

04-2024/BC-BKS

Hanoi, ... May 2024

**REPORT OF THE SUPERVISORY BOARD
AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2024
To: SHS General Meeting of Shareholders**

Pursuant to Law on Enterprises approved by the National Assembly of the Socialist Republic of Vietnam;

Pursuant to functions and duties of the Supervisory Board as stipulated in the Charter of Saigon - Hanoi Securities Joint Stock Company (SHS) approved by the General Meeting of Shareholders on April 28th, 2023;

Pursuant to the Regulation on Operation of the Supervisory Board approved by the General Meeting of Shareholders on April 28th, 2023;

Pursuant to the Operational Results and Financial Statement for the fiscal year 2023 prepared by the Board of Directors;

Pursuant to the 2023 Financial Statements audited by AASC Auditing Firm Company Limited;

Pursuant to Report of the Supervisory Board on results of the assessment of the Financial Statements;

On behalf of the Supervisory Board, I would like to present a Report on the activities of the Supervisory Board in 2023 and outline the operational orientation of the Supervisory Board in 2024 to the General Meeting, as follows:

I. ACTIVITIES OF THE SUPERVISORY BOARD IN 2023:

- In 2023, there were no changes in the personnel of the Supervisory Board compared to 2022. Currently, the Supervisory Board consists of 3 members, including one specialist and two concurrent members. All members of the Supervisory Board meet the required standards as stipulated by the Enterprise Law, the Company's Charter, and Regulations on Operation of the Supervisory Board. Within its authority, the Supervisory Board fulfilled its responsibilities fully and in accordance with the provisions of the Law and the Company's Charter.
- The Supervisory Board has delegated specific tasks to its members regarding the company's activities. The members of the Supervisory Board have fulfilled their assigned responsibilities and tasks.
- In 2023, the Supervisory Board issued 01 Decision: Decision on the Regulations on Operation of the Supervisory Board No. 01-2023/QĐ-BKS, which was approved by the Shareholders' General Meeting on April 28, 2023.
- In 2023, the Supervisory Board issued 9 reports, including: 01 Report of the Supervisory

Board at the annual General Meeting of Shareholders in 2023, 01 report on the selection of an independent audit firm, 04 reports on inspections of departments at the headquarters, and 03 reports of the Supervisory Board at regular meetings of the Board of Directors.

- Supervising the compliance with the provisions of Law and the Charter of the Company in the management and administration activities of the BOD, BOM, Chief Accountant, and other Managers.
- The Supervisory Board closely monitored the implementation of Resolution No. 01-2023/NQ-ĐHĐCĐ dated April 28, 2023, of the annual General Meeting of Shareholders in 2023. The issues raised in the Resolution were fully and diligently addressed by the Board of Directors and the Board of Management.
- The Supervisory Board participated in the Shareholders' Eligibility Verification Committee at the Annual General Meeting of Shareholders on April 28, 2023. The Supervisory Board provided contributions within its scope of responsibility and authority.
- The Supervisory Board also closely monitored the fulfillment of disclosure obligations regarding the obligations of listed companies, securities firms, and disclosure obligations of major shareholders, internal shareholders, and related parties. In 2023, there were no violations related to disclosure obligations at the Company.
- In 2023, the Supervisory Board monitored the Company's activities through direct inspections or by reviewing reports from the Internal Control Department. During the year, the Supervisory Board conducted 4 rounds of direct inspections at the Company's headquarters, including: assessing the activities of the Advisory and Underwriting Department, Anti-Money Laundering activities, Brokerage Division, and the Research Department. The Supervisory Board inspected and monitored the implementation of the business plan, financial status, and financial safety ratio of the Company, also checking compliance with regulations of the State Securities Commission, legal regulations, and procedures in the departments. Timely contributions and feedback were provided;
- The Supervisory Board collaborated with several independent audit firms to select and propose to the Board of Directors for approval an independent audit firm from the list of 3 Auditing Companies approved by the AGM on April 28, 2023, to conduct the audit of the financial statements for the fiscal year 2023;
- The Supervisory Board has completed and revised the Operating Regulations of the Supervisory Board, which were approved by the AGM on April 28, 2023. The Supervisory Board contributed some opinions to develop the Company's Regulations;
- The Supervisory Board conducted the assessment and confirmation of the accuracy of the financial statements and the financial safety ratio report for fiscal year 2023 prepared by the General Director and audited by AASC Auditing Firm Company Limited;
- The Supervisory Board, be considered independent, participated in some Board of Directors meetings, as well as some business planning meetings of the Executive Board, providing objective opinions to help minimize risks in the Company's operation;
- Addressing shareholder proposals for the Company: In 2023, the Supervisory Board did not receive any requests from shareholders or groups of shareholders holding 5% or more of the shares for a review of the Company's operations or the management of the Board of Directors and the Executive Board.

II. BUSINESS PERFORMANCE REPORT IN 2023

The Supervisory Board conducted an assessment of the financial statements for the fiscal year 2023, as well as the financial safety ratio report, while reviewing the Company's audited financial statements by AASC Auditing Firm Company Limited.

The Supervisory Board concurred with the figures provided by AASC, confirming that the financial statements accurately and reasonably reflect the Company's financial position as of December 31, 2023. The business performance report as well as the cash flow statement from January 1, 2023, to December 31, 2023, and the financial safety ratio report as of December 31, 2023, were deemed compliant with current Vietnamese accounting standards and relevant legal regulations.

Based on this, the Supervisory Board proposes that the Annual General Meeting of Shareholders approve the Company's audited financial statements for the fiscal year 2023 audited by AASC Auditing Firm Company Limited (report 250324-021/BCTC-KT2), with the following specific details:

BALANCE SHEET FOR FISCAL YEAR 2023 (SUMMARIZED FORM)

Unit: VND

N o.	Items	31/12/2023	31/12/2022	Change(+/-) 2023/2022	% 2023/2022
I	Total Assets	11,457,207,540,011	10,899,625,766,763	557,581,773,248	105.12
1	Cash and cash equivalents	851,889,363,555	1,039,661,871,707	(187,772,508,152)	81.94
2	Financial assets at fair value through profit or loss (FVTPL)	5,032,173,035,088	4,339,477,987,075	692,695,048,013	115.96
3	Hold-to-maturity (HTM) investments		1,000,000,000,000	(1,000,000,000,000)	
4	Margin lending	3,835,138,903,480	2,355,668,531,748	1,479,470,371,732	162.80
5	Financial assets available for sale (AFS)	660,595,904,800	572,237,987,350	88,357,917,450	115.44
6	Accounts Receivable	103,125,243,996	51,117,381,554	52,007,862,442	201.74
7	Prepayments to suppliers	1,750,718,531	1,579,399,895	171,318,636	110.85
8	Accounts receivable for related services provided by the securities company	1,378,240,211,577	1,916,111,404,544	(537,871,192,967)	71.93
9	Other accounts receivable	45,006,580,297	45,008,845,285	(2,264,988)	99.99
10	Provisions	(530,005,389,746)	(509,179,751,883)	(20,825,637,863)	104.09
11	Other current assets	7,520,460,402	20,667,755,594	(13,147,295,192)	36.39
12	Non-current assets	10,087,224,075	16,937,048,561	(6,849,824,486)	59.56
13	Construction in Progress	10,660,476,000		10,660,476,000	
14	Other non-current assets	51,024,807,957	50,337,305,333	687,502,624	101.37
II	Total Equity			557,581,773,248	105.12

		11,457,207,540,011	10,899,625,766,763		
1	Current liabilities	1,120,505,210,757	1,364,948,808,240	(244,443,597,483)	82.09
2	Non-current liabilities	73,191,584,636	98,817,528,926	(25,625,944,290)	74.07
3	Owner's Equity	10,263,510,744,618	9,435,859,429,597	827,651,315,021	108.77

BUSINESS PERORMANCE OF SHS IN 2023

Unit: VND

No.	Items	FY2022 (VND)	2023 Plan (VND)	FY2023 (VND)	Plan Complition (%)	2023/2022 (%)
1	Revenue	1,542,468,212,379	1,854,044,700,000	1,460,069,441,257	78.75	94.66
2	Operating expenses	1,088,821,900,636	645,971,000,000	606,441,083,579	93.88	55.70
3	Financial income	4,975,550,219	87,710,000,000	4,715,313,949	5.38	94.77
4	Financial costs	163,308,704,020	74,004,000,000	58,742,468,822	79.38	35.97
5	SG&A	98,238,383,658	118,765,000,000	115,526,401,141	97.27	117.60
6	Operating income	197,074,774,285	1,103,014,700,000	684,074,801,664	62.02	347.11
7	Other income & expense	213,097,240	350,000,000	98,697,011	28.20	46.32
8	Profit before tax	197,287,871,525	1,103,364,700,000	684,173,498,675	62.01	346.79
9	Corporate income tax	35,071,817,414		124,880,101,105		356.07
10	Profit after tax	162,216,054,110		559,293,397,570		344.78
11	EPS	238		688		289.08

Financial performance indicators

(Planned completion according to the resolutions of the AGM of Shareholders 2023)

N o.	Items	Unit	FY2022	2023 Plan	FY2023	% planned completi on	2023/2022 (%)
1	Total Revenue	VND	1,547,656,864,088	1,941,754,700,000	1,464,883,477,740	75.44	94.65
2	Total Cost	VND	1,350,368,992,564	838,740,000,000	780,709,979,065	93.08	57.81
3	Profit after tax	VND	162,216,054,110	-	559,293,397,570		344.78
4	PAT/Revenue (ROS)	%	10.48	-	38.18		364.27
5	PAT/Total Assets (ROA)	%	1.49		4.88		328.00
6	PAT/Equity (ROE)	%	1.72		5.45		316.98

7	EPS	VND	238	688	289.08
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In which:

1. Total revenue: SHS achieved revenue of 1,464.8 billion VND in 2023, equivalent to 75.44% of the 2023 plan and 94.65% of the 2022 actual performance. Mainly due to:
 - Brokerage revenue reached 222.4 billion VND, equivalent to 76.82% of the 2023 plan and 66.8% compared to the 2022 actual performance.
 - Revenue from financial assets recognized through gains/losses reached 580.9 billion VND, equivalent to 60.08% of the 2023 plan, and 125.08% compared to the 2022 actual performance.
 - Profit from services for investors amounted to 547.16 billion VND, equal to 103.88% of the 2023 plan and 96.36% compared to the 2022 actual performance.
2. Total expenses in 2023 amounted to 780.71 billion VND, equivalent to 93.08% of the 2023 plan and 57.81% compared to 2022. Mainly due to:
 - Brokerage operating expenses amounted to 168.96 billion VND, equal to 77.67% of the 2023 plan and 71.81% compared to 2022 actual performance.
 - Proprietary investments recorded a loss of 336.71 billion VND, equivalent to 104.93% of the 2023 plan and 46.45% compared to 2022 actual performance.
 - Interest expense amounted to 58.74 billion VND, equal to 79.38% of the 2023 plan and 35.97% compared to 2022 actual performance.
 - Provision for doubtful accounts receivable: In 2023, the company fully provided for doubtful accounts receivable, with an additional provision of 20.8 billion VND in 2023.
3. **Regarding profit:** In 2023, pre-tax profit reached 684.17 billion VND, equivalent to 62.01% of the 2023 plan and 346.79% compared to 2022 actual performance. After-tax profit in 2023 amounted to 559.29 billion VND, equal to 344.78% compared to 2022 actual performance. The growth rate of revenue is higher than the growth rate of expenses.
4. **Financial safety ratio:** The Company consistently ensures compliance with legal regulations regarding financial safety. In 2023, the company's financial safety ratio reached 491.96%.

III. REMUNERATION, OPERATING EXPENSES, AND OTHER BENEFITS OF THE SUPERVISORY BOARD AND ITS INDIVIDUAL MEMBERS:

The remuneration and operating expenses of the Supervisory Board in 2023, in accordance with the provisions of the Law and Resolution No. 01-2023/NQ-ĐHĐCĐ dated April 28, 2023, were approved by the annual General Meeting of Shareholders.

Specifically as follows:

No.	Full name	Remuneration after tax	Tax	Total
I	Total	1,120,800,000	131,213,321	1,252,013,321
1	Pham Thi Bich Hong	730,800,000	87,879,987	818,679,987

2	Vu Duc Trung	195,000,000	21,666,667	216,666,667
3	Luong Thi Luu	195,000,000	21,666,667	216,666,667

IV. SUMMARY OF SUPERVISORY BOARD MEETINGS:

In 2023, the Supervisory Board held 5 meetings through centralized workspace and obtained opinions in writing regarding the activities of the Supervisory Board. All meetings were accurately recorded with full content, detailed, and maintained in accordance with regulations.

Details of the Supervisory Board meetings are as follows:

No.	Meeting	Contents	Participants	Participants rate
1.	Meeting session 01-2023/BBH-BKS dated 01/2/2023	<ul style="list-style-type: none"> - Review of the Supervisory Board's activities in 2022, plans for the first quarter of 2023, and the entire year 2023. - Review of the anti-money laundering activities of SHS in 2022. 	3/3	100%
2.	Meeting session 02-2023/BBH-BKS dated 16/2/2023	<ul style="list-style-type: none"> - Reviewing the financial statements for the fiscal year 2022 to present to the Annual General Meeting of Shareholders in 2023. - Compiling the report of the Supervisory Board and preparing the necessary documents for the Annual General Meeting of Shareholders in 2023. 	3/3	100%
3.	Meeting session 03-2023/BBH-BKS dated 20/4/2023	<ul style="list-style-type: none"> - Evaluating the performance of the Supervisory Board in the first quarter of 2023 and planning for the second quarter of 2023. - Planning the inspection of the Brokerage Division's activities for the first four months of 2023. 	3/3	100%
4.	Meeting session 04-2023/BBH-BKS dated 13/7/2023	<ul style="list-style-type: none"> - Evaluating the performance of the Supervisory Board in the first six months of 2023 and planning for the latter six months of 2023. - Planning the inspection of the Research Department's activities for the first six months of 2023. 	3/3	100%
5.	Meeting session 05-2023/BBH-	<ul style="list-style-type: none"> - Evaluating the performance of the Supervisory Board in 2023 and planning for 2024. 	3/3	100%

	BKS dated 12/12/2023	- Planning the inspection of the Treasury Department's activities for 2023.		
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V. RESULTS OF SUPERVISION REGARDING THE BOD AND BOM

Based on the inspection and supervision activities in 2023, the Supervisory Board evaluates that the Board of Directors and the Board of Management fulfilled its role in accordance with legal regulations, the Company's Charter, g, and the Resolutions of the General Meeting of Shareholders:

The activities of the Board of Directors:

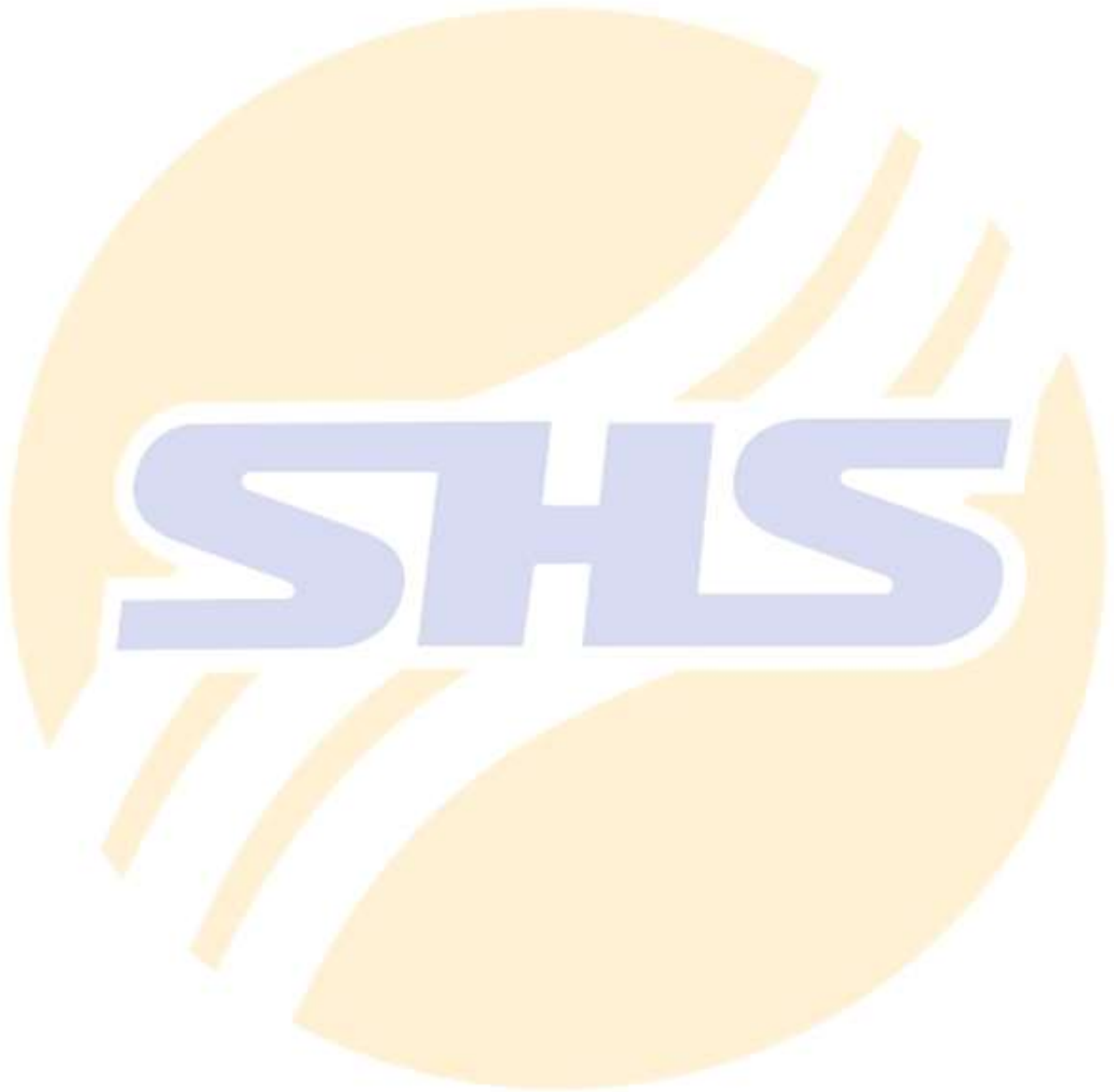
- In 2023, the Board of Directors convened 18 meetings through both centralized sessions and written communications to address critical company issues, such as: Organizing the Annual General Meeting for 2023; Approving monthly, quarterly, and annual business plans; Allocating specific tasks to each member of the BOD; Assessing the implementation of the 2023 business plan and formulating the 2024 business plan; Approving bank loan agreements and ensuring efficient capital utilization, Evaluating investment strategies in stocks and bonds; Discussing risk management in the company's operations; Amending the company's Charter...
- The Board of Directors issued 01 Resolution and 28 Decisions relating to the company's activities. These included: Resolution approving the content endorsed by the Annual General Meeting of 2023; Decision to establish the Organizing Committee for the AGM of 2023, allocating tasks to the Board of Directors; Decision on remuneration for the Board of Directors and the Supervisory Board; Decision on bank loan agreement, investment in stocks and bonds; Decision to sign consulting contracts with Saigon-Hanoi Insurance Corporation (BSHC); Decision on the risk management system; Decision on the Information Disclosure Regulations of SHS; Decision to recognise outstanding individuals and teams...
- The Chairman of the Board of Directors regularly provides direct guidance to the Board of Management on matters related to its business and investment activities, providing timely guidance and decisions that are suitable for each stage of the company's development.

The activities of the Board of Management:

- Board of Management has conducted business operations with a high sense of responsibility in accordance with the regulations specified in SHS's charter, and has diligently implemented the resolutions of the General Meeting of Shareholders and the Board of Directors;
- The CEO regularly seeks guidance and direction from the Chairman of the Board of Directors and other members of the Board to fulfill the tasks set forth in the resolutions of the General Meeting of Shareholders;
- Risk management in investment, brokerage, and financial services activities in 2023 has been a major focal point, leading to a reduction in risks for the company;
- Board of Management has assigned specific tasks to each member. Each member of the BOM has diligently fulfilled their assigned tasks.

All activities of the company are in compliance with the regulations of Vietnamese law, and

information disclosure is timely and transparent. The Board of Supervisors has not observed anything unusual in the management of SHS by the BOD, the BOM, and other managers.



VI. EVALUATION RESULTS OF THE COORDINATION BETWEEN THE SUPERVISORY BOARD AND THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT

During the operational activities in the year 2023, the Supervisory Board received cooperation and support from the Board of Directors, the Board of Management, and various departments within the Company. All requested documents and information were provided in a timely manner.

The Supervisory Board has attended meetings of the BOD, participated in some BOM meetings regarding business plans and their implementation, and attended conferences to review and summarize the company's business activities for six months and the full year.

VII. OPERATIONAL ORIENTATION OF SUPERVISORY BOARD IN 2024

To fulfill its function, the tasks of the Supervisory Board must comply with the provisions of the Enterprise Law and the Charter of Organization and Operation of the Company. The Supervisory Board has outlined the work plan for the year 2024 as follows:

- Continuing the task of inspecting and supervising the activities of the Board of Directors, Board of Management, examining the rationality, legality, compliance, honesty, and prudence in business management and operations, capital management, assets, etc., of the Company;
- Reviewing the company's plans and reports on: Financial situation, business performance, financial safety ratios, management tasks related to organization, labor, salaries, bonuses, and other related labor regimes within the Company;
- Conducting quarterly checks on the company's books, accounting documents, and other records, as well as reviewing the company's annual, semi-annual, and quarterly financial reports;
- Maintaining coordination between the Board of Directors, the Board of Management, and other departments;
- Collaborating with the Office of the Board of Directors, the Legal Department to review the entire system of current documents, and making necessary modifications to comply with state regulations and current laws. Regulations requiring amendments include: Company Charter, Financial Regulations, Salary Regulations, Investment Regulations, etc;
- Participating in training courses to enhance professional skills, while also attending all relevant conferences and seminars related to supervisory tasks.
- The Supervisory Board maintains regular meetings to review the completed tasks and to set forth the next work plan of the Supervisory Board.

VIII. CONCLUSION AND RECOMMENDATIONS OF THE SUPERVISORY BOARD

Conclusion:

- In 2023, the stock market conditions were not very favorable, mainly characterized by recovery and consolidation. Despite not fully achieving the goals set by the 2023 Annual General Meeting, SHS has achieved remarkable profits thanks to the efforts of the Board of Directors and Board of Management. In 2023, the after-tax profit reached 559.29 billion dong, equivalent to 344.78% compared to the performance in 2022.

Recommendations:

- The company continues to build and standardize business processes for each product, focusing on researching and developing new products, leading the market, and meeting investor requirements;
- The company continues to effectively maintain risk management in Brokerage, Investment, and Financial Services activities to meet the increasing scale of operations.
- Recruiting talented personnel and innovating the organizational structure as soon as possible for the safe and sustainable development of the Company;
- Enhance training to improve the capabilities of employees to achieve better job performance.

The above is the report on the activities of the Supervisory Board in 2023 and operational orientation of Supervisory Board in 2024. We hereby submit to the General Meeting of Shareholders for consideration and approval.

The Supervisory Board would like to express gratitude and hope to continue receiving the cooperation of the Board of Directors, the Board of Management, and functional departments within the Company, to create the best conditions, coordinate effectively, and provide comprehensive and timely information to help the Supervisory Board fulfill its duties.

We wish you good health, happiness, and success.

Thank you sincerely.

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

(signed)

PHAM THI BICH HONG