

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

REPORT OF THE BOARD OF DIRECTORS
ON OPERATION RESULT FOR THE 2021 - 2026 TERM
AND THE 2026 OPERATION PLAN

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**REPORT OF THE BOARD OF DIRECTORS
ON OPERATION RESULTS FOR THE 2021-2026 TERM AND THE 2026 OPERATION PLAN**

**To: GENERAL MEETING OF SHAREHOLDERS OF HANOI CONSTRUCTION
JOINT STOCK COMPANY NO. 1**

The Board of Directors ("BOD") of Hanoi Construction Joint Stock Company No. 1 (the "Company") respectfully reports to the 2026 Annual General Meeting of Shareholders ("GMS") on the operation results for the 2021 - 2026 term, the strategic orientation for the 2026 - 2031 term and the 2026 operation plan of the BOD as follows:

I. OPERATION RESULTS FOR THE 2021 - 2026 TERM:

1. Organizational structure:

The Annual General Meeting of Shareholders of Hanoi Construction Joint Stock Company No. 1 held on June 25, 2021 elected the BOD for the 2021 - 2026 term, consisting of five (05) members. At its first meeting held on the same day, the BOD elected the following positions:

- Mr. Hoang Van Hoa - Chairman of the BOD.
- Mr. Tran Dang Manh - Vice Chairman of the BOD.
- Mr. Tran Anh Tuan - Vice Chairman of the BOD.
- Mr. Vu Tung Duong - Member of the BOD.
- Ms. Tran Thi Nguyet - Member of the BOD.

During the course of operation, there were changes in personnel: Mr. Hoang Van Hoa retired in accordance with the applicable rules, and Mr. Tran Dang Manh submitted a resignation letter to step down from the positions of General Director and representative of the capital contribution of Hanoi Construction Corporation - JSC at the Company for personal reasons.

To consolidate the personnel structure in accordance with the Company Charter, on October 1, 2024, the 2024 Extraordinary General Meeting of Shareholders elected two (02) additional BOD members. At the subsequent BOD meeting, the following positions were elected:

- Mr. Vu Tung Duong - Chairman of the BOD.
- Mr. Nguyen Duc Toan - Vice Chairman of the BOD.
- Mr. Tran Anh Tuan - Vice Chairman of the BOD.
- Mr. Nguyen Cong Tuyen - Member of the BOD.



- Ms. Tran Thi Nguyet - Member of the BOD.

On June 10, 2025, the group of major shareholders of the Company submitted a nomination and self-nomination application for BOD membership to replace Mr. Tran Anh Tuan, who requested to resign from the position of Vice Chairman of the BOD for personal reasons. On June 23, 2025, the 2025 Annual General Meeting of Shareholders elected one (01) additional BOD member. At the BOD meeting held at the same time, Mr. Ngo Trong Thuy was elected as Vice Chairman of the BOD.

At present, the BOD consists of the following members:

- Mr. Vu Tung Duong - Chairman of the BOD.
- Mr. Nguyen Duc Toan - Vice Chairman of the BOD.
- Mr. Ngo Trong Thuy - Vice Chairman of the BOD.
- Mr. Nguyen Cong Tuyen - Member of the BOD.
- Ms. Tran Thi Nguyet - Member of the BOD.

2. Difficulties and advantages during the term:

2.1. Difficulties:

- In the early stage of the 2021 - 2026 term, the macroeconomic environment and the construction sector were heavily affected by the aftermath of the COVID-19 pandemic: construction interruptions, supply chain disruptions, labor shortages due to competition for labor from large corporations, and strong and unpredictable fluctuations in construction material prices (iron, steel, cement, etc.), which directly affected costs and profit margins.
- Outstanding receivables and capital tied up in a number of projects over many years affected cash flow and business performance. Market development and bidding activities faced many difficulties due to increasingly intense competition, resulting in a shortage of jobs at certain times.
- The Company's charter capital remained limited and did not meet the requirements for expanding production and business operations; the Company had to depend on bank loans with high interest expenses, creating pressure on financial performance and management activities.
- Debt recovery had not been thoroughly resolved; outstanding receivables and payables remained; internal finalization work was still slow, affecting overall progress and efficiency.

2.2. Advantages:

- The Company has nearly 70 years of experience in the construction sector, through which it has built reputation and brand recognition and accumulated extensive market experience.
- The BOD provided close direction and accompanied the Executive Board in management and administration. Although production and business performance was not high, it remained stable over the years, especially with positive results in debt recovery, contributing to maintaining revenue, profit, jobs and income for employees, while preserving owners' equity and shareholders' interests.

- The shareholder structure includes a controlling State interest (50.36%), represented by Hanoi Construction Corporation - JSC, as well as the major shareholder group BRG, creating favorable conditions for strategic orientation, organizational stability and management activities.
- Despite the diverse shareholder structure, the BOD continued to receive strong consensus and support from shareholders during the management and administration term.
- The team of officers and employees has professional qualifications and experience, especially the key management team, contributing to maintaining stability and gradually developing the Company under difficult conditions.

3. Assessment of the management and administration activities of the BOD for the 2021 - 2026 term:

3.1. Assessment of management and administration activities:

The 2021 - 2026 term took place amid the severe impact of the aftermath of the COVID-19 pandemic, which began in 2020 and lasted until mid-2022, causing widespread effects on the global and Vietnamese economies. Social distancing measures and travel restrictions created many difficulties for the real estate market in general and construction activities in particular throughout the pandemic and post-pandemic periods.

During the term, despite personnel changes, the Board of Directors (BOD) maintained a high level of unity and consensus, promptly making appropriate decisions and orientations, thereby contributing to ensuring business performance and the sustainable development of the Company.

The BOD fully performed its rights and obligations in accordance with the law, the Company Charter on organization and operation, the Internal Regulations on Corporate Governance, and the BOD Operating Regulations. BOD members continuously enhanced their governance capabilities and accumulated experience, aiming to develop the brand, improve operating efficiency, and preserve and develop the capital of the State and shareholders.

The BOD directed the Executive Board to implement the resolutions of annual or extraordinary GMS meetings, ensuring that plan targets were achieved at the highest possible level. BOD activities were maintained in an orderly manner through quarterly meetings to evaluate operating results and approve plans for subsequent periods. Documents and materials were provided fully and in accordance with regulations; written consultations were conducted when necessary. The consensus rate of BOD members at meetings and in written consultations was very high.

BOD resolutions were issued in accordance with the order and procedures prescribed by the Law on Enterprises and the Company Charter on organization and operation, closely following actual operations, contributing to the effective implementation of GMS resolutions and the timely handling of arising issues.

The BOD successfully organized annual and extraordinary GMS meetings; fully fulfilled information disclosure obligations as prescribed on the system of the Hanoi Stock Exchange and on the Company's website, including:

- Disclosure of periodic information on a semi-annual/annual basis: Corporate Governance Report, Annual Report, audited financial statements, list of major shareholders, etc.
- Disclosure of information on annual and extraordinary GMS meetings: meeting plans, contents of meeting documents, personnel matters, minutes and resolutions of the GMS, minutes and resolutions on the election/addition/dismissal of BOD members and members of the Board of Supervisors ("BOS"), etc.
- Disclosure of extraordinary information as prescribed (if any).

The BOD regularly participated and coordinated with the Executive Board in resolving difficulties and proposing appropriate management solutions to improve business efficiency. At the same time, the BOD created favorable conditions for the BOS to properly perform its supervisory function and coordinated closely in monitoring and assessing the implementation of resolutions, thereby contributing to risk prevention and ensuring completion of the business plan.

During the term, the BOD focused on handling certain outstanding issues related to old debts; approved the completed finalization of the 2.6 Le Van Luong and NO3-T5 Diplomatic Corps Area investment projects; and established and maintained cooperation with partners that are financially capable investors such as Vingroup, BRG Group, Hoang Huy, etc.

The Company paid annual dividends on schedule, at a level not lower than that approved by the annual GMS resolution.

In addition, the BOD strengthened coordination with Party organizations and mass organizations, consolidated the organizational apparatus, and improved employees' living standards and sense of responsibility, aiming toward sustainable development.

Thanks to the effective implementation of cost-saving solutions, stronger resource utilization and accelerated debt recovery, together with the close direction of the BOD and the efforts of the Executive Board, the Company's production and business indicators for the 2021 - 2026 term were as follows:

No.	Criteria	Unit	2021 - 2026 Term	<i>Of which:</i>				
				2021	2022	2023	2024	2025
1	Production and business output value	VND billion	3,899.06	707.56	1,514.60	587.76	431.27	704.40
2	Total revenue (excluding VAT)	VND billion	3,599.57	665.12	1,455.90	600.45	288.08	590.03
3	Cash collection	VND billion	3,935.17	815.10	1,391.80	652.21	421.59	654.46
4	Profit (before tax)	VND billion	84.57	15.73	21.60	11.16	19.44	16.64
5	State budget contribution	VND billion	84.57	32.90	31.16	14.66	20.66	15.45
6	Average salary	VND million/ person/month	9.76	8.90	8.90	10.00	10.00	11.00
7	Dividend	%/year	10%	10%	10%	10%	10%	Expected: 10%

3.2. Supervision of the Executive Board

The BOD seriously carried out direction and supervision, while closely coordinating with the Executive Board in management and administration in order to effectively implement the objectives and tasks assigned by the BOD and the GMS. The Executive Board and management team are experienced and capable personnel who meet work requirements.

For important briefing and management meetings, the BOD appointed representatives to attend together with the Executive Board and management officers to promptly discuss, make decisions and propose solutions to difficulties and obstacles, ensuring that the Company's production and business operations were continuous and complied with the law, the Charter and internal regulations.

In performing its duties, the Executive Board consistently followed the resolutions and plan targets assigned by the GMS and the BOD and fully performed its functions and tasks within its authority. For issues arising beyond its authority, the Executive Board promptly reported and proposed handling options for the BOD to consider and decide.

The Executive Board made efforts to achieve certain results during the term. However, in the context of continuing economic difficulties and increasing competition in the construction sector, the Company's production and business activities are expected to continue facing many challenges. Therefore, in 2026, the Executive Board needs to further improve management efficiency, strive to complete the plan targets assigned by the GMS, improve employees' living standards, ensure the interests of the Company and shareholders, and maintain and develop the brand.

3.3. Certain limitations:

- Although many outstanding issues and difficulties were resolved, some matters remained unresolved during the term, especially the high balance of receivables.
- Some construction projects have not been fully accepted and finalized, reducing economic efficiency, particularly projects of Vingroup.
- The settlement and finalization of internal subcontracting contracts with internal units remained limited.
- Investment activities in new and follow-on projects were slow and did not promptly meet market demand.

II. STRATEGIC ORIENTATION FOR THE 2026 - 2031 TERM AND THE 2026 PLAN

1. Production and business operation plan:

The BOD directs close coordination with the Executive Board to implement the 2026 plan targets, specifically as follows:

- | | |
|------------------------------------|--------------------|
| - Production output value: | VND 702.77 billion |
| - Revenue (excluding VAT): | VND 708.60 billion |
| - Cash collection: | VND 718.17 billion |
| - Profit before tax: | VND 15.089 billion |
| - Total State budget contribution: | VND 27.358 billion |

- Expected dividend: 10%
- Average salary: VND 13 million/person/month

The BOD respectfully submits to the GMS for authorization for the BOD to consider and decide adjustments to the 2026 production and business plan (except for the dividend target) in line with the Company's actual situation, if necessary.

2. BOD operation plan:

To ensure sustainable development and further enhance reputation and brand value, the BOD proposes the strategic orientation for the 2026 - 2031 term with the objective of maintaining construction output value, revenue and profit in order to ensure jobs and salary increases for officers and employees, maintaining dividend payments at 8%/year or higher; at the same time, promoting investment in real estate projects and increasing investment in fixed assets and modern equipment to meet the requirements for construction of projects with advanced technology and high technical standards.

The specific plan for 2026 is as follows:

- (1) Strictly comply with the Company Charter on organization and operation, the Internal Regulations on Corporate Governance, and the BOD Operating Regulations.
- (2) Urgently direct and closely coordinate with the Executive Board to implement the plan targets for construction output, revenue and cash collection, and to carry out construction works according to the production plan, while implementing solutions such as: renovating the management method for construction projects, consolidating the personnel organization, completing the assignment-acceptance process, reviewing and adjusting internal regulations, and strengthening the application of technology and digital transformation in management.
- (3) Regularly review and adjust implementation in line with the actual production and business situation.
- (4) Successfully organize the 2026 annual and extraordinary GMS meetings, if any, in accordance with regulations.
- (5) Direct and coordinate with the Executive Board to effectively implement the 2026 production and business plan approved by the GMS; promptly resolve arising difficulties and obstacles, ensuring completion of the set objectives.
- (6) Focus on handling outstanding issues of the Cao Xanh - Ha Khanh B Project, especially legal matters and issues with customers; coordinate to accelerate the handover progress as required by the People's Committee of Quang Ninh Province; complete finalization, audit and handover of the project to the management authority in 2026.
- (7) Urge the Project Executive Board to handle outstanding issues in finalization work; improve the efficiency of management and exploitation of existing assets and equipment.
- (8) Direct the Executive Board to promote market development, improve the quality of bidding dossiers and increase the winning bid rate; focus on large-scale projects with stable funding sources, especially public investment projects and urban area projects of major partners such as BRG.

- (9) Coordinate with Hanoi Construction Corporation - JSC in participating in investment in social housing projects, creating stable and proactive job sources and a foundation for long-term development.
- (10) Continue directing the Executive Board to implement solutions to improve production and business efficiency, increase revenue, profit and dividends; ensure shareholders' interests, improve employees' living standards and fully fulfill obligations to the State.
- (11) Continue focusing on thoroughly resolving remaining old outstanding issues and difficulties in production and business operations, especially debt recovery and project finalization.

The above is the report of the BOD of Hanoi Construction Joint Stock Company No. 1 on the operation results for the 2021 - 2026 term and the 2026 operation plan. The BOD respectfully looks forward to receiving comments from shareholders to further improve operational efficiency, protect shareholders' interests and ensure the Company's sustainable development.

On behalf of the BOD, we respectfully wish all shareholders good health and success, and wish the Company's 2026 Annual General Meeting of Shareholders great success.

Sincerely thank you./.

**ON BEHALF OF THE BOARD OF DIRECTORS
HANOI CONSTRUCTION JSC NO. 1
CHAIRMAN OF THE BOARD OF DIRECTORS**

Recipients:

- As above;
- BOD, BOS;
- Archive: HR-Admin
Department.



VU TUNG DUONG

