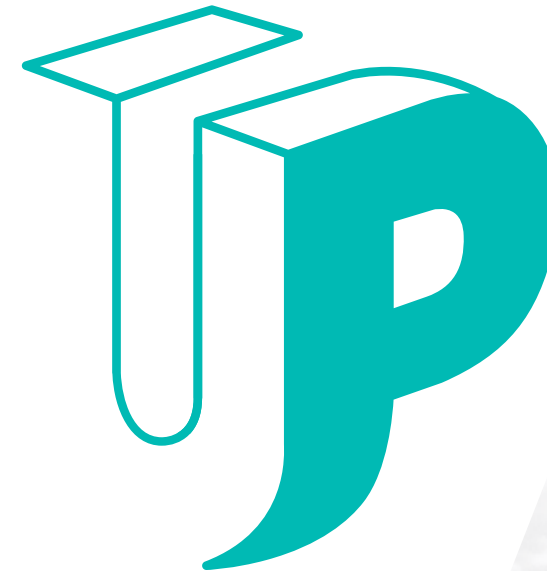




Small Steps
to **GREATNESS**



COTECCONS • ANNUAL REPORT 2021



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ANNUAL REPORT 2021

Small Steps to **GREATNESS**



The past year took its course like no other to the whole team at Cotecons. With unwavering persistence, the path to the new future has now become more evident.

Numerous challenges with increasing complexity are undoubtedly still ahead, but this journey is worth every of our efforts.

Cotecons and Cotecons people can take pride in ourselves when looking back on this meaningful journey together. A journey of testing, searching, and refining to reimagine and reset ourself. A journey of efforts, dare to embrace, dare to change, and fulfill our identities for a new future.

If you are a part of Cotecons and want to accompany us on that journey, bring along our **UP** spirit!

That spirit will drive you forward, help you cope with adversities, etc, make you build better, among others, all towards stronger personal growth and organizational excellence as one team.

That spirit does not take any super power nor any super man to take shape. Let's just **UP** by unleashing your own knowledge and potentials, becoming a better version of yourself, improving efficiency in every little thing you are doing every day. Let's **UP** by embarking on things you want to do or planned to do but have been procrastinating or fearing. Let's **UP** by daring to speak up, share, and connect with colleagues, managers, customers, and partners with higher level of ownership and initiative.

This succinct word represents a powerful reinforcer that we can apply to many other daily acts. When each individual makes UP imperative to themselves, they are driven from within.

Small incremental changes lead to great differences. An organization becomes great when each of its members constantly aspires to move forward, constantly improves and takes practical actions to turn those efforts into exceptional performance.

That is the message of Small steps to Greatness that Cotecons wishes to convey to our companions.

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ABBREVIATION

AR	Annual report	HCMC	Ho Chi Minh City
BIM	Building Information Modeling	HNX	Hanoi Stock Exchange
BOD	Board of Directors	HOSE	Ho Chi Minh Stock Exchange
BOM	Board of Management	IA	Internal Audit
BOS	Board of Supervisors	IR	Investor Relations
CAGR	Compound Annual Growth Rate	IT	Information Technology
CG	Corporate Governance	JSC	Joint Stock Company
CIT	Corporate Income Tax	LEED	Leadership in Energy and Environmental Design
Company/ Coteccons	Coteccons Construction Joint Stock Company	M&A	Mergers and acquisitions
CSR	Corporate Social Responsibility	M&E	Mechanical and Electrical Systems
D&B	Design and Build	NPAT	Net profit after tax
EBT	Earnings before tax	R&D	Research & Development
EPC	Engineering, Procurement and Construction	ROAA	Return on Average Assets
ESOP	Employee Stock Ownership Plan	ROEA	Return on Average Equity
FDI	Foreign Direct Investment	USD	U.S. dollar
GDP	Gross Domestic Product	VCCI	Vietnam Chamber of Commerce and Industry
GMS	General Meeting of Shareholders		



Big Picture

STORY OF PERSISTENCE

“

Given upheavals Coteccons had to struggle with at the end of 2020, many would believe that it would take a miracle for us to “survive” in one year, everyone would leave us, we would not be able to seal new projects, or we would be soon closed. At certain points, as reported in the media, Coteccons suffered from a serious business decline in 2021. Yet, there was a different story on the other side of the coin.



Most businesses would quote 2021 as a year full of turbulence and challenges. Extremely damaging global socio-economic implications of the Covid-19 pandemic brought about special experiences. Business continuity planning efforts to respond to market developments already required a tremendous amount of resilience.

However, with nearly 1,800 members in the Coteccons community, the burden in 2021 was even heavier and more multifaceted than expected. In addition to Covid-19 and other external environmental factors, Coteccons also had to manage equally thorny internal issues. In the meanwhile, industry competition was getting more fierce and attacks from our competitors were drawn-out, on-going and unpredictable.

Adverse information was circulated on the media and in public discussions. There were word-of-mouth rumors in the workplace every day. They covered “departure” of those who were colleagues or teammates who had been together for many years. Or there were new appointments that could invite comparisons or precautions. The destructive power and danger of this harmful “virus” must not be inferior to the threatening virus that triggered the current pandemic.

Feelings of insecurity, uncertainty and disbelief certainly prevailed. Each might have considered their decision to stay or leave their jobs. People might have had disbelief and lack of mutual trust.

There was a mix of both internal and external damaging issues faced by Coteccons and its members in 2021.

However, beyond all challenges, we managed to achieve mutual understanding and a shared voice, provided opportunities for all to be heard and have their ideas accepted, and made extra efforts to drive transformation and build a new future.

Despite ongoing challenges, it can be said that Coteccons’ team survived all “stormy seas” to chart a new path for ourselves. Coteccons has now become a stronger and more connected team, with new inner strength and vitality for us to deliver disruptive growth, achieve ambitious goals and build a truly sustainable future.

In the growth cycle of a business, there will inevitably be reshuffling as part of organizational restructuring, vigorous changes must occur to reflect internal resources, and emerging challenges should be addressed to reach new heights.

Those who survive those challenges have proved their persistence, sense of responsibility and commitments to a Company where they have chosen to build their career. They are indeed bearers of “Coteccons’ DNA”.

Coteccons and our team deserve a better future than ever before. This vision is highly achievable as long as there is strong solidarity under a same positive value system.

NEW ORIENTATIONS INITIALLY BROUGHT INTO PLAY



2021 is the beginning of Coteccons' 5-year plan, which is also a pivotal year for the Company to embrace the new strategic direction. After a year of implementation, adjustment and development, the new orientation has become more evident and brought initial achievements across many aspects, from internal transformation, to a vibrant corporate culture and enthusiastic acceptance from customers.

4 MAIN OBJECTIVES

REVENUE AND MARKET CAPITALIZATION

Revenue of **USD 03 billion** and market capitalization of **USD 01 billion** by 2025.

SUSTAINABILITY

Highly qualified team, diversified product offerings and excellent corporate governance.



INTERNATIONAL SCALE

Meet international standards and tap into global customers, investors and partners.

ROBUST COMPETITIVE EDGE

Consistent with long-term criteria, solid foundation and unique business model.

When it was first shared, the new strategy to transform Coteccons received a lot of concern and skepticism from within the Company to other stakeholders. This is completely natural since Coteccons has a long track record of success.

However, concern and skepticism will quickly change and turn into attention, excitement, empathy, and support. It is because the complicated development of the general market and new challenges in the construction sector brings about increasingly evident warnings.

By 2021, Vietnam's urbanization rate was 40.4%, while the Government's stated target is 45% by 2025 and 50% by 2030. This is a great opportunity for construction businesses.

Coteccons is often talked about with the internal changes and poor business performance in 2021 as a result of the changes in key leadership. However, through an objective perspective and thorough analysis, that this is actually just a falling point of both hidden and evident shortcomings. Typically, the business model is not diversified when products - services and revenue sources are almost focused on only one key segment of residential and commercial construction. This puts the Company in the threat of being relied on the cycle of the construction sector and easily caught up in the trend of the market. The complete suspension due to Covid-19 is the best example of this threat.

Coteccons' former organizational and management model is also a major reason for the drop in 2021. Typically, in the past year, the Company had to deal with 16 bad debt projects incurred and backlogged from previous years with a very large total debt value.

Meanwhile, the competition is getting fiercer at all costs among construction businesses. There have been businesses that accepted project proposals at a lower price. This has placed Coteccons in the challenge in both growth opportunities and core values, which are quality focus and sustainable development.

The above context did make an order to change. To be able to preserve its glorious history and have opportunities in the future, Coteccons needs a new strategy. Accordingly, the Company needs to not only overcome the old disadvantages but also prepare capacity to grasp the fast and complicated changes of the market, and the increasing demands and standards of customers.



The new strategy for Coteccons announced in early 2021 was the result of the highest effort in terms of thinking, effort and time. In particular, the feasibility has been demonstrated when sticking to the available capacity, the future development possibility, and opportunities from the macro market.

Over the past year, despite the severe impacts of the Covid-19 pandemic and market suspension, Coteccons has achieved considerable results in strategic transformation and organizational restructuring.

By the fourth quarter, the organizational structure was fundamentally stabilized, especially key positions at the construction sites. Employee morale is also strengthened, laying the groundwork for the transition. Coteccons' team has been refreshed with a new vitality. The diversification tasks have also achieved the first results when the Design & Build, Finance & Build models, infrastructure construction projects all received good response from customers and an impressive number of newly signed contracts.

The current Coteccons leadership has a great consensus and a new strategy. The soundness of the orientation and the feasibility of the objectives have been demonstrated. The remaining problem is the strategy execution capacity, which needs the efforts of all parties, from the collectives to each individual of Coteccons.

A NEW LOOK FOR A NEW HEIGHT

Previous Logo



Renewing the logo and the identity system to create an image that embodies the new brand strategy is an important requirement in the course of development. This is a common thing for businesses around the globe, big or small. Cotecccons carried out this task in the past year and in late 2021, the new look of the Company came into being marking the 17th year of development.



COTECCCONS INSIDE

- 01 Provide construction methods and solutions that meet environmental sustainability standards.
- 02 Diversify the ecosystem of services and products to maximize benefits for customers.
- 03 Focus on customer experience, in which satisfaction and convenience will be emphasized.
- 04 Enhance the delivery of added values as a top priority.

EXPECTATIONS FROM THE REVERSED N IN THE NEW LOGO

Coteccons' new identity is based on the principle of respecting the past, preserving the valuable heritage that the whole team has contributed to. At the same time, the new look needs to bring a contemporary spirit which is in line with today's aesthetic tastes and express the aspiration for great goals in the future.

On that basis, the new logo and image of Coteccons bear a simple but lively style, strong yet delicate, giving a feeling of confidence, solidity but very youthful and rich in emotion. The solidity of the font correctly embodies the spirit of the construction industry. Navy blue was chosen as the main color to represent technology - the backbone element of Coteccons' new business strategy, typically construction technology, machinery technology, information technology, and so on. Besides, the teal colour is applied to evoke the spirit of creativity, diversity and respect for differences.

This is the spirit and will for the journey forward that Coteccons wants to convey to our team.

In the new identity system, Coteccons still preserves the globe icon, but cleverly stylizes it to be streamlined, concise and focused. The letter C is surrounded by the

equator for a lively feel. This is also a message of Coteccons' commitment to sustainable development and globality.

The most remarkable feature of the new brand identity lies in the reversed N. This idea is inspired by the story of Nikko Toshogu, a famous shrine that is more than 400 years old and is considered the most splendid construction in the history of Japan because of its perfection in every single detail. However, of the 12 intricately carved columns at the Yomeimon Gate, one is deliberately carved with reversed patterns, known as the "inverted pillar" (sakabashira). In East Asian culture, there is a belief that it is imperfection that brings long-term sustainability. As long as we acknowledge our imperfections, we still have a reason to keep moving forward, seeking better things.

The inverted N in the Coteccons logo also has exactly that meaning. At the same time, there is an upward arrow shape and a diagonal line connecting the entire identity block. This is the message of the spirit of ONE TEAM UP (going up together).

PHILOSOPHY AND PURPOSE ON BUILDING FUTURES

Coteccons seeks to build our own future through the sustainable future of our works, contributing to the good future of the community and society.

As such, Coteccons' philosophy is to build works that will last hundreds of years, stand the test of time and serve people's life effectively. Therefore, quality, safety, and humanity are specific criteria in all construction activities of the Company. Investing in diversification in terms of technology, from Buildtech, Fintech to Greentech in Coteccons's strategy is also intended to serve the above-mentioned development goals.

Building Futures will be the constant guiding slogan for the Company in the upcoming busy development process.

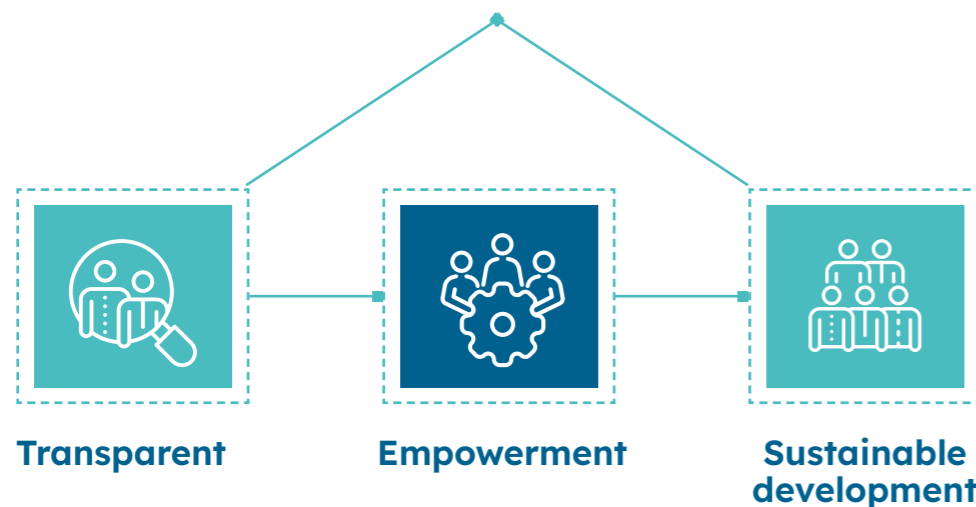


ONE TEAM UP

NEW MORALE IN CORPORATE CULTURE



A company may survive and grow when it is developed and operated based on a transparent mechanism, professional system and collective strength. These are essential requirements for fairness, equal opportunities to contribute and equity for all stakeholders.



With a splendid 17-year development history, Coteccons has established a clear identity and a strong corporate culture. A sense of military discipline, shared consensus and family-like protective and mentoring support are evident in Coteccons' corporate culture.

This culture builds up a team with a shared vision and strong determination that can fulfill every task with a "you-can-not-fail" spirit and by "making the impossible possible". As a result, Coteccons' team was able to complete highly demanding projects such as Landmark 81 or Vinfast automobile factory, etc.

This is a proud spiritual asset and a powerful "soft asset" that Coteccons shall protect and promote.

However, the economic - cultural - social environment is constantly evolving and has much changed. Coteccons is also transforming ourselves to reach new heights. At each stage of our development process, we will have corresponding requirements on our team's qualities, capabilities and culture.

Therefore, it is time for Coteccons and Coteccons people to transform ourselves accordingly for our own future.

With this in mind, in 2021, the cultural environment at Coteccons started to evolve towards a mix of old and new values. Coteccons' collective strength has been further improved by the "One Team" slogan. And the affection "more than a family member" was clearly demonstrated when all of us were strongly affected by the pandemic. Backed by a high consensus among the Management, the Board of Directors strive to maintain compensation and welfare policies for the entire team of nearly 1,800 employees, ensuring that they and their families are provided with a secure income. The average salary increase at Coteccons in 2021 was over 10%, while that on the market was 6.2 - 6.3%.

With a corporate culture that embraces positive qualities and new values, Coteccons' working environment has become more flexible, open and dynamic. In our current management structure, Coteccons upholds empowerment of and additional opportunities to those with demonstrated capacity, high sense of responsibility and contributions to our value. Our environment brings greater equality, reduces subjectivity in our recognition and rewards, and



enables all members to clearly see their own development and promotion paths, for them to focus their own efforts. Therefore, with Coteccons, each individual is expected to actively find ways to improve their performance, demonstrate their worth and address their sluggishness, etc.

These demonstrate most evident testimony of transparency and professionalism chosen by Coteccons as the main principles in corporate governance. Transparency and professionalism are also to be practiced consistently in our entire operations, especially in our relations with shareholders, investors and related parties, aimed at addressing any invisible barriers to compliance, commitment fulfillment and ethic decisions, or potential erosion risks that usually come with long-term consequences.

On our development journey, Coteccons will further screen, evaluate and build appropriate values for a lively, modern, positive and caring business environment, ensuring that we can provide a family where each member always gets motivated and finds opportunities for themselves.



INTERNATIONALITY AND VIETNAMESE VALUE

Is a leading Vietnamese company in Vietnam's construction industry still "a Vietnamese one" when Coteccons is led and managed by foreigners? This is one of the most talked topics when it comes to recent changes to Coteccons.

Coteccons currently has nearly 1,800 Vietnamese employees. The vast majority of our shareholders and investors are Vietnamese. We are making efforts to build a sustainable value for construction projects in Vietnam, contributing to Vietnam's socio-economic development, and offer more opportunities for our employees, shareholders, investors, customers, direct consumers and local communities.

This will be practiced in the future. We will inherit our historical values, keep our legacy, promote positive qualities and make timely changes in response to development requirements. A successful and higher-performing Coteccons will also contribute to Vietnam's socio-economic development and be the common property of all those who contribute to our success.

This is a completely obvious fact. Perhaps, in our new development pathway, Coteccons will "go beyond Vietnam" in the following aspects:

- ▶ Build capacity in line with international standards in all aspects, including those on services, products, corporate governance and environmental protection.
- ▶ Explore and apply global advanced technologies to better manage environmental impacts of construction works.
- ▶ Expand the network of international customers, shareholders, investors and partners to serve our sustainable development goals.

The globe symbol in our new logo also indicates our aspiration to reach further globally.

The global socio-economic development is increasingly bridging national borders and reduce ethnic prejudices. The element that unites our people is genuine respect and benefits offered to one another, apart from the fact because they were born in the same country. The role and value of a business can also be judged on what it brings to the local community, not on the nationality of its leaders.

For our customers and market, a good construction company would earn customer trust by delivering best quality, progress and price and providing a long-term warranty service, thus turning customers away from any concerns on whether we are led by foreigners or Vietnamese.

Similarly, for our partners, Coteccons remains a good companion to jointly create new jobs and prospects. For government agencies, Coteccons is a legally operating company with a strong sense of compliance.

Therefore, in order to become our best "version", increase our contribution to Vietnam's socio-economic development, and proudly become a Vietnamese leading companies globally, Coteccons always seeks companionship of all stakeholders in our development journey.

Innovation and "INTERNATIONALIZATION" DO NOT MEAN THAT a Vietnamese brand WILL DISAPPEAR.



Coteccons in our "new version" will have more vibrant culture, more diverse qualities and a consistent value system of a company that has played our part in the formation of Vietnam's modern construction industry.

COTECCONS'S GOAL OF GLOBAL RECOGNITION



THE WAY FORWARD

4 STRATEGIC TASKS OF COTECCONS



Assessments from different perspectives indicate that Coteccons has developed a proper strategic pathway. This was demonstrated by our initial transformation outcomes. Our leadership and team's confidence in the new path has accordingly grown. In our upcoming journey, more efforts, determination and persistence are needed to adapt to a more demanding business environment, thus to thrive and lead the industry.



We have a long to-do list, with three main groups of activities that we are expected to facilitate: Strengthen our business model, clearly indicating the priority of products and services to be diversified and building capacity of human resources.

Coteccons' new business model is built by expanding our presence in more stages in the development process of a project, going beyond procurement and construction. This model is highly feasible for Coteccons because we have strong financial resources, expertise, experience and ability to mobilize and explore new resources, etc.

Therefore, we will further strengthen our model for consistent operations while avoiding resource dispersion and managing threats so as to promote implementation and application. Remarkably, product - service models such as "Finance&Build" or "Design&Build", etc. have gained much attention of customers, and can be improved for higher efficiency and proportion in the value of new contracts.

For the sake of diversification, there are different directions to take and products and services that we can invest in. However, in order to avoid acting in haste and resource dispersion, we shall determine the priority based on availability of resources, possibility to effectively mobilize new resources, market and customer demand, etc. There may be market segments where Coteccons shall make drastic and risky decisions to take advantage of any

opportunities that arise, including Greentech that will be in great demand in the future.

In order to realize our strategy and achieve our ambitious goals, Coteccons needs quality human resources as required. This has been seen as a key area of focus and investment in our implementation plan.

Currently, Coteccons has a large and strong team of site engineers and managers with outstanding marketable capabilities. For this, they are often targeted for talent poaching by competing businesses. Therefore, retaining talents, creating effective working mechanisms and building their development pathways are among important tasks.

However, Coteccons' human resources require further capacity building to meet new requirements. At the same time, the strategy to offer a diverse portfolio of products and services also requires our people to develop a mix of skills.

These human resource development goals require a new and relevant recruitment, training and development strategy, both in short and long term.

For successful implementation of the strategy and fulfillment of our goals, Coteccons is in need of a team that can demonstrate our **UP spirit**, willingness to move forward, determination to overcome challenges and a burning desire to succeed with the Company.

CONVERSATION WITH **THE BOARD CHAIRMAN**

BOLAT DUISENOV
AND THE JOURNEY WITH
COTECCONS TO
“REIMAGINE OUR FUTURES”

“

Coteccons has been in the middle of our restructuring efforts. We have been undertaking experiments to redefine who we really are. Why is this important to us? Are we aiming to perform much better or see ourself as a construction company that just waits passively for each contract to be offered.





“

The new path moving forward confidently charted by Coteccons came after much pondering, study and assessment to ensure that the strategy would include “think big” goals framed on a highly viable basis.

Mr. Bolat Duisenov officially assumed the role of Chairman of the Board of Directors at Coteccons on October 5, 2020. There have been stormy seas over the past 18 months for the Company and himself. Coteccons and recent happenings around it can definitely be a “case study” wherein different aspects have not been fully evaluated and understood.

Coteccons’ new strategy and restructuring efforts have started to pay off. This convincingly argues that Coteccons shall transform our business as we can be otherwise delisted from market. A proud history is no guarantee of future results without a dare-to-change spirit and responsiveness.

The new path moving forward confidently charted by Coteccons came after much pondering, study and assessment to ensure that the strategy would include “think big” goals framed on a highly viable basis. That must also be a path that best reflects Coteccons’ qualities and existing potentials, not just our dreams or ambitions.

The talk with Mr. Bolat Duisenov will reveal more on what Coteccons did not share publicly on social media in 2021.

COTECCONS' REAL "CRISIS"

From your perspectives, how would you describe the overall performance of Coteccons in 2021?

I will be open and honest on this, not to tell if we have been right or wrong but to provide objective and positive judgments of what has happened.

Indicators show that 2021 is a year of failure for Coteccons. This is true. We may play the blame-game, make excuses, make up numbers or beef up our data as a cover-up. Yet, not any of these are attempts I should and want to make.

Being "labeled" with negative information and one-sided views is more painful to us than what others might think.

With a closer look and all-sided analysis, what was the real "crisis" of Coteccons in 2021? Were there any Coteccons projects which met eligibility requirements for construction but were behind schedule? Were Coteccons employees given strong job security given social stress in the pandemic situation? Did we fail to pay our suppliers or did our actions cause our partners to lose their jobs? Did we violate any business commitments or legal regulations?

Finding answers to these questions is at the heart of our work. In terms of sales and profits, Coteccons recorded poor results, attributed to different reasons. In 2021, we worked on all these challenges and intensified our innovation and restructuring efforts in response to economic slowdown. This was the overall picture of Coteccons performance in 2021.

A willingness to accept status quo and aggressive restructuring efforts provide the most simple, economical and effective tools to rebuild a better future.

From your perspectives, what are the key drivers of Coteccons' declining business performance as already covered by the press and publicly discussed?

There are various reasons I believe presented in the reports from our departments. Internally, past risks might have potentially affected our performance in 2021.

During social distancing that led to downsizing of our business operations, I managed to perform a round of dialogue and interviews with our employees, especially senior and mid-level ones. My initial purpose was to better understand them and re-assess our business strategy and plans. But our conversations enabled me to discover many other aspects that define a true Coteccons as it is.

Inputs from our employees opened my eyes to Coteccons' true values and qualities which were unlike what I had ever seen on our website. There are beautiful things to write about or catchy slogans and brand taglines to choose but these might not reflect what our Company employees are receiving, applying, possessing or pursuing. Most seem to dwell on the past rather than have an objective of guiding and motivating our team.

Given potential threats that were not addressed in the past, whether it's me or someone else in the management, changes would certainly happen to Coteccons. It is the timing of my appointment that put me at the center of attention, with others naming me as the change agent.

DISCOVERING THE REAL COTECCONS' "DNA"

How specifically have you executed your internal communication campaigns and what are the most important results?

I meet every single person, and with quite few of them. I even prepare detailed notes to best understand their needs.

"I am not in a position to determine the value of Coteccons human resources, nor can I commit myself to promoting one of our employees. My job is to build a strategy, make sure it is implemented in a timely basis and choose the right people. I am not supposed to just sit in my office dreaming up ideas every day and seeking agreement from others.

I don't judge people as good or bad. I would instead look at the core values and goals that each employee is committed to pursuing with Coteccons to determine greatest shared values of the Coteccons community. From this, I would be aware of key drivers of employee motivation, enablers of their performance, and their commitments and expectations with the Company. Also, I am willing to listen to their past stories. For all of these, our key concern is to see if we share the same ambition to build a successful business.

This is a composite "exercise" that I have been working on for three and a half months. This was a strategic time to me.

With notes of our conversation, we have been able to re-define, evaluate, and restructure our operations in a way that reflects actual conditions of the Company. Admittedly, I have found the real "DNA" of Coteccons, different from what I thought before.

I also realized that a lack of mutual understanding sometimes does not necessarily result from missing opportunities for dialogue but might be triggered by a lack of mutual trust. Coteccons do not have much opportunity to discuss our values, purpose or motivation, etc.

So what is the greatest shared value of the Coteccons community? And how does the real "DNA" of Coteccons generally look like to you?

First of all, the real Coteccons people are those of actions rather than words, they do not often talk too much but are strongly engaged in all business operations. Those who make up the true strength of Coteccons are mostly humble and quiet but have sturdy inner strength. Coteccons is having an exceptional team of technicians and site managers. They shall be provided with more enabling conditions, training and supports to unleash their latent capacities which, in return, enables them to add exceptional values to the company.

In addition, seniority at Coteccons does not necessarily mean having more of Coteccons DNA. Some are highly responsible at work for our shared goals, sometimes regardless of the years served here.





“There have been people leaving our company indeed. Those who no longer share the same values are given freedom to do so. Great employees remain with us as they expect Coteccons to succeed and wish to be part of our success.

On the other hand, Covid is a highly effective “test”. It has activated the best self of every employee. At one end, those with a burning desire to work plus personal capabilities would be able to find solutions. At the other end, there are incapable workers with little motivation at work and Covid is a good reason for their poor performance.

To me, there are people who can be motivated and keep moving forward. Meanwhile, some employees resist changes, no matter how hard you try to motivate them.

Other aspects of Coteccons’ DNA have been embedded in our new brand identity, principles - purpose, core values or Coteccons Inside, etc.

Despite its overall heavy impacts, COVID-19, on its positive side, has reshaped and sharpened my view of things. This enables us to reshape our strategy and define our growth path in a practical way.

“The management model itself demonstrates how the Company sees our team. We can’t always talk beautifully about trust, respect, and support but build an unreasonable control mechanism.

REIMAGINE OUR FUTURES

From what you discovered, how did you apply strategic adjustment or restructuring?

Since the end of 2020 and early 2021, I and the management have done our best to develop a new strategy for the Company. The orientation is completely right because we had thorough understanding of everything. However, several things were a bit fast. After we understood the thoughts of the team and the actual situation they were in, we stepped back a bit to consolidate

The most significant change came from a better understanding of the importance and specific organization of the work at the site, and we changed the organizational model and management process.

In the former organizational model of Coteccons, the head office had to control too much. It was the job of the back office function to do so. That was completely logical. However, such a system was

“I have a belief that we’re having a good team. All their efforts and choices are based on the interests of the Company.

also saying that I don’t trust you, you can’t make decisions yourself, and that I have to keep you under tight control so you don’t make mistakes.

I decided to return to the most basic question: Who are we? Why do we have to go to work every day?

I believe that Coteccons has a very good team who possess a sense of responsibility, honesty and problem-solving ability. They are the ones who decide the quality and progress of projects and take care of customers and partners, not us. So we need to provide them with better care and support.

Therefore, we came up with a policy of empowering project and the site team, simplifying reporting processes, and engineering a streamlined control and support mechanism.

One of the key aspects of Coteccons’ new strategy is diversification. Can you elaborate on this option?

Coteccons has had a successful history, but in the wake of Covid-19, the disadvantage of “putting all eggs in one basket” has revealed itself most clearly when the main source of revenue comes only from civil and commercial construction. A business, no matter how strong it is, is exposed to risks without diversified sources of revenue.

Since we are on a lone and perilous peak, it is necessary to go down to stay relevant in order to build the ability to conquer a variety of other mountain types.

Diversification is the way to go if you want to survive in the future, to expand opportunities and bring Coteccons to greater success. We must become a company that can provide a wider range of services to cater to more needs of our customers. In Vietnam, there are so many things a business needs to do and should do.

Diversification can take place in multiple dimensions. It can be in sectors such as Buildtech, Fintech, Greentech or in products and services like civil, industrial, infrastructure, and so on.

Construction services currently capture a very small profit opportunity in the value chain of a project. But our work and pressure is extremely heavy. Every day, we struggle at construction sites, thousands of people with hundreds of groups of tasks. We try with all our hearts and minds. With many projects, we even have to accept losses.

“It is a very human thing that if we fall once, we will be afraid to try the next time. We always want to stay in our comfort zone and we tend to be satisfied with what we believe to be the best.

So why don’t we play a bigger role in that value chain, from design to investment and operation and commercial activities. After a project is completed, we can also participate in the operation process. From bidding and construction, why don’t we have better solutions to bring added values to our customers?

Is there any rationale for that strategic orientation to ensure feasibility? What models and experiences did you refer to before choosing one for Coteccons?

I spent over 6 months researching the development history and models of the major construction companies in South Korea, China, the US, Thailand, and Europe. I find a common point which is pure construction companies with simple services and models only lasted a short time, 10 years on average. Businesses that want to develop to a new stage must be able to provide something more than construction services. We call it brand business, i.e giving customers added values and emotional aspects. Or they have to expand into infrastructure construction, energy, airports and other sectors around construction capacity.



We have financial and human resources, brand reputation, experiences, opportunities and potentials. My main job is to chart the right path, leverage our people and resources and build systems. More results are expected to come then. Revenue, profits, reputation and prestige are resulting outcomes of our efforts, investments and actions.

In doing business, no one can guarantee a successful outcome. But if you do not change and prepare for the future, you will certainly face the risk of failure. A business, in order to limit the risk of being left behind and being eliminated, must also improve its ability to adapt to market movements and respond quickly to changing requirements.

Did you survey or rely on market research results to be more certain that Coteccons' changes are in line with what customers will need?

There are two options in building a strategy: We can get to know our customers by having them to indicate what they need. Then they will most likely respond by saying: I want this or I want that, etc, while certainly expecting more affordable and convenient offers.

Not a visionary, though, I still hold a belief that as a business, we must be at least one or two steps ahead in anticipating our customer needs before these are clearly indicated by them.

For example, not so many customers would now expect us to apply environmentally friendly construction technologies. But such a quest will surely come in some time. Our failure to invest now would see us slowly catch up with industry trends in a few years. At least, it will be too late to be among market leaders.

The good thing in Vietnam is that we don't have to be innovators. We can observe the path others have traveled previously to prepare ourselves.

We are currently lagging behind the construction industry of countries such as South Korea, China, and Malaysia by a few years or as many as twenty years. Not 100%, but as much as 80% of what happened in such markets will definitely happen here.

TOWARD A LONG-TERM AND SUSTAINABLE FUTURE

Investments in eco-friendly technologies now may not guarantee high rates of return. Some customers might not see them as necessary components. Yet, as clearly indicated by many customers in the industrial construction industry, they are looking for more eco-friendly products.

This is a downright trend. It is true that we don't always follow trends. However, without proactive adaptation and preparation, we must be able to answer the question: What will happen to us?

Today's investments may take a few years to yield benefits. Investing too soon can be a waste of money. But if we step in too late, we will lose the opportunity.

Doing business itself is always a big question for us. No one has a certain answer or a guaranteed future outcome. We can go wrong in a few steps. But if you actively move forward, the results will be more certain than when we passively wait. If we work really hard, the results will surely be greater.

We cannot decide and choose the outcome by ourselves, we can only decide and choose to strive and act to produce the desired result.

“Sooner or later, we will capture the market opportunity. An when we do, we will grow very rapidly. If the market is not favorable, we'll have to slow down. But we'll always stick to the goal of sustainable development.”

As a listed company, how have the recent ups and downs affected Coteccons' shareholders-investors? Will setting a growth target that is too low for the year make Coteccons less attractive in the financial-stock market?

I shared with our shareholders that our core goal is long-term sustainable growth. Everything we try to build, if you take a holistic view of the methods, you will see they are all connected with that goal. That is also the responsibility that we have to commit to our shareholders.

Since last year, we have taken a strong stance of not engaging in short-term projects or making quick bucks

Transparency is the core principle to ensure the interests of all parties. Having access to the wrong information can lead to wrong decisions. Thus, upholding the principle of transparency, we will provide correct information. Whether they like us or not, transparency is still the principle that makes shareholders and investors feel secure.

Coteccons used to have a good practice of talking directly to certain major shareholders. I've maintained that practice and meet directly with some shareholders and investors, including minority ones. We answer all questions and are open to all inquiries and complaints. They have my phone number and everyone has the right to ask. It's part of my job is to answer questions.

Up to now, I have only spent one year in service with one Annual General Meeting. Of course, there will be differences and disagreements, but the majority support can be seen in the votes on the issues we've submitted.

Support across various levels within the Company is a source of our strength. Major shareholders in the Board of Directors also have consensus and mutual support. Everything takes time.

Thank you!

Company Overview



COTECCONS

BUILDING FUTURES WITH TRUE VALUES



Coteccons has been recognized a critical enabler to the development of Vietnam’s construction industry for nearly two decades. The Company will continue to fulfill this role and mission throughout our upcoming journey.

Coteccons was established in 2004 via the privatization of a member company of Fico Corporation. With robust capabilities and first-mover vision, the Company has grown rapidly to lead the construction market, developing many important projects in Vietnam and contributing to the transformation of various cities across the country.

Currently, Coteccons is operating as a powerful corporation with an advanced service - technology ecosystem, sound financial capacity, dedicated engineer team, experienced experts and promising young talents. With that abundant competencies, Coteccons is fully capable of meeting diverse construction requirements, from residential, commercial, hospitality projects to infrastructure and industrial works.

Through a proud history of establishment and development, one of the greatest assets that Coteccons has built is market recognition and customer trust. This achievement takes its root from the

Company’s coherent philosophy of true value in construction, as evidenced by each of our projects. Accordingly, Coteccons always pursues the highest standards of quality and operationalize them with sophisticated and rigorous technology - engineering - management - supervision processes.

Not only updating the latest standards of the global construction industry, Coteccons also maintain our focuses on research and development (R&D). The company is always at the forefront of finding new solutions, from optimal building materials to improved construction methods, helping to ensure both project quality and progress.

Such effort increases project-specific efficiency while effectively minimizing costs and time for customers - developers. Therefore, Coteccons is always the first choice to many project developers for construction work. Flagship projects, in particular, are entrusted with Coteccons for absolute assurance.

To date, Coteccons has completed more than 400 major projects throughout Vietnam and some neighboring countries such as Laos, Cambodia, Myanmar, etc. All Coteccons branded works are associated with guaranteed sustainable quality and value. Most of them have become icons of cities, contributing a crucial part to the socio-economic development and livelihood of the local people.

Coteccons was listed on Ho Chi Minh City Stock Exchange in early 2010. Currently, Coteccons’ CTD stock is ranked among the best construction stocks in Vietnam.

Coteccons has had nearly two decades of brilliant development with sound achievements and reputation. Such foundation will always be respected, inherited and promoted properly.

Currently, in adapting to an ever-changing market and aiming towards a sustainable future, Coteccons is taking initiatives to innovate our current business strategies and update development plans. All tangible and intangible heritage and resources that we have been upholding for years, are optimized, aligned and upgraded to reach new heights. Among these, utmost respect for true values, commitment to quality and efficiency continues to be at the heart of everything we do at Coteccons. All updates and improvements are all aimed at actualizing that philosophy at its best, bringing the highest efficiency to all stakeholders, from direct and indirect customers, from community - society to the company itself, taking into account the new socio-economic context.

A new chapter in the history of Coteccons starts from now. The Company’s development prospects are always part of the broader development prospects of the country and the community.

PROFILE INFORMATION

Name in Vietnamese:	CÔNG TY CỔ PHẦN XÂY DỰNG COTECCONS
Name in English:	COTECCONS CONSTRUCTION JOINT STOCK COMPANY
Abbreviated name:	COTECCONS
Tax identification number:	0303443233
The business registration certificate was initially issued by Ho Chi Minh City Department of Planning and Investment on August 24, 2004.	
Charter capital :	VND 792,550,000,000
Owner’s equity:	VND 13,925,000,000
Total assets:	VND 13,925,000,000



Email:	contact@coteccons.vn
Website:	www.coteccons.vn
Address:	Coteccons Building, No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC
Tel.:	84.28.3514 2255 - 84.28.3514 2266
Fax:	84.28.3514 2277

LISTING INFORMATION

Ticker symbol:	CTD
Listing year:	2010
Stock Exchange:	Ho Chi Minh Stock Exchange - HOSE

AUDIT FIRM

ERNST & YOUNG VIETNAM LTD.	
Address:	02 Hai Trieu, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
Tel.:	84.28.3915 7888
Website:	http://www.ey.com/vn/en/home/ey-vietnam

PHILOSOPHY PURPOSE

At Coteccons, we believe that a great project not only features external magnificence but also needs to stand the test of time. Therefore, not only with bricks and mortar, we build each project with heart, vision, reputation and wisdom.



**WE ARE
COTECCONS PEOPLE.**

**WE BUILD
FUTURES.**

For today, tomorrow and beyond, etc.

We follow our dreams and dedicate ourselves to creating new lives. We believe that a successful business is one that builds a better world.

With that philosophy and purpose, we expect to be given the trust to grow stronger with our customers. We stand ready to accompany any project, anywhere, to join you in reaching new heights, conquering new limits, and creating new miracles.

Co-create a bright future together.

Co-create good works for the world.

Co-create sustainable values.

The above philosophy helps our Coteccons team to remain focused, motivated and passionate to work every day.

CORE VALUES



01

QUALITY AND SAFETY

We are committed to delivering outstanding quality, absolute safety and on-time delivery for each individual project.

02

RESPECT AND HUMANITY

We work with empathy and teamwork. We do not compromise with actions that go against humanity and do not create values for the community. We uphold equity and kindness, regardless of background, position and capability.

03

INTEGRITY

We are committed to operating with honesty and transparency.

04

DEDICATION

We inspire and motivate everyone, with persistence and commitment to the goal of global recognition.

05

CONSIDER- ATION

We understand and strive to bring benefits to all stakeholders; create opportunities for career development and prosperity for each individual.

06

BOLDNESS

We are willing to take on challenges and take risks to go above and beyond barriers, surpass our limits, and create excellence together.

07

CONSTANT IMPROVEMENT

We always strive to improve and apply world-class technologies to solve business challenges. We listen, learn and constantly search for breakthrough ideas to develop.

08

CUSTOMER- CENTRICITY

We put the interests of our customers at the heart of all business decisions and activities.

09

SUSTAIN- ABILITY

We operate with environmental protection and sustainable development responsibility, in the best interest of future generations.

MAIN BUSINESS LINES



- Construction of houses of all kinds: Main business lines
- Manufacturing of concrete and products from cement and gypsum
- Manufacturing of mining and construction machinery
- Construction of railway and road works
- Construction of public works
- Construction of other civil engineering works
- Demolition
- Preparation of sites
- Installation of electricity system
- Installation of water supply and drainage system, heating system, and air conditioners
- Installation of other construction systems
- Fitting out of construction works
- Other specialized construction activities
- Wholesale of machinery, equipment and other machinery components
- Wholesale of materials and other installation equipment in construction
- Wholesale of other specialized products which have not been categorized
- Support activities for financial advisory which have not been categorized
- Architecture and relevant technical advisory
- Specialized design activities

MARKET PRESENCE



KEY MILESTONES ON THE DEVELOPMENT JOURNEY

2006-08

Jointly developed many big projects: RMIT University, The Manor, Grand View, etc.

Secured investment from large funds, including Dragon Capital, Indochina Capital, Tainan Spinning. Increased charter capital to VND 120 billion.

Conquered the high-end real estate market with signature projects like Ho Tram Sanctuary, River Garden, The Center Point, etc.

2004

Transformed the operating model into a Construction Joint Stock Company (Cotec) according to Decision No. 1242/QD-BXD dated July 30, 2004 by the Minister of Construction.

2012-14

Signed a strategic cooperation contract with Kustocem Pte. Ltd. (Singapore) by issuing 10,430,000 shares (equivalent to VND 520 billion).

Raised the share ownership ratio of Coteccons in Unicons to 51.24% and officially operated under the group model.

Achieved initial success in Design and Build (D&B) model. Signed many D&B contracts with major developers like: Masteri Thao Dien, Regina, etc.

2009-11

Commenced the construction of the Coteccons office building on May 10, 2009 with 100% Coteccons capital.

Coteccons shares were listed and traded (ticker symbol: CTD) on January 20, 2010 at HOSE.

September 08, 2011, signed an EPC contract for the region's largest and most sophisticated Casino - The Grand Ho Tram complex with the developer Asian Coast Development Ltd. (ACDL).

↑↑

2018-2020

Completed The Landmark 81 project - a national icon and among the Top 10 super-tall skyscrapers in the world.

Completed Vinfast automobile manufacturing complex with a record construction time of only 12 months.

Maintained the position of No. 1 Private Enterprise in the construction industry, marking the 7th consecutive year leading this ranking. The company was also honored in the Top 50 largest enterprises in Vietnam in 2019.

Ranked as one of the leading contractors in Vietnam in 2020.

↑↑

2015-17

Implemented many large D&B contracts. Marked record high revenue and profit growth.

Constructed Landmark 81 project - one of the super-tall skyscraper in the world.

Commenced Hoi An Casino project in August 2017 with a total value of nearly VND 7,000 billion.

↑↑ 2021

Conducted business restructuring, created new enablers to adapt to changing market and oriented the development roadmap to 2025.

Ensured quality and progress for all approved projects despite adversities posed by the Covid-19 pandemic with over 20 projects successfully handed over.

Affirmed the 1st position in the Top 10 Most Reputable Construction Contractors honored by Vietnam Report and Top 20 Companies with Sustainable Development Index - VNSI.

OUTSTANDING AWARDS & ACCOLADES

2016

- 3rd Prize in Tekla Asia BIM Awards Competition hosted by Trimble Tekla.
- Top 100 largest enterprises in Vietnam hosted by VietNamNet and Vietnam Report.
- Top 10 Sustainable Development Enterprises organized by VCCI.

2017

- Top 50 Largest Corporate Tax Payers in Vietnam
- Top 10 Best Annual Reports hosted by HOSE, HNX, Investment Magazine and Dragon Capital.
- Top 40 Most Valuable Brands in Vietnam by Forbes.

2018

- Top 50 Most Profitable Companies in Vietnam hosted by Nhip Cau Dau Tu Magazine for the 8th year in a row.

2019

- 1st position out of Top 10 Most Reputable Construction Contractors honored by Vietnam Report.
- Top 15 Best Companies in Vietnam hosted by VCCI for the 3rd year in a row.

2020

- Top 10 Reputable Contractors - Top 10 Construction Companies in Vietnam.
- 1st position in the construction industry.
- Top 100 Best Places to Work in Vietnam hosted by Anphabe for the 6th year in a row.
- Top 50 Most Profitable Companies in Vietnam hosted by Nhip Cau Dau Tu Magazine for the 8th year in a row.

2021

- Top 10 Most Reputable Construction Contractors honored by Vietnam Report.
- Top 100 Best Places to Work in Vietnam hosted by Anphabe for the 6th year in a row.
- Top 20 Companies in Vietnam Sustainability Index (VNSI) listed by HOSE.
- 56th place in Top 500 Largest Enterprises in Vietnam (VNR500) and the largest private construction enterprise in Vietnam in 2020 hosted by Vietnam Report.
- Alliance Award at Autodesk Asean Innovation Awards 2021 for One Verandah Project.

TOP 10 SIGNATURE PROJECTS BY COTECCONS



The impressive professionalism, rich experience and solid capacity of the Coteccons team help us achieve the optimal quality, progress and construction safety at the same time.

During nearly two decades of formation and development, Coteccons has contributed to the construction process of more than 400 major projects across Vietnam. Many of them have become famous projects with significant roles and meanings in respects, contributing to the general development of Vietnam.

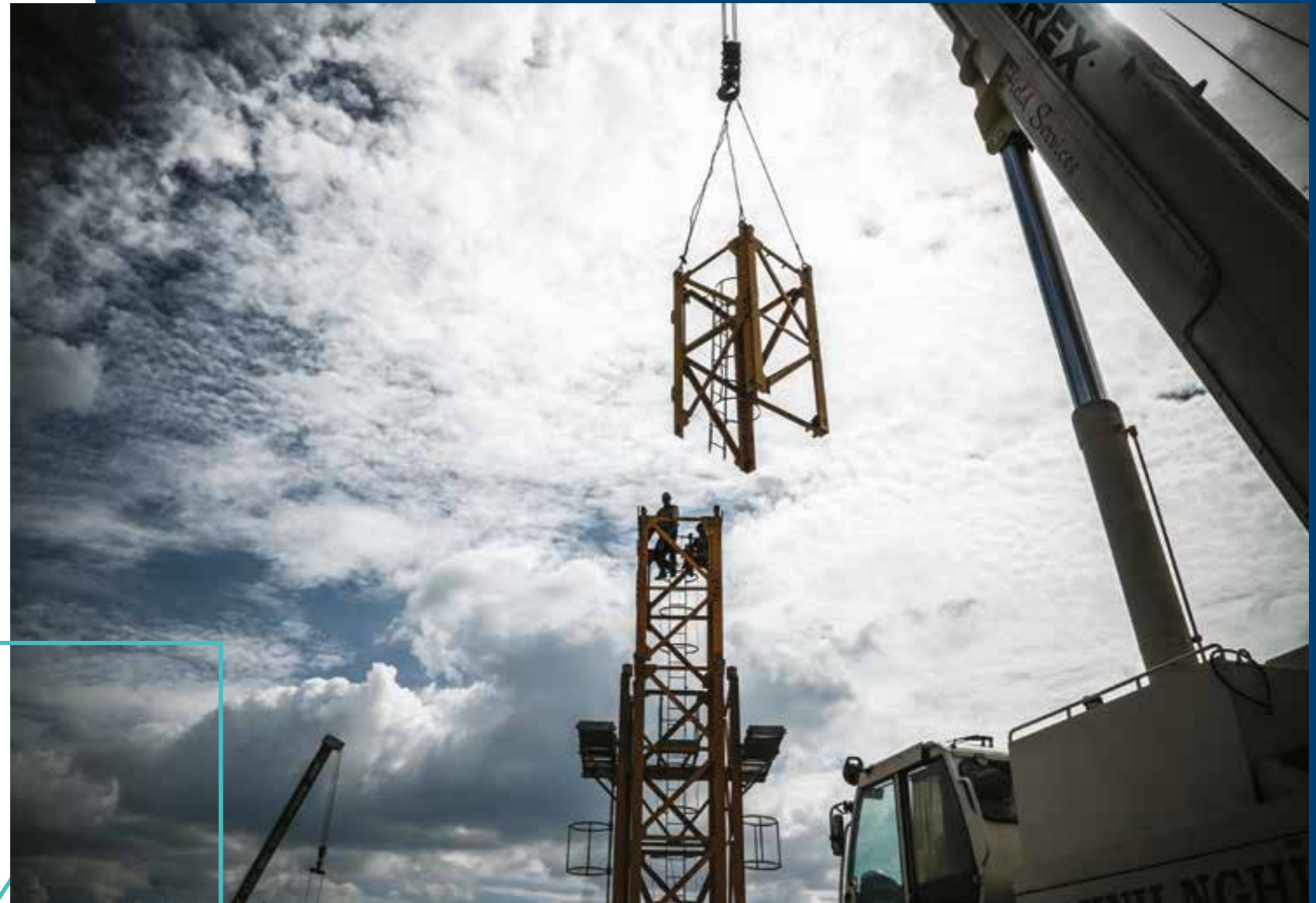
This is both the pride and the drive that makes Coteccons more deeply aware of our mission. Therefore, the foundation quality and the sustainability over time of each project are the philosophy of action which every member of Coteccons at the construction sites highly perceives.

With expertise and experience in construction management through numerous technically rigorous projects on large scale, Coteccons' team is always fully capable and conscious in implementing the supervision to ensure the highest quality. By coordinating with customers and other contractors, Coteccons closely adheres to customers' requirements and purposes, making maximum efforts to meet their expectations.

That standard of Coteccons has been recognized by all customers and experts, gaining the Company's credibility as an industry-leading construction unit in terms of construction quality.

In addition to complying with strict quality criteria and management processes, Coteccons requires constant research and innovation to deliver new solutions that help shorten the construction time. Therefore, we have successfully completed many projects in the shortest time as expected by customers.

With such profession, experience and philosophy, Coteccons is now one of the few domestic contractors capable of competing with famous international construction corporations. The company has demonstrated the ability to deploy a variety of project categories. Among hundreds of projects by Coteccons that are famous for their expansive scale and challenging engineering and technical requirements, these 10 following projects are signature for residential, industrial and infrastructure categories.



ECOPARK SWANLAKE ONSEN

Developer:
Ecopark & Nomura

Type of project:
Residential



VND
4,000 billion
Package value

Project information

Scale: Construction general contractor for D&B 5 twin tower which is divided into 2 blocks R1-R2-R3 and L1-L2

Expected handover: 10/30/2023

HOA PHAT DUNG QUAT

Developer:
Hoa Phat Dung Quat Steel Joint Stock Company

Type of project:
Factory



VND
1,350 billion
Package value

Project information

Scale: Structure, furnishings, infrastructure, features and mechanics (bolts, plates)

Expected handover: Quarter 2/2024

THANG LONG

TESA HAI PHONG

ADHESIVE TAPE FACTORY

Developer:
TESA Site Hai Phong Co., Ltd.

Type of project:
Factory



VND
500 billion
Package value

Project information

Scale: Factory, warehouse, office, auxiliary areas, fences, infrastructure with a total construction area of 33,000m²

Expected handover: Under construction

EMERALD

GOLF VIEW

Developer:
Le Phong Investment and Development Co., Ltd.

Type of project:
High-rise building



VND
1,450 billion
Package value

Project information

Scale: Design and construction general contractor for 2 basements and 40 floors

Expected handover: Under construction

INTERCONTINENTAL HA LONG

HOTEL & RESORT

Developer:
BIM Group

Type of project:
Hospitality



VND
880 billion
Package value

Project information

Scale: A hotel with 175 rooms, 41 villas and 60 Sky Residences apartments

Expected handover: Under construction

TROPICAL VILLAGE PHU QUOC

Developer:
Phu Quoc Sun Co., Ltd.

Type of project:
Villa



VND
440 billion
Package value

Project information

Scale: The main contractor to construct bare-shell structure and exterior of 344 villas

Commencement time: Under construction

HT-PEARL

Developer:
HT-Pearl Building House Investment Co., Ltd.

Type of project:
Residential



VND
1,000 billion
Package value

Project information

Scale:	Gross floor area of 8,728.7m ²
Package:	General contractor to construct 2 towers of 35 floors
Expected handover:	12/31/2022

OPAL SKYLINES

Developer:
Dat Xanh Group



VND
1,200 billion
Package value

Project information

Scale:	1,500 high-end products including 404 1-bedroom units; 946 2-bedroom units; 156 3-bedroom units and 24 commercial and service apartments
Package:	1 basement, 2 towers of 36 floors with a gross floor area of more than 160,000m ²
Expected handover:	05/01/2022

URBAN GREEN

Developer:
Kusto Home

Type of project:
Residential



VND
1,000 billion
Package value

Project information

Scale: 2 23-storey towers with 735 apartments
Expected handover: 10/01/2023

VINHOMES GRAND PARK

Developer:
VinGroup

Type of project:
High-rise building



VND
900 billion
Package value

Project information

Scale: 4 towers including 2 32-storey towers, 2 34-storey towers, with a gross floor area 1,300m²/floor
Expected handover: 10/2023

MANAGEMENT TEAM



The current Coteccons leadership has a great consensus and a new strategy. The soundness of the orientation and the feasibility of the objectives have been demonstrated. The remaining problem is the strategy execution capacity, which needs the efforts of all parties, from the collectives to each individual of Coteccons.

BOARD OF DIRECTORS



Mr. BOLAT DUISENOV
Chairman

Nationality	Kazakhstan
Born in	1981
Qualifications	Master of Laws
Date of becoming a BOD member	06/30/2020
Date of appointment as Chairman of the BOD	10/05/2020

Previous senior executive positions	2020 - Present	Board Chairman of Coteccons
	2014 - Present	Member of the Board of Directors of FiinGroup JSC
	2013 - Present	Member of the Board of Directors of Gemadep JSC
	2012 - Present	Founder of PilotX
	2008 - Present	General Director of Kusto Vietnam
	2005 - 2008	General Director of Tandem Group - Kazakhstan

Professional experience: Mr. Bolat Duisenov officially assumed the position of Chairman of the Board of Directors at Coteccons on October, 2020. Previously, he had been attached with Coteccons for 8 years as an investor and a member of the Board of Directors.

He focuses on building a new future for Coteccons by improving the Company's business strategy and setting internationalization standards to bring the highest value to customers. With his efforts to create several innovations, Mr. Bolat Duisenov ensures that quality and safety remain at the core of Coteccons' business activities.



Mr. TRINH NGOC HIEN
Non-executive members

Nationality	Vietnam
Born in	1967
Qualifications	Master of Social Science
Date of becoming a BOD member	04/2021

April 2021 - Present	BOD Member of Coteccons
October 2021 - June 2021	Senior Advisor of Coteccons
2015 - 2016	Director of Masan Consumer Corp
2014 - 2015	Board Chairman of Beton 6 JSC.
2012 - 2014	Vice Chairman of the Board of Directors of Mien Trung Corporation
1995 - 2006	Deputy General Director of Aon Vietnam Co., Ltd

Mr. Trinh Ngoc Hien is currently a Senior Advisor cum Board member of Coteccons.



Mr. YERKIN TATISHEV
Non-executive members

Nationality	Kazakhstan
Born in	1976
Qualifications	Bachelor of Laws, Bachelor of Economics
Date of becoming a BOD member	06/29/2017

2017 - Present	BOD Member of Coteccons
2013 - Present	Board Chairman of the Kusto Real Estate Capital Pte. Ltd.
2013 - Present	Member of the Board of Trustees Almaty Management University
2010 - 2013	CEO of Kusto Management Ltd.
2007 - 2010	Vice Board Chairman of Sekerbank T.A.S
2006 - 2009	Vice Board Chairman of BTA Bank
2004 - 2006	Vice Board Chairman of Bank TuranAlem JSC
2002 - 2004	Board Chairman of Orenbourg Minerals OJSC

Mr. Yerkin Tatishev holds a bachelor degree of Economics in 1999 in Russia, a bachelor degree of Laws in 2002 in Kazakhstan, Master's degree at Oxford University - UK in 2009. In more than 23 years of working experience, he has assumed the positions such as Monetary Supervisor, Deputy Investment Director, Vice Executive President, Chairman of the BOD at banks and investment funds in Eastern Europe and Singapore. He is Founder and Chairman of Kusto Group, and Chairman of the BOD of Kusto Real Estate Capital Pte. Ltd. Ltd.



Mr. TALGAT TURUMBAYEV
Non-executive members



Mr. HERWIG GUIDO H. VAN HOVE
Non-executive members



Mr. Tong Van Nga
Independent Board Member



Mr. Tan Chin Tiong
Independent Board Member

Nationality	Kazakhstan	Belgium	Vietnam	Singapore
Born in	1971	1969	1947	1949
Qualifications	Master of Business Administration	Master of Business Administration Master of Applied Economics	Chemical industrial engineering	PhD.
Date of becoming a BOD member	06/29/2017	06/30/2020	04/19/2021	06/29/2017
Previous senior executive positions	<p>2016 - Present BOD Member of Coteccons</p> <p>2011 - Present Director of Kusto Real Estate Capital Private Ltd.</p> <p>2010 - 2011 CEO of Kusto Management Ltd.</p> <p>2008 - 2010 CEO of Eurasia FM Consulting Ltd.</p> <p>2005 - 2008 Managing Director of BTA Bank</p> <p>2002 - 2005 CEO of Eurasia FM Consulting Ltd.</p>	<p>2020 - Present BOD Member of Coteccons</p> <p>2019 - Present Founder and Director of The8th Pte. Ltd.</p> <p>2018 - Present Portfolio Manager of InseadAlumni Ventures</p> <p>2015 - Present Founder and General Director of Vahoca Pte. Ltd.</p> <p>2009 - 2014 Executive Partner and Chief Executive Officer of Notz Stucki Group</p> <p>1998 - 2009 COO and Member of the Board of Directors of Morgan Stanley</p>	<p>April 2021 - Present BOD Member of Coteccons</p> <p>2017 - Present Vice President of Vietnam Federation of Civil Engineering Association</p> <p>2015 - Present President of Vietnam Association for Building Materials</p> <p>2009 - 2014 Standing Vice President of Vietnam National Real Estate Association</p> <p>2006 - Present President of Vietnam - Romania Friendship Association</p> <p>2005 - 2011 President of Vietnam Concrete Association</p> <p>1998 - 2007 Deputy Minister of Construction</p>	<p>2017 - Present: Board Member of Coteccons</p> <p>2013 - Present: Senior Advisor to the President and Professor of Marketing at Singapore Management University</p> <p>2009 - 2013: President of Singapore Management University</p> <p>2007 - 2009: Vice President and Professor of Marketing at Singapore Management University</p>

Professional experience: Mr. Talgat Turumbayev holds a Master's degree in Finance and Accounting, and is a member of the Association of Chartered Certified Accountants (ACCA). He has nearly 28 years of experience in finance, accounting, and audit.

Mr. Herwig Guido H. Van Hove holds a Master's degree of Business Administration at Insead University (France). He has more than 31 years of experience in finance - investment at several large financial institutions across many countries.

Mr. Tong Van Nga graduated from Bucharest Polytechnic University (Romania) - Faculty of Chemical Industry. He used to assume the position of Deputy Minister of Construction and has more than 48 years of experience in the construction sector.

Mr. Tan Chin Tiong completed his PhD thesis at the University of Pennsylvania in 1977. He has more than 43 years of experience in teaching Marketing at prestigious universities of Singapore such as National University of Singapore, and Singapore Management University.

BOARD OF MANAGEMENT



Mr. PHAM QUAN LUC
Deputy General Director



Mr. VO HOANG LAM
Deputy General Director



Mr. NGUYEN NGOC LAN
Deputy General Director



Ms. PHAM THI BICH NGOC
Deputy General Director



Mr. CHRIS SENEKKI
Deputy General Director

Nationality	Vietnam	Vietnam	Vietnam	Vietnam	British
Born in	1974	1978	1978	1976	1974
Qualifications	Architect	Construction engineering	Bachelor of Civil Engineering	Master of Business Administration	Bachelor of Business and Finance
Previous senior executive positions	<p>2020 - Present Deputy General Director of Coteccons.</p> <p>2019 - 2020 Manager of Technical Division of Coteccons</p> <p>2014 - 2019 Deputy General Director of Ricons</p>	<p>2021 - Present Deputy General Director of Coteccons</p> <p>2020 - Present Deputy General Director of Unicons Co., Ltd.</p> <p>2019 - 2020 Deputy General Director of Unicons Co., Ltd.</p> <p>2017- 2019 Project Manager at Coteccons</p>	<p>2021 - Present Deputy General Director of Coteccons</p> <p>2018 - 2021 Project Manager and Head of Equipment Department at Coteccons</p> <p>2013 - 2016 Manager of Construction Division Coteccons</p> <p>2010 - 2013 Project Manager at Coteccons</p>	<p>2021 - Present: Deputy General Director of Coteccons</p> <p>2017 - 2020: Techcombank Transformation Project Manager</p> <p>2013 - 2017: Director of HR-Administration at Masan Consumer</p> <p>2010 - 2013: Training Director of MGM Grand Ho Tram</p> <p>2017 - 2010: Head of Executive HR Department at Prudential</p>	<p>2021 - Present Deputy General Director of Coteccons</p> <p>2018 - 2021 General Director of Turner Construction Company Vietnam</p> <p>2015 - 2018 Project Manager of Turner Construction Company Vietnam</p>

Professional experience:

Having accompanied Coteccons since the early days of its establishment, he has held many management positions, from commander, division manager to deputy general director. Before that, he had worked in a wide range of fields such as commerce, housing, industry, hospitality with signature projects of The Manor, Ecopark, ITG Phong Phu Da Nang, etc.

With more than 20 years of experience in construction sector for domestic and international customers, he has been contributing to the development of leadership thinking for the Company.

He used to be the manager of the Economic Division cum project manager of large-scale projects such as MGM Grand Ho Tram, D'.Capitale, Viettel headquarters.

As a member of the Board of Directors of Coteccons and Unicons, with more than 16 years of working experience, he has been contributing his project management capacity and advanced construction methods to the Company so as to bring quality products for customers, enhance the reputation of Coteccons and Unicons in both domestic and international markets.

With more than 21 years of experience in construction engineering, he has been accompanied Coteccons throughout the process of formation and development

With solid expertise, enthusiasm and sincere relationship with customers, he is continuously devoting his capacity to help the Board of Directors maintain the leading position of Coteccons in the industry.

She graduated with a Master of Business Administration from Solvay University, has 24 years of experience working for leading companies in Vietnam such as Techcombank, Masan, Prudential, MGM Grand Ho Tram, Bayer and Vietnam Airlines, etc.

In addition to her primary expertise in human resource management, Ms. Ngoc continues to serve as Senior Advisor to the Board of Directors, leading the transformation of organizational culture and customer experience, localizing training programs; ensuring to inherit the traditional values of Coteccons while meeting international standards.

He has more than 22 years of experience in the construction sector with many notable international and domestic projects such as Qatar oil and gas area, port, marina and Cyprus International Airport, Porsche Autohaus (Ho Chi Minh City), Ho Chi Minh City), Hilton Saigon Hotel, etc.

Mr. Senekki has been contributing his experience in cross-cultural business environments and international customer relations capability to Coteccons.

BOARD OF SUPERVISORS



Mr. Tran Van Thuc
Head of Committee



Mr. Nguyen Minh Nhut (Jack)
Member



Mr. Dang Hoai Nam
Member

Nationality	Vietnam	Canada	Vietnam
Born in	1971	1971	1976
Qualifications	Master of Business Administration	Bachelor of Accounting (Honours)	Bachelor of Finance, Bachelor of English
Appointment time	04/26/2021	06/29/2017	06/29/2017

Professional experience: Mr. Thuc graduated with a Master of Business Administration from the University of Gloucestershire (UK), holds an ACCA degree. Has more than 29 years of experience in the Accounting - Finance sector. He has held senior professional positions such as assistant/senior auditor of Deloitte Vietnam, Finance and Administration Director of Air Liquide Vietnam Co., Ltd., and currently a partner of (Kreston Vietnam) Auditing and Consulting Company .

He graduated with an Honors Bachelor in Accounting from the University of Waterloo (Canada) and obtained a Canadian Chartered Professional Accountant certificate. He has held senior executive positions at the American Institute of Education and VinaCapital over the years of 2012 - 2017. He used to be appointed as the CEO of TMF which is an international business services company in Vietnam in 2017.

He graduated with a Bachelor of Finance from National Economics University - Hanoi and a Bachelor of English from University of Languages and International Studies - Hanoi. He has more than 21 years of experience in accounting and financial management. Mr. Nam used to be an accountant at Petrolimex Bariavungtau, FDC Company, COTEC Construction JSC, then assumed the positions of chief accountant, Deputy General Director of Uy Nam Construction Investment Joint Stock Company (the predecessor of Unicons), Head of Accounting Department, Head of General Administration Department and Head of Board of ISO and Legislation at Coteccons.



To aim towards a promising and truly sustainable future, Coteccons must be developed upon the foundation of **transparency, professionalism and team power.**





Coteccons 2021

**Transformation
towards a New Future**

NO COMPROMISE ON RESTRUCTURING



Coteccons faced ever more intense challenges in early 2021. From mid to late 2020, we had to struggle with waves of upheavals, leading to decisive changes within senior leadership. Among others, the new Chairman of the Board of Directors was officially appointed in October.

This was accompanied by staff reshuffling, with new appointments and departures. A cloud of insecurity, uncertainty and disbelief blanketed most of us. Coteccons was brought up in the press and public discussions with lots of negative information. We were depicted in many one-sided stories and by biased views.

This was by no means a supportive groundwork for any company to perform efficiently and achieve ambitious milestones in the following year.

Besides, we all were in our second and tougher year of the COVID-19 pandemic. As an unprecedented shock in our human history, it had far-reaching global socio-economic implications. In this context, both local and international companies were greatly affected, thus motivated to launch response efforts. Almost growth indicators were lowered and adjusted for a focus on business survival.

For Coteccons, we faced double challenges driven by both internal and external environmental factors. It would be appropriate to call this a life-and-death situation.

Thankfully, Coteccons is a long-established company, with our strong internal resources and industry-leading position. Moreover, the new leadership is strongly determined to take over and leverage our legacy system, thus optimizing all of our advantages and potentials and building a new and sustainable future for us in a constantly changing business environment.

Therefore, 2021 was seen as a pivotal year in our development history. The time has come for us to make a drastic transformation, an inevitable restructuring in the growth cycle of a business. To do this, we are supposed to be fully aware of our strengths, weaknesses, potentials, opportunities and challenges, so that we would not rest on our laurels and might be eventually delisted from market.

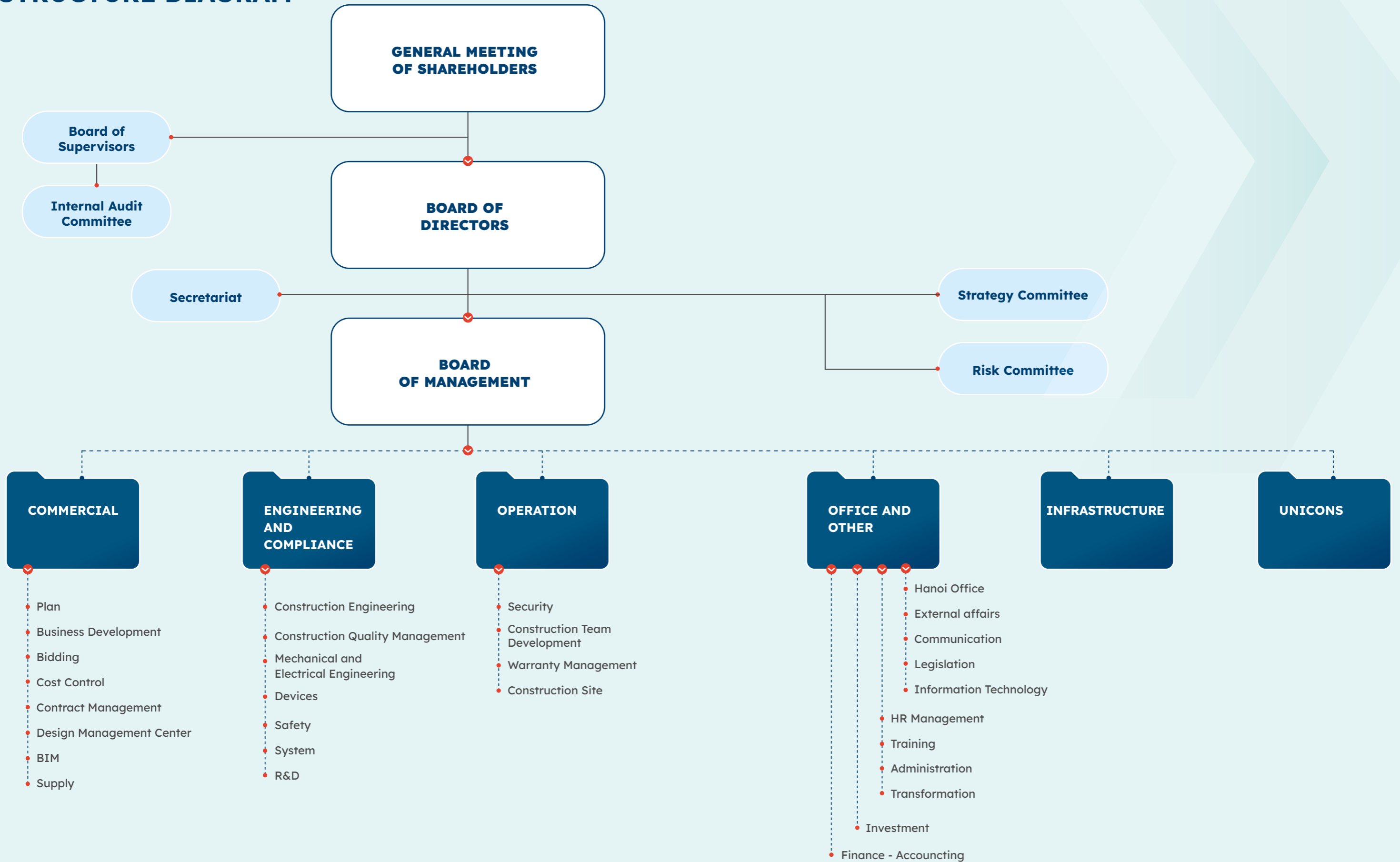
Coteccons announced our five-year business plan for the period 2021 – 2025 as a long-term and comprehensive transformation pathway. For this, 2021 was the first year of that arduous journey. As difficult and tiring as it might be, this is definitely the path we need to embark on. We shall be active in our planning and decision making so as not to passively respond to new market developments.

Our new journey started in 2021 when reshuffling and “disruptive changes” could somehow be inevitable as part of organizational restructuring. Declining growth, losses and strong changes, among others, were also obvious and reasonably acceptable facts.

Thanks to determined and persistent efforts, Coteccons achieved positive results in 2021. Restructuring requirements and tasks set for 2021 were basically completed. We rebuilt our organizational stability and had our team mentally and financially prepared for any challenge ahead to speed up our operations and add new outstanding values towards a better and sustainable future.



ORGANIZATIONAL STRUCTURE DIAGRAM



2021 HIGHLIGHTS



January

- Ranked 56th in Top 500 Largest Enterprises in Vietnam (VNR500) and became the largest private construction enterprise in Vietnam in 2020 hosted by Vietnam Report.
- Organized the Coteccons - Unicons 2021 Sports Festival on a large scale, attracting Coteccons - Unicons members from all over the country to create opportunities for team building and promote spiritual and physical health training across the Company.
- Accompanied and joined the business community in Vietnam's economic picture at the annual Vietnam Economic Scenario Forum 2021.

March

- Welcomed the School Administrator of Ho Chi Minh City University of Technology and University of Civil Engineering, shared about the cooperation orientations in training students and young employees.
- Officially commenced construction of Opal Skyline project (Binh Duong) developed by Dat Xanh Group.



- Signed a cooperation agreement with Dat Xanh Group, aimed at the construction of the Opal Skyline residential - service project in Thuan An City, Binh Duong.
- Signed a contract with IFF Holdings to deploy the construction of Hyatt Regency Ho Tram Resort & Spa (Ba Ria - Vung Tau).
- Organized a ceremony to honor and gather the whole Company before the Lunar New Year to appreciate the contribution of the whole team in 2020 and encourage the action spirit for 2021.



February

- Signed a strategic cooperation agreement with IDICO Corporation, aimed at cooperation in construction, infrastructure, and investment projects in infrastructure, real estates, industrial parks, and energy in Vietnam.
- Donated 20 houses to help people address the consequences of a serious natural disaster at the end of last year in Huong Phung commune - Quang Tri province.
- Implemented the Covid-19 prevention and control procedures at construction sites to ensure the workers' health and work progress after the Tet holiday.

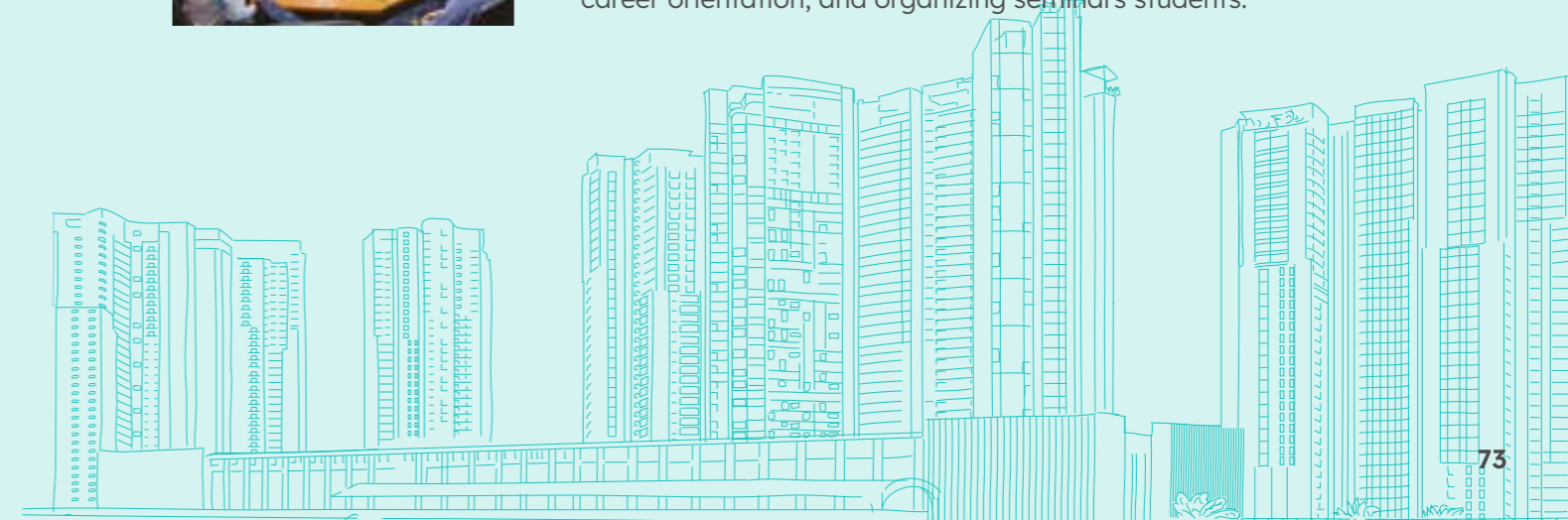
April

- Held the 2021 Annual General Meeting, heading to make strong innovations for the Company. Elected 3 more members of the Board of Directors, increased the value of bond offering to VND 1,000 billion, and stepping into renewable energy field.
- Officially commenced construction of the Lancaster Luminaire luxury complex (Hanoi) developed by Trung Thuy Group.
- Officially commenced construction of Danang Le Méridien Resort & Spa project developed by IFF Holdings.
- Officially commenced construction of Hyatt Regency Ho Tram Resort & Spa project (Ba Ria - Vung Tau) developed by IFF Holdings.



May

- Donated 10,000 Covid-19 test kits to the Vietnam Fatherland Front in Bac Giang province, provided practical support to Bac Giang when the province became the pandemic hub.
- Implemented Covid-19 preventive measures to control the situation at the Company's construction sites during the widespread outbreak.
- Signed a cooperation agreement with University of Architecture Ho Chi Minh City, committed to maintaining companion items such as sponsoring scholarships, creating favorable conditions for students to practice at construction sites, providing training - career orientation, and organizing seminars students.



2021 HIGHLIGHTS

June



- Officially commenced construction of the Dolce Penisola luxury hotel apartment project (Quang Binh) developed by Onsen Fuji Group., JSC.

July

- Won the bid for InterContinental Halong Bay Resort & Residences project, developed by BIM Land Company under the BIM Group.



September

- Officially commenced construction of the TSQ K12 School Project developed by TSQ Vietnam Group.

October

- Received Alliance Award at Autodesk Asean Innovation Awards 2021 for One Verandah project constructed by Coteccons in collaboration with the developer Mapletree.



November

- Officially operated ERP Corporate Governance software system consulted and deployed by FPT Information System.
- Commenced construction of HT-Pearl Apartment Project (Binh Duong) developed by HT-Pearl Building House Investment Company.



December

- Held the first Shareholders' Day with an open, transparent, and respectful attitude, expressed a new spirit in corporate governance and relation with investors, focused on protecting the interests of shareholders, including minor shareholders.
- Signed a cooperation agreement with Kusto Home (real estate development brand of Kusto international conglomerate), commenced construction of Urban Green - the latest project developed by Kusto Home in Thu Duc city (HCMC).
- Continued to be in the Top Enterprises with the best working environment in Vietnam despite ups and downs.
- Donated to the Hospital of University of Medicine and Pharmacy in Ho Chi Minh City medical equipment with a total value of VND 744,000,000 to support the goal of safe, flexible adaptation and Covid-19 effective control given the complicated development of the pandemic.
- Signed a long-term cooperation agreement with Novaland on the construction of Novaland's key projects for the period of 2022 - 2025.
- Successfully organized the Coteccons - Unicons Sports Tournament 2021 across the country, brought the enthusiasm and energy to the whole Company.
- Disclosed information that Mr. Bolat Duisenov, Chairman of the Board of Directors of the Company, had bought 740,000 Coteccon shares, equivalent to about USD 2.2 million at market value at that time, affirmed transparency and confidence in robust growth of the Company.



- Commenced construction of Avenue Garden Tay Tuu project (Hanoi) developed by Song Nhue Properties Management JSC.
- Commenced construction of Sailing Club Signature Resort Ha Long Bay developed by BIM Land and Sailing Club Leisure Group.
- Won the bid for the Riviera Point project developed by Keppel Land.
- Won the bid for The Metropole Thu Thiem project, developed by Quoc Loc Phat Joint Stock Company and SonKim Land.

HIGHLIGHTED NUMBERS IN 2021

100%
PROJECTS

Completed on schedule.

1,761
PEOPLE

The total number of employees, decreasing by only 2% compared to the beginning of the year.

VND BILLION
27,700

The total value of backlog during the year, equivalent to 44 new winning projects, exceeding the backlog target of VND 25,000 billion set for 2021.



VND BILLION
15,010
Total assets

VND
8,248
Owner's equity

VND BILLION
3,622
The total value of the winning D&B projects, equivalent to 15% of the target backlog of 2021.



10%

Average salary raise rate of the whole Company (the average salary raise rate of the labor market in the past year was 6.3% for domestic enterprises and 6.2% for foreign enterprises).

43%

At the end of the trading session on December 31, 2021, CTD's stock price closed at VND 109,500/share, up by 43% compared to the starting price at the beginning of the year.

77 PROJECTS

currently being deployed by Coteccons and Unicons.

4,355,556 DAYS

Total number of working days on the construction sites.

TOP 10

LARGEST ENTERPRISES
IN CONSTRUCTION
INDUSTRY



TOP 2

BEST PLACE TO WORK IN CONSTRUCTION INDUSTRY

TOP 20

COMPANIES WITH VIETNAM SUSTAINABILITY INDEX (VNSI)

TOP 100

BEST PLACES TO WORK IN VIETNAM

TOP 500

LARGEST ENTERPRISES IN VIETNAM



ISO 9001:2014
QUALITY MANAGEMENT STANDARDS



ISO 14001:2015
ENVIRONMENTAL QUALITY STANDARDS



ISO 45001:2018
OCCUPATIONAL SAFETY & HEALTH



38,379,090 HOURS
Total number of guaranteed safe working hours on construction sites

25,536 HOURS

Total number of training hours for the year

FOR
1,500 MEMBER

17 HOURS/EMPLOYEE

100% PROJECTS

deployed with no casualties



02

VND BILLION

Support for the workforce at the construction sites during the peak pandemic period.

REPORT OF THE BOARD OF DIRECTORS



Coteccons has much potential for further improvement, it can completely reach a new height - professionalism, sustainability and greater values for the economy and society.

Led by a new chairman, the Board of Directors always holds a positive attitude towards and strong belief in our new future prospects. With its existing brand position, expertise, market experience, human resources and financial foundation, Coteccons presents high growth potentials which, if fully tapped, will enable us to reach a new height - manifested by professionalism, sustainability and more values added to the socio-economic development.

However, development potentials and opportunities can only be translated into real outcomes when a business is fully aware of themselves and new market developments to operate in a flexible manner accordingly. Limiting ourselves to one model, scope and scale for too long brings more risks, even for leading and well-performing businesses.

Therefore, improvements, reforms, reshuffling and restructuring are required in any development journey. These should be actively performed to avoid passive responses and a risk that we can be delisted from market.

With this in mind, the Board of Directors invested lots of efforts to re-assess our status quo. All strengths and weaknesses of our



organizational and operating structure were objectively reviewed to genuinely re-evaluate our internal resources. Also, the Board of Directors also carefully looked at market situation, operating models and development trajectories of many construction companies in the world, analyzed and predicted the growth of Vietnamese market in short and long term.

Thereby, in early 2021, the Board of Directors announced our next five-year plan for the period 2021 - 2025. Challenges, risks and tasks for 2021 were clearly defined by the Board of Directors.

OVERALL ASSESSMENT OF 2021 PERFORMANCE



Coteccons was put under tremendous pressure during the past year, both from the external market and internal factors.

Complicated developments of Covid-19 pandemic and its implications really put us all to the test. There remained many unpredictable risks ahead. Most businesses globally focused on sustainable consumption and conservation of resources.

For Coteccons, as a leading enterprise in the construction industry in Vietnam and with our large-scale operations, we would be first hit, possibly hard-hit, by strong market volatility.

What happened indicated that this was true. Given the pandemic, the entire market almost fell in the doldrums. The Delta variant outbreak, starting in April 2021, resulted in stronger and faster spread of Covid-19 virus in different

cities and provinces. The pandemic containment strategy in Vietnam was then unable to deliver the same outcomes as before. Accordingly, from July to October, Ho Chi Minh City was placed in a state of comprehensive and strict lockdown. There was a massive decline in economic activity while peoples' livelihoods were under stress.

Among other sectors, the construction industry was directly and severely affected. All construction projects in virus-hit areas were suspended during social distancing.

Besides, given global supply chain disruptions, the world faced scarcity of raw materials and global prices soared and fluctuated continuously.

At the same time, double efforts to prevent wider spread of the pandemic and maintain quality of life of affected people directly and indirectly related to the Company required huge financial resources. As a result, Coteccons' contingency costs were all disbursed and grew over time.

On the other hand, in 2021, numerous planned projects could not be carried out as legal procedures were yet to be fulfilled by developers.

Another much-talked issue was staff reshuffling at Coteccons. At the end of 2020, with changes in the Board of Directors and senior leadership, quite a number of our people left us for different reasons. This led to fluctuation of employees and negatively affected our organization and operations as many felt insecure at the workplace and uncertain of our future.

Coteccons was put under tremendous pressure during the past year, both from the external market and internal factors.

However, it was good timing to bring our internal strength to the test. Restructuring was then strongly needed to drive transformations.



ASSESSMENT OF CORPORATE STRATEGY AND GOVERNANCE



Coteccons' current revenue is mainly sourced from residential and commercial building projects. Regarding infrastructure and industrial park development, Coteccons has not achieved impressive results. In case of volatility in our market sectors, Coteccons is accordingly affected. Other businesses of the company are not strong enough to ensure diversified sources of income, optimize resources, opportunities, and allocate risks.

In October 2020, the new chairman of our Board of Directors officially assumed his strategic leadership role. Starting to lead the Company at a challenging time, the new management always holds a positive, calm and steadfast attitude. Our Board of Directors has quickly determined our development pathway. Accordingly, the focus is on restructuring tasks towards a more sustainable and promising future based on transparency, professionalism and collective strength.

The Board of Directors thus developed the five-year plan for the period 2021 - 2025 guided by the philosophy of **BUILDING NEW VALUES..** To actualize this philosophy, Coteccons shall build our capacity across 5 key areas:



Specifically, to excel and seize opportunities in the industry's current fierce competition landscape, Coteccons needs a new business model, beyond the conventional boundaries of a pure construction company. This means drastically improving the operating system, enhancing operational efficiency and resource utilization. This requires a new system, process, method, and, in particular, organizational philosophy.

With a strong focus on people, Coteccons manages to promote the roles, interests and future prospects of our employees, direct customers and end customers (or consumers of our products and projects). With this in mind, we are specifically to build a caring, fair and transparent working environment and provide professional development opportunities to those with demonstrated talents, efforts and contributions. Also, we establish close and frequent communication with our customers - developers to understand their conditions as well as any goals and values they wish to achieve. Finally, we always ensure the quality - safety - progress of our projects to bring highest and most sustainable values to our customers.

To achieve new competitive edges, adhere to the commitment to quality and longevity of Coteccons' works, products

and services should be constantly improved to converge or even exceed the global construction standards.

Coteccons has built a reputable brand Which should be further fostered and promoted by innovative marketing and communications. The first and foremost starting point is to communicate and market convincingly to close partners of the Company such as employees, partners, suppliers, customers, etc. so that each of them will become an ambassador to promote Coteccons among our potential customers and the community.

Regarding diversification, if we seriously look at the challenges and risks faced by Coteccons in two years of the Covid-19 pandemic, as well as competition in the construction market, this has to be seen as a vital task for our future.



“ If we seriously look at the challenges and risks faced by Coteccons in two years of the Covid-19 pandemic, as well as competition in the construction market, it will be necessary to build a diverse portfolio of products as a vital task for our future.



Coteccons is now among the leading construction companies in Vietnam. However, all of our operations are directly influenced by the development cycle of the real estate industry. Coteccons' revenue is mainly sourced from residential and commercial building projects. Meanwhile, regarding infrastructure and industrial park development, Coteccons has not achieved impressive results. Currently, our capabilities and products are limited in scope, mostly focusing on a certain segment. In case of volatility in our market sectors, Coteccons is accordingly affected. Other businesses of the company are not strong enough to ensure diversified sources of income, optimize resources, opportunities, and allocate risks.

Grounded by this assessment, it is clear that in order to rebuild a stable, solid and promising future, Coteccons must offer a diverse portfolio of products. In order to do this, it is important to build mixed resources and specialized skills.

Having a clear understanding of this overall picture is of high importance. This would ensure that our strategic development pathway can be explicitly developed. In 2021, all of our innovation efforts along this pathway begun to bear fruit. Employees at all levels now have better understanding of our vision to perform responsive actions.

To drive growth in the new pathway, Coteccons shall also adopt a new philosophy and capacity for corporate governance. As a listed company, Coteccons should urgently improve ourselves on this aspect. Transparent and professional operations in line with clear systems and principles, following commitments to stakeholders and ensuring legal compliance are essential elements for a business to develop in a sustainable manner and build real values.

Therefore, in 2021, building corporate governance capacity was also one of the key tasks. Our efforts produced encouraging results. Among which we can name:

- Implementation of commitments on information disclosure: Consistent with our view point on transparency of financial information and under our new accounting system, we reviewed all liabilities and established specific policies on contingency costs by looking at both qualitative and quantitative factors, addressing subjectivity in management and a lack of relevant policies.
- Protection of shareholders' interests: In addition to transparency in information disclosure, we also performed many other activities to protect the rights and interests of shareholders, especially small shareholders. In 2021, Coteccons held a first-ever dialogue with shareholders, in addition to the Annual General Meeting of Shareholders, to update market information, our business performance and some other important issues.
- Besides, the Board of Management and the Management also held meetings with shareholders, investors and analysts without restricting access to information. Questions from shareholders and investors were answered transparently by the Management.
- We further improved our automated transaction tracking process, for transactions with related parties, to ensure that potential conflicts of interest would be openly shared.
- We issued the Company's Charter and Governance Regulations in accordance with the Securities Law 2019, the Enterprise Law 2020, and other legal regulations.
- We issued our Code of Business Conduct.

Thanks to these efforts, Coteccons was named in the Top 20 Sustainable Listed Companies (VNSI20 Index) on HOSE in July 2021, one of the finalists for **35 Best Annual Reports and in the Top 30 large-cap companies with the best corporate governance (Vietnam Listed Company Awards)**.

ASSESSMENT OF BUSINESS PERFORMANCE IN 2021



BUSINESS PERFORMANCE AND FINANCIAL SITUATION

Our business performance in 2021 failed to meet targets approved by the AGM. Revenue and profit indicators for 2021 were quite far from being fulfilled and much lower compared with 2020. This was highly expected

and attributed to different reasons. Firstly, our performance was influenced by the strong market fluctuations and our corporate restructuring as indicated earlier. Besides, annual targets for 2021 were quite ambitious. In preparing our business plan for 2021, the analysis showed that the business environment would be extremely challenging. Yet, the Board of Directors decided to set ambitious targets to test our internal strength and "business reach". In addition, this is also a way to encourage the Coteccons as a team to self-assess our own limits to drive innovation.



Clearly understanding challenges, though, the Board of Directors decided to set ambitious targets for 2021. This was to test our internal strength and "business reach" in the new market context. In addition, this is also a way to encourage the Coteccons as a team to self-assess our own limits to drive innovation.

Another decisive factor is the backlog volume (the value of signed contracts) for 2021. The annual revenue of a construction company like Coteccons is largely determined by the backlog of previous years. The previous conflicts of interest brought about a lot of consequences to us. Specifically, the backlog volume decreased sharply since 2019 as many projects were transferred to other companies. In 2020, Coteccons mostly failed to seal contracts for any new projects. Therefore, business opportunities and growth in 2021 were inevitably affected.

However, Coteccons' financial health remained strong last year. Our internal strength built up in previous years enabled us to stand firm in the face of fierce fluctuations. Moreover, financial strength also allowed us, during market freezes, to drastically reform our operations, look for new solutions and prepare for more ambitious plans.

An experimental solution as part of our new financial strategy was public offering of bonds. We successfully issued a bond tranche with a total par value of VND 500 billion. This demonstrated investor interests in Coteccons' development prospects and our capital mobilization capacity to build financial resources for Coteccons and its affiliated companies.

Coteccons' financial health in 2021 gradually recovered as demonstrated in our business performance. Among others, our cash flow has been positive since the second quarter of 2021 after being negative for 13 consecutive quarters. As of the end of 2021, the value of our new contracts surpassed our target of VND 25,000 billion, ensuring adequate backlog volume for the following years.



500
VND BILLION

par value of bonds
successfully issued
by the Company

MANAGEMENT AND OPERATION SYSTEM

In line with our strategic development pathway in the new era, Coteccons re-assessed our management and operation system and introduced appropriate refinement. Accordingly, the management and operation system was reorganized more logically, with higher standards embedded, to enhance operational efficiency, bridge gaps and manage risks. This would improve convenience for our customers and partners and work performance of our people.

In particular, we revised and finalized our organization chart for more work specialization. This was followed by establishment of new departments/divisions to support implementation of our business strategy, including Procurement Division, Technical Design and Development Division, Trade Division, Budget Control Division, Research and Development Division, Planning Division, Infrastructure Project Management Board, Research Board for Low-rise Building Development Strategy, Business Development Council, Transformation Office, etc. We also issued a transparent decentralized system for all executives and managers.

A very important improvement to our organization and management system was to re-evaluate the role of our back office and site management teams for more reasonable empowerment and relationships. Accordingly, site management teams are now empowered in decision making and developed their managerial and supervision capacity



to stay in control of their work. Those working in the head office are responsible for providing resources and support to facilitate project implementation, reducing unnecessary reporting and monitoring processes. By this, the management has been streamlined to ease handling of tasks, and all teams have equal opportunity to develop their capacity and deliver higher performance.

In response to a need to upgrade standards of the management and operation system, Coteccons in 2021 also quickly developed and officially launched the ERP system after more than 3 months of development. Adoption of this system helps facilitate handling of business processes and promote digital transformation of Coteccons' organizational structure in the future.



DEVELOPMENT OF HUMAN RESOURCES AND CORPORATE CULTURE

The new strategic development pathway and operation model require Coteccons people to have new capacities which are needed in immediate and long-term journeys. Human resources are seen as the central factor of growth and the essential enabler of any successful business plans that we will conduct in the future.

Therefore, developing human resources and corporate culture was among our goals and key tasks in 2021. While we failed in terms of business performance last year, we indeed leaped in development of human resources and corporate culture.

Firstly, in order to ensure organizational stability and promote the core value of our people that we have been embracing, amid complicated developments of Covid-19, the Board of Directors requested that employee safety and income be protected as one of the key tasks. Accordingly, we maintained our compensation and welfare policies and actively promote well-being of our people, regardless of their positions. Our requirement on protection of employee safety and well-being to the best possible extent was also extended to subcontractors and construction team.

Thanks to these, Coteccons was able to maintain our vitality amid intense pressure caused by both internal and external factors, while also re-imagining our future vision. In early 2021, we faced strong staffing fluctuations due to reshuffling and restructuring requirements. However, by the end of the year, Coteccons' staffing employment recovered to our original structure

- in line with the actual requirements of our work. Staffing changes also provided opportunities to employ new and higher-performing employees.

Providing a caring and secure work environment helped Coteccons' teams to best fulfill their tasks in the midst of unfavorable market developments. The projects were completed on schedule and with expected quality to earn highest customer satisfaction.

More importantly, Coteccons was determined to promote a new HR strategy. Among others, empowerment, training and personal development of individual employees were implemented effectively. This caused a change in the mindset and helped build capacity of our talents, enabling them to leveraging their capacities and actively involve in our development.

Coteccons' clear development directions and best working environment in the construction industry also helped attract new talents for our urgent open positions.

Coteccons retained elements of great corporate culture, promoted personal qualities and inherent strengths of Coteccons people, and developed new skills and qualities of our employees to ensure that they would meet our future development requirements.

At the moment, Coteccons' staffing structure has achieved a state of balance for us to stand ready for planned changes, improvements and disruptive growth.

COMMUNICATION AND BRANDING ACTIVITIES



Coteccons was in possibly strongest stormy seas of media in 2021. We were much publicly discussed due to conflicts, reshuffling and changes in our leadership. Extensive press references to us were mostly negative information, biased views and even one-sided stories.

We made efforts to hold dialogue and information sharing sessions. In this context, the Board of Directors then sought for early internal stability and a focus on task fulfillment instead of investing efforts to deal with misleading information on the media.

Opportunities for internal discussions and sincere dialogues promoted information sharing, mutual understanding and gradually

formation of a stronger common voice. We are now still committed to this policy to really build the **ONE TEAM** spirit and supportive values of **COTECCONS INSIDE**. This is Coteccons' strategy to rebuild our corporate culture which embeds positive values we have built up.

Another critical achievement was our refreshed brand image. Coteccons' brand identity system, including logo, and slogan, were all refreshed to build a modern, dynamic and global image that would be in line with latest aesthetic requirements and promote interaction. Our philosophy - purpose and core values were also redefined to better reflect spiritual aspects that we have been pursuing.



COMMUNITY AND CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES



A house of Coteccons' "Home for you" project implemented in Quang Tri Province in 2021

Coteccons determined that our development goals and strategies are inseparable from community development goals and implementation of our corporate social responsibility. Therefore, we managed to perform well community and corporate social responsibility activities despite other heavy tasks and pressures.

We focused on developing new human resources for the labor market and upskilled younger workers. This was performed in collaboration with universities and training organizations. For Coteccons, this is a cross-cutting CSR activity that will be implemented consistently and in the long term.

Given severe impact of Covid-19 on the whole society, businesses have played a more important role than ever. Thus, activities to support local communities in prevention of the pandemic and addressing its implications were part of our operations last year. From financial to medical equipment support, Coteccons timely provided assistance in collaboration with local governments, hospitals, medical organizations and social organizations, etc.

In addition, we also actively implemented community support programs such as construction of houses of gratitude, blood donation and environmental activities.

With community and corporate social responsibility activities, Coteccons reinforced our values of sustainable development while also promoting societal progress.



ACTIVITIES OF THE BOARD OF MANAGEMENT

Coteccons' Board of Management consists of members of the Management and other senior management and executive personnel. In 2021, all members of the Board of Management made great efforts in promoting understanding and implementation of our business strategy, maintaining our operations amidst multi-dimensional challenges and pressure as well as delivering the best outcomes in each task group.

Most of the Board of Management members were newly appointed at the end of 2020 and early 2021. Therefore, the supervision of the Board of Directors was of high importance. To make sure that we efficiently and properly executed our operations, the supervisory role of the Board of Directors and the Board of Management was carried out regularly through the following:

- Monitor the implementation of the resolutions of the Board of Directors and AGM against the expected process and schedule.
- Monitor the compliance with the Enterprise Law, the Company's Charter and other legal requirements during the implementation of business activities. In 2021, the Company drafted 54 new regulatory documents, updated 201 policies/processes/documents to optimize operational efficiency while ensuring that internal policies would reflect our actual operations.
- Hold working sessions, in collaboration with the Board of Management, with existing customers and developers to affirm our commitments on safety, quality, progress and finance and expand the potential customer base.
- Guide efforts to build a stable organizational and staffing structure; regularly assess the implementation of our business plans to provide timely solutions.
- Guide efforts to improve business management and operation capacities towards transparency and professionalism.
- Strengthen information disclosure capacity, promote IR activities, and expand relations with investors and financial analysts, etc.
- Monitor information disclosure in accordance with requirements of the State Securities Commission and the Ho Chi Minh City Stock Exchange to ensure information transparency.
- Timely supervise Covid-19 prevention activities in all departments/divisions and construction sites in accordance with guidelines of central and local governments.



ACTIVITIES OF SUBORDINATE COMMITTEES

The Board of Directors currently has 4 subordinate Committees: Strategy Committee, Investment Committee, Risk Management Committee, Compensation and Human Resources Committee. In our recent and drastic corporate restructuring efforts, we required highly active participation of subordinate committees, especially the Strategy Committee.

Accordingly, in the first half of 2021, the Strategy Committee worked directly with the Board of Directors and the Board of Management in the following:

- Assess the status quo of business environment and business lines and identify our opportunities, threats, strengths and weaknesses. With this, we worked with the Board of Directors setting our strategic development pathway in the short and long term.
- Plan and develop our organizational structure based on development requirements according to the set strategy.
- Hold working sessions with existing customers and developers to affirm our commitments on safety, quality, progress and finance and expand the potential customer base.
- Organize conferences with suppliers and subcontractors to ensure financial health and establish long-term strategic cooperation.
- Hold discussions with major shareholders to discuss our strategy and call for their collaboration in the future.
- Organize meetings and dialogues with employees to confirm job security and our compensation and welfare policies in the short and long term, for them to focus on their work with clear development pathways.
- Maintain and improve our company culture consistent with strategic development pathways.
- Draft our development plans for internal agreement within the Board of Directors before submission to the AGM for approval.



STRATEGIC ORIENTATIONS FOR 2022



In 2022, Coteccons will focus on promoting our corporate restructuring, improving individual capacity and collective strength, and consolidating our entire organizational structure and new corporate culture. Thus, Coteccons' priority goal is the quality of growth instead of a too much focus on business performance indicators. This will lay a foundation for sustainable development and building our real values in the long term.

Thanks to great efforts in 2021, Coteccons has determined a clear strategic development pathway and built momentum for our recovery to prepare us for a new journey ahead. 2022 is the second year of our five-year plan (2021 - 2025) and we expect to have advantages and challenges at different levels.

Overall, some of our advantages and challenges are as follows.

OPPORTUNITIES

- The staffing and organizational structure have gradually been streamlined under the new strategic development pathway and to reflect our operational readiness and corporate culture.
- Restructuring requirements and tasks are now better understood and supported by all members and employees.
- Potential abilities of every individual at Coteccons are awakened and activated, bringing a new vitality to our team and improving our operational efficiency.
- The socio-economic conditions are gradually more stable and improved to facilitate quick post-Covid recovery and an eventful business environment in the construction industry and our current and future areas of work.
- The trust from our customers and developers on Coteccons is growing, bringing diverse opportunities from different customer groups.



CHALLENGES

- The global socio-economic environment is expected to be further complicated with unpredictable risks posed by the pandemic, the Russia-Ukraine war and conflicts between military-trading blocs. This will place a direct impact on raw material supply and price fluctuations in most business sectors.
- Efforts to push Vietnam's real estate market recovery have been in place. However, with legal procedures and policies on tightening real estate loans, many projects might be delayed or deadlocked. This can also have a knock-on effect on the growth opportunities of construction companies like Coteccons.
- The competition in Vietnam's construction industry is growing, potentially leading to a lack of controls, especially price controls. The race to the bottom to seal contracts will lead to long-term implications that go beyond any reduction in profit margins or threats to industry leadership.

For optimal growth along our strategic pathway while promoting our core values and sustainable development goals, Coteccons seeks greater employee efforts and engagement and stronger collective solidarity.

With this in mind, from a strategic view point, we have identified a number of key directions:



“ The Board of Directors targets a net revenue of VND 15,010 billion (65% growth compared to 2021) and profit after tax of VND 20 billion. These are modest but appropriate targets to focus on the quality of growth to build strong internal resources and set us prepared for longer-term goals.



PERSISTENT IMPLEMENTATION OF THE FIVE-YEAR PLAN (2021 – 2025)

The five-year plan charts the path that Coteccons must take to build our new future in response to changing market conditions and increasingly higher customer demands. Therefore, we shall act in a persistent and consistent manner. Guided by this thought, we will facilitate more coherent implementation of our strategy and clearer action plans. This will ensure that our journey becomes clearer.

Towards 2025, Coteccons has redefined our vision- purpose, core values and new competencies of every individual and our organization as the whole. These need to be well communicated internally for improved awareness and more practical actions.

In 2022, Coteccons will manage to expand business opportunities by offering a diverse portfolio of products. Apart from civil, housing and commercial construction projects, we will also focus our efforts in infrastructure and industrial park development. Efforts in product diversification will also be extended to financial investment and specialized services such as Design & Build, new construction technologies or green technologies, etc.

Given multi-dimensional competition in the construction industry, we have decided not being involved in the race to the bottom to seal new projects. Instead, Coteccons’ key focus is on quality, safety, and progress of our projects. In order to offer more competitive prices, we will improve our organizational and operational performance, supply chain management, input optimization and time-based procurement.



Strict legal compliance and transparent and professional corporate governance will enable Coteccons to protect the interests of our shareholders-investors, partners-customers, employees and related parties.

STRENGTHENING CORPORATE GOVERNANCE

With current momentum, Coteccons is in a favorable position to further improve our strategic leadership capacities. With this in place, we are able to lead, promote and support effective implementation of the strategy.

In order to build a transparent operating system, a professional organizational structure and a strong foundation for sustainable development, improving corporate governance is one of the most important areas of work of the Board of Directors.

First of all, Coteccons promotes a culture that embraces law compliance, business ethics and commitments with other parties. We will not compromise ourselves by choosing unofficial options to obtain growth opportunities. This shall be practiced consistently in all activities, either in the head office or construction sites.

Coteccons will strongly move to wider application of international standards in corporate governance, especially those on organizational transparency, implementation of responsibilities of the Board of Directors, protection of equal rights of shareholders, or information disclosure, etc.

Fully aware of complex and unpredictable fluctuations of the business environment, the Board of Directors also expects to improve risk management in 2022. To best protect our business operations, we will keep monitoring global and local socio-economic developments, conduct adequate risk assessments to build response scenarios, organize a robust risk management system to optimal risk prevention and timely actions.



STRUCTURING TOWARDS ORGANIZATIONAL STABILITY

In 2022, Coteccons' restructuring activities will be implemented comprehensively to build a streamlined and robust organizational process. The management system must be improved in line with international standards. In particular, it is critical to promote the role of construction managers, empowerment and reasonable control.

To improve competitiveness without engaging in the race to the bottom, Coteccons needs a more streamlined and robust structure. It will optimize business performance and operating costs. Operational and implementation risks will also be managed.

In 2021, Coteccons officially launched our ERP system. Therefore, in 2022, we will further improve this system for more effective financial management, from revenue to cost management of all projects to analysis and prediction of project performance to make optimal investment and implementation decisions.

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Coteccons defines restructuring as a journey that requires time for the efforts to produce expected outcomes. Therefore, we will not rush into implementation and engage in a competitive race for achievements on the surface.

PROMOTING HUMAN RESOURCE DEVELOPMENT

Currently, Coteccons has abundant human resources, especially excellent project directors and site managers. Many Coteccons's construction engineers are recognized for their industry-leading technical competence in Vietnam's construction industry. Also, most of the employees have had a long history of working with us and made valuable contributions to our development. Therefore, in our human resource development strategy, Coteccons focuses on capacity building and upskilling our human resources.

For this, we need to have a technical training strategy with clear goals. In addition to technical knowledge and skills, in order to comprehensively and quickly expand career opportunities with us according to new requirements, each Coteccons employee shall develop other competencies such as strategic thinking, entrepreneurship, leadership and management skills, etc.

We will also build a more relevant mechanism wherein all those with demonstrated abilities, efforts and practical contributions are given equal training and promotion opportunities.

In 2022, with anticipated challenges lying ahead, we will continue to maintain basic compensation and welfare policies for all of our employees, especially universal health insurance coverage. In addition, policies on protection against pandemic risks, supports to employees infected at work and many other support policies for their families will also be maintained to the best possible extent.



In order to develop new human resources when required, we will undertake talent attraction and recruitment as appropriate. We set clear criteria for the compatibility between employee competence with our corporate culture instead of a mere focus on their qualifications.

To increase cohesion and retain talents, the Company continues to propose ESOP programs and survey employees' needs for other welfare programs such as consumer loans, home installment purchases, etc. to enrich welfare programs, increasing competitiveness in the labor market.

“ In 2022, Coteccons will focus on promoting a culture of performance-based reward, retaining and developing a team of highly qualified and engaged personnel.

FOCUSED IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT REQUIREMENTS

As an integral part of our overall development strategy, Coteccons aims to build a CSR strategy with clear goals, values and purposes.

Coteccons currently focuses on programs that provide education and training and facilitate development of younger workers and a qualified and capable workforce for the labor market. Therefore, cooperation with training institutions and social organizations for such a purpose will be further promoted.

Given direct environmental impacts of the construction industry, Coteccons also determines a priority in our CSR strategy, which is to support environmental protection and restoration of natural systems to the best extent in localities. More specifically, we will participate in projects of reforestation and development of green areas with specific plans for highest efficiency.

In addition, we will also invest our financial and technical resources in implementing other social development goals. Our corporate social responsibility and role in the community will also be communicated more widely to guide employee behaviors and be integrated as part of our corporate culture.

Coteccons' CSR and community activities will also focus on delivering efficiency and real values to beneficiaries as part of our vision to grow along with local community.

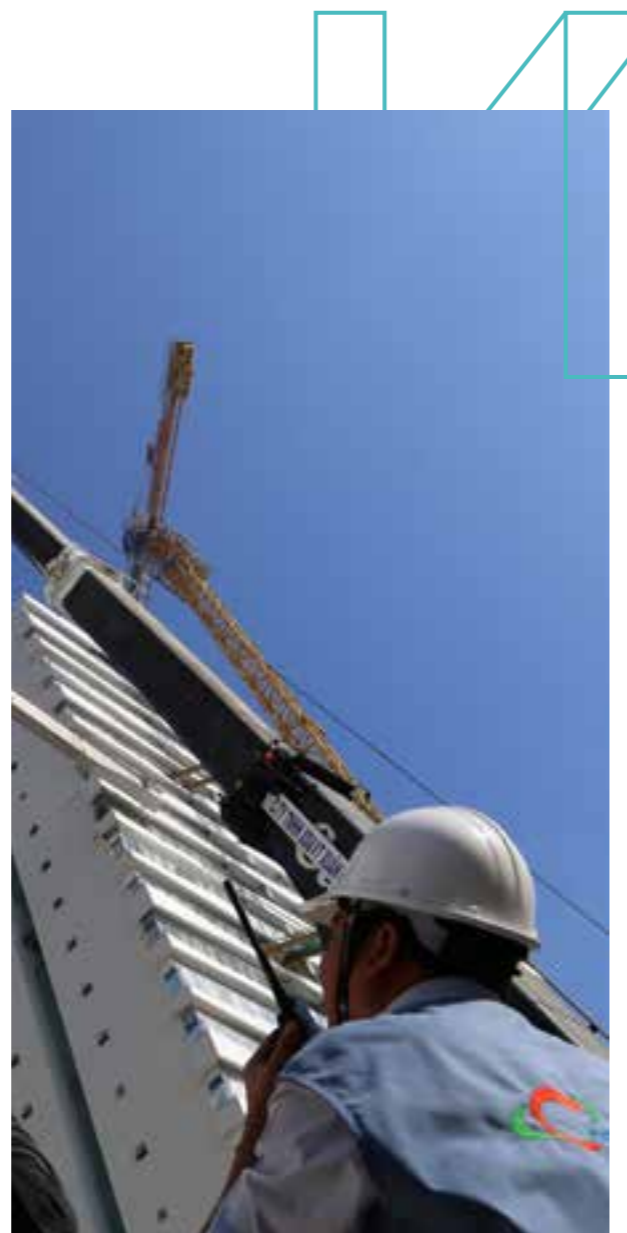


REPORT OF BOD INDEPENDENT MEMBERS

Over the past year, Coteccons has paid special attention to improving our corporate governance in accordance with the best practices and standards in the market. Therefore, the Company has constantly improved the organizational structure and supplement necessary personnel for the Board of Directors (BOD) to the executive level.

In order to promote transparency and independence in the activities of the BOD, right from the beginning of Quarter II, 2021, the Company submitted to the General Meeting of Shareholders for approval of appointing Mr. Tong Van Nga to be an independent member of the BOD, raising the number of independent member of the BOD to 2 (before Ms. Trinh Quynh Giao stepped down). This supplementation is to meet the requirement of "having at least 02 independent members on the total number of BOD members of 06-08" according to Article 276 of Decree 155/2020/ND-CP guiding the Law on Securities in 2019.

With his steady background and more than 48 years of experience in the construction sector and previous important positions in relevant industry associations, Mr. Tong Van Nga is a very suitable appointment to Coteccons. His participation contributes to strengthening the structure of the BOD and the strategic leadership, and enhancing the efficiency of the BOD's task performance.



Full name	Position	Date of appointment
Mr. Tan Chin Tiong	Independent member of the BOD	June 2017 to present
	Head of the Human Resources and Compensation Committee	November 2020 to present
	Member of Strategy Committee	July 2017 to November 2020
Mr. Tong Van Nga	Independent member of the BOD	April 2021 to present

HIGHLIGHTED CONTRIBUTIONS IN THE YEAR OF INDEPENDENT BOD MEMBERS

With a role of strategic leadership, the BOD always considers, evaluates, and approves decisions carefully and openly ensuring the criteria of the Company's long-term interests. Based on the principle of objectivity, the independent members of the BOD have always fulfilled their tasks upholding the spirit of truthfulness, independence and transparency, especially in situations of conflict of interest, accordingly, directing all decisions of the BOD to the overall interests of the Company, but not for the private interests of one or a few individual or groups of shareholders. This is a the principle to ensure all activities of Coteccons always comply with the provisions of the Law on Enterprises, the Company's Charter, and relevant legal documents and regulations.

With that criterion, in the past year, the independent members of the BOD have made outstanding contributions:

Support the Board of Directors in effective and transparent corporate governance Supervise, review, amend, perfect, and promulgate the system of internal governance documents including the Company's Charter, Internal Regulations on Corporate Governance, ensure conformity with the actual operation of the Company and regulations of the law.

Implement and improve corporate governance according to the latest Corporate Governance Code.

Enhance efficiency in decision-making of the Board of Directors Advise and give comments on the market and business environment to give the BOD more diverse perspectives to make the right decisions, especially those related to investment, business, expansion to new fields and markets in the construction sector.

Orient and supervise the deployment of resolutions of the General Meeting of Shareholders and the Board of Directors Supervise the coordination of the Board of Directors, Board of Supervisors, and the Board of Management in implementing resolutions, deliver stable business operations, allocate proper resources, and complete projects on schedule.

Supervise transactions with stakeholders Strengthen supervision and review of transactions with stakeholders, improve processes and internal control systems to ensure that transactions are performed on the basis of market value.

Ensure and maintain transparency in the organization and operation of the Company, prevent the concealment of information related to the Company's operation, transactions with private interest signs that may lead to the violence and losses to the Company and other stakeholders, especially individual and minor shareholders.

OPERATION ASSESSMENT OF BOARD OF DIRECTORS AND BOARD OF MANAGEMENT



The BOD has given the right and timely directions in compliance with current legal regulations and the Company's Charter, towards modern governance standards.

The BOD has performed well in supervising, supporting and facilitating the Board of Management to fully implement the Resolutions of the General Meeting of Shareholders.

In addition to complying with information disclosure regulations, the BOD and the BOM have made great efforts to spread information to shareholders by organizing events such as the Analyst Conference, Shareholders' Day for the first time.

In terms of external relations, the BOD accompanies the BOM in promoting meetings with partners, developers, and entering strategic cooperation, etc. As a result, during the year, the value of Company's newly signed contracts successfully exceeded the target of VND 25,000 billion.

Regarding internal affairs: The BOD and the BOM have finalized the salary, bonus, compensation policies, built a development and succession roadmap for employees, and made efforts in guaranteeing income for employees during the Covid-19 pandemic with heavy impact on business activity of the Company, thereby, contributing to stabilizing the organizational structure, promoting corporate culture and the "ONE TEAM" spirit of the entire Coteccons staff.

ORIENTATIONS FOR INDEPENDENT BOD MEMBERS IN 2022



PERFORMANCE REPORT OF THE BOARD OF SUPERVISORS

The governance model of Coteccons comprises of the General Meeting of Shareholders - the Board of Directors - the Board of Supervisors - the Board of Management. In which the Board of Supervisors (BOS) acts as the supervising body of the Board of Directors (BOD) and the Board of Management (BOM) in terms of strategic leadership and corporate governance control, and takes the responsibility before the General Meeting of Shareholders (GMS) for the assigned tasks.

Promoting the role of the BOS helps Coteccons strictly implement the transparency and professionalism, and strives to raise standards in corporate governance.

INFORMATION ABOUT MEMBERS OF BOARD OF SUPERVISORS

Currently, the BOS of Coteccons consists of 3 members (detailed information about members at page 64-65).

No.	Member of Board of Supervisors	Position	Date of starting/no longer being a BOS member
1	Mr. Tran Van Thuc	Head of the Board of Supervisors	Stepped down on April 26, 2021
2	Mr. Dang Hoai Nam	Member of Board of Supervisors	Stepped down on June 29, 2017
3	Mr. Nguyen Minh Nhut (Jack)	Member of Board of Supervisors	Stepped down on June 29, 2017

In 2021, the Company had the following changes in the members of the Board of Supervisors:

Mr. Luis Fernando Garcia Agraz stepped down from the position of BOS member according to the resignation letter dated April 8, 2021.

Mr. Tran Van Thuc was appointed as a BOS member from April 26, 2021.

Charter capital ownership percentage of members of Board of Supervisors as of March 25, 2022:

Mr. Tran Van Thuc: 0%

Mr. Dang Hoai Nam: 30,648 shares, accounting for 0.04%

Mr. Nguyen Minh Nhut (Jack): 0%



MEETINGS OF MEMBERS OF BOARD OF SUPERVISORS

Number of meetings and participation and voting rate.

No.	Member of Board of Supervisors	Rate of meeting participants	Rate of voting	Reasons for non-participation
1	Mr. Tran Van Thuc	100%	100%	
2	Mr. Luis Fernando Garcia Agraz	100%	100%	
3	Mr. Dang Hoai Nam	100%	100%	
4	Mr. Nguyen Minh Nhut (Jack)	100%	100%	

Detailed contents of the meetings of the Board of Supervisors

No.	Meeting	Date	Content
1	Meeting 01	3/3/2021	Meeting with Ernst & Young Vietnam Co., Ltd. to discuss some issues about Coteccons' audited financial statements in 2020.
2	Meeting 02	04/27/2021	Meeting to elect the Head of BOS after electing additional members of BOS at the Annual General Meeting.
3	Meeting 03	04/29/2021	Discussing the work plan of the BOS in 2021.
4	Meeting 04	05/21/2021	Agreeing on the proposal of the BOD on selecting Ernst & Young Vietnam Co., Ltd. to be the auditor of financial statements for Coteccons and our subsidiaries in the fiscal year 2021.
5	Meeting 05	08/20/2021	Meeting with Ernst & Young Vietnam Co., Ltd. to discuss some issues about auditing Coteccons' 6-month financial statements in 2021.
6	Meeting 06	10/27/2021	Reviewing work in the first 9 months of 2021 based on work plan of the BOS. Discussing the current legal/financial risks of the Company. Discussing the implementation of recommendations of BOS and the Internal Audit Committee of the BOM and the Departments/Divisions.

ACTIVITY SUPERVISION/COORDINATION OF BOARD OF SUPERVISORS WITH BOARD OF DIRECTORS, BOARD OF MANAGEMENT, AND SHAREHOLDERS

- The BOS has worked out and sent an operation plan for the whole year of 2021 to the BOD and the BOM for information and has directed functional departments in the company to coordinate with the BOS in task implementation.
- The BOS attended a number of administration meetings of the Company to supervise the direction of the BOD/BOM with functional departments.
- The BOS has continuously updated the implementing situation of the 2021 business plan/the resolutions of the GMS, and has given suggestions to help the BOD and the BOM to better implement their proposed plan/resolution.
- The BOS has reviewed the quarterly financial statements and made recommendations to the BOM on the financial and operational situation of the Company.



DETAILS ABOUT SOME ACTIVITIES IMPLEMENTED IN THE YEAR OF THE BOARD OF SUPERVISORS RELATED TO SUPERVISION ON BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

Time	Content
05/25/2021	Send reports to the BOM to evaluate the company's overall performance and business results in the Quarter 1 of 2021.
06/01/2021	Participate in the weekly executive meeting of the BOM with the business development department.
06/07/2021	Send a request to the BOM about the management of Coteccons' land.
07/01/2021	Submit an evaluating report on the implementation of business development activities of the BOM, the capacity of the Internal Audit Committee and the results of the audit of Unicons' equipment room.
19&31/07/2021	Send a report to the BOM to comment on the re-issuance of Coteccons' financial statements in 2017-2019.
08/25/2021	Submit an evaluating report on the Company's overall performance and business results for the first half of 2021 and the effectiveness of the Company's internal control system.
11/04/2021	Send a request to the BOM about: <ul style="list-style-type: none"> • Encourage functional departments in the Company to implement methods to improve operational efficiency according to the opinion of the Internal Audit Committee after audits. • Analyze the causes and solutions to increase sales in the second half of the year.
11/09/2021	Send a request to the BOM to conduct a special audit for identifying shareholders and transactions arising between shareholders of Coteccons and Unicons from 2017 to 2020 according to Resolution No. 15/2021/NQ-HĐQT dated June 14, 2021 of the BOD.
11/26/2021	Send comments to the BOM on reviewing the relation between Ladona Properties Ltd. and Coteccons to comply with the requirements on disclosure of relevant third party's information.
12/03/2021	Submit the review report on the Company's financial results of Quarter 3, 2021.

ASSESSMENT OF COMPLIANCE WITH RESOLUTIONS OF THE GENERAL MEETING OF SHAREHOLDERS AND THE BOARD OF DIRECTORS

General Meeting of Shareholders

In 2021, 15 resolutions were approved by the General Meeting of Shareholders. By the end of December 2021, 80% of the tasks set out under the Resolutions were completed, the remaining 13% were in progress and the 7% were uncompleted.

The tasks in progress are related to Resolution No. 05/2021/NQQ-ĐHCD on approving the remuneration of the BOD and BOS in 2021 and Resolution No. 09/2021/NQQ-ĐHCD on approval of ESOP in 2021.

BOARD OF DIRECTORS

In 2021, the BOD has issued 28 resolutions as of the end of December 2021. The implementation situation of the resolutions was as follows: 28/28 resolutions have been implemented, equivalent to 100% completed workload.



IMPLEMENTATION ASSESSMENT OF 2021 BUSINESS PLAN AND SOME IMPORTANT FINANCIAL INDICATORS

1. Implementation assessment of 2021 business plan:

VND

	2021	In comparison to 2020	In comparison to the plan
Revenue	9,078	Decrease 38% (compared to 14,558)	Achieve 52% (compared to 17,400)
Profit after tax	24	Decrease 93% (compared to 335)	Achieve 7% (compared to 340)

The main reasons for the record low business results over the past 10 years:

- There is almost no backlog from 2020.
- Construction sites had to suspend construction for at least 4 months due to the Covid-19 pandemic, leading to an increase costs and a 4% increase in raw material prices in 2021.
- Provisions for bad debts increased.
- The Company maintained the salary, bonus and compensation policies without reducing personnel costs while the whole market cut down these costs to compensate for the damage caused by the Covid pandemic.

2 Some key financial indicators

No.	Indicator	Unit	2020	2021
I Profit margin				
1	Gross profit margin	%	5.9	3.00
2	Ratio of Profit before tax/sales	%	2.9	0.42
3	Ratio of Profit before tax/Owner's equity	%	5.1	0.46
4	Ratio of Profit before tax/Total assets	%	3.0	0.27
II Performance indicators				
1	Inventory Turnover	Date	41	62
2	Receivable Turnover	Date	198	308
3	Receivable Turnover	Date	104	129
III Liquidity				
1	Current ratio	Times	2.2	2.25
2	Quick ratio	Times	1.9	1.95
3	Leverage (Liabilities/Owner's equity)	%	67	78

RECOMMENDATION OF BOARD OF SUPERVISORS

2021 business performance: Fail to achieve the targets

The obvious objective reasons were the prolonged Covid-19 pandemic and the high material price. However, the BOD and the BOM need to have a strategy to increase sales in a short term, for example, small-scale projects with a shorter completion time.

Turning to the subjective reasons, it is necessary to continue to strengthen the human resources, improve planning, and well manage Cost of goods sold to increase profit margins. One of the ways to achieve this objective is to soon complete and put into operation the ERP system.

In the long term, it is necessary to accelerate and establish a dedicated department for the strategy of diversifying products to avoid dependence on the residential real estate cycle.

Key personnel: Personnel at many important positions have stepped down in 2021

According to the BOSd's observations, in 2021, there are 4 key personnel in important positions stepping down. The BOD and the BOM need to carefully analyze the reasons for this phenomenon and find ways to prevent the repetition in 2022.

The BOM has not operated effectively, which was reflected in the decrease in 2021 business results compared to the previous year and compared with the set plan. The position of General Director has not been elected yet, leading to some inadequacies in operating the Company. The BOD needs to quickly elect and appoint a suitable person for this position.

Communication: Enhance internal and external communication about the Company's image

The BOM needs to strengthen internal communication about the Company's achievements, share development strategies to

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The BOM needs to strengthen internal communication about the Company's achievements, share development strategies to build trust and strengthen the synergy within the Company.



build trust and strengthen the synergy within the Company.

For investors and customers: Due to major changes in the Company's operations over the past two years, Coteccons shall further affirm our foothold, transparency and core values in 2022.

Receivables: Time and values of receivables increased gradually in 2021

The BOM needs to improve debt management policy and strengthen debt recovery and handling in 2022.

Asset management: Enhance asset management and use of construction site assets

The transition between the former and later BOM has just taken place in 2020, determining asset ownership and managing the asset use are important factors to improve operational efficiency and cost manage.

Portfolio management: Prolong loss at subsidiaries and affiliates

Currently, most of Coteccons' subsidiaries and affiliates are suffering loss or ineffective operation. The BOD and the BOM need to review the investments in subsidiaries and affiliates to deliver monitoring measures, improve operational efficiency, or recover the above investments.

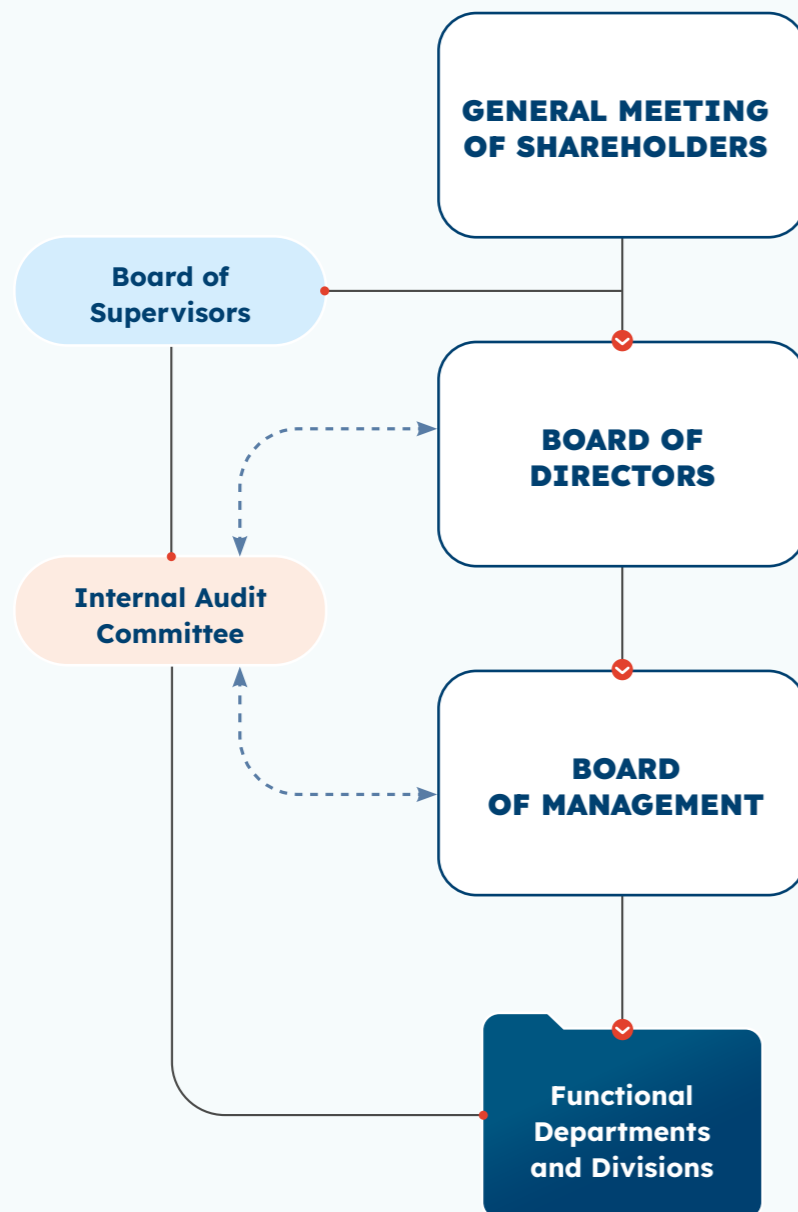
Project governance: Underperform

In fact, some implemented projects suffered from losses when handing over works and making final settlement, which may be stemmed from estimating, risk provisions and project management. The BOM needs to review projects in progress to come up with measures to reduce costs or make provisions for unexpected losses.

REPORT OF INTERNAL AUDIT COMMITTEE

At Coteccons, the Internal Audit Committee (IAC) is a body under the management of the Board of Supervisors (BOS). The IAC's operating budget is approved by the Board of Directors (BOD) at the request of the BOS. Therefore, the IAC operates independently beyond the executive roles of the Board of Management (BOM).

Chart of Coteccons's organization with the roles of the Board of Supervisors and the Internal Audit Committee



ROLES OF INTERNAL AUDIT COMMITTEE

- Through audit activities, control the departments/divisions' compliance with regulations in the internal governance document system of the Company.
- Participate in perfecting the internal control system, ensure effective governance processes and risk management of the Company.
- Supervise the preparation of financial statements.
- Provide advices for the BOD and the BOM to achieve operational results and strategic, plan and task objectives by assessing and proposing measures for improving the control, management and corporate governance.

ACTIVITIES OF INTERNAL AUDIT COMMITTEE IN THE YEAR

Over the past year, the IAC has audited a number of departments/divisions and construction sites with the following main contents:

Audit 07 departments/divisions of Coteccons and Unicons, make assessments and recommendations on a number of key risks:

- Effects of personnel changes, handover when there are personnel changes.
- Risks in project financial management, contract signing and liquidation, payment - settlement with developers, subcontractors, suppliers.
- Risks in the bidding process, regulation compliance in project management coordination between departments/divisions and the Site Management Board.
- Risks in the investment, procurement, use and liquidation of management and construction assets, machinery and equipment.
- Risks in the management of the Company's operational costs and projects' costs.
- Risks in projects' design management.



Audit 04 projects (02 Coteccons projects 02 Unicons projects) on:

- Organizational structure/HR and training.
- Project finance management
- Construction quality and progress management.
- Design Management.
- Materials and equipment management.
- Construction team (suppliers, subcontractors, construction workers)
- Security, occupational health.
- Records, document storage, ISO.

Conduct project risk assessment: Risk assessment for all projects of Coteccons and Unicons.

Analyze and evaluate the Company's financial statements:

- Financial statement of 2020
- Financial statements of Quarter 1, 2021
- Financial statements of 6-month period of 2021.
- Financial statements of Quarter 3, 2021

Evaluate the remediation recommendations after the audit:

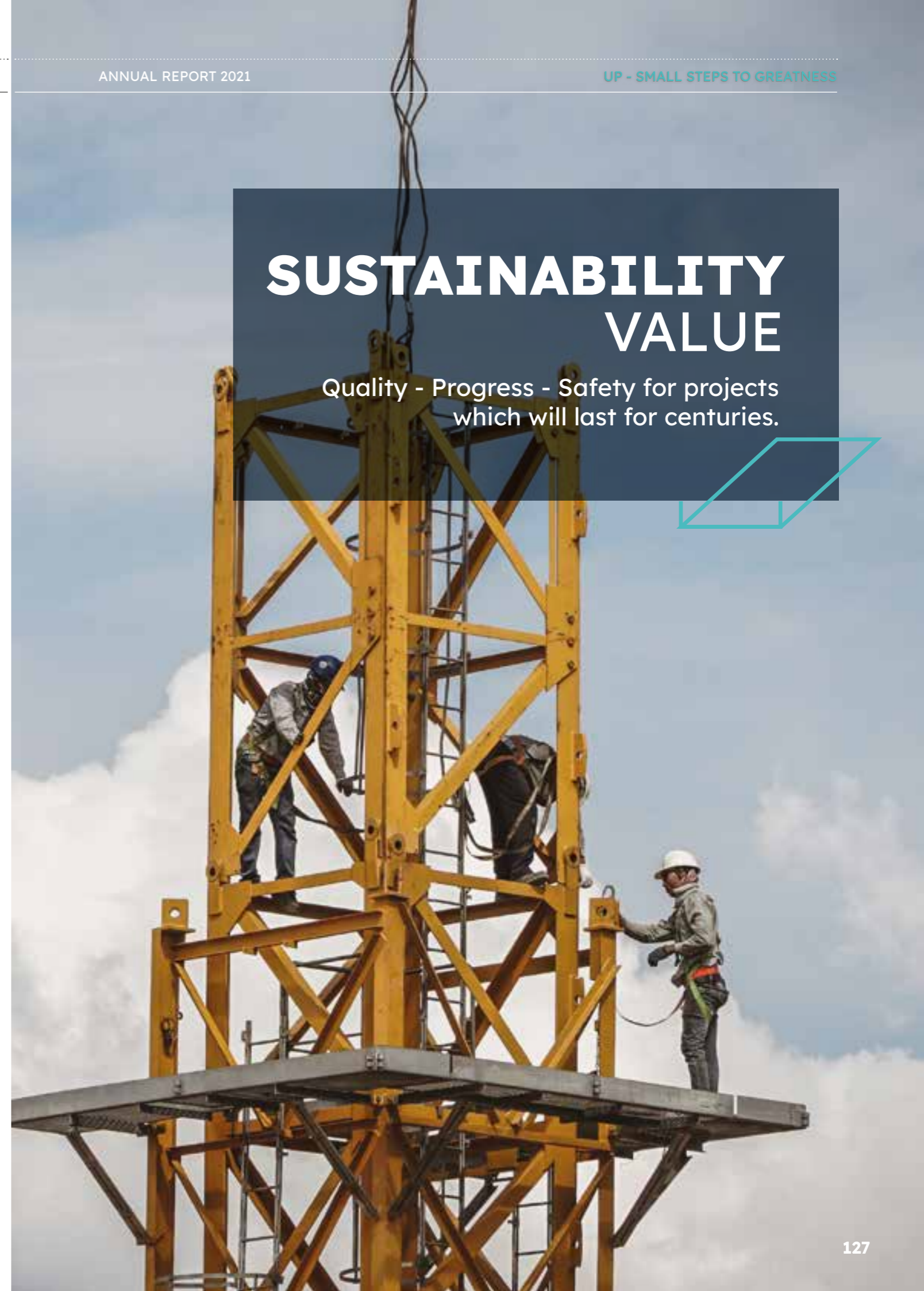
At the request of the BOD and the BOS, the IAC held a meeting with the audited departments/divisions on the remediation of recommendations after the audit.

ACTION PLAN 2022 OF THE INTERNAL AUDIT COMMITTEE

- Analyze and evaluate the macroeconomic situation and its influences on the Company in 2022.
- Audit departments/divisions: Strengthen the assessment of compliance with the Company's regulations as well as the function and duties of the departments/divisions by the issued control processes.
- Audit projects: Strengthen the overall assessment of the project objectives including safety, finance, schedule, quality, relationship with partners, human resources, and training. Additionally, evaluate the compliance with the Company's regulations, Accordingly, provide recommendations to enhance the management efficiency of projects.
- Deploy risk assessment for projects under construction.
- Analyze and evaluate the Company's quarterly financial statements.

SUSTAINABILITY VALUE

Quality - Progress - Safety for projects which will last for centuries.



REPORT OF THE BOARD OF MANAGEMENT



Shared consensus and understanding within our Company were becoming much stronger. Thanks to joint efforts of all employees and strong internal resources accumulated over years, we gradually regained our balance, stability and recovery.

Coteccons' business performance was not as expected in 2021. We were strongly hit by different factors. Some key causes include:

External causes:

- Covid-19 pandemic and market stagnation.
- Supply chain disruption and soaring raw material prices.
- Fierce competition in the construction industry.
- Developers' non-fulfillment of legal requirements to start projects for which contracts had been signed

Internal causes:

- The backlog volume decreased in 2019 and reached zero in 2020.
- Bad debts accumulated from previous years were large and many projects had legal loopholes in contracts and agreements leading to failure of payment/ financial close.
- Changes in senior management led to organizational turmoil.

Despite such challenges, the Board of Management, including Deputy General Directors, project directors and department/division leaders, exerted great efforts to work with the Board of Directors seeking best solutions to adapt to the new situation and manage impacts.

Also, the Board of Management also quickly studied and implemented the new strategic development pathway developed by the Board of Directors, including organizational transformation and restructuring. This was undertaken in a cautious but effective manner in order to avoid further reshuffling and confusion given that we had been under too much pressure.

Shared consensus and understanding within our Company were becoming much stronger. Thanks to joint efforts of all employees and strong internal resources accumulated over years, we gradually regained our balance, stability and recovery. The new strategy produced promising outcomes.

By the fourth quarter, the signs of recovery became clearer, demonstrated by a larger backlog volume compared with our initial target of VND 25,000 billion, continued engagement of existing customers in large projects, higher volume of new customers, and more emerging opportunities with our new services and product, among others.

In 2021, we failed in terms of revenue, profits, and some financial metrics. However, Coteccons stood firm and effectively restructured and transformed ourselves to be prepared for stronger leaps.

REFLECTION OF THE BOARD OF MANAGEMENT MEMBERS



MR. NGUYEN NGOC LAN
Deputy General Director



A COMPANY IS ALIVE WHEN THEY UNDERGO UPS AND DOWNS”

“Having lived for nearly 20 years with pride as a member of Coteccons, I’ve witnessed the whole journey of founding, development and contribution to shaping the foundation for Vietnam’s construction industry. Therefore, I deeply feel the milestone that the Company has just reached.

There is no denying the fact that Coteccons is under great competitive pressure with our resources being dispersed and our unique position being challenged.

However, we are having a new Coteccons, which I like to call Coteccons 2.0. This is where I find happiness at work, every day. Because what I think, what I want, and what I can do completely blend and are consistent with each other. I feel very clearly the new vitality, freedom and “democracy” spirit in the environment that I’m familiar with.

This is a clear result of the transformation journey over the past year. The ups and downs of the Company, I think, should be accepted objectively and calmly. Ups and downs are indications of a company that is living. During training courses for young staff, I often share with them that they should never try to find a constant. Since that could be the indication of us having no opportunity to transform and grow up.

For a greater Coteccons by 2025, we need to act now and be ready to embrace challenges. I feel that the Coteccons team has begun to internalize this orientation. Therefore, cautious though I am, I am still very confident of the outlook for Coteccons in 2022 and beyond.



MR. PHAM QUAN LUC
Deputy General Director



BREAK AWAY FROM OUR OLD SELF”

“At Coteccons now, drastic changes can be felt. The picture is being mixed up a lot but it also brings positive hopes. The Company’s environment is now very open. People work under a clearer system, and everyone is empowered and has the right to voice their opinions.

Therefore, I think that Coteccons’ new goals and orientations make full sense. If the new strategy can be properly implemented, opportunities will be enormous. The only problem lies in execution process.

I see Coteccons rebounding quite positively. The “Finance&Build” model that the Company has just launched presents much excitement. Many customers are interested and want to

cooperate. I have met many investors and found that in fact, they are pretty flexible and do not care too much about what we have changed. What they are looking for is what we can do for them. Therefore, the Company needs to leverage the existing strengths and add new ones to win customers.

A strategic transformation will not reap quick wins overnight. Yet while pursuing long-term goals, the Company need to fulfill short-term ones first.



MR. CHRIS SENEKKI
Deputy General Director



I SEE IN COTECCONS PEOPLE WHO CAN ACCEPT NEW THINGS”

“Before joining Coteccons, I had worked for many years with international construction companies which already had a professional organizational system, high speed of operation and a culture focused on efficiency. Therefore, with Coteccons, there are bound to be barriers and differences from culture to language.

However, I do not consider those barriers to be too important. Because as long as you want, there will be solutions. What is more important than I see in Coteccons is a team rich in potential and positive mindset. Working with them, I have a lot of inspiration so I go to work every day with a positive mood. Most of the engineers, site supervisors and employees I interact with

show an open mind, the ability to accept new things and are very willing to learn. That is a favorable condition for Coteccons to develop quality human resources and transform towards greater things.

The strategic direction of the Chairman of the Board and the management is a sound one. From my perspective and experience, I share my sympathy with them and think that it is a completely feasible path for Coteccons.

I am in charge of international customer development, so what I can say is that Coteccons stands a good chance of expanding to international customers. This segment of customers is interested in the values that Coteccons is investing to create including high standards in construction, new solutions, environmental factors in construction, and so on. Coteccons also has also had all that it takes to become an international construction company. Thus, the only question remaining is whether the Coteccons team is determined to execute the strategy or not.”



MS. PHAM THI BICH NGOC
Deputy General Director



COTECCONS IS NOW HAVING THE MOST SEASONED PROJECT MANAGERS AND ENGINEERS IN THE MARKET

“They are truly resilient yet humble veterans with silent feats.”

Graduating from prestigious universities, after passing stringent screening and fierce “drill grounds” during training courses, those who become member of the Coteccons team all take pride in themselves. Performing, pioneering to shoulder responsibilities, minding no difficulties, being generous like a “big brother”, among others, all the great qualities of Coteccons construction site soldiers.

During the period of organizational changes and competing priorities, I think that the Company in general and the HR department in particular did not spend enough time with employees and did not communicate timely, which affected their morale.

I’m always thankful to each engineer and office worker for personally cultivating optimism and love for the Company day after day and for constantly trying to join hands to build and develop our common house.

If anyone has ever witnessed a bud rising from the layers of bricks and stones that cover it, they will

deeply understand how resilient the “Coteccons” spirit is. Little by little, bending to bear the scratches and pain to move ahead towards the light, towards the sun, towards the bright future.

We are not day-dreamers when it comes to talking about the future. We know our strengths and limitations, we know what needs to be done to keep the machine running smoothly and reach the expected milestones. Today’s Coteccons house is supported not only by a few pillars but also by an enthusiastic, talented, and willing young generation, and the task of the HR department is to timely supplement them with necessary knowledge and skills and help them gradually narrow the capacity gap.

Ensuring employees get their well-deserved income, rewarding the right people for the right achievements, building a mechanism to retain talented people, developing new capabilities, and so on. Those are the key focuses of 2022. Not only a goal or a plan, but it’s determination and a matter of life or death so that we can preserve our elite personnel - the bold Coteccons warriors.



MR. VO HOANG LAM
Deputy General Director



MEDIA COVERAGE DOES NOT FULLY REFLECT THE COMPANY'S STANDING"

"The public cares a lot about a decline in revenue, profit, financial indicators, etc. but there are many reasons behind the numbers. Therefore, the press coverage is not a complete picture of the Company.

As a large business, Coteccons also operate under and are directly influenced by market movements. In the past year, the Company has made efforts to adjust the operation plan to best suit the situation. It's not that the Company's business went out of control.

In the first stage, facing a wave of unfavorable information about Coteccons, some customers may have "got cold feet". But with what the Coteccons team has achieved, customers realize that we remain the Coteccons that they expect.

For projects, Coteccons has best met customers' expectations in terms of quality,

progress, labor safety, etc. and do not rely on price competition as a development philosophy. Therefore, Coteccons still retains many traditional customers and acquires new ones.

The market is becoming more and more demanding and construction companies are to continuously improve for continued development. Therefore, a new strategy to drive drastic changes for Coteccons is critical. In such a strategy, diversification is the right choice to ensure growth opportunities and competitiveness.

Another major point to note in Coteccons' picture over the past year is the choice of transparency. Information and activities of the Company are now very clear, they are shared publicly and accessible to everyone.



MR. BUI NGOC KIM
Project Director



THE COTECCONS TEAM'S POENTIALS ARE BEING TAPPED INTO AND THEIR EXPERIENCE IS BEING OPTIMALLY LEVERAGED"

"Every business has its time, so in fact, our execution team has not been affected too negatively as reflected by external sources. Coteccons remains a tight-knit team ready to work together towards the same goal, share difficulties and coordinate with the Company's implementation plans. The biggest goal that we pursue together is to bring value to customers, the quality of our works and the ability to contribute to the construction industry.

Under the new mechanism, the Company is giving more authority to project managers. Therefore, we have more time to meet, interact with and advise customers. Under our new motto of customer centricity, we work

more closely with investors, advising them on optimal solutions, aiming for common values, not just for our own profit and interests.

This approach has been found extremely satisfactory by our customers. Thanks to this, their trust increases and we have both old and new customers.

With a new scope of work and powers, our potential is awakened and we're given the opportunity to develop our experience and passion. As a result, there is greater ownership, accountability and happiness at work."



MR. NGUYEN THE PHU
Project Director



MR. NGUYEN PHUC THANH
Project Director

“THE FUTURE PICTURE IS VERY CLEAR FOR EACH ONE OF US”

“The new management is offering a path for Coteccons to become a leading construction company in a sustainable way. This is the desire of the whole team. The Company also shows great confidence in its human resources by empowering the team and adopting a superior HR policy compared to industry peers.

When we are trusted and empowered, we are driven to be proactive. At the same time, we also feel a greater responsibility to promote prudent decision-making. All solutions are carefully considered in terms of pros and cons to make sure that it is the best decision in all aspects, from technical assurance, resource optimization and construction methods.

That work environment is very inspiring. The Company’s orientation to diversify and expand into new industries also shows a broader future. Therefore, the team members will also see their new future.

Every day when I go to work, I feel very happy because I have a chance to do my job with a leading construction company. I have faith that Coteccons will grow even stronger and I will walk on that path with the Company.”

“THE POTENTIALS OF TEAM MEMBER IS BEING EXPANDED”

“In the former cultural environment, maybe each member of Coteccons would find it safe and comfortable. Good and competent people are selected and trained to develop to their highest level. So there will be a feeling of a route pre-set for him.

Currently, Coteccons is diverse in culture and open in mechanism, so it is a free environment for talents. There is no longer a frame or a pre-set roadmap, so those who have the ability, those who strive and create value, will have a commensurate opportunity. This forces each person to work harder and thus, their own potential will be discovered. Therefore, those who choose to stay with Coteccons are really brave and daring to accept challenges.

With innovation in thinking and core values such as entrepreneurial spirit and customer centricity, Coteccons will expand our limits and create products that better meet customer expectations more. In the long run, this is definitely a very good thing.

The remaining important issue of Coteccons is organizational stability, especially at the top management level, in order to achieve consistency promote the advantages already established among the middle management and execution team.



MR. TRAN VAN LAM
Deputy General Director of Unicons

“ POSITIVE PEOPLE WILL SEE GOOD SIDES OF CHANGES”

“I have 13 years working for Coteccons and 6 years with Unicons. From a personal perspective, I do not think that I am affected or need to worry too much about the negative depiction of us. I think change is inevitable. Most of the other team members would share my view.

There may also be some people who are easily affected and this affects their mindset and work performance. The Company needs to better manage rumors, so that official information about the actual situation is widely communicated.

At Unicons, the subsidiary was also transformed according to the new environment of Coteccons, and I can clearly feel the positive change. Accordingly, the project directors and site managers become more proactive with greater sense of responsibility.

For example, previously, according to the old system, every time you encountered a problem, you would report it. Doesn't matter if you could solve it or you've

tried your best to solve it. Therefore, you will take it for granted that the problem is someone else's business, the responsibility of solving it belongs to someone else.

Now, given the empowerment and expanded scope of responsibility, clear KPIs and corresponding reward policies, mindset and actions will also be different. They will be in charge of all site work and will come up with solutions and attempt to solve the problems themselves. Capacity and experience will thus be improved. Thanks to that, the Company will have a stronger team and in the long run, the overall capacity of Coteccons to Unicons will be improved many times to handle large volumes of projects, no matter how big they can be.

In my opinion, those who stay after the recent upheaval are responsible, loyal to the Company and passionate about the profession. With a new cultural environment, they will be free to develop and actively learn to achieve new goals.”



MS. CAO THI MAI LE
Chief Accountant

“ BUSINESSES ALL HAVE TO OVERCOME CHALLENGES TO REACH NEW HEIGHTS”

“Restructuring is an inevitable requirement. It is often carried out in businesses to continuously adapt to the market and develop to greater heights. Since Coteccons has had a pretty smooth history, when this happens, many people may find it strange.

Moreover, too many factors happen at the same time, so the problem becomes more serious and draws more attention.

For example, in terms of financial restructuring, Coteccons has very strong financial resources and a large amount of cash. From a financial perspective, there are many opportunities to leverage for higher efficiency and to create greater advantages. That is why Coteccons can build the “Finance&Build” model, which means the Company participates in investment and provides financial support for projects, helping developers to deploy projects in a timely manner.

This model is conducted in a prudent and reasonable manner. The company assesses the level of reliability on each specific project to decide on the appropriate plan and level of cooperation with the developer.

In 2021, Coteccons also issued bonds for the first time. Previously, Coteccons maintained a “zero-loan” policy. But using loan capital reasonably, diversifying funding sources and leveraging advantages in mobilizing foreign capital are also ways to optimize opportunities for the Company. The bond issuance was a testimony to great trust that investors places in Coteccons. The prospect for the Company thus remain huge”.

OUTSTANDING FINANCIAL INDICATORS OVER 5 YEARS

Unit: VND

	2017	2018	2019	2020	2021
BALANCE SHEET					
Current assets	14,324	15,323	14,728	12,868	12,752
Cash and cash equivalents	3,311	553	801	1,397	885
Short-term financial investments	2,479	3,907	3,242	1,981	2,401
Short-term receivables	6,344	9,054	8,798	7,648	7,425
Inventories	1,874	1,443	1,626	1,492	1,692
Other current assets	316	366	261	350	349
Non-current assets	1,553	1,500	1,471	1,290	1,174
Fixed assets	767	744	704	604	531
Investment properties	50	52	50	47	41
Long-term assets in progress	-	1	161	162	185
Long-term financial investments	377	351	394	365	335
Other long-term assets	359	352	162	112	82
TOTAL ASSETS	15,877	16,823	16,199	14,158	13,926
Liabilities	8,571	8,861	7,729	5,759	5,678
Current liabilities	8,560	8,852	7,710	5,753	5,675
Non-current liabilities	11	9	19	6	3
Owner's equity	7,306	7,962	8,470	8,399	8,248
CAPITAL SOURCES	15,877	16,823	16,199	14,158	13,926
BUSINESS PERFORMANCE					
Net revenues	27,153	28,561	23,733	14,558	9,078
Cost of goods sold	(25,137)	(26,728)	(22,685)	(13,702)	(8,803)
Gross profit	2,016	1,833	1,048	856	275
Finance income	325	321	264	228	277
Finance costs	-	-	-	(0,5)	(13)
Share of profit/(loss) from affiliates	32	98	4	(27)	(30)
General and administrative expenses	(395)	(505)	(459)	(656)	(516)
Net profit from operating activities	1,978	1,747	857	401	(7)

Unit: VND

	2017	2018	2019	2020	2021
Other profits	82	127	33	27	45
Profit before tax	2,060	1,874	890	428	38
Corporate income tax	(408)	(363)	(180)	(93)	(14)
Profit after tax	1,652	1,511	710	335	24
<i>Profit of minor shareholders</i>	-	-	0,03	0,18	0,10
<i>Profit after tax of the parent company</i>	1,652	1,511	710	334	24
CASH FLOWS					
Net cash flows from operating activities	1,152	(934)	(339)	(567)	369
Net cash flows from investing activities	566	1,021	769	1,392	(628)
Net cash flows from financing activities	(404)	(756)	(183)	(229)	(253)
Net cash and cash equivalent increase in the period	1,314	(669)	247	596	(512)
Cash and cash equivalents at end of year	3,311	553	801	1,397	885
FINANCIAL INDICATORS					
Rate of profitability					
Ratio of Gross profit/sales	7.42%	6.42%	4.42%	5.88%	3.03%
Ratio of Profit/sales before tax	7.59%	6.56%	3.75%	2.94%	0.42%
Ratio of Profit/sales after tax	6.08%	5.29%	2.99%	2.30%	0.26%
ROAA	11.96%	9.24%	4.30%	2.20%	0.17%
ROEA	24.40%	19.79%	8.64%	3.96%	0.29%
Liquidity					
Current ratio	1,67	1,73	1,91	2,24	2,25
Quick ratio	1,45	1,57	1,70	1,98	1,95
Financial leverage					
Debt/Equity	117.31%	111.29%	91.25%	68.57%	68.84%
Debt/Equity	0.00%	0.00%	0.00%	0.00%	0.02%
Total assets/Equity	2,17	2,11	1,91	1,69	1,69
(Cash + Short-term Investment)/Total Assets	36.5%	26.5%	25.0%	23.9%	23.6%

KEY RESULTS OF RESTRUCTURING - TRANSFORMATION

The new strategy, with a five-year development roadmap from 2021 to 2025 as announced at the AGM in April 2021, was implemented in a cautious and efficient manner towards sustainable results in the long run.

By the end of 2021, the restructuring - transformation process produced different results to drive our recovery. Some key results:

DIVERSIFICATION

New product models such as Finance & Build, Design & Build, Finance - Design & Build greatly attracted customers.

Given market stagnation, the property industry also faced challenges, resulting to liquidity issues that many developers had to deal with. Given our strong financial resources, expertise and investment and development experience, Coteccons promoted the implementation of new product models covering Finance - Design & Build so as to go beyond the Build element and work alongside developers in more stages of the project development process.

This enabled developers to promptly address their difficulties and identify more practical solutions for smoother project implementation. Also, there was more focus and consistency in project development to improve product quality and reduce costs, time and risks. This quickly attracted customers with an increasing number of them trying to find out more about our solutions.

We also cooperated with many financial institutions to offer suitable product packages to customers, typically a strategic cooperation with Military Commercial Joint Stock Bank (MB Bank).



Finance - Design & Build

to accompany developers through more phases of the project development process instead of being restricted to Build stage as before.



With our strength in R&D, we explored options and expanded our business in new fields that were closely linked with the construction industry such as EPC general contractor.

Renewable energy and infrastructure development were promising areas promoted by the Government, which could improve our profit margins. In order to realize our strategy, Coteccons established a Business Development Division and a Wind Power Research and Development Team to promote our business strategy, diversify our customer base, and focus our research in new areas. These would be key foundational factors for Coteccons to reach our longer-term goals.

Research and deployment of technology models such as Buildtech, Fintech or Greentech.

These were diverse technology applications to create new products and solutions, expand capacity and scope of customer service, upgrade standards in construction and minimize environmental impacts as in our sustainable development pathway.



FINANCIAL RESTRUCTURING

Our cash flow has been positive since the second quarter of 2021 after being negative for 13 consecutive quarters.

Coteccons historically had outstanding financial strength. However, our financial structure were to be changed to be more balanced, safe and hence, more resilient.

In 2021, we reviewed and handled our bad debts on 16 projects developed in previous years. Also, efforts were made to maintain a positive cash flow which had earlier been negative for quite long.

First bond issuance

From December 24, 2021 to January 14, 2022, we successfully issued our first three-year bond worth VND 500 billion, with a fixed interest rate of 9.5% and six-month interest payment intervals.

This was to explore the capital market and prepare us for any needed capital raising plans in the future to expand our business operations.

Successful bond issuance meant that Coteccons received great attention from the market and was in a good position to implement optimal financial strategies.

Diversification of capital sources.

We aimed to get access to different international funding sources with the best interest rates to expand channels of capital mobilization in the future. We also organized meetings with investors and financial analysts to provide transparent information sharing dialogue opportunities.

PROCEDURAL - OPERATIONAL REFORMS

Redefining the relationship between the head office and construction sites to build a new organizational system and process.

Accordingly, we empowered site management teams, including project directors, and simplified the reporting process for more convenient, faster and smoother reporting. We also introduced suitable monitoring and support mechanisms for effective risk management.

Improving the human resource assessment-training system and boldly promoting empowerment as a mechanism.

This was one of our most important tasks in order to accurately evaluate the role, capacity and contribution of employees while ensuring fairness and transparency in our organization.

We boldly promoted employee empowerment to unleash their potentials and abilities, build workplace vitality and attract and develop talents.



EXPLANATION OF THE YEAR-ON-YEAR DIFFERENCE IN 2021 EARNINGS AFTER TAX

Coteccons would like to explain the year-on-year differences in earnings after tax as recorded in the consolidated financial statements for 2021 compared to 2020 as follows:

SEPARATE FINANCIAL STATEMENTS

Unit: VND

Indicator	2021	2020	Difference	% decrease
Decrease in earnings after corporate income tax	55,071,579,109	12,094,1116,176	(65,869,537,067)	-54.46

Causes: Earnings after corporate income tax in the 2021 separate financial statements is lower than that in the 2020 separate financial statements mainly due to the influence of the following indicators:

VND

Indicator	2021	2020	Difference	% decrease
Decrease in net revenue from sales and services	6,607,925,283,828	10,283,577,966,780	(3,675,652,682,952)	-35.74
Decrease in gross margin from goods and services	250,799,004,426	583,021,777,641	(332,222,773,215)	-56.98

Gross margin from goods and services in 2021 decreased by VND 332 billion, or 56.98% yoy. This is mainly contributed to the Group's construction revenue, which dropped sharply by VND 3,675 billion, or 35.74% compared to 2020. In addition, due to increasing cost of raw materials and labor as a result of the Covid-19 pandemic, the Board of Management took initiative in making provisions for high-risk construction sites, leading to a decrease in the Company's gross profit margin from 5.67% to 3.80%.

Unit: VND

Indicator	2021	2020	Difference	% increase
Increase in financial income	203,825,275,339	73,780,844,639	130,044,430,700	176.26

Financial income in 2021 increased by VND 130 billion, equivalent to 176.26% compared to 2020 mainly thanks to profit distribution from subsidiaries.

Unit: VND

Indicator	2021	2020	Difference	% increase
Decrease in general and administrative expenses	408,177,795,132	500,815,695,045	(92,637,899,913)	-18.50

The company's general administrative expenses in 2021 decreased by VND 92 billion, equivalent to 18.50% yoy because the Company cut management costs by VND 27 billion and reduced provision expenses by VND 65 billion compared to the previous year.

Coteccons would like to explain the year-on-year differences in earnings after tax as recorded in the consolidated financial statements for 2021 compared to 2020 as follows:

CONSOLIDATED FINANCIAL STATEMENTS

Unit: VND

Indicator	2021	2020	Difference	% decrease
Decrease in earnings after corporate income tax	24,110,828,208	334,554,278,023	(310,443,449,815)	-92.79

Causes: Earnings after corporate income tax in the 2021 consolidated financial statements is lower than that in the 2020 consolidated financial statements mainly due to the influence of the following indicators:

VND

Indicator	2021	2020	Difference	% decrease
Decrease in net revenue from sales and services	9,077,915,407,373	14,558,086,434,968	(5,480,171,027,595)	-37.64
Decrease in gross margin from goods and services	275,197,565,538	856,407,013,412	(581,209,447,874)	-67.87

Gross margin from goods and services in 2021 decreased by VND 581 billion, or 67.87% yoy. This is mainly contributed to the Group's construction revenue, which dropped sharply by VND 5,480 billion, or 37.64% compared to 2020. In addition, due to increasing cost of raw materials and labor as a result of the Covid-19 pandemic, the Board of Management took initiative in making provisions for high-risk construction sites, leading to a decrease in the Group's gross profit margin from 5.88% to 3.03%.

Unit: VND

Indicator	2021	2020	Difference	% increase
Decrease in general and administrative expenses	516,298,035,944	655,860,103,467	(139,562,067,523)	-21.28

The company's general administrative expenses in 2021 decreased by VND 139 billion, equivalent to 21.28% yoy because the Group cut management costs by VND 29 billion and reduced provision expenses by VND 110 billion compared to the previous year.

PROJECT DELIVERY PERFORMANCE

LIST OF MEMBER COMPANIES

No.	Name of entity /individual	Business Registration Certificate	Business sectors	Head office address/ontact	Paid-in charter capital (VND)	Ownership ratio (%)
SUBSIDIARIES						
1	Covestcons Co., Ltd.	0314326002	Real estate brokerage and business services	No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC.	1,872,000,000,000	100
2	Unicons Investment Construction Co., Ltd.	0304472276	Construction and equipment installation services	No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC.	94,500,000,000	100
3	Phu Nhuan 168 Joint Stock Company	0315807693	Real-estate-related business; transactions related to land use right under ownership, or usage right, or leased land	No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC.	180,000,000,000	69.98
4	FutureImpact Joint Stock Company	0316921381	Repair, installation, rental and sale of machinery, equipment and components	No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC.	5,000,000,000	89.8
5	Solaresco-1 Company Limited	0316438470	Rental of water heating machines and equipment using solar energy, energy saving machineries and equipment.	47 Le Van Thinh, Quarter 5, Binh Trung Dong Ward, Thu Duc City, Ho Chi Minh City	2,900,000,000	89.8
AFFILIATES						
1	FCC Infrastructure Investment JSC	0106605407	Residential and industrial project construction	2nd Floor, CEO Tower, Lot HH2-1, Me Tri Ha Urban Area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi	280,000,000,000	42.36
2	Quang Trong Commercial Joint Stock Company	3500740022	Real estate business and project management services	427/9 Nguyen An Ninh, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province	100,000,000,000	36
3	Hiteccons Investment Joint Stock Company	0106762287	Real estate business and construction	Hoa Lac Hi-tech Park, Km 29 Thang Long Boulevard, Thach Hoa Commune, Thach That District, Hanoi	300,000,000,000	31

FLAGSHIP PROJECTS IN 2021

No.	Project	Project information					Value (VND billion)
		Bidding package	Developer	Location	Scale	Commencement date	
1	Pullman Hai Phong	Construction general contractor	Nhat Ha Co., Ltd.	Hai Phong	Gross Floor Area 45,000m ²	01/2018	491
2	58 Tay Ho	Construction general contractor	Sun Group	Ha Noi	Area 3.6 ha	08/2018	1,713
3	Golden Palace A	Construction of piles, underground part, and reinforced concrete structure	Vietnam MIKGroup Joint Stock Company (MIKGroup)	Ha Noi	Total project area of 39.8ha	01/2019	636
4	CR8-2B&3	Design & construction general contractor	Phu My Hung Development Corporation	HCMC	Gross Floor Area 57,158m ²	02/2019	824
5	Vinhomes Grand Park	Construction of basement, structure and basic furnishings - Sub-zone 2	VinGroup	HCMC	Gross Floor Area 144,000m ²	08/2020	592
6	InterContinental Ha Long	Construction general contractor	BIM Group	Quang Ninh	Gross Floor Area 19,858m ²	01/2021	380
7	Opal Skyline	Structure construction of the underground part and the body of the main block	Ha An Real Estate & Investment Joint Stock Company	Binh Duong	Gross Floor Area 7,842m ²	01/2021	420
8	Lancaster Luminaire	Structure construction of the underground part, the body and full furnishings	Tan Phu Long Joint Stock Company	Ha Noi	Gross Floor Area 85,000m ²	02/2021	746
9	Le Meridien Da Nang	Construction general contractor	IFF Holding	Da Nang	Area 12 ha	04/2021	474
10	Dolce Penisola Quang Binh	Construction general contractor	Olsen Fuji Group Joint Stock Company	Quang Binh	Gross Floor Area 85,807m ²	06/2021	422
11	Ecopark Swanlake Residences - CT21-22	Design & construction general contractor	Ecopark Group Joint Stock Company	Hung Yen	Gross Floor Area 352,299m ²	06/2021	3,984
12	HT - Pearl Apartment Building	Construction general contractor: Structure - Furnishings - MEP	HT - Pearl Housing Investment & Development Co., Ltd.	Binh Duong	Gross Floor Area 8,728.7m ²	10/2021	878
13	Urban Green	Construction general contractor: Structure - Furnishings - Infrastructure	LADONA Real Estate Co., Ltd.	HCMC	Gross Floor Area 20,203m ²	12/2021	1,300

R&D DEPARTMENT

Coteccons' market-leading position has been established and strengthened by one of our core strategies, which is to invest in and promote creativity of any employees from our departments and construction sites in all areas of operations. Currently, when competing businesses working in the same industry segment have more or less similar management and technology capacities, innovation - creativity is the most obvious factor to differentiate Coteccons from the rest.



KEY RESULTS OF R&D DEPARTMENT IN 2021

- By looking at global technology trends in construction industry, analysis of potentials and challenges of Vietnam's construction industry, We developed a technology strategy for the period 2022 - 2030.
- Develop and launch the Innovation Hub (innovation.coteccons.vn), creating an environment to encourage proposal and development of innovative ideas from 1,700 employees in the Company.
- Regularly assign experts to lead and attend thematic seminars in Vietnam or other countries on building materials, new construction technology, design and BIM, etc.
- Build cooperation and technology exchange programs with leading companies on design and application solutions related to construction, infrastructure or renewable energy, etc. Promote technology exchange and sponsorship with local and international research institutes and universities on new construction materials and technologies.
- Collaborate with the Company's Research Board for Low-rise Building Development Strategy to document and propose solutions for practical application of technologies that can improve quality, reduce costs and shorten the schedule in our construction.

CONSTRUCTION QUALITY CONTROL DEPARTMENT

PROJECT QUALITY CONTROL AND SUPPLIER QUALITY ASSESSMENT:



06 projects have been handed over including Akari, The MarQ, Metropole, Ho Tram Strip 2, Crowne Phu Quoc, Golden Palace to the highest satisfaction of developers and customers.

07 projects in the South and 11 projects in the North that are under mass construction.

Maintain periodic inspection of suppliers: 07 suppliers of buildmix tile glue, 06 suppliers of unfired bricks.

Meet and evaluate new suppliers related to GFRC, plastic formwork to incorporate into the company's system.

MATERIAL IMPROVEMENT

Construction of villas and low-rise buildings have emerged as a trend in the industry. Therefore, material improvements to enhance progress and quality and reduce costs are urgently required. Using Cement board for foundation construction is one of the effective and highly successful solutions in the Avenue Garden project.

Besides, standardization of construction methods for ALC panels or GFRC formwork, etc. has also been completed.



TRAINING

Provide trainers to CTA training center: CHP training; QA/QC training; Monitoring. Ensure that all training needs under each project are met:

- Coordinate with the Department of Construction Workforce Development: Tiling training for NTP.
- Training of site management teams: More than 40 hours of training of site management teams in charge of Opal Skyline, Vin District 9, CR8, Lancaster or Techcombank, etc.

E-learning: Further improved and proved helpful during social distancing.

Complete training course book on basic structural construction, course book on gangform operations, etc.

Quarterly technical reports published by the Engineering Department/Division are like spiritual food more commonly selected by engineers, supervisors, and the Site Management teams.

BIM DIVISION

DIGITAL TRANSFORMATION TRENDS

Given a challenging business environment in 2021, digital transformation to better adapt to the new situation was given much focus and investment. BIM application globally and in Vietnam in 2022 will follow general trends as below:

- **Cloud-based and online collaboration** has been strongly adopted since the pandemic.
- BIM-based design and construction technology, information management in design - production - supply chain management (**DfMA - Design for Manufacture Assembly**) to cope with labor shortage and low-rise project scale - iterative.
- **IDD - Integrated Digital Delivery: Digital and integrated project management - BIM application in design - connecting all partners working on the same project.**
- **Digitization of management processes from design to construction (Digital Project management + ERP)** takes place strongly and reaches more end users in a more accessible manner.

BIM AT COTECCONS IN 2021:

The BIM Division focused mainly on Design & Build and Bid & Build projects as requested by developers, and worked more closely with the procurement department in sealing potential contracts. In addition, upgrading of applications and team training were also given much attention.

Signature projects:

- 100% of contractors were engaged in the design and use of Revit application, the BIM division led the process to manage coordination issues. In BIM implementation projects, coordination: enabled the Site Management to clearly see the problems for complete troubleshooting; reduce errors and rework costs, and speed up progress.
- BIM application in construction sites: MEP cooperation, complex steel construction and implementation of finishing works.

External partners:

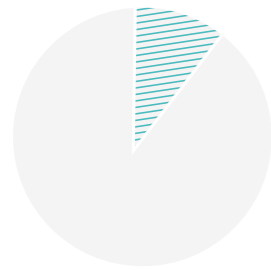
Coteccons' BIM Division has always been an active member of the Vietnam's BIM

Steering Committee in sharing theme-based experiences and providing recommendations on BIM regulations to the Institute of Construction Economics. In 2021, Coteccons was honored to win the Autodesk - Alliance Award with the One Verandah project - where BIM was effectively applied in such a complex project and was highly appreciated by all stakeholders, from the developer, consultants, subcontractors and partners.

R&D activities:

Promote application of new solutions to better link BIM with project implementation such as BIM Construction Cloud, a monitoring solution that can improve final verification and acceptance, and ease record queries.

DESIGN DEPARTMENT



VND 3,622 BILLION

Value of D&B projects won (accounting for 15% of the bid winning value in 2021).

CONSTRUCTION ENGINEERING DEPARTMENT

High-rise buildings increasingly share a large proportion in the construction structure. Accordingly, strict requirements on building performance lead to increased complexity of projects. Therefore, it is required that construction methods and techniques must be improved accordingly. Construction of deep tunnels, large-span structures or high-rise architecture requires specialized construction skills.

Understanding these requirements and trends, the Construction Engineering Department constantly improves technical skills and offers the most suitable solutions for the project management team and the Company.



Worked with the Engineering Division to optimize technical solutions.

Organized design teams to work full-time on site where needed.

Design and calculation of construction methods:

- Review and standardize calculation models, spreadsheets, and explanatory notes.
- Optimize construction methods based on an all-rounded view point.
- Develop cooperation with industry-leading organizations and experts for quality inputs.

Controlling construction of important and complex components:

- Prevent structural failure risks from the start of every project.
- Undertake close monitoring to avoid any serious problems.
- Review and update the issue management process.

Research, development and training:

- Gradually master the design and construction of ground anchor works.
- Perform technical research.
- Follow latest standards and regulations.
- Promoting in-house training activities.

MECHANICAL & ENGINEERING DIVISION

Outstanding capacity of Coteccons' Mechanical and Engineering Division

Mechanical and Engineering (M&E) Division is in charge of technical design consulting and installation of electromechanical systems (MEP).

The MEP systems in civil and industrial works, and in construction projects in general, can be likened to a blood vessel in our body. This is an integral component in any assessment of project standards and quality.

The value of MEP Coteccons (Remeeco) comes from:

- The Management's support and understanding on the importance of the MEP system in a project. This is not in place in all leading construction companies as it is only derived from construction/MEP coordination to overcome obstacles in actual construction of projects.
- MEP staff: Capacity, experience, collaboration, number of employees, etc., which are all targeted by even the leading MEP companies in Vietnam like Searefico or Hawee or foreign MEP companies like UG or Kurihara.
- Construction/MEP coordination: Smooth coordination between construction and MEP is part of Coteccons culture. Improvements in construction for higher product quality and cost saving for developers can only be efficiently implemented when construction coordination is undertaken smoothly. Long-term system stability and durability can only be achieved by properly performing even smallest activities from the beginning.

It is these important core factors that have helped Coteccons to strengthen developer trust on our MEP system and offer the best quality products at affordable prices.

Activities in 2021

Despite COVID-19 complicated developments, the M&E Division made continued efforts in construction to make sure that projects were handed over as scheduled while also making adjustments for optimized management. With a team of high-quality employees, the M&E Division introduced improvements in construction and offered technically sound solutions in the entire construction cycle to save costs for the Company, our partners and customers.

The M&E division once again affirmed our brand reputation by successfully completing projects with assured **Safety - Quality and Progress**. These included the Akari Nam Long project, Kingdom101, 5-star Ho Tram Strip hotel phase 2, 5-star Crowne Plaza Phu Quoc hotel and Casino Nam Hoi An resort.

Key results in 2021

With unremitting efforts to address market challenges, the M&E Division recorded a total construction contract value of VND 1,452 billion (equivalent to 72.6% of planned contract value), contributing to the consolidated revenue of the Company.

PROCUREMENT DIVISION

Established on May 10, 2021 as a specialized team for transparent procurement, the Procurement Division with 10 members at the end of 2021 focuses on 2 key areas of procurement: building materials and electromechanical materials (excluding construction subcontractors). The Procurement Division also coordinates with and supports relevant departments in negotiations, ensuring fairness and transparency in procurement.

All activities of the Procurement Division are centered around four criteria:

- **Transparency:** Obtain quotations from at least 3 suppliers for comparison, avoid supply monopolies, ensure optimal pricing and transparency in all procurement data and decisions.
- **Balance of benefits:** Balance interests between us and our partners, especially strategic partners.
- **Companion and development:** Select strategic partners and promote sustainable development through supplier assessment, meetings with strategic partners and signing of principal contracts.
- **Centralized procurement and data systematization:** Centralized and systematic data, ensuring transparency and confidentiality.



EQUIPMENT MANAGEMENT DEPARTMENT

Assessment of the implementation of annual plan 2021

Achievements:

- Reduce equipment use costs, transportation and maintenance costs despite raw material price growth.
- Equipment supply service was well maintained, apart from regular warnings to the Site Management.
- Operational documents of the Department were systematically prepared to facilitate training and operation;

Targets that have not been achieved/fulfilled:

- Old or unsuitable equipment were not effectively exploited, for which a handling plan has been prepared.
- Attrition risks were better managed, yet not as well as expected.
- There remained minor issues in management of contingency costs.

Implementation results in 2021

SET TARGETS FOR 2021	IMPLEMENTATION RESULTS	EVALUATION
A FINANCE		
1 Revenue of the Company	No rating	No rating
2 Ratio of total equipment use cost to revenue in 2021 decreases by 5% compared to 2020	Up by 2.94%	Unsatisfactory
3 Equipment shipping cost in revenue decreases by 3% compared to 2020	Down by 11%	Satisfactory
4 Ratio of equipment maintenance cost to revenue from operation is under 5%	No rating	No rating
B OPERATION		
1 Ratio of equipment use is greater than 70%	65%	Unsatisfactory
2 Ratio of competitive equipment cost solutions in bids reaches 100%	No rating	No rating
3 Ratio of total equipment use cost to revenue in 2021 decreases by 5% compared to 2020	1.74%	Satisfactory
4 Exploration of equipment solutions for wind power projects (EPC) that both meet technical and cost requirements	No rating	No rating
C INTERNAL PROCESSES		
1 Development and revision of regulations/processes	Issued on December 2021	Satisfactory
2 Development of KIPs for each employee	No rating	No rating
D LEARNING & DEVELOPMENT		
Update the course book and lead the training of site management teams:		
1 - Construction site managers - Engineers in charge of equipment procurement & management.	No rating	No rating
2 Development of three internal training courses	Achieved	Satisfactory

DEPARTMENT OF CONSTRUCTION TEAM DEVELOPMENT

Implementation results in the year

- Ensure adequate construction resources for projects.
- Provide supports to workers affected by the pandemic: About VND 2 billion.
- Organize training sessions for technical teams of subcontractors: on tiling, plastering, construction/MEP coordination.
- Organize meetings between construction workforce and the Company's Management for the former to be heard and for the latter to develop growth directions.
- Honor outstanding subcontractors 2021.
- Introduce policies to support and develop construction entities performing their contracts with Coteccons such as: Exemption of advance guarantee or project warranty guarantee, etc.
- Ensure transparency and fairness in resolving the problems raised by construction teams with the site management teams.
- Meet and discuss regularly with construction workforce to better understand their thoughts and aspirations.

WARRANTY MANAGEMENT DEPARTMENT

Coteccons is proud to be one of the few contractors that has established a Warranty Management Department to deliver warranty work in a professional and effective manner in the entire project cycle from the date projects are launched and handed over to developers.

The Warranty Management Department always manages to maintain our reputation so as to demonstrate our quality commitments during construction and warranty period, thus offering highest quality products and best experience to our customers.

It was a challenging year in 2021 due to Covid-19, affecting our warranty service for launched projects; yet, we managed to fulfill our warranty obligations to ensure stable operation of buildings and daily activities of residents.

In addition, we completed our warranty obligations for a number of large projects such as Landmark 81, City Garden 2 or Diamond Island 2, etc., demonstrating our high sense of responsibility and professionalism in contract performance. The products handed over to customers met aesthetics and sustainability requirements to earn satisfaction of developers and help build our reputation.

WARRANTY MANAGEMENT DEPARTMENT

Warranty information management

- Manage warranty information and requests.
- Monitor and report the status, progress and quality of warranty services.
- Monitor compliance with the warranty management process.
- Report to the Management on poor quality projects that affect our reputation.

Warranty cost management

- Manage and approve repair costs as part of warranty policies in accordance with the scope of warranty as contracted.
- Coordinate with the Site Management to clarify warranty responsibilities of subcontractors under a contract.
- Refuse to provide warranty for defects not falling under the responsibility of the contractor.

Advice or warning on warranty failures

- Warn the Site Management of any warranty failures that would entail future costs.
- Advise the Site Management on measures for warranty failures for optimized resources and costs.
- Coordinate with the Site Management to warn the Developers/Building Management Boards of any failures that may occur during operation and maintenance.

PERFORMANCE RESULTS IN 2021



- 15 projects for which the end of warranty checklist was signed with the Building Management Boards/Developers (up 29% compared to 2020).
- VND 950 million saved thanks to application of masonry adhesives (up 10% compared to 2020).
- 57% reduction of the number of complaint letters on warranty service from developers to the Company compared to 2020.
- 25% reduction of total defects for warranty compared to 2020.
- 100% warranty defects are alerted to the departments and the Site Management to minimize risks and warranty costs for future projects.
- 90% reduction of serious incidents occurring in rainy season.

OPERATIONAL IMPROVEMENTS

- Masonry adhesives help speed up the progress, provide cleanliness and aesthetics and reduce 35% of implementation costs compared with traditional methods.
- Hold monthly meetings with the the Building Management Boards/Developers on warranty work, evaluate the status quo and record inputs to improve the quality of warranty services.
- Advise and coordinate with departments to support the Site Management in checking for defects and providing the most cost-effective solutions.

HUMAN RESOURCES DEVELOPMENT



In our new human resource development strategy, we target to promote the qualities and traits that have helped build Coteccons' biggest strengths. Besides, in response to current and future development requirements, new qualities and traits have also been added.

CORE VALUES OF THE COTECCONS PEOPLE

01

Spirit of entrepreneurship

02

Intense customer focus

03

Strong knowledge of our business, construction industry

04

Respecting construction works

05

We say what we do and we do what we said

06

Listen actively. Communicate in a timely. Never undermine colleagues

07

Demonstrate integrity. Exercise the highest level of professional and ethical behavior

08

Clear affinity for the Coteccons' purpose, values, and culture



A CARING WORKING ENVIRONMENT

At Coteccons, the belief that people are the most valuable asset of the organization is always embedded in our management policy and code of conduct. The Company aims to build a competitive and relevant compensation structure.

During the prolonged social distancing period due to the pandemic, many construction sites had to suspend construction. However, the Company tried to maintain employment and full salary for our staff.

In addition, Coteccons also actively applied COVID-19 prevention measures as required in our offices and construction sites. For those infected with Covid-19, Coteccons also quickly activates support policies:

Health insurance cards and Bao Viet health insurance plans are used for Covid-19 testing and treatment.

For employee time off work due to Covid-19, they are eligible to social insurance payments as in other cases of sickness.

Cover 100% of treatment costs and 100% of salary for employees becoming F0 and F1 cases due to infection at work.

Support groceries expenses and additional VND 5 million for each construction site isolated or put under lockdown.

2nd | THE BEST PLACE
TO WORK IN
CONSTRUCTION
INDUSTRY

**TOP
100** | THE BEST PLACE
TO WORK IN
VIETNAM FOR THE
6TH YEAR IN A ROW

In addition, Coteccons' Trade Union also provides additional supports:

- Before January 01, 2022
 - Coteccons staff:
Support amount of VND 2,000,000/ person.
 - Family of infected employees (including biological parents and parents-in-law, and children): VND 2,000,000/ family (2 people or more infected) and VND 1,000,000/person. .
- From January 01, 2022
 - Coteccons staff:
Support amount of VND 2,000,000/ person.
 - Family of infected employees (including biological parents and parents-in-law, and children): VND 1,000,000/family.

In the third quarter of 2021, although a number of large construction sites were temporarily closed and Coteccons was severely affected accordingly, we decided not to reduce costs by laying off or reducing wages of our workers but focused on building relevant welfare policies.

Overall, in 2021, we paid much more focus on HR activities in order to introduce relevant, timely, transparent and fair HR policies, thus ensuring stable livelihoods, job security and improvement of life quality of our employees and their families.



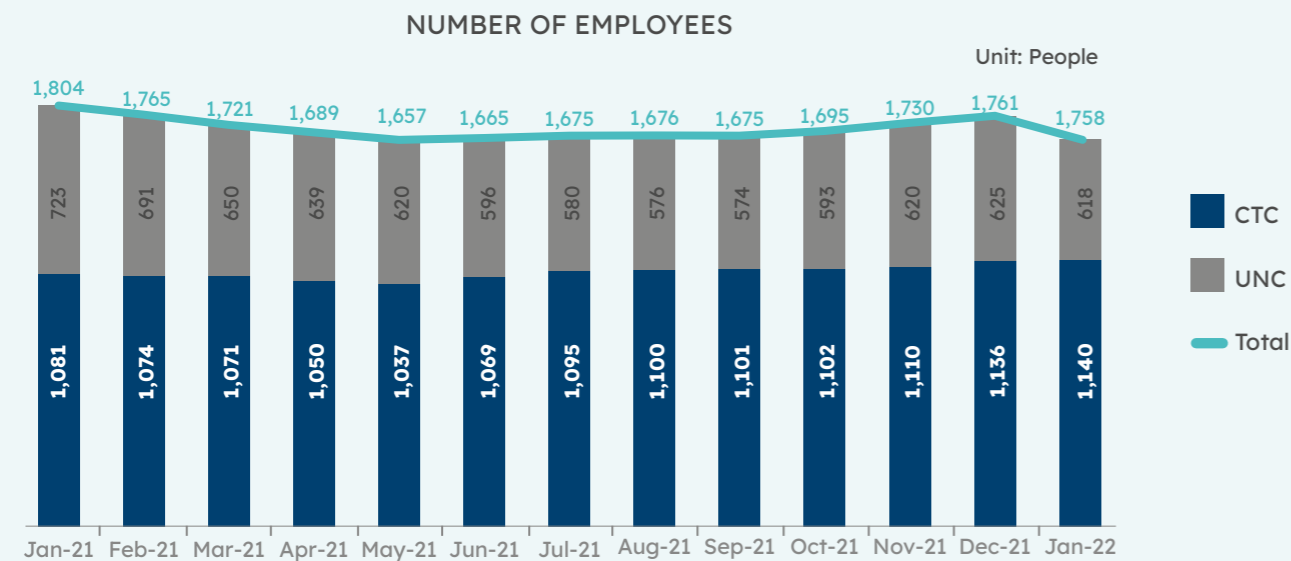
Coteccons also actively applied Covid-19 prevention measures as required in our offices and construction sites.

STAFFING

NUMBER OF EMPLOYEES

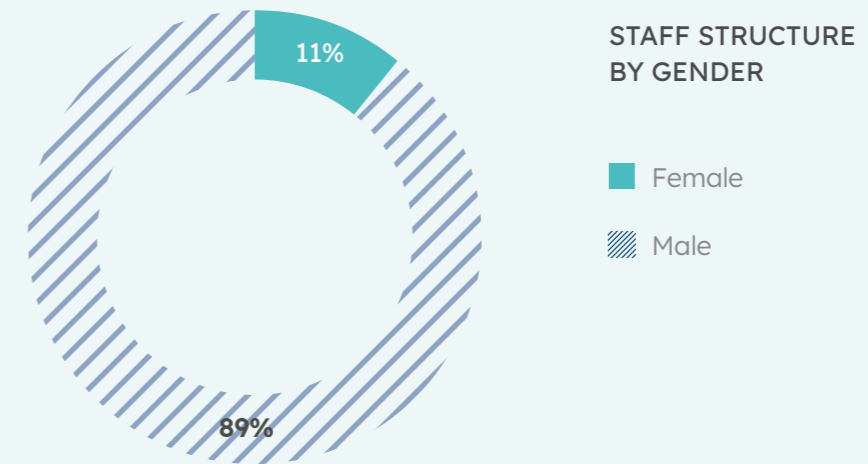
As of January 31, 2022, Coteccons has 1,761 employees, a decrease of 2% (equivalent to 46 people) compared to January 2021. This indicates that the number of our employees remained almost unchanged in 2021 when there were lots of fluctuations due to Covid-19.

It is a great effort of the Management in ensuring stable jobs and incomes for employees, reflecting out commitment to support employees in the face of challenges posed by the pandemic.



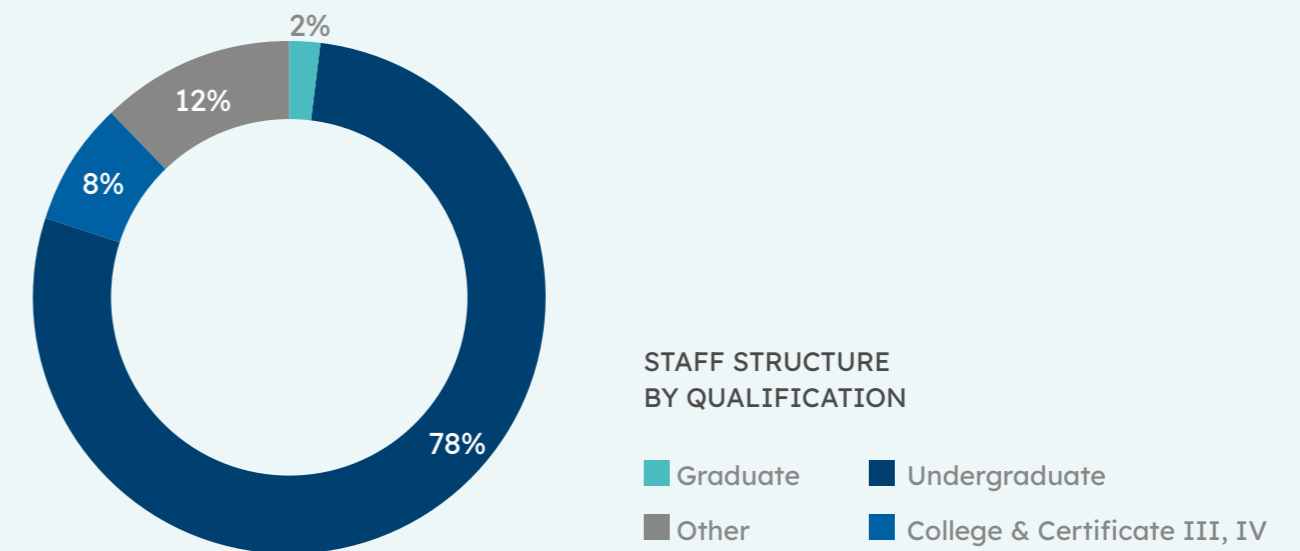
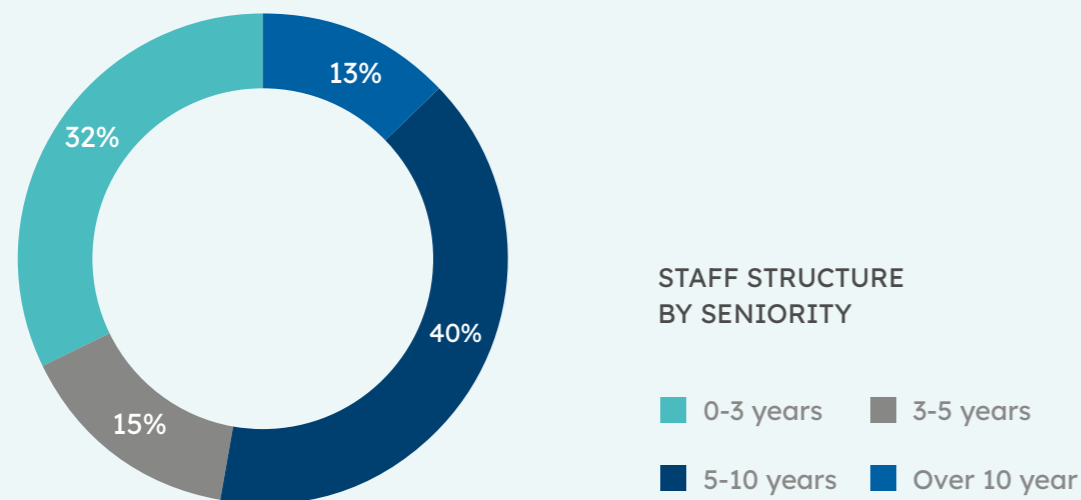
EMPLOYEE DIVERSIFICATION

Over 17 years of development, Coteccons has a pool of tenured employees, with as many as 68% of employees have worked here over three years. As part of our restructuring in 2020 - 2021, the number of employees has increased by 32%, most with less than 3 years of experience.



Due to the nature of our work and industry, male employees take up the bigger share (89%) compared to female employees (11%). Most of our female employees are working in the head office, with only a few working as secretaries and nurses at construction sites.

Due to job requirements, most of Coteccons employees (78%) hold a bachelor's degree in majors that match their positions.



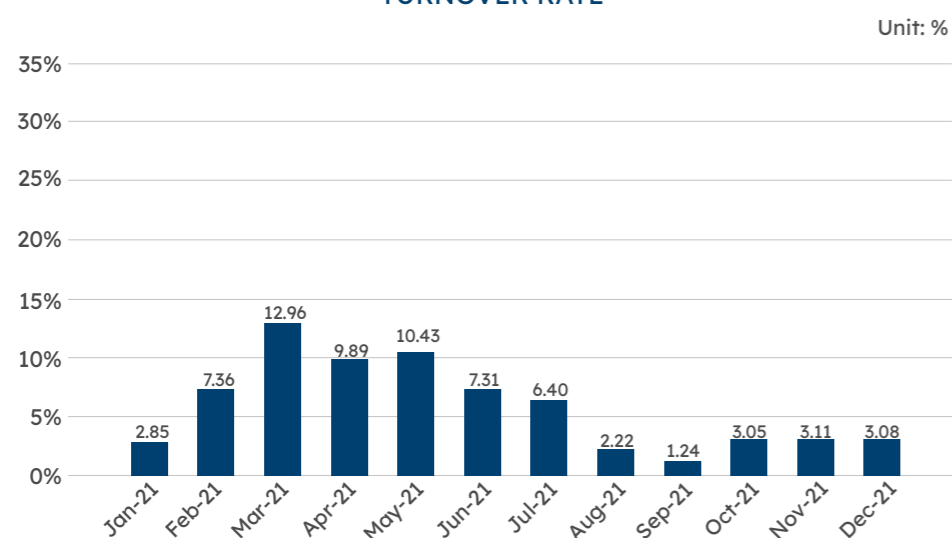
Source: Coteccons

NEW EMPLOYEE HIRES AND TURNOVER RATE

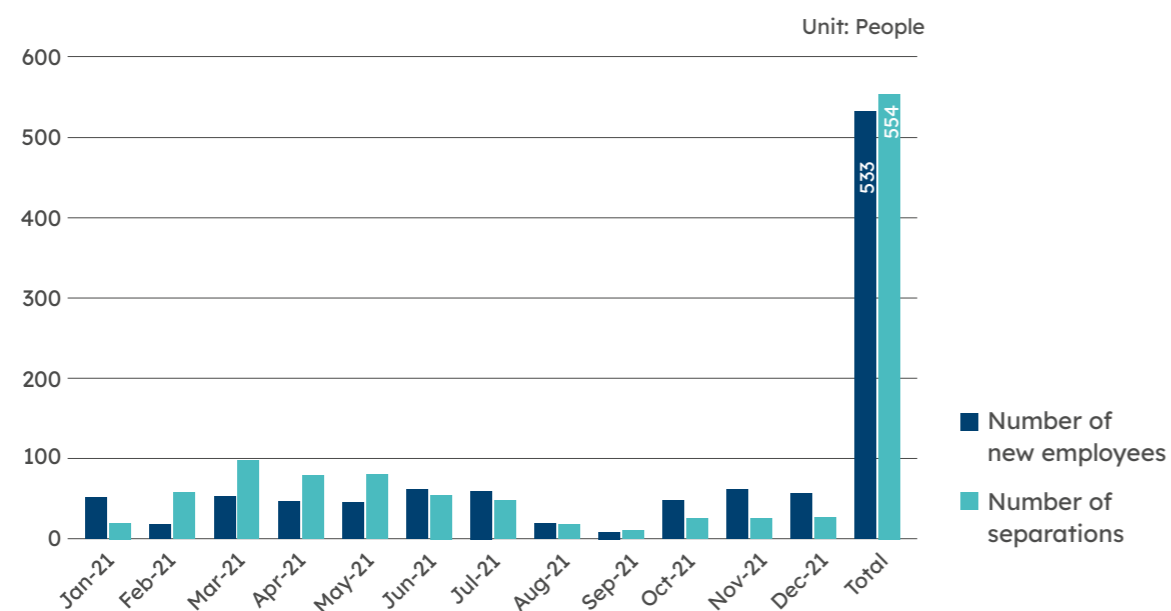
While many other companies had to cut payroll costs, we managed to keep a balanced staff structure based on our production and business activities by maintaining the total existing number of employees and ensuring construction progress and quality of our projects.

In addition, Coteccons further focused on human resource activities for our team stability and development after restructuring.

TURNOVER RATE



NEW EMPLOYEE HIRES AND SEPARATIONS



EMPLOYEE POLICIES

SALARY POLICY

The average salary of Coteccons employees is 124% to 1.085% higher than the regional minimum wage, depending on the role.

The Covid-19 pandemic has severely affected our production and business activities, leading to an unprecedented decrease in revenue and profits, but Coteccons is determined to keep our salary policy in the entire Company. For management positions or higher, it was agreed between the Company and those in such roles that they would receive lower salary in the four peak months of the pandemic.

In 2021, we also increased benefits by offering a 13th month salary to those who had been working with us for 12 months or longer.

We conduct annual employee evaluation as a basis for salary review and increase in line with employee capacity and development.

Region	Regional minimum wage (VND)	% difference in starting salary of Coteccons employees compared to regional minimum wage			
		Manual workers	Employees	Specialists	Mid-level managers
Region I	4,420,000	124	155	347	723
Region II	3,920,000	152	188	405	828
Region III	3,430,000	189	229	477	961
Region IV	3,070,000	222	268	544	1085



BONUS POLICY

Our annual employee bonuses include: performance-based (KPI) bonus, progress bonus, profit-sharing bonus, unexpected bonus, holiday bonus, etc., which help generate additional employee incomes by about 50% compared to their monthly salary.

The total bonuses are judged to be much better than market averages.

The bonuses are determined in a fair and transparent manner based on employee fulfillment of work requirements and our business performance.

From 2021 onwards, the bonus policy will focus more on performance-based (KPI) bonus.

ALLOWANCES

Coteccons employees are currently provided such allowances as: Meal allowance, transport allowance, fuel allowance, phone allowance, housing allowance, business travel allowance, etc. Allowances depend on the grade, title, working position and project covered by an employee.

These allowances address most of meals, accommodation, transport or entertainment expenses. Coteccons' policy on allowances is judged to be adequate compared to other market players. We are always ready to receive inputs from our employees on potential adjustments to this policy to reflect changes in the market.

TRAINING AND DEVELOPMENT POLICY

Coteccons places much of our focus on training and development activities. Coteccons' training center was established to develop and improve capacity of our employees in the entire Company. Our employees are provided training courses to improve technical and soft skills, and knowledge, for example, on new construction methods. Such opportunities help build their understanding on their own career development path, encouraging them to be part of our successor team and contributing to our growth.

During social distancing, Coteccons further invested in technology to develop an effective management system, focusing on comprehensive development of our people. This has developed different skills and technical expertise of our employees as well as improved their attachment.

COMPREHENSIVE HEALTH INSURANCE POLICY

In addition to the statutory social insurance, health insurance and unemployment insurance, all employees and their family members as defined by regulations are given access to comprehensive health insurance plans of trusted insurance companies. All insurance costs are covered by the company.

In addition, we have been working with major hospitals in Vietnam to provide annual general health check-ups for employees so as to have them updated on their health conditions.



MATERNITY/PATERNITY LEAVE POLICY

In 2021, 24 female employees at Coteccons were on maternity leave. Given a large number of male employees, the Human Resources Department also provides paternity leave benefits to our male employees. All employees are entitled to the statutory leave and other benefits as prescribed.

OTHER POLICIES

We encourages employees to find, among others, a work-life balance and team solidarity through team-building and holiday trips.

Team activities and campaigns were strongly promoted through regular and ongoing programs. The Coteccons - Unicons Sports Festival has become a much-liked and unique event of any members of the Coteccons - Unicons community, in addition to other sports activities organized in each construction site and department.

Yoga or zumba campaigns funded by our Trade Union have attracted the attention of many employees. Due to the pandemic, the need to improve our health has become more important than ever.

Activities to celebrate Coteccons Anniversary, International Women's Day, Vietnamese Women's Day or Christmas, etc., along with timely support to employees and their loved ones during difficult time or in sickness, gift giving and home visits for funerals, weddings, or birthday celebrations all help develop and sustain employee engagement.



We encourages employees to find, among others, a work-life balance and team solidarity...

CORPORATE GOVERNANCE

TOP 10

LARGEST ENTERPRISES
IN CONSTRUCTION
INDUSTRY



TOP 2

THE BEST PLACE TO WORK IN CONSTRUCTION INDUSTRY.

TOP 20

LISTED COMPANIES WITH A SUSTAINABLE DEVELOPMENT INDEX UNDER VNSI20 INDEX OF HOSE.

TOP 35

THE BEST ANNUAL REPORTS IN 2020 ORGANIZED BY HOSE, HNX AND INVESTMENT NEWSPAPER.

TOP 30

ENTERPRISES WITH THE BEST CORPORATE GOVERNANCE IN THE LARGE CAPITALIZED GROUP - VIETNAM LISTED COMPANY AWARDS 2021.

Coteccons fully perceives the paramount importance of good corporate governance to the Company's sustainable prosperity. This is a direct foundation for the Company to improve our development quality and operational efficiency, enhance access to capital sources, and reduce risks during operation.

Over the last year, the Board of Directors has constantly made efforts to strengthen corporate governance capacity. This is an area where Coteccons achieved remarkable changes in 2021, creating a premise for transparency, professionalization, and enable the Company to move into a new era of development with confidence.

Currently, Coteccons is applying a governance model with the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the Board of Management, in which the General Meeting of Shareholders (GMS) is the highest competent body, deciding on issues prescribed by law, the Charter and Regulations on corporate

governance. The Board of Directors (BOD) is the governing body of the Company, undertaking the implementation and supervision of the resolutions of the GMS, and taking responsibility before the GMS for the Company's operation. The Board of Management (BOM), under the support and supervision of the GMS, is in charge of directly implementing business strategies to achieve the Company's objectives. The Board of Supervisors holds an independent but very important role in the governance system. This body is elected by the GMS to inspect and supervise the legitimacy, accuracy and truthfulness in management and administration of business activities at the Company on behalf of the GMS.

At Coteccons, all activities are operated and adjusted on the basis of compliance with the law and the Company's internal regulatory document system, thereby, creating a mechanism of governance - control - administration with transparency, consistency and efficiency.

COTECCONS' CORPORATE GOVERNANCE CODE

Coteccons has referenced international standards on corporate governance such as OECD, ASEAN Scorecard, Vietnam Corporate Governance Code of Best Practices for Public Companies in Vietnam 2019 jointly issued by the State Securities Commission (SSC) and IFC in order to gradually improve our corporate governance efficiency.

4 CORPORATE GOVERNANCE CODE OF COTECCONS

01

TRANSPARENT

03

RESPONSIBILITY

02

EQUALITY

04

ACCOUNTABILITY



5 KEY AREAS IN CORPORATE GOVERNANCE OF COTECCONS

- Responsibility of the Board of Directors
- Controlling environment
- Information Disclosure And Transparency
- Rights of Shareholders
- Relation with Related Parties

ORGANIZATIONAL STRUCTURE AND PERFORMANCE OF THE BOARD OF DIRECTORS

Currently, the Board of Directors (BOD) comprise of 08 members. Last year, the BOD elected 03 new members to replace the stepping down members. During the year, Ms. Trinh Quynh Giao also resigned as the BOD Member. Ms. Trinh Quynh Giao's resignation will be submitted for approval at the 2022 Annual General Meeting (AGM) in accordance with the law.

At the end of 2020, 100% of the members of the BOD of Coteccons were male and foreign. The addition of 3 new Vietnamese members, including one female member, has demonstrated the Company's efforts in diversifying the BOD member structure in all aspects of experience, gender, profession, etc.

With the current member composition of the BOD, Coteccons has maintained the harmony in executive, non-executive, and independent members. Additionally, the BOD has achieved diversity in professional capacity and experience. In particular, the newly supplemented Vietnamese BOD members' experience in governance, construction, and company culture development, and business transformation will be a highlight of the Company to soon achieve stability, possess a multi-aspect and objective perspective in the decision-making.

LIST OF MEMBERS OF THE BOARD OF DIRECTORS

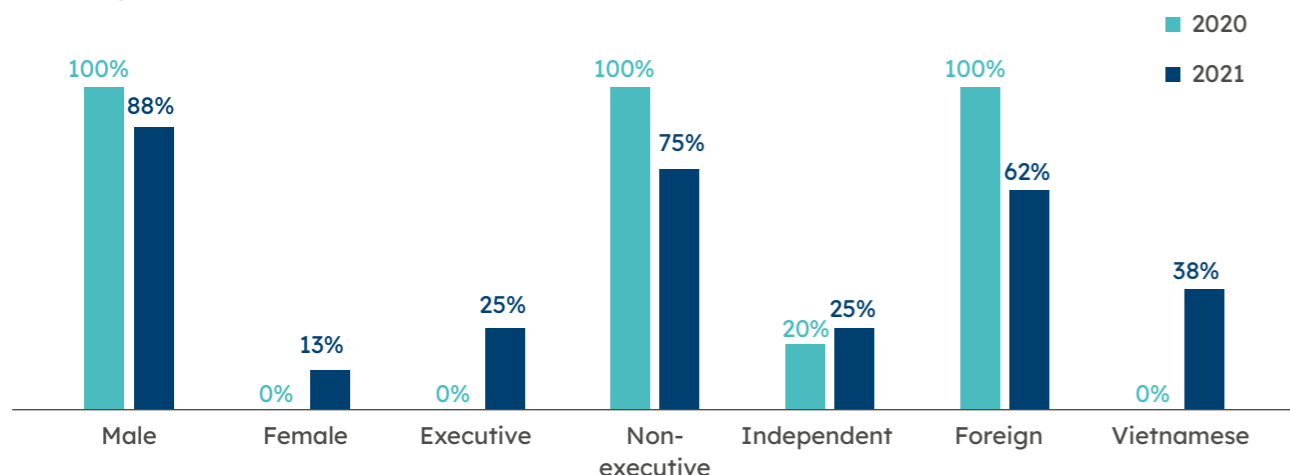
For more information about the members of the Board of Directors, please refer to pages 58-61

No.	Board Member	Position	Date of starting/no longer being a BOD member/independent BOD member	
			Appointment date	Dismissal Day
1	Mr. Bolat Duisenov	Chairman	10/5/2020 Date of becoming a BOD member:	06/30/2020
2	Mr. Yerkin Tatishev	Non-executive members	06/29/2017	
3	Mr. Talgat Turumbayev	Non-executive members	06/29/2017	
4	Mr. Herwig Guido H. Van Hove	Non-executive members	06/30/2020	
5	Mr. Trinh Ngoc Hien	Non-executive members	04/26/2021	
6	Mr. Tan Chin Tiong	Independent Board Member	06/29/2017	
7	Mr. Tong Van Nga	Independent Board Member	04/26/2021	
8	Ms. Trinh Quynh Giao	Executive member	04/26/2021	Registered for resignation on December 6, 2021

DETAILS ABOUT THE APPOINTMENT - DISMISSAL OF BOARD OF DIRECTORS AND BOARD OF MANAGEMENT IN THE YEAR

Board Member	Date of starting/ no longer being an insider	Position	Reference document
APPOINTMENT			
Mr. Tong Van Nga	04/26/2021	Board Member	Resolution of the General Meeting of Shareholders no.15/2021/NQ-DHCDD
Mr. Trinh Ngoc Hien	04/26/2021	Board Member	Resolution of the General Meeting of Shareholders no.15/2021/NQ-DHCDD
Mr. Tran Van Thuc	04/26/2021	Head of the Supervisory Board	Resolution of the General Meeting of Shareholders no.15/2021/NQ-DHCDD
Mr. Vo Hoang Lam	03/05/2021	Deputy General Director	
Mr. Nguyen Ngoc Lan	03/05/2021	Deputy General Director	Resolution of the Board of Directors no. 03/2021/NQ-HDQT
Mr. Chris Senekki	03/05/2021	Deputy General Director	
Ms. Pham Thi Bich Ngoc	11/05/2021	Deputy General Director	Resolution of the Board of Directors no. 21/2021/NQ-HDQT
DIMISSAL			
Ms. Trinh Quynh Giao	12/06/2021	Board Member	Submitted Resignation letter on December 6, 2021
Mr. Luis Fernando Garcia Agraz	04/26/2021	Head of the Supervisory Board	
Mr. Vo Thanh Liem	03/05/2021	Acting Deputy General Director	Resolution of the Board of Directors no. 03/2021/NQ-HDQT
Mr. Tran Tri Gia Nguyen	11/30/2021	Deputy General Director	Resolution of the Board of Directors no. 21/2021/NQ-HDQT
Mr. Phan Huu Duy Quoc	01/04/2022	Deputy General Director	Resolution of the Board of Directors no. 01/2021/NQ-HDQT

Diversity in the structure of the Board of Directors



Diversity in capability and profession

	Con-struction	Real-estate	Legis-lation	Eco-nomics	Business adminis-tration	Bank-ing	Finance -Account-ing	Invest-ment	Marketing
Mr. Bolat Duisenov			●		●	●		●	
Mr. Yerkin Tatishev			●	●		●		●	
Mr. Talgat Turumbayev					●	●	●	●	
Mr. Herwig Guido H. Van Hove				●	●			●	
Mr. Tan Chin Tiong									●
Mr. Tong Van Nga	●	●		●	●				
Mr. Trinh Ngoc Hien				●	●				
Ms. Trinh Quynh Giao					●	●	●	●	

SITUATION OF IMPLEMENTATION OF RESOLUTIONS/DECISIONS OF THE GENERAL MEETING OF SHAREHOLDERS IN 2021

On April 26, 2021, the Company successfully organized the Annual General Meeting and issued 15 resolutions related to the fields of administration, finance, and human resources. The BOD was in charged of implementing the above resolutions to achieve specific results.

No.	Resolution/Decision no.	Date	Content	Implementation situation
1	01/2021/NQ-DHCD	04/26/2021	Approve the business reports and results 2020.	Achieved
2	02/2021/NQ-DHCD	04/26/2021	Approve the profit distribution and dividend payment plan in 2020	Achieved
3	03/2021/NQ-DHCD	04/26/2021	Approve of the report on remuneration plan for the BOD and BOS in 2020.	Achieved
4	04/2021/NQ-DHCD	04/26/2021	Approve 2021 business plan	Uncompleted
5	05/2021/NQ-DHCD	04/26/2021	Approve of remuneration plan for the BOD and BOS in 2021.	Achieved
6	06/2021/NQ-DHCD	04/26/2021	Approve the selection of an auditor for fiscal year 2021	Achieved
7	07/2021/NQ-DHCD	04/26/2021	Approve the update and changes in Coteccons' business lines.	Achieved
8	08/2021/NQ-DHCD	04/26/2021	Approve the amendment and replacement of the Charter and Corporate Governance Code.	Achieved
9	09/2021/NQ-DHCD	04/26/2021	Approve the Employee Stock Option Plan (ESOP) 2021.	Achieved
10	10/2021/NQ-DHCD	04/26/2021	Approve the public bond offering.	Achieved
11	11/2021/NQ-DHCD	04/26/2021	Approve the dismissal of a BOD member for a resignation letter.	Achieved
12	12/2021/NQ-DHCD	04/26/2021	Approve the dismissal of a BOS member for a resignation letter.	Achieved
13	13/2021/NQ-DHCD	04/26/2021	Approve the increase in the number of BOD members for the 2017 - 2022 term.	Achieved
14	14/2021/NQ-DHCD	04/26/2021	Approve the election results of BOD members for the term of 2017 - 2022.	Achieved
15	15/2021/NQ-DHCD	04/26/2021	Approve the election results in the number of BOD members for the 2017 - 2022 term.	Achieved

MEETINGS OF THE BOARD OF DIRECTORS IN THE YEAR

During the year, the BOD has flexibly organized 23 meetings in various forms of On-site or online meetings, written opinions, and issued 28 resolutions related to the fields of administration, finance, human resources, etc.

Details of meetings of the Board of Directors

No.	Board Member	Number of meetings participated	Rate of meeting attendance	Reasons for non-attendance
1	Mr. Bolat Duisenov	23/23	100%	
2	Mr. Yerkin Tatishev	5/23	22%	Activities
3	Mr. Talgat Turumbayev	23/23	100%	
4	Mr. Herwig Guido H. Van Hove	23/23	100%	
5	Mr. Tan Chin Tiong	23/23	100%	
6	Mr. Tong Van Nga	12/23*	100%	
7	Mr. Trinh Ngoc Hien	12/23*	100%	
8	Ms. Trinh Quynh Giao	11/23*	100%	Activities

RESOLUTIONS/DECISIONS ISSUED BY THE BOARD OF DIRECTORS IN YEAR

No.	Resolution/Decision no.	Date	Content	Status	Sectors
1	01/2021/NQ-HDQT	02/02/2021	Change legal representative.	Achieved	Corporate governance
2	01.1/2021/NQ-HDQT	01/02/2021	Approve the signing of a credit contract with VCB.	Achieved	Finance
3	02/2021/NQ-HDQT	02/22/2021	Approve the organization of AGM 2021	Achieved	Corporate governance
4	02.1/2021/NQ-HDQT	01/10/2021	Approve the signing of a credit contract at banks.	Achieved	Finance
5	03/2021/NQ-HDQT	03/05/2021	Approve the non-extension of the Acting General Director	Achieved	Personnel
6	04/2021/NQ-HDQT	03/05/2021	Appoint the Unicons Chairman of BOM	Achieved	Personnel
7	05/2021/NQ-HDQT	03/05/2021	Appoint Covestcons General Director.	Achieved	Personnel

No.	Resolution/Decision no.	Date	Content	Status	Sectors
8	06/2021/NQ-HDQT	03/05/2021	Authorize to contribute capital at Hiteccons.	Achieved	Personnel
9	07/2021/NQ-HDQT	03/05/2021	Appoint of Coteccons Deputy General Directors.	Achieved	Personnel
10	08/2021/NQ-HDQT	03/27/2021	Approve the agenda of 2021 AGM	Achieved	Corporate governance
11	09/2021/NQ-HDQT	04/04/2021	Approve the draft agenda of 2021 AGM	Achieved	Corporate governance
12	10/2021/NQ-HDQT	04/06/2021	Approve the policy of ESOP share redemption.	Achieved	Personnel
13	11/2021/NQ-HDQT	04/14/2021	Supplement the agenda of 2021 AGM	Achieved	Corporate governance
14	12/2021/NQ-HDQT	04/24/2021	Supplement the agenda of 2021 AGM	Achieved	Corporate governance
15	12A/2021/NQ-HDQT	05/05/2021	Approve the signing of a credit limit contract at Military Commercial Joint Stock Bank.	Achieved	Finance
16	13/2021/NQ-HDQT	05/20/2021	Approve a number of contents at the BOD meeting in Quarter 1, 2021.	Achieved	Financial management
17	14/2021/NQ-HDQT	05/27/2021	Change members of Unicons BOM.	Achieved	Personnel
18	15/2021/NQ-HDQT	06/14/2021	Identify related parties and transactions arising with stakeholders of Coteccons and Unicons from 2017 - 2020.	Achieved	Corporate governance
19	16/2021/NQ-HDQT	06/18/2021	Select Ernst & Young Vietnam Co., Ltd. to be Coteccons' independent auditor in 2021.	Achieved	Finance
20	17/2021/NQ-HDQT	07/06/2021	Approve the options of issuance of corporate bonds	Achieved	Finance
21	18/2021/NQ-HDQT	07/06/2021	Approve the documents for public offering of bonds.	Achieved	Finance

No.	Resolution/Decision no.	Date	Content	Status	Sectors
22	19/2021/NQ-HDQT	07/06/2021	Supplement the documents for offering of bonds.	Achieved	Finance
23	20/2021/NQ-HDQT	07/06/2021	Pay dividend in 2020 - 10% of which in cash.	Achieved	Finance
24	21/2021/NQ-HDQT	11/05/2021	Dismiss Deputy General Director Tran Tri Gia Nguyen.	Achieved	Personnel
25	22/2021/NQ-HDQT	11/05/2021	Appoint Deputy General Director Pham Thi Bich Ngoc.	Achieved	Personnel
26	23/2021/NQ-HDQT	11/24/2021	Approve the contents at the meeting in Quarter III, 2021.	Achieved	Financial management
27	24/2021/NQ-HDQT	12/07/2021	Approve the relevant transactions.	Achieved	Corporate governance
28	25/2021/NQ-HDQT	12/10/2021	Approve some personnel issues and sign a credit contract with SCB.	Achieved	HR Finance

In November 2020, the BOD of the Company approved the abolishment of the Operation Regulation of the BOD issued on August 10, 2017 because it was no longer suitable with modern governance practices. After the introduction at the 2021 AGM, the new BOD has made efforts to re-develop the Regulation on organization and operation of the BOD, which is expected to be approved at the 2022 AGM.

TRAINING ON CORPORATE GOVERNANCE

In order to improve the performance of Corporate Governance, the Board of ISO and Legislation has actively organized internal training sessions to update the members of the BOD, the BOM and the Secretariat on the new provisions of the Law on Enterprises 2020, the Law on Securities 2019, Circular 116/2020/TT-BTC on corporate governance, Circular 96/2020/TT-BTC on information disclosure, as well as other relevant legal regulations.

In addition, during the outbreak of the Covid-19 pandemic, the Company participated in external online training courses such as:

- Optimizing the performance of the online General Meeting of Shareholders by VIOD.
- Improving corporate governance capacity in Vietnam by HOSE and HNX.
- Implementing the Corporate Governance Code following best practices by SSC, IFC, HOSE and HNX.
- Introducing ESG and Sustainable Development Report by SSI and Deloitte Vietnam.
- Listed enterprises and new requirements on transparency of environmental information by HOSE.

COMMITTEES UNDER THE BOARD OF DIRECTORS

Aiming at enhancing transparency in corporate governance, increasing the effectiveness of the BOD's decision-making with responsibility and prudence, the BOD has established committees including Strategy Committee, Investment Committee, Risk Committee, Compensation and Human Resources Committee.

The establishment of these committees has helped the governance and administration activities more effective and stable sooner, especially in the early stages of restructuring. However, given the changes in the structure of the BOD members since the AGM and the new development strategy of the Company, the BOD decided to suspend the operation of these committees according to the Resolution No. 13/2021/NQ-HĐQT dated May 20, 2021 for assessing emerging needs. Accordingly, more suitable arrangements will be made, meeting the increasing requirements of modern governance practices in terms of personnel structure, organization regulations, and operation of committees.

REMUNERATION OF THE BOARD OF DIRECTORS - BOARD OF SUPERVISORS - BOARD OF MANAGEMENT

Please refer to the independently audited consolidated financial statements of 2021, later in this Annual Report.

RELATED TRANSACTIONS IN THE YEAR

No.	Name of entity/individual	Relationship with the company	Transaction type
1	Unicons Investment Construction Co., Ltd.	Subsidiary	Receive construction contract from the parent company, rent and lease equipment, lease offices, liquidate CCDC, Dividends
2	Covestcons Co., Ltd.	Subsidiary	Lease office, distributed dividends
3	Kusto Management Vietnam Company Limited	Related company of insiders	Lease office
4	Ladona Properties Company Limited	Related Party of Kustocem Pte.Ltd - Significant shareholder of the Company	Construction contract

COMPLIANCE WITH THE REGULATION ON OPERATION, BUSINESS ETHICS, AND LAW

Upholding the discipline, “the rule of law”, and sticking to business commitments are considered the top principles of Coteccons when making all decisions. In order to make the Company more transparent, professional and sustainable, these principles are required to be further enhanced and strictly enforced.

In 2021, the Company drafted 54 new regulatory documents, adjusted 201 policies/procedures/documents to update the current internal policies in line with the actual operation, aiming at the seamless connectivity between departments and improving system-wide efficiency.

In particular, in June 2021, the Company issued a new Code of Conduct. Accordingly, the Company disseminated to all members the commitment to truthfulness and ethics in all activities, developed corporate reputation on truthfulness, fairness, respect, integrity, credibility. and sound business judgment.

In order to protect the Company's reputation and interests, Coteccons will not compromise with choices only for immediate interests, nor tolerate any illegal or unethical behavior within our team.

This policy will be applied to all Coteccons members, consultants, contractors, trainees, outsourced personnel, agency staff, agents, sponsors, interns, volunteers, or any other involved individual/institution. All Coteccons subsidiaries and other employees at all work places are also subject to the above compliance requirements consistently.

On this basis, one of the very crucial changes is the requirement of transparency and truthfulness in financial - accounting data, which is done drastically by the Company. Under the authorization of the General Meeting of Shareholders, the Board of Directors (BOD) selected Ernst & Young Vietnam Co., Ltd., one of the four most prestigious audit firms in the market, to be the independent auditor for the fiscal year 2021.

Besides, in order to improve the performance of the Company while ensuring the independence and quality of the audited financial statements, Coteccons has hired other independent consulting units for advices on strategy, valuation, supply system platform development, cost management, site inventory, etc.

In order to timely acknowledge, encourage and facilitate stakeholders to contact for inquiry clarification or report of violations, suspected violations related to the policy, the Company has provided an Email from Coteccons Business Conduct Department: businessconduct@coteccons.vn and ensured to protect the information provided to whistle blowers.

REGULATORY COMPLIANCE

Coteccons sets high requirements for regulatory compliance. The Company's activities are currently under the governance of different legal regulations on construction, bidding, labor, tax, enterprise, securities, etc.

In 2021, Coteccons continuously updated ours internal regulations to ensure the highest legal compliance, specifically:

- Review and amend the Charter and internal governance regulations to submit to the General Meeting of Shareholders for approval, ensure the compliance with the provisions of the Law on Enterprise 2020, the Law on Securities 2019 and guiding documents (taking effect from January 01, 2021) in accordance with the actual situation of the Company.
- Amend and supplement the Employment Regulations, the Employment Agreement of the Company to be consistent with the Labor Code 2019 and guiding documents (taking effect from January 1, 2021).
- Update policies, regulations, internal procedures related to construction, investment and business activities to meet the provisions of the law.

Such continuous review and update of legal regulations help strengthen the compliance with the law throughout the Company and improve governance efficiency, acting as a foundation to ensure the Company's transparent governance and operation.

In addition, Coteccons has strictly complied with the regulations in the organization of the 2021 Annual General Meeting. Additionally, Coteccons has fully implemented information disclosure procedures in a transparent manner as required by law for public companies.

Coteccons' legal compliance has received support and trust from investors, shareholders, customers, business partners, and has enhanced the spirit of discipline, a sense of ethics and responsibility in business activities oat all levels.

2021 issued legal documents affecting the operation of Coteccons

No.	Document	Abstract	Date of issue	Effective date	Changes directly affecting Coteccons
FOR CONSTRUCTION					
1	Decree 50/2021/ND-CP	Amendments and supplementations of a number of articles of Decree No. 37/2015/ND-CP dated April 22, 2015 of the Government detailing construction contracts.	04/01/2021	04/01/2021	These are urgent and necessary changes in Coteccons' core business activities of construction, helping the Company perfect the legal institution on construction, enabling good and effective law enforcement, perfecting the legal framework suitable to each stage of practice.
2	Decree 15/2021/ND-CP	Detailed regulations on some contents of construction investment project management in replacement of Decree No. 59/2015/ND-CP and Decree No. 42/2017/ND-CP.	03/03/2021	03/03/2021	
3	Decree 10/2021/ND-CP	Management of investment costs in construction.	02/09/2021	02/09/2021	
4	Decree 09/2021/ND-CP	Management of construction materials.	02/09/2021	02/09/2021	
5	Decree 06/2021/ND-CP	Detailed regulations on a number of contents on quality control, construction, and maintenance of construction works.	01/26/2021	01/26/2021	

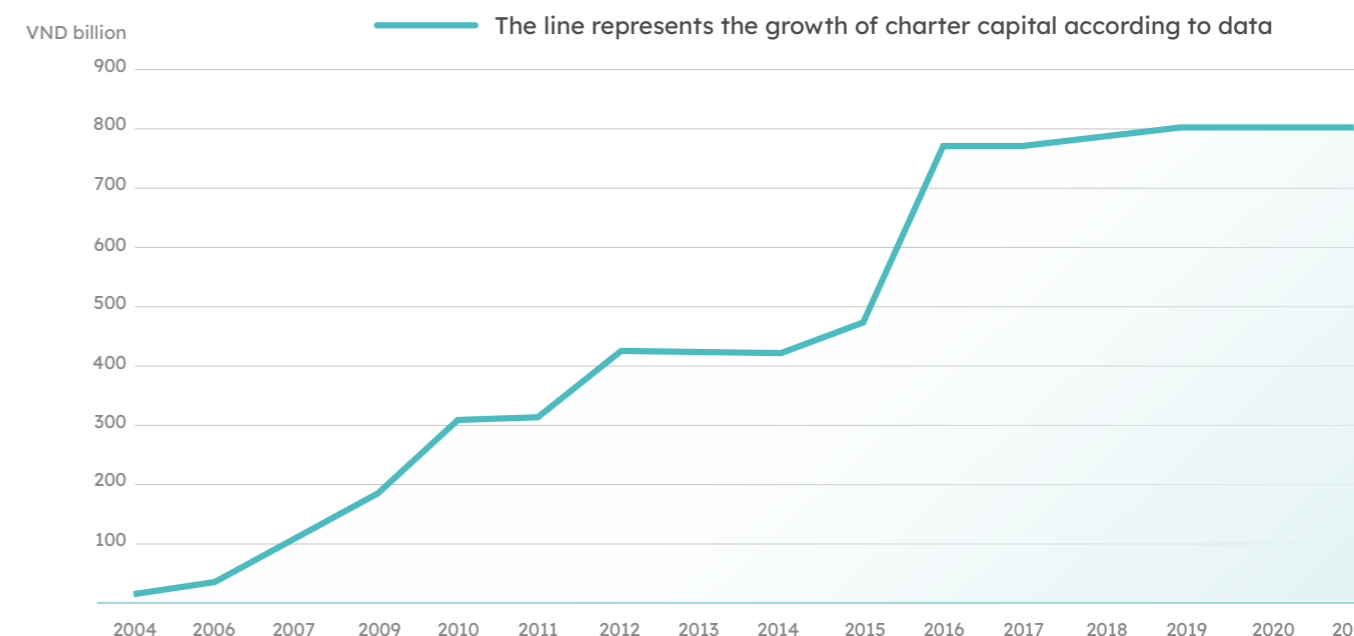
No.	Document	Abstract	Date of issue	Effective date	Changes directly affecting Coteccons
FOR INVESTMENT, SECURITIES ACTIVITIES					
6	Circular No. 51/2021/TT-BTC	Guidance in the obligations of entities and individuals in foreign investment activities on the Vietnamese stock market.	06/30/2021	08/16/2021	New regulations on securities partly help Coteccons' securities and investment activities stricter and more developed in order to create a long-term booster to help the Company reach a new height in the field of investment.
7	Circular No. 58/2021/TT-BTC	Guidance of a number of articles of Decree No. 158/2020/ND-CP dated December 31, 2020 of the Government on derivative securities and derivative securities market.	7/12/2021	8/27/2021	
FOR THE COMPANY OPERATION					
8	Law No. 03/2022/QH15	Amendments and supplementations of a number of articles of the Law on Public Investment, the Law on PPP Investment, the Law on Investment, the Law on Housing, the Law on Bidding, the Law on Electricity, the Law on Enterprises, the Law on Special consumption tax, and the Law on Civil judgment enforcement law.	01/11/2022	03/01/2022	New regulations are supplemented in the Law on Enterprises to better regulate the rights of company members, perfecting the issued legal provisions to improve the quality of corporate governance.
9	Decree 15/2022/ND-CP	Policies on tax exemption and reduction according to Resolution No. 43/2022/QH15 of the National Assembly on fiscal and monetary policies to support the socio-economic recovery and development programs.	01/28/2022	02/01/2022	The enforcement of tax reduction contributes to mitigating the difficulties during the Covid-19 pandemic. However, besides, difficulties still remain in determination whether an item is on the list of goods and services eligible for value-added tax reduction.

CAPITAL MARKET OPERATIONS AND INVESTOR RELATIONS

INCREASE OF CHARTER CAPITAL

Charter capital has increased by 52 times since 2004

Unit: VND billion			Unit: VND billion		
Year	Charter capital	Notes	Year	Charter capital	Notes
2004	15.2		2016	770.5	
2006	35		2017	770.5	
2007	120		2018	783.55	
2009	184.5		2019	792.55	
2010	307.5	Listed on HOSE	2020	792.55	
2011	317.7		2021	792.55	Continued to be the largest capitalized enterprise in the construction sector under VNSI20.
2012	422				
2013	422				
2014	422				
2015	468.58				



SITUATION OF COMPLIANCE WITH PRINCIPLES ON INFORMATION DISCLOSURE AND EQUAL TREATMENT TO SHAREHOLDERS

In 2021, Coteccons strictly complied with regulations on information disclosure as required by Vietnamese law and international practices. The Company has proactively disclosed bilingual information so that both domestic and foreign shareholders/investors have access to accurate information equally, timely that is not limited by the language barrier.

In addition to the information disclosed to the State Securities Commission and the Stock Exchange Department in accordance with regulations, the Company has established a professional IR department, which is responsible for the main information discussion with shareholders and investors in order to timely provide transparent information to the market through press releases, investor meetings, analyst meetings, etc. Remarkably, the first shareholder dialogue was organized by Coteccons in December 2021.

The company also strove to improve the quality of the annual reports by improving a lot of the content of the reports, providing deeper analysis and assessment of governance, economic, environmental and social activities according to the standards from International Integrated Reporting Council (IIRC), Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB). The information on salary and bonus of the Board of Directors, Board of Supervisors, and Board of Management was specifically and widely publicized by the Company in the documents of the Annual General Meeting, the Annual Reports and the Financial Statements.





With that effort, the Company's 2020 Annual Report has managed to enter the final round with the 35 best annual reports of the large capitalized group.

The BOD committed that all shareholders of Coteccons, including minority and foreign shareholders, would be treated equally and entitled to exercise their rights. All these policies were clearly and specifically stated in the Charter and Internal Regulations of Corporate Governance. In fact, the Company did not receive any complaints from shareholders or sanctioning decisions of regulators related to violations of regulations on holding the 2021 Annual General Meeting.

On the basis of optimal and long-term benefits of the Company in harmony with the interests of shareholders and stakeholders, in the past year, the BOD successfully carried out a number of key activities as follows:

- Successfully organized the 2021 Annual General Meeting with 100% of the proposals approved by the Annual General Meeting. The AGM was organized in compliance with the regulations on the procedures for preparing, conducting, and making decisions at the meeting; and meeting-related information disclosure regulations.
- Proactively reviewed and disclosed all transactions between the Company and stakeholders that have not been disclosed according to regulations, including all transactions between Coteccons and other stakeholders from 2017 to June 2020.
- Monitored compliance with the automatically controlling transactions with stakeholders, ensured there was no potential conflict of interest with the Company, and protected the interests of shareholders.
- Comprehensively reviewed the transactions with potential conflicts with the interests of the Company in an objective and reasonable manner on the principle of market value. Facilitated the Board of Supervisors to perform their role as a controlling agency, an important defense line in reviewing related transactions, ensured independence and objectivity in assessment to protect interests of shareholders.
- Actively reported and wavered the voting rights of the BOD members when realizing there were conflicts of interest in order to ensure compliance with the law and in the interests of Company.
- Made payment for 10% dividend in cash according to the Resolutions of the 2021 Annual General Meeting within 30 days from the date of determining the list of shareholders in accordance with the law.

SITUATION OF IMPROVING EFFICIENCY OF CORPORATE GOVERNANCE RELATED TO PROFESSIONALIZATION OF IR ACTIVITIES

In the past, the confusing changes in the senior personnel of Coteccons, along with the information in complete and lacking in the media greatly affected the image of the Company, accordingly, adversely affecting the confidence of the shareholders and investors in the stability and prospects of the Company.

In that context, the Company's BOD and Board of Manager have decided to appoint new personnel for the position of Company Secretary cum Person In Charge of the corporate governance, and set up a professional IR department, continuously updated, adjusted, and developed mechanisms and operation procedures to ensure equality between significant and minority shareholders, and resolutely eliminated factors that cause conflicts in interest of the Company. Those drastic efforts have all promoted their values and gradually created new results in restoring and strengthening the confidence of shareholders and investors.

The Company paid special attention to complying with regulations and legal processes on organization and disclosure of information related to the annual/ad hoc General Meeting, collecting shareholders' opinions by written documents, facilitating shareholders to exercise their voting rights, and strengthening control over related party transactions.

At the 2021 Annual General Meeting, for the first time, the Company hired a software solution provider to support the meeting organization, aiming to professionalize all stages in the program process. Accordingly, shareholder participating, voting and electing information was recorded and processed quickly based on barcode technology, ensuring the accuracy and transparency of election and vote counting results.



During the early stage of restructure, the BOD actively increased meetings to discuss business development orientations with significant shareholders, large domestic and foreign investment funds such as Dragon Capital, VinaCapital, KIM, Endurance Capital, SSIAM, Mirae Assets, EastSpring Investment, etc. Besides, despite various obstacles due to the Covid-19 pandemic, for the first time, the BOD and the Board of Manager organized events such as the Analyst Meeting and Shareholders' Day with an unlimited number of people accessing information, which demonstrated the Company's efforts in information transparency. These events would be organized annually by the Company to create an additional forum and communication channel for shareholders and investors beyond the General Meeting of Shareholders, aiming at advanced corporate governance practices.

CAPITAL MARKET OPERATIONS AND INVESTOR RELATIONS



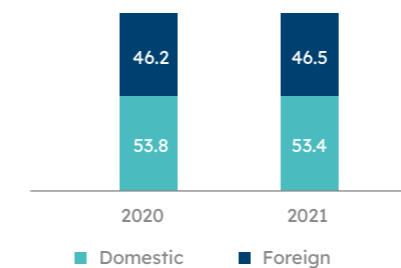
STRUCTURE OF SHAREHOLDERS

In 2021, with confidence in the Company's development prospects, Chairman Bolat Duisenov bought 570,000 shares, equivalent to 0.7% of charter capital, and officially became a shareholder of Coteccons.

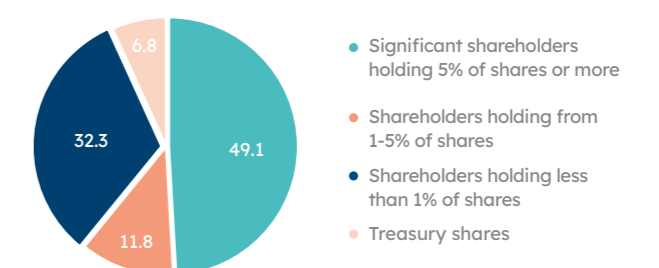
With practical efforts to fulfill commitments to shareholders, as of December 31, 2021, the Company's shareholder structure had many improvements with some typical results:

- The percentage of institutional shareholders increased from 63.2-72.5%.
- The percentage of foreign shareholders increased to 46.5%.
- The percentage of shareholders holding 1-5% increased from 7.4-11.8%.
- The percentage of shareholders/groups of significant shareholders maintained at 49.1%.
- The free transfer rate decreased from 43.7% to 41.1%.

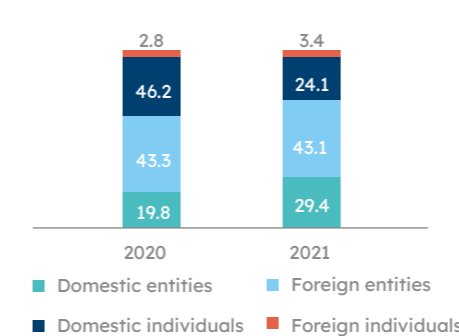
Shareholder structure by geography (%)



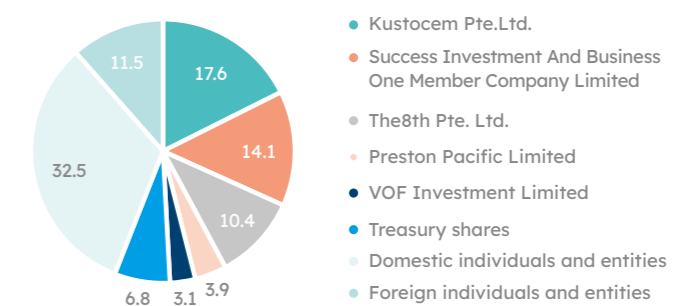
Shareholder structure by ownership percentage (%)



Shareholder structure by type (%)



Structure by ownership percentage of significant shareholders (%)



Changes in shareholder structure on December 31, 2021 compared to December 31, 2020

No.	Type of Shareholders	Number of Shareholders				Number of shares		Percentage	
		Individual		Institutional		2020	2021	2020	2021
		2020	2021	2020	2021				
I	Significant shareholders holding 5% of shares 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 from 1-5% of shares	1	1	3	5	5,826,626	9,373,400	7.4	11.8
1	Domestic	0	0	1	3	1,257,040	5,194,460	1.6	6.5
2	Foreign	1	0	2	2	4,569,586	4,178,940	5.8	5.3
III	Shareholders holding less than 1% of shares	6,847	5,617	118	129	31,583,779	25,603,905	39.8	32.3
1	Domestic	6,580	5,355	58	69	27,277,390	20,597,672	34.4	26.0
2	Foreign	267	262	60	60	4,306,389	5,006,233	5.4	6.3
IV	Treasury shares	0	0	1	1	2,962,427	5,395,527	3.7	6.8
IV	TOTAL	6,848	5,618	127	140	79,255,000	79,255,000	100%	100%
1	Domestic	6,580	5,355	61	74	42,689,509	42,380,311	53.8	53.4
2	Foreign	268	263	66	66	36,565,491	36,874,689	46.2	46.6

TRANSACTIONS OF SIGNIFICANT SHAREHOLDERS AND INSIDERS

No.	Transaction individual/entity	Position/Relationship with Insider	Shares as at December 31, 2020		Shares as at December 31, 2021		Notes
			Number	Percentage (%)	Number	Percentage (%)	
I	SIGNIFICANT 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 Significant 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	INSIDERS AND RELATED PARTIES						
A	Board of Directors						
1	Mr. Bolat Duisenov	Chairman	0	0	570,000	0.7	Personal investment
2	Mr. Yerkin Tatishev	Member	0	0	0	0	
3	Mr. Talgat Turumbayev	Member	1,590,150	2.00	1,590,150	2.00	
4	Mr. Herwig Guido H. Van Hove	Member	0	0	0	0	
5	Mr. Tan Chin Tiong	Member	0	0	0	0	
6	Mr. Tong Van Nga	Member	0	0	0	0	
7	Mr. Trinh Ngoc Hien	Member	0	0	0	0	

No.	Transaction individual/entity	Position/Relationship with Insider	Shares as at December 31, 2020		Shares as at December 31, 2021		Notes
			Number	Percentage (%)	Number	Percentage (%)	
8	Ms. Trinh Quynh Giao	Member	0	0	0	0	Stepped down on 12/6/2021
B Board of Supervisors							
1	Mr. Tran Van Thuc	Head of the Board of Supervisors	0	0	0	0	
2	Mr. Dang Hoai Nam	Member of Board of Supervisors	39,648	0.05	39,648	0.05	
3	Mr. Nguyen Minh Nhut	Member of Board of Supervisors	0	0	0	0	
4	Mr. Luis Fernando Garcia Agraz	Head of the Board of Supervisors	0	0	0	0	Dismissed on April 26, 2021
C Board of Management							
1	Mr. Pham Quan Luc	Deputy General Director	3,066	0.004	3,066	0.004	
2	Mr. Vo Hoang Lam	Deputy General Director	8,507(1)	0.01	8,507	0.01	
3	Mr. Nguyen Ngoc Lan	Deputy General Director	9,820(1)	0.01	9,820	0.01	
4	Mr. Chris Senekki	Deputy General Director	0	0	0	0	
5	Ms. Pham Thi Bich Ngoc	Deputy General Director	11,300(1)	0.014	12,000	0.015	Personal investment
5.1	Mr. Du Van Hung	Husband	3,300(1)	0.004	6,000	0.008	Personal investment
6	Mr. Vo Thanh Liem	Acting Deputy General Director	151,750	0.19	151,750(2)	0.19	Stepped down on 03/05/2021
7	Mr. Tran Tri Gia Nguyen (Michael Tran)	Deputy General Director	0	0	0(2)	0	Stepped down on 11/30/2021
8	Mr. Phan Huu Duy Quoc	Deputy General Director	0	0	0	0	Stepped down on 01/04/2022
C Other managers							
12	Ms. Cao Thi Mai Le	Chief Accountant	0	0	0	0	
13	Mr. Nguyen Anh Vu	Person in charge of corporate governance cum authorized person for information disclosure	0	0	0	0	

Notes:

- (1) Number of shares held at the time of becoming an insider
- (2) Number of shares held when no longer an insider

FIRST STEP INTO THE CAPITAL MARKET

In this year, Coteccons marked an milestone in our financial and capital restructuring strategy as the Company first offered bonds to the public. 500 bonds with par value of VND 1 billion/bond with a term of 3 years and fixed interest rate at 9.5%/year were successfully offered. These were "3-non" bonds that had non-convertible, non-warrant-linked, and non-secured features.

Previously, Coteccons was known as a debt-free enterprise. However, in the new context, the leaders have flexibly changed the Company's financial strategy, including the use of financial leverage as a source of debt. This choice would helped the Company promote advantages in capital use, capital costs and opportunities to expand to capital sources for advantaged business lines of the Company.

With Coteccons' great reputation, solid foundation and abundant development potential, the recent offering has attracted the attention from prestigious domestic and international investment funds, earning VND 500 billion. These bonds were expected to be deposited at VSD and listed on the Ho Chi Minh Stock Exchanges in the first quarter of 2022.

In fact, as the Company's cash source was still very abundant, mobilizing VND 500 billion through bond offering was a step to create foundation for the Company to enter the domestic and international capital markets, prepare for M&A activities, expand into areas with high intellectual and technological content such as EPC, infrastructure requiring large capital resources, etc.



500 bonds with par value of VND 1 billion/bond with a term of 3 years

and fixed interest rate at 9.5%/year were successfully offered.



RECOVERING STOCK PRICE WITH STABILITY AND NEW PROSPECT OF THE COMPANY

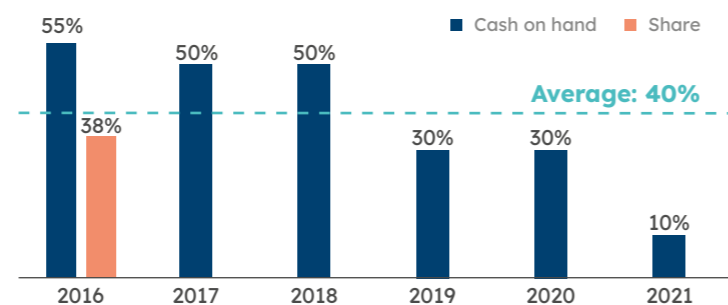
Along with the uptrend of the domestic and international stock markets, Coteccons' CTD stock price in 2021 recovered positively when the corporate governance situation was stabilized. Affected by the continuous increase in steel prices, most construction stocks decreased in the first 5 months of the year. CTD's stock price hit a bottom of VND 51,230 on May 20, 2021 before recovering when securities companies' forecasts continuously announced the positive outlook for the construction sector and data on values of the Company's newly signed contracts.

At the end of the trading session on December 31, 2021, CTD's stock price closed at VND 109,500/share, increasing by 114% compared to the lowest adjusted price and 43% compared to the starting price at the beginning of the year, which was higher than the 36% increase of VN-Index in 2021. With such closing price at the end of 2021, Coteccons continued to be the construction company with the largest market capitalization in Vietnam's stock market for many consecutive years.

As Coteccons has made efforts to continuously heading to sustainable development, CTD stock was classified into the VNSI 20 list of HOSE in the portfolio adjustment period in July 2021 with the total average ESG score of 75 %. According to the results announced by HOSE, Coteccons' evaluation scores in all aspects of environment, society and corporate governance were higher than the average scores of the sector and the average of VN100.

DIVIDEND POLICY BALANCE BETWEEN SHAREHOLDERS' RIGHTS AND DEVELOPMENT ORIENTATION OF THE COMPANY

In 2021, encountering changes in strategic orientation, in order to maintain the interests of shareholders while ensuring capital for the Company's expansion plan into new potential fields, Coteccons made dividend payout in cash of 10% for fiscal year 2020. Accordingly, in the period of 2016 - 2021, CTD's dividend was mainly in cash with an average rate of 40%/year, which was an attractive rate compared to the common level of listed companies on the market.



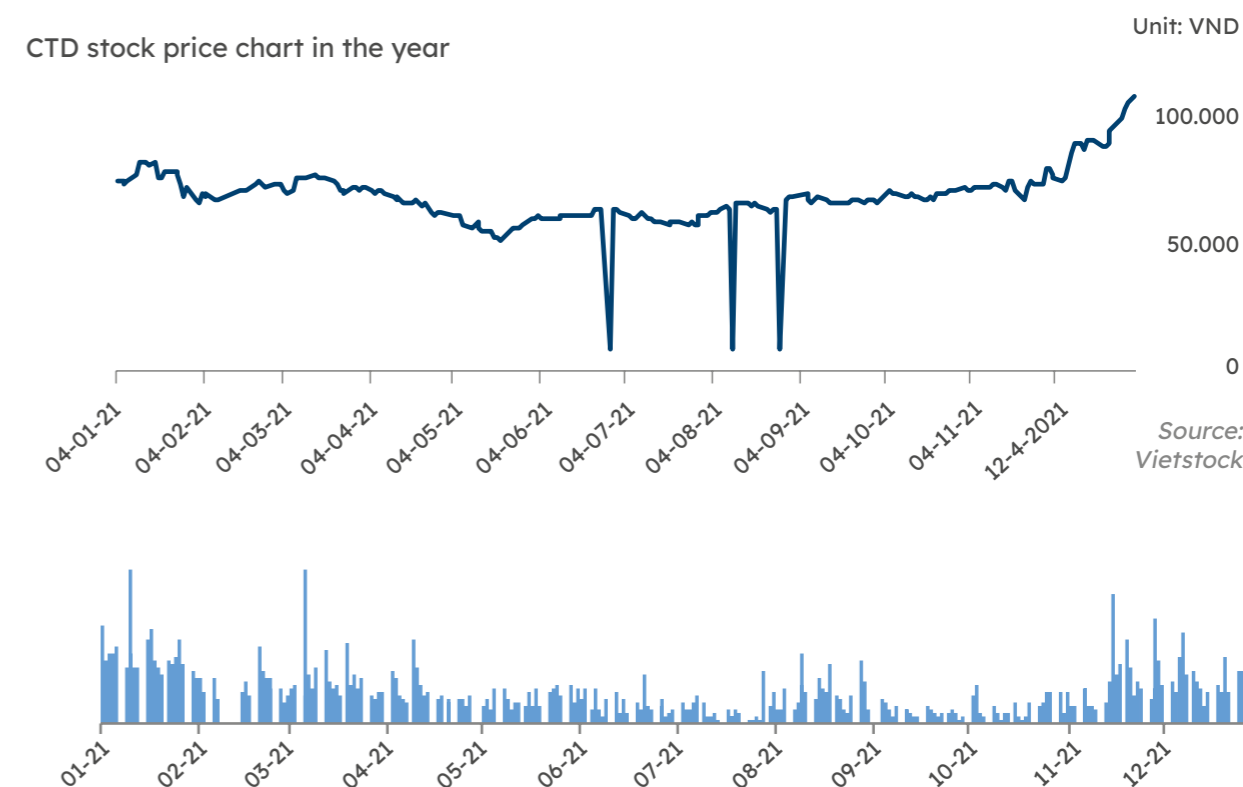
The Company's dividend payout rate for the period of 2016-2021

PROJECT FISCAL SCHEDULE IN 2022

Time	Content
January 2022	Financial statements of Quarter 4/2021 Report on Corporate Governance 2021
March 2022	2021 Audited financial statements
April 2022	2021 Annual Report 2022 Annual General Meeting Financial statements of Quarter 1/2022
July 2022	Financial statements of Quarter 2/2022 Report on corporate governance for the 6-month period of 2022
August 2022	Audited financial statements for the 6-month period of 2022
October 2022	Financial statements of Quarter 3/2022

Ticker symbol	CTD
Exchanges	HOSE
Number of shares in circulation	73,859,473
<i>On December 3, 2021</i>	
Stock price (VND)	109,500
Market capitalization (billion VND)	8,088
Book value (VND)	111,666
52-week high (VND):	112,800
52-week low (VND):	51,230
52-week average transaction volume (shares/session)	639,197
52-week average transaction value (VND billion/session)	47
Foreign ownership limit (%)	49.0
Foreign shareholders (%)	46.5
Free transfer rate (%)	41.1
Stock index	
12-month EPS (VND)	323
P/E (times)	336
P/B (times)	0.98

Source: Finnpro, Vietstock



RISK MANAGEMENT

At Coteccons, the Risk Committee is the advisory body for the Board of Directors, responsible for assessing and identifying the major risks in the operation process, ensuring the best implemented risk management. This committee will assist the Company in making strategic decisions based on a full understanding of the risks. The Company has also appointed a Risk Management Director cum member of the Risk Committee - to be responsible for setting and implementing risk management policies.

Coteccons fully determined the importance of risk management in protecting our growth achievements and promoting development with the following key values:

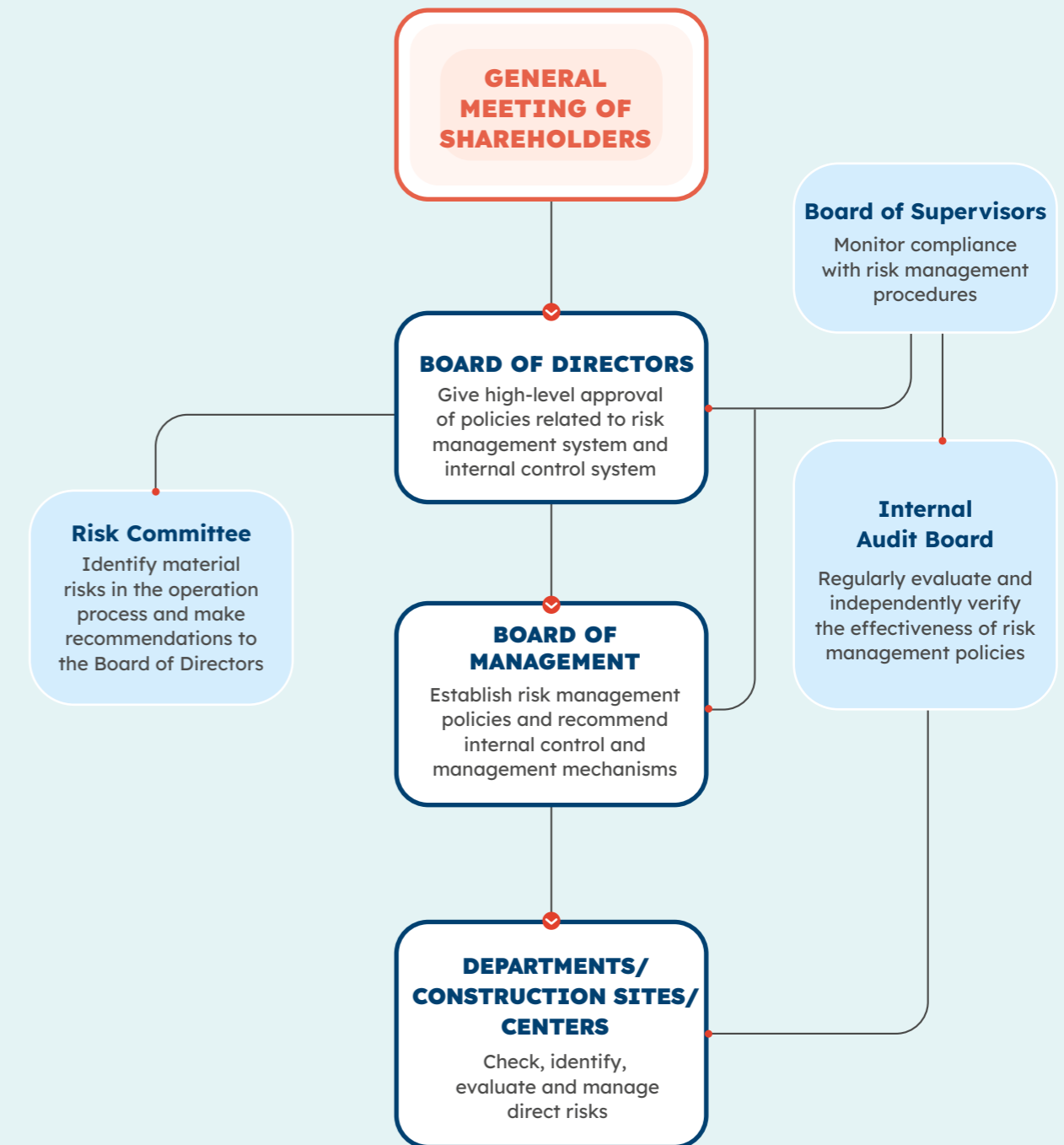
- Help the Company implement consistent future plans and control the operational process by building optimal risk management mechanisms and policies.
- Help strengthen capability in decision making, planning and work privatization based on thorough and coherent understanding of business operations and environment, opportunities and challenges of the company.
- Contribute to efficient allocation and use of resources in the company.
- Minimize inadequacies in every aspect of the company.
- Protect and enhance assets and reputation of the company.
- Develop and support human resources and knowledge background of the company.

REQUIREMENTS FOR RISK MANAGEMENT

Being fully aware of the importance of risk management, the Company has developed a risk management policy with a number of key requirements:

- The Board of Directors, specifically the Risk Committee, is responsible for determining the strategic direction and structure for the risk management function to meet the requirement the Company's most effective operation.
- Coteccons' risk management policy is developed based on the method of industry-specific risk determination (evaluating based on the frequency of occurrence and the level of impact of the occurring the risk), thereby proposing appropriate risk management measures.
- The functional bodies of the Company take the first responsibility in daily risk management, raising awareness and disseminating about risk management in their respective bodies. The Internal Audit Board is in charge of evaluating the operation efficiency of risk management though the evaluation of programs and plans of the Internal Audit Board approved by the Board of Directors and the Board of Supervisors.

RISK MANAGEMENT STRUCTURE



RISK MANAGEMENT ACTIVITIES IN 2021

During the year, the Internal Audit Board has conducted audits at departments/division and projects, thereby providing the leaders of the departments/divisions and the Site Steering Divisions with many recommendations on inadequate aspects to be improved and overcome in order to minimize risks in operations.

Besides, the Internal Audit Board conducts risk assessment for all projects of Coteccons and Unicons, thereby increasing awareness of risk management at the Site Steering Divisions, and coordinating with other departments/divisions to control risks as soon as possible.

RISK MANAGEMENT IN PROJECTS:

Typical risks for Coteccons' projects are specifically identified as follows:

Risks due to external factors

- Developers/Supervision Consultants
- Suppliers/Subcontractors/Construction teams
- Other external factors

Risks due to internal factors

- Organizational structure/HR and training
- Project finance
- Construction management
- Design management
- Security, occupational health
- Materials and equipment
- Records, document storage, ISO
- Other internal risks

Other risk assessment identified at the Sites



RISK MANAGEMENT WITHIN THE COMPANY

Closely monitoring of the situation, proper assessing and analyzing, Coteccons has identified a number of major risks for the Company and specific responding measures.

Accordingly, the major risks for Coteccons include 4 groups:



STRATEGY RISKS

MARKET

Risk description	Countermeasures
Expanding construction into new fields such as infrastructure or energy works will lead to financial risks, debt recovery, price volatility, and project engineering fluctuation.	- Explore all the characteristics and aspects of a project before participation; Negotiate carefully the terms of the contract to protect the Company.
The possibility to expand into non-traditional fields encounters many challenges. In 2021, the Company only signed 01 MOU on a wind power project.	- Cooperate with experienced partners to share information, learn from their experience, and expand relationships.
Developing construction activities in the form of finance - design - construction EPC contractors for some asset projects is likely to bring quick revenue and profit when the bottlenecks in financial mobilizing for the project are removed. However, there can also be potential risks of cash flow and debt recovery in the future.	- Establish a department/division in charge of searching and developing projects on infrastructure and energy work construction. Recruit personnel with experience and large network to source potential customers.
	- Actively analyze capital and cash flow to ensure financial efficiency despite the higher risk tolerance level.

BRANDING

Risk description	Countermeasures
Coteccons has always been a robust and leading brand in the construction sector for many years. In 2021, there was a sharp increase in the number of new contracts signed (exceeding the target of VND 25,000 billion) compared to 2020. However, some changes in the governance structure and personnel will have certain impacts on the view of investors, customers, partners and employees.	- Strictly comply with the regulatory provisions, fulfill the commitments with customers, partners and employees.
	- Build a strong communication team, establish relationships with reputable press partners to strengthen the capacity of spreading official and reliable information.
	- Take the initiative in handling communication crisis.

OPERATION RISKS

OCCUPATIONAL SAFETY

Risk description	Countermeasures
<p>Specifically, the construction sector requires workers to work in harsh conditions affected by factors such as: Weather, height, heavy machinery, a large number of workers, urgent construction progress, etc., which will always places them in occupational risks.</p> <p>In addition, due to the complicated developments of the Covid-19 pandemic, there is always a risk of infection at the construction sites, affecting construction activities and project progress.</p>	<ul style="list-style-type: none"> - Closely control the application of safety procedures and regulations, always uphold the slogan "Safety first". - Invest in new construction and safety control equipment, ensure regular maintenance. - Apply safe and efficient new construction technologies. - Provide adequate technical safety equipment for all workers of the Site Steering Divisions and the subcontractor's teams. - Regularly organize training, group meetings, assessment and inspection of safety assurance. - Implement safety control, assessment and remedial reports monthly and quarterly with the highest attention.

BIDDING RISKS

Risk description	Countermeasures
<p>The bidding period always has risks including: An increasing number of competitors, incorrect pricing from competitors, unfair competition, lack of input information, incomplete control of items to be performed, inadequate design drawing, inaccurate data estimation, rushing progress, etc.</p> <p>In 2021, the Company must participate in bidding for projects' value of VND 107,000 - 125,000 billion in order for the new contract to be signed in the year to reach the target of VND 21,500 - 25,000. Thus, the winning rate of only 20% has proved that there is fierce competition from competitive companies in the market.</p>	<ul style="list-style-type: none"> - Search for information sources, analyze the strengths and weaknesses of competitors. - Build a team to link departments: Tender Department, Cost and Contract Management Department, Engineering Management & Technology, etc. to optimize the original cost, thereby possessing competitive edge right from the start. - Take advantage of the abundant cash to accompany and support the developer's financial plans or apply the Finance & Build model to make a difference in the market.

RISK OF RELATED PARTY TRANSACTIONS

Risk description	Countermeasures
<p>Transactions with stakeholders always have potential risks of profiteering and conflicts of interest with other shareholders in the Company. Related party transactions may raise a concern to investors and affect the reputation of the Company.</p>	<ul style="list-style-type: none"> - Develop policies, internal procedures and monitoring mechanisms in accordance with the provisions of law and international practices to ensure transparency in related party transactions.

HUMAN RESOURCES AND BENEFIT POLICY

Risk description	Countermeasures
<p>Human is always at the heart of the development of the Company. However, some major changes in personnel during the year across all levels have more or less affected the whole team's morale.</p> <p>In 2021, the Company changed our benefit package. The application of the new benefit package without proper consideration will lose the psychology of employees.</p> <p>Brain drain can occur in the context of an increasing number of competitors in the market, which requires high-quality human resources.</p>	<ul style="list-style-type: none"> - Build and train a team of young successors is always a priority of the Company to promote sustainable growth and development. Propose a career development roadmap for each individual in the Company, accurately assess their capacity and effort, and apply rewarding benefits and policies. - Provide hard and soft skills trainings, promote and empower levels of personnel appropriately so that they have the opportunity to challenge themselves. - Associate with major universities in the sector for ongoing succession planning. - Work with reputable recruitment partners to supplement talents in the market to the areas of work to be upgraded and expanded. - Conduct internal surveys on employee satisfaction with the current benefit policy and compare it with other industry peers

FINANCIAL RISKS

PRICE VOLATILITY

Risk description	Countermeasures
<p>Every construction project is a process ranging from preparation, execution, to handover and warranty. That process is associated with project financial management. Price volatility, policy changes, unexpected events or capital sources of the developers all have a significant impact on the success of the project.</p> <p>In 2021, the complicated situation of Covid-19 pushed the price of construction materials (steel, concrete, etc.) up high, adversely affecting the assets situation.</p>	<ul style="list-style-type: none"> - Deploy a procurement and contract management model centered in key construction materials, leverage financial advantages to reduce material supply prices. - Promote forecasting of supply situation and price volatility in the region to proactively coordinate the sources of materials and equipment. - Strengthen negotiations and agree on terms to keep prices, control the slippage rate with developers. - Actively look for new sources of quality products at reasonable prices, limit the monopoly situation.

LATE PAYMENT

Risk description	Countermeasures
<p>The financial performance of a project will certainly be depleted by cash flow problems due to the developers' slow payment and settlement.</p> <p>The Covid-19 situation has affected the whole market including developers. Their financial decline will lead to delayed payments, causing bad debts, skewing the balance of income and expenditure of projects, and affecting the cash flow of the whole Company.</p> <p>In 2021, provisions for short-term bad debts increased sharply. In addition to the objective factors of the Covid-19 pandemic, there are also subjective reasons such as: Inaccurate estimation of the project's financial statements; inconsistent arising cost settlement with the contract, etc., leading to delay or difficulty in recovering debts from the developers and affecting the project's finance.</p>	<ul style="list-style-type: none"> - Strictly stipulate and carefully negotiate the payment-related terms in the contract during the bidding process. - The Debt Recovery Supervision Board together with the Accounting Department, the Cost and Contract Management Department and the Board of ISO and Legislation carefully evaluate the developer's financial situation, exchange information with them to have appropriate handling measurements. - Update project financial statements on time as a basis for accurate forecast of revenue, expenses and debts. Accelerate the preparation and approval of payment request documents according to the provisions of the contract.

CAPITAL MANGEMENT

Risk description	Countermeasures
<p>With healthy finance and effective cash flow management, Coteccons has accumulated a sound cash position, ensuring high liquidity and meeting project progress.</p> <p>However, it can also be said that the Company's cash balance has potential risks related to the Vietnamese currency devaluation, especially in the recent period when the cash surplus is mainly used in bank deposits with unsatisfactory interest rates.</p> <p>In 2021, the Company first offered bonds to raise capital (VND 500 billion). The bond offering may cause some concerns to investors about the efficiency of capital use and affect the Company's business performance in the coming time.</p>	<ul style="list-style-type: none"> - Brainstorm solutions to maximize profitability from the Company's money, including investing in assets with higher interest rates such as bonds, etc. - Promote investment activities, especially those from Covestcons to optimize money sources while seeking cooperation opportunities, thereby building more long-term values for shareholders and the Company. - Calculate, allocate and use effectively capital raising sources to achieve the set goals, ensure the interests of the Company and investors.

COMPLIANCE RISKS

LAW

Risk description	Countermeasures
<p>Coteccons' operating environment is under the framework of many legal regulations such as Laws on Enterprises, Construction, Commerce, Real Estate, Labor, Investment, Securities, Tax and Social Insurance, etc. The constant development and update of legal documents require the Company to always monitor, adapt and make necessary and timely adjustments.</p> <p>Coteccons always upholds compliance with the law and responsible operation with the community and society, and minimizes impacts on the environment.</p> <p>Currently, there are differences among the regulatory provisions, for example the inconsistent definitions of Stakeholders under the Vietnamese Accounting Standards and the Law on Securities. As a result, there may be shortcomings in the composition of financial statements, degrading transparency and legal compliance.</p>	<ul style="list-style-type: none"> - Recruit and build the professional legal personnel, constantly update policy amendments. - Work with professional law experts and partners for timely consultation. - Regarding the securities sector, the Company needs to control the compliance with legal regulations including the Law on Securities, the Law on Enterprises, the Charter, the Corporate Governance Regulations, etc. to prevent fraud risks and enhance transparency and credibility of the Company in the market. - Apply ISO 14001:2015 in management and actively control environmental issues to ensure compliance with legal requirements.

LAW

CONTRACTS

Risk description	Countermeasures
<p>Pressure from customers and construction deadlines are likely lead to contract gaps. This will become a disadvantage, resulting in later disagreements, disputes and lawsuits.</p> <p>Some projects' contracts have unfavorable terms (on devaluation, force majeure on the pandemic, progress penalties, etc.) when being signed with the developers will lead to risks of damages to the company.</p>	<ul style="list-style-type: none"> - Continuously control and assess the risks of contract terms. - Enhance contract control through multiple review levels from Tender Department, Cost and Contract Management Department, the Accounting Department, and the Board of ISO and Legislation. - Develop a system of sample contracts. - Develop a legal risk assessment system for projects.



Transparency
Empowerment
Sustainable Development

STAKEHOLDER ENGAGEMENT

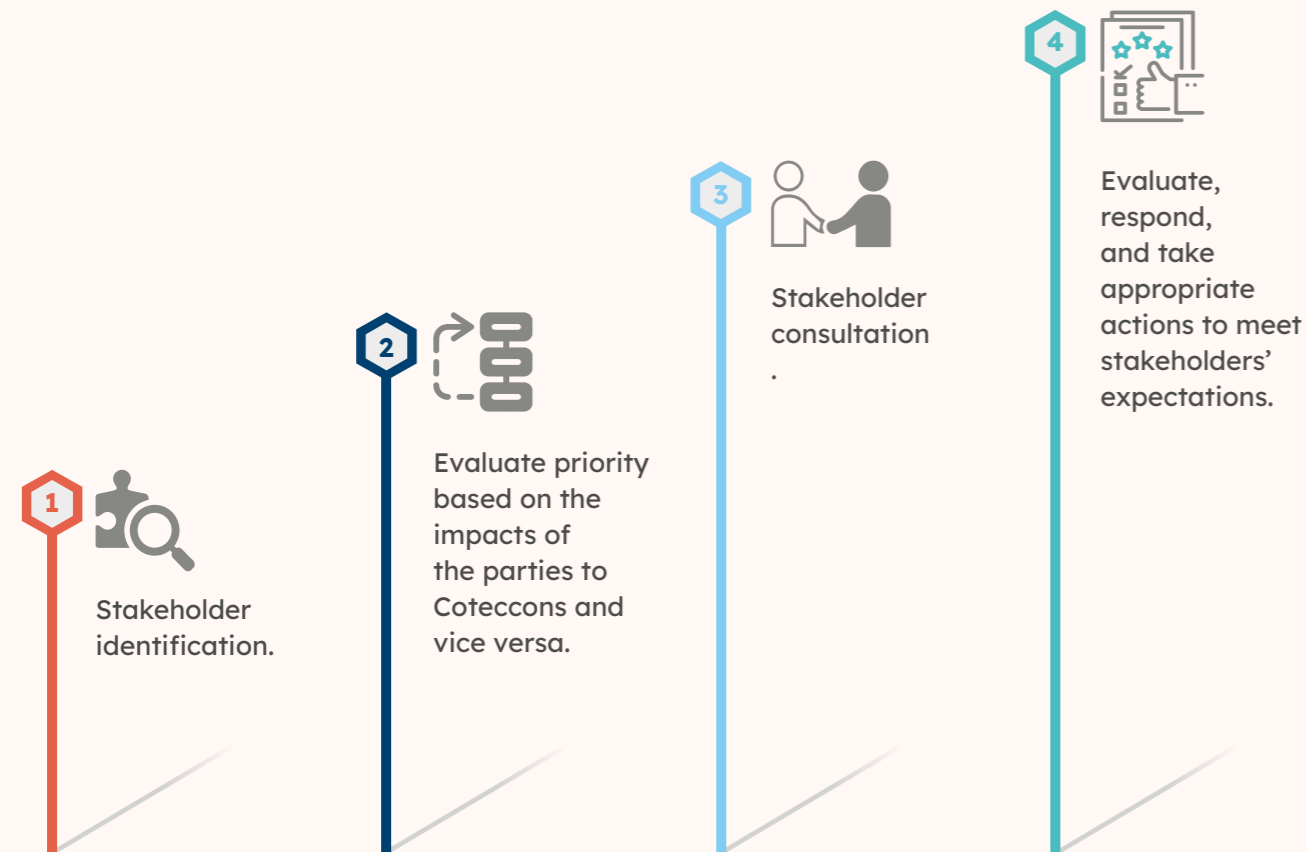
Upholding truthfulness, transparency and professionalism, Coteccons always put legitimate interests of our stakeholders first. This is evident through contracts and cooperation, which is specified in the Company’s policies on customers, suppliers, subcontractors, environment, community, anti-corruption, creditor protection, benefit packages, and labor safety, etc. In particular, it is underscored in the Company’s Code of Conduct.

With various flexible approaches, the Board of Directors (BOD) of the Company regularly contacts, discusses and receives feedback from stakeholders, thereby constantly improving the Company to meet the higher needs of the parties in terms of governance, social impact, and environment. Additionally, the Company actively discloses the key contacts so that stakeholders can promptly reach out for any work-related needs as well as any complaints.

These efforts have been recognized by stakeholders through the awards and accolades for the Company in the past year as mentioned.

The year 2021 marks a new milestone in the development of Coteccons, starting the 5-year plan for the period of 2021-2025. On the new development journey, the Company emphasizes the importance of relationships with our stakeholders. This is also the basis for the Company to design the corresponding organizational structure, operating procedures and corporate culture.

STAKEHOLDER CONSULTATION PROCEDURE



HARMONIZE NEEDS AND INTERESTS WITH STAKEHOLDERS

Stakeholder identification	Communication/ meeting channel	Dialogue frequency	Matters of concern	Coteccons' efforts to meet stakeholders' expectations
EMPLOYEES	- Survey employees on working environment, salary, bonus and benefit policies.	- Annually	- Ensure job security, professional, equal, and non-discriminated working environment.	- Be recognized as the best place to work in Vietnam in the construction industry for years.
	- Annual town halls.	- Annually	- Offer attractive benefit, salary, bonus policies, fair working conditions.	- Organize rigorous recruitment to ensure transparency and fairness.
	- Periodic events of the Company.	- Annually/ quarterly	- Secure occupational safety standards.	- Make efforts to maintain salary, bonus and benefit policies for employees despite the complicated developments of the Covid-19 pandemic.
	- Training and coaching programs.	- Continuously	- Be recognized for achievements and contributions.	- Build fair compensation policies and development roadmap.
	- Internal communication programs and publications.	- Monthly	- Offer opportunities for career promotion and succession planning.	- Provide 7,325 training sessions, 25,536 training hours in 2021.
	- Mechanism for direct discussion, complaint settlement, two-way consultation.	- Continuously	- Provide training and upskilling programs.	- Give special priority to occupational safety and health.
				- Give 2 doses of Covid-19 vaccine for nearly 1,800 members, currently rolling out with the 3rd dose.
				- Implement comprehensive health insurance for all employees and provide financial support for them to buy health insurance for their families.
				- Organize sports events and physical fitness training movement among the whole Company.
				- Foster succession planning work.
				- Develop and promote the spirit of "One Team"

Stakeholder identification	Communication/meeting channel	Dialogue frequency	Matters of concern	Coteccons' efforts to meet stakeholders' expectations
CUSTOMERS - DEVELOPERS	- Face-to-face meetings, and phone/email discussions with developers	- Continuously	- Quality - Brand name and reputation	- Achieve the Certificate of Construction Activity Capability. - Build and operate the management system according to the latest international standards such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018.
	- Customer survey questionnaires.	- Annually	- Project progress.	- Continuously update and perfect internal technical processes.
	- Consulting workshops and conferences on construction engineering.	- Continuously	- Occupational safety. - Construction costs	- Possess impressive construction technology and equipment capability.
	- Training sessions on occupational safety and health in construction,	- Continuously	- Construction engineering. - Construction team.	- Import the machinery and equipment from Europe and developed countries in the region.
	- Websites, social media, forums, etc.	- Continuously		
	- Market research.	- Continuously		
	CUSTOMERS - END USERS	- Face-to-face meetings, discussions via phone, email with end users after handing over completed projects.	- Continuously	- Projects' quality for users. - Safety and efficiency in practical use.
- Websites, social media, forums, etc.		- Continuously - Continuously		- Fulfill commitments with customers on schedule with the best quality.
- Market research.				- Regularly interact and acknowledge comments through the following channels: -Business Development Department, Warranty Department, survey emails, face-to-face meetings, etc.

Stakeholder identification	Communication/meeting channel	Dialogue frequency	Matters of concern	Coteccons' efforts to meet stakeholders' expectations
PARTNERS (SUPPLIERS, SUBCONTRACTORS, CONSTRUCTION TEAMS)	- Face-to-face meetings.	- Continuously	- Processes of selecting and evaluating subcontractors, suppliers, construction teams.	- Value of newly signed contract in 2021: over VND 25,000 billion - Make efforts to accompany more than 3,500 subcontractors, suppliers, and construction teams.
	- Annual conferences, workshops for subcontractors, suppliers, and construction teams.	- Annual/quarterly	- Policies to support and develop Coteccons' construction units, especially during the Covid-19 pandemic.	- Provide Covid-19 test kits for subcontractors and construction units at construction sites. - Timely make payment for subcontractors, suppliers, and construction teams.
	- Outbound communication via website, email, phone, etc.	- Continuously	- Payment process for subcontractors, suppliers, construction team.	- Hold meeting with partners to research and brainstorm solutions to improve work quality.
			- Long-term jobs for partners. - Transparency and fairness. - Cooperation for mutual benefits.	- Regularly re-evaluate the partners' capacity in coordinating, providing products and services, etc. to meet the needs of the Company and customers.

Stakeholder identification	Communication/meeting channel	Dialogue frequency	Matters of concern	Coteccons' efforts to meet stakeholders' expectations
SHAREHOLDERS - INVESTORS	- Annual General Meeting.	- Annually	- Corporate governance issues.	- Comply with information disclosure regulations
	- Ad hoc General Meeting of Shareholders, written ballots to collect opinions of Shareholders.	- Occasionally	- Management and executive capacity of the Board of Directors.	- Improve corporate governance performance with the international good practices such as OECD, Asean Scorecard, IFC, Vietnam Corporate Governance Code of Best Practices for Public Companies in Vietnam.
	- Face-to-face meetings and consultation.	- Regularly	- Medium and long term development strategies.	- Ensure equality in all activities between domestic and foreign shareholders, individual and institutional shareholders.
	- Dialogue with Shareholders, Analyst Conferences, etc.	- Quarterly	- Steadily growing operational performance.	- Actively seek cooperation opportunities with shareholders and strategic investors.
	- IR Channels: Email, phone, website, social media, forums, etc.	- Regularly	- Compliance and transparency in information disclosure	- Flexibly tailor business strategies to maximize profits and bring benefits to shareholders.
			- Shareholders' protected interests and fairness.	- Promote and diversify information exchange channels, actively discuss with shareholders, investors, analysts.
			- Future development potential of the Company.	- Pay 10% cash dividend to balance the shareholders' interest and the Company's development orientation.
			- The internal values of the Company, the market price of the shares.	

Stakeholder identification	Communication/meeting channel	Dialogue frequency	Matters of concern	Coteccons' efforts to meet stakeholders' expectations
STATE REGULATORS	- Update and apply new policies and regulations of the State.	- Continuously	- The rule of law.	- Strictly comply with the laws, regulations and guidelines set forth by the regulators in all activities of the Company.
	- Cooperate with local authorities in fire prevention, environmental protection, construction safety.	- Continuously	- Responsible business.	- Ensure occupational safety in the construction of all projects.
	- Participate in State-held conferences and workshops.	- Occasionally	- Contribution to the State budget.	- Minimize impacts on the environment.
	- Make proposals and comments on draft legal documents.	- Occasionally	- Support and respond to policies and requests of state agencies.	- Fulfill tax obligations with the State budget.
	- Effectively interact with units and authorities.	- Continuously	- Actively contribute to the development of the industry.	- Actively participate in and become a member of industry associations, contribute ideas to build markets, develop new products.

Stakeholder identification	Communication/meeting channel	Dialogue frequency	Matters of concern	Coteccons' efforts to meet stakeholders' expectations
COMMUNICATION	- Press releases.	- Continuously	- Truthful, transparent information that reflects the Company's activities and development strategies.	- Actively provide timely and transparent information to the market through press releases, conferences, etc.
	- Websites, social networks.	- Continuously		- Timely respond to questions and inquiries of the press.
	- Press Conferences.	- Occasionally		- Proactively handle information crises, correct false information about the Company in the market.
	- Interviews.	- Continuously		
	- Economic and construction conferences, seminars, forums.	- Occasionally		

INFORMATION ABOUT CORPORATE GOVERNANCE IN 2021

Stakeholder identification	Communication/meeting channel	Dialogue frequency	Matters of concern	Coteccons' efforts to meet stakeholders' expectations
COMMUNITY	<ul style="list-style-type: none"> - Coordination with local authorities to implement community programs. - Bilateral discussions in events. - Volunteer programs in the local community. - University affiliated programs. 	<ul style="list-style-type: none"> - Occasionally - Occasionally - Occasionally - Occasionally 	<ul style="list-style-type: none"> - Responsible business, contribution to local economic development. - Job opportunity creation, local income improvement. - Job creation for students and young talent attraction. - Regional infrastructure development. - Minimized construction impacts on the community. 	<ul style="list-style-type: none"> - Implement more than 450 projects across Vietnam and countries in the region such as Laos, Cambodia, and Myanmar. - Create jobs for nearly 1,800 employees and more than 30,000 construction workers. - Establish the One Heart Charity Fund. - Contribute VND 4.72 billion to charity activities. - Build and repair 20 houses for the people of Quang Tri. - Launch a blood donation program for employees in the North and the South. - Maintain linkages with prestigious universities such as Ho Chi Minh City University of Technology (HCMUT), University of Architecture Ho Chi Minh City, University of Civil Engineering, etc. to train and supply the future workforce. - Associate business development strategy with ESG factors.

No.	QUESTION	ANSWER
1	Ticker symbol	CTD
2	State ownership ratio (%)	0%
3	Incorporation model (1 or 2): <ul style="list-style-type: none"> 1: Pursuant to Point a, Clause 1, Article 134 of the Law on Enterprises 2014 (currently Point a, Clause 1, Article 137, Law on Enterprises 2020). 2: Pursuant to Point b Clause 1 Article 134 Law on Enterprise 2014 (currently Point b Clause 1 Article 137 Law on Enterprises 2020). 	Model 1
4	PROFILE INFORMATION How many legal representatives are there in the Company?	2
5	Has the Charter amended in accordance to the Law on Enterprise 2020? (Yes/No).	Yes
6	Has the Company issued an Internal Regulation on corporate governance in accordance with Clause 2, Article 270 of Decree No.155/2020/ND-CP? (Yes/No)?	Yes
7	Who is the person in charge of corporate governance?	Mr. Nguyen Anh Vu
8	What is date of issuance of the decision to appoint the person in charge of corporate governance? What is the date of announcement?	09/14/2020
9	Has the Company held the Annual General Meeting 2021?	Yes
10	Did the Company extend the Annual General Meeting due to the Covid-19 pandemic?	No
11	Did the Company hold the 2021 Annual General Meeting on site or online?	On site
12	What was the date of the Annual/Ad hoc General Meeting?	04/26/2021
13	How many times has the Company successfully held the Annual General Meeting? (1/2/3)	First time
14	GENERAL MEETING OF SHAREHOLDERS What was the date of publication of documents of the General Meeting of Shareholders in the reporting period?	03/27/2021
15	Did the Company disclose information about candidates for members of the Board of Directors at least 10 days prior to the opening day of the Annual General Meeting?	Yes
16	What was the date of publication of the Resolution and Minutes of the Annual General Meeting?	04/27/2021
17	Has the company been sued for the organization of the Annual General Meeting of ? (Yes/No)	No
18	How many times was the Company reminded and noted by the Stock Exchange regarding the organization and information disclosure of the Annual General Meeting?	No
19	How many times was the Company reminded and noted by the State Securities Commission, Stock Exchange regarding the organization and information disclosure of the Annual General Meeting?	No

No.	QUESTION	ANSWER
20	How many members are there in the Board of Directors?	8
21	How many independent members are there in the Board of Directors?	2
22	How many non-executive members are there in the Board of Directors?	5
23	How many members are there in the Board of Directors being family members of the manager and general director of the Company?	0
24	Does the Company ensure that a member of the BOD is only allowed to be a member of the BOD at maximum 5 other companies at the same time? (Yes/No)	Yes
25	Is the Chairman of the BOD concurrently the General Director/ Director (Yes/No)	No
26	How many meetings has the BOD held?	23
27	Are the wages, remuneration, compensation and other benefits of members of the BOD in line with Article 163 of the Law on Enterprise 2020 and the Company's charter?	Yes
28	Are there any committees under the BOD? (Yes/No)	Yes
29	What are they?	Strategy Committee.
		Investment Committee.
		Risk Committee
		Compensation and Human Resources Committee
30	Does the Company have an independent member of the BOD in charge of compensation and human resources? (Yes/No)	Yes
31	Is the election of members of the BOD implemented by cumulative voting?	Yes
32	Does the Company ensure the number of independent members of the BOD as prescribed in Clause 4, Article 276 of Decree 155/2020/ND-CP?	Yes
33	Does the Company ensure the number of non-executive members of the BOD (minimum ratio of 1/3) as prescribed in Clause 2, Article 276 of Decree 155/2020/ND-CP?	Yes
34	Has the Company issued an Operation Regulation of the BOD in accordance with Clause 4, Article 278 of Decree No.155/2020/ND-CP?	No
35	Is the director/general director of the Company a relative of any of the executives, controllers of the company and the parent company; the representatives of state investments and the enterprise' investment in the company and the parent company? Clause 5, Article 162 of the Law on Enterprises 2020.	No

No.	QUESTION	ANSWER
36	Does the head of the Board of Supervisors work full-time at the company?	Yes
37	How many members are there in the Board of Supervisors?	3
38	How many members of them are accountants/auditors?	3
39	How many controllers are related parties of the BOD members, director/general director and other executives?	0
40	How many controllers are in the financial - accounting department?	0
41	How many controllers are employees of the audit firms providing audit service for the Company within 3 years before being elected to the Board of Supervisors?	0
42	Does the head of the Board of Supervisors have a university or higher graduation qualification in one of the following specialties: economics, finance, accounting, auditing, law, business management or in a specialized expertise relating to the business activities of the Company?	Yes
43	How many controllers are trained in economics, finance, accounting, audit, law, business administration or another major that is relevant to the Company's operation?	3
44	How many meetings has the BOS held?	6
45	Are the wages, remuneration, compensation and other benefits of members of the BOS in line with Article 163 of the Law on Enterprise 2020 and the Company's charter? (Yes/No)	Yes
46	Has the Company issued an Operation Regulation of the BOS in accordance with Clause 6, Article 288 of Decree No.155/2020/ND-CP?	No
47	Does the Company have an Internal Audit Committee (Yes/No)	Yes
48	Does the Company perform internal audit or outsource it?	Internal audit
49	Has the Company issued the Internal Audit Regulations?	Yes
50	Which body dose the Internal Audit Committee operate under? (Board of Directors/Board of Management/Board of Supervisors/Other)	Board of Supervisors
51	How many members are there in the Internal Audit Committee?	5
52	How many meetings has the Internal Audit Committee held?	3
53	Does the Company website disclose sufficient information for shareholders as prescribed? (Yes/No)	Yes
54	Does the Company pay dividends within 6 months from the end of the AGM? (Yes/No)	Yes
55	Does the Company make lending transactions with related parties in compliance with regulations on corporate governance and be approved by the General Meeting of Shareholders/Board of Directors? (Yes/No)	Yes
56	Does the Company disclose information about the Regulations of the General Meeting of Shareholders/Board of Directors when making related party transactions and reflect these transactions in the financial statements and the corporate governance report? (Yes/No)	Yes
57	Has the Company been reminded by the Stock Exchange or the State Securities Commission about related party transactions? (Yes/No)	No



Coteccons 2022

Back on Track

CONTECCONS 2022 BACK ON TRACK

The clear signs of recovery in the fourth quarter of 2021 suggest that Coteccons can confidently grow our business in 2022. More specifically, in the fourth quarter alone, the backlog volume reached more than VND 10,000 billion, bringing the total value of new contracts signed in 2021 to be larger than targeted VND 25,000 billion. We also sealed important strategic partnerships with many major customers and partners. Besides, the volume of new customers also increased significantly, indicating market and our business recovery.

With this momentum, early 2022, even in the slower season in the construction industry, we has achieved positive results. The backlog volume has reached VND 27,000 billion and many new partnerships are being explored.

We have strengthened our internal resources and began building new capacities in the spirit of solidarity, shared consensus, determination to innovate and conquer challenges.

It can be foreseen that global and local socio-economic context in 2022 will remain complicated and potentially unpredictable due to Covid-19 implications, knock-on effects of ongoing wars and tensions in international relations, etc. Therefore, businesses will also be faced with multiple challenges and risks. Coteccons is not an exception.

Therefore, we will closely follow up market developments for thorough assessments and frequent communications. We will act in a careful and cautious manner while managing to leveraging our opportunities and potentials to achieve sustainable outcomes.

“

We have strengthened our internal resources and began building new capacities in the spirit of solidarity, **shared consensus, determination to innovate and conquer challenges.**

GENERAL ASSESSMENT OF THE BUSINESS ENVIRONMENT OF THE CONSTRUCTION INDUSTRY IN 2022



50,000 VND BILLION
Public investment capital plan

347,000 VND BILLION
Economic stimulus package

103,164 VND BILLION
Development of 13 transport projects

Opportunities

Public investment is among key areas of action. The government focuses public resources on infrastructure projects to stimulate growth and economic recovery. The public investment plan of the Ministry of Transport tentatively requires about VND 50,000 billion. The National Assembly has also approved an economic stimulus package worth VND 347,000 billion. In particular, investments in infrastructure development solutions will reach VND 113,850 billion, focusing on 13 key transport projects (worth around VND 103,164 billion).

Thus, construction stocks will benefit directly from waves of public investment and also indirectly from the spillover effects of this Government policy.

In many surveys and assessments by securities companies, investment funds and experts, the residential property market is expected to recover strongly from 2022, based on three factors: Housing demand and property investment were driven by a broad-based market recovery, low home loan interest rates to encourage home buying decisions, and an impressive recovery in new housing supply thanks to more simplified procedures.

The supply of new apartments in Ho Chi Minh City and Hanoi bottomed out in 2021, indicating a strong recovery in early 2022 with a yoy growth of 70% and 40% respectively. Therefore, it is expected that the value of new contracts signed by civil construction companies will grow strongly in 2022-2023.

Challenges

High inflation can lead to increased lending rates. This will lower profits of property developers and increase income of home buyers. In addition, this can affect the launch of projects and also new contract signing of construction companies.

The newly issued Circular 16/2021/TT-NHNN may place certain impacts on the property market. Accordingly, credit institutions are not allowed to purchase corporate bonds issued with the intent of debt restructuring, capital contribution/ acquiring shares in other businesses as well as raising owner's equity of the issuing companies. This may have short-term effects on developers with poor cash flow.

Competition between companies in the construction industry may be more intense. In particular, price competition by accepting project proposals at a lower price will be detrimental in the short and even long run. This can negatively impact the construction companies, result in consequences on project quality and harm benefits of the public - end consumers of our projects.

COTECCONS PERFORMANCE OBJECTIVES FOR 2022

Based on the strategic direction of the Board of Directors, the Board of Management of Coteccons will benchmark activity implementation against following key objectives.

Growth quality and foundation for sustainable development in the long term

- Carefully design business targets for short-term stability and preparation for long-term growth. The target for net revenue is VND 15,010 billion (65% growth compared to 2021) and for profit after tax is VND 20 billion. These are suitable targets to deliver dual goals of promoting growth and reviewing and addressing existing challenges in order to strengthen our internal resources and build foundation for future disruptive growth.
- Ensure financial health and policies on capital expansion.
- Avoid competition by offering unusually high discounts or engaging in any race to the bottom to seal new projects. Make efforts to improve management-operations capacities for higher performance, capital efficiency and cost management, etc., which enables us to offer the best price for loyal customers while ensuring quality, sustainability, safety, progress and environmental and social benefits.
- Improve customer services guided by the principle that customers are at heart of these services.
- Protect and promote our brand reputation with appropriate programs and activities, especially for our new brand identity.

Reasonable speed and size of reconstructing, new management-operations capacities

- Study and adopt international standards in all operations.
- Implement empowerment as a mechanism, especially the Mini Coteccons model, evaluate and select skilled personnel with development potentials for key positions. Provide training, support and appropriate mechanisms for them to leverage their capacity and experience in performance of their tasks.
- Streamline organizational structure, bring into play the power of information technology and digitalization for optimal performance and costs. The ERP system launched in 2021 shall be fully leveraged. In 2022, Coteccons will further improve this system for more effective management, from revenue to cost management of all projects to analysis and prediction of project performance to make optimal investment and implementation decisions.
- Focus on risk-based forecasting and management capacities to respond do market challenges and application of new policies in our operations.

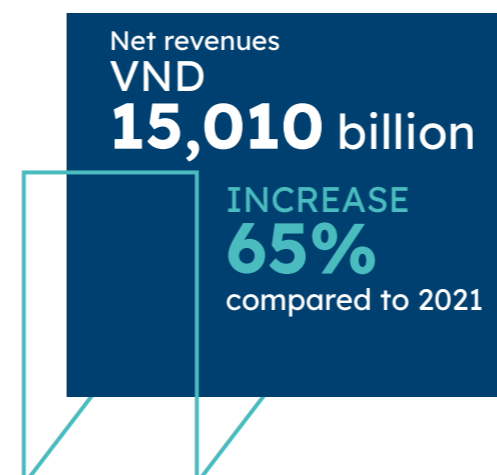


New results for diverse products

- Complete new products - services such as Finance, Design & Build, and new structural, safety, construction or technology solutions, etc. to better persuade our customers and developers.
- Expand opportunities to engage new customers to achieve business results on these products.

Improvement of employee capacity, especially for senior and mid-level employees

- Develop training and coaching strategies suitable to features of existing employees in order to enable them to meet new job requirements and long-term future goals. Introduce incentive policies to attract and recruit new talents.
- Maintain employee policies during ongoing market turmoil and Covid-19 impacts. We place Coteccons people at the heart of our actions for sustainable development by offering excellent compensation policies in terms salary, bonus and welfare benefits, especially health insurance for all employees. Besides, we will further implement policies to support employees infected with COVID during their employment with us and their families.
- Implement our issuance plan of new shares under ESOP and home ownership incentive programs to build employee engagement with our business activities.



SOME KEY OBJECTIVES FROM PROJECT IMPLEMENTATION DEPARTMENTS/TEAMS

“
Further refine and implement the goals in the technology development strategy for the period 2022 - 2030.



R&D DEPARTMENT

- Further study, explore, manage and connect our departments and construction sites as well as local and foreign technology entities to promote innovation in all activities.
- Further refine and implement the goals in the technology development strategy for the period 2022 - 2030.
- Select and put into practice outstanding ideas from Innovation Hub.
- Establish a center tasked to compile innovative ideas of external individuals

and organizations in order to adopt the latest and most optimal market initiatives for our development goals.

- Coordinate in completing and adopting the modular construction solution for low-rise and high-rise buildings.
- Promote technology sharing, sponsorship and trial application of a number of new materials in construction.
- Propose solutions for data collection and communications between our departments/projects.

CONSTRUCTION ENGINEERING DEPARTMENT

- Effectively design and manage construction methods for safety and load bearing capacity.
- Prevent critical issues with structural quality.
- Support the Site Management issuing quality warnings due to adoption of inappropriate solutions by developers.

- Undertake theoretical and experimental studies to master the technique of total reinforcement of dug holes with soil cement piles.
- Promote technology research and application in calculation of construction methods.



CONSTRUCTION QUALITY CONTROL DEPARTMENT

Costs:

- Optimize operating costs within the approved budget plan.
- Control repair costs at below 0.5% of contract value.
- Apply improved construction of villas and low-rise buildings to save more than VND 3 billion.

Quality:

- Maintain and improve quality compared to 2021.
- 100% of model houses are strictly controlled.
- 100% of projects are periodically checked for quality, without large-scale quality issues.
- Quality meets requirements of developers.

Products:

- Improve research, draft and issue instructions on cement board construction for low-rise building foundations, GFRC formwork, XMCL and AAC brick specifications.

MECHANICAL & ENGINEERING DIVISION

- Total value of procurement won: VND 4,000 billion, or an increase of 50% compared to 2021.
- Project execution: VND 2,200 billion, or an increase of 50% compared to 2021.

To achieve these goals, the Mechanical & Engineering division has set out specific action plans:

Activities	Action plans
Standardize control process and system	<ul style="list-style-type: none"> • Update and disclose the construction process and product quality control process. • Standardize the management process system.
Undertake thorough project quality control	<ul style="list-style-type: none"> • Set the goal of developing quality projects with safety features that provide maximal protection to customers. • System quality is controlled from the beginning: Calculation, testing, installation and stable operation of systems, regular and continuous quality control based on standard procedures. • Leverage strengths in construction coordination to implement improvements in measures - coordination - modular construction, in addition to those in solutions - materials - management.
Innovation	<ul style="list-style-type: none"> • Apply new innovations and management tools in a professional and efficient manner. • Coordinate with R&D department in research and application of improvements.
Promote cooperation with subcontractors/suppliers	<ul style="list-style-type: none"> • Develop a set of evaluation criteria for subcontractors/suppliers. • Promote cooperation to achieve win-win sales results.
Finalize the organizational structure	<ul style="list-style-type: none"> • Improve the operating model of the M&E division like a miniature M&E company with all needed functions: Procurement, cost and contract control (CCM), engineering, BIM/shop drawing, quality control, T&C, after-sales, site management, etc, to be well-prepared for further growth. • Work with construction practices for a complete and competitive Coteccons as a contractor.
Training	<ul style="list-style-type: none"> • Update and develop new training programs. • Coordinate with CTA training center in team training themes.

BIM DIVISION

General directions:

- Finalize the organizational structure.
- Expand the practical service of the projects: Deploy complex details, apply workload management - manage recurring payments.
- Support planning in each project development phase.
- Facilitate project implementation in a more efficient and logical manner.
- Reduce any wasteful uses of resources.
- Apply lean construction and smarter working practices.

DESIGN DIVISION

- Participate in procurement and achieve the value of procurement worth approximately VND 5,100 billion (equivalent to five D&B projects).
- Recruit and assess employees accordingly.
- Provide training and knowledge building of team members.
- Set up a separate design team for each D&B project.
- Collaborate with other departments to explore potential contracts.

PROCUREMENT DIVISION

- Further expand the areas of procurement.
- Provide commitment to transparent and professional procurement.
- Balance our and our partners' interests to achieve optimal costs in purchases and procurement.
- Enhance competitiveness and efficiency, and fulfill our business goals.



EQUIPMENT MANAGEMENT DEPARTMENT

Targets

No.	KPIs	Registered targets	Percentage	Source
1	FINANCE		40%	
1.1	Total equipment use cost in revenue decreases by 5% compared to 2021	5%	10%	Finance-Accounting Department/Cost & Contract Management Department (CCM)
1.2	Equipment shipping cost in revenue decreases by 3% compared to 2021	3%	10%	Finance-Accounting Department/Cost & Contract Management Department (CCM)
1.3	Ratio of equipment maintenance cost to revenue from operation < 5%	5%	10%	Finance-Accounting Department/Cost & Contract Management Department (CCM)
1.4	Efficient operating costs	≤ registered budget	10%	Finance-Accounting Department
2	CUSTOMERS		15%	
2.1	Number of new equipment suppliers	5	5%	Devices
2.2	Number of complaints from the Site Management due to coordination failure of the Equipment Management Department	3	10%	Board of Management
3	OPERATION		25%	
3.1	Exploration of equipment and solutions that save costs, labor and construction time	5	10%	Board of Management
3.2	Company equipment utilization rate	> 70%	5%	Devices
3.3	Coordinate loss control at the projects	< 2%	5%	Finance-Accounting Department/Cost & Contract Management Department (CCM)
3.4	Process development and updating	2	5%	Infrastructure Department
4	TEAM DEVELOPMENT		20%	
4.1	Appointment of 01 department deputy head, 05 division leaders	6	10%	HR
4.2	Turnover rate	10%	5%	HR
4.3	Employees participating in CTA training programs	100%	5%	CTA
TOTAL			100%	

Some key tasks:

- Properly control the equipment use cost on construction sites.
- Ensure that internal business activities of the Department are effective.
- Perform the role of each employee of the Site-based Equipment Management Department as a equipment manager.
- Provide training and recruit skilled candidates to implement large volume of our projects.
- Ensure adequate equipment supply for our projects.

**DEPARTMENT OF CONSTRUCTION TEAM DEVELOPMENT**

- Update regulations to reflect actual situations: Gather payment, settlement, cash flow and financial lending.
- Build a strategic partnership with 10 subcontractors with a full package of labor to provide equipment for the project.
- Invite more new partners working in the same field for joint projects with Coteccons to expand our network of subcontractors.
- Organize training sessions for construction team leads.
- Organize “excellent worker contests”.
- Organize meetings between construction teams with the Board of Management for the former to be heard and for the latter to develop our development directions.
- Maintain benefits to support and develop construction teams who work with Coteccons such as waiver of advance guarantee or project warranty guarantee, etc.

- Ensure transparency and fairness in resolving the problems raised by construction teams with the site management teams.
- Meet and discuss regularly with construction teams to better understand their needs and aspirations.

WARRANTY MANAGEMENT DEPARTMENT

- Warranty information for 50 projects is properly managed.
- Number of complaint letters on warranty quality sent to the Company: Maximum 05.
- Number of projects for which the end of warranty checklist is confirmed with the developers: Maximum 18.
- Rejection of warranty defects: Maximum 8%.
- Final warranty cost for 01 project: Up to 80% of original estimated cost.
- 100% serious warranty defects are reported to site management teams and relevant departments.

Sustainability Report



SUSTAINABLE DEVELOPMENT MESSAGE

Environmental, social and governance (ESG) mindset is the key to unlocking sustainable development prospects for a business in the current national and global context.

Large-scale and leading construction enterprises like Coteccons play a significant role and impact directly and indirectly on the community life and society in both immediate and long term as the sector is related to many aspects such as labor force, health, employment, environmental issues, people's livelihood, and economic value. Therefore, ESG needs to be fully realized, professionally implemented following a plan to continuously evaluate, monitor and improve.

Coteccons embraces that spirit, and relies on its standard as the "backbone" for designing our development path in the new strategic orientation.

Coteccons believes that an enterprise can only steadily stand when accompanying and serving the common development of the community, society and the country.



POLICIES ON SUSTAINABLE DEVELOPMENT

At Coteccons, the philosophy of sustainable development has become a deep awareness and belief, which is concretized by specific commitments and action plans in consistency with the implementation of business activities. This is an significant component of all strategies and plans of the Company.

ENGAGEMENT IN SUSTAINABLE DEVELOPMENT ACTIVITIES ACROSS LEVELS IN THE COMPANY

BOARD OF DIRECTORS

Identify key areas and issues of sustainable development for the Company.

Develop strategies and orientations, issue policies and directives on the implementation of sustainable development responsibility.

Approve goals and action plans to concretize the sustainable development strategy.

BOARD OF MANAGEMENT

Develop and submit to the Board of Directors sustainable development action plans with specific goals.

Disseminate sustainable development strategies, plans, and goals to the entire Company and stakeholders. Orientations for implementation.

Provide orientation and guidance to ensure an appropriate and effective sustainable development plan.

Promote, support and supervise the plan implementation of relevant departments and units to achieve the set goals.

FUNCTIONAL DEPARTMENTS, DIVISIONS, AND SUBSIDIARIES

Realize the sustainable development plan as directed by the Board of Directors with the highest implementation capability.

Closely monitor, timely report, and actively make suggestions to enhance the effectiveness of sustainable development programs and activities.

EMPLOYEES

Execute specific tasks in accordance to the Company's sustainable development plan and goals.

Propose, initiate, respond to, or contribute with experience and practical references, enabling the Company make optimal choices or timely adjustments in building solutions for sustainable development goals.

A NUMBER OF TYPICAL IMPLEMENTATION METHODS

The implementation of the sustainable development strategy at Coteccons evidents in many forms, including long-term and cross-cutting programs to create committed results and promptly responsive programs. The Company focuses activities towards the 3 following groups of tasks:

ECONOMIC GROWTH PROMOTION

Coteccons must promote the business results while creating good business opportunities for our partners, quality products for our customers, and decent jobs for our employees. Accordingly, the Company directly contributes the economic values from tax payment and promotion of healthy production and services.

HUMAN AND COMMUNITY DEVELOPMENT

Identifying human as the central element of every development choice, Coteccons not only takes the best care of our direct workers, but also supports the indirect workforce. Typically, in the peak period of the pandemic, when the whole society was in a critical situation, in addition to policies to protect and care for our employees, the Company conducted a range of specific programs to support the construction force of subcontractors at construction sites.

Besides, the Company regularly implements charity and humanitarian programs to support people in need and relief activities after natural disasters and pandemic.

Accordingly, the Company has concretized these programs into activities with clear scale, criteria, conditions and organization as follows:

- **Coteccons Goodwill:** Support the community, help the disadvantaged, improve the quality of life of workers and people.
- **Build the bird nest:** Protect the habitat of birds in the urban areas.
- **Green marathon contest:** Form a dynamic, healthy community.

- **Coteccons Green:** Explore and develop green materials, green energy.
- **Coteccons Next-Gen:** Develop education and training future talents and generations.

ENVIRONMENT PROTECTION AND IMPROVEMENT

Construction activities are likely to pose negative impacts on the environment if the construction unit is not well aware and has effective solutions. Construction engineering and capacity may cause damages in the short term such as air pollution, noise, dust, waste, and landscape disruption. Furthermore, they permanently determine whether the function of a project has the use value following the environment criteria, quality of life and impact on the general environment.

Therefore, Coteccons always chooses engineering solutions and materials according to the best criteria for the environment, aiming at century-long sustainable values.

The Company also develops programs and solutions to contribute to the recovery and restoration of the environment, and facilitates the citizens to build a green, civilized and humane lifestyle.

TECHNOLOGY APPLICATION TO CREATE ENVIRONMENTAL DEDICATED PRODUCTS

Improving materials to reduce energy consumption and environmental impacts is a constant process in Coteccons' operation. Most of the functional divisions and departments are fully aware of this idea, so as to make several specific achievements every year.

Moving to a new level, the Company has implemented a strategy of pursuing Greentech, focusing on technology applications and development to make environment-friendly products that are more suitable for future needs of each individual and the whole society.

STANDARDS AND SCOPE OF REPORT

Coteccons' Sustainable Development Report is prepared annually and published together with the Annual Report. Coteccons prepares the Sustainable Development Report based on the reference to the latest version of Global Report Initiative Standards (GRI) for businesses that is being applied in many countries.

Coteccons has used GRI 2021 as a reference framework to support the Company's compliance and self-assessment of our sustainable development criteria, to identify shortcomings and deliver an improvement direction, and proactively aim to fully comply with international sustainable development standards in the future.

In this Report, the core content is involved with the significant areas. The identification of these significant areas is based on the assessment combining stakeholders' extent of concerns with their impacts on Coteccons.

In addition to GRI 2021, the Company consulted the Guidelines on Environmental and Social Information Disclosure by the State Securities Commission, IFC, and

Circular 155/2015/TT-BTC in order to make the preparation of the report effortless, standardized, transparent and efficient.

This report was prepared in Ho Chi Minh City - Vietnam, detailing Coteccons' activities in the field of construction, including operations of the head office in Ho Chi Minh City, the branch in Binh Duong, the representative office in Hanoi, and subsidiaries.

The information in the report was updated for the fiscal year of 2021, starting from January 1, 2021 until the end of December 31, 2021. The financial figures in the report were referenced from the 2021 consolidated financial statements audited by Ernst & Young Vietnam Co., Ltd. The Report is publicized on our website www.coteccons.vn.

CONTACT

In order to increase the information and reference value of the report, Coteccons looks forward to receiving comments or feedback on the mentioned issues. For any feedback, please send it to Coteccons Communication Department, Coteccons Construction Joint Stock Company.

Address: Coteccons Building, No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC

Tel.: 84.28.3514 2255 - 84.28.3514 2266

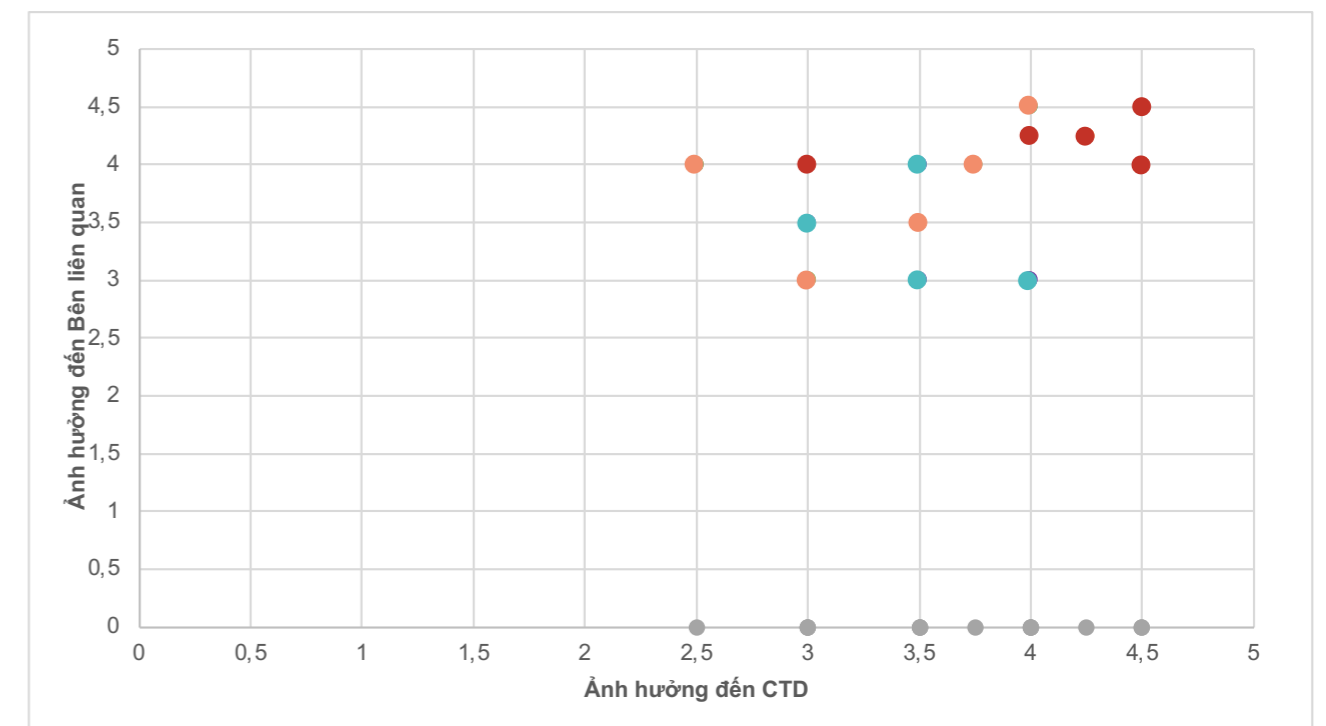
Fax: 84.28.3514 2277

Email: bantruyenthong@coteccons.vn

ASSESSMENT OF MATERIAL ISSUES

The Management of Coteccons is deeply aware of their responsibilities to stakeholders, especially investors and shareholders - important contributors to the Company's funding. Therefore, the assessment of the Company's situation was conducted carefully and diligently according to transparency and professionalism criteria.

In reference to the GRI Standards update 2021, the management and the execution departments have identified 14 key issues in 3 areas including Economy, Environment and Society to assess the implementation of the Company's current sustainable development policy. Last year, those were the 14 most important issues in the bilateral relationship between Coteccons and stakeholders.



ECONOMIC

- GRI 201 -Economic performance
- GRI 202 -Market presence
- GRI 203-Indirect economic impacts
- GRI 204-Procurement Practices

ENVIRONMENTAL

- GRI 301 -Materials
- GRI 302 -Energy
- GRI 303 -Water
- GRI 305 -Emissions
- GRI 306-Effluents and Waste

SOCIAL

- GRI 401 - Employment
- GRI 403 - Occupational health and safety
- GRI 404 - Training and Education
- GRI 405 -Diversity and equal opportunity
- GRI 413 - Local communities

ECONOMIC

As a leader in Vietnam’s construction industry, over the past 17 years of establishment and development, Coteccons has made positive contributions to the development of the industry, market and the economy. Around Coteccons is a large community of customers, partners, suppliers, subcontractors, shareholders, investors, employees and workers, both direct and indirect. The company has for many years been ranked among the largest players in the entire industry and the country.



GRI 201 - ECONOMIC PERFORMANCE

In 2021, despite severe impacts caused by multiple factors, followed by a sharp decline in business performance, Coteccons still contributed to the economy with considerable values of a large enterprise.

Typically, the total direct economic value created reached nearly VND 9,078 billion, mainly from sales and service provision. Out of this, the cost of goods sold and services provided was nearly VND 8,803 billion and overhead cost of nearly VND 516.3 billion. In addition, Coteccons paid a corporate income tax amount of VND 102.37 billion. By the end of 2021, the Company’s total assets reached VND 13,925 billion,

GRI 202 – MARKET PRESENCE

In 2021, the Company was honored by Vietnam Report as the holder of the 56th position in the Top 500 Largest Enterprises in Vietnam (VNR500) and the largest private construction enterprise in Vietnam in 2020.

Up to now, Coteccons has contributed to the implementation of over 400 projects across the country and has made our presence in Laos, Cambodia, and Myanmar. In 2021 only, the Company handed over more than 13 projects with the committed schedule and quality despite the general difficult context. Currently, there are 07 projects in the South and 11 projects in the North that are under mass construction.

GRI 203 – INDIRECT ECONOMIC IMPACTS

In the process of doing and operating business, Coteccons is creating relatively wide-ranging indirect economic impacts from our business scale and positive influence.

Typically, in the past year, through a network of subcontractors, Coteccons created a working environment for 6,851 workers at 20 construction sites across the country. A total of 4,355,556 man-days were completed.

In addition, the Company has a close relationship with a large network of suppliers,

shareholders - investors, customers - developers, etc. Projects performed by Coteccons also play an important role in contributing to creating an urban appearance, business activities and social life for another broad community.

GRI 204 – PROCUREMENT PRACTICES

Coteccons always builds relationships with suppliers according to the “strategic partnership” criterion to ensure stable supply, good product quality, and competitive pricing. With the supreme principle of legal compliance and mutual development, all procurement activities of the Company are carried out on four criteria: Transparency, balance of interests, companionship, centralized procurement and data systematization.

In order to avoid monopoly and the promote healthy competition, the Company also proactively diversifies suppliers and has a backup plan on supply, ensuring supplies are fully provided for all projects to meet their schedules.

On the other hand, the Company always focuses on maximizing the proportion of goods of domestic origin, thus contributing to promoting domestic production and business. Therefore, the vast majority of suppliers the Company is working with are local ones.

The Company’s commitments to suppliers:

- Fair treatment, cooperation on the basis of mutual benefits, avoiding actual or potential conflicts of interest.
- Comply with regulations on bidding, negotiation and contract signing.
- No benefits, commissions are accepted from suppliers.
- Non-disclosure of confidential supplier information to their competitors.

In the past year, the pandemic together with supply chain disruptions and high material prices also required the Company to review and strengthen procurement activities to make them more efficient.

ENVIRONMENTAL

Combat pollution and contribute to the restoration and improvement of the environment is a top task group in Coteccons' CSR strategy. The Company always strives to update and improve environmental standards according to international and Vietnamese trends. Currently, Coteccons is applying the ISO 14001:2015 Standard to comprehensively identify and manage environmental issues. Proactive control is put in place to ensure compliance with legal requirements as well as prevent risks and losses from environmental incidents.



GRI - MATERIALS

All materials used for Coteccons' projects are subject to control by the Engineering Division and the Site Management Committee from the supplier selection step to ensure all appropriate environmental conditions are met.

The Company also builds a list of criteria for rating and evaluating suppliers, subcontractors and define quality standards to be able to select suppliers that ensure quality and environmental standards for products.

For the purpose of environmental protection, the Company has promoted the application of unburnt materials to replace baked clay bricks such as assembled Acotec wall panels, aggregate cement bricks, AAC bricks... in order to minimize impacts on the environment. In addition, the Company also cooperates with concrete suppliers to increase the use of fly ash (recycled materials). We have also applied concrete and large concrete block construction methodology for most of our projects.

GRI 302 - ENERGY

Due to specific features of the construction industry, Coteccons' use of energy mainly comes from the operation of construction equipment, transportation and system operation.

At construction sites

Coteccons made detailed plans, coordinated smoothly and controlled the operation time of heavy machinery and equipment such as tower cranes, hoists, etc. to ensure the most rational use of energy.

In addition, the Company also imports modern equipment from Europe and advanced countries in the region. We apply new technologies in the construction and operation of projects to limit material loss and save energy.

Warehousing system

The Company has 03 warehouses with a total area of 41,600m² located in 03 regions to optimize logistics activities, save transportation time and reduce energy consumption (gasoline, oil).

Office

In the two offices in Ho Chi Minh City and Hanoi, the Company uses all LED lights instead of fluorescent lights. We also use inverter air conditioners, make use of sunlight and optimize the use of these facilities to save electricity. The Company also encourages employees to turn off electrical devices when they are not in use.

Implemented projects

The Company cooperates with developers to build energy-saving works that meet LEED Gold standards. Such projects include: Diamond Lotus, Friendship, and Nam Hoi An Resort. LEED is a green building assessment and certification system developed by the American Green Building Council. This is a pioneering international standard in the construction of energy-saving works and protection of the human living environment. Currently, Vietnam has only about 165 qualified green buildings.

GRI 303 - WATER

Coteccons focuses on saving domestic water and controlling water supply, making use of natural water sources such as rainwater. We pay attention to water consumption in the projects that the Company builds and designs water-saving solutions for LEED Gold standard projects. For the back office team in Ho Chi Minh City and Hanoi, the Company encourages employees to participate in water saving practices.

GRI 306, GRI 305 - EMISSIONS, EFFLUENTS AND WASTE

At Coteccons, wastewater and waste from construction activities is always closely monitored with the following requirements: Domestic waste water from construction of concrete pile foundations and equipment maintenance is treated up to environmental standards before being discharged into the urban drainage system.

At the same time, construction waste and hazardous waste is collected, sorted and treated by competent units to meet environmental standards and minimize environmental impacts.

SOCIAL

The policies of protecting and taking care of employees, supporting and accompanying the community under safe conditions of life in the past year most clearly reflect the Company's commitment to contributing to positive social development. Moreover, the Company is consistent in long-term programs to support and foster the young generation to prepare human resources for the future society.

GRI 401 - EMPLOYMENT

In addition to creating great opportunities for indirect jobs, Coteccons had 1,761 direct employees in 2021. The turnover rate at the Company saw a big decrease in a short period due to the need for restructuring but stabilized at the end of the year.

The average salary of Coteccons employees is 124% to 1.085% higher than the regional minimum wage, depending on the role. In addition, the Company has a compensation regime that is better than the market average.

GRI 403 OCCUPATIONAL HEALTH AND SAFETY

At Coteccons, occupational health and safety are the basic requirements when conducting construction. Coteccons' health and safety management system is developed and implemented according to the latest international standards.

Coteccons has a dedicated Safety Committee. In 2021, the Safety Committee carried out the following main tasks:

- Continue to actively come up with effective solutions for safety control at the Company's projects.

- Coordinate with departments, divisions and construction sites in the control of safety for traditional civil and industrial projects.
- Involve deeply in project organization from the start to ensure standardization and reduce waste due to unnecessary spending or errors.
- Consult experienced experts in the new construction field, establish a safety control protocol before starting work at sites.

GRI 404 TRAINING AND EDUCATION

Last year, besides the focused training programs like every year, due to the impact of Covid-19, Coteccons Academy (CTA) flexibly organized remote training to supplement knowledge for engineers at projects through the E-learning system.

CTA also expanded training programs through We share/forum experience sharing sessions, talk shows via Microsoft Teams and transitional training programs to support departments to help staff improve their professional skills.

The total number of training hours in 2021 was 25,536, an year-over-year increase of more than 50%. Over 1,500 employees participated in more



than 7,325 training sessions and the average number of training hours in the year for each employee was 17.

In accordance with the requirements of continuous improvement, CTA has also implemented a Knowledge Bookcase under the "Books for trees" initiative and released a series of publications such as CTA Newsletter, CTA English, CTA Train, etc. to contribute to improved communication arouse the spirit of continuous learning among the staff.

In addition, Coteccons also maintained regular cooperation programs with universities such as the University of Science and Technology, University of Construction, and University of Architecture to implement scholarship programs, and internships as well as train human resources.

GRI 405 - DIVERSITY AND EQUAL OPPORTUNITY

Coteccons has a diverse team whose members come from all parts of the country. This diversity allows Coteccons to easily understand the local culture and supports the implementation of projects throughout the country.

Appointments and promotions are based entirely on performance and ability, not on gender,

geographical background or another other discriminatory factors. Specific though the construction industry is, women managers can still be seen in back-office and site support departments.

The diversity of seniority in the personnel structure helps employees to support each other at work, thereby increasing creativity and diversity of ideas.

In particular, last year, the Company implemented a policy of broad empowerment. We adjusted the capacity assessment system to advance to a new level of transparency and equality.

GRI 413 - LOCAL COMMUNITY

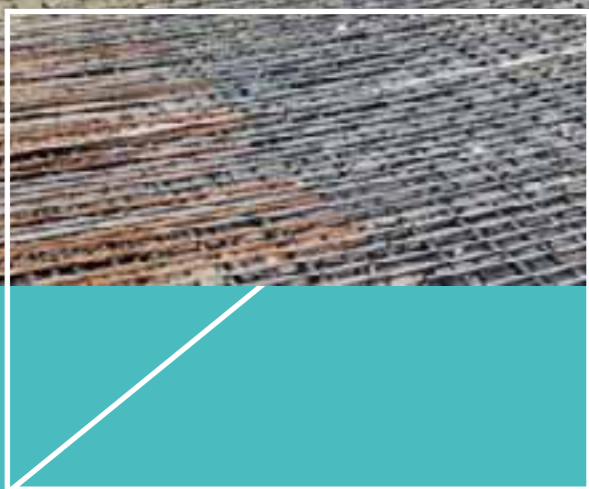
The Company promptly supported Bac Giang province and Ho Chi Minh City University of Medicine and Pharmacy in a program to support medical equipment in response to Covid-19.

During the very peak of the pandemic, the Company also supported site teams with practical programs with a total value of nearly VND 2 billion.

In addition, the Company also donated 20 houses to people affected by floods and storms in Quang Tri province.



Consolidated 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	
Mr. Talgat Turumbayev	Member	
Mr. Yerkin Tatishev	Member	
Mr. Herwig Guido H. Van Hove	Member	
Mr. Tong Van Nga	Independence member	appointed on 26 April 2021
Mr. Tan Chin Tiong	Independence member	
Mr. Trinh Ngoc Hien	Member	resigned on 24 November 2021
Ms. Trinh Quynh Giao	Member	submitted resignation on 6 December 2021

BOARD OF SUPERVISION

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

Mr. Tran Van Thuc	Head of Board of Supervision	appointed on 26 April 2021
Mr. Dang Hoai Nam	Member	
Mr. Nguyen Minh Nhut	Member	
Mr. Luis Fernando Garcia Agraz	Head of Board of Supervision	resigned on 26 April 2021

MANAGEMENT

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

Mr. Vo Thanh Liem	Acting General Director	resigned on 5 March 2021
Mr. Pham Quan Luc	Deputy General Director	
Ms. Pham Thi Bich Ngoc	Deputy General Director	appointed on 5 November 2021
Mr. Chris Senekki	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	resigned on 30 November 2021
Mr. Phan Huu Duy Quoc	Deputy General Director	resigned on 4 January 2022

LEGAL REPRESENTATIVE

The legal representatives of the Company during the year and at the date of this report is Mr. Bolat Duisenov.

Mr. Pham Quan Luc is authorised by Mr. Bolat Duisenov to sign the accompanying consolidated financial statements for the year ended 31 December 2021 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 2021.

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 2021 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

28 March 2022

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 28 March 2022 and set out on pages 256 to 312, which comprise the consolidated balance sheet as at 31 December 2021, 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.

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 2021, 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.

Ernst & Young Vietnam Limited



Duong Le Anthony

Deputy General Director

Audit Practicing Registration Certificate
2223-2018-004-1

Ho Chi Minh City, Vietnam

28 March 2022

Ly Hong My

Auditor

Audit Practicing Registration Certificate No.
No. 4175-2022-004-1

CONSOLIDATED BALANCE SHEET

as at 31 December 2021

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		12,751,059,518,674	12,867,742,344,915
110	I. Cash and cash equivalents	5	884,710,498,842	1,396,764,826,755
111	1. Cash		410,710,498,842	246,931,644,655
112	2. Cash equivalents		474,000,000,000	1,149,833,182,100
120	II. Short-term investment	6	2,400,688,059,709	1,980,960,000,000
121	1. Held-for-trading securities		-	130,000,000,000
123	2. Held-to-maturity investments		2,400,688,059,709	1,850,960,000,000
130	III. Current accounts receivable		7,424,568,991,302	7,648,321,521,326
131	1. Short-term trade receivables	7.1	7,158,963,082,556	7,562,109,866,516
132	2. Short-term advances to suppliers	7.2	151,909,258,810	150,550,717,848
134	3. Construction contract receivables based on agreed progress billings	7.3	22,374,832,253	-
135	4. Short-term loan receivables	8	572,630,724,866	262,836,821,544
136	5. Other short-term receivables	9	179,973,331,904	167,278,141,330
137	6. Provision for doubtful short-term receivables	7.1, 9	(661,282,239,087)	(494,454,025,912)
140	IV. Inventory	10	1,692,285,468,779	1,492,037,630,688
141	1. Inventories		1,720,491,079,297	1,522,030,908,553
149	2. Provision for obsolete inventories		(28,205,610,518)	(29,993,277,865)
150	V. Other current assets		348,806,500,042	349,658,366,146
151	1. Short-term prepaid expenses	11	9,500,954,190	6,387,670,315
152	2. Value-added tax deductibles		332,795,834,878	343,270,695,831
153	2. Tax and other receivables from the State	20	6,509,710,974	-

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
200	B. NON-CURRENT ASSETS		1,173,552,857,857	1,289,671,333,968
220	I. Fixed assets		531,147,896,594	603,825,141,002
221	1. Tangible fixed assets		420,946,301,186	510,821,338,966
222	Cost		998,130,665,155	1,008,777,580,204
223	Accumulated depreciation		(577,184,363,969)	(497,956,241,238)
224	2. Financial leases	13	2,574,023,103	-
225	Cost		2,663,034,106	-
226	Accumulated depreciation		(89,011,003)	-
227	3. Intangible fixed assets	14	107,627,572,305	93,003,802,036
228	Cost		130,303,137,868	119,238,318,503
229	Accumulated amortisation		(22,675,565,563)	(26,234,516,467)
230	II. Investment properties	15	40,740,812,856	46,847,830,834
231	1. Cost		64,783,458,541	69,677,550,622
232	2. Accumulated depreciation		(24,042,645,685)	(22,829,719,788)
240	III. Long-term asset in progress		185,212,476,743	161,507,554,550
241	1. Long-term work in progress	16	160,853,352,772	160,541,000,000
242	2. Construction in progress	17	24,359,123,971	966,554,550
250	IV. Long-term investments		334,844,039,939	365,159,081,871
252	1. Investments in associates	18.1	33,238,562,480	63,553,604,412
253	2. Investment in another entity	18.2	301,605,477,459	301,605,477,459
260	V. Another long-term asset		81,607,631,725	112,331,725,711
261	1. Long-term prepaid expenses	11	38,175,300,852	98,248,717,152
262	2. Deferred tax assets	33.3	43,432,330,873	14,083,008,559
270	TOTAL ASSETS		13,924,612,376,531	14,157,413,678,883

CONSOLIDATED BALANCE SHEET (CONTINUE)

as at 31 December 2021

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		12,751,059,518,674	12,867,742,344,915
310	I. Current liabilities		5,674,507,872,916	5,753,169,242,078
311	1. Short-term trade payables	19.1	3,133,166,700,253	3,307,186,103,090
312	2. Short-term advances from customers	19.2	415,850,951,715	509,692,174,529
313	3. Statutory obligations	20	9,773,570,234	61,555,809,420
314	4. Payable to employees		10,206,935	-
315	5. Short-term accrued expenses	21	1,767,972,465,362	1,563,428,756,508
318	6. Short-term unearned revenues	22	37,992,212,315	44,573,695,067
319	7. Other short-term payables	23	13,316,038,118	93,793,960,789
320	8. Short-term loans and finance leases		1,724,213,630	-
321	9. Short-term provisions	24	214,059,538,033	85,109,244,449
322	10. Bonus and welfare fund	25	80,641,976,321	87,829,498,226
330	II. Non-current liabilities		2,543,770,801	5,574,960,764
337	1. Other long-term liabilities	23	-	2,039,203,038
342	2. Long-term provision	24	2,543,770,801	3,535,757,726

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
400	D. OWNERS' EQUITY		8,247,560,732,814	8,398,669,476,041
410	I. Capital	26.1	8,247,560,732,814	8,398,669,476,041
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		(621,396,381,083)	(519,526,282,648)
418	4. Investment and development fund		4,667,193,310,873	4,667,193,310,873
421	5. Undistributed earnings		315,375,435,690	365,227,529,131
421a	- Undistributed earnings by the end of prior year		291,368,056,131	30,852,913,513
421b	- Undistributed earnings of current year		24,007,379,559	334,374,615,618
429	6. Non-controlling interests		54,848,191,949	54,234,743,300
440	TOTAL LIABILITIES AND OWNERS' EQUITY		13,924,612,376,531	14,157,413,678,883



Tran Thi Thanh Van
Preparer



Cao Thi Mai Le
Chief Accountant



Pham Quan Luc
Deputy General Director

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Beginning balance
01	1. Revenues from sale of goods and rendering of services	27.1	9,077,915,407,373	14,589,198,781,083
02	2. Revenues deductions	27.1	-	(31,112,346,115)
10	3. Net revenues from sale of goods and rendering of services	27.1	9,077,915,407,373	14,558,086,434,968
11	4. Cost of goods sold and services rendered	28	(8,802,717,841,835)	(13,701,679,421,556)
20	5. Gross profit from sale of goods and rendering of services		275,197,565,538	856,407,013,412
21	6. Finance income	27.2	277,061,261,737	228,216,305,252
22	7. Finance expenses	29	(12,928,113,078)	(462,594,755)
23	<i>In which: Interest expense</i>		(1,110,696,092)	-
24	8. Share of loss of associates	18.1	(30,315,041,932)	(27,004,720,298)
26	9. General and administrative expenses	30	(516,298,035,944)	(655,860,103,467)
30	10. Operating (loss) profit		(7,282,363,679)	401,295,900,144
31	11. Other income	31	57,633,325,799	39,342,162,410
32	12. Other expenses	31	(12,197,014,453)	(12,681,817,591)
40	13. Other profit	31	45,436,311,346	26,660,344,819
50	14. Accounting profit before tax		38,153,947,667	427,956,244,963

VND

Code	ITEMS	Notes	Current year	Beginning balance
51	15. Current corporate income tax expense	33.1	(43,392,441,773)	(168,392,038,487)
52	16. Deferred tax income	33.3	29,349,322,314	74,990,071,547
60	17. Net profit after tax		24,110,828,208	334,554,278,023
61	18. Net profit after tax attributable to shareholders of the parent		24,007,379,559	334,374,615,618
62	19. Net gain after tax attributable to non-controlling interests	26.1	103,448,649	179,662,405
70	20. Basic earnings per share	26.5	323	4,164
71	21. Diluted earnings per share	26.5	323	4,164


Tran Thi Thanh Van
Preparer


Cao Thi Mai Le
Chief Accountant


Pham Quan Luc
Deputy General Director



CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2021

VND

Code	ITEMS	Notes	Current year	Beginning balance
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	Accounting profit before tax		38,153,947,667	427,956,244,963
Adjustments for:				
02	Depreciation and amortisation	12, 13, 14, 15	104,510,748,980	107,825,436,581
03	Provisions		310,234,417,485	327,069,238,164
04	Foreign exchange loss (gains) arisen from revaluation of monetary accounts denominated in foreign currency		567,079,417	(55,864,321)
05	Profit from investing activities		(202,960,109,336)	(200,859,707,369)
06	Interest expense	29	1,110,696,092	-
08	Operating profit before changes in working capital		251,616,780,305	661,935,348,018
09	Decrease in receivables		377,588,270,546	1,008,496,703,738
10	(Increase) decrease in inventories		(198,460,170,744)	104,288,557,462
11	Decrease in payables		(59,823,196,622)	(2,077,399,695,365)
12	Decrease in prepaid expenses		56,960,132,425	60,759,581,963
13	Decrease (increase) in held-for-trading securities		130,000,000,000	(130,000,000,000)
14	Interest paid		(1,077,516,568)	-
15	Corporate income tax paid	20	(102,377,352,159)	(164,932,519,420)
17	Other cash outflows from operating activities		(33,262,270,859)	(29,992,417,495)
20	Net cash flows from (used in) operating activities			
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases of fixed assets		(47,079,581,566)	(5,073,518,139)
22	Proceeds from disposals of fixed assets		-	8,302,796,307

VND

Code	ITEMS	Notes	Current year	Beginning balance
23	Payments for term deposits at banks, bonds and loans to other entity		(4,621,017,674,092)	(3,853,486,821,544)
24	Collections from bank term deposits, bonds and loans to other entity		3,761,495,711,061	4,981,340,000,000
27	Interest and dividend received		226,066,979,126	260,522,570,634
30	Net cash flows (used in) from investing activities		(680,534,565,471)	1,391,605,027,258
III. CASH FLOWS FROM FINANCING ACTIVITIES				
32	Payment to buy treasury shares		(177,971,842,084)	-
33	Drawdown of borrowings		554,766,617,658	-
34	Repayment of borrowings		(554,766,617,658)	-
35	Payment of principal of finance lease liabilities		(972,000,000)	-
36	Dividends paid	26.4	(73,792,975,850)	(229,107,038,550)
40	Net cash flows used in financing activities		(252,736,817,934)	(229,107,038,550)
50	Net (decrease) increase in cash and cash equivalents		(512,106,707,081)	595,653,547,609
60	Cash and cash equivalents at beginning of the year		1,396,764,826,755	800,791,418,362
61	Impact of exchange rate fluctuation		52,379,168	319,860,784
70	Cash and cash equivalents at end of the year	5	884,710,498,842	1,396,764,826,755


Tran Thi Thanh Van
Preparer


Cao Thi Mai Le
Chief Accountant


Pham Quan Luc
Deputy General Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2021 and for the year then ended

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/QĐ-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 2021 was 1,796 (31 December 2020: 1,695).

Group structure

The Company has two direct subsidiaries and three indirect subsidiaries, 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 2021 and 31 December 2020, 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 2021 and 31 Decmeber 2020, 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 2021 and 31 December 2020, the Company holds 69.98% equity interest and 100% voting rights in Phu Nhuan 168.

CTD Futureimpact Joint Stock Company (“FutureImpact”)

FutureImpact is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to ERC No. 0316921381 issued by the DPI of Ho Chi Minh City on 28 June 2021 and the subsequent amended ERCs.

FutureImpact’s registered office is located at No.236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. FutureImpact’s principal activities are to repair, install, lease and sell machinery, equipment and spare parts.

As at 31 December 2021, the Company holds 89.80 % equity interest and 100% voting rights in FutureImpact.

Solaresco-1 Company Limited (“Solaresco-1”)

Solaresco-1 is a limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to ERC No. 0316438470 issued by the DPI of Ho Chi Minh City on 13 August 2020 and the subsequent amended ERCs.

Solaresco-1’s registered office is located at No.47 Le Van Thinh Street, Ward Binh Trung Dong, Thu Duc City, Ho Chi Minh City, Vietnam. Solaresco-1’s principal activities are to lease solar water heaters and energy saving equipment.

As at 31 December 2021, the Company holds 89.80 % equity interest and 100% voting rights in Solaresco-1.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

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

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.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended 31 December 2021.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

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 Company is the lessee

Assets held under finance leases are capitalised in the separate balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the separate income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

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

Where the Company is the lessor

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 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.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract.

3.16 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.

3.17 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.

3.18 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.

3.19 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 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.

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.

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.

3.21 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.21 Taxation (continued)

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.

3.22 Segment information

The current principal activities of the Group are to provide design and construction services. In addition, these activities are mainly taking place in Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's confectionary products or the locations that the Group is trading. As a result, management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

3.23 Related parties

Parties are considered to be related parties of the Company 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 Company 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
Cash at banks	325,690,980,825	170,801,151,006
Cash in transit	85,019,518,017	76,101,743,649
Term deposits at banks (*)	474,000,000,000	1,149,833,182,100
TOTAL	884,710,498,842	1,396,764,826,755

(*) Term deposit at banks represent bank deposits with a term under three (3) months and earn interest at the rates from 3% to 4% per annual.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

6. SHORT-TERM INVESTMENTS

	VND	
	Ending balance	Beginning balance
Short-term bank deposits (i)	1,666,400,000,000	1,850,960,000,000
Repo Bonds (ii)	734,288,059,709	-
Trade securities	-	130,000,000,000
TOTAL	2,400,688,059,709	1,980,960,000,000

(i) Short-term bank deposits include deposits at commercial banks with a term of three (3) months or more but under one year and earn interest at the rates from 4.3% to 8% per annual.

(ii) Repo Bonds represent bonds with a commitment to buy back from commercial banks with a term under one year and earn interest at the rates from 7.1% to 11% per annual.

7. TRADE RECEIVABLES, ADVANCES TO SUPPLIERS AND CONSTRUCTION CONTRACT RECEIVABLES BASED ON AGREED PROGRESS BILLINGS

7.1 Short-term trade receivables

	VND	
	Ending balance	Beginning balance
Hoi An South Development Co. Ltd.	904,979,108,343	933,514,005,301
Others	6,253,983,974,213	6,628,595,861,215
TOTAL	7,158,963,082,556	7,562,109,866,516
Provision for doubtful short-term receivables	(625,831,276,393)	(459,003,063,218)
NET	6,533,131,806,163	7,103,106,803,298
<i>In which:</i>		
Trade receivables from a related party (Note 34)	-	134,106,720

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

	VND	
	Current year	Previous year
Beginning balance	459,003,063,218	188,469,800,125
Provision made during the year	197,895,605,500	270,533,263,093
Reversal of provision during the year	(31,067,392,325)	-
Ending balance	625,831,276,393	459,003,063,218

7.2 Short-term advances to suppliers

	VND	
	Ending balance	Beginning balance
Other advances to suppliers	151,909,258,810	150,550,717,848

7.3 Construction contract receivables based on agreed progress billings

	VND	
	Ending balance	Beginning balance
Ha Long International Hotel Project	22,374,832,253	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

8. SHORT-TERM LOAN RECEIVABLES

	VND	
	Ending balance	Beginning balance
Quoc Loc Phat Joint Stock Company (*)	500,000,000,000	-
Solar Esco Joint Stock Company (**)	20,000,000,000	-
Vinh Tan Stone Joint Stock Company	-	262,836,821,544
Others	52,630,724,866	-
TOTAL	572,630,724,866	262,836,821,544

(*) This represents the cooperation contract with Quoc Loc Phat Joint Stock Company under the agreement No. 301121/BCC/QLP-CVC dated 30 November 2021. Accordingly, the profits will be shared to the Company at the fixed rate of 11% per annum on the actual capital contribution with term of 12 months.

(**) This represents the loan contract with Solar Esco Joint Stock Company under the agreement No. 01.2021-HĐVNCP-ESCO dated 11 March 2021, at the fixed rate of 15% with term of 9 months. This amount was received on 15 February 2022.

9. OTHER SHORT-TERM RECEIVABLES

	VND	
	Ending balance	Beginning balance
Interest receivable	118,265,169,315	110,651,486,517
Short-term deposits	34,322,676,119	33,286,833,152
Advances to construction teams and employees	23,552,710,748	20,358,683,544
Others	3,832,775,722	2,981,138,117
TOTAL	179,973,331,904	167,278,141,330
Provision for doubtful short-term receivables	(35,450,962,694)	(35,450,962,694)
NET	144,522,369,210	131,827,178,636
<i>In which:</i>		
<i>Receivables from other parties</i>	<i>179,253,331,904</i>	<i>167,278,141,330</i>
<i>Receivables from a related party (Note 34)</i>	<i>720,000,000</i>	<i>-</i>

10. INVENTORIES

	VND	
	Ending balance	Beginning balance
Construction work in process	1,720,321,023,327	1,522,030,908,553
Tools and supplies	170,055,970	-
TOTAL	1,720,491,079,297	1,522,030,908,553
Provision for obsolete inventories	(28,205,610,518)	(29,993,277,865)
NET	1,692,285,468,779	1,492,037,630,688

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

	VND	
	Ending balance	Beginning balance
ECOPARK project	278,147,972,309	-
Other constructions projects	1,442,173,051,018	1,522,030,908,553
TOTAL	1,720,321,023,327	1,522,030,908,553

Detail of movements of provision for obsolete inventories

	VND	
	Current year	Previous year
Beginning of year	29,993,277,865	-
Provision created during the year	13,858,368,314	29,993,277,865
Utilisation and reversal of provision during the year	(15,646,035,661)	-
Ending of year	28,205,610,518	29,993,277,865

11. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term	9,500,954,190	6,387,670,315
Office tools and equipment	9,500,954,190	6,387,670,315
Long-term	38,175,300,852	98,248,717,152
Office tools and equipment	28,946,610,362	27,852,851,226
Construction tools and equipment	9,228,690,490	70,395,865,926
TOTAL	47,676,255,042	104,636,387,467

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

12. TANGIBLE FIXED ASSETS

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Others	Total
VND						
Cost						
Beginning 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
New purchases	-	-	-	2,114,451,364	-	2,114,451,364
Reclassification	5,261,737,905	(144,022,817)	(209,220,000)	(14,403,007)	-	4,894,092,081
Write off	(1,401,903,600)	(6,630,872,866)	-	(6,603,829,373)	(3,018,852,655)	(17,655,458,494)
Ending balance	243,161,833,392	671,028,225,053	49,406,258,629	34,503,484,445	30,863,636	998,130,665,155
<i>In which:</i>						
<i>Fully depreciated</i>	29,230,764,928	49,918,287,450	24,789,146,995	23,458,005,506	30,863,636	127,427,068,515
Accumulated depreciation						
Beginning 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)
Depreciation for the year	(12,564,419,721)	(73,797,213,171)	(4,223,985,760)	(4,877,033,199)	-	(95,462,651,851)
Reclassification	(1,128,635,627)	144,022,817	22,578,226	(53,384,134)	-	(1,015,418,718)
Write off	1,401,903,600	6,225,362,210	-	6,603,829,373	3,018,852,655	17,249,947,838
Ending balance	(110,669,424,300)	(397,600,804,644)	(39,547,582,253)	(29,335,689,136)	(30,863,636)	(577,184,363,969)
Net carrying amount						
Beginning balance	140,923,726,535	347,630,144,236	14,269,303,910	7,998,164,285	-	510,821,338,966
Ending balance	132,492,409,092	273,427,420,409	9,858,676,376	5,167,795,309	-	420,946,301,186

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

13. FINANCIAL LEASES

VND

	Office equipment
Cost	
Beginning balance	-
New lease	2,663,034,106
Ending balance	2,663,034,106
Accumulated amortisation	
Beginning balance	-
Amortisation for the year	(89,011,003)
Ending balance	(89,011,003)
Net carrying value	
Beginning balance	-
Ending balance	2,574,023,103

14. INTANGIBLE FIXED ASSETS

VND

	Land use rights	Software	Total
Cost			
Beginning balance	94,881,924,366	24,356,394,137	119,238,318,503
New purchase	-	21,199,699,780	21,199,699,780
Construction work in process	-	154,812,000	154,812,000
Write off	-	(10,289,692,415)	(10,289,692,415)
Ending balance	94,881,924,366	35,421,213,502	130,303,137,868
In which:			
Fully amortised	-	6,566,285,942	6,566,285,942
Accumulated amortisation			
Beginning balance	(7,290,903,917)	(18,943,612,550)	(26,234,516,467)
Amortisation for the year	(611,056,467)	(6,119,685,044)	(6,730,741,511)
Write off	-	10,289,692,415	10,289,692,415
Ending balance	(7,901,960,384)	(14,773,605,179)	(22,675,565,563)
Net carrying value			
Beginning balance	87,591,020,449	5,412,781,587	93,003,802,036
Ending balance	86,979,963,982	20,647,608,323	107,627,572,305

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

15. INVESTMENT PROPERTIES

			VND
	Office building	Others	Total
Cost			
Beginning balance	51,057,186,713	18,620,363,909	69,677,550,622
Reclassification to tangible fixed assets	(4,894,092,081)	-	(4,894,092,081)
Ending balance	46,163,094,632	18,620,363,909	64,783,458,541
Accumulated depreciation			
Beginning balance	(17,514,640,292)	(5,315,079,496)	(22,829,719,788)
Depreciation for the year	(1,483,493,571)	(744,851,044)	(2,228,344,615)
Reclassification to tangible fixed assets	1,015,418,718	-	1,015,418,718
Ending balance	(17,982,715,145)	(6,059,930,540)	(24,042,645,685)
Net carrying amount			
Beginning balance	33,542,546,421	13,305,284,413	46,847,830,834
Ending balance	28,180,379,487	12,560,433,369	40,740,812,856

The fair value of the investment properties was not formally assessed and determined as at 31 December 2021. However, given market value at 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 separate balance sheet date.

16. LONG-TERM WORK IN PROGRESS

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

17. LONG-TERM WORK IN PROGRESS

	VND	
	Ending balance	Beginning balance
Solar energy systems	17,159,834,880	-
SAP system	5,727,500,000	-
Others	1,471,789,091	966,554,550
TOTAL	24,359,123,971	966,554,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

18. LONG-TERM INVESTMENTS

18.1 Investment in associates

Name	Business activities	Ending balance		Beginning balance	
		Ownership	Amount	Ownership	Amount
		%	VND	%	VND
FCC Infrastructure Investment Joint Stock Company ("FCC")	Civil and industrial constructions services	42.36	30,555,801,717	42.36	60,832,672,517
Hitecccons Investment Joint Stock Company ("Hitecccons")	Real estates and construction services	31.00	2,541,482,271	31.00	2,578,484,382
Quang Trong Commercial Joint Stock Company ("Quang Trong")	Real estates and project management services	36.00	141,278,492	36.00	142,447,513
TOTAL			33,238,562,480		63,553,604,412

Details of these investments in associates are as follows:

	FCC	Quang Trong	Hitecccons	Total
Cost of investment				
Beginning balance and ending balance	159,600,000,000	18,000,000,000	2,790,000,000	180,390,000,000
Accumulated share in post-acquisition loss of associates				
Beginning balance	(98,767,327,483)	(17,857,552,487)	(211,515,618)	(116,836,395,588)
Share in post-acquisition loss of the associates for the year	(30,276,870,800)	(1,169,021)	(37,002,111)	(30,315,041,932)
Ending balance	(129,044,198,283)	(17,858,721,508)	(248,517,729)	(147,151,437,520)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

18. LONG-TERM INVESTMENTS (continued)

18.2 Investment in another entity

The details of investment in another entity are as follows:

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

19. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

19.1 Short-term trade payables

	VND	
	Ending balance	Beginning balance
Ricons Group Investment Construction		
Joint Stock Company	302,014,278,176	226,006,088,641
Others	2,831,152,422,077	3,081,180,014,449
TOTAL	3,133,166,700,253	3,307,186,103,090

19.2 Short-term advances from customers

	VND	
	Ending balance	Beginning balance
HT-PEARL Building House Investment Company Limited	61,645,919,377	-
Viet Nam Green Architecture Investment And Construction Joint Stock Company	59,276,493,522	-
ECOPARK Corporation Joint Stock Company	54,851,651,095	-
Ha Long Production Development Investment Co., Ltd	44,330,380,712	-
Other customers	195,746,507,009	509,692,174,529
TOTAL	415,850,951,715	509,692,174,529

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

20. STATUTORY OBLIGATIONS

	Beginning balance	Increase in the year	Off set in the year	Payment in the year	Ending balance
Corporate income tax	52,475,199,412	43,392,441,773	-	(102,377,352,159)	(6,509,710,974)
Personal income tax	9,080,610,008	77,368,255,882	(7,844,622,243)	(68,830,673,413)	9,773,570,234
Value-added tax	-	964,893,039,400	(852,522,088,408)	(112,370,950,992)	-
Import Tax	-	3,799,840,695	-	(3,799,840,695)	-
Others	-	14,000,000	-	(14,000,000)	-
TOTAL	61,555,809,420	1,089,467,577,750	(860,366,710,651)	(287,392,817,259)	3,263,859,260

VND

21. SHORT-TERM ACCRUED EXPENSES

	Ending balance	Beginning balance
Accruals for on-going construction projects	1,733,880,558,512	1,560,768,867,208
Bonus for employees	20,927,415,086	-
Others	13,164,491,764	2,659,889,300
TOTAL	1,767,972,465,362	1,563,428,756,508

VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

22. SHORT-TERM UNEARNED REVENUE

VND

	Ending balance	Beginning balance
Unearned revenue from construction works	36,219,187,348	43,760,269,001
Unearned revenue from office leasing	1,773,024,967	813,426,066
TOTAL	37,992,212,315	44,573,695,067

23. OTHER PAYABLES

VND

	Ending balance	Beginning balance
Short-term	13,316,038,118	93,793,960,789
Payable to construction teams and employees	5,495,188,597	15,968,769,849
Dividends payables	534,341,975	467,844,825
Payable to repurchase stocks	-	76,101,743,649
Others	7,153,509,146	988,497,346
Other payables to related parties (Note 34)	132,998,400	267,105,120
Long-term	-	2,039,203,038
Deposits	-	2,039,203,038
TOTAL	13,316,038,118	95,833,163,827

24. PROVISIONS

VND

	Ending balance	Beginning balance
Short-term	214,059,538,033	85,109,244,449
Provisions for onerous contract	136,797,490,615	-
Provisions for construction warranty	77,262,047,418	85,109,244,449
Long-term	2,543,770,801	3,535,757,726
Severance allowance	2,543,770,801	3,535,757,726
TOTAL	216,603,308,834	88,645,002,175

25. BONUS AND WELFARE FUND

VND

	Current year	Previous year
Beginning balance	87,829,498,226	66,370,965,663
Increase in the year (Note 26.1)	-	51,450,950,058
Utilization of fund	(7,187,521,905)	(29,992,417,495)
Ending balance	80,641,976,321	87,829,498,226

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

26. OWNERS' EQUITY

26.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Investment and development fund	Non-controlling interest	Total
VND							
Previous year							
Beginning 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
Net profit for the year	-	-	-	-	334,374,615,618	179,662,405	334,554,278,023
Development fund	-	-	-	668,862,350,751	(668,862,350,751)	-	-
Transfer to bonus and welfare fund (Note 25)	-	-	-	-	(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)
<i>Others</i>	-	-	-	-	(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
Current year							
Beginning 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
Net profit for the year	-	-	-	-	24,007,379,559	103,448,649	24,110,828,208
Increase due to investment in subsidiary	-	-	-	-	-	510,000,000	510,000,000
Treasury shares	-	-	(101,870,098,435)	-	-	-	(101,870,098,435)
Dividends declared	-	-	-	-	(73,859,473,000)	-	(73,859,473,000)
Ending balance	792,550,000,000	3,038,990,175,385	(621,396,381,083)	4,667,193,310,873	315,375,435,690	54,848,191,949	8,247,560,732,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

26. OWNERS' EQUITY (continue)

26.2 Capital transactions with owners and distribution of dividends

VND

	Current year	Previous year
Share capital		
Beginning balance and ending balance	792,550,000,000	792,550,000,000
Dividends		
Dividends declared	73,859,473,000	228,877,719,000

26.3 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	5,395,527	3,922,427
<i>Ordinary shares</i>	5,395,527	3,922,427
Shares in circulation	73,859,473	75,332,573
<i>Ordinary shares</i>	73,859,473	75,332,573

26.4 Dividends

VND

	Current year	Previous year
Dividends paid during the year		
Dividends on ordinary shares	73,792,975,850	229,107,038,550
Dividends by cash		

26.5 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
Net profit after tax attributable to shareholders of the parent	24,007,379,559	334,374,615,618
Less: Bonus and welfare fund (*)	-	16,718,730,781
Net profit after tax attributable to ordinary equity holders	24,007,379,559	317,655,884,837
Weighted average number of ordinary shares during the period (shares)	74,221,289	76,291,258
Basic and diluted earnings per share (VND/share)	323	4,164

(*) Net profit used to compute earnings per share for the year ended 31 Dec 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 interim consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

27. REVENUES

27.1 Revenues from sale of goods and rendering of services

VND

	Current year	Previous year
Gross revenue	9,077,915,407,373	14,589,198,781,083
In which:		
Rendering of construction services (*)	9,053,518,565,534	14,564,921,164,687
Rental income from investment properties	8,636,086,066	8,340,266,212
Rental of construction equipment	1,383,753,876	5,080,823,041
Others	14,377,001,897	10,856,527,143
Less	-	(31,112,346,115)
Sale allowances	-	(31,112,346,115)
Net revenue	9,077,915,407,373	14,558,086,434,968
In which:		
Rendering of construction services	9,053,518,565,534	14,533,808,818,572
Rental income from investment properties	8,636,086,066	8,340,266,212
Rental of construction equipment	1,383,753,876	5,080,823,041
Others	14,377,001,897	10,856,527,143

(*) 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	8,346,223,397,273	14,052,907,179,265
Revenue recognised during the year of the completed construction contracts	707,295,168,261	480,901,639,307
TOTAL	9,053,518,565,534	14,533,808,818,572
Cumulative revenue recognised up to end of year of the on-going construction contracts	58,092,544,558,882	60,410,219,080,290

27.2 Finance income

VND

	Current year	Previous year
Interest income from bank deposits and bonds	153,277,574,459	227,282,210,281
Interest income from late payment, lending	73,416,222,465	(8,371,982,965)
Interest income from investment	43,340,155,546	-
Dividend income	6,804,000,000	9,072,000,000
Foreign exchange gains	223,309,267	234,077,936
TOTAL	277,061,261,737	228,216,305,252

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

28. COST OF GOODS SOLD AND SERVICES RENDERED

VND

	Current year	Previous year
Rendering of construction services	8,791,964,648,071	13,689,912,459,801
Rental of investment properties	4,731,385,731	5,637,016,516
Rental of construction equipment	1,182,974,542	2,360,003,103
Others	4,838,833,491	3,769,942,136
TOTAL	8,802,717,841,835	13,701,679,421,556

29. FINANCIAL EXPENSES

VND

	Current year	Previous year
Loss from investment	11,241,712,675	203,060,816
Interest expenses	1,110,696,092	-
Foreign exchange rate loss	575,704,311	259,533,939
TOTAL	12,928,113,078	462,594,755

30. GENERAL AND ADMINISTRATIVE EXPENSES

VND

	Current year	Previous year
Labour costs	240,143,418,140	259,952,985,817
Provision expense	166,828,213,175	277,171,768,935
Expenses for external services	67,928,213,100	43,443,497,111
Depreciation and amortisation	26,158,416,389	35,089,822,983
Others	15,239,775,140	40,202,028,621
TOTAL	516,298,035,944	655,860,103,467

31. OTHER INCOME AND EXPENSES

VND

	Current year	Previous year
Other income	57,633,325,799	39,342,162,410
Reversal of over accrual for construction expenses	28,091,422,921	9,219,293,348
Reversal of warranty provision	25,762,123,878	13,043,451,634
Gain from disposal of fixed assets	1,555,489,998	3,111,959,650
Others	2,224,289,002	13,967,457,778
Other expenses	(12,197,014,453)	(12,681,817,591)
Other profit	45,436,311,346	26,660,344,819

32. PRODUCTION AND OPERATING COSTS

VND

	Current year	Previous year
External services expenses	5,103,896,289,775	8,337,793,572,465
Raw materials	3,010,270,696,022	4,238,389,410,025
Labour costs	842,940,164,875	909,712,787,896
Tools and supplies	163,902,099,397	166,562,940,626
Depreciation and amortization (Notes 12, 13, 14 and 15)	104,510,748,981	107,825,436,581
Provision	292,726,370,736	308,103,826,788
Others	45,263,474,739	188,354,245,950
Others	9,563,509,844,525	14,256,742,220,331
TOTAL	45,436,311,346	26,660,344,819

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

33. 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.

33.1 CIT expense

VND

	Current year	Previous year
CIT expense of current year	43,208,297,136	166,415,557,102
Adjustments for under accrual of tax from previous years	184,144,637	1,976,481,385
	43,392,441,773	168,392,038,487
Deferred tax income	(29,349,322,314)	(74,990,071,547)
TOTAL	14,043,119,459	93,401,966,940

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

VND

	Current year	Previous year
Accounting profit before tax	38,153,947,667	427,956,244,963
CIT at applicable tax rate	7,630,789,533	85,591,248,992
<i>Adjustments:</i>		
Share of loss from associates	6,063,008,386	5,825,778,539
Non-deductible expenses	599,696,739	1,752,629,917
Dividend income	(1,397,373,000)	(1,814,400,000)
Unrealised loss	962,853,164	70,228,107
Adjustments for under accrual of tax from prior years	184,144,637	1,976,481,385
CIT expense	14,043,119,459	93,401,966,940

33.2 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 accounting profit before tax as presented 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.

33.3 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:

VND

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Provision for doubtful debts	56,346,631,822	55,094,597,994	1,252,033,828	55,094,597,994
Provision for onerous contract	27,359,498,123	-	27,359,498,123	-
Provision for obsolete inventories	5,853,393,635	5,998,655,573	(145,261,938)	5,998,655,573
Unrealised profit	2,179,795,118	1,192,426,420	987,368,698	628,022,447
Severance allowances	444,638,160	609,801,545	(165,163,385)	(652,248,832)
Unrealised foreign exchange differences	4,342,321	(6,801,121)	11,143,442	-
Provision for investments	(26,872,814)	(76,576,360)	49,703,546	13,921,044,365
Difference from investment revaluation	(48,729,095,492)	(48,729,095,492)		
Net deferred tax assets	43,432,330,873	14,083,008,559		
Deferred tax income			29,349,322,314	74,990,071,547

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES

Details of related parties were as follows: 33.1 CIT expense

Related parties	Relationship
Kustocem PTE. Ltd.	Major shareholder
Success Investment and Business One Member Company Limited	Major shareholder
THESTH PTE. Ltd.	Major shareholder
Preston Pacific Limited	Group of major shareholder
VOF Investment Limited	Group of major shareholder
FCC Infrastructure Investment Joint Stock Company	Associate
Quang Trong Commercial Joint Stock Company	Associate
Hitecccons Investment Joint Stock Company	Associate

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

Related party	Relationship	Nature of transaction	Current year	Previous year
Mr. Trinh Ngoc Hien	Member of Board of Director	Consulting service expense	2,310,000,000	-
Kusto Group Pte. Ltd.	Affiliate with major shareholder	Office rental income	537,439,365	123,334,966

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

Related parties	Relationship	Nature of transaction	Ending balance	Beginning balance
Other short-term receivables				
Kusto Group Pte. Ltd.	Affiliate with major shareholder	Office rental	-	134,106,720
Other short-term receivable				
Member of Board Of Directors, Board Of Supervision	Related parties	Allowance advance	720,000,000	-
Other payables				
Kusto Group Pte. Ltd.	Affiliate with major shareholder	Deposit	132,998,400	267,105,120

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

34. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration to members of the Board of Directors (“BOD”), Board of Supervision (“BOS”) and Board of Management:

VND

Individuals	Position	Remuneration	
		Current year	Previous year
Mr. Bolat Duisenov	Chairman of BOD	200,625,000	-
Mr. Tan Chin Tiong	Member of BOD	267,500,000	70,000,000
Mr. Yerkin Tatishev	Member of BOD	267,500,000	84,000,000
Mr. Tong Van Nga	Member of BOD	-	-
Mr. Herwig Guido H. Van Hove	Member of BOD	-	-
Mr. Trinh Ngoc Hien	Member of BOD to 24 November 2021	-	-
Ms. Trinh Quynh Giao	Member of BOD to 6 December 2021	-	-
Mr. Nguyen Ba Duong	Member of BOD to 2 October 2020	-	6,943,349,361
Mr. Nguyen Quoc Hiep	Member of BOD to 12 October 2020	-	111,000,000
Mr. Talgat Turumbayev	Member of BOD	-	75,000,000
Mr. Tran Quyet Thang	Member of BOD to 20 June 2020	-	100,000,000
Mr. Christopher Senekki	Deputy General Director	4,734,955,326	-
Mr. Pham Quan Luc	Deputy General Director	3,306,580,240	2,653,198,845
Mr. Nguyen Ngoc Lan	Deputy General Director	2,730,114,077	-
Mr. Pham Thi Bich Ngoc	Deputy General Director	1,949,169,068	-
Mr. Vo Hoang Lam	Deputy General Director	5,159,879,940	-

VND

Individuals	Position	Remuneration	
		Current year	Previous year
Mr. Tran Tri Gia Nguyen	Deputy General Director to 30 November 2021	6,475,131,920	1,477,489,813
Mr. Phan Huu Duy Quoc	Deputy General Director to 4 January 2022	6,122,147,400	-
Mr. Nguyen Sy Cong	Deputy General Director to 5 August 2020	-	4,198,759,423
Mr. Vo Thanh Liem	Acting General Director	-	4,299,376,919
Mr. Tu Dai Phuc	Deputy General Director to 12 October 2020	-	3,041,662,808
Mr. Tran Quang Quan	Deputy General Director to 5 August 2020	-	3,120,111,646
Mr. Tran Van Chinh	Deputy General Director to 30 September 2020	-	1,968,562,500
Mr. Tran Van Thuc	Head of Board of Supervision	-	-
Mr. Luis Fernando Garcia Agraz	Head of Board of Supervision to 26 April 2021	200,625,000	66,000,000
Mr. Dang Hoai Nam	Member of BOS	1,949,314,451	1,605,511,605
Mr. Nguyen Minh Nhut	Member of BOS	200,625,000	66,000,000
TOTAL		34,284,167,422	29,880,022,920

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

as at 31 December 2021 and for the year then ended

35. 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	8,167,168,515	9,447,132,780
From 1 to 5 years	223,608,000	8,390,776,515
TOTAL	8,390,776,515	17,837,909,295

36. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

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.



Tran Thi Thanh Van
Preparer

28 March 2022



Cao Thi Mai Le
Chief Accountant



Pham Quan Luc
Deputy General Director



Those who make up the true strength of Coteccons are mostly humble and quiet but have sturdy inner strength. Among these, the team of engineers and site managers demonstrate excellent capacity and high sense of responsibility to the Company. They shall be provided with more enabling conditions, training and supports to unleash their latent capacities which, in return, enables them to add exceptional value to the company.

However, the economic - cultural - social environment is constantly evolving and has much changed. In addition, at each stage of our development process, we will have corresponding requirements on our team's qualities, capabilities and culture. Coteccons is also transforming ourselves to reach new heights. Therefore, beside pridesworthy competitive edges, it is time for Coteccons and Coteccons people to transform ourselves accordingly for our own future.



Since we are on a lone and perilous peak, it is necessary to go down to stay relevant in order to build the ability to conquer a variety of other mountain types.

A willingness to accept status quo and aggressive restructuring efforts provide the most simple, economical and effective tools to rebuild a better future”.

Mr. Bolat Duisenov
The Board Chairman

ACCURACY AND INTEGRITY OF THE 2021 ANNUAL REPORT

Coteccons has integrated the 2021 Annual Report with the Sustainable Development Report, providing completed content as prescribed for Annual Report in Appendix 04 attached to Circular 96/2020/TT-BTC.

Coteccons chooses to apply a governance model in accordance with the Law on Enterprise, the Government’s Decrees on Corporate Governance, and international standards such as:

- OECD
- ASEAN Scorecard
- GRI Standards
- VNSI

Regarding the accuracy and integrity of the content mentioned in the Annual Report, the Company commits to:

- The contents presented in the 2021 Annual Report fully meet the requirements in accordance with the provisions on information disclosure of stakeholders and standards of international practices.
- Information and data presented in the 2021 Annual Report are assured to be consistent with the 2021 Financial Statements audited by Ernst & Young Vietnam Ltd.

For more information about entities and individuals publicized in this Annual Report or feedback to Coteccons, please contact:

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Coteccons Annual Report 2021 benefits from contribution of:

Content Development: The Unlocker - Plan A Communications | **English translation:** GapLinkTrans

Design: Aquus | **Departments in charge:** Marcom and IR Department, Coteccons

With information and data from different departments and divisions under the Company.