



Ho Chi Minh, April 07, 2021

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THE REPORT OF THE SUPERVISORY BOARD IN 2020 AND PLAN FOR THE YEAR 2021

To: The Shareholders of TRACODI

- Based on The Enterprise Law No 59/2020/QH14 at 17 June 2020 of National Assembly of the Socialist Republic of Vietnam
- Based on the Securities Law no 54/2019/QH14 at 26 November, 2019 of National Assembly of the Socialist Republic of Vietnam
- Based on the Charter of Industry and Transport Development Investment Joint Stock Company approved by the Board of Management on February 4, 2021 (as authorized by the General Meeting of Shareholders of the Company on December 8, 2020) (14th amendment and supplement); Shareholder of Company at 8 December 2020) (amendment and supplement 14 th)
- Based on the Regulation on Organization and Operation of the Supervisory Board issued in Decision No. 03/2017/QĐ-BKS at November 15, 2017

The Supervisory Board of Industry and Transport development Investment Joint Stock Company (TRACODI) reports to the General Meeting of Shareholders the results of inspection and supervision of activities in 2020 and operational directions for 2021 as follows:

I. THE ACTIVITY OF THE SUPERVISORY BOARD IN 2020:

1. The Board's personnel

Supervisory Board staff currently including:

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

2. The Board's main activity

- Supervising activities in compliance with the provisions of Law and the Company Charter for the Board of Management, Executive Board in the management and administration of the Company.
- Supervise the implementation of the contents of the Resolution passed by the Annual General Meeting of Shareholders.
- Proposing to choose the independent auditing company to audit the annual financial statements, including the review period of the semi-annual financial statements and the end of the accounting year financial statements.

- Execute the inspection and supervision of activities of the Board of Management (BOD) and the Executive Board of the company. Attending and following up the contents of the meetings of the Board of Management to supervise the management and operation of the Company.
- Checking the reasonableness, legality, honesty in the management and administration of the business activities and the organization of the accounting, statistics and the preparation of the financial report of the Company.

II. SUPERVISION RESULTS IN 2020

1. Supervising the implementation of the Resolutions of the General Meeting of Shareholders in 2020:

In 2020, the Board of Management and the Board of General Directors have performed well the tasks that resolved in the Resolution of the General Meeting of Shareholders:

- Completed excellently the targets on sales and profit. Distributing the profits, ESOP program in accordance with commitments of the law.
- Increasing charter capital, changing business license and the charter according to the approved order.
- Carrying out activities according to the core values assigned to be the leading construction management unit in the fields of infrastructure construction, civil and industrial.
- Perform well and decisively in the recruitment, coordination, and appointment of personnel in accordance with the requirements of production and business activities.
- The activities related to borrowing capital, transferring shares are carried out in accordance with the authority and order.

2. Financial situation in 2020:

The Supervisory Board agreed with the opinion of the Independent Auditor on the financial statements at the end of the year at December 31, 2020.

Căn cứ vào các báo cáo định kỳ và số liệu phân tích do Ban điều hành trình bày tại các cuộc họp Hội đồng quản trị, Ban kiểm soát đánh giá:

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

- The company's 2020 financial statements fully reflect the business and financial situation of the Company and are presented in prescribed reporting formats, in accordance with Vietnamese Accounting Standards and current regulations.
- Revenue from production and business activities exceeded the original plan, assets, capital sources and profits had a very high growth compared to 2019.

Consolidated assets and capital sources:

The situation increase/decrease assets, capitals in 2020

Unit: million dong

Indicator	01/01/2020	31/12/2020	Change in growth	%
Short-term asset	731.200	4.421.418	3.690.218	504,68%

Long-term asset	1.204.069	1.818.027	613.958	50,99%
The total of assets	1.935.269	6.239.445	4.304.176	222,41%
Short-term liabilities	1.179.499	4.340.468	3.160.969	267,99%
Long-term liabilities	203.078	1.237.541	1.034.463	509,39%
Owned capital	552.692	661.436	108.744	19,68%
The total of capital	1.935.269	6.239.445	4.304.176	222,41%

Consolidated business results:

<i>The business results in 2020 compared with the plan in 2020</i>		<i>Unit: million dong</i>		
Indicator	2020 Target	2020 Performance	Rate (P&T)	%
Revenue from business activity	1.923.586	2.852.700	929.114	48,30%
Net revenue	1.923.586	2.852.633	929.047	48,30%
Net profit from business activity	125.656	181.555	55.899	44,49%
Profit before tax	126.666	178.030	51.364	40,55%
Profit after tax	101.333	146.747	45.414	44,82%

3. Activities of the Board of Director in 2020

- The Board of Management has maintained regular and extraordinary meetings in the form of a concentration or through collecting written opinions to pass resolutions. Deciding to settle matters within its authority according to the provisions of the Company Charter and law.
- The Supervisory Board evaluates the activities of the Board of Management, which are always completed regularly to comply with the provisions of the law and the Charter of the Company, to promptly respond to the requirements of production and business activities of the Company. Resolutions and Decisions of the Board of Management are issued in the correct order, the right competence and in accordance with the legal basis as prescribed by law.
- In 2020, the Covid-19 epidemic is extremely complicated both at home and abroad, causing considerable difficulties for enterprises, however, the Board of Management has united, unanimously and dynamically run the corporation through difficulties caused by epidemics. Leadership is done regularly and closely to stabilize business operations and develop at holding and member companies. The Board of Management is always ready to receive great opportunities from the period of development as well as crisis (if any) to orient the corporation to grow stronger domestically and internationally.

- Leadership has made great achievements at Tracodi Parent Company and its member companies are recognized and honored by prestigious organizations, such as being honored "Top 500 Vietnamese Large Enterprises 2020" and the third time in a row.

4. Activities of the Executive Board in 2020:

- The General Director complies with the direction the Board of Management and the resolution of the General Meeting of Shareholders. Complying with the provisions of the current Laws on enterprises, investment and securities.
- The departments are always trying to complete the mission. The working results are reported monthly to update the situation to the leaders. The professional and creative working style.
- The weakness and shortcomings are regularly overcome towards building and developing the company's resources to be sustainable.
- The Executive Board manages and develops well existing resources such as human resources, finance, organizational brands, personal brands: Ensuring infrastructure construction, civil and industry, export of labor business, finance well-operated as a strategic plan, brought the sales and profits exactly as desired by shareholders.
- Legal activities on the promulgation of internal institutional documents are carried out regularly and continuously according to the needs. Ensuring the sufficient internal legal corridors and basis for the practical activities to take place appropriately without overlapping responsibilities.
- The Supervisory Board highly appreciated the efforts of the Executive Board in organizing and implementing business activities.

5. Cooperation between the Supervisory Board and the Board of Director, General Director and shareholders:

- The Supervisory Board realized that the members of the Board of Management and the Board of General Directors always create favorable conditions for the Supervisory Board to complete its duties.
- The supervisory Board has participated together in the meetings of the Board of Management to perform the supervision and has the direct idea with the issues under the authority of the Supervisory Board.
- The Board of Management, The Board of General Directors are always ready to coordinate with shareholders in the spirit of the current Enterprise Law to solve the concerns of shareholders. Maximizing support for information needs to shareholders through information disclosure activities, media activities, events, or direct information for required shareholders.

III. RECOMMENDATION OF THE SUPERVISORY BOARD

Through researching and supervision, the Supervisory Board has a number of recommendations to the Board of Management, Executive Board as follows:

- Continuing to regularly monitor macroeconomic situations such as Covid-19 epidemic. Considering, analyzing the impact of the change on the enterprise to

have a flexible and effective solution in the implementation of activities and business projects.

- Evaluating the possibility of economic recession in cycles of macroeconomic, to plan meeting appropriately to receive business investment opportunities.
- Continue to develop the company brands, personal brands through modern media channels.
- Maintaining the task control well the capital mobilization, using the capital in member company. Ensuring that there is always enough used capital for production and business activities, loan payment, repayment of suppliers, reinvestment, long-term stability increase the profit and value for shareholders.

IV. OPERATION PLAN OF THE SUPERVISORY BOARD IN 2021:

In 2021, the Supervisory Board closely follows the implementation of the activities approved by the Congress, constantly research more to have the capacity to supervise infrastructure construction, civil and industrial construction, labor export, commerce, real estate. Ensuring adequate knowledge to detect potential risks and warning to the Board of Management and the Executive Board.

Besides the supervision, the Supervisory Board will also orient its operation in the direction of accompanying and regularly consulting for the use of capital, asset development, and resources development more and more strengthen.

In addition, strictly comply with the tasks of the Supervisory Board as stated in the Enterprise Law, the company's charter and emphasize the following ideas:

- Review carefully the annual business plan.
- Reviewing, inspecting quarterly the implementation of production and business activities of the Board of Management and Executive Board in the implementation of business strategies.
- Verification of quarterly financial reports, semi-annual financial reports, end of year financial reports. Immediately after the financial statement is completed.
- Participating in, discussing with the auditor on the related issues auditing annual financial reports to solve problems.
- Reviewing and inspecting quarterly the compliance with resolutions and the accounting law for the accounting work and preparing the annual financial reports.

The above is the report of the Supervisory Board of Transport and Industry Development Investment Joint Stock Company that has performed the tasks in 2020 and the orientation to implement the tasks in 2021

Sincerely submit!

Recipients:

- As above:
- The Board of Management;
- The Board of General Directors;
- Accounting Department;
- Save: the Supervisory Board, the Supporting Business Department

**FOR AND ON THE HALF OF
THE SUPERVISORY BOARD
HEAD OF THE BOARD**

Nguyen Viet Cuong