



*Ho Chi Minh City, April 5th, 2024*

No. **02/2024/BCDH-HDQT**- BCG

## **REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS IN 2023 AND THE OUTLOOK FOR THE PERIOD OF 2024-2028**

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

The Board of Directors (BOD) of Bamboo Capital Group Joint Stock Company (BCG) reports to the General Meeting of Shareholders on the operations of the BOD in 2023 and the outlook for the period of 2024-2028 with the following contents:

### **I. ACTIVITIES OF THE BOARD OF DIRECTORS IN 2023:**

The economic and political developments worldwide in 2023 and recent years have reflected new global trends, depicting a deeply dynamic world in a state of multifaceted transition, encompassing politics, economics, and technology.

The trend of rising protectionism is accompanied by a growing emphasis on sustainable development and climate change mitigation among developed nations. This shift prompts the establishment of new standards and regulations concerning supply chains, raw materials, labor, and environmental factors for imported goods to safeguard national interests.

The shift towards near-market sourcing to mitigate supply chain risks aligns with the rise of circular, green, and digital economies, coupled with the adoption of global minimum tax policies. These factors are shaping the landscape of global Foreign Direct Investment (FDI) projects, potentially influencing both the flow of investment capital and each nation's foreign investment attraction policies.

This transition trend is anticipated to continue and intensify in 2024 and subsequent years. Economic, trade, and investment shifts will no longer be driven solely by market mechanisms and profit motives, but will increasingly prioritize security considerations spanning economic, technological, and political realms.

The Ministry of Industry and Trade's succinct assessment of the domestic economic situation: *The economy begins 2023 in a highly challenging context, marked by significant decreases in production, business activities, and overall economic growth compared to the end of 2022... Increased competition and the rise of technical barriers in export markets, coupled with persistent internal inefficiencies accumulated over the years, are affecting business operations, employment, and the livelihoods of workers.*

In 2023, Bamboo Capital Corporation encountered several challenges, reflecting the broader economic and political conditions both globally and domestically. These difficulties specifically affected its core business areas as follows:

- **Renewable Energy:** The delayed issuance of the Implementation Plan for the National Power Development Master Plan 2021-2030, coupled with regulatory bottlenecks and infrastructure constraints, has significantly affected BCG's wind power project funding plans.
- **Real Estate:** Towards the end of 2022, the real estate market showed signs of significant challenges, which have since expanded. In 2023, the market is heavily impacted by legal bottlenecks, funding constraints, and negative repercussions from addressing sector irregularities. BCG's real estate business is similarly affected by these market dynamics.
- **Construction and Infrastructure Investment:** In response to the real estate market challenges, the civil construction sector sees limited new projects, focusing primarily on completing existing ones. Infrastructure construction is also hindered by internal inadequacies preventing participation in public investment tenders.
- **Financial Services:** The volatility of exchange rates, combined with global instability, has resulted in foreign investors' net selling in the stock market for nine consecutive months since April 2023, with a total net selling value of around VND 20,000 billion. Baseless rumors and regulatory actions addressing market misconduct have undermined investor confidence, impacting stock market sentiment. Coupled with internal economic factors and the performance of core sectors, these factors have led to undesirable fluctuations in the company's stock prices.
- **Manufacturing and Trading:** The fundamental shifts in the global economy, along with each country's protective measures to safeguard its interests, as well as the decrease in consumer demand and the requirement for timber origin certification, have notably and profoundly affected the company's manufacturing and trading sector.

Despite the immense challenges of 2023, we've achieved remarkable success in our business. Strengthening our organizational structure, human resources, corporate culture, business strategies, and financial and technological capabilities has fortified us to overcome obstacles and seize opportunities for breakthroughs in 2024.

- As of now, we can proudly affirm that our Group has reduced its debt-to-equity ratio to below 1, showcasing our strong financial standing.
- In the construction and infrastructure sector, Tracodi has undergone restructuring to become a Group, aiming to develop and seize opportunities in the economy.
- In the real estate sector, BCG Land JSC has successfully registered its shares for trading, undergone restructuring, and strengthened its product offerings and internal capabilities in preparation for market opportunities.
- In the Renewable energy sector, the Group successfully restructured BCG Energy JSC into a major energy conglomerate to lead the market. BCG Energy is on track to be listed and will become a leading energy entity within the country.
- In the Pharmaceutical sector, the Group has effectively restructured Tipharco Pharmaceutical Joint Stock Company, relaunching the Tipharco brand in the market. It stands as the sole pharmaceutical company to achieve growth and meet its targets.

- In the Insurance sector, the Group has effectively restructured AAA Insurance Corporation, transforming it from a longstanding brand into one of Vietnam's top 15 non-life insurance companies.

The results of the BOD's activities are as follows:

### 1. Results of the contents approved by the General Meeting of Shareholders:

The BOD has directed the comprehensive and timely implementation of the contents approved at the AGM 2023, specifically as follows:

#### 1.1 On 2023 business results:

The consolidated business performance of BCG according to the audited consolidated financial statements as of December 31, 2023:

*Unit: VND billion*

No.	Indicator	Actual 2022 (1)	Plan 2023	Actual 2023	Actual 2023/Plan 2023 Ratio (2)	Actual 2023/Actual 2022 Ratio (3)
1	Consolidated Net Revenue	4,531.2	6,924.5	4,012.2	57.9%	88.5%
2	Net Profit from business activities	789.0	768.8	213.3	27.7%	27.0%
3	Profit before tax	812.5	791.3	251.4	31.8%	30.9%
4	Profit after tax	566.8	650.3	171.1	26.3%	30.2%
5	Dividend	(None)	5% in Shares	(None)		

(1): The 2022 actuals are presented based on adjusted figures compared to the audited financial statements for 2022.

(2): Ratio % between Actual 2023 and Plan 2023

(3): Ratio % between Actual 2023 and Actual 2022

Considering macroeconomic and geopolitical fluctuations, both domestic and international, the company fell short of its revenue and profit targets. By the close of the 2023 fiscal year, net revenue and post-tax profit reached only 57.9% and 26.3% respectively compared to the planned figures.

- The revenue from business operations amounted to 4,012.2 billion dong, achieving 57.9% of the 2023 plan. This figure represents only 88.5% of the actual revenue realized in 2022, marking a decrease of 11.5%. The revenue for 2023 was primarily contributed by income generated from construction activities, real estate, and renewable energy projects that commenced electricity generation in 2020. The failure to achieve the revenue targets stems from two primary reasons. Firstly, the planning process was initiated at the beginning of 2023 when the market still showed positive signs. Therefore, the planned targets did not closely track the unexpected market fluctuations. Secondly, the deep-seated effects of the global economic downturn, notably in Vietnam, such as high inflation, peak material prices, sustained political tensions, and unresolved bottlenecks, have

significantly impacted project development progress and business operations, including those of Bamboo Capital Group. Additionally, market fluctuations have hindered the company's M&A activities from proceeding as planned, thereby impacting financial revenue.

- The post-tax profit target reached only 26.3% compared to the plan, representing a 69.8% decrease from the post-tax profit in 2022. The primary cause stems from the decline in revenue and increase in financial costs, notably driven by the soar in exchange rate differentials. Furthermore, a significant surge in raw material prices has also contributed to the escalation of both operational and project development costs.

Despite falling short of the set targets, BCG's business still maintained profitability, notably amidst the waves of closures and mass layoffs seen across other companies in the market. This demonstrates accuracy and flexibility in our strategies, effectiveness in restructuring streamlined operations, and cost management to enhance effectiveness in production and business operations. These timely policies have enabled the company to overcome challenges and be well-prepared to face upcoming trials.

### **1.2 Profit Distribution and Dividend Payment for 2023**

According to the profit distribution plan approved at the AGM 2023, the Group will not distribute dividends for the year 2022.

### **1.3 Employees Stock Ownership Plan (ESOP) 2023**

Based on the business performance results of 2022, the BOD did not implement ESOP as approved by the GMS.

#### **1.4 Remuneration of the Board of Directors and the Board of Supervisors in 2023**

- Payment of remuneration for members of the BOD and BOS in 2023 was carried out by the Resolution approved at the AGM 2023.
- The operating expenses of the BOD were paid in compliance with the Company's Charter and Internal Management Rules.

#### **1.5 Plan to Increase Charter Capital in 2023 by issuing shares to existing shareholders according to the Resolution of the General Meeting of Shareholders**

Following approval of the AGM 2023, as outlined in Report No. 02/2023/BCĐH-HĐQT-BCG dated April 7, 2023, regarding the plan to increase charter capital by issuing shares to existing shareholders, according to the Resolution of the AGM 2022 (Point b, Section 1.5), the BOD updates as follows:

Issuance of shares to existing shareholders through Proposal No. 22/2022/TTĐH-HĐQT-BCG dated June 23, 2022, of the BOD regarding the plan to offer additional shares to the public to increase charter capital was approved at the AGM 2022 under the Resolution No. 06/2022/NQ-ĐHĐCĐ-BCG dated July 22, 2022.

The BOD has implemented according to the plan for 2023 as follows:

- The BOD submitted to the GMS Proposal No. 01/2023/TTĐH-HĐQT-BCG dated February 24, 2023, the adjustment plan to use expected capital gained from the offering, as authorized by the AGM 2023 and approved under the Resolution No. 06/2022/NQ-ĐHĐCĐ-BCG dated July 22, 2022 based on the Resolution No. 02/2023/NQ-ĐHĐCĐ-BCG dated March 15, 2023.
- Update and issue Resolution No. 14/2023/NQ-HĐQT-BCG dated February 14, 2023 about the application of additional public offering of shares to existing shareholders and supplement the registration dossier with Resolution No. 22/2023/NQ-HĐQT-BCG dated March 15, 2023 about the implementation of anticipated capital gained from the offering, as approved by the GMS through Resolution No. 02/2023/NQ-ĐHĐCĐ-BCG on March 15, 2023, and the supplement of the registration dossier.
- The Group has updated the registration dossier for offering additional shares to existing shareholders to the State Securities Commission (SSC). By March 2024, the Group will continue to provide explanations and additional documents as requested by the SSC. These documents are currently being finalized.

#### **1.6 Selection of Independent Auditor**

Based on authorization of the GMS, the BOD has selected Southern Accounting and Auditing Consultancy Service Co., Ltd. (AASCS) to audit the Standalone and Consolidated Financial Statements for the first half and the full year of 2023 by Resolution No. 52/2023/NQ-HĐQT-BCG dated June 26, 2023.

Accordingly, the Company has signed Audit Contract No. 213/Audit/TC/2023/AASCS, dated June 27, 2023, with AASCS, as well as Appendix to Contract No. 56/Appendix/TC/2023/AASCS, dated December 27, 2023, which stipulates a service fee of VND 2,170,000,000.

#### **1.7 Issuance of the Company's Charter and the Internal Management Rules under the authority of the General Meeting of Shareholders**

In 2023, under the authority of the GMS, the BOD has issued:

- Charter of Bamboo Capital Group JSC (amended and supplemented for the 20th time), dated April 28, 2023, as proposed in Proposal No. 12/2023/TTĐH-HĐQT-

BCG dated April 7, 2023, specifies in Article 2, Section 4: “*Chairman, Chief Operating Officer (COO), and Deputy Chief Operating Officer in charge shall act as Legal Representatives of the Company.*” However, due to changes in task assignments within the Executive Board, the Company did not appoint a Legal Representative for the position of *Deputy COO*.

- Internal Management Rules of Bamboo Capital Group JSC (amended and supplemented for the 20th time) under Decision No. 42/2023/QĐ-HĐQT-BCG dated April 28, 2023.

## **2. Results of implementing the management tasks of the company according to the functions and tasks of the BOD:**

### **2.1. Meetings approving Resolutions/Decisions of the Board of Directors:**

- In 2023, the Board of Directors held regular and unexpected meetings to timely issue resolutions, in order to resolve organizational and personnel matters, investment projects, capital mobilization transactions, development of operational plans, issuance of management regulations and internal rules, and so on. The resolutions and decisions of the Board of Directors were based on high consensus and agreement of all Board members. Resolutions/Decisions are issued at the end of each meeting to authorize relevant parties to implement and assign tasks to the BOM for dealing with specific issues in accordance with approved principles. Any proposals raised by the BOM during business operations will be addressed as soon as possible. During the year, the Board of Directors held 75 meetings and issued 110 resolutions and decisions. The list of the number of meetings and resolutions/decisions of the BOD in 2023 was compiled, summarized, and disclosed in the Company's management report in compliance with legal regulations and the information disclosure regime for public companies.
- In 2023, the BOD held one Annual General Meeting of Shareholders and one Extraordinary General Meeting of Shareholders in the form of collecting shareholders' opinions in writing in March.

### **2.2 Activities of the BOD's members:**

Each member of the BOD has fulfilled their duties, responsibilities, and authorities as stipulated by law, the Company's Charter, and the BOD's Operating Regulations, ensuring the overall effectiveness of the Board's activities. By leveraging the individual strengths of each member, the BOD actively engages in addressing any management challenges, providing necessary resources, and overseeing high-level implementation to support the BOM in task execution. The matters within the authority of the BOD are thoroughly discussed and unanimously voted upon by members, fostering a spirit of high consensus and unity. Members commit to executing tasks honestly and adapt swiftly to pivotal policies at every juncture. In 2023, the BOD amended and issued a decision on task assignment to each member, in which individual Board members were assigned responsibilities and authorities based on their areas of expertise. Board members are responsible for guiding, supervising, and overseeing functional units as they propose mechanisms, policies, and documents for Board approval and issuance. In addition, they are in charge of risk management and benefit optimization for the company.

### **2.3 Evaluation of the Independent Members of the Board of Directors on the Board's activities:**

Throughout 2023, the Board of Directors' activities remained stable, adhering to the Company's Charter, the Board of Directors' Operating Regulations, and current legal requirements. They have fully implemented the resolutions of the General Meeting of Shareholders and delegated the contents, actively contributing to the Group's strategic business direction and operations. The independent members of the Board of Directors actively participated in the Board's activities.

The details of the Report of the Independent Members of the Board of Directors on the performance of the BOD in 2023 are in Appendix 01.

### **2.4 Results of Supervising the Board of Management**

The BOD has monitored the management and operation of the Board of Management (BOM) through the implementation of the 2023 production and business plan. It has provided timely guidance and directions to overcome difficulties and shortcomings in production and business operations to fulfill the mission.

The evaluation of the Company's BOM is as follows:

- The BOM has urgently and carefully implemented the Resolutions of the BOD and the GMS, proposed specific, creative solution approaches, and implemented specific tasks at each member level to fully and timely implement the resolutions and decisions of the GMS and the BOD.
- The BOD effectively fulfills social responsibilities towards the community and allocates business targets and tasks to subsidiaries. Directives from the BOD are always identified by the BOM and subsidiaries as top priorities and urgent tasks to achieve optimal efficiency.
- The BOM has managed the Company's operations through the unstable period of the global and Vietnam's economy.
- Overall, the BOM and the company's management team are a united, cohesive group with high determination to fulfill the leadership and business objectives in accordance with the strategic direction. The results of the 2022 plan were not achieved as expected but are still recognized as the result of the BOM and the employees' efforts.

### **2.5 Activities of the Councils, Committees, Subcommittees under the Holdings model of BCG**

- BCG ecosystem comprises multiple industries, with one Representative Office in Hanoi, nine directly controlled subsidiaries, and 30 indirectly controlled subsidiaries. In addition, there are two directly owned affiliated companies and six indirectly owned affiliated companies, which employ over 1,800 people in various provinces and cities across the country. The company remains committed to its role as the parent company, implementing a unique Group management model to ensure centralized management mechanisms for subsidiaries in which BCG owns controlling shares, as well as affiliate companies that voluntarily participate in the Group's business ecosystem. This commitment is consistent with the Group agreement, which aims to strengthen and enhance the Bamboo Capital Group ecosystem.

- The organizational structure is led by the Chairman of the Group, who provides direction and establishes Councils, Committees, Boards, and Subcommittees. Councils, Committees, Boards, and Subcommittees within the Bamboo Capital Group ecosystem carry out their assigned functions and tasks in a timely, effective, and compliant manner with the Organizational and Operational Regulations. They also provide timely advice and support to the Group Chairman to ensure consistent centralized management.
- Through the parent company's Board of Directors, the Councils, Committees, Boards, and Subcommittees of the Bamboo Capital Group work together to manage subsidiary and affiliate companies based on their respective specialized functions. This coordination is centered around five core areas: (1) Renewable energy; (2) Real estate; (3) Construction – Infrastructure Investment (4) Insurance (5) Pharmaceuticals.

### **3. Results of key management and leadership tasks**

#### **3.1 Organizational and personnel perfection associated with improving the quality of human resources and attracting talent:**

- The company is further optimizing its organizational model, refining the holding company structure, and streamlining its organizational machinery to effectively oversee core activities across the Group. Management at the parent company will be led by Division Directors for efficient implementation. Corporate governance will be delegated to subsidiary management teams, increasing autonomy and reducing reliance on centralized Group decisions. This model will enable subsidiaries to make more proactive management decisions, particularly given the current challenging market conditions.
- We are revamping our leadership and key personnel to adapt to market changes and optimize our internal capabilities, to achieve a leaner operational structure and increased efficiency through refined processes. Some senior executives have been relieved of their dual roles at the parent company, allowing them to focus on full-time management of core businesses. We have appointed new personnel, including young talent, to middle and senior leadership positions, giving talented young leaders more authority.
- The BOD has directed to finalize documentation, ensuring compliance and best practices. This includes updating and issuing regulations such as Organizational and Operational Guidelines (4 times), Expense Management, Salary and Bonus Policies, Procurement and Asset Management, Salary Scale System, Job Grade System, Labor Regulations, Human Resources Management Procedures, Attendance Management, Collective Labor Agreements, and Information Disclosure. These revisions align with the company's structure and Group-wide activities.
- The BOD continues to monitor and refine the system for establishing and evaluating KPIs for the entire Group using standardized criteria. Each job level has its own set of criteria for assigning and evaluating employee performance, which is used to determine salary increases, promotions, and commendations; appointments, reappointments, promotions, and salary increases are carefully scrutinized using a rigorous evaluation process based on specific criteria. This ensures that appointments, promotions, and salary increases are objective, accurately assess individuals' achievements, and highlight exceptional performance. Efforts in



screening, mobilization, and job allocation aim to boost labor productivity, aligning with specific job demands across different periods within the Group.

- Human resource development efforts focus on maintaining and enhancing the professional quality of the workforce. Emphasis is placed on training and specialization to elevate professional skills. (1) Actively participating in workshops, training programs, and forums organized by the State Securities Commission, Stock Exchanges, VCCI, and specialized regulatory agencies to enhance corporate governance practices; (2) The conglomerate hosts a variety of training sessions, including basic knowledge programs to support job requirements, employee management, and customer interaction. These include five training themes for employees at work levels 1A to 1C, covering topics such as "Teamwork," "Creative thinking," "Self-motivation," "Problem-solving skills," and "Negotiation skills." Additionally, supplementary skill programs are provided for middle and senior management personnel, with a focus on "Creative Thinking Methodology" and "Motivation and Inspiration for Employees." These initiatives are intended to improve the company's image, credibility, and brand among regulatory agencies, partners, financial organizations, and investors both domestically and internationally.
- The conglomerate consistently prioritizes and implements welfare policies for all employees, as well as specific benefits designed to attract talent and foster long-term loyalty. This covers health and accident insurance, life insurance, and vacation benefits.

### **3.2 Optimizing financial stability: capital preservation, enhanced financial capacity, cost-effective expense management, and risk governance**

- Faced with challenging capital and cash flow constraints, the Group has shifted its focus from growth to defense, prioritizing sustainable development, maintaining stable operations, and effectively managing costs and risks.
- Financial restructuring, debt refinancing, and current debt repayment measures have been implemented to reduce interest rates, enhance cash flow, and optimize capital allocation, thereby ensuring a safer debt-to-equity ratio.
- Continuous refinement of documents related to investment approval mechanisms, asset procurement, and construction processes to effectively manage costs
- Administrative costs across subsidiary units are managed on a regular and uniform basis throughout the entire Group, using compliance audits and effective investment auditing to promote savings, mitigate waste, and ensure consistent allocation based on scale and operational efficiency.
- Supervising adherence to the Organizational Charter, Financial Management Regulations, Board of Directors Resolutions/Decisions, and internal procedures across all companies within the Group.
- Directing internal audit and control activities to address potential conflicts of interest, manage risks, and enhance the effectiveness of the Group's internal audit system, ensuring compliance and legal integrity across all operations. Accordingly, the Internal Audit Department carries out its duties, responsibilities, and authorities as prescribed in Decree No. 05/2019/NĐ-CP dated January 22, 2019, to prevent, detect, and address company risks, ensuring effectiveness and high performance.

- Directing and supervising the timely completion, submission, and disclosure of periodic financial statements, management reports, and annual reports, as well as authorized disclosure documents by the Board of Directors, ensuring compliance with the provisions of Circular No. 96/2020/TT-BTC.
- Directing compliance with the obligation to disclose related-party transactions and related parties within the company, as outlined in article 164(1) of the Enterprise Law, while ensuring comprehensive information in periodic management reports.
- Directing full compliance with legal requirements for environmental protection, preventing any violations or administrative penalties related to environmental protection in the manufacturing and business activities of subsidiary companies where factories or projects are located.
- Directing the development and implementation of ESG (Environmental, Social, and Governance) policies and strategies in the enterprise to attract attention from conscientious investors and increase access to investment capital.

### **3.3 Promoting the adoption of information technology and digital transformation:**

The implementation of information technology and digital transformation in the past year has completed several key projects and programs, including:

- Continuing to operate and enhance the Human Resource Management (HRM) system throughout the Group: (1) Standardizing personnel records and performance evaluations. (2) Standardizing the attendance tracking system, payroll calculation, and social insurance, thereby managing overall human resource administration, consolidating personnel information across the entire Group, and tracking welfare policies for employees.
- Upgrading the email system security for employees throughout the Group.
- Continuing the refinement and implementation of various software solutions: (1) E-office Solution - an integrated system for office management and automation; (2) ERP system management across manufacturing-oriented subsidiaries; ERP system integration for renewable energy and real estate sectors; (3) Real estate trading software integrated with enterprise accounting systems; (4) Hospitality management software for hotels, restaurants, and resorts; software applications for electricity production management...
- Deploying firewall upgrades across the Group and implementing NAS data storage systems.

### **3.4 Fulfilling obligations to the State, responsibilities to the community, ensuring the rights and benefits of shareholders and employees, and continuing to affirm and enhance the brand reputation**

#### **a. Fulfilling obligations to the Government:**

The company strictly complies with current regulations and fulfills the obligation to timely and fully pay taxes and fees to the State Bureau. In 2023, the total amount of taxes and fees paid to the State Bureau was VND 414,171,486,577.

#### **b. Fulfilling responsibilities to the community:**

Along with our business operations, we're developing ESG strategies to capitalize on sustainability opportunities and social responsibilities, and we're making sure our ESG policies reflect our commitment to sustainable development and social responsibility. In 2023, Bamboo Capital Group continued its active participation

in various community responsibility programs, supporting localities where the Group's projects are developing, viewing it as a mission in its business activities.

Some notable community sponsorship programs include: Providing scholarships for students; Building canal bridges; Constructing compassionate houses, community houses, and medical clinics (Tri Ton district, An Giang province); Building 73 solidarity houses and supporting education (Ha Tinh province); Funding congenital heart surgery for underprivileged children (Quang Ngai province); Sponsoring the Can Gio Green program, aiming for eco-urban coastal areas; Sponsoring the Ooc Om Boc Festival - Ngo Boat Racing (Soc Trang province); Sponsoring the 130<sup>th</sup> anniversary celebration of Da Lat's formation and development; Providing medical examinations, medication, and gifts to disadvantaged individuals in Ban Xeo, Lao Cai province, in Chau Thanh district, Tan Phu Dong district, and Go Cong town, Tien Giang province; Funding for congenital heart surgery for underprivileged children in Quang Ngai, along with various other social welfare programs: Mid-Autumn Festival gifts in Long An; Livestock donations to Khmer families; Motorbike donations to community patrol forces; Tet gifts across multiple provinces nationwide, and more, with a total budget for sponsored activities and social welfare of nearly VND 20 billion.

**c. Ensuring the rights and benefits of shareholders:**

In 2023, characterized by market volatility, stock prices of listed companies experienced a downturn, including BCG's shares. The BOD's endeavors remain loyal to shareholders' interests and the Company, diligently executing their duties with responsibility, honesty, and adherence to legal regulations and the company's bylaws to safeguard shareholders' rights to the fullest extent possible. Aside from routinely providing information to shareholders through the Website, Fanpage, Newsletter, etc., the BOD also holds quarterly Investor Meetings to transparently address shareholders' inquiries about the company's operations

Directing and supervising the disclosure of information to ensure timely and comprehensive compliance with Circular 96/2020/TT-BTC issued by the Ministry of Finance. Improving the quality of Investor relations to ensure the rights of all shareholders; fully, promptly, and effectively execute Governance Reports, Annual Reports, and Sustainability Reports.

**d. Ensuring the rights and benefits of employees:**

Ensuring ESG commitments, reinforcing and enhancing morale, and maintaining mutual trust among employees to overcome difficulties together, the Board of Directors ensures full payment of salaries, bonuses, and comprehensive benefits for employees. BCG regularly organizes team-building activities, competitions, sports events, and networking sessions for all employees, as well as engaging with partner organizations: Cooking with BCG' on March 8th, The flower arranging contest themed 'The Beauty of Women' by BCG on October 20th, BCG's Sports festival 2023, The Mid-Autumn Festival Night 2023; The BCG Cultural Exploration and Core Human Values Contest; Tennis, Football, Badminton Matches,...

**e. Affirming and enhancing brand trust:**

The brand reputation of the Bamboo Capital Group system has been acknowledged and celebrated by various reputable domestic and international award organizations, including:

\* **Bamboo Capital Group JSC**

- Asia Pacific Enterprise Awards 2023;
- Ranked 4<sup>th</sup> consecutive year in the Top 500 Most Profitable Enterprises in Vietnam (PROFIT500) in 2023;
- Ranked 7<sup>th</sup> consecutive year in the Top 500 Largest Enterprises in Vietnam in 2023;

The subsidiaries also received numerous prestigious awards for their outstanding performance in business operations:

\* **Transport and Industry Development Investment JSC (TRACODI):**

- Ranked for 7<sup>th</sup> consecutive year in the Top 500 Largest Enterprises in Vietnam in 2023
- Ranked 6<sup>th</sup> consecutive year in the Top 50 Vietnam Best Growth (FAST500) in 2023;
- Second time awarded the “Asia Pacific Enterprise Awards” in 2023;
- Ranked among the top 10 companies for best corporate governance (as part of the 16<sup>th</sup> Annual Listed Company Awards). TRACODI was also listed in the Standard Disclosure Market on the stock market in 2023.

\* **BCG - SP Solar Co., Ltd**

- The Asset magazine recognized the USD 31.5 million disbursement deal.

\* **Tipharco Pharmaceutical JSC**

- Commendation for Tipharco's achievements in the Green, Clean, and Beautiful campaign, ensuring workplace safety and hygiene.
- Commendation for excellent coordination and organization in Implementing Social and Health Insurance policies from 2021 to 2022;
- Third Prize overall at the 23<sup>rd</sup> Occupational Safety and Health - Fire Prevention Competition in Tien Giang Province in 2023

## **II. PLANS AND OPERATIONAL DIRECTIONS OF THE BOARD OF DIRECTORS FOR THE PERIOD OF 2024-2028:**

During 2024-2028, the Group will face ongoing challenges arising from political and macroeconomic fluctuations in Vietnam and globally since 2022. However, it is also a period during which the Group's leadership and all staff have united strongly with the motto “United as one”. There is hope for a strong transformation as the economy shows signs of recovery, key policy bottlenecks are being addressed, and political tensions are easing. Therefore, over the next 5 years, the Board of Directors will continue to uphold the core values but will be more flexible in development strategies: When the market faces numerous risks, the Group will prioritize defensive strategies, streamline operations, enhance cost management efficiency, and resource allocation. When market conditions are favorable, the Group will promptly capitalize on growth opportunities in core sectors to enhance revenue and assets, ensuring stakeholder benefits and contributing to national development. The Group recognizes that the 2024-2028 period continues to pose more risks than opportunities: inflation remains unabated, fuel and raw material prices persist at high levels, and ongoing

political instability leads to supply shortages, particularly in critical and production-related commodities. Nevertheless, in the long term, the overall market outlook is projected to see significant improvement, serving as the primary impetus for the Group to undergo substantial transformations, achieve greater milestones, and aim for further international market expansion.

Based on the above analysis, the Board of Directors sets the following key plan direction for the period of 2024-2028:

### 1. Business Plan for the 2024-2028 period

In 2024, the company will focus on transitioning from a defensive to a proactive strategic stance, aiming for sustainable development. This will entail increasing investment efficiency, streamlining operations, implementing effective cost management, and remaining focused on core business activities such as Renewable energy, Real estate, Financial Services, Construction – Infrastructure investment, and Manufacturing – Trading. Additionally, the company will proactively pursue investment and development opportunities in each core sector, as well as explore new sectors that effectively complement the Group's ecosystem. The business development plan will be synchronized with the capital mobilization strategy to build a solid financial platform, driving growth and seizing opportunities in dynamic market conditions. Capital mobilization will continue through a variety of domestic and international channels in order to maximize potential funding sources. This aims to improve financial health and keep the financial leverage ratio below two.

With a strategic vision, flexible policies aligned with market dynamics, ongoing efforts to improve management efficiency, and unified commitment from Bamboo Capital's employees, we believe that the 2024-2028 period will be characterized by resilience, laying a solid foundation, seizing new opportunities, and achieving breakthrough results.

#### 1.1 Business Performance Indicators for 2024

*Unit: VND billion*

No.	Indicator	Actual 2023	Plan 2024	Plan/Actual Ratio % (*)
1	Consolidated net revenue	4,012.2	6,102.5	152.1%
2	Operating profit	213.3	938.1	439.8%
3	Profit before tax	251.4	1,151.9	458.2%
4	Profit after tax	171.1	951.7	556.2%
5	Dividend	N/A	5% (in Shares/Cas)	5%

(\*): The % ratio between the 2024 Plan and the 2023 Actuals.

#### 1.2 Forecast business indicators for the period of 2024-2028

*Unit: VND billion*

No.	Indicator	Actual 2023	Plan 2024	Plan 2025	Plan 2026	Plan 2027	Plan 2028
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1	Revenue	4,012.2	6,102.5	10,434.0	18,469.7	24,565.6	30,475.2
2	Profit after tax	171.1	951.7	1,401.3	2,558.2	4,235.1	4,535.6
3	Dividend	N/A	5%	10%	15%	20%	25%

## 2. The outlook of the Company's business segments for the period of 2024-2028

### 2.1 Renewable Energy

By the end of 2023, BCG Energy JSC ("BCG Energy") has accumulated a portfolio of power projects totaling 600 MW including both solar plant and rooftop solar. With the current electricity generation capacity, BCG Energy ranks among the top three renewable energy developers in Vietnam. BCG Energy's long-term objective is to continuously develop and expand its project portfolio, aiming to become a leading clean energy developer in the region and throughout Asia.

In 2023, BCG Energy faced ongoing challenges and difficulties, particularly due to unresolved policy bottlenecks in the renewable energy sector in Vietnam. On May 15th, 2023, the Prime Minister approved the National Power Development Master Plan for the 2021-2030 period, with a vision towards 2050. However, the deployment and establishment of electricity pricing frameworks have seen limited progress, resulting in stalled project development. Although transitional electricity prices have been announced, the actual prices are much lower than previous rates, which has a significant impact on the investment efficiency of project development enterprises such as BCG Energy. This has a direct impact on cash flow and operational results for the company's business activities. Moreover, macroeconomic fluctuations, particularly in exchange rates, pose significant challenges for BCG Energy, affecting the achievement of its set objectives. The company's leadership anticipates that 2024 will remain a year marked by market volatility, with limited clarity on key legal frameworks. Therefore, BCG Energy's strategy for 2024 will prioritize enhancing the operational capacity of existing projects for stable revenue, adjusting project timelines to align with policy approvals, and exploring opportunities to expand into other potential clean energy sources like waste-to-energy. BCG Energy's upcoming project portfolio includes 550 MW of onshore and offshore wind power, 150 MW of rooftop solar, and waste-to-energy in Ho Chi Minh City and Long An province. Additionally, the company will utilize its experience working with foreign organizations and enterprises to drive collaboration programs and capital mobilization. It will also access renewable funding sources and "Green" credits to prepare resources for future large-scale project funds.

### 2.2 Real Estate

The challenges that have persisted in the real estate sector since 2022 continue to have an impact on the development trajectory in 2023, owing primarily to ongoing macroeconomic fluctuations such as high raw material prices, controlled

but elevated inflation, tight credit, and prolonged Government inspections affecting project approvals. The aforementioned factors have prevented real estate enterprises, including BCG Land, from achieving their anticipated goals since the beginning of the year.

Benefiting from a range of supportive policies by the Government and the State Bank, since the latter half of 2023, the real estate market has displayed signs of resurgence in certain segments. The expectation for the real estate market in 2024 is a gradual recovery, albeit with clear regional disparities. Henceforth, BCG Land will maintain its focus on a sustainable development strategy, with emphasis on the following 5 key objectives:

- *Firstly*, expedite the implementation progress of projects, including the construction process of King Crown Infinity project (Thu Duc City), the handover process of Malibu Hoi An project (Quang Nam) and Hoi An d'Or project (Quang Nam), to swiftly generate revenue by the end of 2024.
- *Secondly*, further finalize the legal progress for other key projects, particularly those receiving support from local authorities.
- *Thirdly*, expand further land reserves and diversify business operations into the industrial park sector.
- *Fourthly*, after a successful listing in early 2024, the company will bolster its capital mobilization capabilities for project expansion.
- *Fifthly*, streamline the organizational structure, and optimize management processes and project development, while rigorously controlling costs to enhance operational efficiency.

BCG Land's long-term vision for the 2024-2028 period is to consolidate its position and reputation in Vietnam's real estate market with iconic projects in key cities. To achieve this goal, the company will focus on 5 specific priorities:

- *Firstly*, enhance the capability to complete legal processes and execute projects, especially pivot ones, to contribute value to the community.
- *Secondly*, continue to explore M&A opportunities to expand project portfolios, increase asset value, and diversify into various sectors such as large-scale urban developments, industrial parks, resort Real estate, and social housing.
- *Thirdly*, enhance the distribution capacity of its nationwide sales network by restructuring and expanding partnerships with reputable distributors.
- *Fourthly*, broaden partnerships domestically and internationally to boost competitive edge and explore overseas development opportunities.
- *Fifthly*, enhance management by leveraging advanced technology in construction, project management, and marketing.

### **2.3 Construction – Infrastructure Investment**

In the 2024-2028 period, Tracodi will undergo a gradual transformation into a conglomerate scale, aspiring to establish itself as one of Vietnam's leading and efficiently operating construction conglomerates. Tracodi will build a highly cohesive ecosystem spanning logistics, construction material extraction, and its core competency as a general contractor. It will expand investments into industrial

construction, infrastructure, transportation, and civil engineering projects. Furthermore, Tracodi will continue to enhance its financial capacity through structured capital increases, with specific fundraising plans for each stage.

Regarding construction, in the upcoming five-year period, Tracodi will prioritize 4 main objectives:

- *Firstly*, emphasis will be placed on executing construction and acceptance inspection for projects such as Malibu Hoi An (Quang Nam Province), King Crown Infinity (Thu Duc, HCMC), Hoian d'Or (Quang Nam Province), and rooftop solar projects to ensure steady cash flow.
- *Secondly*, explore collaboration opportunities with strategic partners and local authorities to access large-scale projects outside the BCG's ecosystem, particularly infrastructure and climate change mitigation projects under the Government's Public - Private Partnership (PPP) program.
- *Thirdly*, diversify revenue streams and strengthen its profile by engaging in medium and small-scale civil projects.
- *Fourthly*, bolster investment in machinery, technology, and a skillful workforce to elevate capacity and competitive positioning in the market.

The construction materials sector, which includes the quarry operated in collaboration with Antraco, will be expanded to capitalize on Government-facilitated large-scale infrastructure projects in the Mekong Delta region. Consequently, Tracodi's goal for the 2024-2028 period is to maintain its market position while leveraging on Government favorable policies to boost revenue growth. Moreover, Tracodi will also broaden its portfolio through M&A activities to gain control over material supply and further increase its revenue growth from this sector. In the near future, the construction materials segment is expected to become a cornerstone of Tracodi.

## **2.4 Manufacturing and Trading**

The manufacturing operations of Nguyen Hoang Development JSC will prioritize sustainable development strategies and pursue market expansion opportunities while mitigating risks associated with material supply and global geopolitical fluctuations, particularly in export markets.

In 2024, Central banks in key markets are considering interest rate cuts and monetary policy easing. Record-low inventory levels also signal a positive outlook for consumer demand recovery and large order placements. Nguyen Hoang will prioritize core products, such as indoor and outdoor furniture and modified tapioca starch, for consistent revenue, while also seeking strategic partnerships and emerging technologies to expand market presence. Nguyen Hoang will prioritize customer-centric approaches to deliver and enhance products and services, thereby strengthening its market position and brand value.

Modified Tapioca Starch (Tapiotek JSC) will remain one of Nguyen Hoang's core products throughout the 2024-2028 period. Since ramping up the plant's capacity to 200 tons of finished products per day by late 2022, Tapiotek has been actively exploring markets to leverage its production scale advantage for efficient cost management. Tapiotek will concentrate on boosting internal production instead of relying heavily on outsourcing. Simultaneously, it will utilize competitive sales



policies to broaden its customer base both domestically and internationally, thereby enhancing the company's profit margins.

In 2024, Nguyen Hoang maintains its focus on the Australian, European, and American markets as primary markets, while also considering opportunities to expand into other markets such as Japan and South Korea to mitigate seasonal risks associated with product sales. In terms of distribution channel development, besides traditional channels, Nguyen Hoang will persist in investing in and refining the e-commerce channel. The goal is to elevate this channel into one of the primary avenues for reaching potential customers and markets in the foreseeable future. Regarding product development strategy, Nguyen Hoang remains dedicated to advancing core product lines including indoor and outdoor furniture and modified cassava starch. Additionally, they are exploring product diversification, prioritizing items with technological advancements and distinct competitive advantages that cater to market needs.

## **2.5 Financial Services:**

In 2022, the company restructured AAA Insurance JSC's insurance business segment. AAA made significant transformative strides in 2023, with a steady increase in branch numbers, improved and diversified services, and gradually becoming a trusted partner for many large enterprises. 2024 marks the final year of the 2022-2024 phase and serves as the pivotal transition year into Phase 2 of the 2025-2027 business strategy. AAA Insurance sets a target of reaching at least VND 1,000 billion in insurance revenue in 2024. The minimum target for 2024's profit after tax matches that of 2023, with an estimated VND 17 billion, representing a 71% increase compared to 2023. The company intends to gradually increase the proportion of Property, Engineering, and Marine insurance (at least 20%) and Human insurance (at least 30%), while decreasing the proportion of motor vehicle insurance (below 45%). Insurance remains the fundamental, robust foundation for ongoing business growth. Furthermore, following a capital increase of VND 374 billion in early 2024, AAA Insurance will begin the necessary procedures to register securities for trading on the UPCoM exchange, with the goal of becoming one of Vietnam's top ten non-life insurance companies.

The strategic vision for AAA during the 2024-2028 period is to emerge as one of Vietnam's top 10 non-life insurance companies, focusing on core values rooted in professional, attentive, and prompt customer service. During this period, the company plans to expand its presence by opening new flagship branches in vibrant and strategically located cities, with the goal of providing top-tier services tailored to each customer's specific needs.

## **2.6 Pharmaceutical:**

Tipharco Pharmaceutical JSC (Tipharco) continued to grow strongly in 2023, with net revenue reaching VND 372 billion, a 25% increase over the previous year. Profit after tax totaled VND 30 billion, a remarkable 70% increase over 2022 and the highest recorded profit since its inception. This achievement validates the BCG Group's strategic vision and decision to acquire the company in 2022. In the 2024-2028 period, Tipharco will assume a pivotal role in BCG's manufacturing sector, significantly contributing to the Group's strategic business outlook for the next five years. Tipharco's ambition is to emerge as a premier contributor to both societal and national development, thereby reinforcing Vietnam's global brand

presence and fortifying resilient medical supply chains in anticipation of potential future crises like the Covid-19 pandemic.

Tipharco's business plan is built upon a prudent approach, considering the persisting market volatility. As such, projected gross revenue and profit for 2024 are anticipated to reach VND 406 billion and VND 33 billion, respectively.

The BOD has outlined 7 development objectives as follows:

- **Comprehensive quality:** Improving product quality with a determined commitment to lead the market;
- **Diverse product portfolio:** Broadening the product range to maximize meeting customer demands and preferences;
- **Brand recognition:** Establishing and enhancing brand recognition, familiarity, recall, and customer loyalty towards the Tipharco brand;
- **Accelerating business growth:** Enhancing business operations by expanding customer portfolios;
- **Lean processes:** Developing efficient, accurate, and continuously updated processes throughout operations;
- **Investing in technology:** Investing in equipment, researching modern technologies, and preparing to upgrade EU-GMP standards in the future;
- **Developing human resources:** Building a conducive environment and providing opportunities for employees to enhance their capabilities and accumulate knowledge.

### 3. Internal Management

#### 3.1 Human resources strategy:

- Build a core team of personnel, where every management officer leads as a role model, fosters trust, elevates professionalism, and ensures that every employee abides by discipline, making BCG a highly compliant company. Develop competencies with all the core qualities of BCG individuals: (1) *Ethics*; (2) *Discipline*; (3) *Passion*; and (4) *Listening, respecting, and treating others fairly*.
- Empower and entrust a young, talented management team with expertise and strong leadership skills to utilize BCG's internal resources, particularly its human values, to create a distinct competitive edge enabling the Group to overcome any obstacles
- Cultivate a working environment that guarantees employee rights and working conditions, where all employees feel secure and proud to be part of the team.

#### 3.2 Shareholder strategy

- Foster trust and enhance communication with shareholders by improving understanding between BCG and its shareholders, respecting each shareholder, and ensuring the best possible investment returns through dividend payments and stock value growth.
- Continue expanding and improving the quality of shareholders, aiming to transition BCG into a public company with strong shareholder support.
- Develop an effective shareholder relationship strategy through various engagement channels such as email, phone, fan page, website, and other media

platforms to increase interaction between shareholders and the Group, thereby enhancing shareholder loyalty.

### **3.3 Capital strategy**

Firmly carry out 03 tasks:

- Deploying diversified fundraising channels aligned with market trends and the requirements of each subsidiary to secure cost-effective capital sources
- Strengthening equity, reducing debt, and mitigating risks.
- Decreasing capital financing costs and exploring solutions to increase the value and margin of assets through effective refinancing, particularly by accessing international financial resources with favorable interest rates.

### **3.4 Build unique competitive advantages for the Group**

Identify the competitive advantages of BCG:

- The ability to implement business strategies and projects with enthusiasm, knowledge, technology, and effective risk management.
- Cultivating a corporate culture united under the spirit of ONE BCG, where every employee can unleash their abilities, demonstrate a sense of responsibility, share aspirations and achievements for BCG, and feel proud to be part of the team.
- Broadening and fortifying relationships with governmental entities at every level, departments, and strategic partners to collectively embrace a shared vision of development, collaborate in achieving ambitious goals, ensure mutual benefits, and contribute to the nation's growth.
- Continuing to nurture social relationships, share community responsibilities, and integrate business activities with the community, especially in areas where BCG's projects are being developed. Demonstrating a commitment to social welfare, viewing these initiatives as both corporate responsibilities and integral to long-term sustainability.

## **4. Conclusion:**

The tumultuous year of 2023 has concluded, characterized by considerable economic fluctuations both in Vietnam and globally, affecting Bamboo Capital Group specifically. The global economy has been volatile, impacted by political conflicts, tightened monetary policies to control inflation, reduced consumer spending, declining export volumes, a slow real estate market, and rising energy prices, all of which have hurt the majority of global businesses. Faced with these difficulties, the BOD and its entire leadership team have shown flexibility in business strategy, maintaining a focus on core activities that generate real value for the company. Despite not achieving revenue and profit targets in 2023, BCG prioritized safety, human development, team efficiency, and intangible objectives to build the BCG brand value and secure a competitive edge for the future.

In 2024, it is also forecasted to continue facing numerous challenges, the BOD and leadership team work together to shape Bamboo Capital Group for the next phase. They believe that as difficulties and risks increase, so do opportunities. Bamboo Capital Group stands firm and composed, working together to weather the storms, seize opportunities, and stay ahead. With unity and our distinct core values, we believe we can overcome any adversity and take pride in being a part of an organization that has faced the most difficult challenges and celebrated the greatest victories together.

On behalf of the Board of Directors, we extend our sincere gratitude to our valued customers and partners for their unwavering support and collaboration with BCG. Your trust and dedication have been instrumental in driving our success over the past year. We deeply appreciate the commitment of our employees, whose hard work is at the core of our achievements. Furthermore, we express our appreciation to valued shareholders for their ongoing support, enabling us to fulfill our responsibilities effectively.

Yours sincerely,

**Recipients:**

- General Meeting of Shareholders;
- Archives: Office of BOD;

**ON BEHALF OF  
THE BOARD OF DIRECTORS  
CHAIRMAN**

Signed and sealed

**Nguyen Ho Nam**