



*Ho Chi Minh City, April 07, 2023*

No. **03/2023/BCDH-BKS-BCG**

## **REPORT ON THE ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2022 AND THE OUTLOOK FOR THE PERIOD OF 2023-2027**

**To: Shareholders of Bamboo Capital Group Joint Stock Company**

- Pursuant to the Law on Enterprises No. 59/2020/QH14 dated June 17, 2020 of the National Assembly of the Socialist Republic of Vietnam;
- Pursuant to the Securities Law No. 54/2019/QH14 dated November 26, 2019 of the National Assembly of the Socialist Republic of Vietnam;
- Pursuant to the Charter of Bamboo Capital Group Joint Stock Company approved by the Board of Directors on September 08, 2022 as authorized by the General Meeting of Shareholders on May 06, 2022 (amended and supplemented for the 19th time);
- To conduct the duties as mentioned in the Company's Charter and laws, the Board of Supervisors (BOS) would like to report to the General Meeting of Shareholders (GMS) on the inspection and control activities within 2022 and the outlook for the period of 2023-2027 with the following contents:

### **I. ACTIVITIES OF THE BOARD OF SUPERVISORS IN 2022:**

#### **1. Personnel:**

The BOS includes 03 members:

- Mr. Dinh Hoai Chau – Head of the BOS (dismissed on July 22, 2022).
- Mr. Dong Hai Ha – Head of the BOS (appointed on July 22, 2022).
- Mr. Nguyen Viet Cuong – Member
- Mr. Kou Kok Yiow – Member.

#### **2. Operations of the Board of Supervisors:**

- Supervising the management and operation activities of the Board of Directors (BOD) and the Board of Management (BOM) based on the laws and the Company's Charter.
- Supervising the execution of Resolutions approved by the Annual and Extraordinary General Meetings.
- Proposing independent auditors to provide audit and review services for the financial statements, including the first-half financial statements and the year-end financial statements.

- Checking legality, validity and fairness in management and operation of business activities, in addition to accounting, statistics and preparation of the financial statements.

## **II. SUPERVISION RESULTS IN 2022:**

### **1. Supervision results in 2022 under the GMS's resolutions:**

- The BOD and the BOM complied with proposals approved at the annual General Meeting, such as distributed or undistributed profit plan, dividend payment, remuneration plan and selection of an independent auditor.
- Supervising activities of investment, capital withdrawal, lending, borrowing, purchasing and sale of the assets in the approved appraisal, in the sequences under the internal management rules on corporate governance.

### **2. Supervision of the financial position in 2022:**

The BOS periodically discussed with the independent auditor about auditing, audit results, and other matters affecting the internal control system; and periodically reviewed and analyzed information and figures in the financial statements.

Based on the periodic reports and analysis figures presented by the BOM at the BOD's meetings, the BOS has evaluated:

- Although the Company is taking loans to deploy projects at a high level, the Company's financial structure has improved significantly. The debt-to-equity ratio decreased from 3.51 times (at the beginning of the year) to 2.18 times (at the end of the year) - the lowest in the past 4 years.
- The revenue from production and business activities, did not meet the set plan due to the drastic economic downturn in 2022. Nonetheless, there is a significant increase by 75.5% compared to 2021, reaching 4,531.19 billion VND. The majority of the revenue was contributed by the real estate, renewable energy and construction segments. The consolidated profit after tax in 2022, accounted for 540.69 billion VND, which completing 24.57% of the set plan in 2022. The main reason why the Group could not fulfill the set profit after tax target was due to objective factors such as fluctuations in the domestic and foreign macro-economy, and the continuously rising interest rates. All these factors have enforced the higher financial pressure on the Company. Moreover, due to the increasing interest expenses, it became more challenging to mobilize fund. With the stagnation of the M&A market, the financial revenue decreased drastically compared to the same period last year, leading to relatively small contribution to the total profit of the Company.
- The Company's financial statements in 2022, in accordance with Vietnamese Accounting Standards and the applicable regulations, fully reflects its operations and financial position.

In the section below are main figures on the consolidated financial situation and business results of the Company:

*Currency unit: billion VND*

| Items  | 2021            | 2022            | Difference      | %<br>Increase   |
|--|-----------------|-----------------|-----------------|-----------------|
| <b>Net Revenue from sale of goods and rendering of services</b>  | <b>2,589.46</b> | <b>4,531.19</b> | <b>1,941.73</b> | <b>74.99%</b>   |
| Cost of goods sold   | 1,650.47        | 3,211.62        | 1,561.15        | 94.59%          |
| <b>Gross Profit from sale of goods and rendering of services</b> | <b>938.99</b>   | <b>1,319.57</b> | <b>380.58</b>   | <b>40.53%</b>   |
| Revenue from financial activities                                | 2,346.06        | 2,548.09        | 202.03          | 8.61%           |
| Financial expenses   | 1,483.74        | 2,401.76        | 918.02          | 61.87%          |
| Interest or loss in the joint ventures and associates            | (56.41)         | 0.05            | 56.46           | (100.09%)       |
| Selling expenses   | 98.41           | 215.79          | 117.38          | 119%            |
| General administration expenses                                  | 369.13          | 483.46          | 114.33          | 30.97%          |
| <b>Net Revenue from operating activities</b>                     | <b>1,277.35</b> | <b>766.71</b>   | <b>(510.64)</b> | <b>(39.98%)</b> |
| Other Profits  | (11.40)         | 23.52           | 34.92           | (306.32%)       |
| <b>Total accounting profit before tax</b>                        | <b>1,265.96</b> | <b>790.24</b>   | <b>(475.72)</b> | <b>(37.58%)</b> |
| Profit after corporate income tax                                | 1,000.34        | 540.69          | (459.65)        | (45.95%)        |

*Currency unit: billion VND*

| Items                   | 01/01/2022       | 31/12/2022       | Difference      | %<br>Increase |
|-------------------------|------------------|------------------|-----------------|---------------|
| Current assets          | 16,238.69        | 17,761.71        | 1,523.02        | 9.38%         |
| Non-current assets      | 21,450.64        | 26,058.70        | 4,608.06        | 21.48%        |
| <b>Total Assets</b>     | <b>37,689.33</b> | <b>43,820.41</b> | <b>6,131.08</b> | <b>16.27%</b> |
| Current liabilities     | 10,197.14        | 11,380.17        | 1,183.03        | 11.60%        |
| Non-current liabilities | 19,142.62        | 18,641.11        | (501.51)        | (2.62%)       |
| Owner's equity          | 8,349.56         | 13,799.13        | 5,449.57        | 65.27%        |
| <b>Total Resources</b>  | <b>37,689.33</b> | <b>43,820.41</b> | <b>6,131.09</b> | <b>16.27%</b> |

### 3. Supervision of operations in 2022:

The BOS has made recommendation to the BOD and the BOM on the risk management in investment activities and regular production and business activities of the Company. The risks detected through control activities are recommended in a timely manner to minimize/prevent risks, ensure compliance with the provisions of law, and ensure the interests of the Group and related parties.

The BOS recognizes no significant risks in the Company's management system, as well as the Company's compliance with the laws, the Charter and regulations of relevant individuals and departments.

### 4. Appraisal of the BOD's report and the BOM's report

*a) Appraisal of the BOD's report:*

Report on the operations of the BOD is reflected in full and fair manner in operations and directions of the Company, and in the resolutions of the BOD in conformity with the laws and the Company's Charter.

*b) Appraisal of the BOM's report:*

The BOM's report is reflected in a fair manner with the Company's operations in 2022, and in conformity and compliance with the laws, the Company's Charter and in the resolutions of the BOD and of the General Meeting of Shareholders.

**5. Results on the coordination between the BOS and the BOD, the BOM and the shareholders:**

- The BOS recognized that members of the BOD and the BOM have created favorable conditions for the BOS to fulfil its duties.
- The BOS attended the BOD meetings to conduct supervision and obtain direct opinions about matters within the authority of the BOS.
- The BOD, the BOS and the BOM have readily coordinated with shareholders, under the applicable Law on Enterprise, to handle matters of shareholders' concern; assist in providing information for the shareholders through information disclosure, communications, events or direct information to the requesting shareholders.

**III. CONCLUSIONS AND RECOMMENDATIONS:**

**1. Conclusions**

In 2022, the BOS has not found any abnormalities in the Company's activities nor in any suggestions of shareholders and employees. The Company's activities in 2022 followed the laws, its Charter and the GMS's resolutions.

**2. Recommendations**

Through studies, research and supervision, the BOS has given several recommendations to the BOD and the BOM as follows:

- Regularly monitor the fluctuations of the macro economy, analyze and assess the impact on businesses to have effective and timely solutions in management and administration.
- Periodically consolidate, analyze and assess environmental impacts in the enterprise on its business strategies to timely make adjustments in conformity with its business strategies.
- Continue to complete personnel training strategy and branding strategy.
- Continue to review and consolidate organizational structure, personnel and professional qualifications in line with the requirements of the business activities and of the state management agency.
- Regularly encourage employees to apply their creative thinking and enhance solutions to administration activities with an intention to use and develop resources effectively.

- Regularly assess the effectiveness of investment items to make appropriate decisions on capital increase or divestment towards optimizing the return of the investment activities.

#### **IV. OUTLOOK OF THE BOARD OF SUPERVISORS ACTIVITIES FOR THE PERIOD OF 2023-2027:**

To perform strategic targets and business objectives set by the Company for the period of 2022-2025, the Board of Supervisor will strive to fulfil its functions and duties; control internal and external risks for the enterprise to the best; and provide the BOD and the BOM with necessary professional consultations in order to improve effective usage of the Company's capital and assets.

The BOS conducts supervision and inspections under its duties approved in the Company's Charter and the GMS's resolutions as follows:

- To review quarterly and annual business plans and provide opinions to the Board of Directors, Board of General Directors within the scope of related responsibilities and powers.
- To supervise operations of the BOD and the Executive Board in compliance with the laws, the Company's Charter, and the GMS's resolutions.
- To periodically review and check the deployment of business plans and strategies by the BOD and the Executive Board.
- To appraise quarterly, mid-year and year-end financial statements in accordance with independent audit reports and to combine information captured in the process of performing the operating control responsibility.
- To Participate and discuss with the audit unit about issues related to the annual financial statement audit in order to detect and promptly remedy significant compliance risks arising during the operation.
- To evaluate the internal control system and propose recommendations to improve efficiency of the internal control system.
- To evaluate the system of Regulation on Organization and Operation, Financial Regulation, Rules and Procedures in full criteria and conformity with the local laws and the Group's daily activities.
- To regularly attend and discuss with the audit firm about issues related to auditing the annual financial statements and on how to settle problems.
- To review and check compliance with the resolutions and the law on accounting for accounting purposes and the preparation of the annual financial statements.
- To regularly update new knowledge about corporate governance, risk management and new regulations of the Law on Enterprise; update and acquire knowledge about tax, accounting and finance to have the most profound understanding in inspection and supervision.
- To study and consult the BOD and the BOM if necessary, on the best practice when facing business risks.

Above is the Report on 2022 operations of the Board of Supervisors and the operation orientation for the period of 2023-2027.

Yours sincerely,

***Recipients:***

- As above;
- BOD;
- BOM;
- Accounting Department;
- Archives: BOS, Office of the BOD

**ON BEHALF OF  
THE BOARD OF SUPERVISORS  
HEAD OF THE BOARD**

(Signed and sealed)

**Dong Hai Ha**