

No. 382 /BC-MIE-HĐQT

Ha Noi, June 5th, 2025

REPORT

The activities of the Board of Directors in 2024 and plan for 2025

To: The 2024 Annual General Meeting of Shareholders

The Board of Directors of Machines and Industrial Equipment Corporation - JSC (MIE) reports to the General Meeting of Shareholders (GMS) on the performance of the Board of Directors (BoD) in 2024 and the operational plan for 2025 as follows:

I. EVALUATION OF THE BOARD OF DIRECTOR'S PERFORMANCE IN 2024

In 2024, in accordance with the provisions of the Law on Enterprises, the Charter on Organization and Operation of Machines and Industrial Equipment Corporation - JSC, as well as the requirements of governance and business operations, the Board of Directors held 22 meetings, conducted 11 written consultations with BoD members, and issued 71 resolutions and 35 decisions. The Board of Directors carried out the following key tasks:

1. Successfully organized the 2024 Annual General Meeting of Shareholders and two Extraordinary General Meetings of Shareholders in 2024

a) The 2024 Annual General Meeting of Shareholders approved Resolution No. 49/NQ-ĐHĐCĐTN2024 dated June 26, 2024, on the following matters:

- Approval of the Board of Directors' report on activities in 2023 and the plan for 2024.
- Approval of the Corporate Governance Disclosure Report for 2023 and the plan for 2024.
- Approval of the Supervisory Board's report on activities in 2023 and the activity plan for 2024.
- Approval of the self-assessment report on the performance of the Supervisory Board and its members.
- Approval of the report on business performance in 2023 and the business plan for 2024.
- Approval of the 2023 Combined Financial Statements and the Consolidated Financial Statements, the 2023 profit distribution plan of the Parent Company, and the 2024 profit distribution plan.



- Approval of the selection of the auditor for the 2023 financial statements.
- Approval of the 2023 salary and remuneration report for the Board of Directors, Supervisory Board, General Director, and other managers; and the 2024 salary and remuneration plan for the BoD and Supervisory Board.

b) The 2024 Extraordinary General Meetings of Shareholders

The first Extraordinary General Meeting of Shareholders in 2024 was successfully held on March 15, 2024, and the second on September 6, 2024. The following matters were approved:

- First Extraordinary Meeting: approval of the dismissal of Ms. Tran Thi Thu Trang from the Board of Directors and the election of Mr. Le Huy Hai to the Board of Directors for the 2021–2026 term.
- Second Extraordinary Meeting: approval of the dismissal of Mr. Pham Thanh Dong from the Board of Directors and the election of Mr. Vu Trung Thuc to the Board of Directors for the 2021–2026 term.

2. Business Operations

- Approved the 2024 business plan for the Parent Company and the Corporation, following approval by the 2024 Annual General Meeting of Shareholders.
- Approved and authorized the General Director of the Corporation to approve business plans for subsidiary companies and dependent units of the Parent Company.

3. Restructuring Activities

Focused on restructuring efforts at the Parent Company and Technoimport Company.

- For the Parent Company – restructuring of dependent accounting units:
 - Construction and industrial installation company: Appointed Mr. Ngo Ngoc Dien as Director of the company effective from January 1, 2024, replacing Mr. Nguyen The Anh, who was dismissed. Support was provided to help the company seek job opportunities and resume operations.
 - Ho Chi Minh City Branch of the Corporation: Continued the temporary suspension of operations of the Branch for one year, from December 1, 2024, to November 30, 2025.

- For Technoimport Company: Focused on internal restructuring.

The Board of Directors of MIE restructured the Steering Committee for the company's restructuring, chaired by the Chairman of MIE's Board of Directors. Other members include BoD members and the Chairman of Technoimport Company, who serves as a standing member. The Steering Committee is responsible for directing the implementation of restructuring activities at Technoimport Company based on the recommendations and handling measures proposed by the General Director of the Corporation and approved by the Board of Directors.

4. Human Resources Work

4.1. Personnel consolidation work

- Dismissed Mr. Pham Thanh Dong from the position of General Director of the Corporation and appointed Mr. Le Huy Hai as the new General Director.

- Reorganized senior personnel at subsidiaries:

+ Duyen Hai Mechanical Joint Stock Company: Ms. Tran Thi Thu Trang resigned as Chairwoman; Mr. Cu Ngoc Phuong was assigned as Acting Chairman of the Board and Head of MIE's Capital Representative at the company.

+ Quang Trung Mechanical Engineering Company limited: Mr. Dau Huy Ngoc Linh resigned as Chairman; Ms. Tran Thi Thu Trang was appointed Chairwoman.

+ Technoimport Company: Mr. Nguyen Anh Tuan was dismissed from the position of Chairman; Mr. Dang Phi Toan was appointed Chairman.

+ Tools Joint Stock Company No. 1: Mr. Vu Trung Thuc resigned from the positions of Chairman of the Board of Directors and General Director. Mr. Pham Thanh Dong was nominated for the position of Chairman of the Board, and Mr. Do Duc Dung was appointed General Director.

+ ISC Company: Mr. Le Huy Hai resigned as Director; Mr. Nguyen Van Giap was appointed Director as of July 11, 2024.

4.2. Personnel Planning

The Board of Directors reviewed and adjusted the personnel planning for the 2021–2026 and 2026–2031 periods for the subsidiaries: Hanoi Mechanical Company Limited, Quang Trung Mechanical Engineering Company Limited and Mecanimex Products Export-Import Company Limited.

4.3. Changes in MIE's Capital Representatives at Subsidiaries

The Board of Directors approved changes to MIE's capital representatives at Quang Trung Mechanical Company, Technoimport Company, Duyen Hai Mechanical Company, and Tool Joint Stock Company No 1.

4.4. Other Human Resources Work

- Evaluated the 2023 performance of positions under the BoD's management authority and evaluated 2023 performance of state capital representatives holding executive management positions at MIE.

- Approved the pilot regulation on hiring an Executive Deputy General Director and endorsed the hiring of personnel for this position; approved the regulation on task allocation within the Board of General Management.

5. Other Matters.

a. Financial Affairs.

- Approved financial statements, profit distribution, fund allocation, and usage for 2023 for subsidiaries and branches of the Corporation.

- Classified 4 wholly owned subsidiaries of MIE by enterprise performance rating for 2023.

- Selected audit firms for reviewing the 2024 semi-annual and annual financial statements of MIE and its subsidiaries.

- Approved the financial management regulation for Quang Trung Mechanical Engineering Company limited.

b. Investment and Construction Affairs

Approved MIE's 2024 investment plan; adjusted the investment plan for Mecanimex; and approved the Technical and Economic Report for the project to purchase a new CNC sheet metal bending machine to replace the old hydraulic one.

c. Other Affairs

- Completed the approval, issuance, and revision of several internal regulations of MIE to align with operational needs and legal requirements, including the Financial Regulation and the Office Administration and Archiving Regulation.

- Finalized the 2023 salary fund settlement and approved the 2024 salary fund plan for the MIE Head Office and subsidiaries wholly owned by MIE; approved the actual 2023 salary fund and the 2024 plan for subsidiaries in which MIE holds a controlling stake.

- Added business sectors to a subsidiary's business registration.

II. PERFORMANCE REVIEW OF THE CORPORATION IN 2024

1. Business Performance Results.

The Board of Directors directed and supervised the Executive Board in implementing the 2024 business plan in accordance with the Resolution approved by the 2024 Annual General Meeting of Shareholders. The Parent Company and its subsidiaries made efforts to fulfill their assigned business and production targets.

Unit: VND billion

No.	Indicator	Parent Company		Corporation	
		Plan 2024	Actual 2024	Plan 2024	Actual 2024
1	Total revenue	300,0	316,27	1.354,0	1.638,87
2	Industrial production value	228,0	211,29	1.132,0	1.380,04
3	Profit before tax	0,77	2,43	5,30	9,02
4	Profit after tax	0,62	1,93	3,46	7,56
5	Average income (mil. VND/person/month)	19,06	21,33	11,71	13,51

The Corporation's business activities continued to focus on its traditional sectors and product lines. In 2024, most of the Corporation's key consolidated performance indicators exceeded the planned targets with favorable margins, particularly in terms of profit before tax and profit after tax.

For the Parent Company, all targets were exceeded except for industrial production value and revenue from industrial production, which fell short due to delays in several project timelines. However, the remaining indicators surpassed expectations, with profit before tax exceeding the plan by 170.23% and profit after tax exceeding by 218.52%.

Subsidiaries operated stably, experienced growth, and exceeded their assigned plans, ensuring jobs and stable income for employees.

2. Assessment of the Executive Board.

- The Board of Directors has exercised its oversight role over the Executive Board in implementing the Resolutions and Decisions issued by the Board of Directors.

- The Executive Board has managed the Corporation's operations in accordance with its assigned functions and duties. Major, exceptional, or Board-level matters were reported to and consulted with the Board of Directors. Resolutions and decisions of the Board of Directors have been seriously implemented.

- Reports on the Corporation's business operations and financial performance, including those of its subsidiaries, were presented by the General Director during meetings of the Board of Directors. Issues arising during operations were promptly reported and submitted to the Board for guidance.

- The Executive Board proactively developed the 2024 business plan for the Corporation and the Parent Company, submitted it to the Board of Directors for approval, and presented it to the General Meeting of Shareholders for ratification; organized and implemented business activities in line with the plan approved by the General Meeting of Shareholders and the Board of Directors.

- Financial supervision of subsidiaries was carried out in accordance with the Corporation's issued Supervision Regulations, with results reported to the Board of Directors to enhance corporate governance across the Corporation.

- Debt recovery efforts were actively pursued. However, due to various objective factors, the results achieved were below expectations despite some progress.

- Actively and proactively developed and revised internal regulations and rules to align with the Corporation's operational context, thereby establishing a legal foundation for corporate governance.

- Took an active and proactive approach in proposing solutions to address outstanding issues related to certain contracts and projects.

III. EVALUATION OF THE BOARD OF DIRECTORS' PERFORMANCE IN 2024

1. Successfully organized the 2024 Annual General Meeting of Shareholders and two Extraordinary General Meetings of Shareholders.

2. The Board of Directors directed the General Director to implement appropriate and effective measures, striving to fulfill the 2024 business plan at the highest possible level.

3. Finalization of equitization expenses

As of the end of 2024, despite close coordination in completing dossiers and providing necessary documentation, the finalization of equitization expenses has not yet been completed.

4. The Board of Directors closely oversaw the restructuring of Technoimport Company, demonstrated by the establishment of a Restructuring Steering Committee led directly by the Chairman of the Board, in order to promptly address emerging issues.

Corporate governance of member units was taken seriously by the Board of Directors through the direction and completion of regulations on financial management, investment, and the Supervisory Board's operations in single-member limited liability companies. The Board also held direct working sessions with each unit to promptly propose solutions to any difficulties encountered.

6. The Board of Directors fully and strictly complied with directives from the Ministry of Industry and Trade through the appointed capital representative.

7. Resolutions approved by the 2024 General Meeting of Shareholders but not yet implemented

None.

8. Changes under the authority of the General Meeting of Shareholders, unless otherwise authorized by the Meeting.

None.

IV. PLAN FOR 2025

1. Develop the 2025 business plan and submit it to the General Meeting of Shareholders for approval.

2. Direct the General Director to effectively implement the plan approved by the General Meeting of Shareholders, striving to achieve the 2025 business targets at the highest level. Strictly comply with the resolutions and decisions of the Board of Directors while proposing appropriate management and governance solutions for the Corporation's operations.

3. Continue restructuring the organizational apparatus of the parent company to enhance operational efficiency, promote collective strength, and optimize costs.

4. Direct the Executive Board to carry out tasks related to the transfer of ownership from the Ministry of Industry and Trade to the State Capital Investment Corporation (SCIC), as required by the competent authorities. Review the prepared equitization finalization dossiers to be ready for the finalization process as directed.

5. Direct the Executive Board to improve capital utilization efficiency.

6. Focus resources on gradually addressing legacy issues and ensuring sound financial and asset management.

7. Continue to strengthen governance and management at companies in which MIE holds equity, in order to enhance the effectiveness of invested capital.

8. Supervise and direct the General Director and other managers in the day-to-day operations of MIE, as well as in the implementation of resolutions and decisions of the General Meeting of Shareholders and the Board of Directors.

9. Fully and strictly comply with directives from the state capital owner through the appointed capital representative. 

ON BEHALF OF THE BOARD OF DIRECTORS

CHAIRMAN



Tran Quoc Toan

