

No: 05 /BC - BKS

Ha Noi, April 04, 2025

**AUDIT REPORT OF THE SUPERVISORY BOARD ON BUSINESS RESULTS
OF THE COMPANY, THE PERFORMANCE OF THE BOARD OF DIRECTORS, THE
BOARD OF MANAGEMENT**

To: General Meeting of Shareholders – PetroVietnam Securities Inc.

Based on the report on business results, audited financial statements, report on activities of the Board of Directors (BOD), Board of Management in 2024 and the plan for 2025, the Supervisory Board shall submit to the General Meeting of Shareholders in 2025 the Report on the evaluation of the company's business results, the results of the Board of Directors and the Board of Management as follows:

1. ABOUT BUSINESS RESULTS IN 2024

Based on the Financial Statements audited by AASC Auditing Firm Co., Ltd., in our opinion, the Financial Statements have honestly and reasonably reflected the material aspects of the Company's financial position as at December 31, 2024, as well as the operating results, cash flow and equity fluctuations for the fiscal year ending on the same date, in accordance with the Accounting Standards, the Accounting Regime of Vietnam applicable to securities companies and legal regulations related to the preparation and presentation of corporate financial statements.

1. General assessment of the company's business situation:

- In the fiscal year 2024, PetroVietnam Securities Inc. has maintained a stable profit, reaching **VND 33.17 billion** in profit before tax, an increase of about **7.4%** compared to 2023. This result shows that the company is capable of generating profits from its core operations despite facing stock market volatility and macroeconomic factors.
- **Revenue:** The company has had stable revenue from brokerage services and securities operations, however, the increase in expenses (including interest expenses and other financing expenses) has somewhat reduced the company's net profit.
- **Expenses:** Financial expenses, especially interest expenses, have increased significantly over the past year, which reflects an increase in corporate borrowing to maintain business and investment. This increase in expenses needs to be carefully managed to avoid negatively impacting future profits and cash flows.
- The company's total assets reached **VND 2,598 billion** as of December 31, 2024, a sharp increase compared to the previous year (VND 2,254 billion), showing the growth in the company's scale and efficiency.
- Short-term financial assets had significant growth, with a total value of **VND 2,457 billion** (up from VND 2,157 billion in 2023).

- Receivables decreased slightly, but there are still some long-term receivables that have not been recovered.

Notes on the Company's cash flow

- The company continues to record a strong increase in the proceeds from the sale of brokerage securities to customers (VND 66.996 billion in 2024, a significant increase compared to VND 14.37 billion in 2023), which shows that the company's brokerage activities are expanding and attracting many customers. However, the expense spent on buying brokerage securities for customers and the costs associated with securities trading have also increased accordingly, indicating that the company is facing fierce competition and high costs in the current business environment.
- Cash flow from financial activities improved with positive net cash flow (VND 234.05 billion), mainly thanks to the company's increased borrowing. However, it should be noted that relying on borrowing to stay afloat can lead to risks in terms of interest expense and future repayment.
- Net cash flow from business activities in 2024 reflects that the company is having to spend more in operating activities, including interest expenses, financial investment expenses, and working capital changes. Cash flow from operating activities needs to improve to ensure long-term financial stability.
- The company's cash and cash equivalents at the end of 2024 reached VND 476.65 billion, up from VND 353.65 billion at the beginning of the year. This shows that the company maintains a fairly good level of liquidity, sufficient to meet short-term financial obligations and is able to pay for activities in the following year.

2. REVIEW OF TRANSACTIONS WITH RELATED PERSONS

Reporting on transactions between companies, subsidiaries or companies under the control of more than 50% of charter capital by a public company and members of the Board of Directors and related persons of such members; transactions between companies and companies in which members of the Board of Directors are founding members or managers of enterprises in the last 03 years before the time of transaction: No case of non-compliance with transactions between the Company and related persons is detected as prescribed.

3. EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT

1. On the results of the operation of the Board of Directors and the Board of Management:

1.1. Board of Directors

- **Functions and duties of the BOD**
 - The Board of Directors has fully fulfilled its responsibilities in accordance with the law, ensuring the effective supervision of the operation of the Board of Management and functional departments of the company.
 - The decisions of the Board of Directors are approved with the full participation of members, ensuring transparency and legality in financial and governance decisions.
- **Strategy and management**

- The BOD has oriented the development of the company with a sustainable strategy and taken the right steps in growing assets as well as expanding the investment portfolio.
- However, it is necessary to pay attention to some unrecoverable receivables, affecting the company's liquidity in the short term.

1.2. *Board of Management*

In the context of the global economic situation as well as the stock market in the world experiencing many fluctuations, the Board of Management of the company has made many efforts and basically completed the business targets in 2024, specifically:

- Revenue in 2024 reached VND 347.3 billion, completing 116% of the 2024 plan.
- The Company's profit before tax reached VND 33 billion, completing the plan in 2024.
- The financial safety ratio as of December 31, 2024, reached 204% (higher than the minimum prescribed rate of 180% of the SSC).

1.3. *The coordination of activities between the Supervisory Board and the activities of the BOD and BOM.*

In 2024, the Supervisory Board regularly exchanges work via email, phone call and other means to ensure that it always provides timely advice and support to the Board of Directors and the Board of Management in order to achieve the highest efficiency in evaluating the supervisory work from time to time, review the progress of implementing the Company's plans, supervise the compliance with the Resolution of the General Meeting of Shareholders as well as the observance of internal regulations and legal provisions of the Board of Directors and the Board of Management in the management and administration of the implementation of tasks in 2024.

On the basis of the documents and information provided by the BOD, BOM, the Supervisory Board continues to inspect, supervise and recommend the implementation of necessary changes at PSI to contribute to increasing the efficiency of risk management activities and improving the quality of corporate governance.

2. **Shortcoming**

In 2024, besides the encouraging results, PSI still has some limitations to strive for in the coming time as follows:

- One of the challenges in the past year has been the management of receivables, especially long-term receivables and some unrecoverables. The company needs to take measures to mitigate the risk of late collection of these debts.
- The Board of Directors needs to continue to improve asset management, ensure the highest efficiency of the company's investments, and minimize unnecessary costs.
- Although PSI has implemented a number of new technology solutions such as digital transaction centers and online financial services, the company's technology infrastructure may still not fully meet the requirements of speed and scalability in the context of the strong development of the digital securities industry
- PSI has specific development strategies, but the company's market share in the securities industry is still limited. This can make it difficult for the company to attract new customers and retain existing customers.

4. RECOMMENDATIONS OF THE SUPERVISORY BOARD

In order to strengthen the management and supervision of the BOD and the management of the BOM, in 2025, the Supervisory Board has a number of recommendations as follows:

- The company needs to find ways to optimize costs related to business operation, especially interest expenses and financial expenses. Increasing debt collection and minimizing unnecessary expenses will help the company improve cash flow from business operations.
- Strengthen supervision in financial investments, in order to achieve high efficiency and limit financial risks.
- Improve service quality, meet market demand, develop new products to increase the Company's market share.
- Strengthen coordination in inspection and audit, between the Supervisory Board and the Internal Audit Department, to control risk, in order to ensure independence, objectivity and efficiency in inspection and auditing.

The above is a report on the evaluation of the company's business results, the operating results of the Board of Directors and the Board of Management to be submitted to the Annual General Meeting of Shareholders in 2025.

Respectfully!

Recipients:

- 2025 General Meeting of Shareholders
- BOD, BOM (to pub.)
- Archive.

O/B. SUPERVISORY BOARD

HEAD



Nguyen Thi An