



**NEWSLETTER QUARTER IV/2022**

**FAST-TRACK  
THE GROWTH**



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# 01. LEADERSHIP



**Mr. Bolat Duisenov's** sharings:

"As a listed company, Coteccons is responsible for disclosing information to the public from time to time. We are transparent, but we also have to have an effective way of working, forecasting, and analyzing business activities. Let's continue to uphold this culture of transparency. At Coteccons, there's nothing to hide, even when we face difficulties, obstacles, or unsatisfactory results. That is the information we can absolutely share very frankly and openly with each other."



**Mr. Võ Hoàng Lâm's** sharings:

In 2022, the company plans to implement 65 projects across all three regions (North, Central, and South). Most of the contracts are being implemented according to the fast-track model. And this strategy is still effective when existing customers to continue to assign to us the second, third project: Lego, Diamond Crown Hai Phong, VinFast Factory,....

Coteccons has a risk management system for finance, projects, etc. Everything we are implementing is getting results, so hopefully it's getting better. Previously,

we implemented risk management at the head office, but now we are empowering the project managers, and they are monitoring cash flow risk management. We also implement a policy of transparency and the exchange of information. When there are signs of cash flow imbalance outside of the plan, we and the investor solve it from the beginning. In 2023, we are giving conservative figures based on the backlog leaving 17,000 billion, which is expected to increase from the 2022 plan by 10-20%.



**Ms. Cao Thị Mai Lê's** sharings:

Avoiding investors appropriating capital depends a lot on our management system. Coteccons is implementing a real-time system. Everything that happens on the construction site about management, andement, risk asset, is immediately shown on the report, which the Board of Management be able to recognize take immediate action to reduce risk. Currently, Coteccons has deployed to phase 2. In phase 1, we focused on financial issues, purchases, contracts... In phase 2, we

focus on cost management on site to ensure all financial-related information is more timely and accurate so we can make decisions extremely close to the site situation.

**The information related to Coteccons' warning debt of 40% (equivalent to VND 2,800 billion) is false. We have made a cumulative provision of VND1,049 billion, which is a warning balance of only 14%.**





# 1. Coteccons and Unicons maintain the title of the Top 50 Best Enterprises in Vietnam in 2022.

Hanoi - On January 5, 2023, Coteccons and Unicons were honored to be in the **Top 50 Best Enterprises in Vietnam** at the announcement ceremony organized by Vietnam Report in collaboration with VietnamNet newspaper. This is the **5th time** in a row Coteccons has won this title.

## 02. HIGHLIGHT

# 2. Coteccons received the "Best Place to Work in the Construction Industry."

With quality work resources recorded from iconic projects such as the Ecopark, Diamond Crown Hai Phong, the LEGO Factory,... Coteccons is

considered an environment with attractive career development prospects. Therefore, on December 21, 2022, Coteccons Construction JSC was honored to receive the award of **"Best Place to Work in the Construction Industry,"** which took place in the announcement ceremony of the Top 500 Top Employers in Vietnam and **the 10 best places to work in Vietnam** in 2022 with the Human Resources Seminar with the theme: **Creating a Good Workplace: The Key to Sustainable Development.**



ĐƠN VỊ TỔ CHỨC  
BẢO ĐẦU TƯ  
NET RESEARCH

TOP 10 NƠI LÀM VIỆC TỐT NHẤT VIỆT NAM  
CÔNG TY CP XÂY DỰNG COTECCONS



# 3. Coteccons-Unicons welcomed the Lunar New Year with the decision to appoint a new general director of Unicons.

On January 30, 2023, the Members' Council of Unicons Investment Construction Limited Company (Unicons) approved **the appointment of Mr. Tran Van Lam as General Director from January 31, 2023.**

Mr. Tran Van Lam is a key person who has been with Coteccons since the early days of its establishment. He has nearly 20 years of experience in the construction industry, holding many important positions such as Project Manager and Project Director for Coteccons and Unicons.

In June 2021, Mr. Tran Van Lam was officially appointed as Deputy General Director of Unicons. As a member of the Board of Directors, he spread his assertive working style, strong personality, and positive thinking to the staff and gained trust and confidence from the investors and partners. On January 31, 2023, he was officially appointed as general director of Unicons.



# 4. Coteccons cooperated with Dan Tri Newspaper on the journey to "Build Tet" for 12,000 construction workers

On December 12, 2022, Dan Tri electronic newspaper and Coteccons Construction Joint Stock Company kicked off the **"Build Tet 2023"** project, which brought support for 12,000 construction workers. The program were deployed at 60 Coteccons construction sites across the country from January 4 to January 16, 2023.

Across the three regions of North, Central, and South at Coteccons and Unicons projects, **"Build Tet"** is the first project in the construction industry for workers on a national scale, demonstrating the responsibility of enterprises to take care of workers' lives and bringing the perfect Tet with 12,108 Tet gifts.



# 5. Emphasizing transparency, Coteccons held Shareholders' Day, opening the transformation period for growth

With the desire to provide a transparent investment environment for Coteccons investors, on January 16, 2023, at the company's headquarters, **the Shareholders' Day** meeting took place. Attending the event

were Mr. Bolat Duisenov, Chairman of the Board of Directors, Mr. Vo Hoang Lam, CEO of Coteccons, Mr. Pham Quan Luc, Deputy General Director of Coteccons, Ms. Pham Thi Bich Ngoc, Deputy General Director of Coteccons, and Ms. Cao Thi Mai Le, Chief Accountant of Coteccons.



# 6. Unicons starts the energetic 2023 with the "Van Lang Skylake Urban Housing Area" project

On January 11, 2023, in the joyful atmosphere of the first days of the new year, Unicons successfully held the

ground-breaking ceremony of **the Van Lang Skylake Urban Housing Project (Phase 01)** in Tien Cat Ward, Thanh Viet Tri Street, Phu Tho Province.



# 7. Coteccons accompanies Ho Chi Minh City University of Architecture to hold graduation ceremony in December 2022

Following the mission of building futures by investing in development for the next generation (**Next Gen: Building Futures**), in December, 2022, Coteccons sponsored the series

of graduation and awarded diplomas to a total of **509 students** of the Faculty of Construction, Architecture, Interior Design, Planning, and Industrial Fine Arts - Ho Chi Minh City University of Architecture.



# 03. MARKET INFORMATION

The real estate market plays an important role, makes a huge contribution to the economy, and affects many industries, professions, and fields. According to statistics, the construction and real estate industries have contributed approximately 11% to GDP in recent years, with the real estate industry contributing approximately 4.5% directly and indirectly through other fields.

2022 is a year with many difficulties for the Vietnamese economy in general and the real estate market in particular. Enterprises face numerous challenges as a result of the influence of unfavorable factors both at home and abroad.

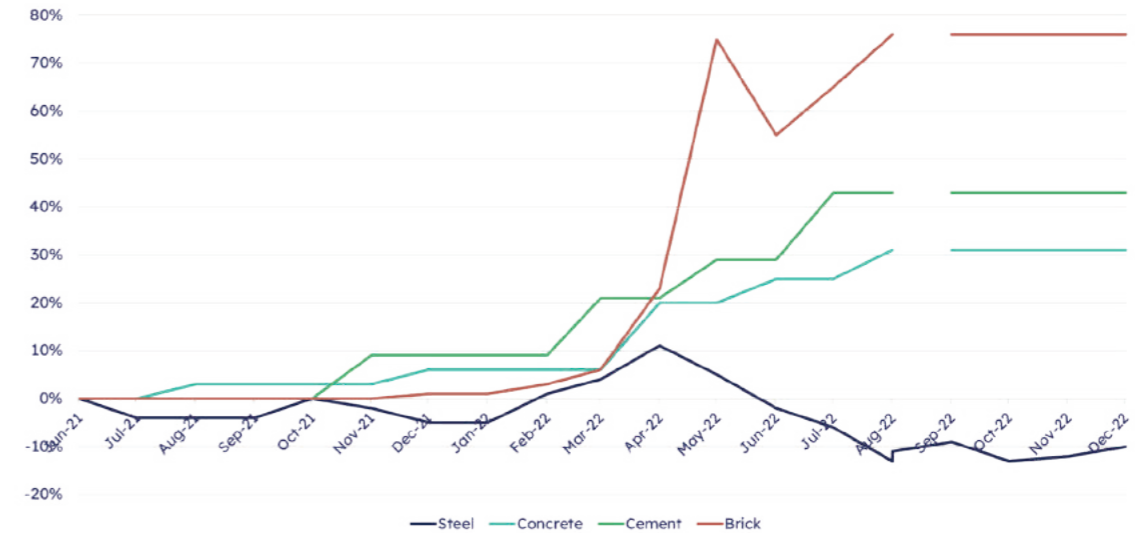
The construction and real estate markets are interconnected, directly affecting the development of other markets such as the labor market, the financial market, the stock market, etc. It is evident that the real estate sector is considered the beginning of

a business chain, from construction, materials, tourism, resorts, housing, offices for rent, etc., and participates in most of the other business sectors of the economy.

The real estate market contributes to attracting resources for the development of technical infrastructure, housing, and construction works, creating large fixed assets for the economy, meeting the people's accommodation needs, ensuring social security, and contributing to promoting growth and restructuring labor and the economy. At the same time, making an important contribution to industrialization, modernization, urban development, and tourism. Along with that, the capital market for the real estate sector continues to develop, attract, and use a large proportion of the total investment capital from credit sources, bonds, and the stock market.

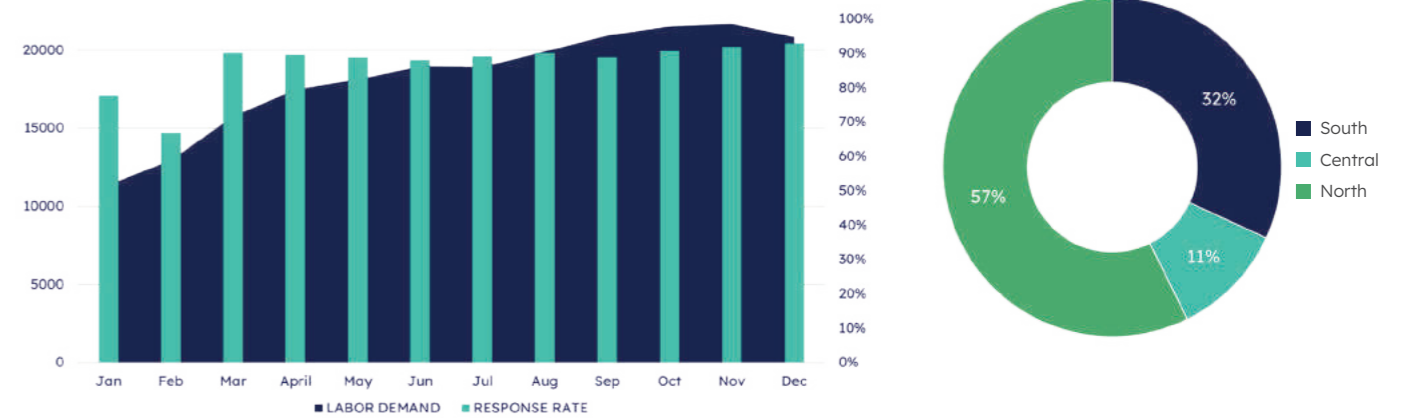
Source: Report of the Ministry of Construction

## Construction - Real Estate Market Trends from Data Sources



Report on groups of building materials in the four quarter of 2022  
\*Source: Coteccons Procurement department

## Report on the workforce at the construction sites



Total number of employees to be mobilized and the percentage met by 2022

The workforce chart by region in the Q4 of 2022

\*Source: Coteccons Workforce Department



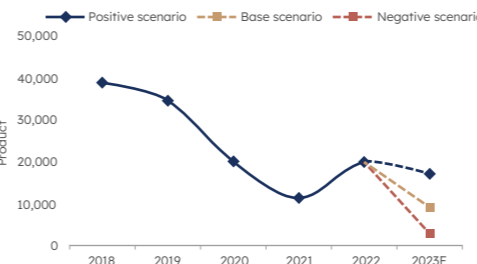




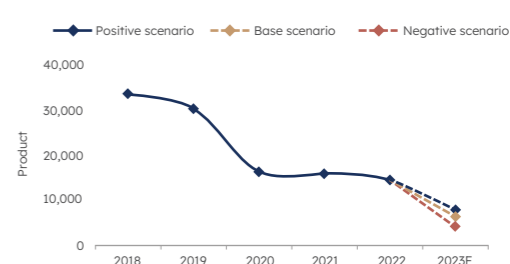
## Forecast for the construction - real estate market Q1/2023

### Real estate market:

The real estate market in 2023 depends on the situation and reaction of the real estate market and the operating policies of Vietnam. As for the supply, real estate serving residential needs will be the bright spot of the market. Projects from reputable investors with good quality and diverse utilities receive the attention of the majority of customers. Regarding demand, the selling price is expected to move sideways or decrease slightly. According to available information, investors will issue many policies to stimulate demand.

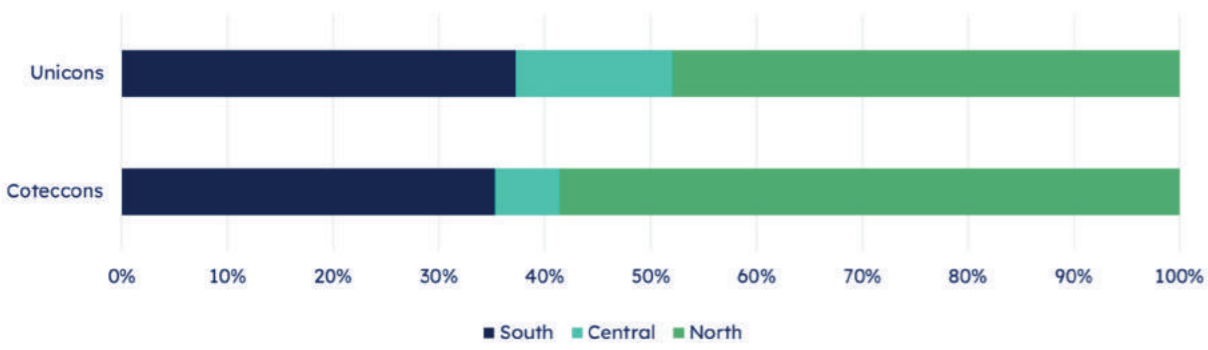


Forecast of apartment supply in Ho Chi Minh City  
Source: Dat Xanh Services Finance - Economic - Real Estate Institute (FERI)



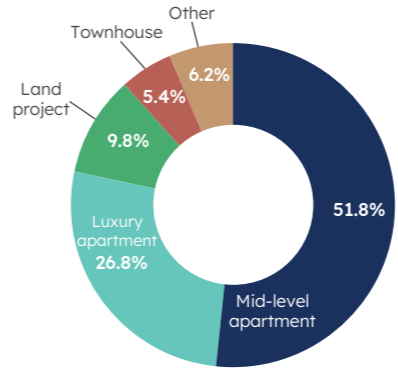
Forecast of apartment supply in Ha Noi

## Report on occupational safety data

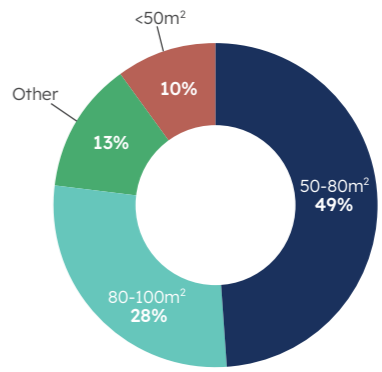


The total number of safe hours of Cotecons Group from October 1, 2022 to December 30, 2022 is **12.953.971**  
\*Source: Cotecons Safety Board

### Trends in product selection



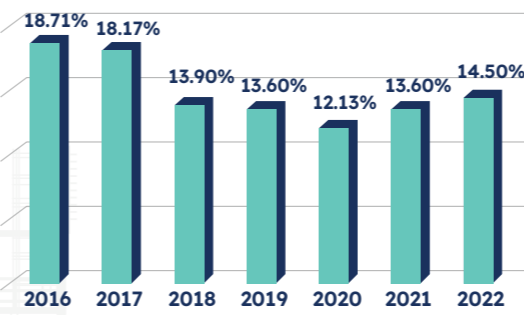
Mid-end apartments are still popular products



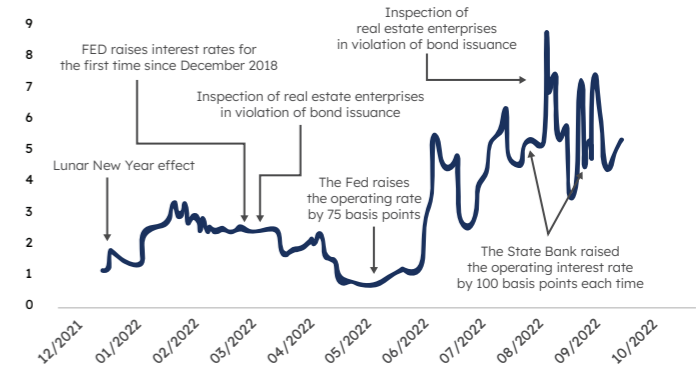
Popular apartment area is 50-80m<sup>2</sup>

### Interbank interest rates fluctuate strongly and unpredictably

The world economic movement and the adjustment of the State Bank in the second half of 2022 will lead to a sharp increase in volatile interest rates in the second half of 2022.



Credit growth  
Source: SBC as of December 21, 2022



Interbank interest rate 2022  
Source: VNDIRECT





## Building Materials Market:

**Steel:** At the beginning of Q4, finished goods inventory in large factories decreased slightly. Since November 2022, market demand has been slow. Some factories have cut production output to reduce inventory pressure; however, input material prices have increased again with the pressure of increasing bank interest rates. Steel prices fluctuated slightly. Steel prices in China are expected to rise 10% by the end of 2022, compared to the lowest price in 2022. It is forecast that in the first quarter of 2023, steel prices will continue to increase because material prices, domestic market demand, and world and bank interest rates are at a high level.

**Concrete:** The price of concrete remained stable in Q4, remaining high. It is forecasted that in the first quarter of 2023, concrete prices will have a strong increase after the Lunar New Year due to the influence of cement prices.

**Cement:** In Q4, the cement prices were stable and maintained at high levels. It is forecast that in the first quarter of 2023, cement prices will have a strong increase after the Lunar New Year due to the general difficulties of the cement industry (energy costs, raw material costs).

**Baked bricks:** In Q4, the price of baked bricks was stable and maintained at a high level. However, in some areas, the asking price for new projects decreased slightly to stimulate demand at the end of the year. Forecast for the first quarter of 2023: Continue to maintain a high price level.

Source: Coteccons Procurement Division



# 04. IR ACTIVITIES

## Business events

- **The Shareholders' Day** event on January 16, 2023.
- **Meet Investment Funds** to update, adjust, and develop operating mechanisms and procedures to ensure equality between major shareholders and minority shareholders.

## News disclosure

- **Collecting shareholders' opinions** in writing to extend the time of issuing ESOPs for the company's employees
- Completing the **reduction of charter capital** after withdrawing ESOP shares
- **Early redemption of bonds** at the request of the Bondholder

CTD: adjusted closing price



## 39.300 VND

CTD share price on January 31, 2023

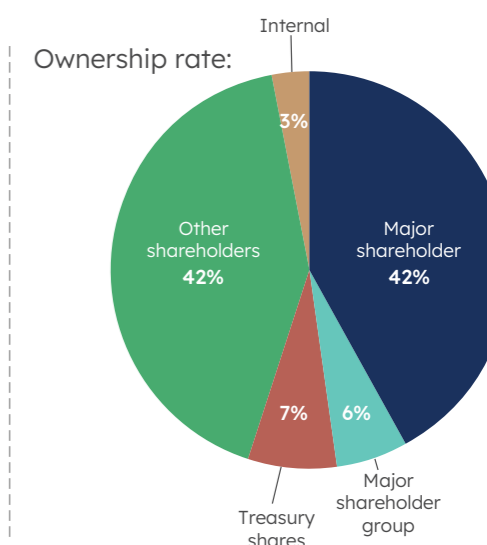
Number of shares outstanding: **73.859.473** shares

Trading volume of shares/day: **464.733** shares

Market capitalization: **2.903** billion VND

Equity: **8.214** billion VND

Free float rate: **55%**





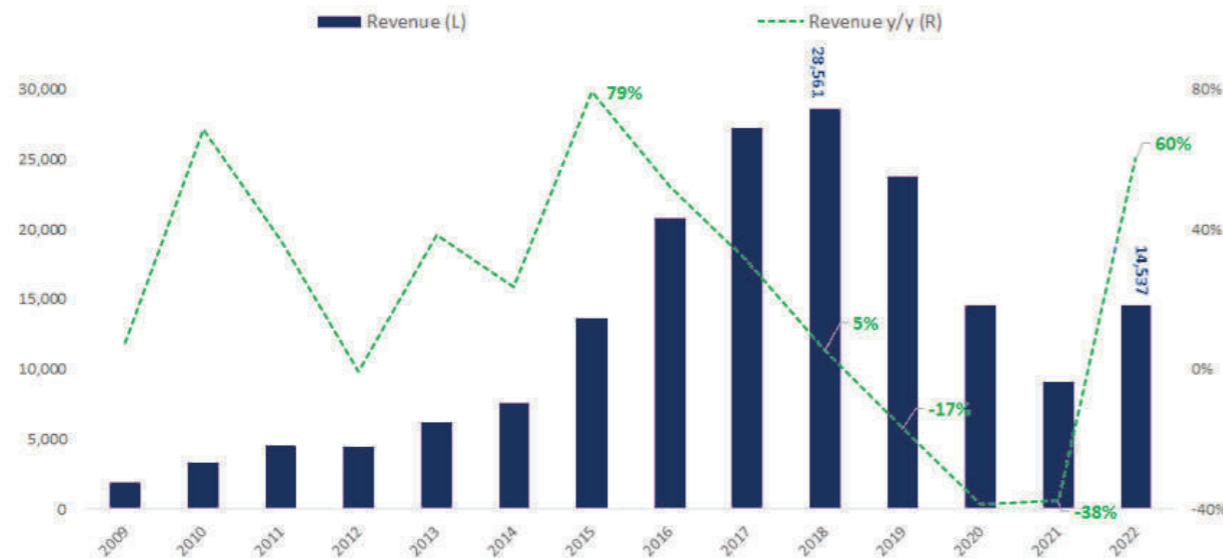
# 05.

## BUSINESS ACTIVITIES

# FINANCIAL STATEMENTS

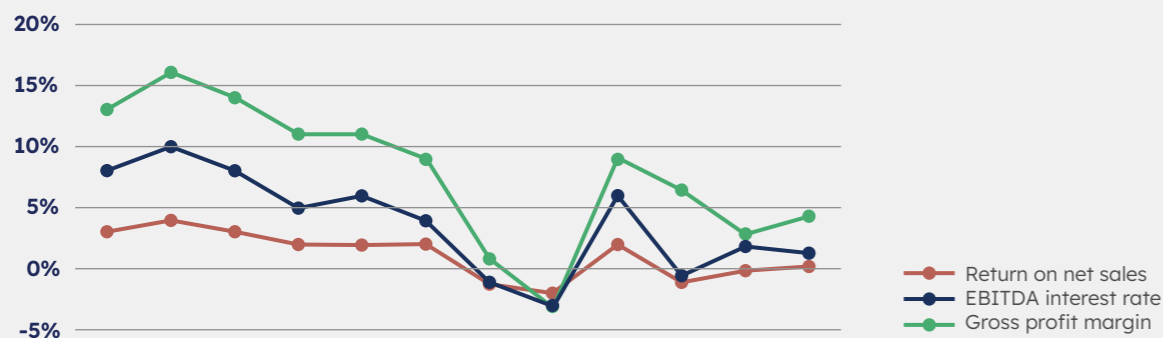
Revenue exceeding VND 6,200 billion, up 114% year-on-year, becoming the highest revenue quarter since 2019

Coteccons (HSX: CTD) announced its financial statements for the Q4 with **revenue exceeding VND 6,200 billion**, up 114% year-on-year, becoming the highest revenue quarter since 2019 right in the extremely difficult period of the construction industry, together with the gloom from the civil real estate industry. The booming Q4 helped the year's revenue reach more than **14,500 billion VND**, up 60% compared to 2021, surpassing competitors to regain the position of the number one construction contractor in Vietnam.



Coteccons Revenue | Bil. VND

In addition, Coteccons recorded a positive improvement in its gross profit margin in 2022, **increasing to 3.3%** from 3.0% in 2021, contrary to the declining trend of many other businesses in the industry.

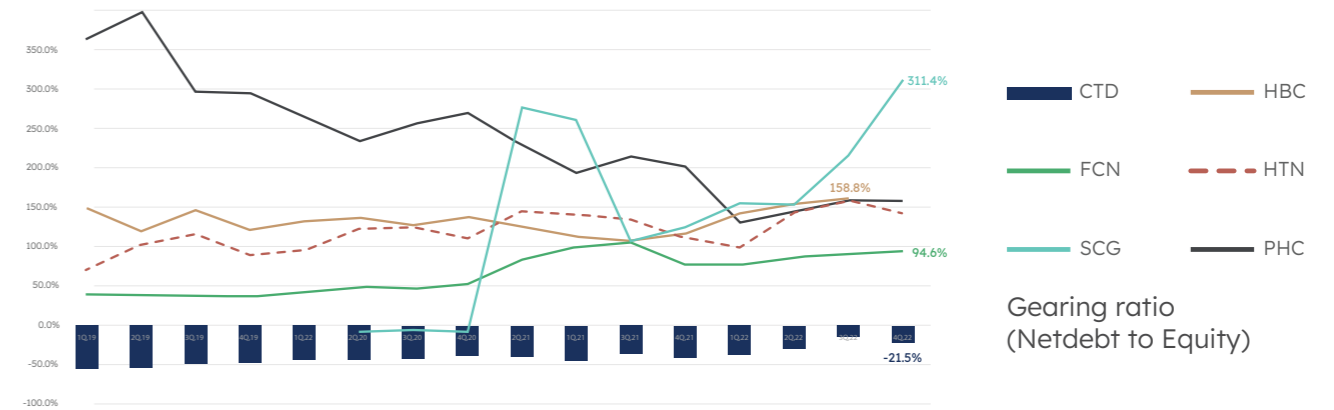


Profit margin

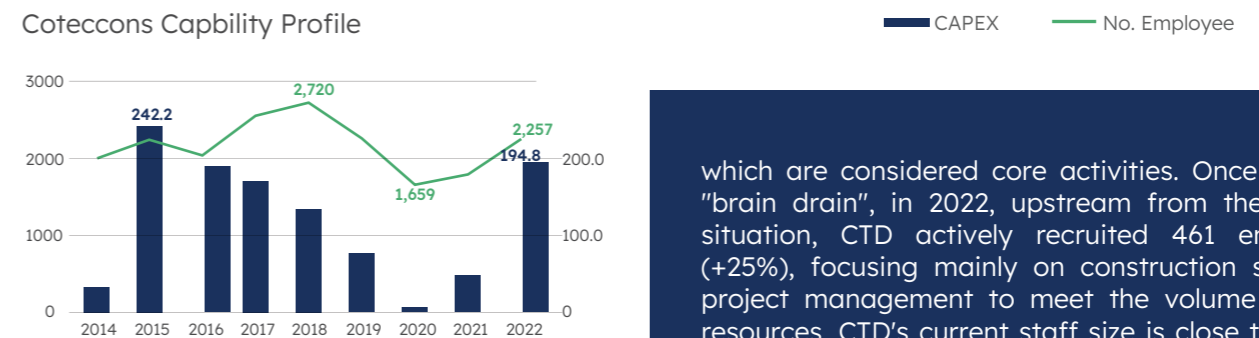
After nearly 3 years of hardship due to the impacts of COVID-19 and the management apparatus transfer, up until now, Coteccons has maintained a strong financial position, with a cash value equivalent to about VND 3,000 billion. There are listed construction contractors with a large scale of net cash value like Coteccons. When compared the financial gearing ratio between Coteccons and other companies in the industry, Coteccons currently has the lowest gearing ratio.

This allows Coteccons to expand working capital when needed. With the current scale of debt, mainly short-term loans of about 800 billion VND and 500 billion VND in long-term bonds with a fixed interest rate of 9.5% per year,

**Coteccons is almost not under great pressure from interest expenses in the current high interest rate market.**



Coteccons Capability Profile



The residential real estate market has faced difficulties since the first half of 2022, which has caused a series of construction enterprises to implement "austerity" policies: adjusting remuneration and benefits, laying off personnel, even at construction sites,

which are considered core activities. Once called a "brain drain", in 2022, upstream from the general situation, CTD actively recruited 461 employees (+25%), focusing mainly on construction sites and project management to meet the volume of work resources. CTD's current staff size is close to that of the 2015-2018 period, while revenue only reaches 50% of this period. Moreover, CTD accelerated disbursement of nearly VND 200 billion (the highest since 2016) to invest in purchasing fixed assets (CAPEX), mainly equipment and machinery serving at important construction sites, as well as being oriented to develop new products according to the strategy of diversifying the ecosystem.

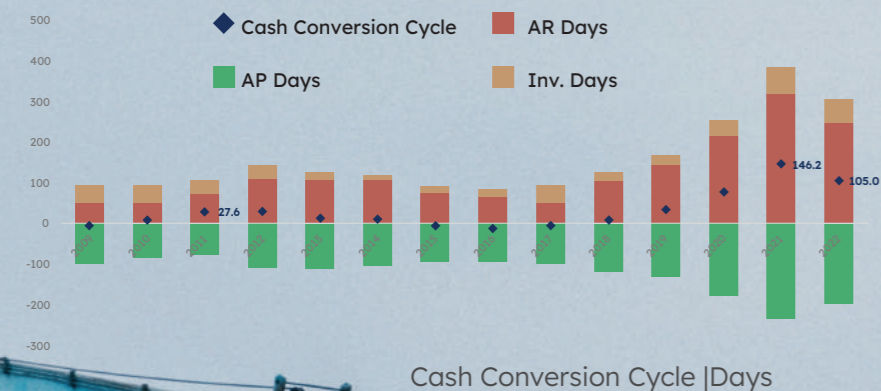




Negative business cash flow in 2022 is inevitable when, in the first half of 2021, Coteccons had a period of no projects, and the Covid situation in the second half of 2021 caused construction activities to be frozen. However, by the end of 2021, as soon as the market reopened, Coteccons recorded the value of newly signed contracts skyrocketing to **25,000 billion**. Therefore, to meet the workload, businesses need to expand working capital (mainly by increasing inventory and receivables). In terms of efficiency in cash flow management, there have been signs of improvement, specifically: the cash conversion cycle decreased to 59 days compared to 66 days of the previous year, and the number of days receivable increased from 300 days to 245 days.

With a very prudent and transparent risk management strategy, CTD is steadily eliminating market concerns regarding receivables quality in a macro environment that is not really favorable for all real estate developers. At a recent meeting with shareholders, CTD's BOD and BOM confidently affirmed the prospect of receivables and rejected rumors about the value of bad debts arising.

**"Information about Coteccons' 40% warning debt, equivalent to VND 2,800 billion, is false. We have made a cumulative provision of 1,049 billion dong, which is a warning balance of only 14%",** said Ms. Cao Thi Mai Le.



# 05. BUSINESS ACTIVITIES

## HIGHLIGHTED PROJECTS

### Q4/2022

#### New winning packages in the Q4/2022



**Vinhomes Grand Park**  
Vinschool - Vincom Shopping Center



**LEGO Factory**



**Vinhomes Central Park**  
Renovation package



**Bai Trao**



**Hiive- Binh Duong**



**Apache 2**



**Riviera Point**  
Phase 1C



**Hyatt Regency Ho Tram**  
Hotel package



**Van Lang SkyLake**

Backlog	2019	2020	2021	2022
Building	47%	64%	70%	55%
Factory	31%	10%	11%	14%
Villa - Resort	17%	18%	15%	26%
Other	5%	6%	3%	4%
<b>Grand Total</b>	<b>23,733,028</b>	<b>14,558,086</b>	<b>9,077,915</b>	<b>14,536,948</b>



# 05.

## BUSINESS ACTIVITIES

# OPERATING PROJECTS



**Vinhomes Grand Park**  
Vinschool - Vincom  
Shopping Center



**Ecopark**



**Vinhomes Dream City**



**Vinhomes Smart City**



**LEGO**



**Emerald Golf View**



**Diamond Crown Hai Phong**



**TESA**



**Apache**



**Vinfast 3**





# 06. OTHER ACTIVITIES

## 1. The "Forest for the Langurs" Project: A Green Achievement from Coteccons Quang Binh Marathon 2022

Coteccons cooperated with the local government of Quang Binh province to officially organize the ceremony of the project "Forest for Langurs" to bring 8,000 trees to the protection belt of the white-necked langur population in village 1, Thiet Son, Thach Hoa commune, Tuyen Hoa district, Quang Binh province.

## 2. Office Tour 2022 – Journey to explore the office

On December 28, 2022, besides the series of major events: Coteccons Olympic, Townhall Meeting, Year End Party,... The HR Dept. organized the "Office Tour 2022" for those on site, have the opportunity to explore the company's headquarters office right at Coteccons Tower.

## 3. Affirming the difference of Coteccons-Unicons with OWN IT culture

At the "Build Tet" event held on January 6 at Cat Hai Island, Hai Phong, the Vinfast PDs and PMs had a chance to meet with the company's BOD, in which the open sharing of Mr. Bolat Duisenov, chairman of the board of Coteccons, about OWN IT culture and Mr. Vo Hoang Lam, CEO of Coteccons, further motivated and encouraged the PDs and PMs in this project.

## 4. Coteccons and Unicons Townhall Meeting 2022 – Shaping the Mind for the Future

On December 29, the Townhall Meeting Coteccons-Unicons 2022 event officially took place in a solemn and proud atmosphere. This event contributed to creating momentum and motivation for the new beginning of the journey in 2023.



## 5. Coteccons Olympic 2022 – The biggest sporting event in history officially opens

The official opening ceremony of the 2022 sports event of Coteccons and Unicons took place on December 29 at Gia Dinh Stadium. With the theme OWN IT, Coteccons Olympic 2022 brought a new spirit and atmosphere. Coteccons and Unicons participated in 6 sports: badminton, football, chess, sack jump, relay, and tug of war.



## 6. Coteccons – Unicons organized a blood donation program - good deeds for the community

Every drop of blood donated is a spark of hope for emergency patients. The blood donation program was organized by Coteccons, the Unicons Trade Union, the Binh Thanh District Union, and the Ho Chi Minh City Humanitarian Blood Donation Center on November 23, 2022.

With the participation of nearly 150 Coteccons and Unicons employees, the equivalent number of blood units collected would be transferred to the National Institute of Hematology and Blood Transfusion for preservation and then distributed to hospitals and research institutes in the area to serve the purposes of saving patients and producing blood products for medicine. The program was held on November 23, which is also the 76th anniversary of the establishment of the Vietnam Red Cross, making this activity even more meaningful to the volunteers.





Mời Quý Nhà đầu tư/Cổ đông tham khảo thêm công bố thông tin của Coteccons tại đây:  
<https://coteccons.vn/>

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