

**DRAFT**

**REPORT ON THE ACTIVITIES  
OF THE INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS  
IN THE AUDIT COMMITTEE IN 2025**

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

*- Pursuant to the Law on Enterprises No. 59/2020/QH14 passed by the National Assembly of the Socialist Republic of Vietnam on 17 June 2020, as amended and supplemented by Law No. 03/2022/QH15 passed on 11 January 2022 and Law No. 76/2025/QH15 passed on 17 June 2025;*



*- Pursuant to the Charter of Central Pharmaceutical CPC1.JSC (5th amendment) dated 11 April 2024;*

*- Pursuant to the Regulation on Operation of the Audit Committee.*

I, 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 report on the supervisory activities of the Audit Committee for the year 2025 as follows:

**I. Organization and activities of the Audit Committee**

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

-  Ms. Tran Thi Kim Khanh: Independent Member of the Board of Directors, Chairwoman of the Committee.
-  Mr. Nguyen Doan Liem: Non-executive Member of the Board of Directors, Committee Member.

The Audit Committee operates in accordance with the Regulation issued by the Board of Directors, ensuring compliance with legal regulations and the Company's Charter.

In 2025, the Audit Committee held three regular meetings to review, discuss, and provide opinions on matters within its assigned functions and responsibilities; it also participated in Board of Directors meetings to promptly monitor the Company's operational activities.

**II. Coordination between the Audit Committee, the Board of Directors, and the Board of Management**

In carrying out its supervisory functions, the Audit Committee has maintained coordination with the Board of Directors, the Board of Management, and the Company's functional departments.

The Board of Management and relevant units have cooperated by providing the necessary information and documents to support the Audit Committee's supervisory work. Based on this, the Audit Committee has conducted analyses and evaluations and provided

opinions and recommendations at the Board of Directors' meetings, thereby contributing to improving the Company's governance and operational effectiveness.

### **III. Supervisory results in 2025**

#### **1. Supervision of the Board of Directors and the Board of Management**

In 2025, the Audit Committee attended the Board of Directors' meetings to promptly grasp the Company's operational situation and provide recommendations to the Board of Management to support improvements in management and administration, thereby contributing to the Company's operational effectiveness. The Audit Committee conducted the following supervisory activities:

- Supervised compliance with legal regulations, the Company's Charter, and the implementation of resolutions of the General Meeting of Shareholders and the Board of Directors;
- Monitored the Company's production, business activities, and financial situation;
- Supervised the management and administration by the Board of Management in implementing the Board of Directors' resolutions;
- Reviewed and provided opinions on related-party transactions in accordance with regulations.

#### **2. Supervision of financial statements and audit activities**

The Audit Committee reviewed and verified the Company's quarterly financial statements and the 2025 annual financial statements before submitting them to the Board of Directors.

Based on its collaboration with the independent audit firm Ernst & Young, the Audit Committee noted that the auditor had fully performed its contractual responsibilities, ensuring independence and objectivity during the audit process.

The Audit Committee also monitored communications between the Board of Management and the independent auditor regarding accounting and financial issues arising during the audit process.

#### **3. Internal control system and risk management**

- In 2025, the Audit Committee coordinated with the Internal Audit Department of Vietnam Pharmaceutical Corporation – JSC in developing plans and conducting specialized audits at the Company.

- Recommendations from the internal audit were adopted and implemented by the Board of Management. The Audit Committee also monitored the implementation of these recommendations to contribute to improving the internal control system and enhancing the Company's risk management effectiveness.

- Additionally, the Company has gradually reviewed and improved internal governance processes, strengthened control and compliance efforts in coordination with functional departments, particularly the Legal and Finance & Accounting departments.

### **IV. Evaluation by the Independent Member of the Board of Directors**

In my capacity as an Independent Member of the Board of Directors and Chairwoman of the Audit Committee, based on monitoring the Company's activities in 2025, I offer the following overall evaluation:

- **Firstly, regarding governance and management:** The Board of Directors and the Board of Management have carried out governance and management activities in line

with the strategic direction and resolutions of the General Meeting of Shareholders. Corporate governance continues to be improved toward greater transparency, compliance with legal regulations, and enhanced operational efficiency.

- **Secondly, regarding financial management and auditing:** The Company's financial statements have been prepared and presented in accordance with accounting standards and applicable legal regulations. The audit conducted by the independent auditor ensured objectivity and independence. The provision of information to support the supervisory activities of the Board of Directors and the Audit Committee was carried out fully and in a timely manner.

- **Thirdly, regarding internal control and risk management:** The Company's internal control system has been essentially established and operates in accordance with the Company's scale and operational characteristics. Internal audit activities have actively contributed to identifying, assessing, and providing recommendations to improve the control system and risk management.

However, in the context of the Company's ongoing expansion and the requirement to raise governance standards, the internal control system and the internal audit function need to be strengthened to ensure greater proactivity, independence, and effectiveness in supervisory work.

Based on the above, I evaluate that the Company's governance and control activities in 2025 were generally carried out in compliance with legal regulations, the Company's Charter, and corporate governance practices, while there remains room for further enhancement of governance quality and the control system in the next phase of development.

#### **V. Direction of the Audit Committee's activities in 2026**

In 2026, the Audit Committee will continue to perform its supervisory duties according to its assigned functions, with a focus on the following areas:

- Supervising the preparation and presentation of the Company's periodic financial statements, ensuring accuracy, fairness, and compliance with accounting standards and legal regulations;

- Monitoring and evaluating the operation of the internal control and risk management system, including the implementation of recommendations from internal and independent audits;

- Reviewing and providing opinions on related-party transactions within the approval authority of the Board of Directors or the General Meeting of Shareholders;

- Coordinating with the Board of Directors in selecting and proposing an independent audit firm for the 2026 fiscal year to be submitted to the General Meeting of Shareholders for approval;

- Continuing to monitor and recommend improvements to the internal control system and gradually strengthen the internal audit function within the Company.

In addition, to enhance the effectiveness of supervision and internal control in the next phase of development, I recommend that the Board of Directors and the Board of Management consider prioritizing the implementation of the following key areas:

- o Strengthening and developing the internal audit function toward a specialized and independent model, including appropriate personnel allocation and the improvement of organizational structure, functions, and reporting mechanisms, with increased connection and reporting to the Audit Committee to ensure objectivity in the supervisory process.

○ Developing an annual internal audit plan based on risk assessment, focusing on the Company's key areas such as revenue and sales policies, accounts receivable, inventory, compliance with pharmaceutical regulations, and working capital management.

## **VI. Conclusion**

In 2025, the Audit Committee fully performed its functions and duties as prescribed, contributing to enhancing transparency, efficiency, and compliance in the Company's governance activities.

The year 2026 marks the election of the Board of Directors for the 2026-2031 term, in accordance with the Company's Charter and current legal regulations. During the transition between terms, the current Audit Committee will continue to fully perform its supervisory functions as required until the new Board of Directors is established and the Audit Committee for the new term is formed in accordance with regulations.

The Audit Committee is confident that the new Board of Directors and Audit Committee will continue to inherit and build upon the achieved results, while continuously improving the corporate governance system, strengthening internal control, risk management, and information transparency, thereby contributing to the enhancement of the Company's value and sustainable development.

In my capacity as an Independent Member of the Board of Directors, I will continue to exercise objective supervisory functions, contributing to improved corporate governance and safeguarding the legal rights and interests of shareholders.

I sincerely thank the General Meeting of Shareholders for their trust and support.

### **Recipients**

- As above;
- Board of Directors;
- Archives: Admin,  
Company Secretary.

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

**Tran Thi Kim Khanh**