



Ho Chi Minh City, March 24, 2022

No: 03/2022/BCĐH-BKS-TCD

**OPERATION REPORT OF THE SUPERVISORY BOARD YEAR 2021
AND OPERATION PLAN 2022**

To : Shareholders of TRACODI Company

- 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 January 13, 2022 under the authorization of the General Meeting of Shareholders on April 29, 2021 (amended and supplemented for the 18th time);

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 2021 and the direction of operation in 2022 as follows:

I. ACTIVITIES OF THE SUPERVISORY BOARD IN 2021:

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

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.
- Implementing the inspection and supervision of the activities of the Board of Directors (BOD) and the Executive Board, attending and closely following the terms at the meetings of the Board of Directors to supervise the management and operation of the Company.
- Check the rationality, legality and honesty in the management and administration of business activities and in the organization of accounting, statistics and preparation of the Company's financial statements.

II. SUPERVISION RESULTS IN 2021:

1. Monitoring the implementation of the resolutions of the General Meeting of Shareholders in 2021

In 2021, 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:

- Excellent completing of targets on sales and profitability, distributing profits according to commitments, in accordance with the order and regulations of law
- Increasing capital, changing business licenses and charters in accordance with the regulations.
- Implementing activities according to the core values assigned as the leading construction management unit in the field of infrastructure, civil and industrial construction.
- Performing well and decisively in recruiting, coordinating and appointing personnel in accordance with the requirements of production and business activities.
- Activities related to borrowing and transferring shares shall be carried out in accordance with the competence and order.

2. Monitoring financial situation in 2021:

The Supervisory Board agreed with the Independent Auditor on the financial statements for the year ended on December 31, 2021.

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 2021 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
- Revenue from production and business activities exceeded the initial plan, profits had a great growth compared to 2020. Assets had a slight decrease, but equity increased, short-term liabilities and long-term has decreased significantly compared to 2020.

Consolidated assets and sources of capital:

The increase and decrease of assets and capital in 2021

Unit: Million VND

Target	Date 01/01/2021	Date 31/12/2021	Growth change	Change ratio
Short-term assets	4.421.418	3.783.650	(637.768)	-14,42%
Long-term assets	1.818.027	1.986.089	168.062	9,24%
total assets	6.239.445	5.769.739	(469.706)	-7,53%
Short-term debt	4.340.468	3.376.470	(963.998)	-22,21%
Long-term liabilities	1.237.541	1.123.804	(113.737)	-9,19%
Equity	661.436	1.269.465	608.029	91,93%
Total funding	6.239.445	5.769.739	(469.706)	-7,53%

Consolidated business results:

Business results in 2021 compared to 2020

Unit: million VND

Targets	Implementation Year 2020	Implementation Year 2021	Implementation Change 2021 and Implementation 2020	Change ratio
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Revenue from production and business activities	2,852,700	3.111.850	259,150	9.08%
Net Revenue	2,852,633	3.111,846	259,213	9.09%
Net profit from production and business activities	181.555	371.281	189,726	104.50%
Profit before tax	178.030	372.869	194.839	109.44%
Profit after tax	146.747	335.630	188,883	128.71%

3. Controlling the activities of the Board of Directors in 2021:

- The Board of Directors has maintained periodic and unscheduled sessions in the form of concentration or through written consultations for the approval of resolutions. The decision to resolve matters within its jurisdiction in accordance with the Provisions of the Company's Charter and the law.
- 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 2021, the epidemic has caused many difficulties for enterprises, but the Board of Directors has united, agreed and dynamically operate the group to overcome challenges so that business activities are stable and developed. The Board of Directors is always ready to take on the great opportunities that come from the development period as well as the crisis (if any) to guide the group to grow stronger in the country and reach international level.
- The leadership has made great achievements at Tracodi Parent Company and its member companies have been recognized and honored by prestigious organizations, for instance: Tracodi being honored "Top 500 Large Enterprises in Vietnam in 2021" for the 5th consecutive year, and in the "Top 500 best profitable private enterprises in Vietnam in 2021"

4. Controlling the operation of the Executive Board in 2021:

- 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, abides by current regulations of law on enterprises, investment and securities.

- 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. Results of coordination between the Supervisory Board and the Board of Directors, General Director and Shareholders:

- Hội đồng quản trị, Ban Tổng Giám đốc luôn sẵn sàng phối hợp với cổ đông theo tinh thần của Luật Doanh nghiệp hiện hành để giải quyết những vấn đề cổ đông quan tâm. Hỗ trợ tối đa các nhu cầu về thông tin tới cổ đông thông qua các hoạt động công bố thông tin, hoạt động truyền thông, các sự kiện hoặc thông tin trực tiếp cho những cổ đông có yêu cầu.
- 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 OF THE SUPERVISORY BOARD:

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

- Continue to regularly monitor the macroeconomic situation such as covid-19 epidemic, the world's war issues affecting the economic situation of Vietnam; consider and analyze the impact of the changes on the company to have flexible and effective solutions in the implementation of business activities and projects.

- 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 OPERATIONAL PLAN OF THE SUPERVISORY BOARD IN 2022

In 2022, the Supervisory Board closely follows the implementation of activities approved by the Assembly, constantly researching more to have sufficient capacity to supervise the activities of infrastructure construction, civil and industrial construction, labor export, trade, real estate; ensure adequate insights to detect potential risks and alert the Board of Directors and the Board of Directors.

In addition to monitoring, the Supervisory Board will also operate towards accompanying and regularly advising to use capital, develop assets, develop resources more strongly. Besides, the Supervisory Board will also comply with the tasks of the Supervisory Board stated in the Law on Enterprises and the Company's Charter and emphasize the following issues:

- Closely examine annual business plans.
- Review and periodically check production and business activities of the Board of Directors and the Executive Board in the implementation of business strategies.
- Appraisal of quarterly /semi-annual/annual financial statements; implementing as soon as the financial statement is completed.
- Participate in and discuss with the auditing unit the issues related to the annual audit of financial statements to solve problems.
- Review and inspect quarterly the compliance with resolutions and accounting laws for accounting and processing annual financial statements.

The above is a report of the Supervisory Board of Transport and Industry Development Investment Joint Stock Company that has carried out in 2021 and the direction of implementation of the task in 2022.

Regards,

Receivers:

- Shareholders;

On behalf of The Supervisory Board

- Board of Directors;
- Board of General Directors;
- Accounting Department;

Head of Department

(Sign & seal)

Nguyen Viet Cuong