



Ho Chi Minh City, March 27th, 2024

No.: **03/2024/BCĐH-BKS-TCD**

**REPORT
OF THE SUPERVISORY BOARD IN 2023
AND OPERATIONAL ACTION PLAN FOR 2024-2028 PERIOD**

To: Shareholders of TRACODI

- Pursuant to the Enterprise Law No. 59/2020/QH14 approved by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020;
- Pursuant to the Securities Law No. 54/2019/QH14 approved by the National Assembly of the Socialist Republic of Vietnam on November 26, 2019;
- Pursuant to the Charter of Transport and Industry Development Investment Joint Stock Company (TRACODI) (amended and supplemented for the 24th time) approved by the Board of Directors on June 16, 2023 under the authorization of the General Assembly 2023 annual shareholders on April 12, 2023;
- Pursuant to the Operational Regulations of the Supervisory Board issued in Decision No. 01/2022/QĐ-BKS-TCD dated April 14, 2022;

The Supervisory Board of TRACODI aims to present to the General Shareholders' Meeting an overview of its oversight and monitoring outcomes for the year 2023, along with operational strategies for the period spanning from 2024 to 2028:

I. REPORT OF THE SUPERVISORY BOARD IN 2023:

1. Human resource:

Current Supervisory Board personnel include:

1. Mr. Nguyen Viet Cuong, Head of the Supervisory Board
2. Mr. Nguyen Dang Hai, Member
3. Mrs. Huynh Thi Thao, Member

2. Activities of The Supervisory Board:

- Oversee adherence to regulations and assess efficiency in line with both legal requirements and the company's internal guidelines for the management and operation of the company by the Board of Directors and the Board of Management.
- Monitor compliance and effectiveness according to the contents of the Resolution approved by the Annual/Extraordinary General Meeting of Shareholders.

- Propose appointing an independent auditor to conduct audits of the annual financial statements, which encompasses scrutinizing both the semi-annual and annual financial statements.

II. RESULTS OF SUPERVISION IN 2023:

1. Supervising the implementation of Resolution of the General Meeting of Shareholders in 2023

- The Board of Directors' resolutions were issued in alignment with their functions, authority, and in accordance with the resolutions of the General Meeting of Shareholders, as well as in compliance with the Enterprise Law, the Securities Law, and other relevant legal provisions.
- The Board of Management carried out the Company's business activities in accordance with the Resolution of the Board of Directors.
- Effectively carry out responsibilities concerning capital borrowing, share transfer, divestment, and capital contribution within Subsidiaries and Affiliated Companies as sanctioned by the appropriate authority, following the prescribed regulations and internal management protocols.

2. Supervise financial situation in 2023:

- The Supervisory Board assessed information from regular reports, audit findings, and analytical data provided by the Board of Management during Board of Directors meetings.
- The financial statements for 2023 accurately depicted the Company's business operations and financial endeavors, complying with Vietnamese Accounting Standards and relevant regulations through prescribed reporting formats.
- TRACODI Company's total assets in 2023 decreased by 6.72% year-over-year, mainly due to the depreciation of the value of long-term assets and restructuring of long-term financial investments in a safe direction. The Company's liabilities-to-equity ratio decreased from 1.72 to 1.42, a sign that the Company was reducing its debt. Short-term solvency increased from 1.4 to 1.45, maintaining a stable level, and payment of due debts is guaranteed.
- In 2023, TRACODI Company experienced a significant 39.39% decline in revenue. This downturn was mirrored in decreased net profit from production and business activities, as well as declines in profit before tax and after tax. These figures underlined the challenging economic conditions of 2023, particularly within the construction industry, highlighting a tough year across various macroeconomic aspects of the domestic economy. Nevertheless, the Company continued to allocate resources to ready itself for the strategy to uphold stability while striving for growth in 2024.

Consolidated assets and capital:

Change in total asset, capital in 2023:

Unit: Million dong

Targets	01/01/2023	31/12/2023	Growth	% Change
Current assets	6,124,951	6,301,839	176,888	2.89%
Non-current assets	3,717,533	2,879,460	(838,073)	(22.54%)
Total assets	9,842,484	9,181,299	(661,185)	(6.72%)

Short-term liabilities	4,377,425	4,360,122	(17,303)	(0.40%)
Long-term liabilities	1,845,603	1,034,154	(811,449)	(43.97%)
Owner's equity	3,619,456	3,787,023	167,566	4.63%
Total Capital	9,842,484	9,181,299	(661,185)	(6.72%)

Consolidated business results:

Business results obtained in 2023 in comparison with 2022 *Unit: Million dong*

Targets	Actual 2022	Actual 2023	Change	% Change
Revenues from business and production activities	2,944,812	1,784,920	(1,159,892)	(39.39%)
Net Revenue	2,944,812	1,784,498	(1,160,314)	(39.40%)
Operating activities	402,188	215,004	(187,184)	(46.54%)
Profit before tax	405,270	223,547	(181,723)	(44.84%)
Profit after tax	333,851	175,423	(158,428)	(47.45%)

3. Overseeing the Board of Directors' performance in 2023:

- Confronted with intricate economic changes in 2023, the Board of Directors diligently observed and promptly made decisions and guidelines, aiding and enabling the Board of Management in managing operational and commercial activities via both regular and irregular meetings, in adherence to the rules, powers, and instructions outlined in the Company's Charter and regular resolutions from its shareholders.
- The Board of Directors of the Company has been proactive and diligent in thoroughly evaluating the benefits, challenges, and shortcomings. Consequently, we have been actively seeking suitable and timely remedies to enhance and advance in alignment with the decisions of the General Meeting of Shareholders and the Company's Charter.

4. Overseeing the Board of Management performance in 2023:

- The Board of Management properly performed its functions and powers, complied with the provisions of the Enterprise Law, the Company's Charter, internal governance regulations and other legal regulations.
- The Board of Management promptly executed the Resolutions and Decisions made by the Board of Directors, adhering to the necessary standards and ensuring legal compliance.
- The Board of Management worked diligently to oversee and streamline the company's operations, fostering cooperation and solidarity among departments to achieve the established goals and navigate challenges throughout 2023.
- The Board of Management, driven by a strong sense of duty, enacted suitable strategies to yield the most favorable business outcomes, targeting a positive outlook for 2024 amidst promising indicators of the local economy.

5. Outcomes of the operational coordination between the Supervisory Board and the Board of Directors and the shareholders:

- The Supervisory Board coordinates closely with the Board of Directors and the Board of Management in performing assigned functions and tasks. The BoD and the BoM have always facilitated the to perform their tasks. Indeed, required documents and reports were sufficiently and timely submitted.
- The Board of Directors and the Board of Management's effectively oversaw and directed the annual control plan. Functional departments within the Company diligently carry out tasks associated with routine inspection and supervision activities.

III. OPINION OF THE SUPERVISORY BOARD:

As per its customary practice, the Supervisory Board offers several recommendations to the Board of Directors and the management team based on their respective functions and duties.

- The Board of Directors and the Management maintained proactive management, identify risks and take advantage of opportunities, improve quality and system control capacity to achieve business results. more positive in 2024.
- Regularly monitor macroeconomic fluctuations, analyze and assess impacts on member businesses to have effective and timely solutions in governance and administration.
- The organization must maintain efficient control and cost-saving measures to bolster its financial reserves, adapt to intricate market changes, and enhance revenue streams.
- Boosting investment in the enhancement of training and development for high-caliber human resources is crucial to guaranteeing skilled personnel and achieving the Company's enduring objectives.

IV. Direction of the Operational Strategy of the Supervisory Board for the 2024-2028 Period:

Between 2024 and 2028, the Supervisory Board aims to effectively fulfill the responsibilities outlined in the Company Charter and the AGM Resolution. The orientations of the operating plan for the period 2024-2028 are basically as follows:

- Monitor and ensure adherence to the Company Charter, Enterprise Law, and State Law, as well as compliance with the Regulations, Resolutions, Decisions, and directives set forth by the General Meeting of Shareholders and the Board of Directors.
- Examine and assess the execution of the Annual General Meeting of Shareholders' Resolutions; financial situation, capital balance, and cash flow oversight; operational effectiveness and ability to repay debts; management of capital, its preservation, and growth; and adherence to quarterly production and business plans. Check/monitor the implementation situation, implementation progress and effectiveness of investment projects.
- To examine the reasonableness, legality, honesty, and prudence level in the management and administration of the Company's business activities, systematics, consistency and appropriateness in accounting work, statistics, and preparing the financial statements.
- Emphasize risk mitigation, prioritizing prevention and control to ensure that the Company's activities align with legal requirements and the Company's Charter.

- Evaluate the performance of the internal control system and propose recommendations to improve the performance of the internal control system.
- Highlight the importance of reducing risks, giving priority to preventive measures and management to guarantee that the Company's actions comply with both legal obligations and its Charter.
- Regularly update new knowledge about corporate governance and risk management. Update and supplement knowledge about taxes, accounting, finance, and professions related to production and business activities to serve inspection and supervision.
- Within the capabilities and time, the Supervisory Board will recommend necessary contents to the Board of Directors and Supervisory Board to best manage business risks towards development.

The Supervisory Board of TRACODI aims to present to the General Shareholders' Meeting an overview of its oversight and monitoring outcomes for the year 2023, along with operational strategies for the period spanning from 2024 to 2028.

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