

REPORT OF THE SUPERVISORY BOARD

(For the 2025 Annual General Meeting of Shareholders)

To: The General Meeting of Shareholders of TVS Securities Joint Stock Company

The Supervisory Board (SB) of TVS submits to the shareholders the following report on its activities in 2024 and its planned activities for 2025, as follows:

I. OVERVIEW OF THE SUPERVISORY BOARD'S ACTIVITIES IN 2024

In 2024, the SB has completed its duties as stipulated in the Charter of TVS, the Internal Regulations on Corporate Governance, and the SB's Operating Regulations. The SB did support the Management Board ("MB") in implementing the business plan and the resolutions approved by the General Meeting of Shareholders ("AGM").

Key activities in 2024 include:

1. **SB Operations:** Has set up 3 formal internal meetings and maintained regular communication among members to ensure effective supervision.
2. **Compliance Supervision:** Monitored the compliance with the Law, the Company Charter, and the AGM resolutions of all the decisions made by the Board of Directors (BOD) and the MB during the deployment of the business activities and the in-house management,
3. **Supervision of BOD and MB:** Supervise the exercise of the duties and authorities of the BOD and MB as well as the legality, the rationality and the prudence of their decisions and management
4. **Meeting Attendance:** The SB did attend the 2024 Annual AGM, all the regular BOD meetings, as well as selected strategy meetings of the MB to stay timely informed.
5. **Inspection and Assessment:**
 - Checked the rationale, the legality and the truthfulness in the business and financial accounting management.
 - Audited the semi-annual and full-year 2024 Financial Statements and the MB's Business Performance Report.
 - Reviewed the compliance of the core business processes (Brokerage, Advisory, Investment, etc.).
6. **Evaluation of Internal Control and Risk Management:** Review and evaluate the effectiveness and efficiency of the Internal Control System (ICS),
7. **Assessed the effectiveness and efficiency** of the Internal Control System (ICS), the Internal Audit (if applicable), the Risk Management, and the Early Warning Mechanisms.
8. **Coordination:** Maintained effective collaboration with the BOD and the MB for information access and worked closely with the independent auditing firm, PwC Vietnam, during the audit of the 2024 Financial Statements.
9. **Handling of Shareholder Feedback:** No complaints or suggestions were received from shareholders during the year.

The SB self-assesses that it has completed its assigned duties in 2024 in accordance with the regulations

II. RESULTS OF THE SUPERVISORY ACTIVITIES IN 2024

1. Business and Financial Performance

a. Business Results

- In a volatile market, the 2024 Profit After Tax (PAT) reached VND 281.6 billion, an increase of 11.8% compared to 2023, achieving 101% of the target set by the AGM.
- However, the profit structure had significant changes:
 - Due to high volatility of the stock market in 2024, investments in listed stocks are no longer the main driver of the company's high profits (declining from over 50% of total profits before expenses reallocation in 2023 to less than 30% in 2024).
 - On the other hand, fixed income investment activities have maintained stable returns and accounted for over 40% of total profits over the past three years.
 - The successful and well-timed divestment from an unlisted company contributed nearly 30% to the total profits in 2024, helping to sustain a slightly higher PAT compared to 2023.
- The SB acknowledges the MB's efforts to flexibly manage the investment portfolios so as to meet the return targets set by the AGM.

b. Financial Results and Compliance

- The company maintained a sound financial position, complying to legal regulations on financial security, investment restrictions, and other relevant requirements.

c. Opinion on Financial Statements

- The SB reviewed the 2024 Financial Statements audited by PwC Vietnam. The SB concurs that the Financial Statements fairly and accurately reflect the company's financial position as of December 31, 2024, as well as its business results and cash flows for the year, in accordance with Vietnamese Accounting Standards and relevant legal regulations.

2. Management by the BOD and MB

a. Activities of the BOD

- Through 15 meetings and 19 BOD resolutions, the BOD implemented 100% of the AGM resolutions, in compliance with its authorities and regulations.

b. Activities of the MB

- The MB executed 100% of the resolutions issued by the BOD and AGM.

c. Overall Assessment

- The SB did not detect any violation nor actions detrimental to the company and its shareholders by the BOD and MB members.

3. Internal Control System (ICS) and Risk Management

- The SB assesses that the ICS, the risk management system and the early warning systems have relatively sound foundations and have been operating quite smoothly.
- However, given the strong and unpredictable market volatility driven by aggressive and erratic U.S. tariff policies, the SB recommends that the company design and implement a disciplined cut-loss strategy to limit losses in investments before they worsen. This is a widely used risk management tool among international professional investment funds.

4. Insiders and Related Parties Transactions

- Transactions between the company and related parties (e.g., service fees, dividends, purchase/sale of financial assets) were properly disclosed in accordance with regulations.
- Transactions involving TVS shares by insiders and related parties complied with disclosure requirements.

5. Selected Outstanding TVS Activities in 2024

a. Leveraging Technology as a Driver for Safe and Exponential Growth

- As highlighted in the 2024 AGM report, since 2023, TVS has been implementing an ambitious, multi-year digital transformation program (DTP) codenamed **RUBIK**, which is comprehensive and spans all operational and business areas of the company.
- The ultimate strategic goal is to leverage technology to build a larger, safer, and more profitable securities company.
- Initial successes include:
 - A cloud-based internal data warehouse integrating financial and non-financial data from both internal and external sources.
 - Automation of processes, portfolio management systems, and risk management tools.
- To achieve the DTP's ambitious goals in the coming years, a critical factor is fostering enthusiastic and active participation from all employees. The SB recommends that the MB and TVS team focus on:
 - Strong and visible commitment from all senior leadership to the DTP.
 - Enhancing the soft skills of the DTP implementation team to successfully motivate company-wide participation.
 - Promoting recognition and rewards with attractive incentives for internal DTP champions.
 - Supporting upskilling and reskilling of employees for the new environment.
 - Transforming the corporate culture to embrace a digital workplace.

b. Developing Human Resources as an Effective Lever for Expansion

- **Recruitment:** Actively onboarded new talents at all levels (from BOD and MB to regular employees), particularly in key areas such as investment, digital transformation, and marketing & investor relations. In 2024, TVS recruited 29 new employees (26% of the total workforce).
- **Training:** Intensified in-depth training programs to update knowledge and skills, including diverse online courses on platforms like Udemy, external expert-led workshops on valuation techniques, advanced finance, and portfolio management strategies, etc.. The objective is to prioritize internal promotions over external hiring.
- As a people-centric business where employees are core assets and competitive advantages, TVS is gradually building a corporate culture and human resource strategy to attract, develop, and retain talents.

c. Initial Steps in Building a Broad TVS Brand. However Focus on Meeting Specific Information Needs of Each Investor Segment Is Key and Critical to A Successful IR

- After years of gestation, the Marketing & Investor Relations (IR) Department was established in August 2024.
- Initially, the IR Department focused on marketing to build a general TVS brand for the mass market.

- However, given TVS's positioning as a premium niche merchant bank serving discerning high-end clients and investors, we believe the marketing strategy should be more targeted.
- Furthermore, a professional best-practice IR strategy requires a segmented approach, addressing the specific information needs of each investor segment.
- Therefore, the SB recommends that the MB and Marketing Department adopt industry best practices in Marketing and especially IR strategies.

III. PLANNED ACTIVITIES OF THE SUPERVISORY BOARD FOR 2025

- Supervise the compliance to the Law, the Company Charter, and the AGM resolutions.
- Monitor business operations and financial performance in 2025.
- Collaborate closely with the ICS team to inspect brokerage, investment, capital resources, and other key business activities.
- Work with the Internal Control System (ICS) team to review compliance and ensure efficient management operations.

IV. CONCLUSION AND RECOMMENDATIONS

To address the opportunities and challenges in the Vietnamese securities market in 2025, the SB proposes the following recommendations:

1. Through digital transformation, leverage technology to accelerate growth with a more effective risk management system and optimized cost structure. In particular, aggressively expand the wealth management (eWealth) segment.
2. Apply industry best practices to the Investor Relations (IR) strategy.
3. Design and implement a disciplined cut-loss mechanism to tightly manage investment activities.
4. Professionalize human resource management to attract, develop, and retain talents.
5. Strengthen risk management and internal controls to protect achieved results and maintain TVS' reputation as an efficient, transparent, safe, and trustworthy securities company, aiming to surpass the 14-year record of no negative incidents in 2025.
6. Approve the remuneration for the Supervisory Board in 2025 maintained at VND 600 million.

We sincerely thank the shareholders for your support!

ON BEHALF OF THE SUPERVISORY BOARD
HEAD OF THE SUPERVISORY BOARD

(Signed)

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