

IMEXPHARM CORPORATION

THE SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No.: 15 /BC-IMP

Cao Lãnh City, April 03, 2025

## REPORT

### ACTIVITIES OF THE AUDIT COMMITTEE IN 2024

#### I. Structure and Activities of the Audit Committee in 2024

The Audit Committee (AC) was established pursuant to the Resolution of the Board of Directors (BOD) on February 23, 2024. It consists of two members and operates in accordance with the Audit Committee's Charter, which is issued in compliance with current legal regulations and aligned with advanced corporate governance practices.

Structure and Activities of the Audit Committee in 2024:

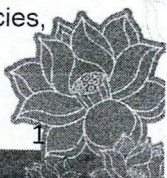
No.	Full name	Position	Positions in AC	Appointment Date
1	Hoang Duc Hung	Independent Board Member	Chairman	February 23, 2024
2	Truong Minh Hung	Non-Executive Board Member	Member	May 23, 2024

In 2024, Imexpharm's Audit Committee fully carried out its responsibilities in financial oversight, internal control, risk management, and legal compliance, contributing to the enhancement of corporate governance efficiency.

During the year, the Audit Committee held two official meetings, with the content and results as follows:

- Focused on outlining the committee's functions and developing an action plan for 2024, the oversight mechanism, and information exchange with the Executive Board, as well as independent monitoring functions with the Board of Directors;
- Proposed that the Executive Board develop and issue the Reporting Regulation for violations during the year;
- Monitored transactions with related parties and suggested creating a regulation for monitoring transactions with related parties according to applicable regulations and practices;
- Recommended and directed the strengthening of the Company's risk management and internal control systems to ensure safety in business operations;
- Provided guidance on enhancing the operations and resources of the Internal Audit function;
- Closely monitored the implementation of the resolutions of the General Shareholders' Meeting (GSM) and the Board of Directors (BOD), urging the Executive Board to comply with and implement the roadmap set forth.

In addition, the Chairman of the Audit Committee also supported the Board of Directors in providing advisory opinions on corporate governance, Environmental – Social – Governance (ESG) policies,







and advising on the development of a risk management framework, contributing to the enhancement of Imexpharm's operational standards.

The Audit Committee also assisted the Board of Directors in reviewing and proposing the appointment of KPMG as the independent auditing firm, based on criteria ensuring quality and independence in auditing IMP's financial statements.

The Audit Committee carried out its supervisory duties and provided timely recommendations to help Imexpharm improve governance effectiveness, risk control, and sustainable development.

## **II. Results of corporate governance monitoring by the Audit Committee**

### **1. Monitoring the activities of the Company, the Board of Directors, and the Executive Board**

The Audit Committee closely monitored the Company's activities, ensuring compliance with applicable laws and regulations, the Charter, and internal governance policies. The Audit Committee advised the Executive Board on cases of potential risks or material non-compliance, which were then updated and reported to the Board of Directors for direction. In addition, the Audit Committee regularly updated on the Company's performance and put forward recommendations to improve the effectiveness of risk management.

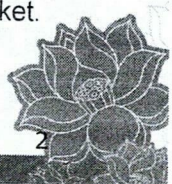
For the Board of Directors, the Audit Committee monitored and evaluated the implementation of the Resolutions of the General Meeting of Shareholders and the Board of Directors to ensure timely implementation of decisions. All important issues were openly discussed in meetings to thoroughly analyze relevant risk factors involved in achieving business goals. The Audit Committee closely coordinated with the Board of Directors to ensure effective implementation of risk management strategies and policies in line with the Company's development orientation.

For the Executive Board, the Audit Committee maintained regular dialogue to evaluate the implementation of business and operational management plans, the implementation of risk management and internal control activities in line with practices and regulations. Through in-person discussions and meetings, the Audit Committee ensured that the Executive Board complies with prescribed procedures and policies to achieve the set operational goals. The Audit Committee also provided strategic recommendations for the Executive Board to optimize operational performance while minimizing material risks that may arise.

### **2. Appraisal and monitoring over the preparation and presentation of financial statements**

In 2024, the Audit Committee urged the review of quarterly financial statements and the appraisal of semi-annual and annual financial statements to ensure accuracy and reliability before publication. Based on analysis report of functional departments and audit results of independent auditors, the Audit Committee concludes that the financial statements of Imexpharm are prepared in alignment with applicable accounting standards, ensuring integrity, reasonableness, and consistency in recognition principles.

The Audit Committee believes that no material misstatement in revenue, profit or asset items is included, and no potential fraud affecting the quality is detected in the financial statements of Imexpharm. Furthermore, the Company fully complies with regulations on information disclosure in financial statements, thereby strengthening transparency and enhancing its reputation in the market.



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### 3. **Monitoring, sustaining, and improvement of the internal control and risk management system**

In 2024, Imexpharm completed and implemented a risk management and internal control framework aligned with advanced practices, thereby enhancing the ability to identify and control material risks. The Company has established a Risk Management and Compliance Department to ensure that risk management activities are carried out systematically with professional support from the Chairman of the Audit Committee. The Department implemented the self-evaluation of risks in each division/department during the year. The Department also developed and issued the risk management policy, including risk management processes, risk measurement, and risk evaluation handbook, all of which were approved by the Board of Directors. At the same time, the Company's material risk portfolio was determined and updated, which helped optimize risk management measures in operations.

Imexpharm also promoted training activities on risk management and compliance, ensuring unified awareness throughout the system, especially at sales branches. Continuous monitoring helped the Company ensure that there were no potential unrecognized risks and establish evaluation processes to prevent fraud and irregularities. The close coordination between the Executive Board and the Board of Directors in risk management and compliance has contributed to improved management efficiency as well as stable and sustainable business operations.

### 4. **Monitoring of internal audit and independent audit activities**

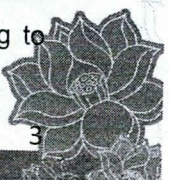
In 2024, the Audit Committee closely monitored the activities of Internal Audit and Independent Audit to ensure transparency, compliance, and effectiveness in Imexpharm's control system. The Company strengthened the function of Internal Audit (established in accordance with Circular 05) and issued the Internal Audit Charter. It also implemented an appropriate audit plan, focusing on selection and management process of consulting contractors and coordination with the Risk Management and Compliance Department to conduct audits of sales branches to promptly put forward recommendations and propose adjustments to relevant departments. Audit processes were performed systematically based on risk evaluation, thereby strengthening the internal control system, and enhancing the ability to identify and prevent risks.

The Audit Committee also supervised the selection and activities of KPMG as the independent auditor selected by the Board of Directors by authorization of the General Meeting of Shareholders and on the recommendation of the Audit Committee. 2024 marked KPMG's first year of audit at Imexpharm. The auditor sustained a high level of independence and contributed to enhancing the reliability of financial statements. KPMG's audit results evidence that the Company's financial statements have been prepared honestly, objectively and in compliance with applicable accounting standards with no material misstatement or irregularity while meeting the requirements for disclosure of reviewed and audited financial information applicable to listed companies. These results have strengthened financial transparency and enhanced the confidence of shareholders and stakeholders in Imexpharm's operations.

### 5. **Monitoring of related-party transactions**

In 2024, the Audit Committee closely monitored related-party transactions, ensuring compliance with applicable laws and regulations and absence of conflicts of interest. Through the review process, the Audit Committee confirmed that the transaction terms were carried out transparently according to

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market principles, meeting the requirements and regulations on management, approval, and disclosure of information on the securities market, maintaining fairness and protecting the interests of shareholders.

**6. Other issues of legal compliance**

In 2024, the Audit Committee closely monitored Imexpharm's legal compliance, particularly in the areas of tax, environment, pharmaceutical business, and corporate governance. The Legal Department regularly updated, evaluated legal risks, and reported periodically to the Audit Committee to put forward appropriate recommendations, ensuring the Company's absolute compliance with applicable laws and regulations. The Audit Committee also proposed improving the functions, tasks, and resources of the Internal Audit Department for enhanced effectiveness of control and compliance throughout the system.

**ON BEHALF OF THE AUDIT COMMITTEE**

**CHAIRPERSON**



**HOÀNG DUC HUNG**

