

GELEX GROUP



SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

No.: 01/2024/GELEX/BC-UBKT

Hanoi, 5 March 2024

## REPORT OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS IN THE AUDIT COMMITTEE

**To: ANNUAL GENERAL MEETING OF SHAREHOLDERS OF 2024  
GELEX GROUP JOINT STOCK COMPANY**

### 1. List of independent members of the Board of Directors (“BOD”)

At the reporting date, the BOD of GELEX Group Joint Stock Company (“GELEX”) has 2/5 independent members (accounting for 40% of the number of BOD members), which is in accordance with the provisions of the Enterprise Law 59/2020/QH14 promulgated on 17 June 2020 and also in line with the provisions of Clause 4 Article 276 Decree 155/2020/ND-CP guiding the Securities Law.

The list of independent members in the Audit Committee is as follows:

Full name	Appointment date	Position at GELEX
Mr. Dau Minh Lam	18 June 2021	BOD Member, Chairman of the Audit Committee

### 2. Report of Independent Member of the BOD in the Audit Committee

#### 2.1. Evaluation of activities of the Board of Directors and the Board of Management

The Independent Member of the BOD supervised the activities of the BOD and the Board of Management (BOM) in the fiscal year 2023 in the following specific aspects:

- ***Financial reporting, operations, and financial position of GELEX***
  - Financial statements were prepared and published in accordance with accounting standards and current regulations of law. The prepared financial statements give a true and fair view of the financial position of GELEX;
  - Resolutions and decisions were issued validly by the right authority in compliance with the information disclosure regime applicable to listed companies;

- The selected auditor is qualified in terms of reliability, honesty, compliance with audit deadlines, compliance with professional regulations, independence, and objectivity when giving audit opinions;
- GELEX's financial position in 2023 was maintained healthy; in particular, indicators of solvency, capital structure, and operational capacity were in line with the Group's development reality.
- ***Compliance with regulations on holding BOD meetings***
  - BOD meetings were convened and conducted in accordance with the process and procedures stated in the GELEX Charter. The contents of the BOD meetings were reported, discussed, and evaluated fully, openly, fairly, transparently, and carefully to give the best orientations and solutions for GELEX;
  - In 2023, the BOD held 07 (seven) BOD meetings to evaluate and update the Group's business and financial situation, thereby discussing and making appropriate policies and decisions on development strategy, management system, developing and revising necessary governance policies and decisions for GELEX;
  - The BOD decisions at the meetings are in accordance with the law, the GELEX Charter, the GELEX Internal Governance Regulations, the Annual General Meeting of Shareholders (AGM) resolutions, and the strategy approved and reported at the AGM.
- ***Supervision of the BOM***

The Audit Committee conducted supervision through:

  - Directly participated in BOD meetings, supervised the activities of the BOM through the observance of the BOD resolutions as well as the decentralization mechanism between the BOD and the BOM;
  - Deploying supervision activities by the Audit Committee in a variety of ways through reporting channels and contacting with Heads of specialized departments in building a system of internal governance documents at GELEX;
  - Using the reporting channels and contacting the Internal Audit Department (“**IAD**”).
- ***GELEX's internal control and risk management system***
  - The BOM implemented a flexible combination of adaptive measures to prevent risks in the context of economic downturn, thereby minimizing the impact on business activities;
  - Management of legal issues and legal risks was carried out effectively. In 2023, GELEX did not incur any material legal risks;
  - The material risks detected in internal audit were notified by the Audit Committee to the BOM and the BOD for timely directions of remedial measures. The BOM has been

implementing the 2023 Internal Audit's recommendations by combining risk management and strengthened internal control activities.

- ***Transactions between GELEX internal persons or related persons of internal persons and subsidiaries or companies controlled by GELEX***

GELEX complied with the relevant regulations on the authority to approve, monitor, and disclose transactions between GELEX internal persons or related persons of internal persons and GELEX, subsidiaries, or companies controlled by GELEX. These transactions were disclosed in accordance with the provisions of the law.

## **2.2. Report on activities of the Audit Committee**

In 2023, the Audit Committee continued to operate based on the standards and conditions of members of the Audit Committee and the functions and duties of the Audit Committee as prescribed in the Enterprise Law 2020 and Decree 155/2020/ND-CP. On this basis, the BOD approved:

- The change of Members of the Audit Committee (Resolution 10/2023/GELEX/NQ-HDQT dated 26 April 2023);
- The Internal Audit Plan of 2024 (Resolution 35/2023/GELEX/NQ-HDQT dated 15 December 2023).
- ***Meetings, conclusions, and recommendations of the Audit Committee***
  - The Audit Committee consulted the IAD on the Internal Audit Plan of 2024, action program, and other professional issues;
  - The Audit Committee organized regular meetings as prescribed, and the recommendations of the Audit Committee and the IAD were sent to relevant parties for implementation to mitigate risks.
- ***Coordination of the Audit Committee with the BOD and the CEO***

The Audit Committee actively coordinated with the BOD and the CEO in performing the duties in compliance with the provisions of the issued Regulations of the Audit Committee.
- ***Remunerations, operating expenses, and other benefits of the Audit Committee and each of its members***

Remunerations, operating expenses, and other benefits of the Audit Committee and each of its members were compliant with the provisions of the Enterprise Law and the GELEX Charter. Further details were presented in GELEX's Financial Statements for the fiscal year ended 31 December 2023.
- ***Overseeing the Internal Audit Department and internal audit activities***

- The IAD operated in accordance with the Internal Audit Regulations approved in Resolution 22/2022/GELEX/NQ-HDQT amending and supplementing the Internal Audit Regulation dated 30 August 2022;
- The members of the IAD were professionally qualified as prescribed in Decree 05/2019/ND-CP on internal audit and in accordance with the Internal Audit Regulations of GELEX. Capacity building for internal auditors was emphasized;
- The Audit Committee supervised the quality of internal audit, consultancy, and other professional issues of the IAD in meetings of the Audit Committee and ad-hoc professional exchange meetings, thereby providing timely directions and comments to ensure the effective operation of the Internal Audit;

### **3. Recommendations of the Independent Member of the BOD**

The Independent Member of the BOD made several recommendations on the governance and management of the BOD and the BOM of GELEX as follows:

- Continue to implement the recommendations in the 2023 report and have a clear roadmap and timeline for implementing the recommendations;
- The General Meeting of Shareholders approve the list of independent auditors for the fiscal year 2024 as proposed by the Audit Committee;
- Regularly inspect and assess the internal control system at GELEX in order to review and limit risks in the process of operation and business;
- Continue to comply with the law in transactions between GELEX's internal persons, their affiliated persons and GELEX, subsidiaries, and companies controlled by GELEX following the BOD Resolution on compliance with integrity requirements and clearly communicate throughout the Group;
- Build and complete the Group's risk management framework, raise awareness of system-wide risk management;
- Manage capital mobilization in line with medium- and long-term strategic directions, thereby ensuring balance, efficiency, rigor, and compliance;
- Develop goals and orientations of financial management throughout the system in a methodical and clear manner and in accordance with the Group's strategic role;
- Use resources after asset restructuring carefully in correspondence with common strategic goals and effectively;
- Balance capital sources, choose optimal business plans for large projects to balance finances and cash flow.

The General Meeting of Shareholders is respectfully requested for consideration and approval of the full text of the Report.

**Recipients:**

- *Shareholders;*
- *BOD;*
- *Information disclosure;*
- *Filed in office.*

**INDEPENDENT MEMBER OF THE BOD**

(signed)

**DAU MINH LAM**