



**THANH THANH CONG – BIEN HOA  
JOINT STOCK COMPANY**

**SOCIALIST REPUBLIC OF VIETNAM**

**Independence – Freedom – Happiness**

*Tay Ninh, September 30<sup>th</sup>, 2025*

**ANNUAL REPORT OF THE AUDIT COMMITTEE IN FY 2024-2025**

**AND ACTION PLAN FOR FY 2025-2026**

**To: GENERAL MEETING OF SHAREHOLDERS.**

**Dear Shareholders,**

**Dear General Meeting,**

***Pursuant to:***

- *Law on Enterprises of the Socialist Republic of Vietnam No.59/2020/QH14 dated 17 June, 2020;*
- *Law No. 76/2025/QH15 dated June 17, 2025 amending and supplementing - certain provisions of the Enterprises Law No. 59/2020/QH14 dated June 17, 2020*
- *Functions, Roles of the Audit Committee prescribed in Company Charter; Regulations on organization and operation of The Audit Committee;*
- *OECD Principles of Corporate Governance;*
- *COSO Internal Control Framework 2013;*
- *ERM Framework 2017 & ISO 31000-2018;*

The Audit Committee (AC) submits to the Annual General Meeting of Shareholders (GMS) the report on the activities of the AC for the fiscal year (FY) 2024–2025 and the orientation for activities in the FY 2025–2026 as follows:

**I. OVERVIEW OF THE AUDIT COMMITTEE**

**1. Functions, responsibilities and powers**

- Monitor the honesty of the Financial statements and disclosures of the Company's financial results.
- Direct and supervise the activities of the Company's Internal Audit Department; advise the Board of Directors (BOD) on building and developing the Internal Audit Department, including appointment, dismissal, removal of the Chief Internal Auditor, approval of the annual activity plan of the Internal Audit Department, monitor and report to the BOD on the activities and maturity level of the Internal Audit Department.
- Supervise to ensure the Company and its subsidiaries comply with legal regulations, the requirements of regulatory agencies, and other internal regulations of the Company.
- Monitor and evaluate the Company's Internal Control and Risk Management systems.

- Review (through the Internal Audit) transactions with related parties under the approval authority of the BOD or the GMS and make recommendations on transactions requiring the BOD or the GMS approval.
- Recommend independent audit firms, audit fees, and related contract terms for the BOD approval.
- Monitor and evaluate (through the Internal Audit) the independence and objectivity of the audit firm and the effectiveness of the audit process; especially in cases of changing audit firms or audit fees.
- Supervise the Company's Managers and Executives and its subsidiaries in implementing corrective actions for issues reported by Internal Audit.
- Independently supervise and evaluate risk management policies, propose solutions to the BOD for handling risks arising in the Company's operations.
- Have the right to access data related to the financial situation of the Company and its subsidiaries; communicate with the Manager, Executive to collect information for AC activities.
- Have the right to use external legal, accounting, and other consulting services when necessary to perform the AC's functions and responsibilities.
- Develop and update organization and operation regulations of the AC and submit them to the BOD for approval.
- Prepare written reports to the BOD when detecting that managers or executives of the Company or its subsidiaries do not fully perform their responsibilities as prescribed by the Law on Enterprises and the Company Charter
- Other obligations as prescribed by the Company Charter and by law from time to time.

## **2. Information on the Composition and Personnel Structure of the AC**

After the 2023–2024 Annual GMS, the number of AC members decreased from 3 to 2, with personnel changes:

- Dismissal of Ms. Vo Thuy Anh as AC Chairwoman from October 24, 2024.
- Dismissal of Mr. Dao Duy Thi as AC Vice Chairman from October 24, 2024.
- Appointment of Mr. Le Quang Phuc as AC Chairman from November 21, 2024.

The independent BOD members in the AC continue to be maintained at 2 members to ensure compliance with the Company Charter and international corporate governance practices.

### **2.1. Mr. Le Quang Phuc: Independent BOD Member – AC Chairman**

- Appointment to AC and as Chairman: November 2024
- Qualifications: Master of Business Administration
- Professional Experience:

- Over 25 years of working at large enterprises in the fields of investment, construction, real estate, retail.
- Over 17 years of management consulting for Vietnamese enterprises.
- Nearly 20 years as a non-executive/independent BOD member at many listed joint stock companies.
- In-depth understanding of strategy, corporate governance, corporate restructuring, executive management, management systems/policies, human resource management, and finance/investment.
- Shareholding ratio with voting rights: 0.00%

**2.2. Ms. VO THUY ANH - Independent BOD Member – AC Chairwoman**

- Appointed as AC member: November 2022, and as Chairwoman from October 2023.
- No longer an independent BOD member – AC Chairwoman from October 2024.
- Qualifications: Bachelor of Finance – Accounting.
- Professional Experience: Many years in FMCG, real estate, especially in governance and strategy, and experience in business management.
- Shareholding ratio with voting rights: 0.02%

**2.3. Mr. DAO DUY THI: BOD Member – AC Vice Chairman**

- Appointed to AC: October 2023
- No longer a BOD member – AC Vice Chairman from October 2024
- Qualifications: Bachelor of Finance and Banking
- Professional Experience: Many years in finance, accounting, auditing; long-time member of CPA Australia and CFA Vietnam
- Shareholding ratio with voting rights: 0.00%

**2.4. Mr. TRAN TRONG GIA VINH: Independent BOD Member – AC Member**

- Appointed to AC: October 2023
- Qualifications: Bachelor of Business Administration and Master of Economics
- Professional Experience: Many years in human resource management, corporate restructuring, business management and transformation, and business operations.
- Shareholding ratio with voting rights: 0.00%

The AC consists of 2 members:

- AC Chairman – Independent BOD Member – Mr. Le Quang Phuc
- AC Member – Independent BOD Member – Mr. Tran Trong Gia Vinh

## II. PERFORMANCE OF DUTIES IN FISCAL YEAR 2024–2025

### 1. Remuneration , operating expenses and other benefits of the AC

In FY 2024–2025, the AC had no separate remuneration or operating expenses. Remuneration for AC members is only the BOD member remuneration, and operating expenses are included in the BOD's operating expenses as approved by the GMS.

The AC supervises the implementation of Internal Audit operating expenses according to the budget plan approved by the BOD.

### 2. Summary of AC Activities in FY 2024–2025

#### a. AC Meetings

- In FY 2024–2025, the AC held 8 meetings. Details are as follows:

| STT | Meeting Dates | Participants   | Discussion  | Voting Rate |
|-----|---------------|--|---|-------------|
| 1   | Jul 12, 2024  | <ul style="list-style-type: none"><li>- Ms. Vo Thuy Anh (Chairwoman)</li><li>- Mr. Tran Trong Gia Vinh (Member)</li><li>- Mr. Dao Duy Thi (Member)</li></ul> | Impact and risks of the change of AgriS BOD Chairman due to term expiration.  | 100%        |
| 2   | Jul 24, 2024  | <ul style="list-style-type: none"><li>- Ms. Vo Thuy Anh (Chairwoman)</li><li>- Mr. Tran Trong Gia Vinh (Member)</li><li>- Mr. Dao Duy Thi (Member)</li></ul> | <ul style="list-style-type: none"><li>- Approach and response to audit requests from major shareholders.</li><li>- Preparation for the 2023–2024 Annual GMS</li></ul>   | 100%        |
| 3   | Nov 28, 2024  | <ul style="list-style-type: none"><li>- Mr. Le Quang Phuc (Chairman)</li><li>- Mr. Tran Trong Gia Vinh (Member)</li></ul>                                    | <ul style="list-style-type: none"><li>- Handover of Internal Audit management between new and former AC Chairmen.</li><li>- Unification of Internal Audit activities centralized at Holdings.</li><li>- Implementation of tasks to restructure the AC and Internal Audit model.</li></ul> | 100%        |

| STT | Meeting Dates | Participants   | Discussion   | Voting Rate |
|-----|---------------|--|--|-------------|
| 4   | Dec 19, 2024  | <ul style="list-style-type: none"> <li>- Mr. Le Quang Phuc (Chairman)</li> <li>- Mr. Tran Trong Gia Vinh (Member)</li> </ul> | <ul style="list-style-type: none"> <li>- Unification of Internal Audit plan for the last 6 months of FY 2024–2025.</li> <li>- Selection of independent audit firm for 2024–2025.</li> <li>- Action plan for the last 6 months of 2024–2025.</li> </ul>   | 100%        |
| 5   | Jan 17, 2025  | <ul style="list-style-type: none"> <li>- Mr. Le Quang Phuc (Chairman)</li> <li>- Mr. Tran Trong Gia Vinh (Member)</li> </ul> | Discussion with Risk Management Committee on supplementing training programs to enhance risk management and internal audit effectiveness at AgriS.   | 100%        |
| 6   | Feb 27, 2025  | <ul style="list-style-type: none"> <li>- Mr. Le Quang Phuc (Chairman)</li> <li>- Mr. Tran Trong Gia Vinh (Member)</li> </ul> | <ul style="list-style-type: none"> <li>- Supervision of the truthfulness of the semi-annual reviewed financial statements for 2024–2025.</li> <li>- Review of Internal Audit work progress.</li> <li>- Internal Audit plan for March 2025.</li> </ul>  | 100%        |
| 7   | Apr 03, 2025  | <ul style="list-style-type: none"> <li>- Mr. Le Quang Phuc (Chairman)</li> <li>- Mr. Tran Trong Gia Vinh (Member)</li> </ul> | <ul style="list-style-type: none"> <li>- Communication program on the three lines of defense model with the Risk Management Committee.</li> <li>- Adjustment of organization and operation regulations of the AC.</li> <li>- Supervision of the truthfulness of Q3 reviewed financial statements for 2024–2025.</li> <li>- Review of Internal Audit work progress.</li> <li>- Work implementation plan in the fourth quarter.</li> </ul> | 100%        |
| 8   | May 22, 2025  | <ul style="list-style-type: none"> <li>- Mr. Le Quang Phuc (Chairman)</li> <li>- Mr. Tran Trong Gia Vinh (Member)</li> </ul> | <ul style="list-style-type: none"> <li>- Review of Internal Audit work progress.</li> <li>- Orientation for the 2025–2026 audit plan.</li> </ul>   | 100%        |



**b. Key AC Activities in FY 2024–2025**

- Completed the role of supervising the BOD and Executive Board in implementing the objectives, resolutions/decisions of the GMS and the BOD.
- Completed supervision of the truthfulness of the Company's financial statements, including quarterly, semi-annual, and annual reviews, and made recommendations (if any) before submission to the BOD for approval and disclosure.
- Completed consultation on the selection of independent audit firms, audit fees, and related contract terms for the BOD approval before implementation. Also monitored and evaluated the independence and objectivity of the audit firm and the effectiveness of the audit process at the Company.
- Completed supervision and evaluation of the internal control and risk management systems.
- Gradually improved the activities of Internal Audit.
- Preparing for the implementation of the Internal Audit model for member units.

**c. Detailed Results and AC Evaluations**

***Supervision of Company, the BOD, and Executive Board Activities:***

- o The AC assesses that the BOD's corporate governance activities have: (i) complied with current legal regulations, the Company Charter, internal governance regulations, the BOD's organizational and operational regulations, the GMS resolutions, and other related governance regulations, and (ii) aligned with the directions and objectives approved by the GMS.
- o The BOD members have professional competence and perform their duties honestly and prudently for the highest benefit of shareholders and the Company.
- o Executive Board has managed operations in accordance with the functions, duties, rights, and obligations of each member, in compliance with current legal regulations and internal governance regulations.
- o The BOD resolutions and decisions have been promptly and properly implemented by Chief Executive Officer. Chief Executive Officer has also fulfilled all obligations to the state and employee policies.
- o The AC agrees with the BOD's corporate governance assessment report and Executive Board's summary report on the Company's business operations.

***Evaluation of Coordination between the AC, the BOD, Executive Board, and Shareholders***

- o The AC has established close coordination with the BOD and Executive Board in performing supervision and internal audit functions.
- o The BOD and Executive Board have facilitated the AC's performance of its functions and duties; all information and documents related to the Company's operations have been fully provided.

- The AC has proactively participated directly in the BOD meetings and discussions with the BOD members and Executive Board on areas of interest.
- The AC supervises compliance with laws, the Charter, and internal regulations; promptly provides information to the BOD on potential risks and makes appropriate recommendations.
- ***Evaluation of Transactions with Related Parties***
  - Apart from transactions related to remuneration, salaries, and other benefits as approved by the GMS, under the BOD's authority and other company regulations, the AC notes that in fiscal year 2024–2025, the Company, its subsidiaries, and other companies controlled by the Company (over 50% charter capital) did not incur any other significant transactions with the BOD members, Chief Executive Officer, or related persons.
  - Related companies are all on the list of entities approved by the BOD for contracts or transactions valued at less than 35% of the Company's total assets as per the latest audited financial statements, in accordance with legal regulations. All transactions serve business and financial activities, with no unusual or illegal transactions.
  - Details of related party transactions are disclosed in the audited financial statements for 2024–2025.
- ***Appraisal of Financial Statements and Supervision of Information Disclosure***
  - The AC has reviewed and appraised quarterly, semi-annual, and annual financial statements to ensure reliability before disclosure.
  - The Company did not violate information disclosure regulations during the period. Accounting policies and principles remained stable compared to the previous year; no signs of fraud were detected.
- ***Consultation on Selection of Independent Audit Firm and Supervision of Independent Audit Activities***
  - The AC advised the BOD to select Ernst & Young Vietnam Limited (E&Y) as the independent audit firm for the Company's financial statements.
  - E&Y fulfilled its duties as per the contract, ensuring reliability, honesty, and quality of financial reports, compliance with deadlines, professional standards, and good cooperation with AgriS.
  - Based on the independent auditor's report, the AC agrees with the independent auditor's conclusion that the 2024–2025 financial statements are prepared honestly, reasonably, in compliance with accounting standards; there are no material errors or fraud, and no unusual fluctuations in revenue, profit, or assets.
  - List of audit firms in the past 5 years:

- *Supervision and Evaluation of Internal Control and Risk Management Systems*

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- The AC notes that the list of key risks has been clearly identified for each FY. This list is continuously updated and monitored, ensuring quick and proactive response to changes, thereby supporting AgriS in achieving sustainable business objectives.
- Evaluation of the Internal Control System:
  - The Company has built a strong control environment with leadership principles oriented towards ethical values. This environment is supported by independent supervision and strong commitment from the BOD to a culture of compliance. Maintained with commitment from the BOD and Executive Board, this control environment encourages creative and pioneering ideas and values contributions from talented staff. Timely reward and motivation policies help retain talent.
  - The control environment ensures independence in the BOD with important contributions from independent members, ensuring objective opinions and decisions, especially in related party transactions.
  - The Company implements effective risk prevention measures, especially in activities with high potential losses. Financial and production risk controls are relatively complete and strict.
  - Financial, accounting, and cost control processes are strictly implemented, with clear task assignments among departments. Asset inspection, inventory, and data reconciliation are performed on time and according to procedures.
  - The Company has built an effective information system, facilitating smooth communication between departments. Reports are prepared fully and transparently as required. The Company's internal information system is also being implemented and improved in stages.
  - The Company is strengthening the supervision/control functions of the defense lines, enhancing the supervision capacity of the first and second lines. Functional departments supervise and evaluate internal control activities and report evaluation results to Executive Board for timely adjustments.
- ***Direction and Supervision of Internal Audit Activities:***
  - The AC assesses that Internal Audit activities in 2024–2025 were carried out according to the BOD's orientations and plans. Internal Audit activities have been adjusted in roles and functions, transformed the operating model, and streamlined the apparatus. Accordingly, Internal Audit is identified as the third line of defense in AgriS's risk management system and is completely independent from the second line.
  - The AC directed Internal Audit to rebuild documents, recruit personnel, and develop audit plans suitable for the new operating model. At the same time, a communication program was organized to inform all units about the three lines of defense model, clarify the role of the third line, and enhance the effectiveness of coordination among the three lines.

- The AC directed Internal Audit to conduct three audits at member units, focusing on issues related to strategic, operational, and compliance risks.
- The AC finds that the approach and audit procedures of the Internal Audit are consistent with international best practices and comply with current legal regulations. The audit plan is developed based on the assessment of key risks in business operations, with consultation from Executive Board and the Risk Management Committee before submission to the BOD for approval. The Internal Audit has completed the audit plan on schedule. Based on the audit results, the Internal Audit's recommendations have been received and corrective actions implemented by relevant units; critical issues have been directed and monitored by Executive Board.
- Internal Audit activities not only provide independent assessments but also propose measures to improve the internal control and risk management systems, helping the Company effectively prevent and detect risks through audit reports.

### **III. OPERATIONAL PLAN FOR FY 2025–2026**

In the FY 2025–2026, in addition to the activities as prescribed by the functions and duties of the AC, the AC will continue to focus on the following key tasks:

- ***Building a solid foundation for internal audit***
  - Develop the Internal Audit Development Strategy for the period 2026–2030 in alignment with the Company's overall development strategy, including directions for operations and human resources.
  - Complete the policy framework and procedures for Internal Audit. Coordinate with the Risk Management Committee and Executive Board to establish mechanisms for interaction among the three lines of defense.
  - Develop the operating model for the Center and the Internal Audit model for member units planning for IPO, integrating digital transformation.
  - Participate in the development of the BOD' supervision regulations, led by the Sustainable Development Committee.
  - Research and apply technological solutions for evaluating, executing, and storing audit information, avoiding manual calculations.
- ***Implementing the audit plan and enhancing professional capacity***
  - Monitor and direct Internal Audit to carry out audits according to the Internal Audit Plan approved by the BOD.
  - Communicate about the three lines of defense model, coordinate and support the First and Second Lines.
  - Develop advanced training materials, including training and guidance for guest auditors.

- Build a network for consulting and professional support.
- Research and develop audit tools and methodologies.

On behalf of the AC, I sincerely thank our valued shareholders for your trust. We are committed to continuing to work with the highest sense of responsibility, contributing to the sustainable development of the Company.

Wishing the Annual General Meeting of Shareholders great success.

Respectfully.

**OBO. AUDIT COMMITTEE**

**CHAIRMAN**



**LE QUANG PHUC**

