



Số: 614/BC- CPC1

Hanoi, 09 April 2025

## REPORT ON ACTIVITIES OF THE INDEPENDENT BOARD MEMBER IN THE AUDIT COMMITTEE IN 2024

To: General Meeting of Shareholders of Central Pharmaceutical CPC1.JSC

*- Pursuant to the Law on Enterprises No. 59/2020/QH14 dated 17 June 2020, as amended and supplemented by Law No. 03/2022/QH15 passed by the National Assembly on 11 January 2022;*

*- Pursuant to the Charter of Central Pharmaceutical CPC1.JSC issued on 11 April 2024;*

*- Pursuant to the Operational Regulations of the Audit Committee.*

I, Mrs. Tran Thi Kim Khanh, Independent Member of the Board of Directors and Chairwoman of the Audit Committee of Central Pharmaceutical CPC1.JSC, respectfully present to the General Meeting of Shareholders the following report on the supervising activities of the Audit Committee in 2024:

### **I. Organization and Activities of the Audit Committee**

The Audit Committee, under the Board of Directors, was established pursuant to Resolution No. 32/NQ-BOD dated 12 June 2024. Its members include:

- Mrs. Tran Thi Kim Khanh – Independent Board Member, Chairwoman of the Committee.

- Mr. Nguyen Doan Liem – Non-executive Board Member, Committee Member.

The Committee operates in accordance with the Regulations issued by the Board of Directors, ensuring full compliance with legal provisions and the Company's Charter. In 2024, the Committee held two regular meetings to review, discuss, and provide opinions on matters within its assigned functions.

### **II. Evaluation of Coordination with the Board of Directors, Board of Management, and Other Key Managers**

Throughout the supervising process, the Audit Committee maintained effective coordination with members of the Board of Directors, the Board of Management, and relevant departments. The Board of Management facilitated the supervision work by providing timely and sufficient information. Based on this, the Audit Committee analyzed, consolidated, and presented recommendations to the Board of Directors in meetings to improve management practices and enhance operational efficiency.



### **III. Supervision Results in 2024**

#### **1. Supervision of Financial Statements**

The Audit Committee reviewed and assessed the 2024 Financial Statements after the audit conducted by Ernst & Young Vietnam Limited. The financial statements were prepared in accordance with Vietnamese Accounting Standards and accurately reflected the Company's financial position and business results.

The accounting policies and estimation methods were applied consistently, with no material changes recorded in the reporting period. The independent auditing firm issued an unqualified opinion, and the financial statements were disclosed in accordance with regulations.

#### **2. Supervision of Related Party Transactions**

The Audit Committee reviewed transactions with related parties and found them to be transparent and compliant with applicable laws, the Company's Charter, and internal regulations. No signs of conflict of interest or regulatory violations were detected in the executed transactions.

#### **3. Internal Control and Risk Management System**

In 2024, the Audit Committee coordinated with the Internal Audit Department of the parent company – Vietnam Pharmaceutical Corporation - JSC – to develop and implement a thematic audit plan at CPC1. Recommendations from the internal audit were seriously considered and implemented by the Board of Management. The Company also enhanced its control capabilities by improving risk management processes, supported by the newly established Legal Department.

#### **4. Supervision of the Board of Directors, Board of Management, and Independent Auditor**

The Audit Committee closely monitored the activities of the Board of Directors through participation in meetings, information exchange, and voting on critical matters. The Board of Management's operations were deemed compliant with the strategic direction and effectively implemented the Board's resolutions.

The independent auditing firm, Ernst & Young, fulfilled its contractual obligations and maintained objectivity and independence throughout the audit process.

### **IV. Activity Orientation for 2025**

In 2025, the Audit Committee will focus on the following key tasks:

- Monitoring the quality of the preparation and presentation of periodic financial statements to ensure accuracy, reasonableness, and compliance with accounting standards and legal requirements;
- Evaluating the effectiveness of the internal control and risk management systems, including follow-up on the implementation of internal and external audit recommendations;
- Strengthening the Internal Audit Department by consolidating personnel and aiming to build a dedicated team within the Company, in replacement of the current support mechanism from the parent company;



- Reviewing and providing opinions on related party transactions subject to the approval of the Board of Directors or the General Meeting of Shareholders, ensuring compliance and conflict-of-interest prevention;
- Proposing the appointment of the independent auditor for 2025 to the General Meeting of Shareholders, and monitoring the auditor's independence and objectivity throughout the engagement;
- Enhancing coordination between the Audit Committee, the Board of Directors, the Board of Management, and relevant departments to improve supervision effectiveness and promote transparent and professional corporate governance across the Company.

#### **V. Conclusion**

- The Audit Committee has fulfilled its assigned functions and duties, contributing to improved transparency and effectiveness in corporate governance.
- As an Independent Board Member, I commit to continued close collaboration with the Board of Directors and the Board of Management in strengthening the governance system, increasing shareholder value, and supporting the sustainable development of the Company.

Sincerely thank the General Meeting of Shareholders for your trust and support.

#### **Recipients:**

- *As above;*
- *Board of Directors;*
- *Archives: Clerical, Secretary.*

#### **INDEPENDENT BOARD MEMBER CHAIRWOMAN OF THE AUDIT COMMITTEE**



**Tran Thi Kim Khanh**

