

No. **386** /TTr-MIE-HĐQT

Ha Noi, June 5th, 2025

PROPOSAL

**Report on the 2024 Results and 2025 Plan for Production and Business
Activities of Machines and Industrial Equipment Corporation – JSC**

To: The General Meeting of Shareholders of
The Machines and Industrial Equipment CORP – JSC


Pursuant to the Law on Enterprises 2020;

Pursuant to the Charter on Organization and Operation dated June 21, 2021
and its subsequent amendments and supplements of Machines and Industrial
Equipment Corporation – JSC;

The Board of Directors of Machines and Industrial Equipment Corporation
– JSC respectfully submits to the 2025 Annual General Meeting of Shareholders
the Report on the 2024 business performance and the 2025 business plan as
follows:

1. 2024 Production and Business Results: Details are provided in the
attached Appendix 1.

2. 2025 Production and Business Plan: Details are provided in the attached
Appendix 2.

Respectfully submitting to the 2025 Annual General Meeting of
Shareholders for approval. 

Recipients:

- As above;
- Archived: VT, EMMD.

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



Tran Quoc Toan

APPENDIX 1

2024 Production and Business Results

Of the Machines and Industrial Equipment Corporation - JSC

(Attached with Proposal No. 386/TTr-MIE-HDQT, date: June 5th, 2025)

EVALUATION OF THE IMPLEMENTATION OF THE 2024 PLAN

In 2024, Vietnam's economy recovered with a growth rate of 7.09%, exceeding the target of 6.5%. Additionally, the prices of iron and steel (key raw materials) decreased, and the exchange rate and bank interest rates were more favorable, which facilitated the business operations of the Corporation. Despite still facing many inherent challenges such as outdated technology and machinery, a lack of financial resources and human capital, and changes in senior leadership (General Director of the Corporation), with a proactive approach to dealing with difficulties combined with the decisive leadership from the Board of Directors and the member units, MIE has achieved relatively good business results, as outlined below:

1. Results of Key Performance Indicators:

a) The plan was approved by the 2024 Annual General Meeting of Shareholders in Resolution No. 49/NQ-ĐHĐCĐTN2024 dated June 26, 2024.

• Parent Company:

- Total revenue: 300,0 billion VND.
- Industrial production value: 228,0 billion VND.
- Profit before tax: 0,77 billion VND.
- Profit after tax: 0,62 billion VND.
- Average income: 19,06 million VND/person/month.

• Consolidated Corporation:

- Total revenue: 1.354,0 billion VND.
- Industrial production value: 1.132,0 billion VND.
- Profit before tax: 5,3 billion VND.
- Profit after tax: 3,46 billion VND.
- Average income: 11,71 million VND/person/month.

b) Results of the Key Performance Indicators for 2024.

• Parent Company:

- Total revenue 316,5 billion VND, achieved 105,5% of the annual plan.
- Industrial production value 211,29 billion VND achieved 92,67% and industrial production revenue 207,76 billion VND, achieved 91,12% of the annual plan.
- Profit before tax 2,43 billion VND, achieved 315,32% of the annual plan.
- Profit after tax 1,93 billion VND, achieved 311,7% of the annual plan.
- Average income 21,33 million VND/person/month, achieved 111,91% of the annual plan.

• **Consolidated Corporation:**

- Total revenue 1.638,87 billion VND, achieved 121,04% of the annual plan.
- Industrial production value 1.380,04 billion VND, achieved 121,91% of the annual plan; Industrial production revenue 1.321,86 billion VND, achieved 115,04% of the annual plan.
- Profit before tax 9,02 billion VND, achieved 170,19% of the annual plan.
- Profit after tax 7,56 billion VND, achieved 218,49% of the annual plan.
- Average income 13,51 million VND/person/month, achieved 115,37% of the annual plan.

b) Business operations of the subsidiary companies:

Most units in the Corporation have achieved and exceeded their business targets for the year, especially in terms of revenue, industrial production revenue, and profit.

- Hanoi Mechanical Company: The company has maintained export orders from major partners such as Ondo, Hasegawa, TOSHIBA, N.A. Condor, VOITH, GLOBAL, GUGLER, SMS Group, and Gael Force. The company also received domestic orders, including the project to produce ĐC82-S for the Ministry of Defense and several other orders, such as manufacturing crane structure for Vinalift, casting for Thaco, and orders from Hoa Phat, X179, and Z125. Overall, the company's production and business results in 2024 were positive.

- Quang Trung Mechanical Company: The company focuses on selecting potential customers, maintaining quality and progress for traditional customers, and searching for new clients. In 2024, the company exceeded its plan, except for commercial revenue, which reached 97.4%. With an export-oriented strategy, the export value reached 2.74 million USD, exceeding 154% of the plan.

- Mecanimex Company: The 500kv Line 3 project was completed before June 30, helping the company exceed its plan in the first half of the year. However, at the end of the year, the company faced challenges due to a lack of new projects, with exported products to Japan still in the initial stages and declining infrastructure. Maintenance, site organization, and labor mobilization were also difficult..

- Technoimport Company: The Corporation did not assign a production and business plan to this company as its production mainly relies on renting properties and import-export activities. Although the company has returned the land and property at its Ho Chi Minh City branch and Hanoi office, the outstanding rent and land lease debts from previous periods have affected its business results, causing the company to incur losses in 2024.

- Duyen Hai Mechanical JSC: The company continues to focus on producing export steel structures, with export products accounting for nearly two-thirds of its revenue in 2024. The company also continues to manufacture hydropower mechanical equipment for hydropower projects and produce steel rolling parts for the domestic market.

- Number 1 Tools JSC: The company is no longer subject to forced invoicing for late tax payments but still faces difficulties due to a lack of capital and high bank interest costs. To meet the demand for structural products, the company has invested in expanding its factory, recruiting additional workers, and purchasing equipment. However, labor productivity remains low, and production costs are high. With support from the Corporation, especially loans with low-interest rates, the company has achieved and exceeded most of its planned targets.

2. Production status of key products:

The products of the Corporation can be divided into two main groups: traditional products and industrial equipment, spare parts.

a) The traditional product group includes: various types of machine tools, regulatory products, cutting tools, and cast products.

This product group includes bolt and nut products (regulatory products) from Mecanimex Ltd.; cutting tools from Number 1 Tools Joint Stock Company; and machine tool and cast products from Hanoi Mechanical Ltd. In terms of value, it is approximately 201,12 billion VND, accounting for 14,57% of the industrial production value structure.

- Regulatory products: The production volume achieved 1.920 tons, reaching 174,55% of the annual plan; the value achieved 73,7 billion VND, the implementation and completion of the 500kv line 3 project has created favorable conditions for the production and business activities of Mecanimex Company.

- Cutting tools: the value achieved 28,98 billion VND, reaching 102,77% of the annual plan.

- Machine tools and metal forming machines: The main products are band saw machines and tube bending machines. The production volume achieved 111 units, with a value of 1,18 billion VND. This is because Hanoi Mechanical Ltd primarily focused on metal component products.

- Cast products: This includes a variety of high-quality items exported to European countries, Japan, and others. The value achieved 90,56 billion VND, accounting for a major share of the Corporation's traditional products. The cast products include motor housings, manhole covers, counterweights, and others, which are traditional products of Hanoi Mechanical Ltd.

b) Complete equipment and industrial spare parts:

The Corporation continues to implement contracts signed prior to and during 2023, as well as newly signed agreements in 2024. These include major projects such as the Ialy Hydropower Plant Expansion, Hoa Binh Hydropower Plant Expansion, Tri An Hydropower Plant, Thac Ba 2 Hydropower Plant, Nam Emoun, Nam Phak, DakMi, and Bo Sinh Hydropower Projects. Additionally, the Corporation is manufacturing steel rolling equipment for the Danieli Group.

Key product categories encompass fabricated steel structures, precision mechanical components, and industrial valve systems supplied to clients including Douson, HCD, Hamada, KongJin, Taihei, Degan Gear, among others. Overhead crane systems are also being produced for Vinalift and other customers. In terms of

production value, the complete equipment product segment achieved a total output of approximately VND 1.144,61 billion, accounting for 82,94% of the Corporation's total industrial production value.

Other product lines, such as transformer casings and export-grade industrial components, contributed approximately VND 50 billion in production value, representing 3,62% of the Corporation's industrial production structure.

3. Financial Situation of the Corporation

The parent company has consistently demonstrated sound financial management, ensuring sufficient capital arrangements for its production and business activities. However, there are still several issues requiring focused attention, particularly the unresolved matters related to legacy projects and the recovery of outstanding receivables. Although the company has shown strong determination and implemented various measures to thoroughly address these problems aiming to avoid unnecessary costs and to promptly recover capital for operations the results achieved remain modest.

Most subsidiaries have been able to secure the necessary capital for their business operations. Some operate using internal funds without the need for loans from credit institutions. Despite that, a few units due to objective circumstances have been unable to access financing from such institutions. In response, the parent company has implemented support measures to ensure the stability and continuity of their operations.

Additionally, longstanding financial issues at the subsidiaries have shown little improvement, particularly with regard to bad debts and slow-moving inventories. The Corporation's overall business performance remains low: none of the subsidiaries (limited liability companies) have contributed profits to the parent company, nor have the joint-stock companies generated sufficient retained earnings for dividend distribution.

4. Investment in Construction and Asset Procurement

a) Finalization of Completed Projects

None.

b) Investment and Procurement of New Assets

In 2024, the Corporation's investment and asset procurement activities mainly involved the purchase of small, low-value equipment, construction of environmental-related items as required by competent authorities, and repairs to workshops to ensure stable and continuous operations. The total value of these activities was approximately 3,995 billion VND.

Due to significant limitations in available capital, investment and asset procurement activities have been carried out with caution, careful consideration, and cost-efficiency. All decisions are made based on the principle of ensuring the highest possible return on investment.

APPENDIX 2
2025 Production and Business Plan
of Machines and Industrial Equipment Corporation – JSC
(Attached with Proposal No. 386/TTr-MIE-HĐQT, date: June 5th, 2025)

KEY PLAN INDICATORS
BASIS AND IMPLEMENTATION MEASURES

1. Key Plan Indicators

Based on the 2025 macroeconomic outlook and the factors affecting the Corporation's business operations, as well as the actual capacity of the Corporation and its subsidiaries, the 2025 business plan has been formulated with the primary goal of maintaining stable operations and ensuring employment for workers. The key business targets for 2025 are as follows:

• ***The Corporation***

- Total revenue: 1.553,22 billion VND.
- Industrial production value: 1.392,62 billion VND.
- Industrial production revenue: 1.332,32 billion VND.
- Profit before tax: 11,46 billion VND.
- Profit after tax: 8,91 billion VND.
- Average income: 12,93 million VND/person/month.

• ***Parent Company***

- Total revenue: 266,39 billion VND.
- Industrial production value: 227,39 billion VND.
- Industrial production revenue: 227,39 billion VND.
- Profit before tax: 2,47 billion VND.
- Profit after tax: 1,97 billion VND.
- Average income: 19,99 million VND/person/month.

2. Basis for Plan Formulation

2.1. Factors Affecting Business Operations

a. External factors:

Positive aspects

The Government, ministries, local authorities, and relevant agencies have proactively implemented various measures and policies to support business activities, thereby helping enterprises stabilize and expand their production. Notable policies include: continued reduction of VAT by 2% for businesses and household producers to stimulate consumption; reduction of lending interest rates; and simplification of loan procedures. Reform initiatives, such as mergers and streamlining of organizational structures, have contributed to creating a healthier business environment and promoting sustainable economic growth.

Difficulties

Potential risks stemming from the global economic environment remain present and continue to negatively impact Vietnam's economy. The United States' imposition of retaliatory import tariffs on 180 trade partners worldwide—effective from April 9, 2025—will significantly affect global trade if no changes are made, especially for Vietnam, which is subject to extremely high tariffs of up to 46%. In addition, escalating and unpredictable geopolitical tensions, as well as exchange rate risks, may pose challenges for enterprises in maintaining profitability and operational stability. Furthermore, the sharp increase in input and transportation costs has weakened the competitiveness of domestic businesses.

b. Internal Factors:

Strengths

As one of the mechanical engineering enterprises with a long-standing tradition and strong reputation among clients and investors, the Corporation enjoys significant trust in the industry. Its production units are equipped with newly invested, clean, and well-maintained infrastructure that meets industrial standards and have entered stable operation. In addition, the unity and determination of all officers and employees throughout the Corporation serve as a strong foundation for progress.

Weaknesses

The Corporation still relies on outdated technology and machinery. Financial and human resources remain limited and underdeveloped. High depreciation costs reduce the competitiveness of product pricing.

Most subsidiaries within the Corporation have not yet developed distinctive product strategies with long-term competitive advantages to fully leverage their assets and internal resources. Additionally, several units face persistent issues that seriously impact their business operations.

2.2. Basis for Formulating Key Business Targets in 2025

a. Revenue:

In line with the continued goal of enhancing operational efficiency, the Corporation's overarching policy is to focus all available resources on its core activity—industrial production—and to promote exports. In 2025, the Corporation will maintain its strategy of concentrating on industrial production to increase industrial revenue.

- **For the Parent Company**, the majority of revenue is expected to come from the Corporation Office, which plays a dual role: conducting its own business operations while also overseeing the activities of its subsidiaries.

In 2025, the Parent Company will continue prioritizing the supply of equipment for hydropower projects and further strengthen its supply of products for the irrigation sector. Although industrial production revenue is projected to surpass 2024 levels, a decline in pure trading revenue will result in the Parent Company's total planned revenue for 2025 being lower than in 2024.

The Parent Company will remain proactive in seeking new contracts, enhancing partnerships, and expanding its business scope to ensure it meets its 2025 revenue targets and secures a pipeline of follow-up contracts for 2026.

- **The subsidiaries** within the Corporation have a long-standing tradition in the mechanical engineering sector and possess a skilled workforce of officers, engineers, and technicians, most of whom have been well-trained and inherited expertise to meet the requirements of product design, manufacturing, management, production supervision, and construction site organization. Management practices have seen positive improvements. Most units ensure the capability to arrange capital for production and business activities. They maintain strong joint venture and partnership capabilities with both domestic and international partners. However, due to financial resource limitations, outdated equipment and technology, and a thin technical workforce, they have struggled to keep pace with current market demands. Some units have yet to develop distinctive product development strategies that offer long-term, high competitive advantages for sustainable growth.

In 2025, the following companies: Hanoi Mechanical, Quang Trung Mechanical, Duyen Hai Mechanical, Tool No.1, and Mecanimex, aim to achieve industrial production values equal to or exceeding their 2024 performance.

- Hanoi Mechanical Company, the core unit and largest contributor to the Corporation's business activities, will continue stable operation and growth. The company has developed plans to work with partners to participate in large-scale bids, generating stable revenue while diversifying its product portfolio.

- Quang Trung Mechanical Company focuses on production oriented towards export products and on-site export with high unit prices and added value. Its 2025 goal is to maintain and expand traditional markets and customers, successfully fulfill export orders, and actively seek new customers and large-scale integrated products, continuing to pursue additional export partners.

- Mecanimex Company will further strengthen its industrial production of assembled components, ensuring stable employment for its staff. In 2025, its commercial business unit plans to cooperate with partners in the mechanical engineering manufacturing sector to ensure stability, safety, and efficiency.

- Duyen Hai Mechanical Joint Stock Company will continue to implement orders for hydraulic equipment, export products, and several steel rolling mill orders involving familiar product lines and exports to Japan.

- Tool No.1 Joint Stock Company will balance financial resources to promptly meet production and business needs, repay principal and bank loan interests related to the relocation project. At the same time, it will intensify marketing efforts, maintain traditional customers, and expand the CNC product group to ensure job security and income for workers while increasing business efficiency.

b. Profit:

- **Parent Company:** The profit plan for the Parent Company in 2025 is 2,30 billion VND, equivalent to 94.69% of the profit achieved in 2024.

- **Subsidiaries:** Most subsidiaries have planned profits equal to or higher than those achieved in 2024. In 2025, Tool No.1 Joint Stock Company plans to return to profitability after three years of losses due to tax debt repayments related to the relocation project.

Technoimport Company is expected to incur losses in 2025 because it lacks capital to conduct production and business activities but continues to incur costs related to debt repayments to the state budget.

The pre-tax profit target for the Corporation in 2025 is set at 11,29 billion VND.

c. Product Structure:

The product group of complete equipment and industrial spare parts remains the key segment, accounting for a large proportion of industrial production revenue. It is estimated that in 2025, the achieved value will be approximately 1.104 billion VND, representing 77% to 81% of the Corporation's industrial production revenue structure:

Alongside strengths in supplying complete equipment for various sectors, especially mechanical hydraulic equipment for hydropower plants, the Corporation will continue in 2025 and subsequent years to vigorously expand its market into the irrigation sector to diversify its product portfolio.

- Traditional products group: machine tools, cutting tools, casting products, etc.:

This product group has been manufactured for many years with mastery of the technological processes; however, it faces significant competition from private enterprises and imported products. Due to limited financial resources, investment in new machinery and technology is minimal, making it difficult to significantly increase production volume.

In 2025, casting product output is expected to increase, with an achieved value of approximately 152 billion VND, accounting for about 11% of the Corporation's industrial production revenue.

- Other products: transformer shells, spare parts, export goods, etc.: The estimated value is about 50 billion VND, accounting for 3% to 4% of the Corporation's industrial production revenue.

3. Implementation Solutions

a. The Parent Company, subsidiaries, and affiliated units under the Parent Company will focus on leadership and direction to promote production and business activities, striving to complete and exceed the 2025 plan.

Actively seek new orders and customers by combining various methods, especially large-volume turnkey product orders. Strive to find additional partners to expand and increase export product volume..

b. Improve capital efficiency, focusing on the following tasks:

- Review, reconcile, classify, and evaluate receivables and payables to develop suitable capital recovery plans based on the current production and business situation.

- Review, classify, and evaluate inventory. Develop detailed, phased plans to handle inventory, especially long-stored and low-quality products, to quickly recover capital and supplement funds for production and business activities.

- Mobilize all available capital sources (recover receivables, minimize inventory, accelerate capital turnover, etc.) to reduce bank loan debt to the lowest possible level, cut interest costs, and improve capital utilization efficiency.

c. Concentrate resources to gradually resolve old issues and clean up capital and asset management.

d. Enhance management effectiveness by promptly revising or proposing amendments to regulations and rules to comply with legal requirements and management practice; improve the quality of internal inspection and supervision; promote and raise awareness of thriftiness in production and business activities among all employees.

e. Review the prepared equitization finalization dossier and submit it to the Ministry of Industry and Trade to prepare for finalization as directed by the Prime Minister.

f. Focus on developing a labor plan aligned with the 2025 production and business plan to avoid large labor fluctuations that affect enterprise operations.

Develop human resources to improve management capacity, technical skills, and foreign language proficiency; implement salary and incentive policies aligned with employee effectiveness. Pay attention to and plan for building, training, and nurturing successor staff and effectively implement personnel planning.

g. Strictly implement information and reporting regimes to serve management work according to regulations.

h. Continue solutions to connect units within the entire Corporation to participate in large bidding packages in the hydropower, irrigation, thermal power, and steel sectors, among others...

