



Ho Chi Minh City, June 04, 2020

No.: 13/2020/BCĐH-BKS-TCD

OPERATION REPORT OF BOARD OF SUPERVISORS IN 2019 AND OPERATION PLAN FOR 2020

To: The Shareholders of TRACODI

- Pursuant to the Law on Enterprises No. 68/2014/QH13 dated November 26, 2014 of the National Assembly of the Socialist Republic of Vietnam;
- Pursuant to the Law on Securities No. 54/2019/QH14 dated November 26, 2019 of the National Assembly of the Socialist Republic of Vietnam;
- Pursuant to the Charter of TRANSPORT AND INDUSTRY DEVELOPMENT INVESTMENT JOINT STOCK COMPANY (TRACODI) adopted by the General Meeting of Shareholders on May 20, 2020 (the 11th amendment and supplement);
- Pursuant to the Regulation on Organization and Operation of the Board of Supervisors issued under Decision No. 03/2017/QĐ-BKS dated November 15, 2017;
- Pursuant to the Resolution of the Annual General Meeting of Shareholders dated April 26, 2019;

The Board of Supervisors of TRANSPORT AND INDUSTRY DEVELOPMENT INVESTMENT JOINT STOCK COMPANY (TRACODI) would like to report to the General Meeting of Shareholders on the results of the inspection and supervision of activities in 2019 and the direction of operation in 2020 as follows:

I. ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2019:

1. Personnel:

The current personnels of Board of Supervisors include:

1. Mr. Nguyen Viet Cuong, the Head
2. Mr. Nguyen Dang Hai, Member
3. Ms. Huynh Thi Kim Tuyen, Member

2. Activities of the Board of Supervisors:

- Monitoring activities in compliance with the provisions of Law and the Company's Charter to the Board of Directors, the Board of Management in the management and administration of the Company.
- Supervising the implementation of the contents of the Resolution approved by the Annual General Meeting of Shareholders.
- Proposing the selection of an independent auditing company to audit the annual financial statements, including the review period of semi-annual financial statements and financial statements at the end of the accounting year.

- Carrying out the inspection and supervision activities of the Board of Directors (BOD) and the Board of Management (BOM) of the Company. Attending and following the contents at the meetings of the Board of Directors to supervise the situation of management and administration of the Company's activities.
- Checking the rationality, legality and honesty in business management and administration; the rationality, legality and honesty in the organization of accounting, statistics and financial statements of the Company.

II. RESULTS OF SUPERVISION IN 2019:

1. Monitoring the implementation of resolutions of the General Meeting of Shareholders in 2019:

In 2019, the Board of Directors and the Board of Management have successfully performed the tasks assigned in the Resolution of the General Meeting of Shareholders:

- Completing targets on sales and profits. Implementing profit distribution, ESOP program as committed in accordance with the law.
- Increasing charter capital, changing business licenses, changing the charter in accordance with the approved order in accordance with regulations.
- Carrying out activities according to the core value assigned to build infrastructure, and successfully separating the commercial segment into a separate company, TRACODI Trading & Consulting JSC.
- Performing well and assertively in recruiting, coordinating and appointing personnel in accordance with the requirements of production and business activities.
- Successful investment, good control of capital contribution and activities at companies: Tapiotek JSC, Nong Thon Viet Energy Corporation, TRACODI Trading & Consulting JSC, BCG Land JSC ...
- Activities related to borrow and transfer shares are carried out according to the competence and order.

2. Monitoring the financial situation in 2019:

The Board of Supervisors agree with the opinions of the Independent Auditor on semi-annual financial statements as of June 30, 2019 and the financial statements ended on December 31, 2019.

Based on the periodic reports and analysis data presented by the Board of Management at the meetings of the Board of Directors, the Board of Supervisors would like to assess as follows:

- The 2019 financial statements of the Company fully reflect the business and financial situation of the Company and are presented in the prescribed report forms, in accordance with Vietnamese Accounting Standards and the current regulations.
- Revenues from production and business activities exceed greatly the initial plan; assets, capital and profits have grown well compared to 2018.

Situation of assets, consolidated capital sources:

Situation of increase and decrease of assets and capital in 2019	Unit: million dong
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Targets	January 1, 2019	December 31, 2019	Change in growth	% Change
Short-term assets	853,945	731,200	(122,745)	-14.37%
Long-term assets	847,273	1,204,069	356,796	42.11%
Total assets	1,701,218	1,935,270	234,051	13.76%
Short-term liabilities	1,129,309	1,179,499	50,190	4.44%
Long-term liabilities	81,422	203,078	121,656	149.41%
Equity	490,488	552,692	62,205	12.68%
Total funding	1,701,218	1,935,270	234,051	13.76%

Consolidated income results:

Income results in 2019 compared to the 2019 plan			Unit: million dong	
Targets	Plan 2019	Actual 2019	Changes in Actual and Plan	% Change
Revenue from production and business activities	1,053,305	1,701,004	647,699	61.49%
Net sales	1,053,305	1,701,004	647,699	61.49%
Net profit from production and business activities	108,373	118,048	9,675	8.93%
Profit before tax	108,373	121,450	13,077	12.07%
Profit after tax	86,699	94,989	8,290	9.56%

3. Controlling the activities of the Board of Directors in 2019:

- The Board of Directors has maintained regular and irregular meetings in the form of centralization or through collecting written opinions to pass through resolutions. Deciding on issues within its authority in accordance with the Company's Charter and the law.
- The Board of Supervisors assesses the activities of the Board of Directors, which is always completed regularly to comply with the provisions of the law and the Company's Charter, promptly responding to the requirements of the Company's production and business activities. The Resolutions and Decisions of the Board of Directors are issued in the correct order, with proper authority and in accordance with legal grounds as prescribed by law.
- The Board of Directors unite, unanimously and dynamically run the Group to overcome difficulties of the US-China trade war. The leadership is carried out regularly and closely to stabilize and develop business activities in the parent company and member companies. The Board of Directors is always ready to receive great opportunities from the development period as well as the crisis (if any) in order to guide the corporation to grow stronger domestically and internationally.
- Tracodi has achieved great achievements in the parent company Tracodi and its subsidiaries, recognized and honored by prestigious organizations, such as

Tracodi was awarded the “Top 500 Vietnam Big Enterprises in 2019” for 2nd time in a row.

4. Controlling the operations of the Board of Management in 2019:

- The General Director complies with the direction of the Board of Directors and in accordance with the resolution of the General Meeting of Shareholders. Complying with current regulations of law on enterprises, investments and securities.
- The departments are always striving to complete the task. Working results are reported monthly to update the situation to the management. Professional and creative working style.
- Shortcomings are often overcome, aiming to sustainably build and develop the company's resources.
- The Board of Management manages and develops well the existing resources such as human resources, finance, organizational and individual brands: Ensuring that the infrastructure construction, labor export, trade, taxis are well operated as strategic plans, bringing sales and profits exactly as shareholder's desire.
- The legal activities on the issuance of internal institutional documents are carried out regularly and continuously as needed. Ensuring adequate internal legal corridor, sufficient basis for practical activities to be conducted appropriately, without overlapping responsibilities.
- The Board of Supervisors appreciates the efforts of the Board of Management in organizing the implementation of business activities.

5. Results of coordination of activities between the Board of Supervisors and the Board of Directors, General Director and shareholders:

- The Board of Supervisors found that members of the Board of Directors and Board of Management always create favorable conditions so that the Board of Supervisors can complete the task.
- The Board of Supervisors has participated in Board meetings to supervise and have direct opinions on issues within its control.
- The Board of Directors and the Board of Management are always ready to coordinate with shareholders in the spirit of the current Enterprise Law to resolve issues of shareholder interest. Maximum support for information needs to shareholders through information disclosure activities, media activities, events or direct information to the shareholders with require.

III. RECOMMENDATIONS OF THE BOARD OF SUPERVISORS:

Through the research and supervision, the Board of Supervisors has a number of recommendations to the Board of Directors and Board of Management as follows:

- Continue to regularly monitor the macroeconomic situation such as the Covid-19 epidemic. Review and analyze the impact of change on businesses to have flexible and effective solutions in implementing business activities and projects.
- Evaluate the possibility of economic recession in cycles of macroeconomics, so as to have an appropriate regression plan to receive business investment opportunities.
- Continue to develop corporate and personal brands through modern communication channels.

- Maintain the task of good control of capital mobilization and use of capital in member companies. Ensuring there is always enough capital to use for production and business activities, repayment of loans, repayment of suppliers, re-investment, long-term stability and increase profits and values for shareholders.

IV. OPERATION PLAN OF THE BOARD OF SUPERVISORS IN 2020:

In 2020, the Board of Supervisors closely follows the implementation of the activities approved by the Congress, constantly researching to have sufficient capacity to supervise infrastructure construction, labor export, trade, real estate activities. Ensuring sufficient understanding to detect potential risks and alerting the Board of Directors and the Board of Management.

In addition to supervision, the Board of Supervisors will also orient its operations in the direction of accompanying and regularly advising to make the use of capital, asset development and resources become stronger and stronger.

In addition, comply with the duties of the Board of Supervisors stated in the Enterprise Law, the company's charter and emphasize the following ideas:

- Look carefully at your annual business plans.
- Quarterly review and inspect the implementation of production and business activities of the Board of Directors and the Board of Management in implementing the business strategy.
- Appraising quarterly financial statements, semi-annual financial statements, financial statements ending the year. Immediately after financial statement is completed.
- Participate and discuss with the auditing unit about the issues of auditing the annual financial statements to solve the problems.
- Quarterly review and examination of compliance with resolutions and accounting laws regarding accounting and accounting work and the preparation of annual financial statements.

The above is a report of the Board of Supervisors of Transport and Industrial Development Investment Joint Stock Company that has performed the task in 2019 and the direction to implement the 2020 mission.

Best regards,

Recipients

- As above;
- Board of Directors;
- Board of General Directors;
- Accounting department;
- Archive: Board of Supervisors, Department of Business Cooperation.

**FOR AND ON BEHALF OF
BOARD OF SUPERVISORS
THE HEAD**

(signed & sealed)

Nguyen Viet Cuong