

REPORT OF THE BOARD OF DIRECTORS

19th ANNUAL GENERAL MEETING OF SHAREHOLDERS - 2023

I. OPERATION RESULTS OF THE BOD IN 2022

1. General assessment

The economy and society of 2022 are situated within a broader context of a forecasted decrease in global economic growth as a result of the two-year-long Covid-19 pandemic and the impacts of the Russia-Ukraine conflict. Notably, prices of essential commodities, including crude oil, natural gas, and liquefied natural gas, have surged to their highest point since 2011. This development poses significant risks to global energy and food security, supply chain disruptions, and tightened financial conditions worldwide, which, in turn, puts tremendous pressure on global inflation.

Vietnam's GDP in 2022 has increased by 8.02% (with growth rates of 5.05%, 7.83%, 13.71%, and 5.92% in the first, second, third, and fourth quarters, respectively) compared to the previous year. This growth is due to the economy's recovery and achieving the highest growth rate between 2011 and 2022. Among the various sectors contributing to the economy's overall growth, the industry and construction sector saw a 7.78% increase, accounting for 38.24% of the growth, with the construction industry alone contributing 0.59 percentage points of the increase (Source: General Statistics Office of Vietnam).

A recent report from the Foreign Investment Agency (Ministry of Investment & Planning) reveals that foreign direct investment in real estate witnessed a significant increase of USD1.85 billion in 2022. This figure represents a whopping 70% rise compared to the entire year of 2021 and puts real estate in the second position among the top FDI sectors of 2022. The total registered capital for this sector amounted to more than USD4.45 billion, accounting for 16.1% of the total FDI inflows. The majority of these investments were directed towards industrial real estate and a few large-scale real estate projects.

Despite some positive growth indicators, Vietnam's post-pandemic economic recovery faces potential obstacles due to inflation risks associated with the surge in fuel prices. On average, in 2022, core inflation rose by 2.59% compared to the previous year.

The year 2022 has presented significant challenges for construction businesses, including Coteccons, with difficulties outweighing positive factors:

- Real estate enterprises are experiencing significant difficulties in their operations, particularly in their ability to access credit loans, issue bonds, and mobilize capital from customers. As a result, businesses are struggling with a lack of capital, delays in project progress, and, in some cases, project implementation stoppages.
- The real estate market is currently facing numerous challenges due to various reasons. The existing legal system related to investment, construction, and real estate business is inadequate, leading to difficulties in conducting business. The decline in homebuyer confidence led to a sharp drop in purchasing and liquidity.
- Pressure from escalating fuel and material prices is continuing to weigh on construction contractors. Fuel import price index in 2022 increased by 35% over the same period, although the increase was

not as much as that of 2021, the discrepancy was not significant. The increase in fuel import prices has led to the price of construction materials in 2022 also increasing by nearly 7%, the highest increase since 2019.

Facing such a gloomy economic picture of 2022, Coteccons' BOD has recognized the year 2022 as a time for restructuring, "when things don't go well, it's the best time to reinvent yourself". Coteccons has focused on stabilizing its business operations and optimizing costs. Despite the difficulties, the Company has been successful in securing 50 projects valued at over VND25.000 dong in 2022. Coteccons has managed to achieve both of its objectives, namely diversifying its customer base and winning over new domestic and foreign clients with large-scale projects, as well as maintaining repeat sales with its existing customers. This has made Coteccons's customer portfolio the most diverse and comprehensive in the construction industry today, with noteworthy examples such as Lego, Vinfast, Ecopark, Diamond Crown Hai Phong.

In 2022, Coteccons achieved 105% of the profit plan and 97% of the revenue plan. Looking towards longer-term objectives, the Company's progress in achieving some of the targets for 2022 is presented in the table below:

Key sectors	Implementation results in 2022
Corporate governance	<ul style="list-style-type: none"> - Implementation of information transparency commitments: <ul style="list-style-type: none"> + Being consistent with the viewpoint of transparency of financial information and data, establishing specific policies for provision recognition based on both qualitative and quantitative factors, gradually overcoming the problems of the old governance and operation. In 2022, the Company has made a provision of VND500 billion to ensure financial safety. + Information transparency is one of the prerequisites for investors' decisions to invest in the Company, a condition for shareholders to hold stake in a long term and an opportunity for the Company to attract more customers. Attached to that backbone principle, Coteccons continued to organize Shareholders Day (outside of the AGM framework) and Quarterly Analysts Conference throughout 2022. These events have become Coteccons' annual staples and official channels (besides regulations on information disclosure under the law).

	<ul style="list-style-type: none"> + Continuing to complete the process of automatically aggravating and controlling transactions with related parties with the aim of making potential conflicts of interest transparent. - Entered the Top 20 listed companies with sustainable management in the VNSI20 index basket in the evaluation period of July 2022. - Maintaining and perfecting the culture of "One Team", creating different and unique values in the market called "Coteccons Inside". - Building the culture of "Own It" to promote the ownership in the work among employees, thereby increasing enthusiasm, responsibilities, and value of the Company.
<p>Management and Operation</p>	<ul style="list-style-type: none"> - Upholding the principle "safety is the core value in the Company's operations". In 2022, Coteccons has achieved more than 29 million safe hours. - Using the highest standards in construction methods and construction. - Continuing to implement higher standards in the Company's system and operations with the goal of creating more value for customers, caring for human and business partners. - In 2022, Coteccons successfully completed and handed over 18 projects to clients, such as Vinhomes Grand Park - Division 2, Vinfast, Hilton Vung Tau. - Closed the warranty of 19 projects including Masteri Thao Dien, Friendship Tower, Kingdom 101, and Hoa Phat - Dung Quat 1. This year marks the highest number of projects that have ended their warranty period in the last three years, with an increase of 375% and 27% compared to 2020 and 2021, respectively. - Striving to maintain compensation and benefit package for Coteccons employees in the context of the Covid-19 to maintain human resources and ensure the well-being of its workforce during the hardest times of the epidemic. As a result, Coteccons has maintained its position as the top-ranked construction industry employer in terms of workplace satisfaction, according to both the Investment Newspaper and Viet Research's rankings for 2022.

Finance	<ul style="list-style-type: none"> - Business results of 2022: + Revenue: VND14,537 billion, fulfilling 97% of the set plan. + Profit after tax: VND21 billion, fulfilling 105% of the set plan.
Environment Society - Governance (ESG)	<ul style="list-style-type: none"> - For two years in a row, CTD has been listed among the top 20 companies on the HOSE with the largest capitalization. In 2022, it showed a significant increase in the average ESG score, which was nearly 10% higher than in 2021 and much higher than the industry average and the VN100 group average. Notably, the social score reached 94%, which is very close to the highest score.

2. Report on the implementation of resolutions of the General Meeting of Shareholders in 2022 and the Extraordinary General Meeting of Shareholders in 2023 in the form of collecting written opinions of shareholders

No.	Resolution/ Decision Ref.	Date	Content	Implementation Status
1.	01/2022/NQ-DHCD	Apr 25, 2022	Approval of the Company's reports and business performance of 2021	Completed
2.	02/2022/NQ-DHCD	Apr 25, 2022	Approval of 2021 profit distribution and dividend payment	Completed
3.	03/2022/NQ-DHCD	Apr 25, 2022	Approval of report on 2021 Remuneration for BOD and Board of Supervisors (BOS)	Completed
4.	04/2022/NQ-DHCD	Apr 25, 2022	Approval of the 2022 business plan	Completed
5.	05/2022/NQ-DHCD	Apr 25, 2022	Approval of the 2022 Remuneration for the BOD and the BOS	Completed
6.	06/2022/NQ-DHCD	Apr 25, 2022	Approval of the selection of the auditing firm for the fiscal year of 2022	Completed
7.	07/2022/NQ-DHCD	Apr 25, 2022	Approval of the reduction of the Company's charter capital	Completed
8.	08/2022/NQ-DHCD	Apr 25, 2022	Approval of changing the Company's fiscal year	Completed

No.	Resolution/ Decision Ref.	Date	Content	Implementation Status
9.	09/2022/NQ-DHCD	Apr 25, 2022	Approval of issuing the Employee Stock Ownership Plan 2022 (ESOP)	The extension has been approved by the General Meeting of Shareholders (Resolution No. 01/2023/NQ-DHCD dated March 2, 2023)
10.	10/2022/NQ-DHCD	Apr 25, 2022	Approval of the amendments to the Company's Charter	Completed
11.	11/2022/NQ-DHCD	Apr 25, 2022	Approval of the operating regulations of the Board of Directors	Completed
12.	12/2022/NQ-DHCD	Apr 25, 2022	Approval of the operating regulations of the Board of Supervisors	Completed
13.	13/2022/NQ-DHCD	Apr 25, 2022	Approval of the dismissal of resigned BOD members	Completed
14.	14/2022/NQ-DHCD	Apr 25, 2022	Approval of the number of members of the BOD for the 2022-2027 tenure	Completed
15.	15/2022/NQ-DHCD	Apr 25, 2022	Approval of the election results of the BOD members for the 2022-2027 tenure	Completed
16.	16/2022/NQ-DHCD	Apr 25, 2022	Approval of the election results of the BOS members for the 2022-2027 tenure	Completed
17.	01/2023/NQ-DHCD	Mar02, 2023	Approving the extension of the time to issue ESOP shares for employees	Submitting documents to the State Securities Commission

3. Summary of the board meetings and decisions

No.	Resolution/ Decision Ref.	Date	Content
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1.	01/2022/NQ-HDQT	Jan 7, 2022	Approving the dismissal of Mr. Phan Huu Duy Quoc from the position of Deputy General Director
2.	01A/2022/NQ-HDQT	Jan 7, 2022	Promulgating the Internal Audit Regulations
3.	02/2022/NQ-HDQT	Mar 9, 2022	Holding the 2022 Annual General Meeting of Shareholders
4.	03/2022/NQ-HDQT	Mar 17, 2022	Approving trading with Fiingroup
5.	04/2022/NQ-HDQT	Mar 21, 2022	Board meeting in the first quarter of 2022
6.	05/2022/NQ-HDQT	Apr 4, 2022	Approving documents of the 2022 Annual General Meeting of Shareholders
7.	06/2022/NQ-HDQT	May 3, 2022	Appointing Chairman of the board
8.	07/2022/NQ-HDQT	May 3, 2022	Appointing Head of Secretariat of the Board of Directors cum person in charge of corporate governance
9.	08/2022/NQ-HDQT	May 3, 2022	Reactivation of Board of Directors Subcommittees
10.	09/2022/NQ-HDQT	May 23, 2022	Promulgating the Internal Audit Regulations according to the Draft of the BOS
11.	10/2022/NQ-HDQT	July 7, 2022	Selecting Auditor for the 2022 Financial Statements
12.	11/2022/NQ-HDQT	Aug 5, 2022	Appointment of CEO
13.	12/2022/NQ-HDQT	Aug 25, 2022	Signing credit limit contracts at banks
14.	13A/2022/NQ-HDQT	Dec 14, 2022	Distribution of undistributed after-tax profits from Covestcons to Coteccons
15.	13B/2022/NQ-HDQT	Dec 14, 2022	Establishment of Subcommittee on Environment, Society and Corporate Governance
16.	14/2022/NQ-HDQT	Dec 14, 2022	Implementing the ESOP

4. Supervision Results for the Board of Management (BOM)

- Supervising the implementation of Resolutions and Decisions passed by the General Meeting of Shareholders and Board of Directors and inspecting the Board of Directors' operations in business activities.
- Directing and overseeing the strict implementation of the financial statement regime for 2022, including quarterly financial statements, semi-annual financial statements, and annual reports.
- Supervising the implementation of information disclosure under the regulations of the State Securities Commission and the Stock Exchange to ensure information transparency.
- Overseeing management activities of the BOM to enhance business performance and accomplish the set targets.
- Monitoring the Company's operations in compliance with regulations of the Enterprise Law, the Company's charter, and other current regulations. In 2022, the Company has promulgated 52 new

documents, amended 79 policies/ procedures/ documents to optimize the operational efficiency and align with current internal policies.

5. Remuneration for the Board of Directors, the Board of Supervisors, and the Board of Management

- The report on remuneration for the BOD, the BOS, and the BOM in 2022 has been published in the audited financial statements for 2022.

6. Report on related person and relevant transactions made in 2022

- The order and procedures for approving transactions between the Company and related parties are strictly implemented in accordance with the provisions of the Enterprise Law, the Securities Law, the Company's Charter, and Internal Governance Regulations.
- Related person and transactions between the Company and related parties approved by the Board of Directors have been listed and announced in the Report on Corporate Governance for 2022.

7. General assessment of the Sub-Committees' activities:

To promote transparency in corporate governance activities and enhance the effectiveness of the Board of Directors' decision-making based on the principles of responsibility and prudence, the Board of Directors reactivated the subcommittees under the Board of Directors on May 3, 2022, which included the Strategy Subcommittee, Human Resources & Remuneration Subcommittee, and Risk Subcommittee. The subcommittees have made significant contributions to the Company's governance and executive activities by providing careful analysis of the Company's issues, considering risks, and increasing stability.

With the Company's awareness of systemic issues such as climate change, inequality, and sustainable development criteria, the Company established a subcommittee of ESG (Environment - Society - Governance) in 2022. Coteccons' investment orientation, actions, and criteria will always attach importance to the assessment of impacts on the environment, society, and corporate governance, while also increasing its connection with the local community where the Company has a strong presence. This will contribute to the general development of society and preserve the tangible and intangible cultural values of Vietnam:

Conducting an assessment of the business environment, business lines and identifying opportunities, challenges, strengths and weaknesses of the Company; Orienting the Company's development strategy in the short and long term with the aim of achieving sustainable growth and increase value for shareholders;

- Planning and building the Company's organizational structure to align with the set strategy and meet the needs of its development;

- Maintaining regular contact with existing customers and employers to confirm commitments on safety, quality, progress, and finance, and to expand potential customers portfolio; Organizing conferences with suppliers and subcontractors to ensure financial stability as well as to build long-term strategic cooperation;
- Preparing development orientations of the Company, obtaining internal consensus within the Board of Directors before submitting to the Annual General Meeting of Shareholders for approval.

8. Activity report of Independent Board Members and their evaluation results of the Board of Directors' Performance

a. Activities of independent Board members in 2022

The independent board members have demonstrated their professional expertise and experience in the Company's key areas and have made significant contributions to critical decisions. Throughout 2022, they have actively participated in board meetings and voted on matters within the Board of Directors' jurisdiction in a timely manner. Adhering to the principles of objectivity, they have worked to ensure fairness, independence, and transparency, particularly in instances of potential conflicts of interest. Consequently, all decisions made by the Board of Directors prioritize the Company's overall interests and exclude personal interests of individuals, shareholders, or groups of major shareholders. The Board ensures that all company activities comply with the provisions of the Enterprise Law, the Company's charter, and other relevant legal documents and regulations.

b. Evaluation of the activities of the Board of Directors and the Board of Management in 2022

Supporting the Board of Directors to implement the Company Governance effectively and transparently	- Implementing and completing the Company governance in accordance with the latest Governance Principles
Enhancing the effectiveness of the board's decision-making	- Advising, providing assessments of the business market and environment to offer diverse perspectives to the BOD to make right decisions especially regarding investment, business, venturing into new fields and markets within the construction industry.
Orientation and supervision of the implementation of resolutions of the General	- Supervising the coordination of the BOD, the BOS and the BOM in the implementation of resolutions, ensuring that all operational activities of the enterprise are stable, resources are properly allocated, and projects are completed on time.

Meeting of shareholders and the Board of Directors	
Monitoring transactions with relevant stakeholders	<ul style="list-style-type: none"> - Strengthening the monitoring and review of transactions of stakeholders, completing internal processes, and controlling systems to ensure transactions are carried out based on market value. - Ensuring and maintaining transparency in the organization and operation of the JSC, preventing the concealment of information related to the Company's operating situation, transactions with signs of self-interest that are likely to lead to violations and losses against the Company and other stakeholders, especially to small and minority shareholders.

c. Evaluation of the activities of the Board of Directors and the Board of Management in 2022

- The Board of Directors has provided appropriate and timely instructions in accordance with the current laws and the Company's Charter.
- The Board of Directors has well implemented the supervision, support as well as creating conditions for the BOM to complete the implementation of the Resolutions of the AGM and to fulfill the profit plan for 2022.
- In addition to complying with the regulations on information disclosure, the BOD and the BOM have made significant efforts to provide information to shareholders through events such as the Analysts Conference, the Shareholders Day, aiming towards modern management standards.

d. Operational orientation of the independent board members in 2023

In 2023, the independent board members will continue to play a supportive role in helping the BOD fulfill its roles and responsibilities, ensuring independence and objectivity in the decision-making process and balancing the interests of all parties involved. Specifically, they will:

- Participate in analyzing and assessing potential risks in the Company's business activities, providing development scenarios, and building proper long-term control strategies.
- Review, adjust, and amend the Company's Charter and internal regulations to align with amendments in current laws and higher international standards.
- Supervise transactions involving related parties to ensure there are no conflicts of interest among the parties and neutralize the interests of shareholder groups.

- Continue to carry out their supervisory function over the BOD and the BOM in accordance with the provisions of the Enterprise Law and the Company's charter.

II. OPERATIONAL ORIENTATION OF THE BOD IN 2023

a. Overview of the Construction Industry Outlook in 2023

- The construction industry in 2023 is expected to benefit from the bright spot of potential public investment. The government's continued aggressive efforts to accelerate the disbursement of public investment capital will create a growth engine for public investment businesses with high professional capacity and prestige. The National Assembly has ratified a public investment plan for 2023 with a total capital of over VND700,000 billion, which is a significant increase of about 25% (about VND140,000 billion) compared to the 2022 plan and about VND260,000 billion compared to the 2021 plan (the first year of the 2021-2025 medium-term public investment plan). The government has also mandated the complete disbursement of the capital under the Socio-Economic Development and Recovery Program in 2023. As a result, notable transport infrastructure projects in the near future such as the Eastern North-South Expressway - Phase 2, Long Thanh International Airport, Ring Road 4 (Hanoi) and Ring Road 3 (Ho Chi Minh City) are predicted to invigorate the construction industry in 2023.
- Foreign investment inflows into Viet Nam will likely reach US\$36-38 billion in 2023, according to the Foreign Investment Agency (FIA) under the Ministry of Planning and Investment. Foreign investment inflows into Viet Nam will likely reach US\$36-38 billion in 2023, according to the Foreign Investment Agency (FIA) under the Ministry of Planning and Investment.

b. Overview of challenges for the Construction Industry in 2023

- The source of project development funds for investors is narrowing due to the tightened credit environment, difficulties in issuing bonds, and mobilizing capital from customers, leading to a shortage of capital for enterprises, causing project delays and halts in implementation.
- Interest rates, exchange rates, fuel prices, and construction material prices are increasing, leading to high costs for enterprises and affecting their production and business operations.
- Enterprises cannot sell products to recover capital and reinvest due to customers having difficulty accessing loans from indirect credit organizations, affecting the liquidity of real estate products and projects, thereby reducing the number of new projects and increasing the bad debt ratio for construction companies.

c. Orientation of Coteccons Board of Directors in 2023

- With the goal of reaching international standards to effectively control risks, improve system quality, streamline apparatus, and optimize costs, in 2023, the Company will continue to implement

the policy of optimally combining both long-term and short-term investment orientations on existing resources. For long-term investment orientation, the Company will conduct M&A in the direction of diversification and expansion into neighboring fields in the construction and real estate ecosystem, in order to provide comprehensive solutions, products and services that are customer oriented. For the short term, invest in financial products to optimize idle cash flow.

- Promoting operational efficiency, business culture, especially investing in the development of the team to tackle increasingly challenging tasks. In terms of business performance, Coteccons will prioritize repeat sales, upgrade quality standards and labor efficiency at construction sites. Besides, the capacity of risk management and corporate governance are areas where we also place higher requirements.
- The Company's Board of Directors aims to present the following to the 2023 AGM for review, discussion, and approval:

No.	Description	Unit	Target of the Fiscal year 2023 (from January 1 st , 2023 to June 30 th , 2023)	Target of the whole year 2023	Actual 2022	Growth
1	Consolidated revenue	Bil. VND	7,644	16,249	14,537	12%
2	Consolidated profit after tax	Bil. VND	44	233	21	1010%

Ho Chi Minh city, April 25th, 2023

ON BEHALF OF THE BOD

Chairman

(signed)

BOLAT DUISENOV