



Ho Chi Minh City, March 22nd, 2023

No.: **03/2023/BCĐH-BKS-TCD**

**REPORT
OF THE SUPERVISORY BOARD ON PERFORMANCE 2022
AND THE PLAN 2023**

To: Shareholders of TRACODI

- Pursuant to the Enterprise Law No. 59/2020/QH14 dated June 17, 2020 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 Industrial and Transport Development Investment Joint Stock Company (TRACODI) approved by the Board of Directors on October 6, 2022 under the authorization of the General Meeting of Shareholders in the year 2021 (22nd version);
- Pursuant to the Regulation on Organization and Operation of the Control Board issued in Decision No. 01/2022/QĐ-BKS-TCD dated April 14, 2022;

The Supervisory Board of Transport and Industry Development Investment Joint Stock Company (TRACODI) reports to the General Meeting of Shareholders the results of inspection and supervision of activities in 2022 and the direction of operation in 2023 as follows:

I. ACTIVITIES OF THE SUPERVISORY BOARD IN 2022:

1. Personnel:

Current Supervisory Board personnel include:

1. Mr. Nguyen Viet Cuong, Head of the Department
2. Mr. Nguyen Dang Hai, Member
3. Ms. Huynh Thi Kim Tuyen, Member (dismissed on April 14, 2022)
4. Ms. Huynh Thi Thao, Member (appointed on April 14, 2022)

2. Activities of The Supervisory Board:

- Supervising the activities in accordance with the provisions of the Law and the Company's Charter to the Board of Directors and the Executive Board in the management of the company's operation
- Supervising the implementation of the contents from the Resolution that have been unusually approved by the Annual General Meeting of Shareholders

- Proposing the selection of an independent auditing company to conduct an audit of annual financial statements, including a semi-annual financial statements and financial reports of ending the accounting year.

II. SUPERVISION RESULTS IN 2022:

1. Monitoring the implementation of the Resolutions of the AGM 2022:

In 2022, the Board of Directors and the Board of General Directors have well performed the tasks settled in the Resolution of the General Meeting of Shareholders:

- Successfully increased charter capital, from VND 872 billion (eight hundred and seventy-two billion VND) to 2,444 billion VND (two thousand four hundred and forty-four billion VND)
- Perform well activities related to borrowing capital, transferring shares, divestment and capital contribution at subsidiaries and affiliated companies approved in accordance with the competence and order according to regulations and internal management procedures.

2. Monitoring financial situation in 2022:

The Supervisory Board agreed with the Independent Auditor on the financial statements for the year ended on December 31, 2022.

Based on the periodic reports and analytical data presented by the Board of Management at the meetings of the Board of Directors, the Supervisory Board assessed:

- The Company's 2022 financial statements fully reflect the Company's business and financial situation and are presented according to the prescribed reporting formats, in accordance with Vietnamese Accounting Standards and other current relevant laws and regulations
- The economic situation in 2022 has many macro difficulties, the revenue from production and business activities of enterprises decreased by 5.37% compared to 2021. Short-term and long-term debts increased at an increase rate compared to 2021 of 29.65% and 64.23%, respectively, but the structure accounting for a high proportion of the increase in short-term debt items is the target of buyers paying in advance, proving that the enterprise is still developing well construction projects.

Assets and capital:

The increase and decrease of assets and capital in 2022

Unit: Million dong

Items	01/01/2022	12/31/2022	Growth change	%
Short-term assets	3,783,650	6,124,951	2,341,301	61.88%
Long-term assets	1,986,090	3,717,533	1,731,443	87.18%
Total assets	5,769,740	9,842,484	4,072,744	70.59%
Short-term debt	3,376,470	4,377,425	1,000,955	29.65%
Long-term liabilities	1,123,805	1,845,603	721,798	64.23%
Equity	1,269,465	3,619,456	2,349,991	185.12%
Total Capital	5,769,740	9,842,484	4,072,744	70.59%

Consolidated business results:

Business results 2022 vs 2021

Unit: million dong

Items	Actual 2021	Actual 2022	Change	%
Revenue from production and business activities	3,111,850	2,944,812	(167,038)	(5.37%)
Net Revenue	3,111,846	2,944,812	(167,034)	(5.37%)
Net profit from production and business activities	371,281	402,188	30,907	8.32%
Profit before tax	372,870	405,270	32,400	8.69%
Profit after tax	335,630	333,851	(1,779)	(0.53%)

3. Supervision of the Board of Directors in 2022:

- The Board of Directors always maintains regular monthly meetings and conducts irregular meetings to resolve urgent issues under the competence of the Board of Directors specified in the company's charter.
- The Supervisory Board evaluates the operation of the Board of Directors to always improve regularly to comply with the provisions of the law and the Company's Charter, timely meet the requirements of the Company's business activities. Resolutions and decisions of the Board of Directors shall be promulgated in accordance with the order, competence and conformity with legal grounds as prescribed by law.
- In 2022, the domestic economic situation faces many complicated developments such as the State Bank of Vietnam sharply increasing deposit interest rates as well as the real estate market and construction enterprises facing difficulties due to the impact of regulations on bond issuance, macro impacts causing significant difficulties to enterprises, causing financial costs to increase Debts related to real estate enterprises must also be extended, however, the Board of Directors has been united, unanimous and flexible in the management of the Company to help the Company overcome current difficulties. The leadership is carried out regularly and closely so that business activities are stable and developed at the parent company and its member companies. The Board of Directors is always ready for great opportunities in 2023 when the Government has a policy to promote public investment packages.

4. Supervision of the Executive Board in 2022:

- The General Director strictly complies with the direction of the Board of Directors and in accordance with the resolution of the General Meeting of Shareholders.
- All departments always strive to complete their tasks. Work results are reported monthly to update to the management board. Working environment is professional and creative.
- Weaknesses are regularly overcome towards building and developing the company's sustainable resources.

- The Executive Board manages and develops well existing resources such as human resources, finance, organizational brand, and personal brand; ensures the infrastructure construction, civil and industrial sectors, labor export, commercial well operates as strategic plan, bring the right sales and profits as shareholders' desires.
- Legal activities on the promulgation of internal institutional documents are carried out regularly and continuously according to demand. Ensure sufficient internal legal corridors, sufficient grounds for practical activities to take place appropriately, without overlapping responsibilities.
- The Supervisory Board highly appreciates the efforts of the Board of Management in organizing and implementing business activities.

5. Working results among the Supervisory Board, the Board of Directors, General Director and Shareholders:

- The Supervisory Board confirmed that the members of the Board of Directors and the Board of General Directors always create favorable conditions for the Supervisory Board to complete their tasks.
- The Supervisory Board participated in the meetings of the Board of Directors to supervise and give direct opinions on issues within the authority of themselves.
- The Board of Directors and the Board of General Directors are always ready to coordinate with Shareholders in the spirit of the current Enterprise Law to resolve issues of their concerns. Maximize support for information needs of shareholders through disclosure activities, communication activities, events or update directly to them.

III. SUGGESTIONS:

Through the research and supervision, the Supervisory Board has some recommendations to the Board of Directors and the Executive Board as follows:

- Regularly monitor macroeconomic fluctuations, analyze and assess impacts on businesses to have effective and timely solutions in management and administration.
- Assess the possibility of cyclical economic decline of macroeconomics, in order to have a suitable recession plan to seize opportunities for business investment.
- Continue to develop company brands, personal brands through modern communication channels.
- Maintain good control of capital mobilization and use of capitals at member companies; ensure that there is always sufficient capital used for production and business activities, loan repayment, supplier repayment, reinvestment, long-term stability and increase profit and value for shareholders.

IV. THE PLAN 2023:

In order to well implement the strategic goals and specific business objectives set out in 2023 of the Company, the Supervisory Board strives to perform well the functions and tasks approved by the Company's Charter and General Meeting resolutions, towards the best control of risks from inside or outside the enterprise. Advising the Board of Directors and the Board of Management on necessary professional opinions in order to improve the efficiency of capital and asset use of the company.

The Control Board shall supervise and inspect according to the tasks approved by the company's charter and resolutions of the General Meeting such as::

- Review business plans quarterly and annually and comment when necessary with the Board of Directors and the Board of Directors.
- Supervise the activities of the Board of Directors and the Executive Board in complying with the Law, the charter, and complying with the Resolution of the General Meeting of Shareholders.
- Review and periodically inspect the implementation of production and business activities of the Board of Directors and the Management Board in the implementation of business strategies.
- Evaluate the operation of the internal control system and make recommendations to improve the performance of the internal control system.
- Evaluate the system of operation organization regulations, financial regulations, regulations, rules and processes according to the following criteria: completeness, conformity with the provisions of law and actual operation of the Group.
- Participate in and discuss with the audit unit issues related to the audit of annual financial statements to detect and promptly overcome material compliance risks arising during operation.
- Regularly update new knowledge about corporate governance, risk management, knowledge of new corporate law. Update and supplement knowledge about tax, accounting, finance, and professions related to production and business activities of the Company to have the deepest understanding for inspection and supervision.
- Research and advise the Board of Directors and the Board of Directors when necessary to best manage business risks.

Above is the report of the Supervisory Board of Industrial Development and Transport Investment Joint Stock Company that has implemented its tasks in 2022 and oriented its operation plan in 2023.

Sincerely Yours,

Recipients:

- The AGM;
- BOD, BOGD, Accounting Dept.
- Archived: BSD, BS Dept

**ON BEHALF OF SUPERVISOR BOARD
HEAD OF THE BOARD**

(Signed & sealed)

Nguyen Viet Cuong