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Ha Noi, June 5<sup>th</sup> 2026

**REPORT OF THE BOARD OF DIRECTORS  
on Corporate Governance and the Operational Performance of the Board  
of Directors and Individual Members of the Board of Directors for  
the 2021-2026 Term; Orientation and Plan for the 2026-2031 Term**

To: The 2026 Annual General Meeting of Shareholders

The Board of Directors of Machines and Industrial Equipment Corporation (MIE) hereby respectfully submits to the General Meeting of Shareholders the report on corporate governance and the operational performance of the Board of Directors (BOD) and individual members of the BOD for the 2021–2026 term, together with the orientation and plan for the 2026–2031 term, as follows:

**I. ASSESSMENT OF THE ACTIVITIES OF THE BOARD OF DIRECTORS FOR THE 2021–2026 TERM**

**I. Overview of the 2021–2026 Term**

**1. Composition of the Board of Directors**

• The 2021 Annual General Meeting of Shareholders approved the election results and the list of elected members of the Board of Directors for the 2021–2026 term, comprising the following members:

- Mr. Tran Quoc Toan
- Mr. Le Quoc Hung
- Mr. Hoang Minh Viet
- Mr. Cu Ngoc Phuong
- Ms. Tran Thi Thu Trang

Mr. Tran Quoc Toan was elected by the Board of Directors to serve as Chairman of the Board of Directors, and Mr. Le Quoc Hung was appointed by the Board of Directors as General Director of MIE.

• On June 28, 2022, the 2022 Annual General Meeting of Shareholders approved the dismissal of Mr. Le Quoc Hung from the Board of Directors and elected Mr. Pham Thanh Dong as a member of the Board of Directors.

• On March 15, 2024, the 1st Extraordinary General Meeting of Shareholders in 2024 approved the dismissal of Ms. Tran Thi Thu Trang from the Board of Directors and elected Mr. Le Huy Hai as a member of the Board of Directors.

• On September 6, 2024, the 2nd Extraordinary General Meeting of Shareholders in 2024 approved the dismissal of Mr. Pham Thanh Dong from the



Board of Directors and elected Mr. Vu Trung Thuc as a member of the Board of Directors.

• On June 26, 2025, the 2025 Annual General Meeting of Shareholders approved the dismissal of Mr. Hoang Minh Viet from the Board of Directors.

As of the reporting date, the Board of Directors consists of the following members:

- Mr. Tran Quoc Toan - Chairman of the Board of Directors
- Mr. Le Huy Hai - Member of the Board of Directors cum General Director
- Mr. Vu Trung Thuc – Member of the Board of Directors
- Mr. Cu Ngoc Phuong – Member of the Board of Directors

## **2. Activities of the Board of Directors during the 2021-2026 Term**

During the 2021–2026 period, the business operations of Machines and Industrial Equipment Corporation continued to face numerous challenges arising from the global economic situation, which directly affected the Vietnamese economy.

In 2021, the Covid-19 pandemic continued to have severe adverse impacts on countries worldwide, including Viet Nam. In 2022, the military conflict between Russia and Ukraine, together with China’s Zero-Covid policy, disrupted global supply chains and contributed to rising oil prices and inflation. In 2023, the global economy slowed down while bad debts and inflation remained at high levels, alongside continuing geopolitical tensions. During 2024–2025, although the global economy showed signs of recovery, global market demand remained weak and major economies continued adjusting their policies.

In addition to the foregoing objective challenges, this period also witnessed continuous changes in MIE’s senior management personnel, with the position of General Director changing three (03) times from 2021 to 2024. Within its assigned functions and duties, the Board of Directors consistently accompanied and supported the General Director in order to ensure that the Corporation’s operations were promptly stabilized and directed toward sustainable development.

The Board of Directors, exercising its powers and duties in accordance with the Charter, consistently endeavored to fulfill its assigned responsibilities, uphold a high sense of accountability to the collective, and make positive contributions to the management and operation of production and business activities. The Board also closely monitored actual business conditions, leveraged the Corporation’s strengths, and directed and guided the Executive Management in fulfilling the objectives and tasks approved by the Annual General Meeting of Shareholders. All activities of the Board of Directors were aimed at ensuring stable and efficient business operations, maintaining employment and improving income for

employees, and ensuring that financial and investment activities were conducted in a transparent, prudent and cost-efficient manner.

During the 2021–2026 term, in compliance with the Law on Enterprises, the Charter on Organization and Operation of Machines and Industrial Equipment Corporation, and corporate governance and business operation requirements, the Board of Directors organized meetings and issued resolutions and decisions as follows:

- In 2021: organized eighteen (18) meetings and issued fifty-five (55) resolutions and thirty-two (32) decisions;

- In 2022: organized twenty-one (21) meetings and issued fifty-seven (57) resolutions and twenty-six (26) decisions;

- In 2023: organized eighteen (18) in-person meetings, conducted seven (07) written consultations with BOD members, and issued fifty-five (55) resolutions and thirty-seven (37) decisions;

- In 2024: organized twenty-two (22) in-person meetings, conducted eleven (11) written consultations with BOD members, and issued seventy-one (71) resolutions and thirty-five (35) decisions;

- In 2025: organized fifteen (15) in-person meetings, conducted nine (09) written voting procedures, and issued fifty-nine (59) resolutions and thirty-two (32) decisions.

## II. Operational Results of the Board of Directors for the 2021-2026 Term

In implementing the resolutions of the General Meeting of Shareholders, the Board of Directors formulated and implemented annual business plans and operational orientations. Throughout the 2021–2026 term, the Board of Directors exercised its supervisory function to ensure that operational results and objectives were achieved in line with the approved strategies, orientations and plans.

### 1. Implementation of Production and Business Targets

#### a. Consolidated Group

No.	Indicator	Unit	2021		2022		2023		2024		2025	
			Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual	Plan	Actual
1	Industrial production value	VND bn	855	966,8	884	1.099	1.085	1.103	1.132	1.380	1.392	1.336
2	Total revenue	VND bn	1.070	1.231	1.074	1.378	1.276	1.370	1.354	1.639	1.553	1.656
3	Industrial production revenue	VND bn	855	967	884	1.075	1.085	1.103	1.149	1.323	1.332	1.314
4	Profit before tax	VND bn	0	1,2	2,3	-0,8	4,3	8,2	5,3	9,0	11,5	22,4
5	Average employee income	VND mil/per son/month	10,0	10,3	10,2	10,9	10,9	11,6	11,7	13,5	12,9	14,9

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## b. Parent Company

No.	Indicator	Unit	2021		2022		2023		2024		2025	
			Plan	Actual	Plan	Actual	Plan	TH	KH	TH	Plan	Actual
1	Industrial production value	VND bn	315	364	227	254	206	161	228	211	213	228
2	Total revenue	VND bn	450	509	273	317	256	275	300	316	263	281
3	Industrial production revenue	VND bn	315	364	227	254	206	161	228	208	213	210
4	Profit before tax	VND bn	0,7	0,29	1,0	0,31	1,0	1,24	0,77	2,43	2,47	3,22
5	Average employee income	VND mil/per son/month	15,35	15,82	16,19	17,06	17,10	18,88	19,06	21,33	19,99	24,71

During the 2021–2026 period, although production and business activities faced numerous difficulties due to instability in the global economy affecting the Vietnamese economy, overall business operations maintained gradual growth over the years, and most performance indicators exceeded planned targets.

Profit increased steadily over the years, except for 2022 when consolidated profit before tax turned negative for the first time after many years of operation due to unfavorable factors and the handling of legacy issues of Technoimport prior to its transfer to MIE. Profit before tax in 2025 increased by 18.6 times compared to 2021.

Despite positive business performance and relatively strong profit growth, profitability ratios remained modest and dividends available for distribution to shareholders were very limited. In 2022, MIE paid dividends to shareholders at a rate of 0.0396% per share.

In addition to its business achievements, the Corporation remains one of the long-established enterprises in the mechanical engineering sector, recognized by customers and project owners for the quality of its products and services. The MIE brand has established strong credibility and has become a preferred choice for many partners and customers, particularly in the field of hydromechanical equipment for hydropower projects.

## 2. Corporate Governance

- In order to restructure the organizational and operational model of the Corporation to align with actual operational requirements, the Board of Directors issued resolutions and decisions approving adjustments to the organizational structure, governance, supervision, management and executive apparatus, and supporting divisions of the Corporation, with the objective of enhancing leadership and management effectiveness and promoting autonomy and accountability in business operations.

- The Board continued to promulgate and amend internal regulations and policies serving as the legal framework for transparent, clear and consistent

operations of the Corporation, including: Regulations on Organization and Operation of the Board of Directors; Regulations on Assignment of Duties of BOD Members; Internal Regulations on Corporate Governance; Regulations on Assignment of Duties of the Executive Management; Financial Management Regulations; Regulations on Investment Project Management; Information Disclosure Regulations; Regulations on Documentation and Archiving; and Charters on Organization and Operation of subsidiaries wholly owned by MIE.

- The Board directed the Executive Management to strengthen supervision over subsidiaries in order to promptly identify potential risks and implement solutions to improve capital utilization efficiency at member entities.

### 3. Restructuring Activities

During the 2021–2026 period, MIE’s restructuring plan focused on divestment of MIE’s investments in subsidiaries and affiliated companies. However, due to legal obstacles and the lack of attractiveness of certain entities to potential investors, no significant progress in divestment activities was achieved during this period.

On September 27, 2023, the Board of Directors developed and submitted to the competent authorities a comprehensive restructuring proposal for the entire Corporation. However, as of the reporting date, the proposal has not yet received official comments or approval from the competent authorities.

Accordingly, restructuring activities during the 2021–2026 period primarily focused on internal restructuring, including the reorganization and streamlining of the supporting apparatus of the parent company in accordance with operational requirements and actual conditions. For entities with inefficient business operations, restructuring measures were implemented to avoid adverse impacts on the Corporation’s overall performance, specifically as follows:

- Technoimport Company: developed a bankruptcy plan and submitted it to competent authorities for guidance and approval.

- Ho Chi Minh City Branch: the General Director issued a decision to temporarily suspend operations of the branch from December 1, 2022 through November 30, 2026 in accordance with applicable laws.

### 4. Investment Activities

Investment activities approved by the Board of Directors during the 2021–2026 period are summarized as follows:

(Unit: VND billion)

No.	Indicator	2021	2022	2023	2024	2025	Total
1	Approved investment capital plan	13,24	5,8	12,38	21,22	26,21	78,85
2	Actual investment capital implemented	3,14	1,68	4,1	3,54	20,93	33,39

The total approved investment capital during the 2021–2026 period amounted to VND 78.85 billion, mainly invested in subsidiaries within the Corporation.



Actual implemented investment capital during the period amounted to VND 33.39 billion, equivalent to 42.23% of the approved investment plan.

Most investments during the 2021–2026 period related to machinery and equipment procurement, small-scale investments supporting production activities, factory repairs, and environmental compliance items required by competent authorities. These investments contributed to maintaining stable business operations, enhancing production capacity, and improving the competitiveness of member entities within the Corporation.

In addition to new investments, during the 2021–2026 period, the Board of Directors also approved the final settlement of the warehouse construction project valued at VND 11.818 billion and the machinery and production line procurement project valued at VND 6.12 billion of Quang Trung Mechanical One Member Limited Liability Company.

### **5. Financial Management**

- Implemented profit distribution plans and appropriations to funds in accordance with resolutions approved by the General Meeting of Shareholders.

- Approved the parent company's and consolidated financial statements following approval by the General Meeting of Shareholders; and approved financial statements, profit distribution plans and appropriations to funds of subsidiaries in accordance with applicable regulations.

6. Implemented fully and properly the disclosure and transparency obligations in accordance with applicable laws and regulations.

7. Implemented payment of salaries and remuneration to the Board of Directors, Supervisory Board, General Director and other managers in accordance with the levels approved by the General Meeting of Shareholders.

### **8. Supervisory Results over the Executive Management and Managers**

The Board of Directors supervised the Executive Management through inspection and evaluation of the implementation of resolutions and decisions of the Board of Directors. During the past term, under the direction and supervision of the Board of Directors, the Executive Management operated diligently and fulfilled its assigned duties effectively despite challenging business conditions.

## **PART II: ORIENTATION FOR THE 2026–2031 TERM**

### **1. Production and Business Operations**

To pursue the sustainable, safe and long-term effective development of the Corporation while ensuring the interests of shareholders, employees and partners accompanying MIE.

To strive to improve capital utilization efficiency in order to generate dividend returns for shareholders.

### **2. Restructuring Activities**

Based on legal grounds, practical conditions and operational needs, the Board of Directors shall coordinate with SCIC's capital representatives at MIE to formulate a comprehensive restructuring plan for submission to competent authorities for review, approval and implementation.

### 3. Corporate Governance

- To review, amend and promulgate internal legal documents and regulations of the Corporation in line with applicable laws and actual operational conditions. Such regulations and policies must promote proactiveness, accountability, inspection and supervision to ensure operational efficiency.

- To strictly implement internal inspection and control activities, as well as supervision and control over subsidiaries and affiliated companies

- To accelerate digital transformation in order to optimize costs, improve labor productivity and enhance corporate governance efficiency.

### 4. Other Key Tasks

- Equitization finalization: to coordinate with the Ministry of Industry and Trade in completing the final settlement of the equitization process.

- Financial management: to strengthen financial governance capacity, address outstanding financial issues, effectively control cash flow, proactively secure resources for business operations, and enhance financial safety.

- Investment activities: to continue selective intensive investments aimed at improving production capacity at member entities and ensuring investment efficiency commensurate with invested capital. *TF*

**ON BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN**



**Tran Quoc Toan**