

HANOI CONSTRUCTION JOINT STOCK CORPORATION
HANOI CONSTRUCTION JOINT STOCK COMPANY NO.1

REPORT

ON 2025 PRODUCTION AND BUSINESS PERFORMANCE
AND THE 2026 PRODUCTION AND BUSINESS PLAN

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REPORT
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AND THE 2026 PRODUCTION AND BUSINESS PLAN

Pursuant to the Law on Enterprises and the Company Charter;

Pursuant to the tasks assigned by the 2025 General Meeting of Shareholders;

Over the past year, the construction sector faced many difficulties caused by both subjective and objective factors. However, such difficulties did not affect the Company's overall task implementation. With the efforts and determination of all officers and employees, Hanoi Construction Joint Stock Company No. 1 (the "Company") secured sufficient employment and implemented projects while ensuring occupational safety, construction progress and quality, delivering economic efficiency, gradually standardising and optimising production and business operations, and accelerating final settlement and capital recovery for old projects with large and long-outstanding receivables. Therefore, despite numerous difficulties in 2025, the Company achieved notable results, providing a basis for developing and implementing the plan for 2026 and subsequent years.

The Board of Directors respectfully reports to the Shareholders on the Company's operations, 2025 production and business results, and 2026 plan as follows:

I. RESULTS OF PRODUCTION AND BUSINESS ACTIVITIES IN 2025

1. General assessment

Domestic context: In 2025, Vietnam made efforts to recover from the post-pandemic economic downturn; the State administrative apparatus was streamlined under the two-tier local government model; and financial and public investment policies were promoted synchronously, creating momentum and a foundation for the country to enter a new phase of development with a GDP growth target of over 10%. Overall, although the Vietnamese economy has gradually stabilised in recent years, many difficulties remain ahead and must be overcome to achieve the set objectives.

International context: The global economy was generally unfavourable due to the post-pandemic downturn, the outbreak of wars in many countries, tariff and trade protection policies adopted by major economies, fuel supply bottlenecks and rising fuel prices, while the US and European economies had not fully recovered. These factors strongly affected exports and domestic economic recovery.

Vietnam's GDP in 2025 increased by 8.02% year-on-year, while the industry and construction sector grew by 8.9% (Source: General Statistics Office). Nevertheless, 2025 remained a highly challenging year for construction enterprises in general. Specifically:

- Pressure from fluctuations in prices of construction materials, fuel, inflation, and higher corporate lending rates directly affected the results and profitability of construction contractors.

- Cash flows were adjusted and restricted from the real estate sector to prioritise production sectors; real estate enterprises faced high interest rates and difficulties in accessing bank credit and bond issuance, resulting in shortages of capital for project implementation and debt repayment schedules.

- Labour and human resources in the construction sector became increasingly scarce, competitive and difficult to recruit.

- Large-scale public investment projects often targeted major groups and contractors with strong capacity and financial resources, while small and medium-sized enterprises found it difficult to meet the required conditions for participation.

Under these circumstances, the Company focused on its traditional core strength of construction and installation, cooperating with reputable long-standing partners, investors and customers. Through measures to standardise project management, improve capacity in construction equipment, human resources and corporate governance, add quality personnel, ensure project quality, progress and occupational safety, accelerate project capital recovery and effectively control costs, complete legal responsibilities at investment projects and as-built, payment and finalisation dossiers, gradually apply advanced programs and digital transformation in management, maintain sufficient employment, increase employee income, fulfil State budget obligations and deliver profits to shareholders, the Company maintained stable cash flow for production.

As required in practice, at the Extraordinary General Meeting of Shareholders at the end of 2024, the Company elected two additional members to the Board of Directors to replace two members who resigned from office. The positions of Chairman of the Board of Directors and General Director were consolidated; Mr. Vu Tung Duong was elected by the Board of Directors as Chairman of the Company's Board of Directors, and Mr. Nguyen Cong Tuyen was appointed General Director of the Company. The personnel elected to the Company's management and executive bodies have effectively performed their functions and duties, contributing to the fulfilment of the Company's overall tasks. This year marks the end of the Board of Directors' term, and the General Meeting will elect members of the Board of Directors for the next term.

2. Production and business results in 2025:

No.	Target	Unit	2025 Plan	2025 Actual	Actual/Plan
1	Output value	VND billion	703.648	704.399	100.1%
2	Total revenue	VND billion	706.424	590.026	83.5%

No.	Target	Unit	2025 Plan	2025 Actual	Actual/Plan
3	Capital recovery value	VND billion	695.797	654.463	94.1%
4	Profit before tax	VND billion	16.483	16.636	100.9%
5	State budget payment	VND billion	20.775	15.45	74.0%
6	Average salary	VND million/ person/month	10	11	110%
7	Expected dividend	%	8	10	

(According to the figures in the Company's 2025 audited financial statements).

3. Detailed assessment of the Company's production and business activities

3.1. Market development

By improving the professional quality of its personnel, understanding and firmly grasping legal regulations and market requirements, and applying advanced programs in tender cost estimation, the Company's market development activities have achieved recognised results in recent years. In 2025, the Company participated in tenders and submitted quotations for 19 projects and won 06 projects, with a total contract and appendix value of VND 743 billion. From the beginning of 2026 to date, the Company has won bids and signed construction contracts with a value of nearly VND 1,000 billion, ensuring employment for 2026 and work carried over to the following year.

In the coming period, the Company will continue to bid for highly reliable projects, focus on marketing and cooperation with reputable investors with strong financial capacity, and target projects with stable capital sources in order to ensure revenue, employment, cash flow for production, profits, dividends and tax obligations to the State, while also supporting ongoing projects. The results achieved in 2025 exceeded the planned targets for production and business value and profit.

3.2. Construction of contracted projects

In 2025, the Company implemented 16 packages, including 10 carried-over packages and 06 newly commenced packages, and completed, accepted and handed over 04 packages, fulfilling contractual obligations.

During the year, the Company commenced new packages including the Hilton Hanoi Opera Hotel renovation project, the road improvement project connecting to the Bien Hoa - Vung Tau Expressway, and the HH1 and HH2 mixed-use apartment projects in the new Thuy Nguyen City, Hai Phong. The Company continued construction and is expected to complete in 2026 projects such as the Vietnam National University Administration Center, Nidco and Vung Van road.

The Company implemented a construction project management system that meets customer requirements, standardised and maintained project management practices across all units, departments and technical staff, completed project management policies, quality assurance policies and occupational safety standards, and implemented measures to ensure progress, quality, occupational safety, capital recovery and cost control at construction projects. According to inspections and assessments by the Construction Engineering Department, the project management system has now been operating effectively throughout the Company.

Regarding construction management on sites, each project has a Project Management Board with an appropriate staffing level to ensure quality and costs in line with the project norms, supervise and inspect implementation to ensure progress, quality, safety and cost control, and promptly monitor construction status at the project. The Construction Engineering Department and the Safety Board have closely carried out supervision, reporting, assessment and recommendations on quality assurance, progress and safety for each project before, during and until project completion.

3.3. Investment implementation

a- Investment in construction equipment: The Company focused on maintaining and maximising the use of existing tools, machinery, scaffolding and equipment, and studied and assessed equipment needs in construction to consider new investments in necessary equipment according to production requirements, thereby improving construction capacity and economic efficiency. In 2025, the Company did not invest in newly purchased equipment.

b- Real estate investment: The Executive Board made efforts to resolve legal issues and basically completed the Company's responsibilities at projects, meeting the requirements of State management agencies and customers. Specifically:

- *2.6 Le Van Luong and N03 T5 Ngoai Giao Doan projects:* construction was completed and handed over to customers in 2017; procedures were completed and certificates of apartment use rights were issued to customers. For the ownership certificates for the commercial office areas of the N03T5 project, the Company is completing legal procedures for submission to the competent authorities for approval. The Board of Directors has approved the finalisation of these completed projects.

- *Cao Xanh - Ha Khanh B Urban Area Project:* The project has basically completed construction and sales. Recently, the Company mainly focused on resolving legal matters with the People's Committee of Quang Ninh Province and repairing certain ancillary items for project handover. To date, the Province has recognised that the Company has basically fulfilled its responsibilities and requested relevant departments to guide the acceptance and handover of the project's technical infrastructure items. In 2025, the Company carried out repair and maintenance of completed but not yet handed-over technical infrastructure items, including:

- + Clean water supply system (phase 2) with a value of VND 1.1 billion.
- + Lighting system (phases 1+2) with a value of VND 7 billion.

- + Power supply system (phases 1+2) with a value of VND 18.9 billion.
- + Road traffic system (phases 1+2) with a value of VND 2.8 billion.
- + Repair of subsided pavement areas, additional planting of dead or fallen trees, clearing of weeds and cleaning of the project site (phases 1+2) with a value of VND 4.9 billion.

- *Tan Thanh Urban Residential Area Project* (with Van Xuan Urban Investment and Development Joint Stock Company as the investor and the Company as a capital-contributing investor): The project has temporarily suspended implementation, and the Company is coordinating with the investor, lawyers and capital-contributing member units to work with departments and agencies of Hai Phong City to protect the legitimate rights and interests of Van Xuan Urban Investment and Development Joint Stock Company and the shareholders investing in the project.

- *Social Housing Project in Nhon Trach, Dong Nai*: The project is invested by Hanoi Construction Corporation - JSC, and the Company is a joint venture capital-contributing investor. The total investment of the project is VND 1,206,010,897,000, of which the Company contributes VND 36,180,326,910. The project is currently being implemented according to the approved schedule.

3.4. Asset management

- Regarding construction equipment management: The Company's machinery and construction equipment team is directly assigned to manage and operate the equipment, while the Planning and Investment Department supervises and manages professional operations. Due to the overall decline in construction workload, as well as the fact that most of the Company's machinery and equipment are old, fully depreciated, less competitive and costly to repair, demand for use, operation and leasing of equipment has declined, resulting in low efficiency. Currently, equipment is mainly used internally at projects constructed by the Company. To improve efficiency, the Company has planned, repaired, renovated and upgraded certain land, warehouse and yard areas to improve storage quality and ensure effective exploitation of premises and equipment.

- The Company's headquarters office at 59 Quang Trung, the Company's offices and warehouses at 242 Minh Khai and Cau Buou, the basement areas at 2.6 Le Van Luong, N03T5 and C4 Xuan Dinh continued to be effectively operated, ensuring a high occupancy rate, security and order, and maintaining the original condition of the assets.

3.5. Finalisation and capital recovery for old projects

As the Company's construction cash flow depends heavily on capital recovery, while the receivables to be collected are very large, the Executive Board paid special attention to directing this work, allocated all available resources and adopted various measures to promote project capital recovery. As a result, capital recovery in 2025 was very positive, particularly the substantial collection of receivables from projects with large and long-outstanding debts such as the Dream

City project invested by Vingroup, Beriver Long Bien, 269 Kim Ma of BRG Group, and Bac Kan Garment Factory.

The Company will continue to implement more decisive and effective measures to collect capital from projects with sufficient legal basis for receivables, including Tien Phong Newspaper Headquarters, Tu Liem Industrial Warehouse, 535 Kim Ma and CT1, and accelerate legal procedures to collect capital from the Nidco project, Vung Van road and Sheraton Phu Quoc project.

3.6. Organisation, human resources and employment:

Ensuring a stable workforce in accordance with production requirements amid competition for talent from large enterprises with preferential salary policies has placed significant pressure on small and medium-sized enterprises in retaining employees and recruiting new personnel. The Company has maintained a regular workforce of 165 employees across the Company, including 08 postgraduates, 94 engineers, 22 bachelor's degree holders, 02 college graduates and 29 technical workers, and also uses many seasonal workers according to the needs of each project.

- The Company has used resources reasonably, reformed salary and bonus policies to ensure benefits and motivate employees, promoted capacity and efficiency in production, strengthened on-the-job training for young engineers, maintained insurance benefits and stable income at a relatively good level compared with enterprises in the same industry, and enabled employees to exercise democracy, engage in dialogue and contribute opinions to decisions on matters related to their rights, interests and obligations.

- The Company is gradually reorganising production units in a suitable manner and streamlining the indirect management apparatus according to the Company's actual requirements.

- The Company reviewed, amended, supplemented and issued internal management regulations, such as regulations on delegation and decentralisation of management and functions and duties of departments, and financial regulations suitable to the Company's production and business activities.

3.7. Finance:

- In 2025, financial management and capital recovery were carried out effectively, ensuring sufficient capital for construction, reducing pressure from bank loans and improving business efficiency.

- Ensured construction progress, prepared payment dossiers, accepted completed volumes, accelerated capital recovery, reduced inventory and reduced receivables.

- Proactively used capital flexibly, strengthened trade credit and reduced bank borrowings to reduce interest expenses.

- Strengthened management and reduced general administrative expenses, material losses and site costs.

- Continued to resolve overdue advance payments and internal receivables and to finalise completed subcontracting contracts.

II. PRODUCTION AND BUSINESS PLAN FOR 2026

2026 is expected to be a difficult year due to fluctuations in global politics, escalating wars, trade tariff policies and trade protectionism affecting exports.

The State has streamlined the two-tier administrative management apparatus, which will require time to stabilise in order to maintain social production growth.

Domestic construction and real estate enterprises will face many difficulties, as prices of materials, fuel, labour and bank interest rates have increased sharply since the first quarter of 2026, while access to capital has become increasingly difficult.

The Company's management clearly identifies 2026 as a very challenging year and also the first year of the 2026 - 2030 term. With the motto of stability, innovation and sustainable development, based on an analysis of objective and subjective factors and current conditions, the Company has developed the 2026 production and business plan as follows:

1. Key production and business plan targets for 2026:

- Output value: VND 702.771 billion
- Revenue (excluding VAT): VND 708.600 billion
- Capital recovery: VND 718.168 billion
- Profit before tax: VND 15.089 billion
- Total State budget payment: VND 27.358 billion
- Expected dividend: 10 %
- Average salary: VND 13 million/person/month

2. Implementation measures:

To achieve the planned production and business targets, ensure occupational safety, financial safety and employment for workers, and improve operational efficiency, each department must make efforts to innovate and enhance its performance. Specifically:

2.1. Organisation and human resources:

- Regularly review, evaluate and improve the quality of the management apparatus; reorganise weak and inefficient units; complete the project management model; decentralise and delegate authority; and use human resources effectively.

- Promote training, improve professional qualifications and advanced construction techniques for employees, and gradually apply digital technology in work.

- Regularly perform recruitment in line with production requirements, assign suitable jobs, develop succession resources for each position, and prioritise the recruitment of personnel with knowledge and technological capability to meet

management requirements and support digital transformation in management and construction.

- Promote each employee's sense of responsibility to achieve the highest labour efficiency. Improve employees' organisational discipline and provide timely rewards to the right people for the right work.

2.2. Market development:

- Utilise the Company's existing equipment and seek cooperation opportunities with partners supplying materials and equipment at reasonable prices; conduct thorough surveys; ensure the feasibility of construction methods, progress and project costs when bidding; and improve construction management efficiency to offer the most reasonable bid price and increase the chance of winning bids.

- Innovate marketing activities, maximise the application of information technology in market development to improve job sourcing efficiency, increase the winning rate, improve contract quality under the motto: "construction product quality promotes the brand", and enhance competitiveness by using and applying advanced construction science and technology to increase labour productivity.

- Assess risks, especially financial risks, and survey the feasibility of construction methods, progress and costs when participating in project tenders; avoid projects with high potential risks.

- Strengthen marketing for projects with secured funding sources, and promote cooperation with reputable investors with strong financial capacity, aiming to become strategic partners in business cooperation.

- Enhance marketing and promotion of the Company's image as a traditional enterprise with nearly 70 years of construction and development, associated with major landmark projects across provinces and cities nationwide.

- Strengthen cooperation with and perform tasks assigned by Hanoi Construction Corporation in line with the Company's current construction capacity.

2.3. Project investment, real estate business; management and exploitation of assets and construction equipment:

- Effectively exploit the Company's headquarters at 59 Quang Trung, Hanoi; the NO3 T5 project, 2.6NO (now No. 35) Le Van Luong, the 2.3-hectare Cau Buou yard and 242 Minh Khai.

- Contribute capital with the Corporation as investor of the 3.7-hectare social housing project in Nhon Trach Commune, Dong Nai.

- Study and propose investment in the 2.3-hectare Cau Buou project and 242 Minh Khai, Hanoi. Carry out procedures to sign land lease contracts with the Hanoi People's Committee for 59 Quang Trung, 242 Minh Khai and Cau Buou yard.

- Cao Xanh - Ha Khanh B Project: complete construction of the remaining items, including technological equipment for the wastewater treatment station;

repair and maintain technical infrastructure items; carry out acceptance and hand over operation management to the Cao Xanh Ward People's Committee and hand over the project; fulfil procedures for issuing land use right certificates to customers; finalise the completed project and complete project audit work.

- Tan Thanh Urban Residential Area Project: regularly monitor project information to coordinate in protecting the legitimate rights and interests of Van Xuan Urban Investment and Development Joint Stock Company and its shareholders. In the coming period, promote the introduction of partners with financial capacity and investment experience to continue implementing the investment project.

- Prepare equipment investment plans according to production requirements;

- Maintain a high leasing rate for offices, warehouses and workshops.

- Properly maintain, repair and preserve machinery and equipment to increase usage time, exploit and lease them, promptly serve construction activities and deliver high efficiency.

- Continue to complete legal procedures with competent authorities to sign land lease contracts at 59 Quang Trung, 242 Minh Khai and Cau Buou, and invest in renovating the Company headquarters and the Cau Buou land plot to increase exploitation value and revenue from the use and leasing of real estate managed by the Company.

2.4. Finance:

- Regularly research, update and optimise financial tools, effectively implement financial regulations and supplement or amend them where unsuitable issues arise during implementation, and assign work with clear responsibilities to improve the efficiency of financial management.

- Continue to properly address outstanding financial issues.

- Strengthen cost management at ongoing projects to ensure efficiency.

- Promptly accept completed work, ensure dossiers and capital recovery are completed on schedule, reduce work-in-progress costs and avoid capital stagnation that affects production and business results.

- Continue to adopt solutions to prevent financial risks for the Company.

2.5. Construction, project management, science and technology:

- Update technology and gradually apply digital and advanced techniques to effectively meet the Company's management requirements in finance, cost management, capital recovery, asset management, construction management and other areas.

- Strictly implement and apply the issued work performance standards and work processes to ensure safety, progress, quality and efficiency.

- Ensure that project implementation planning is detailed and scientific, and that projects are carefully prepared in terms of personnel, materials, equipment and

necessary conditions to ensure progress, quality and legal compliance during construction.

- Regularly review, inspect, evaluate and urge project implementation to ensure completion on schedule, with quality, safety and efficiency in accordance with the Company's project management and occupational safety standards and the contracts with investors. Review, supplement and continue to apply the management procedures under the ISO standards issued by the Company.

- In the context of deep integration and technological development, strengthen research and application of advanced construction technologies in production; build and apply digital technologies and gradually use AI in management and administration to improve labour productivity.

- Promote initiatives and technical improvements in production to deliver time and economic benefits to the Company.

CONCLUSION

Completing the objectives and plan for 2026 is a very difficult task. However, building on achievements in previous years, with the Company's 70-year tradition of construction and development, the efforts of the Company's leadership and all employees, and the support of Hanoi Construction Corporation and shareholders, Hanoi Construction Joint Stock Company No. 1 is confident and determined to successfully fulfil the assigned tasks.

The above is the report on 2025 production and business performance and the 2026 tasks of Hanoi Construction Joint Stock Company No. 1. On behalf of the Company's Board of Directors, I hereby present this report to the General Meeting of Shareholders and respectfully seek the Meeting's comments.

We wish the Meeting great success.

Respectfully thank you!

**ON BEHALF OF THE BOARD OF DIRECTORS
HANOI CONSTRUCTION JOINT STOCK
COMPANY NO. 1
CHAIRMAN OF THE BOARD OF DIRECTORS**



VU TUNG DUONG