

# CNCTECH

# ANNUAL REPORT 2024



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CHAPTER 1

# Overview 2021

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# Vision, mission and core values



# Message from the Chairman of the Board of Directors

In 2021, CNCTech witnessed significant growth in all three areas: supporting industrial production, industrial infrastructure services and technology development application. The Group's revenue was VND 704 billion, up 22.4% compared to 2020. Profit reached VND 57 billion.

Although the business environment has many difficulties and challenges, CNCTech's leadership and staff consider this an opportunity and motivation to constantly seek and implement effective solutions in investment, increase production scale, promote trade, marketing, improve customer service. In the spirit of effort and determination, CNCTech has basically completed the committed goal, ensuring the interests of shareholders.

The field of supporting industry production is focused on development, from high-quality human resources to modern machinery and supporting tools. Thanks to that, CNCTech is always ready to receive orders when the production shift of many enterprises from Japan, America, Korea, etc. into Vietnam is increasing. Precision mechanical products, molds, automation, engineering plastics processed and manufactured by CNCTech continue to receive positive feedback from customers.

The CNCTech's industrial infrastructure and services sectors maintained strong growth momentum through 2021. The Covid-19 pandemic has promoted the development of the e-commerce

industry, thereby increasing the demand for warehouse logistics. CNCTech quickly seized the opportunity to develop cooperation with VNPOST and DB Schenker and, then was licensed to successfully operate a logistics warehouse under the VMI model (Vendor Managed Inventory) in the production complex in Thang Long Industrial Park, Vinh Phuc. Thanks to this favorable condition, affiliated companies and export production partners can significantly shorten the time and cost of managing goods in the supply chain.

CNCTech Group's technology industry development does not stop at providing outsourcing services, but the Group has boldly invested in the ODM (Original Design Manufacturer) model. In 2021, Pavana Technology Joint Stock Company (Pavana), a member of CNCTech, received investment and cooperation from reputable brands in technology and security solutions at domestically and internationally. Pavana has become the first enterprise pursuing ODM strategy in Vietnam in the field of smart cameras applying artificial intelligence. The birth of the such brand is expected to create a premise to realize the Group's ODM strategy in the near future.

In 2021, CNCTech has implemented a series of typical projects such as: putting into operation phase 1 of Thang Long CNCTech factory in Thang Long Vinh Phuc Industrial Park of Sumitomo, Japan; kicking off CNCTech project phase 2 in Thang Long Industrial Park Vinh Phuc - Vinh Phuc province, CNCTech project Ha

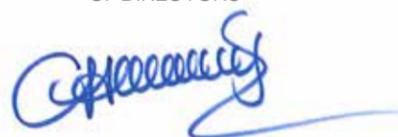
Nam in Supporting Industrial Park Dong Van III - Ha Nam province, Dong Phuong Diamond Central project - commercial complex located in Kontum province, etc.

It can be said that new advances in CNCTech's supporting industries in 2021 have contributed to increasing product value, expanding the scope of activities of many customers and partners, helping businesses participate in the global supply chain. Industrial infrastructure products of the Group has been attracting investment of FDI enterprises and shifting production activities in the region into Vietnam. The technology industry development strategies have provided society with practical solutions in the field of security, gradually increasing the localization rate for the ODM model.

In 2022, in the face of economic fluctuations and difficulties and challenges, CNCTech, armed with its capacity and experience accumulated in more than 14 years of operation, confidently accompanies partners and customers to overcome challenges, welcome new cooperation opportunities in the next period.

On behalf of the Board of Directors, I would like to thank you for your trust and companionship with CNCTech Group. Wishing all shareholders, founders, investors, partners, customers and all CNCTech staff health and success./.

CHAIRMAN OF THE BOARD OF DIRECTORS



NGUYEN VAN HUNG



“ Success will come to those who always make efforts, turn difficulties into opportunities and are ready to face up with challenges ”

Mr. NGUYEN VAN HUNG  
Chairman of the Board of Directors

# Highlights 2021

**2.000+**  
people

LABORS OF  
THE WHOLE GROUP

**36**  
years old

AVERAGE AGE

**18**  
subsidiaries,  
affiliated companies  
IN CNCTECH GROUP

**2.254**  
billion VND

TOTAL ASSETS

**704**  
billion VND

TOTAL REVENUE  
(excluding affiliates)

**22**  
%

REVENUE GROWTH

**3**

North - Central - South

CNCTECH FACTORIES  
AND PROJECTS

**15**

countries around  
the world

CNCTECH CUSTOMERS  
& PARTNERS

**140+**  
machines

PRECISION  
MACHINING

**120+**  
machines

PLASTIC INJECTION

**12+**  
lines

SMT TECHNOLOGY

**23+**  
lines

ELECTRONIC ASSEMBLY

**200.000**  
m<sup>2</sup>

FLOOR OF FACTORY  
AND OFFICE FOR LEASE

**30.000**  
m<sup>2</sup>

FACTORY ROOF WITH  
SOLAR PANELS INSTALLED

**100**  
ha

LAND PREPARED FOR  
INDUSTRIAL INFRASTRUCTURE  
INVESTMENT

# 10 outstanding events in 2021

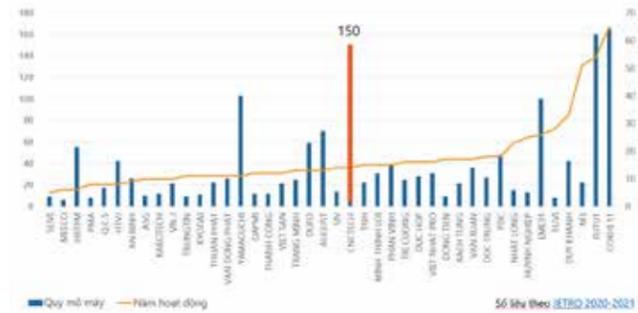
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## CNCTech - Top 3 precision mechanics in Vietnam

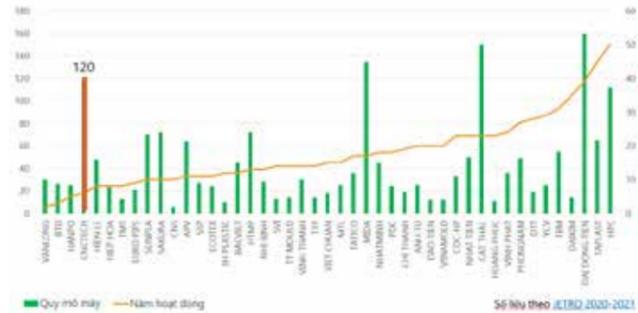
According to statistics of JETRO (Japan Trade Promotion Organization) in the period of 2020-2021, CNCTech ranked Top 3 Vietnamese enterprises in terms of equipment scale in the precision machining industry and the 4th in plastic injection molding.

CNCTech has made tremendous growth steps in recent years with a high concentration in investing infrastructure, synchronous machinery and equipment development, especially precision machining customers from Japan and plastic injection molding from Korea.

Precision mechanical production scale



Scale production through engineering plastics



2

## CNCTech Thang Long completes phase 1

In May 2021, Sumitomo Japan's Thang Long CNCTech supporting industry factory in Thang Long Vinh Phuc Industrial Park of Japan completed phase 1 and went into production with a total investment of VND 466 billion and continued investment an additional 298 billion dong, bringing the total land area to 8.3 ha. This is a modern technology production center with a production capacity of over 3.5 million products/year, providing products for the electronics, telecommunications, automobiles, motorbikes and logistics industries for domestic and foreign manufacturers. It is expected that 80% of the factory's products will be supplied to automobile, motorcycle, electronics and telecommunications groups of Japan, the US, Israel, European countries and leading companies in Vietnam such as VNPT Group, Viettel Group, Vietnam Post Corporation, Rang Dong Company... The company chooses clean production fields, invests in modern production lines, and operates according to ISO standard No.14001, installing solar battery systems and using green materials and solutions towards sustainable development.



3

## Logistic CNCTech - VNPOST - DB Schenker project comes into operation

In June 2021, the Bonded Warehouse Project (Lotus 1) with an area of nearly 30,000m<sup>2</sup>, in cooperation with VNPost DB Schenker in Thang Long Industrial Park, Vinh Phuc was put into operation, serving the supply chain of DELL for export processing. This is the first bonded warehouse system in Vietnam to achieve TAPA level A certification.

On March 1, 2021, Ha Nam CNCTech project was granted an investment certificate on an area of 45,899m<sup>2</sup> in Dong Van III Supporting Industrial Park, Ha Nam province with the goal of supporting industrial production and warehousing service business. After 9 months of actively implementing construction procedures and investment, by December 2021, the first phase of the project, the Bonded Warehouse (Lotus 4) with an area of 29,300m<sup>2</sup> has been completed and put into operation. The Security infrastructure meets the highest global standards TAPA A.

Through the operation of bonded warehouses in Vinh Phuc and Ha Nam, the CNCTech alliance, and Vietnam Post, DB Schenker has been taking strong steps forward in the field of logistics, affirming its leading quality position in logistics supply in Vietnam, contributing to improving the national logistics capacity.



4

## Sky Light Vietnam meets RBA standard, surpasses the revenue milestone of VND 1300 billion



5

## Pavana Technology Company - Vietnam's first camera ODM

On November 25, 2021, Pavana Technology Joint Stock Company (a member of CNCTech) realized its strategy of becoming a designer and manufacturer to order (ODM - Original Design Manufacturing) through signing cooperation agreements with technology partners, product development and production cooperation partners including Qualcomm, VinBigData, MK Group, Lumi and Sky Light Vietnam.

The ODM (Original Design Manufacturer) model is also known as the original product designer. The strategy of becoming an ODM company is directed to the design and manufacture of products according to customer's requirements. According to the proposed strategy, Pavana will provide full-service or on-demand services: from design - structure, electronic board design, embedded software development, system software, applications cloud to mass production, serving customers from the Government, businesses, camera brands, infrastructure and service providers...



On 30/7/2021 Sky Light jsc has been granted investment certificate for factory project 2, raising the target of camera production from 1.2 million to 2.4 million products/year, increasing by 6480 m<sup>2</sup> of factory in F1-2-3 Thang Long Industrial Park. This is the second year Sky Light Vietnam has been evaluated and maintained RBA standards, improving the quality of the working environment, and opening the door to major customers in the world. Export production sales exceeded 1300 billion VND, ensuring stable jobs for over 800 employees, Applying ISO 14001, 9001, ERP application: SAP and MES are a technology pillar in CNCTech Group with products High quality like US police camera, cameras exported to the US and the UK. The management system is improved, applying many solutions such as zoning, training, multi worker ... to help the company maintain and develop well production in the midst of the pandemic outbreak during the year.

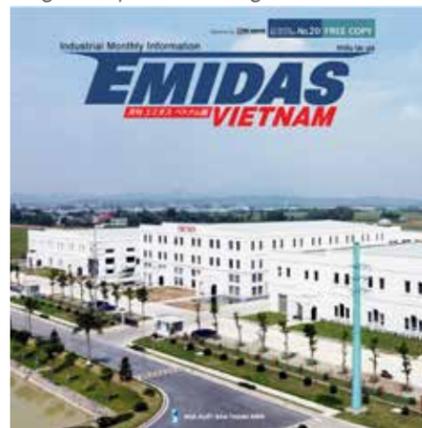
# 10 outstanding events in 2021

6

## CNCTech – Pioneer in building the manufacturing industry linkage chain

In early 2021, the company's head office and largest factory began to operate at Thang Long III Industrial Park, Vinh Phuc province. This new industrial park, invested and built by Sumitomo Group, has convenient connections to large industrial parks and logistics infrastructure in the North of Vietnam. Here, CNCTech is developing a one-stop complex model with the goal of providing a full range of integrated manufacturing services to global partners. The company supplies CNC machined parts, molds and plastic injection components, along with electronic components and boards. Many typical customers of CNCTech are multinational companies such as Canon, Panasonic, Denso, Mabuchi, Misumi, Nidec, Advantec, Nakanishi, Yasuda, Framas and EM-Tech; or familiar domestic names such as VNPT, Viettel and Rang Dong. The possession of manifold success keys such as: the secret to be 'on time' in the field of precision mechanical processing; a closed production complex to meet the increasing demands of the manufacturing industry as well as long-term companion with devotion; CNCTech has been continuously expanding its chain of links in the manufacturing industry, aiming to establish a production network in Vietnam that can fully meet the needs of global companies.

Posted in the 20th issue of Emidas magazine, published August 2021.



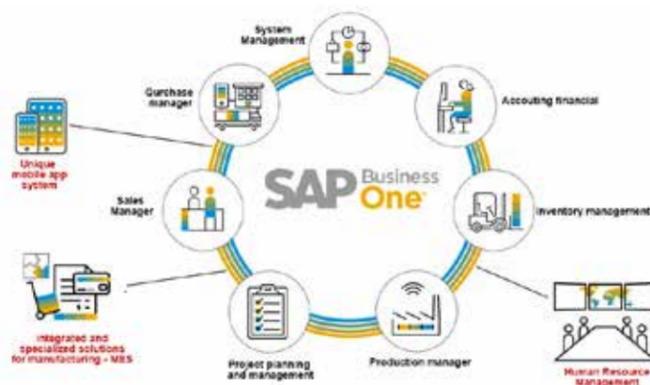
7

## Implementation of CNCTech Solution and ERP projects

On August 24, 2021 CNCTech Solution was granted an investment certificate with a factory area of 11,340m<sup>2</sup>, production capacity of 8 million plastic products/year in Thang Long Industrial Park. The leadership apparatus and management framework of the company make great efforts and quickly deploy the project items, the quality of infrastructure, machinery and equipment, building the system of processes and building a team of experts at international level, receiving the evaluation of large foreign customers. In October 2021, the company signed an ERP implementation agreement with Apzon IRS Vietnam to upgrade and expand SAP business management software at projects and companies under CNCTech.



Specialized solutions developed by Apzon IRS Vietnam



8

## Investment in Oriental Diamond project

In November 2021, CNCTech was selected to become the investor of the Dong Phuong Diamond Center project, built on a 1.8-hectare campus at the intersection of Ba Trieu - Phan Dinh Phung, the core area of Kon Tum city. The Project has 66 townhouses, commercial center, park, children's play area, kindergarten, training and career center.

The project is expected to be a new lever to promote the development of Kon Tum city in the future, meeting the demand for housing and quality living space for locals, tourists; attracting tourists and investment from other localities to Kon Tum.



9

## Fast recovery the stable production

In 2021, the most affected areas of the pandemic is Ho Chi Minh City and Binh Duong, these places are also particularly important areas of CNCTech with factories such as: CNCTech Saigon in Saigon Cao Industrial Park, CNCTech Binh Duong, ANOTECH, CNCPS in Thuan An, Binh Duong. The Company has implemented 3 solutions on the spot, eat - stay - produce at the factory to ensure no disruption to the supply chain and maintain production activities during the most stressful period of the pandemic. CNCTech turned such difficulties into challenges by many methods like moving some key technical personnel and orders to the north to ensure orders for customers and worker's safe livelihoods.



10

## Donate to the Vaccine Fund



On June 18, 2021, 10 member companies (including mother company, subsidiaries, affiliates of CNCTech Group) and trade unions and employees in CNCTech Group include: CNCTech Thang Long, CNCTech Saigon, CNCTech Bac Ninh, ANOTECH Binh Duong, ANOTECH Vinh Phuc, SMCTech, MenTech Vietnam, Skylight jsc, CNCVina and Vinastartup VP have contributed VND 735.58 million to the Government's Vaccine Fund.

On August 12, 2021 CNCTech awarded VND 150 million to support the prevention of covid pandemic to the People's Committee of Tam Duong district, so that the district could organize a Chapter to support people working in the southern provinces with special difficulties due to the impact of the pandemic as well as prepare equipment for medical isolation areas.

On January 8, 2022 CNCTech and the company's staff and managers contributed and awarded 450 million VND to support the anti-covid fund of Kontum province.

# Awards and Prizes

Over the past 13 years of construction and development, CNCTech has been honored to receive many awards, certificates of merit and noble medals from the State, the Government, central and local business associations. This is a proud recognition for the contributions of Chairman Nguyen Van Hung and CNCTech Group to the youth movement of entrepreneurship, innovation, promoting production activities, and creating economic value for businesses and society, for a beautiful and prosperous community.



## Awards and Certificate of Merit over the years



Vietnam Gold Star Award 2018



Outstanding Young Vietnamese Entrepreneur Award 2017, 2016



Outstanding Entrepreneur Award of Binh Duong Province in 2017



Chairman of Binh Duong Provincial People's Committee commended Outstanding Entrepreneur in 2017



Hanoi Tax Department presents certificates of merit in 2021



Certificate of Merit awarded by the Prime Minister in 2019



Certificate of Merit awarded by the Prime Minister in 2018

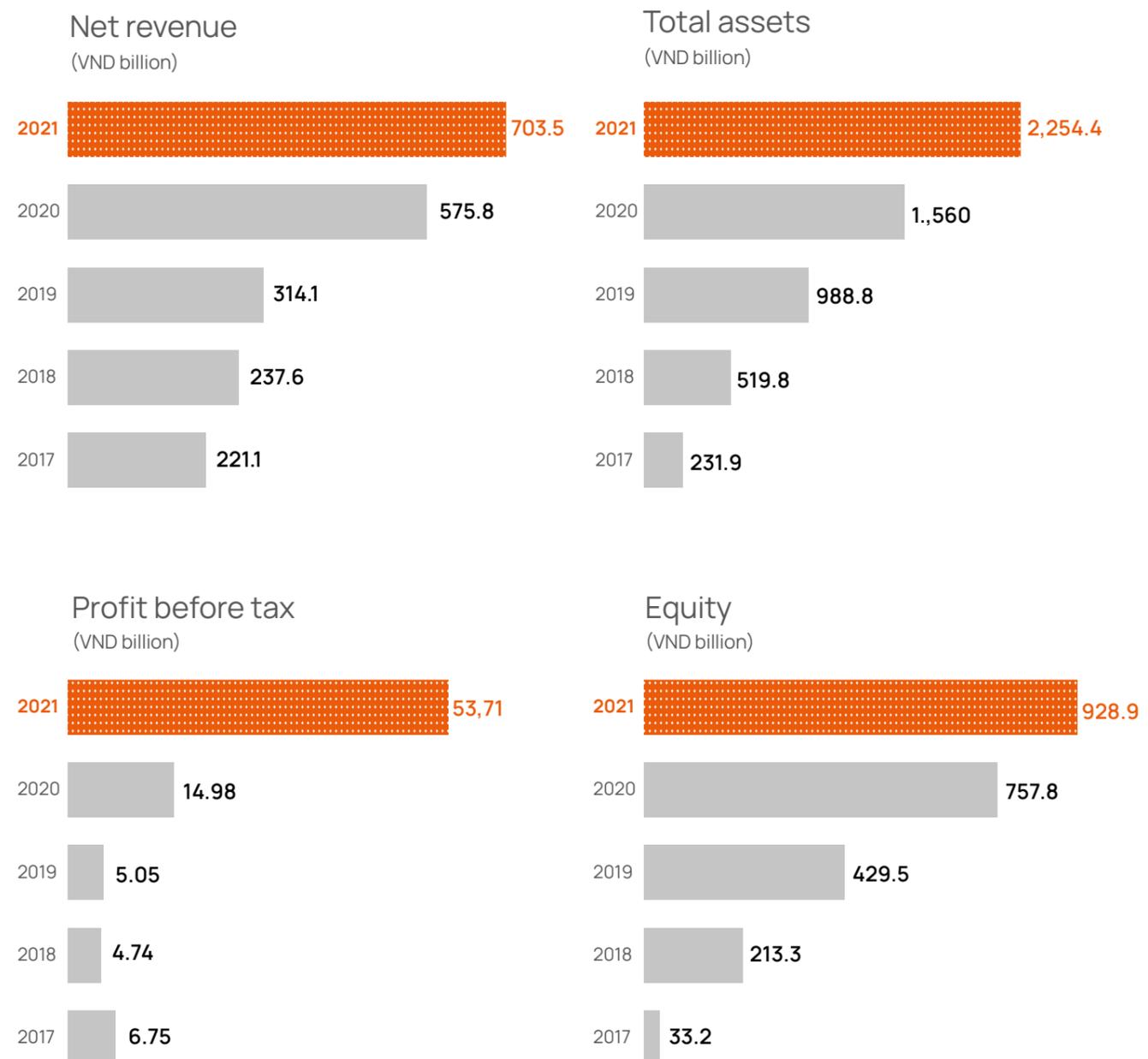


Certificate of Merit from the Central Committee of Young Vietnamese Entrepreneurs in 2017



# Business targets 2017 - 2021

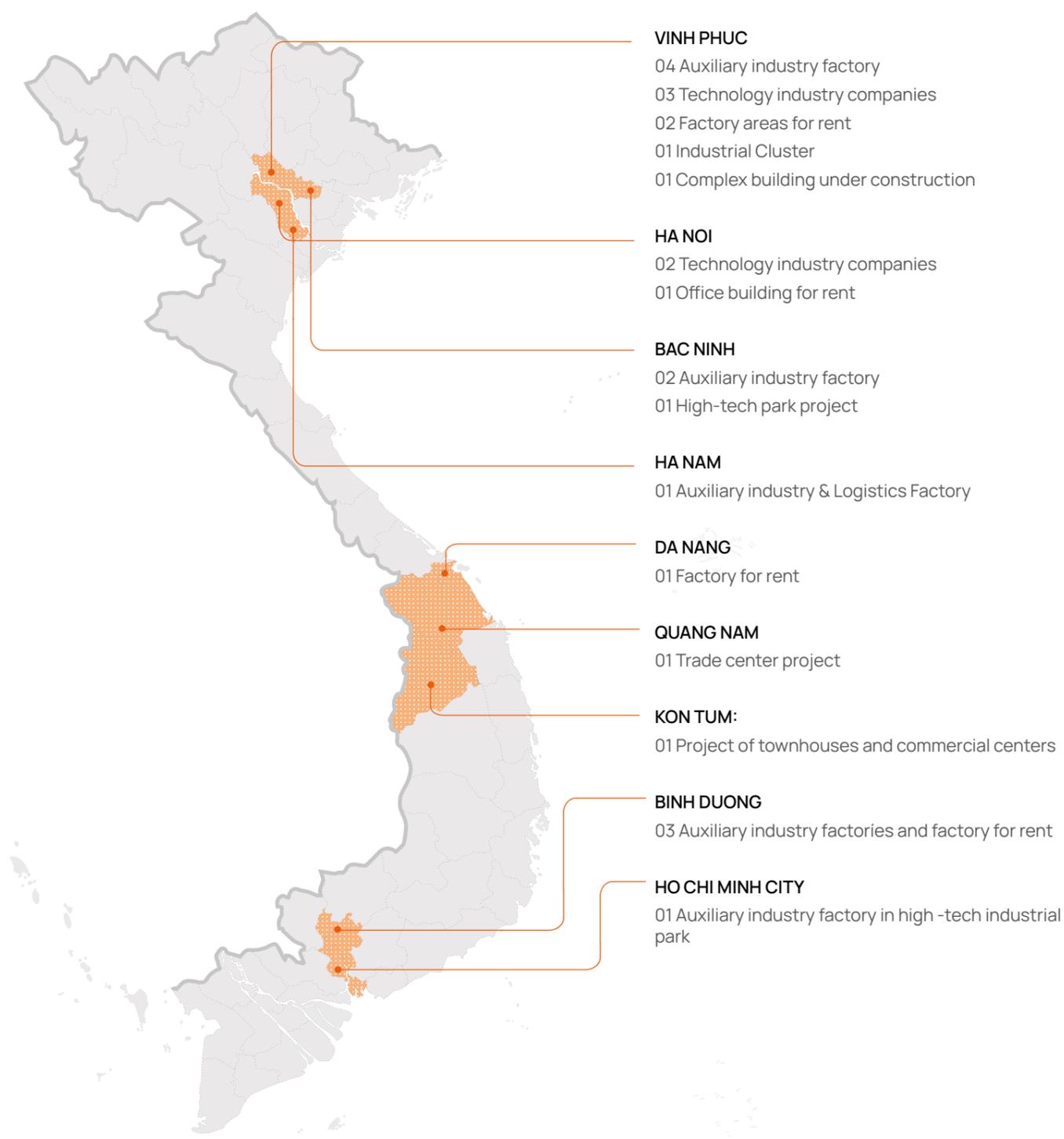
CNCTech has had a positive growth in revenue, as well as the size of capital and assets. Specifically, according to the audited financial statements, the contribution to the state budget in 2021 increased 3.58 times higher than 2020, the size of the total consolidated assets and equity as at December 31, 2021 also increased by 144% and 122% compared to 2020.



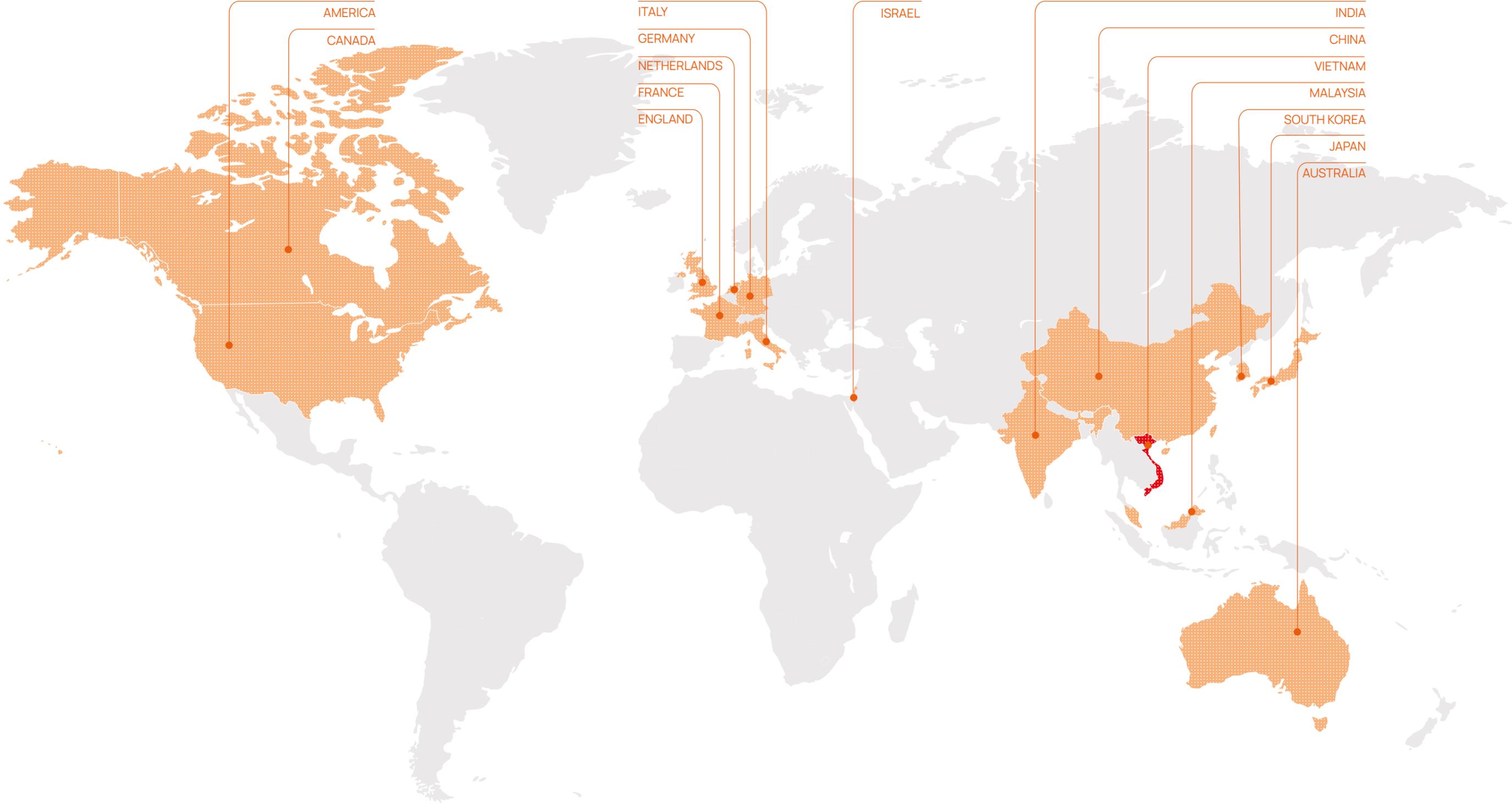
# Business locations

**HEAD QUARTER:** F1-2-3 Thang Long Industrial Park Vinh Phuc - Tam Hop Commune, Binh Xuyen District, Vinh Phuc Province.

(The Industrial Park is invested by Japan Sumitomo Investment Group)



# Customer network



CHAPTER 2

# Introducing CNCTech Group

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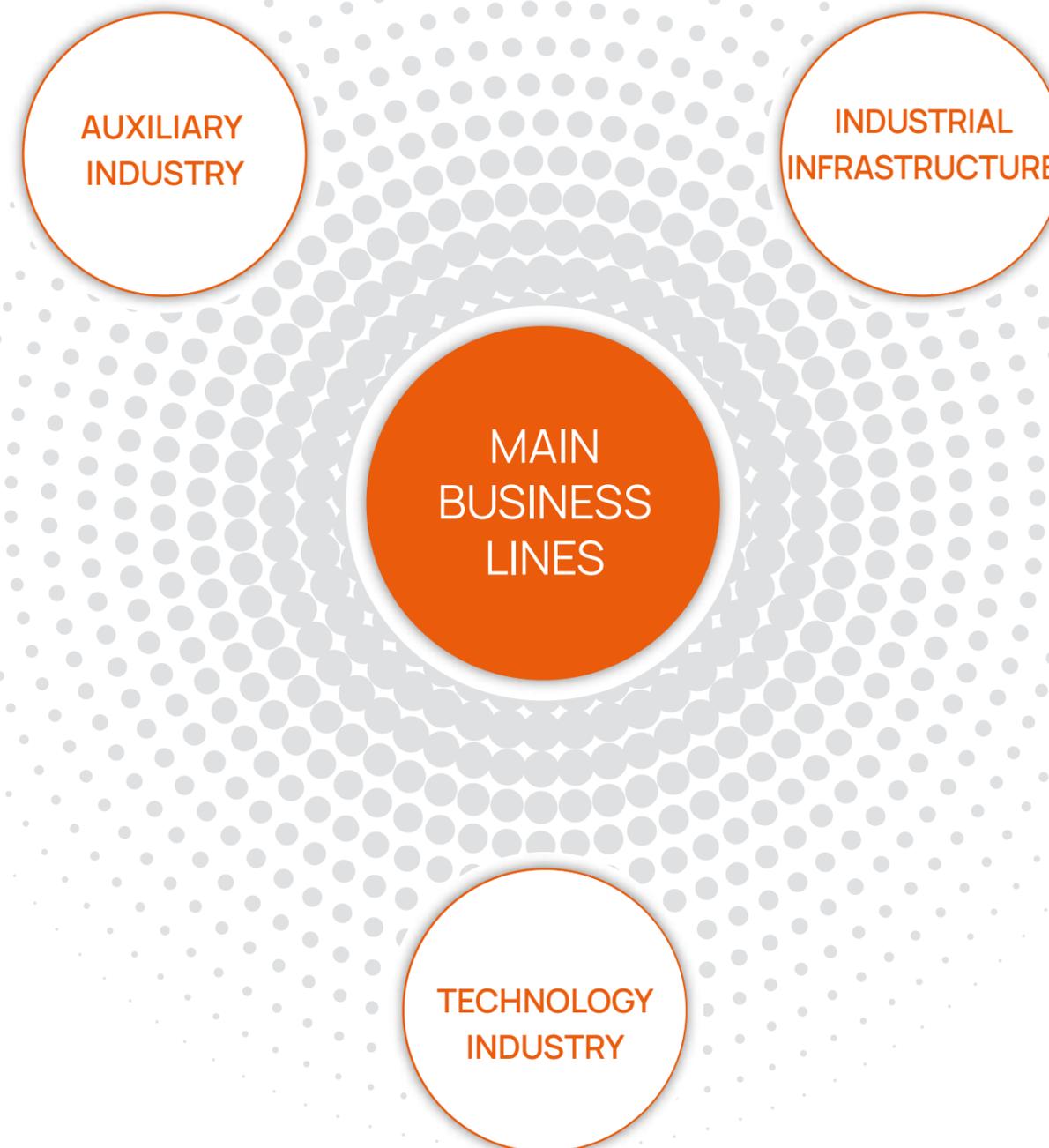
# General information CNCTech Group

## General information

Company name	CNC Technology Solutions Joint Stock Company
English name	CNC Technology Solutions Joint Stock Company
The abbreviation	CNCTech
Date of establishment	October 29, 2008
Charter capital	VND 520 billion
Business registration certificate and Tax code	0102 817 496
Head office:	Lot F1-2-3 Thang Long Vinh Phuc Industrial Park , Tam Hop commune, Binh Xuyen district, Vinh Phuc province

## Contact

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CNCTech Bac Ninh	0222 384 8540
CNCTech Saigon	0908 837 187
CNCTech Binh Duong	0908 837 187
Email:	hello@cnctech.com.vn
Website:	www.cnctech.com.vn



# Development milestones

- CNCTech, formerly known as G7 Technology Solutions Co., Ltd., established under Decision No. 0102034779 issued by Hanoi Department of Planning and Investment on May 27, 2008.

- On October 29, 2008, the company moved its headquarters to Binh Duong due to the support and investment of the first President - Mr. Bui Manh Lan, changed its name to CNC Technology Solutions Joint Stock Company - CNCTech, with business registration license number 0102817496 issued by the Department of Planning and Investment of Binh Duong province.

- At the end of 2010, CNCTech decided to open the first mechanical processing factory at Lot C, Street 2, Binh Hoa Industrial Park, Di An, Binh Duong.

- On May 6, 2015, CNCTech decided to expand its scale to Hanoi, established a member company - CNC Holdings VN, Factory at Lot A1, Doc Lap street, Industrial cluster in Phung town, Dan Phuong, Hanoi.

CNCTech Company was established, headquartered at 50 Dong Du, An Hai Bac, Son Tra District, Da Nang City. Inauguration of the factory on Road 118, Hoa Khanh Industrial Park, Lien Chieu, Da Nang was held on the same day.

- On April 18, 2017, Vinh Phuc CNCTech Company was established at Lot CN6, Ba Thien Industrial Park, Binh Xuyen, Vinh Phuc.

- On December 19, 2017, Ho Chi Minh City CNCHi-Tech Company was established and the factory was located at HT4-9, D16 Street, Saigon Industrial Park, District 9, City, Ho Chi Minh City.

- On September 9, 2019, CNCTech opened CNC Hitech in Saigon High Industrial Park.

- In October 2019, the first shipment of Sky Light VN was exported to the US.

- On December 20, 2019, CNCTech was the first domestic enterprise approved to invest in Thang Long Vinh Phuc Industrial Park of Japan's Sumitomo Corporation.

- **January 2021:** Launching the bonded warehouse project in cooperation with VNPOST and DB Schenker in Thang Long Vinh Phuc Industrial Park (1.8 ha).

- **April 10, 2021:** Phase 1 of Thang Long CNCTech production complex comes into operation

- **May 2021:** Launching Ha Nam CNCTech Bonded Warehouse project at Dong Van III Supporting Industrial Park - Ha Nam province (4.6 ha).

- **July 16, 2021:** Pavana Company, the group's technology pillar, was established.

- August 2021: CNCTech Lotus 2 project in Thang Long Industrial Park was granted an investment certificate, bringing the total investment of CNCTech in Thang Long Industrial Park to VND 764 billion on an area of 8.3 hectares of land.

- **December 2, 2021:** signed a contract for Dong Phuong Diamond Center townhouse commercial and service complex project in Kontum city (1.9 ha).

2008

2010

2015

2017

2019

2021

2009

- In early 2009, CNCTech developed a human resource development strategy, signed a training contract with Dong An High-Tech College.

2013

- At the end of 2013, CNCTech established the first joint venture with Japan in the field of precision mechanical processing.

2016

- On February 30, 2016, CNCTech continued to establish a member company - CNCPS, Factory at No. 90, street 30/4, Binh Thang, Di An town, Binh Duong.

2018

- In 2018, CNCTech put into operation the office space for lease at The Sun building, Nam Tu Liem district, Hanoi.
- After the process of cooperation in developing, providing products and services for VNPT, gaining the trust from the corporation, on September 14, 2018, CNCTech was proud to be a strategic partner in LG's VKX joint venture.

2020

- Since January 17, 2020, CNCTech has owned 35.1% of capital in CNC-Vina.
- On March 4, 2020, CNCTech was granted an investment certificate in Thang Long Industrial Park, Vinh Phuc.
- On August 6, 2020, CNCTech received capital transfer from NEC, becoming a shareholder holding 49% of VINECO's capital.
- On November 12, 2020, CNCTech received the project from Framas Duc at Dai Dong Industrial Park, Hoan Son, Bac Ninh.
- On November 1, 2020, MenTech officially went into production of adapters, optical modules and electronic components in Binh Xuyen Industrial Park, Vinh Phuc.
- On November 26, 2020, signed a cooperation agreement to develop logistics with Vietnam Post Corporation according to the technology and standards of DB Schenker.

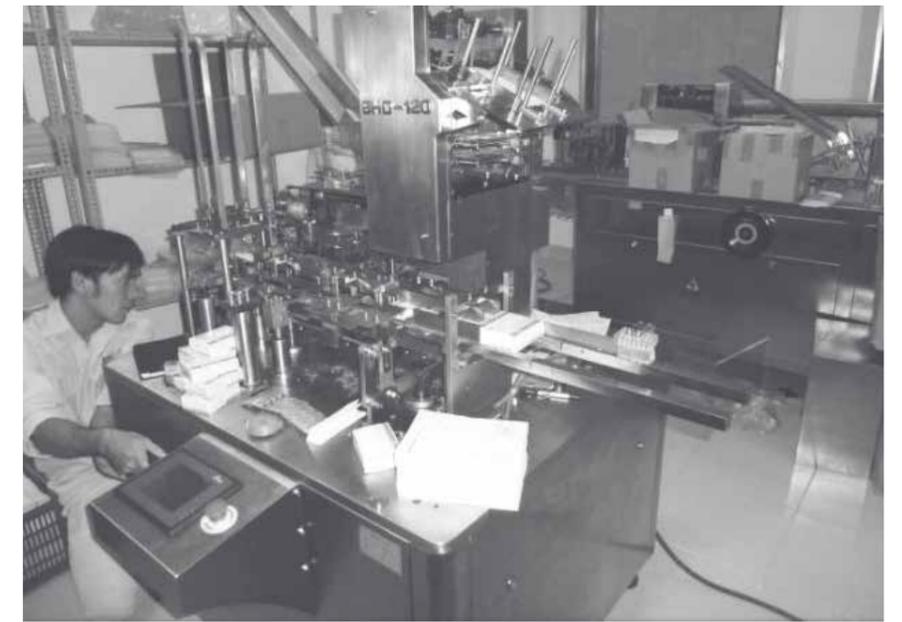
# Founders

*"Thousand miles of road  
Started with the first step"*



CNCTech, formerly known as G7 technology solutions company, established on October 29, 2008. The founders were mainly engineers from Hanoi University of Science and Technology, who had just graduated from school and moved to Binh Duong to start a business, the age of the oldest person at that time was less than 30; the chairman leading the company's activities, Mr. Nguyen Van Hung, was only 27 years old at that time.

- Engineer NGUYEN VAN HUNG
- Engineer DO TRAN THANG
- Engineer NGUYEN DUC THANH
- Engineer DANG VAN CHI
- Engineer DAO VAN HUNG
- Engineer NGUYEN HUU LONG
- Engineer VU HOANG LINH
- Engineer LE KHAC TRUNG
- Engineer PHAM XUAN THANH
- B.A. NGUYEN THI HAI YEN



# Business areas

## Supporting industry

SUPPORTING INDUSTRY

**5** factories

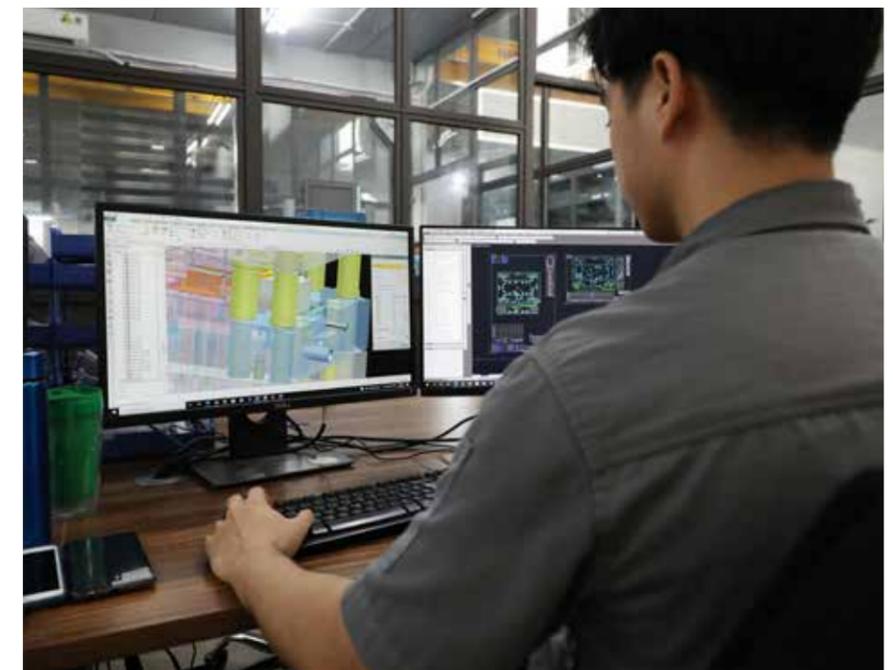
GROWTH

**42%**

CNCTech identifies supporting industry production as one of its core activities. Therefore, developing in-depth technology chains as well as high-quality human resources are always the top priority of the Group. Currently, CNCTech owns 5 factories stretching from North to South with synchronous and modern infrastructure, machinery and equipment: CNCTech Thang Long, CNCTech Bac Ninh, CNCTech Saigon, CNCTech Binh Duong, supplying provides services of designing, manufacturing, processing precision mechanical parts, plastic injection molds and technical plastic injection

parts. 70% of CNCTech's products serve the international market, 100% meet American, European and Japanese quality standards.

In 2021, the Group achieves a growth rate of 42% in the supporting industry segment, continuing to be the first and second tier suppliers of multinational enterprises in the automation, technology, oil and gas, and telecommunications industries. communication, ... and become one of the largest outsourcing service providers in Vietnam today.



## Industrial infrastructure

FACTORY AND INDUSTRIAL INFRASTRUCTURE

20<sup>ha</sup>

In 2021, the market continued to witness a wave of shifting production activities from China to Vietnam. At the same time, e-commerce in the period of isolation also thrived, requiring a large supply of warehouses. This momentum has prompted CNCTech to expand investment in industrial infrastructure, bringing the total area of factories and warehouses to over 20 hectares. Thanks to owning a convenient location for trade and supply activities, many leading corporations and export processing enterprises from the US, Europe, Japan, Taiwan, Hong Kong, China... have chosen CNCTech to be the main partner providing factory and warehousing services in Vietnam.

Besides industrial infrastructure, CNCTech also wants to create and improve the quality of life for the

THE SUN OFFICE COMPLEX

1.515<sup>m<sup>2</sup></sup>

community through civil engineering projects. In December 2021, the Group signed a contract with partners to launch the Dong Phuong Diamond Center commercial and entertainment service project. The project is located in Kon Tum City, including 66 townhouses and an 8-storey commercial service center providing facilities such as beauty hospital, spa & health care, hotel, restaurant system, high-class coffee shop, 4-season swimming pool with wide-angle glass doors, large-scale wedding conference center, serving seminars,... The project was evaluated by Kon Tum Provincial People's Committee as "important and suitable" with the orientation of socio-economic development, especially the tourism development orientation of Kon Tum province in the coming period."



## Technology industry

With the desire to create products with high intellectual content bearing the mark of "Make in Vietnam", CNCTech is constantly looking for opportunities to cooperate with prestigious partners in the world, attracting foreign investment into the country as well as carry out M&A deals worth millions of USD to expand investment in companies with development potential in the field of technology industry. Inheriting foreign technological achievements, with the hands and minds of Vietnamese people, factories have quickly created finished products with great added value, meeting the most stringent criteria of customers, serving both domestic and foreign markets. There are outstanding projects that CNCTech invested can be mentioned such as:





• Thien Quang Electronic Joint Stock Company (Sky Light Vietnam) with a total investment of 4.23 million USD in Vinh Phuc, production scale of 2.4 million products/year, is currently providing dashcam security cameras for home, government and business infrastructure cameras for US, European and Vietnamese customers. In 2021, Sky

Light Vietnam's revenue reached more than 1,300 billion VND, an increase of 160% compared to 2020, continues to be one of the first enterprises in Vinh Phuc that fully satisfies the criteria of the RBA Code (Responsible Business Alliance Code of Conduct).

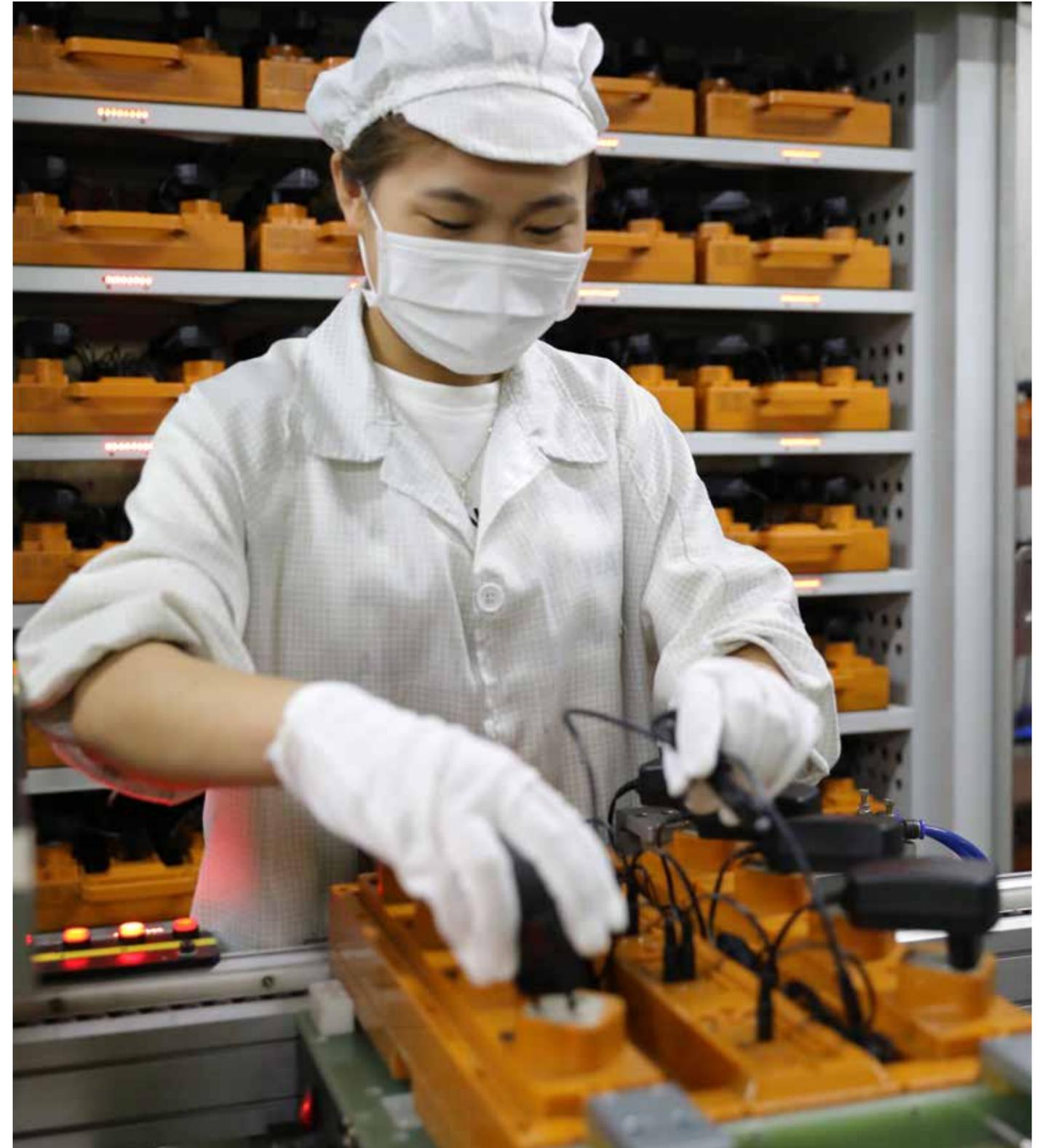




**Mentech**

• After investing in Mentech Vietnam Electronics Joint Stock Company with charter capital of USD 5 million in Binh Xuyen Industrial Park, Vinh Phuc province, CNCTech has made rapid progress in the production and

processing of power adapters for electronic devices and optical modules, confirmed the prestige in the field of manufacturing and processing electronic components that require high accuracy and automation.





• Viet My Petroleum Equipment Joint Stock Company (VINAM), a unit specializing in providing turnkey finished products for the oil and gas industry with a charter capital of more than 4 million USD, is currently serving

customers in Top 5 largest oil and gas groups in the world. CNCTech has successfully invested in VINAM and turned the business into one of the reputable oil and gas industry tool manufacturers in Asia Pacific.





• Vietnam CNC & Technology Application Joint Stock Company (CNC-Vina) has 16 years of experience in the field automatic machine manufacturing and the provision of solutions and automation roads for cars and motorcycles corporation, electronics, medical, domestic and

foreign apparel such as Vinfast, Honda, Yamaha, Toyota, Canon, Sumitomo,... Owing more than 35% shares of CNC-Vina, CNCTech commitment to accompany the goal: "Development of the mechanical engineering industry using Vietnamese people".



# VINECO

• Acquired all shares owned by NEC Group - Japan to hold 49% of shares of VINECO Telecommunication Systems Joint Stock Company. With a well-invested factory in Nam Tu Liem district of Hanoi and a team of qualified and enthusiastic personnel, VINECO has had more than 25 years of establishment

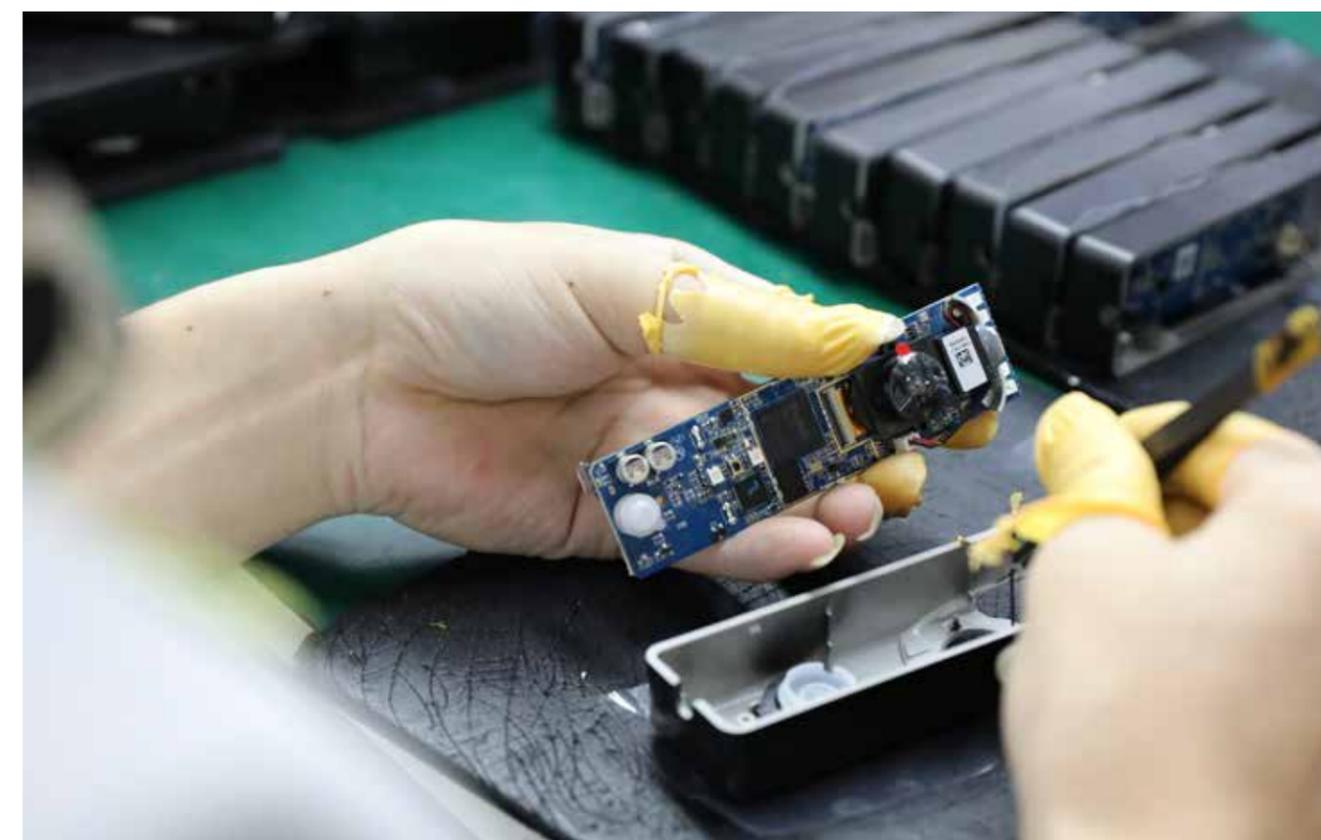
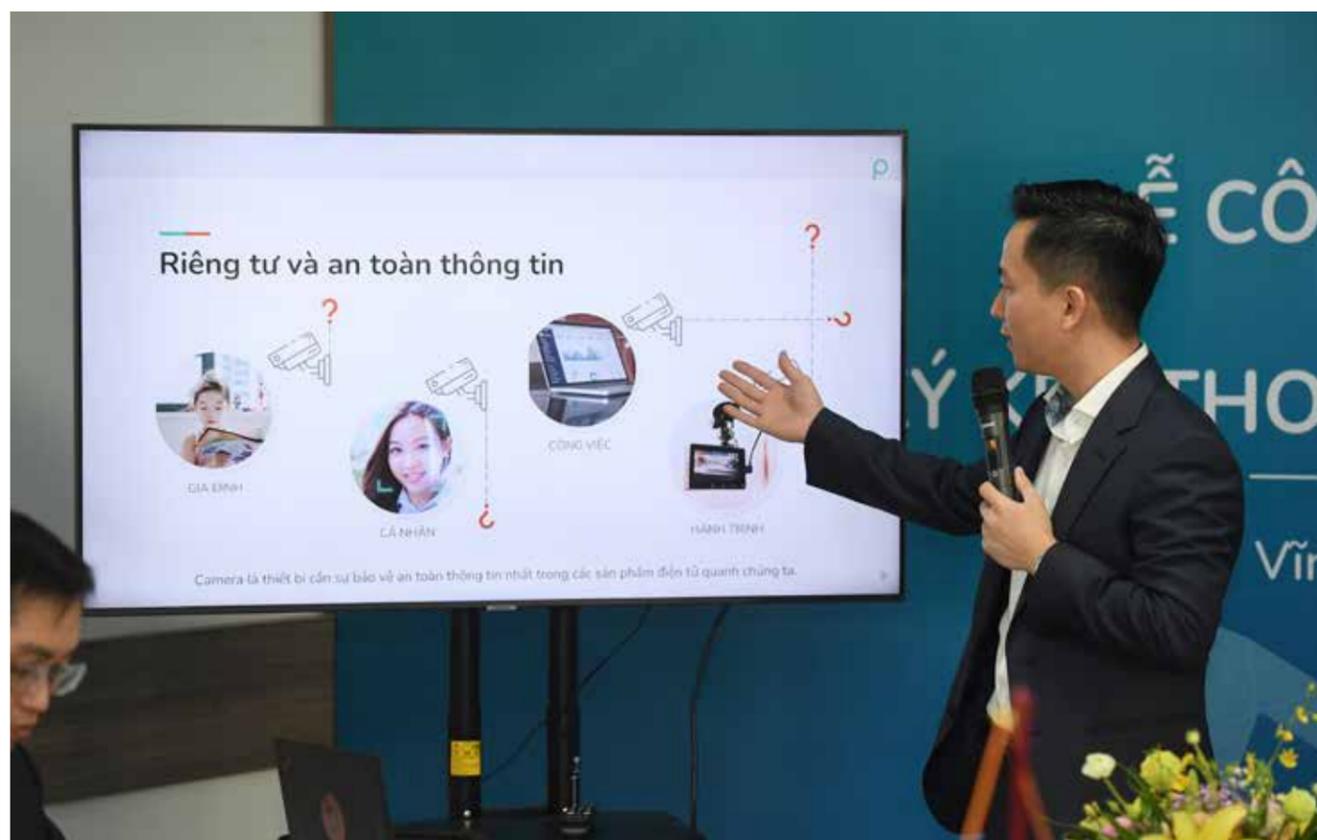
and development with many proud achievements. Together with Vietnam Posts and Telecommunications Group (VNPT) - another shareholder of VINECO, CNCTech has been supporting VINECO to achieve more achievements in the field of electronics and telecommunications.



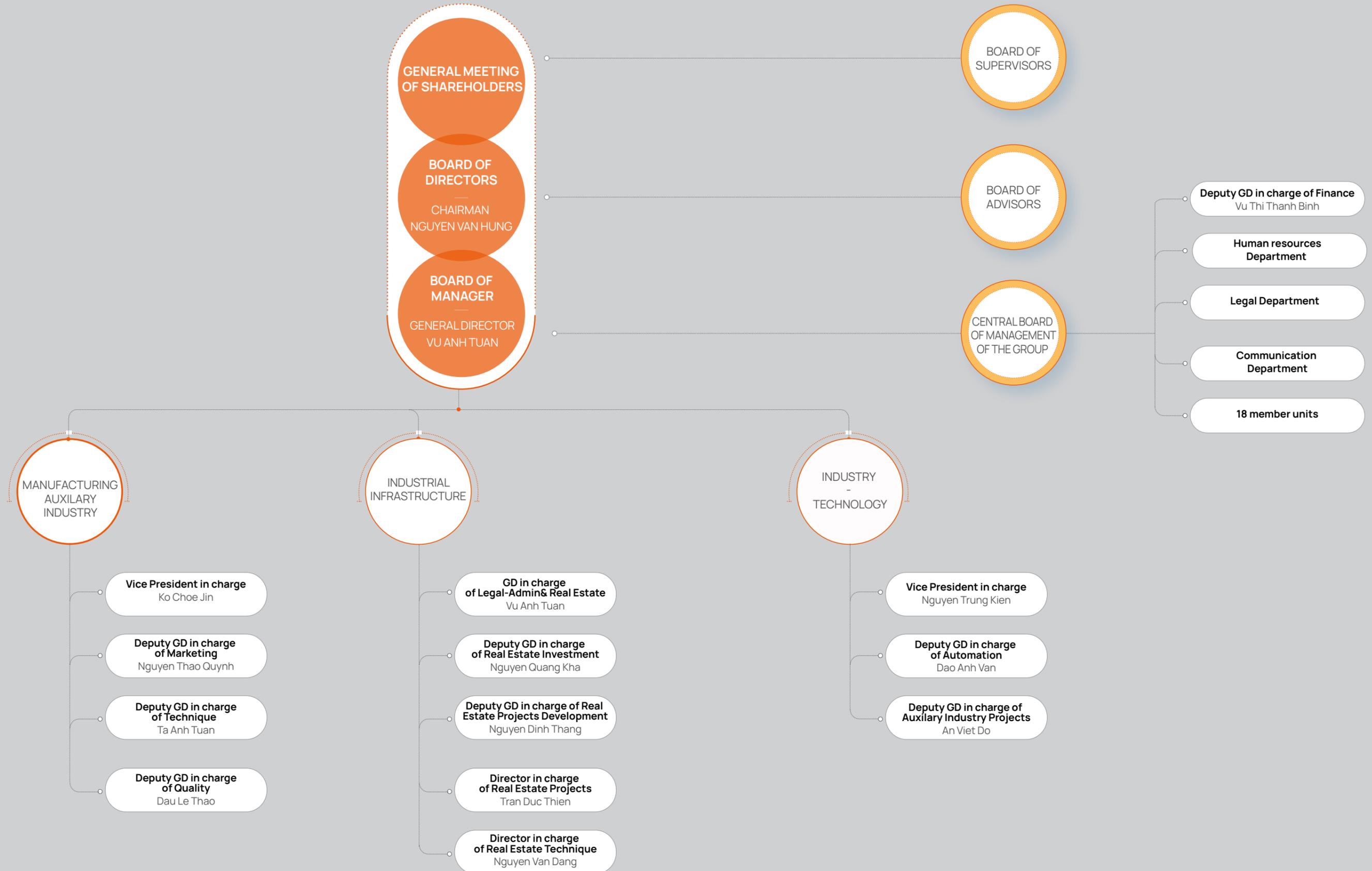


• Pavana Technology Joint Stock Company (Pavana) is the first startup in Vietnam operating under the ODM (Original Design Manufacturer) model. The company's main products are smart cameras, security monitoring for home, enterprise and government's infrastructure. CNCTech invests

in Pavana to perfect the business ecosystem from research, development to production; increase the content of domestic technology in the share of the supporting and commercial technology industry, especially the market of camera applying artificial intelligence which still very large share to fill in Vietnam.



# Governance model



## Mother company and subsidiary

No.	Name of the Companies	Head quarter	Business lines
1	<b>CNC technology solutions joint stock company</b> (CNCTech)	Lot F1-2-3, Thang Long Vinh Phuc Industrial Park, Tam Hop Commune, Binh Xuyen District, Vinh Phuc Province	Auxiliary industrial production, office and factory for rent
2	<b>CNC Holdings Vietnam Joint Stock Company</b> (CNCTech Hanoi)	Lot A1, independent road, Industrial cluster Town Phung, Town Phung, Dan Phuong district, Hanoi city, Vietnam	Auxiliary industrial production, office and factory for rent
3	<b>VinaStartup Vinh Phuc Joint Stock Company</b> (CNCTech Vinh Phuc)	Binh Xuyen Industrial Park, Dao Duc Commune, Binh Xuyen District, Vinh Phuc Province	Factory for rent, construction, service
4	<b>FC Manufacturing Trading Joint Stock Company</b> (CNCTech Binh Duong)	Lot E, Road No. 2, Dong An Industrial Park, Binh Hoa Ward, Thuan An Town, Binh Duong Province	Auxiliary industrial production and factory for rent
5	<b>Thang Long CNCTech Joint Stock Company</b> (CNCTech Thang Long)	Lot F1-2-3, Thang Long Vinh Phuc Industrial Park, Tam Hop Commune, Binh Xuyen District, Vinh Phuc Province	Auxiliary industrial production and factory for rent
6	<b>CNC High Technology Joint Stock Company</b> (CNCTech Saigon)	Lot HT4-9, Road D16, Hi-Tech Park, Tang Nhon Phu B Ward, District 9, Ho Chi Minh City	Automation, production of high-tech products
7	<b>Bac Ninh CNCTech Joint Stock Company</b> (CNCTech Bac Ninh)	Lot H3-2, Dai Dong Industrial Park, Hoan Son, Tri Phuong Commune, Tien Du District, Bac Ninh Province, Vietnam	Auxiliary industrial production
8	<b>Ha Nam CNCTech Co., Ltd</b> (CNCTech Ha Nam)	Lot CN06, Dong Van III Supporting Industrial Park, Dong Van Ward, Duy Tien Town, Ha Nam Province	Auxiliary industrial production and warehousing and logistics services

## Associated Company

No.	Name of the Companies	Head quarter	Business lines
1	<b>VKX Co., Ltd</b>	139 Ngoc Hoi, Hoang Liet, Hoang Mai, Hanoi	Manufacture of electronic products
2	<b>Viet My Petroleum Equipment Joint Stock Company</b>	26 Dan Chu Street, VSIP II Industrial Park, Hoa Phu Ward, City, Thu Dau Mot, Binh Duong	Producing products for the oil and gas industry
3	<b>Thien Quang Electronics Joint Stock Company (Sky Light JSC)</b>	Binh Xuyen Industrial Park, Dao Duc Commune, Binh Xuyen District, Vinh Phuc Province	Manufacture and export cameras and digital imaging equipment
4	<b>Arts Group Joint Stock Company</b>	Ba Thien Industrial Park, Ba Hien Commune, Binh Xuyen District, Vinh Phuc Province, Vietnam	Manufacturing and processing eyewear products
5	<b>Mentech Vietnam Electronics Joint Stock Company</b>	Binh Xuyen Industrial Park, Dao Duc Commune, Binh Xuyen District, Vinh Phuc Province, Vietnam	Manufacture electronic products, optical modules
6	<b>CNCPS Joint Stock Company</b>	Lot E, Road No. 2, Dong An Industrial Park, Binh Hoa Ward, Thuan An Town, Binh Duong Province, Vietnam	Auxiliary industrial production
7	<b>SMC Technology Joint Stock Company</b>	Ba Thien Industrial Park, Binh Xuyen District, Vinh Phuc	Mechanical production; metal treatment and coating
8	<b>Anotech Vinh Phuc Joint Stock Company</b>	Ba Thien Industrial Park, Binh Xuyen District, Vinh Phuc	Auxiliary industrial production
9	<b>VINECO Telecommunication Systems Joint Stock Company</b>	Ngoc Truc, Dai Mo Ward, Nam Tu Liem District, Hanoi	Production and processing electronic telecommunication products
10	<b>Vietnam CNC &amp; Technology Application Joint Stock Company</b>	Song Cung industrial site, Dong Thap commune, Dan Phuong district, Hanoi Vietnam	Producing, buying and selling machinery manufacturing equipment used in auxiliary industry

## Advisory Board

- Mr. Bui Manh Lan**  
 Chairman of the Board of Directors of Hung Thinh Trading - Manufacturing - Construction Joint Stock Company; Owner of Dong An Industrial Park 1, Dong An 2; President of Dong An High-Tech College
- Mr. Ngo Hung Tin**  
 Former Deputy General Director of VNPT Group; Former Chairman of the Board of Directors, Former General Director of VNPT Technology. He built and developed VNPT Technology from the beginning until VNPT became a famous company in technology industry, winning Sao Khue Award, Top 10 Enterprise A - IoT.
- Mr. Tang Wing Fong Terry**  
 Chairman of the Board of Directors of Sky Light, the world's leading camera manufacturing company, listed on the Hong Kong Stock Exchange - He has helped many startups to thrive in the US.
- Mr. Mannon Man Wong**  
 Group leader who used to be in the top 5 producing high-quality cameras in the world, chief consultant for CNCTech's joint ventures in Vietnam, is currently the General Director of Everwin Precision Vietnam.
- Mr. Mou Chung-Hsin**  
 CNCTech Electronics Technical Advisor, currently Deputy General Director of Sky Light Electronics Vietnam. In the period of 2001-2019: Production Manager of Foxconn Technology Group in Taipei, Shenzhen and Nanning. In the period of 1995-2000: Production and technical director at Motorola Electronics Co., Ltd. in Taiwan



# Board of Directors - Board of General Directors



Mr. NGUYEN VAN HUNG

**CHAIRMAN OF THE BOARD OF DIRECTORS**

Graduated from Hanoi University of Science and Technology, going through the process of setting up his own business, Mr. Hung has studied and learned a lot of management knowledge and expertise from experienced experts, Japanese partners and FDI customers. Mr. Hung is the founder, Chairman and General Director of CNCTech from 2008 to present, and is also the Vice Chairman of the Vietnam Startup and Investment Club. He is decisive and has deep understanding of the auxiliary industry field. With the will "nothing is impossible", he always moves forward, not faltering in the face of difficulties and challenges. He is one of the 20 typical young people in 2016, top 10 best young entrepreneurs in 2016, top 100 in 2017, Vietnam Gold Star 2018, received a certificate of merit from the Prime Minister in 2018, 2019.



Mr. VU ANH TUAN

**MEMBER OF BOARD OF DIRECTOR DEPUTY GENERAL DIRECTOR**

Mr. Vu Anh Tuan - Member of the Board of Directors, Deputy General Director in charge of legal administration & CNCTech Real Estate since 2018. Mr. Tuan graduated from Hanoi University of Commerce and MBA from Hanoi National University - University Irvine California. Before joining CNCTech, with 19 years of working in the beverage and consumer industries, with knowledge and experience accumulated through the positions of industry planning, management, and capital representation, he actively participated in pole in restructuring & developing CNCTech.



Mr. KO CHOE JIN

**VICE CHAIRMAN OF THE BOARD OF DIRECTORS**

Vice Chairman of the Board of Directors, Deputy General Director of the auxiliary industry business from 2020, Mr. Ko Choe Jin studied at Samyuk University - Seoul, Korea and experienced the positions of Production Manager, Sales Director at many leading enterprise in Korea - Vietnam, is the 1st level vendor of Samsung, Nike, Factory Manager of Framas of Germany. With his experience and network of contacts, in just a short time, Mr. Ko Choe Jin has made a great contribution in expanding the high-end segment market for CNCTech.



Mr. NGUYEN TRUNG KIEN

**VICE CHAIRMAN OF THE BOARD OF DIRECTORS**

Graduated in Electronics and Telecommunications, Hanoi University of Science and Technology, obtained a PhD in the German DAAD and Vietnamese Government scholarship program at Hannover Leibniz University, Germany. He has experienced the positions of Director of VNPT Technology's Product Development Management Board, Director of Production / Director of the Home Device Research Institute / Director of the smart solution division of Vinsmart - VinGroup. The deep understanding in the field of R&D and practical production implementation experience, working with major international partners is a solid foundation for him, along with the Board of Directors, the CNCTech Advisory Board to carry out research and development activities, approach, receive high technology transfer (Robotics, Automation, IoT, AI, Cloud ...) from advanced countries in the world, increase technology value & intellectual content for CNCTech's products.



Mr. NGUYEN QUANG KHA

**MEMBER OF BOARD OF DIRECTOR**

Deputy General Director in charge of Investment and Construction of CNCTech since 2017. Mr. Nguyen Quang Kha graduated from University of Transport, majoring in Bridge and Road Construction. Mr. Kha has helped CNCTech to have great development in Vinh Phuc from construction and real estate projects, thereby having the opportunity to implement FDI cooperation projects. Before joining CNCTech, Mr. Kha has extensive professional and management experience with 10 years at Vinh Phuc design consulting company, 18 years at CIENCO8 Transport Construction Corporation, Ministry of Transport. With his understanding and acumen, he always offers construction and investment solutions that bring high efficiency to CNCTech, focuses on people and professional ethics, wishes to bring happiness to all parties.



Ms. VU THI THANH BINH

**MEMBER OF BOARD OF DIRECTOR DEPUTY GENERAL DIRECTOR**

Member of the Board of Directors, Deputy General Director in charge of finance & investment in CNCTech industry since 2019. Ms. Vu Thi Binh has deep expertise and management experience in the field of finance, auditing and accounting. Ms. Binh graduated with excellence result from the Academy of Finance and Master of Accounting at the Academy of Finance. Before joining CNCTech, she worked at Deloitte Auditing Company in Vietnam and Malaysia, worked at Vinsmart, Vingroup. Ms. Binh effectively assisted the Board of Directors and the General Director in overseeing operations, financial restructuring, preserving and developing capital in the group.

# Board of Directors - Board of General Directors



**Mr. DAU LE THAO**

DEPUTY GENERAL DIRECTOR

Deputy General Director in charge of CNCTech System from 2020, Mr. Thao graduated from Hanoi University of Science and Technology. Before joining CNCTech, Mr. Thao held the position of Deputy Director of Canon Vietnam and has been with Canon for over 10 years. He has long time working in the Japanese environment and culture with meticulousness, precision, care and sophistication. Along with strengthening the quality and management system, Mr. Thao also helps CNCTech develop and expand its Japanese customer partners.



**Mr. TA ANH TUAN**

DEPUTY GENERAL DIRECTOR

Deputy General Director in charge of Production Engineering, joined CNCTech in 2010, graduated from Ho Chi Minh City University of Technology and Education majored in Mechanical Engineering. Mr. Tuan is CNCTech's longest-standing technical expert and manager. He has experienced many management positions in the factory departments and technical departments before becoming the Deputy General Director in charge of Engineering of CNCTech. Mr. Tuan is highly appreciated by American and Japanese customers for his ability with excellent management ability and expertise in the field of precision mechanics, he has improved engineering, production and trained generations of managers, technicians and skilled workers for CNCTech factories spread across the country.



**Ms. NGUYEN THAO QUYNH**

DEPUTY GENERAL DIRECTOR

Deputy General Director in charge of marketing and sales in the South of CNCTech, Ms. Quynh joined CNCTech in 2015, graduated from Foreign Trade University - Majored in Business Administration. Ms. Quynh has experienced the following positions: Director of CNCTech Hanoi, Assistant General Director of CNCTech Group, participating in the deployment of new CNCTech factories in the period 2015-2017, currently working as the director of CNCTech Saigon project in Cao District Industrial Park. 9, Ho Chi Minh city. Ms. Quynh has actively contributed to the development of CNCTech's auxiliary industry, trade promotion, introducing information to customers in 50 countries around the world, participating in Vietnamese auxiliary industry associations. VASI, Association of Electrical Mechanics of Ho Chi Minh City (HAMEE),...



**Mr. NGUYEN DINH THANG**

DEPUTY GENERAL DIRECTOR

Deputy General Director in charge of CNCTech project development from 2020, Mr. Thang graduated from Vinh University with a bachelor's degree in economics. He has extensive experience in the construction industry. Before joining CNCTech, he worked at Army Corps No. 12, Truong Son Construction Company, Buon Trap Hydropower Construction and Buon Ma Thuot Airport, Dak Lak. In 2012, he established a company in the field of construction and irrigation in Nghe An, participated in big bidding packages such as Project Management Board 1, Ministry of Transport, National Highway 27 Thanh Hoa, Project Management Board 4 participated in calling for National Highway 1 with Army Corps 12, Lang Co Thua Thien Hue, Irrigation Works of Ngan Troi - Cam Trang Ha Tinh with Army Corps No.12. Mr. Thang is currently focusing on developing new urban & residential projects in the provinces for CNCTech.

## Management Group



**MS. NGUYEN THI THOM**

**HEAD OF SUPERVISORY BOARD**

**Qualification:**

- Bachelor of Accounting - University of Business and Technology

**Experience:**

- From 2007 to 2011: Accountant - Light Automated Informatics Software Co., Ltd;
- From 2012 to 2015: Accountant - Central Pharmaceutical Joint Stock Company 2;
- From 2015 to 2020: Chief Accountant - CNC Holdings Vietnam Joint Stock Company
- From 2021 to present: Head of Supervisory Board



**Mr. NGUYEN TIEN DUNG**

**PRODUCTION MANAGER**

**Qualification:**

- Infrastructure engineer - College of Construction No. 3;

- Bachelor of Business Administration - University of Commerce.

**Experience:**

- From 2011 to 2014: Head of Production and Assembly Department - Elentech Vietnam Co., Ltd;
- From 2014 to 2017: Deputy Production Manager - BLD VINA CO., LTD;
- From 2017 to present: Production Manager - CNCTech



**Mr. NGUYEN HUU LONG**

**PROJECT MANAGER  
PRODUCTION BLOCK**

**Qualification:**

- Pressure machining engineer - Hanoi University of Science and Technology;

- Certificate of Professional Production Manager - PTI Business School.

**Experience:**

- From August 2006 to 2008: Technical staff - Duc Hanh 3D Co., Ltd;
- From January 2009 to 2011: Technical staff - CNCTech;
- From January 2012 to 2013: Project Manager - HanoiTC Equipment Joint Stock Company;
- From January 2014 to December 2014: Site manager - Ecoba Environment Joint Stock Company;
- From January 2015 to present: Project Manager of Production Division - CNC-Tech



**Mr. TRAN DUC THIEN**

**PROJECT MANAGER  
REAL ESTATE SERVICE BLOCK**

**Qualification:**

- Bachelor of Investment Economics - National Economics University;

- Master of Infrastructure Engineering - Hanoi University of Architecture.

**Experience:**

- June 2005 to April 2011: Consultant - Institute of Urban and Rural Planning - Ministry of Construction;
- May 2011 to July 2017: Deputy Project Manager - Vietnam Star Group Joint Stock Company;
- August 2017 to November 2019: Head of Project Planning and Development Department - PPC An Thinh Vietnam Infrastructure Development and Investment Joint Stock Company;
- December 2019 to November 2020: Deputy Director (in charge) of Investment and Project Development Department - Infinity Group Investment Joint Stock Company;
- November 2020 to present: Project Manager of Service Real Estate Division - CNCTech



**Mr. NGUYEN VAN DANG**

**TECHNICAL DIRECTOR  
REAL ESTATE SERVICE BLOCK**

**Qualification:**

- Civil Engineer - Hanoi University of Civil Engineering

**Experience:**

- From 2002 to 2016: Project Technical Specialist - Song Da Construction Consultant Co., Ltd. - Ucrin;
- From 2016 to 2018: Head of Technical Department - Tram Tau Hydropower Joint Stock Company;
- From 2018 to 2020: Deputy General Director - Thang Long Construction and Technical Services Joint Stock Company;
- From 2020 to now: Technical Director - Service Real Estate Division - CNCTech

## Leaders of outstanding member companies

### VINECO Telecommunication Systems Joint Stock Company



**Mr. Duong Minh Tuan**

GENERAL DIRECTOR  
VINECO JOINT STOCK COMPANY

**Qualification:**

- Master of Electronics and Telecommunications

**Experience:**

- September 1997: Specialist of International Cooperation Department - VNPT Group;
- From September 1997 to February 2013: A member of Board of Directors - Deputy General Director of VNPT - NEC Telecommunication Systems Joint Venture Company (VINECO);
- From March 2013 to present: A member of Board of Directors - General Director - VINECO Telecommunication Systems Joint Stock Company.

**Mr. Vo Hong Ha**

DEPUTY GENERAL DIRECTOR  
VINECO JOINT STOCK COMPANY

**Qualification:**

- Master of Business Administration

**Experience:**

- December 2003: Engineer of Post and Telecommunications Institute of Science and Technology - VNPT Group;
- From December 2003 to March 2013: Head of Commerce Department - VNPT - NEC Telecommunication Systems Joint Venture Company (VINECO);
- From March 2013 to July 2017: Head of Commercial Department - VINECO Telecommunication Systems Joint Stock Company;
- From August 2017 to present: Deputy General Director - VINECO Telecommunication Systems Joint Stock Company.

**Mr. Do Duy Phuong**

CHIEF ACCOUNTANT  
VINECO JOINT STOCK COMPANY

**Qualification:**

- Master of Economics - Finance - Banking

**Experience:**

- August 1999: General Accountant - Accounting Department - VNPT - NEC Telecommunication Systems Joint Venture Company (VINECO);
- From September 2006 to present: Chief Accountant - VINECO Telecommunication Systems Joint Stock Company.

**Mr. Nguyen Huu Bay**

HEAD OF PLANNING DEPARTMENT  
VINECO JOINT STOCK COMPANY

**Qualification:**

- Master of Industrial Administration

**Experience:**

- August 1998 - August 2000: Engineer of Production Department - VNPT - NEC Telecommunication Systems Joint Venture Company (VINECO);
- From September 2000 to December 2002: Deputy Head of Production Department - VNPT - NEC Telecommunication Systems Joint Venture Company (VINECO);
- From January 2003 to present: Head of Planning Department - VINECO Telecommunication Systems Joint Stock Company.

**Mr. Nguyen Thuc Kien**

HEAD OF RESEARCH AND DEVELOPMENT DEPARTMENT  
VINECO JOINT STOCK COMPANY

**Qualification:**

- Master of Electronics and Telecommunications

**Experience:**

- June 2007: Specialist of Telecommunications Department - Vietnam Posts and Telecommunications Group;
- From June 2007 to February 2013: Head of Technical Department - VINECO Telecommunication Systems Joint Stock Company;
- From March 2013 to present: Head of Research and Development Department - VINECO Telecommunication Systems Joint Stock Company.

**Mr. Vu Quang**

HEAD OF ADMINISTRATIVE HUMAN RESOURCES DEPARTMENT  
VINECO JOINT STOCK COMPANY

**Qualification:**

- Master of Electronics and Telecommunications

**Experience:**

- August 2015: Deputy Head of Informatics Department - Hanoi Post Office;
- From August 2015 to present: Head of Administration - Human Resources Department - VINECO Telecommunication Systems Joint Stock Company.

## Leaders of outstanding member companies

Vietnam CNC & Technology Application Joint Stock Company



**Mr. Dao Anh Van**

**DIRECTOR**  
CNC-VINA COMPANY

**Qualification:**

- Engineering Control and Automation Engineer

**Experience:**

- 1997 - 1999: Officer - Chiu-Y Vietnam Co., Ltd;
- 2000 - 2008: Officer - Yamaha Motor Vietnam Co., Ltd;
- 2009 - 2016: Head of Technical Production Department - Yamaha Motor Vietnam Co., Ltd;
- 2017 - 2018: Deputy Director - CNC-Vina Company;
- 2019 - Now: Director - CNC-Vina Company.



**Mr. Vu Dinh Minh**

**VICE DIRECTOR**  
CNC-VINA COMPANY

**Qualification:**

- Mechatronics Engineer
- Bachelor of Economics

**Experience:**

- 2006 - 2013: Project manager, BKMECH company;
- 2014 - 2016: Specialist of Hanoi Department of Science and Technology;
- 2017 - 2018: Head of Purchasing Department, Head of Marketing Department of CNC-Vina;
- 2019 - Present: Deputy Director, CNC-Vina company.



## Leaders of outstanding member companies

Thien Quang Electronics Joint Stock Company (Sky Light VN)



**Mr. Mou Chung-Hsin**

DEPUTY GENERAL MANAGING DIRECTOR  
SKY LIGHT VN

**Qualification:**

- Bachelor of Business Administration

**Experience:**

- 1995 - 2000: Production and technical director at Motorola Electronics Co., Ltd;
- 2001 - 2019: Production Manager at Foxconn Technology Group;
- 2020 to present: Deputy General Director of Production Sky Light VN

**Mr. Truong Quang Vinh**

PRODUCTION MANAGER  
SKY LIGHT VN

**Qualification:**

- Mechanical Engineer
- Master of Business Administration

**Experience:**

- 2001 - 2005: Head of Export Packing Department - Honda Vietnam;
- 2005 - 2012: Deputy Director of Factory 1 / Director of Factory 2 - Eurowindow JSC;
- 2014 - 2016: SMD & PBA Manager (Group leader) - Hansol Electronics Vietnam;
- 2016 - 2020: Director of Factory 2 - VNPT Technology;
- 2020 to present: Production director of Sky Light VN.

**Mr. Bui Van Tho**

SMT PRODUCTION DEPARTMENT  
SKY LIGHT VN

**Qualification:**

- Electronics Engineer

**Experience:**

- 2011 - 2013: SMT Technology BHITT Company;
- 2013 - 2014: Technical team leader of Kyungil Optics Company;
- 2014 - 2018: Head of SMT Department of INTERFLEX Company;
- 2018 - 2019: Head of SMT Department of Top Intercube Company;
- 2019 to present: Head of Production Department SMT Sky Light VN.

**Mr. Le Xuan Vinh**

HEAD OF TECHNICAL DEPARTMENT  
SKY LIGHT VN

**Qualification:**

- Automation Control Engineer

**Experience:**

- 1999 - 2003: National Institute of Technology Application Research (NACENTECH);
- 2003 - 2010: Engineer/Foreman of M&E workshop, Thang Long VIGLACERA Company;
- 2011 - 2015: Head of Technical Department, Dong A Plastic Group Company;
- 2015 - 2018: Installation engineer Vinamilk Laos (in Laos);
- 2019 to present: Head of Technical Department SkyLight VN.

**Mr. Nguyen Trung Duong**

HEAD OF DEPARTMENT OF PRODUCTION  
ASSEMBLY AND PACKING  
SKY LIGHT VN

**Qualification:**

- Electronics and telecommunications engineer

**Experience:**

- 2003 - 2011: Leader of SMT team at VKX Co., Ltd;
- 2011-2018 Head of Production Division: SMT, ASSY, PACKING (CKD & SKD) at VKX Co., Ltd;
- 2020 to present: Head of department of Assembly and packing Sky Light VN.

**Mr. Bui Manh Tien**

HEAD OF DEPARTMENT OF SUPPLY CHAIN  
SKY LIGHT VN

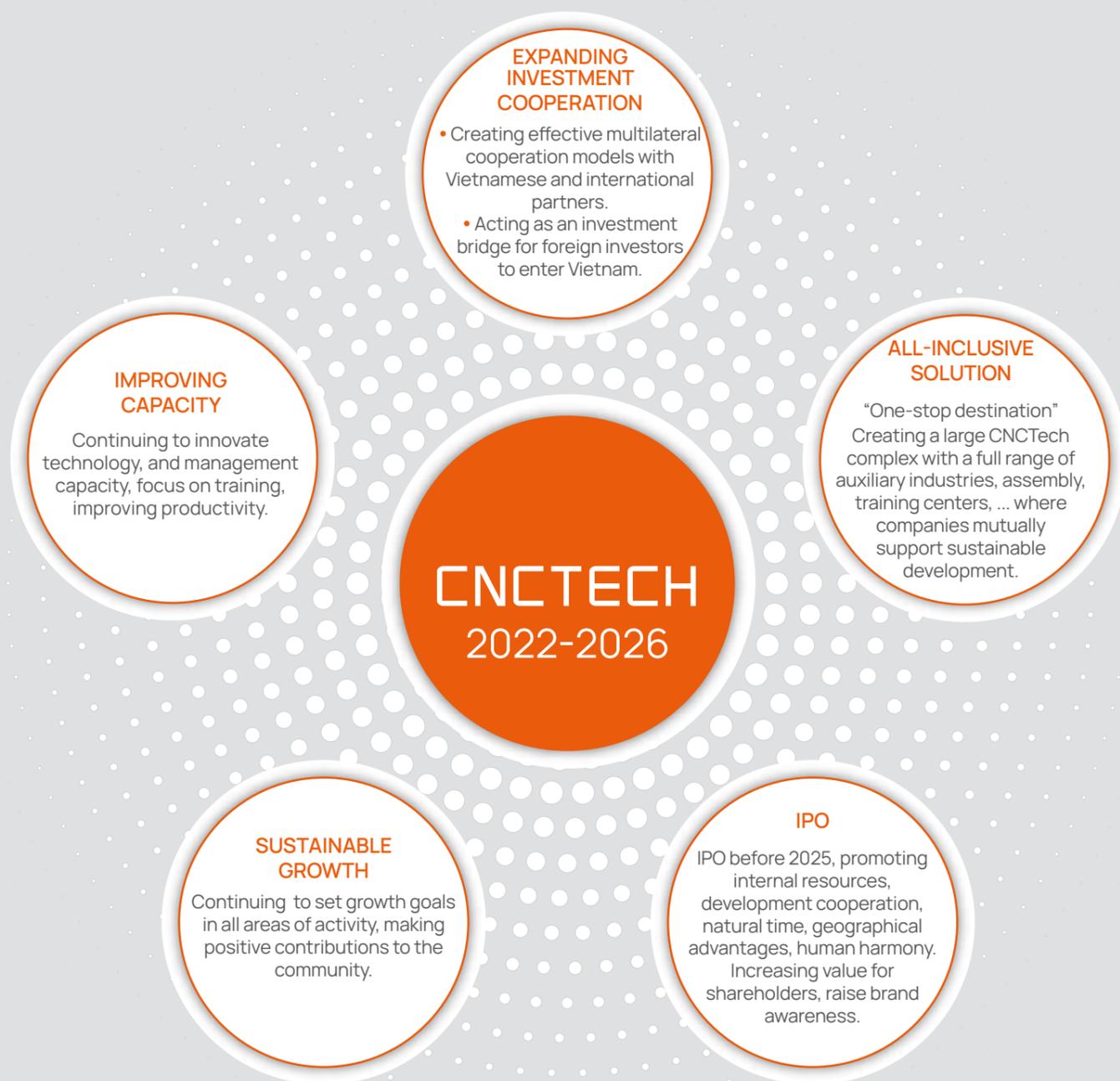
**Qualification:**

- Bachelor of Business Administration

**Experience:**

- 2012 - 2019: VKX Company Limited;
- 2019 to present: Head of Department of Supply Chain Sky Light VN.

## Development Orientation



CHAPTER 3

# Report of the Board of Management

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# Report on activities in 2021

In 2021, not only in Vietnam but also in the whole world, the economy witnessed many ups and downs due to the impact of the Covid-19 pandemic, international organizations and financial institutions all believe that global economic growth experienced deeply recession in 2021 and continue to last in the coming years. Although Vietnam had flexible adaptation solutions such as "both production and isolation", economic activities in the country and with international partners were still interrupted, and CNCTech cannot avoid the impact.

2021 was a difficult year for the Group while facing risks and challenges that may lead to lower-than-expected business results, some investment projects to expand production have to be delayed. However, in 2021, the Group recorded many outstanding marks in the market compared to other enterprises in the same industry. In the coming time, when the above factors are removed, projects are deployed and put into operation at maximum capacity, promising to promote strong growth in business activities of the Group.

**Analysis of the general financial situation:** CNCTech Group maintained financial stability in 2021



with good growth compared to 2020 in key indicators such as revenue and profit. Although consolidated profit has not yet reached the set target, other indicators such as working capital, long-term assets are still strictly managed, equity and total assets increased by 21% and 46% respectively compared to 2020.

**Production activities:** The operation of Thang Long CNCTech Complex has marked a remarkable development step of CNCTech in the process of fully completing the ecosystem for production, from mold making to manufacturing mechanical components, production of electronic boards, to assembly of finished products and accessories. After constructing this complex, CNCTech is gradually realizing the goal of providing the one-stop solutions for all needs of customers. The company's leadership also advocates increasing automation in production activities to increase labor productivity, meeting the increasing demand for goods and boost production and business efficiency. With the contribution of the R&D Department combined with practical production experience from employees, CNCTech always strives to constantly enhance the rate of automation, improve the quality of products and services as well as reduce the rate of waste and save energy in the production process.

**Investment in industrial infrastructure:** In 2021, CNCTech Group has implemented new projects such as: CNCTech phase 2 project in Thang Long Industrial Park Vinh Phuc - Vinh Phuc province (2.4 ha), CNCTech Ha project South at Dong Van III Supporting Industrial Park - Ha Nam province (4.6 ha), the project of

a commercial complex of townhouses in Kontum city - Kontum province (1.8 ha), ... Analyzed projects, planning, thoroughly evaluating and allocating resources effectively, ensuring projects are implemented in a timely manner, meeting the needs of CNCTech Group and the market. 100% of projects are planned to be put into production and commercial on schedule. The total actual investment is reduced by 5 ~ 15% compared to the total planned investment. The processes and regulations in the preparation and implementation of projects are implemented in the direction of becoming more and more streamlined, increasing the efficiency and speed of project implementation.

**Investment in joint ventures:** Investment in industrial technology companies is also continuously expanding both horizontally and in depth with closer cooperation between the Group's companies and the establishment of a joint venture. the birth of new companies such as PAVANA Technology Joint Stock Company - a pioneer in the field of research, development and production of smart cameras for cars, buses and monitoring factories. Other companies in the CNCTech ecosystem such as Thien Quang Electronics Joint Stock Company, Viet My Petroleum Equipment Joint Stock Company, Vietnam CNC & Technology Application Joint Stock Company, and Mentech Vietnam Electronics Joint Stock Company also consecutively achieved outstanding development milestones in production and business activities in 2021, creating a common development momentum for the whole Group.

## Key financial indicators

Targets	2017	2018	2019	2020	2021
<b>I. FINANCIAL SITUATION</b>					
The total value of assets	231,933,270,422	519,784,205,830	988,834,989,558	1,559,992,591,973	2,254,370,950,112
Equity	33,244,153,853	213,282,440,759	429,459,701,683	757,776,786,039	928,882,137,891
Net Revenue	221,054,640,789	273,623,397,543	314,144,158,906	575,815,784,603	703,451,226,065
Profit before tax	8,833,298,226	11,138,787,810	18,526,395,937	70,937,356,398	60,935,190,286
Profit after tax	6,356,524,539	9,357,286,906	15,016,660,111	63,360,025,859	52,302,021,852
<b>II. KEY FINANCIAL INDICATORS</b>					
<b>1. Ability to liquidate</b>					
+ Overall liquidation ratio	1.17	1.70	1.77	1.94	1.70
+ Short-term liquidation ratio	1.05	1.01	1.28	1.33	1.26
<b>2. Capital structure</b>					
+ Ratio of Debt/Total Assets	0.86	0.59	0.57	0.51	0.59
+ Ratio of Debt/Equity	5.98	1.44	1.30	1.06	1.43
<b>3. Operational capacity</b>					
+ HTK rotation	9.12	8.35	3.60	5.92	12.38
+ Net revenue/Total assets	1.19	0.73	0.42	0.45	0.37
+ Accounts Receivables Turnover	3.95	2.51	2.34	2.76	2.11
<b>4. Profitability</b>					
Profit before tax	2.88%	3.42%	4.78%	11.00%	7.44%
Profit after tax	22.24%	4.39%	4.67%	10.67%	6.20%

## Equity and shareholder information

	on 31/12/2021	on 31/12/2020
Number of shares registered for issuance	52,000,000	50,000,000
Number of shares sold	52,000,000	50,000,000
Number of shares outstanding	52,000,000	50,000,000
Common shares	52,000,000	50,000,000
Preferred shares	-	-
* Par value of outstanding shares:	10,000 VND/share	10,000 VND/share

Shareholders	Number of shares held	Total value (VND)	Ratio (%)
Nguyen Van Hung	46,785,000	467,850,000,000	90,0%
Nguyen Thai Son	5,000,000	50,000,000,000	9,6%
Other shareholders	215,000	2,150,000,000	0,4%
<b>Total</b>	<b>52,000,000</b>	<b>520,000,000,000</b>	<b>100%</b>

In 2021, the Board of Directors is still structured in the direction of independent governance and the Board of Directors continues to implement improvements in organizational structure, policies and governance of the Company's activities.

### RECONSTRUCTION OF FUNCTIONAL DIVISIONS, DEPARTMENTS

Departments and individuals always have a close interaction and coordination relationship with each other. It is needed to have specialization, and clearly delineate functions and tasks to perform well the company's activities towards completion of business goals. Aware of this, the Company always focuses on restructuring functional blocks and departments to operate the company in the most effective way.

### FOCUSING ON BUILDING INTERNAL PROCESSES

2021 was the marking year of the Group's strong investment in consolidating internal processes, thereby helping to reduce personnel, increasing work efficiency, and having a basis for comparison, inspection and coordination between employees and departments. Accordingly, the Group has been gradually building and perfecting the internal process system to operate smoothly to serve the sustainable development goals.

## Report on improvements in organizational structure and management policy

## Report on environmental and social responsibility



### CONTINUE TO IMPROVE FINANCIAL STRATEGY

In the context of the general difficulties of the economy, in order to cope with the risk of interest rate changes, the Company always makes a specific loan and payment plan for each amount, and at the same time finds and takes advantage of long-term loans with low interest rates, preferential interest rates, reasonable cash flow control, prudent use of financial leverage;

The Group also selects reputable partners (investment funds, banks...) and closely monitors relevant market conditions, including domestic and international financial and monetary markets.

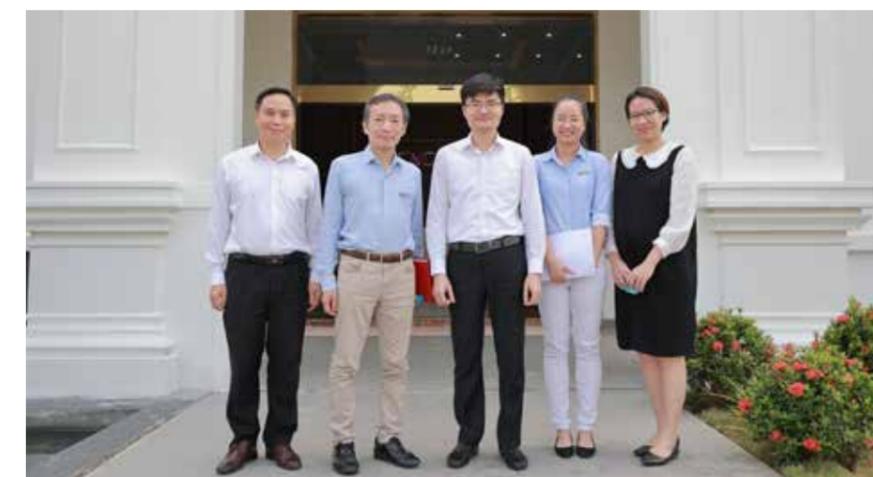
### INCREASING EMPLOYEES' KNOWLEDGE AND BUILDING HEALTHY WORKING ENVIRONMENT

Improve professional knowledge for employees through internal training, guidance from direct managers and highly qualified people; encourage member units and departments to exchange and learn from each other to improve multidisciplinary knowledge;

Building a healthy corporate culture, accompanying employees to create a friendly, open and enthusiastic working environment.

Despite facing many difficulties and challenges from the pandemic, the Company and its subsidiaries still maintain jobs and stable incomes for employees. At the same time, when Bac Ninh province, Ho Chi Minh City - where the headquarters of subsidiaries with many factories in a row became the pandemic centers of the country, CNCTech made great efforts and drastic efforts to implement "3 on-

site", "1" routes, 2 destinations", flexibly switching production locations for orders to unaffected factories. The companies in the system have joined hands to contribute both human and financial resources to the local government in the fight against the pandemic. The social programs such as supporting disadvantaged people, sponsoring study promotion funds, etc were still maintained during the year.



# Evaluation of the Board of Directors

## Evaluation of the Board of Directors on business results

2021 continues to be a year of sustainable growth, the Company's net revenue and pre-tax profit in 2021 will reach VND 703.5 billion and VND 60.9 billion, respectively. This is a great and remarkable effort of the whole Group and its member units in the difficult economic situation, still ensuring the interests of shareholders.



## Evaluation of the Board of Directors on the activities of the Board of Management

The Board of Directors highly appreciates the performance of the Board of Directors in 2021, recognizing the efforts and determination of the Board of Directors in giving timely and drastic direction to accomplish the double goals: respond to the Covid pandemic and strive to fulfill the planned targets assigned by the General Meeting of Shareholders and the Board of Directors. With the result of profit after tax reaching 93.77% of the target set out at the beginning of the year, the Board of Directors assessed that the Board of Directors had an effective year of operation along with sticking to the goals, orientations and themes of the Board of Directors. In addition to fulfilling their responsibilities for each area of responsibility, the members of the Board of Directors have closely coordinated to handle the work for the common benefit of the Company in order to achieve the proposed business plan and brought the best profit for shareholders. The results achieved by the Board of Directors during the year is a solid launch pad for the Company to make breakthroughs in post-pandemic business fields and realize the business strategies set out by the Board of Directors.

### Specifically:

- The Board of Directors promptly directed the prevention and control of the Covid pandemic, ensuring absolute safety for the system of companies and factories. Production and business activities were maintained stably and guaranteed during social isolation;
- The Board of Directors has shown solidarity, creativity, enthusiasm and enterprising spirit with the Company's activities. In 2021, the Board of Directors also demonstrated compliance with regulations on governance and administration, fully performed the tasks assigned by the General Meeting of Shareholders and the Board of Directors;
- Supervision and support of member companies in business activities are carried out very closely through the evaluation of business results, monthly and quarterly development targets, so that it can timely detect and take corrective action for weaknesses and inadequacies;
- Monitor and promote the implementation of business and functional strategies to achieve the set targets for 2021; at the same time organize to update and adjust the Group's development strategy to 2025;
- The Board of Directors proactively reported in detail and fully updated on the implementation progress as well as advantages, difficulties, obstacles and problems in operating the business plan and areas to discuss with the Board of Directors and come up with necessary solutions. With such quick and timely exchange and update of information, the Board of Directors always clearly grasps the business situation of the Company and directs the company to operate effectively in accordance with the proposed strategic direction.

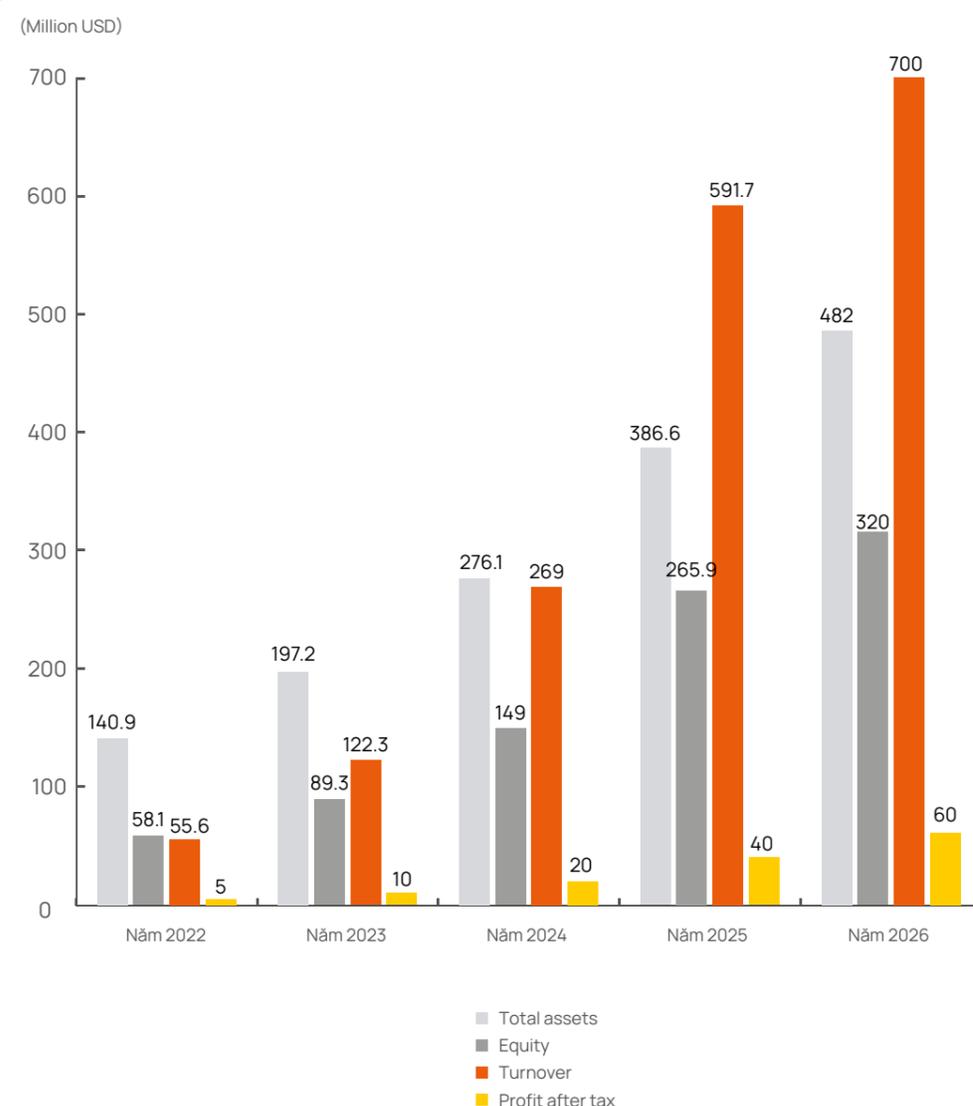


# Development plan 2022 – 2026

In the period of 2022 - 2026, CNCTech will simultaneously promote activities in all areas of the ecosystem to set a strong growth target in terms of sales, profits, capital.

## The main objective of the company

Financial goals for the period 2022 - 2026



## Strategic solution

### Business activities

- Supporting industrial production sector: Optimizing the product portfolio and existing markets - focusing on exploiting highly effective markets and products, good profit margins and taking advantage of opportunities from global business recovery and shifting production to Vietnam to expand the market;
- Industrial infrastructure sector: Expanding investment in new projects according to the following criteria: Legal transparency, reasonable price and prime location to serve the long-term business plan, sustainable development in the future;
- Industrial technology sector: Diversifying investment portfolio towards optimizing benefits for shareholders. Looking for partners who are reputable investors and have financial potential for joint ventures and cooperation in implementing large projects of the company;

### Production activities

- Ensuring the safety of the system in the new normal after the Covid pandemic;
- Continue to streamline the organizational structure of personnel and production service system towards efficiency;
- Maintain stable production activities, ensure product quantity and quality, order progress;
- Increase automation on production lines;
- Promote production improvement programs and initiatives to improve labor productivity, reduce waste of energy and materials in production;

### Finance and accounting activities

- Optimizing debt and trade policies, effectively managing cash flow;
- Adjusting and supplementing financial management regulations and processes towards streamlining procedures, while ensuring strict and effective control of financial resources;

### Information technology activities

- Promoting and perfecting the features of new technology applications in office operations, improving operational productivity and handling work;
- Promote the application of software and information technology applications, especially the application of ERP in information management, administration, storage, and transmission;
- Ensure the safety and security of network information, especially the Company's business strategy information and customer data

### Human resource management activities - Training - Internal communication

- Taking care of the spiritual and material life of employees, maintaining and developing human resource policies, remuneration, salary and bonus regimes;
- Maintain new training and regular training for employees to improve skills and professional qualifications;
- Organize and promote Chapters for internal communication, build internal solidarity, spread corporate culture with its own identity.



## Key projects 2022 – 2026



- **Supporting industry production:** Merger and acquisition of several companies to complete CNCTech Group Ecosystem; the expansion of Thang Long Complex CNCTech and investment in CNCTech Global Industrial Technology Ba Thien Industrial Park Complex 16 ha; the construction of CNCTech 5-storey CNCTech Saigon Building, High-class Industrial Park in Ho Chi Minh City area as well as the deep investment in CNCTech Bac Ninh to develop production.



- **Industrial infrastructure Sector:** Complete legal procedures, put into construction and operate large projects such as Ba Trieu project in Kon Tum province; Lotus warehouse 2-3-4-5-6-7 in Vinh Phuc province, Da Nang, Nghe An, Hanoi; Hop Thinh Industrial Cluster Project in Vinh Phuc Province; Supporting Industry Cluster Project in Binh Duong Province; Hunan Son project in Lam Dong province; Social housing project in Vinh Phuc; CNCTech Tower project, etc...;



- **Industrial technology Sector:** Develop and expand SkyLight to Thang Long CNCTech complex, invest in the development of Pavana to foster Vietnamese-branded camera products, cooperate with network operators in Vietnam, and launch products to the international market as well as promote the growth of components for electric cars at CNC - Vina. Step by step cooperation in enhancing hightech fields such as: network equipment technology, semiconductor, mechanical

## Expected investment plan for period 2022 – 2026



### CNCTECH THANG LONG EXPANSION

Implementation of the next phase of the project, raising the total land area to 8.3 hectares, having potential to increase to 12-18 hectares

- Raise the total investment from 760 billion VND to 1,200 billion VND
- Development cooperation with VNPOST and DB Schenker
- Co-production with multinational technology industry partners



### CNCTECH GLOBAL

Implementation of a new project on production and logistics industry infrastructure in Ba Thien Industrial Park towards international customers and partners.

- Total investment 1700 billion dong
- Development in new fields such as semiconductor
- Growth of precision mechanics in the medical and aviation industries



### CNCTECH - HOP THINH INDUSTRIAL CLUSTER

Implement the next phase of the project such as completing procedures for rice land conversion, compensation for site clearance, construction of technical infrastructure and trade promotion items, and investment attraction.

- Total investment of 538 billion dong
- Area of 48.43 ha
- Connect and jointly create a production ecosystem
- Target to be completed by 2024



### CNCTECH SAIGON

- Total investment in phase 1: 239 billion dong
- Land area 5,205.9 m<sup>2</sup> construction floor: 13,000 m<sup>2</sup>
- High-tech factory and R&D center
- Mold manufacturing and precision parts manufacturing
- Target to be completed by 2023



### CNCTECH - SOCIAL HOUSE

Selecting and looking for partners to cooperate in developing social housing, creating a green and sustainable production ecosystem.

- Area ~ 10 ha
- Location in Vinh Phuc province and surrounding area



### CNCTECH - VNPOST LINE LOTUS

Strategic alliance with VNPOST and DB Schenker to develop a chain of bonded warehouses, VMI, Logistic with Lotus brand in regions across the country

- Select locations with convenient traffic, big cities and developed industrial areas
- Scale of 3 - 6 hectares of land/project
- Multi-storey warehouse and new technology application



### CNCTECH - OFFICE BUILDING

Commercial buildings, mixed services, houses for experts in Vinh Yen city, Vinh

- Area 1,600 m<sup>2</sup>
- Height 25 floors
- Total investment of 200 billion dong



### CNCTECH - INTEREST DIAMOND KONTUM

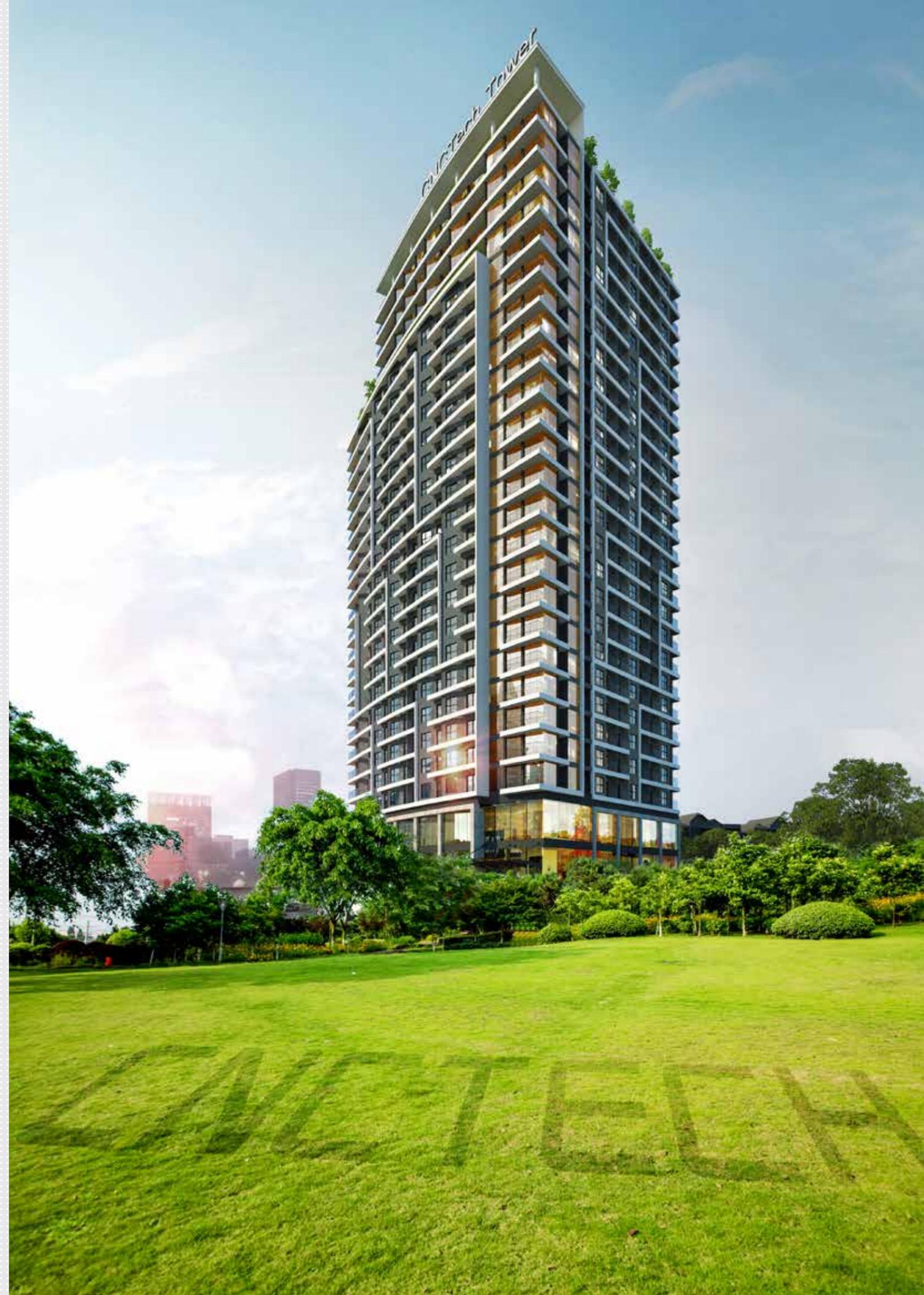
- Total investment over 400 billion dong
- Area 1.8 ha
- 66 townhouses, 8.5-storey commercial building, school facilities, park
- Target to be completed by 2023

CHAPTER 4

# Corporate Governance

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# Report of the Board of Directors

## Members and structure of the Board of Directors

The Board of Directors consists of 3 members who have professional qualifications and long-term experience in the fields of production, finance, international business, and corporate governance. All members of the Board of Directors ensure that they comply with relevant laws

List of members of the Board of Directors

Nguyễn Văn Hùng	Chairman
Nguyễn Trung Kiên	Member
Vũ Anh Tuấn	Member

### Mr. Nguyen Van Hung:

As a founding shareholder - the "soul" of CNCTECH, he gave strategic directions on financial activities, investment, production as well as business targets in 2021 of the Group and companies member. Over the past year, he has actively contributed ideas to the selection of senior personnel for the Executive Board and supported the connection of CNCTECH with partners and customers in the Japanese and American markets.

The Board of Directors reviews and approves the Company's strategic direction, risk management policies, annual business plans, and large investments with a value from 35% to less than 50% of the total assets of the enterprise recorded in the financial statements of the enterprise or all external investment projects that form a joint venture, associate, subsidiary of CNCTech (including M&A activities). The Board of Directors also supervises these investment activities by issuing regulations on evaluating the effectiveness of the investment, as well as deciding on the divestment.

The Board of Directors has been performing well the supervisory role of the Company in monitoring the effectiveness of the corporate governance and compliance with current laws of the Company. In addition, the Board of Directors also paid special attention to the Company's sustainable

### Mr. Nguyen Trung Kien:

Having held the position of production manager at many large enterprises, Mr. Kien has participated in the development, standardization and appraisal of supporting processes and tools to ensure consistency across the system, helping to manage and controlling operational activities with high efficiency; Manage, operate, inspect and supervise the entire operation process of the departments at the Factory, ensuring compliance with the Company's quality process;

### Mr. Vu Anh Tuan:

Having held positions on the board of directors and executive boards of large-scale companies in the consumer industry, at CNCTech, he participated in strategy development, legal and administrative management, and management at FDI member companies and industrial infrastructure projects of CNCTech, reforming the organizational structure, management policies, performance evaluation and policies of CNCTech; ensure alignment with the overall strategy.

development policy and the Company's environmental protection and social responsibility activities. All of these contents are reported to the Board of Directors by the Board of Management.

The Board of Directors assumes maximum responsibility in managing and supervising business activities for the best interests of the Group. This includes managing subsidiaries in accordance with the business plan, in order to ensure compliance with shareholder resolutions in good faith, legal compliance and the Group's business objectives. group.

At the same time, the Board of Directors is responsible for determining the vision and business strategy of the Company; supervise the performance of duties of the Board of Management in accordance with the policies of the Group; financial statements and general information for shareholders and investors accurately and completely.

## Activities of the Board of Directors

All members of the Board of Directors actively participate in monitoring the activities of the Company, participate in discussions at quarterly meetings or through written opinions. The Board of Directors is encouraged to propose and make recommendations at any time when it is necessary for the Company and there are no limitations in terms of space, time and discussion content. The meeting documents must be sent by the Company to the members of the Board of Directors at least 7 days before

the meeting date. Members of the Board of Directors are responsible for attending all Board of Directors meetings of the Company during the year. In case any member is unable to attend the meeting, a notice must be sent to the Board of Directors, clearly stating the reason. The minutes of the meeting were sent to all members of the Board of Directors to record all the contents of the meeting. In 2021, the Board of Directors of CNCTech has the following meetings:

Meeting section	Attendees	Issued Resolutions	Resolution Contents
1	Board of Directors: 05/05 Board of Inspectors: 02/02	Resolution No. 1001/2021/NQ-HDQT dated January 10, 2021	Contribute capital to establish Ha Nam CNCTech Co., Ltd and appoint a representative to manage capital at Ha Nam CNCTech Co., Ltd
2	Board of Directors: 05/05 Board of Inspectors: 02/02	Resolution No.2605/NQ-HDQT dated May 26, 2021	Received the transfer of shares of Mr. Nguyen Van Hung in CNCPS Joint Stock Company and CNC Hi-Tech Joint Stock Company
3	Board of Directors: 05/05 Board of Inspectors: 02/02	Resolution No. 0106/NQ-HDQT dated June 1, 2021	Received the transfer of shares of Mr. Nguyen Van Hung at Anotech Joint Stock Company
4	Board of Directors: 05/05 Board of Inspectors: 02/02	Resolution No. 1906/NQ-HDQT dated June 19, 2021	Approving the report on the results of the stock offering to existing shareholders to raise the charter capital to 520 billion dong and handling the unsold shares.
5	Board of Directors: 03/03 Board of Inspectors: 03/03	Resolution No. 3009/NQ-HDQT dated September 30, 2021	Transferring 1,860,800 shares in Mentech Vietnam Electronics Joint Stock Company to Mr. Nguyen Van Hung.
6	Board of Directors: 03/03 Board of Inspectors: 03/03	Resolution No. 0108/NQ-HDQT dated August 1, 2021	Electing Chairman of the Board of Directors and Vice Chairman of the Board of Directors



## General assessment of the Board of Directors' Activities

In 2021, the Board of Directors maintains that the Board of Management periodically reports on the business situation and management of the Company to the Board of Directors. At the same time, the Board of Directors also maintained that the Board of General Directors implemented the regime of ad hoc reporting and promptly directed for unusual problems occurring in daily activities that affected the business activities of the Company.

The Board of Directors has supervised and directed the Board of Management in organizing the 2021 Annual General Meeting of Shareholders, completing the plan to increase the company's charter capital through the issuance of shares.

The Board of Directors has also regularly and drastically directed business solutions in the spirit of initiative, creativity and innovation, overcoming difficulties, practicing thrift in 2021 to ensure a stable growth rate in profit.

Strategic planning continues to be

consolidated. The Board of Directors has coordinated with the BOM to ensure that the new strategic model is implemented at the Group and member companies level. The strategic objectives, strategic actions and action programs that need to be implemented immediately are clearly defined for each level.

The Chairman of the Board of Directors directly directs and supervises the dissemination and implementation of the strategy building model at all member companies to ensure consistency in orientation and actions at all levels.

Governance continues to be transparent. With deep experience and a wide network of relationships, the BOD members have contributed and effectively supported in the direction of the main strategic direction in 2021, which is the development of the supporting industry segment, and the continuous expansion of investment capital in joint ventures and industrial infrastructure.

## Operation orientation of the Board of Directors in 2022

The Board of Directors of the Company considers that 2022 is a challenging year for the economy in general and for CNCTECH in particular. To ensure that the Group's operations adhere to the strategic direction and fulfill the set objectives, in 2022, the Board of Directors will focus on implementing the following key tasks:

- **Regarding strategy development:** Update information on market trends and technology to build and adjust strategies as well as provide business orientations to help CNCTECH quickly seize opportunities and promote strengths to ensure ensure sustainable growth. At the same time, review the strategy development method and process to ensure consistency and transparency throughout the Group.

- **Regarding the supervision of the activities of the Executive Board:** Work closely with the Executive Board to ensure that all activities of the Group and its member companies adhere to the strategic objectives and the proposed action plans.

- **Policy formulation:** Directing the development and promulgation of policies on personnel and investment associated with development strategies and action plans to ensure growth for the Group.

- **Governance:** Reviewing, adjusting and supplementing internal governance regulations and regulations to create the basis for an effective corporate governance framework, ensuring the interests of shareholders, investors and other stakeholders. related parties, the Board of Directors also directed to continue to review and adjust the company's charter in the direction of ensuring the basic principles of governance in accordance with the provisions of law and international practices.

- **Regarding personnel organization:** continuing to improve and enhance corporate governance capacity, the quality of human resources, professionalism and discipline of staff are also focused and directed by the Board of Directors.



# Risk management report

## Risk overview

In the context of socio-economic fluctuations in 2021, risk management has continued to affirm its role as an indispensable part of businesses' operations. In 2021, CNCTech has implemented risk management activities at many levels, in operation, management, and especially in promoting application at member units.

Events and management measures are continuously reviewed and updated to ensure effectiveness as follows:

No.	Risk name	Risk description	Control measures
<b>STRATEGIC RISK</b>			
1	<b>Strategic plan risk</b>	Lack of adequate strategic planning to meet the CNCTech's long-term strategic goals.	CNCTech continuously monitors, reviews and adjusts (when necessary) the strategy. CNCTech has developed and issued control documents (Procedures, processes) related to the establishment and implementation of objectives.
2	<b>Competition risk</b>	CNCTech always faces the risk of losing its competitive advantage, when the growth rate of the industry decreases and competition increases in both the number and intensity of competitors.	In order to consolidate and increase competitive advantage and market share, CNCTech focuses on timely identification and analysis of changes in the context and environment, thereby building and implementing effective programs and projects.
3	<b>Risks due to the global economic environment</b>	The failure to quickly adapt to global economic and social changes, the impact of pademics, leads to unexpected effects for CNCTech Group in the implementation of business plans.	CNCTech regularly updates the changes of the economic environment, assesses and analyzes the effects to make timely action plans
4	<b>Risk of legacy personnel</b>	The key position is vacant due to the inability to find the suitable person within a required period of time.	CNCTech Group continues to deploy legacy personnel to lower levels, ensuring human resources for all levels
5	<b>Risk of losing important customers</b>	Losing key customer relationships, leading to loss of revenue, is a serious risk.	CNCTech Group regularly monitors relationships with customers, evaluates sales revenue, and has corresponding policies for important customers.
<b>OPERATIONAL RISK</b>			
6	<b>Risk of input materials can't meet the demand timely</b>	Nguy cơ gián đoạn, không đủ nguyên vật liệu đầu vào cho quá trình sản xuất. The lack of input materials will interrupt the production process.	CNCTech Group is always pay attention to inventory management, regularly assessing and managing suppliers and having a reasonable purchase plan.
7	<b>Risk of substandard products</b>	Product hazards that make the product unusable, or cause harm to consumers, or damaged products are required to be recalled to avoid harm to consumers.	CNCTech Group establishes and regularly checks the controls required by each standard, establishes its own evaluation standards for the control system to ensure its effectiveness and optimization, and establishes alert system to timely identify events and take action.

8	<b>Risk of implementing business plan</b>	Failure to implement business plans, assessed through portfolio management and specific projects. Or the effects of epidemics and natural disasters on the organization of production and business activities	The project coordination committee of CNCTech Group implements investment projects, monitors and supervises the implementation of progress and budget. The project leader will periodically report and respond appropriately to changes to ensure the implementation of business plans. There are solutions to coordinate and shift production as well as human resources and purchasing orders to meet the needs of customers and stabilize production, ensuring safety in general..
9	<b>Information Security Risks</b>	There is still risks of system disruption, information security and attack from information technology criminals.	CNCTech Group always maintains and applies strict security policies and regularly assesses each information security risk from inside and outside.
<b>FINANCIAL RISKS</b>			
10	<b>Exchange rate risk</b>	Fluctuations in foreign exchange rates have a significant impact on business operations and profitability.	CNCTech Group establishes foreign currency demand, prepares foreign currency reserves, forecasts, monitors and analyzes exchange rate movements to balance demand and adjust plans accordingly.
11	<b>Rủi ro Tin dụng</b>	The risk of the customer's failure to perform or inability to perform part or all of the debt repayment obligation under the contract.	CNCTech Group builds a sales policy with customer classification based on credit scores to limit bad debts. CNCTech regularly updates information about customers for timely handling in order to minimize damage in case the customer fails to perform or is unable to perform part or all of the debt repayment obligation under the contract.

## Risk Management 2021

Risk Management activities in 2021 focus on deeply deploying risk management tools to departments/divisions, activities to enhance the effectiveness of this work. The main plans of CNCTech Group are as follows:

- ♦ Reviewing and issuing the document system of Risk Management, synchronously implementing in CNCTech including building a reporting system, collecting information, making reports and merging with management reports. Risk management of CNCTech.
- ♦ Focusing on risk management in the management of projects, from the project formulation stage to the implementation and completion stages, to evaluate the effectiveness



CHAPTER 5

# Sustainable development

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## Sustainable development orientation

CNCTech not only aims to become a strategic partner for multinational companies, but also a pioneer in environmental protection issues, ensuring peace and community development. Green growth and sustainable development are central content in the strategy throughout the development journey of CNCTech.

As one of the enterprises with its own culture, CNCTech creates an ideal environment for employees to develop

their careers in the field of industrial real estate, auxiliary industries, and technology industries. At the same time, we always take practical actions to contribute to society.

We believe that the implementation of CNCTech's mission also means ensuring, increasing and balancing the benefits for stakeholders such as investors, customers, employees, communities, country...



## Specific actions

Assessing the impact of CNCTech's activities on 03 factors: economic, social, and environmental factors will help the company determine the roles, responsibilities and necessary actions to ensure sustainable business development associated with social development.

### CNCTech - Promoting economic growth

Ensuring revenue and profit growth helps CNCTech always fulfill its contribution obligations to the State budget.

As one of the leading enterprises in the auxiliary industry, CNCTech is well aware of its pioneering role in catching up with the world's trends, applying high technology and being environmentally friendly, supporting enterprises in the same industry to jointly develop sustainably, thereby enhancing the position and stature of Vietnam's auxiliary industries and economy in the world.

Over 13 years of construction and development, CNCTech has developed many factories and industrial infrastructure in provinces and cities across the country, with an industrial land bank of over 30 hectares, with total assets of VND 2,254 billion, total revenue of 704 billion dong, the annual growth rate for the last 5 years is over 25%, creating stable jobs for thousands of workers. According to statistics of Jetro (Japan Trade Promotion Organization), CNCTech ranks the Top 3 position in Vietnam in terms of scale and potential for development in the precision engineering industry. CNCTech and enterprises in the industry have contributed to improving the production capacity of supporting industries of the country, increasing the value of the production supply chain, improving the localization rate, attracting foreign investment to contribute to the socio-economic development of the country..



## CNCTECH – Social Responsibility

Over the years, with the production scale expanding, CNCTECH has created stable jobs for many people in the area and neighboring provinces, contributing a significant part to social security work locally. The company's staff is not only skilled, but also enthusiastic and dedicated. With an effective policy of attracting talent, the human resource system is increasing in quantity and quality according to the development scale of the company.

When the pandemic broke out, people in many regions across the country were severely affected. Responding promptly to developments, the Government of Vietnam established a Vaccine Fund to realize the goal of early free vaccination for the entire population. Responding to this meaningful Program, CNCTech and its subsidiaries and associated companies actively act and show responsibility to the country.

On June 17, 2021 CNCVina and some sponsors invented and developed a positive pressure test sampling room and presented it to Thai Nguyen University of Medicine and Pharmacy. During the outbreaks, CNCVina researched, designed, manufactured and supplied more than 200 mask production lines to ensure timely response to the market, contributing to market stabilization, and ensuring citizens' health.



CNCVina hands over epidemic prevention equipment to Thai Nguyen University of Medicine and Pharmacy

In May and June 2021, Skylight jsc, the CNCTech industrial infrastructure block and volunteer groups, with the help of the Military Command of Bac Giang province, delivered essential supplies to doctors at the Bac Giang Hospital and isolation areas to "white shirt soldiers" on the pandemic frontier during the outbreak period in Bac Giang.



Sky Light delivers nutritional supplies to doctors at Bac Giang Field Hospital

At the time of the pandemic outbreak in Ho Chi Minh City and Binh Duong, the focal point is CNCTech Saigon in Cao Industrial Zone, Ho Chi Minh City and employees of the corporation in the South and the North, have mobilized financial resources, resources and efforts to jointly contribute to anti-epidemic lines and floors, sharing difficulties with families and covid patients.

By June 18, 2021, 10 member companies (including the parent company, subsidiaries, affiliates of CNCTech Group) and trade unions and employees include: CNCTech Thang Long, CNCTech Saigon, CNCTech Bac Ninh, ANOTECH Binh Duong, ANOTECH Vinh Phuc, SMCTech, MenTech Vietnam, Skylight jsc, CNCVina and Vinastartup VP have transferred VND 735.58 million to the Government's Vaccine Fund.



On August 12, 2021 CNCTech continued to give VND 150 million to the People's Committee of Tam Duong district, Vinh Phuc province to support the prevention of covid. On January 8, 2022 CNCTech and the company's staff and managers contributed and awarded 450 million VND to support the covid fund of Kontum province.



Donating fund to fight against covid KonTum 08/01/2022

CNCTech also focuses on other social activities to contribute to a beautiful and prosperous community.



CNCTech, the compatriot council and former Minister of Culture and Information Le Doan Hop gave a freezer to preserve food to SOS Nghe An village

## CNCTECH – Action for the environment



Building a green, circular and environmentally friendly economy has been incorporated into the Socialist Party's guidelines and policies, and the State's laws and policies. The Prime Minister's strong declaration of net zero emissions by 2050 at COP26 demonstrates Vietnam's determination and political commitment in addressing the serious global challenges in gas emissions, climate, environment, deterioration of ecosystems, towards a healthy planet; at the same time, taking advantage of the opportunity to put our country on the "green" path, realizing the goal of becoming a high-income developed country by 2045. Towards green and sustainable development, CNCTech has selected fields in the clean production sector, investing in modern and energy-saving production lines, most of the factories apply ISO 14001 standards, from the design stage, they have optimized energy saving and environmental protection from the design stage. In the field, priority is given to the use of green materials, green solutions in the process of construction and production and business. At the projects, plant a lot of trees, green outside and inside the factory by the vegetation, natural flowers, creating lakes right in the factory premises.



Factory roofs at CNCTech's projects all prioritize the installation of solar battery systems, both using green energy, and reducing heat absorbed under the roof of the factory and reducing electricity consumption for refrigeration system, factory cooling.

A typical project is solar power at CNCTECH Thang Long factory, which is installed and connected directly to the existing power system and for production inside the factory. The system is invested in modern, synchronous, flexible and stable operation. When the power demand of the plant exceeds the generating capacity of the solar power system, the system can automatically switch to using 22kV grid electricity from TLIP III in a stable manner.

The first benefit is to help businesses meet the requirements of producing goods using green energy so that they can participate in the global commercial market. Especially entering markets with strict requirements on the use of renewable energy such as Europe and the US. In addition, the use of solar power helps reduce greenhouse gas emissions, contributing to fulfilling the Government's goal at COP26. At the same time, it helps to reduce the burden of EVN's lack of power, especially in the peak times of summer.

## CNCTech unites workers



CHAPTER 6

# Financial statements

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# CNCTECH

## HEADQUARTERS

Lot F1-2-3, Thang Long Industrial Park Vinh Phuc, Tam Hop Commune, Binh Xuyen District, Vinh Phuc Province

## BAC NINH FACTORY

Lot H3-2 Dai Dong - Hoan Son Industrial Park, Tri Phuong Ward, Tien Du District, Bac Ninh Province

## HANOI FACTORY

Song Cung Industrial Park, Dong Thap Commune, Dan Phuong District, City, Hanoi

## SOUTHERN HEAD QUARTER

HT 4-9, Road 6, Saigon Hi-Tech Park, District 9, City, Ho Chi Minh

## BINH DUONG FACTORY

Lot E, Road No. 2, Dong An Industrial Park, Binh Hoa Ward, Thuan An City, Binh Duong Province