



Hanoi, April 28, 2025

**SUPERVISORY BOARD REPORT  
AT THE 2025 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**Pursuant to:**

- *The Enterprise Law No. 59/2020/QH14 issued on June 17, 2020.*
- *The Charter of Organization and Operation of International Investment Trade and Service Joint Stock Company (3rd amendment) approved by the General Meeting of Shareholders on June 28, 2023.*
- *The separate financial statements and consolidated financial statements for 2024 have been prepared by CPA Vietnam Auditing Co., Ltd.*

The Supervisory Board (SB) of International Investment Trade and Service Joint Stock Company (ILS) respectfully submits to the General Meeting of Shareholders (GMS) the results of its inspection and supervision of the Company's operations in 2024 as follows:

**I. ACTIVITIES OF THE SUPERVISORY BOARD:**

In accordance with the 2024 activity plan, the Supervisory Board has carried out inspections and supervised the Executive Board's performance of its duties as per the Annual General Meeting of Shareholders' Resolution. The specific results are as follows:

- Supervised the Board of Directors (BOD) and the General Director Board in complying with the company's Charter, implementing the GMS Resolution, BOD Resolution, and legal regulations in managing and operating business activities.
- Developed and implemented a periodic inspection plan for 6 months and year-end at the unit. Regularly inspected and supervised through provided reports and documents..
- Inspected accounting, project investment, and appraised the company's annual financial statements.
- Through the Capital Management Representative, coordinated with ILS company's internal control department to inspect accounting at subsidiaries.
- Fully participated in all BOD meetings and other tasks within the SB's authority as per the company's charter.
- The SB's inspection and supervision work was carried out regularly through BOD meetings, resolutions, decisions issued by the BOD, and other reporting



documents. Based on the responsibilities assigned according to their professional fields, the SB members have inspected and supervised the Company's operational aspects within their authority.

## **II. RESULTS OF INSPECTION AND SUPERVISION ACTIVITIES**

### **1. Results of supervising the company's operational process and financial activities**

- The Company's operations have complied with the requirements stipulated in the internal governance system. The inspection and review of the company's operational process and financial situation were carried out seriously by the SB, promptly offering recommendations, proposals for amendments, and appropriate solutions

- The SB has reviewed the Financial Statements and agrees with the report on the Company's operational and financial situation presented by the General Director Board and the auditing unit.

### **2. Results of supervision over the activities of the Board of Directors**

- In carrying out tasks according to the annual GMS resolution, the BOD members have properly performed their assigned functions and powers. In 2024, the Company's BOD held 06 centralized meetings, and all BOD members fully participated in the meetings during the year. Accordingly, the BOD made some important decisions as follows:

- Approved quarterly and annual business results, business plan targets, construction investment plan, debt situation, cash flow plan, capital needs, and other contents..

- The BOD approved "opinion forms" for annual GMS meeting documents at subsidiaries and companies with contributed capital; approved business cooperation contracts; approved the list of participants in some project bidding packages and capital borrowing plans from banks (MB Bank, Shinhan Bank, BIDV)

- The BOD approved the change of capital representatives at some subsidiaries and associates, approved some related-party transactions, adjusted the salary levels of senior management, and re-appointed senior leadership positions in the Company

- Regarding the Company's investment projects, the BOD always closely monitored and promptly approved policies and issued regulations on decentralized management of construction investment projects and bidding, contractor selection to ensure projects are implemented effectively and on schedule.

- In addition to the important decisions that have been approved, the BOD also regularly researched and directed the planning of business strategies for the Company, its subsidiaries, and member companies within the ILS system to build the company and the system for proper development and direction.

- The BOD has always paid attention to and closely directed project investment work. The decisions issued by the BOD are consistent with the functions and powers in



the Charter and legal regulations, promptly meeting the operational management of the Company.

### 3. Results of supervision over the activities of the General Director Board

- In 2024, the General Director Board implemented business operations within its assigned authority and responsibility. In addition to effectively operating ICD My Dinh, the General Director Board researched and deployed additional types of commercial business, sought opportunities to expand Logistics operations, and coordinated with units in the system to implement service contracts to increase revenue.

- To resolve financial backlogs from the pre-equitization period, the General Director Board regularly urged and directed the debt collection team to propose solutions and measures to handle old debts. The Company applied various measures against some customers who were unwilling to repay debts. As a result, in 2024, the Company recovered VND 720 million in outstanding debts.

- The General Director Board also revised and issued several internal regulations and procedures to effectively manage the Company's business and governance.

### 4. 2024 Production and Business Performance Results:

The Company's 2024 production and business performance results have been truthfully and validly reflected in the Financial Statements. The Supervisory Board conducted its supervision based on the Company's 2024 separate financial statements and consolidated financial statements audited by CPA Vietnam Auditing Co., Ltd. Specific data is as follows:

*Unit: Million VND*

No	Indicator	2024 Plan according to Shareholders' Meeting Resolution		2024 Actual		Completion Rate (%)	
		Parent	Consolidated	Parent	Consolidated	Parent	Consolidated
A	B	1	2	3	4	5=3/1	6=4/2
1	Total Revenue	118,696	238,081	171,806	206,758	145%	87%
2	Total Expenses	116,563	226,891	158,753	189,042	136%	83%
3	Profit before tax	2,133	11,189	13,053	17,716	612%	158%
4	Net profit after tax	2,133	9,357	13,053	16,476	612%	176%

In 2024, according to the Company's separate financial statements: Total revenue was VND 171.8 billion, reaching 145% of the plan. Total expenses were VND 158.7 billion, reaching 136% of the plan.

Profit after tax was VND 13 billion, reaching 612% of the plan. As of December 31, 2024, ILS had fully provisioned for all doubtful receivables from before the equitization period, totaling VND 54 billion.

### **III. IMPLEMENTATION OF GENERAL MEETING OF SHAREHOLDERS RESOLUTION AND BOARD OF DIRECTORS RESOLUTION**

#### **1. Investments made in 2024**

##### ***1.1. Project Investment:***

In 2024, the Company invested VND 22.704 billion in projects. This primarily included land clearance compensation, funds for protecting and developing rice cultivation land, interest payments on loans, and project management costs.

According to Notice No. 1440/TB-BQLKKT dated September 14, 2023, of the Management Board of the Economic Zone of Cao Bang Provincial People's Committee, regarding the termination of the Logistics Center Construction Investment Project in Tra Linh district (now Trung Khanh district), Cao Bang province, the Company adjusted down the investment cost of the Logistics Center Construction Investment Project in Tra Linh, Cao Bang by VND 2.381 billion in 2024.

##### ***1.2. Capital Contribution and Divestment (increase, decrease in charter capital, new establishment):***

- As of December 31, 2024, the total investment value in subsidiaries, associates, and other capital contributions was VND 276.4 billion, with a provision for investments amounting to VND 26.1 billion.

- In 2024, the Company purchased an additional 141,910 shares issued by ASG Group Joint Stock Company.

##### ***1.3. Asset Increase and Decrease Situation:***

- During the year, the Company invested in 01 7-seater car, container shells, and some other assets to serve business operations.

- Liquidation of assets: 01 4-seater car with an original cost of VND 1.142 billion, a depreciated value of VND 1.142 billion, and a liquidation value of VND 265.4 million.

**\* Results of investment work execution according to the General Meeting of Shareholders Resolution are as follows:**

*Unit: Million VND*

STT	Category	2024 Plan	2024 Actual	Completion Rate (%)
1	Financial Investment	47,544	1,419	2.98%
2	Project Investment	201,319	22,704	11.28%
3	Major Repair Investment	25,300	860	3.40%



4	Asset Investment	1,500	1,423	94.87%
5	Provision	3,000	0	
	<b>Total</b>	<b>278,663</b>	<b>26,406</b>	<b>9.48%</b>

The result of investment work execution in 2024 only reached 9.48% compared to the plan, as after balancing capital sources and considering the effectiveness of options, the company temporarily did not implement investment items as planned .

**\* State Capital Divestment Plan Implementation:**

The Hanoi People's Committee issued Official Letter No. 4280/UBND-KTTH dated December 19, 2024, on implementing the plan for state capital divestment invested in enterprises under the Hanoi People's Committee for the period until the end of 2025. Accordingly, International Investment Trade and Service Joint Stock Company will divest all state-invested capital in Q3/2025.

The Hanoi Department of Finance issued Official Letter No. 8198/STC-TCDN dated December 26, 2024, guiding the process of transferring state capital invested in enterprises under the Hanoi People's Committee for the period until the end of 2025 .

As per ILS's request, the Department of Finance agreed to select Vietnam Auditing and Valuation Co., Ltd. (VAE) as the consulting unit to determine the starting price for state capital transfer at ILS, replacing IVC Valuation Company, as the latter requested not to continue participating in valuation consulting for ILS.

Currently, consulting units are deploying work on schedule. The valuation certificate and capital transfer plan, once completed, will be submitted to competent authorities for approval and divestment procedures will be carried out in accordance with legal regulations .

## **2. Other tasks approved at the General Meeting**

### ***2.1. Selection of Audit Unit:***

After the Annual General Meeting of Shareholders approved the list of audit units for the 2024 financial statements, the Supervisory Board held a meeting to review the capabilities and evaluate the criteria of several units. Among them, CPA Vietnam Auditing Co., Ltd. is on the list of audit firms approved by the State Securities Commission and meets the requirements for scope, progress, and quality of audit. Therefore, the SB unanimously proposed to the Board of Directors and the General Director Board to select CPA Vietnam Auditing Co., Ltd. to audit the Company's 2024 financial statements.

### ***2.2. Payment of Remuneration to the Board of Directors and Supervisory Board***

The 2024 General Meeting of Shareholders Resolution approved the remuneration level for the members of the Board of Directors and the Supervisory Board of the Company with a total remuneration of VND 552 million. The Company paid remuneration to the Board of Directors and the Supervisory Board in accordance with the limits approved by the Annual General Meeting of Shareholders .



### **3. Coordination of activities between the Supervisory Board, the Board of Directors, and the General Director Board**

Over the past year, the Supervisory Board regularly participated in BOD meetings and briefings with units in the system. All Minutes, Resolutions, and Decisions of the BOD were sent to the SB fully and promptly. The SB's requests for information related to management and business activities were fully met. The SB has performed its functions, duties, and powers as stipulated in the company's Charter, the Enterprise Law, and relevant regulations. The BOD and the General Director Board always coordinated closely with the SB; functional departments coordinated and created conditions for the SB to perform its duties well .

#### **IV. SUPERVISORY BOARD'S ACTIVITY PLAN FOR 2025**

In 2025, the Supervisory Board will continue to perform its professional functions to best carry out its assigned tasks. The SB develops the 2025 plan as follows :

1. Periodically review and inspect financial accounting work every 6 months, examine the Company's business operation reports, and promptly make recommendations and proposals.
2. Prepare a 6-month control report to be sent to the BOD and an annual report to be sent to the Annual General Meeting of Shareholders .
3. Carry out control as requested by the BOD or a group of shareholders as stipulated in the Company Charter .
4. Coordinate with the Company's internal control department and capital representatives at units to participate in inspecting and supervising the production and business situation at subsidiaries according to the plan .
5. Appraise financial statements, evaluate management work, and the situation of capital utilization at the company and companies with ILS's contributed capital. .
6. Supervise the BOD and the General Director Board in complying with legal regulations, the Company Charter, and the 2025 GMS Resolution .

#### **V. COMMENTS AND RECOMMENDATIONS**

In 2024, the Company's Executive Board made efforts to recover long-outstanding debts, however, the debt recovery results were not high. The Company is implementing investment projects, and capital sources are limited, so the recovery of outstanding debts is extremely urgent. It is proposed that the Company's Executive Board research and apply debt recovery methods to achieve results as soon as possible.

After reviewing the reports and the results of inspection and supervision, the SB found that the policies of the Board of Directors complied with the GMS Resolution and the internal regulations on Corporate Governance. The Board of Directors and the General Director Board of the company are always responsible and diligent in operating general activities. Investment work and project implementation are carried out in accordance with authority and investment procedure regulations. All production and business activities of the Company are in line with the strategic orientation approved by the General Meeting of Shareholders.

ILS is a public company, so it always fully complies with regulations on information disclosure and periodic reporting to the Hanoi Stock Exchange, ensuring that the company's business activities are reported transparently and promptly, creating trust for shareholders.

Respectfully request the General Meeting of Shareholders to consider and approve the reports of the Supervisory Board, and simultaneously approve the Company's 2024 business results presented at the General Meeting.

Respectfully submitted!

***Recipients:***

- Shareholders;
- BOD;
- Save: SB, BOD Secretary.

**ON BEHALF OF THE  
SUPERVISORY BOARD  
Head of Board**



**Ngo Thi Hoang Yen**