

Hanoi, April 2nd, 2024

REPORT OF THE BOARD OF DIRECTORS ON 2023 PERFORMANCE AND ORIENTATION FOR 2024

To: The General Meeting of Shareholders of
Viettel Construction Joint Stock Corporation.

The Board of Directors (BOD) hereby reports to the General Meeting on the results of the BOD's performance in 2023 and the orientation for 2024 as follows:

I. BOD'S PERFORMANCE IN 2023

1. Overview

- The macroeconomic environment has shown many bright spots: low interest rates, government push for public investment, real estate sector rebounded in the last quarter, retail sales gradually improved... The most difficult times have passed, but companies still need time to recover and expand production. The telecommunications sector continues to face strong competition, with investors demanding higher service quality.

- In 2023, the Corporation focused on sustainable business development linked with social responsibility, building and developing corporate culture closely tied to organizational structure. Operations were oriented towards digital transformation and emphasized on building high-quality human resources in line with the corporate culture and business strategy. Strategically, the company continued to seek new business spaces, with a focus on Go Global direction.

- In 2023, the Corporation's revenue surpassed the 10,000 billion VND milestone for the first time, maintaining its position as the number one Towerco in Vietnam. Additionally, the Corporation received numerous awards and honors both domestically and internationally (16 awards and honors in total, including 5 new awards). Notable awards include: Top 3 Most Favorite Midcaps, Global CSR & ESG Summit and Awards 2023, Top 50 Forbes, Top 500 Most Profitable Enterprises...

2. Evaluation of fulfilling Shareholders' delegated tasks

2.1. Business operations results

2.1.1. Business results in 2023

- The consolidated total revenue in 2023 reached 11,399 billion VND, completing 110% of the plan, a 20% growth compared to the same period in 2022.

- The consolidated net profit after tax in 2023 reached 515.9 billion VND, completing 106% of the plan, a 13% growth compared to the same period in 2022.

* For the Parent Company: Total revenue reached 9,848 billion VND, completing 106% of the plan; Net profit after tax reached 500.3 billion VND,

completing 106% of the plan; ROE reached 28.7%, completing 104% of the plan.

2.1.2. Results of implementing key directions and tasks

In 2023, the Corporation successfully implemented the key directions and tasks assigned:

- Continued to affirm and maintain the number one position in Vietnam in operating and exploiting telecommunications network infrastructure and Towerco. Infrastructure owned by the end of 2023: 6,436 BTS stations; 1.87 million m² of DAS; 2,716 km of transmission lines; 16.87 MWp of solar power.

- Ranked first in construction coverage at the individual project level in Vietnam: District construction coverage rate reached 97.4%; Commune coverage rate reached 23.6%.

- Maturity level index reached 3.63/5 - ADVANCING. The QTRR system reached Execution level 4/5. Corporate culture maturity reached 5.0.

- Business space expansion direction: Go Global orientation - Promoting market research in Australia.

2.2. Fulfilling delegated content

2.2.1. Selection of the 2022 financial statements auditing firm:

The Board of Directors/Audit Committee organized and decided to select AASC Audit Company Limited as the financial statement auditing firm of the Company for 2023.

2.2.2. Dividend payment for 2022 in 2023:

Resolution No.11/NQ-ĐHĐCĐ dated April 18th, 2023, approved the dividend payment plan in cash at the rate of 10% and in shares at the rate of 21.51%. However, due to the rejection of the stock dividend issuance dossier by the SSC, Resolution No.38/NQ-ĐHĐCĐ dated December 26th, 2023, adjusted the dividend payment plan in shares at the rate of 21.51% to dividend payment in cash at the rate of 19.19%. Thus, in 2022, the total dividend of the Corporation implemented in accordance with the resolution of the General Meeting of Shareholders was 29.19%. The payment schedule is as follows:

- Cash dividend payment at 10% rate, first installment: 114.39 billion VND. Payment date: July 31st, 2023.

- Payment of the remaining dividends for 2022 in cash at the rate of 19.19%: 219.51 billion VND. Payment date: February 6th, 2024.

2.2.3. Issuance of shares to increase charter capital:

The issuance of shares to pay dividends according to the resolution of the General Meeting of Shareholders, with the form of written consent from shareholders, was not implemented as per Resolution of the General Meeting of Shareholders No.38/NQ-ĐHĐCĐ dated December 26th, 2023.

2.2.4. Amendment of the Charter:

Immediately after the Annual General Meeting of Shareholders in 2023 approved the amendment of the Company's Charter, the legal representative signed and published the information on the website in accordance with regulations.

2.2.5. Conducting transactions with stakeholders:

With the consent of the General Meeting of Shareholders according to Resolution No.11/NQ-ĐHĐCĐ dated April 18th, 2023, and Resolution No.38/NQ-ĐHĐCĐ dated December 26th, 2023, the legal representative of the Corporation signed contracts with Viettel Group in 2023 as follows:

a. Participating in the bidding of 7 tenders for outsourcing telecommunications infrastructure services in the 2024-2026 period: Winning 6/7 tenders, signing 6 contracts with Viettel Telecommunications Corporation - Branch of Viettel Group with a total value of 15,850 billion VND.

b. Contracts and transactions with a value \geq 35% of the total value of assets according to the latest financial statements

- Contract No.281201-ĐTTS/VTT-VCC/2023 on providing outsourcing telecommunications infrastructure services in the 2024-2026 period in 14 northern mountainous provinces. Contract value: 2,445,697,814,156 VND.

- Contract No.281202-ĐTTS/VTT-VCC/2023 on providing outsourcing telecommunications infrastructure services in the 2024-2026 period in 15 Red River Delta provinces. Contract value: 4,797,795,517,294 VND.

- Contract No.281206-ĐTTS/VTT-VCC/2023 on providing outsourcing telecommunications infrastructure services in the 2024-2026 period in 13 Mekong Delta provinces. Contract value: 3,295,943,136,328 VND.

c. Contracts, transactions of regular nature with a value < 35% of the total value of assets according to the latest financial statements: In 2023, the total number of contracts with a value < 35% of the total value of assets/transaction of the Corporation signed was 4,759 contracts/transactions, with a total value of 7,265,422,615,388 VND.

Shareholders can find detailed information in the proposal for approval of contracts and transactions with Viettel Group.

3. Organization and activities of the Board of Directors (BOD)

3.1. Organization work and activities of the BOD

In 2023, the BOD of Viettel Construction Joint Stock Corporation organized 9 meetings (including 4 voting sessions at meetings and 5 sessions for written polling) to pass 25 Resolutions/Decisions to decide on matters within the authority of the BOD.

Number of meetings:

No.	BOD Member	Position (Independent BOD Member, Non-executive BOD Member)	Date of starting/no longer being an BOD member/independent BOD member		Number of BOD meetings attended	Attendance rate	Reason for not attending
			Date of appointment	Date of dismission			
1	Mr. Đỗ Mạnh Hùng	Chairman of the BOD	22/04/2022		9/9	100%	

2	Mr. Phạm Đình Trường	BOD Member	- First time: 26/01/2019 - Reappointed: 06/06/2020		9/9	100%	
3	Ms. Nghiêm Phương Nhi	Non-executive BOD Member	06/06/2020	18/04/2023	2/3	66,67%	Ms. Nhi submitted her resignation letter on March 13th, 2023. The General Meeting of Shareholders dismissed him from April 18th, 2023
4	Mr. Nguyễn Quang Khải	Independent BOD Member	22/04/2022		9/9	100%	
5	Mr. Nguyễn Tất Trường	Non-executive BOD Member	- First time: 19/06/2018 - Reappointed: 06/06/2020		9/9	100%	
6	Ms. Vũ Thị Mai	Non-executive BOD Member	18/04/2023		6/6	100%	The General Meeting of Shareholders appointed on April 18th, 2023

3.2. BOD compensation - BOD operating costs:

The payment of salaries and compensation to the BOD adhered to the approved levels by the General Meeting of Shareholders (Details in the proposal to approve the BOD and Board of Supervisors compensation levels for 2023 and propose BOD compensation levels for 2024).

3.3. Activities of independent BOD members:

In 2023, independent BOD member Mr. Nguyễn Quang Khải attended 100% of the BOD meetings and provided important insights into building the governance system, proposing new business models for the Corporation.

4. Evaluation of BOD activities and each BOD member

4.1. Evaluation of the Corporation's activities by independent BOD members

- In the context of Vietnam's slow economic recovery in 2023 and many challenges for enterprises, the Corporation still excellently achieved operational targets, especially encouraging was the increase in revenue share from outside the Group exceeding the planned target. This is the result of the Corporation's meticulous management and operational oversight by the Leadership Board and the efforts of all staff.

- The BOD effectively fulfilled its supervisory and directive tasks, implementing resolutions of the General Meeting of Shareholders and BOD as well as managing the Corporation's business operations. The Chairman of the BOD, along with other BOD members, worked directly with the business units within the Corporation as well as Viettel Construction branches in provinces/cities to listen to feedback from frontline production and business staff regarding external factors such as the market, customers, competitors, and internal policies of the Corporation. The BOD also actively participated in seeking new business models, especially focusing on the Corporation's Go Global strategy.

4.2. Overall evaluation of BOD activities

In 2023, the BOD operated actively, adhering to general regulations for BOD activities, closely monitoring the operations of the Executive Board in organizing, managing, and achieving the set objectives and plans. Alongside observance activities, the BOD focused on researching, directing, and guiding the Corporation in various activities:

- Enhancing integrated ESG company governance practices.
- Researching market expansion for growth opportunities, the Go Global strategy.
- Implementing decentralized accounting organizational models and evaluating business efficiency by field/center.
- Establishing a business production strategy for 2030.
- Adjusting the 2022 dividend payment plan to ensure shareholder rights and organizing shareholder feedback through transactions with Viettel.
- Reviewing legal aspects of branded product business operations and evaluating debt recovery management, inventory management activities.

4.3. Evaluation of each BOD member's results

BOD members fully attended BOD meetings and provided written opinions with a high sense of responsibility for the interests of shareholders and the sustainable development of the Corporation.

In addition to fulfilling their common responsibilities, each BOD member effectively completed their assigned tasks:

- The Chairman of the BOD fulfilled legal responsibilities by summoning, organizing annual work programs, assigning tasks among members, organizing meetings, and collecting written opinions to issue Resolutions in accordance with legal provisions. Additionally, the Chairman directly dealt with practical issues, thereby building, adjusting, and implementing strategic issues for the Corporation.

- Specialized BOD members fulfilled their assigned tasks, effectively controlled information disclosure as per regulations, supervised, and evaluated internal control activities of the Corporation.

- Other BOD members completed assigned tasks, made creative and timely contributions to BOD management and operations, contributing to the excellent completion of the 2023 business plan.

5. Evaluation of the Executive Board's task performance

5.1. Supervision activities:

Following the provisions of the Corporation's Charter, Corporate Governance Regulations, internal management regulations, and current laws, the supervisory activities of the BOD include:

- Supervising the implementation of resolutions/decisions of the General Meeting of Shareholders (GM) and the BOD.

- Monitoring and directing the disclosure of information to ensure transparency and timely compliance with regulations.

- Supervising the operational and management activities of the Executive Board to enhance business efficiency and achieve set targets.

- Monitoring debt recovery management, inventory management activities, and evaluating the business efficiency of units.

- Implementing the decentralized accounting organizational model at provincial/urban branches.

5.2. Evaluation:

- The Executive Board was resolute in managing business operations, surpassing planned targets, and effectively fulfilling the BOD's tasks.

- The Executive Board maintained reporting to the BOD on business and production situations, the progress of GMS and BOD resolutions, and soliciting BOD opinions within its jurisdiction.

- Business operations ensured effectiveness and maintained high growth rates over the years.

- Proactive efforts were taken in human resource training, communication activities, dissemination of corporate culture, digital culture, and risk management culture, actively contributing to and participating in corporate governance practices for sustainable development.

II. PLANS AND ORIENTATION OF THE BOD IN 2024

1. Orientation - Key tasks in 2024

- Overcoming challenges - Boosting investment - Developing sustainably.

- Increasing the proportion of revenue from outside Viettel to 40%.

- Go Global: Signing and implementing 1-2 contracts with foreign partners.

- Synchronizing infrastructure and leasing 4,000 new BTS stations.

- Operating the organization according to international standards, efficiently operating the accounting model at business centers, provincial/urban branches, and extending corporate culture externally.

- For each sector:

- Technical operation: Ready to operate the 5G network upon its commercialization. Providing technical operation services to another telecommunications network outside of Viettel.

- Infrastructure investment: Rapidly invest in infrastructure to ensure progress, efficiency, and suitable designs for global standards.
- Construction:
 - B2B: Among the top civil construction enterprises in the market.
 - B2C: No.1 in project coverage in Vietnam, completing the “Smart,” “Green,” and “Closed-loop” ecosystem.
- Solutions products & technical services: Becoming the largest integrated distributor (solution design, product distribution, installation, maintenance, and repair).

2. Key business performance targets in 2024 (*Consolidated figures*)

- Total revenue: 12,653 billion VND, a growth of 11% compared to 2023.
- Profit after tax: 531.7 billion VND, a growth of 3% compared to 2023.
- Expected dividend payout ratio: 10%-20%.
- Specifically, the Corporation’s total revenue: 11,262 billion VND and profit after tax: 509.2 billion VND; ROE reaching 22.45%.

With determination, unity, and innovation, we are fully confident in achieving the set plans and objectives.

The above is the report of the BOD, respectfully submitted for the consideration and approval of the General Meeting of Shareholders.

**FOR. THE BOARD OF DIRECTORS
CHAIRMAN**

(signed)

DO MANH HUNG