

REPORT OF SUPERVISORY BOARD

(To the 2024 Annual General Meeting of Shareholders)

To: ANNUAL GENERAL MEETING OF THIEN VIET SECURITIES JSC (“TVS”)

The Supervisory Board of TVS would like to present to shareholders the activities of the Supervisory Board in 2023 and the plan for 2024 as follows:

I. MACRO-ECONOMY, FINANCIAL MARKET & TVS PERFORMANCE IN 2023

I.1. The global macro economy continues to decline and faces many difficulties and challenges

In 2023, the world economy continues to evolve unpredictably and contains many uncertainties. World economic growth (estimated at 2.6 % by the World Bank) continues its downward trend in 2022 (3.1%) under the powerful combination of many negative factors:

- Geopolitical instability has increased significantly: The Russia-Ukraine conflict has been continuing, while new conflicts break out in the Middle East and the Red Sea in the last months of the year creating a surge in energy and commodity prices.
- Tight monetary policy has been maintained, especially in most developed countries such as the US and EU, to control inflation as the most important priority (still hanging at high levels).
- The financial, monetary, and real estate markets in some countries (for example, China) have many potential risks.
- Global trade is down, and the outlook is gloomy due to weak aggregate demand, slow economic growth in many countries combined with increased protectionism in many countries reducing international commerce.
- Extreme weather conditions occur in many places, prolonged droughts on a large scale, storms and floods, and natural disasters in many countries cause an imbalance in food production and consumption.

I.2. Vietnam's ongoing economic recovery is still fragile

Within the context of a difficult, unstable, and challenging world economy in 2023, although not reaching the 6.5% growth GDP target set by the National Assembly, Vietnam has successfully maintained steady quarterly growth momentum to achieve a growth rate of 5.05% for the whole year 2023.



The picture of Vietnam's economy in 2023 is still mixed:

(+) *Public investment has many bright spots*

Public investment capital increases by 14.6% in 2023, more than double the total realized investment capital of the whole society (+6.2%) in 2023, becoming an important driver for the Vietnamese economy.

However, disbursement is still slow and only reached 85% of the 2023 target.

(+) **FDI still grows steadily in the context of global instability**

FDI capital committed to Vietnam reached more than USD 36.61 billion, an over 32% increase year-on-year.

FDI capital disbursements in Vietnam as at December 20, 2023 is around USD 23.2 billion, a more than 3.5% increase over the same period last year. This is ever since the highest foreign direct capital disbursements into Vietnam.

(+) **CPI and core inflation are under the targets**

In general, the 2023 CPI increased approximately 3.6%, much lower than the target (below 4.5%), mainly due to the slow recovery of demand.

(-) **Slow Credit growth**

Overall credit growth increased 9.87% in 2023, much lower than the credit growth target of around 14 - 15%.

The main reason is a decrease in investment, production, consumer consumption and, thus inducing a drop in credit demand of individuals and businesses.

(-) Business closings exceeded new registered businesses

The total number of businesses closing down is 172,578, a 20,5% increase over 2022 - the highest business closure number since 2017.

The average number of businesses closing down per month was 14,400.

On the contrary, there is only 160,000 newly registered businesses in 2023.

(-) Total imports and exports decreased sharply despite a trade surplus

For the whole year of 2023, the total import and export turnover of goods is estimated to reach USD 683 billion, down 6.6% compared to the previous year. This is a sharp decline compared to the same period last year.

2023 balance of trade is estimated to be a trade surplus of USD 28 billion (in 2022 the trade surplus is USD 12.1 billion).

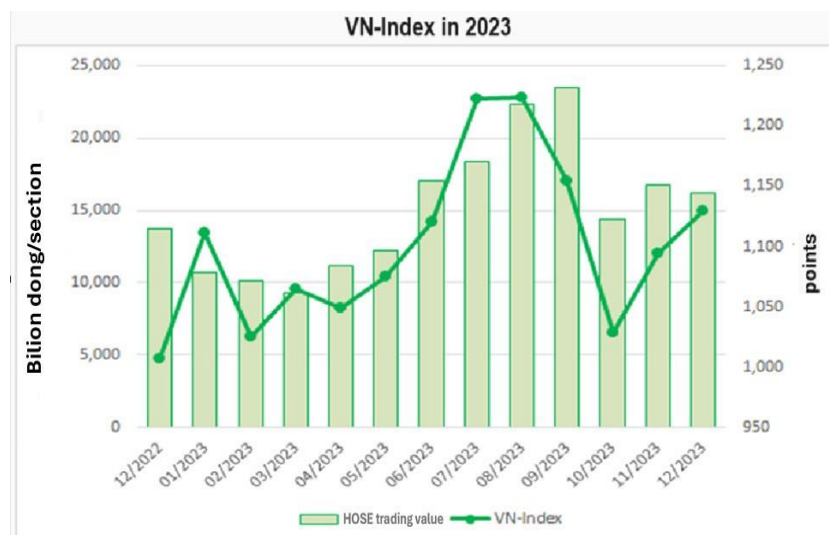
(-) The GDP growth rate did not reach the target

Mainly due to two factors: (1) weak overseas demand due to the decline in consumption and investment expansion and (2) slow recovery of domestic demand in both consumer demand and investment sectors.

I.3. Vietnam's financial market and stock markets are still unstable with strong fluctuations

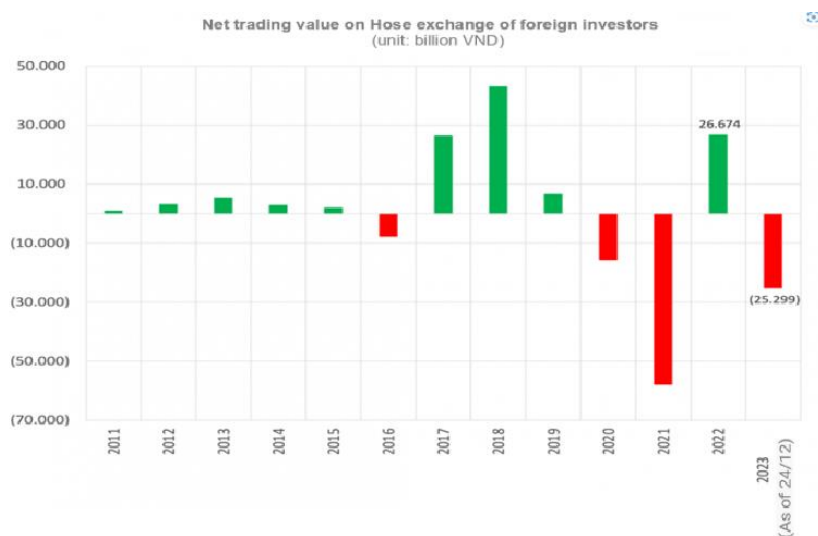
The stock market is still a playground for investors who like thrills and surfing. The VN-Index concluded the year with a 12.2% gain.

The seemingly stable recovery momentum of VN-Index from May to September 2023 was almost completely erased during the sharp correction in October 2023.



The Roller Coaster Playground

From 2023 statistics, foreign investors have net sold more than VND 24,830 billion, equivalent to USD 1 billion. If counting stocks only, the above number is more than VND 19,500 billion.



The corporate bond market is struggling to crawl up the crisis of 2022.

The corporate bond market in 2023 had a quite clear split. In the first half of the year, this capital-raising channel was almost frozen. But in the last 6 months of the year, the market recovery has been more robust. The total number of corporate bonds issued in the last 6 months of the year was nearly 6 times higher than the amount issued in the first half of the year, mainly in the banking and real estate sectors.

The corporate bond market in 2023 is still the "playground" mainly for financial institutions when the issuers and buyers are mainly commercial banks. Meanwhile, individual investors have not yet returned to this market.

I.4. TVS's spectacular recovery in 2023

In the context of the global economy continuing to decline and gloomy and the domestic economy remaining fragile and volatile, TVS has recovered convincingly and impressively in 2023 with gross profit & profit after tax reaching VND 361 billion & VND 252 billion (reaching 111% of 2023 business plan and increasing by 472% compared to 2022).

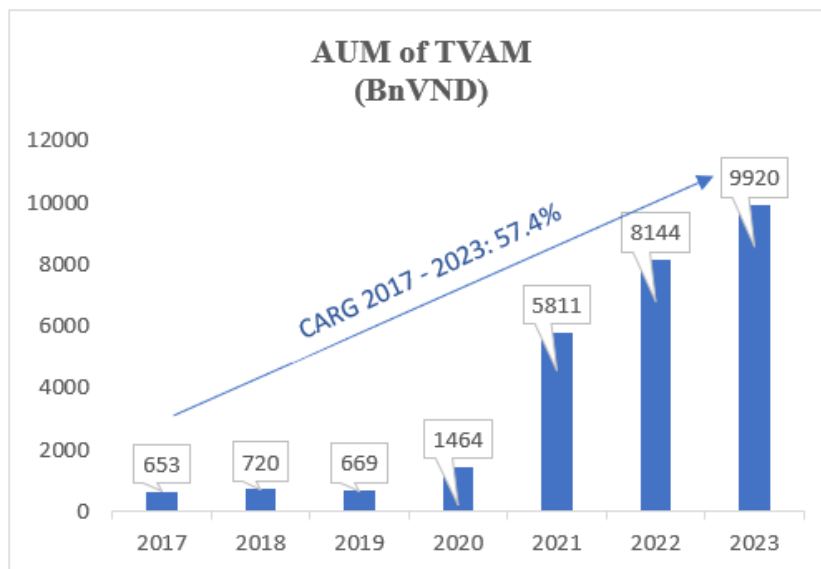
TVS's performance exceeded expectations mainly due to the success of proprietary investment which contributed 54% to the company's gross profit, followed by treasury division contributing 23%, and asset management division contributing 22% to the company's gross profit.

Over the past year, alongside efforts to achieve revenue and profit targets, TVS focused on strengthening the business model through (1) talent recruitment and training, (2) developing and standardizing regulations and operational procedures, enhancing risk management, (3) developing and implementing an IT transformation strategy.

II. TVS PERFORMANCE BY ACTIVITY IN 2023

II.1 Asset Management (TVAM)

- TVAM mainly manages accounts of (1) TVS proprietary trading fund, (2) publicly raised funds (TVGF) and (3) funds from other institutional investors (for example Fintech companies such as Finsight, Finhay, ...)
- TVAM focuses its investments primarily on stocks and fixed-income securities.
- Based on a very good performance, ranking at the top of the market, total assets under management (AUM) by TVAM has grown strongly in recent years. The compound annual growth rate (CAGR) of AUM is 57.4% from 2017 to 2023, reaching VND 9,920 billion in 2023.

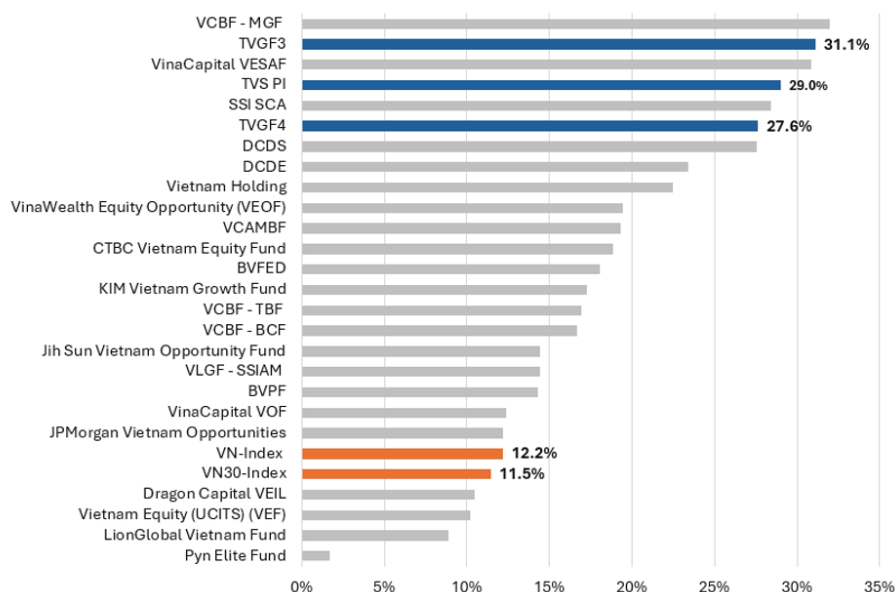


In 2023, the gross profit of the TVAM reached VND 276 billion, contributing 77% of the Company's gross profits

a. Stock investments business

- After the wise decision to temporarily exit the market in 2022 (by maintaining a high cash ratio), the TVS Investment Committee decided to re-enter the market in 2023, invested in heavily discounted industry blue chips.
- Due to frequent fluctuations and corrections in the stock market, TVAM's stock investment strategy has become more flexible, swiftly and timely rotating high potential stocks across sectors.
- Due to this flexible investment strategy, TVAM achieved very impressive profit returns in 2023, exceeding the growth of the VN-Index by 2.3-2.5 times.

Performance of TVAM vs other funds



- For TVS proprietary trading fund, TVAM generated a pre-tax and pre-general cost allocation profit of VND 198 billion for TVS, contributing 54% to TVS's total profit.

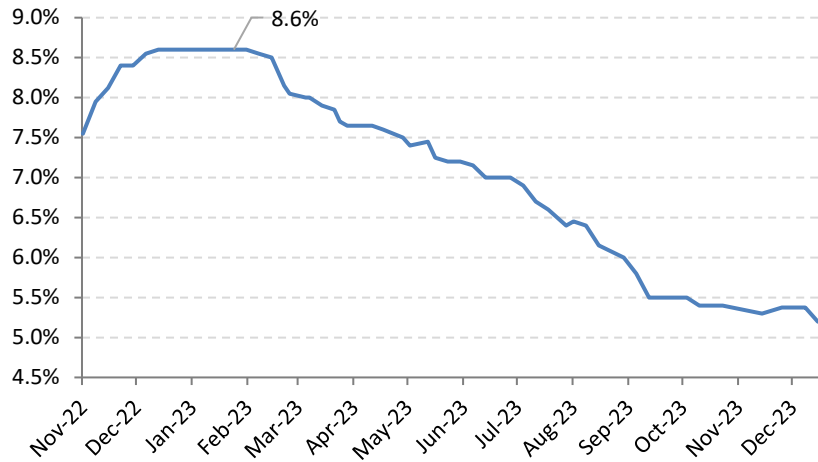
b. Fixed-income investment

- In 2023, TVAM managed approximately VND 8,500 billion for fixed-income investments, mainly for institutions. The asset under management has continuously increased over the years, demonstrating the clients' growing trust in the investment management skills of TVS team.
- The 2023 gross profit margin for fixed income investment is 9% and contributed VND 71.7 billion, accounting for 19.9% of the company's gross profit. To achieve this good performance in the context of fluctuating and sharply declining interest rates in the 2nd half of 2023, TVAM implemented a very dynamic investment strategy, reallocating timely among different investment asset types and terms. For example, they shifted investments from the banking sector at the beginning of the year to the consumer finance sector when interest rates began to decrease in the second half of 2023.

II.2 Treasury Division

In 2023, the treasury market experienced significant fluctuations due to the frequent changes in credit and monetary policies aimed at supporting the economy. The operating interest rates were reduced by the Central Bank to low levels close to those of September 2022 and were maintained throughout 2023. Particularly in the last six months of 2023, deposit interest rates decreased rapidly due to excess market liquidity and a decrease in lending rates due to weak borrowing demand.

MEDIAN 12-MONTH BANK DEPOSIT INTEREST RATE (Updated December 2023)

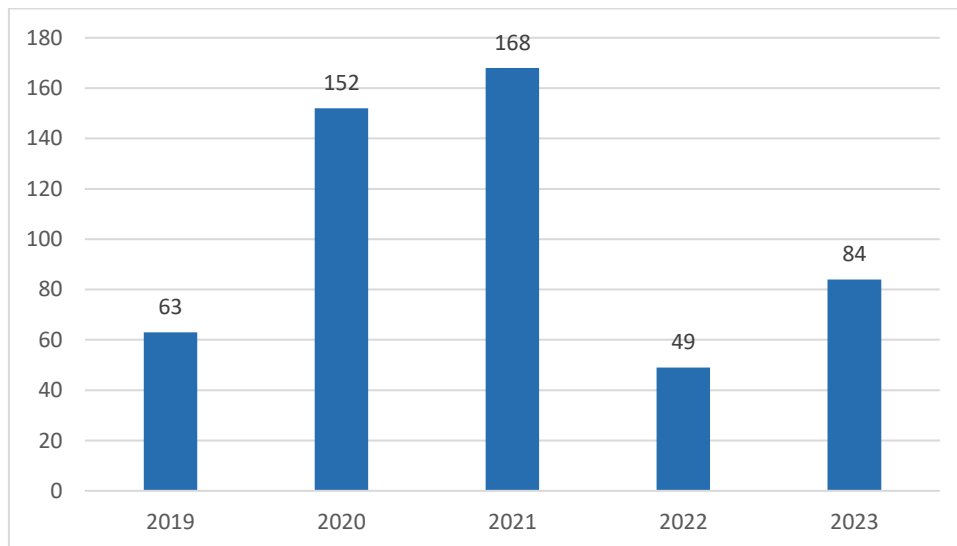


Source: Banks' website

To manage risks TVS Treasury Division had a conservative investment strategy, mainly focusing on Net Interest Margin (NIM) between terms of valuable papers such as term deposits, certificates of deposits, etc., and reduce the proportion of corporate bonds in the portfolio.

As a result, Treasury is on track to gradually recover previous profit levels, reaching VND 84 billion in 2023, contributed 23% of 2023 profits.

Gross profits of TVS Treasury Department (VND billions)



II.3 Brokerage and Securities Service Division

a) Retail brokerage

In 2023, the market average trading value reached 17,570 billion VND/day, a decreased 12.6% compared to 2022. TVS retail brokerage activities also declined following the decline in the market. Additionally, the capital for margin trading in 2023 has significantly decreased, leading to a reduction in client numbers and revenues. As a result, the retail brokerage profits have dropped by more than 50% compared to 2022.

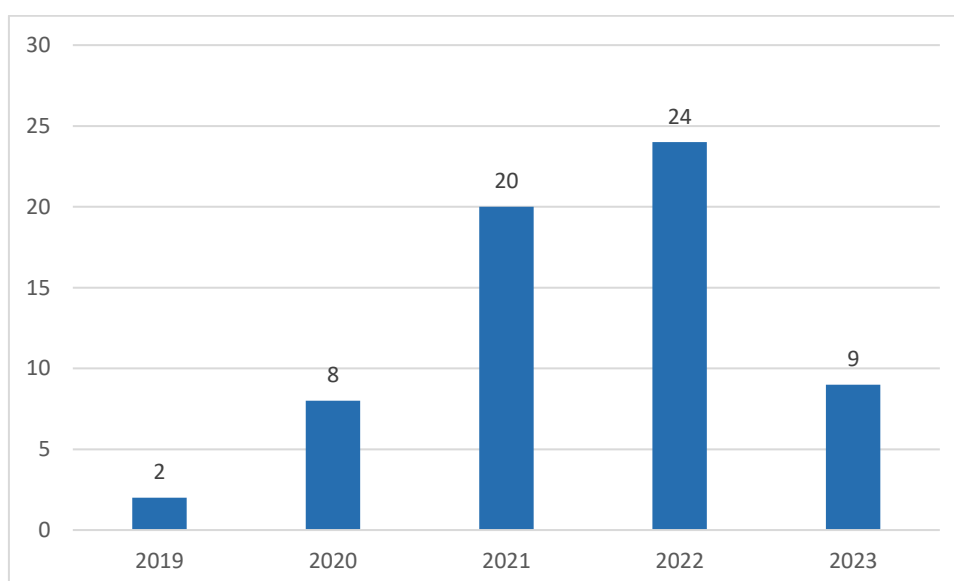
The retail brokerage environment in Vietnam is becoming increasingly competitive. Securities companies are moving towards a "no profit" competition model by sharing higher profits with brokers, reducing margin rates to the level of capital mobilization (unless having very low-cost overseas capital), waiving transaction fees for clients, etc. In this environment, TVS lacks sufficient capital and manpower, making it very difficult to recover and achieve the expected profits. TVS may need to review and has action plan to enhance competes in this market.

b) Institutional brokerage

TVS institutional brokerage - ICG mainly focuses on foreign customers. As stated above, in 2023, foreign investors have net sold more than VND 24,830 billion, equivalent to 1 billion USD. ICG operations were significantly impacted and got losses.

In 2023, brokerage revenues (including retail and institutional clients) decreased by 38% and margin revenues decreased by 36%. The gross profit of Brokerage and Securities service division decreased by 63% compared to 2022, only reached a modest VND 9 billion.

Gross profits of Brokerage and Securities Business (VND billions)



II.4 Investment Banking (IB) Division

The investment banking industry in Vietnam has continued to decline in 2023, after 2022. TVS's investment banking business also slowed down.

In addition, the investment banking business is fundamentally project-based. The short/long duration of each project affects revenue booking. In 2023, revenue booking was delayed because many projects missed completion deadlines. Therefore, this business booked a loss of VND 7 billion in 2023.

Due to the "booking time lag", the 2024 business profit outlook of the business is expected to be more positive.

II.5 Private Equity (PE) Business

In the context of global interest rates remaining at high levels and increasing tensions in global geo-political developments, foreign private equity investors have slowed down their investment activities in Vietnam in the past year, opening a market entry opportunity for new players.

Hence, the formation of TVS PE activities in 2022 was timely and has been actively deployed in 2023 to capture opportunities left open in the market.

In 2023, PE business screened over 90 companies, submitted 10 potential deals to IC for reviews and invested 01 high-tech deal in their Pre-Series A round.

With current deployment momentum and team growth at all levels, the number of invested companies is expected to increase significantly in the coming years.

II.6 Research Business

With the goal of supporting TVS's business operations, the Board of Directors approved the TVS Board of Management to rebuild TVS Research Division in 2022. The TVS Research team currently has 6 members and is constantly building up. Throughout 2023, the Research division released a significant number of reports:

Report	Number of reports issued in 2023
Market snapshot	239
Stock market report	12
Macro report	11
Earnings Update	2
Corporate report	24
Sector report	2

The Research division has also built and completed the database on macroeconomics, sectors and listed companies.

II.7 Digital Transformation Project

In 2023, TVS has established a team to draft the "Digital Transformation" project for TVS. This project aims higher than the usual "digital transformation". The essence is to use the opportunity of digital transformation to fundamentally change the way TVS competes, which can bring TVS from a niche player to a mainstream player.

If properly understood, seriously invested and thoroughly implemented, the project will bring very strong competitiveness to TVS's existing businesses and open new other attractive businesses for TVS.

II.8 Reinforcing corporate governance

For the objective of building up a sustainable and growing company in the upcoming years, in 2023, TVS has been adding high-level personnel with in-depth expertise in their area:

- Appointed Deputy General Director – in charge of TVS Ha Noi.
- Added a Head of Brokerage & Product Development

The company also has been implementing a few key information technology projects (deploying the same accounting software system for the parent company and its subsidiaries, building a data warehouse, deploying investment support software ...). In addition, the Company has also reviewed and improved the corporate governance framework, internal control systems and risk management to enhance operations effectiveness, compliance with principles, and delegation of authority in line with the business directions chosen.

III. ACTIVITIES OF THE SUPERVISORY BOARD (“SB”) IN 2023

In 2023, the SB has performed the duties as stipulated in TVS Charter, the Company Rules & Regulations and the SB Operating Regulations, has supported the TVS BOM in the implementation of the 2023 Business plan, as well as the decisions approved by the Shareholders Meeting (“SM”).

Especially in 2023, the State Securities Commission (SSC) had a 5-year periodical inspection of TVS. The Supervisory Board has been a core member of the TVS team actively working with the inspection team from December 2023 - January 2024. As a result, except for the very tiny issue of not timely disclosing information of one Resolution of the Board of Directors, TVS was assessed to have met and maintained licensing obligations and has carried out professional activities of a securities company in compliance with legal regulations.

The tasks related to the SB duties have been allocated by the Head of the SB to each member. The main tasks implemented in 2023 include:

- Monitoring the implementation of the SM’s resolutions.
- Monitoring the BOD & BOM management of the company.

- Participating in regular meetings of the BOD, BOM on operational strategy, annual business plans and implementation progress reports.
- Checking the rationality, legality, and integrity in the management of business activities.
- Appraising the exhaustiveness, legality, true & fair view of financial reports and business progress reports.
- Reviewing, inspecting, and evaluating the effectiveness and efficiency of the internal control system, risk management, and early warning.
- Monitoring the compliance of the company in the management and the investments to the provisions of the Law, the Charter, and the regulations of the

IV. SUPERVISION AND INSPECTION RESULTS IN 2023

1. General remarks

- In 2023, the SB found that the BOD and BOM have properly implemented all the resolutions in 2023 of the SM within the legal framework of the Securities Law, the Enterprise Law and the Company Charter
- Throughout the periodic and ad-hoc checks in 2023, the SB did not detect any unusual activity that could have caused damage to shareholders by members of the BOD and the BOM.

2. Assessment of BOD activities

- In 2023, the BOD has organized 15 meetings either directly or collecting votes in writing, to ratify 22 Resolutions on important issues of the Company.
- Changes have been made to the BOD with the resignation of Ms. Hoa from the Vice-Chairwoman of the Board position, replaced by Mr. Pham Hong Hai.
- The SB concludes that the BOD has properly implemented, within its obligations and duties, all the resolutions of the SM in 2023.

3. Assessment of activities of the BOM

- Throughout 2023, the BOM has properly implemented the resolutions of the BOD and has managed the Company's business operations in line with its assigned obligations and duties, demonstrating the right sense of responsibility.
- In 2023, with significant fluctuations in the macroeconomic situation and the global financial market in general, and in Vietnam in particular, the BOM has given high priorities to risk management enhancement, by implementing and continuously monitoring key risks and risk indicators related to treasury, financial services, and investment activities.

4. Coordination between the SB with the BOD and BOM

- In 2023, the SB was invited to attend the Annual and Extraordinary SM, as well as the periodic and strategic BOD meetings discussing the Company's business plan and its implementation progress.
- The SB has been provided fully and timely all Resolutions and Decisions of the BOD and BOM in accordance with the Company's ongoing activities, allowing it to perform timely inspection and supervision, to ensure that the company activities are aligned with the interests of its shareholders.

IV. SUPERVISORY BOARD PLAN FOR 2024

- Supervising the compliance of all departments with the Law, the Company Charter and the Resolutions of the SM.
- Monitoring business operations and financial situation of the company in 2024.
- Performing an operational inspection of the brokerage business, the investment business, the treasury business and other business activities.
- Coordinating with the internal control unit in supervising and inspecting brokerage, investment, treasury and other business activities.
- Coordinating with the internal control department in monitoring compliance, ensuring that management of operations is in line with procedures.

V. CONCLUSIONS AND RECOMMENDATIONS

As presented above, 2023 is the year that the global world and Vietnam were in the economic recovery stage after many economic and geo-political upheavals. The difficult situation of the economy will last into 2024 - 2025. Therefore, for the year 2024, the SB recommends TVS to:

- Actively preserve the achievements of the previous years and especially maintain the reputation of an efficient, transparent, safe and reliable securities company in the market, thus continuing to beat the record of 12 years without any incident at TVS.
- Develop a strategy for the entrusted asset management sector at TVAM with the goal of maintaining high AUM growth and achieving a top-of-the-class performance in the fixed-income segment.
- Improve the project portfolio of the Investment banking (IB) business so that revenues and profits do not fluctuate strongly year by year.
- Fundamentally rethink the competitiveness of the TVS retail brokerage business strategy
- Continue to deploy the Private Equity activities by designing a suitable legal and organizational framework.



Capital Insight
Client Innovation

- Accelerate and promote the implementation of the "Digital Transformation 4.0" for TVS, by mobilizing and motivating the synchronous buy-in of all divisions into the digital transformation process, to ensure a fundamental change in the way TVS will compete in the future.
- Approve the operating budget of the Supervisory Board in 2024 of VND 600 million.

Sincerely Yours,

**ON BEHALF OF THE
SUPERVISORY BOARD
HEAD OF THE BOARD**

(Signed & sealed)

Destination:

- *To propose GMS, BOD*
- *Archive at SB*

DO VIET HUNG