2020, the Company was not imposed any environmental penalty by competent authority.

ENHANCING SOCIAL RESPONSIBILITY

The Covid-19 pandemic has disturbed the labor market worldwide. As of December 2020, Vietnam had 32.1 million people aged 15 and over negatively impacted by the pandemic. In which those with income decrease account for 69.2%, those with staggered working hours/ layoffs and rotating leave at 39.9% and those having to quit working or stop their economic activity at 14%.

Service was the worst-hit industry with 71.6% of workers affected by the pandemic, followed by construction sector with 64.7%. The proportion of affected workers in the agriculture, forestry and fishery sector was 26.4%.

At Coteccons, in addition to the general crisis from the pandemic and economic recession, major management-operation reforms also have a strong impact on the Company's HR management. Considering people at Coteccons are a core component in the development roadmap, adjustments were made to remuneration policies towards a higher level of transparency and fairness in order to keep employees motivated and attract talents.

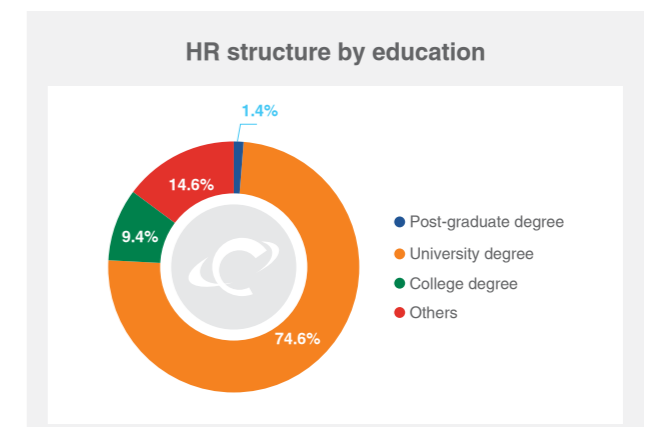
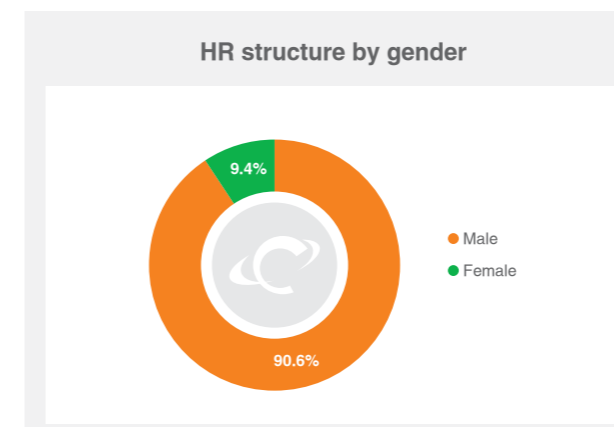
EMPLOYMENT



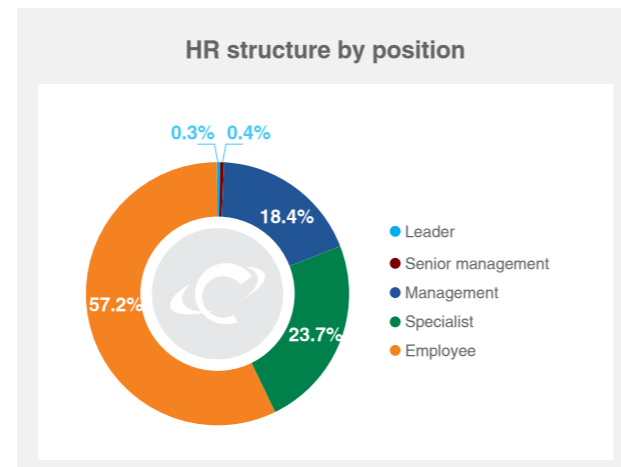
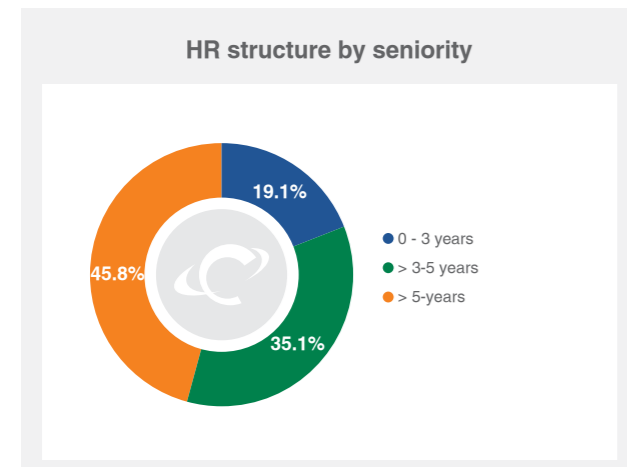
- GRI 401-1** • New hired employee and turnover rate
- GRI 401-2** • Benefits provided to full-time employees
- GRI 401-3** • Maternity leave

As of December 31st, 2020, the total number of employees at Coteccons was 1,659 people, a decrease of 27% from the start of the year - a common practice in the construction industry for the following reasons:

- ✓ Economic crisis and decrease in labor demand due to Covid-19;
- ✓ Disrupted licensing and approval process for real estate projects, resulting in reduced labor demand;
- ✓ Competition between construction companies;
- ✓ Demand for high quality HR, leading to reduced number of employees after performance evaluations;
- ✓ Startup trends in the younger generation.



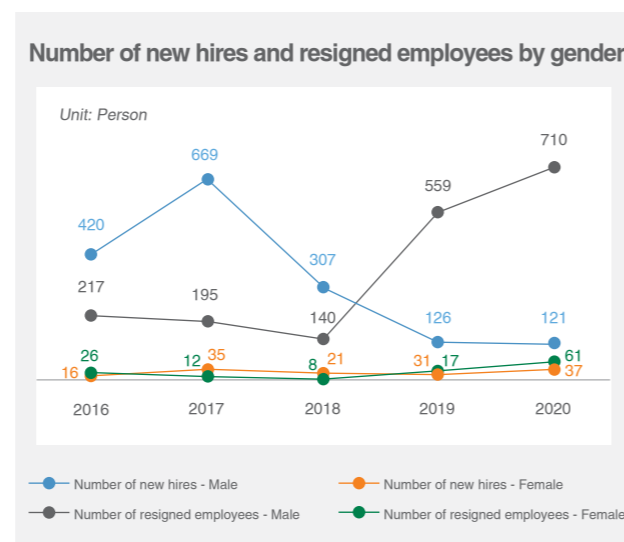
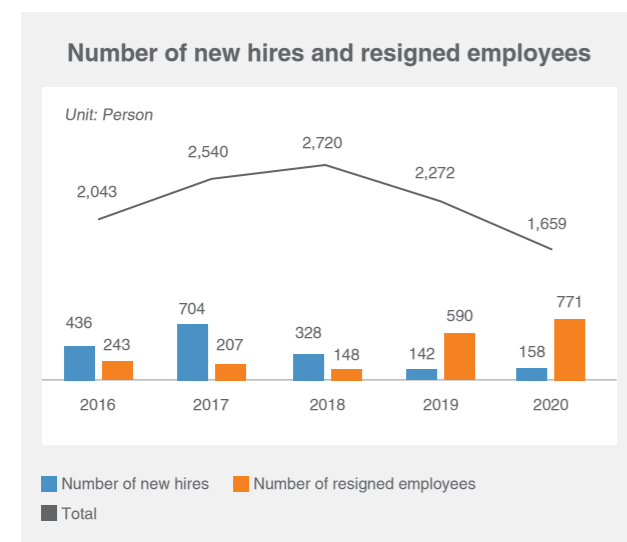
Source: Coteccons



Source: Coteccons

Due to the nature of the construction industry, there is a predominance of male employees at Coteccons. However, it was encouraging to witness that the proportion of female employees increase to 9.4% in 2020, up from 7.3% in 2019. The proportion of staff with university or higher degrees remained at a high level of 76%, confirming the quality of the Company's HR. With 80.9% employees having +3 years of working here, Coteccons takes pride in its high level of employee engagement and effectiveness of HR policy.

In order to optimize employees' performance and cost, the Company conducted an evaluation on the quality and workload of the employees. This aimed to screen underperformed employees and ensure a reasonable recruitment policy. In 2020, Coteccons recruited 158 new hires, equal to 9.5% of the total number of employees, mainly focusing on accounting, human resources, system, etc., from management level to executives.



Source: Coteccons

Coteccons is always concerned with both the physical and mental well-being of its employees. Despite significant changes in senior management and the construction industry's challenges, remuneration policies were well maintained and implemented.

Policy	Practice	Compared to the market
Salary and bonus	<ul style="list-style-type: none"> Maintained remuneration policies in the context of the prolonged Covid-19 pandemic Salary and bonus are calculated based on employees' performance and assigned positions. The Company has built a performance evaluation system using KPIs and updated the Regulation on grades, titles and welfare Maintained bonus on holidays, Lunar new year; exceptional bonuses, rewards for groups or individuals who had initiatives in production and business activities From October 1st, 2020, the HR Department developed C&B function, taking charge of remuneration calculation for the Accounting Department 	Better
Leave	<ul style="list-style-type: none"> The employee has 12 days of leave/year, the leave is accumulated in 3 years; and the employee will get 1 more day of leave after every 5 years Encouraged employees to take leave during job reduction time and provided travel policy for employees to recharge their energy and spend time with their families and for the Company to reduce cost of paid leave 	Better
Vacation leave	<ul style="list-style-type: none"> Adjusted criteria for vacation leave Added travel expenses in the December salary due to travel restrictions in the Covid-19 	Better
Educational sponsorship	<ul style="list-style-type: none"> Supported employees' children education from 2016 Depending on annual business results, education sponsorship expenses are appropriately deducted from the welfare fund to finance this activity 	Better
Health insurance for staff	<ul style="list-style-type: none"> In addition to the compulsory health insurance, all employees and their relatives (based on the hierarchy policy) are also entitled to a comprehensive health insurance package from a reputable insurance company The Company continues to cooperate with major hospitals such as Vietnam - France, University of Medicine, Thu Cuc and Vinmec Hospital ... for periodic health check-up to provide employees with more useful health-care information Register to buy Covid-19 vaccine for 8,000 employees of Coteccons and Unicons together employee's relative 	Better
Union and collective activities	<ul style="list-style-type: none"> Maintained a policy to support employees and their relatives who are seriously ill and underprivileged, including visits and gifts on their birthdays or other special occasions Held sports and festivals on public holidays and anniversaries such as: International Women's Day 8/3, Vietnamese Women's Day 20/10, New Year, Lunar New Year ... to promote networking and engagement among employees Held sports activities (soccer, zumba, yoga) to strengthen employees' health Established "One Heart Fund" to share love to special underprivileged cases. This is a place for each employee to voluntarily help unfortunate colleagues in the Company 	Better
Training and Development	<ul style="list-style-type: none"> Built a training center with modern facilities and effective study programs to improve staff's ability and lay the foundation for the next management generation of Coteccons Promoted employees who meet the requirements in terms of competencies and skills (focusing on internal resources, accounting for over 95%) Planned a successive team 	Better

Besides annual health check-up, female employees at Coteccons are fully enjoyed maternity regimes in accordance with the Labor Law. Female employees are entitled to take health-check leave five times per pregnancy, one or two day off for each time, if they have irregular medical conditions or live far away from medical facilities. Female employees would be on maternity leave 6 months before and after children birth. Male employees will be entitled to parental leave in accordance with the law when their wives give birth.

According to the Company's Labor Regulations, female employees

having for children under 12 months of age can take one hour off per day while still receiving full salary. If female employees responsible for strenuous work get pregnant or have children under 12 months of age to care for, they will be transferred to other positions with less workload and not required to work overtime. The Company will not dismiss female employees or unilaterally terminate their labor contracts for the reason of their marriages, pregnancy, maternity leave, or care for children under 12 months of age, unless the labor contract expires or the Company terminates its operation.

In 2020, 33 employees were on maternity leave. During Covid-19, female employees who are in maternity period are allowed to work from home. As of December 31st, 2020, there were 10 employees taking maternity leave and 13 returning to work and/or being retained for 12 months after the end of pregnancy, amounts of 57%.

With favorable compensation policy and devoted care of the BOD in terms of improving HR policy, employees can be assured to work and dedicate in the long run. As a result, Coteccons has been awarded reputable titles in terms of HR management.



TOP 1
BEST PLACE TO WORK -
CONSTRUCTION SECTOR IN 2020



TOP 50
MOST ATTRACTIVE
EMPLOYERS IN 2020



TOP 100
VIETNAM'S BEST PLACE
TO WORK IN 2020

LABOR/MANAGEMENT RELATIONS

GRI 402-1 • Minimum notice periods regarding operational changes

The Company will hold an Employee Conference once a year to collect employee recommendations in order to build and strengthen a harmonious, stable and progressive business relationship. The conference provides opportunities for employees to have direct discussions with employers, to participate in the development of business and production goals, to improve working conditions, income and life and to promote democratic rights of employees. At the same time, the Conference will also adopt grassroots democracy at work. Rules, regulations, collective labor agreements; emulation and commendation, discipline, labor protection, salary increase, promotion and so on all help ensure that every employee is treated fairly, feels secure and stays with the business in the long run.

At Coteccons, all changes in operations are notified to all employees as soon as possible by the HR Department, allowing the departments to plan their actions in a timely manner and the employees can also be active in arranging their tasks.



OCCUPATIONAL HEALTH AND SAFETY

- GRI 403-1** • Workers representation in formal joint management - worker health and safety committees
- GRI 403-2** • Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities
- GRI 403-3** • Health and safety topics covered in formal agreements with trade unions

Coteccons is always proud to be one of the leading companies in changing social perception and raising awareness of occupational safety in the Vietnam construction industry. This is a risky business sector, with a large proportion of the workforce being low-educated workers. The company has obtained ISO 45001:2018 certification for its Occupational Health & Safety Management System (OH&S), ensuring control of health and safety risks in all activities.

With an emphasis on occupational health and safety, the Company has invested in technical solutions, occupational health and safety, personal protective equipment, communication and training, risk assessment, etc. Coteccons ensures regular monitoring of health risks presented in certain construction activities, which is especially important when it comes to workers' health. Aside from mandatory health insurance, the Company provides workers with health insurance and personal accident insurance, starting from their first working day. With VND80 billion invested in occupational safety, Coteccons has proved its responsibilities towards employees and society.



2020 goal is to raise the awareness of employees participating in Coteccons' operation activities (including managers and workers) on labor safety compliance. The Safety Committee continues to take a lead in seeking solutions to improve efficiency and put innovations into practice:

- ✓ Collaborated with the PR Department to produce the series "Safety instructions for equipment use" with scenes shot on Coteccons construction sites. Workers directly performing construction work on project sites are the program's target audience. Experienced members of the Safety Board were responsible for scripts and instruction, while workers were starred for the series. This made the instruction easier to understand. In the 1Q 2021, these topics will be published and publicly displayed on all Coteccons sites. The Safety Department is still working on scripts in order to produce better topics in 2021.
- ✓ Provided insights on 26 safety training topics using E-Learning method for staff. This enhanced staff's expertise and training efficiency and helped staff save time and costs (the nature of construction industry makes it difficult for workers to directly attend training).



Occupational safety affair
(VND BILLION) **80**

Certification of Occupational Health & Safety Management System

ISO 45001:2018

Issued new procedures such as Working procedures on suspended floors, working procedures in closed spaces. These are hazardous tasks that frequently occur during the construction of high-rise buildings or factories. Procedures include visual or written instructions, helping workers understand every steps and easily identify right/wrong. Currently, in addition to updating old procedures, the Safety Committee is writing new processes such as the Tower crane operation procedure, Excavation procedure ...; which are expected to be issued in the first and second quarter of 2021.

The Safety Board, in conjunction with the Construction Engineering Department and the Material and Equipment Department, upgraded and standardized the site images, from the entrance area to the office, toilets, cafeteria, training area, etc. Besides brand awareness improving, a professional working environment will change workers' perception and behaviors and reduce the rate of occupational accidents. The Safety Board also designed a new reflective vest for the Safety force and supervised the Site Steering Board to ensure that international standards are met and make the company different from contractors.

Achievements in 2020

- Achieved **22,732,078** safe hours, with **3,174,870** turns of workers working on Coteccons sites (excluding the back office) with peak period of 10,500 workers a day.
- 16 projects were handed over during the year with no reported serious accidents.
- No cases of Covid-19 infection were detected in Coteccons thanks to strict compliance with the government's control measures. Suspected cases of F2, F3 exposure were quarantined and tested negative at health agencies.

2021 plan

The year 2021 is expected to be a challenging year, but also one with many opportunities for businesses with potential and internal resources. The Safety Committee is preparing for a transformation in accordance with the goal of participating in some new industries and fields in the construction sector of the Company:

- To be an active company in finding effective and cost-effective safety control solutions on construction sites.
- To coordinate with departments, boards and construction sites to control the safety of civil and industrial construction projects. Engage comprehensively in project organization from the outset to ensure a standardized image of sites while also reducing wasted expenses from errors or unnecessary tasks.
- To consult with experienced experts in wind power construction - the focus area of 2021. Conduct research to understand construction procedures and methods, establish safety control procedures before deploying on-site work.

EDUCATION AND TRAINING

- GRI 404-1** Average training hours per year per employee
- GRI 404-2** Programs for upgrading employee skills and transition assistance
- GRI 404-3** Percentage of employees receiving regular performance assessment and career development reviews



Coteccons' competitive advantage is strong, experienced, efficient and tenacious human resources. In the HR management strategy, the Board focuses on solutions for assembling, training and developing highly qualified personnel in key areas of work.

CTA implemented various intensive courses in 2020, with a team of lecturers made up primarily of Coteccons management. The internal faculty, with their diverse specialized knowledge, long-term work experience and enthusiasm, have contributed to the preservation of the Coteccons' cultural identity.



The Covid-19 pandemic and social distancing order gave rise to the demand for online learning. In order to meet the demand, in 2020, CTA provided training both offline and online to 2,413 participants. Total training hours in 2020 was 14,698 hours, a 12-fold increase yoy; in which, total offline training were 6,309 hours and total online training hours were 8,659 hours. Accordingly, the average number of training hours was 9 hours/student/year, increase sharply from 0.8 hours/student/year in 2019. Since online training allowed construction engineers to participate in more classes, it helped increase the number of participants and save training costs. The total training costs in 2020 was VND383 million, representing a savings of more than 50% compared to the budget.

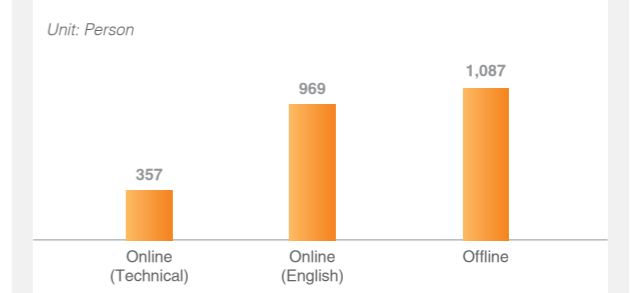
Last year, the Company also built a work performance evaluation system based on KPIs. According to evaluation, there were 1,528 qualified employees, accounting for 92.1% of the total number of employees. The evaluation results showed that 4.3% of employees excellently accomplished the required competencies, 12.5% was at good, 72.9% met the requirements and 2.4% needed to improve in 2021.



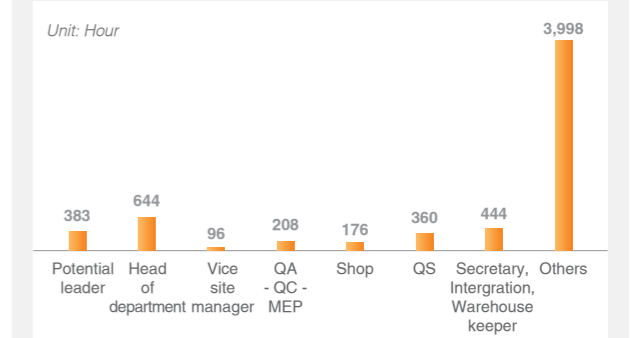
Evaluation result	Ratio
Excellent	4.3%
Good	12.5%
Meet requirements	72.9%
Need improvement	2.4%
Not enough conditions to be evaluated	7.9%

Source: Coteccons

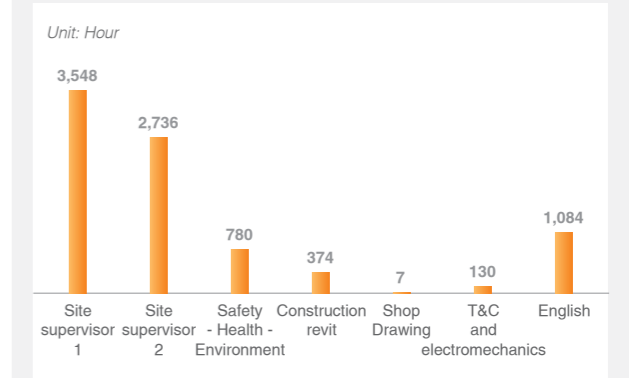
The number of participants



The number of offline training hours



The number of online training hours



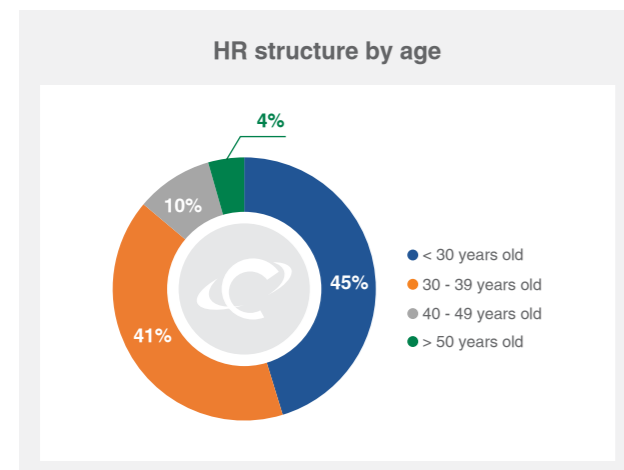
Source: Coteccons

Based on the performance evaluation, the Company also promoted 181 people in 2020, accounting for 10.9% of the total number of employees. Specifically:

Level	Amount	Ratio
Specialist	116	7.0%
Manager	61	3.7%
Director	4	0.2%
Total	181	10.9%

DIVERSITY AND EQUAL OPPORTUNITY - NON-DISCRIMINATION

- GRI 405-1** Diversity of governance bodies and employees
- GRI 405-2** Ratio of basic salary and remuneration for female compared to male employee
- GRI 406-1** Incidents of discrimination and corrective actions taken



In 2020, the percentage of managers were 19%, the remaining 81% were employees. With the nature of the industry as a construction field, the percentage of female

workers in 2020 only accounted for 9.4%, most of them in charge of office jobs, supporting work for the construction sector. The Company has always paid attention to gender equality to ensure all employees are treated fairly, free of discrimination in recruitment, compensation, remuneration, training and promotion opportunities. At Coteccons, female employees are always given opportunities to develop their talents. The rate of female managers in 2020 was 12%.

The diversity of generations in the HR system allows employees to support one another in the workplace, improve creativity and increase the diversity of ideas. This enables businesses to constantly innovate and grow on a solid foundation of experience. Coteccons' workforce is primarily made up of young workers ranging in age from 23 to 40 years old, accounting for 86% of the total number of employees in the Company. This is a healthy age for the construction industry, contributing to increased efficiency in the Company's operations both now and in the future.

LOCAL COMMUNITIES

- GRI 413-1** Operation with local community engagement, impact assessments and development programs

Regarding 17 global sustainable development goals, Coteccons has been implementing a series of activities to fulfill its corporate social responsibility. In March 2020, the Company established a non-profit organization - One-Heart Fund. With this fund, employees can support each other, particularly those living in poverty due to illness or natural disasters. Coteccons not only assisted its staff, but also contributed to the community through meaningful voluntary activities such as sponsoring medical equipment and materials for Covid testing and treatment, the Agrifood Rescue campaign, scholarships for students, blood drive and the construction and repair of 20 houses for people

in Huong Phung commune - Quang Tri province. In 2020, Coteccons contributed nearly VND6.4 billion to the community.

Coteccons has created millions of jobs for local workers, built sustainable values for the community and contributed to national economic development over the last 17 years, with over 400 projects in Vietnam and three Southeast Asian countries (Laos, Myanmar and Cambodia). Coteccons also collaborates with over 3,500 construction units to hold self-training sessions to improve construction workers' skills, expertise and productivity. Along with the development of Coteccons, partners, suppliers,

subcontractors, construction teams also constantly expand their scale and professionalism.

All partners agree that working with Coteccons helps them improve their system and personnel in terms of working skills, enthusiasm, proactivity in work and solidarity. In the future, with a development strategy that includes the construction of renewable energy projects, Coteccons will not only diversify revenue-profit sources, but will also demonstrate responsibility by participating in addressing climate change and ensuring national energy security.

CONTACT INFORMATION FOR STAKEHOLDERS

Network



Headquarters:

- Address: Coteccons Building, 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC
- Phone: (+84) 28 3514 2255 - (+84) 28 3514 2266
- Fax: (+84) 28 28 3514 2277
- Email: contact@coteccons.vn



Representative office in Hanoi:

- Address: 5th Floor, Starcity Building, 23 Le Van Luong, Nhan Chinh Ward, Thanh Xuan District, Hanoi
- Phone: (+84) 24 7301 6216

Branch in Binh Duong province:

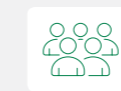
- Address: 1B, An Phu Ward, Thuan An district, Binh Duong Province
- Phone: (+84) 274 713 390
- Fax: (+84) 274 713 389

CONTACT INFORMATION FOR STAKEHOLDERS



Business Development Department

- Contact: Mr. Michael Tran - Deputy CEO in charge Business Development Division
- Email: michael.tran@coteccons.vn



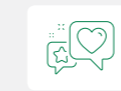
HR Department

- Contact: Ms. Tran Thi Lieu Vinh - HR Director
- Email: vinhtl@coteccons.vn



Union

- Contact: Mr. Tran Ngoc Manh - Chairperson of the Union
- Email: manhnt@coteccons.vn



PR Department

- Contact: Ms. Giang Ai Diep - Head of PR Department
- Email: diepga@coteccons.vn



Investment Department

- Contact: Ms. Trinh Quynh Giao - Investment Director
- Email: giaotq@coteccons.vn



Investor Relations Department

- Point of contact: Mr. Nguyen Anh Vu - Person in charge of CG
- Email: vuna@coteccons.vn

5 Financial

PERSPECTIVE

121 2020 Audited Consolidated Financial Statements

GO beyond

* Note:

For the 2020 Audited Separate Financial Statements, please refer to our website at www.coteccons.vn

Section: Investor Relations/Annual Financial report/ 2020 Audited Financial Statements.

GENERAL INFORMATION

THE COMPANY

Coteccons Construction Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate (“BRC”) No. 4103002611 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City on 24 August 2004, which was replaced by the Enterprise Registration Certificate (“ERC”) No. 0303443233 on 23 August 2010 and the subsequent amended BRCs and ERCs.

The Company listed on the Ho Chi Minh Stock Exchange with trading code “CTD” in accordance with Decision No. 155/QD-SGDHCM has been issued by the Ho Chi Minh Stock Exchange on 9 December 2009.

The current principal activities of the Company are to provide designing and construction services, equipment installation, interior decoration and office leasing.

The Company’s head office is located at No. 236/6, Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Bolat Duisenov	Chairman	appointed on 5 October 2020
	Member	appointed on 22 June 2020
Mr. Nguyen Ba Duong	Chairman	resigned on 2 October 2020
Mr. Talgat Turumbayev	Member	
Mr. Yerkin Tatishev	Member	
Mr. Tan Chin Tiong	Member	
Mr. Herwig Guido H. Van Hove	Member	appointed on 22 June 2020
Mr. Nguyen Quoc Hiep	Member	resigned on 12 October 2020
Mr. Nguyen Sy Cong	Member	resigned on 21 June 2020
Mr. Tran Quyet Thang	Member	resigned on 20 June 2020

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mr. Luis Fernando Garcia Agraz	Head of Board of Supervision
Mr. Dang Hoai Nam	Member
Mr. Nguyen Minh Nhut	Member

GENERAL INFORMATION (continued)

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr. Vo Thanh Liem	Deputy General Director	
Mr. Vo Thanh Liem	Acting General Director	appointed on 6 August 2020, resigned on 5 March 2021
Mr. Nguyen Sy Cong	General Director	resigned on 5 August 2020
Mr. Pham Quan Luc	Deputy General Director	appointed on 9 October 2020
Mr. Tu Dai Phuc	Deputy General Director	resigned on 12 October 2020
Mr. Phan Huu Duy Quoc	Deputy General Director	appointed on 5 March 2021
Mr. Nguyen Ngoc Lan	Deputy General Director	appointed on 5 March 2021
Mr. Vo Hoang Lam	Deputy General Director	appointed on 5 March 2021
Mr. Tran Tri Gia Nguyen	Deputy General Director	appointed on 9 October 2020
Mr. Tran Quang Quan	Deputy General Director	resigned on 5 August 2020
Mr. Tran Van Chinh	Deputy General Director	resigned on 30 September 2020

LEGAL REPRESENTATIVE

The legal representatives of the Company during the year and at the date of this report are:

Mr. Bolat Duisenov	appointed on 6 August 2020
Mr. Talgat Turumbayev	appointed on 2 February 2021
Mr. Nguyen Ba Duong	to 2 October 2020

Mr. Pham Quan Luc is authorised by Mr. Bolat Duisenov to sign the accompanying consolidated financial statements for the year ended 31 December 2020 in accordance with the Power of Attorney No. 1277/2021/UQ-CTHĐQT dated 15 January 2021.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

REPORT OF MANAGEMENT

Management of Coteccons Construction Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2020.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements .

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



Pham Quan Luc
Deputy General Director

Ho Chi Minh City, Vietnam
30 March 2021

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Coteccons Construction Joint Stock Company

We have audited the accompanying consolidated financial statements of Coteccons Construction Joint Stock Company ("the Company") and its subsidiaries (collectively referred to as the "Group") as prepared on 30 March 2021 and set out on pages 126 to 167, which comprise the consolidated balance sheet as at 31 December 2020 and the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2020 and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2019 were audited by another audit firm which expressed an unmodified opinion on those financial statements on 27 March 2020.

In addition, we draw attention to Note 34 of the consolidated financial statements. In 2020, the Company's management restated and reclassified certain items to reflect better and fair presentation of the last year consolidated financial statements.

Our opinion is not modified in respect of this matter.

Ernst & Young Vietnam Limited



Duong Le Anthony
Deputy General Director
Audit Practicing Registration Certificate
No. 2223-2018-004-1

Ho Chi Minh City, Vietnam
30 March 2021

Ly Hong My
Auditor
Audit Practicing Registration Certificate
No. 4175-2017-004-1

CONSOLIDATED BALANCE SHEET

as at 31 December 2020

B01-DN/HN

		VND	
Code ASSETS	Notes	Ending balance	Beginning balance (As restated - Note 34)
100 A. CURRENT ASSETS		12,867,742,344,915	14,727,405,324,722
110 I. Cash and cash equivalents	5	1,396,764,826,755	800,791,418,362
111 1. Cash		246,931,644,655	116,191,418,362
112 2. Cash equivalents		1,149,833,182,100	684,600,000,000
120 II. Short-term investment		1,980,960,000,000	3,241,650,000,000
121 1. Held-for-trading securities	6.1	130,000,000,000	-
123 2. Held-to-maturity investments	6.2	1,850,960,000,000	3,241,650,000,000
130 III. Current accounts receivable		7,648,321,521,326	8,797,679,575,624
131 1. Short-term trade receivables	7.1	7,562,109,866,516	8,416,090,588,256
132 2. Short-term advances to suppliers	7.2	150,550,717,848	397,567,198,072
135 3. Short-term loan receivables	8	262,836,821,544	-
136 4. Other short-term receivables	9	167,278,141,330	198,529,552,115
137 5. Provision for doubtful short-term receivables	7.1, 9	(494,454,025,912)	(214,507,762,819)
140 IV. Inventory	10	1,492,037,630,688	1,626,319,466,015
141 1. Inventories		1,522,030,908,553	1,626,319,466,015
149 2. Provision for obsolete inventories		(29,993,277,865)	-
150 V. Other current assets		349,658,366,146	260,964,864,721
151 1. Short-term prepaid expenses	11	6,387,670,315	3,456,235,463
152 2. Value-added tax deductibles		343,270,695,831	257,508,629,258
200 B. NON-CURRENT ASSETS		1,289,671,333,968	1,471,183,357,663
220 I. Fixed assets		603,825,141,002	704,236,452,568
221 1. Tangible fixed assets	12	510,821,338,966	606,407,661,470
222 Cost		1,008,777,580,204	1,044,721,740,952
223 Accumulated depreciation		(497,956,241,238)	(438,314,079,482)
227 2. Intangible fixed assets	13	93,003,802,036	97,828,791,098
228 Cost		119,238,318,503	118,687,800,078
229 Accumulated amortisation		(26,234,516,467)	(20,859,008,980)
230 II. Investment properties	14	46,847,830,834	49,603,357,264
231 1. Cost		69,677,550,622	69,677,550,622
232 2. Accumulated depreciation		(22,829,719,788)	(20,074,193,358)
240 III. Long-term asset in progress		161,507,554,550	161,115,839,300
241 1. Long-term work in progress	15	160,541,000,000	160,541,000,000
242 2. Construction in progress		966,554,550	574,839,300
250 IV. Long-term investments		365,159,081,871	394,287,974,564
252 1. Investments in associates	16.1	63,553,604,412	394,287,974,564
253 2. Investment in another entity	16.2	301,605,477,459	-
260 V. Another long-term asset		112,331,725,711	161,939,733,967
261 1. Long-term prepaid expenses	11	98,248,717,152	161,939,733,967
262 2. Deferred tax assets		14,083,008,559	-
270 TOTAL ASSETS		14,157,413,678,883	16,198,588,682,385

		VND	
Code RESOURCES	Notes	Ending balance	Beginning balance (As restated - Note 34)
300 C. LIABILITIES		5,758,744,202,842	7,729,313,976,168
310 I. Current liabilities		5,753,169,242,078	7,710,283,750,131
311 1. Short-term trade payables	17.1	3,307,186,103,090	4,571,387,201,404
312 2. Short-term advances from customers	17.2	509,692,174,529	720,914,499,291
313 3. Statutory obligations	18	61,555,809,420	87,849,950,894
315 4. Short-term accrued expenses	19	1,563,428,756,508	2,102,171,113,108
318 5. Short-term unearned revenues	20	44,573,695,067	54,781,130,228
319 6. Other short-term payables	21	93,793,960,789	41,603,836,458
321 7. Short-term provisions	22	85,109,244,449	65,205,053,085
322 8. Bonus and welfare fund	23	87,829,498,226	66,370,965,663
330 II. Non-current liabilities		5,574,960,764	19,030,226,037
337 1. Other long-term liabilities	21	2,039,203,038	542,006,657
341 2. Deferred tax liabilities	30.3	-	12,177,967,496
342 3. Long-term provision	22	3,535,757,726	6,310,251,884
400 D. OWNERS' EQUITY		8,398,669,476,041	8,469,274,706,217
410 I. Capital	24.1	8,398,669,476,041	8,469,274,706,217
411 1. Share capital		792,550,000,000	792,550,000,000
411a - Shares with voting rights		792,550,000,000	792,550,000,000
412 2. Share premium		3,038,990,175,385	3,038,990,175,385
415 3. Treasury shares		(519,526,282,648)	(443,424,538,999)
418 4. Investment and development fund		4,667,193,310,873	3,998,330,960,122
421 5. Undistributed earnings		365,227,529,131	1,028,773,028,814
421a - Undistributed earnings by the end of prior year		30,852,913,513	318,128,283,386
421b - Undistributed earnings of current year		334,374,615,618	710,644,745,428
429 6. Non-controlling interests		54,234,743,300	54,055,080,895
440 TOTAL LIABILITIES AND OWNERS' EQUITY		14,157,413,678,883	16,198,588,682,385





Vu Thanh Phuong
Preparer

Cao Thi Mai Le
Chief Accountant


Pham Quan Luc
Deputy General Director

30 March 2021

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2020

B02-DN/HN

Code ITEMS		Notes	Current year	Beginning balance (As restated - Note 34)
VND				
01	1. Revenues from sale of goods and rendering of services	25.1	14,589,198,781,083	23,733,028,252,165
02	2. Revenues deductions	25.1	(31,112,346,115)	-
10	3. Net revenues from sale of goods and rendering of services	25.1	14,558,086,434,968	23,733,028,252,165
11	4. Cost of goods sold and services rendered	26	(13,701,679,421,556)	(22,684,921,110,980)
20	5. Gross profit from sale of goods and rendering of services		856,407,013,412	1,048,107,141,185
21	6. Finance income	25.2	228,216,305,252	263,864,493,550
22	7. Finance expenses		(462,594,755)	(9,346,944)
24	8. Share of (loss) profit of associates	16.1	(27,004,720,298)	4,069,273,547
26	9. General and administrative expenses	27	(655,860,103,467)	(458,979,143,450)
30	10. Operating profit		401,295,900,144	857,052,417,888
31	11. Other income	28	39,342,162,410	41,825,059,246
32	12. Other expenses	28	(12,681,817,591)	(8,392,522,611)
40	13. Other profit	28	26,660,344,819	33,432,536,635
50	14. Accounting profit before tax		427,956,244,963	890,484,954,523
51	15. Current corporate income tax expense	30.1	(168,392,038,487)	(164,453,039,966)
52	16. Deferred tax income (expense)	30.3	74,990,071,547	(15,361,288,234)
60	17. Net profit after tax		334,554,278,023	710,670,626,323
61	18. Net profit after tax attributable to shareholders of the parent		334,374,615,618	710,644,745,428
62	19. Net gain after tax attributable to non-controlling interests	24.1	179,662,405	25,880,895
70	20. Basic earnings per share	24.5	4,164	8,856
71	21. Diluted earnings per share	24.5	4,164	8,856



Vu Thanh Phuong
Preparer

Cao Thi Mai Le
Chief Accountant

Pham Quan Luc
Deputy General Director

30 March 2021

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2020

B03-DN/HN

Code ITEMS		Notes	Current year	Previous year (As restated - Note 34)
VND				
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting profit before tax		427,956,244,963	890,484,954,523
<i>Adjustments for:</i>				
02	Depreciation and amortisation	12, 13, 14	107,825,436,581	108,513,963,904
03	Provisions (reversal of provisions)		327,069,238,164	(6,825,375,905)
04	Foreign exchange gains arisen from revaluation of monetary accounts denominated in foreign currency		(55,864,321)	(636,401,875)
05	Profit from investing activities		(200,859,707,369)	(273,641,801,243)
08	Operating profit before changes in working capital		661,935,348,018	717,895,339,404
09	Decrease in receivables		1,008,496,703,738	311,858,953,486
10	Decrease (increase) in inventories		104,288,557,462	(182,795,489,410)
11	Decrease in payables		(2,077,399,695,365)	(997,251,807,534)
12	Decrease in prepaid expenses		60,759,581,963	186,921,631,473
13	Increase in held-for-trading securities		(130,000,000,000)	-
15	Corporate income tax paid	18	(164,932,519,420)	(207,963,845,299)
17	Other cash outflows from operating activities		(29,992,417,495)	(167,578,157,521)
20	Net cash flows used in operating activities		(566,844,441,099)	(338,913,375,401)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases and of fixed assets		(5,073,518,139)	(76,630,918,237)
22	Proceeds from disposals of fixed assets		8,302,796,307	9,545,855,152
23	Net payments for term deposits at banks		(3,853,486,821,544)	(4,708,893,000,000)
24	Net collections from bank term deposits		4,981,340,000,000	5,374,301,000,000
25	Payments for investments in other entities		-	(163,516,404,212)
27	Interest received		260,522,570,634	334,358,499,651
30	Net cash flows from investing activities		1,391,605,027,258	769,165,032,354
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	Issuance of shares	24.1	-	50,345,000,000
32	Capital redemption		-	(3,865,600,000)
36	Dividends paid	24.4	(229,107,038,550)	(229,028,397,550)
40	Net cash flows used in financing activities		(229,107,038,550)	(182,548,997,550)
50	Net increase in cash and cash equivalents		595,653,547,609	247,702,659,403
60	Cash and cash equivalents at beginning of the year		800,791,418,362	552,833,230,980
61	Impact of exchange rate fluctuation		319,860,784	255,527,979
70	Cash and cash equivalents at end of the year	5	1,396,764,826,755	800,791,418,362

Vu Thanh Phuong
Preparer

Cao Thi Mai Le
Chief Accountant

Pham Quan Luc
Deputy General Director

30 March 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2020 and for the year then ended

B09-DN/HN

1. CORPORATE INFORMATION

Coteccons Construction Joint Stock Company (“the Company”) is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to Business Registration Certificate (“BRC”) No. 4103002611 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City on 24 August 2004, which was replaced by Enterprise Registration Certificate (“ERC”) No.0303443233 on 23 August 2010 and the subsequent amended BRCs and ERCs.

The Company listed on the Ho Chi Minh Stock Exchange with trading code “CTD” in accordance with Decision No. 155/QD-SGDHCM has been issued by the Ho Chi Minh Stock Exchange on 9 December 2009.

The current principal activities of the Company and its subsidiaries (“the Group”) are to provide designing and construction services, equipment installation, interior decoration, office leasing and trading of real estate.

The Company’s registered head office is located at No. 236/6, Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam.

The number of the Group’s employees as at 31 December 2020 was 1,659 (31 December 2019: 2,272).

Group structure

The Company has two direct subsidiaries and one indirect subsidiary, in which:

Unicons Investment Construction Company Limited (“Unicons”)

Unicons is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to BRC No. 4103005020 issued by the DPI of Ho Chi Minh City on 14 July 2006, which was replaced by ERC No.0304472276 on 22 June 2018 and the subsequent amended BRCs and ERCs.

Unicons’s registered office is located at No.236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. Unicons’s principal activities are to providing construction services and equipment installation services.

As at 31 December 2020 and 31 December 2019, the Company holds 100% equity interest and voting rights in Unicons.

Covestcons Company Limited (“Covestcons”)

Covestcons is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to ERC No. 0314326002 issued by the DPI of Ho Chi Minh City on 31 March 2017.

Covestcons’s registered office is located at No.236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. Covestcons’s principal activities are to providing commission services and trading of real estates.

As at 31 December 2020 and 31 Decmeber 2019, the Company holds 100% equity interest and voting rights in Covestcons.

Phu Nhuan 168 Joint Stock Company (“Phu Nhuan 168”)

Phu Nhuan 168 is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to ERC No.0315807693 issued by the DPI of Ho Chi Minh City on 22 July 2019.

Phu Nhuan 168’s registered office is located at No.236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. Phu Nhuan 168’s principal activities are to providing trading and lease of real estates.

As at 31 December 2020 and 31 December 2019, the Company holds 69.98% equity interest and voting rights in Phu Nhuan 168.

2. BASIS OF PREPARATION

2.1 Applied accounting standards and system

The consolidated financial statements of the Company and its subsidiaries (“the Group”) expressed in Vietnam dong (“VND”), are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilisation are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Group’s applied accounting documentation system is the General Journal system.

2.3 Fiscal year

The Group’s fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Company’s accounting currency.

2. BASIS OF PREPARATION (continued)

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2020.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expenses in the consolidated income statement.

3.3 Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition and net realizable value.

Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, merchandise goods	- cost of purchase on a weighted average basis
Construction work-in-process	- cost of direct materials and labour plus attributable construction overheads

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods and other inventories owned by the Group, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.5 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Land use rights

Land use right is recorded as an intangible fixed asset on the consolidated balance sheet when the Group obtained the land use right certificates. The costs of land use right comprise all directly attributable costs of bringing the land to the condition available for intended use.

3.6 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings & structures	5 - 45 years
Machinery & equipment	3 - 10 years
Means of transportation	6 - 10 years
Office equipment	3 - 6 years
Land use rights	45 - 49 years
Softwares	3 years
Others	3 - 8 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation. Investment properties held for capital appreciation are not depreciated but subject to impairment review.

Subsequent expenditure relating to an investment property that has already been recognised is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

Depreciation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Office building	30 - 45 years
Others	25 years

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the consolidated income statement in the year of retirement or disposal.

Transfers are made to investment properties when and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

3.8 Construction in progress

Construction in progress represents tangible fixed assets purchasing and under construction which have not yet been completed as at the balance sheet date and is stated at cost. This includes costs of construction, installation of equipment and other direct costs. Construction in progress is not depreciated until such time as the relevant assets are completed and put into use.

3.9 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Where the Group is the lessee

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessor

Assets subject to operating leases are included as the Group's investment property in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the consolidated income statement as incurred.

Lease income is recognised in the consolidated income statement on a straight-line basis over the lease term.

3.10 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the period for which the amounts are paid or the period in which economic benefits are generated in relation to these expenses.

3.11 Investments

Investments in associates

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence that is neither subsidiaries nor joint ventures. The Group generally deems they have significant influence if they have over 20% of the voting rights.

Under the equity method, the investment is carried in the consolidated balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associates. Goodwill arising on acquisition of the associate is included in the carrying amount of the investment. Goodwill is not amortised and subject to annual review for impairment. The consolidated income statement reflects the share of the post-acquisition results of operation of the associate.

The share of post-acquisition profit (loss) of the associates is presented on face of the consolidated income statement and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividend, profit sharing received or receivable from associates reduces the carrying amount of the investment.

The financial statements of the associates are prepared for the same reporting period and use the same accounting policies as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expenses in the consolidated income statements and deducted against the value of such investments.

Investments in other entities

Investments in other entities are stated at their acquisition costs.

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expenses in the consolidated income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.12 Payables and accruals**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

3.13 Accrual for severance allowance pay

The severance pay to employee is accrued at the end of each reporting year for all employees who have been in service for more than 12 months up to the consolidated balance sheet date at the rate of one-half of the average monthly salary for each year of service up to 31 December 2008 in accordance with the Labour Code and related implementing guidance. The average monthly salary used in this calculation is revised at the end of each reporting year following the average monthly salary of the 6-month period up to the reporting date. Increases or decreases to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labour contract following Article 48 of the Labour Code.

3.14 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision for warranty obligation of construction project is estimated from 0.3% to 1% on value of project based on the specification of each project and actual experience.

3.15 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conducts transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conducts transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

3.16 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.17 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss upon purchase, sale, re-issue or cancellation of the Group's own equity instruments.

3.18 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval in the shareholders' meeting and after making appropriation to reserve funds in accordance with the Company's charter and Vietnamese regulatory requirements.

The Group maintains the following reserve funds which are appropriated from its net profit after tax as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting:

- *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operations or in-depth investments.

- *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits and presented as a liability on the consolidated balance sheet.

3.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Construction contracts

For the construction contracts specifying that the contractor will receive payments according to the completed work, where the outcome of a construction contract can be determined reliably and accepted by the customers, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date which is accepted by the customers and reflected in the sales invoices.

Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**3.19 Revenue recognition (continued)***Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Revenue is recognized when services are rendered and completed.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the terms of the lease.

Interest

Interest is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

3.20 Taxation*Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the consolidated balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to set off current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporarily differences associated with investments in subsidiaries and associates and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

- Where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporarily differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or when the Group intends either settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.21 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

Group's business segment is derived mainly from sales of rendering construction services, equipments rental, office rental and other services.

3.22 Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

4. SIGNIFICANT EVENT**Covid-19 pandemic**

The Covid-19 pandemic is resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Company operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respects of the valuation of assets, provisions and contingent liabilities and has used estimates and judgement in respect of various issues as the situation has evolved, using the best information obtained up to the date of this consolidated financial statements.

5. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	28,750,000	1,985,476,702
Cash at banks	170,801,151,006	114,205,941,660
Cash in transit	76,101,743,649	-
Cash equivalents (*)	1,149,833,182,100	684,600,000,000
TOTAL	1,396,764,826,755	800,791,418,362

(*) Cash equivalents represent deposits at commercial banks with original maturity of no more than three (3) months and earn interest at the applicable interest rates.

6. SHORT-TERM INVESTMENTS**6.1 Held-for-trading securities**

	VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Shares	130,000,000,000	-	-	-

6.2 Held-to-maturity investments

Held-to-maturity investment represents short-term bank deposits with maturity terms from three (3) months to less than one (1) year and earns interest at applicable rates.

7. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS**7.1 Short-terms trade receivables**

	VND	
	Ending balance	Beginning balance
Hoi An South Development Co. Ltd.	933,514,005,301	1,052,674,643,124
Ricons Group Investment Construction Joint Stock Company	98,833,962,020	176,108,228,882
Others	6,529,761,899,195	7,187,307,716,250
TOTAL	7,562,109,866,516	8,416,090,588,256
Provision for doubtful short-term receivables	(459,003,063,218)	(188,469,800,125)
NET	7,103,106,803,298	8,227,620,788,131
In which:		
<i>Receivables from a related party (Note 31)</i>	<i>134,106,720</i>	<i>176,108,228,882</i>

Details of movement for provision for doubtful short-term receivables during the year:

	VND	
	Current year	Previous year
Beginning balance	188,469,800,125	183,823,935,386
<i>Add: Provision made during the year</i>	<i>270,533,263,093</i>	<i>4,645,864,739</i>
Ending balance	459,003,063,218	188,469,800,125

7.2 Short-term advances to suppliers

	VND	
	Ending balance	Beginning balance
An Gia Real Estate Investment and Development Corporation	-	130,000,000,000
Others	150,550,717,848	267,567,198,072
TOTAL	150,550,717,848	397,567,198,072

8. SHORT-TERM LOAN RECEIVABLE

Short-term loan receivable represents lending to Vinh Tan Stones Joint Stock Company in accordance to business corporation contract No. 11/2020/CVC-VTS dated on 17 November 2020 and contract No. 12/2020/CVC-VTS dated on 31 December 2020 for investing and purchasing IDICO Corporation's shares.

9. OTHER SHORT-TERM RECEIVABLES

	VND	
	Ending balance	Beginning balance
Interest receivable	110,651,486,517	143,191,829,835
Short-term deposits	33,286,833,152	33,114,069,591
Advances to construction teams and employees	20,358,683,544	19,678,975,560
Others	2,981,138,117	2,544,677,129
TOTAL	167,278,141,330	198,529,552,115
Provision for doubtful short-term receivables	(35,450,962,694)	(26,037,962,694)
NET	131,827,178,636	172,491,589,421

10. INVENTORIES

	VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Construction work in process (*)	1,522,030,908,553	(29,993,277,865)	1,626,319,466,015	-

(*) The details of work in process of on-going construction projects are as follows:

	VND	
	Ending balance	Beginning balance
Spirit Saigon project	130,712,678,437	7,681,985,504
Crowne Plaza Phu Quoc project	130,318,953,938	144,224,212,448
58 Tay Ho project	79,473,329,979	111,287,042,701
Other constructions projects	1,181,525,946,199	1,363,126,225,362
TOTAL	1,522,030,908,553	1,626,319,466,015

Detail of movements of provision for obsolete inventories

	VND	
	Current year	Previous year
Provision made during the year and ending balance	29,993,277,865	-

11. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term	6,387,670,315	3,456,235,463
Office tools and equipment	6,387,670,315	3,456,235,463
Long-term	98,248,717,152	161,939,733,967
Construction tools and equipment	70,395,865,926	130,882,866,044
Office tools and equipment	27,852,851,226	31,056,867,923
TOTAL	104,636,387,467	165,395,969,430

12. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Others	VND Total
Cost						
Beginning balance						
As previously reported	238,603,456,623	728,225,105,988	50,394,067,902	35,579,952,861	3,049,716,291	1,055,852,299,665
Impact of retrospective adjustments - Note 34	-	(11,130,558,713)	-	-	-	(11,130,558,713)
As restated	238,603,456,623	717,094,547,275	50,394,067,902	35,579,952,861	3,049,716,291	1,044,721,740,952
New purchases	698,542,464	-	209,220,000	4,305,904,600	-	5,213,667,064
Reclassification	-	(12,445,427,701)	-	-	-	(12,445,427,701)
Disposal	-	(24,097,871,590)	(987,809,273)	(878,592,000)	-	(25,964,272,863)
Write off	-	(2,748,127,248)	-	-	-	(2,748,127,248)
Ending balance	239,301,999,087	677,803,120,736	49,615,478,629	39,007,265,461	3,049,716,291	1,008,777,580,204
In which:						
Fully depreciated	29,644,318,328	33,671,350,216	19,713,745,332	24,304,489,606	3,049,716,291	110,383,619,773
Accumulated depreciation						
Beginning balance						
As previously reported	(85,238,929,804)	(303,327,617,212)	(30,820,742,588)	(26,761,659,958)	(3,049,716,291)	(449,198,665,853)
Impact of retrospective adjustments - Note 34	-	10,884,586,371	-	-	-	10,884,586,371
As restated	(85,238,929,804)	(292,443,030,841)	(30,820,742,588)	(26,761,659,958)	(3,049,716,291)	(438,314,079,482)
Depreciation for the year	(13,139,342,748)	(75,915,785,294)	(5,513,241,404)	(5,126,033,218)	-	(99,694,402,664)
Reclassification	-	11,581,682,005	-	-	-	11,581,682,005
Disposal	-	24,097,871,590	987,809,273	878,592,000	-	25,964,272,863
Write off	-	2,506,286,040	-	-	-	2,506,286,040
Ending balance	(98,378,272,552)	(330,172,976,500)	(35,346,174,719)	(31,009,101,176)	(3,049,716,291)	(497,956,241,238)
Net carrying amount						
Beginning balance (As restated - Note 34)	153,364,526,819	424,651,516,434	19,573,325,314	8,818,292,903	-	606,407,661,470
Ending balance	140,923,726,535	347,630,144,236	14,269,303,910	7,998,164,285	-	510,821,338,966

13. INTANGIBLE FIXED ASSETS

	Land use rights	Software	Total
VND			
Cost			
Beginning balance	94,881,924,366	23,805,875,712	118,687,800,078
New purchase	-	550,518,425	550,518,425
Ending balance	94,881,924,366	24,356,394,137	119,238,318,503
<i>In which:</i>			
Fully amortised	-	11,014,192,435	11,014,192,435
Accumulated amortisation			
Beginning balance	(6,679,868,057)	(14,179,140,923)	(20,859,008,980)
Amortisation for the year	(611,035,860)	(4,764,471,627)	(5,375,507,487)
Ending balance	(7,290,903,917)	(18,943,612,550)	(26,234,516,467)
Net carrying value			
Beginning balance	88,202,056,309	9,626,734,789	97,828,791,098
Ending balance	87,591,020,449	5,412,781,587	93,003,802,036

14. INVESTMENT PROPERTIES

	Office building	Others	Total
VND			
Cost			
Beginning balance and Ending balance	51,057,186,713	18,620,363,909	69,677,550,622
Accumulated depreciation			
Beginning balance	(15,503,928,434)	(4,570,264,924)	(20,074,193,358)
Depreciation for the year	(2,010,711,858)	(744,814,572)	(2,755,526,430)
Ending balance	(17,514,640,292)	(5,315,079,496)	(22,829,719,788)
Net carrying amount			
Beginning balance	35,553,258,279	14,050,098,985	49,603,357,264
Ending balance	33,542,546,421	13,305,284,413	46,847,830,834

The fair value of the investment properties was not formally assessed and determined as at 31 December 2020. However, given the present occupancy rate of these properties, it is management's assessment that these properties' market values are higher than their carrying value as at the balance sheet date.

15. LONG-TERM WORK IN PROGRESS

This represent the Land use right that acquired for real estate project.

16. LONG-TERM INVESTMENTS

16.1 Investment in associates

Name	Business activities	Ending balance		Beginning balance	
		Ownership %	Amount VND	Ownership %	Amount VND
FCC Infrastructure Investment Joint Stock Company ("FCC")	Civil and industrial constructions services	42.36	60,832,672,517	42.36	90,000,220,565
Hitecons Investmen Joint Stock Company ("Hitecons")	Real estates and construction services	31.00	2,578,484,382	31.00	2,536,943,725
Quang Trong Commercial Joint Stock Company ("Quang Trong")	Real estates and project management services	36.00	142,447,513	36.00	145,332,815
Ricons Group Investment Construction Joint Stock Company ("Ricons") (*)	Trade of construction materials, construction services and real estate	-	-	14.30	301,605,477,459
TOTAL			63,553,604,412		394,287,974,564

Details of these investments in associates are as follows:

	Ricons (*)	FCC	Quang Trong	Hitecons	Total
VND					
Cost of investment					
Beginning balance	57,960,000,000	159,600,000,000	18,000,000,000	2,790,000,000	238,350,000,000
Decrease	(57,960,000,000)	-	-	-	(57,960,000,000)
Ending balance	-	159,600,000,000	18,000,000,000	2,790,000,000	180,390,000,000
Accumulated share in post-acquisition (loss) profit of associates					
Beginning balance	243,645,477,459	(69,599,779,435)	(17,854,667,185)	(253,056,275)	155,937,974,564
Share in post-acquisition profit (loss) of associates for the year	-	(29,167,548,048)	(2,885,302)	41,540,657	(29,128,892,693)
Unrealise profit in the year	2,124,172,395	-	-	-	2,124,172,395
Decrease	(245,769,649,854)	-	-	-	(245,769,649,854)
Ending balance	-	(98,767,327,483)	(17,857,552,487)	(211,515,618)	(116,836,395,588)
Net carrying amount					
Beginning balance	301,605,477,459	90,000,220,565	145,332,815	2,536,943,725	394,287,974,564
Ending balance	-	60,832,672,517	142,447,513	2,578,484,382	63,553,604,412

16. LONG-TERM INVESTMENTS (continued)**16.2 Investment in another entity**

The details of investment in another entity are as follows:

	Ending balance		Beginning balance	
	Ownership %	Amount (VND)	Ownership %	Amount (VND)
Ricons Group Investment Construction Joint Stock Company (*)	14.30	301,605,477,459	-	-

(*) The authorisation for 8.8% of voting right in Ricons given to the Company were expired on 31 December 2019. According the Company has no significant influence on Ricons and the investment in Ricons was reclassified as another investment.

17. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS**17.1 Short-term trade payables**

	Ending balance		Beginning balance	
Ricons Group Investment Construction Joint Stock Company		226,006,088,641		594,123,185,007
Riland Investment Joint Stock Company		64,036,085,177		154,762,782,088
Others		3,017,143,929,272		3,822,501,234,309
TOTAL		3,307,186,103,090		4,571,387,201,404
<i>In which:</i>				
<i>Payables to related parties (Note 31)</i>		-		748,885,967,095

17.2 Short-term advances from customers

	Ending balance		Beginning balance	
Nam Phuong Development Investment Joint Stock Company		130,000,000,000		-
Thai Son Construction Investment Joint Stock Company		57,387,230,960		76,609,584,169
Vinhomes Joint Stock Company		52,926,365,384		-
Phu My Hung Development Company Limited		46,528,101,913		69,089,850,597
Le Phong Development And Investment Company Limite		39,761,805,781		-
Sabeco Hp Investment Company Limited		38,353,156,843		38,353,156,843
Phuong Nam 3A-2 Real Estate Business Joint Stock Company		-		114,618,345,120
Other customers		144,735,513,648		391,506,868,808
TOTAL		509,692,174,529		720,914,499,291

18. STATUTORY OBLIGATIONS

					VND
	Beginning balance	Increase in the year	Off set in the year	Payment in the year	Ending balance
Corporate income tax	47,889,740,881	169,517,977,951	- (164,932,519,420)		52,475,199,412
Personal income tax	39,960,210,013	91,050,653,909	- (121,930,253,914)		9,080,610,008
Value-added tax		- 1,551,195,902,854	(1,354,536,369,997)	(196,659,532,857)	-
Others		- 1,788,397,002	-	(1,788,397,002)	-
TOTAL	87,849,950,894	1,813,552,931,716	(1,354,536,369,997)	(485,310,703,193)	61,555,809,420

19. SHORT-TERM ACCRUED EXPENSES

	Ending balance		Beginning balance	
Accruals for on-going construction projects		1,560,768,867,208		2,099,811,113,108
Others		2,659,889,300		2,360,000,000
TOTAL		1,563,428,756,508		2,102,171,113,108

20. SHORT-TERM UNEARNED REVENUE

	Ending balance		Beginning balance	
Unearned revenue from construction works		43,760,269,001		54,781,130,228
Unearned revenue from office leasing		813,426,066		-
TOTAL		44,573,695,067		54,781,130,228

21. OTHER PAYABLES

	VND	
	Ending balance	Beginning balance
Short-term	93,793,960,789	41,603,836,458
Payable to repurchase stocks	76,101,743,649	-
Payable to construction teams and employees	15,968,769,849	28,265,070,533
Others	1,723,447,291	13,338,765,925
Long-term	2,039,203,038	542,006,657
Deposits	2,039,203,038	542,006,657
TOTAL	95,833,163,827	42,145,843,115

22. PROVISIONS

	VND	
	Ending balance	Beginning balance
Short-term	85,109,244,449	65,205,053,085
Provisions for construction warranty	85,109,244,449	65,205,053,085
Long-term	3,535,757,726	6,310,251,884
Severance allowance	3,535,757,726	6,310,251,884
TOTAL	88,645,002,175	71,515,304,969

23. BONUS AND WELFARE FUND

	VND	
	Ending balance	Beginning balance
Beginning balance	66,370,965,663	157,276,000,184
Increase in the year (Note 24.1)	51,450,950,058	75,520,000,000
Utilization of fund	(29,992,417,495)	(166,425,034,521)
Ending balance	87,829,498,226	66,370,965,663

24. OWNERS' EQUITY

24.1 Increase and decrease in owners' equity

	VND						
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings (As restated - Note 34)	Non-controlling interest	Total
Previous year							
Beginning balance	783,550,000,000	2,997,645,175,385	(439,558,938,999)	3,016,565,960,122	1,604,291,002,386	-	7,962,493,198,894
Increase capital	-	-	-	-	-	43,829,200,000	43,829,200,000
New establish	9,000,000,000	41,345,000,000	-	-	-	10,200,000,000	60,545,000,000
Treasury shares	-	-	(3,865,600,000)	-	-	-	(3,865,600,000)
Net profit for the year (As restated - Note 34)	-	-	-	-	710,644,745,428	25,880,895	710,670,626,323
Profit appropriation	-	-	-	981,765,000,000	(981,765,000,000)	-	-
Transfer to bonus and welfare fund (Note 23)	-	-	-	-	(75,520,000,000)	-	(75,520,000,000)
Dividends declared	-	-	-	-	(228,877,719,000)	-	(228,877,719,000)
Ending balance	792,550,000,000	3,038,990,175,385	(443,424,538,999)	3,998,330,960,122	1,028,773,028,814	54,055,080,895	8,469,274,706,217

24. OWNERS' EQUITY (continued)

24.1 Increase and decrease in owners' equity (continued)

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings (As restated - Note 34)	Non-controlling interest	Total
VND							
Current year							
Beginning balance							
As previously reported	792,550,000,000	3,038,990,175,385	(443,424,538,999)	3,998,330,960,122	1,029,019,001,156	54,055,080,895	8,469,520,678,559
Impact of retrospective adjustments - Note 34	-	-	-	-	(245,972,342)	-	(245,972,342)
As restated	792,550,000,000	3,038,990,175,385	(443,424,538,999)	3,998,330,960,122	1,028,773,028,814	54,055,080,895	8,469,274,706,217
Net profit for the year	-	-	-	-	334,374,615,618	179,662,405	334,554,278,023
Profit appropriation	-	-	-	668,862,350,751	(668,862,350,751)	-	-
Transfer to bonus and welfare fund (Note 23)	-	-	-	-	(51,450,950,058)	-	(51,450,950,058)
Treasury shares	-	-	(76,101,743,649)	-	-	-	(76,101,743,649)
Dividends declared	-	-	-	-	(228,877,719,000)	-	(228,877,719,000)
Others	-	-	-	-	(48,729,095,492)	-	(48,729,095,492)
Ending balance	792,550,000,000	3,038,990,175,385	(519,526,282,648)	4,667,193,310,873	365,227,529,131	54,234,743,300	8,398,669,476,041

24.2 Capital transactions with owners and distribution of dividends

	Current year	Previous year
VND		
Share capital		
Beginning balance	792,550,000,000	783,550,000,000
Increase in year	-	9,000,000,000
Ending balance	792,550,000,000	792,550,000,000
Dividends		
Dividends declared	228,877,719,000	228,877,719,000

24.3 Shares

	Number of shares	
	Ending balance	Beginning balance
Authorised shares	79,255,000	79,255,000
Shares issued and fully paid	79,255,000	79,255,000
<i>Ordinary shares</i>	79,255,000	79,255,000
Treasury shares	3,922,427	2,962,427
<i>Ordinary shares</i>	3,922,427	2,962,427
Shares in circulation	75,332,573	76,292,573
<i>Ordinary shares</i>	75,332,573	76,292,573

24. OWNERS' EQUITY (continued)**24.4 Dividends**

	VND	
	Current year	Previous year
Dividends paid during the year		
<i>Dividends on ordinary shares</i>		
Dividends by cash	229,107,038,550	229,028,397,550

24.5 Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	VND	
	Current year	Previous year (As restated - Note 34)
Net profit after tax attributable to shareholders of the parent	334,374,615,618	710,644,745,428
<i>Less: Bonus and welfare fund and allowance for Board of management (*)</i>	16,718,730,781	35,532,237,271
Net profit after tax attributable to ordinary equity holders	317,655,884,837	675,112,508,157
Weighted average number of ordinary shares during the period (shares)	76,291,258	76,232,012
Basic and diluted earnings per share (VND/share)	4,164	8,856

(*) Net profit used to compute earnings per share for the year ended 31 December 2019 was adjusted for the provisional allocation to bonus and welfare fund from 2019 profit following the plan as approved in the resolution of the shareholders meeting dated 9 April 2019.

Net profit used to compute earnings per share for the year ended 31 December 2020 was adjusted for the provisional allocation to bonus and welfare fund from 2020 profit following the plan as approved in the resolution of the shareholders meeting dated 30 June 2020.

There have been no potential dilutive ordinary shares during the year and up to the date of these consolidated financial statements.

25. REVENUES**25.1 Revenues from sale of goods and rendering of services**

	VND	
	Current year	Previous year
Gross revenue	14,589,198,781,083	23,733,028,252,165
<i>In which:</i>		
<i>Rendering of construction services</i>	14,564,921,164,687	23,619,283,888,092
<i>Rental income from investment properties</i>	8,340,266,212	11,983,510,668
<i>Rental of construction equipment</i>	5,080,823,041	5,699,361,534
<i>Others</i>	10,856,527,143	96,061,491,871
Less	(31,112,346,115)	-
<i>Sale allowances</i>	(31,112,346,115)	-
Net revenue	14,558,086,434,968	23,733,028,252,165
<i>In which:</i>		
<i>Rendering of construction services (*)</i>	14,533,808,818,572	23,619,283,888,092
<i>Rental income from investment properties</i>	8,340,266,212	11,983,510,668
<i>Rental of construction equipment</i>	5,080,823,041	5,699,361,534
<i>Others</i>	10,856,527,143	96,061,491,871

(*) Revenue from construction contracts recognised during the year are as follows:

	VND	
	Current year	Previous year
Revenue recognised during the year of the on-going construction contracts	14,052,907,179,265	22,092,156,759,821
Revenue recognised during the year of the completed construction contracts	480,901,639,307	1,527,127,128,271
TOTAL	14,533,808,818,572	23,619,283,888,092
Cumulative revenue recognised up to end of year of the on-going construction contracts	60,410,219,080,290	67,155,159,766,955

25.2 Finance income

	VND	
	Current year	Previous year
Interest income from bank deposits	227,282,210,281	254,817,694,365
Dividend received	9,072,000,000	-
Foreign exchange gains	234,077,936	752,387,267
Late payment interest	(8,371,982,965)	-
Interest from stock transfer	-	8,294,411,918
TOTAL	228,216,305,252	263,864,493,550

26. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Rendering of construction services	13,689,912,459,801	22,586,608,633,250
Rental of investment properties	5,637,016,516	5,501,858,231
Rental of construction equipment	2,360,003,103	3,551,644,401
Others	3,769,942,136	89,258,975,098
TOTAL	13,701,679,421,556	22,684,921,110,980

27. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
Labour costs	259,952,985,817	324,052,057,490
Provision expense	277,171,768,935	4,645,864,739
Expenses for external services	43,443,497,111	42,773,397,376
Depreciation and amortisation	35,089,822,983	34,344,122,138
Others	40,202,028,621	53,163,701,707
TOTAL	655,860,103,467	458,979,143,450

28. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year (As restated - Note 34)
OTHER INCOME	39,342,162,410	41,825,059,246
Reversal of warranty provision	13,043,451,634	16,881,423,182
Reversal of over accrual for construction expenses	9,219,293,348	12,067,878,931
Gain from disposal of fixed assets	3,111,959,650	6,151,724,373
Others	13,967,457,778	6,724,032,760
OTHER EXPENSES	(12,681,817,591)	(8,392,522,611)
OTHER PROFIT	26,660,344,819	33,432,536,635

29. PRODUCTION AND OPERATING COSTS

	VND	
	Current year	Previous year
External services expenses	8,337,793,572,465	14,625,860,046,650
Raw materials	4,238,389,410,025	6,570,708,886,147
Labour costs	909,712,787,896	1,324,689,003,789
Tools and supplies	166,562,940,626	322,965,271,017
Depreciation and amortization (Notes 12, 13 and 14)	107,825,436,581	108,513,963,904
Provision	308,103,826,788	3,584,626,947
Others	188,354,245,950	281,114,970,288
TOTAL	14,256,742,220,331	23,237,436,768,742

30. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") rate applicable to the Group is 20% of taxable profits.

The tax returns filed by the Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

30.1 CIT expense

	VND	
	Current year	Previous year
CIT expense of current year	166,415,557,102	164,565,133,761
Adjustments for under (over) accrual of tax from prior years	1,976,481,385	(112,093,795)
	168,392,038,487	164,453,039,966
Deferred tax (income) expense	(74,990,071,547)	15,361,288,234
TOTAL	93,401,966,940	179,814,328,200

30. CORPORATE INCOME TAX (continued)

30.1 CIT expense (continued)

Reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

	VND	
	Current year	Previous year (As restated - Note 34)
Accounting profit before tax	427,956,244,963	890,484,954,523
CIT at applicable tax rate	85,591,248,992	178,096,990,906
<i>Adjustments:</i>		
Share of loss (profit) from associates	5,825,778,539	(813,854,709)
Non-deductible expenses	1,752,629,917	2,808,413,675
Dividend income	(1,814,400,000)	-
Unrealised loss (profit)	70,228,107	(165,127,877)
Adjustments for under (over) accrual of tax from prior years	1,976,481,385	(112,093,795)
CIT expense	93,401,966,940	179,814,328,200

30.2 Current tax

The current CIT payable is based on taxable income for the current year. The taxable income of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the consolidated balance sheet date.

30.3 Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Group and the movements thereon, during the current and previous years:

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Revaluation of an asset	(48,729,095,492)	-	-	-
Provision for investments	(76,576,360)	(13,997,620,725)	13,921,044,365	(13,921,044,365)
Unrealised foreign exchange differences	(6,801,121)	(6,801,121)	-	-
Provision for doubtful debts	55,094,597,994	-	55,094,597,994	-
Provision for obsolete inventories	5,998,655,573	-	5,998,655,573	-
Unrealised profit	1,192,426,420	564,403,973	628,022,447	(995,571,711)
Severance allowances	609,801,545	1,262,050,377	(652,248,832)	(444,672,158)
Net deferred tax liabilities	14,083,008,559	(12,177,967,496)		
Deferred tax income (expense)			74,990,071,547	(15,361,288,234)

31. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties in current year and prior year were as follows:

VND				
<i>Related party</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Current year</i>	<i>Previous year</i>
Ricons Group Investment Construction Joint Stock Company	Related party (to 30 September 2020)	Construction cost	114,239,370,412	1,229,921,873,283
		Construction services	22,291,104,533	322,047,576,437
		Equipment rental expense	3,250,591,593	5,384,563,447
		Office rental income	2,898,989,838	4,546,200,804
		Equipment rental income	861,621,105	3,504,982,251
		Purchase of construction material	-	97,605,744,748
		Others	516,438,955	4,834,447,474
FCC Infrastructure Investment Joint Stock Company	Associate	Capital contribution	-	61,600,000,000
Riland Investment Joint Stock Company	Related party (to 30 September 2020)	Purchase of construction materials and services	241,473,969,226	459,551,718,277
Kusto Group Pte. Ltd.	Related party	Office rental income	123,334,966	-

Amounts due to and due from related parties at the balance sheet dates were as follows:

VND				
<i>Related parties</i>	<i>Relationship</i>	<i>Nature of transaction</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables				
Ricons Group Investment Construction Joint Stock Company	Related party (to 30 September 2020)	Sale of construction materials and construction services	-	176,108,228,882
Kusto Group Pte. Ltd.	Related party	Office rental income	134,106,720	-
			134,106,720	176,108,228,882
Short-term trade payables				
Ricons Group Investment Construction Joint Stock Company	Related party (to 30 September 2020)	Purchase of construction materials and construction cost	-	594,123,185,007
Riland Investment Joint Stock Company	Related party (to 30 September 2020)	Purchase of construction materials and construction cost	-	154,762,782,088
			-	748,885,967,095

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration to members of the Board of Directors, Board of Supervision and Board of Management:

Individuals	Position	Remuneration	
		VND	
		Current year	Previous year
Mr. Bolat Duisenov	Chairman of BOD	-	-
Mr. Herwig Guido H. Van Hove	Member of BOD	-	-
Mr. Nguyen Ba Duong	Chairman of BOD to 2 October 2020	6,943,349,361	20,565,840,314
Mr. Nguyen Quoc Hiep	Member of BOD to 12 October 2020	111,000,000	854,000,000
Mr. Talgat Turumbayev	Member of BOD	75,000,000	640,000,000
Mr. Tran Quyet Thang	Member of BOD to 20 June 2020	100,000,000	710,000,000
Mr. Tan Chin Tiong	Member of BOD	70,000,000	512,000,000
Mr. Yerkin Tatishev	Member of BOD	84,000,000	3,086,000,000
Mr. Nguyen Sy Cong	General Director to 5 August 2020	4,198,759,423	12,835,368,617
Mr. Vo Thanh Liem	Acting General Director	4,299,376,919	6,435,399,387
Mr. Pham Quan Luc	Deputy General Director	2,653,198,845	-
Mr. Tran Tri Gia Nguyen	Deputy General Director	1,477,489,813	-
Mr. Tu Dai Phuc	Deputy General Director to 12 October 2020	3,041,662,808	6,852,307,079
Mr. Tran Quang Quan	Deputy General Director to 5 August 2020	3,120,111,646	11,451,768,618
Mr. Tran Van Chinh	Deputy General Director to 30 September 2020	1,968,562,500	3,309,398,271
Mr. Dang Hoai Nam	Member of BOS	1,605,511,605	2,417,893,125
Mr. Luis Fernando Garcia Agraz	Head of BOS	66,000,000	436,000,000
Mr. Nguyen Minh Nhut	Member of BOS	66,000,000	376,000,000
TOTAL		29,880,022,920	70,481,975,411

32. COMMITMENTS

The Group leases out its Coteccons Building property under operating lease arrangements. The future minimum rental receivable as at the balance sheet dates under the operating lease agreements is as follows:

	VND	
	Ending balance	Beginning balance
Less than 1 year	9,447,132,780	9,098,747,924
From 1 to 5 years	8,390,776,515	32,788,984,563
TOTAL	17,837,909,295	41,887,732,487

33. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services rendered. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Construction services segment;

Construction materials trading segment;

Investment properties activities segment; and

Other segment.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with other parties. Segment revenue, segment expense and segment result include transfers between business segments.

33. SEGMENT INFORMATION (continued)

The following tables present revenue and profit information regarding the Group's business segment:

					VND
	Construction services	Rental of construction equipment	Investment properties services	Others	Total
Previous year					
Net revenue	23,619,283,888,092	5,699,361,534	11,983,510,668	96,061,491,871	23,733,028,252,165
Cost of goods sold/ services rendered	(22,586,608,633,250)	(3,551,644,401)	(5,501,858,231)	(89,258,975,098)	(22,684,921,110,980)
Gross profit	1,032,675,254,842	2,147,717,133	6,481,652,437	6,802,516,773	1,048,107,141,185
Current year					
Net revenue	14,533,808,818,572	5,080,823,041	8,340,266,212	10,856,527,143	14,558,086,434,968
Cost of goods sold/ services rendered	(13,689,912,459,801)	(2,360,003,103)	(5,637,016,516)	(3,769,942,136)	(13,701,679,421,556)
Gross profit	843,896,358,771	2,720,819,938	2,703,249,696	7,086,585,007	856,407,013,412

34. RESTATEMENT OF PRIOR YEAR'S ERRORS AND RECLASSIFICATION OF CORRESPONDING FIGURES

Management decided to retrospective adjust the omission in previous year where certain machineries and equipment were disposed but have not been recorded in accounting book. Accordingly, the Company recorded the decrease in "Tangible fixed assets" and the decrease in "Undistributed earnings" as at 31 December 2019 and the increase in "other expenses" for the year then ended by the amount of VND 245,972,342.

Impacts of retrospective adjustments to "Undistributed earnings" are summarized as follows:

	VND
<i>As at 31 December 2019</i>	
<i>Undistributed earnings were reported previously</i>	1,029,019,001,156
<i>Impact of retrospective adjustment:</i>	
<i>Adjustment for overstatement of tangible fixed assets</i>	(245,972,342)
<i>Undistributed earnings after retrospective adjustments</i>	1,028,773,028,814

In addition to the retrospective adjustments as disclosed above, certain corresponding figures on the consolidated financial statements as at and for the year ended 31 December 2019 have been reclassified to reflect the presentation of the current year's consolidated financial statements. Impacts of restatement and reclassification are as follow:

	As previously reported	Restatement	Restated amount
Consolidated balance sheet			
Non-Current Assets			
Tangible fixed assets	606,653,633,812	(245,972,342)	606,407,661,470
Cost	1,055,852,299,665	(11,130,558,713)	1,044,721,740,952
Accumulated depreciation	(449,198,665,853)	10,884,586,371	(438,314,079,482)
Capital			
Undistributed earnings	1,029,019,001,156	(245,972,342)	1,028,773,028,814
Consolidated income statement			
Other expenses	(8,146,550,269)	(245,972,342)	(8,392,522,611)
Accounting profit before tax	890,730,926,865	(245,972,342)	890,484,954,523
Net profit after tax	710,916,598,665	(245,972,342)	710,670,626,323
Basic earnings per share	8,859	(3)	8,856
Diluted earnings per share	8,859	(3)	8,856
Consolidated cash flow statement			
Cash flows from operating activities			
Accounting profit before tax	890,730,926,865	(245,972,342)	890,484,954,523
Profit from investing activities	(273,887,773,585)	245,972,342	(273,641,801,243)

35. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

As at 29 January 2021, the Group sold 22,545,000 shares of IDICO Corporation ("Idico"). Accordingly, the Group's ownership in IDICO decreased to 0.62%.

There is no matter or circumstance that has arisen since the consolidated balance date that requires adjustment or disclosure in the consolidated financial statements of the Group.


Vu Thanh Phuong
 Preparer


Cao Thi Mai Le
 Chief Accountant


Pham Quan Luc
 Deputy General Director



30 March 2021

APPENDIX

RESIDENTIAL PROJECTS



58 TAY HO

Developer	: Sun Group
Location	: Hanoi
Type of project	: Residential
Package	: General contractor
Scale	: 3.6ha
Contract value	: VND1,580 billion
Construction time	: Aug 2018 - Ongoing

ONE VERANDAH

Developer	: Mapletree
Location	: HCMC
Type of project	: Residential
Package	: General contractor
Scale	: 120,000 m ² GFA
Contract value	: VND1,580 billion
Construction time	: May 2018 - Feb 2020





KINGDOM 101

Developer	: Hoa Lam
Location	: HCMC
Type of project	: Residential
Package	: General contractor
Scale	: 151,200 m ² GFA
Contract value	: VND1,650 billion
Construction time	: Sep 2017 - 2020

CR8 2B&3 PROJECT

Developer	: Phu My Hung
Location	: HCMC
Type of project	: Residential
Package	: Design & Build
Scale	: 57,158 m ² GFA
Contract value	: VND824 billion
Construction time	: Feb 2019 - Oct 2021



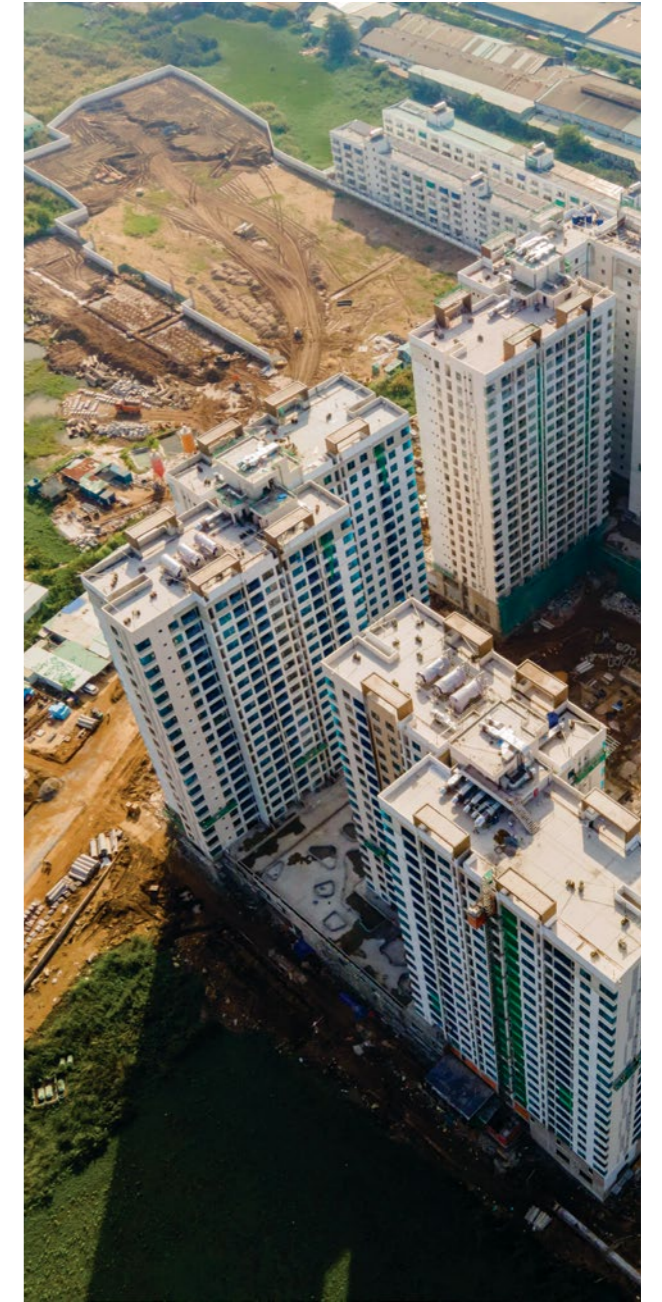
METROPOLE THU THIEM

Developer	: Son Kim Land
Location	: HCMC
Type of project	: Residential
Package	: General Contractor
Scale	: 74,780 m ² GFA
Contract value	: VND1,330 billion
Construction time	: May 2019 - Mar 2021



THE MARQ

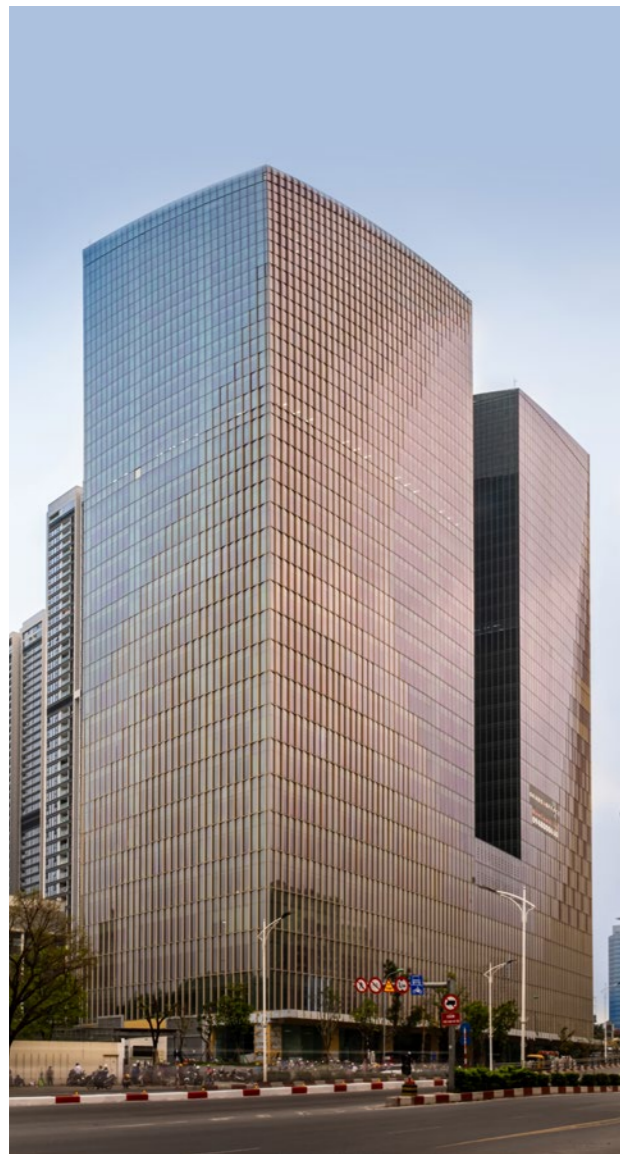
Developer	: Hongkong Land
Location	: HCMC
Type of project	: Residential
Package	: Design & Build
Scale	: 75,750 m ² GFA
Contract value	: VND2,050 billion
Construction time	: Jul 2018 - May 2021



AKARI NAM LONG

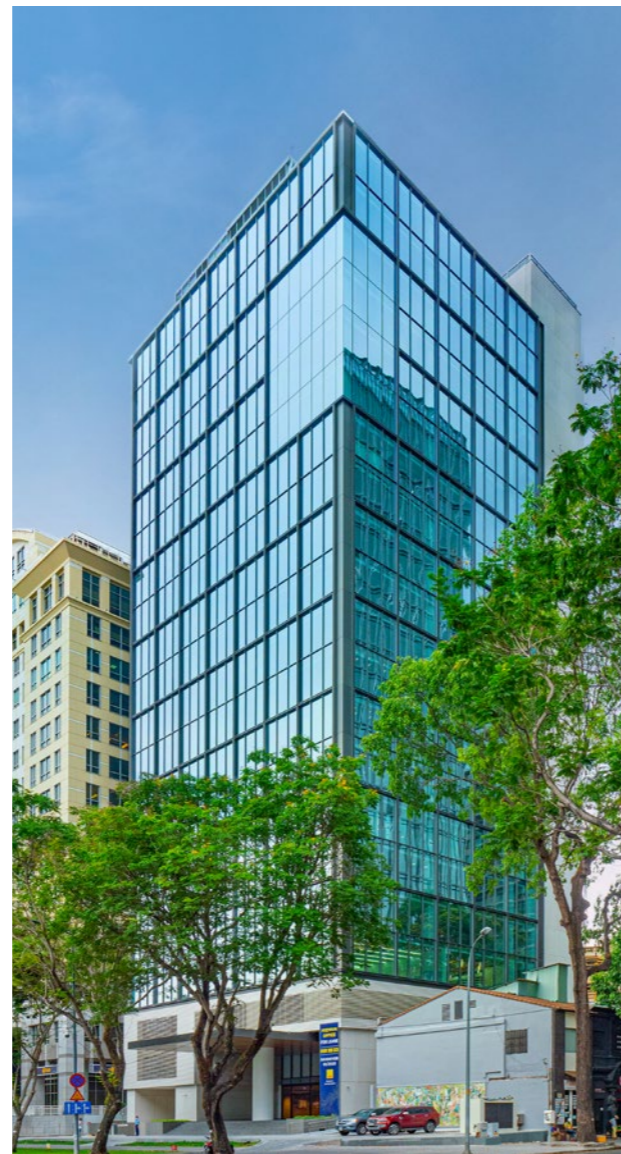
Developer	: Nam Long Group
Location	: HCMC
Type of project	: Residential
Package	: Design & Build
Scale	: 213,900 m ² GFA
Contract value	: VND2,000 billion
Construction time	: Aug 2019 - Mar 2021

COMMERCIAL PROJECTS



CAPITAL PLACE

Developer	: Vingroup
Location	: Hanoi
Type of project	: Office
Package	: General Contractor
Scale	: 4 basements, 38 floors
Contract value	: VND1,080 billion
Construction time	: May 2019 - 2020



FRIENDSHIP TOWER

Developer	: CZ Slovakia Vietnam
Location	: HCMC
Type of project	: Office
Package	: General Contractor
Scale	: 4 basements, 21 floors, 25,000 m ² GFA
Contract value	: VND380 billion
Construction time	: Oct 2019 - 2020



TECHCOMBANK OFFICE - HANOI

Developer	: Techcombank
Location	: Hanoi
Type of project	: Office
Package	: General Contractor
Scale	: 5 basements, 22 floors
Contract value	: VND523 billion
Construction time	: Jul 2019 - Sep 2020



TIMES CITY OFFICE

Developer	: Vingroup
Location	: Hanoi
Type of project	: Office
Package	: General Contractor
Scale	: 63,884 m ² GFA
Contract value	: VND174 billion
Construction time	: Jul 2019 - 2020

INDUSTRIAL PROJECTS

HOA PHAT DUNG QUAT

Developer	: Hoa Phat
Location	: Dung Quat
Type of project	: Iron and Steel Production Complex
Package	: Design & Build
Scale	: 378 ha
Contract value	: VND3,000 billion
Construction time	: Aug 2017 - 2020



VINFAST EXPANSION - CELL BATTERY FACTORY

Developer	: Vingroup
Location	: Hai Phong
Type of project	: Factory
Package	: General Contractor
Scale	: 29,000 m ² GFA
Contract value	: VND10,101 billion
Construction time	: May 2020 - ongoing



HOSPITALITY PROJECTS



HOIAN SOUTH DEVELOPMENT

Developer	: VinaCapital, Cho-Tai-Fook, SunCity
Location	: Hoi An
Type of project	: Resort, Casino
Package	: General contractor
Scale	: Casino + Podium (3 floors, 16,600 m ² /floor) : New World Hotel (18 floors, 2,563 m ² /floor) : All Suites Hotel (21 floors, 2,170 m ² /floor)
Contract value	: VND7,000 billion
Construction time	: Aug 2017 - Dec 2020



HO TRAM STRIP (PHASE 2)

Developer	: Ho Tram Project Co., Ltd.
Location	: Vung Tau
Type of project	: Resort and Casino
Package	: Design & Build
Scale	: 164 ha
Contract value	: VND5,453 billion
Construction time	: Phase 1: Oct 2010 - Dec 2012 Phase 2: Ongoing



PULLMAN HAI PHONG

Developer	: Nhat Ha Co., Ltd.
Location	: Hai Phong
Type of project	: Hotel
Package	: General Contractor
Scale	: 01 basement, 32 floors
Contract value	: VND1,600 billion
Construction time	: May 2018 - Dec 2020



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