

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

REPORT OF THE BOARD OF SUPERVISORS
SUBMITTED TO THE 2026 ANNUAL GENERAL MEETING OF
SHAREHOLDERS

Hanoi, 05/2026



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No: 279 BKS-BC

**REPORT OF THE BOARD OF SUPERVISORS
SUBMITTED TO THE 2026 ANNUAL GENERAL MEETING OF
SHAREHOLDERS**

Dear Shareholders,

- Pursuant to the functions, duties and powers of the Board of Supervisors as stipulated in the Law on Enterprises and the Charter of Hanoi Construction Joint Stock Company No. 1.
- Pursuant to the Company's 2025 production and business results and the 2025 financial statements audited by AASC Auditing Firm Company Limited.

The Board of Supervisors hereby reports on the results of inspection and supervision of the activities of Hanoi Construction Joint Stock Company No. 1 in 2025 as follows:

I. IMPLEMENTATION OF THE RESOLUTION OF THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS:

1. Implementation of the 2025 production and business plan targets:

No.	Criteria	Unit	2025 Plan	2025 Actual	Actual/Plan
1	Output value (VAT included)	VND billion	703.648	704.399	100.11%
2	Revenue from sales and services (excluding VAT)	VND billion	706.425	582.854	82.51%
3	Cash collection	VND billion	695.798	654.463	94.06%
4	Profit before tax	VND billion	16.483	16.636	100.92%
5	Average salary	VND million/ person/month	10	11	110%
6	Dividend (expected)	%	8%	10%	

Based on the figures in the table above, the output value and profit targets for the year exceeded 100% of the plan, showing that the Company's management made significant efforts in seeking new projects and organizing effective construction activities, thereby maintaining a stable source of work and profit for the Company. However, the revenue and cash collection targets did not meet the annual plan. In practice, the Company's acceptance, payment and finalization dossiers for

construction projects remain slow, resulting in revenue not yet being recognized by project owners. This is also a target that the Company needs to pay attention to. In particular, project executive boards should closely monitor and urge branches and construction teams to complete dossiers on a timely basis and in accordance with the required schedule.

Amid the general difficulties of the economy, construction activities were seriously affected. Seeking new projects was very difficult and involved high risks in selecting project owners, causing the Company's production and business activities to face many challenges. Despite these difficulties, the management and all employees of the Company continued to strive to maintain market development and implement projects while ensuring labor safety, construction progress, work quality and optimization of production and business activities. As a result, in 2025 the Company was still able to maintain stable salaries for employees and pay dividends to shareholders in accordance with the plan approved by the 2025 Annual General Meeting of Shareholders.

2. Distribution of 2024 profit was implemented by the Company as follows:

- Appropriation to the Development Investment Fund	VND 943,235,256
- Appropriation to the Welfare and Reward Fund:	VND 943,235,256
- Appropriation to the Executive Board Reward Fund:	VND 500,000,000
- Payment of dividends to shareholders (10%):	VND 8,000,000,000
Total:	VND 10,386,470,512

The entire profit distribution was implemented in accordance with the resolution approved by the 2025 Annual General Meeting of Shareholders.

II. FINANCIAL AND ACCOUNTING POSITION IN 2025:

Based on the 2025 financial statements audited by AASC Auditing Firm Company Limited, the audit results confirmed that the financial statements presented fairly, in all material respects, the financial position of Hanoi Construction Joint Stock Company No. 1 as at December 31, 2025, as well as its business results and cash flows for the financial year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and relevant legal regulations on the preparation and presentation of financial statements. Based on the 2025 financial statements, several financial indicators as at December 31, 2025, reflecting the Company's general financial position and business performance, are shown in the table below: (Figures have been adjusted following the 2025 financial statement audit by AASC).

Indicator	Unit	31/12/2024	31/12/2025
<i>1. Asset structure</i>			
- Current assets/Total assets	%	90.76%	91.42%
- Non-current assets/Total assets	%	9.24%	8.58%
<i>2. Capital structure</i>			
- Liabilities/Total capital	%	80.09%	79.58%
- Owners' equity/Total capital	%	19.91%	20.42%

Indicator	Unit	31/12/2024	31/12/2025
3. Liquidity			
- Quick ratio	Times	0.76	0.80
- Current ratio	Times	1.13	1.15
4. Profitability			
- Profit after tax/Net revenue	%	5.36%	2.26%
- Profit after tax/Owners' equity	%	7.17%	6.05%
- Profit after tax/Total assets	%	1.44%	1.22%

In 2025, the ratio of liabilities to total capital was 79.58%, down 0.51% compared with 2024. The ratio of owners' equity to total capital was 20.42%, up 0.51% compared with 2024. These two indicators did not fluctuate significantly, but they show that the Company improved its financial autonomy and reduced reliance on borrowings. However, all profitability indicators based on profit after tax decreased compared with 2024. The reason was that in 2025, high inflation in both the global and domestic economies significantly affected the construction sector, including sharp increases in material prices, shortages of labor resources leading to sudden increases in labor costs, and higher bank interest rates. These factors materially affected the Company's profit.

The general economic difficulties seriously affected construction activities, which are the Company's core business. Achieving output, profit and salary indicators at more than 100% of plan reflected the continuous efforts of the management and employees of the Company, from selecting bidding opportunities and seeking projects to implementing projects while always ensuring cost savings and minimization. As a result, the Company's overall business efficiency remained stable.

III. CORPORATE GOVERNANCE AND MANAGEMENT:

In 2025, the Company signed new labor contracts with 39 employees, raised salary grades for 17 employees, organized periodic health check-ups for employees, visited retired employees, and organized a preliminary review conference and a company-wide vacation for employees in Dong Hoi, Quang Binh.

- Issued a number of internal regulations, such as regulations on delegation and decentralization of management, information disclosure regulations, financial regulations and salary payment regulations.

- In 2025, the Company had many personnel changes, including appointments of heads and deputy heads of departments, branch directors, heads of subordinate teams and heads of project executive boards.

- The Company applied a new salary payment regulation from October 1, 2025, increasing the average salary across the Company from VND 10 million/person/month to VND 11 million/person/month, thereby encouraging employees to remain with the Company for the long term.

- During the year, the Company implemented Resolution No. 173/2025.NQ-BOD dated March 14, 2025 and Resolution No. 1046/2025.NQ-BOD dated December 22, 2025 of the Board of Directors on the liquidation of two old automobiles. In the

first quarter of 2026, the Company invested in one new Fortuner vehicle to serve production and business activities.

- The Executive Board also provided timely rewards to individuals and teams directly involved in construction and the successful completion of tasks at the HH1 and HH2 Projects, and rewarded individuals who performed well in the payment and finalization work for the Dream City Hung Yen Project.

- The Executive Board and the Board of Directors were responsible in management activities and complied with the Law on Enterprises, the Company Charter, resolutions of the General Meeting of Shareholders and other legal regulations.

- Resolutions of the Board of Directors were issued in accordance with the authority of the Board of Directors and in compliance with resolutions of the General Meeting of Shareholders, the Law on Enterprises, the Company Charter and other legal regulations.

IV. RECOMMENDATIONS:

1. As at December 31, 2025, the Company's outstanding bank loans were VND 43.8 billion, corresponding to incurred interest expenses of VND 2.7 billion. The bank loan balance in 2025 decreased by VND 26.1 billion compared with 2024, corresponding to a decrease in interest expenses of VND 3.2 billion. Bank borrowings and interest expenses decreased significantly compared with the previous year. However, the Company's management needs to pay greater attention to maintaining stable funding sources and allocating capital reasonably in order to minimize interest expenses, thereby contributing to improving the Company's business efficiency. In the long term, low owners' equity will directly affect business operations and create significant financial risks.
2. Trade receivables from customers amounted to VND 453.4 billion, down VND 12.1 billion compared with 2024. The ratio of customer receivables to annual revenue was relatively high at 77.8%. Such outstanding receivables will affect the Company's liquidity. The Board of Supervisors recommends that the Executive Board continue to strengthen debt recovery measures and strictly control receivables to limit financial risks and improve cash flow quality. The Company's management should direct project executive boards to coordinate more closely with departments in completing dossiers for capital recovery, thereby minimizing risks to the Company.
3. Provision expenses increased during the year from VND 67.5 billion to VND 85.9 billion, equivalent to an increase in administrative expenses of VND 18.4 billion. The significant increase in provisions led to higher operating expenses and reduced profit after tax. The increase in provisions mainly arose from reassessment of the recoverability of receivables, the value of inventories and the performance of financial investments. The Board of Supervisors notes that the provisioning was made in compliance with current regulations and the prudence principle in accounting, thereby contributing to fair presentation. However, the upward trend in provisions also indicates potential risks in business operations, particularly relating to debt management and inventories.

Going forward, the Executive Board is requested to continue strengthening risk control, improve asset management efficiency and adopt appropriate handling measures to limit large provision expenses, contributing to improved operating efficiency and the Company's sustainable development.

4. Unearned revenue amounted to VND 81.8 billion, mainly comprising advance payments of VND 73.5 billion received from customers for real estate purchases at the Cao Xanh Ha Khanh Project. This has been a long-standing item. In the coming period, the Executive Board should direct relevant departments to continue working with customers on late payment interest so as to sign land use right transfer contracts with customers in accordance with the resolutions of the Board of Directors, avoid prolonged customer complaints and lawsuits, and recognize revenue in accordance with accounting law. Office rental deposits at 59 Quang Trung amounted to VND 2.9 billion, and advances under construction contracts amounted to VND 5.4 billion. Advances under construction contracts indicate that the enterprise has secured output for its products, but they also carry risks of sudden increases in input material prices in the current unstable market environment.
5. Work-in-progress production and business costs amounted to VND 293.2 billion, down VND 8.5 billion compared with 2024. The decrease in work-in-progress costs during the year is a positive sign, showing that the Company improved capital utilization efficiency and ensured transparency of the financial statements. However, the remaining work-in-progress balance is still large, mainly concentrated in construction activities, indicating that a significant amount of capital remains tied up. Prolonged high work-in-progress costs not only reduce capital turnover but also put pressure on cash flow, while the Company must still fulfill payment obligations and operating expenses. At the same time, this entails risks of additional costs, reduced production and business efficiency and impacts on the Company's profitability. Accrued expenses for construction works in 2025 were VND 19.5 billion, up VND 2.2 billion compared with 2024. The Company needs to review accrued expenses to ensure consistency with actual costs incurred and the characteristics of each project, adopt a well-founded cost estimation method, and strengthen control and timely updates to limit abnormal fluctuations in business results between periods, while improving the transparency of the financial statements.

To address this weakness, the Board of Supervisors recommends that the Executive Board strengthen schedule management and cost control, accelerate completion and acceptance of construction works, and put work-in-progress costs into operation for revenue recognition, thereby improving capital utilization efficiency and ensuring financial safety in order to increase working capital for the Company in the coming period.

6. Overdue doubtful debts amounted to VND 85.9 billion, up VND 18.4 billion compared with 2024 and equivalent to 107.3% of the Company's charter capital of VND 80 billion. This reflects a relatively high level of risk affecting business performance. The Board of Supervisors recommends that in 2026 the Executive Board pay closer attention and provide more rigorous direction, specifically by urgently reviewing, classifying and assessing the recoverability

of all receivables; fully making provisions in accordance with current regulations; strengthening receivables management; and clearly defining the responsibilities of relevant departments and individuals for the occurrence of large bad debts, in order to reduce risks in the Company's business operations.

7. Advances to customers amounted to VND 81.2 billion, which is also a relatively large amount. These advances show that the Company increased advance payments to ensure supply. However, this causes working capital to be occupied, affects capital utilization efficiency and entails risks if suppliers fail to perform their commitments. Therefore, the Company needs to strengthen control of receivables, optimize inventories and tightly manage advances in order to improve capital utilization efficiency and ensure financial safety.

According to current reports of the Executive Board, a number of units such as Team 7, Team 9 and Branch 105 still have large outstanding receivable and payable balances. The Executive Board and the Board of Directors should adopt stronger measures to recover the debts of the above-mentioned units, avoiding adverse impacts on the Company's financial resources and the risk of loss of State capital.

8. Projects:

- For the 2.6LVL and NO3T5 NGD Projects, the Company completed final settlement of both projects in 2025. However, both projects still have the following outstanding issues:
 - 2.6 LVL Project: The provisional payment of VND 10.8 billion made to the account of the Government Inspectorate relating to the Company's use of two technical floors has not yet been resolved and recovered. In the coming period, the Board of Supervisors recommends that relevant departments prepare legal dossiers to work with the Government Inspectorate to recover the VND 10.8 billion currently being held temporarily by the Government Inspectorate.
 - NO3T5 NGD Project: The Company needs to continue completing legal procedures for the secondary investor in order to apply for land use right certificates for the commercial area of the project.
- Cao Xanh Ha Khanh Project: The Company's departments need to coordinate to continue carrying out the following tasks:
 - Complete construction and installation of technological equipment for the wastewater treatment station.
 - Complete the repair and maintenance of the project's technical infrastructure items. Conduct acceptance and hand over management and operation of all technical infrastructure items of the project to the People's Committee of Cao Xanh Ward.
 - Continue working with customers on late payment interest and sign land use right transfer contracts with customers in accordance with the resolutions of the Board of Directors, avoiding prolonged customer complaints and lawsuits.
 - Coordinate with relevant departments and agencies of Quang Ninh Province to explain Conclusion No. 2096/KL-TTCP dated September 5, 2014 of the Government Inspectorate.

In the coming period, based on the opinions of competent authorities, the Board of Supervisors recommends that the Executive Board work with Quang Ninh Province to resolve the remaining issues and obstacles of the project so that acceptance and handover can be approved in accordance with the law, thereby avoiding adverse impacts on the Company's reputation, financial position and operations.

- Joint venture project with Van Xuan Urban Investment and Development Joint Stock Company:

The Company should continue to closely coordinate with the project owner and member units contributing capital to work with the relevant departments, inspectorate and the People's Committee of Hai Phong City to request determination of the lawful owner of the assets formed on the land at the project, revaluation of land-attached assets, and refund of the Company's initial investment value if the People's Committee of Hai Phong City issues a decision to reclaim the land.

V. OVERALL ASSESSMENT OF THE TERM OF THE BOARD OF SUPERVISORS:

1. General assessment:

During the term, the Board of Supervisors fully performed its supervisory role over the activities of the Board of Directors and the Executive Board, ensuring that the Company's activities complied with the law, the Company Charter and resolutions of the General Meeting of Shareholders.

The Board of Supervisors operated independently and objectively and coordinated with relevant departments to enhance control effectiveness and risk management within the Company.

2. Performance results of the Board of Supervisors:

a. Supervision of management and administration activities

- Regularly monitored and supervised the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors.
- Assessed the legality and reasonableness of the management and administration activities of the Board of Management.
- In general, management activities basically complied with regulations; however, certain shortcomings remain and need to be addressed.
- Financial inspection
- Reviewed periodic financial statements and assessed the fairness and reasonableness of the figures.
- Identified certain issues relating to receivables and capital utilization efficiency, as mentioned in Section IV, that need improvement.

b. Risk control

- Monitored key risks such as receivables, inventories and cash flows.
- Provided timely warnings in the annual reports of the Board of Supervisors regarding signs of financial imbalance.
- Recommended handling measures each year to limit arising risks.

3. Assessment of the activities of the Board of Directors and the Executive Board

- The Board of Directors performed its functions of orientation and supervision of the Company's activities.



- The Executive Board made great efforts to organize the implementation of the production and business plan.
4. Outstanding issues and limitations
- Receivables management remained insufficiently strict, resulting in significant overdue doubtful debts.
 - Working capital was occupied, affecting liquidity.
 - Forecasting and risk control were not yet highly effective.
5. The Board of Supervisors recommends that the Executive Board pay attention to the following matters:
- Strengthen receivables management and debt recovery, and limit the occurrence of bad debts.
 - Improve capital utilization efficiency and strictly control cash flows.
 - Clearly define the responsibilities of collectives, individuals and departments involved in the Company's outstanding issues so that timely measures can be taken.
 - The Board of Supervisors considers that during the term, the Company achieved certain results in production and business activities. However, limitations remain, particularly issues relating to financial governance and receivables.

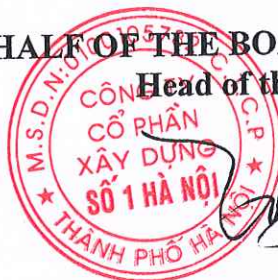
The above is the report of the Board of Supervisors. It is respectfully submitted to the General Meeting of Shareholders for consideration and approval, and for proposing remedial measures to improve operating efficiency and ensure the Company's financial safety in the coming period.

We respectfully wish all delegates and shareholders good health, and wish the Meeting great success.

Sincerely thank you!

ON BEHALF OF THE BOARD OF SUPERVISORS

Head of the Board



DO THI TUYET

C.P.