

**REPORT OF THE BOARD OF SUPERVISORS
19TH ANNUAL GENERAL MEETING - 2023**

I. OPERATION RESULTS OF THE BOS IN 2022

1. Operation of the Board of Supervisors (BOS)

a. Information about members of the BOS

No.	Members	Position	Appointment date
1.	Mr. Tran Van Thuc	Head of the BOS	Appointed April 26, 2021
2.	Mr. Zhaidarzhan Zatayev	Member of the BOS	Appointed April 25, 2022
3.	Mr. Doan Phan Trung Kien	Member of the BOS	Appointed April 25, 2022

In 2022, the company has changes in the members of the BOS:

- Dismissed Mr. Dang Hoai Nam and Mr. Nguyen Minh Nhut (Jack) from the BOS effective April 25, 2022.
- Appointed Mr. Zhaidarzhan Zatayev and Mr. Doan Phan Trung Kien as members of the BOS effective April 25, 2022.

Ratio of share ownership to charter capital of members of the BOS as of December 31, 2022:

- Mr. Tran Van Thuc: 0%.
- Mr. Zhaidarzhan Zatayev: 0%.
- Mr. Doan Phan Trung Kien: 0%.

b. BOS meetings

- - Number of meetings, participation and voting rates

No.	Members	Number of participated meetings	Rate of participation	Voting rate	Reasons for absence
1.	Mr. Tran Van Thuc	04	100%	100%	
2.	Mr. Zhaidarzhan Zatayev	04	100%	100%	
3.	Mr. Doan Phan Trung Kien	04	100%	100%	

- **Details of content of meetings of the BOS**

No.	Meetings	Date	Content
1.	Meeting 01	May 4, 2022	Meeting to elect Head of the BOS after electing additional members of the BOS at the Annual General Meeting of Shareholders
2.	Meeting 02	May 5, 2022	Discussing current risks of Coteccons and working plan of the Supervisory Board for 2022
3.	Meeting 03	June 29, 2022	The Supervisory Board unanimously proposed that the Board of Directors choose EY Auditing Company Limited as the auditor of financial statements for Coteccons and its subsidiaries in the fiscal year 2022.
4.	Meeting 04	August 5, 2022	The BOS meets with EY to review the first six months of 2022 audit results

2. Supervision/coordination activities of the BOS to the Board of Directors, Board of Management and Shareholders

- The BOS interviewed and discussed with the General Director and Deputy General Directors about the implementation of the company's major business strategies in 2022.
- The BOS attended a number of corporate governance meetings with functional departments to monitor the direction of the Board of Directors/Board of Management.
- The BOS devised an operation plan for the whole year of 2022, sent it to the Board of Directors and the Board of Management to obtain information and direct functional departments in the company to coordinate with the BOS to implement the work.
- The BOS coordinated with the Internal Audit Department to audit the functional departments: Contract and Cost Management (CCM), Finance & Accounting department and a number of projects, including on-site performance evaluation.
- Submitted quarterly evaluation reports on the financial position and operation of the company.

3. Details of some activities carried out by the BOS in 2022 related to the supervision of the Board of Directors and the Board of Management

Time	Content
Jan 18, 2022	Sent an email to the CEO warning about the status of some ongoing projects being at a loss
Mar 6, 2022	Sent the Board of Directors and the Board of Management reports on the assessment of the financial situation and operations for 2022 based on the review of the annual financial statements.
May 25, 2022	To the Board of Directors and the Board of Management, report on the assessment of the financial situation and operations of the first quarter of 2022 based on the review of the quarterly financial statements.

Jul 12, 2022	Sent the Board of Directors and the Board of Management the evaluation report of the BOS.
Aug 3, 2022	Organized a meeting with the heads of departments to evaluate the performance of the boards/departments.
Aug 24, 2022	Sent the Board of Directors and the Board of Management report on the assessment of the financial situation and operations of the second quarter of 2022 based on the review of the quarterly financial statements.
Sep 8, 2022	Sent the Board of Directors and the Board of Management a report to evaluate the operating efficiency of the company and analyze the causes of losses of the projects.
Sep 8, 2022	Sent the Board of Directors and the Board of Management reports on proposals to improve the company's profits.
Nov 11, 2022	Sent the Board of Directors and the Board of Management report on the assessment of the financial situation and operations of the third quarter of 2022 based on the review of the quarterly financial statements.

II. ASSESSMENT OF IMPLEMENTATION OF RESOLUTIONS OF THE GENERAL MEETING OF SHAREHOLDERS/BOARD OF DIRECTORS

1. General Meeting of Shareholders (GMS)

In 2022, the General Meeting of Shareholders approved 16 Resolutions, from No. 01-16. By the end of December 2022, 15 resolutions have been completed, and one resolution is being implemented related to the Share issuance plan under the Employee Stock Ownership Plan (ESOP) in 2022.

2. Board of Directors

In 2022, the Board of Directors issued 16 resolutions. By the end of December 2022, the workload of 15 resolutions has been completed, and the workload related to Resolution No. 14/2022/NQ-HDQT on the share issuance plan is being implemented.

III. EVALUATION OF THE IMPLEMENTATION OF THE 2022 BUSINESS PLAN AND SOME KEY FINANCIAL INDICATORS

1. Evaluation of the implementation of the 2022 business plan:

Unit: billion dong

	2022	Compared to 2021	Compared to set out plan
Revenue	14,537	Increased by 60% (compared to 9,077)	Achieved 97% (compared to 15,000)
Profit after tax	21	Decreased by 12.5% (compared to 24)	Increased by 5% (compared to 20)

The main reason for low business results (profit after tax) is due to the provision of bad debts made in 2022.

2. Some key financial indicators

No.	Indicator	Unit	2021	2022
I	Profit margin			
1	Gross profit margin	%	3.0	3.3

2	Profit before tax/revenue ratio	%	0.3	0.24
3	Profit before tax/equity ratio	%	0.29	0.25
4	Profit before tax/total assets ratio	%	0.27	0.67
II	Performance Index			
1	Inventory turnover	Day	62	58
2	Accounts Receivables Turnover	Day	308	236
3	Accounts Payable Turnover	Day	129	107
III	Liquidity			
1	Current liquidity ratio	Time	2.1	1.71
2	Quick liquidity ratio	Time	1.85	1.43
3	Leverage (Liabilities/Equity)	%	78%	131%

IV. RECOMMENDATIONS OF THE BOS

1. Business results of 2022: Completing the set plan

- Although the company achieved the set revenue and profit targets, the BOS recommends the Board of Directors and the Board of Management to pay attention to the cash flow management.
- Specifically, for the whole year of 2022, cash flow from main business activities was negative 1,626 billion dong. The main reason comes from the large balance of receivables and some ongoing projects falling into a state of loss. At the end of the fourth quarter of 2022, the company strictly controlled the cash flow for each project, which brought a more positive picture of the cash flow in the first quarter of 2023. To improve the situation of negative cash flow in 2023, the company needs to continue to closely monitor cash flow by (i) Continuing to focus on debt collection (ii) Monitoring to ensure that each project has a balance between revenue and expenditure (iii) Carefully considering investments.

2. Closely monitoring corporate restructuring/innovation

In 2022, the company has carried out many restructuring/innovation activities:

- Changing personnel in some key positions.
- Diversifying products, markets and industries (implementing infrastructure projects, focusing on FDI enterprises, small-scale industrial construction projects, and internationalisation strategy, etc.).
- Implementing several innovative programs on corporate governance such as Empowering PDs and decentralizing matrix management.

We would like to draw attention of the Board of Directors and the Board of Management to these restructuring programs: The introduction of the programs is only a preliminary step, in order to achieve the objectives of the restructuring/innovation, the organization, implementation, monitoring and measurement of results should be placed under the strict control of the Board of Management.

3. Raising the profit rate of each project

Some ongoing projects are currently in a state of loss. The causes come from objective and subjective reasons. The company needs to study, analyze these causes and come up with solutions to overcome in the future. The BOS respectfully submits to the General Meeting of Shareholders for consideration, discussion, and approval.

CÔNG TY CỔ PHẦN XÂY DỰNG COTECCONS

Ho Chi Minh city, April 4, 2022

ON BEHALF OF THE BOS

HEAD OF THE BOS

(signed)

TRAN VAN THUC