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

**REPORT OF THE BOARD OF DIRECTORS  
on Corporate Governance and the Performance of the Board of Directors and  
its Members in 2025, and the Plan for 2026**

To: The 2026 Annual General Meeting of Shareholders

The Board of Directors (“BOD”) of Machines and Industrial Equipment Corporation (“MIE”) respectfully submits to the General Meeting of Shareholders (“GMS”) the report on corporate governance and the performance of the Board of Directors in 2025, together with the plan for 2026, as follows:

**I. ASSESSMENT OF THE ACTIVITIES OF THE BOARD OF DIRECTORS IN 2025**

In 2025, in compliance with the Law on Enterprises, the Charter on Organization and Operation of Machines and Industrial Equipment Corporation and the requirements of corporate governance and business operations, the BOD held fifteen (15) in-person meetings and conducted nine (09) rounds of written opinion solicitation, issuing a total of fifty-nine (59) resolutions and thirty-two (32) decisions.

During 2025, the BOD effectively fulfilled its role in providing direction, supervision and decision-making on significant matters of MIE in accordance with the resolutions of the GMS, the Charter, internal governance regulations and applicable laws. Members of the BOD performed their duties with a high sense of responsibility, clear assignment of responsibilities and close coordination, ensuring transparency, prudence and the best interests of MIE and its shareholders.

The BOD supervised information disclosure activities, ensuring full, transparent and timely compliance with regulations applicable to public companies, including governance reports, annual reports and other periodic and extraordinary reports.

The BOD maintained close coordination with the Supervisory Board (“SB”) while ensuring the SB’s independence in the review and adoption of resolutions. The BOD strictly complied with the requirement to invite the SB to attend meetings and provided the SB with full documents and resolutions on the same basis as BOD members. At the same time, the BOD consistently listened to, respected and considered the opinions of the SB during meetings and written consultation processes.

In 2025, the BOD performed the following principal tasks:

1. Successfully organized the 2025 Annual General Meeting of Shareholders



## 2. Business and Production Activities

- Approved the 2025 business and production plan for the Parent Company and the consolidated Corporation following approval by the 2025 Annual General Meeting of Shareholders.

- Approved and authorized the General Director to approve business and production plans for subsidiaries and dependent units of the Parent Company.

## 3. Restructuring Activities

- Directed the Board of Management to formulate and submit restructuring plans for MIE-invested entities and underperforming enterprises to the BOD for review and approval prior to submission to competent authorities.

- Re-approved the organizational structure of the supporting apparatus of the Parent Company.

## 4. Human Resources Activities

In 2025, the BOD implemented procedures for the appointment/employment of a Deputy General Director of MIE in order to further strengthen MIE's senior management structure. Currently, the Board of Management of MIE consists of one (01) General Director and five (05) Deputy General Directors (full-time and concurrent positions).

In addition, the BOD issued resolutions regarding changes to and appointment of capital representatives at entities in which MIE has invested capital.

## 5. Other Activities.

### a. Financial Activities.

- Approved the financial statements, profit distribution, appropriation and utilization of funds for 2024 applicable to subsidiaries and branches of the Corporation.

- Classified four (04) wholly owned subsidiaries of MIE for enterprise ranking purposes in 2024.

- Selected the auditing firm for the reviewed semi-annual financial statements and audited annual financial statements of MIE and its subsidiaries for 2025.

- Approved the Financial Management Regulations applicable to Ha Noi Mechanical One Member Limited Liability Company and No.1 Tools Joint Stock Company.

### b. Other Activities

- Approved amendments to the charters of one-member limited liability companies.

- Approved the assignment of responsibilities to BOD members and acknowledged the assignment of responsibilities within the Board of Management.

- Performed other activities in support of MIE's operations.

## 6. Salaries, Remuneration, Bonuses and Other Benefits of the Board of Directors and the Supervisory Board in 2025

In 2025, salaries, remuneration, bonuses and other benefits of the Board of Directors and the Supervisory Board amounted to VND 2,249,340,960, of which:

- Board of Directors: VND 1,760,760,000
- Supervisory Board: VND 488,580,000

## II. ASSESSMENT OF THE BOARD OF MANAGEMENT in 2025

The BOD supervised the Board of Management in the administration and implementation of resolutions and decisions issued by the BOD.

1. The Board of Management administered the Corporation's operations in accordance with its functions and duties; reported and sought opinions from the BOD on outstanding, unusual and BOD-authorized matters; and seriously implemented resolutions and decisions of the BOD.

2. The Board of Management reported on the business and production performance and financial position of the Corporation and its member units. Such reports were presented by the General Director at meetings of the BOD. Issues arising during operations were promptly reported to and guidance sought from the BOD.

3. The Board of Management proactively developed the 2025 consolidated business plan and Parent Company business plan for submission to the BOD and subsequently to the GMS for approval; and organized implementation of business activities in accordance with plans approved by the GMS and the BOD.

4. The Board of Management proactively reviewed, revised and re-established regulations on functions, duties and organizational structure, and reorganized the supporting apparatus of the Parent Company for submission to the BOD for approval.

5. The Board of Management proactively proposed policies on equitization/divestment of MIE's investments in member units.

6. Financial supervision of subsidiaries was implemented in accordance with the Corporation's supervision regulations. Supervision results were objective, transparent and accurately reflected the operational status of the units concerned.

7. The Board of Management actively addressed outstanding issues relating to unfinished contracts/projects at the Parent Company and achieved positive results.

8. The Board of Management actively reviewed, revised and formulated internal regulations and policies in line with operational requirements, thereby establishing an adequate legal basis for corporate governance.



### III. ASSESSMENT OF THE IMPLEMENTATION RESULTS OF THE BOARD OF DIRECTORS' ACTIVITIES IN 2025

1. Successfully organized the 2025 Annual General Meeting of Shareholders.

2. The BOD directed and supervised the Board of Management in implementing the 2025 business plan in accordance with the Resolution of the 2025 Annual General Meeting of Shareholders. The Parent Company and subsidiaries made substantial efforts to fulfill assigned business and production targets.

Business performance results in 2025 were as follows:

No.	Indicators	Parent Company		Consolidated	
		2025 Plan (*)	2025 Actual	2025 Plan	2025 Actual
1	Total Revenue (VND billion)	262,57	281,36	1.553,22	1.656,36
2	Industrial Production Value (VND billion)	212,83	228,39	1.392,62	1.336,29
3	Profit Before Tax (VND billion)	2,47	3,22	11,46	22,41
4	Profit After Tax (VND billion)	1,97	2,65	8,91	18,36
5	Average Income (million VND/person/month)	19,99	24,71	12,93	14,93

(\*) The 2025 plan refers to the adjusted plan.

The Corporation's business and production activities continued to focus on traditional sectors and products. In 2025, most major consolidated indicators exceeded planned targets with favorable growth rates, particularly consolidated profit before tax and profit after tax, which significantly exceeded planned figures.

Most units within the Corporation maintained stable and growing operations, ensuring employment and income for employees.

These results reflected the considerable efforts of the Board of Management and all employees during a year characterized by substantial fluctuations and challenges.

3. Restructuring of MIE remained a key priority in operational activities. Based on actual conditions, the BOD actively implemented restructuring measures in an appropriate manner.

The restructuring of the Parent Company's supporting apparatus was completed to improve operational efficiency, enhance collective capacity and optimize costs.

For subsidiaries and affiliated units, competent authorities initially approved the divestment policy for two companies in which MIE held controlling shares, and

bankruptcy procedures for Technoimport Company were submitted to competent authorities for consideration.

4. The BOD regularly directed the Board of Management and leaders of relevant units to review equitization settlement dossiers in preparation for final settlement procedures.

5. Through the state capital representative division, the Corporation strictly implemented directives of the Ministry of Industry and Trade regarding the transfer of state ownership rights from the Ministry of Industry and Trade to the State Capital Investment Corporation (SCIC).

6. The BOD directed the Board of Management and leaders of member units to implement measures aimed at improving capital utilization efficiency, focusing on; Reviewing, classifying and assessing receivables and payables to formulate appropriate capital recovery solutions; reviewing, classifying and assessing inventories and developing detailed roadmaps for inventory disposal and capital recovery to supplement working capital for production and business activities; Mobilizing all available capital sources to minimize bank credit balances, reduce interest expenses and enhance capital efficiency.

7. The BOD fully and strictly complied with directives of the Ministry of Industry and Trade through the state capital representatives.

8. Matters Approved by the 2025 GMS but Not Yet Implemented  
None.

9. Changes to Matters Falling Within the Authority of the General Meeting of Shareholders, Except Where Authorized by the GMS

None.

## II. PLAN FOR 2026

1. To formulate the 2026 business and production plan for submission to the 2026 Annual General Meeting of Shareholders for approval.

2. To direct the General Director to effectively implement the plan approved by the GMS, striving to achieve the highest possible business and production results for 2026 while adopting appropriate management and governance solutions for the Corporation's operations.

3. To formulate a comprehensive restructuring plan for the Corporation for submission to competent authorities for review and approval prior to submission to the GMS.

4. To direct the General Director to organize the review of equitization settlement dossiers already prepared in order to be ready for settlement procedures as directed by competent authorities.

5. To direct the General Director to enhance capital utilization efficiency and continue strengthening management and governance at companies in which MIE holds equity interests in order to improve investment efficiency.



6. To focus resources on gradually resolving legacy issues and improving the management of capital and assets.

7. To supervise and direct the General Director and other managers in the daily management and administration of MIE, as well as in implementing resolutions and decisions of the GMS and the BOD.

8. To fully and strictly implement directives of SCIC through the state capital representatives.

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



**Tran Quoc Toan**