

No. 06/BC-VCC

Hanoi, April 2nd 2024

**REPORT
OF THE BOARD OF SUPERVISORS ON THE RESULTS OF
PERFORMANCE IN 2023 AND PLAN FOR 2024**

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

Pursuant to the Enterprise Law 59/2020/QH14 and related documents;
Pursuant to the Organization and Operation Charter of the Corporation;
Pursuant to the Operating Regulations of the Board of Supervisors;
Pursuant to the Separate and Consolidated Financial Reports of the Corporation audited by AASC Audit Corporation Limited.

The Board of Supervisors reports to the Annual General Meeting (AGM) of Shareholders on the results of activities in 2023 and the plan for 2024 as follows:

**PART A: ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2023
PART I: RESULTS OF THE BOARD OF SUPERVISORS' ACTIVITIES
I. Evaluation of the results of activities in 2023**

1) Organizational structure

- The members of the Corporation's Board of Supervisors, according to Resolution No.060602/NQ-VCC-AGM dated June 6th, 2020, include:

- 1) Mr. Ngô Quang Tuệ - Bachelor of Finance - Head of the Board
- 1) Mr. Phạm Hồng Quân - Master of Accounting - Supervisor
- Ms. Mai Thị Anh - Bachelor of Accounting - Supervisor

2) Results of the Board of Supervisors' activities and its members

2.1. Organization of meetings and operations

❖ Organized meetings as required:

In 2023, organized 5/5 meetings as required by law (*See specific content in the 2023 Corporation's management report*).

❖ Operations:

- + Assigned tasks according to expertise, fields, and closely followed plans;
- + Deeply monitored specific high-risk issues and areas;
- + Implemented plans approved at the 2023 AGM;
- + Enhanced on-site inspections at various units.

❖ Objectives:

- + Followed plans, quickly identified, and timely alerted.
- + Ensured all Corporation activities complied with and respected the law.

2.2. Results of the Board of Supervisors' activities

In 2023, the members and the Board of Supervisors conducted inspections, monitored compliance with legal regulations, the Charter, regulations, and procedures of the Corporation in all production and business activities, as follows:

- Implemented supervision according to the approved 2023 activity plan.
- Supervised the compliance with AGM resolutions regarding the Board of Management/Board of Supervisors: business results, finances, organizational models, and legal investment, ensuring all activities complied with and respected the law.
- Worked with the independent audit company on auditing financial reports and requested reports and explanation of audit recommendations.
- Reviewed separate and consolidated financial reports before and after quarterly/6 months/year auditing to assess the business and financial situation through operational, efficiency, and financial indicators.
- Supervised the issuance and amendment of Corporation regulations, according to the authority. Monitored the legal compliance of the Board's resolutions and legal implementation of business operations.
- Supervised 6 topics: *(1) Financial management: debt management; (2) Financial performance evaluation in Civil Construction B2B sector; (3) Asset, material, inventory, warehouse, and tool management; (4) Payroll and labor effectiveness; (5) Business effectiveness in the first 6 months of 2023; (6) E-commerce website and Consumer Protection Law No.59/2010/QH12.*
- Conducted inspections at 12 units according to the Board of Supervisors', the Board of Directors', and the Board of Management's plans.
- Participated in Board of Directors' meetings, review meetings, and the Board of Management's meetings; proposed recommendations based on supervision results.
- Supervised the disclosure of information, contracts, transactions with related parties, and actions taken to address audit conclusions => no violations found.
- Enhanced supervision capabilities through specialized training courses: financial management, investment, ...

3. General evaluation of the results of activities of Board of Supervisors' members

*** Overall evaluation:**

Supervision activities were thorough through supervision topics to accurately identify issues and make timely recommendations. Proposed suggestions were systematic and effective, helping the Board of Management /Board of Supervisors make timely decisions;

=> Board of Supervisors' members completed tasks well, ensuring independence, compliance with operating regulations, with no violations found among members.

3. Limitations: Legal activities lacked personnel with deep expertise. The effectiveness of organizational model implementation, investment project effectiveness, lump sum costs, ...were not evaluated.

4. Remuneration and operating costs of the Board of Supervisors

Payment and receipt of remuneration for the Board of Supervisors were implemented according to the 2023 AGM-approved quota: 2,223 billion VND.

II. SUPERVISION RESULTS REPORT

1. Results of supervising the Corporation's operations

- 2023 was another successful year for the Corporation, exceeding revenue, profit, labor productivity targets, and financial indicators, always ensuring sustainable double-digit growth and capital preservation, through specific consolidated reporting data (*analyzed in Section 5.2 of the report*).

- Operations: The General Director delegated authority by management level, assigned detailed tasks according to areas of responsibility, and was in charge of agency clusters and Branches in provinces/cities.

- The Board of Management focused on building: “people”, “processes”, “technology”, and “management”.

- Built a management accounting model at Centers and Branches to help units self-assess business results and make timely decisions.

- Managed all production and business activities closely aligned with the Business Strategy for the 2021-2025 period; developed specific “Vision - Mission - Goals” for each stage to help the Corporation achieve breakthrough growth in the coming years.

- Risk management was always emphasized by the Corporation with 3 defense lines built;

- Applied technology to centralized construction progress monitoring software IOC; Business monitoring report Bi/IOC centralized data monitoring; ... **Lean six sigma** process improvement system; **ISO 31000** risk management system, and **BI&DW** operational analysis system.

2. Supervision of the Board of Directors/General Director's activities

a. Results of supervising the Board of Directors

- **Organization of the human resources apparatus**

+ Ensured compliance with the legal requirement of having all 5/5 members.

- **Organization of meetings within the jurisdiction**

• Conducted the Annual General Meeting of Shareholders in 2023: *held meetings through 2 formats (offline & online), with a rate off shareholder voting for approval of contents > 99% such as “reports and proposals of the Board of Management/Board of Supervisors/Audit Committee/Inspection Committee, totaling 10 contents”*;

• Organized soliciting shareholder opinions in writing to pass the AGM Resolution: adjusted the plan to distribute dividends in shares to cash dividends and Contracts with related parties approving transactions with Viettel Group shareholders.

- Organized meetings of the Board of Management:
 - + Conducted Board of Management meetings in person 4/4 times with the presence of the Board of Supervisors, reporting, and speeches.
 - + Organized written opinion requests: 5/5 rounds of opinion collection through writing ensuring compliance with regulations.
 - Evaluation: Meetings had specific content, focused on strategy, business results, target setting, policies, and timely resolution of issues.
 - **Implementation and legal operation deployment:**
 - + Passed a resolution to pay a 10% cash dividend to existing shareholders.
 - + Conducted field inspections at 4 units regarding business and financial situations.
 - + Complied with Resolutions, Charters, and Regulations, fulfilling the role well as representatives of the Corporation's capital and interests of the Corporation and shareholders.
 - + Approved production and business plans, investment activities, procurement.
 - **Document issuance and information disclosure activities:**
 - + Issuance documents: issued 25 Resolutions/Decisions and 9 Minutes.
 - + Information disclosure activities included 31 contents as per legal regulations (with 11 regular contents and 20 irregular contents).
 - **Enhancing public company management activities**
 - + Participated in advanced management training courses, corporate management.
 - + Strengthened risk management activities through organizational structures and management frameworks.
 - + Engaged with investors/shareholders: In addition to organizing the regular Annual General Meeting of Shareholders, the Corporation held 5 meetings with investment funds with the participation of nearly 50 investment funds globally. Additionally, the IR department maintained regular channels for receiving and addressing shareholder inquiries.
 - + Developed plans to enhance integrated public company management with ESG, aiming to achieve by 2025: *corporate governance group, award of annual corporate voting reports (annually); determine the roadmap to the top 20 companies in the index (VNSI) HoSE; list of sustainable enterprises in Vietnam (SCI) coordinated by VCCI and organizing Ministries.*

b. Results of supervising the General Director's activities

- Leadership, compliance with Resolutions, and strategy implementation

In 2023, the world in general was forecasted to face many potential difficulties due to post-pandemic aftermath, wars, unemployment, and global supply chain disruptions. Confronting those challenges, the leadership took proactive measures, excellently implementing plans and exceeding targets, achieving sustainable double-digit growth, also marking the first year the

Corporation surpassed the milestone of revenue over 10 trillion VND, highly evaluated and commended by the Group.

- Implementation of production and business targets as per Resolution

+ Endeavored to manage all business activities in line with Resolutions and plans; the results in 2023 excellently fulfilled all business and financial targets:

- Total revenue achieved: 11,399 billion VND, exceeded 1,061 billion VND ~ exceeded 10.3% compared to the Resolution, increased by 1,904 billion VND ~ 20% compared to the same period.
- Pre-tax profit achieved: 645 billion VND, exceeded 32 billion VND ~ 5.2% compared to the Resolution, increased by 75 billion VND ~ increased by 13.1% compared to 2022;
- After-tax profit achieved 516 billion VND, exceeded 29 billion VND ~ 5.9% compared to the Resolution, increased by 61 billion VND ~ increased by 13.3% compared to 2022;
- Efficiency indicators:
 - ROA reached 8% achieved 97% of the Resolution, decreased by 1.1% compared to 2022, due to the faster growth rate of total assets than the net profit growth rate, so this indicator decreased compared to 2022 and was lower than the target set at the AGM.
 - ROE reached 28.5% exceeded 0.5% ~ 1.6% compared to the Resolution, decreased by 2.4% compared to 2022.

+ The Corporation won 16 prestigious awards domestically and internationally: Top 50 best listed companies; Vietnam digital transformation award; Best workplace in Vietnam; International Business award; ...

- Management and governance activities

+ Enhanced management capacity at all management levels, built a cadre force in all levels and fields regarding management expertise.

+ Applied digitization to management areas through digital transformation activities, aimed to increase labor productivity, reduce time, and increase efficiency, in line with development strategy.

+ Established a Risk Management system with 3 defense lines; Issued procedures, regulations, KPIs integrated into the control system, and quality evaluation, aiming to increase labor productivity and efficiency.

- Completing the organizational model

+ Merged the Technical Services business sector and Integrated Solution business sector to form a complete business ecosystem with high competitiveness;

+ Established/Renamed 02 civil construction centers B2B and B2C to form a highly competitive and specialized ecosystem.

+ Organized business according to a closed ecosystem “Consulting-Design-Construction-Equipment supply-Operation-Optimization” which has shown high efficiency and professionalism.

- Building corporate brand, business culture strategy

+ Built brands of AIO products (smart homes, service) associated with the Corporation's complete ecosystem business strategy.

+ Advocated for "Go Global" expansion to implement long-term strategies; organized research units on markets: *Australian market; In the Bangladesh, Middle East markets (researched, evaluated business products suitable for VCC's strengths)*; reported to the Board of Directors, shareholders.

+ Built a corporate culture closely tied to all business development activities according to 6 aspects and achieved a level of maturity of 5/5 unity levels.

c. Supervision of information disclosure activities

The activities of information disclosure in 2023 were carried out seriously in accordance with Articles 10, 11, 12, and 13 of Circular No. 96/2020/TT-BTC dated November 16th, 2022, which stipulates periodic information disclosure by public companies on the stock market. The total number of disclosed information in the year was **31** bulletins.

3. Report on control transactions between the Corporation and related parties

Pursuant to Article 290 paragraph 4 of Decree No. 155/2020/NĐ-CP regulating the supervision of transaction reports between the Corporation and related parties:

- In 2023, no transactions occurred between the Corporation, subsidiaries, and companies in which the Corporation holds over 50% of charter capital with members of the Board of Directors and related parties of those members.

- In 2023, transactions occurred with related parties, including transactions between the Corporation and Viettel Group and its subsidiaries. The main contents of the contracts related to providing services, ordinary goods such as telecommunications network operation services, telecommunications equipment supply, construction projects, etc. These transactions were reported for shareholder approval at the General Meeting of Shareholders and disclosed in accordance with regulations. These transactions brought stable revenue, cash flow, and good profits for the Viettel Construction Joint Stock Corporation in 2023.

4. Supervision of the Annual General Meeting Resolutions 2023

- Successfully achieved production and business targets as per the resolution.

- The charter capital in 2023 remained unchanged at 1,143,858,790,000 VND, equivalent to 114,385,879 shares; as there was no increase in charter capital and it was not converted into cash, the total ratio was 29.19%. (Information publicly disclosed).

- Distributed profits and appropriate funds in accordance with the Resolution.

5. Results of assessment of the financial statements and business results in 2023

5.1. Preparation and audit of financial statements

a. Regarding the implementation of accounting and financial reporting policies:

- The financial statements for 2023 were prepared based on the selection of appropriate accounting policies, consistently applied these policies, conducted reasonable evaluations and estimates, complied with laws and regulations of Vietnamese Accounting Standards and Accounting Regimes.

- The separate and consolidated financial statements for 2023 were audited by AASC Audit Corporation Limited “*as approved at the General Meeting of Shareholders in 2023*”. The report was fully accepted and provided truthful and reasonable reflections on critical aspects and was disclosed in accordance with current laws.

b. Regarding the audit of financial statements

The auditors provided opinions in the consolidated financial statements that truthfully and reasonably reflected the financial position of the Corporation as of December 31st, 2023, as well as the results of business activities and cash flow for the financial year ending on that date. The results complied with Vietnamese laws and relevant legal provisions regarding the preparation and presentation of consolidated financial statements.

5.2. Financial and business situation of the Corporation as of December 31st, 2023

5.2.1. Implementation results as per the General Meeting Resolution

a) Figures according to the consolidated report:

Unit: Billion VND

No	CONTENT	2023 implemented	2023 planned	2022 implemented	2023 implement-planned		2023-implemented	
					+/-	%	+/-	%
I	Financial indicator							
1	Total revenue	11 399	10 338	9 495	1 061	10.3%	1 940	20.0%
2	Expensenses	10 754	9 725	8 925	1 029	10.6%	1 829	20.5%
3	Profit before tax	645	613	570	32	5.2%	75	13.1%
4	Profit after tax	516	516	455	29	5.9%	61	13.3%
II	Efficiency indicator							
1	ROA	8.0%	8.2%	9.1%	-0.2%	-3.0%	-1.1%	-12.5%
2	ROE	28.5%	28.0%	30.9%	0.5%	1.6%	-2.4%	-7.8%

- The Corporation successfully exceeded all business performance targets compared to the plan and the previous year, as follows:

+ Revenue reached 11,399 billion VND, exceeded by 1,061 billion VND ~ 10.3% compared to the resolution and increased by 1,904 billion VND ~ 20% compared to 2022.

+ Pre-tax profit reached 645 billion VND, exceeded by 32 billion VND ~ 5.1% compared to the resolution, increased by 75 billion VND ~ 13.1% compared to 2022;

+ After-tax profit reached 516 billion VND, exceeded by 29 billion VND ~ 5.9% compared to the resolution, increased by 61 billion VND ~ 13.3% compared to 2022;

+ ROA reached 8%, achieving 97% of the resolution, decreased by 1.1% compared to 2022, due to the faster growth rate of total assets than the net profit growth rate, so this indicator decreased compared to 2022 and was lower than the resolution target;

+ ROE reached 28.5%, exceeded by 0.5% ~ 1.6% compared to the resolution, decreased by 2.4% compared to 2022.

- The Corporation completed and exceeded 5 out of 6 consolidated targets assigned by the General Meeting of Shareholders in 2023.

b) Figures according to the Parent Company's report:

Unit: Billion VND

No	CONTENT	2023 implemented	2023 planned	2022 implemented	2023 implement- planned		2023-implemented	
					+/-	%	+/-	%
I	Financial indicator							
1	Total revenue	9 848	9 256	8 335	592	6.4%	1 513	18.1%
2	Expensenses	9 225	8 667	7 790	558	6.4%	1 436	18.4%
3	Profit before tax	622	590	545	33	5.6%	77	14.1%
4	Profit after tax	500	472	439	29	6.1%	61	13.9%
II	Efficiency indicator							
1	ROA	8.3%	8.6%	9.4%	-0.3%	-3.3%	-1.1%	-11.4%
2	ROE	28.7%	27.7%	30.5%	1.0%	3.6%	-1.8%	-6.0%

- Performance compared to the plan and the previous year at the Parent Company:

+ Revenue reached 9,848 billion VND, exceeded by 592 billion VND ~ 6.4% compared to the resolution and increased by 1,513 billion VND ~ 18.1% compared to 2022.

+ Pre-tax profit reached 622 billion VND, exceeded by 33 billion VND ~ 5.5% compared to the resolution, increased by 77 billion VND ~ 14.1% compared to 2022;

+ After-tax profit reached 500 billion VND, exceeded by 29 billion VND ~ 6.1% compared to the resolution, increased by 61 billion VND ~ 13.9% compared to 2022;

+ ROA reached 8.3%, achieving 96.7% of the resolution, decreased by 1.1% compared to 2022;

+ ROE reached 28.7%, exceeded by 1% ~ 3.6% compared to the resolution, decreased by 1.8% compared to 2022.

- The Board of Supervisors evaluated that all targets of the Parent Corporation exceeded 5 out of 6 targets assigned by the General Meeting of Shareholders in 2023. Continuing the strong growth momentum of previous years, it contributed 86% of total revenue and contributed to 96.5% of total profits within the Corporation.

5.2.2. *Financial situation of the Corporation as of December 31st, 2023*

Specific indicators and ratios are as follows:

Unit: Billion VND

No	Item	Unit	FY2023	FY2022	2023vs.2022	
					+/-	%
I	Financial indicator					
1	Equity	billion VND	1,988	1,637	+350.9	+21.4%
2	Total assets	billion VND	6,916	6,060	+855.8	+14.1%
3	Accounts payable	billion VND	4,928	4,423	+504.9	+11.4%
4	Loans	billion VND	1,574	1,466	+108.1	+7.4%
II	Liquidity					
1	Current ratio	time	1.24	1.21	+0.03	+2.3%
2	Quick ratio	time	1.06	1.01	+0.05	+5.1%
III	Profitability					
1	EBIT margin (%)	%	5.3%	5.1%	+0.3%	+5.2%
2	Profit after tax/total assets	%	7.5%	7.5%	-0.1%	-0.7%
IV	Operating efficiency					
1	Business cycle	days	115.4	107.7	+7.7	+7.1%
2	Total asset utilization efficiency	time	1.63	1.56	+0.1	+4.6%

Financial indicators: Equity capital and total assets of the Corporation in 2023 were well preserved and grew well due to improvements in management activities:

+ Equity capital reached: 1,988 billion VND, a strong increase of 21.4% compared to 2022,

+ Total assets in 2023 reached: 6,916 billion VND ~ increased by 14.1% compared to 2022,

+ Total liabilities in 2023 reached: 4,928 billion VND ~ increased by 11.4% compared to 2022,

+ Borrowings in 2023 reached: 1,574 billion VND ~ increased by 7.4% compared to 2022,

+ Business cycle: 115.4 days increased by 7.7 days ~ increased by 7.1% compared to 2022,

+ Total asset utilization efficiency was: 1.63 times increased by 0.07 times ~ increased by 4.6% compared to 2022.

- **Liquidity:** The Corporation ensured the payment of all financial obligations while improving liquidity:

+ Current payment ratio reached: 1.24 times increased by 2.3% compared to 2022,

+ Quick payment ratio reached: 1.06 times increased by 5.1% compared to 2022,

- **Profitability:** Ensuring growth, stability, and good development trends:

+ EBIT margin in 2023 reached: 5.3% increased by 5.2% compared to 2022,

+ Profit after tax/Total assets reached: 7.5% slightly decreased by 0.1% compared to 2022.

6. Evaluation of coordination between the Board of Supervisors and the Board of Directors/Board of Management and the General Meeting of Shareholders

- Between the two annual General Meetings of Shareholders 2023-2024, the Corporation ensured the provision of information; coordination between the Board of Directors/Board of Management still adhered to the principle for the legal interests of the Corporation and the interests of shareholders as stipulated by laws, the Articles of Association, and operating regulations.

During the operation, the Board of Supervisors did not receive any letters of request or complaints from shareholders or shareholder groups with the specified percentage according to the Corporation's Articles of Association and legal regulations.

PART B: ACTIVITY PLAN FOR 2024

I. Objectives and operating principles

- Supervise all business activities according to the resolutions of the General Meeting of Shareholders;

- Supervise the compliance with resolutions and law in various fields;

- Supervise specialized issues, identify causes, and provide timely alerting.

II. Activity plan

1. Supervise according to the plan approved by the General Meeting of Shareholders as per legal regulations.

2. Supervise the implementation of resolutions by the Board of Directors/Board of Management.

3. Review quarterly/semi-annual/annual financial reports, before and after auditing.

4. Supervise specialized issues: Legal activities; investment areas; financial activities; procurement legal documentation; ...

5. Supervise the contents and recommendations of the independent audit in financial reports.

6. Supervise the regular and irregular information disclosure as per regulations.

7. Review proposals from shareholders to the Board of Supervisors (if any).

8. Supervise the rectification of audit findings and other tasks.

PART C: RECOMMENDATIONS

For effective operational management, the Board of Supervisors has some recommendations for the Board of Directors/Board of Management as follows:

Firstly, the Corporation should continue to enhance the review and inspection of legal documents related to domestic and international business activities, ensuring strict compliance and upholding the law.

Secondly, given the macroeconomic developments, the market still faces potential difficulties and challenges. The Corporation needs to develop management scenarios to timely adapt to market fluctuations in developing its business areas.

Finally, Enhancing effective business management is a mandatory requirement for every enterprise. With the Corporation's growing scale and rapid growth pace to maintain the growth momentum of the past 6 years, it is necessary to ensure this requirement, prioritizing the task of improving the quality of data and accounting work.

Above is the Report of the Board of Supervisors presented at the Annual General Meeting of Shareholders in 2024. The Board of Supervisors sincerely thanks the Board of Directors/Board of Management of the Corporation for providing favorable conditions for the Board of Supervisors to fulfill its duties.

Respectfully submitted./.

**FOR. BOARD OF SUPERVISORS
HEAD OF THE BOARD**

(signed)

Ngô Quang Tuệ