

**REPORT ON THE ACTIVITIES OF INDEPENDENT BOARD MEMBERS
IN THE AUDIT COMMITTEE AT THE 2024 ANNUAL
GENERAL MEETING OF SHAREHOLDERS**

I. ORGANIZATION AND OPERATING MECHANISM OF THE AUDIT COMMITTEE

1. Organizational Structure

The Audit Committee, under the Board of Directors (BOD) of Ha Do Group Joint Stock Company, consists of two members:

By April 27, 2024, the Audit Committee members include:

Mr. Nguyễn Đức Mạnh - Independent Board Member : Chairman of the Audit Committee

Mr. Hoàng Đình Hùng – Independent Board Member : Member of the Audit Committee

As of April 27, 2024, the Audit Committee members include:

Ms. Trần Thị Quỳnh Anh – Independent Board Member : Chairman of the Audit Committee

Ms. Cao Thị Tâm – Non-Executive Board Member : Member of the Audit Committee

2. Operating Mechanism:

The Audit Committee (AC) operates under the regulations issued by the BOD, in accordance with the Company's Charter and applicable legal provisions, including the Law on Enterprises, the Law on Securities, and related decrees and circulars.

II. ACTIVITIES OF THE AUDIT COMMITTEE IN 2024

1. Audit Committee meetings

- The AC convened two meetings in 2024 to discuss and direct audit activities, aligning with the company's operational changes, and to summarize the AC's annual performance.
- These meetings were held in person, with full attendance from all committee members. All matters presented and discussed during these meetings received agreement from the attendees.

2. Remuneration, expenses, and other benefits of AC members

- AC members received remuneration in accordance with the provisions for BOD members, as detailed in the Company's 2024 financial statements.
- Expenses supporting AC activities and benefits for its members were in full compliance with the internal regulations of Ha Do Group Joint Stock Company.
- Beyond the above-mentioned remuneration, AC members did not receive any additional benefits or remuneration for their roles within the AC.

3. Financial Statement oversight results

- Within its authority and duties, the AC reviewed the semi-annual and 2024 financial statements of both the parent company, HDG, and its subsidiaries, as well as the consolidated financial statements, based on reports from the independent auditor. The AC acknowledged and approved the audited 2024 financial statements, which were prepared and presented accurately in accordance with Vietnamese Accounting Standards (VAS) and applicable regulations.
- In 2024, no fraud or potential fraud risks were detected in the 2024 financial statements.

4. Evaluation of Internal Transactions

- Transactions with related parties requiring approval from the BOD or the General Meeting of Shareholders (GMS) were conducted in compliance with regulations.
- The Company complied with, monitored, and explained transactions between the Company and its internal persons and/or related persons of the company's internal person. These transactions were publicly disclosed in accordance with the provisions of law, and no conflicts of interest were detected in transactions with related parties.

5. Oversight of the Internal Audit Department (IAD), evaluation of the Internal Control System (ICS), and Risk Management (RM)

- **Oversight of the IAD:**

- As soon as Decree 05/2019/ND-CP of the Government on Internal Audit took effect, the IAD was established and became an important part of corporate governance at HDG. The AC always closely monitors the activities of the IAD to ensure the effectiveness and quality of its activities.
- In practice, prior to each workplan development, the IAD consulted with the BOM to develop a realistic audit plan focusing on high-risk areas and submitted the plan to the BOD for approval. Based on the plan approved for 2024, the IAD carried out the following main activities:
 - + Review quarterly, semi-annual, and annual financial statements of the parent company and its subsidiaries, including the consolidated financial statements of the Group.
 - + Conduct periodic and regular audits, identifying operational inconsistencies within operations of each unit as well as in the process design, subsequently providing proposals and recommendations to the AC and BOD.
 - + The IAD successfully completed the work plan approved by the BOD for 2024. The audit results showed that: basically, the department/units complied with the process, and audit findings related to risks were at an insignificant level. The IAD has continued to monitor the implementation of post-audit remediation by the BOM and reported the results to the AC and BOD;

- **Supervision of the Company's ICS and RM:**

- The ICS and RM activities were consistently maintained, with a focus on controlling corporate management expenses to achieve cost savings while ensuring operational efficiency. Over the past year, internal control and risk management activities achieved positive results, efforts in complying with procedures and regulations functional departments have increasingly improved, contributing to operational risk mitigation.
- The ICS and RM systems closely monitor the efficient use of capital investments in subsidiaries. Additionally, efforts by the control unit are also made to support and provide advice to member units/companies when needed in order to minimize member units'/companies' operational risks.

6. Supervision of the BOD, BOM, and other management levels

- **Supervision of the BOD:**

- In 2024, the BOD convened several meetings to discuss the company's development strategy and directions, as well as to review BOM proposals. Important matters were discussed during BOD meetings, with the participation of the General Director and other key managers.

Opinions of all participants were heard, careful consideration in decision making was made by the BOD.

- The BOD properly exercised its rights in approving matters within its mandated authority and submitted reports to the GMS in compliance with its mandated duties and powers.
- Through its supervision, refer and update best practices in corporate governance were also recommended to the BOD by the AC. Applying good practices in governance was also considered with an open manner by the BOD. Furthermore, participation of the BOD in seminars and economic scenario forums also provided members with broader insights, supporting decisions making process to be aligned with the company's operational realities.

- **Supervision of the BOM and other management levels:**

- The AC supervised the BOM's activities through the implementation of BOD resolutions. For significant company matters, the BOM participated and discussed in BOD meetings. Consequently, BOD's resolutions were strictly followed and well executed by the BOM.
- The BOM's activities were also supervised by the AC through various information sources: participating in direct meetings with BOM members, online meetings, via emails, e-offices, and quick consultations with BOM members, etc. to promptly gather information. The supervision results indicated that the BOM and other managers competently performed their assigned tasks in compliance with the company's regulations.
- In 2024, no cases were identified where BOD or BOM members acted dishonestly or engaged in any conflicts of interest with the company.

7. Supervision and Evaluation of the independence & objectivity of the Independent Auditor

- The selected the independent auditing firm Ernst & Young Vietnam Auditing Company, performed their work independently and objectively, ensuring reliability, and complying with professional standards. The independent audit report was issued on the required schedule.
- No issues regarding conflicts of interest or factors affecting the independence and objectivity of the auditors, audit team, or auditing firm were identified.

8. Coordination between the AC, BOD, and BOM

- The AC received cooperation from the BOD and BOM in fulfilling its duties. Committee members regularly attended BOD and BOM meetings to directly obtain information and provide timely recommendations for BOD consideration.
- The BOM actively acknowledged the AC's recommendations to address post-audit issues, promptly adjusting operations to prevent potential risks.
- The BOM directed departments to collaborate effectively with the IAD, providing necessary information and documents for the AC/Internal Audit to perform their duties.
- The BOD and BOM worked collaboratively in timely information disclosure as required, ensuring the rights of shareholders and investors.

III. RECOMMENDATIONS OF THE AUDIT COMMITTEE

- In the context of the volatile business environment, the AC recommends that the BOD:
 - + To prioritize and strengthen corporate governance by adopting and integrating best practices into the company's governance toolkit;

- + To direct the BOM to review and update the operational documents system to align with the company's current business conditions, thereby enhancing the efficiency of departments and divisions;
- + To ensure compliance with regulations and focus on key issues and high-risk areas;
- + To enhance awareness and accountability among the BOM and management levels regarding corporate governance and operational risk management to proactively prevent and mitigate potential risks.
- A sharing information regime between the Committee and the BOM should be improved, supporting the audit and control unit in conducting their work, promptly submitting opinions and recommendations to the BOD.
- The AC also recommends that the BOM continues to provide timely information to the audit and control committee to facilitate their work and ensure that their recommendations and reports are promptly submitted to the BOD.

IV. ORIENTATION OF THE AUDIT COMMITTEE'S ACTIVITIES FOR 2025

- In 2025, the AC will continue to focus on controlling high-risk areas to prevent operational risks and provide timely recommendations to the BOD.
- Review financial statements, mandatory disclosures, corporate governance reports, annual reports, and related-party transactions within the authority of the BOD and the GMS.
- Closely direct and monitor the IAD's planning and implementation to ensure cost-effectiveness and efficiency.
- Support the BOM in expediting post-audit corrective actions and actively obtain information from various channels to fulfill the AC's oversight responsibilities.
- Proactively participate in seminars and forums for Board members and AC members to enhance expertise, update best corporate governance practices, and apply them effectively to improve governance efficiency.

This concludes the Audit Committee's report, respectfully submitted to the 2024 Annual GMS.
Sincerely!

**INDEPENDENT BOD MEMBER -AUDIT COMMITTEE
CHAIRMAN**

(signed)

Tran Thi Quynh Anh