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Client Innovation

No.: 2404/HĐQT-BV



**REPORT OF THE BOARD OF DIRECTORS**  
(AT THE 2024 ANNUAL GENERAL SHAREHOLDERS MEETING)

Dear Fellow Shareholders,

On behalf of the entire Board, I would like to present the 2023 Board activities and 2024 plan.

**I. BOARD OF DIRECTORS ACTIVITIES IN 2023**

**1. Meetings and approved resolutions of the Board of Directors (“BOD”)**

In 2023, the TVS Board of Directors conducted 15 meetings to monitor the implementation of the Resolutions and business plan approved by the AGM, and issued 22 resolutions as below:

No	Resolution No/ Decision	Date	Contents
1	10012023/NQ-HĐQT	10/01/2023	Executing the share issuance for 2021 stock dividend and bonus shares for existing shareholders
2	10012023-2/NQ-HĐQT	10/01/2023	Approving the capital contribution, share purchase to incorporate Camellia Wealth JSC
3	10012023/QĐ-CTHĐQT	10/01/2023	Approving the charter capital increase and charter amendment from ESOP (based on resolution 05102022/NQ-HĐQT)
4	01022023/NQ-HĐQT	01/02/2023	Approving the increase of charter capital to VND 1,091,751,840,000
5	08022023/NQ-HĐQT-01	08/02/2023	Approving the signing and execution agreements & transactions with TVS' related parties in 2023
6	08022023/NQ-HĐQT-02	08/02/2023	Dismissing Ms. Tran Thi Hong Nhung and appointing Ms. Bui Thi Trang as the Person in charge of company administrator
7	20022023/NQ-HĐQT	20/02/2023	Approving time, venue, and agenda of the FY2023 AGM
8	08032023/NQ-HĐQT	08/03/2023	Re-appointing CEO
9	23032023/NQ-HĐQT	23/03/2023	Terminating the offshore investment for the project of 315 Holding Company Pte. Ltd.
10	24032023/QĐ-CTHĐQT	24/03/2023	Approving time, venue, and agenda of the FY2023 AGM



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11	18042023/NQ-HĐQT	18/04/2023	Supplementing and amending documents for AGM 2023
12	24042023/NQ-HĐQT	24/04/2023	Appointing the Vice General Director of TVS
13	12052023/NQ-HĐQT	12/05/2023	Executing the share issuance for 2021 stock dividend and bonus shares for existing shareholders
14	28062023/NQ-HĐQT	28/06/2023	Increasing charter capital and amending company charter from dividend issue
15	28062023/NQ-HĐQT-02	28/06/2023	Selecting audit company
16	18072023/NQ-HĐQT	18/07/2023	Purchasing additional shares issued by Camelia
17	01082023-01/NQ-HĐQT	01/08/2023	Appointing Mr. Pham Hong Hai as Vice Chairman of the Board of Directors
18	14082023-01/NQ-HĐQT	14/08/2023	Removing Mrs. Dinh Thi Hoa from the position of Vice Chairman of the Board of Directors for personal reasons and still been a member of BOD.
19	14082023-02/NQ-HĐQT	14/08/2023	Signing and executing contracts, transactions with affiliated companies and related individuals
20	14082023-03/NQ-HĐQT	14/08/2023	Appointing Mr. Pham Hong Hai: (i) replacing Mr. Nguyen Trung Ha as the representative of contributed capital/ authorized representative of TVS attending the Shareholders' General Meeting at Finsight Joint Stock Company. (ii) replacing Mr. Pham Ngoc Quynh as a member of the Board of Directors at Online Mobile Services JSC ("Momo") (iii) being a member of IC.
21	16112023/NQ-HĐQT	16/11/2023	Approving the resignation letter from Mr. Do Viet Hung, Head of Internal Audit, and appointment of Mr. Bui The Toan as the Head of Internal Audit.
22	11122023/NQ-HĐQT	11/12/2023	Approving the implementation of the Employee Stock Ownership Plan (ESOP) equity issuance program.



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## 2. Operations of Non-executive Independent Board Members & assessment of BOD's activities

In 2023, the Company's BOD has 9 members, including 4 independent members. The independent members of the BOD actively participated in monitoring the activities of the Executive Board of Management to ensure compliance with regulations on corporate governance.

Independent members worked with the Risk management & Internal control department to get a true view of risk management and compliance at the Company.

Independent members have participated in all meetings, giving opinions and recommendations on key matters relating to the Company's operation.

### Assessment of BOD's performance:

- The BOD ensured that the number of convened BOD meetings and members satisfied the requirements of the meetings' being legal and efficient, determined the role of each BOD member, between independent members and executive members of the BOD.
- The BOD approved the Resolutions in line with the Company's vision, mission and strategy, monitored the implementation of the AGM and BOD resolutions, regularly reviewed the Company's policies and regulations and promptly proposed amendments to align with new requirements.
- The BOD provided direction and regularly supervised activities of the Board of Management as well as Heads of Divisions to ensure the operation complies with company regulations and policies.
- The activities of the BOD in 2023 complied with the law, the Charter, the Governance regulations and the corporate governance practices, with the noted exception of the slow implementation of issuing stock dividends and bonus shares due to the processing of paperwork by relevant parties.

## II. 2023 BUSINESS PERFORMANCE

### Economics and Financial Market Overview

In 2023, we witnessed diversity in the recovery of major economies. The U.S. economy continued to demonstrate a strong recovery, with a growth rate of 2.5% (compared to 1.9% in 2022), amidst high interest rates and a soft-landing scenario. Meanwhile, China recorded a growth rate of 4.2% (compared to 3% in 2022), focusing on policies aimed at "shared prosperity" for the entire population rather than concentrating on real estate for a specific group. In terms of geopolitics, risks still lurk from the strategic competition between the U.S. and China in semiconductor production, to the ongoing Russia-Ukraine conflict, and the latest escalation in the Middle East conflict.

Despite facing headwinds, Vietnam still maintained a relatively high growth rate. Summarizing the year 2023, Vietnam's GDP grew by 5.05%, although it did not reach the target set at 6% - 6.5%. This recovery reflects the relentless efforts of the government and economic sectors in adapting to and overcoming challenges.



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**Stock market overview:** The market measured by the VN-Index concluded the year with a 12.2% gain. However, the Vietnamese stock market experienced significant volatility in 2023, especially in Q4, VNIndex underwent a sharp correction of up to 200 points. The trading value in 2023 decreased by 12.6% compared to 2022. In 2023, foreign investors consistently net sold \$1 billion, leading to the withdrawal of indirect investment capital from the Vietnamese financial market. This can partly be explained by foreign investors shifting towards more developed markets with more attractive interest rates and concerns about the depreciation of the Vietnamese dong. The negative spread between VND interest rates and USD interest rates reached 300-500 basis points. Furthermore, the bond market faced a challenging year in 2023 as investors lost confidence due to liquidity crises in the bond market in 2022 and the freezing of the real estate market.

In the midst of the volatile and unpredictable landscape described above, TVS concluded the year 2023 with a post-tax profit of VND 252bn, achieving 111% of the plan (VND 226.8bn) and a 472% increase compared to 2022. This achievement stems from resource preparation in 2022 and the dedication of the entire TVS workforce.

### **The Board of Directors' assessment of the Management's activities**

The BOD worked closely with the Supervisory Board using internal control & risk management functions to understand the company's operational situation, thereby providing practical advice to support the Board of Management to complete their set plans. Pursuant to the issued Charter, rules, regulations, and assignment of duties, the BOD authorized the Board of Management to make daily business decisions and organize the implementation of business decisions and plans and operational directions as assigned by the General Meeting of Shareholders and the BOD.

In the past year, alongside efforts to achieve revenue and profit targets, the BOD focused on building and developing the organization through (1) recruitment and training, (2) establishing and standardizing regulations and operational procedures, enhancing risk management, and (3) implementing a digital transformation strategy within the company.

The BOD fulfilled their responsibilities within the legal framework of securities law, business law, as well as within the company's Charter and Resolutions of the Shareholders' Meeting.



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### III. 2024 BUSINESS PLANS: Profit after tax of VND 279bn

Entering 2024, we believe that the Government will continue to promote economic growth through fiscal and monetary easing policies, with the following main drivers:

- **Pressure on exchange rates is expected to decrease.** It is forecasted that the Fed will begin cutting interest rates from Q3/2024, which may help alleviate pressure on domestic exchange rates.
- **Inflation is well controlled.** The forecast for inflation in 2024 is expected to be at 3.6% YoY, lower than the government's target.
- **The Government will continue to prioritize supporting economic growth.** We believe this is a period of economic recovery, so credit growth and maintaining low interest rates will still be prioritized.

Furthermore, the potential recovery of the global economy in the near future will bring positive signals for import-export activities and also support the growth of the retail sector. Additionally, the global economic recovery along with supportive government policies will contribute to stable growth in FDI inflows into the Vietnamese market in the future. The reality in 2023 showed a significant increase in FDI in Vietnam with registered capital reaching USD36.6bn (+32.1% YoY) and disbursed capital reaching USD23.2bn (+3.5% YoY).

Alongside the prospect of market upgrading from frontier to emerging status in the coming years through prioritizing the implementation of the KRX stock trading system in the first half of 2024 and subsequently establishing a Central Partner to meet the requirements for joining FTSE Russell (a leading global market classification organization), will attract significant foreign capital into the stock market. TVS believes that Vietnam will continue to be an attractive destination for financial investment.

In 2024, TVS aims to achieve a profit after tax of VND 279bn, of which:

- Fund management is expected to achieve VND 97.2bn.
- Equity & Fixed income investment continue to contribute stable profits of VND 109.6bn, and VND 54.5bn, respectively.
- Brokerage aims to achieve profit after tax of VND 15.4bn.
- Investment banking aims to achieve profit after tax of VND 2.3bn.

### IV. DIVIDEND POLICY

The dividend policy is reviewed annually by BOD. Based on the 2024 business plan mentioned above and actual business results of the Company, the BOD proposes to pay interim dividend in cash and/or stock in 2024 not exceeding 10% of the charter capital.





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## V. CLOSING REMARKS

The year 2024 will also mark the transformation of TVS as the company accelerates the building of a stronger financial foundation centering on transparency, comprehensive services, and the coalescence of domestic and overseas financial partners to create more attractive investment opportunities. Given our strong assets base, diverse ecosystem, and deep market insights, we will further expand our core business activities such as Investment Banking, Asset Management, Treasury, as well as Advisory Services, serving both institutional and individual clients.

Furthermore, TVS will focus on enhancing our staff's capabilities and skills, optimizing business processes, and advancing information technology to effectively manage risks, and create lasting competitive advantages and long-term growth for our shareholders. Over the next 3 years, TVS aims to have an average ROE above 12% annually.

On behalf of the BOD, I want to thank our shareholders, partners, and clients for their support and trust in us over the past year.

**FOR AND ON BEHALF OF BOD  
CHAIRMAN  
(Signed & sealed)  
NGUYỄN TRUNG HÀ**