

(DRAFT)

*Hanoi, March 24, 2026*

**REPORT OF THE BOARD OF SUPERVISORS  
ON: THE COMPANY'S BUSINESS PERFORMANCE, THE PERFORMANCE OF  
THE BOARD OF DIRECTORS AND THE GENERAL DIRECTOR, AND THE  
ASSESSMENT OF THE PERFORMANCE OF THE BOARD OF SUPERVISORS  
AND ITS MEMBERS**

**To all Shareholders!**

*Pursuant to the Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on June 17, 2020; and Law No. 76/2025/QH15 dated June 17, 2025 amending and supplementing a number of articles of the Law on Enterprises No. 59/2020/QH14;*

*Pursuant to the Law on Securities No. 54/2019/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on November 26, 2019; and Law No. 56/2024/QH15 dated November 29, 2024 amending and supplementing a number of articles of the Law on Securities No. 54/2019/QH14 and certain other laws;*

*Pursuant to the Charter on Organization and Operation and the Operating Regulations of the Board of Supervisors of the Railway Transport Joint Stock Company approved by the General Meeting of Shareholders on December 6, 2024;*

*Pursuant to the 2025 Financial Statements audited by UHY Audit and Consulting Company Limited;*

The Board of Supervisors respectfully reports to the General Meeting of Shareholders on the Company's business performance, the performance of the Board of Directors and the General Director, and provides an assessment of the performance of the Board of Supervisors and its Supervisors as follows:

**1. Report on remuneration, operating expenses, and other benefits of the Board of Supervisors and its members.**

**1.1. Remuneration of the Board of Supervisors and its members.**

- The Board of Supervisors is entitled to benefit salaries, remuneration, and bonuses in accordance with the Charter on Organization and Operation, the Operating Regulations of the Board of Supervisors, and the Regulations on salaries, remuneration, and bonuses applicable to managers of the Railway Transport Joint Stock Company.

- The total salary and remuneration fund of the Board of Supervisors paid in 2025 amounted to **VND 491,051,892** (*In words: Four hundred ninety one million fifty-one thousand eight hundred ninety two Vietnamese Dong only*). The Board of Supervisors consists of 03 members (*01 full-time member and 02 part-time members*).

- The payment of salaries and remuneration to the Board of Supervisors in 2025 was carried out fully, promptly, and in compliance with the applicable laws, the Company's Charter, internal regulations, and directives from higher authorities.

**1.2. Operating expenses of the Board of Supervisors and other benefits**

- To maximize cost savings and set an example in thrift practice and waste prevention, from the time of consolidation (*November 1, 2024*), the Board of Supervisors decided not to

establish a separate operating budget. All operating expenses of the Board of Supervisors are implemented in strict compliance with the Company's internal regulations, ensuring the transparency, simplicity, and cost efficiency.

## **2. Summary report on meetings of the Board of Supervisors and its conclusions and recommendations.**

- In 2025, the Board of Supervisors held 02 periodic meetings to implement its regular duties.

- At the first periodic meeting of the Board of Supervisors (*meeting Minutes of the Board of Supervisors dated March 17, 2025*), the Board of Supervisors reviewed and approved: 1/ The report of the Board of Supervisors on the Company's business performance, the performance of the Board of Directors and the General Director, and the assessment of the performance of the Board of Supervisors and its Supervisors for submission to the 2025 Annual General Meeting of Shareholders (*Report dated March 10, 2025*); 2/ Proposals of the Board of Supervisors related to certain operational areas of the Company (*Proposal dated March 10, 2025*); 3/ Key tasks for the Quarter II/2025 and the last six months of 2025 to be implemented by members of the Board of Supervisors.

- At the second periodic meeting of the Board of Supervisors (*meeting Minutes of the Board of Supervisors dated April 17, 2025*), the Board of Supervisors reviewed and approved: 1/ Reports on the implementation of duties and difficulties and obstacles encountered by members of the Board of Supervisors; 2/ The supervision of the implementation of the production and business plan in accordance with the Resolution of the 2025 Annual General Meeting of Shareholders; key tasks for the remaining months of 2025; and opinions and recommendations of the Board of Supervisors to the Board of Directors and the Executive Board in the course of performing its supervisory function over the management activities of the Board of Directors and the executive management of the Executive Board in accordance with the Law on Enterprises and the Company's Charter.

- All meetings of the Board of Supervisors were fully documented and duly signed by all members, ensuring adherence to the principles of democratic centralism, unity, and collective wisdom. Recommendations and proposals of the Board of Supervisors were discussed openly, transparently, and democratically, ensuring high internal consensus before being submitted to the Board of Directors, the General Director, and other executives.

### **3. Report on the results of supervision over operational and financial performance**

#### **3.1. Report on the results of supervision over the Company's operations**

##### **3.1.1. Implementation of targets compared with the plan approved by the General Meeting of Shareholders (details in Appendix No. 02).**

- Under the leadership of the Board of Directors and the Executive Board, the Company made significant efforts to synchronously implement solutions to promote production and business activities and improve service quality. Total revenue in 2025 reached **VND 5,220.274 billion**, equivalent to 99.15% of the plan approved by the General Meeting of Shareholders; profit after tax reached **VND 61.427 billion**, equivalent to 243.06% of the plan (*the 2025 Annual General Meeting of Shareholders set a profit after tax target of VND 25.276 billion*).

- **Regarding freight transport business:** In addition to maintaining regular dedicated freight train services, taking good care of traditional customers and prioritizing key customers to ensure a stable source of freight transport revenue throughout the year, the Company successfully implemented the operation of trains using end-of-train devices for fast freight trains

H<sub>9/10</sub> and H<sub>15/16</sub>, contributing to an increase in the number of loaded wagons in train formations, saving train conductor labor, reducing wagon repair costs, and increasing freight transport revenue, while even creating a surplus of conductor wagons available for lease to partner companies when needed.

Under the decisive direction of the leadership of Vietnam Railways Corporation, numerous effective train operation measures were successfully applied to both passenger and freight trains, demonstrating intelligence, determination, decisiveness, and a strong commitment to innovation in management and operation, such as the successive train operation method (*Phu Hiep – Hao Son section*), which effectively alleviated congestion and increased line capacity during storm and flood conditions that disrupted the main line. Although these measures were applied for only a short period, they were of great significance as they set a precedent for handling similar situations in the future, representing sound decisions that only leaders with the courage to think, act, and innovate would undertake.

- **Regarding passenger transport business:** New products introduced in 2024 continued to be maintained and performed stably in 2025. In 2025, the Company intensified and decisively directed the rapid turnaround of trainsets to achieve double-digit growth targets. Rapid trainset turnaround is a measure that requires a very high level of safety and directly contributes to increasing output revenue, improving labor productivity, and enhancing efficiency in passenger transport business, requiring the concerted efforts and unity of all officers, employees, and workers across the entire Company.

In addition, the Company cooperated with business partners to develop and launch many new outstanding products, bringing both business efficiency and strong media impact to the railway sector, such as the “Red Flamboyant” (*Hoa Phuong Do*) train on the Hanoi – Hai Phong line, the “Journey to the Land of Martial Arts” tourist train on the Dieu Tri – Quy Nhon section, and the “*Hanoi Five Gateways*” train on the Hanoi – Tu Son section. These products, since their launch, have created a hot trend that has completely transformed the image of the railway sector in general and the Company in particular in the perspective of the media and the public, contributing to the award of “*Best Passenger Transport Enterprise in Tourism in 2025*,” which the railway sector was honored to receive for the first time.

To effectively fulfill social welfare responsibilities, immediately after the Party and the State implemented the consolidation of administrative units under the two-tier government model, the Company organized the operation of the HP<sub>15/16</sub> train pair on the Hai Duong – Hai Phong section, facilitating convenient daily commuting and work for officers, employees, and workers. With the support and favorable conditions provided by ministries, agencies, and the leadership of Vietnam Railways Corporation, the Company adopted the policy that these train services would not prioritize business and profit objectives but would primarily contribute to social welfare, fulfilling a challenging yet noble mission entrusted by the Party and the Government to the railway sector, as not all enterprises possess the capacity, resources, and determination to undertake such responsibilities, especially under increasingly difficult transport business conditions.

From May 25, 2025, the Company resumed operation of the international intermodal passenger train pair MR<sub>1/2</sub> (*Gia Lam – Nanning*) after a five-year suspension, contributing to strengthening solidarity and friendship between our country and neighboring countries. The restoration of the MR<sub>1/2</sub> international intermodal passenger train is of great significance at a time when the Party, the Government, and the National Assembly are focusing resources on

major railway projects such as the Lao Cai – Hanoi – Hai Phong Railway Project and the North–South High-Speed Railway Project, representing a substantial effort by the Company to keep pace with contemporary development trends.

### **3.1.2. Investment and development activities and other operational matters**

- Investment projects were developed and implemented in compliance with applicable laws and the Company's internal regulations.

- The management, maintenance, and operation of railway wagons were basically carried out fully and in accordance with prescribed procedures, promptly meeting production and business requirements. These contents have been reflected in the Company's management reports; therefore, the Board of Supervisors does not reiterate them in this report.

- Efforts to improve the quality of rolling stock, customer service attitude, prevention of ticket and freight touting, safety and security, and sanitation have been significantly enhanced, thereby improving the reputation and image of the railway sector in the perspective of the public and international partners.

## **3.2. Report on the supervision results over the Company's financial situation**

### **3.2.1. Financial position and assessment of key financial indicators of the Company as at December 31, 2025 (Details in Appendix No. 01).**

#### **3.2.1.1. Selected indicators assessing profitability in 2025**

Gross profit margin = Gross profit / Net revenue = 453,427,808,031 / 5,163,750,607,102 = 0.0878 times (8.78%)

Net profit margin = Profit after tax / Net revenue = 61,427,897,551 / 5,163,750,607,102 = 0.0119 times (1.19%)

Return on equity = Profit after tax / Equity = 61,427,897,551 / 746,909,265,266 = 0.0822 times (8.22%)

*\*Assessment: All profitability indicators are positive and show a strong improvement compared to 2024. The improvement in gross profit margin (8.78%) and ROE (8.22%) indicates that the Company is effectively controlling cost of goods sold and optimizing the efficiency of shareholders' equity utilization.*

#### **3.2.1.2. Selected indicators assessing liquidity as at December 31, 2025**

Overall solvency ratio = Total assets / Total liabilities = 2,314,273,207,311 / 1,567,363,942,045 = 1.476 times

Current ratio = Current assets / Current liabilities = 722,588,187,744 / 991,776,640,968 = 0.728 times

Quick ratio = (Current assets – Inventories) / Current liabilities = (722,588,187,744 – 150,699,014,854) / 991,776,640,968 = 0.576 times

*\*Assessment: The current ratio stands at 0.728 times. The Company's current liabilities exceed current assets mainly due to payables to suppliers, prepaid expenses, and unearned revenue. Although overall solvency remains at a safe level (1.476 times), the Executive Board should continue to effectively manage short-term cash flows in accordance with Article 9 of the Financial Management Regulation to ensure smooth cash circulation.*

#### **3.2.1.3. Selected leverage and operating indicators**

Debt-to-equity ratio = Total liabilities / Equity = 1,567,363,942,045 / 746,909,265,266 = 2.098 times

*\*Assessment: The debt-to-equity ratio decreased to 2.098 times (down from 2.39 times in the previous year). This reduction in financial leverage helps mitigate business risks. This*

*ratio remains within the permitted threshold (not exceeding 3 times) in accordance with state regulations on capital management and utilization.*

*Inventories decreased to VND 150.69 billion (down from VND 177 billion at the beginning of the year), indicating more effective inventory clearance and reduced capital stagnation.*

### **3.2.2. Appraisal of the 2025 financial statements**

- Based on the Company's 2025 financial statements (*audited*), the Board of Supervisors has reviewed and reached the following conclusions:

- The 2025 Financial Statements, including the Balance Sheet, Income Statement, Cash Flow Statement, and Notes to the Financial Statements, were prepared in accordance with current Vietnamese Accounting Standards and Regulations; the system of accounting documents and books has been properly established, recorded, and maintained in compliance with applicable requirements.

- The Financial Statements fairly, accurately, and reasonably reflect the Company's financial position, business performance, and overall cash flows for 2025.

- Compliance with accounting practices and reporting requirements has been ensured in accordance with the Law on Accounting No. 88/2015/QH13 of the National Assembly of the Socialist Republic of Vietnam; Circular No. 200/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance guiding the corporate accounting regime; and Circular No. 53/2016/TT-BTC dated March 21, 2016 amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC dated December 22, 2014 (*although Circular No. 99/2025/TT-BTC dated October 27, 2025 of the Ministry of Finance guiding the corporate accounting regime has been issued, it only takes effect for financial years beginning on or after January 1, 2026. Therefore, the Company's preparation of the 2025 financial statements in accordance with Circular No. 200/2014/TT-BTC is entirely appropriate in terms of timing*).

- Periodic reporting and information disclosure, as well as disclosures upon request of the State Securities Commission (SSC), the Vietnam Securities Depository (VSD), and the Hanoi Stock Exchange (HX), have been carried out in compliance with the regulations applicable to listed companies.

- The Company notes several matters as follows: Potential changes in terms of land lease expenses subject to official notifications from the tax authority; Issues relating to the going concern assumption due to total current liabilities exceeding total current assets and accumulated losses as at December 31, 2025; and ongoing disputes and litigation with Y Minh Transport and Trade Co., Ltd.

### **4. Report on the assessment of transactions between the Company, its subsidiaries, and companies in which the public company holds more than 50% of charter capital, with members of the Board of Directors, the General Director, other executives, and their related persons.**

- The Company did not conduct transactions subject to reporting under Clause 4, Article 290 of Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government detailing the implementation of a number of articles of the Law on Securities.

- The Company has strictly complied with Article 41 of the Company's Charter. Transactions with related parties, particularly with Vietnam Railways Corporation and affiliated entities within the railway sector, have been fully and clearly disclosed in the Notes to the

Financial Statements, ensuring transparency, with no transactions giving rise to conflicts of interest or violations of law.

## **5. Results of supervision over the Board of Directors, the General Director, and other executives of the Company.**

### **5.1. Results of supervision over the Board of Directors.**

- In 2025, the Board of Directors convened meetings and adopted numerous decisions in accordance with the provisions of the Company's Charter; it issued various Resolutions and Decisions related to the Company's operations within its authority and responsibilities. Such Resolutions and Decisions were promulgated in compliance with proper procedures, authority, and applicable legal grounds. The Board of Supervisors assesses that the activities of the Board of Directors were fully compliant with legal regulations and the Company's Charter, meeting the requirements of production and business operations as well as matters requiring approval by the Board of Directors in accordance with the delegation framework.

- The Board of Directors effectively performed its supervisory function over the Executive Board in implementing the Resolutions of the General Meeting of Shareholders and in all aspects of the Company's production and business activities; it closely coordinated with the Executive Board in directing and managing operations to achieve the targets set out in the 2025 business plan approved by the General Meeting of Shareholders.

- In respect of areas under its authority, the Board of Directors demonstrated proactiveness and strong engagement. Key and urgent issues in management and production and business activities were addressed in a systematic, coherent, and timely manner.

### **5.2. Results of supervision over the General Director.**

- The General Director fully implemented the Resolutions and Decisions of the Board of Directors, introduced comprehensive and timely solutions to address issues arising during production and business operations; proactively reviewed and adjusted the revenue–expenditure balance plan for 2025; developed measures to increase revenue, reduce costs, and promote thrift and anti-waste practices; ensured that investment projects were developed and implemented in compliance with applicable laws and internal regulations; and consistently exercised close, decisive, and dedicated leadership with a strong focus on operational efficiency.

- Regarding financial and accounting matters within the authority of the General Director: the General Director strictly complied with State regulations on finance, accounting, and taxation; completed financial statements and audit reports and conducted information disclosure in accordance with deadlines and regulations; effectively managed financial governance and debt collection; and carried out the liquidation of damaged assets, materials, and spare parts to increase revenue while avoiding the occupation or waste of railway infrastructure.

- Regarding human resources and labor management: the General Director implemented the labor utilization plan approved by the Board of Directors, ensuring efficiency, cost savings, and improved labor productivity; effectively implemented the job-based salary scheme, ensuring compliance with policies and that the average income of employees in 2025 exceeded the target set by the General Meeting of Shareholders.

### **5.3. Results of supervision over other executives of the Company**

- Based on assigned responsibilities, in the view of the Board of Supervisors, the Deputy General Directors and the Chief Accountant have demonstrated high levels of proactiveness and responsibility in directing and managing production and business operations. In particular,

those based in the Ho Chi Minh City area overcame difficulties arising from geographic distance from their families to contribute to the overall achievements of the Company.

## **6. Coordination assessment results among the Board of Supervisors, the Board of Directors, the General Director, and shareholders**

### **6.1. Coordination assessment results between the Board of Supervisors and the Board of Directors**

- The Board of Supervisors was invited to attend all meetings of the Board of Directors and was able to present its views and proposals in an open, equal, and democratic manner.

- The Board of Supervisors was facilitated by the Board of Directors in accessing relevant sources of information and documents; its inquiries and concerns were addressed with full, responsible explanations and exchanges.

### **6.2. Coordination assessment results between the Board of Supervisors and the General Director**

- The Board of Supervisors was invited to attend all meetings chaired by the General Director where additional information was required; at the same time, the Board of Supervisors received recognition and respect from the General Director for its proposals.

- The General Director created favorable conditions for the Board of Supervisors to implement its plans and work programs. There has been regular communication and close coordination between the General Director and the Board of Supervisors based on the spirit of unity, support, trust, and mutual assistance.

### **6.3. Coordination assessment results between the Board of Supervisors and shareholders**

- Shareholders have demonstrated cooperation and respect toward the activities of the Board of Supervisors. The Board of Supervisors has not encountered any difficulties in accessing information.

## **7. Self-assessment report on the performance of the Board of Supervisors and its members**

- The Board of Supervisors consists of 03 members, including 01 full-time Head of the Board of Supervisors and 02 part-time members. The Board operates under the principles of democratic centralism and individual accountability. Each member of the Board of Supervisors is individually responsible for assigned duties and collectively responsible before the General Meeting of Shareholders and before the law for the activities and decisions of the Board of Supervisors.

- Based on the Charter on Organization and Operation and the Operating Regulations of the Board of Supervisors approved by the General Meeting of Shareholders, the Supervisors, according to their assigned areas, have proactively worked in a spirit of unity, cooperation, equality, and mutual respect. The Board of Supervisors has made important contributions, frankly and proactively proposing recommendations to the Board of Directors and the Executive Board, including differing viewpoints when necessary, with the ultimate objective of enhancing operational efficiency and improving employees' income and living standards. In terms of coordination, as mentioned above, the Board of Supervisors has maintained effective collaboration with the Board of Directors, the General Director, and other executives to fulfill all assigned duties.

- A notable highlight in the activities of the Board of Supervisors in 2025 is the successful and strong application of artificial intelligence (AI) in analytical reports as well as

appraisal reports of the Board of Supervisors, not only in the field of finance and accounting but also across all areas of the Company's production and business operations.

### **8. Recommendations of the Board of Supervisors**

The proposals of the Board of Supervisors, whether presented directly or in writing, have generally been acknowledged and promptly addressed by the Board of Directors and the Executive Board. These proposals have been fully documented and archived in the records of the Board of Supervisors in accordance with legal regulations and the Company's Charter. The role, voice, and position of the Board of Supervisors have increasingly been respected and strengthened.

This is the report of the Board of Supervisors submitted to the 2026 Annual General Meeting of Shareholders. With the positive impact and favorable public perception generated by new products for the railway sector in general and the Railway Transport Joint Stock Company in particular, together with the determination and growth momentum achieved in 2025, the Board of Supervisors is confident that the Railway Transport Joint Stock Company will achieve a year of innovation and growth in 2026, and, with unity, overcome all challenges to accomplish its double-digit growth targets.

Sincerely thank you for your regards./.

***Recipients:***

- Vietnam Railways Corporation (for reporting);
- Board of Directors;
- Executive Board (for coordination);
- Archived: Administration, Board of Supervisors.

**FOR AND ON BEHALF OF THE  
BOARD OF SUPERVISORS**  
*(Insert full name and seal)*

**Vuong Phuong Thao**

## Appendix No. 01: FINANCIAL ANALYSIS INDICATORS FOR 2025

No.	Indicator	Unit	2025	Notes
<b>I.</b>	<b>Liquidity</b>			
1	Current ratio	Times	0.728	The Company should pay attention to cash flow balancing to meet short-term obligations
2	Quick ratio	Times	0.576	Pressure on debt repayment at maturity requires close management
<b>II.</b>	<b>Capital structure</b>			
1	Debt-to-total assets ratio	Times	0.677	Liabilities account for approximately 67.7% of total capital, maintaining a safety margin
2	Debt-to-equity ratio	Times	2,098	Within the safe threshold as prescribed by the State (< 3 times)
<b>III.</b>	<b>Operating efficiency</b>			
1	Inventory turnover	Turns	28.74	Excellent material/goods turnover during the year
2	Total asset turnover	Turns	2.22	Each VND of average total assets generates VND 2.22 of net revenue
<b>IV.</b>	<b>Profitability</b>			
1	Net profit margin	%	1.19%	Impressive recovery in profitability
2	Return on equity (ROE)	%	8.22%	Good return on shareholders' equity
3	Return on assets (ROA)	%	2.65%	Efficient asset management and utilization

## Appendix No. 02

## PERFORMANCE OF KEY INDICATORS COMPARED WITH THE 2025 BUSINESS PLAN

No.	Indicator	Unit	Plan	Actual	Comparison (%)
I	Key output (converted ton-km)	1,000 tons/km	6,030,602	5,845,083	96.92%
II	Total revenue	Million VND	5,264,934	5,220,274	99.15%
1	Revenue from sales and services	Million VND	5,209,934	5,163,750	99.11%
2	Financial income	Million VND	10,000	10,986	109.86%
3	Other income	Million VND	45,000	45,538	101.20%
III	Total expenses	Million VND	5,239,658	5,158,848	98.46%
1	Production and business expenses	Million VND	5,181,658	5,099,577	98.42%
2	Financial expenses	Million VND	56,500	55,006	97.36%
3	Other expenses	Million VND	1,500	4,265	284.33%
IV	Profit before tax	Million VND	25,276	61,426	243.02%
V	Profit after tax	Million VND	25,276	61,426	243.02%
VI	Profit/average charter capital ratio	%	1.94%	4.71%	243.02%
VII	Profit/average equity ratio	%	3.62%	8.58%	236.89%
VIII	Dividend payout ratio	%	Due to offset losses from previous years		
IX	Total state budget contributions	Million VND	525,840	432,875	82.32%
X	Total salary fund (employees)	Million VND	808,238	943,172	116.69%
XI	Labor	Person			
1	Headcount as at December 31, 2025	Person		4,702	
2	Average monthly workforce	Person	4,983	4,755	95.42%
XII	Average salary	Thousand VND/person/month	13,516	16,529	122.29%
XIII	Charter capital	Million VND	1,303,689	1,303,689	100.00%

## Notes:

+ Item 1, Section II and Item 1, Section III in the Plan column exclude internal revenue and expenses (transport charges and cost of goods sold).

+ Item 3, Section II and Item 3, Section III in the Plan column exclude the value difference from the liquidation and sale of fixed assets.