



REPORT

**Results of the assessment by the independent members of the Board of Directors
of the activities of the Board of Directors in 2025**

**To: The 2026 Annual General Meeting of Shareholders
Binh Dinh Pharmaceutical and Medical Equipment Joint Stock Company (Bidiphar)**

A. LIST OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

As of the reporting date, the Board of Directors of Binh Dinh Pharmaceutical – Medical Equipment Joint Stock Company (Bidiphar) comprised two (02) independent members, accounting for 28% of the total number of BOD members, in compliance with the provisions of the Law on Enterprises, the Law on Securities, and their amendments and implementing guidelines.

The list of independent Board of Directors members is as follows:

- Mr. Ta Nam Binh: Chairman of the Board of Directors.
- Ms. Nguyen Thi Minh Giang: Member of the Board of Directors – Chairperson of the Audit Committee.

B. REPORT OF INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS MR. TA NAM BINH

1. Overall results of supervision of the Company's operations

- The Company's production and business activities over the past 1–2 years have shown signs of slowing after a period of strong growth, mainly due to the fact that the implementation and achievement of certain strategic objectives for the 2022–2026 period have not met expectations.
- In the next phase, the Board of Directors and the Executive Management (“EM”) need to focus more decisively on implementing key task groups for the 2026–2030 period in order to enhance competitiveness and establish a foundation for sustainable growth. Based on the strategic orientation, the Company will focus on implementing the following key objectives:
 - + Continue to invest in and complete the necessary conditions to meet GMP-EU standards for the cancer drug manufacturing plant and the small-volume parenteral manufacturing plant, thereby enhancing production capacity, product quality, and the ability to meet market requirements.
 - + Diversify the distributed product portfolio, prioritizing products with competitive advantages and strong business efficiency, in line with the Company's development orientation in each period.



- + Further diversify and develop distribution channels, expand market coverage, improve distribution efficiency, and mitigate risks arising from dependence on any single distribution channel.

2. Assessment results of the internal control system and risk management

- Human resource risk has been identified as one of the Company's key risks. In practice, this risk has had and continues to have a significant impact on the Company's operations, as the Company is facing numerous difficulties and challenges, including those arising from external factors. The Board of Directors has directed the Executive Management to strengthen training efforts, develop high-quality human resources, and formulate and implement a succession planning program to ensure stability and sustainable development of the Company.
- The Company's internal control activities still require further enhancement, particularly within the Business Division and the Support Division. The Board of Directors has oriented the establishment of dedicated functions for Legal Affairs, Internal Control, and Risk Management to strengthen inspection and supervision during operations. In addition, during the period before such dedicated functions are established, the Executive Management should regularly conduct inspections and assessments of the Company's internal control activities in order to review and mitigate risks arising in production, operations, and business activities.
- The Board of Directors continues to carry out post-supervision activities through the Audit Committee and the Internal Audit Department. In 2025, the Board of Directors conducted surveys and collected feedback from the Executive Management and relevant departments on perspectives regarding risk assessment and risk management, as a basis for improving the effectiveness of the Internal Audit Department's activities in 2026.

3. Results of supervision over the Board of Directors and the Executive Management

- Members of the Board of Directors should devote more time to studying, reviewing, and promptly contributing opinions on strategic matters that have an impact on the Company's production and business performance in both the short and long term. Currently, the level of participation and input on certain matters is not yet truly consistent among members.
- The Executive Management should continue to strengthen its advisory role and proactively and promptly provide complete information as requested by the Board of Directors, in order to ensure a sufficient basis for the Board's review and decision-making. At present, in some cases, the information provided remains incomplete or not sufficiently timely as required.

C. REPORT OF INDEPENDENT MEMBER OF THE BOARD OF DIRECTORS MS. NGUYEN THI MINH GIANG

1. Remuneration, operating expenses, and other benefits of the Audit Committee and each Audit Committee member

The remuneration, operating expenses, and other benefits of the Audit Committee and each Audit Committee member were in full compliance with the provisions of the Law

on Enterprises and the Company's Charter. Detailed information is presented in the audited 2025 Financial Statements and the 2025 Report on the Activities of the Board of Directors.

2. Meetings of the Audit Committee and its conclusions and recommendations

• Meetings of the Audit Committee:

- In its role of directly overseeing the Internal Audit Department, the Audit Committee held quarterly meetings (04 meetings in 2025) to provide direction and supervise the activities of the Internal Audit Department.
- The conclusions and recommendations of the Internal Audit Department were reviewed, assessed, and agreed upon by the Audit Committee before being submitted to the Board of Directors and the Executive Management for implementation.

• Conclusions and recommendations of the Audit Committee:

- The Executive Management should regularly update and improve internal regulations and departmental operating procedures to enhance productivity and the effectiveness of internal control activities.
- The Executive Management should establish a mechanism to monitor the implementation of internal audit recommendations to ensure that agreed matters are effectively executed in practice.
- The Executive Management should continue to improve the quality of reports and be more proactive and transparent in information disclosure to support the decision-making process of the Board of Directors.

3. Results of supervision over the financial statements, operating performance, and financial position

- The 2025 financial statements were prepared in accordance with accounting standards and applicable laws; were duly issued under proper authority and complied with disclosure requirements for listed companies; and fairly and faithfully reflected the Company's financial position.
- The audit firm selected for 2025 (Ernst & Young Vietnam Limited Liability Company) ensured reliability and integrity, complied with audit timelines and professional standards, and maintained independence and objectivity in issuing audit opinions.
- The Company's 2025 financial statements were audited by Ernst & Young Vietnam Limited Liability Company, thereby providing independent assurance on the accuracy and reliability of the disclosed financial information.

4. Transactions between Bidiphar's insiders, related parties of insiders, and subsidiaries or entities controlled by Bidiphar

Bidiphar complied with relevant regulations on approval authority, monitoring, and disclosure of transactions between its insiders, related parties of insiders, and Bidiphar, its subsidiaries, and entities under its control. These transactions were duly disclosed in accordance with applicable laws.

5. Results of assessment of the internal control system and risk management

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- The internal control and risk management system has been well established in the Manufacturing Division (in line with industry standards); however, there remain areas for improvement in the Business Division and the Support Division.
- The Executive Management has gradually reviewed departmental operational processes and amended, supplemented, and newly issued documents, including regulations and procedures related to operations, thereby enhancing the effectiveness of the internal control system.

6. Results of supervision over the Board of Directors and the Executive Management

• **Activities of the Board of Directors:**

- In 2025, the activities of the Board of Directors complied with legal requirements and the Company's internal regulations. Resolutions and decisions of the Board of Directors were duly issued and complied with information disclosure obligations.
- Members of the Board of Directors fully complied with regulations on participation in Board meetings, and conducted discussions and voting in an independent and objective manner to best safeguard the interests of the Company.
- The Board of Directors proposed timely and effective solutions to support the Executive Management in operating the Company, and effectively carried out supervision and control to ensure compliance with laws and regulations.
- The Board of Directors supervised the Executive Management and management officers in implementing resolutions of the General Meeting of Shareholders; executing resolutions and decisions of the Board of Directors; and managing production and business operations in compliance with laws and internal regulations, without undermining the Executive Management's autonomy in day-to-day operations.

• **Activities of the Executive Management:**

- The Executive Management fully and promptly implemented resolutions and decisions of the General Meeting of Shareholders and the Board of Directors, and effectively executed the Company's production and business plans.
- The Executive Management demonstrated strong proactiveness in managing the Company's production and business operations.
- Members of the Board of Directors holding executive positions regularly attended both regular and extraordinary meetings of the Executive Management. Important decisions of the Executive Management were analyzed, reviewed, and consulted with the Board of Directors to ensure the Company's best interests.

7. Results of assessment of coordination between the Audit Committee, the Board of Directors, the General Director, and shareholders

The Audit Committee proactively coordinated with the Board of Directors and the General Director in performing its duties, in compliance with the provisions of the Audit Committee's Operating Regulations as promulgated.

We respectfully submit this report to the Annual General Meeting of Shareholders for approval.

Sincerely,

Recipients:

- *Shareholders of Bidiphar;*
- *BOD, Audit Committee;*
- *Executive Board;*
- *Stored at Company Secretary Office.*

**INDEPENDENT MEMBER OF THE
BOARD OF DIRECTORS
Chairman of the Board of Directors**



TẠ NAM BÌNH

**INDEPENDENT MEMBER OF THE
BOARD OF DIRECTORS
Chairperson of the Audit Committee**



NGUYỄN THỊ MINH GIANG



