

**REPORT ON THE ASSESSMENT OF THE IMPLEMENTATION OF THE
2024 PRODUCTION AND BUSINESS PLAN**

To: - Ministry of Finance;
- Ministry of Industry and Trade.

I. BUSINESS PERFORMANCE IN 2024

1. General Assessment

In 2024, Vietnam's economy experienced a strong recovery with a GDP growth rate of 7.09%, exceeding the target of 6.5%. In addition, the decline in the prices of steel and iron (key input materials), along with more favorable exchange rates and lending interest rates, created favorable conditions for the Corporation's business operations.

Despite persistent challenges such as outdated technology and machinery, limited financial and human resources, and recent changes in senior leadership, MIE – with a proactive mindset and under the resolute direction of the Corporation's leadership and its subsidiaries – achieved positive results in its production and business activities for 2024. Specifically:

*** Parent Company:**

- Total revenue: 316,27 billion VND, achieving 105,42% of the annual target.
- Industrial production value: 211,29 billion VND, achieving 92,67% of the annual target.
- Revenue from industrial production: 207,76 billion VND, achieving 91,12% of the annual target.
- Pre-tax profit: 2,43 billion VND, achieving 315,41% of the annual target.
- Average income: 21,33 million VND/person/month, reaching 111,91% of the annual plan.

*** Entire Corporation:**

- Total revenue: 1.638,87 billion VND, achieving 121,04% of the annual plan.
- Industrial production value: 1.380,04 billion VND, achieving 121,91% of the annual plan.
- Revenue from industrial production: 1.321,86 billion VND, achieving 115,04% of the annual plan.
- Pre-tax profit: 9,02 billion VND, achieving 170,19% of the annual plan.



- Average income: 13,51 million VND/person/month, reaching 115,37% of the annual plan.

In general, the Corporation successfully achieved or surpassed most of its key targets for 2024. However, the parent company's industrial production value did not meet the assigned target due to several objective factors, resulting in delays in the progress of certain projects and construction works.

2. Key Advantages and Challenges, and Their Impact on Business Operations

2.1 Advantages:

MIE's domestic and international customers are mainly long-term strategic partners, ensuring a relatively stable order volume.

The team of engineers and workers is skilled, mostly well-trained and inheriting valuable experience. The staff at all levels remain united and committed to the Corporation's development.

MIE receives strong support and favorable conditions from regulatory agencies, especially the functional departments of the Ministry of Industry and Trade.

2.2 Challenges:

Potential global economic risks continue to exist and negatively affect Vietnam's economic recovery outlook. Global trade growth remains low, heavily influenced by increasingly complex and unpredictable geopolitical tensions, coupled with volatility in oil and food prices – all of which impact the recovery trajectory of businesses in 2024. Sharp increases in input and transportation costs have reduced the competitiveness of domestic enterprises

The company face difficulties in securing high-value contracts.

Subsidiaries still face unresolved financial issues, most of which originated prior to their equitization (such as slow-moving inventory and bad debts), which continue to adversely affect operational efficiency.

TABLE 1: SELECTED INDICATORS OF THE CORPORATION'S PRODUCTION AND BUSINESS ACTIVITIES

No.	Indicator	Unit	Plan of the Corporation	Actual Parent Company	Actual Corporation
1	Key Manufactured Products				
a)	Complete equipment systems	VND billion	800,0	211,93	1.144,61
b)	Various types of machine tools	Units	1.100,0	0	799,0
c)	Cutting tools (turning tools, milling cutters, taps, shredding blades, drills, etc.)	VND billion	34,0	0	40,85

No.	Indicator	Unit	Plan of the Corporation	Actual Parent Company	Actual Corporation
d)	Standardized fasteners (bolts, nuts, etc.)	Tons	1.100,0	0	1.920,0
2	Total revenue	VND billion	1.354,0	316,27	1.638,87
3	Profit before tax	VND billion	5,3	2,43	9,02
4	Profit after tax	VND billion	3,46	1,93	7,56
5	Taxes and payments to the State budget	VND billion	-	0,88	14,08
6	Import and export turnover	USD thousand	8,5	0,19	9,52
7	Public service products		-	-	-
8	Total workforce	Persons	872	63	830
9	Total salary fund	VND billion	122,92	16,12	138,03
a)	Management salary fund	VND billion	-	-	-
b)	Employee salary fund	VND billion	-	-	-

II. INVESTMENT SITUATION AND PROJECT IMPLEMENTATION STATUS

1. Assessment of Project Implementation with Total Investment Level from Group B and Above (According to classification under the Law on Public Investment)

In 2024, Machines and Industrial Equipment Corporation – JSC did not implement any projects with a total investment level categorized as Group B or higher.

2. Financial Investments:

Unit: VND

a) Held-to-maturity investments	31/12/2024
- Short-term deposits (3–12 months)	139.639.068.310
- Long-term deposits (over 12 months)	1.500.000.000
Total	141.139.068.310
b) Investments in subsidiaries	31/12/2024
- Hanoi Mechanical Company Limited	644.670.174.361

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- Quang Trung Mechanical Engineering Company Limited	163.327.600.924
- Mecanimex Products Export-Import Company Limited	186.946.683.204
- The Vietnam National Complete Equipment and Technics Import-Export Corporation Limited	35.893.995.830
- Duyen Hai Mechanical Joint Stock Company	126.294.786.164
- Tools Joint Stock Company No.1	3.836.193.800
Total	1.160.969.434.283
c) Investments in joint ventures	31/12/2024
- IBC Building Joint Venture at 37 Trang Thi Street	23.507.495
- Trade Union Paper Joint Stock Company	100.000.000
Total	123.507.495
d) Investments in associates	31/12/2024
- Saigon – Hanoi Trading Investment Joint Stock Company	1.772.952.058
Total	1.772.952.058
e) Capital contributions to other entities	31/12/2024
- Royal Real Estate Investment and Development JSC	9.520.000.000
- Hai Duong Grinding Stone Joint Stock Company	3.381.542.806
- Hai Phong Mechanical Manufacturing Joint Stock Company	1.432.012.200
- Dong Banh Cement Joint Stock Company	12.905.000.000
+ <i>Capital contributed by other shareholders</i>	<i>11.585.000.000</i>
+ <i>Capital contributed by Machines and Industrial Equipment Corporation – JSC (investment of Mecanimex)</i>	<i>1.320.000.000</i>
- HASA Café Joint Stock Company	850.000.000
Total	28.088.555.006

III. INVESTMENT STATUS IN SUBSIDIARIES

a) Hanoi Mechanical Company Limited:

Hanoi Mechanical Company is a wholly owned subsidiary of MIE, in which MIE holds 100% of the charter capital. It is the largest capitalized subsidiary of MIE, with MIE's investment in the company exceeding VND 644 billion, equivalent to 45% of the Parent Company's charter capital.

In 2024, the company maintained stable and on-schedule export orders from key international partners. These included orders for Sumitomo, Komatsu;

counterweight products for Onoda, manhole covers for Hasegawa, engine housings for Toshiba, valve components for Degan Gear, hydroelectric equipment for Voith, Global Hydro, and casting/machining of bandsaw parts for Pilous, among others.

Regarding domestic clients, the company was selected by the Ministry of National Defence to be listed under the Defense Industry Mobilization Program – under the command of the Hanoi Capital Command – and was assigned to complete the planning for the DC82-ST production line. The company received a wide range of domestic orders from various customers, contributing to strong performance across all key production and business indicators in 2024.

b) Quang Trung Mechanical Engineering Company Limited:

Quang Trung Mechanical Company is a single-member limited liability company wholly owned by MIE, with an investment capital of VND 163.327 billion, equivalent to 11.5% of the Parent Company's charter capital.

In recent years, the Company has focused on selecting potential customers with strong liquidity, high mechanical manufacturing content, and significant added value. Additionally, it continues to leverage its strengths in product quality and delivery schedule for long-standing clients such as Hitachi, Taihei, Hyosung, and GE... while actively marketing and seeking new customers. As a result, the Company has secured contracts ensuring year-round employment for its workforce.

By the end of 2024, the Company met and exceeded its annual plan, except for trade revenue, which reached 97.4% of the target due to a focus on production activities. With a strategic shift towards increasing export-oriented manufacturing and reducing the proportion of domestic products, the Company's export value achieved remarkable results, reaching USD 2.74 million—154% of the annual plan.

c) Mecanimex Products Export-Import Company Limited:

Mecanimex Company is a single-member limited liability company specializing in the import and export of mechanical products, wholly owned by MIE. The Company's investment capital amounts to VND 186.945 billion, equivalent to 13.17% of the Parent Company's charter capital.

In 2024, the implementation and completion of the 500kV Circuit 3 transmission line project before June 30, 2024, created favorable conditions for the Company's business operations. Within just the first six months of the year, the Company had nearly surpassed all key performance targets for 2024. As a result, by year-end, all assigned targets were exceeded.

The company has made efforts to explore solutions for expanding and developing the metalworking sector, while also striving to promote commercial business activities based on its existing strengths and experience in mechanical product manufacturing cooperation, supply of standardized materials, and repair and refurbishment of machinery and equipment. In the coming period, the company will continue to execute signed orders, actively seek and secure new contracts to be fulfilled in 2025, thereby ensuring stable production and safeguarding the livelihoods of its employees.

d)) The Vietnam National Complete Equipment and Technics Import-Export Corporation Limited (Technoimport):

Technoimport Company is a single-member limited liability company specializing in the import and export of complete equipment and technical solutions, wholly owned by MIE. The Company's investment capital amounts to VND 35.893 billion, equivalent to 2.53% of the Parent Company's charter capital.

The company's business operations have continued to face significant challenges due to unresolved financial issues inherited from the period prior to its transfer to the Corporation. In 2024, the company recorded a loss of VND 3.04 billion, primarily arising from tax-related liabilities incurred in previous periods. Its revenue reached VND 1.13 billion, mainly from office space leasing activities at its branch offices.

The company has been actively pursuing the recovery of long-outstanding receivables and addressing financial and tax-related issues. For the Ho Chi Minh City Branch, business activities have ceased, and the company is in the process of completing dissolution procedures. The head office in Hanoi is currently undergoing financial restructuring and has relocated to a new address.

e) Duyen Hai Mechanical Joint Stock Company:

Duyen Hai Mechanical Joint Stock Company is a joint-stock company in which MIE holds a 98.19% stake. The Company's investment capital amounts to VND 126.294 billion, equivalent to 8.9% of the Parent Company's charter capital.

In recent years, the Company has gradually shifted its market focus, transitioning toward the production of steel structures for both direct and indirect export. In 2024, export products accounted for nearly two-thirds of the Company's total revenue.

For the domestic market, the Company continues to fulfill contracts for manufacturing hydro-mechanical equipment for hydropower projects assigned by the Corporation, as well as producing spare parts for steel rolling and industrial machinery.

g) Tool Joint Stock Company No.1:

Tool Joint Stock Company No.1 is a joint-stock company in which MIE holds a 51% stake. MIE's investment in the Company amounts to VND 3.836 billion, equivalent to 0.27% of the Parent Company's charter capital.

In 2024, the Company was no longer subject to invoice suspension related to late tax payments for the relocation project. However, it continued to face financial difficulties due to capital shortages and high interest expenses on commercial bank loans. To meet the growing demand for structural product lines, the Company invested additional resources, expanded its facilities, recruited more workers, and purchased additional equipment. Despite these efforts, labor productivity remained low, and production costs were high. Nevertheless, with the Corporation's support—particularly in securing loans at lower interest rates than commercial banks—the Company was able to improve its business efficiency and successfully achieve or exceed most of its planned targets.

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No.	Company Name	Charter Capital	Total Investment by Parent Company	Total Assets	Revenue	Profit Before Tax	Profit After Tax	Profit Remitted to Parent Company	Taxes and Payments to State Budget	Total Liabilities
2.1	Duyen Hai Mechanical Joint Stock Company	128,098	126,294	145,20	132,70	1,31	0,96	0	0,65	16,14
2.2	Tools Joint Stock Company No.1	6,177	3,836	87,18	50,43	-0,84	-0,84	0	4,18	21,51

This is the report on the assessment of the implementation of the 2024 production and business plan by Machines and Industrial Equipment Corporation – JSC, in accordance with Decree No. 47/2021/ND-CP dated April 1, 2021 of the Government, detailing certain provisions of the Law on Enterprises.

Respectfully submitted.

Recipients:

- As above;
- Business Portal of the MoF;
- BOD, BOS (for reporting);
- General Director (for reporting);
- Archived: VT, EMMD.

**ON BEHALF OF THE GENERAL DIRECTOR
DEPUTY GENERAL DIRECTOR**



Vu Trung Thuc