



**COTECCONS CONSTRUCTION JOINT STOCK COMPANY**

A. Coteccons Building, 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC  
T. (84) (28) 3514 2255/66  
F. (84) (28) 3514 2277  
E. [contact@coteccons.vn](mailto:contact@coteccons.vn)  
W. [www.coteccons.vn](http://www.coteccons.vn)



# BUILDING MINDSET BUILDING FUTURES

2022 ANNUAL REPORT

COTECCONS • 2022 ANNUAL REPORT



OWN IT  
& CREATE OUR  
OWN OPPORTUNITIES

In order to create real TRANSFORMATIONAL results for 2023 as expected in the 2021 - 2025 roadmap, Coteconcs has chosen OWN IT as its motto to encourage action from each member of the HR team.

Broadly defined, OWN IT at Coteconcs means taking ownership at work to access opportunities and develop oneself without having someone watch over your shoulders. By doing so, each individual will surely reach higher to celebrate bigger accomplishments and victories. A business where each of its member shares this purpose will truly develop a successful corporate culture, grow internal strength and reap sustainable results.

Therefore, each and every **person at Coteconcs** is expected to incorporate the following in their awareness and actions:

Actively create opportunities to deliver a better performance by thinking differently, embracing new values, being fearless in the face of challenges and moving beyond its comfort zone, etc.



OWN

Nurture the desire to win so as to pursue longer-term goals and big dreams, and to build a realistic course of action in line with its long-term strategy.



WIN

Stop all negative thinking and attitudes that hinder growth while avoiding passing judgment, selfish ambition and conflicts of interest, etc. to move towards collective goals, build more values together and produce greater results.



NO POLITICAL

Make an impact at work to drive long-term transformations within the business and beyond with true integrity and positive qualities.



IMPACT

Build a trusting environment wherein others can trust you and you trust others. Every team member is thus motivated and empowered and becomes more trustworthy.



TRUST

# BUILDING MINDSET, BUILDING FUTURES

## ANNUAL REPORT 2022

2022 was a truly high-performing year for Coteccons from different angles. Coteccons can be proud of its efforts and achievements. This is even more encouraging given harsh market conditions and strong real estate market volatility.

Fulfilling its business goals, winning bids for different key projects, restoring customer and public trust and regaining its leading position in Vietnam's construction industry are some of the highlights. However, Coteccons does not revel in its short-term accomplishments. 2022 is a proud year with more important long-term implications for the Company.

First, its business performance definitely helps validate the accuracy of Coteccons' long-term strategy. Its five-year vision between 2021 and 2025 has become clearer.

Second, it is the strong growth of inner strength. A stronger, more active and more colorful Coteccons has shown determination and innovation both at individual and company levels.

Driven by these results, Coteccons can be confident of reaching further in the future. And in order to realize its goals, the Company further encourages more bold visions, aspirations and action. Therefore, OWN IT - BUILDING MINDSET, BUILDING FUTURES is a new value to be embraced as part of Coteccons' corporate culture, calling actions from all **Coteccons people**.

OWN IT indicates a sense of self-management. It means self-management of our actions, work and responsibilities without a need for external triggers. Every team member will then be able to develop his own abilities on his own. Such a mindset will certainly build capabilities to reach higher and reap more sustainable outcomes.

OWN IT also means taking ownership. Every individual is responsible for his own career. **Coteccons people** are its true owner. A business can only grow steadily and sustainably when it is structured and developed on the equal strengths of its team.

Coteccons gives equality to all of its entities and individuals. Let's OWN IT to join the Company in its new and stronger journey!



# CONTENTS

## COTECCONS IN ITS “OWN IT VERSION”

10	Back on track for growth acceleration
12	From UP to OWN IT
14	From PD Empowerment to People Empowerment
16	Behind a marathon
18	Sustainability is the only option
20	Message of the Chairman
24	Events - Accolades - Awards of the year

## LEADERSHIP TEAM

32	Board of Directors - Board of Management and Board of Supervisory
36	Brief biographies of leaders

## COMPANY OVERVIEW

44	General information
48	Core values

## REPORT ON CORPORATE GOVERNANCE

66	Report of the Board of Directors
78	Report of the Board of Supervisors
88	Risk Oversight
100	Investor Relations

## REPORT OF THE BOARD OF MANAGEMENT

120	Dialogue with the CEO
126	2022 in numbers
129	Business performance and organizational development

## SUSTAINABLE DEVELOPMENT

172	Message on sustainable development
178	Typical sustainable development activities
198	Reference to GRI standards

## FINANCIAL STATEMENTS

212	Consolidated Financial Statements
264	Separate Financial Statements

## LIST OF ACRONYMS & ABBREVIATIONS

AR	Annual report
CAGR	Compound Annual Growth Rate
IT	Information Technology
COMPANY/COTECCONS	Coteccons Construction Joint Stock Company
CSR	Corporate Social Responsibility
JSC	Joint Stock Company
D&B	Design and Build
AGM	Annual General Meeting
ESG	Environmental, Social and Governance
ESOP	Employee Stock Ownership Plan
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
BoD	Board of Director
HNX	Hanoi Stock Exchange
HOSE	Ho Chi Minh Stock Exchange
IR	Investor Relations
IA	Internal Audit
LEED	Leadership in Energy and Environmental Design
NPAT	Profit after tax
EBT	Earnings before tax
M&A	Mergers and acquisitions
M&E	Mechanical and Electrical Systems
MD	Managing Director
PD	Project Director
Deputy CEO	Deputy CEO
CG	Corporate governance
ROAA	Return on Average Assets
ROEA	Return on Average Equity
CEO	Chief Executive Officer
CIT	Corporate Income Tax
HCMC	Ho Chi Minh City
SSC	State Securities Commission
USD	U.S. dollar



# COTECCONS

## IN ITS “OWN IT VERSION”

- 10 BACK ON TRACK  
FOR GROWTH ACCELERATION
  - 12 From UP to OWN IT
  - 14 FROM PD EMPOWERMENT TO  
PEOPLE EMPOWERMENT
  - 16 BEHIND A MARATHON
  - 18 SUSTAINABILITY IS  
THE ONLY OPTION
  - 20 MESSAGE OF THE CHAIRMAN
  - 24 EVENTS - ACCOLADES - AWARDS OF  
THE YEAR
- 





## BACK ON TRACK FOR GROWTH ACCELERATION

**After efforts to restore internal strength and build stability, by the end of 2021, Coteccons targeted to be back on track. The business performance in 2022 showed that Coteccons was truly back on track while also accelerating its growth despite unfavorable market conditions.**

By the end of 2022, Coteccons generated VND 14,537 billion in revenue, growing 60% on a year-by-year basis. Its profit after tax was 105% higher than planned - after having set aside a large provision to ward it off potential risks amid difficult market conditions and possibly bad debt increases.

Its revenue confirmed its No. 1 position in Vietnam's construction industry in 2022. Despite not much focus given to the "race" for this position to sacrifice growth quality and long-term sustainability, such results validated the Company's existing capabilities and re-established its market reputation.

More importantly, Coteccons' business performance and financial health convincingly indicated possibilities for solid recovery and further disruptive growth. In particular, all financial indicators were within the permissible limits and

all businesses were well managed. Its inventories reached VND 2,838 billion in 2022, an increase of 59% compared to 2021, and the recorded backlog for 2023 (excluding the Lego project) is about VND 17,000 billion, which indicates the Company's potential growth in revenue in the future - although market conditions are expected to be much more challenging in 2023.

In addition, Coteccons has also started to launch new areas of business in its diversification strategy. This includes further involvement in infrastructure development, joint investment projects, pre-cast segment, and bidding for mega-projects, etc. It has won bids for big projects such as Lego Factory, Diamond Crown Hai Phong, Ecopark, Iron smelting plant as part of the Hoa Phat Dung Quat 2 Iron and Steel Production Complex project, indicating Coteccons' capabilities to work on different categories of construction and meet technical requirements as well as its reputation among a wide range of clients, from FDI, international and domestic investors.

In addition, Coteccons' risk forecasting, risk management and responses have been greatly

improved. In 2022, the global and Vietnamese markets were both in chaos following the pandemic and wars - conflicts in some parts of the world. As a direct consequence, construction companies faced a lot of pressure, from soaring material prices, supply chain disruptions and project delays due to financial difficulties of investors. Coteccons gradually overcome these challenges thanks to its effective responses to operate safely and achieve remarkable results as presented.

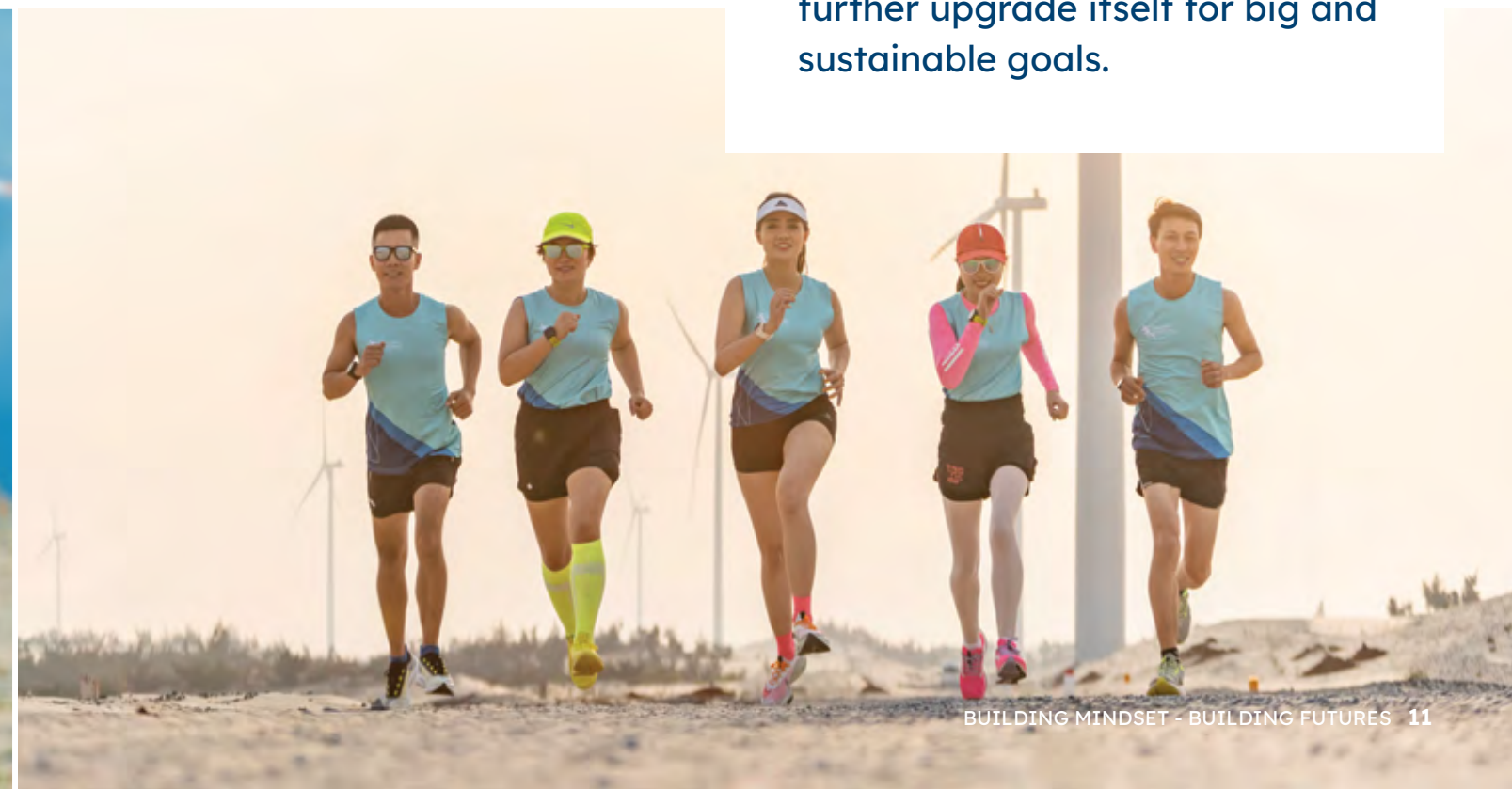
These are practical evidences proving Coteccons' commitment to upgrading its corporate governance. A vision for more professionalism, transparency and equality has been elaborated by its actions, not just viewpoints and expectations of its leaders.

It is clear that Coteccons is moving forward in accordance with its 5-year development roadmap with a stronger performance than expected. Conditions for the next phase of growth have also been established. As envisioned, in 2023, Coteccons is set to strengthen its capabilities to achieve **transformational** results, both qualitatively and quantitatively.

With a strategic vision, execution plans, prepared resources and past achievements, Coteccons is confident of **a better future**. Overconfidence is avoided though, given its clear awareness of uncertainties and strong volatility of the business environment. Therefore, Coteccons is to further make efforts to develop internal resources, gain more control in running businesses, seize emerging opportunities while still ensuring necessary conditions to pursue big and practical dreams.

“

**Coteccons aims to win the long-distance race and sees itself as the greatest competition. Past achievements are highly encouraging, but it is more important to develop capabilities and resistance for the long-term strategy. Coteccons will further upgrade itself for big and sustainable goals.**







**FROM UP TO OWN IT**

## A JOURNEY OF CHANGE FROM A NEW LOOK TO A NEW MINDSET AT COTECCONS

As envisioned in its newly announced strategy towards 2025, 2022 is the year of **innovation**. Coteccons excellently fulfilled this vision by delivering strong innovations in different aspects and creating a high-energy culture that outsiders can also feel.

Human resources are the key factor. Coteccons aims to build its human resources based on new requirements mainly by awakening potentials and leveraging strengths of its existing people. Coteccons does not plan for "screening" or "replacement" of its people who truly perceive and deliver on its values.

Over its 18 years of development as a leading player in the construction industry with impressive imprints in Vietnam's modern look, Coteccons has brought together a strong team with a strong corporate culture. However, highly volatile market fluctuations and internal issues have triggered Coteccons to "transform itself" to avoid being eliminated from the market according to common rules.

Owning their own strengths, advantages and personalities, and having gone through an unexpected period of organizational turmoil with doubts and upsets, Coteccons people have had to deal with different pressures all at once: coping with external shocks, re-establishing self-confidence and "improving themselves" to stand firm and seize emerging opportunities.

And Coteccons people have overcome these great pressures to build a **Coteccons in its new version** full of vitality and potential as today.

It has been a challenging journey with much effort and courage but it has demonstrated some of the key success factors of Coteccons' "self-transformation" process. First, it is a new vision and a telling overarching strategy as envisioned by its leaders. Clear awareness of its weaknesses, internal problems and risks, if the change is not fully implemented, while also defining ambitious goals and targets to be otherwise achieved have awakened the dreams of Coteccons people.

### 4 STRATEGIC TASKS OF COTECCONS

**Building human resources based  
on new requirements**

**Promoting optimal operation**

**Diversifying products and services**

**Unlocking values**

It is then clearly defining the new portrait of Coteccons people, based on 9 core values to be fulfilled, enabling each member and the whole team to be aware of where and how to drive change.

Coteccons has delivered detailed plans and practical actions to build the new mindset and promote a sense of innovation among its people. In addition to training programs, inspirational communication has been highly effective. In 2021, Coteccons coined UP - COMMON GREAT THING as an action slogan for Coteccons people. Accordingly, for being part of Coteccons and to join its new journey of development, each individual must embrace the UP spirit - with a

“

When there is a sense of change and determination to embrace change, an individual or a business can do anything. **Coteccons in its new version** has been clearly developed with a fresh look, mindset and strength.

desire and efforts to improve and become a new and better version of himself.

The UP spirit does not require extraordinary capabilities or is not for great people; it is rather for everyone who can unleash their own knowledge and potentials to better perform what they are doing towards more positive values for themselves and the Company.

Recently, the "self-improvement" journey of Coteccons people has started with the next action slogan: OWN IT - BUILDING MINDSET - BUILDING FUTURES. This is one step higher towards greater ownership and aspiration within each person. Accordingly, when embracing ownership, each person will actively be aware of and prepared to take responsibility, manage his work performance, access opportunities and develop themselves without external triggers. This will translate into winning achievements for those who can create and contribute to its values.

Coteccons has now had a strong team with a new mindset and vitality. It has a more attractive look, is mentally stronger, and has a more open-minded and modern way of thinking. Coteccons' collective events, meetings and gatherings are colorful, youthful and full of new energy.

Coteccons is further driving this momentum with the belief that its people are fully capable, qualified and determined to conquer new heights and build a sustainable future for themselves.



# FROM PD EMPOWERMENT TO PEOPLE EMPOWERMENT WHEN DREAMS ARE AWAKENED



The PD Empowerment program was launched in 2021, widely implemented in 2022 and is further being replicated. This indicates a robust strategy to develop potentials and awaken strengths of its people. This is also a testament to the effectiveness of the UP and OWN IT spirits.

To build new strengths of human resources and restructure the organizational model, Coteccons has adopted different pilots and solutions. Among others, the **PD Empowerment** program is a typical example as it helps build a new generation of leaders - directors, and also brings inspirations and lessons on human development.

The organizational model Coteccons is shaping is a decentralized, not centralized, leadership structure. This new model will help create a solid foundation for business sustainability as its decision-making power and leadership is not granted to a few number of leaders and directors. A centralized leadership model can offer a high level of concentration and quick decision-making, but also carries risks as it is reliant on and easily leads to emotions.

Coteccons' "brains", who led and managed the Company, used to be part of its head office and back office team. The project directors and site management teams only focused on executing and ensuring the progress of construction, with little involvement in other tasks such as business development, customer care, supply chain management or financial performance. The "power" and pressure of the back office team were high, meaning that decisions might be slower and less practical. Meanwhile, potentials and capabilities of site management teams were not leveraged.

PD Empowerment was introduced as an initiative to empower project directors (PDs). Accordingly, each project will be a miniature Coteccons model with its PD as the CEO having access to needed support to lead and manage the entire implementation process and the related value chain. The back office team then provides support, training while promoting and managing the implementation using appropriate mechanisms.

This model provides flexibility, allowing the Company to leverage its vast resources to simultaneously and effectively deploy different large-scale projects with a level of certainty while dispersing risks and pressures to a certain extent. This is also a condition for the company-wide professionalism, increasing opportunities for valuable contributions and career development for many.

However, in order to make this happen, it is necessary to have a fully qualified leadership team who is not simply leading and managing aspects within their areas of expertise.

Accordingly, PDs are required to develop extra capabilities and bear more responsibilities as a real businessman. This requires time for mindset change, training and improvement.

Coteccons piloted such requirements on a group whose transformation would be most likely to succeed. Some expressed their concerns and unwillingness initially. However, highly motivated and ambitious employees saw this an opportunity to realize their hidden potentials and progress their career to a higher step. This could also be seen as a "filter" to help develop truly skilled leaders - directors.

The leadership and team in charge then stepped up the process of authenticating, training, coaching, supporting and empowering its first batch of PDs - CEOs. This model proved effective when the empowered PDs all well leveraged their abilities, opening new values for themselves and the Company. Most of them had never thought that they would be as "tall" as themselves in their current "version".

A new generation of leaders is gradually being formed for a more abundant pool of middle and high-level managers at Coteccons, creating a sustainable source of its future leaders.

Apart from PDs, other employees at Coteccons are also empowered on a broader scale through human resources policies while there are also bold reforms of its management system. The company is offering equal opportunities to everyone and adequate outcomes are derived by those who can demonstrate their abilities, values and efforts.





# BEHIND A MARATHON

“

Coteccons' strategy to set higher environmental protection and sustainability standards has been drastically delivered recently. In the years to come, technologies and standards applied and developed by Coteccons will also become its new competitive advantage.

One of the most novel and inspirational activities at Coteccons in 2022 was the marathon themed Green Up. Not simply a sports event for communications and entertainment purposes, it also helps build values consistent with the Company's long-term strategy.

Coteccons Quang Binh Marathon - Green Up was held by Coteccons in early August 2022 in Quang Binh in collaboration with Quang Binh Provincial People's Committee. With a beautiful track running through the largest wind power field in Vietnam, the event brought together nearly 2,000 runners. The vast majority were enthusiast runners from all over Vietnam, who had participated in different marathons before.

Such a public large-scale sports event was a new activity launched by Coteccons and it seemed “not much related” to its operations and came as a surprise to many. However, Coteccons Quang Binh Marathon - Green Up carried with its greater missions and was completely a meaningful choice of the Company.

First, it aimed to promote green lifestyles, awareness of sustainability and environmental protection. In its grand strategy with a long-term vision, Coteccons is strongly committed to sustainable development and considers this as one of its core values. For this, Coteccons incorporates such a commitment in its construction standards, project development and business activities. The execution can only be far-reaching when the awareness of sustainable development is translated into daily activities.

Therefore, Coteccons Quang Binh Marathon - Green Up was organized on a large scale for general public, rather than being limited to internal participants, so that its message could be spread more widely. Interaction between its people and external participants would increase the vividness and acceptance of the message.

Every details and activities related to the race were geared towards the practicality of a green lifestyle. For example, tracksuits, medals or stage, etc. were all prepared using recycled materials. Especially, for every 5km completed by athletes, Coteccons will plant 1 tree in **Vietnam's greening** journey at the call of the Prime Minister.

Besides, hosting this event in Quang Binh also helps promote this province to the business community and the public.



Coteccons is implementing a number of large projects in Quang Binh and is clearly aware of its responsibility in contributing to local development in different aspects.

Given its significance, the event was strongly supported by the public, making Coteccons Quang Binh Marathon - Green Up one of the memorable event among participating runners. Many are waiting for the next marathon hosted by Coteccons.

The vivid images and humanistic messages of Coteccons Quang Binh Marathon - Green Up effectively bridged Coteccons with the business community and general public by giving a fresh impression on the brand and changing the public views of Coteccons. Coteccons is now presenting

a more colorful and youthful image with a humanistic development philosophy to navigate from previous PR storms triggered by internal issues. Coteccons' new strategies, values and capabilities have been positively communicated to the public. Thus, from a business perspective, this is a highly effective branding activity.

On a longer term, Coteccons employees will have become familiar with this humane and healthy living philosophy. Practicing sports, appreciating nature and protecting the environment through practical actions are also a must-have lifestyle for those who want to **own it**. Coteccons people will create truly green and sustainable buildings driven by the awareness of each individual, not only compliance with the standards set by the Company.



# SUSTAINABILITY IS THE ONLY OPTION

“

We aim to create better values for the future through impactful activities and sustainable development. Coteccons pursues a business that embraces social, environmental and community responsibilities.

Delivering long-lasting works, projects that help create new market dynamics for socio-economic development, and true values enjoyed by investors and users is the highest goal pursued by Coteccons. The company has elaborated this by launching the IMPACTD program.

Coteccons' IMPACTD program includes specific activities that have been and will be implemented. It aims to help provide training of future-generation engineers, develop green initiatives and solutions, promote green lifestyles, improve the working environment for those working at construction sites, and promote charities for those in need, among others. Last year, in addition to bustling business operations, Coteccons also hosted multiple activities in this regard.

Besides, Coteccons' commitment to sustainability is even delivered more strongly and practically. As a large-scale construction company, its mindset and technologies adopted in project management will have a direct impact on the community and the environment now and in the future. That's why Coteccons is requesting for new environmental solutions.

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 raise environmental protection standards that are more suitable for future needs of each individual project and the whole society.



## IMPACTD COTECCONS SUSTAINABILITY PROGRAM

In the extremely competitive environment in the construction industry, predatory pricing has become quite trendy. With a clear vision, Coteccons determined to stay out of any price wars. The company persistently pursues innovations that help deliver cost optimization and secure a competitive advantage for ourself in bidding while not lowering or ignoring any sustainability criteria.

In 2022, Coteccons was awarded contracts for a variety of project types under different developers, including multi-billion-dollar projects with demanding technical and environmental requirements. This has once again made it clear that Coteccons' commitment to sustainability is the right option in the current and future development contexts, enabling us to build prestige and earn trust among customers who also embrace the same ideology.





**BOLAT DUISENOV**  
The Board Chairman

**Coteccons is changing to become more innovative and stronger every day. Driving and managing changes effectively is also a demanding task. We are appreciative of the trust and engagement of all parties on the Coteccons' present-day journey and believe in our long-lasting and strong partnership in the future.**

# MESSAGE OF THE CHAIRMAN

## OUTCOMES OF INVESTMENT IN AND DEVELOPMENT OF CORE STRENGTHS

Prior to assessment of our business performance in 2022, I would like to talk a little bit about what came before. As you might remember, for 2021, Coteccons focused on building business stability. Despite a new development journey then charted for Coteccons, we understood that it would only be possible to pursue long-term goals by developing core pillars as our internal strengths.

Therefore, we were determined to rebuild stability from within after serious disturbances. In 2021, the Covid-19 pandemic shook up the socio-economic order. After managing daily stress to keep Coteccons alive, I then still asked myself **what was the most important in building true stability.**

With all of my research and experience at Coteccons, I was certain that Coteccons must be a human-based company. This is not something new indeed as most businesses understand how important people are in their chances of growth and success. However, in order to harness people power to drive growth, they should refresh their mindset and actions. This must be a long-term investment and development journey, not an overnight success.

In 2021, Coteccons consistently made efforts in business restructuring following such a vision and achieved certain stability. In 2022, we moved into the innovation phase. For sustainable business development, now and in the future, Coteccons' people should acquire new qualities and competencies.

New and externally sourced employees will be needed; though, existing people form our core HR strengths. Yet, it is not about new hires or existing employees but about how **relevant** they are to our operations. We should have the right people and the right talents with chances to contribute their parts. Therefore, to be a right person, in addition to talents, one must also be mentally strong to be able to overcome challenges, adapt themselves to changes, work under high pressure and be open to work on and contribute to our overall goals.





Meanwhile, for the same person to perform efficiently based on clear expectations and requirements, the employer should devise individualized personal development strategies, roadmap, tools, objectives and approaches.

We are well aware of this and determined to take actions, step by step.

After more than one year developing our core strengths, our 2022 performance is the best testament to our choices and efforts.

Market stress was piling up, especially in Q3 and Q4/2022. Yet, Coteccons proudly ended the year with impressive achievements in almost every aspect.

**In terms of sales and profits**, we were close to fulfill our targets while still upgrading our quality and safety standards. We also had a large backlog volume for the following years.

**Market-wise**, Coteccons was successful diversifying our portfolio of customers by winning new domestic and international ones for huge projects, coupled with repeat sales by existing customers. Coteccons is confident to have the largest customer portfolio in the construction industry. Our key outstanding projects include Lego, Vinfast Factory, Ecopark and Diamond Crown Hai Phong.

A rich customer portfolio and solid relationship with them help generate positive business outcomes while reducing our dependence on a certain group of customers. That also enables us to minimize the negative impacts of shocks in the real estate industry.

**In terms of operations**, we now have a higher market position, with a secure supply system and a stable network of partners.

**Financially**, the balance sheet can best tell Coteccons' solidity. Given challenging market conditions, the Company ensures cash flow and liquidity, in addition to healthy operations in other indicators such as corporate assets or debt ratio.

Yet, what makes me most proud is undoubtedly **our employee maturity and customer satisfaction with completed projects**.

I have been asked about my feelings when Coteccons has regained its leading position in the Vietnamese construction industry in terms of sales. That's an awe-inspiring achievement. We feel no fear of comparison and competition as, like it or not, a business has to face them. However, I often wonder if short-term sales and profits should be indicators of a market leader? Or if a brand's appearance in the media would be the most important aspect to a business?

I personally hold a belief that a good business, apart from its business performance, must pursue a greater mission and create positive influence on the market through its initiated standards. The same business must build sustainable values for itself and a wider society. Coteccons has coined "Building Futures" as our slogan for this purpose.

For 2023, Coteccons is more confident and optimistic although market challenges remain. We have drawn up a long-term strategy and action plan based on our available resources, people and customers. Our next task is to further drive business results and promote corporate culture, with a particular focus on our team- people development for more demanding requirements. In terms of sales, Coteccons will promote repeat sales, upgrade quality standards and boost labor productivity at construction sites. Besides, risk management and corporate governance are areas where we will set higher requirements.

This is also time for Coteccons to review its long-term strategy for refinements that fit market developments. A long-term vision and strategy provides a foundation to lead Coteccons on a new journey. But such a long-term strategy should regularly be revisited and updated when necessary to adapt to volatile market conditions. On each stage of development, a business should focus on

developing its core values and internal strengths. Fear of making mistakes and embracing challenges will hold us back.

**We have at least two options, either sitting back and waiting for our circumstances to change or actively taking actions and changing our entire trajectory. Strong-willed people and sustainable businesses always choose to be proactive.**

Coteccons is changing to become more innovative and stronger every day. Driving and managing changes effectively is also a demanding task. We are appreciative of the trust and engagement of all parties on the Coteccons' present-day journey and believe in our long-lasting and strong partnership in the future.

Yet, what makes me most proud is undoubtedly our employee maturity and customer satisfaction with completed projects.

On behalf of the Board of Directors,

**Bolat Duisenov**  
Chairman



# KEY HIGHLIGHTS IN BUSINESS PERFORMANCE AND DEVELOPMENT IN 2022



## 1. NEW BRAND IDENTITY OFFICIALLY INTRODUCED

According to the overall development roadmap, 2022 is the year of comprehensive innovation for Coteccons. Therefore, the Company's brand identity was also renewed to properly convey its messages, spirits, personalities and values pursued by Coteccons, at least in its strategic vision to 2025.

In mid-January 2022, at the ceremony to honor the top 50 best-performing Vietnamese enterprises in 2021 hosted by Vietnam Report, Coteccons' new identity was officially unveiled to the public. Also at this event, Coteccons was rated to be the number 1 construction company.

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.

## 2. A MEETING BETWEEN COMPANY LEADERS AND SITE MANAGEMENT TEAMS

The site management teams act as Coteccons' front-line workforce. In order to strengthen the linkage between them and the departments at the head office, in mid-March 2022, the Company held a meeting between its leaders and site management teams across the country. Emerging issues were raised for open discussion and solutions, thus building a sense of sharing between frontline and back office teams.

The Company leaders then presented gifts to employees at offices and construction sites across the country. Prior to this, Coteccons also held a meeting with its subcontractors and construction teams to strengthen trust and long-term partnerships.

These events clearly show its respect to the value of cooperation. This helps enhance confidence, coordination and performance of the Company.

## 3. COOPERATION SEALED WITH LARGE PARTNERS

The Company signed a cooperation agreement with Hoa Phat Group to become its main contractor of the package No. 1 - Iron smelting plant as part of the Hoa Phat Dung Quat 2 Iron and Steel Production Complex project, and won the contract for the Diamond Crown Hai Phong project which is to become the pride of the Port city, etc. as typical events in 2022.

Thanks to these, the Company generated VND 14,537 billion in total revenue in 2022, growing 60% compared to 2021. The total value of new contracts reached nearly VND 25,000 billion. The amount of backlog alone for 2023 reached VND 17,000 billion.

TOTAL REVENUE  
(VND BILLION)

14,537

BACKLOG FOR 2023  
(VND BILLION)

17,000





66

2022 was a truly high-performing year for Coteccons from different angles. Coteccons can be proud of its efforts and achievements.



#### 4. SUCCESSFUL ORGANIZATION OF THE ANNUAL GENERAL MEETING

The meeting was organized at the end of April in Dong Hoi, Quang Binh. At the event, key directions were presented and important resolutions were adopted, paving the way for Coteccons' strategic roadmap to 2025 with a new vision and ambitious goals.

#### 5. DELIVERY OF 65 LARGE PROJECTS NATIONWIDE

Construction of the Mechanical Engineering Workshop (phase 02 as part of the VinFast automobile manufacturing complex), internal works and model villas in Nam Cuong Villa project's zone F or the Diamond Crown Hai Phong were key highlights in Coteccons' bustling schedule in 2022 when it was awarded contracts for numerous large-scale projects that would significantly impact the socio-economic landscape in the nearby communities.

#### 6. HOSTING THE MISSION FROM KUSTO GROUP

In early August 2022, Kusto Group's leaders sent another market research mission to Vietnam, including a visit to Coteccons, following years of the pandemic. Its visit to Coteccons strengthened its support to the grand strategy that Coteccons is implementing as well as opened up new areas of cooperation for both sides.

#### 7. APPOINTMENT OF THE NEW CEO

At Leaders' Gathering 2022, as one of the events hosted to celebrate the Company's 18th anniversary, held in Quang Binh in late August 2022, Mr. Vo Hoang Lam, former Deputy CEO, was officially appointed as Coteccons' CEO. This was aimed to strengthen its senior leadership and executive function so as to instill a sense of stability and confidence for accelerated growth on the journey towards "The Next Chapter".

#### 8. SIGNING OF PARTNERSHIP AGREEMENT WITH LE PHONG GROUP TO DEVELOP THE EMERALD 68 "VIEN NGOC LUC BAO" PROJECT

Coteccons is involved in this project as a co-developer, rather than simply a construction general contractor as mostly seen in other projects. Developed on a land of over 8,000 m<sup>2</sup> and with an investment value of over VND 2,000 billion, this high-class apartment complex in Binh Duong is one of Coteccons' steps to be more deeply involved in the construction - real estate value chain as targeted in its new strategy.

#### 9. CONSTRUCTION OF THE LEGO FACTORY STARTED

The Lego project at VSIP III Industrial Park, Binh Duong is a typical example to demonstrate Coteccons' capacity, determination and solidarity in the new period. Coteccons has been able to complete large-scale and technically demanding projects. This enables Coteccons to confidently deliver on mega-projects on its future business journey.

#### 10. YEAR-END EVENTS THEMED "OWN IT - BUILDING MINDSET - BUILDING FUTURES"

A series of lively events including a sports fest, a townhall meeting, a year-end party, a honors ceremony gala, etc. have provided the entire Coteccons team, its partners and clients opportunities to share, interact with and inspire others for further joint efforts in 2023. At these events, the "Own it - Building mindset and building futures" message was widely shared as a call to all Coteccons people for improved awareness, sense of responsibility and ownership in their own career paths. This will improve Coteccons's development capabilities as the true owners.



# TYPICAL AWARDS, ACCOLADES AND RECOGNITIONS

## TOP 1 BEST PLACE TO WORK IN CONSTRUCTION INDUSTRY

The awards was reviewed and presented by Viet Research and Investment Newspaper.

For many years in a row, Coteconcs has been rated as one of the best places to work Vietnam, and in the construction industry in particular.



## TOP 50 ENTERPRISES IN VIETNAM

The ranking was jointly performed by Vietnam Report and VietnamNet.

This is the 5<sup>th</sup> time in a row Coteconcs has won this title.

Both Coteconcs and Unicons are in the Top 50, placed at the 34<sup>th</sup> and 43<sup>rd</sup> positions respectively, as two of three construction companies listed in the ranking.



## TOP 20 SUSTAINABLE ENTERPRISES

VNSI (Vietnam Sustainability Index) Index ranks top 20 listed companies with highest sustainability scores given according to ESG standards.

The assessment was jointly conducted by HoSE, the German Organization for International Cooperation (GIZ) and the State Securities Commission.

Coteconcs has been ranked in this group for two consecutive years.





“ Thanks to its strategic directions and clear long-term development roadmap, Coteccons has built an effective change management process. We keep exploring our inner strength and potentials and are driven to reach higher, which has not been thought of by many of us before.”

Mr. Vo Hoang Lam – CEO

## LEADERSHIP TEAM

- 32 BOARD OF DIRECTORS - BOARD OF MANAGEMENT AND BOARD OF SUPERVISORY
- 36 BRIEF BIOGRAPHIES OF LEADERS

“ I personally hold a belief that a good business, apart from its business performance, must pursue a greater mission and create positive influence on the market through its initiated standards. The same business must build sustainable values for itself and a wider society.”

Mr. Bolat Duisenov – Chairman



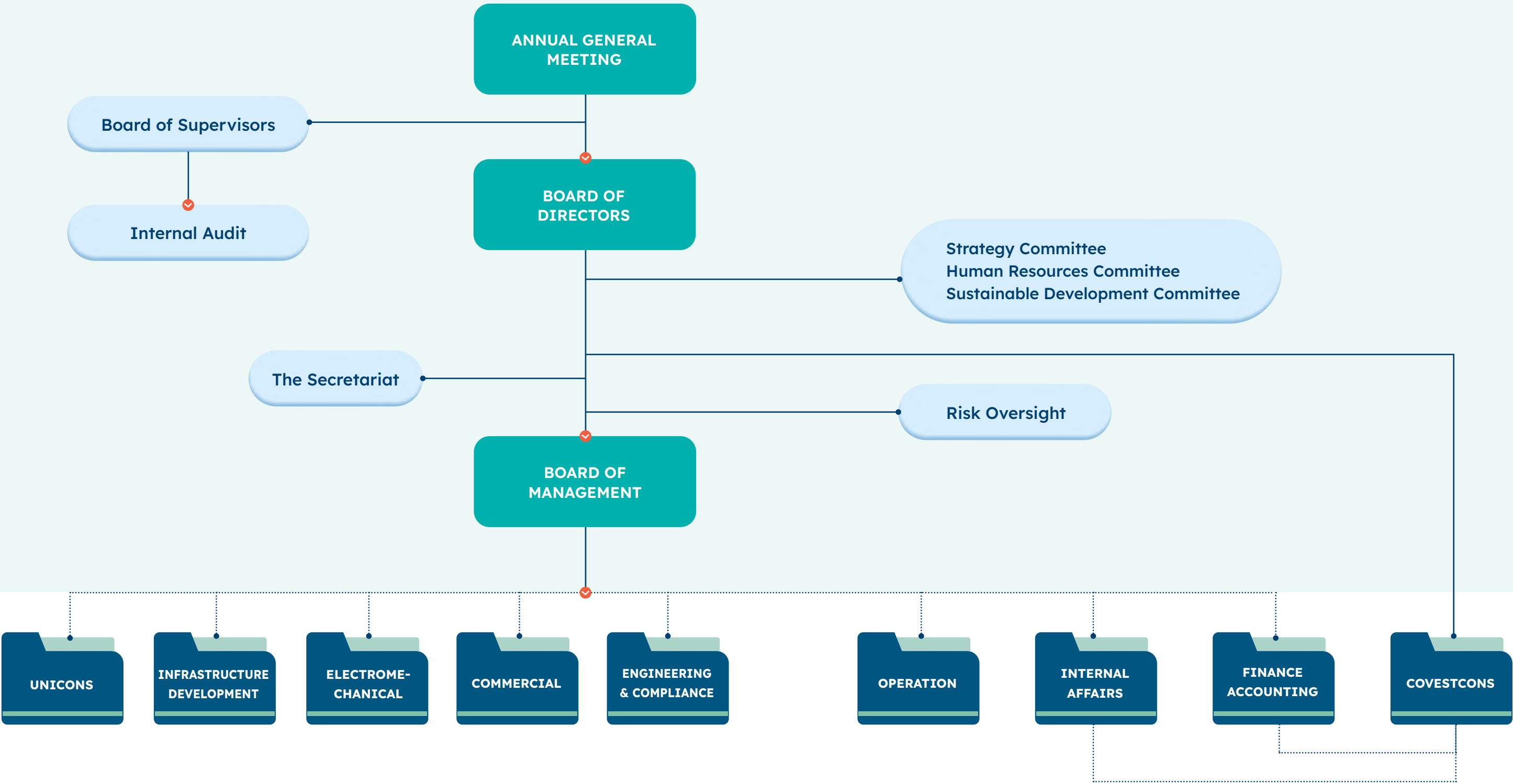
# LEADERS OF COTECCONS



“

After two years of efforts driving changes, exploring directions and improving its strategy, Coteccons has now reached the highest stability in terms of leadership team. The Board of Directors and the Board of Management are completed in terms of number of members and structure, including those having strong expertise, rich practical experience and a shared vision to lead Coteccons to a better future.

ORGANIZATIONAL  
STRUCTURE DIAGRAM





# LEADERS OF COTECCONS



Mr. **Bolat Duisenov**  
The Board Chairman

**Nationality:** Kazakhstan  
**Born in:** 1981  
**Qualifications:**  
Master of Laws

**Appointment history**

Date of becoming a BOD member (previous term): 6/30/2020  
Date of appointment as BOD Chairman (previous term): 10/5/2020  
Date of becoming a BOD member (new term): 4/25/2022  
Date of appointment as BOD Chairman (new term): 5/3/2022

**Previous senior executive positions**

2020 - present : BOD Chairman of Coteccons Construction JSC.  
2014 - 2022: Board Member of FiinGroup  
2013 - present : Board Member of Gemadept  
2012 - present : Founder of PilotX  
2008 - present : CEO of Kusto Vietnam  
2005 - 2008 : CEO of Tandem Group - Kazakhstan

**Professional experience**

Having been with Coteccons for more than 10 years as an investor and a BOD member, Mr. Bolat is committed to bringing the highest standards of corporate governance, values to customers and peace of mind to shareholders.

As the leader of the Company's restructuring in line with a new strategic direction, he focuses on sealing Coteccons' position in the Vietnamese construction industry and building it to be a great company.

Mr. Bolat is also the co-founder and CEO of Kusto Vietnam. This private equity firm has contributed to the success of many domestic market leaders through growth financing. He is also a BOD member of several private and public companies, and involved in management of investments valued more than USD 1 billion.



Mr. **Talgat Turumbayev**  
Non-executive  
BOD member

**Nationality:** Kazakhstan  
**Born in:** 1971  
**Qualifications:**  
Master of Business Administration

**Appointment history**

Date of becoming a BOD member (previous term): 3/30/2016  
Date of becoming a BOD member (new term): 4/25/2022

**Previous senior executive positions**

April, 2022 - present: BOS Member of Coteccons  
2016 - present : BOD member of Coteccons  
2011 - present : Director of Kustocem Pte. Ltd.  
2010 - 2011: CEO of Kusto Management Ltd.  
2008 - 2010: CEO of Eurasia FM Consulting Ltd.  
2005 - 2008: Managing Director of BTA Bank  
2002 - 2005: CEO of Eurasia FM Consulting Ltd.

**Professional experience**

He 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**  
Non-executive  
BOD member

**Nationality:** Belgium  
**Born in:** 1969  
**Qualifications:**  
Master of Business Administration  
Master of Applied Economics

**Appointment history**

Date of becoming a BOD member (previous term): 6/30/2020  
Date of becoming a BOD member (new term): 4/25/2022

**Previous senior executive positions**

2020 - present: BOD member of Coteccons  
2019 - present: Founder and Director of The8th Pte. Ltd.  
2018 - present: Portfolio Manager of InseadAlumni Ventures  
2015 - present: Founder and CEO of Vahoca Pte. Ltd.  
2009 - 2014: Executive Partner and Chief Executive Officer of Notz Stucki Group  
1998 - 2009: COO and BOD Member of Morgan Stanley

**Professional experience**

He holds a Master of Business Administration from Insead, France, with more than 31 years of experience in investment and finance at many large financial institutions. He is the Founder and Director of The8th Investment Fund Pte. Ltd. while also founding and serving as the CEO of Vahoca Investment Fund Pte. Ltd. in Singapore.



Mr. **Tan Chin Tiong**  
Independent member of the BOD

**Nationality:** Singapore  
**Born in:** 1949  
**Qualifications:**  
PhD.

**Appointment history**

Date of becoming a BOD member (previous term): 6/29/2017  
Date of becoming a BOD member (new term): 4/25/2022

**Previous senior executive positions**

2017 - present: BOD member of Coteccons  
2013 - present: Senior Advisor to the President and Professor of Marketing at Singapore Management University  
2009 - 2013: President of Singapore Management University  
2007 - 2009: Vice President and Professor of Marketing at Singapore Management University

**Professional experience**

He 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.



Mr. **Tong Van Nga**  
Independent member of the BOD

**Nationality:** Vietnam  
**Born in:** 1947  
**Qualifications:**  
Chemical industrial engineering

**Appointment history**

Date of becoming a BOD member (previous term): 4/19/2021  
Date of becoming a BOD member (new term): 4/25/2022

**Previous senior executive positions**

April, 2021 - present: BOD member of Coteccons  
2017- present: Vice President of Vietnam Federation of Civil Engineering Association  
2015 - present: President of Vietnam Association for Building Materials  
2009 - 2014: Standing Vice President of Vietnam National Real Estate Association  
2006 - Present: President of Vietnam - Romania Friendship Association  
2005 - 2011: President of Vietnam Concrete Association  
1998 - 2007: Deputy Minister of Construction

**Professional experience**

He graduated from Polytechnic University of Bucharest, Faculty of Industrial Chemistry with a degree in Technology Engineering. He used to assume the position of Deputy Minister of Construction and has more than 48 years of experience in the construction sector.



Mr. **Pham Quang Vu**  
Non-executive  
BOD member

**Nationality:** Vietnam  
**Born in:** 1959  
**Qualifications:**  
Bachelor of Economics

**Appointment history**

Date of becoming a BOD member: 4/25/2022

**Previous senior executive positions**

2022 - present : BOD member of Coteccons  
2022 - present : Director of Vu Son Tung Co., Ltd.  
2013 - 2020 : BOD Chairman of Vinacafe Bien Hoa Joint Stock Company  
2010 - 2013 : CEO of Vinacafe Bien Hoa Joint Stock Company  
2004 - 2010 : BOD Member - Deputy CEO of Vinacafe Bien Hoa Joint Stock Company

**Professional experience**

With management experience in holding senior positions, he is expected to make positive contributions in governance, human resources and training.



Mr. **Vo Hoang Lam**  
Executive BOD member & CEO

**Nationality:** Vietnam  
**Born in:** 1978  
**Qualifications:**  
Construction engineering

**Appointment history**

Date of becoming a BOD member: 4/25/2022  
Date of appointment as the CEO of Coteccons: 8/5/2022  
Date of appointment as Deputy CEO: 3/5/2021  
Date of appointment as the CEO of Unicons: 11/16/2020

**Previous senior executive positions**

2022 - present : BOD member of Coteccons  
2022 - present : CEO of Coteccons  
2021 - 2022: Deputy CEO of Coteccons  
2020 - 12/2022 : CEO of Unicons Co., Ltd.  
2019 - 2020: Deputy CEO of Unicons Co., Ltd.  
2017 - 2019: Project Director at Coteccons  
2016 - 2017: Director of Economic Division

**Professional experience**

With more than 22 years of experience in the construction industry, he is one of the key person who has seen the Company through important milestones. He held important positions at the Company such as Construction Site Manager, Project Director, Economic Division Director, Deputy CEO and CEO. Large-scale projects under his management include MGM Grand Ho Tram, Viettel Headquarters, D'Capitale, Meiko Factory, among others.

As the CEO, he will contribute his experience in project management and application of advanced construction methods to leverage the "Coteccons Inside" values, thus delivering high-quality products, improving Coteccons' position in both domestic and international markets, and generating positive impacts on community, social and environmental sustainability.



Mr. **Pham Quan Luc**  
Deputy CEO

**Nationality:** Vietnam  
**Born in:** 1974  
**Qualifications:**  
Architect

**Appointment history**

Date of appointment as Deputy CEO: 10/9/2020

**Previous senior executive positions**

2020 - present : Deputy CEO of Coteccons  
2019 - 2020: Manager of Technical Division of Coteccons.  
2014 - 2019: Deputy CEO of Ricons.

**Professional experience**

Having accompanied Coteccons since the early days of its establishment, Mr. Luc has held many management positions, from Commander, Division Manager to Deputy CEO. He had worked in a wide range of fields: Commerce, housing, industry, hospitality with signature projects of The Manor, Ecopark, ITG Phong Phu Da Nang, etc.

With more than 21 years of experience in construction sector for domestic and international customers, he has been contributing to the development of leadership thinking for the Company. Currently, Mr. Pham Quan Luc is concurrently in charge of developing the infrastructure segment in the company's diversification strategy towards sustainable development.



Mr. **Nguyen Ngoc Lan**  
Deputy CEO

**Nationality:** Vietnam  
**Born in:** 1978  
**Qualifications:**  
Construction Engineering

**Appointment history**

Date of appointment as Deputy CEO: 3/5/2021

**Previous senior executive positions**

2021 - present: Deputy CEO of Coteccons  
2018 - 2021: Project Director and Head of Equipment Department at Coteccons.  
2013 - 2016: Manager of Construction Division of Coteccons  
2010 - 2013: Project Director at Coteccons  
2004 - 2010: Site Commander at Coteccons

**Professional experience**

With more than 21 years of experience in construction engineering, he has been accompanying Coteccons throughout the process of formation and development, holding many positions from Construction Site Commander, Manager of Construction Division and manager of many departments at the Company.

In March 2021, he was appointed as Deputy CEO of Coteccons. 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 and close partnership with customers.

In addition, he and his team also researched and developed a number of new products and services, contributing to Coteccons' diversification strategy.



Ms. **Pham Thi Bich Ngoc**  
Deputy CEO

**Nationality:** Vietnam  
**Born in:** 1976  
**Qualifications:**  
Master of Business Administration

**Appointment history**

Date of becoming Deputy CEO: 11/5/2021

**Previous senior executive positions**

2021 - present: Deputy CEO of Coteccons  
2017 - 2020: Techcombank Transformation Project Director  
2013 - 2017: Chief Human Resources Officer of Masan Consumer Holdings.  
2010 - 2013: Training Director of MGM Grand Ho Tram  
2007 - 2010: Head of Executive HR Department at Prudential Vietnam

**Professional experience**

Ms. Pham Thi Bich Ngoc joined Coteccons from May 2021 as a Senior Advisor to the Board of Directors. She graduated with a Master of Business Administration from Solvay University, has 25 years of experience working for leading companies in Vietnam such as Techcombank, Masan, Prudential, MGM Grand Ho Tram, Bayer and Vietnam Airlines.

Besides her main expertise in human resource management, Ms. Ngoc also leads the transformation in leadership capacity, consulting capacity and customer experience while assisting the BOD Chairman in actualizing business diversification strategy.



Mr. **Chris Senekki**  
Deputy CEO

**Nationality:** British  
**Born in:** 1974  
**Qualifications:**  
Bachelor of Business and Finance

**Appointment history**

Date of appointment as Deputy CEO: 3/5/2021

**Previous senior executive positions**

2021 - present: Deputy CEO of Coteccons  
2018 - 2021: CEO of Turner Construction Company Vietnam.  
2015 - 2018: Project Manager of Turner Construction Company Vietnam

**Professional experience**

He used to serve as the CEO of Turner Vietnam Construction Company with more than 25 years of experience in the construction field, including many flagship international and domestic projects such as Qatar Petroleum Area, Port, Marina and International Airport (Cyprus), Porsche Autohaus (HCMC), Hilton Saigon Hotel, among others.

He pioneered in system improvement and helped Coteccons converge international standards.





Mr. **Tran Van Thuc**  
Head of the Board of Supervisors

**Nationality:** Vietnam  
**Born in:** 1971  
**Qualifications:**  
Master of Business Administration

#### Appointment history

Date of becoming a BOD member (previous term): 4/26/2021  
Date of becoming a BOD member (new term): 4/25/2022

#### Previous senior executive positions

2009 - present : Partner - Kreston Auditing and Consulting Company (Vietnam)  
1997 - 2009: Director of Finance and Administration - Air Liquide Vietnam Ltd.

#### Professional experience

Graduated with a Master of Business Administration from the University of Gloucestershire, UK.  
Holds an ACCA degree from the Association of Chartered Certified Accountants (ACCA).  
Has more than 29 years of experience in the Accounting - Finance sector. Has held many senior professional positions at Deloitte Vietnam, Air Liquide Vietnam, etc.



Mr. **Zhaidarzhan Zatayev**  
BOS member

**Nationality:** Kazakhstan  
**Born in:** 1978  
**Qualifications:**  
Bachelor of Finance and International Trade

#### Appointment history

Date of becoming a BOD member: 4/25/2022

#### Previous senior executive positions

2021 - present : Risk Oversight Director at Coteccons  
2020 - 2021: Risk Management Manager at Be Group  
2018 - 2020: Director of Retail Credit Center at Maritime Bank  
2013 - 2017: Senior executive positions at Techcombank  
2009 - 2013: Risk Management Director and Managing Director at Alliance Bank, Kazakhstan

#### Professional experience

Graduated with a bachelor's degree in Finance - International Trade.  
Holds a CFO degree from the CIMA program.  
Has more than 25 years of experience in business, finance, risk management at large organizations/enterprises in Kazakhstan and Vietnam.



Mr. **Doan Phan Trung Kien**  
BOS member

**Nationality:** Vietnam  
**Born in:** 1988  
**Qualifications:**  
Bachelor of Finance

#### Appointment history

Date of becoming a BOD member: 4/25/2022

#### Previous senior executive positions

April, 2022 - present: BOS Member of Coteccons  
2021 - 2022: Manager of Investment Division at Coteccons  
2018 - 2020: Head of Investment Department at Sen Do Technology Joint Stock Company  
2017 - 2018: Deputy Investment Manager at Mobile World Investment Joint Stock Company  
2013 - 2017: Team Leader at KPMG Vietnam

#### Professional experience

Graduated from Victoria University of Wellington, New Zealand.  
Holds an ACCA degree from the Association of Chartered Certified Accountants (ACCA).  
Has held senior positions in the field of investment in some large enterprises in Vietnam and internationally.



For 2023, Coteccons is more confident and optimistic although market challenges remain. We have drawn up a long-term strategy and action plan based on our available resources, people and customers. Our next task is to further drive business results and promote corporate culture, with a particular focus on our team- people development for more demanding requirements.







# COMPANY OVERVIEW

44 GENERAL INFORMATION

48 CORE VALUES

---





# COTECCONS CREATING A SUSTAINABLE FUTURE

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.

Since 2021, 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:	COTECCONS CONSTRUCTION JOINT STOCK COMPANY
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:	VND788,308,000,000
Owner's equity:	VND8,213,962,257,245
Total assets:	VND18,967,071,946,667

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:	contact@coteccons.vn
Website:	www.coteccons.vn
Business lines:	<ul style="list-style-type: none"> <li>Construction &amp; installation for works of all kinds</li> <li>Architectural &amp; engineering design consulting</li> <li>Financial trading, investment and real estate</li> </ul>

### LISTING INFORMATION

Ticker symbol:	CTD
Listing year:	2010
Listing exchange:	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
Web:	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 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 principles help our Coteccons team to remain focused, motivated and passionate to work every day.

We are Coteccons people. We build futures.





# CORE VALUES



## 1. QUALITY AND SAFETY

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

## 2. 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.

## 3. INTEGRITY

We are committed to operating with honesty and transparency.

## 4. DEDICATION

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

## 5. CONSIDERATION

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

## 6. BOLDNESS

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

## 7. 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.

## 8. CUSTOMER-CENTRICITY

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

## 9. SUSTAINABILITY

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

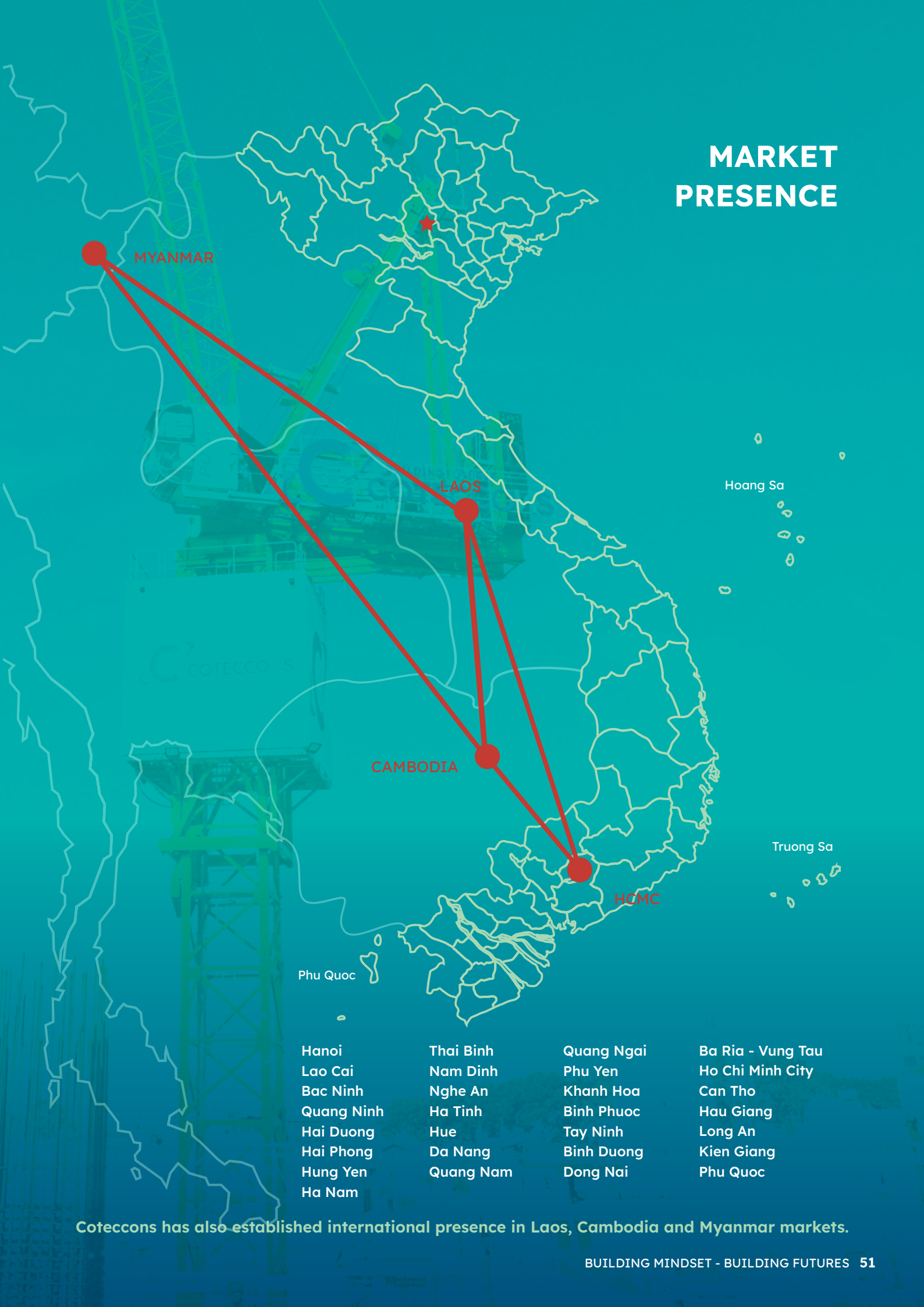


# MAIN BUSINESS LINES



- Construction of houses of all kinds: Main buisness lines
- Manufacturing of concrete and products from cement and gypsum
- 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



Coteccons has also established international presence in Laos, Cambodia and Myanmar markets.





# KEY MILESTONES ON THE DEVELOPMENT JOURNEY

## 2004

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

## 2006-2008

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.

## 2009-2011

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).

## 2012-2014

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.

## 2015-2017

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.

## 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.

## 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.

## 2022

Pursued rigorous innovation and achieved remarkable business results even in the context of the challenging Vietnamese economy, especially the complicated developments of the real estate market. Such outcomes confirm the soundness of the new strategy that the Company has embraced.

Ranked 34 in the Top 50 Best Enterprises in Vietnam honored by VietnamReport and VietnamNet.

For the second year in a row, named among Top 20 companies with the highest sustainable development index - VNSI.





# REPORT ON CORPORATE GOVERNANCE

The Board of Directors has constantly made efforts to strengthen corporate governance capacity. This is an area where Cotecccons has achieved remarkable changes in the past year, serving as a premise to develop the Company in a **transparent, professional, fair and sustainable manner.**

66	REPORT OF THE BOARD OF DIRECTORS
78	REPORT OF THE BOARD OF SUPERVISORS
88	RISK OVERSIGHT
100	INVESTOR RELATIONS



# COTECCONS' PRINCIPLES OF CORPORATE GOVERNANCE

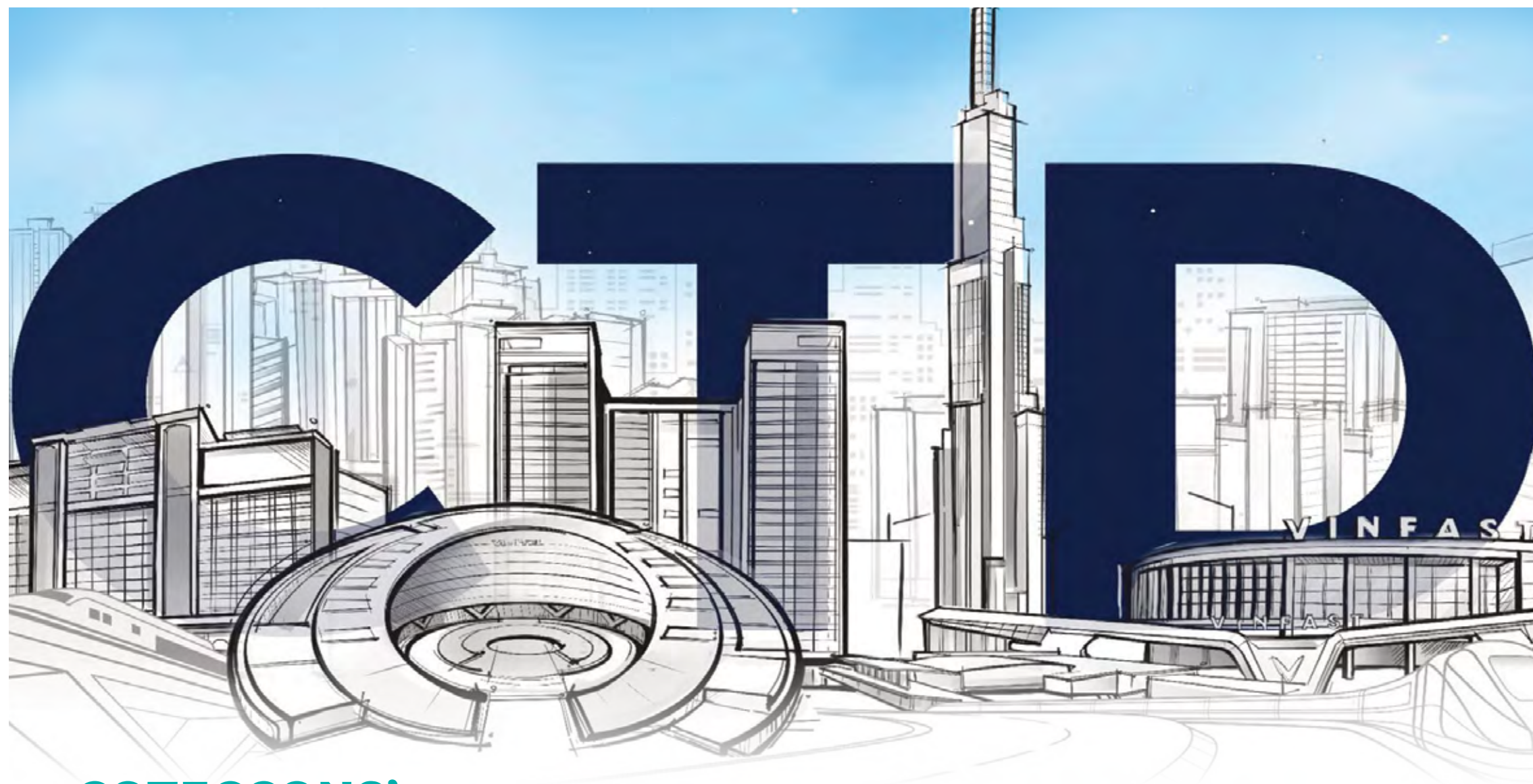
Coteccons has referenced Vietnam Corporate Governance Code of Best Practices for Public Companies in Vietnam 2019 jointly issued by the State Securities Commission (SSC) and IFC in order to In addition, the Company also references international standards and practices on corporate governance such as ASEAN Scorecard, OECD, etc. Thereby achieving remarkable improvements in corporate governance activities.



## 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





## COTECCONS' GOVERNANCE MODEL

Currently, Coteccons is applying a governance model with the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the CEO. In which the General Meeting of Shareholders is the highest competent body, deciding on issues prescribed by law, the Charter and Regulations on corporate governance.

The Board of Directors is the governing body of the Company, undertaking the implementation and supervision of the resolutions of the GMS, devising strategy, and taking responsibility before the GMS for the Company's operation.

The Board of Management, under the support and supervision of the GMS, is in charge of directly implementing business strategies to achieve the Company's objectives.

## ORGANIZATIONAL STRUCTURE OF THE BOARD OF DIRECTORS

### 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, Audit & Risk Oversight Committee, Compensation and Human Resources Committee, ESG Committee.

The establishment of committees has significantly improved the management and administration efficiency.

The Board of Directors of the new term from April 2022 has rearranged personnel and structure for committees to better suit actual tasks, thereby meeting the increasing requirements of modern governance practices in terms of personnel structure, organization regulations, and operation of committees.

“

**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.**



# ORGANIZATIONAL STRUCTURE OF THE BOARD OF DIRECTORS

## MEMBERS OF BOD AND BOS

In 2022, the term of all BOD members expired, so at the Annual General Meeting held on April 25, 7 BOD members and 3 BOS members were elected for the term 2022-2027. These are the key personnel in devising strategic orientation, leadership and supervision of the Company in the right direction, bringing added values to shareholders.

Full name	Date of starting/ no longer being an insider	Position	Reference material
APPOINTMENT			
Mr. Bolat Duisenov	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.15/2022/NQ-ĐHCĐĐ
Mr. Talgat Turumbayev	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.15/2022/NQ-ĐHCĐĐ
Mr. Herwig Guido H. Van Hove	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.15/2022/NQ-ĐHCĐĐ
Mr. Tan Chin Tiong	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.15/2022/NQ-ĐHCĐĐ
Mr. Tong Van Nga	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.15/2022/NQ-ĐHCĐĐ
Mr. Pham Quang Vu	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.15/2022/NQ-ĐHCĐĐ
Mr. Vo Hoang Lam	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.15/2022/NQ-ĐHCĐĐ
Mr. Tran Van Thuc	4/25/2022	Member of Board of Supervisors	Resolution of the General Meeting of Shareholders no.16/2022/NQ-ĐHCĐ
Mr. Doan Phan Trung Kien	4/25/2022	Member of Board of Supervisors	Resolution of the General Meeting of Shareholders no.16/2022/NQ-ĐHCĐ
Mr. Zhaidarzhan Zatayev	4/25/2022	Member of Board of Supervisors	Resolution of the General Meeting of Shareholders no.16/2022/NQ-ĐHCĐ
DIMISSAL			
Ms. Trinh Quynh Giao	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.13/2022/NQ-ĐHCĐ
Mr. Yerkin Tatishev	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.15/2022/NQ-ĐHCĐĐ
Mr. Trinh Ngoc Hien	4/25/2022	BOD Member	Resolution of the General Meeting of Shareholders no.15/2022/NQ-ĐHCĐĐ
Mr. Dang Hoai Nam	4/25/2022	Member of Board of Supervisors	Resolution of the General Meeting of Shareholders no.16/2022/NQ-ĐHCĐ
Mr. Nguyen Minh Nhut (Jack)	4/25/2022	Member of Board of Supervisors	Resolution of the General Meeting of Shareholders no.16/2022/NQ-ĐHCĐ

## PROFESSIONAL CAPACITY OF BOD MEMBERS

With diverse expertise in management, construction, corporate culture and business transformation, the BOD members for the term 2022-2027 are expected to bring diverse perspectives to decision-making process among the BOD.

Full name	Construction	Real Estate	Law	Economics	Business administration	Bank	Finance - Accounting	Investment	Marketing
Mr. Bolat Duisenov									
Mr. Talgat Turumbayev									
Mr. Herwig Guido H. Van Hove									
Mr. Tan Chin Tiong									
Mr. Tong Van Nga									
Mr. Pham Quang Vu									
Mr. Vo Hoang Lam									



# ORGANIZATIONAL STRUCTURE OF THE BOARD OF DIRECTORS

## ORGANIZATIONAL STRUCTURE OF COMMITTEES

### Strategy Committee

No.	Full name	Position held at the Company	Position held in the Committee
1	Mr. Talgat Turumbayev	BOD Member	Head of Committee
2	Mr. Bolat Duisenov	The Board Chairman	Member
3	Mr. Vo Hoang Lam	BOD Member - CEO	Member
4	Ms. Pham Thi Bich Ngoc	Deputy CEO	Member
5	Mr. Nguyen Van Dua	Secretary of the BOD	Member

### Compensation and Human Resources Committee

No.	Full name	Position held at the Company	Position held in the Committee
1	Mr. Pham Quang Vu	BOD Member	Head of Committee
2	Mr. Bolat Duisenov	The Board Chairman	Member
3	Mr. Vo Hoang Lam	BOD Member - CEO	Member
4	Mr. Pham Quan Luc	Deputy CEO	Member
5	Ms. Nguyen Trinh Thuy Trang	Director of Internal Affairs	Member

### Audit & Risk Oversight Committee

No.	Full name	Position held at the Company	Position held in the Committee
1	Mr. Tan Chin Tiong	Independent member of the BOD	Head of Committee
2	Members to be added	-	Member
3	Members to be added	-	Member
4	Members to be added	-	Member

### ESG Committee

No.	Full name	Position held at the Company	Position held in the Committee
1	Mr. Herwig Guido H. Van Hove	BOD Member	Head of Committee
2	Mr. Vo Hoang Lam	BOD Member - CEO	Member
3	Mr. Pham Quan Luc	Deputy CEO	Member
4	Mr. Nguyen Ngoc Lan	Deputy CEO	Member
5	Mr. Chris Senekki	Deputy CEO	Member
6	Ms. Pham Thi Bich Ngoc	Deputy CEO	Member
7	Mr. Tran Van Lam	CEO - Unicons member company	Member
8	Ms. Nguyen Trinh Thuy Trang	Director of Internal Affairs	Member
9	Ms. Dinh Thi Ngoc Bich	Advisor	Member

# 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, with flexible schedules and methods, concerned members also participate in external online training courses such as:

- Optimizing the performance of the online General Meeting of Shareholders – VIOD.
- Improving corporate governance capacity in Vietnam - HOSE and HNX.
- Implementing the Corporate Governance Code following best practices - 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 - HOSE.



# THE IMPLEMENTATION OF RESOLUTIONS/DECISIONS OF THE GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting 2022 of Coteccons was held on April 25, 2022 in Quang Binh and broadcast live on the Company's online media platforms.

At this AGM, once again, the Company set out orientations for the long-term strategy. Some of the highlights include:

- Financial targets by 2025: USD 3 billion in revenue and USD 1 billion in market capitalization.
- Converge international standards to improve construction quality, shorten implementation schedule, and optimize costs.
- Expand the network to global customers, investors, partners.
- Consistent with long-term goals and people-centric policies, taking safety - quality - progress as a competitive edge.
- Diversify business lines and products such as:
  - **Fintech:** Use financial solutions for construction projects and technology to cut operating costs.
  - **Buildtech:** Expand beyond the traditional construction business to include innovative construction.
  - **Greentech:** Design, supply and install renewable energy systems (solar energy).
  - **Investment:** New investments in building materials with new technology; Development of social housing projects; M&A; Infrastructure; Data Center, etc.

Coteccons aims to create unique and differentiated values in the market besides our core competency, experience, knowledge and advanced solutions in construction.

Right after the AGM 2022, the Board of Directors quickly organized the implementation of the adopted resolutions (including AGM resolutions passed in the form of written ballots).



**15/16 Resolutions have been completed, representing 94%. Resolution on ESOP program in 2022 is being considered for extension to 2023.**

No.	Resolution/Decision no.	Date	Contents	Implementation situation
1	01/2022/NQ-ĐHCD	4/25/2022	Approve the business reports and results 2021.	Achieved
2	02/2022/NQ-ĐHCD	4/25/2022	Approve the profit distribution and dividend payment plan in 2021	Achieved
3	03/2022/NQ-ĐHCD	4/25/2022	Approve of the report on remuneration plan for the BOD and BOS in 2021.	Achieved
4	04/2022/NQ-ĐHCD	4/25/2022	Approve 2022 Business plan	Achieved
5	05/2022/NQ-ĐHCD	4/25/2022	Approve of remuneration plan for the BOD and BOS in 2022.	Achieved
6	06/2022/NQ-ĐHCD	4/25/2022	Approve the selection of an auditor for fiscal year 2022	Achieved
7	07/2022/NQ-ĐHCD	4/25/2022	Approve the decrease of the Company's Charter Capital	Achieved
8	08/2022/NQ-ĐHCD	4/25/2022	Approve the change of the Company's financial year	Achieved
9	09/2022/NQ-ĐHCD	4/25/2022	Approve the issuance of ESOP shares for 2022	The extension has been approved by the General Meeting of Shareholders (Resolution No. 01/2023/NQ-ĐHCD dated March 2, 2023)
10	10/2022/NQ-ĐHCD	4/25/2022	Approve the revision of the Company's Charter Capital	Achieved
11	11/2022/NQ-ĐHCD	4/25/2022	Approve the Company's Regulations of Operation	Achieved
12	12/2022/NQ-ĐHCD	4/25/2022	Approve the BOS's Regulations of Operation	Achieved
13	13/2022/NQ-ĐHCD	4/25/2022	Approve a BOD member's resignation letter	Achieved
14	14/2022/NQ-ĐHCD	4/25/2022	Approve the number of BOD members for the 2022 - 2027 term.	Achieved
15	15/2022/NQ-ĐHCD	4/25/2022	Approve the election results of BOD members for the 2022 - 2027 term.	Achieved
16	16/2022/NQ-ĐHCD	4/25/2022	Approve the election results of BOD members for the 2022 - 2027 term.	Achieved



# REPORT OF THE BOARD OF DIRECTORS

The Company has fulfilled most of the tasks and goals set for 2022. In some aspects the Company even outperformed the set targets, which has truly generated a strong uplift in internal resources that ultimately resulted in very positive business outcomes amid the highly volatile socio-economic environment.

## Evaluation of 2022 business performance

The business performance of 2022 provided a favorable momentum for the breakthroughs in 2023.

### OVERALL ECONOMIC ENVIRONMENT AND DIRECT IMPACTS ON COTECCONS

Following Covid, the global economy fell into recession. War and local conflicts in some regions continue to worsen the supply and demand situation. As a direct consequence, the supply chain was disrupted on a large scale and the prices of raw materials and fuel all increased sharply. On the other hand, the purchasing power and the demand for new investment and development have decreased dramatically.

Vietnam's economy overcame intensive pressure and managed to attain post-Covid recovery with an average annual GDP growth of 8.02%. The demand for investment and construction increased relatively well with a rate of 8.17% compared to the previous year. FDI into the real estate sector in 2022 also increased by 1.85 billion USD - more than 70% compared to the whole 2021 (according to data from the Ministry of Planning and Investment), which is a good pre-condition for the industry.

Besides signals of growth, Vietnam also faces risks of inflation. At the same time, in 2022, the local real estate industry experienced strong fluctuations due to the wrongdoings of some large corporations. This practically froze the purchasing power and caused many projects to be stopped or postponed.

That context put construction companies like Coteccons against great challenges, especially pressure from rising raw material prices and customers' requests to extend the progress of projects. The fuel import price index in 2022 increased by 35% over the same period, a negligible decrease compared to last year's increase, leading to an increase in the price of building materials in the year by nearly 7%, the highest increase since year 2019.

### ASSESSMENT OF BUSINESS ACTIVITIES AND BUSINESS ADMINISTRATION

Thanks to great efforts and preparations from 2021, Coteccons managed to harness a lot of pressure and worked out optimal solutions to comprehensively develop its business with some general results as follows.

TOTAL REVENUE  
(VND BILLION)

**14,537**

(FULFILLED **97%** OF  
THE TARGET)

LNST  
(VND BILLION)

**21**

(FULFILLED **105%**  
OF THE TARGET)

TOTAL VALUE OF NEW CONTRACTS  
(VND BILLION)

**25,000**



### BUSINESS - FINANCIAL PERFORMANCE

Stabilized business activities under the pressure of hiking raw material and fuel prices, serious stagnation of the real estate sector, lack of manpower for construction and other challenges to fulfill the business target with VND 14,537 billion in revenue (reaching 97% of the target) and VND 21 billion in EAT (reaching 105% of the target).

Ensured healthy and balanced financial health, especially ensured liquidity and cash flow management.

Won more than 50 new projects with a total construction value of over VND 25,000 billion. Moreover, Coteccons was successful diversifying the portfolio of customers by winning new domestic and international ones for huge projects and recording high repeat sales on existing customers. This has enabled to Coteccons possess the most diverse customer portfolio in the construction industry today. This helps reduce the concentration risk and expands future opportunities.

The Company completed and hand over 18 projects to customers on time. Some typical projects include Vinhomes Grand Park - Division 2, VinFast, and Hilton Vung Tau.

Closed warranty 19 projects including Friendship Tower, Kingdom 101, Hoa Phat - Dung Quat 1, and others. 2022 was the year with the largest number of warranty closures in the past 3 years, up by 375% compared to 2020 and 27% compared to 2021.

Closed warranty 19 projects including Friendship Tower, Kingdom 101, Hoa Phat - Dung Quat 1, and others.. Achieved some new changes in the implementation of the diversification strategy, from the infrastructure construction, Finance & Build models, and precast verticals.



# REPORT OF THE BOARD OF DIRECTORS

## RESULTS OF INTERNAL RESOURCES AND SYSTEM STRUCTURING

Appointed a new CEO, completed the current management team including one CEO and four Deputy CEOs. The mechanism of assignment of duties is deemed as appropriate and facilitating smooth coordination.

Achieved a clear growth of the staff. In particular, the PD Empowerment model - Empowering project directors - was officially implemented, promoting the progress of the young management and executive team, helping project directors - commanders of the construction site - to develop self-ownership in decision making and taking responsibility, increasing the role and contribution of project directors to the overall development of the Company.

Adopted the highest standards and upheld the principles of safety in construction.

Continued to raise standards in system organization and operation.

Maintained remuneration policies for employees in difficult contexts. The Company continued to receive an award for Top 1 best place to work in the construction industry.

Positively spread the new brand through effective communication activities.

Achieved outstanding results in improving capacity to implement sustainable development, improving the effectiveness of CSR activities and positively influenced the community. Being classified as a VNSI-20 stock spoke volumes for this achievement.

Maintained and fine-tuned the “One Team” culture, created different and unique values in the market which is called “Coteccons Inside”.



## ASSESSMENT OF CORPORATE GOVERNANCE

The Board of Directors conducts corporate governance on the basis of Coteccons's optimal and long-term benefits, in harmony with the interests of shareholders and related parties. All activities are operated and governed on the basis of compliance with the provisions of law and the corporate charter, regulations and commitments indicated in internal by-laws. This has created a mechanism of Governance, Control and Administration with transparency, consistency, and efficiency.

## SOME HIGHLIGHTS OF CORPORATE GOVERNANCE ACTIVITIES IN 2022

Over the past year, Coteccons has recorded a lot of progress and improvement in this area with some remarkable aspects:

- Elected a new Board of Directors with a balanced membership which is diverse in expertise and in line with the requirements of leading Coteccons in the new period.
- Re-established the activities of the committees under the Board of Directors: The Strategy Committee, the Investment Committee, the Risk Management Committee, and the Compensation and Human Resources Committee.
- Established the ESG (Environment - Society - Corporate Governance) Committee that focuses on research and planning of actions to ensure alignment with the Company's sustainable development orientation.
- Raised standards and strictly applied regulations to ensure the fundamental rights of shareholders, ensured that all Coteccons shareholders, including minority shareholders and foreign shareholders, are treated fairly and are entitled to exercise their rights. The Company did not receive any complaints from shareholders or sanctioning decisions of regulators related to violations of regulations on holding the 2022 Annual General Meeting.
- Successfully organized the 2022 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. It also complied with information disclosure regulations relating to AGMs.
- Monitored compliance with the automatically controlling related party transactions, ensured there was no potential conflict of interest with the Company, and protected the interests of shareholders. In addition, the BOD has always maintained comprehensive review of the transactions entailing potential conflicts with the interests of the Company in an objective and reasonable manner on the principle of market value. Members of the Board of Directors with related interests actively reported on the same to the Board of Directors and gave up their voting rights to ensure compliance with the law and the interests of the Company.
- Selected Ernst & Young Vietnam Co., Ltd. to be Coteccons' independent auditor for 2022 financial statements. The list of auditing companies approved by the General Meeting of Shareholders in 2022 as proposed by the Board of Supervisory.
- Implemented commitments on information transparency with marked improvements in methods and quality of information disclosure through reporting systems such as annual reports, quarterly/semi-annual financial statements, semi-annual/yearly corporate governance reports, investor newsletters, website, social media channels, etc. In addition, the Company continued to organize the Annual Shareholders' Dialogue (outside the framework of the General Meeting of Shareholders) and the Quarterly Analyst Meeting.
- Strengthened risk management capacity along the line of financial information and data transparency. The Company has succeeded in alerting the whole system by making provision based on both qualitative and quantitative factors, gradually overcome problems inherent to the old-style management and operating model. In 2022, the Company made a provision of VND 500 billion to ensure financial safety.



# REPORT OF THE BOARD OF DIRECTORS

## ACTIVITIES OF SUBORDINATE COMMITTEES

After being reorganized with the personnel structure of the newly elected BOD, the committees under the BOD including the Strategy Committee, the Audit and Risk Committee, and the Remuneration and Human Resources Committee have actively worked in accordance with the requirements of transparency, efficiency, responsibility and prudence. The activities of these committees helps make the Company's management and administration more stable and effective. Opportunities and threats are carefully and objectively assessed, and risks are thoroughly considered.

The establishment of the ESG Sub-Committee clearly demonstrates the Company's commitment to practicing sustainable development and its determination to improve its effectiveness and positive impacts on the community as well as the construction industry.



## OUTCOMES OF SUPERVISING THE BOARD OF MANAGEMENT

The Board of Directors supervised, directed and supported the Board of Management in satisfactorily implementing the strategic orientation set out for 2022, specifically the implementation of:

- Resolutions/Decisions issued by the General Meeting of Shareholders and the Board of Directors.
- The reporting mechanism with annual, semi-annual, quarterly and annual financial statements, annual report, semi-annual and annual corporate governance report, etc.
- A process of performing information disclosure in accordance with requirements of the State Securities Commission and the Ho Chi Minh City Stock Exchange to ensure information transparency.
- Management activities of the Board of Management are aimed at improving business performance and completing the assigned targets.
- The compliance with the Law on Enterprises, the Company's Charter and other legal requirements. In 2022, the Company drafted 54 new by-laws and updated 79 policies, processes and documents to optimize operational efficiency and ensure that internal policies would reflect our actual operations.

## Orientations for the Company in 2023

Coteccons is progressing to a higher level in the implementation of the 2021 - 2025 plan. Accordingly, 2023 is to create **a transformation** in both quantity and quality.

## OBSERVATION OF CHALLENGES AND OPPORTUNITIES FROM THE OVERALL MARKET LANDSCAPE

### OPPORTUNITIES

The National Assembly has approved a public investment plan for 2023 with a total capital of over VND 700,000 billion, an YOY increase of about 25%, equivalent to VND 140,000 billion and up by VND 260,000 billion compared to the plan for 2021. In 2023, the Government also requires full disbursement of the funding under the socio-economic recovery and development program. As such, the key transport infrastructure projects in the near future such as the East North-South Expressway - Phase 2, Long Thanh International Airport, Ring Road 4 (Hanoi) and Ring Road 3. (HCMC) will see acceleration.

Besides, the Foreign Investment Agency under the Ministry of Planning and Investment forecasts that in 2023, the FDI inflow into Vietnam may reach USD 38 billion. Disbursed capital is expected to reach about 22-23 USD billion.

Given this, the opportunity for the construction industry in the public investment and FDI areas is a great one. The key, large-scale projects will require contractors with high expertise, deep experience and up-to-date technology.

### CHALLENGES

In the real estate market and the private sector, developers' funding resources for project development are constrained due to the tight credit environment while the issuance of bonds and raising of funds is extremely difficult. This reality poses the risk of projects having to be delayed or even stopped.

At the same time, the purchasing power in the real estate market remains relatively quite low with developers being unable to sell products to recover capital and reinvest. This is responsible for the increased risk of bad debt and the falling number of new projects for the construction industry.

Construction companies continue to be under pressure from, among other things, high lending rates, fluctuating foreign exchange rates, and rising gas and material prices. These factors affect business operations as well as threaten revenue and profit plans.



# REPORT OF THE BOARD OF DIRECTORS

## ORIENTATIONS FOR COTECCONS

### BUSINESS AND FINANCIAL METRICS

No.	Indicator	Unit	Main Plan for the fiscal year 2023 (from January 1, 2023 to June 30, 2023)	Business plan for 2023	Actual result 2022	In comparison to 2022
1.1	Consolidated revenue	VND billion	7,644	16,249	14,537	12%
2.2	Consolidated profit after tax	VND billion	44	233	21	1,010%

From this year, Coteccons will apply the change of financial year. According to this change, the fiscal year 2023 of the Company will only last 6 months - i.e. until the end of June 30. As a result, there will be many changes in the assessment of relevant financial data.

In FY 2023, which spans the first and second quarters, Coteccons' revenue target is VND 7,644 billion, and EAT target is VND 44 billion. Compared to the same period of 2022, these metrics increased by 144% and 880%, respectively.

However, the Company also set targets for all the 12 months of 2023, including the third and fourth quarters - which will be counted in FY 2024. Accordingly, in the later half of 2023, Coteccons' revenue and NPAT targets are VND 8,605 billion and VND 189 billion, respectively. So, if the whole year of 2023 is taken into account, Coteccons's total revenue target is VND 16,249 billion, up by 12% compared to 2022, while the target of NPAT is VND 233 billion, corresponding to a YOY growth rate of 1,010% compared.

All these are very impressive growth indicators which demonstrate the strong recovery momentum of Coteccons even in the unfavorable market context.

To achieve those impressive numbers, Coteccons currently has at its hand all the necessary preconditions and preparations, typically the backlog value of VND 17,000 billion for 2023. In addition, the Company also expects to win a number of key public investment projects and has a drastic plan to tap into the plant and industrial park building area to meet the great demand of the FDI sector in Vietnam.

Another rational that supports the feasibility of Coteccons' 2023 profit target is the decrease in provisioning. Since 2020, the accumulated provision amounted to VND 1,049 billion with the amount in 2022 alone being worth up to VND 500 billion. This has detrimental to the Company's after-tax profit.

However, it was a necessary step to warn the entire system of potential risks, helping to scure the Company's stability during the turbulent period between 2020 and 2022. These provisions are not meant to be lost, Coteccons is still persistently handling previously incurred bad debts and will reverse them as soon as they can be recovered.

In the financial sector, Coteccons continues its capital restructuring strategy. In this strategy, the most important criterion is to ensure healthy financial health and optimize solutions while maintaining balance, safety, and liquidity.



### REQUIREMENTS ON CG, ORGANIZATIONAL OPERATION AND DEVELOPMENT

In order to continue to maintain the Company's growth, strengthen its competitiveness, and aim for a strong breakthrough in the peak period of the 2021 - 2025 plan, it is imperative that Coteccons seriously invest in and drastically implement the following initiatives:

- Continuously upgrade the CG foundation and capacity in line with international standards. In particular, special attention is to be paid to risk management capacity. In the context of market unpredictability, it is necessary to conduct relevant assessment and forecast as well as prepare effective responses to preserve business development achievements.
- Promote a rational diversification strategy. In 2023, the Company continues to optimally combine long-term and short-term investments leveraging the existing resources. For long-term investments, the Company will conduct M&A by expanding into adjacent areas in the construction - real estate ecosystem in order to provide customer-oriented comprehensive solutions, products and services. In the short term, the Company will invest in financial products to optimize the disposable cash flow.
- Coteccons will re-evaluate its goals in the long-term strategy to make adjustments in line with the actual movements of the market. The 2021 - 2025 plan was devised in 2020, when the market context was a far cry from what it is today. This adjustment is necessary to ensure optimal opportunity, potential and value with a more up-to-date roadmap and methodology.
- Increase both breadth and depth for sustainable development aspects, promote the formation of the Company's own standard system in this area.
- Set decisive goals on improving the performance of the management - operating system and upgrade the quality of human resources to optimize costs and resources.
- Spread the OWN IT culture and effectively apply it to daily work to promote a sense of ownership in the work of each member. This is expected to contribute to increasing enthusiasm, a sense of responsibility and value for the Company.



# REPORT OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

Full name	Position	Date of appointment
Mr. Tan Chin Tiong	Independent member of the BOD	April 2022 to present
	Head of Audit and Risk Oversight Committee	December 2022 - present
Mr. Tong Van Nga	Independent member of the BOD	April 2022 to present

## INDEPENDENT MEMBERS' ACTIVITIES AND THEIR ASSESSMENT OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

### ACTIVITIES OF INDEPENDENT MEMBERS IN THE YEAR

All independent members are experts who have experience in Coteccons' key operational areas and have valuable contribution to the decisions of the Company.

In 2022, the independent BOD members all participated fully in its meetings and timely submitted their votes on decisions/issues under the authority of the BOD.

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, all BOD decisions are aimed to protect the overall interests of the Company, not those of one or several individuals/shareholders/group of major shareholders, ensuring that all activities of the Company are compliant with the Law on Enterprises, the Company's Charter and relevant legal regulations.





# REPORT OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

Support the Board of Directors in effective and transparent corporate governance	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 related party transactions	<p>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.</p> <p>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.</p>

## ASSESSMENT OF OPERATION OF THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT IN 2022

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

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 and manage to achieve the revenue - profit targets in 2022.

While complying with regulations on information disclosure, the BOD and BOM actively shared information to shareholders via interactive channels and events such as the Analyst Meeting or Shareholders' Day to meet latest governance standards.



## OPERATION ORIENTATION FOR INDEPENDENT MEMBERS IN 2023

The independent members will continue to support the BOD in fulfilling their roles and responsibilities, ensuring independence and objectivity in the decision-making process of the body, and balancing the interests of the parties. Specifically:

- Participate in the analysis and assessment of potential risks in the Company's business activities, and deliver growth scenarios, thereby building reasonable and long-term control strategies.
- Review, amend, and supplement the Charter and Internal Regulations to be in line with regulatory changes and converge higher international standards.
- Monitor transactions with stakeholders to ensure that there is no conflict of interests among the parties, maintain the harmonization of interests among groups of shareholders.
- Continue to acting as the supervisory body of the BOD and the BOM in accordance with the provisions of the Law on Enterprise and the Company's Charter.



# REPORT OF THE BOARD OF SUPERVISORS

## ACTIVITIES OF THE BOARD OF SUPERVISORS IN THE YEAR

### INFORMATION ABOUT MEMBERS OF BOARD OF SUPERVISORS

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	Elected on 4/25/2022
2	Mr. Zhaidarzhan Zatayev	Member of Board of Supervisors	Elected on 4/25/2022
3	Mr. Doan Phan Trung Kien	Member of Board of Supervisors	Elected on 4/25/2022

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

- Mr. Dang Hoai Nam and Mr. Nguyen Minh Nhut (Jack) were dismissed from April 25, 2022.
- Mr. Zhaidarzhan Zatayev and Mr. Doan Phan Trung Kien were elected as members of the Board of Supervisors from April 25, 2022.

#### Charter capital ownership percentage of members of Board of Supervisors as of 12/31/2022:

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

### BOS MEETINGS

#### Number of meetings and participation and voting rate

No.	Member of Board of Supervisors	Number of meetings participated	Rate of meeting participants	Rate of voting	Reasons for non-participation
1	Mr. Tran Van Thuc	04	100%	100%	
2	Mr. Zhaidarzhan Zatayev	04	100%	100%	
3	Mr. Doan Phan Trung Kien	04	100%	100%	

#### Detailed contents of the meetings of the Board of Supervisors

No.	Meeting	Date	Contents
1	Meeting 01	5/4/2022	Meeting to elect the Head of BOS after electing additional members of BOS at the Annual General Meeting.
2	Meeting 02	5/5/2022	Discussion on current risks faced by Coteccons and preparation of the work plan of the Board of Supervisors in 2022.
3	Meeting 03	6/29/2022	BOS agreed with 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 financial year 2022.
4	Meeting 04	8/5/2022	The Board of Supervisors met with E&Y to review the mid-year audit results for 2022.

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

The Board of Supervisors interviewed and held discussions with the CEO and Deputy CEOs on the implementation of the Company's major business strategies in 2022.

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 worked out and sent an operation plan for the whole year of 2022 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 Board of Supervisors coordinated with the Internal Audit Committee in audits of functional departments such as Contract and Cost Management (CCM), Accounting and a number of projects, including on-site performance evaluation.

Assessment reports on the financial and operational situation of the Company were filed on a quarterly basis.

#### Details about some activities implemented in the year of the Board of Supervisors related to supervision over Board of Directors and Board of Management

Time	Contents
1/18/2022	An email was sent to the CEO as a warning on some ongoing loss making projects.
3/6/2022	The report on the financial and operational situation in 2022 was sent to the BOD and BOM based on the review of the annual financial statements.
5/25/2022	The report on the financial and operational situation for Q1/2022 was sent to the BOD and BOM based on the review of the quarterly financial statements.
7/12/2022	The assessment report by the Board of Supervisors was sent to the BOD and BOM.
8/3/2022	A meeting directly with the heads of departments/divisions was organized to evaluate the performance of departments/divisions.
8/24/2022	The report on the financial and operational situation for Q2/2022 was sent to the BOD and BOM based on the review of the quarterly financial statements.
9/8/2022	The assessment report on operational performance of the Company, including cause analysis of project losses, is sent to the BOD and BOM.
9/8/2022	The report on proposed measures to increase business profitability was sent to the BOD and BOM.
11/11/2022	The report on the financial and operational situation for Q3/2022 was sent to the BOD and BOM based on the review of the quarterly financial statements.



# REPORT OF THE BOARD OF SUPERVISORS

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

### ANNUAL GENERAL MEETING

In 2022, 16 resolutions were approved by the General Meeting of Shareholders, from no. 01 to no. 16. By the end of December 2022, 15 resolutions were delivered and 1 remaining was being implemented regarding the issuance of ESOP shares for 2022.

### BOARD OF DIRECTORS

In 2022, 16 resolutions were issued by the Board of Directors. By the end of December 2022, 15 resolutions were delivered and the remaining Resolution No. 14/2022/NQ- HDQT on the issuance of ESOP shares was being implemented.

## IMPLEMENTATION ASSESSMENT OF 2022 BUSINESS PLAN AND SOME IMPORTANT FINANCIAL INDICATORS

### IMPLEMENTATION ASSESSMENT OF 2022 BUSINESS PLAN

Unit: VND billion

	2022	In comparison to 2021	In comparison to the plan
Revenue	14,537	Up 60% (compared to 9,077)	Achieve 97% (compared to 15,000)
Profit after tax	21	Decrease 12.5% (compared to 24)	Up 5% (compared to 20)

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

### SOME KEY FINANCIAL INDICATORS

No.	Indicator	Unit	2021	2022
<b>I Profit margin</b>				
1	Gross profit margin	%	3.0	3.3
2	Ratio of Profit before tax/sales	%	0.3	0.24
3	Ratio of Profit before tax/Owner's equity	%	0.29	0.25
4	Ratio of Profit before tax/Total assets	%	0.27	0.67
<b>II Performance indicators</b>				
1	Inventory Turnover	Date	62	58
2	Receivable Turnover	Date	308	236
3	Receivable Turnover	Date	129	107
<b>III Liquidity</b>				
1	Current ratio	Times	2.1	1.71
2	Quick ratio	Times	1.85	1.43
3	Leverage (Liabilities/Owner's equity)	%		

## RECOMMENDATIONS OF THE BOARD OF SUPERVISORS

### COMPLETION OF THE 2022 BUSINESS PLAN

Despite fulfillment of sales and profit targets as planned, the Board of Supervisors suggested the BOD and BOM to strengthen cash flow management.

Specifically, for 2022 as a whole, cash flow from main business activities was negative at VND 1,626 billion. This was, objectively, due to overall challenges faced by the real estate industry, and subjectively, due to slow debt collection and some ongoing loss-making projects.

At the end of Q4/2022, the Company strictly controlled the cash flow of each project. This improved its cash flows in quarter I/2023.

In order to manage negative cash flow in 2023, the Company should further closely monitor its cash flows by:

- Further focusing on debt collection.
- Keep monitoring for a balance of expenditure (against available funds).
- Carefully considering investments.

### INCREASING PROJECT-BASED PROFITABILITY RATIOS

In 2023, according to our observations, the project profitability ratio has improved. However, there remain a number of projects that were started in previous years and are now run at a loss. This is due to both objective and subjective reasons. The company should explore and analyze these causes and come up with countermeasures in the future.

### CLOSE MONITORING OF CORPORATE RESTRUCTURING/REFORMS

In 2022, the company carried out different restructuring efforts/reforms:

- Personnel changes for key positions.
- Diversification of products, markets and business lines (implementation of infrastructure projects, focus on FDI enterprises, small-scale industrial construction projects, internationalization strategies...)
- Delivery of numerous innovative programs on corporate governance: PDempowerment, decentralized matrix management...

The Board of Supervisors supports the ongoing restructuring and reform activities. These will surely bring positive changes to the Company. It is of small note that in order to achieve restructuring/reform purposes, the organization, implementation, monitoring and measurement of results should be under the strict control of the BOM.



# BOD

## MEETINGS IN THE YEAR

Given strong expertise, experience, and deep understanding of the domestic and international business environment of its members, the BOD maximally supported the activities of the BOM, minimizing risks during business operations of the Company.

The BOD flexibly organized 15 meetings, both virtually and physically, or collected written opinions in order to improve efficiency and performance, while not missing any worthwhile business opportunities.

In addition, the BOD has always maintained comprehensive review of the transactions entailing potential conflicts with the interests of the Company in an objective and reasonable manner on the principle of market value. For transactions of great value, the BOD actively requested the BOM to jointly deliver equality and interests of shareholders. Any related interests of BOD members were reported to the BOD and these members gave up their voting rights to ensure compliance with the law and the interests of the Company.

### PARTICIPATION OF BOD MEMBERS IN MEETINGS IN THE YEAR

No.	BOD Member	Number of BOD meetings participated	Rate of meeting participants	Reasons for non-participation
1	Mr. Bolat Duisenov	15/15	100%	
2	Mr. Yerkin Tatishev	4/15**	30%	Due to the completion of the term of office
3	Mr. Talgat Turumbayev	15/15	100%	
4	Mr. Herwig Guido H. Van Hove	15/15	100%	
5	Mr. Tan Chin Tiong	15/15	100%	
6	Mr. Tong Van Nga	15/15	100%	
7	Mr. Pham Quang Vu	9/15*	100%	Attending 100% of the meetings from the start of the term of office
8	Mr. Vo Hoang Lam	9/15*	100%	Attending 100% of the meetings from the start of the term of office
9	Mr. Trinh Ngoc Hien	4/15**	30%	Due to the completion of the term of office
10	Ms. Trinh Quynh Giao	4/15**	30%	Due to the completion of the term of office

\* Elected on 4/25/2022

\*\* Finished the term of office on April 25, 2022

This information has been reflected in the following BOD resolutions:

No.	Resolution/Decision no.	Date	Contents	Approval rate
1	01/2022/NQ-HDQT	1/7/2022	Approval of the dismissal of Mr. Phan Huu Duy Quoc as the Deputy CEO	6/8
2	01A/2022/NQ-HDQT	1/7/2022	Issuance of the Internal Audit Regulations	6/8
3	02/2022/NQ-HDQT	3/9/2022	Organization of AGM 2022	6/8
4	03/2022/NQ-HDQT	3/17/2022	Approval of the transaction with Fiingroup	5/8
5	04/2022/NQ-HDQT	3/21/2022	BOD meeting for QI/2022	6/8
6	05/2022/NQ-HDQT	4/4/2022	Approval of the working documents for AGM 2022	6/8
7	06/2022/NQ-HDQT	5/3/2022	Election of the BOD Chairman	7/7
8	07/2022/NQ-HDQT	5/3/2022	Appointment of Head of the Secretariat of the BOD cum Person in charge of corporate governance	7/7
9	08/2022/NQ-HDQT	5/3/2022	Reactivation of BOD Committees	7/7
10	09/2022/NQ-HDQT	5/23/2022	Issuance of the Internal Audit Regulations as drafted by the Board of Supervisors	7/7
11	10/2022/NQ-HDQT	7/7/2022	Selection of the auditor for financial statements for 2022	7/7
12	11/2022/NQ-HDQT	8/5/2022	Appoint of the CEO	7/7
13	12/2022/NQ-HDQT	8/25/2022	Signing of credit limit contracts at banks	7/7
14	13A/2022/NQ-HDQT	12/14/2022	Distribution of undistributed profits after tax from Covestcons to Cotecons	7/7
15	13B/2022/NQ-HDQT	12/14/2022	Establishment of ESG Committee	7/7
16	14/2022/NQ-HDQT	12/14/2022	Deployment of ESOP share issuance plan	6/7

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

The report on remuneration plan for the BOD, BOS and BOM in 2022 has been included and disclosed in the audited financial statements for 2022 in the following part of this annual report.

### RELATED PARTY TRANSACTIONS

The steps and procedures for approving transactions between the Company and related parties are strictly implemented in accordance with the Law on Enterprises, the Securities Law, the Company's Charter and its internal governance regulations.

Transactions between the Company and related parties approved by the BOD are listed and disclosed in the Report on Corporate Governance 2022 and in the audited financial statements for 2022 in the following part of this Annual Report.



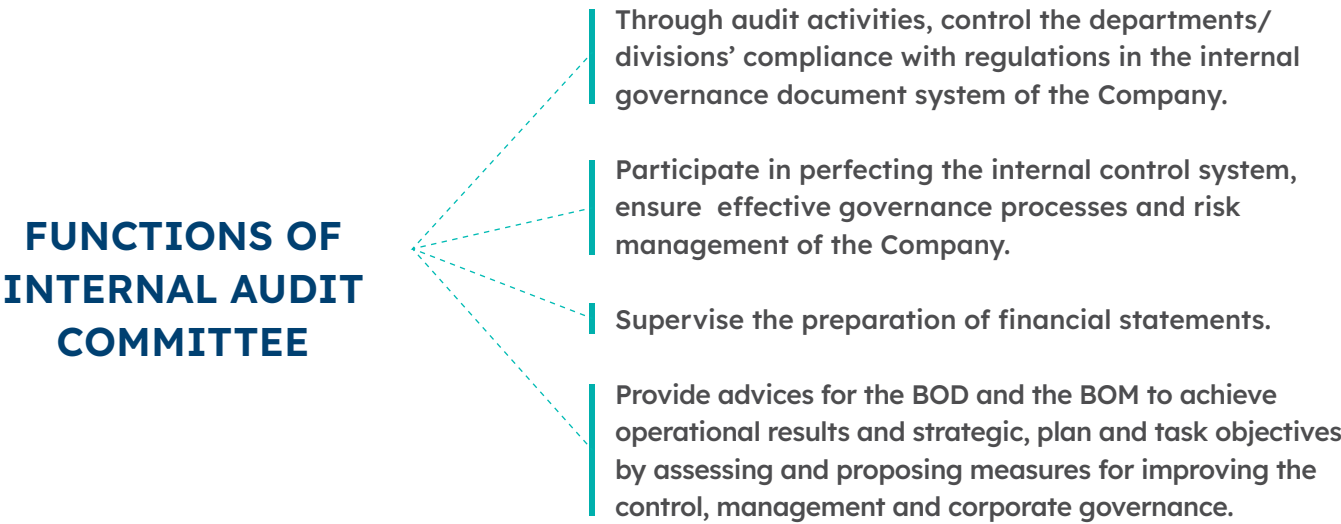
# LIST OF MEMBER COMPANIES AFFILIATES

No.	Name of the organization	Business Registration Certificate	Key business lines	Head office address/ Contact address	Charter capital (VND billion)	Ownership ratio (%)	Forms of ownership
<b>SUBSIDIARIES</b>							
1	Unicons Co., Ltd.	0304472276	Construction and equipment installation services	No. 236/6 Dien Bien Phu, Ward 17, Binh Thanh District, HCMC	<b>94.5</b>	100	On site
2	Covestcons Co., Ltd.	0314326002	Real estate brokerage and business services	236/6 Dien Bien Phu, Ward 17, Binh Thanh District, HCMC	<b>1,872</b>	100	On site
3	FutureImpact CTD Joint Stock Company	0316921381	Repair, installation, rental and sale of machinery, equipment and components	No. 236/6 Dien Bien Phu, Ward 17, Binh Thanh District, HCMC	<b>15.1</b>	96.62	Indirect
4	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, HCMC	<b>15</b>	96.62	Indirect
5	HED1 Co., Ltd.	0317515248	Sauna, massage and similar wellness services (except sports)	Floor 9, No. 236/6 Dien Bien Phu, Ward 17, Binh Thanh District, HCMC	<b>2</b>	100	Indirect
6	Coteccons Nest Co., Ltd.	0317508201	Real-estate-related business; transactions related to land use right under ownership, or usage right, or leased land	Floor 9, No. 236/6 Dien Bien Phu, Ward 17, Binh Thanh District, HCMC	<b>1</b>	100	Indirect
7	San Choi Moi Company Limited	0317587852	Activities of amusement parks and theme parks	Floor 9, No. 236/6 Dien Bien Phu, Ward 17, Binh Thanh District, HCMC	<b>2</b>	100	Indirect
<b>AFFILIATES</b>							
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	<b>376.8</b>	42.36	
2	Quang Trong Commercial Joint Stock Company	3500740022	Real estate business and project management services	No. 427/9, Nguyen An Ninh, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province	<b>50</b>	36	
3	Hiteccons 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	<b>9</b>	31	





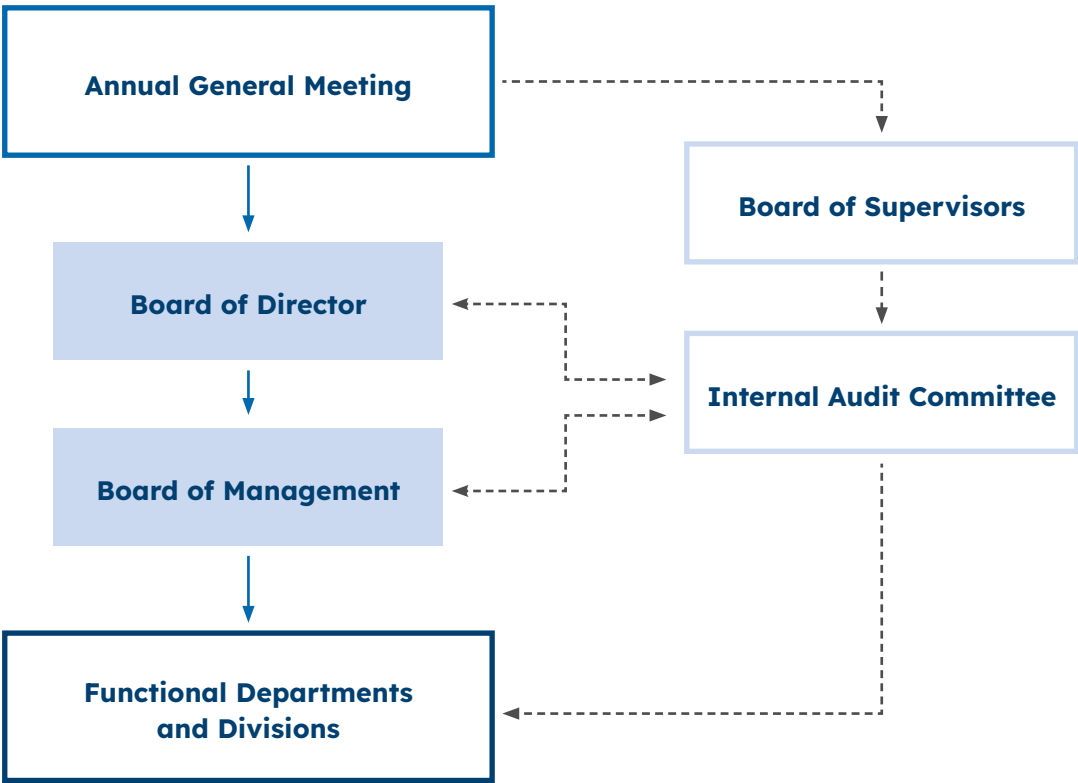
# REPORT OF INTERNAL AUDIT COMMITTEE



## INDEPENDENCE OF INTERNAL AUDIT COMMITTEE

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).

Structure of the Internal Audit Board of the Company:



## INTERNAL AUDIT COMMITTEE’S PERFORMANCE IN THE YEAR

During the year, the IAC has audited a number of departments/divisions and construction sites are as follow:

No.	Activities	Key risks
1	Auditing of 05 departments/ divisions of Coteccons and Unicons.	<ul style="list-style-type: none"> <li>Effects of personnel changes, handover when there are personnel changes.</li> <li>Risks in project financial management, contract signing and liquidation, payment - settlement with developers, subcontractors, suppliers.</li> <li>Risks in the bidding process, regulation compliance in project management coordination between departments/divisions and the Site Management Board.</li> <li>Risks in the investment, procurement, use and liquidation of management and construction assets, machinery and equipment.</li> <li>Risks in the management of the Company's operational costs and projects' costs.</li> <li>Risks in mobilization of construction teams.</li> </ul>
2	Audit 06 projects (03 Coteccons projects 03 Unicons projects ) on:	<ul style="list-style-type: none"> <li>Organizational structure, HR and training.</li> <li>Project finance management</li> <li>Construction quality and progress management.</li> <li>Design Management.</li> <li>Materials and equipment management.</li> <li>Construction team (suppliers, subcontractors, construction workers)</li> <li>Security, occupational health.</li> <li>Records, document storage, ISO.</li> </ul>
3	Conduct project risk assessment:	<ul style="list-style-type: none"> <li>Risk assessment for all projects of Coteccons and Unicons (April and October 2022). This provides a basis for evaluating and selecting projects subject to detailed project audits.</li> </ul>
4	Analyze and evaluate the Company's financial statements:	<ul style="list-style-type: none"> <li>Financial statement of 2021</li> <li>Financial statements of Quarter 1 of 2022</li> <li>Financial statements of 6-month period of 2022.</li> <li>Financial statements of Quarter 3 of 2022</li> </ul>
5	Evaluate the remediation recommendations after the audit	<ul style="list-style-type: none"> <li>At the request of the Board of Supervisors, the Internal Audit Board assessed the extent to which audit recommendations were addressed by audited departments/divisions.</li> </ul>

### WORK PLAN OF INTERNAL AUDIT BOARD IN 2023

- Analyze and evaluate the macroeconomic situation and its influences on the Company in 2023.
- Audit departments/divisions: Strengthen the assessment of compliance with the Company's regulations as well as the function and duties of the Company’ 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.





# RISK OVERSIGHT

## PURPOSE OF RISK MANAGEMENT

The purpose of risk management is to protect and contribute added values to the Company in order to achieve the set goals by supporting the following key activities:

- 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.

## RISK MANAGEMENT POLICY

The Board of Directors, specifically via Audit and 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 risk determination method (evaluating based on the frequency of occurrence and the level of impact of the occurring the risk), thereby proposing 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 Committee is in charge of evaluating the operation efficiency of risk management through the evaluation of programs and plans of the Internal Audit Board approved by the Board of Directors and the Board of Supervisors.

## IMPLEMENTATION OF RISK MANAGEMENT IN 2022

During the year, the Internal Audit Board has conducted audits at departments/division and projects, thereby, providing the leaders of the departments/divisions and 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, accordingly, increases the awareness of risk management at the Site Steering Divisions, and coordinates with other departments/divisions to control risks as soon as possible.

**Specific contents of project risk assessment are as follows:**

### 1. Assessment of risks due to external factors

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

### 2. Other risk assessment identified at the Sites

### 3. Assessment of 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



# RISK OVERSIGHT

## ASSESSMENT OF POTENTIAL RISKS TO THE COMPANY AND COUNTERMEASURES

### 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.	<ul style="list-style-type: none"> <li>Explore all the characteristics and aspects of a project before participation; Negotiate carefully the terms of the contract to protect the Company.</li> </ul>
The possibility to expand into non-traditional fields encounters many challenges. In 2022, the Company conducted only 1 infrastructure project.	<ul style="list-style-type: none"> <li>Cooperate with experienced partners to share information, learn from their experience, and expand relationships.</li> </ul>
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.	<ul style="list-style-type: none"> <li>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.</li> </ul>
The real estate market faced numerous challenges (in terms of capital sources, loan interest rates, investment procedures, legality of projects, etc.), thus affecting project delivery by developers, increasing cash flow risks and lowering business performance of the Company.	<ul style="list-style-type: none"> <li>Actively analyze capital and cash flow to ensure financial efficiency despite the higher risk tolerance level.</li> </ul>

BRANDING	
Risk description	Countermeasures
Coteccons has always been a robust and leading brand in the construction sector for many years. In 2022, the value of new contracts signed reached VND 25,000 billion, same as in 2021. However, challenging market conditions would have certain impacts on the view of investors, customers, partners and employees.	<ul style="list-style-type: none"> <li>Strictly comply with the regulatory provisions, fulfill the commitments with customers, partners and employees.</li> <li>Build a strong communication team, establish relationships with reputable press partners to strengthen the capacity of spreading official and reliable information.</li> <li>Take the initiative in handling communication crisis.</li> </ul>

### OPERATION RISKS

OCCUPATIONAL SAFETY	
Risk description	Countermeasures
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.	<ul style="list-style-type: none"> <li>Closely control the application of safety procedures and regulations, always uphold the slogan "Safety first".</li> <li>Invest in new construction and safety control equipment, ensure regular maintenance.</li> <li>Apply safe and efficient new construction technologies.</li> <li>Provide adequate technical safety equipment for all workers of the Site Steering Divisions and the subcontractor's teams.</li> <li>Regularly organize training, group meetings, assessment and inspection of safety assurance.</li> <li>Implement safety control, assessment and remedial reports monthly and quarterly with the highest attention.</li> </ul>

BIDDING	
Risk description	Countermeasures
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.	<ul style="list-style-type: none"> <li>Search for information sources, analyze the strengths and weaknesses of competitors.</li> <li>Build a team to link departments: Tender Department, Cost and Contract Management Department, Engineering Management &amp; Technology, etc. to optimize the original cost, thereby possessing competitive edge right from the start.</li> </ul>
In 2022, the Company participated in bidding for projects' value of VND 80,000 billion but the value of new contracts signed reached VND 25,000 only. Thus, the winning rate of only 31% has proved that there is fierce competition from competitive companies in the market.	<ul style="list-style-type: none"> <li>Take advantage of the abundant cash to accompany and support the developer's financial plans or apply the Finance &amp; Build model to make a difference in the market.</li> </ul>



# RISK OVERSIGHT

## OPERATION RISKS

### HUMAN RESOURCES AND BENEFIT POLICY

Risk description	Countermeasures
Human is always at the heart of the development of the Company.	
Since 2021, the Company has made changes in its employee welfare policy. The application of the new benefit package without proper consideration will lose the psychology of employees.	<ul style="list-style-type: none"> <li>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 a worthy benefit and reward policy.</li> </ul>
Brain drain can occur in the context of an increasing number of competitors in the market, which requires high-quality human resources.	<ul style="list-style-type: none"> <li>Provide hard and soft skills trainings, promote and empower levels of personnel appropriately so that they have the opportunity to challenge themselves.</li> <li>Associate with major universities in the sector to continuously have a successor generation of young human resources in the future.</li> <li>Work with reputable recruitment partners to supplement talents in the market to the areas of work to be upgraded and expanded.</li> <li>Conduct internal surveys on employee satisfaction with the current benefit policy and compare it with other industry peers</li> </ul>

## FINANCIAL RISKS

### PRICE VOLATILITY

Risk description	Countermeasures
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.	<ul style="list-style-type: none"> <li>Deploy a procurement and contract management model centered in key construction materials, leverage financial advantages to reduce material supply prices.</li> <li>Promote forecasting of supply situation and price volatility in the region to proactively coordinate the sources of materials and equipment.</li> </ul>
In 2022, prices of building materials (steel, concrete, etc.) further fluctuated strongly, affecting the financial situation of projects.	<ul style="list-style-type: none"> <li>Strengthen negotiations and agree on terms to keep prices, control the slippage rate with developers.</li> <li>Actively look for new sources of quality products at reasonable prices, limit the monopoly situation.</li> </ul>

## FINANCIAL RISKS

### LATE PAYMENT

Risk description	Countermeasures
The financial performance of a project will certainly be depleted by cash flow problems due to the developers' slow payment and settlement.	<ul style="list-style-type: none"> <li>Strictly stipulate and carefully negotiate the payment-related terms in the contract during the bidding process.</li> </ul>
The challenging market situation affected investors. 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.	<ul style="list-style-type: none"> <li>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.</li> </ul>
In 2022, provisions for short-term bad debts increased sharply. In addition to the objective factors due to the Covid-19 pandemic and market conditions, 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.	<ul style="list-style-type: none"> <li>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.</li> </ul>

### CAPITAL MANGEMENT

Risk description	Countermeasures
With healthy finance and effective cash flow management, Coteccons has accumulated a sound cash position, ensuring high liquidity and meeting project progress.	<ul style="list-style-type: none"> <li>Explore solutions to maximize profitability from the Company's investment while still ensuring that risks are well managed.</li> </ul>
However, it can also be said that the Company's cash balance has potential risks related to the Vietnamese currency devaluation, In certain periods, the cash surplus was mainly used in bank deposits with unsatisfactory interest rates.	<ul style="list-style-type: none"> <li>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.</li> </ul>
In 2022, the Company invested in stocks and corporate bonds to maximize profitability from the Company's investment. However, due to the strong volatility of the stock market, investments in stocks were not highly effective. The bond market also presented potential risks when there were legal issues in issuing bonds.	<ul style="list-style-type: none"> <li>Calculate, allocate and use effectively capital raising sources to achieve the set goals, ensure the interests of the Company and investors.</li> </ul>
From 2021 to 2022, in addition to issuing bonds (VND 500 billion), the Company increased its bank loans (about VND 550 billion) as a form of capital mobilization. The bond offering plus higher bank loans may cause some concerns to investors about the efficiency of capital use and affect the Company's business performance in the coming time.	



# RISK OVERSIGHT

## 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>	<ul style="list-style-type: none"> <li>Recruit and build the professional legal personnel, constantly update policy amendments.</li> <li>Work with professional law experts and partners for timely consultation.</li> <li>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.</li> <li>Apply ISO 14001:2015 in management and actively control environmental issues to ensure compliance with legal requirements.</li> </ul>

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"> <li>Continuously control and assess the risks of contract terms.</li> <li>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.</li> <li>Develop a system of sample contracts.</li> <li>Develop a legal risk assessment system for projects.</li> </ul>

“

Coteccons' risk awareness and management capacity has been greatly improved. The risk management system, covering financial and other risks, is increasingly better. Along with the empowerment policy, risk management is also one step further improved. This task used to be only performed by the executive team at the head office but it is now under the mandate of Project Directors.





# LEGAL COMPLIANCE

In the business environment, all businesses, including Coteccons, must run their operations according to the Constitution, laws and by-laws documents such as Decrees and Circulars. In fact, the laws govern most of Coteccons' daily activities such as its incorporation, internal management, employee relations, investment, service provision, etc.

Therefore, legal compliance must always be a top priority to create a premise for its future sustainable development. It will also set a solid foundation for building the business culture of the Company, enabling it to stay firm against the risks and challenges in the market economy.

In 2022, the construction industry faced numerous challenges, including complicated market mechanisms, margin pressure, long-lasting fluctuations in raw material costs, market fluctuations locally and internationally, "hibernation" period of the real estate market..., thus leaving Coteccons to handle difficult issues. However, with efforts to move forward, Coteccons always strictly abides by the law and constantly updates its internal regulations for proper compliance with the latest legal regulations.

## Legal documents issued and entering into force in 2022, affecting the operation of Coteccons

No.	Document	Abstract	Date of issue	Effective Date	Changes directly affecting Coteccons
FOR THE COMPANY OPERATION					
1	Law No. 03/2022	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.	1/11/2022	3/1/2022	A number of changes to the Law on Enterprises No. 03/2022, aimed at completing the legal framework on corporate governance, and addressing some difficulties in its implementation, such as: updated regulations on attendance and voting at the Annual General Meetings or regulations on signing minutes of BOD/BOM meetings.

No.	Document	Abstract	Date of issue	Effective Date	Changes directly affecting Coteccons
FOR INVESTMENT BOND ACTIVITIES					
2	Decree 65/2022/ND-CP	Amendments to Decree No. 153/2020/ND-CP on private placement and trading of corporate bonds in domestic markets and offering of corporate bonds to the international market.	9/16/2022	9/16/2022	Amendments to regulations in this Decree on the purpose of bond offering in order to strengthen the responsibilities and obligations of bond issuers in using proceeds from bond trading. The issuance of this Decree aims to standardize and increase the safety of bond trading while introducing measures to develop a healthy, safe and efficient corporate bond market.
FOR CONSTRUCTION					
3	Decree 20/2022/ND-CP	Amendments and supplementations of a number of articles of the Government's Decree No. 119/2015/ND-CP dated November 13, 2015 on compulsory issuance in construction investment activities.	3/10/2022	7/1/2022	Amendments and supplementations of a number of regulations in the Decree on compulsory insurance in construction investment activities, such as regulations on those who are required to buy compulsory insurance in construction investment activities, or regulations on period of civil liability insurance for third parties. The addition of these provisions aims to build a stable, transparent legal framework, protect third parties during the construction process, and create peace of mind for investors and construction contractors involved in construction investment activities.



# LEGAL COMPLIANCE

No.	Document	Abstract	Date of issue	Effective Date	Changes directly affecting Coteccons
FOR CONSTRUCTION					
4	Decree 16/2022/ND-CP	Regulations on sanctioning of administrative violations related to construction	1/28/2022	1/28/2022	This Decree replaces Decree No. 139/2017/ND-CP dated November 27, 2017, amending and supplementing a number of provisions on administrative sanctions in the construction industry, including: Authorities to impose administrative sanctions, authorities to make records of administrative violations, a number of administrative violations to be handled, changes in fine amounts, etc. The addition of these new regulations aims to complete improve the legal corridor for sanctioning of administrative violations in construction activities for convenient application.
5	Circular No. 17/2021/TT-BXD	Regulations on a number of aspects of judicial assessment in the field of construction	12/22/2021	2/5/2022	This Circular replaces Circular No. 04/2014/TT-BXD, aimed at addressing a number of obstacles in the application of the law on judicial assessment in construction. Accordingly, Circular 17/2021/TT-BXD specifically regulates judicial assessment in the construction industry, including application of technical regulations and standards, machines, equipment, vehicles and facilities in service of judicial assessment in construction.



In 2023, the construction industry is expected to overcome market challenges and thrive. This offers both opportunities and threats to businesses like Coteccons. Among others, legal compliance is also one of the important foundational elements to overcome difficulties, manage risks, take on new challenges and build a sustainable company in the future.



# INVESTOR RELATIONS AND CAPITAL MARKET

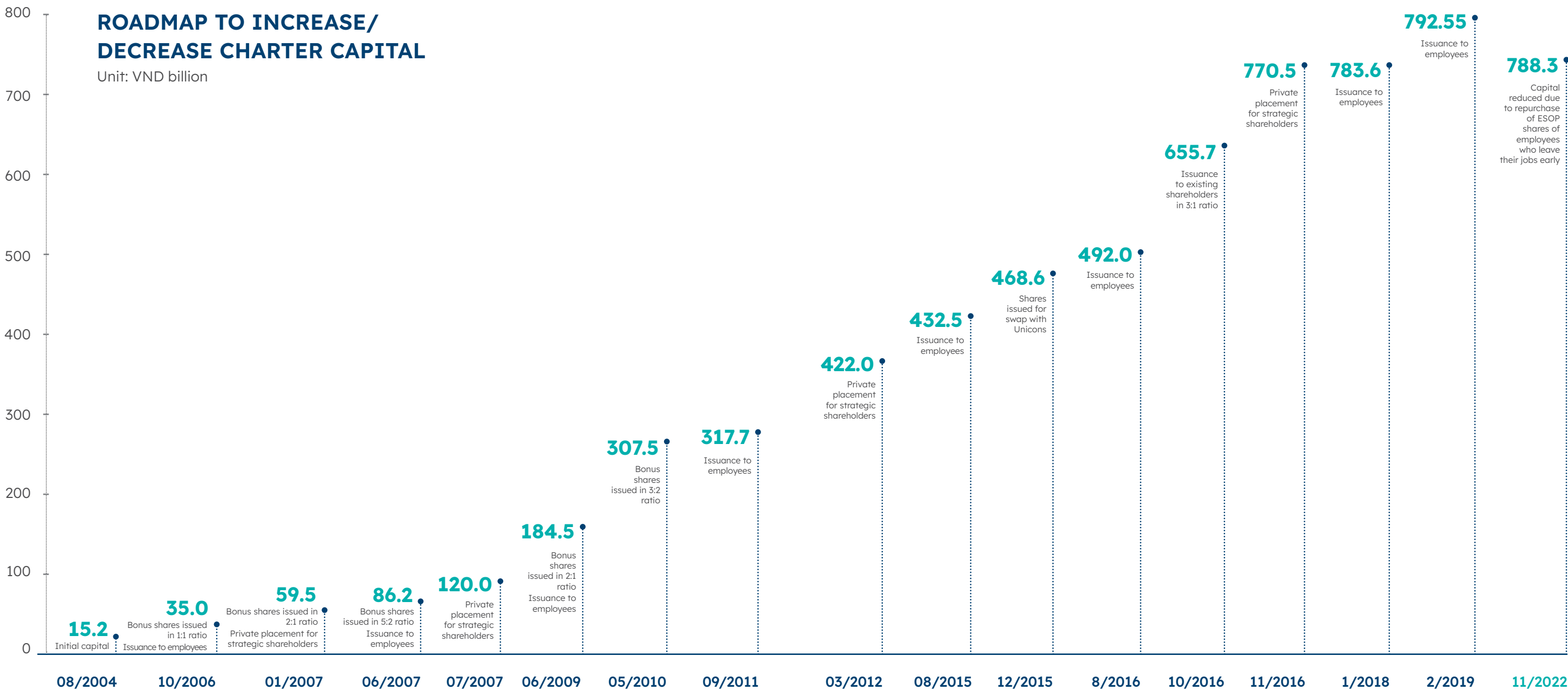
For improved transparency and fairness, Coteccons' IR activities achieved remarkable achievements in 2022. This helps restore confidence in the potential development of Coteccons and CTD stock in a year of financial-stock market volatility.

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 2022, the Company did not receive any complaints from shareholders or sanctioning decisions of regulators related to violations of regulations on information disclosure and organization of the Annual General Meeting.



Transparent, fair and professional corporate governance is a condition to protect the interests of all shareholders. Coteccons has been constantly improving its capacity in this regard.





# INVESTOR RELATIONS AND CAPITAL MARKET

## STRUCTURE OF SHAREHOLDERS

In 2022, given confidence in the Company's development prospects, Chairman Bolat Duisenov registered to buy an additional 730,000 shares, however, due to limited foreign ownership, a total of 441,700 shares were acquired and, as of December 31, 2022, Chairman Bolat Duisenov is holding 1.28% of charter capital.

### CHANGES IN THE STRUCTURE OF SHAREHOLDERS

Data as of December 31, 2022 compared to December 31, 2021

#### Shareholder structure by geography

No.	Transaction individual/entity	Number of Shareholders		Shares on 12/31/2022		Number of shares		Percentage	
		Individual	Institutional	Individual	Institutional				
		2022	2021	2022	2021	2022	2021	2022	2021
I	Significant shareholders holding 5% of shares or more	0	0	5	5	38,381,268	38,882,168	48.7%	49.1%
1	Domestic	0	0	1	1	11,192,652	11,192,652	14.2%	14.1%
2	Foreign	0	0	4	4	27,188,616	27,689,516	34.5%	35.0%
II	Shareholders holding from 1-5% of shares	2	1	3	5	8,261,270	9,373,400	10.5%	11.8%
1	Domestic	0	0	0	3	0	5,194,460	0	6.5%
2	Foreign	2	1	3	2	8,261,270	4,178,940	10.5%	5.3%
III	Shareholders holding less than 1% of shares	7,335	5,617	104	129	27,216,935	27,216,935	34.5%	32.3%
1	Domestic	7,083	5,355	58	69	23,856,217	20,597,672	30.3%	26.0%
2	Foreign	252	262	46	60	3,360,718	1,159,300	4.3%	6.3%
IV	Treasury shares	0	0	1	1	4,971,327	5,395,527	6.3%	6.8%
V	TOTAL	7,337	5,618	113	140	78,830,800	79,255,000	100%	100%
1	Domestic	7,083	5,355	60	74	40,020,196	42,380,311	50.8%	53.4%
2	Foreign	254	263	53	66	38,810,604	36,874,689	49.2%	46.6%

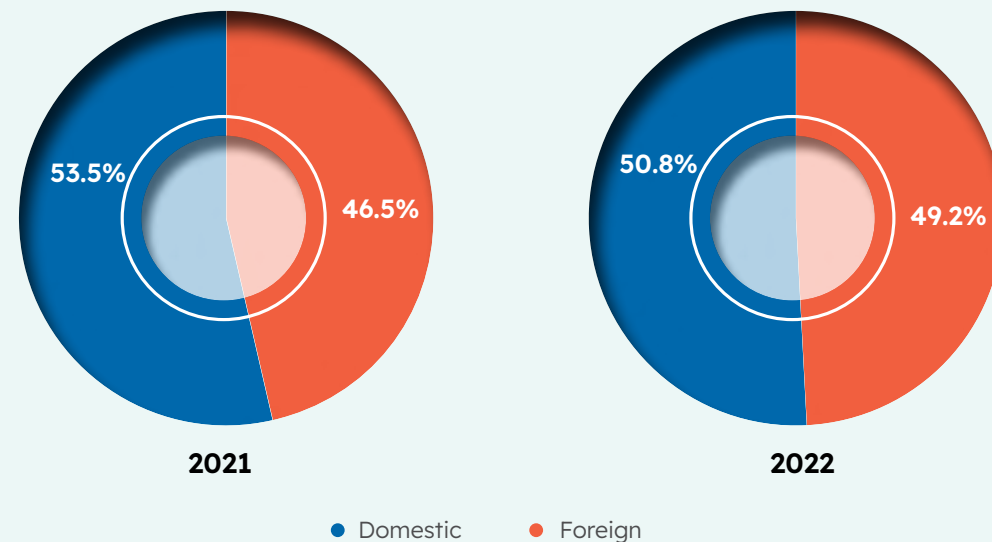
With practical actions to fulfill commitments to shareholders, as of December 31, 2022, the Company's shareholder structure had many improvements:

- The number of shareholders increased by 29%, from 5,758 to 7,450 shareholders. This is a positive signal for its plan to increase the presence and attractiveness of CTD stocks on the stock market.
- The percentage of foreign shareholders increased from 46.5% to 49.2%.
- The percentage of shareholders holding 1-5% decreased from 11.8% to 10.5%.
- The percentage of shareholders holding less than 1% increased from 32.3% to 34.5%.
- The percentage of shareholders/group of major shareholders decreased from 49.1% to 48.7%.
- Treasury shares fell from 6.8% to 6.3%.

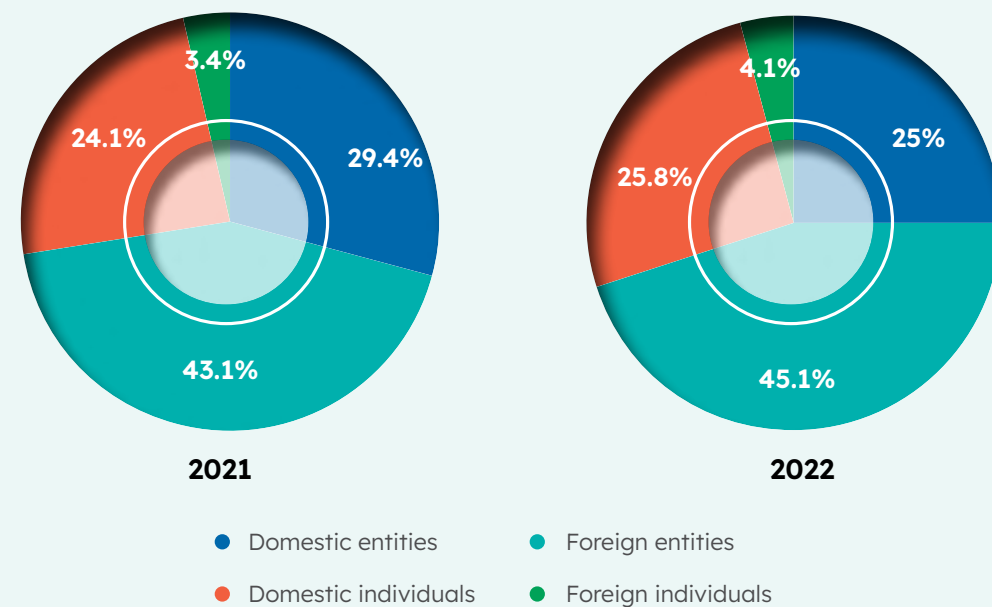


# INVESTOR RELATIONS AND CAPITAL MARKET

Shareholder structure by geography



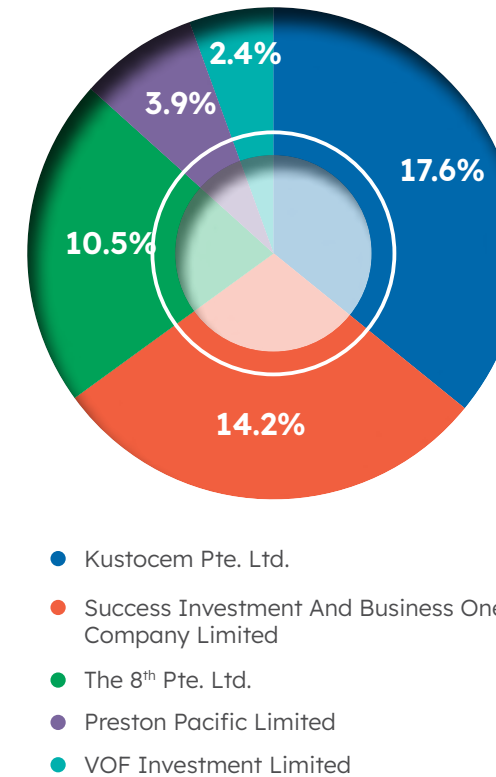
Shareholder structure by type



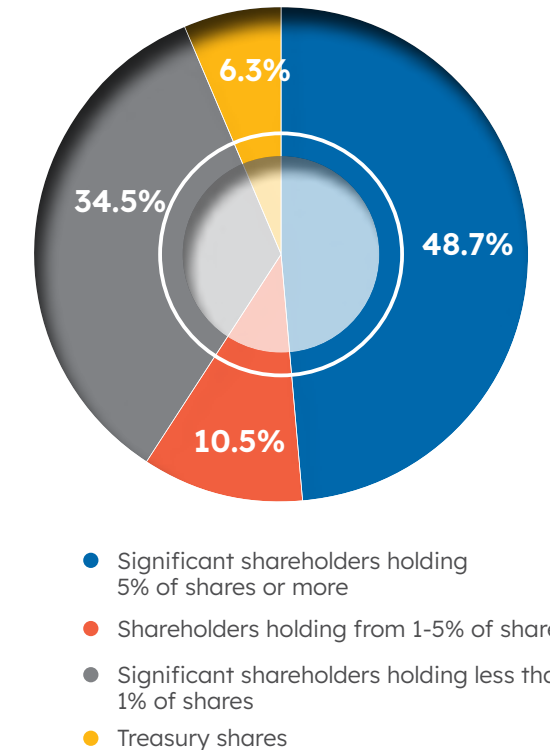
- Total of shares in circulation: 73,859,473 (excluding treasury shares).
- Total free transfer shares: 73,614,842 (accounting for 99.7% of total shares in circulation)
- Restricted transfer shares: 244,631 (accounting for 0.3% of total shares in circulation)

Source: VSD

STRUCTURE BY OWNERSHIP PERCENTAGE OF  
SIGNIFICANT SHAREHOLDERS



SHAREHOLDER STRUCTURE  
BY OWNERSHIP PERCENTAGE





# INVESTOR RELATIONS AND CAPITAL MARKET

## TRANSACTIONS OF SIGNIFICANT SHAREHOLDERS AND INSIDERS

No.	Transaction individual/entity	Position/Relationship with Insider	Shares on 12/31/2022		Shares on 12/31/2021		Notes
			Number	Percentage (%)	Number	Percentage (%)	
I	SIGNIFICANT SHAREHOLDERS						
1	Kustocem Pte. Ltd.	Significant Shareholder	13,906,666	17.6	13,906,666	17.6	Group of Significant Shareholders
2	Success Investment And Business One Member Company Limited	Significant Shareholder	11,192,652	14.2	11,192,652	14.1	
3	The8 <sup>th</sup> Pte. Ltd.	Significant Shareholder	8,256,500	10.4	8,256,500	10.4	
4	Preston Pacific Limited	Group of Significant Shareholders	3,108,000	3.94	3,108,000	3.9	
5	VOF Investment Limited		1,917,450	2.43	2,418,350	3.1	
II	INSIDERS AND RELATED PARTIES						
A	Board of Director						
1	Mr. Bolat Duisenov	The Board Chairman	1,011,700	1.28	570,000	0.7	Personal investment
2	Mr. Yerkin Tatishev	BOD Member	0	0	0	0	Finished the term of office on April 25, 2022
3	Mr. Talgat Turumbayev	BOD Member	1,590,150	2.00	1,590,150	2.00	
4	Mr. Herwig Guido H. Van Hove	BOD Member	0	0	0	0	Finished the term of office on April 25, 2022
5	Mr. Tan Chin Tiong	BOD Member	0	0	0	0	
6	Mr. Tong Van Nga	BOD Member	0	0	0	0	
7	Mr. Trinh Ngoc Hien	BOD Member	0	0	0	0	
8	Ms. Trinh Quynh Giao	BOD Member	0	0	0	0	
9	Mr. Pham Quang Vu	BOD Member	0	0	0	0	Dismissed on April 25, 2022
10	Mr. Vo Hoang Lam	BOD Member	8,507	0.01	8,507	0.01	
B	Board of Supervisors						
1	Mr. Tran Van Thuc	Head of the Board of Supervisors	0	0	0	0	Dismissed on 4/25/2022
2	Mr. Dang Hoai Nam	Member of Board of Supervisors	30,648*	0.03	39,648	0.05	
3	Mr. Nguyen Minh Nhut	Member of Board of Supervisors	0	0	0	0	
4	Mr. Doan Phan Trung Kien	Member of Board of Supervisors	0	0	0	0	
5	Mr. Zhaidarzhan Zatayev	Member of Board of Supervisors	0	0	0	0	
C	Board of Management						
1	Mr. Vo Hoang Lam	CEO	8,507	0.01	8,507	0.01	Personal investment
2	Mr. Pham Quan Luc	Deputy CEO	3,066	0.004	3,066	0.004	
3	Mr. Nguyen Ngoc Lan	Deputy CEO	9,820	0.01	9,820	0.01	
4	Mr. Chris Senekki	Deputy CEO	0	0	0	0	
5	Ms. Pham Thi Bich Ngoc	Deputy CEO	22,700	0.03	12,000	0.015	
5.1	Mr. Du Van Hung	Husband	18,100	0.02	6,000	0.008	Personal investment
D	Other managers						
12	Ms. Cao Thi Mai Le	Chief Accountant	0	0	0	0	Personal investment
13	Mr. Nguyen Van Dua	Who is the person in charge of corporate governance?	4,900	0.006	0	0	

\* The data as of the date when Mr. Dang Hoai Nam is no longer an insider.



# INVESTOR RELATIONS AND CAPITAL MARKET

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

### COMPLIANCE WITH RULES

- Situation of compliance with principles on information disclosure and equal treatment to shareholders
- Monitored compliance with the automatically controlling related party transactions, 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 waived 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.

### DEVELOPMENT OF DEPARTMENTS AND PERSONNEL IN CHARGE

- 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.
- The Company appointed one for the position of Company Secretary cum Person in charge of corporate governance. Together with the IR department, these employees 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.

### INFORMATION DISCLOSURE

- Complete, accurate and timely: Coteccons strictly complied with regulations on information disclosure as required by Vietnamese law and international practices.
- 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 transactions with stakeholders.
- Provision of bilingual information in both Vietnamese and English: The Company has proactively disclosed bilingual information so that both domestic and foreign shareholders/investors have access to accurate information equally, that is not limited by the language barrier.
- Diverse channels and forms: Annual and quarterly financial statements, annual and semi-annual reports on corporate governance, quarterly investor newsletters, Annual Reports and press release provided updates on latest developments. Coteccons also regularly updated information on its official website, Facebook page and other official communication channels.

### IMPROVEMENT OF INFORMATION QUALITY

- The company also strove to improve the quality of the annual reports by improving a lot of aspects of such reports, providing overall

goals and deeper analysis and assessment of corporate governance, business development, 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).

- It also disclosed specific information about salaries and bonuses of the BOD, BOD and BOM members in the documents of the Annual General Meeting, the Annual Reports and the Financial Statements.
- IT application in IR activities: In 2022, Coteccons applied technology in organizing the Annual General Meeting, creating the most enabling conditions for all shareholders, especially minor shareholders, to virtually participate in its biggest event of the year. The spatial distance was shortened so that all shareholders could listen to the presentations from the BOD and BOM and understand Coteccons' key goals to grow sustainable in the long term.
- At the 2022 Annual General Meeting, the Company further provided the software solution 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.

### TYPICAL IR EVENTS AND ACTIVITIES

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 2022 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.
- The Shareholders' Day, firstly organized by Coteccons in December 2021, was also organized in 2022 as an annual event.
- The Analyst Meetings, Investor Meetings or Press Dialogues, among others, were also organized by Coteccons multiple times in 2022.



# ASSESSMENT OF CORPORATE GOVERNANCE PERFORMANCE AGAINST ASEAN CORPORATE GOVERNANCE SCORECARD

At Coteccons, all activities of the Company are operated and adjusted on the basis of compliance with the laws and internal regulations, thereby creating a mechanism of **Governance - Control - Administration** with transparency, consistency, and efficiency.

## CORPORATE GOVERNANCE - TOWARDS THE HIGHEST STANDARD

Evaluation of corporate governance performance based on the ASEAN Scorecard.

### RIGHTS OF SHAREHOLDERS

For the 15 criteria of fundamental rights of shareholders for which Coteccons’ fulfillment is satisfactory or higher: The fulfillment reached 71%.

A.2 Right to participate in decisions concerning fundamental corporate changes	1. Shareholders have the right to participate in amendment of the Company’s documents.
	2. Voting on the issuance of additional shares.
	3. The transfer of all or substantially all assets, which in effect results in the sale of the company.
A.3 Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings.	4. Shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the Non-executive BOD members
	5. Non-controlling shareholders may nominate candidates for Board of Directors.
	6. Shareholders may elect each individual BOD member.
	7. Disclose the voting procedures used before the start of meeting.
	8. Disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM.
	9. Allow voting in absentia.
	10. Vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM.
	11. Make publicly available by the next working day the result of the votes taken during the most recent AGM for all resolutions.
	12. Notify the Annual General Meetings and the ad-hoc Annual General Meetings at least 21 days in advance.
	13. Provide the rationale and explanation for each agenda item which require shareholders’ approval in the notice of AGM/documents/drafts and/or the accompanying statements.
	14. Shareholders are given the opportunity to contribute their inputs to issues discussed in the agenda of the Annual General Meetings.
A.5 The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated	15. Disclose its practices to encourage shareholders to engage with the company beyond AGM.



For 12 criteria on Equal treatment of shareholders for which Coteccons’ fulfillment is satisfactory or higher: The fulfillment reached 80%.

B.1 Shares and voting rights	1. Each ordinary or common share has one vote.
	2. Where the company has more than one class of shares, the company publicizes the voting rights attached to each class of shares
B.2 Notice of AGM	3. Provide the profiles of BOD members in seeking election/re-election.
	4. The auditors/auditing firms seeking appointment/re-appointment are clearly identified.
	5. Forms of proxy are made easily available.
B.3 Insider trading and abusive self-dealing should be prohibited	6. Policies and/or rules prohibit BOD members and employees to benefit from knowledge which is not generally available to the market.
	7. BOD members are required to report their dealings in company shares within 3 business days.
B.4 Related Party Transactions of BOD Members and Senior Management	8. Policies require BOD members to disclose their interest in transactions and any other conflicts of interest.
	9. Policies require BOD members to abstain from participating in the board discussion on a particular agenda when they have conflicts of interest.
	10. Policies are in place on loans to BOD members, either forbidding this practice or ensuring that they are being conducted at arm’s length basis and at market rates.
	11. Disclose that RPTs are conducted in such a way to ensure that they are fair and at arms’ length.
B.5 Protect minority shareholders from abuses	12. Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders.



# ASSESSMENT OF CORPORATE GOVERNANCE PERFORMANCE AGAINST ASEAN CORPORATE GOVERNANCE SCORECARD

For 12 criteria on the Role of Stakeholders for which Coteccons’ fulfillment is satisfactory or higher: The fulfillment reached 92%.

C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.	1. Disclose policies and practices to protect customers’ interests.
	2. Disclose policies and practices and describe efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?
	3. Disclose policies and practices describing the Company’s efforts to interact with the communities in which we operate.
	4. Disclose the Company’s anti-corruption policies and practices.
	5. Disclose policies and practices, describing how creditors’ rights are safeguarded?
	6. A separate report/section that discusses its efforts on environment/economy and social issues?
C.2 Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.	7. Provide contact details via the company’s website or Annual Report which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.
C.3 Mechanisms for employee participation should be permitted to develop.	8. Explicitly disclose policies, practices and efforts on health, safety and welfare for employees.
	9. Explicitly disclose policies, practices and efforts on training and development programmers for its employees.
	10. Have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.
C.4 Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.	11. A whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal (including corruption) and unethical behavior and provide contact details via the company’s website or in the press.
	12. Have a policy or procedure to protect an employee/person who reveals alleged illegal/unethical behavior from retaliation.

For the 31 criteria on Disclosure and Transparency for which Coteccons’ fulfillment is satisfactory or higher: The fulfillment reached 97%.

D.1 Transparent ownership structure	1. Information on shareholdings reveals the identity of beneficial owners, holding 5% shares or more.
	2. Disclose the direct and indirect (deemed) shareholdings of BOD members.
	3. Disclose the direct and indirect (deemed) shareholdings of BOD members.
	4. Disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs)/(SPVs).
D.2 Quality of Annual Report	5. Corporate objectives.
	6. Financial performance indicators.
	7. Non-financial performance indicators.
	8. Dividend policies.
	9. Biographical details of all BOD members.
	10. Attendance details of each BOD member in all BoD meetings held during the year.
D.3. Disclosure of related party transactions	11. Total remuneration of each BOD member.
	12. Have a statement confirming the company’s full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue.
D.4 Directors and commissioners dealings in shares of the company	13. Does the company disclose its policy covering the review and approval of material RPTs.
	14. Does the company disclose the name, relationship, nature and value for each material RPTs.
D.5 External Auditor and Auditor Report	15. The company discloses trading in the company’s shares by Insiders.
	16. The audit and non-audit fees are disclosed.
D.6 Medium of communications: Use of modes of communication	17. Non-audit fees are higher than the audit fees.
	18. Quarterly reporting.
	19. Company website.
D.7 Timely filing/ release of annual/ financial reports	20. Analyst’s briefing.
	21. Media briefings/press conferences.
	22. The audited annual financial report/statement are released within 120 days from the financial year end.
	23. The annual report is released within 120 days from the financial year end.
D.8 Company Website: Disclose updated information	24. The true and fair representation of the annual financial statement/reports is affirmed by the Board of Directors and/or the relevant executive officers of the company.
	25. Latest quarterly financial statements.
	26. Materials provided in briefings to analysts and media
	27. Downloadable annual reports.
	28. Notice of AGM and/or EGM.
	29. Minutes of AGM and/or EGM.
D.9 Investor relations	30. Downloadable Company’s constitution (company’s by-laws, Charter and articles of association).
	31. Disclose the contact details of the officer / office responsible for investor relations

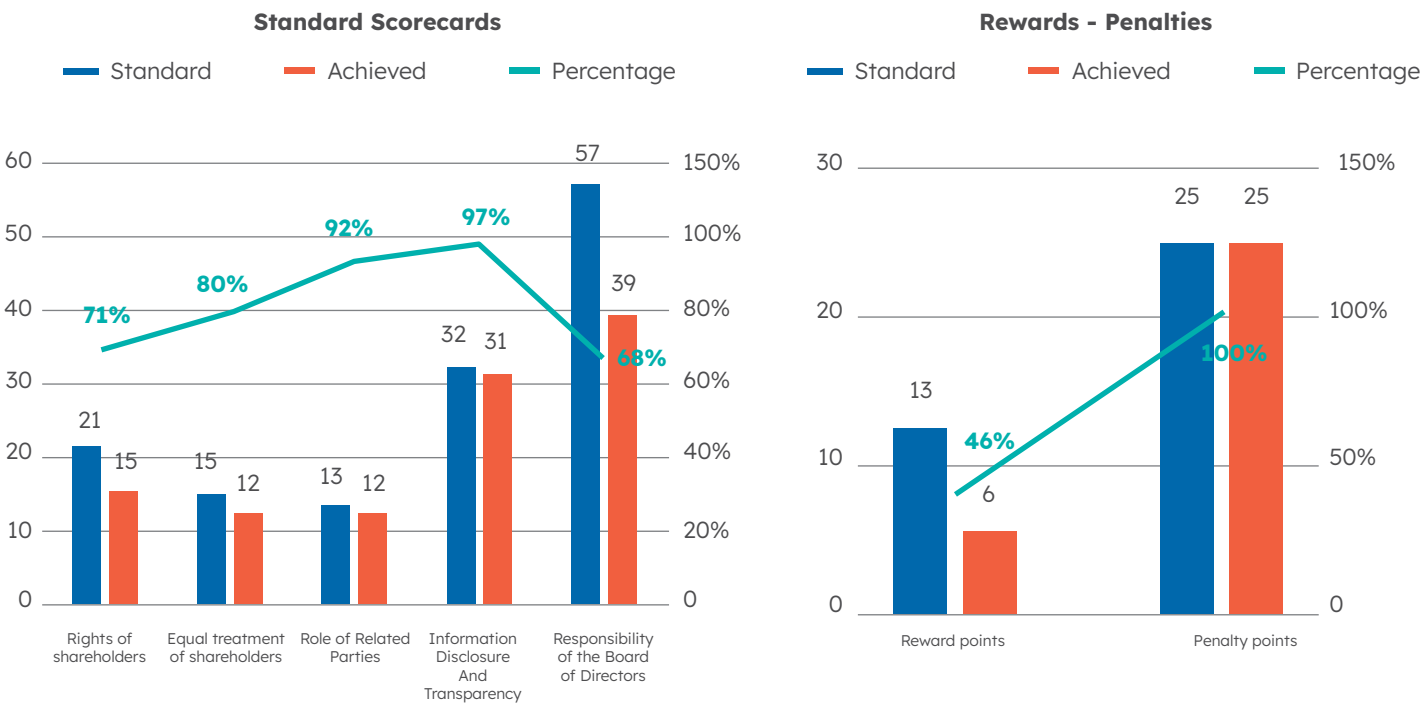


# ASSESSMENT OF CORPORATE GOVERNANCE PERFORMANCE AGAINST ASEAN CORPORATE GOVERNANCE SCORECARD

For the 39 criteria on responsibilities of the Board for which Coteccons’ fulfillment is satisfactory or higher: The fulfillment reached 68%.

E.1 Board Duties and Responsibilities	1. Disclose corporate governance policy/BOD charter.
	2. The types of decisions requiring Board of Directors’ approval are disclosed.
	3. The roles and responsibilities of the Board of Directors are clearly stated.
	4. The vision and mission are reviewed and updated.
	5. The Board of Directors play a leading role in the process of developing and reviewing the company’s strategy at least annually.
E.2 Board structure	6. The Board of Directors have a process to review, monitor and oversee the implementation of the corporate strategy.
	7. The details of the Code of Ethics or Conduct are disclosed.
	8. Disclose that all BOD members, senior management and employees are required to comply with the code(s).
	9. Disclose a process to implement and monitor compliance with the Code(s)of Ethics or Conduct.
	10.The company has a term limit of nine years or less or 2 terms of five years each for our independent BOD members.
	11. The company sets a limit of five BOD seats that an individual independent/non-executive BOD member may hold simultaneously in other entities.
	12. Have Human Resources Committee.
	13. The Chairman of the Audit Committee is an independent BOD member.
	14. The Company has a Remuneration Committee.
	15. The Head of the Remuneration Committee is an independent BOD member.
E.3 Board processes	16. The Board of Directors meet at least six times during the year.
	17. Each of the BOD members attended at least 75% of all BOD meetings held during the year.
	18. A minimum quorum of at least 2/3 is required for board decisions.
	19. Documents for BOD meetings are provided to the BOD at least five business days in advance of the BOD meeting.
	20. The company secretary plays a significant role in supporting the BOD in discharging its responsibilities.
	21. The company secretary is trained in legal, accountancy or company secretarial practices and kept abreast on relevant developments.
	22. All BOD members are subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years each.
	23. The company discloses the criteria used in selecting new BOD members.
	24. Disclose its remuneration policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and the CEO?

25. The remuneration structure for non-executive BOD members is disclosed.
26. The shareholders or the Board of Directors approve the remuneration of the executive BOD members and/or the senior executives.
27. There is a separate internal audit function.
28. The head of internal audit is identified or, if outsourced, the name of the external firm is disclosed.
29. Disclose internal control procedures/risk management framework and periodically review the effectiveness of that framework
30. The Annual Report/Annual CG Report discloses that the Board of Directors has conducted a review of the company’s material controls and risk management systems.
31. Disclose how to manage the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)
32. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company’s internal controls/risk management systems?
- E.4 People on the Board
33. Different persons assume the roles of BOD Chairman and CEO.
34. Has any member of the Board of Directors been the former CEO of the Company in the previous 2 years.
35. The roles and responsibilities of the chairman are disclosed.
36. At least one non-executive BOD member has prior working experience in the major sector that the Company is operating in.
- E.5 Board Performance
37. The company has orientation programmers for new BOD members.
38. The company has a policy that encourages BOD members to attend on-going or continuous professional education programmers.
39. The Board of Directors conducts an annual performance assessment of the CEO/key managers.





# GENERAL INFORMATION ON CORPORATE GOVERNANCE



No.	Question	Answer
1	Ticker symbol	CTD
2	State ownership ratio (%)	0
3	Incorporation model (1 or 2)	Model 1
4	<b>Profile information</b> <ul style="list-style-type: none"> <li>1. As per Point a, Clause 1, Article 137 of the Law on Enterprises 2020.</li> <li>2. As per Point b, Clause 1, Article 137 of the Law on Enterprises 2020.</li> </ul>	2
5		Yes
6	How many legal representatives are there in the Company?	2
7	Date of the AGM/EGM.	4/25/2022
8	<b>Annual General Meeting</b>	The date of publication for documents of the General Meeting of Shareholders in the reporting period.
9		4/4/2022
10		The date of publication for AGM Resolution and Minutes.
11	How many times has the Company successfully held the AGM (1/2/3).	4/26/2022
12	Has the company been sued for the organization of the AGM? (Yes/No)	1
13	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
14	How many times was the Company reminded and noted by the Stock Exchange regarding the organization and information disclosure of the AGM.	0

No.	Question	Answer
14	How many members are there in the Board of Directors?	7
15	How many independent members are there in the Board of Directors?	2
16	Is the Chairman of the BOD concurrently the CEO/Director? (Yes/No)	0
17	How many meetings has the BOD held?	15
18	Are there any committees under the BOD? (Yes/No)	Yes
19	<b>Board of Director</b>	Strategy Committee
		Audit & Risk Oversight Committee
		Compensation and Human Resources Committee
20	What are they?	Environmental, Social and Governance Committee
		Does the Company have an independent BOD member in charge of compensation and human resources? (Yes/No)
		Yes
21	Has the Company has a person in charge of corporate governance?	Yes
22	Does the head of the Board of Supervisors work full-time at the company?	Yes
23	How many members are there in the Board of Supervisors?	3
24	How many controllers are related parties of the BOD members, Director/CEO and other executives? (list the name of the controller who is the relevant person, if any)	0
25	Number of controllers holding managerial positions (list the names and positions, if any)	0
26	<b>Board of Supervisors</b>	How many controllers are there working in the financial - accounting department or do employees of the audit firms provide audit service for the Company within 3 years before being elected to the Board of Supervisors? (Yes/No)
27		No
28	How many meetings has the BOD held?	4
29	Does the Company have an Audit Committee? (Yes/No)	No
30	Is there an Audit Committee under the BOD?	-
31	How many members are there in the Audit Committee?	-
32	How many meetings has the Audit Committee held?	-
33	Does the Company website disclose sufficient information for shareholders as prescribed? (Yes/No)	Yes
34	Does the Company pay dividends within 6 months from the end of the AGM? (Yes/No)	No dividend payment for 2022
35	Has the Company been reminded and noted by the Stock Exchange or the State Securities Commission about related party transactions? (Yes/No)	No





# REPORT OF BOARD OF MANAGEMENT

In 2022, Coteccons moved from **stability** to **innovation**. The company fulfilled all the commitments announced last year: Being back on track, revenue - profit growth, restructuring of the management and organizational systems, development of human resources, upgrading corporate culture and sustainable development.

The business performance in 2022 showed that Coteccons was truly back on track while also accelerating its growth despite unfavorable market conditions.

120	DIALOGUE WITH THE CEO
126	2022 IN HIGHLIGHTED NUMBERS
129	BUSINESS PERFORMANCE AND ORGANIZATIONAL DEVELOPMENT



# DIALOGUE WITH CHIEF EXECUTIVE OFFICER

On August 5, 2022, the Board of Directors of Coteccons announced its appointment of Mr. Vo Hoang Lam as the Chief Executive Officer for a complete management structure of the Company.

Thank to his expertise, leadership, understanding and dedication for Coteccons, and much experience working in Vietnam's construction industry, Mr. Vo Hoang Lam is regarded as the most suitable person to be the "captain" of Coteccons on its journey towards strategic goals.

Coteccons convincingly delivered a rapid growth at the end of 2022 under the leadership of Mr. Vo Hoang Lam as our CEO.

## Mr. Vo Hoang Lam THE "ONE TEAM" SPIRIT IS STEERING COTECCONS IN THE RIGHT DIRECTION

**Mr. Vo Hoang Lam** has nearly 17 years of experience working at Coteccons, having held different positions as a construction site manager, division director, project director, deputy CEO and BOD member. In addition, he also worked as the CEO of Unicons as one of its subsidiaries.

“

This is the most strongest growth period at Coteccons when internal determination and solidarity are also highest.

**After nearly two years without a person to lead Company, given presence of you and other four deputy general directors, to what extent do you think the BOM has addressed immediate development needs of the Company?**

From my point of view, there is no perfect structure of organization, especially when your business is moving very strongly with different groups of tasks and goals. I also believe that, in terms of what would be considered an ideal structure, there will not be much strong motivation to change and drive new developments as charted by Coteccons.

Therefore, I think that the Company now has a robust management structure, with all necessary positions and roles, including the most suitable people. During our development, we will always target improvements and adjustments to best meet practical requirements. Like every other business, Coteccons has a lot of problems and weaknesses to improve.

One thing is for sure, open-mindedness and a dare-to-change spirit of each individual at Coteccons are strong. In addition, the team empowerment and development and a vibrant corporate culture will help all of us constantly aim for higher levels of competence.

**The shared determination and solidarity, especially in the leadership team, between the BOD and the BOM, is also one of the most important factors following previous PR storms. This is a prerequisite for its stability at present and future disruptive growth. From your perspectives, what do you think about this?**

I am the one directly working with the executive team and also a BOD member, who bridges connections between related parties, so I can see clearly the mindset and perspectives of others from different angles. I can then feel the overall "mood" in the entire organization.

This is the most strongest growth period at Coteccons when internal determination and solidarity are also highest.

Shared determination and solidarity do not mean we can always see eye to eye with each others, but rather indicate our shared understanding and coordination for the common good, moving towards the collective goals.

When the Company was under restructuring, efforts to change and test new ways of working, organizational structures and processes could be a bit overlapping and burdensome. But now, most of the processes and roles have been re-established, and each person's duties and scope of work are clearer.

Therefore, each member has their own responsibility and development space. In each task group, main and supporting responsibilities are clearly defined. Such an environment facilitates mutual respect and support for effective cooperation. The parties all share and coordinate with each others for the common goals. Each person has the opportunity to develop their abilities and roles within the scope of their work. The organization is like a relay team. In my opinion, this is a very positive solidarity.

**The Board of Directors of Coteccons has many foreign members. Is there any gap or difference in terms of the mindset, philosophy, business development goals... that may prevent Coteccons from maintaining its inherent identity as many may be concerned about?**

The BOD is tasked to chart strategic directions for Coteccons as well as represent the shareholders in monitoring the implementation of the strategy and the performance of the Company. During business operations, grounded by its practical experience, the executive team will have critical views on the strategy, so that the strategy and the development journey of the Company are more feasible.

Most of its assessment is highly critical to improve the performance or provide more useful solutions. The BOD seriously takes notes and carefully reviews all feedback received for appropriate adjustments. So that's critical thinking.



# DIALOGUE WITH CHIEF EXECUTIVE OFFICER

In the past, we focused on results which did not come as expected. Lately, we've been focusing on fundamental factors, driving changes from the inside, and the results have naturally come.

The BOD now has committees on strategy, human resources, sustainable development... to specifically cover issues in each of these areas, so all members, either Vietnamese or foreign members, all stay abreast of any updates. The BOD members share information on a regular basis as required, not waiting to do so until periodic meetings.

Therefore, the current diverse structure at Coteccons brings a positive meaning. Given its recent performance, Vietnamese or foreign nationalities, or Vietnamese or foreign brands are no longer important. Coteccons' growth results in all respects are the clearest answer.

I think today's business environment has also changed. Many Vietnamese companies also actively invite foreign workers to be their CEOs, senior managers or BOD members. At Coteccons, everyone is working on a professional manner, so we are really "One Team" and there is nothing to worry about.

**Coteccons is in the third year of its 5-year plan from 2021 to 2025. The Company achieved a certain degree of stability and innovation with very positive results obtained in 2022. Looking at all aspects of your operations from a rational, not emotional, perspective, in your opinion, has the Company really been moving in the right direction and at the right speed? Will the ambitious targets still be feasible to be persistently pursued?**

Thanks to its strategic directions and clear long-term development roadmap, Coteccons has built an effective change management process. We



keep exploring our inner strength and potentials and are driven to reach higher, which has not been thought of by many of us before.

It is called a "long-term plan" which is actually not very long! Five years planned to transform a business, if right and enough actions are in place, can be hectic indeed. And the fact that we set very high targets is also not decided emotionally.

First, we based our decision on the values and trends in the construction industry. Then, we evaluated our internal resources to assess how far we could reach. Setting extremely high targets has been driving our motivation and maximizing available potentials.

Coteccons has so far completed or is on track to complete our annual targets. These are operational stability for 2021, innovation for 2022 and transformation, both qualitatively and quantitatively, for 2023. We have been able to deploy mega-projects, improve our capacity to conquer large and technically demanding projects for which high environmental standards are to be met. As for the diversification strategy in terms of infrastructure, technology, finance..., Coteccons has also achieved positive initial results and is further exploring potential investments as the next step.

Therefore, to achieve transformational results in 2023, based on its robust foundations and

specific targets. Coteccons is further assessing current market developments and trends and internal factors to decide appropriate adjustments while still maintaining aspirations and and leveraging potentials.

**To transform a business, there can be different approaches. Coteccons has focused its investment and efforts on transformation from within. It is clear that Coteccons people and culture have become more fresh in your "new version". Can you share more about your initial experience in the "self-improvement" process?**

In the past, we focused on results which did not come as expected. Lately, we've been focusing on fundamental factors, driving changes from the inside, and the results have naturally come. Therefore, after setting business goals to be achieved, we no longer focus on results, but manage to strengthen our systems, develop our people, update applicable standards, increase required strength to meet customer requirements in the context of new market conditions...

Having clearly defined goals, qualified people, robust systems, and abilities to capture market opportunities... will gradually generate corresponding results. I believe this is the right way to do it. Coteccons is now reaping positive results. We are further working harder and faster to achieve the expected results.

Only real strength from within can surely deliver sustainable results. Our advantages are not only expertise and dedication, but also a new mindset, with the courage to reflect on our own strengths and weaknesses and the determination to change and control our course of development. Action slogans like UP or OWN IT that we have communicated to our team are specific and motivating guidance.

**The new strategy has been widely announced and how have other players in the industry responded to steps recently taken by Coteccons? When other businesses also begin to change and take similar steps, what will be the pressure for Coteccons?**

In fact, Coteccons is sharing the same path and journey with many large corporations in other

countries. Some construction enterprises in Vietnam also see their problems and adopt the same path. That means we are not completely daydreaming or taking on an unreal path. Sharing the same path of development with many others also gives us more confidence, believing we are doing the right thing and in the right way to attract others.

Ideas or orientations can be developed by different businesses, or replicated very quickly. The problem is how to deliver them in practice. We manage to elaborate our strategies, plans and methods of implementation to know specifically what should and must be done.

**The market conditions remain generally challenging and are forecast to be highly unpredictable in the near future, but Coteccons has set very high growth targets. Does the company have any preparations or backup plans to avoid subjective assessments?**

We are constantly preparing and improving our resources. As I have shared, setting high targets is also based on relative certainty. At present, it can be seen that we have many advantages to be confident in the future success of our plans.

However, the Company is not subjective in our assessment. For example, we are well aware that a large amount of backlog is just a pre-condition. Large, even normal, projects can be delayed and carry with them more risks than anticipated. That is why Coteccons has devised solutions on provisioning, risk management, corporate governance... at a more practical level.

Business activities always involve risks. There are always changes and challenges in the development process of a business. To stay in our comfort zone without daring to set ambitious goals, there would not be enough motivation. As a result, we stay determined with our aspirations and journey while being cautious and prepared to respond to new market developments.



# FINANCIAL INDICATORS OVER 5 YEARS

# BUILDING FUTURES

	2018	2019	2020	2021	2022
<b>BALANCE SHEET</b>					
<b>Current assets</b>	<b>15,323</b>	<b>14,728</b>	<b>12,868</b>	<b>12,752</b>	<b>17,465</b>
Cash and cash equivalents	553	801	1,397	885	1,064
Short-term financial investments	3,907	3,242	1,981	2,401	1,778
Short-term receivables	9,054	8,798	7,648	7,425	11,235
Inventories	1,443	1,626	1,492	1,692	2,838
<b>Other current assets</b>	<b>366</b>	<b>261</b>	<b>350</b>	<b>349</b>	<b>550</b>
Non-current assets	1,500	1,471	1,290	1,174	1,502
Fixed assets	744	704	604	531	560
Investment properties	52	50	47	41	38
Long-term assets in progress	1	161	162	185	25
Long-term financial investments	351	394	365	335	311
Long-term receivables	-	-	-	-	403
Other long-term assets	352	162	112	82	165
<b>TOTAL ASSETS</b>	<b>16,823</b>	<b>16,199</b>	<b>14,158</b>	<b>13,926</b>	<b>18,967</b>
Liabilities	8,861	7,729	5,759	5,678	10,753
Current liabilities	8,852	7,710	5,753	5,675	10,226
Non-current liabilities	9	19	6	3	527
Owner's equity	7,962	8,470	8,399	8,248	8,214
<b>CAPITAL SOURCES</b>	<b>16,823</b>	<b>16,199</b>	<b>14,158</b>	<b>13,926</b>	<b>18,967</b>
<b>FINANCIAL INDICATORS</b>					
Rate of profitability					
Ratio of Gross profit/sales (Gross Profit Margin)	6.42%	4.42%	5.88%	3.03%	3.35%
Ratio of Net operating profit/Revenues	6.12%	3.61%	2.75%	-0.08%	-0.37%
Ratio of Profit/sales before tax	6.56%	3.75%	2.94%	0.42%	0.24%
Ratio of Profit before tax/Owner's equity	23.54%	10.51%	5.09%	0.46%	0.43%
Ratio of Profit before tax/Total assets	11.14%	5.49%	3.02%	0.27%	0.18%
Ratio of Profit/sales after tax	5.29%	2.99%	2.30%	0.26%	0.14%
ROAA	#REF!	4.30%	2.20%	0.17%	0.13%
ROEA	#REF!	8.64%	3.96%	0.29%	0.26%
<b>Liquidity</b>					
Current ratio	1.73	1.91	2.24	2.25	1.71
Quick ratio	1.57	1.70	1.98	1.95	1.43

	2018	2019	2020	2021	2022
<b>BUSINESS PERFORMANCE</b>					
<b>Net revenues</b>	<b>28,561</b>	<b>23,733</b>	<b>14,558</b>	<b>9,078</b>	<b>14,537</b>
Cost of goods sold	(26,728)	(22,685)	(13,702)	(8,803)	(14,050)
Gross profit	1,833	1,048	856	275	487
Finance income	321	264	228	277	381
Finance costs	-	-	(0.5)	(13)	(163)
Share of profit from affiliates	98	4	(27)	(30)	(24)
General and administrative expenses	(505)	(459)	(656)	(516)	(735)
<b>Net profit from operating activities</b>	<b>1,747</b>	<b>857</b>	<b>401</b>	<b>(7)</b>	<b>(54)</b>
Other profits	127	33	27	45	89
<b>Earnings before tax</b>	<b>1,874</b>	<b>890</b>	<b>428</b>	<b>38</b>	<b>35</b>
Corporate income tax	(363)	(180)	(93)	(14)	(14)
<b>Profit after tax</b>	<b>1,511</b>	<b>710</b>	<b>335</b>	<b>24</b>	<b>21</b>
<i>Profit of minor shareholders</i>	-	0.03	0.18	0.10	0.08
<i>Profit after tax of the parent company</i>	1,511	710	334	24	21
<b>CASH FLOWS</b>					
Net cash flows from operating activities	(934)	(339)	(567)	369	(1,627)
Net cash flows from investing activities	1,021	769	1,392	(628)	733
Net cash flows from financing activities	(756)	(183)	(229)	(253)	1,073
Net cash and cash equivalent increase in the period	(669)	247	596	(512)	180
Cash and cash equivalents at end of year	553	801	1,397	885	1,064
<b>Financial leverage</b>					
Debt/Equity	111.29%	91.25%	68.57%	68.84%	130.91%
Debt/Equity	0.00%	0.00%	0.00%	0.02%	13.11%
Total assets/Equity	2.11	1.91	1.69	1.69	2.31
(Cash + Short-term Investment)/Total Assets	26.5%	25.0%	23.9%	23.6%	15.0%
Debt to Total Assets Ratio	0.00%	0.00%	0.00%	0.01%	5.68%



# 2022 IN HIGHLIGHTED NUMBERS



25,000

VND BILLION

Value of new contracts signed in 2022 following winning bids for more than 50 projects

14,537

VND BILLION

Revenue in 2022, growing 60% year-on-year, marking a leap after only 2 years of changing business strategy



65

PROJECT



Projects delivered by Coteccons during the year. Most of these were commissioned by existing clients. This reflects the high level of customer satisfaction and trust in the Company

18,967

VND BILLION

Total assets

36%

Total asset growth over the previous year

8,214

VND BILLION

Owner's equity

17,000

VND BILLION

Backlog for 2023



2,262

HUMAN RESOURCES

Coteccons' direct human resources

NEARLY

200,000

LABORERS

Cumulative number of workers at the construction site of Coteccons and Unicons



29,000,000

HOURS



Total hours of occupational safety  
There were no occupational safety incidents at Coteccons' construction sites

32,850

HOURS



Total training - coaching hours

10,175

TREES

Contributions to afforestation and ecosystem restoration projects in Quang Binh





## BUSINESS PERFORMANCE AND FINANCIAL SITUATION

“

At the end of 2021, in the face of a gloomy market picture, Cotecons set quite conservative targets for 2022.

Overcoming such a multi-dimensional pressure, Cotecons managed to deliver a positive P&L. The constant efforts on restructuring the financial strategy, removing the old backlogs and optimizing the capital policy resulted in its stability and healthy status. Thanks to that, we stay competitive to bid for both public and commercial projects.



# BUSINESS PERFORMANCE AND FINANCIAL SITUATION

## BUSINESS PERFORMANCE

In 2022, Coteccons, together with Unicons, implemented 65 projects across the country. Some outstanding projects that built its reputation included the Lego Factory, VinFast Factory, Diamond Crown Hai Phong, ... Also, 18 projects delivered by Coteccons and Unicons were successfully handed over during the year.

The company generated VND 14,537 billion in revenue in 2022, a growth by more than 60% compared to 2021. EBT reached nearly VND 35 billion while EAT reached VND 21 billion (105% of target). If provision expenses were not counted, EBT could reach over VND 300 billion.

The provisioning reduced the final profit for 2022. However, in the future, when the debt collection is better managed, the Company's profits can suddenly increase as the huge provision will be reversed. As in 2022, more than VND 41 billion has been reversed, enabling the Company to achieve the above profit after tax despite intense cost pressure due to high raw material prices.

Business performance in 2022 can be seen as a leap on the 2021 – 2025 roadmap. This was even more remarkable given its situation not long ago. By the end of 2020 and early 2021, when Coteccons had new leaders, Coteccons was not having any new contracts signed. The company lost most of its customers and its reputation was severely damaged. The Coteccons revival strategy, specifically its 2021 - 2025 plan, proposed by the new leaders was then considered impossible.

The recent outstanding revenue officially brought Coteccons back to the number 1 position in the construction industry in Vietnam. Apart from positive revenues and profits or some short-term achievements, there were more important aspects in the business performance in 2022 to strengthen the conditions for bigger and longer-term prospects.

First, it is repeat sales (successful sales to old customers), from being invited for the second and third bidding packages of a client to being appointed by the developer for a new project. A typical example for repeat sales is the VinFast production complex project, for which the developer directly appointed Coteccons to deploy construction of Vinfast 3. Similarly, Coteccons continued to carry out a series of new projects under Vinhomes at Ocean Park, Smart City, and Grand Park...The Ecopark project with the Sky Forest package



Among others,  
it came as a big surprise as Coteccons  
sealed new contracts worth

**VND 25,000**  
Billion

in the midst of extremely fierce competition  
in the Construction industry. In particular,  
the Company was not involved in price wars.

worth nearly VND 2,800 billion and the Apache factory phase 2 at a scale of 3.5 hectares and worth about VND 600 billion were also successful repeat...

In addition to ensuring backlogs and revenues, repeat sales also help manage risks effectively as the Company know is clearly aware of the financial health and ability to pay of its clients through previous contracts.

Second, it is the success in expanding the customer base, especially FDI customers. Winning bids for large FDI-invested projects also affirms the prestige, capacity and efficiency in bidding and helps minimize Coteccons' exposure to risks due to disruptions to the domestic residential property market.

Among others, it came as a big surprise as Coteccons sealed new contracts worth VND 25,000 billion in the midst of extremely fierce competition in the construction industry. In particular, the Company was not involved in price wars.

In 2022, Coteccons also reached new steps in its diversification strategy. A typical example is its Finance & Build model in the development of The Emerald 68 project with Le Phong Group.

In infrastructure construction, Coteccons completed the market exploration phase to officially set its foot in this segment. The company clearly defined the directions to focus on developing a solid foundation.

The pre-cast segment was also officially launched by Coteccons. The company is building a suitable roadmap for its growth in this segment – not only for its own needs, but also to help bring new opportunities to the market, especially towards sustainable development and reducing environmental impacts.



# BUSINESS PERFORMANCE AND FINANCIAL SITUATION



## ENSURING LIQUIDITY AND SAFELY USING FINANCIAL LEVERAGE

With a large demand for cash flow while the financial market struggled as was the case in 2022, Coteccons still fully ensured liquidity. It was quite often that Coteccons suffered from negative cash flow. This was unavoidable when many projects were suspended in 2021 due to the serious impact of the Covid-19 pandemic. In 2022, when the market recovered, the value of new contracts signed and the number of projects to be delivered skyrocketed, requiring the Company to expand its working capital.

However, Coteccons' financial leverage was safely utilized, at the lowest rate among the players in the construction industry. Its total debt was about VND 1,300 billion, including VND 800 billion as short-term loans from banks and VND 500 billion as bonds (fixed annual interest rate of 9.5%). The company was not under great pressure from interest expenses despite growing interest rates.

Coteccons is further improving efficiency in cash flow management. Cash conversion cycle decreased to 59 days compared to 66 days in 2021. The accounts receivable days improved to 245 days compared to 300 days in 2021. Gross profit margin increased to 3.35% compared to 3.0% last year despite the overall downward trend in the industry.



## REPURCHASING BONDS AS COMMITTED

Coteccons has issued a bond tranche with a total par value of VND 500 billion and made no mistakes in the issuance process. However, in the face of concerns of some shareholders due to the influence of bond-related issues of many other enterprises, Coteccons is ready to repurchase its bonds as committed. The repurchase is also completely under the control of the Company.

## PROVISIONS AND FINANCIAL RISK MANAGEMENT

Previously, Coteccons did not create provisions. However, since 2021, with a transparent policy, all risky financial accounts are reviewed by the audit team to set aside provisions for safe operations of the Company. Debt collection will be further promoted and provisions will be reversed when debt collection is completed. This also means that the Company's profits may increase dramatically in the future.

Provisions made in 2022 was VND 500 billion. Accumulated provisions up to now are VND 1,049 billion – for a debt balance at 14%. Coteccons established a debt collection committee, and, last year, also set up a Risk Management Board. Accordingly, bad debts were carried out regularly, based on the financial health of the developers and the market situation to decide whether one debt would be a bad debt. Following our internal assessment based on the principle of prudence and transparency, provision will be created.

With the above provisioning policy, Coteccons' financial and risk management strategy was significantly improved. The Company gradually removed the old backlogs thanks to its quality of revenues despite challenging market conditions due to serious crisis in the real estate industry while still managing the risk of bad debts and capital misappropriation.

**18** projects  
were successfully  
handed over in the year.



## RESULTS IN PROJECT DELIVERY

In 2022, Cotecons and Unicons as one of its subsidiaries delivered 65 projects and successfully handed over 18 projects nationwide.

### STRENGTHENING THE “COTECCONS INSIDE” VALUES

Consistent with its values in business development and customer-oriented philosophy as demonstrated by the Cotecons Inside values, in the delivery process of every project, Cotecons always tries its best to ensure the best possible outcomes in three aspects: Safety - Quality - Progress. The general requirement is to strictly adhere to and fulfill the above commitment in all circumstances.

Last year, all projects were strictly and urgently delivered in this spirit. In actual delivery of projects, there are always different, sometimes completely new, problems. However, Cotecons' team stays open and sincere to share problems with its customers - investors and stakeholders to develop the best solutions for common goals.

For this, its operational efficiency on construction sites was increasingly improved.

In the face of intense price competition from other construction companies, Cotecons steadfastly maintained its position and Cotecons Inside values. The company focused on customer experience by improving customer satisfaction and long-term benefits on the basis of product quality, enhancing added values in the construction process to optimize values for both the developers and product users.

## COTECCONS INSIDE

01

Adopt 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, particularly satisfaction and convenience.

04

Enhance the delivery of added values as a top priority.

### SUPPLY OF CONSTRUCTION WORKFORCE ASSURED

In order to fulfill all commitments on product value to customers in accordance with Cotecons Inside values, Cotecons overcame great challenges, especially soaring prices of raw materials and shortage of skilled construction workers.

The pressure from soaring prices of construction materials eroded the profits of contractors. Fuel import prices grew by 35% in 2022, resulting in raw material prices to increase by approximately 7% - its highest growth since 2019.

Regarding construction workforce, in addition to the higher labor cost, recruiting qualified human resources was also a big challenge. Given previous stagnation of many real estate projects, many construction companies owed salaries to their workers, weakening confidence and causing many to quit their jobs. Moreover, the race to attract skilled construction workers, especially for mega projects, further stressed labor supply.

To ensure supply of resources for a series of large and ongoing projects, Cotecons actively developed solutions to stay in better control given such pressures. Cotecons consolidated its network of subcontractors and suppliers built up over the years and actively explored new partners. The company worked with all partners in the spirit of sharing difficulties, supporting solutions and balancing interests.

For example, it implemented policies such as exemption of advance guarantee, regular meetings and discussions with construction site teams to listen to their comments and feedback, practical support programs, among others, so that the parties could jointly develop the best measures for each contract as well as in accordance with the entire roadmap of each project.

These efforts helped the Company to properly control the situation and overcome difficulties for successful performance as seen above.



# RESULTS IN PROJECT DELIVERY

## PROJECTS UNDERWAY IN THE US YEAR

No.	Developer	Project	Type
Northern region			
1	COTECCONS	Lancaster Luminaire	High-rise building
2	COTECCONS	Vinhomes Smart City	High-rise building
3	COTECCONS	Ecopark CT21 - CT22	High-rise building
4	COTECCONS	Ecopark CT26	High-rise building
5	COTECCONS	Vinhomes Dream City	Low-rise building
6	COTECCONS	Nam Cuong	Low-rise building
7	COTECCONS	Vinfast	Factory
8	COTECCONS	Horizon	Low-rise building
9	COTECCONS	Intercontinental Ha Long	Low-rise building
10	COTECCONS	Sailing Quang Ninh	Low-rise building
11	COTECCONS	58 Tay Ho (main building)	High-rise building
12	COTECCONS	Hyatt Sapa	Low-rise building
13	COTECCONS	Eurowindow Twin Parks	High-rise building
14	COTECCONS	Techcombank Hanoi	High-rise building
15	UNICONS	CIS Lao Cai	High-rise building
16	UNICONS	ICON40 Ha Long	High-rise building
17	UNICONS	BIM Thanh Xuan	Low-rise building
18	UNICONS	58 Tay Ho	High-rise building
19	UNICONS	Star School	High-rise building
20	UNICONS	Van Lang Skylake	High-rise building
21	UNICONS	Ecopark (Swan Lake)	High-rise building
22	UNICONS	Vin Hung Yen	Low-rise building
23	UNICONS	Doji Hai Phong	High-rise building
24	UNICONS	Tesa Hai Phong	Factory
25	UNICONS	Van Hai - Quan Lan	High-rise building
26	UNICONS	Hai Phong Industrial Park	Factory
Central region			
27	COTECCONS	Dolce Quang Binh	High-rise building
28	COTECCONS	Le Meridien	High-rise building
29	COTECCONS	South Hoi An (phase 1 - Hotel)	High-rise building
30	COTECCONS	Hoa Phat 2	Factory

NO.	Developer	Project	Type
31	COTECCONS	Son Tra Hotel	High-rise building
32	UNICONS	Bai Lu	Low-rise building
33	UNICONS	Flamingo Sacred Ground	Low-rise building
34	UNICONS	Imperium	High-rise building
35	UNICONS	Marvella Nha Trang	High-rise building
36	UNICONS	Wink TH	High-rise building
37	UNICONS	Fusion Nam Phat	High-rise building
38	UNICONS	Marriott Hoi An	High-rise building
Southern region			
39	COTECCONS	Lancaster Legacy	High-rise building
40	COTECCONS	Vinhomes District 9 & Shopping Mall	High-rise building
41	COTECCONS	HT Pearl	High-rise building
42	COTECCONS	CR8-2B&3	High-rise building
43	COTECCONS	Hilton Double Tree Vung Tau	High-rise building
44	COTECCONS	Urban Green	High-rise building
45	COTECCONS	LEGO	Factory
46	COTECCONS	Charm Ho Tram	High-rise building
47	COTECCONS	Ixora Ho Tram	High-rise building
48	COTECCONS	Riviera Point 1C	High-rise building
49	COTECCONS	Vinhomes District 9 - S11.03	High-rise building
50	COTECCONS	Hyatt Ho Tram - BT Package	Low-rise building
51	COTECCONS	Hyatt Phu Quoc	Low-rise building
52	COTECCONS	Six Senses	Infrastructure development
53	UNICONS	Le Phong	High-rise building
54	UNICONS	Thanh Long Bay	Low-rise building
55	UNICONS	Vincity District 9 - Sub-zone 3	High-rise building
56	UNICONS	Hiive Binh Duong	High-rise building
57	UNICONS	Crystal Place	High-rise building
58	UNICONS	Tropical Village - Phu Quoc	Low-rise building
59	UNICONS	Mey Homes Phu Quoc	Low-rise building
60	UNICONS	Bai Trao - Hon Thom	Low-rise building
61	UNICONS	Apache (phases 1 and 2)	Factory



# RESULTS IN PROJECT DELIVERY

## HANDED-OVER PROJECTS IN THE YEAR

COTECCONS-executed	
PROJECT	
1	Vinhomes Grand Park - Sub-zone 2
2	TSQ Vietnam Multi-level general education school
3	VinFast
4	High-tech studio
5	Five-star Saigon General Hospital
6	Opal Skyline
7	Hilton Vung Tau
8	Techcombank Hanoi Office
9	Dragon Golf Course - Do Son Golf Links
10	Vinhomes Dream City
11	Nam Cuong - Phase 1

UNICONS-executed	
PROJECT	
1	Vinhomes District 9
2	BWID Nhon Trach
3	TLC School
4	Apache
5	BWID Hai An
6	Signature Show Phu Quoc
7	Vinhomes Dream City



## FLAGSHIP PROJECTS IN THE YEAR

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.

The 65 projects delivered by Coteccons and Unicons as one of its subsidiary in 2022 all play an important role, and the Company has prepared the best construction solutions. Below are 7 largest projects in terms of size and total investment value as well as the learning and capacity improvement opportunities they can bring. The delivery of these projects also demonstrates the "Coteccons DNA" most clearly.



## DIAMOND CROWN HAI PHONG



**Location:**  
Hai Phong

**Category:**  
Apartment - hotel  
- commercial services  
complex

**Developer:**  
Doji Land - Doji Group  
(Vietnam)

**Total area:**  
1.3ha, including 1  
45-storey hotel tower  
and 1 39-storey luxury  
apartment tower

Diamond Crown Hai Phong is developed to build a new symbol with unique beauty in and create a fresh look of Hai Phong. The scale of investment and groundbreaking architectural art of this project also are also at Asian level.

The Diagrid framework and crystal blocks under the project are most challenging to its construction site teams. Globally, the Diagrid framework is considered the pinnacle structural system of outstanding, modern and luxurious architectures. Diamond Crown Hai Phong is the first project in Vietnam to apply this structural system.

Therefore, this project sets requirements that exceed the existing construction standards in Vietnam. Apart from complex architecture, requiring both high technology, new materials and meticulousness, each floor of the project has its own unique design. Even the formwork joints and concrete crossings have different designs...

In order to deliver on such unique architectural works, the construction site teams must be highly skilled, adequately staffed and able to grasp new technologies... to meet high technical and progress requirements.

Coteccons previously implemented successful projects under Doji Group. Given high expectations for Diamond Crown Hai Phong, decided to commission this project to Coteccons that has demonstrated fulfilment of all necessary requirements.

Coteccons engineers have used BIM (Building Information Modeling) technology to calculate digital representations of the Diagrid framework. Conflict management in design, steel structures, electromechanical systems... are all simulated in 3D to check and minimize potential conflicts. Each floor, beam and intersection... must be installed with a separate formwork system. The information on the BIM model is shared with the project stakeholders for coordination and optimal results.

On July 22, 2022, the construction of Diamond Crown Hai Phong officially started. It is expected that the 39-storey apartment building and 45-storey hotel building will be completed in 320 and 375 days respectively, with the topping out ceremony in June 2023.



## LEGO FACTORY



**Location:**  
Binh Duong

**Category:**  
Factory

**Developer:**  
LMV - Lego Group  
(Denmark)

**Total area:**  
44ha

In August 2022, LEGO Manufacturing Vietnam Co., Ltd (LMV), a member of Lego Group, officially selected Cotecons as the general contractor to build LEGO® Factory in Vietnam. This came after a very strict selection process of the general contractor as against stringent standards and complex and demanding technical requirements, especially environmental and sustainability standards.

Lego Group chose Binh Duong for its 6th factory globally with high expectations for, as it calls, a "Future Factory". This factory will feature a model of technologies combined with human, environmental and working cultural values... for Lego's future replication to other localities along with local values.

Cotecons' team is determined to conquer that rigorous journey. As an opportunity to work with a reputable client under a big project, Cotecons also sees this a step to a new height in terms of both capacity and market position, motivating itself to overcome existing limitations, both mentally and technically.

For months, the dedicated team of Cotecons has worked hard and put much of their focus on this project for the best delivery. Along with its reputation, integrity and transparency, Cotecons was officially authorized by LMV to implement this iconic project.

In early November 2022, the construction of LEGO®'s "Future Factory" officially started, and it will be tentatively completed and put into operation in August 2024.

## ECOPARK SKY FOREST RESIDENCES



**Location:**  
Hung Yen

**Type:**  
High-class apartment  
complex

**Developer:**  
Ecopark Group Joint  
Stock Company  
(Vietnam)

**Total area:**  
2.3ha

Cotecons has successfully implemented the Ecopark Swan Lake Residences project with a value of up to nearly VND 4,000 billion for Ecopark Group. This was the highest-value civil residential project in Vietnam at the time of implementation. With a firm trust built on that success, the developer has continued to award Cotecons the role of D&B general contractor (design and building) for the Sky Forest Residences package which is worth nearly VND 2,600 billion.

Sky Forest Residences is considered an iconic project for green architecture with the design of "house within the garden and garden within the house", "apartment within the park and the park within the apartment". The project features 8 mega parks and 1,000 gardens with more than 10,000m² of trees. Placed up in the air, this is described as "drawing nature in the sky". The developer has high requirements which are equivalent to international standards on sustainable development.

The above design not only sharply increase the construction cost of the project due to the huge number of trees and overhead utility systems, but also poses challenges in the design of the foundation system, the special bearing system of each building, waterproofing treatment for all gardens and parks, the automated irrigation and fertilization systems, and so on.

With the proper investment of Ecopark Group, Cotecons has leveraged the expertise and experience of the engineering team to realize the project at the most effective level - from design and construction measures to the selection of materials.

Sky Forest Residences is being implemented with an estimated construction time of about 800 days.



## VINFAST FACTORY



**Location:**  
Hai Phong

**Category:**  
Factory

**Developer:**  
Vinfast - Vingroup  
(Vietnam)

**Total area:**  
335ha

VinFast Automobile Manufacturing Complex is a project with a world record in construction progress. In phase 1, within only 21 months, the factory has been completed and put into operation on an area of 500,000m<sup>2</sup>. The design capacity of phase 1 is 250,000 vehicles per year.

In addition to its large scale, VinFast is also the first automobile factory in Vietnam with a complete, synchronous and highly automated production cycle with 6 workshops, including stamping workshop, body welding workshop, painting workshop, engine workshop, auxiliary workshop, and assembly workshop.

The speed of implementation mentioned above at VinFast was once considered impossible, especially when both speed and high technical and quality requirements must be met at the same time. These factors have been validated by the robust operation of Vinfast so far.

Coteccons was involved in that pioneering project and contributed to bringing VinFast into operation in the quickest manner.

Vingroup has been a major and familiar customer of Coteccons for many years. The projects implemented for Vingroup including urban areas, high-rise apartment buildings, Landmark 81 and VinFast Factory are all opportunities for Coteccons to "outperform itself" and demonstrate its outstanding ability to live up to the three stringent requirements, i.e. quality, safety, and progress", at the same time.

In 2022, Coteccons also won a contract for construction of a plastic molding workshop and a metal assembly workshop in phase 2 of VinFast with an area of 32,000 square meters and 30,000 square meters, respectively. These two projects were commenced concurrently in May and have been completed for handover in December 2022.

With trust having been built, Vingroup has afforded Coteccons with the opportunity to implement new projects in phase 3 of VinFast.

## VINHOMES DREAM CITY



**Location:**  
Hung Yen

**Type:**  
High-class complex  
urban area

**Developer:**  
Vingroup (Vietnam)

**Total area:**  
486ha

Similar to VinFast, Vinhomes Dream City was also contracted by Vingroup to Coteccons based on the latter's track record as well as both sides' history of good cooperation. Just before that, Coteccons had also completed a series of Vinhomes projects for Vingroup such as Ocean Park, Smart City, Grand Park, and so on.

Vinhomes Dream City is a big project with multiple divisions and its development takes place in a fast and back-to-back manner. Due to the familiarity with the Vinhomes project model, with Vinhomes Dream City, the biggest challenge for Coteccons will remain "progress in tandem with quality", as always aligned on by both parties.

Together with its member company Unicons, in 2022, Coteccons implemented and completed new bidding packages at Vinhomes Dream City such as the nearly 300 villas in Division 2 and Division 6, which contribute forming a distinctive new urban area in the satellite area of Hanoi - the capital city.



## THE CANADIAN INTERNATIONAL SCHOOL COMPLEX IN LAO CAI



**Location:**  
Lao Cai

**Type:**  
International School  
Complex

**Developer:**  
Khoi Nguyen  
Education Group  
(Vietnam)

**Total area:**  
27,872 m<sup>2</sup>, including 04  
blocks, a football field  
and water supply and  
drainage system.

This is the first international school project in the Northwestern region. The school has won approval from the Ministry of Education of the province of Alberta (Canada) for teaching of the Alberta high school program, according to Alberta's regulations of offshore schools.

The introduction of the Canadian International Schools Complex in Lao Cai plays an important role in promoting the quality and diversity of the local educational environment, providing opportunities to study and grow in a locally based modern international education environment for students in Lao Cai and neighboring provinces. At the same time, this is also an environment to meet the learning needs of the children of international experts living and working in this region.

The project is divided into three investment phases. When completed, the complex can accommodate about 2,100 students of all level and also provides an area for boarding students.

Overall, the school features a zigzag architecture like a mountain range, inspired by the iconic Hoang Lien Son mountain range of the Northwestern region and the Rocky Mountain of Alberta. The roof and landscape design also features the characteristics of the mountainous scenery such as flying birds, terraced fields, etc. The image of the school evokes a lot of emotions and represents high cultural values to create an advanced educational environment rich in humanity for future generations.

Aware of the significance of this project, Coteccons and its member company Unicons attaches great importance to the construction work. This is considered one of the typical projects of Coteccons in 2022 because of its contribution to the diversity of the project portfolio and for connecting Coteccons to the education sector as indicated by the sustainable development philosophy to which the Company is committed.

With that in mind, Coteccons' construction team strives to implement the project with the highest level of perfection, ensuring progress, safety and quality at a meticulous level.

## THANG LONG - TESA HAI PHONG ADHISIVE TAPE PLANT



**Location:**  
Hai Phong

**Category:**  
Factory

**Developer:**  
Tesa Group (Germany)

**Total area:**  
70,000m<sup>2</sup>

The Thang Long - Tesa Site Hai Phong project, which has a total investment of 55 million Euros, covers an area of 70,000m<sup>2</sup> in Deep C Industrial Park. This represents a strong commitment of the world's leading adhesive tape manufacturer to increase production and supply capacity for the Asian market. Once in operation, this plant is expected to produce 400 million sq. meters of adhesive tape per year.

Unicons acts as the general construction contractor for the project. Unicons' relevant experience with large and challenging projects throughout Vietnam such as GE, Meiko, ABB, BWID, Pepsi, etc., and the position of parent company Coteccons convinced the investor. The project is expected to be completed in 365 days and all technical work will be completed for official operation in the first quarter of 2024.

This is also a project that demonstrates Coteccons and Unicons' ability to conquer FDI customers when they can meet many strict international standards and as well as the professionalism requirement. Thang Long - Tesa Site Hai Phong also helps open up other cooperation opportunities in the future between Unicons - Coteccons and Tesa.



## RESULTS OF DEVELOPING MANAGEMENT SYSTEM

Determined to re-invent its organization, Coteccons has achieved many important improvements in restructuring the human resource system as well as the management body. The Company has completed the personnel structure, upgraded the operating capacity, and smoothened the coordination process. This has enabled labor productivity and work efficiency to improve significantly.

# LEADERS' GATHERING 2022 THE NEXT CHAPTER STARTS HERE

QUANG BINH - 05/08/2022



“

**The new CEO has been with Coteccons for 17 years and has held multiple important positions in the Company. He is also one of the key contributors who led Coteccons to important milestones on its journey to becoming Vietnam’s the number 1 general contractor.**



## APPOINTMENT OF A NEW CEO

With the CEO post being left vacant for over two years, many questions were raised from the public as to the stability of the management team. In fact, the Company did not face any critical problems in terms of operations due to this vacancy during that period.

In order to restructure appropriately for the long term, Coteccons needs to carefully consider its target model and specific requirements instead of hastily putting the puzzles together. Moreover, a highly diversified organization with 18 years of development, one which is embracing itself for a turning point to its mega goals following the new strategy, needs to be prudent in choosing its CEO. The chosen one must be someone who has “the right everything” including capabilities, qualities, experience, and understanding of Coteccons’ culture.

After a thorough testing and evaluation process, on August 5, 2022, Coteccons officially appointed Mr. Vo Hoang Lam to this position. The new CEO has been with Coteccons for 17 years and has held multiple important positions in the Company. He is also one of the key contributors who led Coteccons to important milestones on its journey to becoming Vietnam’s the number 1 general contractor.

The appointment of the new CEO is a result of the consensus among the Board of Directors, the Board of Management, and shareholders. It lives up to the expectation of maintaining the heritage and promoting the Company’s identity, and is completely in line with Coteccons’s commitment to innovation and positive changes in the upcoming period.

After taking office, the new CEO is on top of his job and promoting the efficiency of the Board of Management and the entire team to a new level.

## ORGANIZATIONAL STRUCTURE

Compared to 2021, in 2022, Coteccons has clearly defined its organizational structure as lean but appropriate and effective. It should also reduce the burden on management and operating systems. The new structure is built according to the following criteria:

- Functions and departments are structured according to the sequence of development and supply of products and services of the Company to customers, i.e. trade - operations - support. The right structure helps to create a logical circle of links and facilitate close coordination for the highest efficiency.
- Incumbents of the key positions are tasked with appropriate jobs which can leverage their ability to the fullest and make generate the best value for the Company.



## RESULTS OF DEVELOPING MANAGEMENT SYSTEM



### OPTIMIZING THE MANAGEMENT SYSTEM AND PROMOTING EMPOWERMENT

In the new structure, Coteccons applies a strong decentralization - empowerment policy. A highlight in this is the empowerment of Project Directors (PD Empowerment). PDs (project directors) are trained and supported to take on the role of real leaders on projects instead of just being in charge of professional matters as before. Each site is treated as a separate company and each PD is the CEO thereof. Behind the PDs, the management - operating system from the head office provides support, guidance and have an appropriate control and supply mechanism.

This model is designed to promote ownership at work, sense of responsibility and management ability of PDs. It is expected to creating optimal performance for each project and for the Company as a whole.

In promoting empowerment, Coteccons is in no haste and definitely doesn't adopt the "one size fits all" approach for all its projects. The PDs empowered as mentioned above are those who have all undergone a process of assessment, training, and guidance until full readiness. Currently, Coteccons has dozens of

such PDs on a total of 65 construction sites. The company will keep promoting training so that this model continues to be rolled out.

On the other hand, the PD Empowerment program is also carried out on a higher level. In 2022, after upgrading the role of PDs, in order to increase the initiative and control in the team, Coteccons also created the position of Managing Director (MD) - an unprecedented title in the Company. PDs who are qualified in terms of ethical standards, professional competency, vision, and credibility will be promoted to the upgraded position of MD. The MD will join the Board of Management in devising strategy and leading Coteccons on the big journey.

The PD Empowerment program was Coteccons's most important improvement in management system and organizational structure in 2022. It opens up a new era with a dynamic, strong and multi-pillar organization based on a bold empowerment mechanism, profound trust, optimized capacity and especially on a clear development strategy and a well-orchestrated execution plan of the organization.

### CONTINUE TO COMPLETE THE PERFORMANCE MANAGEMENT SYSTEM

Fairness, transparency, and accuracy are always the principles adopted by Coteccons in evaluating its employees. In order to exercise that principle, Coteccons has gradually improved the PMS (Performance Management System).

2022 was a period of complete application of the PMS when 100% of team members were evaluated using this system.

Some bases for performing :

- Job descriptions and staff sizing by department/function
- Performance Management System
- Application of capacity assessment system, internal hierarchy, criteria for rank/title.
- Setup of a reward system worthy of individuals/teams with outstanding achievements.
- Implementation of a talent retention policy, development of the team according to the Company's long-term development strategy.

The performance evaluation of employees is carried out logically and in accordance with the Company's performance evaluation system. Employees' goals are clearly registered from the beginning of the period and are effectively evaluated in a transparent and fair manner at the end of the period.

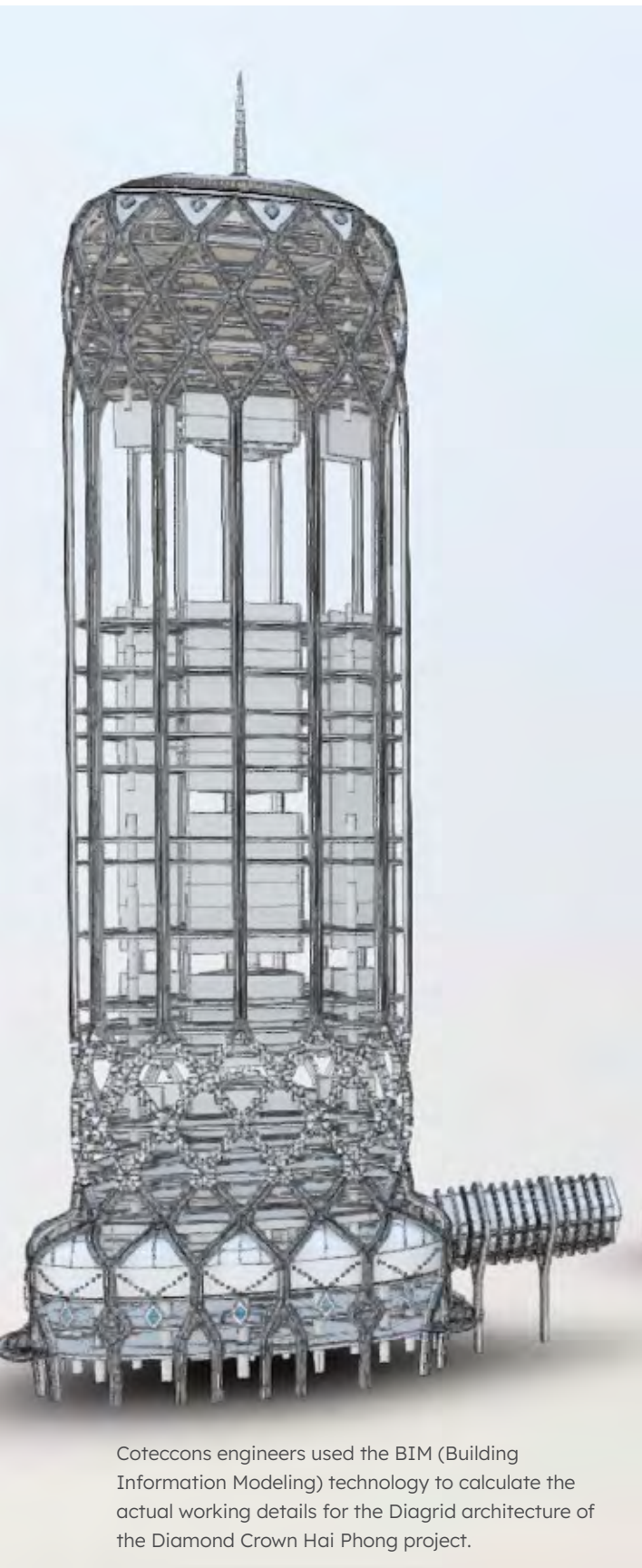
With this move, employees at all levels and positions are properly evaluated and rewarded according to their work performance and contribution.

Based on this assessment, managers can also align on a career development plan for each team member in both the short and long term as well as the additional competencies needed to achieve that.

At the same time, each individual is given an equal opportunity to grow and get promoted. As of early October 2022, 41 employees of the 9X generation had been appointed to management positions in both the back-office and site functions.



## RESULTS OF DEVELOPING MANAGEMENT SYSTEM



Coteccons engineers used the BIM (Building Information Modeling) technology to calculate the actual working details for the Diagrid architecture of the Diamond Crown Hai Phong project.

### PROMOTE DIGITAL TRANSFORMATION AND APPLICATION OF TECHNOLOGY

In order to strengthen the management and operating capacity to meet the new operation speed and scale of the Company, the application of technology is also a high priority.

With a total investment of about 34 billion VND in 2022, multiple projects have been implemented and important changes have been made including:

- Migration of the email system to Microsoft's Cloud Office 365: Successful conversion of nearly 1,400 emails for easier management, faster and more efficient operation.
- Launching of a new corporate website [www.coteccons.vn](http://www.coteccons.vn) and an intranet [mycoteccons.vn](http://mycoteccons.vn) with upgraded scale, interface and features.
- Support for the Accounting Department to extract data from Bravo/CFMS for the SAPS/4HANA project.
- Development of applications on the Microsoft Power Platform to serve the needs of both the back-office (stationery, document management, etc) and the site (safety reporting, site control, etc.) functions. This helps save time, controls costs and efficiency, increases management capacity, reduces the use of paper and other items, and contributes to environmental protection.
- Supporting 4,204 requests from departments, teams and construction sites with 100% success rate and with satisfactory turn around time.
- Assessment of information technology risks and development of control solutions.

In addition, Coteccons also signed a strategic cooperation agreement with FPT IS to implement a construction industry digitalization project with information technology solutions for big and long-term needs.



### INCREASE OWNERSHIP AND EFFICIENCY OF DEPARTMENTS AND FUNCTIONS

All functions in the Company's operation chain are required to undergo innovation. By synchronous and comprehensive efforts, all functions (M&E, Procurement, etc.), departments (Bidding, Procurement, Cost and Contract Control, Construction Engineering, Construction force management, Equipment management, Warranty, IT, HR, etc.), and teams (Safety, System, etc.) have seen a good deal of improvement.

In particular, with the new empowerment mechanism and the OWN IT culture, all functions, departments and teams have enhanced their ownership in planning, implementation monitoring, performance management, risk awareness and management and cross-function coordination for common efficiency.



## BRAND DEVELOPMENT AND CORPORATE CULTURE IMPROVEMENT OUTCOMES

Since late 2021 and early 2022, Coteccons officially launched our new brand identity system. The contemporary, young, interactive and international vibes convey the implications that Coteccons wants to build for our business. Among these, the history, identity and advantages that have been painstakingly cultivated over the past 18 years are properly respected, and at the same time, new values are continuously added and built to resonate into the strength of a company has both a proud past and a promising future.

### A LIVELY AND HUANE CORPORATE CULTURE WITH OWN IT

Through a series of reforms, from the right methodology, drastic actions and strong aspirations, Coteccons has achieved real innovation with a very lively corporate culture environment. Which can be represented by a number of typical results are as follows:

- Shaping ideology and actions, thereby redefining the nine new core values for the people of Coteccons in line with current and future development requirements.
- Consistently implementing the philosophy of becoming a sustainable business that creates the future, help to set and shape new industry standards as well as contribute to the sustainable development of society.
- Spreading the spirit of humanity, integrity and transparency in all activities of the Company in addition to the industry-specific core values such as safety and quality.
- Creating an environment of freedom, autonomy at work, stimulating the creativity of the people of Coteccons at all levels.
- Encouraging a sincere, frank and constructive workplace; showing tolerance for factionalism, "office politics", and cover-up of negative practices. In addition, Coteccons regularly organizes sports activities and talent contests to engage and motivate employees
- Building trust and solidarity between the Company and its employees, between superiors and subordinates and between people in a specific way through the empowerment policy and the equality mechanism.

The essence and culture of Coteccons are not only felt internally, but also have a positive impact on customers and the community. Coteccons has carried out many activities that have been satisfactorily responded to including the "grow forest, live green" campaign through the Marathon tournament in Quang Binh, the project "My house", "Batteries for trees", "Pick the moon home", " Build Tet", and so on.



The novelty in the culture of Coteccons is even more evident through programs such as "Empowerment", "Own It", which affirm the philosophy of focusing on humans and the sustainable business development strategy from the core.

### BUSINESS CODE OF CONDUCT

In interacting with customers, partners and stakeholders, Coteccons consistently upholds the INTEGRITY spirit. We work towards an honest lifestyle and work in a transparent corporate environment.

In order to translate this into reality, Coteccons has issued and strictly implemented the **Business Code of Conduct**. Accordingly, the Company communicated to all members the commitment to integrity and ethics in all activities, developed corporate reputation on 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 is applied to all members of Coteccons and its subsidiaries (whether they are employees working on a temporary, a definite-term labor contract or an indefinite-term labor contract basis), apprentices, interns, volunteers, outsourced personnel, agents, consultants, subcontractors, sponsors and any other related organizations/individuals (including including third parties).

### ANTI-CORRUPTION RULES

Issued together with the **Business Code of Conduct**, the **Anti-corruption Rules** are also upheld by Coteccons for sake of consistency with transparency.

Accordingly, the Company has clarified the definitions of the giving and acceptance of bribes by making reference to legal provisions on anti-corruption in Vietnam. In particular, the Company also applies the Foreign Corrupt Practices Act (FCPA) to these Rules.

Similar to the **Business Code of Conduct**, the **Anti-corruption Rules** also apply to all members of Coteccons.

At the same time, in order to promptly recognize as well as encourage and facilitating relevant parties' access to clarify questions or report violations or suspected violations related to the above-mentioned policies, the Company publicizes the email address of the Human Resources Department (i.e. hrdept@coteccons.vn) and ensures confidentiality for those who provide information.

The above policies and regulations are in effect at all locations and in all jobs related to Coteccons.





## UPGRADE CORPORATE CULTURE



Coteccons' leadership is trying to build an enterprise with a free environment, autonomy at work, one that stimulates team creativity at all levels. It must also be a working environment built on trust, solidarity and equality.

The novelty in the culture of Coteccons is even more evident through programs such as "Empowerment", "Own It", which affirm the philosophy of focusing on humans and the sustainable business development strategy from the core.

The essence and culture of Coteccons are not only felt internally, but also have a positive impact on customers and the community.





# HUMAN RESOURCES DEVELOPMENT OUTCOMES

Coteccons not only needs sufficient human resources to meet the current workload, but also needs to prepare itself properly for future development needs. In line with the product-service diversification strategy and development goals on an identified roadmap, Coteccons needs to increase both the quantity and quality of its human resources.

Coteccons currently has a team of skilled engineers, capable managers, a tight-knit team who is willing to move forward and aspires to succeed with the Company. This is a solid foundation for Coteccons to continue soaring to a higher level.

## CORRELATION BETWEEN THE BROADER CONTEXT AND THE COMPANY’S HR LANDSCAPE IN 2022

Two years of Covid-19 and the instability of the real estate market in Vietnam have been impactful to the human resources of construction enterprises including Coteccons.

In the first six months of 2022, Coteccons deployed a series of low-rise projects for customers across the country and therefore faced the challenge of mobilizing a large number of employees in a short time. Next, the downturn of the real estate market from the third quarter of 2022 put even more pressure on the management of human resources.

In order to recruit additional employees for these projects in a timely manner, along with the development of attractive compensation offers, the Human Resources Department has implemented many effective programs such as incentives for internal referral and partnerships with major universities to organize a series of Next Gen programs for career orientations and promotion of job opportunities at Coteccons.

As a result, in 2022, Coteccons has recruited nearly 500 new engineers, of which 80% are fresh graduates from the leading engineering schools such as Hanoi University of Civil Engineering, Ho Chi Minh City University of Technology, and Ho Chi Minh City University of Architecture HCMC...

The new hires, despite their advantages of youth and enthusiasm, inevitably lack practical experience and need time to properly understand the Corporate culture. Therefore, when

onboarding new employees, Coteccons’ projects also encountered many difficulties.

To address that problem, the Human Resources Department has worked with Coteccons’ Training Center (CTA) to organize induction training programs including technical training to help the newcomers connect with the real environment, grasp construction methods as well as hone their skills and apply them to daily work.

By the third quarter, the sudden plunge of the real estate market caused critical challenges for the major developers, leading to grave problems with construction and payment in many projects. Coteccons was no exception. Some projects had to be delayed or slowed down, which put pressure on the Company’s labor productivity.

With experience in human resource management, Coteccons has flexibly mobilized personnel between projects and streamlined the structure of Site Management squads to achieve labor efficiency while maintaining employment for the engineer team.

Overall, Coteccons’ organizational shakeup and the restructuring of its the human resource system in line with the new strategic orientation has achieved good results in the past year amid the unfavorable developments of the labor market. The position of TOP 1 among the best places to work in the Construction industry as assessed by Viet Research and Investment Newspaper speaks volumes for this result.

## HUMAN RESOURCE-RELATED DATA IN THE YEAR

### NUMBER OF EMPLOYEES

As of December 31, 2022, Coteccons and Unicons have 2,262 employees, a decrease of 28% (equivalent to 498 people) compared to December 2021. The turnover rate decreased compared to the previous year.

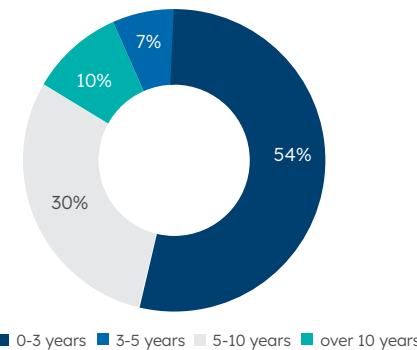
The employees who have been with the Company for more than 3 years is maintained at over 46%. They together with the enthusiastic new hires are well prepared for Coteccons’ growth in 2023.

Due to the nature of our work and industry, male employees take up the bigger share (91%) compared to female employees (9%). Most of our female employees are working in the head office, with only a few working as secretaries and nurses at construction sites.

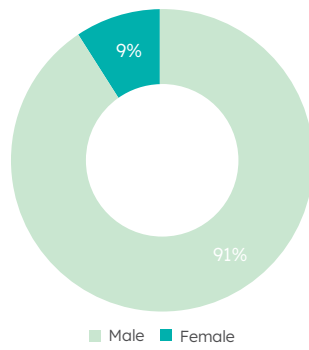
Coteccons has highly qualified human resources with about 83% being university graduates or post-graduates.

GROUP (CTC+UNC)	Number	Sex		Age					Education attainment			Experience		
		Male	Female	Under 25	25-30	31-40	41-50	Over 50	Graduate	Under graduate	College & Certificate I-IV	Over 10 years	5-10 years	Less than 5 years
Manager	330	300	30	0	37	226	60	7	20	307	3	216	114	0
Professional/ Officer	1932	1750	182	495	836	455	96	50	14	1537	381	329	659	944
Total	2,262	2,050	212	495	873	681	156	57	34	1844	384	545	773	944

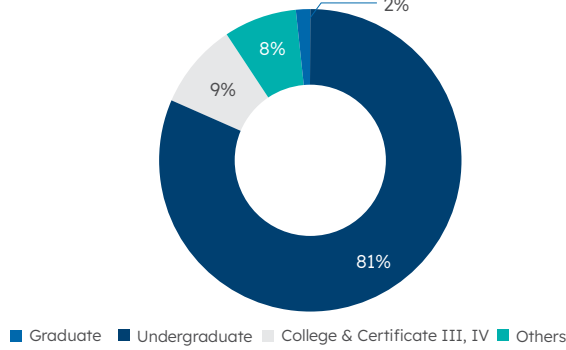
STAFF STRUCTURE BY SENIORITY



STAFF STRUCTURE BY GENDER



STAFF STRUCTURE BY QUALIFICATION



### SALARY; BONUSES AND FRINGE BENEFITS

Despite numerous challenges faced by the construction industry in the past year, Coteccons still managed to maintain decent salary at a higher level than the labor market average. The pay rise rate reached 7% among the back-office team and 20.3% among the site team.

In addition, policies on leave, maternity, insurance (social insurance, health care insurance, occupational accident insurance, and occupational disease insurance) and welfare (work support allowance, health care, ESOP scheme, family support, team building, etc.) are still guaranteed according to the general policy of the State and the Company’s specific rules.

All policies and remuneration schemes are fully informed by the Company and promptly communicated to each employee at all levels.



# HUMAN RESOURCES DEVELOPMENT OUTCOMES



## INTERNAL COMMUNICATIONS

As part of the onboarding protocols, 100% of new hires are sent to induction training delivered by CTA in collaboration with related departments/departments. During the training, all participants are provided with details of the remuneration policy as well as all other benefits and responsibilities as employees at Coteccons.

At work, employees are encouraged to ask questions and express their aspirations and problems, all of which will be answered and resolved..

During the year, the Human Resources Management Department held a meeting for the back-office functions from the Ho Chi Minh City Headquarters and the Hanoi Office to enhance two-way interaction and clarify the key issues such as the relationship between the between job performance and performance bonus, compensation structure, benefits and the talent retention program.

Regarding the site term, the Human Resources Management Department also cooperates with the Executive Committee of the Trade Union to organize meetings, visits and talks to convey information, listen, note and address issues raised by employees.

On the other hand, the Company also introduces a monthly Internal Newsletter to communicate on policies, messages, programs or share on topics of interest. In particular, the Business Code of Conduct and the Anti-Corruption Regulations are widely and fully communicated to all stakeholders via multiple channels such as direct communication, email, training sessions, and updates on the internal document storage system. Anti-corruption regulations are sent to all members of Coteccons who will need to read and sign a commitment of compliance.

## TRAINING

### TRAINING TIME

In 2022, CTA conducted a total of 278 topics and 8,403 training sessions, including the program for Unicons.

More than 1,700 employees participated in the above training programs with a total duration of 32,850 hours (an increase of 29% compared to 2021). The average training time per employee is 19 hours/person/year (up 18% against 2021).

Thanks to CTA optimizing internal trainers for training courses, a lot of costs have been saved. Accordingly, despite a very large quantity, the total training cost in 2022 was only nearly VND 607,000,000.



### UPSKILLING AND TRANSITION ASSISTANCE PROGRAMS

In 2022, CTA has implemented many focused training courses, especially in collaboration with the Technical Division, PDs and Commanders to deploy direct training courses for employees right at their projects or during actual survey programs.

Online learning is still applied to learners who have difficulties in arranging time for face-to-face training. In addition, CTA has applied multiple learning methods on the Virtual Training platform and updated the E-learning content, helping to increase the effectiveness of new forms of learning and training.

In line with the orientation of comprehensive human resource training, in addition to professional knowledge and corporate culture, CTA has also implemented 14 soft skills training courses for personnel of both back-office and site functions. 5 training courses on management skills were also implemented for middle managers.

Coteccons has always attached importance to the training of successors, especially for the management level. In 2022, CTA also organized long-term courses for future managers such as Construction Deputy Commanders, MEP Deputy

Commanders, Chief Commanders, Head and Deputy Heads of Department with 186 participants and the completion/graduation rate was 77% (the rest was unable to complete the courses due to unexpected circumstances and will resume their training in subsequent courses).

In parallel with training, CTA has also cooperated with the Human Resources Management Department to organize title defense programs. As a result, the Company added 88 members from both Coteccons and Unicons to the management team. These members hold titles such as Project Director, Chief Commander, Deputy Commander, and Department Head and Deputy Head.

In addition, CTA also organized events that contribute to building a learning culture in the Company. These include events such as We Share, Meeting between the Management and new employees, Pay respect to internal trainers on Nov.20, and so on. Among these, the most prominent has been the contest "Coteccons Light Up - The inspirer". Through this contest, the Company has selected 8 excellent individuals who can in the future represent the Company to conduct presentations for investors, partners, customers, and employees.



## PLAN

# TO REALIZE TARGETS FOR 2023

According to the direction of the Board of Directors, 2023 is the year of **transformation** for Coteccons. Specific targets include total revenue of VND 16,249 billion and profit after tax of VND 233 billion, up by 12% and 1,010% respectively compared to 2022.

Besides, to actually transform, the Company needs to achieve greater results in terms of upgrading management and operation capacity.

To accomplish the above-mentioned tasks, the Board of Directors has identified the main groups of requirements for an effective implementation plan.

## REQUIREMENTS ON BUSINESS DEVELOPMENT

The current 17,000-billion-VND backlog is a favorable starting point for the strong growth plan of 2023 despite market situation that is forecast to be extremely challenging. With this advantage at hand, the Company needs to continue to promote development with the key projects including Mega Project, Repeat Sales and the infrastructure construction vertical.

### MEGA PROJECT

Continue to search and approach key projects with broad influence, large scale, and high requirements in terms of aesthetics, design and engineering.

Upgrade technology, techniques and human resources to be ready to conquer opportunities.

Supplement resources to enter the segments in which the Government is putting more interest

### INFRASTRUCTURE CONSTRUCTION

Leveraging Coteccons' resources and optimizing human resources to consolidate the important foundations in this vertical.

Cooperate with selected players in the industry who are compatible in terms of capabilities, values, and goals for more opportunities.

Focus on effective approaches on big-prospect projects in order to create breakthroughs.

### REPEAT SALES

Focus on caring and maintaining trust with existing customers by optimally completing awarded projects in order to win the next ones.

Place customers at the center of the development process: When starting any project, it is necessary to take the time to listen to the investor's thoughts, expectations and understanding their terms. When implementing work, we must remain open and honestly discuss all issues. In particular, we are always committed to safety - quality - progress and do not compromise on these vital factors.

Strengthen comprehensive risk management at projects, ensure the ability to proactively control risk at the highest level to achieve optimal efficiency for all parties.

Besides repeat sales, approaching new customers, especially FDI ones, is also an important task. This is also an option to strengthen risk management when minimizing the concentration risk.

“

In addition, to promote the diversification strategy, Coteccons also continues to strengthen its activities in other verticals, typically the pre-cast segment. Coteccons' pre-cast task force has conducted multiple studies and surveys both domestically and in many foreign markets. The research, survey and preparation have been carefully carried out with a suitable roadmap so that as soon as the market is ready the Company will take specific steps.



# PLAN

## TO REALIZE TARGETS FOR 2023

### FINANCIAL REQUIREMENTS

With a large number of projects being deployed simultaneously and operating at a high pace in 2023, the most important requirement for finance is to ensure the balance and stability of the cash flows, especially always ensure liquidity.

To meet this requirement, Cotecons identifies a number of specific tasks as follows:

- Improve the efficiency of cash flow management.
- Leverage funding from good sources and safely utilize financial leverage.
- Ramp up the collection of debts, closely monitor and regularly update to speed up the handling of bad debts that have remained outstanding from the previous periods.
- Implement a real-time system at all construction sites to record and update all progress, including payments from customers, cash flows, costs,

etc. and corresponding risk warnings. Based on this the teams responsible for management and administration will record and work out realistic solutions to minimize the chain risks associated with customer activities or capital misappropriation by customers.

- Tighten the financial risk management function by adding necessary additional steps to the process, especially before deciding to join a project, and thoroughly reviewing clients financial health before making any decisions to join them.
- Strengthen the role of PD in financial risk management. PD is must closely monitor and manage cash flow risks. Whenever there are signs of cash flow imbalance that is not covered by the contingency plan, there must be early solutions to discuss and resolve with the investor.

### REQUIREMENTS ON UPGRADING THE MANAGEMENT - OPERATION SYSTEM

#### MINDSET AND OBJECTIVES FOR IMPROVEMENT OF THE ORGANIZATIONAL STRUCTURE AND MANAGEMENT SYSTEM

- Consistently aim to become a “great company” to constantly try harder and challenge the status quo. This means the constant need to proactively change and improve to respond to the new situation and prepare accordingly for future development requirements as planned.
- Equip each individual with the entrepreneurial spirit, especially among the management level, to have a mindset of embracing opportunities, mastering opportunities, mastering challenges, mastering risks and mastering victory.
- Build a transparent, happy and fair working environment (a great place to work) for all members.
- Improve productivity, optimize the back-office and site team structure, boldly eliminate unprofitable activities (smart working).

#### EMPOWERMENT POLICY AND “OWN IT” CULTURE TO TAKE ROOT DEEPER

From the success of the PD Empowerment program in 2022, Cotecons has more experience and stronger motivation to promote the EMPOWERMENT policy on a broader scale in 2023. The Company will adopt a stricter mechanism to promote, support and develop PDs and MDs, and also implement a reasonable control mechanism that helps to best manage risks and threats.

The OWN IT culture will also be spread sweepingly to all levels across the Company, especially among the management team. While their roles and responsibilities will be enhanced, each person will also be given more power. The purpose is to promote the spirit of ownership for any Cotecons member.

Cotecons people are free to confidently express their views, express themselves, propose solutions, proactively make decisions or ask for advice and support to solve problems. Every member has the right to take the initiative to create outstanding efficiency for his or her own work. Equal opportunities for professional development are also given to everyone.



#### THE CENTRALIZED MODEL CONTINUES TO BE EXPANDED

In order to create consistency and optimize resources between the parent company and its member companies and affiliates, in 2023 Cotecons will continue to promote the centralized management model.

Accordingly, each supporting department/department will be considered a business partner of the Operations Division. The role of all parties will be maximized, the quality of human resources will also be improved, and operation will be more efficient.

#### MAXIMUM APPLICATION OF TECHNOLOGY FOR MANAGEMENT

Towards the completion of a system-based business model that does not depend on any individual, Cotecons requires the maximum application of technology to the management process in 2023. Accordingly, information and data will be updated on the system to facilitate analysis as a basis for management, reporting, and decision making.

The adoption of technology to the fullest is not only for sake of optimization for the financial function, but also for all other aspects such as human resource management, customer management, project management, and so on.

#### OPTIMIZED HUMAN RESOURCES DEVELOPMENT PLAN

In addition to the readiness to meet the requirements of existing work, in 2023 Cotecons' human resources also need to be prepared to cater to the new verticals under the diversification strategy. Such verticals include, among other things, infrastructure construction and pre-cast. The ultimate goal is to enable the Company to be proactive in terms of human resources and, at the same time, allow the Company's staff to hone skills and experience in various fields and at multiple levels.

In parallel with solutions to foster and develop human resources from within, in order to acquire new resources, Cotecons also implements policies to attract talents from outside. In addition, the Company also continues to hold training and upskilling programs for the young generation through partnerships with relevant universities, colleges and training centers.

Cotecons also has a clear direction in upgrading CTA into a real academy which not only provides knowledge, skills and rich experience, but also provides standard vocational certificates for external students upon completion of the curricula here. With these certificates, graduates can confidently operate in the construction industry in any business.

With this orientation, CTA is not only a training center serving the internal needs of Cotecons but also contributes to the training of human resources for the construction industry and society as a whole in accordance with the sustainable development goals that Cotecons has committed to.



# SUSTAINABILITY REPORT

- 172 MESSAGE ON SUSTAINABLE DEVELOPMENT
  - 178 MAJOR ACTIVITIES ON SUSTAINABLE DEVELOPMENT
  - 198 REFERENCES TO GRI STANDARDS
- 





# STANDARDS AND SCOPE OF 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, 17 Sustainable Development Goals of the United Nations, the Guidelines on Environmental and Social Information Disclosure by the State Securities Commission, Circular No. 155/2015/TT-BTC, IFC Performance Standards on Environmental and Social Sustainability, and best practices and trends towards Sustainable Development in Vietnam and internationally.

Coteccons refer to the above documents to self-assess the level of compliance and implementation of sustainable development goals, identify shortcomings for improvement, actively work towards higher standards of sustainable development in the future. They are also a reference source for the Company to make the preparation of the report effortless, standardized, transparent and efficient.

The report covers Coteccons' performance on key sustainable development domains. The identification of these significant areas is based on the assessment combining stakeholders' extent of concerns with their impacts on Coteccons, construction industry, and socio-economic environment.

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 2022, starting from 1/1/2022 until the end of 12/31/2022. The financial figures in the report were referenced from the 2022 consolidated financial statements audited by Ernst & Young Vietnam Co., Ltd. The Report is publicized on our website [www.coteccons.vn](http://www.coteccons.vn).

“

**Coteccons' Sustainable Development Report is prepared annually and published together with the Annual Report.**

## CONTACT DETAILS

- 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](mailto:bantruyenthong@coteccons.vn)





# MESSAGE ON SUSTAINABLE DEVELOPMENT

The world we live in is becoming more vulnerable than ever which calls for sustainable development initiatives: Post-pandemic recovery, extreme weather phenomena such as earthquakes, floods, trade conflicts and the Russia-Ukraine war, etc.

In the context, businesses are expected to take on responsibilities with broader scope than their scope. They are expected to actively develop initiatives to address social and environmental challenges and create the future we want.

In addition, national sustainable development strategies and international commitments as Vietnam signs free trade agreements have contributed to shaping the improvement of competitiveness and sustainable development of the Vietnamese business community. Especially after the United Nations Climate Change Conference 2021 (COP26), the Government of Vietnam has made strong commitments and developed specific strategies to adopt Environmental, Social and Governance (ESG) in Vietnamese enterprises.

As a pillar industry in most countries, the construction industry is a great driving force for the country's economic development. The construction industry also affects the natural environment, socio-economic environment, and the community, i.e. a large consumer of raw materials (including energy) and a large CO2 emitter. Construction activities can cause many problems, such as disturbance of biodiversity, emission of greenhouse gases and CO2, generation of waste, and health and safety related issues.

Coteccons is a leading construction company in Vietnam which operates on a large scale and wide geographical coverage. To carry out the corporate mission and build lasting works, Coteccons is fully aware of the importance of sustainable development and determines that ESG adoption is an essential part of the Company's operations. Moreover, Coteccons is accountable for its activities with the focus on business ethics and respect of human rights; because we understand that ESG adoption is not only a process of



risk management but also a driving force of innovation and a new opportunity to create lasting values for ourselves and the society.

Since 2022, Coteccons has begun its strategic innovation period with the task of implementing sustainable development activities - which has been one of the priority business development tasks that were set out in 2021. Accordingly, sustainability standards and requirements are implemented throughout the value chain and aspects of the Company's operations.

Specifically, in terms of environment, the Company takes measures to reduce greenhouse gas emissions by using energy efficient materials, equipment and practices. There have been construction sites where Coteccons uses solar power, aggregate cement bricks, Acotec wall panels, and ALC; the Company's uniform is made from recycled and eco-friendly materials.

During the implementation of the tasks, Coteccons has developed Green Initiatives and environmentally friendly solutions with

3R principles: REDUCE - REUSE - RECYCLE to reduce garbage, waste and impacts on the environment. A further effort includes Coteccons Green program: Search and develop green materials, green energy, and environmental regeneration activities

On the social aspect - an important aspect of sustainability in the construction industry, Coteccons is gradually improving its working environment, initiatives, policies and workers' welfare, etc. by developing metrics on labor rights, human rights, health and safety, community engagement, diversity, and inclusion. In particular, in the past year, we are proud of Coteccons' IMPACTD with a series of activities focusing on people and the community such as:

- **Coteccons Goodwill:** Support the community, help the disadvantaged, improve the quality of life of workers and people.
- **Coteccons Better Work:** Improve the working environment to bring stable income, improve skills, promote fair treatment, respect and human rights for construction workers.
- **Green Marathon Contest:** Build an active and healthy community and promote green lifestyle through running tournaments.
- **Coteccons Next-Gen:** Develop education and training future talents and generations.

Through the above activities, we want to emphasize that Coteccons has not missed out on the benefits that ESG brings. It is the formation of an important aspect of corporate culture that increasingly engages employees, attracts and retains talents, drives innovation, and certainly a positive influence on the Company's branding and reputation.

Coteccons would like to emphasize the Company's efforts in building and perfecting its ESG structure in the past year. Coteccons' Board of Directors (BOD) has established a Environmental, Social and Governance Subcommittee (ESG Subcommittee)

with an extended arm as the Sustainable Development Taskforce. Coteccons has a process in place to select, recruit and train its human resource to implement ESG strategy in each department and create positive influence on its partners and shareholders.

In addition, ESG initiatives and metrics are under development to be integrated in the Company's policy and operational goals, so that ESG is implemented with a sense of respect to shareholders' rights, and promotion of transparency and the Board of Management's accountability as part of internal control mechanism.

The long-term prioritized task remains to build a sustainability governance structure. Business operation during COVID-19 in the business community has shown that businesses that have sustainability governance models have proven to be more resilient than others.

To balance business achievements with positive social and environmental impacts, Coteccons is willing to adjust its core business goal (in which the establishment of CTD Future Impact, a member company, plays a strategic role to develop clean energy projects and design energy efficient solutions - is an example). This also requires extensive changes to the Company's production activities and value chains. As Coteccons has been and will live up to its role as a leader in the construction industry, changes are not only meant to adapt but also to set the trend and shape the future of the industry.

The sustainability inspiration and activities have created a successful 2022 for Coteccons. Along with a vibrant business landscape, sustainability activities have been promoted and generated remarkable results in many aspects. So far, it can be said that sustainable development activities at Coteccons have linked individual values with collective values, thereby fostering trust, responsibility, dedication, decisiveness and inspiration for everyone, from leadership to staff, which sets the stage for the needed innovations.



# SUSTAINABLE DEVELOPMENT POLICY AND IMPLEMENTATION METHODS

## DIFFERENT LEVELS OF PARTICIPATION

### BOD - ESG SUBCOMMITTEE

- Identify key areas and issues of sustainable development for the Company.
- Develop strategies, methods and tools, issue policies and direct the implementation to turn sustainable development results into business impact.
- Approve goals and action plans to concretize the sustainable development strategy.
- Establishing a Sustainable Development Taskforce to support the BOM in implementation.

### BOM - SUSTAINABLE DEVELOPMENT TASKFORCE

- Identify key areas and issues of sustainable development for the Company.
- Develop strategies, methods and tools, issue policies and direct the implementation to turn sustainable development results into business impact.
- Approve goals and action plans to concretize the sustainable development strategy.
- Establishing a Sustainable Development Taskforce to support the BOM in implementation.

### BOM - SUSTAINABLE DEVELOPMENT TASKFORCE

- Develop action plans to implement sustainable development strategy and policy with specific objectives.
- Through internal and external interdisciplinary coordination, identify ESG risks and propose appropriate risk management measures.
- Develop ESG plans, budgets and activities based on an assessment of the potentials and resources in the Company's operations and supply chain.
- Promote sustainable development activities of member companies and stakeholders in

accordance with the Company's orientation and commitments to sustainable development.

- Make ESG tangible and meaningful to all employees and stakeholders. In which, each member is responsible for providing a metric to evaluate performance in their area annually and using it as inputs to set future goals.
- Communicate sustainable development results in a timely, professional and transparent manner, aligning the Company's ESG results with national/international standards and targets.

### 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

- Implement specific sustainable development activities according to the Company's plans 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.



## A NUMBER OF TYPICAL IMPLEMENTATION METHODS

- Develop human resources with expertise and knowledge in sustainable development, especially sustainable development in the construction industry.
- Evaluate, survey and set standards for sustainable development in each operational aspect.
- Apply technology to raise sustainable development standards in other projects and activities.
- 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.
- Communicate, coordinate and support customers to access new perspectives and solutions to improve sustainable development performance in their projects and products.





# SUSTAINABLE DEVELOPMENT POLICY AND IMPLEMENTATION METHODS

## ESTABLISHMENT OF ESG SUBCOMMITTEE FROM FIRM COMMITMENT TO EFFICIENT IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT

To implement sustainable development consistently from strategy to implementation across the Company's value chain, on December 14, 2022, the BOD decided to establish an ESG subcommittee under the BOD in addition to specialized subcommittees such as Strategy, Audit and Risk, Compensation and Human Resources Subcommittees.

The establishment of the ESG subcommittee was approved in the Resolution 13B/2022/NQ-HDQT by 7/7 members of the BOD.

In mid-March 2023, the BOD has specified operational requirements for this Subcommittee by completing its personnel structure as specified in Decision No. 01/2023/QD-TB. Accordingly, the BOD selected 9 members to the Subcommittee, Mr. Herwig Guido H. Van Hove - a Board member - is appointed as the Head of Subcommittee.

Mr. Herwig Guido H. Van Hove is a Master of Business Administration and Master of Applied Economics with more than 31 years of experience working in many large organizations and enterprises across countries. He also accompanied Cotecons during its important transformation period. Since June 2020, he has been elected as a member of the BOD and continues to be trusted in this role for the term 2022 - 2027 - elected on April 25, 2022.

Given his expertise and experience in many business environments and his understanding of Cotecons, Mr. Herwig Guido H. Van Hove is expected to lead the Company in this regard with great vision and professionalism that meet international standards.

Together with the Head of Subcommittee Herwig Guido H. Van Hove, the ESG Subcommittee has 8 other members, including Mr. Vo Hoang Lam (CEO), Mr. Pham Quan Luc (Deputy CEO), Mr. Nguyen Ngoc Lan (Deputy CEO), Mr. Chris Senekki (Deputy CEO), Ms. Pham Thi Bich Ngoc (Deputy CEO), Mr. Tran Van Lam (CEO - Unicons, a member company), Ms. Nguyen Trinh Thuy Trang

(Director of Internal Affairs) and Ms. Dinh Thi Ngoc Bich (Consultant).

Ms. Dinh Thi Ngoc Bich is an ESG expert with over 25 years of experience working in both the private sector, government and international organizations. She holds a PhD from KU LEUVEN (Belgium) - where she was awarded the Van den Heuvel Prize for her outstanding thesis in Social Sciences, in recognition of her outstanding and innovative social contributions.

Ms. Dinh Thi Ngoc Bich's core expertise includes public-private partnerships, stakeholder engagement and corporate social responsibility, with a particular emphasis on related private sector activities related to climate change response, implementation of the Sustainable Development Goals (SDGs) and Environmental, Social and Governance (ESG) compliance in business.

Ms. Dinh Thi Ngoc Bich also has knowledge and experience in Global Sustainable Governance, including a deep understanding of the Transnational Management Network (TRN) and voluntary sustainability standards (VSS). She has contributed significantly to many development projects, specializing in areas such as social impact assessment, social issues management related to large projects, business and human rights, social aspects of resource extraction, rural development, resettlement, urbanization and livelihoods.

With the above human resources in place, Cotecons wants to ensure that the sustainable development strategy is implemented in the most effective way across all aspects that the Company covers, including the scope of its member companies.

On that basis, the ESG Subcommittee has established the Sustainable Development Taskforce with detailed plans, tasks, goals, etc.

Cotecons is one of the few Vietnamese enterprises with a dedicated team and a clear orientation on ESG so far.



Mr. Herwig Guido H. Van Hove



Mr. Vo Hoang Lam



Mr. Pham Quan Luc



Mr. Nguyen Ngoc Lan



Mr. Chris Senekki



Ms. Pham Thi Bich Ngoc



Mr. Tran Van Lam



Ms. Nguyen Trinh Thuy Trang



Ms. Dinh Thi Ngoc Bich



# ACHIEVEMENTS AND ACTIVITIES IN THE YEAR ON SUSTAINABLE DEVELOPMENT

## THE SECOND CONSECUTIVE YEAR ELECTED IN VNSI-20

The year 2022 is the second consecutive year that Coteccons is ranked in the Top 20 listed companies with high sustainable development score (VNSI-20) by HoSE.

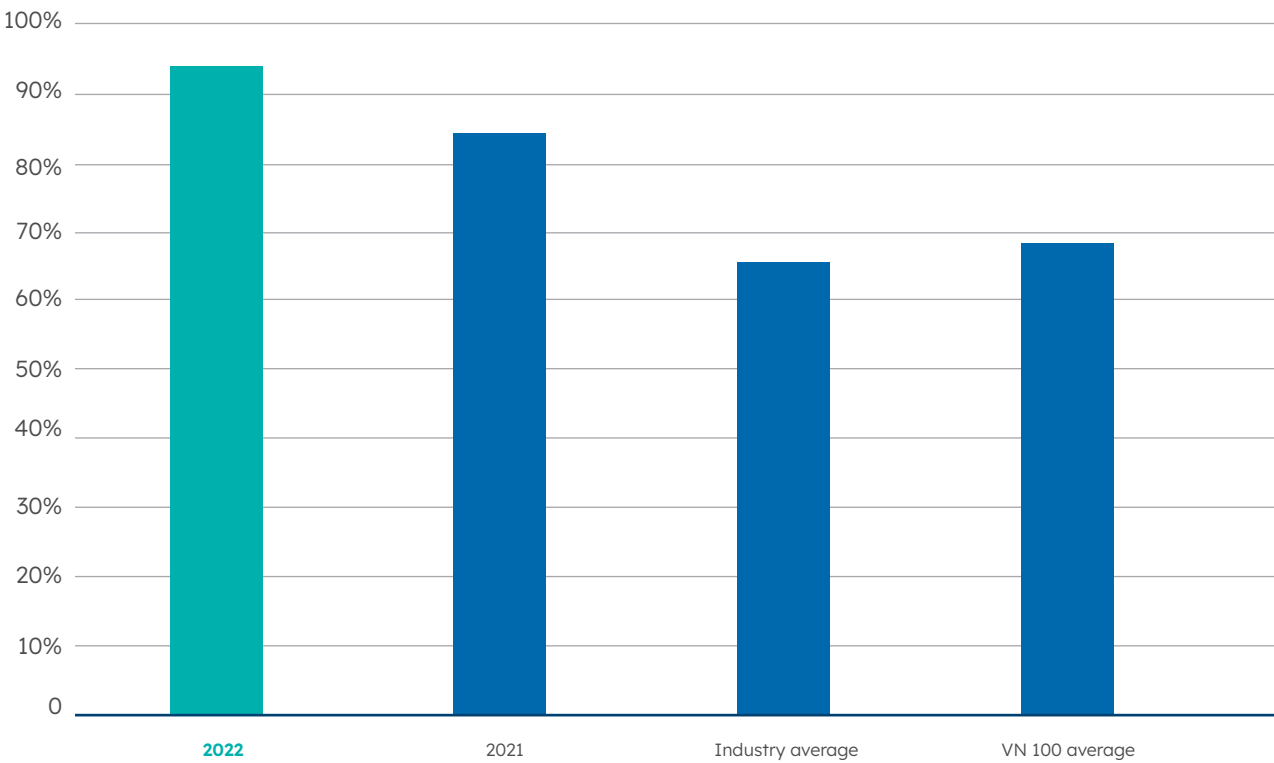
In the announcement of the VNSI-20 index package in July 2022, Coteccons’ average ESG score was 84%, nearly 10% higher than in 2021. In the Social category, the Company’s score reached 94%.

The Vietnam Sustainability Index (VNSI) is researched and deployed by HoSE in collaboration with the German International Cooperation Organization (GIZ) and the State Securities Commission to evaluate listed companies on their implementation performance of sustainable development strategy. Thereby, promoting responsible investment and business operations on the Vietnamese stock market.

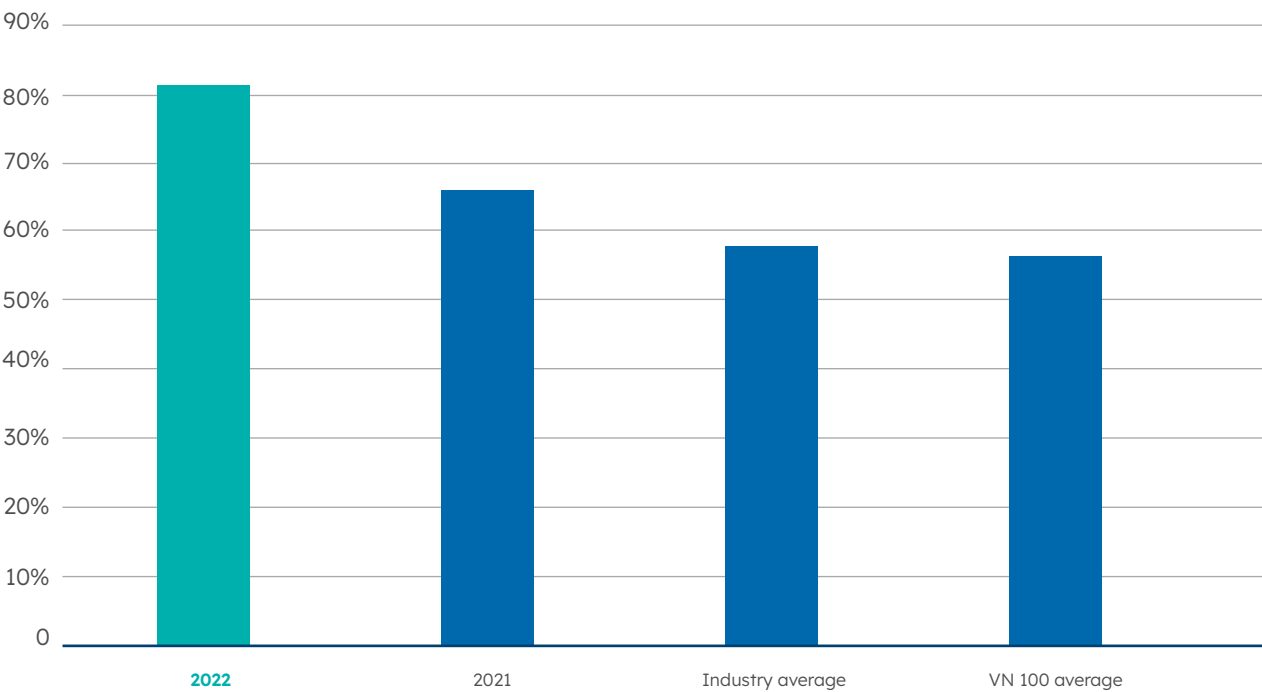
VNSI’s set of evaluation criteria includes over 100 items covering 3 categories: environmental - social and corporate governance.

VNSI-20 is also a guide for institutional and individual investors to identify businesses with “green” characteristics when researching investment partners.

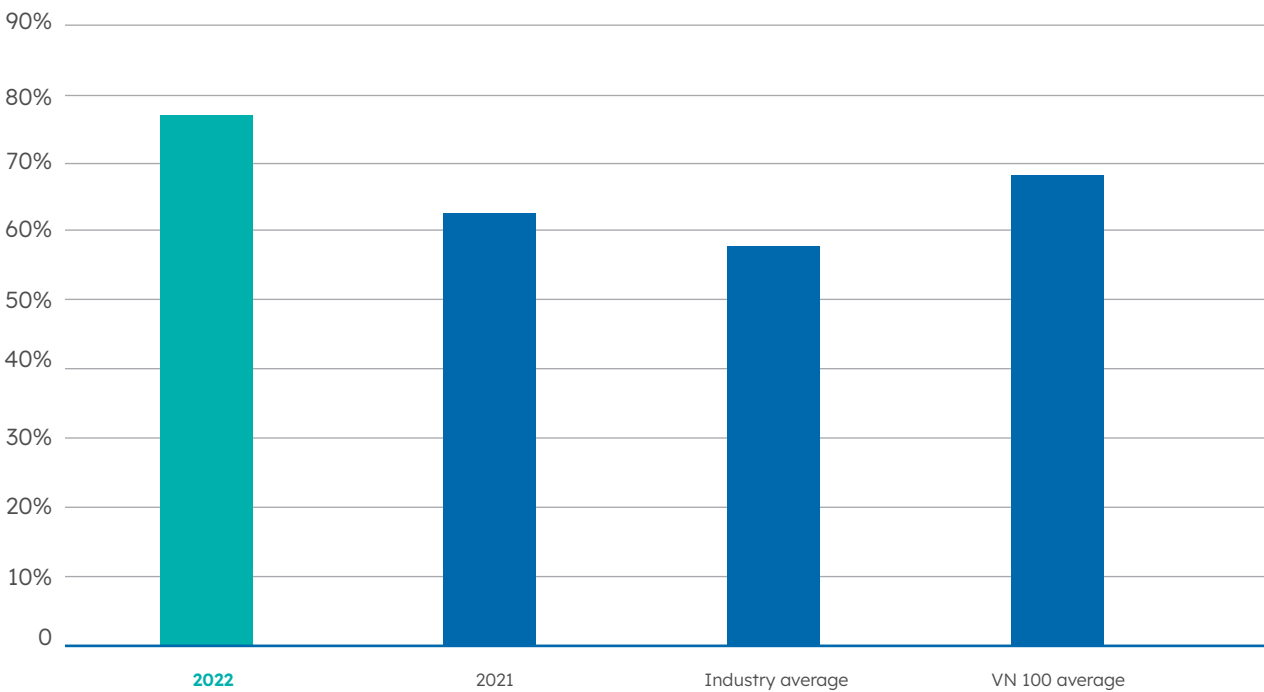
TOTAL SOCIAL SCORE



TOTAL ENVIRONMENTAL SCORE



TOTAL GOVERNANCE SCORE





# ACHIEVEMENTS AND ACTIVITIES IN THE YEAR ON SUSTAINABLE DEVELOPMENT

CTD Future Impact as one of its subsidiaries is also involved in the delivery of Tien Phong Solar Power Project.

## INITIATING AND PIONEERING FOR THE DEVELOPMENT OF VIETNAM'S CONSTRUCTION INDUSTRY

During the recent dialogue programs, Mr. Bolat Duisenov - Chairman of the BOD, identified 4 criteria to build Cotecons into a great company. The first criterion is great performance. The second is useful contributions to the community and society (great value). The third is pioneering role in setting positive standards and trends for the industry (great influence). The fourth is good benefits for partners, customers, investors, laborers, and all of the Company's stakeholders (great partnership).

The above criteria are all adopted at Cotecons. In particular, regarding the third criterion, Cotecons hope to receive the coordination and companionship of other businesses, to work towards the positive development of the industry, better socio-economic development, and products of higher value for the market and customers.

## CALLING FOR UNITY AND COOPERATION IN THE CONSTRUCTION INDUSTRY

"Vietnamese construction companies have the capacity to deliver great projects, like Long Thanh airport, on schedule," quoted Mr. Bolat Duisenov at a recent conference organized by the French Chamber of Commerce and Industry in Vietnam.

Construction capacity of Vietnamese company has been proven by many challenging projects. One of the difficulties that hurt construction businesses is price competition.

"Right now, there might be a war going on among businesses," said Bolat Duisenov. According to Cotecons' Chairman, many international investors are coming to Vietnam looking for projects, industrial parks, and enablers by the Government... Investment demand in Vietnam remains very high. Therefore, in the coming time, there will be many opportunities for construction companies. However, there is fierce competition among contractors that does not lead to better opportunities for the all.

"The main challenge I feel right now is the lack of trust in the construction industry, a lot of doubt and quite few interactions. Many competitive

decisions have been made regardless of decline values. Many companies are try to lower their prices to win bids, which affects their quality and safety and causes other unpredictable risks. This is a really serious issue that will only do harms to all," said Bolat Duisenov.

According to Mr. Bolat, if there is a consensus on the criteria of healthy competition and professional unity, Vietnamese construction companies will do more and further improve the industry standards.

In order for the construction industry in Vietnam to meet the higher sustainability requirements of investors and the Government, Mr. Bolat said that should be a choice rather than a pressure to comply with legal requirements. Responsible business awareness and practice - from applying innovative measures to reduce waste to supporting employees - need to be adopted throughout the value chain, aligning with global and national sustainable development goals. Overly focusing on price competition, it is difficult for construction industry to build this capacity.





# ACHIEVEMENTS AND ACTIVITIES IN THE YEAR ON SUSTAINABLE DEVELOPMENT

Coteccons has non-tolerance policy for unhealthy competition. In a recent letter to employees, Mr. Bolat Duisenov also encouraged employees not to attack their colleagues who are in having difficulties given general challenging market. Coteccons has also took on additional works from another contractor who is having difficulty. Coteccons Chairman said that this is a supportive approach to protect the common interests of the construction industry.

## DIGITALIZATION OF CONSTRUCTION INDUSTRY MANAGEMENT

Coteccons has collaborated with FPT IS to share experiences and resources to build a specialized construction management software solution. The solution not only serves as Coteccons' construction quality management tools, but also a stepping stone for application in the construction industry in general.

This software provides solutions to digitize and effectively manage specialized business activities such as revenue and cost management, project life cycle, project site services, updates on time schedule, volume, work quality, document management system, and reporting system, etc. This is the solution to a specific problem of the construction industry - the paper-based processes prevent business from optimizing costs, resources, and time, and meeting the need to continuously expand their operations with increasingly complex projects.

According to Mr. Nguyen Hoang Minh, CEO of FPT IS: "In addition to deploying the corporate governance system for Coteccons, the cooperation with Coteccons in this project also sets the stage for us to connect and build a unique digitalization platform for the construction industry, helping businesses improve efficiency and reduce undue costs arising due to the industry's complexity."

“

Vietnamese construction companies have the capacity to deliver great projects, like Long Thanh airport, on schedule,” quoted Mr. Bolat Duisenov at a recent conference organized by the French Chamber of Commerce and Industry in Vietnam.

## EXPERIENCE SHARING FOR A SUSTAINABLE CONSTRUCTION INDUSTRY

Attending the seminar themed "Net Zero 2050: Roadmap to decarbonization in buildings" recently organized by Schneider Electric, Coteccons representative, Mr. Chris Senekki - Deputy CEO - shared about the Company's solutions and actions in the effort to reduce carbon emissions in buildings, aligning with a green building philosophy.

Accordingly, Coteccons' experience in sustainable development, in particular the IMPACTD Sustainable Development Program, were a good case study for other businesses to learn from and adopt.

Hong Ngoc Hospital and Viettel headquarters are projects with high sustainability standards.





# ACHIEVEMENTS AND ACTIVITIES IN THE YEAR ON SUSTAINABLE DEVELOPMENT

## PROJECTS ON AFFORESTATION AND ENVIRONMENTAL PROTECTION IN QUANG BINH

Coteccons has created a website which aims at contributing to neutralizing carbon emissions. The Company will plant trees to offset carbon emissions corresponding to the emissions measured from the site.

[www.websitecarbon.com/website/coteccons-vn/](http://www.websitecarbon.com/website/coteccons-vn/)

In April 2022, Coteccons launched the “Green Up” tree planting campaign under the forest conservation project at Phong Nha - Ke Bang botanical garden in response to the Prime Minister’s project to plant 1 billion trees by 2025. The campaign also aims to contribute to raising community awareness in forest development and environmental protection in Phong Nha - Ke Bang National Park area, a world natural heritage.

Accordingly, Coteccons collaborated with Quang Binh Provincial People’s Committee to plant 2,175 trees at Phong Nha - Ke Bang National Park. All selected trees are suitable for the typical ecosystem in Phong Nha - Ke Bang and are planted and cared for according to a standardized process with the aim of preserving native forest species.

At this event, Mr. Tran Thang - Chairman of Quang Binh Provincial People’s Committee - said: “We highly appreciate Coteccons’ contribution. In the proposal for the project of 1 billion trees by 2025, Quang Binh strives to plant more than 10 million trees. With practical and long-term contributions from businesses like Coteccons, the province will soon achieve the target, for a greener and sustainable Vietnam.”

Following the Green Up campaign, Coteccons will plant 8,000 special-use forest trees in the buffer zone to protect the white-necked langur

“

In the past year, Coteccons has implemented 2 major programs on afforestation and environmental conservation with a total of 10,175 new trees planted in Quang Binh - a locality with many natural heritages that need to be protected.

population in Thạch Hoa commune, Tuyên Hoa district, and Quang Binh province with a total investment of 1 billion VND.

After the launching ceremony, 8,000 golden dipper trees and Indian Redwood trees are expected to be planted in a few months. Coteccons will monitor the growth and development of trees annually in December.

This is to fulfill the commitment to plant 10,000 trees after the Coteccons Quang Binh Marathon organized by Coteccons in early August 2022. Coteccons will plant 1 tree in Vietnam’s greening journey for every 5 km completed by athletes in the race, at the Prime Minister’s call.

Present at the project launching ceremony, Mr. Mai Xuan Hap - Deputy Director of Quang Binh Department of Agriculture and Rural Development, said: “In 2022, Quang Binh’s forest coverage will reach 67.8%. We greatly appreciate Coteccons for taking many initiatives and participating in many tree planting activities





# ACHIEVEMENTS AND ACTIVITIES IN THE YEAR ON SUSTAINABLE DEVELOPMENT

in Quang Binh province, demonstrating their responsible role for the environment. Cotecons is again implementing a very meaningful project of afforestation at the Langur Sanctuary in Thach Hoa, Tuyen Hoa, which not only improves the landscape value and biodiversity but also increases the forest cover. They bring social, economic, and environmental benefits.”

The white-necked langur, scientifically known as *Trachypithecus hatinhensis*, belongs to the primate order, the IB group, and is extremely rare and endangered in the Red Book of Vietnam and the rest of the world. In Tuyen Hoa district, there are currently about 180 white-necked langurs. Quang Binh Province has been implementing many models of cooperation, management, and conservation to raise awareness of protection and conservation of the white-necked langur.

## PARTNERSHIP FOR GREEN DEVELOPMENT

Customers that adopt sustainable standards and policies are also a good source of knowledge and experience for Cotecons to improve its adoption of new technologies and techniques. For customers who do not have much experience, Cotecons actively shares its experience to change their perception towards more sustainable development options through practical activities.

In 2022, one of the projects that Cotecons is most proud of is the LEGO factory. This is a Danish company’s largest investment project in Vietnam and is part of the LEGO Group’s strategy to expand its supply chain network. The factory construction was officially commenced at VSIP III Industrial Park, Binh Duong, in early November 2022.

In addition to its great scale and value, the project also offered Cotecons the opportunity to access cutting-edge technology and environmental standards. This is the first LEGO factory which is designed as a carbon-neutral facility. In addition to rooftop solar panels, the factory also has a solar farm developed close by, meeting the total annual increasing demand.

On the same day, Cotecons also completed the acceptance and monitoring of Green Up project Phase I - afforestation at Phong Nha - Ke Bang Botanical Garden. The 2,175 native forest trees planted during the period adapted to the land and developed well.

Green Up is an initiative under the IMPACTD - Cotecons’ sustainable development program with an effort to minimize - offset negative impacts on society and the environment. Cotecons will sustain the program in the long term, aiming to increase green coverage throughout the country in order to prevent natural disasters, protect the environment, respond to climate change, conserve biodiversity, and maintain natural ecosystems for future generations.



The factory also uses state-of-the-art energy-efficient production equipment and is built to the minimum level of LEED Gold - a globally recognized green building certification.

As the Prime Contractor, Cotecons undertakes all construction works, construction structure, electromechanical and finishing works for subdivision 1-5 with a construction floor area of up to 163,000m<sup>2</sup> (GFA). Built on an area of

44 hectares, the size of 62 football fields, LEGO factory is home to the most advanced technologies to mold, process and package LEGO products.

Previously, in an effort to spread the spirit of green development to its partners, Cotecons also carried out the action program “Light up your life” for a green, clean and beautiful environment in Novaworld Phan Thiet. In response to the GreenUp campaign, Cotecons and Novaland cleaned the beach in Tien Thanh commune, Phan Thiet with the participation of Phan Thiet city leaders and contractors.

Given substantial efforts by Cotecons team, the Company’s sustainable development activities have created an increasingly stronger influence, including partners - investors engagement.



# ACHIEVEMENTS AND ACTIVITIES IN THE YEAR ON SUSTAINABLE DEVELOPMENT



## SPREAD THE MESSAGE OF GREEN LIVING LIFESTYLE

### COTECCONS QUANG BINH MARATHON - GREEN UP

This is considered Coteccons' most impressive activity in the past year as it has created a great impact in many aspects.

The Marathon organized by Coteccons with the Green Up theme aims at promoting a healthy lifestyle through building a FUN - HEALTHY - GREEN race. The event took place in early August 2022. This is not only a race to win, but it also contributes to spreading a green, sustainable - environmentally friendly lifestyle.

With the GREEN UP theme, Coteccons Quang Binh Marathon utilized recycled and environmentally friendly materials as much as possible. Especially, for every 5km completed by athletes, Coteccons will plant 1 tree in Vietnam's greening journey at the call of the Prime Minister.

Coteccons Quang Binh Marathon 2022 brought the breath of a green construction industry. The Marathon made use of 4,000 old scaffolds from construction sites to recycle, building gates, banners and stages. The idea emerges from the desire to organize a green running race, minimizing environmental pollution materials, and

bringing a new experience to athletes.

The medals of the event also convey a green message as they were made from 400kg of recycled materials (straws, milk cartons, plastic cups/caps...), collected and manufactured by Coteccons and Plastic People adopting advanced technology. The medal sample was personally introduced to 2,000 athletes by Mr. Bolat Duisenov - Coteccons Chairman and emphasized that this was a hard-to-find item for a runner.

Faslink shirts also uses nano air weaving fabric made of recycled materials from plastic bottles, processed in factories that meet GRS global recycling standards, ensuring 100% environmental friendliness.

According to the organizers, prioritizing recycled materials and reusing old scaffolding is just one of many approaches for the Marathon to spread the message of green lifestyle. Coteccons Quang Binh Marathon also chose B&T Wind Farm cluster as the starting line. The track running through 60 turbines also inspires runners to sustainable clean energy.

These 60 turbines can supply power to meet about 60% of electricity demand in Quang Binh province and reduce about 581,000 tons of CO<sub>2</sub> per year.



For sustainable development to be practiced in a regular and quality manner, the most important part is to build awareness and turn it into a natural action of the community. Coteccons has devoted much effort to this goal on a large scale over the past year.

In addition, the race track sides at sunset are also lit up with nearly 100 solar lights from SolarBK. Each light can reduce CO<sub>2</sub> emissions equivalent to planting 4 additional trees.

After the finish line, the Marathon also offers the activity of "greening where you run" to encourage runners to continue running for the environment. For every 5km completed, Coteccons plants one more tree on behalf of the athletes. In total, 10,000 new trees were planted after the event.

### "GREEN FRIDAY" WITH COTECCONS GROUP'S CONSTRUCTION SITES

Every Friday, workers at Le Meridien Resort & Spa construction site organize Green Day. The activity aims at encouraging workers to join hands to keep the construction site green and create a clean working environment even though everyone is busy after a hard working day.

From the Steering Committee to subcontractors, everyone works together on tasks such as cleaning, garbage collection, etc. Green Day activities help everyone partly relieve work pressure, create team environment and above all, cultivate a sense of environmental protection- for a "green, clean, beautiful and safe" construction site.

In response to "Green Friday", Ixora Ho Tram construction site maintains a regular cleaning routine from Thursday weekly, creating a clean and tidy working space for everyone.

Green Day has continued to strongly spread the message of "Green - Clean - Safe" - "Green Office" to other buildings as well as the office environment of Coteccons and its member companies.

### "GREEN UNIFORM" COLLECTION MADE FROM PLASTIC BOTTLES AND RECYCLED COFFEE GROUNDS

Fulfilling a commitment to practice sustainable development from the smallest actions, Coteccons introduces a collection of new uniforms using 100% recycled fabric made from coffee grounds and plastic bottles. This is one of the green initiatives under Coteccons' IMPACTD Sustainable Development Program to implement environmentally friendly solutions.

COTECCONS GREEN UNIFORM collection uses the branding color palette: Blue navy, blue teal and gray with designs that honor the youth, free spirit, creativity and "vibe" of people in construction field. The collection includes 4 designs: Suits, shirts, Polo shirts and protective clothes to suit different needs from the office to the sites.

The two materials used are Nano fabric (woven from 100% recycled plastic bottles) and coffee fabric (woven from recycled plastic bottles and coffee grounds). Regarding coffee fabric, every 3 cups of coffee and 5 recycled plastic bottles are sufficient to create a shirt. In particular, these fabrics can be recycled after a period of use and continue to be used for new designs, forming a closed loop and minimizing waste disposed into the environment.

These "green" fabrics are not only environmentally friendly, but also have a breathable surface, fast absorption, high mechanical stretch, bringing comfort to the wearer.

Wearing a green uniform is the pride of Coteccons people, especially in spreading a meaningful message on the journey to a more sustainable and better future.





In recent years, Coteccons has implemented many cooperation programs with universities to offer students opportunities to learn industry practices and knowledge. The activity contribute to the goal of developing quality human resources for the future of Vietnam's construction industry.



## BUILDING FUTURE GENERATIONS

Last year, Coteccons had 4 scholarship programs and talkshows with the theme Nextgen Building Futures at Ho Chi Minh City University of Technology, the University of Danang, Ho Chi Minh City University of Architecture and Hanoi University of Civil Engineering.

The programs were attended by the schools' Board of Directors and leaders and a large number of students. In the talkshows, Coteccons representatives also share real-life stories about the industry, working environment, knowledge and skills needed at present and in the future as well as answering students' questions.

At the same time, through the series of programs, Coteccons has also awarded hundreds of scholarships (VND 5 million/ person) to support the highly potential students financially and spiritually.

On another level, Coteccons organizes annual internships for students from Ho Chi Minh City University of Technology, Ho Chi Minh City University of Architecture, Hanoi University of Civil Engineering, etc. The activity aims to offer 3<sup>rd</sup> and 4<sup>th</sup> year students the opportunity to participate in projects, gain experience, learn, improve their soft skills and hands-on experience at construction sites.

After rounds of selection and interviews, the 12 best students were accepted for internship in 2022. The students were able to participate in projects in the South last June.

With the motto "Focus on human development - People are the most valuable asset" - People are the most valuable asset", these interns will be the successor generation, future high quality engineers who can join the Company immediately after graduation. They will be the young and well trained talents who are fully equipped with knowledge and skills to contribute to "creating the future" with Coteccons.



# ACHIEVEMENTS AND ACTIVITIES IN THE YEAR ON SUSTAINABLE DEVELOPMENT

## TOWARDS VULNERABLE COMMUNITIES

At the end of August, 2022, the Executive Committee of Cotecons & Unicons Trade Union participated in the Mid-Autumn Festival Program for disadvantaged children affected by the Covid-19 pandemic jointly organized by the Center for Social Work of Ho Chi Minh City Trade Union and Binh Thanh District Labor Confederation. Representatives of the Executive Committee of the Trade Union presented 11 scholarships from the DREAM UP fund contributed by the Cotecons - Unicons employees in the intra-company marathon named “Dream Up - Raise funds for children to stay in school: one step, one hope.”

DREAM UP is an activity on the sidelines of the Cotecons Quang Binh Marathon - Green Up, organized to build running habits for employees. In addition, the prize also aims to raise funds to help disadvantaged children in Binh Thanh district. Specifically, each kilometer completed by Cotecons members and recorded on the runner app will receive a matching amount to the DREAM UP charity fund for children. The fund will be presented to a number of orphans due to Covid-19 pandemic. The program officially took place from June 10, 2022 and the results kept being recorded through July 31, 2022.

In summary, the marathon Dream Up 2022 has officially recorded 20,000Km from more than 200 runners of Cotecons and Unicons. In particular, Mr. Tran Phan Nhan from Cotecons’ finance and accounting department contributed a record journey of up to 752 km.

Then, the Cotecons team carried out a Journey of Love - Pick the Moon to the Village, creating a memorable full moon festival for more than 450 children in Ham Can - a remote area of Binh Thuan province.

The program was participated by representatives of the Board of Directors and employees of Cotecons - Unicons, especially the Management



**Volunteering activities towards those in need of support, such as children from disadvantaged backgrounds, is also a constant priority of Cotecons.**

Team of Nova World Phan Thiet Construction Site. Local leaders, including the Secretary of the Party Committee of Ham Can Commune, the Youth Union of Binh Thuan Province Police Department and representatives of socio-political organizations, teachers, and more than 450 children from primary schools in the commune.

Ham Can is a commune of Ham Thuan Nam district with 90% of the population being Raclay indigenous people. The commune has 1,200 households, 4,200 people, 720 children of school age, 260 children from poor and near-poor households, 20 orphans and children with disabilities. Many local residents still live in extreme hardship, many children even do not know about the Mid-Autumn Festival and the lantern parade. With support of the Nova World Construction Site Management Team and local departments, Cotecons carried out the journey “Pick the moon to the village” to bring a meaningful Mid-Autumn Festival to the children.

At the program, Cotecons representatives also awarded 20 scholarships to students with outstanding academic performance, encouraging them to strive further to achieve their dreams.

### COTTECCONS’ CONTRIBUTION OF TO THE JOURNEY

**752Km**



## “MY HOUSE” PROJECT - WORKS RENOVATION WITH USED/EXPIRED PAINT

By utilizing existing paint sources that have expired or been used, “OUR HOME” not only beautifies the old buildings but is also an environmentally friendly solution, minimizing harm to the environment.

With OUR HOME, Cotecons brings goodwill and interest to put on new colors for buildings and paint the joyful colors of hope, with the belief that far or near, home is where there is love.

In September 2022, the project was started in Tien Giang province. With support of the APACHE Construction Site Management Team, OUR HOME program has brought a bright new look to 4 houses in the area.

Following Tien Giang, OUR HOME continues to be implemented at Lot D, Thanh Da Apartment, HCMC. More than 30 households have received paint and implemented renovation for their apartments. Especially in the public areas, the main stairway of the apartment block D, the bright new color is put on the old stone and brick walls, along with the words “OUR HOME”, bringing a vitality to life for the residential area.

In the near future, MY HOUSE will continue to be deployed on a large scale, especially in the North



**Another highly appreciated project of Cotecons in the past year is OUR HOME - a community activity to bring a new look to public buildings or houses of families in hardship. The project contributes to realizing Cotecons’ commitment to creating a better future through small actions, starting from the simplest of buildings.**

and Central regions. The program is expected to renew about 100 buildings, bringing brighter spaces to local people.



## ACHIEVEMENTS AND ACTIVITIES IN THE YEAR ON SUSTAINABLE DEVELOPMENT



### “BUILD TET” AND CARE FOR THE CONSTRUCTION TEAM

In early 2023, Cotecccons cooperated with Dan Tri E-Newspaper, with the companion of the Ministry of Labor, Invalids and Social Affairs, to implement the project “Build Tet 2023” across 60 of Cotecccons’ active construction sites nationwide. This project can be attributed to high consensus among over 2,000 engineers - employees and the support from 500 partners of the Company.

“Build Tet 2023” delivered 12,000 Tet gifts to workers at construction sites when Tet was around the corner. Besides, Cotecccons also organizes many other activities such as organizing haircuts at the construction site for employees, taking Tet photos and giving free coach tickets back to their hometown, etc.

This practical and timely support, both materially and emotionally, shows Cotecccons’ respect to those who are shaping our works.

In that spirit, Cotecccons is committed to building a sustainable working environment for construction workers through the following tasks:





### ENSURING SAFE WORKING ENVIRONMENT

Coteccons always puts safety as a prerequisite for construction sites. The company spends time, efforts and budget to ensure the safety of workers. In addition, the safety policies of Coteccons are also obligatory for employees to ensure their own safety during work under the close supervision of the safety supervisors.

Coteccons also conducts regular (weekly) safety training courses to update safety information by stage, by weather condition, by construction stage or some common errors, attracting attention and build responsiveness among workers in complying with safety regulations.

### PROVIDE UPSKILL TRAINING

Periodic skill training courses not only help ensure the quality of Coteccons' projects but also improve construction workers' skills, thereby contributing to the improvement of construction quality in Vietnam in general as the workers work in the construction of other works.

### SUSTAINABLE INCOME AND LIVELIHOODS SECURITY

Coteccons gives top priority in allocating financial resources and developing payment policies related to the construction workers. The Company is well aware that to construction workers, their livelihood and their families depend entirely on the project as well as the contractor's payment policy.

66

With 65 projects implemented during the year, Coteccons' construction sites have welcomed nearly 200,000 laborers. Construction workers often work in labor-intensive environments that require more care. Coteccons determines that improving the lives of this workforce is also an important task in sustainable development.

### CREATING FAIR, PEOPLE-DRIVEN, AND CONSIDERATE WORKING ENVIRONMENT

Coteccons engineers work with the construction team based on the principle of fairness, respect and kindness as with all other partners. In addition to care and tribute activities, Coteccons also implements forms of communication to increase the efficient communication with construction supervisors and acknowledge the direct contribution of this workforce.

For example, at the LEGO factory site, workers can give feedback simply with a QR code posted across the construction site or call the hotline directly to connect to the safety supervisor.

Coteccons is a pioneer in creating two-way dialogue channels with the workers. In the near future, this activity will be implemented synchronously across all Coteccons projects.



# ASSESSMENT OF MATERIAL ISSUES AGAINST GRI STANDARDS

Coteccons looks at our sustainability practices against the latest GRI standards to assess the existing performance and effectiveness.

Within our scope of operations, Coteccons identified 15 material issues covering economic, environmental and social aspects for assessment.

Based on Coteccons’ performance in 2022, these 15 material issues were practiced satisfactorily and excellently by the Company, despite a challenging and volatile market. This placed the Company in the Top 20 Sustainable Enterprises (VNSI) by HoSE, the German Organization for International Cooperation (GIZ) and the State Securities Commission.

In the years to come, Coteccons will further work on these issues for greater contribution and impacts on our sustainable development as envisioned in our strategy.



## ECONOMIC

- GRI 201**  
Economic performance
- GRI 202**  
Market presence
- GRI 203**  
Indirect economic impacts
- GRI 204**  
Procurement Practices
- GRI 205**  
Anti-corruption



## ENVIRONMENTAL

- GRI 301**  
Materials
- GRI 302**  
Energy
- GRI 303**  
Water and Effluents
- 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 community

“

To carry out the corporate mission and build lasting works, Coteccons is fully aware of the importance of sustainable development and determines that ESG adoption is an essential part of the Company’s operations.





ECONOMIC

With positive business performance and strong impacts of different activities, Coteccons reestablished ourself as a leading construction company in Vietnam, as seen in the awards and recognitions presented in the previous parts of this annual report, especially in the awards - accolades won in 2022.

This has been the 18th year in our history when we positively contributed to sectoral, market and socio-economic development. Coteccons plays an important role with a large community of customers, partners, suppliers, subcontractors, shareholders, investors, employees and workers, both direct and indirect.

GRI 201 – ECONOMIC PERFORMANCE

In 2022, despite challenging market conditions, Coteccons’ business results stayed positive. Our contribution to the national economic growth was also higher.

The total direct economic value created by the Company reached nearly VND 14,537 billion, mainly from sales and service provision. Out of this, the cost of goods sold and services provided was nearly VND 14,050 billion and overhead cost of nearly VND 735 billion. By the end of 2022, the Company’s total assets reached VND 18,967 billion,

Tax payments by the Company were made in an accurate and timely manner in accordance with applicable regulations. Coteccons’ tax payments in 2022 are as follows:

TAXES	Unit: VND
Corporate Income Tax	35,242,119,338
Value Added Tax	118,387,364,285
Personal Income Tax	62,700,929,711
Other taxes	66,822,213

COMPANY’S TOTAL ASSETS  
(VND BILLION)

18,967

GRI 202 – MARKET PRESENCE

Coteccons was ranked 34th in the Top 50 Best Enterprises in Vietnam by Vietnam Report and VietnamNet. Unicons, as one of our subsidiaries, was also listed and ranked 43th.

Coteccons also increased our public presence. In particular, the Company gained great trust among foreign clients - as evidenced by our winning bids offered by large and influential projects invested by FDI enterprises or with international investors.

Up to now, Coteccons has contributed to the implementation of nearly 500 projects across the country and has made our presence in Laos, Cambodia, and Myanmar. In 2022 alone, the Company carried out construction of 65 projects.

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, through a network of subcontractors, Coteccons created working environments for 192,453 workers at 65 construction sites across the country last year.

In addition, the Company has a close relationship with a large network of suppliers, shareholders - investors, customers - developers. Buildings constructed 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, high prices of materials due to the pandemic together with supply chain disruptions also required the Company to review and strengthen procurement activities to make them more efficient.

GRI 205 – ANTI-CORRUPTION

Issued together with the Business Code of Conduct, the Anti-corruption Rules are also upheld by Coteccons for sake of consistency with transparency.

Accordingly, the Company has clarified the definition offering and taking bribes; Evidence of legal regulations on anti-corruption in Vietnam; and especially highlight the application of the Foreign Corrupt Practices Act (FCPA) to business conduct.

Similar to the Business Code of Conduct, the Anti-corruption Rules also apply to all members of Coteccons.

At the same time, in order to promptly recognize as well as encourage and facilitating relevant parties’ access to clarify questions or report violations or suspected violations related to the above-mentioned policies, the Company publicizes the email address of the Human Resources Department: hrdept@coteccons.vn and ensures confidentiality for those who provide information.

GRI 205-2 Communication and training about anti-corruption policies and procedures

The training program on Anti-corruption Regulations is a mandatory program of the Company and is also a mandatory requirement in the bidding documents with some foreign partners, helping employees understand Coteccon’s responsibilities, coordination process, behaviors, values, and standards when working with third parties.

The program is implemented by the Training Center for 100% of the Company’s employees (require a signed commitment after completion). The program is implemented twice a year (the first time is when employees enter the Company and another is implemented later) to ensure that all employees understand the program as well as commit to comply.



## ENVIRONMENTAL

Combating pollution and contribute to the restoration and improvement of the environment is priorities in Coteccons' sustainable development 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.

Last June, the Company was re-certified to 3 ISO standards: ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018.

The company also executes projects that meet US Green standards (LEED), which help to save energy, use water efficiently, reduce CO<sub>2</sub> emissions, and improve environmental quality both outside and inside the apartment.

### 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. The Company always use recycled materials if possible.

### 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 41,600m<sup>2</sup> located in 03 regions of Vietnam 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 buildings that meet the Green building standards.

### 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 all projects for which the Company is responsible and designs water-saving solutions for LEED Gold standard projects. Especially in Ho Chi Minh City and Hanoi, the Company encourages employees to save water in both home and office.

### 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 with large scale and efficient projects in the past year clearly reflect the Company's commitment to contributing to positive social development.

Moreover, the Company is consistent with long-term programs in supporting and fostering the young generation to prepare human resources for the future society, maintaining the salary and welfare of employees, organizing Leadership Gathering seminars periodically to deploy the Company's strategic orientation and vision for mid-level personnel and above.

GRI 401 - EMPLOYMENT

In addition to creating great opportunities for indirect jobs, the number of direct employees at Coteccons at the end of last year was 2,262 labors, which is 28% (498 labors) higher than the previous year. The turnover rate at our Company is very low due to the stable working environment and good recruitment process.

The average salary, bonus and welfare policies for Coteccons employees are higher than the average level of the labor market. Last year, Coteccons was ranked at the top of the Best Working Environment in the Construction Industry.

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.

Employees at Coteccons are guaranteed a safe working environment, including regular safety training courses through the E-learning system, appropriate working schedules, regular site disinfection and compliance with state regulations on disease prevention. As a result, Coteccons achieved more than 29 million safe hours in 2022.

Coteccons also offers comprehensive health insurance for all employees and provides financial support for them to buy health insurance for their families.

In particular, Coteccons has a Safety Committee to specialize this field. In 2022, 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

In 2022, the Training Center has implemented a total of 96 training programs with 166 topics. Including the topics for Unicons, the total number of training topics is 278.

More than 1,700 employees participated in training courses. Total training hours is 32,850 hours (up 29% compared to 2021). The average hours of training per employee is 19 hours/employee/year (up 18%)



out of the total 8,403 training sessions of both Coteccons and Unicons (up 15% compared to 2021).

In 2022, the Training Center mostly use internal trainers for training courses to save costs. Accordingly, the total training cost of both Coteccons and Unicons in the year was nearly 607,000,000 VND.

In addition, Coteccons also maintained regular cooperation programs with universities such as the University of Science and Technology, University of Construction, Ho Chi Minh City University of Architecture, Danang University, Hanoi University of Construction, etc., to implement scholarship, and internships as well as train young generation of 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

During the year, the Company implemented many programs for community development, focused on children and workers. My house, Picking the moon for you, Dream Up, Build Tet ... mentioned in detail above are some typical illustrations.



# ENGAGEMENT OF STAKEHOLDERS

Coteccons always respects the legitimate interests of stakeholders according to the criteria of honesty, transparency and professionalism. This is specified in the Company’s Business Code of Conduct, evidenced by contracts and cooperation, and specified in policies on customers, suppliers, subcontractors, environment, community, anti-corruption, creditor protection, welfares, labor safety, etc.

Legitimate interest is also the basis for the Company to design the corresponding organizational structure, operating procedures and corporate culture.

With various flexible approaches, the Board of Directors 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.

## 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 welfare.	• Annually	• Ensure job security, professional, equal, and non-discriminated working environment. • Offer attractive benefit, salary, bonus policies, fair working conditions. • Secure occupational safety standards. • Be recognized for achievements and contributions. • Offer opportunities for career promotion and succession planning. • Provide training and upskilling programs.	• Be recognized as the best place to work in Vietnam in the Construction industry for years. • Organize rigorous recruitment to ensure transparency and fairness. • Maintain the salary, bonus and welfare policies of employees. • Build fair compensation policies and development roadmap. • 8,403 training sessions, 32,850 hours of training (up 29% compared to 2021). • Give special priority to occupational safety and health. • Offer 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. • Develop and train successor team. • Develop and promote “One Team” spirit for the whole Company.
	• Annual employee meeting.	• Annually		
	• Periodic events of the Company.	• Annually/ quarterly		
	• Training and coaching programs.	• Continuously		
	• Internal communication programs and publications.	• Monthly		
	• Mechanism for direct discussion, complaint settlement, two-way consultation.	• Continuously		
Customers - Investors	• Face-to-face meetings, and phone/ email discussions with developers	• Continuously	• Quality • Brand name and reputation • Project progress. • Occupational safety. • Construction costs • Construction engineering. • Construction team.	• Achieve the Certificate of Construction Activity Capability. • The management system is built and implemented according to the latest international standards such as ISO 9001:2015, ISO 14001:2015, ISO 45001:2018. • Continuously update and perfect internal technical processes. • Possess impressive construction technology and equipment capability. • Import the machinery and equipment from Europe and developed countries in the region. • Diversify products and services to serve customers’ needs through R&D activities. • Actively consult and seek solutions to support customers and developers in legal, technical detail, and financial issues. • Fulfill commitments with customers on schedule with the best quality. • Maintain regular interaction and acknowledgment of ideas through the following channels: Business Development Department, Warranty Department, survey emails, face-to-face meetings, etc.
	• Customer survey questionnaires.	• Annually		
	• Consulting workshops and conferences on construction engineering.	• Continuously		
	• Training sessions on occupational safety and health in construction,	• Continuously		
	• 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		
	• Market research.	• Continuously		

## STAKEHOLDER CONSULTATION PROCEDURE





# ENGAGEMENT OF STAKEHOLDERS

Stakeholder identification	Communication/meeting channel	Dialogue frequency	Matters of concern	Coteccons' efforts to meet stakeholders' expectations
<b>Partners (suppliers/subcontractors/construction teams)</b>	• Face-to-face meetings.	• Continuously	<ul style="list-style-type: none"> <li>• Procedure of selecting and evaluating subcontractors, suppliers, construction teams.</li> </ul>	<ul style="list-style-type: none"> <li>• Value of newly signed contract in 2022: over VND 25,000 billion</li> <li>• Strive to accompany with more than 3,000 subcontractors, suppliers, and construction teams.</li> <li>• Make payment for subcontractors, suppliers, and construction teams on time.</li> <li>• Hold meeting with partners to research and brainstorm solutions to improve work quality.</li> <li>• Regularly re-evaluate the partners' capacity in coordinating, providing products and services, etc., to meet the needs of the Company and customers.</li> <li>• Implement the “Build Tet” program and activities to support LLTC.</li> </ul>
	• Annual conferences and workshops for subcontractors, suppliers, and construction teams	• Annual/quarterly	<ul style="list-style-type: none"> <li>• Policy to support and develop construction units to works together with Cotecccons, especially during the Covid-19 pandemic.</li> <li>• Payment process for subcontractors, suppliers, construction team.</li> </ul>	
	• Outbound communication via website, email, phone, etc.	• Continuously	<ul style="list-style-type: none"> <li>• Create long-term collaborations with partners.</li> <li>• Transparency and fairness.</li> <li>• Cooperation for mutual benefits.</li> </ul>	
<b>Shareholders - Investors</b>	• Annual General Meeting.	• Annually	<ul style="list-style-type: none"> <li>• Corporate Governance issues.</li> <li>• Management and executive capacity of the Board of Directors.</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with information disclosure regulations.</li> <li>• Improve corporate governance performance by exercising the good international corporate governance code such as OECD, Asean Scorecard, IFC, Vietnam Corporate Governance Code of Best Practices for Public Companies in Vietnam.</li> <li>• Ensure equality in all activities between domestic and foreign shareholders, individual and institutional shareholders.</li> <li>• Actively seek cooperation opportunities with shareholders and strategic investors.</li> <li>• Flexibly adjust business strategies to maximize profits and bring benefits to shareholders.</li> <li>• Promote and diversify information channels, actively hold meeting with shareholders, investors, analysts.</li> </ul>
	• Extraordinary GMS, consultation from Shareholders.	• Occasionally	<ul style="list-style-type: none"> <li>• Medium- and long-term development strategies.</li> </ul>	
	• Face-to-face meetings and consultations	• Annually	<ul style="list-style-type: none"> <li>• Stable business performance.</li> </ul>	
	• Dialogue with Shareholders, Analyst Conferences	• Quarterly	<ul style="list-style-type: none"> <li>• Compliance and transparency in information disclosure.</li> <li>• Protect shareholders' interests and fairness.</li> </ul>	
	• IR channel: Email, phone, website, social media, forums, etc.	• Annually	<ul style="list-style-type: none"> <li>• Future development potential of the Company.</li> <li>• The internal values of the Company, the market price of the shares.</li> </ul>	
<b>State regulators</b>	• Update and apply new policies and regulations of the State.	• Continuously		<ul style="list-style-type: none"> <li>• Strictly comply with the laws, regulations and guidelines set forth by the regulators in all activities of the Company.</li> <li>• Ensure occupational safety and health in the construction of all projects.</li> <li>• Minimize impacts on the environment.</li> <li>• Fulfill tax obligations with the State budget.</li> <li>• Actively participate in and become a member of industry associations, contribute ideas to build markets for new products.</li> </ul>
	• Cooperate with local authorities in fire prevention, environmental protection, construction safety.	• Continuously	<ul style="list-style-type: none"> <li>• The rule of law.</li> <li>• Responsible business.</li> <li>• Contribute to the State budget.</li> </ul>	
	• Participate in State-held conferences and workshops.	• Occasionally	<ul style="list-style-type: none"> <li>• Support and respond to policies and calls of state agencies.</li> </ul>	
	• Make proposals and comments on draft legal documents.	• Occasionally	<ul style="list-style-type: none"> <li>• Actively contribute to the development of the industry.</li> </ul>	
	• Effectively interact with agencies and authorities.	• Continuously		
<b>Community</b>	• Coordination with local authorities to implement community programs.	• Occasionally	<ul style="list-style-type: none"> <li>• Responsible business, contribution to local economic development.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement more than 500 projects across Vietnam and countries in the region such as Laos, Cambodia, and Myanmar.</li> <li>• Create jobs for nearly 2,300 employees and more than 30,000 indirect workers.</li> <li>• Establish the One heart charity fund.</li> <li>• Make great contributions to charity activities.</li> <li>• Implement many far-reaching programs on afforestation, green lifestyle, home repair, and support for the needy, etc.</li> <li>• Maintain relationship with reliable universities such as Ho Chi Minh City University of Technology, University of Architecture Ho Chi Minh City, University of Civil Engineering, etc. to train and supply the future workforce.</li> <li>• Business development strategy associated with ESG factors.</li> </ul>
	• Bilateral discussion through	• Occasionally	<ul style="list-style-type: none"> <li>• Create job opportunity and improve local income.</li> </ul>	
	• Volunteer programs in the local community.	• Occasionally	<ul style="list-style-type: none"> <li>• Create job for students and attract young talents.</li> </ul>	
	• University affiliated programs.	• Occasionally	<ul style="list-style-type: none"> <li>• Develop local infrastructure</li> <li>• Minimized construction impacts on the community.</li> </ul>	
<b>Communication</b>	• Press releases.	• Continuously	<ul style="list-style-type: none"> <li>• Truthful, transparent information that reflects the Company's activities and development strategies.</li> </ul>	<ul style="list-style-type: none"> <li>• Actively provide timely and transparent information to the market through press releases, conferences, etc.</li> <li>• Timely respond to questions and inquiries of the press.</li> <li>• Proactively handle information crises and correct false information about the Company in the market.</li> </ul>
	• Websites, social networks.	• Continuously		
	• Press Conferences.	• Occasionally		
	• Interviews.	• Continuously		
	• Conferences, seminars, forums on economy and construction.	• Occasionally		



# FINANCIAL STATEMENTS

## 2022

212 CONSOLIDATED FINANCIAL STATEMENTS

264 SEPARATE FINANCIAL STATEMENTS

---





# THE COMPANY

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 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 its shares on the Ho Chi Minh Stock Exchange with trading code as “CTD” in accordance with Decision No. 155/QD-SGDHCM 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 (“BOD”) during the year and at the date of this report are:

Name	Position	
Mr. Bolat Duisenov	Chairman	
Mr. Herwig Guido H. Van Hove	Member	
Mr. Talgat Turumbayev	Member	
Mr. Vo Hoang Lam	Member	appointed on 25 April 2022
Mr. Pham Quang Vu	Member	appointed on 25 April 2022
Mr. Tong Van Nga	Independent member	
Mr. Tan Chin Tiong	Independent member	
Mr. Trinh Ngoc Hien	Member	resigned on 25 April 2022
Ms. Trinh Quynh Giao	Member	resigned on 25 April 2022
Mr. Yerkin Tatishev	Member	resigned on 25 April 2022

## BOARD OF SUPERVISION

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

Name	Position	
Mr. Tran Van Thuc	Head of Board of Supervision	
Mr. Zhaidarzhan Zatayev	Member	appointed on 25 April 2022
Mr. Doan Phan Trung Kien	Member	appointed on 25 April 2022
Mr. Dang Hoai Nam	Member	resigned on 25 April 2022
Mr. Nguyen Minh Nhut	Member	resigned on 25 April 2022



MANAGEMENT

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

Name	Position	
Mr. Vo Hoang Lam	General Director	appointed on 5 August 2022
Mr. Pham Quan Luc	Deputy General Director	
Mr. Chris Senekki	Deputy General Director	
Mr. Nguyen Ngoc Lan	Deputy General Director	
Ms. Pham Thi Bich Ngoc	Deputy General Director	
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.

Name	Position
Mr. Bolat Duisenov	Chairman
Mr. Talgat Turumbayev	Chief Corporate Development Officer

Mr. Vo Hoang Lam is authorised by Mr. Bolat Duisenov to sign the accompanying separate financial statements for the year ended 31 December 2022 in accordance with the Power of Attorney No. 3613/2022/UQ-CTHDQT dated 5 August 2022.

AUDITORS

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

Management of Coteccons Construction Joint Stock Company (“the Company”) is pleased to present this report and the separate financial statements of the Company for the year ended 31 December 2022.

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the separate financial statements of each financial year which give a true and fair view of the financial position of the Company and of the results of its operations and its cash flows for the year. In preparing those separate 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 separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company 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 separate financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2022 and of the separate results of its operations and its separate 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 separate financial statements.

The Company has subsidiaries as disclosed in the separate financial statements. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 96/2021/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiaries (“the Group”) for the year ended 31 December 2022 dated 28 March 2023.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Group.

For and on behalf of management:



**Vo Hoang Lam**  
General Director

Ho Chi Minh City, Vietnam  
28 March 2023



# INDEPENDENT AUDITORS' REPORT

Reference: 11658650/66768396

To: The Shareholders of Coteccons Construction Joint Stock Company

We have audited the accompanying separate financial statements of Coteccons Construction Joint Stock Company (“the Company”) as prepared on 28 March 2023 and set out on pages 218 to 262, which comprise the separate balance sheet as at 31 December 2022, and the separate income statement and the separate cash flow statement for the year then ended and the notes thereto.

### The Management’s responsibility

The Company’s management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company’s preparation and fair presentation of the separate 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 Company’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 separate 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 separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2022, and of the results of its separate operations and its separate 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 separate financial statements.

### Ernst & Young Vietnam Limited



Duong Le Anthony  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 2223-2023-004-1

Ho Chi Minh City, Vietnam  
28 March 2023

Pham Xuan Tuan  
Auditor  
Audit Practicing Registration Certificate  
No. 4639-2023-004-1



## SEPARATE BALANCE SHEET

as at 31 December 2022

B01-DN/HN

VND			
Code	ASSETS	Notes	Beginning balance (Reclassified - Note 33)
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>17,465,000,719,039</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>1,064,440,156,074</b>
111	1. Cash		635,440,156,074
112	1. Cash equivalents		429,000,000,000
<b>120</b>	<b>II. Short-term investments</b>		<b>1,778,375,679,012</b>
121	1. Held-for-trading securities	6.1	248,930,968,087
122	2. Provision for diminution in value of held-for-trading securities	6.1	(60,723,329,668)
123	1. Held-to-maturity investments	6.2	1,590,168,040,593
<b>130</b>	<b>III. Current accounts receivable</b>		<b>11,235,427,047,962</b>
131	1. Short-term trade receivables	7.1	10,926,639,023,214
132	2. Short-term advances to suppliers	7.2	596,908,711,504
134	3. Construction contract receivables based on agreed progress billings	7.3	-
135	4. Short-term loan receivables	8	432,045,000,000
136	5. Other short-term receivables	9	329,101,846,816
137	6. Provision for doubtful short-term receivables	7.1, 9	(1,049,267,533,572)
<b>140</b>	<b>IV. Inventory</b>	<b>10</b>	<b>2,837,856,762,717</b>
141	1. Inventories		2,908,572,998,229
149	1. Provision for obsolete inventories		(70,716,235,512)
<b>150</b>	<b>V. Other current assets</b>		<b>548,901,073,274</b>
151	1. Short-term prepaid expenses	11	7,735,625,390
152	2. Value-added tax deductibles		537,251,138,572
153	2. Tax and other receivables from the State	19	3,914,309,312

## CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2022

B01-DN/HN

VND			
Code	ASSETS	Notes	Beginning balance (Reclassified - Note 36)
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>1,502,071,227,628</b>
<b>210</b>	<b>I. Long-term receivable</b>		<b>403,407,794,753</b>
216	1. Other long-term receivables	9	403,407,794,753
<b>220</b>	<b>II. Fixed assets</b>		<b>560,040,400,541</b>
221	1. Tangible fixed assets	12	446,789,518,824
222	Cost		1,110,734,871,725
223	Accumulated depreciation		(663,945,352,901)
224	2. Financial leases	13	2,041,416,282
225	Cost		2,663,034,106
226	Accumulated depreciation		(621,617,824)
227	3. Intangible fixed assets	14	111,209,465,435
228	Cost		143,308,383,868
229	Accumulated amortisation		(32,098,918,433)
<b>230</b>	<b>III. Investment properties</b>	<b>15</b>	<b>37,580,763,475</b>
231	1. Cost		63,191,170,137
232	2. Accumulated depreciation		(25,610,406,662)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>24,927,045,808</b>
241	1. Long-term work in progress		-
242	2. Construction in progress	16	24,927,045,808
<b>250</b>	<b>V. Long-term investments</b>		<b>311,021,236,765</b>
252	1. Investments in associates	17.1	9,415,759,306
253	2. Investment in another entity	17.2	301,605,477,459
<b>260</b>	<b>VI. Other long-term assets</b>		<b>165,093,986,286</b>
261	1. Long-term prepaid expenses	11	97,818,152,558
262	2. Deferred tax assets	33.3	67,275,833,728
<b>270</b>	<b>TOTAL ASSETS</b>		<b>18,967,071,946,667</b>



## CONSOLIDATED BALANCE SHEET (continued)

as at 31 December 2022

B01-DN/HN

		VND	
Code	RESOURCES	Notes	Ending balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>10,753,109,689,422</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>10,226,584,924,427</b>
311	1. Short-term trade payables	18.1	5,188,557,548,080
312	2. Short-term advances from customers	18.2	2,120,832,619,308
313	3. Statutory obligations	19	8,000,082,996
314	4. Payable to employees		25,972,650
315	5. Short-term accrued expenses	20	2,022,063,945,391
318	6. Short-term unearned revenues	21	11,438,470,006
319	7. Other short-term payables	22	16,326,874,279
320	8. Short-term loans and finance leases	23	553,076,670,059
321	9. Short-term provisions	24	229,002,538,406
322	10. Bonus and welfare fund	25	77,260,203,252
<b>330</b>	<b>II. Non-current liabilities</b>		<b>526,524,764,995</b>
338	1. Long-term loans and finance lease obligations	23	524,113,095,361
342	1. Long-term provision	24	2,411,669,634
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>8,213,962,257,245</b>
<b>410</b>	<b>I. Capital</b>	<b>26.1</b>	<b>8,213,962,257,245</b>
411	1. Share capital		788,308,000,000
<b>411a</b>	<b>- Shares with voting rights</b>		<b>788,308,000,000</b>
412	2. Share premium		3,019,470,449,385
415	3. Treasury shares		(597,634,655,083)
418	4. Investment and development fund		4,667,193,310,873
421	5. Undistributed earnings		336,087,635,969
421a	- Undistributed earnings by the end of prior year		315,375,435,690
421b	- Undistributed earnings of current year		20,712,200,279
429	6. Non-controlling interests		537,516,101
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>18,967,071,946,667</b>
			<b>15,049,496,142,913</b>

  
**Tran Thi Thanh Van**  
 Preparer

Ho Chi Minh City, Vietnam  
 28 March 2023

  
**Cao Thi Mai Le**  
 Chief Accountant

  
**Vo Hoang Lam**  
 General Director

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2022

B02-DN/HN

		VND	
Code	ITEMS	Notes	Current year
<b>01</b>	<b>1. Revenues from sale of goods and rendering of services</b>	<b>27.1</b>	<b>14,538,688,107,336</b>
<b>02</b>	<b>2. Revenues deductions</b>	<b>27.1</b>	<b>(1,739,604,226)</b>
<b>10</b>	<b>3. Net revenues from sale of goods and rendering of services</b>	<b>27.1</b>	<b>14,536,948,503,110</b>
<b>11</b>	<b>4. Cost of goods sold and services rendered</b>	<b>28</b>	<b>(14,050,214,386,118)</b>
<b>20</b>	<b>5. Gross profit from sale of goods and rendering of services</b>		<b>486,734,116,992</b>
<b>21</b>	<b>6. Finance income</b>	<b>27.2</b>	<b>380,957,178,884</b>
<b>22</b>	<b>7. Finance expenses</b>	<b>29</b>	<b>(162,645,814,471)</b>
23	In which: Interest expense		(79,172,332,132)
<b>24</b>	<b>8. Share of loss of associates</b>	<b>17.1</b>	<b>(23,822,803,174)</b>
<b>26</b>	<b>9. General and administrative expenses</b>	<b>30</b>	<b>(734,758,141,359)</b>
<b>30</b>	<b>10. Operating loss</b>		<b>(53,535,463,128)</b>
<b>31</b>	<b>11. Other income</b>	<b>31</b>	<b>93,606,362,978</b>
<b>32</b>	<b>12. Other expenses</b>	<b>31</b>	<b>(5,245,345,971)</b>
<b>40</b>	<b>13. Other profit</b>	<b>31</b>	<b>88,361,017,007</b>
<b>50</b>	<b>14. Accounting profit before tax</b>		<b>34,825,553,879</b>
<b>51</b>	<b>15. Current corporate income tax expense</b>	<b>33.1</b>	<b>(37,877,223,323)</b>
<b>52</b>	<b>16. Deferred tax income</b>	<b>33.3</b>	<b>23,843,502,855</b>
<b>60</b>	<b>17. Net profit after tax</b>		<b>20,791,833,411</b>
<b>61</b>	<b>18. Net profit after tax attributable to shareholders of the parent</b>		<b>20,712,200,279</b>
<b>62</b>	<b>19. Net profit after tax attributable to non-controlling interests</b>	<b>26.1</b>	<b>79,633,132</b>
<b>70</b>	<b>20. Basic earnings per share</b>	<b>26.5</b>	<b>280</b>
<b>71</b>	<b>21. Diluted earnings per share</b>	<b>26.5</b>	<b>280</b>

  
**Tran Thi Thanh Van**  
 Preparer

Ho Chi Minh City, Vietnam  
 28 March 2023

  
**Cao Thi Mai Le**  
 Chief Accountant

  
**Vo Hoang Lam**  
 General Director



**CONSOLIDATED CASH FLOW STATEMENT**

for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	Accounting profit before tax		<b>34,825,553,879</b>	<b>38,153,947,667</b>
	Adjustments for:			
02	Depreciation and amortisation	12, 13, 14, 15	106,288,697,794	104,510,748,980
03	Provisions		520,133,967,351	310,234,417,485
04	Foreign exchange (gains) loss arisen from revaluation of monetary accounts denominated in foreign currency		(737,284,772)	567,079,417
05	Profits from investing activities		(352,020,655,076)	(202,960,109,336)
06	Interest expense	29	79,172,332,132	1,110,696,092
08	Operating profit before changes in working capital		<b>387,662,611,308</b>	<b>251,616,780,305</b>
09	(Increase) decrease in receivables		(3,284,746,857,498)	377,588,270,546
10	Increase in inventories		(1,188,081,918,932)	(198,460,170,744)
11	Increase (decrease) in payables		2,860,222,215,403	(59,823,196,622)
12	(Increase) decrease in prepaid expenses		(57,877,522,906)	56,960,132,425
13	(Increase) decrease in held-for-trading securities		(248,930,968,087)	130,000,000,000
14	Interest paid		(55,907,191,184)	(1,077,516,568)
15	Corporate income tax paid	19	(35,242,119,338)	(102,377,352,159)
17	Other cash outflows from operating activities		(4,189,696,984)	(33,262,270,859)
20	Net cash flows (used in) from operating activities		<b>(1,627,091,448,218)</b>	<b>421,164,676,324</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	Purchases of fixed assets		(194,756,167,542)	(47,079,581,566)
22	Proceeds from disposals of fixed assets		1,955,453,645	-
23	Payments for term deposits at banks, bonds and loans to other entity		(4,539,662,512,363)	(4,621,017,674,092)
24	Collections from bank term deposits, bonds and loans to other entity		5,490,768,256,345	3,761,495,711,061
25	Payments for investments in other entities		(524,581,971,519)	-
26	Proceeds from sale of investments in other entities		183,224,365,231	-
27	Interest and dividend received		316,509,960,605	226,066,979,126
30	Net cash flows from (used in) investing activities		<b>733,457,384,402</b>	<b>(680,534,565,471)</b>

**CONSOLIDATED CASH FLOW STATEMENT (continued)**

for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
32	Payment to buy treasury shares		-	(177,971,842,084)
33	Drawdown of borrowings		2,241,903,180,835	554,766,617,658
34	Repayment of borrowings		(1,167,712,377,487)	(554,766,617,658)
35	Payment of principal of finance lease liabilities		(816,918,214)	(972,000,000)
36	Dividends paid		-	(73,792,975,850)
40	Net cash flows from (used in) financing activities		<b>1,073,373,885,134</b>	<b>(252,736,817,934)</b>
50	Net increase (decrease) in cash and cash equivalents		<b>179,739,821,318</b>	<b>(512,106,707,081)</b>
60	Cash and cash equivalents at beginning of the year		<b>884,710,498,842</b>	<b>1,396,764,826,755</b>
61	Impact of exchange rate fluctuation		(10,164,086)	52,379,168
70	Cash and cash equivalents at end of the year	5	<b>1,064,440,156,074</b>	<b>884,710,498,842</b>


**Tran Thi Thanh Van**

Preparer

Ho Chi Minh City, Vietnam  
28 March 2023

**Cao Thi Mai Le**

Chief Accountant

**Vo Hoang Lam**

General Director



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2022 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, trading of real estate and building materials.

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 2022 was 2,263 (31 December 2021: 1,769).

### Group structure

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

As at 31 December 2022, 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’ registered office is located at No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. Covestcons’s current principal activities are to providing commission services and trading of real estates.

As at 31 December 2022, the Company holds 100% equity interest and voting rights in Covestcons.

## 1. CORPORATE INFORMATION (continued)

### Group structure (continued)

#### 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 current principal activities are to repair, install, lease and sell machinery, equipment and spare parts.

As at 31 December 2022, the Company holds 96,62 % 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 current principal activities are to lease solar water heaters and energy saving equipment

As at 31 December 2022, the Company holds 96.62% equity interest and 100% voting rights in Solaresco-1.

#### Coteccons Nest Company Limited (“CTD Nest”)

CTD Nest is a limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to ERC No. 0317508201 issued by the DPI of Ho Chi Minh City on 6 October 2022.

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

As at 31 December 2022, the Company holds 100% equity interest and voting rights in CTD Nest.

#### HED1 Company Limited (“HED1”)

HED1 is a limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to ERC No. 0317515248 issued by the DPI of Ho Chi Minh City on 12 October 2022.

HED1’s registered office is located at No.236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. HED1’s current principal activities are to providing health-related services.

As at 31 December 2022, the Company holds 100% equity interest and voting rights in HED1.

#### New Playground Company Limited (“SCM”)

SCM is a limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to ERC No. 0317587852 issued by the DPI of Ho Chi Minh City on 2 December 2022.

SCM’s registered office is located at No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, Ho Chi Minh City, Vietnam. SCM’s current principal activities are to provide activities of amusement parks and theme parks.

As at 31 December 2022, the Company holds 100% equity interest and voting rights in SCM.



## 2. BASIS OF PREPARATION

B09-DN/HN

### 2.1 Applied accounting standards and system

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

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

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

### 2.2 Applied accounting documentation system

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

### 2.3 Fiscal year

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

### 2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Group’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 2022.

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

B09-DN/HN

### 3.1 Cash and cash equivalents

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

### 3.2 Receivables

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

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

### 3.3 Inventories

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

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

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

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

#### Provision for obsolete inventories

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

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

#### Inventory property

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory property and is measured at the lower of cost and NRV.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory property recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold.



**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.

**3.6 Depreciation and amortisation**

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

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

**3.7 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.



**3.9 Leased assets** (continued)*Where the Group is the lessee*

Assets held under finance leases are capitalised in the consolidated 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 consolidated 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 consolidated income statement on a straight-line basis over the lease term.

*Where the Group is the lessor*

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

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

**3.10 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***Held-for-trading securities and investments in other entities*

Held-for-trading securities and in securities and investments in other entities are stated at their acquisition costs.

*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.

**3.12 Investments** (continued)

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.

*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 46 of the Labour Code.

**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.



**3.15 Provisions** (continued)*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.

**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 year 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.

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.

**3.21 Taxation** (continued)*Deferred tax* (continued)

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 year 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 directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprises or individuals, including close members of their families.

**4. SIGNIFICANT EVENTS****4.1 Transfer entire investment in Phu Nhuan 168 Joint Stock Company ("Phu Nhuan 168")**

On 19 May 2022, the Group completed the transfer of 69.98% shares in Phu Nhuan 168 with the total consideration of VND 183,224,365,231. The gain from the transfer of VND 70,648,684,469 was recognized as finance income in the consolidated income statement (Note 27.2). Accordingly, Phu Nhuan 168 was no longer a subsidiary of the Group from that day..

**4.2 Increased capital contribution and ownership rate at CTD FutureImpact Joint Stock Company ("FutureImpact")**

According to Decision No. 011/2022/QD-CT dated 6 June 2022, Covestcons Co., Ltd. approved the increase of capital contribution to FutureImpact from VND 4,490,000,000 to VND 14,590,000,000 and thereby increasing the Group's ownership rate at FutureImpact from 89.8% to 96.62%. On 7 June 2022, the Group completed the increase of capital contribution and increased the ownership rate in FutureImpact from this date.

**4.3 Increased capital contribution at Solaresco-1 Company Limited ("Solaresco-1")**

According to the meeting minute No. 0606 BBH-1/2022 dated 6 June 2022, Group approved the increase of capital contribution to Solaresco-1 from VND 2,900,000,000 to VND 15,000,000,000. On 13 June 2022, the Group completed this capital increase.



#### 4. SIGNIFICANT EVENTS (continued)

B09-DN/HN

##### 4.4 Establishment of Coteccons Nest Company Limited (“Coteccons Nest”)

On 6 October 2022, Group received the ERC No. 0317508201 issued by the DPI of Ho Chi Minh City for Coteccons Nest with the charter capital amounting to VND 1,000,000,000 according to the Decision for establishment of subsidiaries No. 003/2022/QD-CSH of Group. As at 6 January 2023, Group completed the charter capital contribution to Coteccons Nest.

##### 4.5 Establishment of HED1 Company Limited (“HED1”)

On 12 October 2022, Group received the ERC No. 0317515248 issued by the DPI of Ho Chi Minh City for HED1 with the charter capital amounting to VND 2,000,000,000 according to the Decision for establishment of subsidiaries No. 003/2022/QD-CSH. As at 6 January 2023, Group completed the charter capital contribution to HED1.

##### 4.6 Establishment of New Playground Company Limited (“SCM”)

On 2 December 2022, Group received the BRC No. 0317587852 issued by the DPI of Ho Chi Minh City for SCM with the charter capital amounting to VND 2,000,000,000 according to the Decision for establishing new subsidiary on 1 October 2022. As at 17 January 2023, Group contributed with amount of VND 1,000,000,000 to SCM.

#### 5. CASH AND CASH EQUIVALENTS

VND

	Ending balance	Beginning balance
Cash at banks	635,440,156,074	325,690,980,825
Cash in transit	-	85,019,518,017
Term deposits at banks (*)	429,000,000,000	474,000,000,000
<b>TOTAL</b>	<b>1,064,440,156,074</b>	<b>884,710,498,842</b>

(\*) Term deposit at banks represent bank deposits with a term under three (3) months and earn interest at the rate of 6% per annual.

#### 6. SHORT-TERM INVESTMENTS

##### 6.1 Held-for-trading securities

B09-DN/HN

	Ending balance			Beginning balance		
	Cost	Fair value	Provision	Cost	Fair value	Provision
<b>Exchange Traded Fund</b>						
KIM GROWTH VN30 ETF	49,518,412,944	39,900,000,000	(9,618,412,944)	-	-	-
<b>Securities (*)</b>						
FPT Corporation	28,398,070,800	27,684,000,000	(714,070,800)	-	-	-
Mobile World Investment Corporation	25,746,411,600	16,731,000,000	(9,015,411,600)	-	-	-
Others	145,268,072,743	103,892,638,419	(41,375,434,324)	-	-	-
<b>TOTAL</b>	<b>248,930,968,087</b>	<b>188,207,638,419</b>	<b>(60,723,329,668)</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\*) The above securities investments are made under the Investment Trust Contract dated 21 February 2022 with Kim Vietnam Fund Management Company Limited as the trustee.

##### 6.2 Held-to-maturity investments

	Ending balance	Beginning balance
Short-term bank deposits (*)	1,023,523,906,849	1,666,400,000,000
Repo Bonds	566,644,133,744	734,288,059,709
<b>TOTAL</b>	<b>1,590,168,040,593</b>	<b>2,400,688,059,709</b>

(\*) Short-term bank deposits include deposits and certificate of deposits at commercial banks with original maturity of no more than three (3) months and earn interest at the applicable interest at the rates from 4.9% to 10.5% per annual.



7. **TRADE RECEIVABLES, ADVANCES TO SUPPLIERS AND CONSTRUCTION CONTRACT RECEIVABLES BASED ON AGREED PROGRESS BILLINGS**

B09-DN/HN

7.1 *Short-terms trade receivables*

	Ending balance	Beginning balance (Reclassified - Note 36)
Hoi An South Development Co. Ltd.	975,424,136,915	965,603,671,263
Other customers	9,951,214,886,299	7,190,418,357,603
<b>TOTAL</b>	<b>10,926,639,023,214</b>	<b>8,156,022,028,866</b>
Provision for doubtful short-term trade receivables	(995,816,570,878)	(625,831,276,393)
<b>NET</b>	<b>9,930,822,452,336</b>	<b>7,530,190,752,473</b>
In which:		
Due from other parties	9,883,524,192,030	7,530,190,752,473
Due from related parties (Note 34)	47,298,260,306	-

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

	Current year	Previous year
Beginning balance	625,831,276,393	459,003,063,218
Provision made during the year	454,277,144,153	197,895,605,500
Reversal of provision during the year	(84,291,849,668)	(31,067,392,325)
Ending balance	995,816,570,878	625,831,276,393

7.2 *Short-term advances to suppliers*

	Ending balance	Beginning balance (Reclassified - Note 36)
Other suppliers	596,908,711,504	279,734,078,882

7.3 *Construction contract receivables based on agreed progress billings*

	Ending balance	Beginning balance
Ha Long International Hotel Project	-	22,374,832,253

7. **TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS AND CONSTRUCTION CONTRACT RECEIVABLES BASED ON AGREED PROGRESS BILLINGS (continued)**

B09-DN/HN

7.4 *Doubtful debt*

No.	Client name	Ending balance			Beginning balance		
		Receivables	Provision	Net	Receivables	Provision	Net
1	Viet Star Real Estate Investment Co., Ltd	483,658,038,123	483,658,038,123	-	483,658,038,123	241,829,019,062	241,829,019,061
2	Minh Viet Investment Joint Stock Company	121,951,773,910	121,951,773,910	-	121,951,773,910	121,951,773,910	-
3	Others	716,958,953,735	390,206,758,845	326,752,194,890	525,805,650,091	262,050,483,421	263,755,166,670
	<b>TOTAL</b>	<b>1,322,568,765,768</b>	<b>995,816,570,878</b>	<b>326,752,194,890</b>	<b>1,131,415,462,124</b>	<b>625,831,276,393</b>	<b>505,584,185,731</b>

8. **SHORT-TERM LOAN RECEIVABLES**

	Ending balance	Beginning balance
Quoc Loc Phat Joint Stock Company (*)	350,000,000,000	500,000,000,000
Linktek Viet Nam Company Limited (**)	61,000,000,000	-
Solar Esco Joint Stock Company	-	20,000,000,000
Others	21,045,000,000	52,630,724,866
<b>TOTAL</b>	<b>432,045,000,000</b>	<b>572,630,724,866</b>

(\*) This represents the cooperation contract with Quoc Loc Phat Joint Stock Company („Quoc Loc Phat“) 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. As at 31 December 2022, the Group and Quoc Loc Phat agreed to extend this contract.

(\*\*) This represents the secured loan to Linktek Vietnam Company Limited under the agreement No. 1307/CVC-LT dated 13 July 2022 with the fixed interest rate of 15% per annum and term within 1 year.



## 9. OTHER RECEIVABLES

B09-DN/HN

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Deposit for Business Corporation Contract (“BCC”) (*)	144,117,647,059	-
Interest receivables	105,051,498,234	118,265,169,315
Advances to construction teams and employees	37,689,054,486	23,552,710,748
Short-term deposits	34,677,832,554	34,322,676,119
Due from a related party (Note 34)	-	720,000,000
Others	7,565,814,483	3,112,775,722
<b>TOTAL</b>	<b>329,101,846,816</b>	<b>179,973,331,904</b>
Provision for doubtful other short-term receiva	(53,450,962,694)	(35,450,962,694)
<b>NET</b>	<b>275,650,884,122</b>	<b>144,522,369,210</b>
<b>Long-term</b>		
BCC (*)	380,464,324,460	-
Others	22,943,470,293	-
<b>TOTAL</b>	<b>403,407,794,753</b>	<b>-</b>

(\*) This is the investment in Ngoc Luc Bao Apartment Project (“The Emerald 68”) according to the BCC signed with Le Phong Group Joint Stock Company on 8 July 2022. According to the BCC, the Company will receive annual profit at the rate of capital contribution of 49%.

## 10. INVENTORIES

VND

	Ending balance	Beginning balance
Construction work in process (*)	2,885,754,263,285	1,720,321,023,327
Real estate properties (**)	22,762,390,632	-
Tools and supplies	56,344,312	170,055,970
<b>TOTAL</b>	<b>2,908,572,998,229</b>	<b>1,720,491,079,297</b>
Provision for obsolete inventories	(70,716,235,512)	(28,205,610,518)
<b>NET</b>	<b>2,837,856,762,717</b>	<b>1,692,285,468,779</b>

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

VND

	Ending balance	Beginning balance
Vinfast project	141,863,300,878	-
Other constructions projects	2,743,890,962,407	1,720,321,023,327
<b>TOTAL</b>	<b>2,885,754,263,285</b>	<b>1,720,321,023,327</b>

(\*\*) This represented the investment properties for sale at the commercial housing development project “Marina Tower Apartment” in Vinh Phu Ward, Thuan An Town, Binh Duong Province.

## 10. INVENTORIES (continued)

B09-DN/HN

Detail of movements of provision for obsolete inventories is as below:

	VND	
	Current year	Previous year
Beginning balance	28,205,610,518	29,993,277,865
Provision created during the year	47,847,738,436	13,858,368,314
Reversal of provision during the year	(5,337,113,442)	(15,646,035,661)
Ending balance	70,716,235,512	28,205,610,518

## 11. PREPAID EXPENSES

VND

	Ending balance	Beginning balance
<b>Short-term</b>	<b>7,735,625,390</b>	<b>9,500,954,190</b>
Office tools and equipment	7,638,122,361	6,693,006,592
Construction tools and equipment	97,503,029	2,807,947,598
<b>Long-term</b>	<b>97,818,152,558</b>	<b>38,175,300,852</b>
Office tools and equipment	27,839,054,555	28,946,610,362
Construction tools and equipment	69,979,098,003	9,228,690,490
<b>TOTAL</b>	<b>105,553,777,948</b>	<b>47,676,255,042</b>



## 12. TANGIBLE FIXED ASSETS

B09-DN/HN

VND

	Buildings & structures	Machinery & equipment	Means of transportation	Office equipment	Others	Total
<b>Cost</b>						
Beginning balance	243,161,833,392	671,028,225,053	49,406,258,629	34,503,484,445	30,863,636	998,130,665,155
New purchases	-	-	-	3,205,608,728	-	3,205,608,728
Transfer from construction in progress	1,531,789,091	114,335,477,928	-	-	-	115,867,267,019
Reclassification	1,592,288,404	-	-	-	-	1,592,288,404
Disposal	-	-	(8,060,957,581)	-	-	(8,060,957,581)
Ending balance	246,285,910,887	785,363,702,981	41,345,301,048	37,709,093,173	30,863,636	1,110,734,871,725
<i>In which:</i>						
<i>Fully depreciated</i>	12,215,368,490	84,066,854,185	23,017,531,314	28,128,509,281	30,863,636	147,459,126,906
<b>Accumulated depreciation</b>						
Beginning balance	(110,669,424,300)	(397,600,804,644)	(39,547,582,253)	(29,335,689,136)	(30,863,636)	(577,184,363,969)
Depreciation for the year	(13,402,850,700)	(73,234,783,500)	(3,854,088,061)	(3,664,440,482)	-	(94,156,162,743)
Reclassification	(608,814,383)	-	-	-	-	(608,814,383)
Disposal	-	-	8,003,988,194	-	-	8,003,988,194
Ending balance	(124,681,089,383)	(470,835,588,144)	(35,397,682,120)	(33,000,129,618)	(30,863,636)	(663,945,352,901)
<b>Net carrying amount</b>						
Beginning balance	132,492,409,092	273,427,420,409	9,858,676,376	5,167,795,309	-	420,946,301,186
Ending balance	121,604,821,504	314,528,114,837	5,947,618,928	4,708,963,555	-	446,789,518,824

B09-DN/HN

VND

## 13. FINANCIAL LEASES

	Office equipment
<b>Cost</b>	
Beginning and ending balances	2,663,034,106
<b>Accumulated depreciation</b>	
Beginning balance	(89,011,003)
Depreciation for the year	(532,606,821)
Ending balance	(621,617,824)
<b>Net carrying value</b>	
Beginning balance	2,574,023,103
Ending balance	2,041,416,282

## 14. INTANGIBLE FIXED ASSETS

VND

	Land use rights	Software	Total
<b>Cost</b>			
Beginning balance	94,881,924,366	35,421,213,502	130,303,137,868
New purchase	-	1,550,246,000	1,550,246,000
Transfer from construction in process	-	11,455,000,000	11,455,000,000
Ending balance	94,881,924,366	48,426,459,502	143,308,383,868
<i>In which:</i>			
<i>Fully amortised</i>	-	12,730,580,900	12,730,580,900
<b>Accumulated amortisation</b>			
Beginning balance	(7,901,960,384)	(14,773,605,179)	(22,675,565,563)
Amortisation for the year	(611,073,710)	(8,812,279,160)	(9,423,352,870)
Ending balance	(8,513,034,094)	(23,585,884,339)	(32,098,918,433)
<b>Net carrying value</b>			
Beginning balance	86,979,963,982	20,647,608,323	107,627,572,305
Ending balance	86,368,890,272	24,840,575,163	111,209,465,435



## 15. INVESTMENT PROPERTIES

B09-DN/HN

VND

	Office building	Others	Total
<b>Cost</b>			
Beginning balance	46,163,094,632	18,620,363,909	64,783,458,541
Reclassification	(1,592,288,404)	-	(1,592,288,404)
Ending balance	44,570,806,228	18,620,363,909	63,191,170,137
<b>Accumulated depreciation</b>			
Beginning balance	(17,982,715,145)	(6,059,930,540)	(24,042,645,685)
Depreciation for the year	(1,431,724,316)	(744,851,044)	(2,176,575,360)
Reclassification	608,814,383	-	608,814,383
Ending balance	(18,805,625,078)	(6,804,781,584)	(25,610,406,662)
<b>Net carrying amount</b>			
Beginning balance	28,180,379,487	12,560,433,369	40,740,812,856
Ending balance	25,765,181,150	11,815,582,325	37,580,763,475

The fair value of the investment properties was not formally assessed and determined as at 31 December 2022. 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 consolidated balance sheet date.

## 16. CONSTRUCTION IN PROGRESS

VND

	Ending balance	Beginning balance
SAP S4/HANA business management system	11,059,023,200	5,727,500,000
Solar energy systems	9,189,786,040	17,159,834,880
Others	4,678,236,568	1,471,789,091
<b>TOTAL</b>	<b>24,927,045,808</b>	<b>24,359,123,971</b>

## 17.

### LONG-TERM INVESTMENTS

#### 17.1 Investment in associates

B09-DN/HN

Name	Business activities	Ending balance		Beginning balance	
		Ownership %	Amount VND	Ownership %	Amount VND
FCC Infrastructure Investment Joint Stock Company ("FCC")	Civil and industrial constructions services	42.36	6,800,907,006	42.36	30,555,801,717
Hitecccons Investment Joint Stock Company ("Hitecccons")	Real estates and construction services	31.00	2,474,699,397	31.00	2,541,482,271
Quang Trong Commercial Joint Stock Company ("Quang Trong")	Real estates and project management services	36.00	140,152,903	36.00	141,278,492
<b>TOTAL</b>			<b>9,415,759,306</b>		<b>33,238,562,480</b>

Details of these investments in associates are as follows:

	FCC	Quang Trong	Hitecccons	Total
<b>Cost of investment</b>				
Beginning and ending balances	159,600,000,000	18,000,000,000	2,790,000,000	180,390,000,000
<b>Accumulated share in post-acquisition loss of associates</b>				
Beginning balance	(129,044,198,283)	(17,858,721,508)	(248,517,729)	(147,151,437,520)
Share in post-acquisition loss of the associates for the year	(23,754,894,711)	(1,125,589)	(66,782,874)	(23,822,803,174)
Ending balance	(152,799,092,994)	(17,859,847,097)	(315,300,603)	(170,974,240,694)
<b>Net carrying amount</b>				
Beginning balance	30,555,801,717	141,278,492	2,541,482,271	33,238,562,480
Ending balance	6,800,907,006	140,152,903	2,474,699,397	9,415,759,306



**17. LONG-TERM INVESTMENTS** (continued)

B09-DN/HN

**17.2 Investment in another entity**

The details of investment in another entity are as follows:

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

**18. TRADE PAYABLES AND ADVANCES FROM CUSTOMERS**

**18.1 Short-term trade payables**

	Ending balance	Beginning balance (Reclassified Note 36)
Ricons Investment Construction Joint Stock Company	321,078,444,606	315,519,064,976
Other suppliers	4,867,479,103,474	2,945,472,455,349
<b>TOTAL</b>	<b>5,188,557,548,080</b>	<b>3,260,991,520,325</b>

**18.2 Short-term advances from customers**

	Ending balance	Beginning balance (Reclassified Note 36)
Ecopark Nomura Real Estate Joint Stock Company	219,725,212,868	54,851,651,095
Lego Manufacturing Vietnam Company Limited	200,301,039,430	-
Related parties (Note 34)	33,625,593,980	-
Other customers	1,667,180,773,030	1,358,058,246,930
<b>TOTAL</b>	<b>2,120,832,619,308</b>	<b>1,412,909,898,025</b>

**19. STATUTORY OBLIGATIONS**

B09-DN/HN

	Beginning balance	Increase in year	Off set in year	Payment in year	Ending balance
<b>Receivables</b>					
Value added tax	332,795,834,878	1,430,931,908,053	(1,226,476,604,359)	-	537,251,138,572
Corporate income tax	6,509,710,974	(37,837,521,000)	-	35,242,119,338	3,914,309,312
<b>TOTAL</b>	<b>339,305,545,852</b>	<b>1,393,094,387,053</b>	<b>(1,226,476,604,359)</b>	<b>35,242,119,338</b>	<b>541,165,447,884</b>
<b>Payables</b>					
Personal income tax	9,773,570,234	65,065,423,267	(4,137,980,794)	(62,700,929,711)	8,000,082,996
Value added tax	-	1,344,863,968,644	(1,226,476,604,359)	(118,387,364,285)	-
Others	-	66,822,213	-	(66,822,213)	-
<b>TOTAL</b>	<b>9,773,570,234</b>	<b>1,409,996,214,124</b>	<b>(1,230,614,585,153)</b>	<b>(181,155,116,209)</b>	<b>8,000,082,996</b>

VND

**20. SHORT-TERM ACCRUED EXPENSES**

	Ending balance	Beginning balance
Accruals for on-going construction projects	1,936,018,729,127	1,733,880,558,512
Bonus for employees and remuneration for Board of Directors and Board of Supervision	58,734,933,294	20,927,415,086
Interest expense	23,398,254,645	-
Others	3,912,028,325	13,164,491,764
<b>TOTAL</b>	<b>2,022,063,945,391</b>	<b>1,767,972,465,362</b>

VND



## 21. SHORT-TERM UNEARNED REVENUE

B09-DN/HN

	VND	
	Ending balance	Beginning balance
Unearned revenue from leasing activities	8,939,929,636	1,773,024,967
Unearned revenue from construction works	2,498,540,370	36,219,187,348
<b>TOTAL</b>	<b>11,438,470,006</b>	<b>37,992,212,315</b>

## 22. OTHER SHORT-TERM PAYABLES

	VND	
	Ending balance	Beginning balance
Payable to construction teams and employees	6,222,683,455	5,495,188,597
Dividends payables	534,341,975	534,341,975
Related parties (Note 34)	30,019,875	132,998,400
Others	9,539,828,974	7,153,509,146
<b>TOTAL</b>	<b>16,326,874,279</b>	<b>13,316,038,118</b>

## 23. LOANS AND FINANCE LEASE

B09-DN/HN

	Beginning balance	Increase in year	Decrease in year	Reclassify	Allocation of bond's issuance fee	Ending balance
<b>Short-term</b>	<b>1,724,213,630</b>	<b>1,712,392,752,130</b>	<b>(1,165,900,295,701)</b>	<b>4,860,000,000</b>	<b>-</b>	<b>553,076,670,059</b>
Short-term loans from banks (Note 23.1)	-	1,712,392,752,130	(1,165,083,377,487)	-	-	547,309,374,643
Current portion of long-term loans from banks (Note 23.2)	-	-	-	4,860,000,000	-	4,860,000,000
Current portion of finance lease (Note 23.4)	1,724,213,630	-	(816,918,214)	-	-	907,295,416
<b>Long-term</b>	<b>-</b>	<b>529,510,428,705</b>	<b>(2,629,000,000)</b>	<b>(4,860,000,000)</b>	<b>2,091,666,656</b>	<b>524,113,095,361</b>
Loans from banks (Note 23.2)	-	35,785,428,705	(2,629,000,000)	(4,860,000,000)	-	28,296,428,705
Bonds (Note 23.3)	-	493,725,000,000	-	-	2,091,666,656	495,816,666,656
<b>TOTAL</b>	<b>1,724,213,630</b>	<b>2,241,903,180,835</b>	<b>(1,168,529,295,701)</b>	<b>-</b>	<b>2,091,666,656</b>	<b>1,077,189,765,420</b>

VND

### 23.1 Short-term loans from banks

Details of short-term loans from banks are as follows:

	Ending balance VND	Maturity date	Interest rate %/year	Description of collateral
Military Commercial Joint Stock Bank ("MB")	194,974,325,072	From 14 January 2023 to 30 June 2023	5.89 – 8.84	Unsecured
Vietnam Commercial Joint Stock Bank – Saigon South Branch	188,932,193,663	From 16 January 2023 to 19 June 2023	5.80 – 8.10	Unsecured
HSBC Bank (Vietnam) Limited	163,402,855,908	From 25 January 2023 to 28 April 2023	6.00 – 8.20	Unsecured
<b>TOTAL</b>	<b>547,309,374,643</b>			



23. LOANS AND FINANCE LEASE (continued)

23.2 Long-term loans from banks

Details of long-term loans from banks are as follows:

	Ending balance VND	Maturity date	Interest rate %/p.a	Description of collateral
Joint Stock Commercial Bank for Foreign Trade of Vietnam	26,886,000,000	31 May 2030	8.70	Machinery and equipment belonging to the solar power project of Solaresco-1 Co., Ltd
Indovina Bank Limited	6,270,428,705	From 21 January 2028 to 2 June 2028	9.75	Machinery and equipment belonging to the solar power project of Solaresco-1 Co., Ltd
<b>TOTAL</b>	<b>33,156,428,705</b>			
<i>In which:</i>				
Long-term loans	28,296,428,705			
Current portion of long-term loans	4,860,000,000			

23.3 Long-term bonds

Details of the issued bonds are as follows:

Issuer	Depository and transfer agent	Ending balance VND	Maturity date	Interest rate %/p.a.	Description of collateral
Coteccons Construction Joint Stock Company	SSI Securities Corporation	495,816,666,656	14 January 2025	9.50	Unsecured

This is an unsecured bond issued through an issuing agent named SSI Securities Joint Stock Company and listed on the Hanoi Stock Exchange (“HNX”) with trading code CTD122015. This bond had par value of VND 1,000,000,000/bond with a fixed interest rate of 9.5% a year and periodic interest payments every 6 months. The total value of the issued bonds was VND 500,000,000,000 with a term of three years from the date of issuance on 14 January 2022. The issuance cost of this bond was VND 6,275,000,000 and the cost amortization issued in the year was VND 2,091,666,656.

On 5 January 2023, the Board of Directors of the Group approved Resolution No. 01/2023/NQ-HDQT on early redemption of bonds as agreed with bondholders.

23. LOANS AND FINANCE LEASE (continued)

23.4 Finance lease

Details are as follows:

	Ending balance		Beginning balance	
	Total rental payment	Financial lease interest	Total rental payment	Financial lease interest
Original debt				
Less than 1 year	972,000,000	64,704,584	907,295,416	219,786,370
			1,944,000,000	1,724,213,630

VND



## 24. PROVISIONS

B09-DN/HN

	VND	
	Ending balance	Beginning balance
<b>Short-term</b>	<b>229,002,538,406</b>	<b>214,059,538,033</b>
Provisions for onerous contract	145,874,708,042	136,797,490,615
Provisions for construction warranty	83,127,830,364	77,262,047,418
<b>Long-term</b>	<b>2,411,669,634</b>	<b>2,543,770,801</b>
Severance allowance	2,411,669,634	2,543,770,801
<b>TOTAL</b>	<b>231,414,208,040</b>	<b>216,603,308,834</b>

## 25. BONUS AND WELFARE FUND

	VND	
	Ending balance	Beginning balance
Beginning balance	80,641,976,321	87,829,498,226
Utilization of fund during the year	(3,381,773,069)	(7,187,521,905)
Ending balance	77,260,203,252	80,641,976,321

## 26. OWNERS' EQUITY

### 26.1 Increase and decrease in owners' equity

B09-DN/HN

	VND						Total
	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed-earnings	Non-controlling interest	
<b>Previous year</b>							
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
Capital contribution to 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
<b>Current year</b>							
Beginning 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
Decrease from cancellation of treasury shares	(4,242,000,000)	(19,519,726,000)	23,761,726,000	-	-	-	-
Decrease due to disposal of a subsidiary	-	-	-	-	-	(54,390,308,980)	(54,390,308,980)
Net profit for the year	-	-	-	-	20,712,200,279	79,633,132	20,791,833,411
Ending balance	788,308,000,000	3,019,470,449,385	(597,634,655,083)	4,667,193,310,873	336,087,635,969	537,516,101	8,213,962,257,245



## 26. OWNERS' EQUITY (continued)

B09-DN/HN

### 26.2 Capital transactions with owners and distribution of dividends

	VND	
	Current year	Previous year
<i>Contributed share capital</i>		
Beginning balance	792,550,000,000	792,550,000,000
Decrease in year	(4,242,000,000)	-
Ending balance	788,308,000,000	792,550,000,000
<i>Dividends</i>		
Dividends declared	-	73,859,473,000

### 26.3 Shares

	Number of shares	
	Ending balance	Beginning balance
Authorised shares	78,830,800	79,255,000
Shares issued and fully paid	78,830,800	79,255,000
<i>Ordinary shares</i>	78,830,800	79,255,000
Treasury shares	4,971,327	5,395,527
<i>Ordinary shares</i>	4,971,327	5,395,527
Shares in circulation	73,859,473	73,859,473
<i>Ordinary shares</i>	73,859,473	73,859,473

### 26.4 Dividends

	VND	
	Current year	Previous year
Dividends paid during the year		
<i>Dividends on ordinary shares</i>		
Dividends by cash	-	73,792,975,850

## 26. OWNERS' EQUITY (continued)

B09-DN/HN

### 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	20,712,200,279	24,007,379,559
Less: Bonus and welfare fund	-	-
Net profit after tax attributable to ordinary equity holders	20,712,200,279	24,007,379,559
Weighted average number of ordinary shares during the year (shares)	73,859,473	74,221,289
Basic and diluted earnings per share (VND/share)	280	323

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

## 27. REVENUES

### 27.1 Revenues from sale of goods and rendering of services

	VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>14,538,688,107,336</b>	<b>9,077,915,407,373</b>
<i>In which:</i>		
<i>Rendering of construction services</i>	14,518,956,506,505	9,053,518,565,534
<i>Rental of construction equipment</i>	10,060,024,944	1,383,753,876
<i>Rental income from investment properties</i>	9,610,732,705	8,636,086,066
<i>Others</i>	60,843,182	14,377,001,897
<b>Less</b>	<b>(1,739,604,226)</b>	<b>-</b>
<i>Sale allowances</i>	(1,739,604,226)	-
<b>Net revenue</b>	<b>14,536,948,503,110</b>	<b>9,077,915,407,373</b>
<i>In which:</i>		
<i>Rendering of construction services (*)</i>	14,517,216,902,279	9,053,518,565,534
<i>Rental of construction equipment</i>	10,060,024,944	1,383,753,876
<i>Rental income from investment properties</i>	9,610,732,705	8,636,086,066
<i>Others</i>	60,843,182	14,377,001,897



**27. REVENUES** (continued)

B09-DN/HN

**27.1 Revenues from sale of goods and rendering of services** (continued)

(\*) 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	13,939,177,096,804	8,346,223,397,273
Revenue recognised during the year of the completed construction contracts	578,039,805,475	707,295,168,261
<b>TOTAL</b>	<b>14,517,216,902,279</b>	<b>9,053,518,565,534</b>
Cumulative revenue recognised up to end of year of the on-going construction contracts	55,305,229,193,542	58,092,544,558,882

**27.2 Finance income**

VND

	Current year	Previous year
Interest income from deposits, lending and bonds	253,701,455,427	153,277,574,459
Gain from disposal of a subsidiary	70,648,684,469	-
Interest income from late payment	47,528,426,557	73,416,222,465
Gain from investment in trading securities	3,865,729,315	43,340,155,546
Dividends	2,268,000,000	6,804,000,000
Foreign exchange gains	737,284,772	223,309,267
Others	2,207,598,344	-
<b>TOTAL</b>	<b>380,957,178,884</b>	<b>277,061,261,737</b>

**28. COST OF GOODS SOLD AND SERVICES RENDERED**

VND

	Current year	Previous year
Rendering of construction services	14,041,488,796,611	8,791,964,648,071
Rental of investment properties	5,215,663,635	4,731,385,731
Rental of construction equipment	3,509,925,872	1,182,974,542
Others	-	4,838,833,491
<b>TOTAL</b>	<b>14,050,214,386,118</b>	<b>8,802,717,841,835</b>

**29. FINANCIAL EXPENSES**

VND

	Current year	Previous year
Interest expense	79,172,332,132	1,110,696,092
Provision for diminution in value of investments	60,723,329,668	-
Loss from trading securities	18,287,219,172	11,241,712,675
Foreign exchange loss	208,706,851	575,704,311
Others	4,254,226,648	-
<b>TOTAL</b>	<b>162,645,814,471</b>	<b>12,928,113,078</b>

**30. GENERAL AND ADMINISTRATIVE EXPENSES**

B09-DN/HN

VND

	Current year	Previous year
Provision expenses	387,985,294,485	166,828,213,175
Labour costs	215,047,429,659	240,143,418,140
Expenses for external services	82,613,788,012	67,928,213,100
Depreciation and amortisation	24,660,212,444	26,158,416,389
Others	24,451,416,759	15,239,775,140
<b>TOTAL</b>	<b>734,758,141,359</b>	<b>516,298,035,944</b>

**31. OTHER INCOME AND EXPENSES**

VND

	Current year	Previous year
<b>Other income</b>	<b>93,606,362,978</b>	<b>57,633,325,799</b>
Reversal of over accrual for construction expenses	42,106,988,241	28,091,422,921
Reversal of warranty provision	41,638,131,518	25,762,123,878
Compensation and penalty	4,266,365,142	-
Gain from disposal of fixed assets	1,898,484,258	1,555,489,998
Others	3,696,393,819	2,224,289,002
<b>Other expenses</b>	<b>(5,245,345,971)</b>	<b>(12,197,014,453)</b>
<b>OTHER PROFIT</b>	<b>88,361,017,007</b>	<b>45,436,311,346</b>

**32. PRODUCTION AND OPERATING COSTS**

VND

	Current year	Previous year
Raw material	8,451,760,312,253	3,010,270,696,022
External services expenses	4,525,254,032,643	5,103,896,289,775
Labour costs	926,289,496,368	842,940,164,875
Provisions	383,511,121,126	292,726,370,736
Tools and supplies	286,342,538,252	163,902,099,397
Depreciation and amortization (Notes 12, 13, 14 and 15)	106,288,697,794	104,510,748,981
Others	105,526,329,041	45,263,474,739
<b>TOTAL</b>	<b>14,784,972,527,477</b>	<b>9,563,509,844,525</b>



### 33. CORPORATE INCOME TAX

B09-DN/HN

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	37,784,095,400	43,208,297,136
Adjustments for under accrual of tax from previous years	93,127,923	184,144,637
	37,877,223,323	43,392,441,773
Deferred tax income	(23,843,502,855)	(29,349,322,314)
<b>TOTAL</b>	<b>14,033,720,468</b>	<b>14,043,119,459</b>

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	34,825,553,879	38,153,947,667
CIT at applicable tax rate	6,965,110,776	7,630,789,533
Adjustments:		
Share of loss from associates	4,764,560,635	6,063,008,386
Non-deductible expenses	5,171,590,337	599,696,739
Dividend incomes	(1,138,744,000)	(1,397,373,000)
Unrealized losses	(1,821,925,203)	962,853,164
Adjustments for under accrual of tax from prior years	93,127,923	184,144,637
<b>CIT expense</b>	<b>14,033,720,468</b>	<b>14,043,119,459</b>

#### 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. CORPORATE INCOME TAX (continued)

B09-DN/HN

#### 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::

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
Provision for doubtful debts	69,325,691,902	56,346,631,822	12,979,060,081	1,252,033,828
Provision for onerous contract	29,174,941,608	27,359,498,123	1,815,443,485	27,359,498,123
Provision for obsolete inventories	14,355,518,634	5,853,393,635	8,502,124,999	(145,261,938)
Tax loss carried forward	2,084,851,862	-	2,084,851,862	-
Unrealised allocation expenses	466,616,653	-	466,616,653	-
Unrealised profit	363,188,791	2,179,795,118	(1,816,606,327)	987,368,698
Severance allowances	465,330,527	444,638,160	20,692,367	(165,163,385)
Unrealised foreign exchange differences	(154,634,398)	4,342,321	(158,976,719)	11,143,442
Provision for investments	(76,576,360)	(26,872,814)	(49,703,546)	49,703,546
Difference from investment revaluation	(48,729,095,491)	(48,729,095,492)	-	-
<b>Net deferred tax assets</b>	<b>67,275,833,728</b>	<b>43,432,330,873</b>		
<b>Deferred tax income</b>			<b>23,843,502,855</b>	<b>29,349,322,314</b>

### 34. TRANSACTIONS WITH RELATED PARTIES

List of related parties with the Company as at 31 December 2022 is as follows:

Related parties	Relationship
Ladona Properties Company Limited (“Ladona”)	Related party of major shareholder
Kusto Group Pte. Ltd. (“Kusto”)	Related party of major shareholder
Fiingroup Joint Stock Company (“Fiingroup”)	Related party of member of the Board of Directors
Members of the Board of Directors, Board of Supervision and Management	Key personnel
THE8TH PTE. Ltd.	Major shareholder
Kustocem pte. Ltd.	Major shareholder
Success Investment And Business One Member Company Limited	Major shareholder
Preston Pacific Limited	Group of major shareholders
VOF Investment Limited	



### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

B09-DN/HN

Significant transactions with related parties during current and previous years were as follows:

VND				
Related party	Relationship	Transactions	Current year	Previous year
Ladona	Related party of major shareholder	Construction services	152,905,169,176	-
Fiingroup	Related party of member of the Board of Directors	Other services	314,488,807	-
Kusto	Related party of major shareholder	Income from office rental	146,640,148	537,439,365

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

VND				
Related parties	Relationship	Transactions	Current year	Previous year
<b>Short-term trade receivables</b>				
Ladona	Related party	Construction service	47,250,066,736	-
Kusto	Related party	Income from office rental	48,193,570	-
<b>TOTAL</b>			<b>47,298,260,306</b>	-
<b>Other short-term receivable</b>				
Members of the Board of Directors, Board of Supervision	Key personnel	Allowance advance	-	720,000,000
<b>Advance from a customer</b>				
Ladona	Related party	Rendering of construction service	33,625,593,980	-
<b>Other short-term payable</b>				
Kusto	Related party	Deposit for office rental	30,019,875	132,998,400

### 34. TRANSACTIONS WITH RELATED PARTIES (continued)

B09-DN/HN

#### Transactions with other related parties

Remuneration to members of the Board of Directors (“BOD”), Board of Supervision (“BOS”) and the management is as below:

VND			
Individuals	Position	Remuneration	
		Current year	Previous year
Mr. Bolat Duisenov	Chairman of BOD	-	200,625,000
Mr. Yerkin Tatishev	Member of BOD to 25 April 2022	-	267,500,000
Mr. Tan Chin Tiong	Member of BOD	-	267,500,000
Mr. Tong Van Nga	Member of BOD	600,000,000	500,000,000
Mr. Pham Quang Vu	Member of BOD from 25 April 2022	700,000,000	-
Mr. Vo Hoang Lam	General Director from 5 August 2022 Deputy General Director to 5 August 2022	6,254,995,390	5,159,879,940
Mr. Karabukaev Ruslan	General Director of CVC from 22 March 2022 to 6 February 2023	2,093,354,625	-
Mr. Pham Quan Luc	Deputy General Director	3,772,261,885	3,306,580,240
Mr. Nguyen Ngoc Lan	Deputy General Director	3,534,032,500	2,730,114,077
Mrs. Pham Thi Bich Ngoc	Deputy General Director from 5 November 2021	3,816,206,355	1,949,169,068
Mr. Christopher Senekki	Deputy General Director from 12 April 2021	8,255,204,000	4,726,999,326
Mr. Tran Tri Gia Nguyen	Deputy General Director to 30 November 2021	-	6,393,771,920
Mr. Phan Huu Duy Quoc	Deputy General Director from 1 March 2021 to 4 January 2022	1,700,000,000	5,898,978,600
Mr. Tran Van Lam	General Director of UNC from 30 January 2023 Deputy General Director of UNC to 30 January 2023	2,936,800,000	1,660,406,122
Mr. Tran Van Thuc	Head of BOS from 26 April 2021	480,000,000	400,000,000
Mr. Luis Fernando Garcia Agraz	Head of BOS to 26 April 2021	-	200,625,000
Mr. Nguyen Minh Nhut	Member of BOS to 26 April 2022	-	200,625,000
Mr. Dang Hoai Nam	Member of BOS to 21 February 2022	711,232,273	769,135,166
Mr. Zhaidarzhan Zatayev	Member of BOS from 25 April 2022	1,589,922,030	-
Mr. Doan Phan Trung Kien	Member of BOS from 25 April 2022	56,000,000	-
<b>TOTAL</b>		<b>36,500,009,058</b>	<b>34,631,909,459</b>



### 35. COMMITMENTS

B09-DN/HN

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	6,916,502,340	8,167,168,515
From 1 to 5 years	8,838,619,850	223,608,000
<b>TOTAL</b>	<b>15,755,122,190</b>	<b>8,390,776,515</b>

### 36. RECLASSIFICATION OF CORRESPONDING FIGURES

For the fiscal year ended 31 December 2021, the Group reclassified the following items to better representation of the consolidate balance sheet of the Group in previous year. Details are as follows:

	VND		
	As previously reclassified	Reclassified	Reclassified amounts
<b>As at 31 December 2021</b>			
Short-term trade receivables	7,158,963,082,556	997,058,946,310	8,156,022,028,866
Short-term advances to suppliers	151,909,258,810	127,824,820,072	279,734,078,882
Short-term trade payables	3,133,166,700,253	127,824,820,072	3,260,991,520,325
Short-term advances from customers	415,850,951,715	997,058,946,310	1,412,909,898,025

### 37. EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

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



**Tran Thi Thanh Van**

Preparer

Ho Chi Minh City, Vietnam  
28 March 2023



**Cao Thi Mai Le**

Chief Accountant



**Vo Hoang Lam**

General Director

## SEPARATE FINANCIAL STATEMENTS





## SEPARATE BALANCE SHEET

as at 31 December 2022

B01-DN

				VND	
Code	ASSETS	Notes	Ending balance	Beginning balance (Reclassified - Note 33)	
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>12,598,988,485,072</b>	<b>9,506,017,700,034</b>	
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>707,192,831,532</b>	<b>459,695,541,229</b>	
111	1. Cash		567,192,831,532	180,695,541,229	
112	1. Cash equivalents		140,000,000,000	279,000,000,000	
<b>120</b>	<b>II. Short-term investment</b>		<b>805,218,773,635</b>	<b>963,629,877,150</b>	
123	1. Held-to-maturity investments	5	805,218,773,635	963,629,877,150	
<b>130</b>	<b>III. Current accounts receivables</b>		<b>8,883,161,364,497</b>	<b>6,607,014,265,910</b>	
131	1. Short-term trade receivables	6.1	8,868,279,666,055	6,656,685,469,916	
132	2. Short-term advances to suppliers	6.2	634,151,468,676	343,216,575,316	
134	3. Construction contract receivables based on agreed progress billings	6.3	-	22,374,832,253	
136	4. Other short-term receivables	7	314,496,478,372	192,716,436,359	
137	5. Provision for doubtful short-term receivables	6.1, 7	(933,766,248,606)	(607,979,047,934)	
<b>140</b>	<b>IV. Inventory</b>	<b>8</b>	<b>1,811,541,597,595</b>	<b>1,209,712,551,380</b>	
141	1. Inventories		1,883,319,190,766	1,233,642,406,115	
149	2. Provision for obsolete inventories		(71,777,593,171)	(23,929,854,735)	
<b>150</b>	<b>V. Other current assets</b>		<b>391,873,917,813</b>	<b>265,965,464,365</b>	
151	1. Short-term prepaid expenses	9	5,198,550,266	7,869,007,950	
152	2. Value-added tax deductibles		376,399,487,404	247,820,576,272	
153	3. Tax and other receivables from the State	16	10,275,880,143	10,275,880,143	

## SEPARATE BALANCE SHEET (continued)

as at 31 December 2022

B01-DN

				VND	
Code	ASSETS	Notes	Ending balance	Beginning balance (Reclassified - Note 33)	
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>3,218,474,734,825</b>	<b>3,222,125,052,870</b>	
<b>220</b>	<b>I. Fixed assets</b>		<b>367,091,563,859</b>	<b>427,656,644,275</b>	
221	1. Tangible fixed assets	10	267,021,159,548	331,868,117,720	
222	Cost		758,567,120,221	759,418,490,013	
223	Accumulated depreciation		(491,545,960,673)	(427,550,372,293)	
224	2. Financial leases	11	2,041,416,282	2,574,023,103	
225	Cost		2,663,034,106	2,663,034,106	
226	Accumulated depreciation		(621,617,824)	(89,011,003)	
227	3. Intangible fixed assets	12	98,028,988,029	93,214,503,452	
228	Cost		121,206,789,740	109,001,789,740	
229	Accumulated amortisation		(23,177,801,711)	(15,787,286,288)	
<b>230</b>	<b>II. Investment properties</b>	<b>13</b>	<b>50,287,224,931</b>	<b>54,153,188,838</b>	
231	1. Cost		84,368,605,904	85,960,894,308	
232	2. Accumulated depreciation		(34,081,380,973)	(31,807,705,470)	
<b>240</b>	<b>III. Long-term asset in progress</b>		<b>13,748,116,568</b>	<b>7,199,289,091</b>	
242	1. Construction in progress		13,748,116,568	7,199,289,091	
<b>250</b>	<b>IV. Long-term investments</b>		<b>2,575,109,267,006</b>	<b>2,598,871,481,127</b>	
251	1. Investments in subsidiaries	14.1	2,510,348,360,000	2,510,348,360,000	
252	2. Investments in associates	14.2	177,600,000,000	177,600,000,000	
253	3. Investment in another entity	14.3	57,960,000,000	57,960,000,000	
254	4. Provision for long-term investments	14.2	(170,799,092,994)	(147,036,878,873)	
<b>260</b>	<b>V. Other long-term assets</b>		<b>212,238,562,461</b>	<b>134,244,449,539</b>	
261	1. Long-term prepaid expenses	9	97,619,841,885	30,156,630,622	
262	2. Deferred tax assets	30.3	114,618,720,576	104,087,818,917	
<b>270</b>	<b>TOTAL ASSETS</b>		<b>15,817,463,219,897</b>	<b>12,728,142,752,904</b>	



## SEPARATE BALANCE SHEET (continued)

as at 31 December 2022

B01-DN

VND			
Code	RESOURCES	Notes	Ending balance
300	<b>C. LIABILITIES</b>		<b>8,781,930,782,967</b>
310	<b>I. Current liabilities</b>		<b>8,283,787,463,677</b>
311	1. Short-term trade payables	15.1	4,721,978,587,925
312	2. Short-term advances from customers	15.2	1,751,485,005,351
313	3. Statutory obligations	16	5,633,087,312
314	4. Payables to employees		25,972,650
315	5. Short-term accrued expenses	17	1,002,564,721,177
318	6. Short-term unearned revenue	18	2,315,262,720
319	7. Other short-term payables	19	12,126,209,373
320	8. Short-term loan and finance lease	20	548,216,670,059
321	9. Short-term provision	21	169,706,792,089
322	10. Bonus and welfare fund	22	69,735,155,021
330	<b>II. Non-current liabilities</b>		<b>498,143,319,290</b>
338	1. Long-term loans	20	495,816,666,656
342	2. Long-term provisions	21	2,326,652,634
400	<b>D. OWNERS' EQUITY</b>		<b>7,035,532,436,930</b>
410	<b>I. Capital</b>	<b>23.1</b>	<b>7,035,532,436,930</b>
411	1. Share capital		788,308,000,000
411a	- Shares with voting rights		788,308,000,000
412	2. Share premium		3,019,470,449,385
415	3. Treasury shares		(597,634,655,083)
418	4. Investment and development fund		3,454,338,701,543
421	4. Undistributed earnings		371,049,941,085
421a	- Undistributed earnings by the end of prior year		221,931,518,751
421b	- Undistributed earnings of current year		149,118,422,334
440	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>15,817,463,219,897</b>




Vo Hoang Lam  
General Director

## SEPARATE INCOME STATEMENT

for the year ended 31 December 2022

B02-DN

VND			
Code	ITEMS	Notes	Current year
10	1. Net revenue from sale of goods and rendering of services	24.1	10,774,750,249,243
11	2. Cost of goods sold and services rendered	25	(10,381,842,884,974)
20	3. Gross profit from sale of goods and rendering of services		392,907,364,269
21	4. Finance income	24.2	339,786,298,491
22	5. Finance expenses	26	(101,946,440,026)
23	In which: Interest expense		(75,922,909,908)
26	6. General and administrative expenses	27	(537,572,870,535)
30	7. Operating profit		93,174,352,199
31	8. Other income	28	46,110,536,670
32	9. Other expenses	28	(609,685,418)
40	10. Other profit	28	45,500,851,252
50	11. Accounting profit before tax		138,675,203,451
51	12. Current corporate income tax expense	30.1	(87,682,776)
52	13. Deferred tax income	30.3	10,530,901,659
60	14. Net profit after tax		149,118,422,334

  
Trương Thị Huyền Trang  
Preparer

Ho Chi Minh City, Vietnam  
28 March 2023

  
Cao Thị Mai Lê  
Chief Accountant

  
Võ Hoàng Lâm  
General Director



Vo Hoang Lam  
General Director

  
Trương Thị Huyền Trang  
Preparer

Ho Chi Minh City, Vietnam  
28 March 2023

  
Cao Thị Mai Lê  
Chief Accountant

Vo Hoang Lam  
General Director



## for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>138,675,203,451</b>	<b>39,409,174,613</b>
	<i>Adjustments for:</i>			
02	Depreciation and amortisation	10, 11, 12, 13	81,110,037,300	82,469,728,000
03	Provisions		370,242,811,287	321,015,550,381
04	Foreign exchange (gains) losses arising from revaluation of monetary accounts denominated in foreign currency		(133,944,642)	51,903,706
05	Profits from investing activities		(341,254,474,470)	(203,642,201,540)
06	Interest expense	26	75,922,909,908	851,298,832
08	<b>Operating profit before changes in working capital</b>		<b>324,562,542,834</b>	<b>240,155,453,992</b>
09	(Increase) decrease in receivables		(2,511,443,805,647)	204,431,499,746
10	Increase in inventories		(649,676,784,651)	(245,667,310,280)
11	Increase in payables		1,968,535,705,387	369,881,001,832
12	(Increase) decrease in prepaid expenses		(64,792,753,579)	36,685,839,309
14	Interest paid		(52,524,655,263)	(818,119,308)
15	Corporate income tax paid	16	(87,682,776)	(55,954,388,927)
17	Other cash outflows from operating activities		(2,011,421,069)	(24,119,967,851)
20	<b>Net cash flows (used in) from operating activities</b>		<b>(987,438,854,764)</b>	<b>524,594,008,513</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets		(86,118,114,279)	(24,710,545,914)
22	Proceeds from disposals of fixed assets		1,659,090,008	-
23	Term deposits at banks and bonds		(2,443,402,951,339)	(1,305,528,766,667)
24	Collections from term deposits at banks and bonds		2,601,814,054,854	774,898,889,517
27	Interest and dividends received		120,776,773,464	71,630,358,683
30	<b>Net cash flows from (used in) investing activities</b>		<b>194,728,852,708</b>	<b>(483,710,064,381)</b>
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
32	Capital redemption		-	(177,971,842,084)
33	Drawdown of borrowings		1,823,117,752,146	353,766,617,658
34	Repayment of borrowings		(782,083,377,487)	(353,766,617,658)
35	Payment of principal of finance lease liabilities		(816,918,214)	(972,000,000)
36	Dividends paid	23.4	-	(73,792,975,850)
40	<b>Net cash flows from (used in) financing activities</b>		<b>1,040,217,456,445</b>	<b>(252,736,817,934)</b>

**SEPARATE CASH FLOW STATEMENT** (continued)

for the year ended 31 December 2022

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase (decrease) in cash and cash equivalents for the year		247,507,454,389	(211,852,873,802)
60	Cash and cash equivalents at beginning of year		459,695,541,229	671,556,678,015
61	Impact of exchange rate fluctuation		(10,164,086)	(8,262,984)
70	Cash and cash equivalents at end of year	4	707,192,831,532	459,695,541,229

*fm*

**Truong Thi Huyen Trang**

Preparer

Ho Chi Minh City, Vietnam  
28 March 2023



**Cao Thi Mai Le**

Chief Accountant

W

**Vo Hoang Lam**

General Director



# ACCURACY AND INTEGRITY OF THE 2022 ANNUAL REPORT

**Coteccons has integrated the 2022 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 2022 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 2022 Annual Report are assured to be consistent with the 2022 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:**

Mr. Bolat Duisenov, Chairman of the Board of Directors - The person in charge of public disclosure

**Head office:**

Address: Coteccons Building, No. 236/6 Dien Bien Phu Street, Ward 17, Binh Thanh District, HCMC

Tel: 028 3514 2255 - 028 3514 2266

Fax: 028 3514 2277

Email: [contact@coteccons.vn](mailto:contact@coteccons.vn)

**Representative office in Hanoi:**

Address: 5th floor, Starcity Building, 23 Le Van Luong, Nhan Chinh, Thanh Xuan, Hanoi

Tel: 024 7301 6216

Email: [contact@coteccons.vn](mailto:contact@coteccons.vn)

**Binh Duong Branch**

Address: 1B, An Phu Ward, Thuan An Town, Binh Duong Province

Tel: 0274 713 390

Fax: 0274 713 389

Email: [contact@coteccons.vn](mailto:contact@coteccons.vn)

**The preparation of Coteccons' Annual Report 2022 benefits from the following contributors:**

Content creation: The Unlocker - Plan A Communications

Translation: GapLink Trans Co., Ltd.

Design: Aquus

Overall coordination: Marcom and IR Division, Coteccons

With valuable inputs and data from departments and divisions of the Company.

This annual report is only printed in limited quantities to serve some specific needs.

To help Coteccons minimize the use of paper and printing materials in good sake of environmental protection, please refer to the electronic version available on the company's official website:

<http://coteccons.vn>, section Shareholder Relations, subsection Information Disclosure.